

14. (OIL AND GAS LEASE APPLICATION, SECTION 6871.3, PUBLIC RESOURCES CODE, SANTA BARBARA COUNTY - W. O. 2241.) The following report was presented to the Commission:

"On January 19, 1956 (Minute Item 2, pages 2530-33) the Commission authorized the Executive Officer to continue with the processing of the consideration of offering for oil and gas lease tide and submerged lands in the westerly offshore area, Santa Barbara County, as initiated under W. O. 2241.

"In accordance with Section 6873.2, Public Resources Code, and pursuant to a request by the County of Santa Barbara, the required public hearing relative to the area to be considered for lease was held June 20, 1956.

"The representations by Santa Barbara County at this hearing can be summarized as requesting that the Commission include the following provisions in any lease issued for the subject area:

1. Drilling from piers not to be permitted in the area between Gaviota and Coal Oil Point (hearing transcript page 17).
2. Upland production facilities and equipment to be recessed or landscaped in the area between Gaviota and Coal Oil Point (hearing transcript page 18).
3. Offshore drilling islands or platforms not to be located less than one mile from shore in the area between Gaviota and Coal Oil Point (hearing transcript page 31).

"The Department of Natural Resources has reported heretofore (May 9, 1956) 'it is noted that in the vicinity of Elwood Beach present leases permit drilling in the ocean from piers which connect with the beach with access thereto from the land. We hope that this will not be necessary on any of the beaches under jurisdiction of the State Park Commission or from any of the beaches that are proposed for acquisition.

"You no doubt will provide that the lessee provide a sufficient bond for restoration of the beach in case of contamination.' (Hearing transcript pages 7, 8)

"Section 6873.2, Public Resources Code, provides in part that within thirty days after public hearing the Commission shall determine to offer the land for lease unless the Commission shall determine that the issuance of a lease as to all or part of such land would result in an impairment or interference with the developed shoreline, recreational or residential areas adjacent to the proposed leased acreage.

"Data presented at the public hearing held relative to the subject lands have shown that unrestricted offshore lease development could result in an impairment or interference with onshore developments and onshore and offshore recreational activities."

The staff informed the Commission that the area covered by the foregoing report includes a total of 62,000 acres, and although it was being recommended that while the entire area is to be considered for lease, the lease offers would have to be broken down into smaller parcels in order to comply with law.

Mr. Shavelson reported that he felt that the Cunningham-Shell Act could not reasonably have required the Commission to arrive at a detailed set of rules and regulations and exact determination of the area to be affected within a 30-day period, which would require digesting lengthy evidence and then setting up findings, but that he believed the action of the Commission could be taken in general terms. Mr. Shavelson then referred to an informal opinion of Assistant Attorney General Rountree to the effect that the action recommended would not exhaust the Commission's discretion, and that the Commission could still thereafter determine whether leasing would be to the best interests of the State.

The Executive Officer explained that the next step would be to refer this problem to its Board of Consultants, and that the staff's thinking in general is that only certain parcels out of the area being considered will actually be offered for lease, and that he believed the action being recommended to the Commission reserved the right to do that. After the advice of the Board of Consultants is obtained, recommendations will be made to the Commission as to areas that it will be in the interest of the State to lease, together with a classification of the areas, some perhaps being in proven territory, and others perhaps having restrictions on them as to the type of development that could be done.

Mr. Sam Grinsfelder, Vice President of the Union Oil Company of California, appearing as one of the applicants who asked that the lands in question be offered to the public for bidding, stated that this request was made last January, and he urgently recommended that the program be brought to fruition as soon as possible, and that a timetable be set up or some definite time set for the report by the Board of Consultants. The Executive Officer thereupon indicated that the report should be ready early in September, with the staff's consolidated recommendations. Mr. Grinsfelder indicated this time probably would be satisfactory, but again stated that he thought it was in the interests of the State to expedite action.

The Chairman asked that the Executive Officer check with the staff of consultants to make certain that there would be no unnecessary delay.

Assemblyman Bruce Allen asked what information from core hole or seismic tests would be available to consultants, and was informed by the Executive Officer that there would not be a great deal.

Mr. Hortig pointed out that the proposed area is adjacent to the Elwood as well as the El Capitan Oil fields, and explained, in response to a question by Assemblyman Unruh, that on this basis part of it could be in proven territory.

Mr. Paul A. Lower of the Superior Oil Company, referring to an area of 16,700 acres to be offered for lease, which area is already authorized to be processed, asked for a report on the present thinking in that area. The Executive Officer stated that the area could be ready for further processing by the September meeting. Mr. Lower then said his company was at a loss to understand why all this loss of time was necessary, and indicated that it was in the interests of the State to take action as early as possible.

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

THE COMMISSION DETERMINES TO OFFER THE TIDE AND SUBMERGED LANDS UNDER CONSIDERATION UNDER W. O. 2241 FOR LEASE AS TO ALL OR A PART OF SUCH LANDS AND INCLUDE IN THE OFFERS FOR LEASES SUCH REASONABLE RULES AND REGULATIONS WHICH, IN THE OPINION OF THE COMMISSION, ARE NECESSARY FOR THE EXPLORATION, DEVELOPMENT, AND OPERATION OF THE LEASES IN A MANNER WHICH WILL NOT IMPAIR OR INTERFERE WITH THE DEVELOPED SHORELINE RECREATIONAL OR RESIDENTIAL AREAS. FURTHER, THE COMMISSION DIRECTS THE EXECUTIVE OFFICER TO REFER THE CONSIDERATION OF LEASES UNDER W. O. 2241 TO THE COMMISSION'S BOARD OF CONSULTANTS FOR STUDY AND REPORT AS TO GEOLOGICAL CLASSIFICATION UNDER SECTION 6827, PUBLIC RESOURCES CODE, AND ECONOMIC AND SURFACE PLANNING CONSIDERATIONS.

15. (IN MEMORIAM - ASSISTANT ATTORNEY GENERAL EVERETT W. MATTOON.)

The Executive Officer was directed to prepare a suitable resolution, expressing the Commission's regrets at the passing of Mr. Everett W. Mattoon and its appreciation for his many years of service to the Commission on the tideland and other problems, said resolution to be signed personally by the members of the Commission, for presentation to Mr. Mattoon's widow.

16. (SALARY OF EXECUTIVE OFFICER - PERSONNEL.)

The Chairman referred to recent salary increases granted to most State employees, and pointed out that as an exempt employee, not under Civil Service, the salary of the Executive Officer could be increased only after action had been taken by the Commission. He recommended that a two-step increase be given to the Executive Officer, because of the many additional responsibilities which he had been given recently, especially under the new legislation which affects the State Lands Commission, and in view of the fact that it had been observed that the salary for this position is not entirely in line with salaries of other comparable positions.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED INCREASING THE SALARY OF THE EXECUTIVE OFFICER OF THE STATE LANDS COMMISSION TWO STEPS, SAID SALARY TO BE FIXED AT \$1100 PER MONTH, EFFECTIVE JULY 1, 1956, SUBJECT TO APPROVAL OF THE DIRECTOR OF FINANCE.

17. (MISCELLANEOUS)

The Chairman gave recognition to Assemblyman Allen Miller as Chairman of the special committee investigating the tideland development. Mr. Miller asked if the Commission contemplated having anything on its agenda regarding limitation on core drilling that was the subject of the Commission's last meeting