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TRANSCRIPT OF MEETING
OF
STATE LANDS COMMISSION
SACRAMENTO, CALIFORNIA
MARCH 7, 1961

PARTICIPANTS:

THE COMMISSION:

Messrs. Alan Cranston, Controller, Chairman
Glenn M. Anderson, Lieutenant Governor
John E. Carr, Director of Finance

F. J. Hortig, Executive Officer

APPEARANCE:

Mr. K. M. Cook, Richfield Oil Corporation

Reporter: Louise H. Lillico
Division of Administrative Procedure

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1 MR. CRANSTON: The meeting will please come to order.
2 The first item before us is Item Classification 1 -- Permits,
3 easements, and rights-of-way to be granted to public and
4 other agencies at no fee: (a) is County of Sonoma, applicant,
5 proposed authorization -- Dredging permit for approximately
6 85,000 cubic yards of material from tide and submerged lands
7 in Bodega Bay. Do you want to take each one separately or
8 go through the classification before acting?

9 MR. CARR: I think we should do them separately.

10 MR. CRANSTON: Is there any information on this or
11 is a motion in order on (a)?

12 MORTIG: A motion would be in order unless there
13 are questions. As outlined in the calendar, complete with
14 maps, the nature of the operation proposed to be authorized
15 is a proposed tideland development which constitutes improve-
16 ment in Sonoma County.

17 MR. CARR: I move.

18 MR. CRANSTON: Moved, seconded and approved
19 unanimously. (b) State Division of Beaches and Parks -- 15-
20 year permit to install and maintain floating wharf, 0.115 acre
21 tide and submerged lands of Sacramento River at Colusa-
22 Sacramento River State Park, Colusa County.

23 MR. CARR: Move approval.

24 GOV. ANDERSON: Second.

25 MR. CRANSTON: Approval is moved, seconded and made
26 unanimously.

1 MR. CRANSTON (continuing) (c) State Division of
2 Highways -- Right-of-way agreement, 1.5 acres tide and sub-
3 merged lands, Goleta Slough, Santa Barbara County, for pro-
4 tection, etc. of State Highway Route V-3B-236-A.

5 MR. CARR: Move approval.

6 GOV. ANDERSON: Second.

7 MR. CRANSTON: Approval is moved, seconded and
8 made unanimously.

9 Item Classification 2 -- Permits, easements, leases,
10 and rights-of-way issued pursuant to statutes and established
11 rental and fee policies of the Commission:

12 (a) California Electric Power Company -- 49-year
13 right-of-way easement for pole line across 4.85 acres school
14 lands, five miles northeast of Trena, Inyo County, total
15 rental \$1,127.

16 MR. CARR: Move approval.

17 GOV. ANDERSON: Second.

18 MR. CRANSTON: Approval moved, seconded, and made
19 unanimously.

20 (b) Calnev Pipe Line Company -- 49-year pipe line
21 easements across school lands, San Bernardino County -- (1)
22 3.07 acres; total rental \$498.33; (2) 1.35 acres; total rental,
23 \$125.44.

24 GOV. ANDERSON: What kind of a pipe line is this?

25 MR. HORTIG: Mr. Chairman, in response to the
26 Governor's question, it is a fuel pipe line for fuel to a

1 facility to serve initially and primarily George Air Force
2 Base and Nellis Air Force in California and Nevada respectively.

3 GOV. ANDERSON: Move it.

4 MR. CARR: Second.

5 MR. CRANSTON: Approval moved, seconded and made
6 unanimously. (d) R. W. Cypher, four

7 GOV. ANDERSON: Didn't you skip (c)?

8 MR. CRANSTON: (c) Crown Zellerbach Corporation --
9 five-year minor structure permit, tide and submerged lands in
10 San Joaquin River, Contra Costa County, for four day beacon
11 sites; total rental \$50.

12 MR. CARR: Move approval.

13 GOV. ANDERSON: Second.

14 MR. CRANSTON: Approval moved, seconded and made
15 unanimously. (a) R. W. Cypher -- four two-year prospecting
16 permits, all in Imperial County, for geothermal steam, mineral
17 waters, and all minerals other than oil and gas and carbon
18 dioxide gas, at standard royalty rates: (1) 55 acres proprietary
19 land, (2) 160 acres proprietary land, (3) 160 acres proprietary
20 land, (4) 160 acres proprietary land.

21 MR. HORTIG: Mr. Chairman, the Commission will recall
22 that prospecting permits have been issued heretofore to the
23 same applicant for the same purposes on vacant State school
24 lands in Imperial County. As a result of the development of
25 that project, it was determined that there were certain lands
26 under the jurisdiction of the Fish and Game Commission, the

1 Department of Fish and Game, which could be prospected in
 2 conjunction with the State Lands Commission prospecting permits
 3 as far as the time schedule is concerned. Fish and Game have
 4 given approval to the conduct of this operation and the juris-
 5 diction over minerals in these lands is in the State Lands Com-
 6 mission, so this is being recommended in augmentation of a
 7 project previously approved by the State Lands Commission.

8 MR. CARR: Has there been any report on his explora-
 9 tion up to date?

10 MR. HORTIG: There has been no drilling, Mr. Carr,
 11 in anticipation of securing the permits for these lands, in
 12 order that there would be a minimum of move-in and move-out
 13 costs of taking drilling equipment into the general area.

14 MR. CARR: I move approval.

15 GOV. ANDERSON: Second.

16 MR. GRANSTON: Approval is moved, seconded, made
 17 unanimously.

18 (e) Eleventh Naval District -- two five-year leases
 19 of school lands: (1) 4215.40 acres in San Bernardino County
 20 for an aerial gunnery range; annual rental \$3,775; (2) 10,700
 21 acres in the Chocolate Mountains, Imperial County, for an air-
 22 to-air gunnery range; annual rental \$5,274.

23 GOV. ANDERSON: Are these new leases or continuation
 24 of present ones?

25 MR. HORTIG: No sir, they are ^{new} leases replacing
 26 previously existing leases, which actually had their origin

1 during the period of World War II; and I call to the Commis-
 2 sion's attention, on the first rental of \$3,775, under the
 3 present rental policies of the Commission this rental is being
 4 proposed as an increase from the previously charged land rental
 5 of \$126.63; and similarly on the second parcel, prior rental
 6 under the previously existing lease was \$319.20 a year, which
 7 is to be increased to \$5,274 annually.

8 MR. CARR: They are presently using this for a gunnery
 9 range, aren't they?

10 MR. HORTIG: Yes sir.

11 MR. CARR: Are they actually using it?

12 MR. HORTIG: Yes, particularly out of El Centro, and
 13 the Marine Corps are using it

14 GOV. ANDERSON: In other words, they are using this
 15 area free now?

16 MR. HORTIG: No sir, they have heretofore used these
 17 areas under leases from the Lands Commission.

18 GOV. ANDERSON: They are under lease now?

19 MR. HORTIG: They are, but at a much lower rental
 20 than on the issuance of these new leases.

21 MR. CRANSTON: Motion is in order.

22 GOV. ANDERSON: So move.

23 MR. CARR: Second.

24 MR. CRANSTON: Approval is moved, seconded and made
 25 unanimously.

26 I'd like to suggest that in view of the fact that

1 the Governor has a budget hearing which he must leave for
 2 before too long, that we pass these items and move to others
 3 more important, that need his presence, and come back to
 4 these later. I guess Item 3, Long Beach, might be the
 5 appropriate one to take up at this moment.

6 MR. HORTIG: Mr. Chairman, if I might suggest item
 7 (1) on page III, subdivision 2, is a policy matter.

8 MR. CRANSTON: I agree, Frank. Item (1) under the
 9 same classification

10 MR. HORTIG: Pages 34 to 36.

11 MR. CRANSTON: ... Shell Oil Company -- Modification
 12 of geophysical exploration permits, Outer Continental Shelf
 13 lands not claimed by California, waiving State inspection re-
 14 quirements, subject to approval of Director of U. S. Geological
 15 Survey. Frank, would you comment briefly?

16 MR. HORTIG: Yes sir. As the Commission will recall,
 17 the State of California, prior to the Submerged Lands Act in
 18 1953, which returned all -- or quitclaimed all Federal claims
 19 to tide and submerged lands within the historic limits of
 20 California at least to three miles offshore, and subsequent to
 21 that Act also, the State of California has claimed that the
 22 marginal belt of the State outside - - out to the State's
 23 boundary, lies on the seaward side of the channel islands off
 24 Southern California and outside of off-lying islands, rocks
 25 and reefs proceeding northward and north of Point Conception,
 26 and particularly lies three miles seaward from lines drawn from

1 headlands of actual bays.

2 With the quitclaim by the United States, there was
 3 adopted subsequently an Outer Continental Shelf Lands Act,
 4 under which the United States claims jurisdiction, and exer-
 5 cises jurisdiction, on the Outer Continental Shelf, being
 6 those lands outside the State's boundary. At that time, the
 7 Secretary of Interior, the State Lands Commission of the State
 8 of California, and the Department of Fish and Game entered
 9 into a joint agreement that for future geophysical and geo-
 10 logical exploration on offshore lands, in order to eliminate
 11 the need for duplicate inspection or permit or supervisory
 12 facilities off the shore of California, that California would
 13 issue permits under California law which would be acceptable
 14 to the Secretary of the Interior; and that operations would be
 15 supervised offshore California as to geological and geophysical
 16 exploration irrespective of the distance offshore and without
 17 the necessity of determining any dividing line between Cali-
 18 fornia tide and submerged lands and Federal Outer Continental
 19 Shelf lands.

20 At that time technologies had not been developed for
 21 drilling in deep water, as is now possible -- might be possible
 22 to do -- on the Outer Continental Shelf; nor was there any
 23 interest in exploring, even geophysically, the lands in the
 24 Outer Continental Shelf, so far off the lands of California.

25 However, technology has now been developed and
 26 certainly the State's permittees, and particularly the Shell

1 Oil Company, are interested in conducting such operations --
 2 I should say, primarily geophysical exploration operations --
 3 in the Outer Continental Shelf lands outside the lands of the
 4 State of California, and are desirous of having a permit under
 5 the joint agreement with the Secretary of the Interior -- which,
 6 however, does not require, as in the case of California lands
 7 (California claimed lands) the making of data available from
 8 the exploration to the State Lands Commission.

9 This request appears to be equitable inasmuch as
 10 these lands have never been claimed by the State of California,
 11 and the U. S. Geological Survey, as the designated representative
 12 of the Secretary of the Interior in the administration of this
 13 act, have stated it is not policy nor required that these data
 14 be made available to the State of California.

15 Therefore, it is recommended that the Commission
 16 issue a modified exploration permit which is in the form of
 17 the exhibit attached, for the conduct of exploration operations
 18 on Outer Continental Shelf lands not claimed by the State of
 19 California. Such permit will not require State Lands Commis-
 20 sion inspection of operations or State access to exploration
 21 data from lands not claimed by the State.

22 The second stage of the authorization would be the
 23 modification of existing Shell Oil Company geophysical explora-
 24 tion permits to conform with the foregoing insofar as operations
 25 would be involved on Outer Continental Shelf lands not claimed
 26 by the State of California; and these modifications would be

1 subject to the approval of the Director of the U. S. Geological
2 Survey -- the regional Oil and Gas Supervisor of the U. S.
3 Geological Survey in Los Angeles having referred and recom-
4 mended this approval to the Director of the U. S. Geological
5 Survey in Washington, D.C.

6 MR. CRANSTON: Fine; and, John, I may say I have
7 kept very close to this development through Frank and other
8 ways, and I very strongly urge that we approve this request
9 and go along with Mr. Hortig's request to so authorize. I
10 believe this development can be of very great historic and
11 financial development to the State by reason of making avail-
12 able lands which have not been available to the State and may
13 result in money becoming available to support Beaches and
14 Parks.....

15 GOV. ANDERSON: Why have they not been available?

16 MR. CRANSTON: This is a new procedure. This is
17 only the third.....

18 MR. HORTIG: We are not on that item yet.

19 MR. CARR: I would like to ask the question, Mr.
20 Chairman --why isn't it advantageous for the State to know
21 what the results of this exploration might be? What advantage
22 do we gain by renouncing our right to know? On all State tide-
23 lands the State Lands Commission has reports as to what the
24 results of the exploration are. Now, are we proposing not to
25 ask for that information in this case?

26 MR. HORTIG: No sir, I think you have touched on the

1 point right there. There would be no renouncing or waiver of
2 any rights of the State or claims of the State with respect to
3 any tide and submerged lands that have ever been claimed by the
4 State of California.

5 GOV. ANDERSON: What about those outside?

6 MR. CARR: One might be contiguous to the other.
7 Why isn't it advantageous to the State Lands Commission to
8 know what's across this boundary, wherever it might be? As I
9 take it, this exploration permit would give the Shell Oil Com-
10 pany an exploration permit to explore both State tidelands and
11 those that are not claimed by the State. Why should we not be
12 interested in knowing what is going on on the United States'
13 lands as well as the State land?

14 MR. HORTIG: We could, of course, be extremely
15 interested academically; but legally and equitably, the State
16 has no claim to data that are developed on Outer Continental
17 Shelf lands of the United States that are outside the terr-
18 torial limits and outside the claims of State of California
19 ownership.

20 GOV. ANDERSON: Who would be getting the report?

21 MR. HORTIG: No one, on the Outer Continental Shelf
22 lands, because this is the way the Department of Interior,
23 who have jurisdiction, want it.

24 I hasten to point out there is a small element of
25 confusion. It is not recommended that this permit supersede
26 all permits. There would be two types of permits issued if

1 this modified plan is adopted: one on the tide and submerged
2 lands of the State of California, which would require all the
3 data, as it exists today; and the relinquishment as to access
4 to data would only relate as to those lands claimed only by
5 the United States of America and not claimed by the State of
6 California.

7 GOV. ANDERSON: Why are we going out of our way,
8 though, to waive our inspection requirements? Has someone
9 asked us to do this?

10 MR. HORTIG: Yes.

11 GOV. ANDERSON: Who?

12 MR. HORTIG: Both the Shell Oil Company and the
13 regional supervisor of the U. S. Geological Survey on the part
14 of the Federal Government.

15 GOV. ANDERSON: Why do they ask us to do this if we
16 have no control over it and have not been asked for it up to
17 now?

18 MR. HORTIG: We have been asked for it and it is a
19 requirement that we give it if they go out in this area. This
20 was of no importance when they were unable to explore. Now
21 they are able to go out and explore these areas and realize
22 from their own data the hazard of a liability to furnish this
23 data to the State of California for lands over which the State
24 of California has no jurisdiction; therefore, are asking that
25 this point be clarified at this time before they get into real
26 difficulty with it -- a point which was of no import before

1 the time this exploration was feasible.

2 GOV. ANDERSON: Suppose they go out and make these
3 explorations out beyond our limit; would you be asking for our
4 reports?

5 MR. HORTIG: If we maintained our present permits
6 we would have to, because our present permits require that
7 under the law of California.

8 GOV. ANDERSON: But they are not in California.

9 MR. HORTIG: But they are operating under a Cali-
10 fornia permit and this is the idiosyncrasy of the statute.

11 MR. CARR: Mr. Chairman and Mr. Anderson, it seems to
12 me that while our interest might be defined as purely academic,
13 I think academic interest is important and I would certainly
14 hesitate to go along with this particular request because I
15 think academically we are very much interested in the Outer
16 Continental Shelf, because they are our next-door neighbors
17 and I would be for granting an exploration permit providing we
18 get the same information we do on State tidelands. Is it the
19 contention that this is not legal -- we have no right to do that?

20 MR. HORTIG: I believe it can be summarized, Mr. Carr,
21 that any claim to such data would be legally unenforceable;
22 and, number two, that the next step on continuing of such a
23 program would be the rescission of the agreement between the
24 Department of the Interior and the State of California, indi-
25 cating that the Department of Interior is henceforth going to
26 write its own permits for the same area and, therefore, no

1 additional data would become available to California and the
2 hitherto cooperative relationships we have had with the Depart-
3 ment of Interior would have at least been upset.

4 GOV. ANDERSON: Why would the Department of Interior
5 not want us to know what the exploration was discovering out
6 there?

7 MR. HORTIG: Because they don't want to know.

8 MR. CARR: Why don't they want to know? As a citizen
9 of the United States, I want to know -- whether it's California
10 or the Department of Interior.

11 MR. CRANSTON: Do we have an opinion from the Attorney
12 General on this?

13 MR. HORTIG: No sir.

14 MR. CRANSTON: I think we might well get one.

15 GOV. ANDERSON: Do we have a statement from the
16 Department of Interior why they don't want this?

17 MR. HORTIG: Because this is not Federal practice
18 with respect to Federal lands.

19 MR. CARR: I wonder if the new Secretary of Interior
20 knows this?

21 MR. CRANSTON: Has this been reviewed by him?

22 MR. HORTIG: I don't know.

23 MR. CRANSTON: Let's do two things -- let's ask the
24 Attorney General for an opinion and communicate with Clair
25 Engle and see if the new Secretary of the Interior will review
26 this.

1 MR. HORTIG: Mr. Chairman, if I may in compliance
2 with that instruction suggest that the Commission authorize
3 the Executive Officer to modify existing permits only to the
4 extent necessary to be made compatible operably with explosive
5 permits heretofore authorized by the Department of Fish and
6 Game. As of January 27th, Fish and Game did authorize the
7 use of certain explosives at certain locations to our existing
8 permittees which have larger limits on powder than the lands
9 Commission had adopted (again in concurrence with Fish and Game).
10 So, in order to permit these operations to continue without in
11 any way releasing or waiving any rights to data, whatever they
12 may be, I would recommend that the Commission authorize the
13 modification of the permits to be compatible with Fish and
14 Game authorization insofar as explosive usage is concerned.

15 MR. CRANSTON: This will have no effect on the
16 information?

17 MR. HORTIG: No sir. It would change no other term
18 or condition of the permit.

19 MR. CRANSTON: Do you wish to make a motion?

20 MR. HORTIG: Otherwise, we have our operators
21 ground to a halt.

22 MR. CARR: Is the Shell Oil Company now exploring on
23 California tidelands using explosives, or planning to imme-
24 diately? Is that the reason for the modification?

25 MR. HORTIG: Yes sir.

26 GOV. ANDERSON: And they want to use a heavier

1 explosive than they use at the present time:

2 MR. HORTIG: Yes sir, and the Fish and Game have
3 approved it; and the prior limits of the Lands Commission were
4 only in there because they were the limits of Fish and Game.

5 GOV. ANDERSON: These are the only modifications?

6 MR. HORTIG: Yes.

7 MR. CARR: I move.

8 MR. CRANSTON: Moved, seconded, carried unanimously.

9 In regard to your communication to the Attorney General and the
10 Secretary of the Interior and Clair Engle, I would ask that
11 you prepare a letter that would state why we are interested in
12 such areas, where we have responsibilities, namely, the tide-
13 lands areas; and raise the question why the United States Govern-
14 ment might not be interested in similar information where they
15 have lands.

16 GOV. ANDERSON: I would think they should be.

17 MR. CRANSTON: Would you tell me the item I thought
18 you were on?

19 MR. HORTIG: It is the last supplementary item of
20 your calendar.

21 MR. CARR: Where is that?

22 MR. HORTIG: Page 57, the very bottom of your
23 calendar.

24 MR. CRANSTON: It doesn't appear in the index.
25 Supplementary calendar item

26 MR. HORTIG: 57.

1 MR. GRANSTON: Page 57, number 36 at the top --
2 Proposed ocean-floor oil well completion, Richfield Oil Corpora-
3 tion, Rincon Field. Frank, would you briefly explain this?

4 MR. HORTIG: If I may, because it is already summar-
5 ized, I will read the calendar item. The Richfield Oil Cor-
6 poration, lessee under specified lease at Rincon Field, Ventura
7 County, has drilled a well into the leased area at a location
8 approximately 3,000 feet westerly of the existing production
9 island, in a water depth of twenty-six feet. This is the
10 production island all you Commissioners have visited heretofore.
11 This well was drilled using mobile marine equipment and will
12 be completed for production using ocean floor production equip-
13 ment designed and fabricated under the direction of the operator
14 and approved by the Commission's technical staff.

15 This is literally ocean floor equipment in the sense
16 that no part thereof will project over about ten feet above the
17 ocean floor.

18 Because the known production zones in this area lie
19 at a comparatively shallow depth, the structural - - (and this
20 refers to this lease in particular) - - the structural area
21 that may be developed from slant drilling from one island
22 location is relatively small. In consideration of the cost of
23 the present centralized drilling from production islands,
24 individual ocean floor completion methods appear to offer
25 economic advantages in the development of this particular lease.
26 The operator, through the use of equipment and well-head control

1 components similar to those proposed here for use at Rincon,
2 has successfully completed and is now producing an offshore oil
3 well in Peru in a water depth of one hundred thirty-two feet.

4 Pursuant to recommendations by the Commission's tech-
5 nical staff, Richfield has incorporated additional monitoring
6 and safety control features in the equipment to be used in
7 California.

8 A final Department of the Army permit, authorizing
9 the placement of the production head on the ocean floor as a
10 non-interference with navigation, was issued by the Corps of
11 Engineers on February 13th this year. The Coast Guard have
12 reported that the placement of the equipment at the selected
13 location will not require their approval. The only indication
14 on the surface of the existence of the well (this is on the
15 ocean floor) will be a marker buoy -- which, parenthetically,
16 will require Coast Guard approval for placement. The production
17 from the well will be transported to onshore storage facilities
18 through an ocean-floor pipeline.

19 This item does not require specific resolution of
20 the State Lands Commission for implementation. However, being
21 significant in terms of being the first of its type in Cali-
22 fornia and something you may wish to comment on further, Mr.
23 Chairman, it was felt desirable from an information standpoint
24 that everyone be fully informed, that this item be reported to
25 the Lands Commission before operations from this unit are
26 actually undertaken.

1 MR. CRANSTON: Even though approval is not formally
 2 required by the Commission, I think it would perhaps be advis-
 3 able to give approval simply to indicate our affirmative sup-
 4 port of this program. The staff has carefully followed this
 5 and has kept me closely in touch with this development, and I
 6 believe this new approach to getting oil will lead to develop-
 7 ment of fields we have not been able to develop in the past and
 8 probably bring into the State oil and gas for Beaches and Parks
 9 support that we have not had before.

10 MR. CARR: Mr. Hortig, is this the construction that
 11 you went down to see some weeks ago?

12 MR. HORTIG: Yes. As a matter of fact, you are
 13 sitting on the floor of the Pacific Ocean. It is ready to be
 14 turned on. We have had final tests of it, as mentioned earlier.
 15 The operator has cooperated with additional monitoring, safety
 16 and measuring facilities. It has been tested as to its struc-
 17 tural safety and it is by all possible measurements completely
 18 adequate.

19 MR. CARR: Do I understand there was also a similar
 20 installation in the Gulf of Mexico somewhere by some other oil
 21 company?

22 MR. HORTIG: Yes sir. It is reported in press re-
 23 leases by Shell Oil Company that an ocean floor completion was
 24 made in a well offshore from Louisiana, with the additional
 25 unique feature that it is reported that that placement was made
 26 entirely by remote control from surface floating facilities.

1 The present installation which we have under considera-
2 tion here today, and the prior units and the subsequent ones
3 programed by Richfield Oil Corporation, while they incorporate
4 undersea television monitoring to observe the operations, the
5 final connections and the final safety controls are under the
6 control of divers.

7 MR. CARR: Were these two installations accomplished
8 and operated with full control, so that there was no escape of
9 oil so that it washed ashore and caused trouble of that kind?

10 MR. HORTIG: I cannot say from our own independent
11 supervision with respect to the well off Peru. I believe this
12 is the case. This is the case with respect to this well at the
13 Rincon Oil Field.

14 MR. CARR: I think that's the only reservation.....

15 MR. HORTIG: The head is in place....

16 MR. CARR: ... the only reservation I ever had was
17 the hope this would be accomplished with complete security as
18 far as contamination to the beaches and that sort of thing.

19 MR. GRANSTON: They were also safety factors that
20 had to be considered by them.

21 GOV. ANDERSON: That's the concern I had. I think
22 we are all in favor of this new approach, but I represented the
23 districts of Hermosa and El Segundo in the Legislature several
24 years; and in El Segundo, just piping the oil out to the
25 tankers, every so often we would see spillage or leakage, what-
26 ever they call it, and we would see oil on the beaches for

1 some time following; and there were all sorts of explanation
2 as to what caused this. I would be concerned as to how much
3 oil is going to be able to escape during its production and
4 drilling stages; and in the building of the pipe line, how
5 much danger there would be to the existing communities for oil
6 getting along the beaches. These would be my concern.

7 MR. HORTIG: Under this present installation the oppor-
8 tunity for escape of any oil in the drilling completion and con-
9 nection of the pipe lines is and has been zero. It would take
10 a major cataclysm, truly an Act of God, against which we mortal
11 engineers still can't design, to produce any disruption in con-
12 nection with the transport line from the well head itself to the
13 onshore location.

14 GOV. ANDERSON: In other words, the tide, littoral
15 drifts, things like that, wouldn't affect this pipe line?

16 MR. HORTIG: Can have no effect. The pipe lines are
17 safeguarded. There are three lines of defense to shut down
18 the well -- the first manual, the first automatic and the second
19 automatic series to shut the well off.

20 MR. CARR: Now, this marker buoy that is part of the
21 installation -- I assume -- you say it requires Coast Guard
22 approval?

23 MR. HORTIG: That's right, only as to placing the
24 buoy in accordance with Coast Guard requirements.

25 MR. CARR: Now, if you had a number of such installa-
26 tions, you would have a number of Coast Guard buoys. I take it

1 to protect the installation, you wouldn't want anyone anchor-
2 ing around there?

3 MR. HORTIG: That is correct, although I can report
4 that by one of the additional safety features designed by the
5 operator and modified at the recommendation of the Commission's
6 technical staff, it is not feasible to do anything even with
7 an anchor or anchor chain with respect to becoming snarled in
8 this operation.

9 GOV. ANDERSON: Is this pipe underground?

10 MR. HORTIG: Yes sir.

11 GOV. ANDERSON: How far?

12 MR. HORTIG: It is on the ocean floor in varying
13 depths depending on the littoral drift, but it is completely
14 encased from where it goes underground and cannot possibly be
15 snagged at that location. Additionally, if there should be a
16 break in the pipe as a result of any upheaval, or possibly
17 someone - - I now have to get into the realm of the fantastic - -
18 someone deciding to dig a trench along here and intersecting
19 the pipe line (as happens on the uplands) there are automatic
20 shutoffs and the pipe would be shut off immediately, and there
21 would only be a limited amount of the pipe that would be rup-
22 tured.

23 MR. CARR: Specifically, what is the size of the pipe
24 and what is the distance between these safeguards, so what would
25 be the precise amount of oil that would be let loose at any
26 one particular section?

1 MR. HORTIG: A matter of a relatively few barrels,
2 but for a specific answer, if I may put the Richfield repre-
3 sentative on the spot

4 MR. CARR: It would be interesting to know.

5 MR. COOK: I can't quite hear you, Mr. Carr.

6 MR. CRANSTON: The question is how much oil would be
7 in the two cut-off points if the pipe was ruptured.

8 MR. HORTIG: Before it was cut off.

9 MR. CARR: About how far apart are the check valves?

10 MR. COOK: Three thousand feet.

11 MR. CARR: What is the size of the line?

12 MR. COOK: Two inches.

13 MR. CARR: Now, somebody quick at figures could tell
14 us how much oil would be in three thousand feet of two-inch
15 pipe line. It would take more than a quart of kerosene to
16 wipe this off your feet?

17 MR. COOK: Yes.

18 MR. CARR: What is the specific amount?

19 MR. COOK: That could be calculated, Mr. Carr. I
20 don't have the table with me. In a two-inch pipe at three
21 thousand feet it probably wouldn't be over two or three barrels.

22 MR. HORTIG: A barrel, of course, has forty-two
23 gallons in it.

24 MR. CARR: Is it forty-five gallons or forty-two?

25 MR. HORTIG: Forty-two.

26 MR. COOK: You mustn't assume that the pressure is

1 going to be on the line and force the oil out because the
2 pressure at both ends will be immediately cut off. Your actual
3 loss would perhaps be a bucketful.

4 (Question by Mr. Cranston unintelligible to reporter)

5 MR. HORTIG: Any operation involving this line would
6 necessarily be within the limits of the exclusive lease of
7 Richfield Oil Corporation.

8 GOV. ANDERSON: If this pipe is laid along the ocean
9 floor - - I understand it's cased in, but from then on it's
10 pretty much along the floor?

11 MR. HORTIG: Yes sir.

12 GOV. ANDERSON: And your littoral drifts change and
13 you might have your pipes sticking up four feet in the air
14 where they had been dug under - - an anchor coming along there
15 could cause trouble.

16 MR. HORTIG: This isn't quite the result, Governor,
17 for the reason these lines are anchored with concrete and
18 steel weights and otherwise so they always stay on the ocean
19 floor. They are even sufficiently flexible that they assume
20 the contour of the ocean floor and stay at the bottom.

21 MR. CARR: I move we indicate our approval of this
22 technique, if that's what they call for.

23 GOV. ANDERSON: And concern for

24 MR. CARR: ... and concern for their success.

25 GOV. ANDERSON: Second.

26 MR. CRANSTON: Moved unanimously. I believe we can

1 go to Item 6.....

2 GOV. ANDERSON: I would like to have the staff make
3 a specific check on this and bring it back to us later. I
4 would like to know what precautions are being taken.

5 MR. CRANSTON: ... Could you summarize that?

6 MR. HORTIG: Yes sir.

7 MR. CRANSTON: Item 8 -- Report on proposed oil and
8 gas lease, Parcel 1. No Commission action required. Frank?

9 MR. HORTIG: On February 3, 1961, which was the
10 designated date for receipt of bids on Parcel 1, previously
11 authorized for lease offer by the State Lands Commission, no
12 bids were received. This area included in Parcel 1, as shown
13 on Exhibit A attached to your maps, indicates that this parcel
14 was the westernmost of the series of parcels that the Commis-
15 sion has had under consideration in Santa Barbara County.

16 Since the preparation of this calendar item as an
17 informative matter, I can more happily offset this negative
18 report with the fact that Parcel 2, immediately to the east of
19 the westernmost existing lease as shown on the attached map,
20 did produce a series of three bids last Friday, ranging from
21 a low of \$851,500 to a high of \$9,550,000. These bids have
22 been referred to the Commission's staff and to the Office of
23 the Attorney General for review to determine technical, economic
24 and legal sufficiency, and the results of these reviews will be
25 reported to the Commission for consideration of an award of
26 lease at the meeting of the Commission which is currently

1 scheduled for ten a.m. April 12, 1961 in this room.

2 MR. CRANSTON: Frank, may I ask under this heading --
3 do you have under a separate heading the consideration of when
4 we will act on the parcels which we have not yet set for bidding
5 if we take such action?

6 MR. HORTIG: There is a recommendation on a succeeding
7 parcel on page 56 of your calendar.

8 MR. CRANSTON: Let's take that up in conjunction with
9 this other.

10 MR. HORTIG: Proceeding from west to east, as shown
11 on the attached map, bids having been received on Parcel 2,
12 bids on Parcel 3 to be received April 7th, the next parcel
13 (proceeding in an easterly direction) available for lease offer
14 would be Parcel 4; the recommendation for advertising this
15 parcel for lease being the subject of the discussion on page 56.

16 With all these dates, I again refer to the Commission
17 the fact that the due date for bids on Parcel 3 is April 7th
18 and the next scheduled Commission meeting is April 12th, so
19 that at the April 12th meeting we can report results to the
20 Commission, even as we have today on the results of last Fri-
21 day's bid receipt on Parcel 2.

22 MR. CARR: Mr. Chairman, I'd like to suggest that we
23 consider the deferment of Parcel Number 4, and defer that to
24 the 12th before we set it; because then we will have time to
25 see what the bids are on the 7th and we will have a meeting on
26 the 12th and I see no particular rush about setting it. We

1 could defer that for another month.

2 GOV. ANDERSON: Second that.

3 MR. CRANSTON: Consideration of setting action on
4 Parcel 4 is unanimously deferred to the April 12th meeting.

5 Mr. Carr, in regard to Parcel 1, I think it might be wise to
6 set consideration and discussion of that parcel and what further
7 action, if any, the board would like to take, for the same date.

8 MR. CARR: Yes, Mr. Chairman, I think that would be
9 a good idea. We put that through the merry-go-round once and we
10 could start it around again.

11 GOV. ANDERSON: Do you think that should be the
12 same date or subsequent?

13 MR. CARR: Let's have it a subsequent date. We can
14 consider Parcel 1 on the 12th, whether we set it then or some
15 other time.

16 GOV. ANDERSON: My offhand opinion would be that
17 Parcel 1 would be better on a separate date.

18 MR. CRANSTON: We will consider Parcel 1 hanging in
19 air.

20 MR. HORTIG: Do you wish it calendared for discussion
21 April 12th or subsequent?

22 MR. CRANSTON: Apparently subsequent to that would
23 be all right. Do you feel any other item should be taken up
24 before Glenn leaves the hearing? What is the next important
25 item?

26 MR. HORTIG: With extreme reluctance, because of the

1 difficulty of soothsaying, I believe the balance of the items
2 on the agenda are noncontroversial.

3 MR. CRANSTON: We will then return to where we broke
4 off, to item (m) under Classification 2. This is an application
5 of Lindsey Spight -- approval of sublease Contra Costa County,
6 to Dunlap Wholesale Radio Company, for operation of a two-way
7 microwave relay station.

8 GOV. ANDERSON: We took that previous item out of
9 turn.

10 MR. CRANSTON: (f) -- Edith C. Knight - Amendment
11 of Grazing Lease PRC 2442.2, San Bernardino County, reducing
12 area to 3,760 acres and annual rental to \$56.40.

13 GOV. ANDERSON: No objection.

14 MR. HORTIG: This is a standard action required in
15 view of the fact the Commission has heretofore authorized the
16 sale to another purchaser of a portion of the lands previously
17 contained in the grazing lease, therefore decreasing the amount
18 of land left for the grazing lease.

19 GOV. ANDERSON: I move it.

20 MR. CARR: Second.

21 MR. CRANSTON: Approval moved and seconded, and
22 unanimously made. (g) - Moe Sand Company -- Deferment of
23 operating requirements, Mineral Extraction Lease PRC 2036.1,
24 for lease year ending 11/11/60. In the past the lessee has
25 not been granted authority to dredge by Corps of Engineers on
26 the grounds that proposed operations would endanger navigation;

1 they now have operational procedure which they hope will
2 correct this.

3 MR. HORTIG: And in the interim are continuing to pay
4 the minimum annual rental on the lease.

5 GOV. ANDERSON: I move it.

6 MR. CARR: Second.

7 MR. CRANSTON: Approval is moved, seconded, and
8 made unanimously. Item (h) - Pacific Gas and Electric Company -
9 49-year right-of-way easement, 1.5 acres submerged land of
10 Newark Slough and Plummer Creek, Alameda County, for aerial
11 transmission line. Total rental \$487.06.

12 MR. CARR: Mr. Chairman, I wonder if in some of
13 these easements, which are highly necessary and to which I
14 think there is no objection whatsoever except the possibility
15 that in the development of the rapidly growing area around the
16 Bay it might be highly advantageous at some time in the future
17 to move these transmission lines - - under some of the problems
18 that we have now, where the State moves facilities of public
19 utilities, such as railroad tracks or anything, they have, I
20 understand, assumed or recognized a legal responsibility which
21 hasn't been completely spelled out, as to what the extent is.
22 This is a question that I am not qualified to pass on, except
23 it seems to me we are sort of on notice that on a long-term
24 easement such as this it becomes in the public interest to
25 relocate these things and the State has its neck out quite a
26 respectable distance.

1 Mr. Hortig, do you know anything about that? It
2 has been brought to my attention but I have never run it down
3 with the attorneys. It's pending -- it's a court action.

4 In all equity, certainly anyone who invests in a
5 transmission line needs to be protected, but at the same time
6 the State does also.

7 GOV. ANDERSON: This is an area where we are at
8 least talking about occasionally filling in and dredging and
9 developing. Where we put this in, what does it cost us?

10 MR. HORTIG: This is a 220-KV line and if you will
11 refer to the page following 30, there is the illustration
12 complete with location, altitude and all. The line is at a
13 clearance at the central point of 147 feet above mean high
14 water and it is an aerial transmission line, suspended from
15 towers located on privately-owned lands on one side and swung
16 over to privately-owned land on the other, and the crossing of
17 the State lands consists of twelve wires, air high, above
18 navigation requirements and in no wise altering or restricting
19 any reasonable type of activity on the State lands beneath.
20 As a matter of fact, they are put up so far so that navigation
21 will not be impeded and there will be no safety hazard.

22 MR. CARR: What is the difference between these
23 towers that are on private land?

24 MR. HORTIG: There are two spans of 822 and 1194
25 feet, for a total of 2016 feet.

26 MR. CARR: This is a 49-year.....

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GOV. ANDERSON: Fifty cents a month.

MR. CARR: ... right-of-way easement and this installation is already there, isn't that right?

MR. HORTIG: No sir.

MR. CARR: It is not there?

MR. HORTIG: No sir. It is perhaps in process. However, I might also hasten to add that the rights-of-way over the private land on both sides of the State land are held by P. G. and E.

MR. CARR: What is the minimum distance between the surface of the water or tidelands?

MR. HORTIG: Minimum clearance is 108.3 feet - - excuse me, 100 feet on the lowest line.

MR. CARR: Any more questions about it?

GOV. ANDERSON: I don't know what we can do. I hate to see it tied up for forty-nine years in an area that surely in the not too distant future we are going to be talking about somehow redeveloping that land; and I know, as you know, it is going to cost a lot more to get out of this than rent. On the other hand, I don't see how you can stop it.

MR. HORTIG: The normal expectation in this location there are absolutely no restrictions on further developments, of dredging or enhancement of navigation, even in the presence of this overhead transmission line.

MR. CARR: The only trouble with an overhead transmission line, if you ever got under one with your radio you

1 know it has a peculiar influence on the land under it; and it
2 might influence this land underneath on purposes for this land
3 still unknown; but in five years - - we know on the electronics
4 around, we know there is an influence with a 220-volt trans-
5 mission line.

6 I think we have to approve this, but I think we have
7 to recognize there have been proposals for development of some
8 of those tidelands for State and private purposes, and after all
9 a 220-volt transmission line isn't the best neighbor in the
10 world. However, I move approval.

11 GOV. ANDERSON: Second.

12 MR. CRANSTON: Approval is moved, seconded, and made
13 unanimously.

14 GOV. ANDERSON: I am going to have to go.

15 MR. CRANSTON: Item (1) - E. W. Plummer -- amendment
16 of grazing lease, San Bernardino County, reducing area to
17 3.782.63 acres and annual rental to \$56.74.

18 GOV. ANDERSON: Mr. Rose will be here representing me.
19 (Governor Anderson left meeting)

20 MR. CARR: Is this a year-to-year lease, Mr. Hortig?

21 MR. HORTIG: It's a five-year lease which was issued
22 on June 25, 1959, would run until 1964; but the reduction in
23 area is made necessary because a portion of the leased area
24 was, again, authorized to be sold and is no longer available
25 for lease. Therefore,

26 MR. CARR: Move approval.

1 MR. CRANSTON: Second the motion and it is approved
2 unanimously.

3 Item (j) Burrell Reed -- cancellation of grazing
4 lease and issuance of certificate of restitution for unearned
5 rent in the amount of \$35.33; Kern County; land sold.

6 MR. HORTIG: In this instance, instead of sale of a
7 portion of land under lease, all of it was authorized to be
8 sold, so there is nothing left to be leased; and these certi-
9 ficates of restitution are provided for in the statutes.

10 MR. CARR: Move approval.

11 MR. CRANSTON: Second the motion -- action is taken
12 unanimously.

13 Item (k) San Diego Gas and Electric Company --
14 deferment of operating requirements on Mineral Extraction Lease
15 PRC 2094.1 for lease year ending 3/9/61. Further dredging not
16 contemplated at this time but will be necessary within a two
17 or three-year period.

18 MR. CARR: What is this about, Mr. Hortig?

19 MR. HORTIG: Actually, the only way the operations
20 proposed by San Diego Gas and Electric could be authorized
21 under statutes existing at the time and currently -- which was
22 for the dredging of a channel to provide cooling water and for
23 discharge of cooling water, as well as for an entrance channel
24 for bringing fuel barges to the power plant -- was to issue a
25 mineral extraction permit for removal of "X" cubic yards of
26 sand and mud at an "x" royalty rate. In using that provision,

1 this carried along with it the circumstances that were particu-
2 larly designed to cover a normal mineral extraction lease,
3 wherein there is annual operating requirements.

4 Apparently, these operating requirements are not
5 reasonably continuously applicable to a more unusual type of
6 operation such as authorized here. Whether or not there will
7 be additional dredging depends on whether or not San Diego Gas
8 and Electric find it necessary to expand their power plant.

9 MR. CARR: Would the deferment of these operating
10 requirements allow them to resume these operations at their
11 convenience, or would it require approval?

12 MR. HORTIG: Again it would require specific approval
13 by the staff and in the interim the company is again paying the
14 minimum annual rental for the lands and, in addition, if any
15 material is removed would pay for the material at the royalty
16 bid rate.

17 MR. CARR: I move approval.

18 MR. CRANSTON: Second the motion. The action is
19 taken unanimously.

20 Item (l) we have acted on already, so we come to
21 item (m) -- Lindsey H. Splight -- approval of sublease, Contra
22 Costa County, to Dunlap Wholesale Radio Company for operation
23 of a two-way microwave relay station.

24 MR. HORTIG: I would like to add in supplement only
25 that this utilization has been approved by the Division of
26 Communications of the Department of Finance as not being

1 detrimental to the operation of any other State radio facilities
2 in the vicinity.

3 MR. CARR: Is this subject to approval by the
4 Communications Commission?

5 MR. HORTIG: Cooperatively it is. We do refer these
6 all to your Communications Division.

7 MR. CARR: I mean the Federal Communications Division.

8 MR. HORTIG: Yes sir, these are F.C.C. licensed.

9 MR. CARR: They already have their license?

10 MR. HORTIG: Yes sir.

11 MR. CARR: Now, what does this do specifically?
12 Does this give them a location on Mount Diablo?

13 MR. HORTIG: It would permit Dunlap Wholesale to put
14 an antenna on an existing tower, which is located under a
15 lease from the State Lands Commission to Lindsey Spight.

16 MR. CARR: Move approval.

17 MR. CRANSTON: Second the motion -- action approved
18 unanimously.

19 (n) - Standard Slag Company -- two 25-year right-of-
20 way easements over vacant school lands, San Bernardino County
21 to serve their mine operations -- (1) 9-plus acres, total
22 rental \$325.25; (2) 8-plus acres, total rental \$228.22.

23 MR. CARR: What is this, actually? Is this a tailings
24 dump for this slag operation?

25 MR. HORTIG: Actually, Standard Slag Company operates
26 a mine and this is for a right-of-way for a roadway to an

1 iron ore mine.

2 MR. CARR: This is just an easement.....

3 MR. HORTIG: ... for a roadway ...

4 MR. CARR: ... for a roadway, not for dumping the slag
5 or anything like that?

6 MR. HORTIG: Only for conducting mining operations
7 on the State land, and by referring to the map on the following
8 page, page 38, the Commission will see the remote location and
9 the astounding absence of even trails in the area, as indicated
10 by a current geological quadrangle sheet.

11 MR. CARR: Move approval.

12 MR. CRANSTON: Second the motion -- approved
13 unanimously.

14 Item (o) - S. A. Tanner -- assignment to California
15 Minerals Corporation of undivided one-half interest in mineral
16 extraction leases, Fresno and San Bernardino Counties, and
17 then there is itemized three leases.

18 MR. HORTIG: These are all existing mineral extrac-
19 tion leases that have been assigned or have been issued pursuant
20 to competitive public bidding before, and it is proposed that
21 there be approval of an assignment, which approval is required
22 by the Commission if assignment is to be allowed, of half
23 interest in these operations by the present lessee.

24 MR. CARR: I move approval.

25 MR. CRANSTON: I second the motion -- approved
26 unanimously.

1 The next is City of Long Beach -- Project (a) -
2 Pier A East, Oil Area Drainage, second phase; estimated sub-
3 project expenditure from 3/7/61 to termination of \$50,000, all
4 estimated as subsidence cost.

5 MR. HORTIG: This item represents one of the continu-
6 ing necessary projects of the Harbor Department in the City of
7 Long Beach. The locale of the operation is shown on the map
8 following page 44 and it is, therefore, recommended that the
9 Commission approve the cost proposed to be expended, subject
10 to the standard reservations that the amount ultimately to be
11 allowed as subsidence cost, if any, will be determined by an
12 engineering review and final audit subsequent to the time when
13 the work on the particular project is completed.

14 MR. CARR: I so move.

15 MR. CRANSTON: I second the motion -- approved
16 unanimously. That finishes that item and establishes a
17 world's record of sixty seconds for items on Long Beach.

18 Item 4 -- Authorization for lease offers for extrac-
19 tion of sand and gravel at minimum royalty of six cents per
20 cubic yard: (a) 9-plus acres tide and submerged lands in bed
21 of Noyo River, near Fort Bragg, Mendocino County, pursuant to
22 application of Baxman Gravel Company; item (b) - one-plus
23 acres of tide and submerged lands in bed of Noyo River near
24 Fort Bragg, Mendocino County, pursuant to application of
25 Clarence J. Potts.

26 MR. HORTIG: As reflected on pages 45 through 46 and

1 the accompanying charts, it is proposed there be authorization
 2 for advertising for competitive bids for sand and gravel ex-
 3 traction in specified portions of the bed of the Noyo River --
 4 all having been reviewed with the Department of Natural Re-
 5 sources, the office of the Attorney General, the Fish and Game
 6 Commission, the Regional Water Pollution Control Board, and
 7 the Corps of Engineers.

8 MR. CARR: That is a very imposing recital, Mr.
 9 Hortig. Have the salmon and the steelhead been personally
 10 approached on whether this is a romantic spot that they would
 11 hate to give up for purposes of spawning?

12 MR. HORTIG: It is our report from Fish and Game
 13 that this is not the case. Whether Fish and Game received
 14 this information from the salmon directly, I don't know.

15 MR. CARR: Shall we take the word of Fish and Game,
 16 Mr. Chairman, and approve this?

17 MR. CRANSTON: Yes.

18 MR. CARR: Have it show on the record we had the
 19 salmon and steelhead in mind here, will you please, Mr. Hortig?

20 MR. CRANSTON: You still haven't made a motion.

21 MR. CARR: Yes, I move we approve on the basis.....

22 MR. CRANSTON: Second. Item 5 -- authorization for
 23 Executive Officer to approve and have recorded sheets 1 through
 24 4 of maps entitled "Plan of the Grant to the San Mateo County
 25 Harbor District, Vicinity of Half Moon Bay, San Mateo County,
 26 California," dated September 1960.

1 MR. HORTIG: The copy of the indexed plat following
2 page 48 of your agenda is the result of a survey conducted,
3 as required by statute, by the State Lands Commission of the
4 tideland grant to the San Mateo County Harbor District. Under
5 current statutes, grants by the Legislature are not valid until
6 the area conveyed has been surveyed, monumented, platted and
7 recorded by the State Lands Commission; and it is recommended
8 that authorization be given for such approval and recordation.

9 MR. CARR: I don't quite understand this, Mr. Chair-
10 man. Would you explain what this procedure is, Mr. Hortig?

11 MR. HORTIG: Yes sir. Chapter 68 of the Statutes of
12 1960 granted to the San Mateo County Harbor District certain
13 specified tide and submerged lands in trust, for operation by
14 the Harbor District, subject to the conveyance being valid only
15 when the area specified had been surveyed, monumented, platted
16 and recorded by the State Lands Commission at the cost of the
17 grantee.

18 MR. CARR: Now, is this - - does this represent

19 (Mr. Hortig indicating on map)

20 MR. HORTIG: This represents the summary sheet. As
21 you note, it is sheet 1 of 4, but it represents the entire
22 area. There are three more detailed survey sheets that would
23 be recorded, Mr. Carr, but they are larger scale details of
24 the total area which is reflected on this diagram.

25 MR. CARR: Within this triangle here?

26 MR. HORTIG: Yes sir. That's right -- these are the

1 grant boundaries as the Legislature specified them in the
 2 Statutes of 1960; and this, again, is one of those grants
 3 that now requires within ten years of the grant the Lands Com-
 4 mission shall make an investigation and report to the Legis-
 5 lature whether the grantees developed adequately within the
 6 limits of the grant, failing in which the lands would revert
 7 to the State; otherwise they will be permanently in trust
 8 lands of the San Mateo County Harbor District.

9 We have approximately six or seven similar grant
 10 bills for the same purpose already introduced at this session
 11 of the Legislature for various areas up and down the California
 12 coast. We had about six during the 1960 session.

13 MR. CARR: What is the San Mateo Harbor District
 14 required to do? What is their obligation?

15 MR. HORTIG: To develop a harbor.

16 MR. CARR: Now, is this harbor that they are supposed
 17 to develop this breakwater outlined here -- the west breakwater
 18 and the east breakwater?

19 MR. HORTIG: The breakwater is actually a Federal
 20 project, which gave impetus to the Harbor District.

21 MR. CARR: What will they do -- dredge.....

22 MR. HORTIG: They will dredge and put harbor facilities
 23 inside the breakwater, and develop as much of a commercial har-
 24 bor as it is feasible to do.

25 MR. CARR: What is the current situation? Has any-
 26 thing been started by the Federal authorities on the breakwater

1 MR. HORTIG: Oh, the breakwater is in.

2 MR. CARR: Is it all in?

3 MR. HORTIG: Yes sir.

4 MR. CARR: What remains is to dredge this out?

5 MR. HORTIG: And provide landing docks and other
6 transport facilities. As you see, there is one old pier in
7 existence, which would be utterly inadequate for any reasonable
8 amount of commercial development.

9 MR. CARR: I don't seem to see what the depth of
10 water is in there. What is it? Do you have any figures on
11 that?

12 MR. HORTIG: No sir, I do not; but, of course, hav-
13 ing been a gently sloping and, weather-permitting, recreational
14 beach prior to the time it was fenced in, considerable dredging
15 would have to be undertaken in order to provide deep water
16 access to any reasonable length piers.

17 MR. CARR: Move approval.

18 MR. CRANSTON: Second the motion and action is
19 unanimously taken.

20 Item 6 -- Authorization for Executive Officer to
21 execute an interagency agreement with the Colorado River
22 Boundary Commission, providing for rendering of engineering,
23 administrative and other services to the Boundary Commission
24 for the 1960-61 fiscal at a cost not to exceed \$5,000.

25 MR. CARR: I move approval.

26 MR. CRANSTON: Second the motion. Action is

1 accepted as unanimous.

2 Item 7 -- Confirmation of transactions consummated by
3 Executive Officer pursuant to authority confirmed by the Com-
4 mission at its meeting on October 5, 1959.

5 MR. HORTIG: Pages 50 to 52 list the contracts
6 entered into and extensions granted for permits previously
7 authorized by the Commission and approval of assignments of
8 previously existing grazing leases, which were approved by
9 the Executive Officer under the delegation of authority --
10 for which actions confirmation is recommended.

11 MR. CARR: I move approval.

12 MR. CRANSTON: Second the motion. The action is
13 thus taken unanimously.

14 We have acted on Item 8. So we go to Item 9 --
15 report on status of major litigation.

16 MR. HORTIG: .. which, as headed, is informative
17 only and lists the continuing actions which have been filed
18 and the principal actions in which the State Lands Commission
19 is involved.

20 I wish to supplement the report on the U. S. versus
21 Anchor, which is the first case listed, because, as stated,
22 the United States has filed a motion to dismiss approximately
23 120 private defendants. At the time this report was prepared
24 that was set for February 28th. On February 28th, this motion
25 was presented, was granted; but the documentation by the
26 United States reported to the court continued diligence by the

1 United States in bringing the balance of the defendants to
2 trial and the press report hereon indicated that the special
3 U. S. attorney indicated that the action might go to trial as
4 to the remaining defendants by the end of this calendar year.
5 Of particular interest, of course, is the fact that the State
6 is one of those remaining defendants.

7 MR. CARR: But there has been no interrogatory served
8 on the State?

9 MR. HORTIG: Not filed with the State of California,
10 no sir.

11 MR. CARR: No action required

12 MR. HORTIG: ... because the gist of the report is
13 to keep you informed.

14 MR. CRANSTON: Is there any action to take on
15 Hermosa Beach?

16 MR. HORTIG: There is no action the Commission can
17 take.

18 MR. CRANSTON: Do we have to make a determination
19 one way or the other whether there can be a rescission of the
20 Hermosa Beach contract?

21 MR. HORTIG: This is a possibility, but this requires
22 further discussion with the Office of the Attorney General.

23 MR. CRANSTON: But there is no action on that on
24 the basis of this?

25 MR. HORTIG: No sir.

26 MR. CRANSTON: Nothing else under Item 9?

1 MR. HORTIG: No sir.

2 MR. CRANSTON: Do you have any other supplemental
3 calendar items?

4 MR. HORTIG: No sir.

5 MR. CRANSTON: I would like to suggest that we have
6 on our agenda at the next session, if there is time, considera-
7 tion and a brief review of our calendaring procedures, primarily
8 along this line -- are we too inflexible in these procedures
9 and can we be more flexible in regard to the time schedules
10 and the deadlines of parties to get on our calendar? Can we
11 be any more flexible with regard to the ability of the staff
12 to consider the matters before us and advance notice needed
13 for the Commission? I am not certain we are doing this exactly
14 right and I'd like to have a discussion of it. So may we
15 have that on the calendar?

16 MR. HORTIG: Yes sir.

17 MR. CRANSTON: Then we are ready for the decision
18 on the next Commission meeting, which is presently scheduled
19 for Wednesday, April 12th, at 10 a.m. in Sacramento. If there
20 is no objection to that date, that will stand and that's when
21 we will next meet.

22 The meeting now stands adjourned.

23 ADJOURNED 11:22 A.M.

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CERTIFICATE OF REPORTER

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I, LOUISE H. LILLICO, reporter for the Division of Administrative Procedure, hereby certify that the foregoing forty-three pages contain a full, true and correct transcript of the shorthand notes taken by me in the meeting of the STATE LANDS COMMISSION at Sacramento, California, on March 7, 1961.

Dated: Sacramento, California, March 13, 1961.

Louise H. Lillico