

STATE OF CALIFORNIA

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

APPEARANCES

Commissioners Present:

Kenneth Cory, State Controller, Chairman
Richard Thomson, Assistant to the Lieutenant Governor,
Alternate for Mervyn M. Dymally, Lieutenant Governor,
Commissioner
Sid McCausland, Deputy Director of Finance, alternate
for Roy M. Bell, Director of Finance, Commissioner

Staff Members in Attendance:

William F. Northrop, Executive Officer
R. S. Golden, Assistant Executive Officer
Robert C. Hight, Chief Counsel
Donald J. Everitts, Manager, Energy and Mineral Resources
Development
Allen D. Willard, Supervising Mineral Resources Engineer
W. M. Thompson, Manager, Long Beach Operations
James F. Trout, Manager, Land Operations
Leslie Grimes, Assistant Manager, Land Operations
Diane Jones, Secretary

Representing the Office of the Attorney General:

N. Gregory Taylor, Assistant Attorney General
Jan Stevens, Assistant Attorney General
Dennis Goldstein, Deputy Attorney General
Katherine E. Stone, Deputy Attorney General

Re Minute Item 21 - Approval of Resumption of Drilling Operations
on State Oil and Gas Leases PRC 1824.1, PRC 3150.1, and PRC 4000.1,
Santa Barbara County:

Lois Sidenberg, President, Carpinteria Valley Association
E. J. Taaffe, representing Standard Oil Company of California
Steven Boyle, Director, Get Oil Out!, Inc.
Peter Hall, Administrative Assistant to Assemblyman
Ken MacDonald
Bruce Rosenthal, Administrative Assistant to Senator
Omer Rains

Re Minute Item 36 - Proposed Expenditure of Tideland Oil Revenue
for Subsidence Remedial Work, City of Long Beach:

Einar Peterson, representing the City of Long Beach

Re Minute Item 45 - Proposal of the City of Long Beach to Expend
Tideland Oil Revenues for the purchase of certain beach lots
in central beach area of the City of Long Beach:

Clemons Turner, Deputy City Attorney, City of Long Beach
Hodge Dolle, Attorney representing Mr. Sidney Mark Taper

MINUTES OF THE STATE LANDS COMMISSION
MEETING OF
SEPTEMBER 30, 1976

Chairman Kenneth Cory, State Controller, called the regular meeting of the State Lands Commission to order at 10:05 a.m. in Room 2170, State Capitol. Other members present included Commission-alternate Sid McCausland, Deputy Director of Finance, representing Roy M. Bell, Director of Finance; and Commission-alternate Richard Thomson, Assistant to the Lieutenant Governor, representing Mervyn M. Dymally, Lieutenant Governor.

The minutes of the meeting of August 26, 1976, were approved as presented.

EXECUTIVE OFFICER'S REPORT

The written report of Mr. William F. Northrop, Executive Officer, is attached as Exhibit "A". However, with respect to the informational items presented, the following points were raised: W 1835.4

In connection with the soon-to-be distributed report "California and the Disposition of Alaskan Oil and Gas", Chairman Cory instructed the staff to be sure that comments are solicited from the private sector. W 21247

With regard to the River Marina and Waterways Liaison Committee, Commission-alternate McCausland moved, and Mr. Thomson seconded, that the suggested membership and bylaws of the Committee, as presented, be adopted (see Exhibit "B"). W 40015

The next item concerned a contract with the City of Hermosa Beach regarding the potential drainage of oil and gas from tidelands granted to the City adjacent to the Torrence Oil Field. Mr. Cory asked who would receive the revenue if the Commission decided there was drainage, and then decided to drill to protect its interests. In answer to Mr. Cory's question, N. G. Taylor, Assistant Attorney General, stated the City would receive the revenue. Mr. Cory then asked why should the Commission pay any of the cost if the City receives all the revenue. At this point, Mr. Taylor explained that because the City is a trustee, the Commission must review anything they ask to do. Since the drainage may occur, the subject contract is to expedite the review process. It was on this basis that the agreement was made to split the cost. However, all the revenue will go to the City for trust purposes. Mr. Taylor further stated that the City has indicated a desire to amend its trust grant as far as purposes of expenditure are concerned. At the conclusion of the discussion, the Commission agreed to the terms of the contract. W 5125.9

With regard to the proposed coastal regulations, Mr. McCausland asked how the law the Governor signed relates to the subject regulations. Mr. Northrop explained that the subject law sets some relatively wide parameters in the coastal area. What the

staff is doing is to make those parameters more specific. Mr. McCausland indicated he hoped the State Lands Commission and the State Coastal Commission could be partners in this endeavor.

W 503.866

Robert C. Hight, Chief Council, advised the Commission of the new suit filed by Western Oil and Gas Association, et al. regarding the newly-adopted regulations on volumetric rental. The Commission requested a copy of the complaint for their review.

Attachment: Exhibit "A"
Exhibit "B"

EXHIBIT "A"

EXECUTIVE OFFICER'S REPORT

By

WILLIAM F. NORTHROP
EXECUTIVE OFFICER

SEPTEMBER 30, 1976.

"CALIFORNIA AND THE DISPOSITION OF ALASKAN OIL AND GAS" W 1835.4

THIS "WORKING PAPER" HAS BEEN RETURNED FROM THE PRINTERS. IT WILL BE CIRCULATED AMONG INTERESTED AGENCIES ACCORDING TO THE COMMISSION'S PREVIOUS INSTRUCTIONS.

RIVER MARINA & WATERWAYS LIAISON COMMITTEE W 21247

THE SUGGESTED MEMBERSHIP AND BYLAWS OF THIS COMMITTEE WERE PREVIOUSLY GIVEN TO YOU FOR REVIEW AND COMMENTS. IF YOU HAVE NO OBJECTIONS, IMMEDIATE STEPS WILL BE TAKEN TO SET UP THE COMMITTEE AS PREVIOUSLY OUTLINED AND SCHEDULE ITS INITIAL MEETING. (READ NAMES)

LEGISLATION

THE GOVERNOR SIGNED INTO LAW MOST OF THE LEGISLATION WHICH WAS SPONSORED BY THE COMMISSION. A LEGISLATIVE STATUS REPORT IS BEING PREPARED AND WILL BE FORWARDED TO EACH OF YOU UPON ITS COMPLETION.

S 8375

THE GOVERNOR SIGNED ASSEMBLY JOINT RESOLUTION NO. 60 -- THIS REQUESTS THE STATE LANDS COMMISSION TO COMMENCE THE SCHOOL LAND CONSOLIDATION PROGRAM. A STAFF REPORT SUGGESTING LAND EXCHANGE ALTERNATIVES HAS BEEN REDRAFTED. THESE PROPOSALS WILL

BE THE BASIS OF FEDERAL LEGISLATION WHICH IS NECESSARY TO EFFECT THIS EXTENSIVE LAND EXCHANGE BETWEEN THE STATE AND FEDERAL GOVERNMENT.

W 3005

LAKE TAHOE

THE TAHOE REGIONAL PLANNING AGENCY, THE CORPS OF ENGINEERS, AND THE STATE OF NEVADA ARE INTERESTED IN PERFORMING A MASTER ENVIRONMENTAL ASSESSMENT OF THE LAKE TAHOE SHORELINE. THESE AGENCIES ARE WILLING TO UNDERWRITE A SHARE OF THE COST FOR THIS STUDY. THEY HAVE REQUESTED THAT THE STATE LANDS COMMISSION PARTICIPATE. THESE SAME ORGANIZATIONS ARE ALSO INTERESTED IN REMOVING PILINGS AND OTHER UNDERWATER OBSTRUCTIONS FROM THE LAKE. AGAIN, THEY WANT TO COOPERATE WITH THE COMMISSION ON A COST-SHARING BASIS. STAFF IS WORKING WITH THE RESOURCES AGENCY AND THE DEPARTMENT OF FINANCE TO IDENTIFY APPROPRIATE SOURCES OF FUNDING FOR THESE PURPOSES.

W 40015

HERMOSA BEACH - CONTRACT

STAFFS OF THE DIVISION AND THE ATTORNEY GENERAL'S OFFICE HAVE BEEN CONTACTED BY THE CITY OF HERMOSA BEACH ABOUT THE POTENTIAL FOR DRAINAGE OF OIL AND GAS FROM TIDELANDS GRANTED TO THE CITY BY THE STATE ADJACENT TO THE TORRANCE OIL FIELD.

IN ORDER TO DETERMINE IF DRAINAGE IS OCCURRING, IT WILL BE NECESSARY TO MAKE GEOLOGICAL AND ENGINEERING STUDIES.

BECAUSE OF THE STATEWIDE INTEREST, IT HAS BEEN PROPOSED THAT THE CITY AND THE STATE SHARE THE COST OF THIS STUDY ON A

50/50 BASIS WITH THE CITY PAYING A MAXIMUM OF \$3,500 OF THE ESTIMATED \$7,000 PROJECT COST.

MR. DON EVERITTS MET ON MONDAY WITH CITY OFFICIALS, AND A TENTATIVE CONTRACT AGREEMENT HAS BEEN REACHED. THE CONTRACT WILL BE PREPARED WITH COSTS CALCULATED IN ACCORDANCE WITH PROVISIONS OF THE STATE ADMINISTRATIVE MANUAL, AND WE WILL REPORT BACK ON THE FINAL FORM.

GEOHERMAL GRANT PROGRAM

W 9790.3

STAFFS OF THE DIVISION AND LAWRENCE BERKELEY LABORATORY THIS MONTH COMPLETED PREPARATION OF A REPORT ON ASSESSMENT OF GEOHERMAL RESOURCES ON STATE SUBMERGED LANDS.

THIS REPORT IS THE LAST OF THREE FUNDED UNDER A \$110,000 GRANT FROM THE FEDERAL ENERGY ADMINISTRATION TO THE STATE ENERGY COMMISSION. THE OTHER TWO STUDIES INCLUDED A REPORT ON DEVELOPMENT OF REGULATIONS FOR CALIFORNIA DEEPWATER OFFSHORE DRILLING OPERATIONS AND A REPORT ON ASSESSMENT OF OIL AND GAS RESOURCES ON STATE-OWNED OFFSHORE LANDS IN SAN PABLO BAY.

THE GEOHERMAL STUDY REPRESENTS THE FIRST EFFORTS OF THE COMMISSION TO ASSESS THE GEOHERMAL ENERGY POTENTIAL ON STATE-OWNED LANDS AND INCLUDED DESIGN, CONSTRUCTION AND TESTING OF A NEW INSTRUMENT TO MEASURE HEAT FLOW AND CONDUCTIVITY IN LAKE BOTTOMS. WE HOPE TO BE ABLE TO EXTEND AND REFINE THIS STUDY WITH ADDITIONAL DATA AS FUNDS BECOME AVAILABLE SO THAT WE WILL EVENTUALLY HAVE A FAIRLY GOOD FEEL FOR THE EXTENT, LOCATION AND

AND LONG-RANGE GEOTHERMAL ENERGY POTENTIAL ON STATE
LANDS.

RECREATIONAL PIER PERMITS

W 396.615

THE STAFF HAD MADE A REQUEST TO THE ATTORNEY GENERAL'S OFFICE FOR AN OPINION ON THE CONSTITUTIONALITY OF THE PROVISION IN THE PUBLIC RESOURCES CODE REQUIRING THE COMMISSION TO ISSUE RECREATIONAL PIER PERMITS TO CERTAIN LITTORAL LANDOWNERS FREE OF RENT. IN RESPONSE TO THAT REQUEST, THE ATTORNEY GENERAL'S OFFICE ISSUED LAST WEEK AN OPINION THAT THE PORTION OF THE CODE REQUIRING THE ISSUANCE OF RENT-FREE RECREATIONAL PIER PERMITS IS UNCONSTITUTIONAL UNDER THE STATE CONSTITUTION BECAUSE IT PROVIDES FOR A GIFT OF PUBLIC PROPERTY. WE HAVE BEEN ADVISED DURING THE COURSE OF INFORMAL DISCUSSIONS WITH THE ATTORNEY GENERAL'S OFFICE THAT RECREATIONAL PIER PERMITS MAY BE TREATED AS A SEPARATE ITEM FOR LEASING WITH PROVISION FOR A RATE TAILORED TO THE LIMITED NATURE OF PRIVATE RECREATIONAL PIERS. REGULATIONS DESIGNED TO ACCOMPLISH THIS OBJECTIVE WILL BE PREPARED BY THE STAFF IN CONSULTATION WITH THE ATTORNEY GENERAL'S OFFICE. THESE PROPOSED REGULATIONS WILL BE PRESENTED TO YOU FOR ADOPTION AT THE NEXT MONTHLY MEETING.

