

17. (OIL AND GAS LEASE APPLICATION, SECTION 6871.3, PUBLIC RESOURCES CODE, SANTA BARBARA COUNTY - W. O. 2241.) Mr. Sam Grinsfelder of the Union Oil Company of California appeared personally and stated that he had previously appeared before the Commission to request what action had been taken toward classification of lands off the coast of Santa Barbara County, comprising some 62,000 acres, which had been nominated for leasing, in January of 1956, by the Union-Shell-Continental-Superior group. He asked for information regarding the progress being made in the classification of these lands toward offering them for lease.

The Executive Officer reported that the entire area was being studied by the staff's consultants, but that the staff's hopes for having a report for the current meeting had been dashed; he stated, however, that recommendations would be readied for presentation to the Commission at its October meeting.

18. (PUBLIC HEARING RE PROPOSITION NO. 4, "OIL AND GAS CONSERVATION ACT" - W. O. 2265.) The Chairman announced that the Commission was holding a public hearing at this meeting in connection with Proposition No. 4 on the November ballot, the "Oil and Gas Conservation Act", for the purpose of hearing arguments for and against this proposition regarding the effect it would have upon State lands and the development of oil and gas within those lands. He stated that a rather lengthy and detailed opinion, with many ramifications, Opinion No. 56/184, had been rendered by the Attorney General, but that as it had only been received a few days earlier, the members of the Commission had not had sufficient time to study it and determine its implications and what steps it might suggest. Copies of Opinion No. 56/184 were given to all those present, and this opinion is made a part of these minutes by reference to the files of the Commission.

Assistant Attorney General Wallace Howland, who participated in writing Opinion No. 56/184, was present and was called upon by the Chairman to comment, but indicated that he had no remarks to make.

Mr. Kirkwood questioned Mr. Howland as to what weight was given by the Attorney General to some of the arguments presented in the opinion, calling particular attention to doubts that had been expressed, and to points which it had been indicated could not be resolved without litigation, wanting to know if the arguments advanced should be given substantial weight or could be dismissed as more or less frivolous.

Mr. Howland stated that the only part about which any doubt was indicated was the first of the numbered conclusions (about whether the State will retain its present authority to insert and enforce lease provisions and regulations relating to the prevention of waste on State lands, including a reservation of authority to approve the maximum efficient rate of production for all wells operating under State leases) and it was the feeling that there was a substantial doubt as to the outcome of that question, but that it was not a matter of frivolity. He stressed the point that this was not the usual method of treating opinions, but that the matter was so important that they felt obligated to depart from their usual procedure, and to set forth the opinion in the manner in which it was given.