6. Commission to authorize acceptance or rejection of bids and if accepted issue lease. (This concurrent with 5)

At this time there are two areas where derricks have been erected within 800 feet of the tidelands and in one drilling has commenced. These areas are south of Santa Clara River, Ventura County, and on the 101 Ranch above Gaviota in Santa Barbara County. In view of the procedure now necessary to issue new leases and in the interest of reducing to a minimum the time involved therein:

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER, TO PROCEED IN THE PRELIMINARY STEPS 1 AND 2, ABOVE NOTED, WITHOUT PRIOR REFERENCE TO THE COMMISSION. UPON COMPLETION OF ITEMS 1 AND 2 THE MATTER TO BE REFERRED TO THE STATE LANDS COMMISSION FOR AUTHORITY TO PUBLISH NOTICE TO RECEIVE BIDS.

Note: Lt. Governor Knight arrived at the meeting at this point.

29. (RIGHT OF WAY TIDE AND SUBMERGED LANDS, OIL TERMINALS COMPANY, CRESCENT CITY HARBOR - W.O. 637, P.R.C. 511; P.R.C. 502) The Commission was informed that an application has been received from the Oil Terminals Company, San Francisco petroleum products transporters, for the construction and maintenance of two dolphins at the outer end of the inner breakwater at Crescent City, and for a pipe line right of way, seaward of the ordinary high water mark, and on the inner breakwater and sand barrier. The upland is under the control of the Oil Terminals Company. On March 18, 1950, a large portion of the State's lands within the Crescent City Harbor was leased to the Crescent City Harbor District for their management and operation for the benefit of commerce and navigation. The application of the Oil Terminals Company to the State Lands Commission was held in abeyance for several months during which negotiations were conducted with the Crescent City Harbor District by the Oil Terminals Company regarding terms and costs of obtaining rights of way for the proposed facilities.

These negotiations have not been consummated, the Oil Terminals Company having offered a flat $1,000 per year while the Harbor District insisted upon applying a tariff recently adopted which would have required an annual payment by the Terminals Company of at least $5,000 per year on the basis of the tonnage expected to be handled. By way of contrast, the requirement under State Lands Commission policy (@ $10.00 plus 2¢ per lineal foot of length of right of way) would be only $100 per year. Meanwhile, the Oil Terminals Company has applied to the Corps of Engineers, Department of the Army, and has been advised that it will receive a permit for the proposed installation; it has also revived its application to the State Lands Commission for the necessary easements.

Information furnished the Division of State Lands by the Crescent City Harbor District with respect to negotiations with the Oil Terminals Company is that the District believes that the new tariff should apply uniformly throughout the Harbor regardless of the lack of improvements or facilities provided by the District and that exception should not be made in favor of the Oil Terminals Company. Later information furnished by the Harbor District shows a substantial deviation from the terms of the tariff in the case of fish companies using the Citizens' Dock (a facility under the control of the District).

Under the provisions of paragraph 6 of the lease granted to the Harbor District by the State Lands Commission, the latter reserves the right to issue leases and easements not inconsistent with the provisions of the terms of the lease which are to further the interests of commerce and navigation. In view of the impasse which has occurred and which does not appear to be in such interests, it is believed that the requested easement should be granted by the Commission.

Messrs. Lyle Prickett, Al Lehman, and George Grant, appeared before the Commission upon behalf of the Crescent City Harbor Commission, Mr. Tom Crowley appeared upon

behalf of the Oil Terminals Company, and William Mason and E. B. Serruys, appeared upon behalf of the Crescent City Chamber of Commerce.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER, UPON RECEIPT OF OFFICIAL NOTICE OF A PERMIT BY THE CORPS OF ENGINEERS, AND SUBJECT TO RECEIPT OF AN INFORMAL OPINION FROM THE ATTORNEY GENERAL THAT THE PROPOSED ACTION IS NOT CONTRARY TO THE TERMS OF THE LEASE P.R.C. 502 BETWEEN THE STATE AND THE CRESCENT CITY HARBOR DISTRICT, TO ISSUE AN EASEMENT TO THE OIL TERMINALS COMPANY FOR THE INSTALLATION OF TWO DOLPHINS AND FOR A NON-EXCLUSIVE RIGHT OF WAY 10 FEET IN WIDTH AND APPROXIMATELY 3,000 FEET IN LENGTH FROM A POINT AT THE SEAWARD END OF THE INNER BREAKWATER AND ON THE SAND BARRIER TO THE ORDINARY HIGH WATER MARK, AS SET BY THE COMMISSION, AT AN ANNUAL RENTAL OF $100. EASEMENT TO BE FOR A TERM OF 15 YEARS WITH RIGHT OF RENEWAL UNDER SUCH TERMS AND CONDITIONS AS THE COMMISSION MAY THEN REQUIRE FOR ONE ADDITIONAL PERIOD OF 10 YEARS. FURTHERMORE, THE EASEMENT SHALL REQUIRE THE FILING OF A SURETY BOND IN THE AMOUNT OF $1,000 TO GUARANTEE PERFORMANCE INCLUDING THE REMOVAL, AT EXPIRATION, OF ANY FACILITIES BUILT ON STATE LANDS; THIS EASEMENT TO BE WITHOUT PREJUDICE TO ANY RIGHTS THE CRESCENT CITY HARBOR DISTRICT MAY HAVE UNDER THE LEASE ISSUED TO IT BY THE COMMISSION UNDER DATE OF MARCH 18, 1950.

30. (UNITED STATES VS. CALIFORNIA, TIDELAND CONTROVERSY - W.O. 721) The Commission was informed of the following recent developments relating to the controversy between the United States and the State of California concerning the tide and submerged lands:

LEGISLATION

On July 20, 1950, Senator O'Mahoney introduced in the Senate S. J. Res. 195 which was referred to the Senate Committee on Interior and Insular Affairs. This resolution was referred to as an interim measure and purported to keep operations on tide and submerged lands in status quo until such time as the Congress of the United States enacted permanent legislation. As to lands in the Continental Shelf (which by definition in the resolution lie outside of inland waters) the resolution provided for:

(1) Continued operations under leases existing as of December 21, 1948, or issued subsequently thereto with the approval of the Secretary of the Interior;

(2) Impounding rents, royalties and other sums payable under such leases with the United States Treasury, after the effective date of the resolution.

(3) Joint management and control by the Lessor and the Secretary of the Interior;

(4) The issuance of new leases on submerged lands by the Secretary.

The resolution also authorized the Secretary of Interior to certify that the United States does not claim any proprietary interests in tide and submerged lands beneath inland waters in special cases. It further authorized the Secretary to negotiate an agreement respecting continuation of operations under leases of submerged lands where a controversy existed as to whether or not they were beneath inland waters or were submerged lands of the Continental Shelf.

Hearings on this resolution began the morning of August 14, 1950, and continued until 2 P.M. on August 19. Representatives of the various states, of the industry, of claimants for Federal leases, of the United States Departments of Justice and Interior, of the National Association of Attorneys General, of the Cities of Long