

company, having the right of condemnation, could later condemn a perpetual right of way, if it so desired.

Pacific Gas and Electric Company has advised the Division of State Lands that it much prefers the first alternative, even though the total consideration would be approximately the same in either case.

From the point of view of reducing severance to an insignificant minimum, the Division of State Lands believes the second alternative to be much better. Public policy would be served to a greater extent as control of all other rights in the lands would be retained by a public agency.

Despite the apparent advantages of the second alternative, the Division is not in a position to insist on its acceptance. The company made its application for acquisition of fee title and tendered the minimum purchase price therefor, which was accepted. If the State should sell the lands to the company, the usual mineral and other reservations to the State should be made and such rights of way across the lands as may be required to serve its interests should be retained. To provide for any eventuality, the company should now formally agree to terminate its present Federal easements over the land prior to the sale of the lands or the issuance of an easement by the State.

Mr. Dunshee of Pacific Gas and Electric Company submitted a letter to the Executive Officer. The letter was read to the Commission and discussed.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

The Executive Officer is authorized to continue negotiations with the Bureau of Land Management and the Department of Interior to the end that the exchange above described may be consummated, provided the Pacific Gas and Electric Company agrees in writing to:

1. The retention by the State of rights of way across the lands in addition to its normal mineral and other reservations.
2. The termination of the company's existing Federal easements over the lands prior to the issuance of patents or of pipe-line easements by the State.

The terms of any final transaction with the company are to be submitted to the Commission for subsequent consideration.

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

Elmer M. Bennett
Senior Stenographer-Clerk
STATE LANDS COMMISSION