INFORMATIVE CALENDAR ITEM

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26.

STATUS OF MAJOR LITIGATION

As of October 31, 1975, there were 269 litigation projects involving the Commission, up 3 from last month.

1. Pariani v. State of California W 503.737
San Francisco Superior Court Case No. 657291

(Plaintiffs and cross-defendants seek to quiet title to certain parcels of land in Sonoma and Lake Counties. State patented said lands into private ownership between 1949 and 1953, reserving all mineral rights. Plaintiffs and cross-defendants now seek to determine whether geothermal energy was reserved to the State under the various patents.)

A trial date has been set for March, 1976.

2. Union Oil Company of California V. Houston I. Flournoy, et al. W 503.747
U. S. District Court, Central District

(An action by Union Oil Company to prevent the State from selling royalty oil.)

Under State Oil and Gas Lease PRC 3033 entered into with Union Oil Company, the Commission had the right to receive royalty payments in kind. At its July 1973 meeting, the Commission announced its intention to receive bids for this royalty oil and for royalty oil for other Orange and Los Angeles County leases. Bids were subsequently received for this royalty oil. The contract for the purchase of this oil was to be awarded at the October 25, 1973, Commission meeting, but this award was prevented by Union's filing and obtaining on October 4, 1974, an order to show cause and temporary restraining order. Union alleged that the sale was in violation of the Federal Government "Phase IV" price controls and was hence illegal. On November 5, 1973, the preliminary injuntion obtained by Union was denied and the temporary restraining order was dissolved. On November 29, 1973, the Commission awarded the contract to purchase the oil. That same day, Plaintiff applied for another restraining order to prevent the sale, which order was denied. Plaintiff's second application for preliminary injunction was heard and denied on June 3, 1974, at which time Union indicated they would hold the case in abeyance pending the outcome of People v. Simon.

2. Union Oil Company of California v. Houston I. Flournoy, et al. W 503.747
U. S. District Court, Central District
(CONTINUED)

A pretrial hearing was set for December 9, but upon Union's motion, the hearing was postponed. Union now indicates that they will file a motion for summary judgment, but to date no motion has been filed.

3. State of California v. County of San Mateo, et al. W 1839.38 W 6987
San Mateo Superior Court Case No. 144257

Suit seeking Declaratory Judgment to protect the public property rights in land covered by the open waters of South San Francisco Bay westerly of the deep draught ship channel, the area of which has been substantially increased with the filing of a cross-complaint by Westbay Community Associates to be an approximate 10,000 acres and 21 miles of shoreline including most of the westerly portion of the Bay between the San Francisco International Airport and the southerly San Mateo County line. Titles to other adjacent substantial areas of salt ponds have been brought into the case by Leslie Salt Company. Pretrial and discovery proceedings are now in progress, with factual investigation, relating to substantial and complex issues, continuing.

The parties have been participating in settlement negotiations but have not yet arrived at any compromise which could be recommended to the Commission.

4. People v. Jonathan Club, et al. W 503.773
Los Angeles Superior Court No. 35486

(Complaint to quiet title 4.5 acres of artificially filled tidelands in the City of Santa Monica.)

In 1921, the Legislature granted tidelands to the City of Santa Monica. Since that time, the area granted has been artificially filled, resulting in an additional 4.5 acres of beach. Plaintiffs--the City of Santa Monica, the Department of Parks and Recreation, and the State Lands Commission--contend that this artificially filled area is State owned. Defendant's demurrer to the State's complaint was overruled. The parties will not proceed with pretrial procedures.

5. Cory v. State W 503.780
Sacramento Superior Court Case No. 252295

(Complaint to vacate the approval of PRC 4977 offshore El Capitan, Santa Barbara County.)

On December 9, 1974, the State Lands Commission authorized the issuance of a lease to Exxon Corporation and Exxon Pipeline Company. In so doing, the Commission adopted an environmental statement prepared pursuant to the National Environmental Policy Act. The Complaint alleges that the project, as approved by the Commission, differs significantly from the project as described in the environmental statement and that the Commission's approval was an abuse of discretion. Plaintiff, now represented by the Office of the Attorney General, asks that the approval of the lease be set aside.

A trial was held on September 8, 1975. By agreement, Mr. Cory, as a private party, dismissed his petition for mandate. The issue tried and currently under submission dealt with the legality of the State terminating the lease.

Superior Court, Sacramento County, issued a Memorandum Opinion and entered judgment upholding the issuance of a lease to Exxon Corporation and Exxon Pipeline Company. The Office of the Attorney General is preparing an appeal of this judgment.

6. People v. Halvor G. Schultz, et al. W 503.785
Yolo County Superior Court Case No. 32197

(Ejectment action to compel removal of trespassing marina from the Sacramento River, and damages therefor.)

On February 13, 1975, the State Lands Commission filed a Complaint in ejectment and for damages for trespass to compel the removal and to prevent the continuing trespass and maintenance of a marina situated on the Sacramento River in Yolo County at the confluence of the American River. Defendants in this action have been served with a Summons and Complaint and meetings have been held with the Division to discuss settlement of the matter and leasing arrangements. It is anticipated a settlement will be reached in the near future.

7. People v. Patricia Avila, et al. W 503.787
Yolo County Superior Court Case. No. 32249

(Ejectment action to compel removal of trespassing marina and restaurant from the Sacramento River, and damages therefor.)

On February 25, 1975, the State Lands Commission filed a complaint in ejectment and for damages therefore to compel the removal and to prevent the continuing trespass and maintenance of a marina and restaurant situated on the Sacramento River in Yolo County at the confluence of the American River. Defendants in this action have been served with a Summons and Complaint, and have entered into settlement negotiations with the Division.

8. People v. Zarb, et al. W 503.788
U. S. District Court, Central District
CV #75-334 WMB

(Complaint for injunction and declaratory relief.)

The State Lands Commission has filed an action against the Federal Energy Administration and the Burmah Oil Company, challenging the validity of a determination by the FEA that Burmah is entitled to the State's royalty oil despite sell-off agreements to World Oil Company and U.S.A. Petroleum Company. A hearing on a preliminary injunction was scheduled for April 21 in the U. S. District Court.

8. People v. Zarb, et al. W 503.788
U. S. District Court, Central District
CV #75-854 WMB
(CONTINUED)

in Los Angeles. That hearing was put over and Burmah has stipulated to discontinuing the Supplier-Purchaser Agreement. A motion to dismiss the case was denied on the condition that USA present its contentions to the FEA prior to presentation to the court. On October 8, 1975, State filed with the FEA a request for interpretation covering the issues in USA's counter claim. This claim was filed at the request of the court in order to exhaust all administrative remedies.

9. California State Lands Commission, et al. v. Standard Oil Company, et al. W 503.802
U. S. District Court, Central District

(Complaint for breach of contract and violation of Federal and State antitrust law.)

At the June 27, 1975 special meeting of the State Lands Commission, the Commission approved the employment by the City of Long Beach of the law firm of Blecher, Collins & Hoecker to institute litigation on behalf of the Commission and the City to recover damages arising from the action of the City of Long Beach tideland contractors.

A complaint on behalf of the Commission and the City was filed on June 27, 1975.

A Motion to Dismiss the State's Complaint was filed; hearing on such Motion will be heard November 24, 1975.

10. Leslie Salt Company, et al., Litigation:

a. State Lands Commission v. Leslie Salt Company, et al. — W 503.795, W 503.796, W 503.797
Alameda County Superior Court No. 463904-4
(SOL 1725)

State Lands Commission v. Leslie Salt Company, et al.
Alameda County Superior Court No. 463903-5
(TLS 75 & 76)

State Lands Commission v. Leslie Salt Company, et al.
Alameda County Superior Court No. 463902-6
(T 4 S, R 3 W, MDM, Marsh)

The Commission's Complaints to quiet the State's titles to real property in the Hayward area in the above three cases were filed on April 30, 1975, pursuant to Resolution of the Commission. Leslie Salt Co., Inc., and Crocker National Bank filed their answers and Cross-Complaints on or about September 5, 1975, claiming ownership based on alleged State patents; swamp and overflowed land character; adverse possession; estoppel; and laches against the State; and on Federal and State constitutional grounds. The responsive pleadings and the answers to interrogatories submitted by Leslie are being prepared.

b. Leslie Salt Company, v. State
Alameda County Superior Court No. 463631-9 - Baumberg — W 503.794

Leslie Salt Co., Inc. filed its Complaint to Quiet Title against the State on April 24, 1975, claiming to own about 300 acres of dry marsh lands. By Amended Complaint filed September 3, 1975, Leslie increased the real property in the case to about 700 acres. The State's responsive pleadings to the Amended Complaint are being prepared.