

CONVENED: 9:05 a.m.
 ADJOURNED: 10:35 a.m.

PRESENT: Leo McCarthy
Gray Davis **
Lafenus Stancell

Y=Yes N=No A=Absain FOR INFORMATION, PLEASE CONTACT:

Brenda Duncan
 1807 - 13th Street
 Sacramento, CA 95814
 (916) 445-0772

** - Jim Tucker sat in on
 Calendar Items C01-
 C24 and 27-40.

	Amended*	Deferred	Ruled	Considered - No Action Taken	Informational Only - No Action Taken	Approved As Presented	Controller	VOTE	
								Lt. Governor	Director of Finance

SUMMARY

MEETING OF THE STATE LANDS COMMISSION
 ENERGY COMMISSION BUILDING
 HEARING ROOM "A", 1ST FLOOR
 1516 NINTH STREET
 SACRAMENTO, CALIFORNIA

LEO T. MCCARTHY, LIEUTENANT GOVERNOR, CHAIRMAN
 GRAY DAVIS, STATE CONTROLLER, COMMISSIONER
 THOMAS W. HAYES, DIRECTOR OF FINANCE, COMMISSIONER

MONDAY - JULY 15, 1991

ORDER OF BUSINESS

- I. 9:00 A.M. - OPEN SESSION (PUBLIC MEETING).
- II. CONFIRMATION OF MINUTES FOR THE MEETING OF JUNE 5, 1991

* See Attached

CALENDAR PAGE	<u>1875</u>
MINUTE PAGE	

Y=Yes N=No A=Abs-in

	Amended*	Deferred	Pulled	Considered - No Action Taken	Informational Only - No Action Taken	Approved As Presented	VOTE		
							Controller	Lt. Governor	Director of Finance
III.									
C01 *						✓	Y	Y	Y
C02						✓	Y	Y	Y
C03						✓	Y	Y	Y
C04						✓	Y	Y	Y
C05						✓	Y	Y	Y

III. CONSENT CALENDAR C01 - C25. THE FOLLOWING ITEMS ARE CONSIDERED TO BE NON-CONTROVERSIAL. ANYONE WISHING TO ADDRESS AN ITEM ON THE CONSENT CALENDAR MAY COME FORWARD AND STATE THEIR NAME FOR THE RECORD.

C01 * A) GAYLORD CONTAINER CORPORATION; B) LAKE MINERALS CORPORATION; C) ALBERT AND LORENE WHEELER; D) IT CORPORATION (APPLICANTS): Approve four (4) Rent Reviews/Continuations: One (1) in San Joaquin River, Contra Costa County; one (1) in Owens Lake, Inyo County; one (1) in Sacramento River, Colusa County; and one (1) in Pacheco Creek, Contra Costa County. (Garibay; PRC 1546, PRC 3511, PRC 3933, PRC 4605) (A 3, 10, 11, 34; S 4, 7, 25)

C02 FLOYD BIDWELL (LESSEE): Approve one rent review for a grazing lease on school land located approximately eight miles south of Fall River Mills, Section 16, T35N R5E, Shasta County. (Dugal; PRC 3353) (A 1; S 1)

C03 EDWARD V. PRATI (LESSEE): Approve rental increase for a grazing lease of State school land located approximately ten miles east of Cloverdale near Cobb, Sonoma County. (Dugal; PRC 6618) (A 2; S 2)

C04 A) KIM ROWE, ET AL; B) JAMES DEWALD; C) MR. AND MRS. ALLEN; D) ELLEN NIELLO; E) JERRY D. HICKS; F) MA. AND MRS. SCHROEDER (APPLICANTS): Approve six (6) Recreational Pier Permits: One (1) at Donner Lake, Nevada County; two (2) at Huntington Harbour, Orange County; one (1) at Lake Tahoe, Placer County; one (1) in Sacramento River, Sacramento County, and one (1) in Sacramento River, Shasta County. (Garibay; W 24592, PRC 3569, PRC 3574, PRC 4419, PRC 4593, PRC 5137) (A 3, 5, 10, 58; S 1, 5, 37)

C05 ARNE BELSBY (LESSEE): Authorize staff to terminate and accept a quitclaim deed for a General Lease - Agricultural Use, of State school land located near the City of Desert Center, Riverside County. (Dugal; PRC 5929) (A 11; S 7)

* - Calendar Item C01, Sub-Item C was pulled. The remainder of Calendar Item C01 was approved as presented.

See Attached

Y=Yes N=No A=Abstain

Amended#	Deferred	Pulled	Considered - No Action Taken	Informational Only - No Action Taken	Approved As Presented	VOTE		
						Controller	Lt. Governor	Director of Finance
					✓	Y	Y	Y
C06								
					✓	Y	Y	Y
C07								
				✓				
C08								
				✓				
C09								
				✓				
C10					✓	Y	Y	Y
					✓	Y	Y	Y
C11								
					✓	Y	Y	Y

C06 ARAMIS FOUCHE (ASSIGNOR); ARAMIS FOUCHE AND ALOYSIA FOUCHE (ASSIGNEE): Approve assignment of a General Permit - Recreational Use, PRC 3045, of tide and submerged land located in Georgiana Slough, Sacramento County, for a cabana, boathouse, dock and pilings. (Maricle; WP 3045) (A 10; S 5)

C07 TREASURE ISLAND TRAILER PARK (ASSIGNOR); WARREN HOPKINS (ASSIGNEE): Approve assignment of grazing lease PRC 7165 for submerged land located in the bed of Goose Lake, Modoc County, for continued use of grazing livestock. (J. Ludlow; PRC 7165) (A 1; S 1)

C08 INFORMATIONAL - STATE LANDS COMMISSION (PARTY): The Commission, at its December 12, 1990 meeting, approved sale of a parcel of State school land. Due to a lapse in time from when the first appraisal was completed and the date of authorization, Bureau of Land Management has prepared a second appraisal indicating a higher land value per acre. (Dugal; SA 5695) (A 61; S 25)

C09 INFORMATIONAL - STATE LANDS COMMISSION (APPLICANT): First Ten Months Status Report 1990-91 Plan of Development and Operations and Budget, Long Beach Unit, Wilmington Oil Field, Los Angeles County. (G. Scott; W 17097) (A 57, 58; S 29)

C10 CALIFORNIA STATE DEPARTMENT OF FISH AND GAME (LESSEE): Approve amendment of PRC 7324 for addition of two (2) sites for salmon spawning gravel restoration located in the Merced River, below the Crocker-Huffman Dam, Merced County. (Fong; PRC 7324) (A 27, S 14)

C11 HILLIARD OIL AND GAS, INC. (LESSEE/ASSIGNOR); GAINES WELL SERVICES, INC. (LEASE OPERATOR/ASSIGNEE): Approve assignment and amendment of negotiated subsurface (no surface use) State oil and gas lease PRC 6078 (submerged lands in the bed of the Sacramento River at Grays Bend) in Sutter and Yolo counties. (Hamilton; PRC 6078) (A 3, 8; S 1)

See Attached

Y=Yes N=No A=Abstain

Amended#	Deferred	Pulled	Considered - No Action Taken	Informational Only - No Action Taken	Approved As Presented	VOTE		
						Controller	Lt. Governor	Director of Finance
					✓	Y	Y	Y
					✓	Y	Y	Y
					✓	Y	Y	Y
	✓							
					✓	Y	Y	Y
					✓	Y	Y	Y

C12 **WELLS FARGO BANK N.A., TRUSTEE OF THE ROBERTA G. AIFORD TRUST (APPLICANT):** Approve a ten-year General Permit - Protective Structure Use of tide and submerged lands located in Monterey Bay, City and County of Santa Cruz, for construction and maintenance of an erosion control wall. (J. Ludlow; W 23066) (A 28; S 17)

C13 **JAMES A. YOUNG AND BETTY J. YOUNG (APPLICANT):** Approve a ten-year General Permit - Protective Structure Use of tide and submerged land located in Monterey Bay, City and County of Santa Cruz, for construction and maintenance of erosion control wall. (J. Ludlow; W 23066) (A 28; S 17)

C14 **CITY OF REDDING (APPLICANT):** Approve a twenty-year General Permit - Public Agency Use of submerged land located in the Sacramento River in the city of Redding, for the construction, use, and maintenance of a proposed launch ramp facility. (J. Ludlow; W 24208) (A 1; S 4)

C15 **ATLANTIC RICHFIELD COMPANY (APPLICANT):** Approve a twenty-year General Lease - Right-of-Way Use of tide and submerged land located in the Eel River near Fortuna, Humboldt County, for construction, use, and maintenance of a proposed ten-inch natural gas pipeline. (J. Ludlow; W 24553) (A 2; S 2)

C16 **GERALD S. JOHNSTON (APPLICANT):** Approve a ten-year General Permit - Protective Structure and Recreational Use of submerged land located in the Sacramento River near Anderson, Shasta County, for use and maintenance of existing boat dock and riprap bank protection. (J. Ludlow; W 24439) (A 1; S 4)

C17 **DEPARTMENT OF THE ARMY (PARTY):** Authorize conducting public hearing on requested cession of concurrent criminal jurisdiction at Fort Hunter Liggett, Monterey County. (Frey; W 24715) (A 29; S 14)

See Attached

CALENDAR PAGE _____
 MINUTE PAGE _____ 1876

Y=Yes N=No A=Abstain

Amended#	Referred	Pulled	Considered - No Action Taken	Informational Only - No Action Taken	Approved As Presented	VOTE				
						Controller	Lt. Governor	Director of Finance		
					✓	✓	✓	✓	C18	STATE LANDS COMMISSION (PARTY): Consider filing disclaimer of compensation in the case <u>City of Oceanside v. Sutter, et al</u> , in the County of San Diego, City of Oceanside. (Fossum, Patterson; W503.1708) (A 4, 10; S 2, 5, 7)
					✓	✓	✓	✓	C19	STATE LANDS COMMISSION (PARTY): Authorize Attorney General to settle sovereign interest in the subject parcel which constituted swamp and overflow lands sold by the State, pursuant to swamp and overflow lands Patent No. 67, in the case of <u>Burgess v. State of California, et al</u> , San Mateo County, Superior Court. (Okikawa, Rusconi; W 503.1646) (A 20; S 11)
	✓								C20	DEPARTMENT OF THE NAVY (PARTY): Authorize a Archaeological Salvage Permit - Public Agency Use for mapping and retrieval of artifacts from the sunken wreck of the airship "Macon" from tide and submerged lands of the Pacific Ocean off Point Sur, Monterey County. (Pelkofer, Walker; W 24693) (A 29; S 14)
					✓	✓	✓	✓	C21	BEY BUKEWIENGE (APPLICANT): Authorize dredging a maximum eighty (80) cubic yards of material from Newport Bay, Orange County, to maintain navigable access to an existing private dock. The dredged material will be used for beach replenishment. (Martinez; W 24732) (A 70; S 37)
					✓	✓	✓	✓	C22	CITY OF REDDING (PARTY): Consideration of proposed annexation boundaries and consent to annex sovereign lands in the Sacramento River into the City of Redding, Shasta County. (Fossum; W 2400.182) (A 1; S 4)
					✓	✓	✓	✓	C23	CHEVRON U.S.A., INC. (APPLICANT): Approve gas well abandonment and production platform removal, State oil and gas lease PRC 3743, Ryer Island, Suisun Bay, Solano County. (Griggs, Gonzalez; PRC 3743) (A 4; S 2)
					✓	✓	✓	✓	C24	COUNTY OF SAN JOAQUIN (APPLICANT): Request for exemption from competitive bid procedures for a subsurface oil and gas lease on county property, San Joaquin County. (Nitsche; W 40642) (A 26; S 5)

See Attached

CALENDAR PAGE	
MINUTE PAGE	1077

Y=Yes N=No A=Abstain

	Amended*	Deferred	Pulled	Considered - No Action Taken	Informational Only - No Action Taken	Approved As Presented	VOTE		
							Controller	Lt. Governor	Director of Finance
C25			✓						
IV.									
26			✓						
27						✓	Y	Y	Y
28		✓							
29						✓	Y	Y	Y
30						✓	Y	Y	Y

See Attached

C25 EAST BAY MUNICIPAL UTILITY DISTRICT (APPLICANT): Request for exemption from competitive bid procedures for a subsurface oil and gas lease on East Bay Municipal District property, Contra Costa County. (Nitsche; W 40643) (A 10; S 7)

IV. REGULAR CALENDAR ITEMS 26 - 48.

26 STATE LANDS COMMISSION (PARTY): Authorize, as both State Lands Commission and School Land Bank Trustees, selling, and subsequent issuance of a patent, to the State of California, acting by and through the State Public Works Board, for State school land. This acquisition is an addition to the existing Ocotillo Wells State Vehicle Recreational Area, Imperial County. (Reese; SA 5697) (A 80; S 37)

27 PACIFIC GAS & ELECTRIC COMPANY (LESSEE): Approve amendment of master lease PRC 5438 for addition of sovereign lands located on the San Joaquin and Sacramento rivers for installation and operation of a 42-inch-diameter, or two (2) 30-inch-diameter, natural gas pipelines. (Fong; PRC 5438) (A 4, 10; S 2, 5, 7)

28 BUSE OIL COMPANY (LESSEE); ARCO OIL AND GAS COMPANY (LESSEE): Approve workover of 21 existing oil and gas wells on Rincon Island and one onshore well on lease PRC 410, Ventura County. (Griggs, Gonzalez; W 40547, PRC 1466, PRC 410) (A 35; S 18)

29 SHELL WESTERN E&P INC. (LESSEE): Accept the dissolution of pooling and surrender of State oil and gas lease PRC 5890, Sacramento and Yolo counties. (Hamilton; PRC 5890) (A 10, 8; S 1, 5)

30 STATE LANDS COMMISSION (PARTY): Approve proposed sale of royalty crude oil (3,290 B/D), State oil and gas leases, Orange and Santa Barbara counties. (Tanner; W 9603.88, W 9603.89) (A 35, 36, 58, 69; S 18, 37)

CALENDAR PAGE	
MINUTE PAGE	1575

Y=Yes N=No A=Abstain

	Amended*	Deferred	Pulled	Considered - No Action Taken	Informational Only - No Action Taken	Approved As Presented	VOTE		
							Controller	L. Governor	Director of Finance
31						✓	✓	✓	
32						✓	✓	✓	
33		✓							

31 **TEXACO, INC. (ASSIGNOR); TEXACO EXPLORATION AND PRODUCTION, INC. (ASSIGNEE):** Approve assignment of Texaco, Inc.'s undivided 50 percent interest in State Oil and Gas Lease PRC 186, Belmont Offshore Field, Orange County, to Texaco Exploration and Production, Inc. (Tanner; PRC 186) (A 58; S 37)

32 **ARCO OIL AND GAS COMPANY (LESSEE):** Approve deferment of drilling operations on State oil and gas leases PRC 208, PRC 308, PRC 309, PRC 3120, AND PRC 3242, Santa Barbara County. (Gonzalez; PRC 208, PRC 308, PRC 309, PRC 3120, PRC 3242) (A 35; S 18)

33 **UNION OIL COMPANY OF CALIFORNIA (LESSEE):** Consider amendment of a 25-year General Lease - Industrial Use, PRC 5967, covering operation and maintenance of two (2) offshore pipeline systems from platforms Gina and Gilda located on two (2) parcels of land in the Santa Barbara Channel, Ventura County. The proposed amendment, effective July 1, 1991, provides for: 1) the replacement of a return water line and conversion to produce natural gas; 2) modification of lease consideration to \$83,210 per annum; and 3) bring the lease language up to current day standards. (Townsend; PRC 5967) (A 36; S 18)

See Attached

Y=Yes N=No A=Abstain

	Amended*	Deferred	Ruled	Considered - No Action Taken	Informational Only - No Action Taken	Approved As Presented	VOTE		
							Controller	Lt. Governor	Director of Finance
34			✓						
35						✓	✓	✓	✓
36		✓							

See Attached

- 34 **CHEVRON U.S.A., INC. (ASSIGNOR); UNION OIL COMPANY OF CALIFORNIA, INC. (ASSIGNEE):** (1) Approve the Certification of ND# 546, for tide and submerged lands, located offshore of the City of Huntington Beach, Orange County, for installation of an electric power cable to replace an existing power cable to Platform Eva. (2) Approve assignment and amendment of a 25-year General Lease - Right-of-Way Use, Permit No. PRC 6417, of tide and submerged lands in the Gulf of Santa Catalina, offshore the City of Huntington Beach, Orange County. (3) Approve the amendment of PRC 3116, PRC 6417, PRC 6923 and PRC 6911 for setting new rents pursuant to the five-year rent review. (4) Approve acceptance of payment in satisfaction of backrent and payment in satisfaction of interest due on the backrent. Waive penalty. (Fong; PRC 6417, PRC 3116, PRC 6911, PRC 6923) (A 58; S 37)
- 35 **MARTINEZ TERMINALS LIMITED, A CALIFORNIA LIMITED PARTNERSHIP (ASSIGNOR); WICKLAND OIL MARTINEZ L.P., A CALIFORNIA LIMITED PARTNERSHIP (ASSIGNEE):** Consider assignment of General Lease - Industrial Use, and encumbrancing of leasehold (PRC 4769) from Martinez Terminals Limited to Wickland Oil Martinez L.P., a California limited partnership, and memorandum of lease covering tide and submerged lands in Carquinez Strait at Martinez, Contra Costa County for marine petroleum wharf, together with appurtenances. (Townsend; PRC 4769) (A 11; S 7).
- 36 **CITY AND COUNTY OF SAN FRANCISCO; PORT OF SAN FRANCISCO; CAPELLUS CORPORATION (PARTIES):** Findings regarding proposed exchange of sovereign interests in real property in the Mission Bay district of the City and County of San Francisco. (J. Sekelsky; W 23944) (A 16; S 3, 8)

Amended*	Deferred	Pulled	Considered - No Action Taken	Informational Only - No Action Taken	Approved As Presented	VOTE		
						Controller	Lt. Governor	Director of Finance
					✓	✓	✓	✓
					✓	✓	✓	✓
					✓	✓	✓	✓
					✓	✓	✓	✓
✓					✓	✓	✓	2
					✓	✓	✓	✓

See Attached

- 37 **SAN FRANCISCO PORT COMMISSION; SAN FRANCISCO REDEVELOPMENT AGENCY; BRIDGE HOUSING CORPORATION (PARTIES):** Approve a lease between the Port of San Francisco and the San Francisco Redevelopment Agency and related documents concerning use of granted sovereign lands in conjunction with the Rincon Point-South Beach Redevelopment Plan, pursuant to Statutes of 1987, Chapter 310. (J. Sekelsky; G11-01) (A 16; S 3, 8)
- 38 **FRANCOIS DE MENIL (LESSEE):** Amend assignment and lease area and legal description of existing lease involving filled tidelands located at 514 Palisades Beach Road, Santa Monica, Los Angeles County. (Fossum, A. Scott; PRC 6013) (A 44; S 22)
- 39 **ELLIOTT J. EOROWITZ (LESSEE):** Boundary line agreement and permit for improvements, Santa Monica State Beach, City of Santa Monica. (Fossum, A. Scott; PRC 7546, BLA 264, G05-08) (A 44; S 22)
- 40 **DEPARTMENT OF PARKS AND RECREATION; CALIFORNIA STATE LANDS COMMISSION; CALIFORNIA ATTORNEY GENERAL; CITY OF SANTA MONICA; AND CALIFORNIA DEPARTMENT OF GENERAL SERVICES (PARTIES):** Boundary Line Agreement and agreement confirming ownership and control of filled and unfilled tide and submerged lands in the city of Santa Monica. (Fossum, Collins, A. Scott; W 24258, G05-08, BIA 265, AD 163) (A 44; S 22)
- 41 **DESTINY II, A CALIFORNIA GENERAL PARTNERSHIP (PARTY):** Approve a title settlement agreement involving real property in the City of Huntington Beach, Orange County. (Fossum, Grimes, Collins; W 24642, AD 162) (A 58; S 37)
- 42 **STATE LANDS COMMISSION (PARTY):** Authorize litigation for ejectment and damages for unauthorized occupation of State-owned land located in Imperial County, approximately three miles east of the town of Niland. (Dugal, Hadly, Pelkofer; W 23256) (A 80; S 37)

Y=Yes N=No A=Abstain

Amended*	Deferred	Pulled	Considered - No Action Taken	Informational Only - No Action Taken	Approved As Presented	VOTE		
						Controller	L. Governor	Director of Finance
		✓						
		✓						
		✓						
				✓	Y	Y	Y	
				✓	Y	Y	Y	

- 43 **GARY C. MATRANGA (LESSEE):** Authorize lease termination and litigation for ejectment from State-owned lands located in the Sacramento River near Verona, Sutter County. (Maricle, Pelkofer, Hadly; PRC 2216) (A 3; S 1)
- 44 **LUCILLE PECK (LESSEE):** Authorize lease termination and litigation for ejectment from State-owned lands located in the Sacramento River near Steamboat Slough and Sutter Island, Sacramento County. (Maricle, Pelkofer, Hadly; PRC 4244) (A 10; S 5)
- 45 **DAVID A. SNODDERLY, BRUNO'S ISLAND YACHT HARBOR, INC. (LESSEE):** Request for consideration of rental increase. Lessee, Bruno's Island Yacht Harbor, Inc., through Mr. David Snodderly, contends they did not receive proper notice for a five-year rent review or for the March 27, 1990 Commission meeting, where the rent was increased. (Grimsett; PRC 6855) (A 10; S 5)
- 46 **ROBERT SHOWN AND VALERIE WICKLAND-LUSK (APPLICANTS):** Deny application for construction of a proposed multi-use recreational pier, Donner Lake, Nevada County. (J. Brown, Garibay; W 8570.115) (A 3; S 1)
- 47 **MERRILL-JOHNSON VINEYARDS (APPLICANT):** Deny application for proposed construction of a two-story recreational structure and placement of bank protection, Snodgrass Slough, Sacramento County. (J. Brown, Maricle; W 24573) (A 5; S 10)
- 48 **MOBIL OIL CORPORATION (ASSIGNOR); ARCO LONG BEACH, INC. (ASSIGNEE), CITY OF LONG BEACH (PARTY):** Consider consent by City of Long Beach for assignment to Atlantic Richfield Company, and ultimately to ARCO Long Beach, Inc., of Mobil Oil Corporation's interest in Field Contractors' Agreement, Long Beach Unit. (R. Ludlow; W 17095) (A 57, 58; S 29)

* See Attached

V. EXECUTIVE OFFICER'S REPORT -- CHARLES WARREN

VI. CLOSED SESSION AT CONCLUSION OF OPEN SESSION. "CONSIDERATION OF POSSIBLE AND PENDING LITIGATION. THESE MATTERS WILL BE DISCUSSED IN A SESSION CLOSED TO THE PUBLIC, PURSUANT TO ATTORNEY-CLIENT PRIVILEGES. (SEE GOVERNMENT CODE SECTION 11126.)"

THE FOLLOWING MATTERS WILL BE CONSIDERED UNDER GOVERNMENT CODE SECTION 11126(Q)(1):

ATLANTIC RICHFIELD COMPANY v. STATE LANDS COMMISSION, ET AL
CITY OF LONG BEACH v. STANDARD OIL COMPANY, ET AL
JOSE CRESPO v. COUNTY OF LOS ANGELES, ET AL
UNITED STATES OF AMERICA, ET AL v. MONTROSE CHEMICAL CORPORATION, ET AL
STATE LANDS COMMISSION, ET AL v. WATKINS, ET AL
PEOPLE OF THE STATE OF CALIFORNIA AND STATE LANDS COMMISSION v. EL DORADO
IMPROVEMENT CORPORATION, ET AL
STATE LANDS COMMISSION v. SYAR INDUSTRIES, INC., ET AL
STATE WATER RESOURCES CONTROL BOARD v. OFFICE OF ADMINISTRATIVE LAW
STATE OF CALIFORNIA, EX REL., STATE LANDS COMMISSION v. DESIGN AND
CONSTRUCTION ASSOCIATES, INC.
UNITED STATES OF AMERICA v. 15.320 ACRES OF LAND, STATE OF CALIFORNIA, ET
AL
INYO MARBLE COMPANY v. LOS ANGELES DEPARTMENT OF WATER AND POWER, ET AL
STATE LANDS COMMISSION v. RECLAMATION DISTRICT NO. 2074, ET AL

IN ADDITION, THE COMMISSION SHALL CONSIDER MATTERS WHICH FALL UNDER GOVERNMENT CODE SECTION 11126(Q)(2) AND (3).

CALENDAR ITEM REFERENCES TO AB 884 DENOTE THE PERMIT STREAMLINING ACT (CALIFORNIA GOVERNMENT CODE SECTION 65920 ET SEQ.)

CALENDAR PAGE	
MINUTE PAGE	1883