

MINUTES OF THE STATE LANDS COMMISSION
MEETING OF
FEBRUARY 26, 1976

Chairman Kenneth Cory called the regular meeting of the State Lands Commission to order at 10:06 a.m. The other members which were present included Commissioner Mervyn M. Dymally and Commissioner Roy M. Bell.

The minutes of the meeting of January 15, 1976, were approved as written.

EXECUTIVE OFFICER'S REPORT

Mr. William F. Northrop reported that he attended two Outer Continental Shelf meetings during the month: the OCS Advisory Board meeting in New Orleans, Louisiana, held on February 10 and the OCS Environmental Studies Advisory Board meeting held in Washington, D.C. on February 18-19.

Mr. Northrop advised the Commission that Calendar Item 1 concerning the clarification of regulations for preserving and enhancing the environment and protecting environmentally significant State lands had been withdrawn from the agenda for technical reasons.

Due to the length of this Calendar and the probable length of future Calendars, Mr. Northrop suggested the Commission might want to consider either 1) scheduling two meetings a month; 2) delegating the Executive Officer authority to approve routine matters; or 3) instituting a Consent Calendar for items having no opposition. It was agreed by the Commission that the Consent Calendar would be instituted on a trial basis.

Mr. William J. Lamont, representing the law firm of Lobel, Novins & Lamont in Washington, D.C., appeared. He presented a status report regarding the position of the Federal Energy Administration concerning crude oil pricing and the request for consideration by the FEA for a reversal of its discriminatory price freeze on California heavy crude.

Mr. Northrop's written report is attached as Exhibit "A".

The date for the next Commission meeting was confirmed for March 25, 1976.

Attachment. Exhibit "A"

EXHIBIT "A"
EXECUTIVE OFFICER'S REPORT
February 26, 1976

OCS ADVISORY BOARD MEETING

On February 10 I attended the OCS Advisory Board meeting in New Orleans, and expressed California's concern at the lack of regulations for deep water drilling and our immediate need for information regarding borderland interpretative data that could affect oil formations that cross into State property. As a result of this, we are now engaging in negotiations with Department of Interior staff to develop this information.

OCS ENVIRONMENTAL STUDIES ADVISORY BOARD MEETING

On February 18 and 19 I attended the OCS Environmental Studies Advisory Board meeting in Washington, D.C. The Department of Interior reviewed with members the current OCS leasing schedule and lease schedules in the various U.S. continental shelf lease areas. The members expressed dissatisfaction with the design and implementation of baseline studies and their timeframe, and questioned the value of these studies given their proximity to the leasing schedule. California also raised the question regarding the recent Trade Publications quote regarding the approval of the Santa Inez Unit gas reinjection into formations without proper technical information or consultation with affected border states.

PULL CALENDAR ITEM NO. 1

Read telegram

Refer to memo from U.S. Fish and Wildlife Service

FORMAT OF MEETING

Due to the length of this Calendar and due to the length of future Calendars, perhaps the Commission would care to consider several alternatives for future meetings:

- A) Scheduling meetings twice a month;
- B) Delegate to the Executive Officer the authority to handle routine approvals; or
- C) Institute a consent Calendar for items with no opposition.

REPORT BY WILLIAM J. LAMONT

At last month's meeting, the Executive Officer attempted to explain the position of the FEA regarding crude oil pricing and the request for consideration by the FEA for a reversal of their discriminatory price freeze on California heavy crude. Mr. William J. Lamont of the law firm of Lobel, Novins and Lamont has been keeping a close eye on this problem as it has unfolded in Washington, and he will give you a report on this at this time.

STATE OF CALIFORNIA

Minutes of the Meeting of the
State Lands Commission
Sacramento, California

APPEARANCES

Present: Kenneth Cory, State Controller, Chairman
Mervyn M. Dymally, Lieutenant Governor, Commissioner
(left at 11:50 a.m. and replaced by Walter McGuire,
Executive Assistant to the Lieutenant Governor)
Roy M. Bell, Director of Finance, Commissioner

Staff Members in Attendance:

William P. Northrop, Executive Officer
Robert C. Hight, Staff Counsel
R. S. Golden, Assistant Executive Officer
James F. Trout, Manager, Land Operations
W.M. Thompson, Manager, Long Beach Operations
A. D. Willard, Supervising Mineral Resources
Engineer
Diane Jones, Secretary

Representing the Office of the Attorney General:

N. Gregory Taylor, Assistant Attorney General

Representing the Office of the State Controller:

Keith Seegmiller, Assistant Deputy Controller

Representing the Office of Lobel, Novins & Lamont:

William J. Lamont, Esq.

Re Minute Item No. 3 - Public Agency Permit; Sacramento

Regional County Sanitation District
Albert A. Doyle, principal engineer,
Sacramento Area Consultants, representing
the Sacramento Regional County Sanitation District

Re Minute Item No. 4 - Rescission of prior authorization and
issuance of new Non-Commercial Lease;

Running Fence Corporation
Joel W. Hedgpeth, Adjunct Professor,
Pacific Marine Station
Howard Hemerovski, attorney, representing
Running Fence Corporation
Paul Kayfetz, attorney, representing Running
Fence Corporation

Re Minute Items 16, 17 and 19 - Pacific Gas & Electric Co.
Phil DeYoung, Planning Analyst, representing
Pacific Gas & Electric Co.

Re Minute Item 28 - Revision in Lease Rental After Routine
Review; Southern California Edison Company
Paul Fischer, Senior Property Appraiser,
representing Southern California Edison Company

Re Minute Item 41 - Lead Agency Designation - SOHIO Project
Lauren Smith, representing Standard Oil
Company of Ohio

Re Minute Item 43 - San Elijo Lagoon Boundary Study
James O. Tennant, Park Development Director,
County of San Diego
Robert B. Krueger, partner in law firm of
Nossaman, Waters, Krueger & Marsh, representing
Dome Ltd and Lewis Akerman

RECORD OF ACTION TAKEN BY THE
STATE LANDS COMMISSION

AT ITS MEETING OF FEBRUARY 26, 1976

During the meeting, the recommendations of the staff relative to Calendar Items 2, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 18, 20, 21, 22, 23, 24, 25, 26, 27, 29, 31, 32, 34, 37, 38, 39, 42, 44, 45, 46, and 49 were adopted as the resolutions of the Commission by unanimous vote.

Commission action on Calendar Items 1, 3, 4, 16, 17, 19, 28, 30, 33, 35, 40, 41, 43 and 48 are set forth on pages 118-122; 128-132; 133-138; 181-184; 185-188; 192-195; 223-224; 228-231; 255-259; 245-246; 253-260; 261-262; 265-269; 278-281.

Calendar Items 36 and 47 were informative only, no action thereon being necessary.