

STATE OF CALIFORNIA

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

APPEARANCES

Commissioners Present:

Kenneth Cory, State Controller, Chairman
Betty Jo Smith, Staff Counsel, alternate
for Mervyn M. Dymally, Lieutenant Governor,
Commissioner
Sid McCausland, Deputy Director of Finance,
alternate for Roy M. Bell, Director of
Finance, Commissioner

NOTE: Mr. Cory left the meeting at 1:20 p.m.
during Calendar Item #27.

Staff Members in Attendance:

William F. Northrop, Executive Officer
R. S. Golden, Assistant Executive Officer
Robert C. Hight, Chief Counsel
Mathew Brady, Staff Counsel
James F. Trout, Manager, Land Operations
D. J. Everitts, Manager, Energy and Mineral
Resources Development
A. D. Willard, Supervising Mineral Resources
Engineer
Charles Priddy, Senior Mineral Resources
Engineer
Donald L. Hoagland, Associate Governmental
Program Analyst
W. M. Thompson, Manager, Long Beach Operations
Brian Sway, Legislative Coordinator
Diane Jones, Secretary

Representing the Office of the Attorney General:
Jan Stevens, Assistant Attorney General

Representing the City of Long Beach:
Harold Lingle, Deputy City Attorney

Re Minute Item 19 - Determination on the Reasonable Market
Value for Royalty Gas Produced Under State
Leases in Northern California
Jack F. Fallin, Jr., Attorney, representing
Pacific Gas & Electric Company
Silvia Siegel, Executive Director, Toward
Utility Rate Normalization
Earl Radford, Attorney, representing Shell Oil
Company

Re Minute Item 19 - (Contd)

Leonard Snalder, Deputy City Attorney,
representing Thomas O'Connor, City
Attorney of the City and County of San
Francisco

Greville L. Way, Chief Gas Engineer,
California Public Utilities Commission
Peter Arth, Jr., Attorney, California Public
Utilities Commission
Robert Peckham, Coordinator, Producing
Contracts and Titles, Chevron U.S.A., Inc.

Henry F. Lippett, II, Consultant

Re Minute Item 27 - Two Permits to Prospect for Geothermal
Resources

Clyde Kuhn, in pro per, speaking as member
of scientific community
Frank Comforti, Attorney, representing
Geothermal Kinetics, Inc.

MINUTES OF THE STATE LANDS COMMISSION
MEETING OF
SEPTEMBER 29, 1977

The regular meeting of the State Lands Commission was called to order at 10:03 a.m. in Room 2170, State Capitol, Sacramento, by Chairman Kenneth Cory, State Controller. Other members present included Commission-alternate Sid McCausland, representing Commissioner Roy M. Bell; and Commission-alternate Betty Jo Smith, representing Commissioner Mervyn M. Dymally.

The minutes of the meeting of August 25, 1977, were approved as written.

EXECUTIVE OFFICER'S REPORT

Mr. William F. Northrop advised that AJR 54, sponsored by Assemblyman Kapiloff, memorializes the President of the United States to take certain actions with regard to the problems the State is experiencing concerning the pricing of crude oil produced in the State. It also concerns the fact that the State faces a real threat, due to the treatment of imported Alaskan crude, wherein production from the Wilmington Oil Field could be totally uneconomic by end of 1979 or early 1980 and the State's production could be zero. Mr. Northrop indicated the staff of the Energy Commission and the Director of the Department of Consumer Affairs are supportive of this action. In addition, he advised that a meeting has been arranged by Chairman Cory with the Department of Water Resources and State Colleges and Universities to formulate a program to allow the State to continue producing the oil. He indicated he would report to the Commission as this matter progresses.

With regard to the potential problems the Commission may be facing with regard to the Motion Picture Development Council, Mr. McCausland asked the staff what type of response it had received to date from this Council in reply to the Division's inquiries. Mr. James F. Trout, Manager, Land Operations, stated that the basic response from the Council had been that the Legislature had given all authority over all State lands to the Motion Picture Development Council and would the Commission please get out of the way. Mr. McCausland indicated that that was not a satisfactory response. Mr. Trout agreed and indicated the people at Marriot Hotel pier at Santa Barbara are also concerned. PRC 2954.

During the discussion of the Long Beach Unit assessment appeal before the Los Angeles Assessment Appeals Board, Mr. McCausland asked the staff where the Commission is at this time. Mr.

