

41. (Proposed Budget, Division of State Lands, 1949-50 Fiscal Year - W. O. 348)
The Commission was informed that the proposed budget for the Division of State Lands, State Lands Commission, for the 1949-50 Fiscal Year was estimated as follows:

Support	\$288,252.00
Other Current Expenses	134,300.00
Capital Outlay	1,050.00
Total Expenditures	<u>442,040.00</u>

Revenues estimated were as follows:

State Lands Act Fund	1,329,810.00
General Fund	600.00
School Fund	29,200.00
School Land Fund	72,000.00
Impounded from Marginal Sea Leases	9,620,000.00

Upon motion duly made and unanimously carried, a resolution was adopted approving the proposed budget for the 1949-50 Fiscal Year for submission to Department of Finance for review and inclusion in the Budget Act Appropriation for that year, subject to review by Mr. Dean as Director of Finance.

42. (Tideland Litigation) The Commission was informed of the two phases of the tideland litigation, i. e.,

1. Legislation on the quitclaim bill deferred in closing minutes of the 80th Congress, and
2. Supreme Court on July 2, 1948, appointed Honorable D. Lawrence Groner as Special Master.

Assistant Attorney General Everett W. Mattoon appeared and discussed in full the second item. Request was made to the Commission that a sum of \$10,000 be made available for obtaining the services of expert witnesses to be presented when Judge Groner holds hearings with respect to designation by California of other areas of its coast which should be included in the scope of the reference to the Master for recommendations to the Supreme Court.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Commission's staff to work out the details of a plan to employ expert witnesses at initial maximum of \$10,000 and submit the plan to the Director of Finance for approval.

43. (Application for pipeline right-of-way. Dow Chemical Company - W. O. 380)
The Commission was informed that the Dow Chemical Company has filed an application for construction of a 5" gas pipeline right-of-way across Three-Mile Slough, Jackson Slough and the San Joaquin River, in San Joaquin County. They have acquired certain wells on the borders of the Rio Vista Gas Field, from which wells they expect to extract sufficient gas for chemical plant operations at Pittsburg. In addition to the right-of-way easements, the State is concerned in protecting the gas withdrawals from this field wherein the State has approximately a 10% interest in the total gas in the field.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to issue right of way 100 feet in width for gas line purposes to the Dow Chemical Company across Three-Mile Slough, Jackson Slough and San Joaquin River at an annual rental of \$40.00 plus 2¢ per lineal foot of the State land occupied, said right of way to be issued subject to the condition that the Dow Chemical Company agree with the State and with the joint operations in the field by State's lessee and others to produce from its wells in accordance with the ratable taking plan.

44. (Marine Exploration Company - P.R.C. 186) The Commission was informed that the Marine Exploration well at Seal Beach has now been drilled to a measured depth of approximately 12,100 feet. Production tests so far have indicated that this well will not produce because of tight oil formations although the operators are continuing to test. Recent discussions with the Marine Exploration Company indicate it is their present opinion that in order to further prospect this lease drilling will have to be done from filled lands to be built adjacent to the Long Beach Breakwater Extension. Marine Exploration also informs that the Army Engineers have not fully concluded the breakwater extension should be built at this time and in order to convince the Engineers, Marine believes it would be advantageous to have the Commission go on record in support of the breakwater extension and the fill from which subsequent wells could be drilled.

The Commission will recall that Attorney General Howser rendered an opinion that such a fill constituted filled lands under the Public Resources Code and would permit drilling therefrom.

Upon motion duly made and unanimously carried, a resolution was adopted directing a communication to the Army Engineers in support of breakwater extension and the proposed fill in order to make further drilling possible and permit development of sorely needed oil.

45. (Adjustment of salary range - Supervising Land Title Abstractor) The Commission was informed that there is a wide divergence in the specifications and salaries of State employees engaged in dealing with real estate. In fact the specifications for Supervising Land Title Abstractor in the State Lands Commission has never been completed by the Personnel Board.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to request the Personnel Board to complete the specifications for the position of Supervising Land Title Abstractor and to make a study of the position with a view to adjusting the salary range to conform with salaries now paid by other agencies engaged in related real estate work.

46. (Possible transfer of mineral reservation on escheated property from Controller to State Lands Commission - "O. 381) Controller Kuchel discussed with the Commission the possibility and desirability of placing under the State Lands Commission the management of mineral reservations placed in deeds of escheated lands heretofore sold by his office. The advantage to the State being that the State Lands Commission is presently controlling mineral development on State land.

After a full discussion, the Executive Officer was requested to investigate the procedure necessary and legal requirements incident to transfer from the Controller to the State Lands Commission of mineral reservation in deeds for escheated lands heretofore sold for future consideration of the Commission.

There being no further business to come before the Commission, the meeting was adjourned.