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MR. MUGFORD: The hour of nine having arrived and a quorum being present, the Commission will be in order. Mr. Horig?

MR. HORTIG: Yes, Mr. Chairman. You have on the cover page of the agenda the first item -- the confirmation of the minutes of the meeting of the State Lands Commission held in Sacramento on October 14, subject to one clerical correction, redesignating the file reference for the minute item which had been considered on page 432A of the minutes.

MR. KINKWOOD: Move the approval of the amendment.

GOV. POWERS: I second.

MR. MUGFORD: The minutes are approved unanimously. Do you wish to take up now, gentlemen, the matter of the next meeting?

MR. KINKWOOD: Is it contemplated there be another meeting before the end of this term?

MR. HORTIG: No sir.

MR. KINKWOOD: I might introduce my successor down here at the end of the table, Alan Cranston.....

MR. CRANSTON: Thank you, Bob.

MR. KINKWOOD: ... who will be taking over next meeting.

MR. MUGFORD: I am happy to introduce my successor, Bert Levit, now Director of Finance.

MR. LEVIT: Thank you. Mr. Anderson is unable to

1 be here.

2 MR. HORTIG: As the Commissioners and Commissioners-
 3 elect are aware, the work load of the Commission is such
 4 that it is highly desirable that meetings be held, if even
 5 for a brief period, at approximately monthly intervals.
 6 The rules and regulations of the State Lands Commission do
 7 provide that the Commission will meet on the last Thursday
 8 of each month unless on motion of two of the Commissioners
 9 it is set forward; and it is suggested for the considera-
 10 tion of all you people here that the last Thursday of
 11 January is January 29. This will give you considerable
 12 time before the next meeting of the Commission but would
 13 permit automatic meeting with sufficient material for an
 14 agenda by that time. If the Commission would care to
 15 establish that date at this time

16 MR. LEVIT: Would the meeting be here in Sacramento?

17 MR. HORTIG: Yes, with the Legislature in session it
 18 will be practical to schedule meetings in Sacramento during
 19 that time.

20 MR. HUGFORD: Do I understand, Mr. Hortig, by some
 21 rule of the Commission previously adopted the meeting is
 22 the last Thursday?

23 MR. HORTIG: That's right.

24 MR. HUGFORD: So probably no action is needed at
 25 this time?

26 MR. HIRKWOOD: We can leave it at the call of the
 Chair.

1 MR. LEVIT: Except if it is going to be in Los
2 Angeles or Sacramento

3 MR. MORTIG: The ultimate location, time and place
4 are actually at the discretion of the Commission if they
5 decide to set it otherwise. From a staff standpoint, we
6 would like to suggest that if dates certain can be arranged
7 this does expedite the processing of the calendar business
8 for the Commission, as well as the scheduling of appear-
9 ances.

10 GOV. POWERS: Do you want a motion for the last
11 Thursday?

12 MR. HUGFORD: I would suppose it would help the
13 staff and others who are interested.

14 GOV. POWERS: I move that the next Commission meet-
15 ing be held the last Thursday in January, January 29.

16 MR. LEVIT: In Sacramento.

17 MR. KIRKWOOD: Second.

18 MR. MORTIG: Nine a.m.?

19 GOV. POWERS: What time do you want?

20 MR. LEVIT: That's good enough.

21 MR. HUGFORD: Then the action is unanimous that the
22 next meeting will be at nine o'clock in Sacramento on
23 Thursday, January 29.

24 MR. MORTIG: Yes ... 1959.

25 MR. KIRKWOOD: You ought to make that subject to
26 change by the Chair, I think.

1 MR. HORTIG: If we hear otherwise from the Commis-
2 sioners we of course will accede.

3 MR. HUGFORD: All right, the next item?

4 MR. HORTIG: Page 1 of the calendar, gentlemen:
5 The Tidewater Oil Company, as lessees of the first tide
6 and submerged lands oil and gas lease awarded pursuant to
7 the Cunningham-Sholl Act, have had difficulties in develop-
8 ment of that lease and have drilled two wells without any
9 commercial oil and gas success; have now requested a defer-
10 ment of drilling and operating requirements under the
11 lease (as requested by the lessee) until January 1, 1960,
12 in order to complete negotiations with another operator for
13 the drilling of a well in the leased area. It is the staff
14 recommendation that a deferment be granted but at this time
15 only to June 30, 1959, it being felt that the additional
16 period of six months' deferment is adequate for the purposes
17 desired -- this negotiation for drilling operations.
18 There are no known extreme mechanical complications and if
19 reasonably, at the time of June 30, 1959, negotiations
20 have not been able to be consummated, the staff would
21 recommend a further extension; but it is felt request for
22 a full year extension at this time does not have any prac-
23 tical or necessary basis.

24 MR. KIRKWOOD: So move.

25 GOV. POWERS: I second.

26 MR. HUGFORD: Any further discussion or anyone wish

1 to be heard? (No response) If not, the action is to
2 adopt the recommendation unanimously.

3 MR. HORTIG: Page 2: Lease held by Douglas Oil
4 Company at Huntington Beach covered originally only 320
5 acres of tide and submerged lands -- mile in length and
6 half mile in width into the Pacific Ocean; has been ex-
7 plored by the lessee, with the completion of two wells and
8 the determination that the drilling of additional wells
9 is not economically justified. The lease provides for
10 quitclaim of any undeveloped portions of the property, at
11 the option of the lessee, in compact form and containing
12 ten acres or multiples thereof. Pursuant to this provision,
13 the lessee has requested acceptance of a quitclaim relating
14 to all the currently undeveloped portion on P.R.C. 1524.1,
15 the proposed quitclaim being a quitclaim on 310 of the
16 320 acres, with ten acres to be retained by the lessee for
17 continued operation of the existing producing wells.
18 Authorization to the Executive Officer to accept this quit-
19 claim is recommended.

20 MR. HUGFORD: What is the pleasure of the Commission?

21 GOV. POWERS: I move the recommendation.

22 MR. KIRKWOOD: Second.

23 MR. HUGFORD: The recommendation is unanimously
24 adopted.

25 MR. KIRKWOOD: What was the bonus paid on this lease?

26 MR. HORTIG: There was no bonus paid on this lease,

1 Mr. Kirkwood. This was the last straight or sliding scale
 2 royalty bid received, and it indicated a probable or pos-
 3 sible maximum depending upon foreseeable rates of produc-
 4 tion of not to exceed 80%. In fact, the well capacities
 5 have been such that they have barely been making the
 6 minimum royalties.

7 Pages 5 and 6 relate to two leases issued by the
 8 State Lands Commission on royalty bid only, the leases
 9 lying adjacent to each other at Coal Oil Point in Santa
 10 Barbara County, immediately offshore the area that is now
 11 the campus of the University of California at Santa Barbara.
 12 For several years numerous wells or holes have been drilled
 13 without, again, successfully demonstrating commercial produc-
 14 tion. A new program for evaluation is now under way.
 15 This program contemplates the use of mobile marine equip-
 16 ment in water exceeding 200 feet in depth, the program
 17 originally scheduled to commence in September 1958; but
 18 due to strike conditions the equipment had been held up
 19 in drydock. Additionally, because the operations will be
 20 conducted in water exceeding 200 feet in depth, it is felt
 21 additional time will be required to develop new techniques
 22 and especially to fabricate new equipment to permit drill-
 23 ing in these depths.

24 Therefore, it is recommended that the request of
 25 Signal Oil and Gas Company, Honolulu Oil Corporation and
 26 Richfield Oil Corporation, lessees under State Oil and Gas

1 Lessees P.R.C. 308 and 309, for a deferment of drilling
 2 and operating requirements be granted to December 31, 1958.
 3 This grant of deferment is to be subject to the express
 4 conditions which are generally standard in grants of this
 5 type by the Commission, that one of three actions will be
 6 undertaken by the lessees during the period of deferment --
 7 either to initiate development on the lease, or quitclaim
 8 the entire leased area, or present new adequate bases not
 9 considered heretofore for any further extension of the
 10 deferment.

11 MR. KIRKWOOD: This, as I recall, was on a fairly
 12 high royalty.

13 MR. HORTIG: It was a royalty bid the multiple of
 14 which has been called our standard, but which has not been
 15 standard with the Commission for some five years -- it
 16 was a multiplying factor in excess of 1; consequently
 17 indicates a royalty of 50% for production of 500 barrels
 18 per day. However, having received no royalty, no profit
 19 has been received from those leases.

20 MR. KIRKWOOD: Move the recommendation.

21 GOV. POWERS: I second.

22 MR. HUFFORD: Recommendation has been adopted.

23 MR. HORTIG: Page 7: A log rafting facility pre-
 24 viously authorized by the Commission in Mad River Slough,
 25 Humboldt County, is proposed to be quitclaimed by the
 26 prior lessee. It is recommended the Executive Officer be

8
1 authorized to accept the quitclaim and, in addition to the
2 written recommendation before you, the quitclaim of lease
3 is to be effective November 7, 1958 and the final year's
4 rental which was paid in advance is to be applied against
5 the last rental due September 30, 1958. This is satis-
6 factory to the lessees and will clear the accounting of
7 the Commission.

8 GOV. POWERS: I move the acceptance.

9 MR. KINKWOOD: Second.

10 MR. HUGHES: Adopted.

11 MR. HORTIG: Page 3: As the Commission will recall
12 by reference to Hunters Point and Hunters Point Reclamation
13 District, under statutory authorization the Commission pre-
14 viously exercised the right to sell lands in this area for
15 a baseball stadium and parking lot. There are proposed
16 industrial developments, consisting primarily of providing
17 sites by filling the tide and submerged lands which were
18 sold by the Tidelands Commissioners in 1870 pursuant to
19 statutory authority at that time. Interspersed among
20 these private holdings, we find there are minor tracts --
21 as you can see even the first one is 159 square feet -- of
22 tide and submerged lands which were never sold by the State.
23 Title is still with the State and the people, of course,
24 have no authority to place fill on State lands unless they
25 have rights. In this instance we have an application to
26 lease four of these minor segments in order that the private

1 owners of adjoining lands may fill the entire unit, in
 2 order to provide a site that can be used for commercial
 3 use; and in accordance with the established policies of
 4 the Commission for leasing tide and submerged lands, it is
 5 recommended that a 15-year lease be authorized to Charles
 6 L. Harnsey for the parcels, numbering four, as listed in
 7 the recommendation, at an annual rental of \$100 -- the
 8 lease to provide, again in accordance with rules and regu-
 9 lations and standard forms, for two renewals of 10 years
 10 each upon such terms and conditions the Commission may
 11 propose at the time of approval.

12 GOV. POWERS: This will increase the value of the
 13 State land.

14 MR. HORTON: Yes sir. It has from six inches to
 15 ten feet of muddy water over it at this time and is in-
 16 accessible, and being between private holdings it could be
 17 held that there is no legal access to these State lands --
 18 at least without trespassing over private property.

19 MR. MUGFORD: What would happen at the end of those
 20 35 years, the total term of this lease, if at some future
 21 time the Commission would refuse to renew the lease?
 22 What would be the situation?

23 MR. HORTON: Then the State of California would own
 24 four parcels of tide and submerged land of varying sizes
 25 in nonstrategic locations and we would have the problem
 26 to know how to dispose of them.

1 GOV. POWERS: We are just giving control of them
2 to Harney, not selling them.

3 MR. HORTIG: Actually, it has been suggested that
4 these pieces could be fenced off and not filled. The
5 economic consideration would indicate that is not a desir-
6 able procedure. Is there any advantage to the State to
7 have four isolated pieces of land in the water?

8 GOV. POWERS: I think we should accept it. We
9 are not losing it to Harney.

10 MR. HUSFORD: Mr. Kirkwood moves.

11 GOV. POWERS: I second.

12 MR. HUSFORD: Unanimously approved.

13 MR. HORTIG: Page 9 relates to an application for
14 sale of vacant school land which is not standard and the
15 staff recommendation will be at variance with the written
16 recommendation before you. The problem results from the
17 fact that there are questions -- which, upon further re-
18 view with the office of the Attorney General and upon
19 advice of the office of the Attorney General, the uncer-
20 tainties which are raised by the deviations and questions
21 on the application of the rules and regulations are such
22 that the Commission might find that valid title could not
23 be passed pursuant to either of the applications before
24 the Commission; and under those circumstances it is recom-
25 mended that the Commission authorize rejection of both
26 applications herein listed and authorize reoffering of

1 the particular lands for sale only pursuant to new appli-
2 cations. This is one of the rare exceptions in the hun-
3 dreds of land sales where there are two applicants and
4 both applicants for the first time devise a new method of
5 attempting to deviate or the circumstances are such that
6 we have deviations from the rules and regulations.

7 MR. KIRKWOOD: What happens here? Does the original
8 applicant still retain his right after the next

9 MR. HORTIG: No sir, he would not.

10 MR. KIRKWOOD: You start afresh?

11 MR. HORTIG: We start afresh.

12 MR. KIRKWOOD: What is the minimum offer going to
13 have to be -- \$1500 or \$1200?

14 MR. HORTIG: \$1200, the appraised price.

15 MR. KIRKWOOD: So we may get gypped out of \$300
16 by not taking this?

17 MR. HORTIG: That could be.

18 MR. KIRKWOOD: We can't hold the bidder?

19 MR. HORTIG: We might be able to hold the second
20 bidder, who offered the \$1500, but the Attorney General's
21 office has suggested it is not certain we can hold him
22 and the question was whether all the potential complications
23 warrant acceptance of either of these bids either by
24 acceptance of one of the bids or to hold the second one by
25 deferral. The recommendation was that rather than estab-
26 lishment of either a precedent or deviation from the rules

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and regulations, the practical procedure is to clear the slate and start over.

GOV. POWERS: It's all right with me.

MR. KIRKWOOD: That is the reaction of the A.G.'s office?

MR. HUGHES: Anything you wish to say?

MR. GOLDIN: I believe Mr. Hertzig has adequately covered the subject.

MR. KIRKWOOD: Second.

MR. HUGHES: The recommendation is adopted.

MR. HERTZIG: Ken ...

MR. SMITH: Page 11: Sales of vacant State school land. It is recommended the Commission authorize the sale of vacant State school land for cash, at the highest offer, in accordance with the following tabulations, such sales to be subject to all statutory reservations including minerals; and then there follows tabulation of five separate sales, all of which are noncontroversial.

MR. HUGHES: What is the pleasure of the Commission?

GOV. POWERS: O. K.

MR. KIRKWOOD: Approved.

GOV. POWERS: Are these always sold at appraised value?

MR. SMITH: Yes, they are -- or in excess of that where bids have been received.

GOV. POWERS: What if they offer less than the

1 appraised value?

2 MR. SMITH: Then we don't accept the bid.

3 MR. HORTIG: They are advertised with a minimum
4 bid, Governor. Page 10

5 MR. SMITH: Page 10: Selection of vacant Federal
6 land in Humboldt County. It is recommended that the Com-
7 mission determine that it is to the advantage of the State
8 to select the Federal land embraced in 40 acres in Humboldt
9 County; that the Commission approve the selection of said
10 land and authorize the sale thereof pursuant to the rules
11 and regulations governing the sale of vacant State school
12 land. This is an instance where the applicant has can-
13 celled out and the State wishes to proceed with acquisi-
14 tion of title.

15 MR. HORTIG: I might point out, as stated in the
16 second paragraph of the agenda, the principal reason is
17 that the applicant did not wish to pay the costs of
18 appraisal as provided by rules and regulations. The
19 Commission has been attempting to expedite appraisal,
20 particularly in cases of timbered lands, by having ap-
21 praisals made by contract and in several instances --
22 this item you have before you and the one next following --
23 the applicants have felt that the service contract
24 appraisal is excessive and they do not wish to bear it.
25 On the other hand, it is an advantage to put these lands
26 on the State land list and sell them according to

1 established school land procedures.

2 GOV. POWERS: It is O. K. with me.

3 MR. KIRKWOOD: O. K.

4 MR. MUDFORD: The recommendation is adopted.

5 MR. SMITH: Page 19 is a similar series of Federal
6 lands in Humboldt County embracing 520 acres. It is recom-
7 mended that the Commission determine that it is to the
8 advantage of the State to select the lands in Humboldt
9 County containing 520 acres; that the Commission approve
10 the selection of such land and authorize the sale thereof
11 pursuant to the rules and regulations governing sale of
12 State school land. This is timbered land on which the
13 applicant to the State has likewise cancelled.

14 MR. KIRKWOOD: Has the State gone ahead and made
15 an appraisal on contract?

16 MR. HORTIG: No sir.

17 MR. KIRKWOOD: You don't actually have knowledge of
18 the value of this land?

19 MR. HORTIG: From field inspection -- in other
20 words, there is a first recommendation as to value of the
21 timbered lands without an actual cruise of the timber
22 thereon and -- trade secret -- recognizing that the value
23 of the specific State lands to be exchanged for these
24 must be less than the value of the lands selected.

25 MR. MUDFORD: What would be the appraisal fee that
26 would be involved? Do you have any idea?

1 MR. SMITH: The estimated amount submitted by an
2 appraisal firm was approximately \$9,000.

3 MR. KIRKWOOD: On this parcel?

4 MR. SMITH: On the 520 acres. It contains numerous
5 forty-acre parcels scattered over a wide area, which makes
6 it more costly, too.

7 MR. HORTIG: And all timbered to varying degrees.

8 MR. KIRKWOOD: What do we have in the way of a
9 staff appraiser?

10 MR. SMITH: There has been no staff appraisal.

11 MR. KIRKWOOD: No, I mean do we have people who
12 could make a cruise?

13 MR. SMITH: Yes and we have made an estimate,
14 incidentally, on the cost -- which slightly exceeds
15 \$9,000.

16 MR. HURFORD: What is the pleasure of the Commission?

17 GOV. POWERS: I move.

18 MR. KIRKWOOD: Move...

19 MR. HURFORD: Recommendation is adopted.

20 MR. HORTIG: Back to underwater streets and lots
21 on page 20 of the agenda, and in the same general area as
22 the lease approved to Charles Harney -- The Commission had
23 previously authorized leases of underwater streets in a
24 minor area of San Mateo County containing less than an
25 acre and a half of tide and submerged lands to a Mr.
26 William J. Manuel, who has now requested approval of the

1 assignment of these leases to the City and County of
 2 San Francisco; and the City and County of San Francisco
 3 has requested that this assignment be approved. You
 4 gentlemen will see in the next item further application
 5 from the City and County of San Francisco for additional
 6 area, in addition to those to be acquired under these
 7 assigned leases which they desire to have terminated in
 8 order that they can integrate all of their operations with
 9 those lands which they have purchased from the State Lands
 10 Commission under statutory authority.

11 MR. KIRKWOOD: I move the approval. Do you want
 12 approval at this time of all

13 MR. HORTIG: We should clear the isolated parcels
 14 in connection with these operations and I would recommend
 15 approval of the items on pages 20 and 21.

16 MR. KIRKWOOD: So move.

17 MR. MUGFORD: Is that satisfactory?

18 GOV. POWERS: H-m-hm.

19 MR. MUGFORD: The recommendations are adopted.

20 MR. HORTIG: Routine but unhappy item on page 27:
 21 Recreational lease at Fish Canyon, San Gabriel Mountains,
 22 Los Angeles County. Acceptance of quitclaim is requested
 23 because the site was destroyed in a recent forest fire.
 24 It is recommended that the Executive Officer be authorized
 25 to accept the quitclaim deed.

26 MR. KIRKWOOD: So move.

1 GOV. POWERS: O. K.

2 MR. MUGFORD: You have no other course?

3 MR. HORTIG: No.

4 MR. MUGFORD: Recommendation is adopted.

5 MR. HORTIG: The lessee does not desire to continue.

6 This is about the third time they have been burned out.

7 I think the quotation from them was: "We have had it."

8 Page 28: Under Chapter 800, Statutes of 1957,
9 certain tide and submerged lands were granted by the Legis-
10 lature to the Bolinas Harbor District subject to the State
11 Lands Commission survey, monument, plat, and record of
12 plat at the cost of the Harbor District. A service agree-
13 ment has been prepared on the work to be provided by the
14 State Lands Division at a cost not to exceed \$8500, and
15 it is recommended that the Executive Officer be authorized
16 to execute this agreement at a cost not to exceed \$8500
17 for the services to be rendered to the Bolinas Harbor
18 District.

19 MR. MUGFORD: Your pleasure, gentlemen?

20 MR. HENNINGOOD: Move ...

21 GOV. POWERS: O. K.

22 MR. MUGFORD: Recommendation is adopted.

23 MR. HORTIG: Page 29 is a brief summary statement of
24 the status of major litigation now pending in which the
25 Commission has a direct concern. First and foremost, the
26 case of the United States vs. Anchor Oil Corporation, et al.

1 relating to the contentions of the United States Depart-
2 ment of Justice as to procedures for abating land subsid-
3 ence in Long Beach; and the District Court stated that
4 the plaintiff's complaint would be dismissed unless an
5 amended complaint were filed by December 10th. If I may
6 ask counsel -- was such an amended complaint filed?

7 MR. GOLBIN: We don't have any knowledge of it at
8 the present time.

9 MR. HERRIG: Of course, it was yesterday, so we
10 still don't have a report as to whether an amended com-
11 plaint was filed. If it was filed, the defendants may
12 file new motions to dismiss and will have authority to
13 submit points and authorities no later than December 24th,
14 with the United States to file points and authorities by
15 January 9, 1959. Hearings on such motions to be January
16 15, 1959; and giving the Attorney General's office and
17 staff additional time to prepare, the court continued the
18 hearing on preliminary injunction to March 23, 1959, with
19 points and authorities to be filed by March 2, 1959; the
20 State's answer due not later than March 31, 1959. The
21 Attorney General's office and staff are devoting all staff
22 time that is available, and some that shouldn't be available,
23 to the continued preparation for this litigation.

24 MR. HUGGARD: Supposing this amended complaint was
25 not filed yesterday, does that mean the whole thing is out?

26 MR. GOLBIN: Mr. Chairman, I believe it is a

1 reasonable assumption that the amended complaint was
2 filed. It's simply that both Mr. Friedman and myself were
3 in northern California yesterday and do not have personal
4 knowledge it was filed.

5 MR. FRIEDMAN: The Federal people said they would
6 definitely file. They will now seek an injunction closing
7 down the Wilmington Oil Field rather than an affirmative
8 type of injunction which would put the operation under the
9 jurisdiction of the Federal court.

10 MR. HUGHFORD: Well, you gentlemen have your work
11 cut out for you for some time to come.

12 MR. FRIEDMAN: For years to come, yes.

13 MR. MONTIG: I might point out to the Commission
14 in continuing with this summary, this is only one of the
15 items that the Attorney General's office has the legal
16 aspects on for the State Lands Commission; and, as a matter
17 of fact, these two gentlemen are also involved in the bal-
18 ance of the litigation here listed.

19 The next case -- not necessarily in order of magni-
20 tude -- is the People vs. City of Long Beach, relating to
21 the interpretation of quitclaim from the City of Long Beach,
22 as to whether in the quitclaim to the State of California
23 they did or did not convey the mineral rights; and this
24 case is at issue, trial date having been continued to
25 March 11, 1959.

26 And, finally, approaching in magnitude if not

1 equal to the first case so far as monetary aspects are
2 concerned, is County of Orange vs. State of California,
3 in which the County of Orange contends the State of Cali-
4 fornia didn't realize it but in 1919 they granted the
5 County of Orange all the tide and submerged lands includ-
6 ing the State of California's largest tideland field at
7 Huntington Beach; and on October 27, 1958 the State argued
8 the motion of plaintiff to compel more definitive answers
9 to interrogatories, which have been numerous. The matter
10 has been submitted to the court and has not yet been ruled
11 on. The City of Laguna Beach has indicated a desire to
12 intervene on the side of the State and they have not inter-
13 vened. Obviously, preparation for trial continues.

14 MR. HUGHARD: Any questions that anyone would like
15 to raise at this time? This could be the subject for quite
16 a lengthy discussion. Perhaps the new Commissioners at
17 your next meeting would like to have you set time aside
18 for you to give them a complete review of this pending
19 litigation.

20 MR. HORTON: Yes sir. We are just attempting to
21 evaluate time requirements on that. I was just going to
22 suggest if they would like to set aside a month ...

23 MR. LEVIT: I have just one question. I'd like to
24 ask Mr. Friedman if we are going to win these cases.

25 MR. FRIEDMAN: All I can say -- these cases are a
26 lawyer's dream. They keep lawyers busy for years.

1 MR. HUGFORD: This is just by way of a report,
2 I take it.

3 MR. HORTIG: That was the sole purpose. There is
4 no action required by the Commission, but it is to keep
5 the Commission apprised of where the litigation stands;
6 the importance of these actions now being distinguished
7 on the basis of whether they involve millions of dollars or
8 hundreds of millions of dollars. This is not facetious.

9 MR. HUGFORD: That's the great difficulty. We
10 can't get Leonard to give his attention to things that
11 just involve a few thousands of dollars.

12 MR. FRIEDMAN: Just a question of getting a dis-
13 sorted sense of values.

14 MR. KIRKWOOD: Let me ask as a matter of cleaning
15 up my own thinking on this thing: The other problem on
16 boundaries with the City of Long Beach, the thing that
17 Bruce Allen was pressing for some time, that is still in
18 abeyance and the recommendation of the Attorney General's
19 office remains the same?

20 MR. FRIEDMAN: Neither Mr. Goldin nor myself are
21 involved in that litigation, although we try to keep
22 informed on it. A demand was served on the City of Long
23 Beach regarding certain properties and rights which they
24 received as a result of Federal litigation in 1940; that
25 demand was made on the City of Long Beach in the past few
26 weeks.