

5/29/69

20. SALVAGE PERMIT TO CONDUCT SALVAGE OPERATIONS ON A SUNKEN VESSEL ON SUBMERGED LAND IN DRAGON CHANNEL NEAR CRESCENT CITY IN DEL NORTE COUNTY - LARRY W. HOLCOMB - W-8423, P.R.C. 4234.1.

After consideration of Calendar Item 25 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE ISSUANCE TO LARRY W. HOLCOMB OF A TWO-YEAR PERMIT TO EXPLORE FOR, EXCAVATE, AND SALVAGE ANY ABANDONED PERSONAL PROPERTY FOUND ON THE LAND DESCRIBED IN EXHIBIT "B" ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF, IN CONSIDERATION OF THE PAYMENT OF 25 PERCENT OF THE GROSS RECEIPTS FROM ALL SALES OF MATERIAL SALVAGED; PROVIDED, THAT THE PERMIT SHALL BE EFFECTIVE ON THE DATE IT IS EXECUTED ON BEHALF OF THE STATE LANDS COMMISSION, AND THAT PUBLIC LIABILITY INSURANCE IN THE AMOUNTS OF \$200,000/\$600,000 FOR PERSONAL INJURY AND \$100,000 FOR PROPERTY DAMAGE SHALL BE EFFECTIVE PRIOR TO SUCH EXECUTION.

Attachment

Calendar Item 25 (2 pages)

CALENDAR ITEM

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W-8423

25.

SALVAGE PERMIT

APPLICANT: Larry W. Holcomb.

LOCATION: A 1824- x 3648-foot parcel of submerged land in Dragon Channel approximately 7 miles northwest of Crescent City, Del Norte County.

LAND USE: Explore for, excavate, and salvage any abandoned personal property found in the area.

TERMS: Two (2) years from date the permit is executed on behalf of the State Lands Commission.

Public liability insurance: \$200,000/\$600,000 for personal injury and \$100,000 for property damage, to be effective at or prior to execution on behalf of the State Lands Commission.

CONSIDERATION: 25% of gross receipts from all sales of material salvaged.

PREREQUISITE ITEM:

Applicant has been advised that a U. S. Army Corps of Engineers permit is a prerequisite to issuance of a salvage permit.

STATUTORY AND OTHER REFERENCES:

- a. Public Resources Code: Div. 6, Pt. 2, Ch. 1, Secs. 6501-6509
- b. Administrative Code: Title 2, Div. 3, Arts. 1 & 2 as amended, effective May 10, 1969.

OTHER PERTINENT INFORMATION:

- (1) The salvage objective is at 120-foot depth and approximately 30 x 100 feet in size, which appears to be a sunken vessel covered with sea growth. The applicant has no record of a sinking at the location, however.
- (2) Mr. Holcomb is a college professor, and he proposes to interject educational activity into the salvage effort, including photography. He is licensed by the U. S. Coast Guard to operate passenger-carrying vessels, and has had nautical experience for about 20 years. A 32-foot vessel and four experienced divers will be used in the operation.
- (3) This transaction conforms to the Commission's Rules and Regulations as amended, reference (b), in all particulars except as to the State's share of any salvage. The new rules require 25% of salvage value of \$25,000 or less, and 50% of the net salvage value in excess of \$25,000. However,

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since negotiations for this transaction were considerably advanced prior to final approval of the new rules, and in the interest of coordinating this permit with another in the same general area, it appears reasonable, equitable, and in the best interest of the State that the consideration be set at 25% of gross receipts from the sale of salvaged material as authorized by prior rules.

EXHIBITS:

A. Location map

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE ISSUANCE TO LARRY W. HOLCOMB OF A TWO-YEAR PERMIT TO EXPLORE FOR, EXCAVATE, AND SALVAGE ANY ABANDONED PERSONAL PROPERTY FOUND ON THE LAND DESCRIBED IN EXHIBIT "B" ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF, IN CONSIDERATION OF THE PAYMENT OF 25 PERCENT OF THE GROSS RECEIPTS FROM ALL SALES OF MATERIAL SALVAGED; PROVIDED, THAT THE PERMIT SHALL BE EFFECTIVE ON THE DATE IT IS EXECUTED ON BEHALF OF THE STATE LANDS COMMISSION, AND THAT PUBLIC LIABILITY INSURANCE IN THE AMOUNTS OF \$200,000/\$600,000 FOR PERSONAL INJURY AND \$100,000 FOR PROPERTY DAMAGE SHALL BE EFFECTIVE PRIOR TO SUCH EXECUTION.