

STATE OF CALIFORNIA

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

APPEARANCES

Commissioners Present:

Roy Bell, Acting Chairman, Deputy Director of Finance,
Commission-Alternate for Mary Ann Graves, Director of
Finance.
David Ackerman, Commission-Alternate for Mike Curb,
Lieutenant Governor

Staff Members in Attendance:

William F. Northrop, Executive Officer
Robert C. Hight, Chief Counsel
Richard S. Golden, Chief, Division of Land Management
and Conservation
D. J. Everitts, Chief, Extractive Development -
State Leases
W. M. Thompson, Chief, Long Beach Operations
D. E. Sanders, Chief, Planning and Environmental
Coordination Unit
A. D. Willard, Supervising Mineral Resources Engineer
Diane Jones, Executive Secretary

Representing the Office of the Attorney General:

Jan Stevens, Assistant Attorney General,
Department of Justice, Sacramento, CA
Patricia Petersen, Deputy Attorney General
Department of Justice, San Francisco, CA

Re Minute Item 13:

Jay Sanders, representing the Richmond Sanitary District

Re Minute Item 26:

Einar Petersen, Deputy City Attorney,
City of Long Beach

Re Minute Item 40:

Einar Petersen, Deputy City Attorney,
City of Long Beach

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MINUTES OF THE STATE LANDS COMMISSION
MEETING OF

FEBRUARY 28, 1980

The regular meeting of the State Lands Commission was called to order by Acting Chairman Roy M. Bell, representing Commissioner Mary Ann Graves, Director of Finance, at 10:05 a.m. in Room 2170, State Capitol, Sacramento, California. Also present was Commission-Alternate David Ackerman, representing Lieutenant Governor Mike Curb, Commissioner.

The minutes of the meeting of January 24, 1980, were approved as presented.

EXECUTIVE OFFICER'S REPORT

Pipeline Study

During Mr. Northrop's report (attached as Exhibit "A"), he explained that the study is estimated to cost approximately \$60,000. He also explained the purpose of the study, and pointed out that since the proposal was made, a company named Pacific Coast Pipeline Corporation has developed a proposal to transport Kern County crude to the mid-continent. If their proposal succeeds, Mr. Northrop stated the State's proposal may not be necessary since that system could be the marketplace for the new heavy crude. Commission-Alternate David Ackerman asked if the State is considering building or owning a pipeline. Mr. Northrop explained that his main concern was that the State had potential areas which it would like to lease for oil and gas development, and it did not want to be in a position that after the oil had been produced, it would have to be loaded on barges and transported by ship to the marketplace. This study was initiated because it was felt that if the State is interested in looking at ways to transport its crude, it should also look at the overall picture. Mr. Ackerman then stated along those lines he would like to make sure that the State Lands Commission is the lead agency in any pipeline study. He stated the Commission should make the final determination in any study so it cannot be held up by other agencies if there is disagreement over the conclusions of the study. Mr. Northrop stated he would redirect a letter to Gray Davis, Executive Secretary and Chief of Staff to the Governor, indicating the Commission's feelings that this project should proceed as expeditiously as possible.

Windfall Profits Tax Bill

Mr. Northrop gave a status report on the windfall profits tax bill.

Attachment: Exhibit "A"

EXHIBIT "A"

EXECUTIVE OFFICER'S REPORT

BY

WILLIAM F. NORTHROP

FEBRUARY 28, 1980

PIPELINE STUDY

W 7403.2

LAST SEPTEMBER I ADVISED THIS COMMISSION THAT WE HAD BEEN ASKED BY THE GOVERNOR'S OFFICE TO STUDY THE FEASIBILITY OF ADDITIONAL PIPELINES TO TRANSPORT ANTICIPATED HEAVY CRUDE PRODUCTION THROUGHOUT CALIFORNIA TO PROCESSING CENTERS. FUNDING WAS TO COME THROUGH THE GOVERNOR'S OFFICE AND THE STUDY DONE WITHIN 60 DAYS OF FUNDING.

THE CALENDAR ITEM CONCERNED WITH OUR ROLE IN THIS MATTER HAS BEEN REMOVED FROM TODAY'S AGENDA. I ALSO SENT A LETTER TO GRAY DAVIS ON FEBRUARY 26 SUGGESTING THAT THE STUDY PRESENTLY UNDER DISCUSSION WOULD BE BEST PERFORMED BY THE JOINT INDUSTRY/GOVERNMENT PIPELINE WORKING GROUP. AS NOW DEFINED, THE STUDY WOULD CONCERN ITSELF SOLELY WITH PRODUCTION FROM THE SANTA BARBARA CHANNEL AND ITS TRANSPORT, VIA PIPELINE, TO THE LOS ANGELES BASIN. LATER ON THE 26TH, WE RECEIVED AN UNOFFICIAL REQUEST FROM THE GOVERNOR'S OFFICE OF PLANNING AND RESEARCH TO AGAIN CONSIDER THE STUDY AS INITIALLY DEFINED. WE WILL CONTINUE TO INVESTIGATE AND WILL RETURN TO YOU LATER WITH THE NEXT INSTALLMENT OF THESE DISCUSSIONS.

RECORD OF ACTION TAKEN BY THE
STATE LANDS COMMISSION
AT ITS MEETING OF FEBRUARY 28, 1980

During the meeting, the recommendations of the staff relative to Calendar Items C2, C3, C4, C5, C6, C7, C8, C9, C10, C11, 14, 15, 17, 18, 19, 21, 22, 23, 24, 27, 28, 29, 30, 31, 33, 34, 35, 36, 37 and 39 were adopted as resolutions of the Commission by unanimous vote.

Commission action on Calendar Items 13, 16, 20, 25, 26 is set forth on pages 323, 346, 368, 384, 393.

Calendar Items C1, 12, and 38 were withdrawn from the agenda prior to the meeting (see pages 220, 310, and 431).

Status of Major Litigation is set forth on page .

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