

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

THE EXECUTIVE OFFICER IS AUTHORIZED TO EXECUTE A FORM OF COMPENSATORY ROYALTY AGREEMENT WITH THE HUMBLE OIL & REFINING COMPANY AND HONOLULU OIL CORPORATION FOR THE STATE LANDS' INTEREST IN THE BED OF THE SACRAMENTO RIVER LYING BETWEEN THE EAST-WEST CENTERLINE OF SECTION 31, T. 18 N., R. 1 W., M.D.B. & M., AND THE SOUTH LINE OF THE N $\frac{1}{2}$ OF THE S $\frac{1}{2}$ OF SECTION 24, T. 17 N., R. 2 W., M.D.B. & M., COLUSA COUNTY, WHICH AGREEMENT PROVIDES FOR ROYALTY PAYMENTS TO THE STATE IN ACCORDANCE WITH THE FOLLOWING SCHEDULE IN LIEU OF DRILLING OFFSET WELLS ON THE STATE LAND, AS AUTHORIZED BY SECTION 6815 OF THE PUBLIC RESOURCES CODE:

- (1) 16-2/3% ROYALTY FOR ALL GAS ALLOCATED TO STATE LANDS;
- (2) 15% ROYALTY FOR ALL GAS ALLOCATED TO STATE LANDS IN THE EVENT THAT IT IS NECESSARY TO COMPRESS THE GAS FOR DELIVERY TO A TRANSMISSION LINE;
- (3) 8-1/3% ROYALTY ON THE SALE OR USE VALUE OF ALL GASOLINE OR OTHER PRODUCTS EXTRACTED FROM THE QUANTITY OF GAS ALLOCATED TO STATE LANDS.

5. (SMALL BOAT HARBOR PROGRAM - W. O. 2111.)

The Executive Officer reported that pursuant to the duties assigned to the State Lands Commission by Chapter 1850 of the Statutes of 1955, which act calls for development of a small boat harbor program for the State of California, the staff of the Commission had inspected most of the potential harbor sites on the coast of California during the past six months; had rearranged and combined pertinent file material which had been accumulated over a period of years by the State Lands Commission; had written to every county located on the coast and along the inland waterways; had received from 13 of the 25 counties contacted their master plans for shoreline development and improvement; and was awaiting a discussion between the Senate Interim Committee on Bay Development and Small Boat Harbors and the Commission before proceeding further. The 13 counties from which plans have been received are: Alameda, Contra Costa, Del Norte, Marin, Mendocino, Napa, Orange, San Luis Obispo, Santa Barbara, Santa Cruz, Solano, Sonoma and Ventura.

The Chairman then introduced the Honorable Fred H. Kraft, Chairman of the Senate Interim Committee on Bay Development and Small Boat Harbors, who in turn introduced the members of his committee present for this meeting, as follows: John F. McCarthy, from Marin County; Arthur H. Breed, Jr., from Alameda County; James J. McBride, from Ventura County; A. W. Way, from Humboldt County; A. A. Erhart, from San Luis Obispo County; and John A. Murdy, Jr., from Orange County; and the Executive Secretary of the Committee, James E. Heaverside.

There followed a general discussion, led by Senator Breed, about what the Legislature was trying to accomplish. Senator Breed referred to the inventories which have been made by the Corps of Engineers of the U. S. Army, which can be used in developing California's small boat harbor program. He emphasized that the State should explore what is the most feasible and logical method of financing such a program, with the thought that it should be self-supporting on the part of the beneficiaries of the harbors, and that it was in no way to be a give-away program, or to be supported by the State; but that perhaps the help

of the Legislature might be needed in connection with a fuel tax on the craft, or some form of taxation on the vessels for supporting the program. The Committee is looking to the Commission to prepare a report and master plan for the Legislature, as provided by the Act, so that it in turn can present a plan to the Legislature, at the 1957 General Session, relative to matters of policy, for its consideration.

It was brought out that the State could assist in coordinating the work of the Federal Government, in connection with rivers and harbors, with the work of the districts, cities, and counties, showing them how these programs can be started, and giving them some engineering assistance; also, the State should explore what is the most logical and feasible method of financing such a program at the local level.

Senator McCarthy asked if the State Lands Commission was interested in developing such a plan as had been described, to which the Executive Officer replied that he thought this question should be answered by the Commission rather than by its staff.

The Chairman of the Commission called attention to the fact that it had not acted on this measure during the 1955 session as the Commission had not felt that it was its prerogative to seek the assignment. He stated that the deletion of the appropriation for funds to carry out the work had put the Commission in a difficult position as to carrying out the Legislative directives of the bill. He reported that an item had been included in the budget for next year to handle this work, on the basis of the legislation which had been passed making the Commission responsible to carry out the work; that he felt the staff is fully competent to handle the work, and that if the money is available, the Commission will undertake it, but that he did not think money could be appropriately taken from other sources.

Mr. Peirce remarked that he had not had time to consult with the staff of the Department of Finance about this item, and therefore did not want to make a report, but that he hopes to be able to do so within the next few weeks. Mr. Peirce also indicated that perhaps the reason the Governor had deleted the appropriation from the bill was because of the confusion which apparently exists as to whether the State Lands Commission is the proper department to carry out the work. He thought that the Governor was also somewhat concerned with ambiguities in the bill in connection with the Marina Del Rey development in Los Angeles County, which had resulted in the freezing of the two million dollar appropriation for this work. He was inclined to believe that it would have been better if the Legislature had assigned the responsibility for the small boat harbor program to the Division of Beaches and Parks, as it might be awkward for the State Lands Commission to carry out the provisions of this particular enactment. Senator Breed commented that the Joint Committee did give consideration to the matter of who should do the work under the bill, that the Division of Beaches and Parks was considered, and that after due consideration the State Lands Commission was selected.

Lieutenant Governor Powers indicated that he felt that the Legislature had spoken in enacting Chapter 1850, and that the Commission should proceed to carry out the directives contained therein.

Senator Breed explained that he wanted to make very clear that the bill was not designed to conduct a program for building and to acquire land for small craft harbors; but that what this bill was designed for was the preparation of plans, so that it could be determined by the Legislature whether or not it should be handled by some other department, after consultation with Beaches and Parks, Fish and Game, the Department of Public Works, etc. He further explained that what the Committee is presently concerned with is the development of plans, and that it is recognized that perhaps the final program should not be handled by the State Lands Commission. He thought that with the inventories which have been made and are available, there is sufficient information on hand to proceed with the current phase of the program. He suggested that the Executive Officer contact the District Engineers of the U. S. Corps of Engineers in the two districts involved, and then come up with a suggestion for a master plan, after which the policy questions as to how to activate the program can be made. He stressed the point that he was talking about planning now, and that in his opinion it was not going to take a lot of money for this, it being a matter of correlating existing material.

Senator Kraft emphasized that it was important first to work out plans, after which an appropriation might be set up from the gasoline fund, or from a boat tax. The Commission was requested to have ready some kind of plan for the next regular session of the Legislature in 1957.

The Executive Officer informed the Committee that it was his thought that the counties be asked to do most of the planning to start with, after which the staff of the State Lands Commission could work over the plans; he suggested that priority be given to harbors of refuge, and to those counties where such harbors are most needed.

Senator Breed then summed up his idea of a master plan as being some kind of a plan or formula by which local political subdivisions, be they cities or counties, might participate in the development of harbors of refuge within their particular areas; that they must have a certain amount of land; must have certain facilities for docking, etc. in ratio with the number of boats in the area; and that the plan would be designed to meet the needs of the local area, which needs might vary from county to county. He made the point that by master plan was meant something that would indicate what things are needed in order to develop harbors of refuge, how much work is to be done by the Federal Government, how much by cities or counties and districts, and where the State fits in, and that there had to be a certain amount of engineering work done first. He did not feel that it was the responsibility of the State Lands Commission to develop master plans in detail, which the local people should do, but to set up a formula for a plan for the counties to participate in, based on their needs.

Senator Breed mentioned that in considering priorities for the work to be done, this should not be on a basis of what counties came first, but rather should be defined by groups or general classifications, and then it would be up to the Legislature to appropriate assistance to the various groups.

Senator Way referred to Opinion No. 55/133 of the Attorney General, dated September 30, 1955, which, he stated, holds that the county shall make a master plan and that its plan shall be filed with the State Lands Commission, from

which plans of the counties a state-wide plan shall be made up; but emphasized that the counties are to make up the plans first and submit then, after which the State Lands Commission is to do the coordinating.

In conclusion, Senator Kraft indicated that his Committee was interested in working out all the various problems with the Commission.

6. (SUBMARINE GEOPHYSICAL EXPLORATION, SANTA BARBARA TO ORANGE COUNTIES, STANDARD OIL COMPANY OF CALIFORNIA - W. O. 2163, P.R.C. 1581.1.) The following report was presented to the Commission:

"The Standard Oil Company of California has made application for authorization to conduct submarine geophysical exploration operations on those tide and submerged lands under the jurisdiction of the State Lands Commission lying south of a line drawn due West from Point Arguello, Santa Barbara County, and northerly of a line drawn South 60° West from Dana Point, Orange County. An operating permit has been requested for a 90-day period starting January 3, 1956. The Boards of Supervisors of the Counties of Santa Barbara, Ventura, Los Angeles and Orange, and the City Council and the Mayor of the City of Santa Barbara have been informed that this application is to be considered. The statutory filing fee has been paid by the applicant.

"It is recommended that the Commission authorize the Executive Officer to issue permits, conforming to all operating conditions established by the Commission, to the Standard Oil Company of California for the conduct of geophysical exploration operations on those tide and submerged lands under the jurisdiction of the State Lands Commission lying South of a line drawn due West from Point Arguello, Santa Barbara County, and northerly of a line drawn South 60° West from Dana Point, Orange County, for a 90-day period commencing January 3, 1956. Authorization of the proposed explorations shall be subject to the requirement that all exploration results be made available for review by the Commission on a confidential basis for all areas where explorations are conducted within two miles of the perimeter of existing tide and submerged land oil and gas leases or within two miles of onshore producing oil and gas wells. The permittee is to reimburse the State Lands Division for all of its inspection costs. The permit is to be effective only as long as a concurrent permit by the Fish and Game Commission is in effect for the same operating area."

Mr. Hortig reported that a letter had been received from William S. Wagner, City Clerk, of the City of Santa Barbara, dated November 28, 1955, stating that the Chief Administrative Officer had asked that the Commission be informed that the continued policy of the City of Santa Barbara has been that it remains opposed to drilling for oil off its shore, but is not opposed to exploration provided that the permit granted contains the provision that such exploration is conducted two miles off the city.

At the Chairman's request, Mr. Hortig then briefly reviewed the discussion at the meeting of the Commission of August 16, 1955 in connection with amendments to rules and regulations (Minute Item 28, pages 2435-2443), about confidential retention by a permittee of the information obtained from exploratory operations.