

MINUTE ITEM

10. PROPOSED LEGISLATIVE PROGRAM - W.O. 4500.

After consideration of Calendar Item 10 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO SUBMIT THE PROPOSED LEGISLATION FOR CONSIDERATION DURING THE 1963 SESSION OF THE LEGISLATURE TO PROVIDE FOR THE REPEAL, AMENDMENT, OR ADDITION OF SECTIONS 2600C AND 35311 OF THE GOVERNMENT CODE; SECTIONS 4000 THROUGH 4017, INCLUSIVE, OF THE HARBORS AND NAVIGATION CODE; SECTIONS 6210.9, 6503, 6915, 6815.1, 6852, 6994, 7052, 7061, AND 7417 OF THE PUBLIC RESOURCES CODE; WITH THE FORM OF LEGISLATION TO BE DRAFTED BY THE OFFICE OF THE LEGISLATIVE COUNSEL, TO ACCOMPLISH THE PURPOSES HEREIN PRESENTED, AND AS DETAILED IN EXHIBITS "A" THROUGH "J".

Attachment
Calendar Item 10 (23 pages)

CALENDAR ITEM

10.

PROPOSED LEGISLATIVE PROGRAM - W.O. 4500.

It is proposed that the following Code sections be added, amended or repealed, as detailed in the legislative bill format attached as Exhibits "A" through "J", for the purposes outlined in the following:

- (1) Repeal of Sections 4000 through 4017 of the Harbors and Navigation Code, and Section 26000 of the Government Code. These sections relate to local jurisdiction regarding wharves and piers on ungranted tidelands and were repealed by implication, by virtue of the sole jurisdiction vested in the Commission pursuant to Public Resources Code Section 6301 based on Chapter 5 of the Statutes of 1938. Therefore it is desirable that the subject sections be repealed formally and removed from the Codes. (See Exhibit "A".)
- (2) Section 35311 of the Government Code. The present section regarding annexation of uninhabited lands requires notice to the county supervisors, as owners, but no notice to the State Lands Commission. Section 35313 requires the State Lands Commission to fix a value on any tide and submerged lands proposed to be annexed. However, there is no provision for notice to and protest by the State, as landowner, to the annexation. Since considerable State interest may be involved, it is proposed any such annexation proceeding require effective notification to enable the State to interpose its objections, if any. (See Exhibit "B".)
- (3) Section 6210.9 of the Public Resources Code. In consideration of the Commission's land-management program that may include extensive leasing as well as sales of public land, it is recommended that the authority of the Commission to acquire access rights-of-way be expanded to acquisition of necessary rights-of-way for the benefit of lands being leased, as well as for lands held for sale as is authorized currently. (See Exhibit "C".)
- (4) Section 6503 of the Public Resources Code. The opinion of some applicants for pier permits has indicated the existence of a possible ambiguity in the wording of the existing section. It has been contended that any permit for a pier which is private (i.e., excludes access by the public) should be issued for no consideration other than the \$5 filing fee, irrespective of whether the use contemplated is for 1, 10, or 100 persons. To attempt to define "private" in this context does not appear to be correct. To exclude certain lands from public use for which the State derives no benefit would not appear to be in accordance with public policy. On the contrary, a better argument could be made for a no-rental facility were the public to be permitted free access or nominal-charge access, the proceeds being used solely for facility maintenance. Therefore, it is recommended that this section be amended for clarification to define the class of persons intended to come within the operation of the no-fee provision. (See Exhibit "D".)

CALENDAR ITEM 1C. (CONTD.)

- (5) Section 6815 of the Public Resources Code. This amendment would permit the State to enter into compensatory agreements or negotiated leases not only where drainage may imperil the State interests, but also where the small size of a parcel and/or the lack of access thereto would jeopardize the interests of the State. (See Exhibit "E".)
- (6) Section 6815.1 of the Public Resources Code. The addition of this section would resolve any ambiguity which may presently exist with respect to the authority for the Commission to become a working-interest owner in an oil field and to participate in unit agreements for the development of a field when such a course of action is determined to be in the best interests of the State. (See Exhibit "F".)
- (7) Section 6852 of the Public Resources Code. This amendment would eliminate an impractical limitation on the Commission for leasing lands of State agencies for oil and gas by eliminating the current requirement that a finding must first be made that the lands probably contain commercially valuable deposits of oil and gas. The present law puts State agencies at a disadvantage in that practically, their lands must first be drained before they can be offered for lease. (See Exhibit "G".)
- (8) Section 6994 of the Public Resources Code. At the 1961 legislative session, Public Resources Code Section 6898 was amended to permit the initial term of mineral leases to range to a maximum of 20 years, at the discretion of the Commission, rather than a mandatory initial term of 20 years, as well as permitting discretionary periods, not to exceed 10 years, with respect to the preferential renewal term. For uniformity of administration it is desirable to amend Section 6994 relating to the term of lease for mineral extraction from waters and certain lands in order that the leasing policy under this chapter will parallel that required for other mineral leases. (See Exhibit "H".)
- (9) Sections 7052 and 7061 of the Public Resources Code. Under present law the Commission may exempt counties, cities, districts, etc. from certain procedural requirements regarding leasing of their lands for oil and gas by reason of the small size of the property or drainage when such procedural requirements would be impractical. The proposed amendment qualifies the word "drainage" by adding the words "actual or imminent", which in effect enlarges the discretion of the Commission to exempt these parcels before the lands are actually drained. Requiring drainage to actually occur before the lands can be offered puts the political subdivision under an unnecessary disadvantage. (See Exhibit "I".)
- (10) Section 7417 of the Public Resources Code. This amendment is suggested in order to remove material made obsolete by previous repeal legislation. (See Exhibit "J".)

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO SUBMIT THE PROPOSED LEGISLATION FOR CONSIDERATION DURING THE 1965 SESSION OF THE LEGISLATURE TO PROVIDE FOR THE REPEAL, AMENDMENT, OR ADDITION OF

CALENDAR ITEM 10. (CONTD.)

SECTIONS 26000 AND 35311 OF THE GOVERNMENT CODE; SECTIONS 4000 THROUGH 4017, INCLUSIVE, OF THE HARBORS AND NAVIGATION CODE; SECTIONS 6210.9, 6503, 6815, 6815.1, 6852, 6994, 7052, 7061, AND 7417 OF THE PUBLIC RESOURCES CODE; WITH THE FORM OF LEGISLATION TO BE DRAFTED BY THE OFFICE OF THE LEGISLATIVE COUNSEL, TO ACCOMPLISH THE PURPOSES HEREIN PRESENTED, AND AS DETAILED IN EXHIBITS "A" THROUGH "J".

Attachments:

Exhibits "A" through "J"

EXHIBIT "A"

An act to repeal Sections 4000, 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 4011, 4012, 4013, 4014, 4015, 4016, 4017 of the Harbors and Navigation Code and Section 26000 of the Government Code, relating to jurisdiction for private wharves and piers upon ungranted lands of the State.

The people of the State of California do enact as follows:

Section 1. Section 4000 of the Harbors and Navigation Code is repealed.

4000.--The boards of supervisors of each county may, upon approval of the Railroad Commission, grant authority to any person to construct a wharf, chute, or pier, on any lands bordering on any navigable bay, lake, inlet, creek, slough or arm of the sea, situated in or bounding the county, with a license to take tolls for its use for the term of twenty years.

Section 2. Section 4001 of the Harbors and Navigation Code is hereby repealed.

4001.--The board of supervisors of each county may, upon approval of the Department of Finance through the Chief of the Division of State Lands, grant authority to any city, county or person, to construct a wharf for recreational, pleasure or boating purposes, on any lands bordering the sea where other than lands referred to in section 4000, situated in or bounding the county, with a license to take tolls for its use for a term of twenty years.

Section 3. Section 4002 of the Harbors and Navigation Code is hereby repealed.

4002.--Application for such authority is made by publishing notice as required in the next section, and by filing a petition in writing, containing:

EXHIBIT "A" (CONTD.)

(a) -- The name and residence of the applicant; and if a corporation, a certified copy of the articles of incorporation.

(b) -- A map of the waters, and the name and location thereof, and of the adjoining lands.

(c) -- A plan of the wharf or chute proposed to be constructed, and of the land within three hundred feet thereof.

(d) -- The names of the owners of the lands, and the quantity sought to be used, and whether the right to use it has been or is to be acquired by the applicant.

(e) -- The distance it is proposed to extend the wharf or chute into the waters.

(f) -- The estimated cost of the construction of the wharf or chute.

(g) -- The time when the application will be made.

Section 4. Section 4003 of the Harbors and Navigation Code is hereby repealed.

4003. -- Each applicant shall publish a notice in at least one newspaper in each county which the wharf or chute touches, and in which it is located or which it will touch or in which it will be located. -- If there is no newspaper located in the county, then publication shall be made in a newspaper published in an adjoining county and notices shall be posted in three public places in the proper counties for four successive weeks. -- The notices shall specify the proposed location of the wharf or chute and shall also state the time and place at which the application will be made.

Section 5. Section 4004 of the Harbors and Navigation Code is hereby repealed.

EXHIBIT "A" (CONTD.)

4004. --When any lands sought to be appropriated and used for a wharf or chute are not owned by the applicant or if a right of way and use has not been obtained by agreement, these facts and the particular description of the land shall be set forth in the petition of the applicant, and a copy of the notice of application shall be served on the owner by the sheriff of the county, at least ten days prior to the day set for the hearing. --The sheriff's official return is conclusive evidence of service.

Section 6. Section 4005 of the Harbors and Navigation Code is hereby repealed.

4005. --If the owner of the land is a nonresident of the county the sheriff may make service by leaving a copy of the notice of application with the occupant, or agent of the owner. --If there is no occupant, or agent of the owner, the sheriff may place a copy in the post office addressed to the owner thirty days prior to the day set for the hearing. --If the owner is a minor, insane, idiot, or decedent, notice shall be served on his guardian, administrator, or other legal representative.

Section 7. Section 4006 of the Harbors and Navigation Code is hereby repealed.

4006. --On the day named in the notice, or to which the hearing is adjourned, the board shall hear proof of the publication and service of notice. --If the proof is satisfactory, the board shall hear the allegations of the petition and any objections to the granting of the application, and proofs in support of each. --If from the proofs it appears that the public good or convenience will be promoted thereby, the board may grant to the applicant the right to erect or construct a wharf or chute as prayed for, and to take tolls for its use for the term of twenty years.

EXHIBIT "A" (CONTD.)

Section 8. Section 4007 of the Harbors and Navigation Code is hereby repealed.

4007.--The grant conveys to the grantee or applicant the right of way and all necessary use, for the purposes of the wharf or chute, of any of the overflowed, submerged, or tidelands belonging to the State, and a right of way over any swampy, overflowed, marsh, or tidelands lying between the wharf or chute and high or dry land, fifty feet in width, for twenty years.--The grant shall particularly describe the extent of the property subject to the right of way.

Section 9. Section 4008 of the Harbors and Navigation Code is hereby repealed.

4008.--The grant carries with it the right to have unencumbered and unobstructed the land and water on each side of the wharf or chute from highwater mark to navigable water, for a distance of one hundred and fifty feet, for the convenience of landing, loading, and unloading vessels, but for no other purpose.

Section 10. Section 4009 of the Harbors and Navigation Code is hereby repealed.

4009.--After authority to construct a wharf or chute has been granted, the grantee may procure from the owner the right of way and other necessary incidental uses of any of his lands for the wharf or chute, by condemnation proceedings had under Part III of Title VII, of the Code of Civil Procedure.--Until the use of the lands held adversely is obtained by agreement, or by the proceedings herein mentioned, there is no authority to construct a wharf or chute or to take tolls thereon.

EXHIBIT "A" (CONTD.)

Section 11. Section 4010 of the Harbors and Navigation Code is hereby repealed.

4010. -- The wharf or chute shall not be of a greater width than seventy-five feet, and it may extend to navigable water. -- A wharf constructed upon any of the navigable rivers, straits, sloughs, and inlets in this State may extend along the shores for a distance not exceeding one thousand feet if it does not obstruct the free navigation of the water on which it is situated. -- This section does not apply to the water fronts of incorporated cities or towns.

Section 12. Section 4011 of the Harbors and Navigation Code is hereby repealed.

4011. -- The orders granting authority, and agreements, contracts, deeds, and decrees of courts granting the right of way and other use of lands, shall be filed and recorded in the office of the recorder of the county in which the wharf or chute is situated, and constitutes the franchise of the applicant. -- The fees of the recorder, as also the fees of the clerk, sheriff, and other officers, for services rendered, shall be paid by the applicant.

Section 13. Section 4012 of the Harbors and Navigation Code is hereby repealed.

4012. -- The board shall annually fix the rate of tolls or wharfage for the use of the wharf or chute, to produce an income of not less than fifteen nor more than twenty-five per cent per annum on the fair cash value of the wharf or chute, and on the cost of its repair and maintenance, exclusive of the amount paid for the license required by this chapter. -- The value, and the cost of repair and maintenance shall be fixed by the board when fixing the rates of tolls or wharfage, by hearing evidence and examining the

EXHIBIT "A" (CONTD.)

assessment-rolls-of-the-county.--When-fixed, the-rates-shall-be-furnished
the-owner, and-a-printed-or-written-copy-conspicuously-posted-on-the-wharf
or-chute.

Section 14. Section 4013 of the Harbors and Navigation Code is
hereby repealed.

4013.--When-the-wharf-or-chute-is-completed-and-the-tolls-or
wharfage-fixed, the-owner-is-entitled-to-a-license-to-take-tolls-for-the
term-of-one-year.--The-license-shall-be-issued-by-the-county-auditor-on-the
payment-of-such-license-tax-as-the-board-may-fix, which-tax, except-for-the
first-year, shall-not-be-more-than-ten-per-cent-of-the-gross-receipts-for
tolls-or-wharfage-for-the-previous-year.--The-fee-shall-be-paid-to-the-county
treasury-for-general-read-purposes.

Section 15. Section 4014 of the Harbors and Navigation Code
is hereby repealed.

4014.--An-owner-or-keeper-of-a-wharf-or-chute-who-takes-toll-or
wharfage-for-its-use- forfeits-the-sum-of-twenty-five-dollars, and-is-liable
for-all-damage-occasioned, if-he-fails-to-keep-it-in-good-repair, or-if-it
is-unsafe-or-dangerous.--The-penalty-may-be-recovered-by-order-of-the-board
which-granted-the-authority, for-the-use-of-the-general-read-fund-of-the
county.

Section 16. Section 4015 of the Harbors and Navigation Code is
hereby repealed.

4015.--Authority-shall-not-be-granted-under-this-chapter-which
will-interfere-with-vested-rights, or-interfere-with-or-infringe-grants-made
by-State-authority.--Authority-to-construct-a-wharf-or-chute-does-not-con-
tinue-for-a-longer-period-than-two-years, unless-it-is-completed-within-that
time.

EXHIBIT "A" (CONTD.)

Section 17. Section 4016 of the Harbors and Navigation Code is hereby repealed.

4016:--The lands of the state situated in the city of San Francisco, and those otherwise disposed of or situated within the limits of any incorporated town or city of this State, are excluded from the provisions of this chapter.--The municipal authorities of any incorporated city or town other than San Francisco may grant authority to construct wharves or wharfs as is herein provided for the boards of supervisors.

Section 18. Section 4017 of the Harbors and Navigation Code is hereby repealed.

4017:--A board of supervisors of a county may grant any railroad corporation authority to construct a wharf on or in front of any lands owned by it bordering on any navigable bay, inlet, lake, creek, slough or arm of the sea situated in or bordering the county, with a license to take tolls for its use for the term of the corporate existence of the railroad corporation, not exceeding fifty years, whenever the board finds the use of the wharf or pier is necessary to the exercise of the franchise of the railroad corporation for terminal purposes.--The authority may be granted without offering it for sale.

Nothing contained in this chapter shall be construed to limit the powers of a board to grant the right to railroad corporations to build and construct for terminal purposes on and in front of any land owned by it a wharf of the width necessary for the carrying on of the business of each railroad at such terminal.--The wharf may extend to the length that may be desirable, not exceeding one thousand feet, if it does not prevent navigation.

EXHIBIT "A" (CONTD.)

There is excluded from the operation of this section any and all territory and property under the jurisdiction or control of any incorporated city or town or any board of State harbor commissioners.

All of the provisions of this chapter not in conflict with anything in this section contained are applicable to all proceedings under this section.

Section 19. Section 26000 of the Government Code is hereby repealed.

26000. Subject to Chapter 1, Division 7 of the Harbors and Navigation Code, the board of supervisors may grant licenses and franchises for the construction of wharves, quays, beams, and piers, and for the taking and keeping of tolls thereon.

EXHIBIT "B"

An act to amend Section 35311 of the Government Code relating to the annexation of territory to cities.

The people of the State of California do enact as follows:

Section 1. Section 35311 of the Government Code is amended to read:

35311. The city clerk of the annexing city shall cause a copy of the resolution to be published at least twice, but not oftener than once a week, in a newspaper of general circulation published in the city, and also in a newspaper of general circulation published outside of the city but in the county in which is located the territory proposed to be annexed; publication to be complete at least 20 days prior to the date set for the hearing. If there is no newspaper of general circulation published within the annexing city, he shall post a copy of the resolution not less than 20 days before the hearing in at least three conspicuous places within the territory. If proceedings are initiated by petition of the owner or owners of all of the territory to be annexed publication of the resolution outside of the city is not required.

(a) The city clerk of the annexing city shall also cause written notice of such proposed annexation to be mailed to each person to whom land within the territory proposed to be annexed, is assessed in the last equalized county assessment roll available on the date the proceedings were initiated, at the address shown on said assessment roll or as known to said clerk, and to any person who has filed his name and address and the designation of the lands in which he has any interest, either legal or equitable, with said clerk.

EXHIBIT "B" (CONTD.)

(b) In the event any land within the territory proposed to be annexed to a city is owned by a county, the city clerk of the annexing city shall also cause written notice of such proposed annexation to be mailed to the board of supervisors of such county.

(c) In the event any land within the territory proposed to be annexed to a city is tide or submerged land owned by the State, the city clerk of the annexing city shall also cause written notice of such proposed annexation to be mailed to the State Lands Commission. Said notice shall be given not less than 45 days before the first public hearing on the proposed annexation.

The notices referred to in subsections (a) and (b) shall be given not less than 20 days before the first public hearing on the proposed annexation; provided, that such notices need not be sent if the owner or owners of all of the territory to be annexed have petitioned for annexation or filed their consent to such annexation in writing with the legislative body.

EXHIBIT "C"

An act to amend Section 6210.9 of the Public Resources Code relating to access to public lands.

The people of the State of California do enact as follows:

Section 1. Section 6210.9 of the Public Resources Code is amended to read:

6210.9. If the State Lands Commission has public land for sale or lease to which there is no access available, it may, in the name of the State, acquire by purchase, lease, gift, exchange, or, if all negotiations fail, by condemnation, a right of way or easement across privately owned land or other land that it deems necessary to provide access to such public land.

EXHIBIT "D"

An act to amend Section 6503 of the Public Resources Code relating to private recreational piers.

The people of the State of California do enact as follows:

Section 1. Section 6503 of the Public Resources Code is amended to read:

6503. Upon receipt of an application to lease lands under this chapter, the commission shall appraise the lands and fix the annual rental per acre or other consideration therefor; provided, no rental fee shall be charged for private recreational piers constructed for the use of a littoral land owner. A littoral land owner as used in this section shall be only a natural person or persons, using the littoral land solely for a private single family dwelling-house and shall not include the owner of unimproved land.

EXHIBIT "E"

An act to amend Section 6815 of the Public Resources Code relating to leasing for oil and gas.

The people of the State of California do enact as follows:

Section 1. Section 6815 of the Public Resources Code is amended to read:

6815. Whenever it appears to the commission that wells drilled upon private lands are draining or may drain oil or gas from lands owned by the State, or where the provisions of Section 6827 are deemed by the commission to be impracticable in the particular case by reason of the small size, or irregular configuration of the property, or its inaccessibility from surface drillsites reasonably available or obtainable, the commission, in lieu of following the provisions of Section 6827, may negotiate and enter into agreements with the owners or operators of such wells on private lands for the payment of compensation to the State for such drainage, or may negotiate and enter into leases for the development of the State lands through drilling from adjoining lands only.

EXHIBIT "F"

An act to add Section 6815.1 to the Public Resources Code relating to agreements for cooperative or unit development of oil and gas.

The people of the State of California do enact as follows:

Section 1. Section 6815.1 is added to said code to read:

6815.1. The commission, on behalf of the State, in the interest of increasing the ultimate recovery of oil or gas, or of the protection of oil or gas from unreasonable waste, or of the possible arresting or amelioration of land subsidence, may, as the owner of a working interest and in lieu of following the provisions of Section 6827, negotiate and enter into unit or cooperative agreements with respect to lands owned by the State, or lands in which the oil and gas deposits are reserved to the State, for the purpose of bringing about the unitized or cooperative development and operation of all or a part or parts of the oil and gas field in which such lands are located. Subject to the provisions of this section and notwithstanding any competitive bidding requirements or restrictions on term contained in this Code or any other statute, the commission may negotiate and execute all agreements necessary to effectuate, implement, or modify any such unit or cooperative agreement, including the power to bind and commit lands, including tide and submerged lands, or any interest in lands, to the cooperative or unit agreement for the full term thereof, irrespective of whether the term thereof is for a period extending over the life of the field or for any other indefinite period. The power of the commission to enter into unit or cooperative agreements shall include the power to do such other acts or things and to incur on behalf of the State such other

EXHIBIT "F" (CONTD.)

commitments and obligations as are customary in unit or cooperative agreements. The commission may designate a representative or representatives to attend unit meetings, vote, and otherwise represent and bind the interest of the State in accordance with the terms and conditions of any such unit or cooperative agreement.

The commission shall make and enter into contracts or agreements for the disposition and sale of oil, gas, or other hydrocarbons derived from any such unit or cooperative agreement only with the highest responsible bidder upon competitive bidding, and in accordance with procedures set forth in rules and regulations adopted by the commission. All specifications and forms for the purpose of inviting bids in connection with such disposition and sale shall be adopted by the commission prior to publication of notice to bidders. Should no bids be received, or should the commission determine to reject any and all bids because of the insufficiency thereof, the commission may negotiate and enter into agreements for such disposition and sale under terms and conditions deemed by the commission to be in the best interests of the State.

EXHIBIT "G"

An act to amend Section 6852 of the Public Resources Code relating to leasing for oil and gas.

The people of the State of California do enact as follows:

Section 1. Section 6852 of said code is amended to read:

6852. Whenever it appears to the commission that ~~any such~~ ~~lands probably contain commercially valuable deposits of oil or gas and~~ that it is for the best interests of the State to lease such lands for the production of oil or gas therefrom, the commission shall then offer such lands for lease.

EXHIBIT "H"

An act to amend Section 6994 of the Public Resources Code relating to terms of leases for the taking of minerals from waters and certain lands.

The people of the State of California do enact as follows:

Section 1. Section 6994 of the Public Resources Code is amended to read:

6994. Leases under this article shall be for terms of not to exceed 20 years with the preferential right in the lessee to renew the lease for successive periods of not to exceed 10 years upon such reasonable terms and conditions as may be prescribed by the commission.

EXHIBIT "Z"

An act to amend Sections 7052 and 7061 of the Public Resources Code relating to Oil and Gas and Mineral Leases by Public Agencies.

The people of the State of California do enact as follows:

Section 1. Section 7052 of the Public Resources Code is amended to read:

7052. Lands may be leased in tracts of such size and shape as the governing body may determine. Before executing a lease of any such property, the governing body shall in open meeting, by not less than a two-thirds vote of its members, adopt a resolution declaring its intention to lease the property. The resolution shall describe the property proposed to be leased in such manner as to identify it, specify the minimum rental and term for which it will be leased, the form of the lease or agreement, and one variable, biddable factor, on which bids will be received, and fix a time not less than three weeks thereafter and place for a public meeting of said governing body, at which meeting sealed proposals to lease will be received and considered. The resolution shall, before the date of such meeting, be published once a week for three successive weeks in one or more newspapers of general circulation in the county where the property is situated.

This section shall not apply to the renewal or extension for a fixed term not exceeding the original term of leases or operating agreements initially issued for a fixed term.

The State Lands Commission may in its discretion exempt particular leases or operating agreements from the procedure required by this section and Section 7053 where by reason of the small size of the property or drainage, actual or imminent, from offset wells such procedure would in the judgment of the State Lands Commission in the particular case be

EXHIBIT "I" (CONTD.)

~~impracticable.~~ impractical.

Section 2. Section 7061 of said Code is amended to read:

7061. The provisions of Sections 7058.5 to 7059, inclusive, shall be applicable to all general-law cities and shall be applicable to general-law and chartered cities with respect to tide or submerged lands granted in trust to such cities by the State where mineral rights have not been reserved to the State. Section 7060 shall be applicable to both general-law and chartered cities only with respect to tide or submerged lands granted in trust to such cities by the State, where mineral rights have not been reserved to the State. The provisions of Sections 7058.5 to 7060, inclusive, shall not apply to activities regulated by Chapter 29 of the Statutes of the 1956 First Extraordinary Session.

The State Lands Commission may in its discretion exempt particular leases or operating agreements from the procedure required by Sections 7058.5 and 7059 where by reason of the small size of the property or drainage, actual or imminent, from offset wells, such procedure would in the judgment of the State Lands Commission in the particular case be impractical.

EXHIBIT "J"

An act to amend Section 7417 of the Public Resources Code relating to approval of indemnity school land selection applications.

The people of the State of California do enact as follows:

Section 1. Section 7417 of the Public Resources Code is amended to read:

7417. When the commission receives from the register or receiver of the United States Land Office, or both, a notice to the effect that any indemnity school land selection, has been filed and accepted, subject to future approval, the said commission shall, subject to the provisions of Sections 7701 to 7705, inclusive, approve the application in accordance with the acceptance, and shall issue a certificate of purchase for the land sought by the applicant showing full payment therefor.