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MEETING  
STATE LANDS COMMISSION

STATE CAPITOL  
ROOM 1145  
SACRAMENTO, CALIFORNIA

ORIGINAL

MONDAY, SEPTEMBER 13, 1982  
10:10 A.M.

Eileen Jennings, C.S.R.  
License No. 5122

**PETERS SHORTHAND REPORTING CORPORATION**

3435 AMERICAN RIVER DRIVE, SUITE A  
SACRAMENTO, CALIFORNIA 95825  
TELEPHONE (916) 972-8894

APPEARANCES

Commission Members:

David Ackerman, Acting Chairperson,  
representing Mike Curb, Lieutenant Governor

John Jervis, representing Kenneth Cory,  
State Controller

Susanne Morgan, representing Mary Ann Graves,  
Director of Finance

Staff Present:

Claire T. Dedrick, Executive Officer

Robert C. Hight, Chief Counsel

W.M. (Moose) Thompson

Lane Smith, Secretary

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3 PROCEEDINGS

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5 ACTING CHAIRPERSON ACKERMAN: The meeting officially  
6 comes to order.

7 This is a special meeting of the State Lands  
8 Commission, two agenda items.

9 Do we have any minutes or anything from previous  
10 meetings we need to discuss?

11 EXECUTIVE OFFICER DEDRICK: No, I don't think so.

12 ACTING CHAIRPERSON ACKERMAN: We'll just take the  
13 items in order.

14 Agenda Item 1, the City of Long Beach for an  
15 assignment of Associated Southern Investment Company's  
16 working interests in the Fault Block II Unit.

17 EXECUTIVE OFFICER DEDRICK: Basically, Southern  
18 California Edison wants out of their unitized agreements.  
19 And that allows everybody else to -- they have a right of  
20 first refusal on the assignments.

21 Staff is recommending that we go along with that,  
22 that we take that right of first refusal.

23 The City of Long Beach has already voted, have they  
24 not?

25 MR. THOMPSON: Yes, the City Council has already  
passed this under Chapter 29. There has to be ratification  
by the State Lands Commission.

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1 ACTING CHAIRPERSON ACKERMAN: Is there any negative  
2 revenue back to the state?

3 MR. THOMPSON: Not at the present time. There may be  
4 in the future.

5 ACTING CHAIRPERSON ACKERMAN: But that depends on  
6 future policy?

7 EXECUTIVE OFFICER DEDRICK: That's correct. Excuse  
8 me, Moore; go ahead.

9 MR. THOMPSON: That will be decided on about October.

10 ACTING CHAIRPERSON ACKERMAN: Any questions from  
11 Commissioners?

12 Without objection, Item 1 will be approved as  
13 recommended.

14 Item 2, a State Lands Commission proposed sale of  
15 Royalty Crude Oil from a lease. This is follow-up of one  
16 that we rejected previously.

17 Any questions?

18 COMMISSIONER MORGAN: We're setting a minimum bid  
19 here?

20 ACTING CHAIRPERSON ACKERMAN: Minimum bid of what,  
21 twenty-five cents?

22 EXECUTIVE OFFICER DEDRICK: Twenty-five cents, right.

23 ACTING CHAIRPERSON ACKERMAN: We're going to inch it  
24 up penny by penny, even though we're advised it doesn't make  
25 a bit of difference anyway.

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EXECUTIVE OFFICER DEDRICK: Right.

ACTING CHAIRPERSON ACKERMAN: Any questions from Commissioners on Item 2?

COMMISSIONER MORGAN: No.

ACTING CHAIRPERSON ACKERMAN: Without objection, that will be approved.

Any other items of business to come before us?

EXECUTIVE OFFICER DEDRICK: None.

ACTING CHAIRPERSON ACKERMAN: Any questions from people in the audience?

Meeting adjourned.

(Thereupon the meeting before the State Lands Commission was adjourned at 10:13 a.m.)

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CERTIFICATE OF SHORTHAND REPORTER

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I, EILEEN JENNINGS, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing State Lands Commission meeting was reported in shorthand by me, Eileen Jennings, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of September, 1982

Eileen Jennings  
EILEEN JENNINGS, C.S.R.  
License No. 5122