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STATE LANDS COMMISSION, STATE OF CALIFORNIA

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Transcript of Proceedings  
Meeting of February 25, 1960  
Los Angeles, California

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Tryer, Merrill & Blodgett  
CERTIFIED SHORTHAND REPORTERS  
704 SOUTH SPRING STREET  
LOS ANGELES 14, CALIFORNIA  
MADISON 7-1381

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STATE LANDS COMMISSION, STATE OF CALIFORNIA

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Transcript of proceedings of meeting of State Lands Commission, held at Room 806, State Building, Los Angeles, California, on Thursday, February 25, 1960, at 10:00 a.m.

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THE COMMISSION:

Glenn M. Anderson, Lieutenant Governor, Chairman.  
Alan Cranston, State Controller

F. J. Hortig, Executive Officer  
Fred W. Kreft, Assistant Executive Officer  
Jay L. Shavelson, Deputy Attorney General  
Harold A. Lingle, Deputy City Attorney, City of Long Beach  
Jess D. Gilkerson, City Engineer, City of Long Beach

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Reported by: Carroll S. Blodgett, CSR

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- (e) Monterey Oil Company  
Deferment of drilling requirements,  
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4 49-year right-of-way easements,  
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Modification of Submarine Geophysical  
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1           GOV. ANDERSON: The meeting of the State Lands  
2 Commission will come to order. The Secretary will note  
3 that Commissioners Cranston and Anderson are present. I  
4 don't believe Mr. Carr is going to be here, is he?

5           MR. HORTIG: Mr. Carr will not be present.

6           GOV. ANDERSON: Will he have a representative?

7           MR. HORTIG: And he will not have a representative  
8 present, and asked me to report to you, Mr. Chairman, that  
9 the meeting with two commissioners is with his full consent.

10          GOV. ANDERSON: (Addressing Mr. Cranston) Before you  
11 can do anything today, you have to have my consent.

12          We will proceed with the agenda, then.

13          The first item is confirmation of minutes of meeting  
14 of December 17, 1959. If there is no objection, they are  
15 approved without reading.

16          Item 2 we completed at our special meeting, didn't we,  
17 Mr. Hortig?

18          MR. HORTIG: No, sir. While Item 2, Mr. Chairman,  
19 relates to Long Beach, this item relates to the specific  
20 question of the tide and submerged lands boundary determin-  
21 ation pursuant to Chapter 2000 of the Statutes of 1957,  
22 which the Commission has had under executive consideration.  
23 There are also later a few of the normal operating items  
24 for consideration by the Commission for Long Beach. All  
25 of them were not considered at last Thursday's meeting,  
26 which was restricted to the consideration of co-operative

1 plans, common unit plans, and one special project which  
2 required advance approval in order to permit the City to  
3 move their Harbor Department to their new Administration  
4 Building. So the items which will be considered on the  
5 calendar here today are in addition to those that were  
6 considred last Thursday.

7 GOV. ANDERSON: Yes.

8 MR. HORTIG: Calendar page 1, if the Chairman pleases,  
9 on January 21, 1960, the Commission continued consideration  
10 of the Long Beach tide land boundary problem to its next  
11 scheduled meeting on February 25, 1960, today. A report  
12 again is expected on the status to be given by the Attorney  
13 General's office, members of the Commission staff, and by  
14 representatives from the City of Long Beach, who were in-  
15 vited to comment on this problem in the normal--what has  
16 come to be the normal manner for consideration of this  
17 problem in that the City of Long Beach was informed by  
18 copy of this calendar that this item would be up for con-  
19 sideration today at this meeting of the Commission. If  
20 the Chairman pleases, you might call with respect to  
21 whether there is any representation by the City of Long  
22 Beach today on this problem.

23 GOV. ANDERSON: Is the City of Long Beach here and  
24 making representation on this item?

25 MR. HAROLD A. LINGLE: Sir, for the record again,  
26 I am Harold A. Lingle, Deputy City Attorney. Unfortunately,

1 I am not prepared. We had requested and understood that  
2 Mr. Ball, who is presently engaged in trial, would make  
3 this presentation. You remember last time in Sacramento I  
4 did, because we then knew that Mr. Ball would not be there,  
5 and I assumed that he has been detained in the trial, and I  
6 understood also that there is some possibility, through a  
7 conversation that he had with Mr. Hortig, that he might  
8 perhaps have misunderstood the necessity for him having  
9 been there. I am not aware, having been involved in these  
10 other oil negotiations for the City, and it has not been  
11 my assignment, and I don't know the report that I can make.  
12 I don't even know whether or not he has talked to the  
13 Attorney General's office.

14 GOV. ANDERSON: Mr. Hortig.

15 MR. HORTIG: Under those circumstances, Mr. Chairman,  
16 comments from the Attorney General's office would appear to  
17 be in order on this question.

18 MR. SHAVELSON: We haven't heard from the City of Long  
19 Beach on this matter--

20 MR. HORTIG: Pardon me. This is Jay Shavelson,  
21 Deputy Attorney General.

22 MR. SHAVELSON: We haven't heard from the City of Long  
23 Beach on this matter since November of 1959. We do not know  
24 whether there is any prospect of a negotiated settlement of  
25 this matter, and we won't know until we hear from the City  
26 further. And, as we have stated, we are prepared to file

1 proceedings in this matter whenever we are directed to do  
2 so by the State Lands Commission.

3 MR. CRANSTON: Is there any word from the Navy  
4 Department as to their attitude or decision on the matter?

5 MR. HORTIG: Not specifically, sir. As a matter of  
6 fact, Mr. Lingle probably can comment on it further. This  
7 is hearsay on my part this morning, from conversation with  
8 him, but the City has undertaken to determine what the dis-  
9 position of budgeted funds may be with respect to the  
10 operations to be conducted in the shipyard, which dis-  
11 position it was anticipated would be determined after unit  
12 plans and co-operative plans for Fault Blocks II and III  
13 were consummated--these were the documentation which you  
14 gentlemen authorized approval on last Thursday--and the  
15 specifics on the disposition of the budgeted funds have not  
16 yet been available, nor have we any announcement of any  
17 determination by the Secretary of Navy with respect to the  
18 operating future of the Long Beach Naval Shipyard.

19 GOV. ANDERSON: Do you have something you would like  
20 to add to that?

21 MR. LINGLE: No, he has covered it quite thoroughly.  
22 We have done our--this is hearsay on my part--but I know  
23 that we have done our best to try to find out what they  
24 were going--if there was any recommendation forthcoming  
25 rapidly, and we haven't been successful. We have had some  
26 more conferences along the line of some of the suggestions

1 that were made by the Navy's general counsel at a meeting  
2 at which your representatives and ours and some of the  
3 private companies were at, at the Navy Yard in January in  
4 regard to further assurances by ourselves that the City,  
5 and possibly the State, about repressuring after the ter-  
6 mination of production in the field, and this was something  
7 that we thought was dead, and had apparently cropped up  
8 again, and we are trying to find out whether this is still  
9 a further prerequisite which the Navy has placed upon it  
10 or not. At this point we don't know.

11 MR. CRANSTON: What is included in the President's  
12 budget as submitted to Congress?

13 MR. LINGLE: I don't know, sir; I haven't any idea.

14 MR. HORTIG: I might amplify, Mr. Cranston, the dis-  
15 position of the funds to which I referred, the funds  
16 previously budgeted conditionally to the Navy Department,  
17 approximately on a distribution basis that a maximum of  
18 \$500,000 might be expended during the current fiscal year  
19 for maintenance, with an additional five or six million  
20 dollars, I am not now certain as to which of those two  
21 items, that could be available for rehabilitation and  
22 further maintenance work in the Naval Shipyard, as, if and  
23 when the Secretary of Navy should determine that it would  
24 be in the interest of the Navy and the public to make such  
25 expenditure in the light of his conclusions that subsidence  
26 has been substantially or sufficiently ameliorated so as

1 to insure a reasonable future life for the shipyard. The  
2 question then is, we have not yet heard whether there has  
3 been any determination based on which the Secretary can  
4 authorize the expenditure of these already-budgeted funds,  
5 although budgeted with a condition precedent to be met.

6 MR. CRANSTON: I move the matter be continued to the  
7 next regular meeting of the Lands Commission.

8 GOV. ANDERSON: I will second it, and if there is no  
9 objection, it will be so ordered.

10 The next item on the calendar is Item 3, permits,  
11 easements, and rights of way to be granted to public and  
12 other agencies at no fee, pursuant to statute. And the  
13 first applicant, Applicant (A), is the Department of Fish  
14 and Game.

15 If there is any comment on these, we will hear it,  
16 otherwise I will just go through them.

17 MR. HORTIG: I would say, Mr. Chairman, on the very  
18 first item, being typical of a type which is repeated later  
19 on throughout the calendar, both for public agencies and  
20 private agencies, there are authorizations for utiliza-  
21 tions of areas for boat-landing ramps, boat harbors, boat  
22 marinas and similar boating facilities. All of the items  
23 being presented to the Commission this morning in this  
24 category have previously been submitted to the Small Craft  
25 Harbors Division for review for compatability with both  
26 the policy and any programs that division may have with

1 respect to the State Small Craft Harbors program. All the  
2 items which are being recommended to you gentlemen this  
3 morning are here without any objection by the Small Craft  
4 Harbors Division.

5 GOV. ANDERSON: Item (b), Division of Highways;  
6 Item (c) applicant City of Mill Valley; Item (d) The City  
7 of Oceanside; Item (e) the City of Pittsburg.

8 MR. CRANSTON: I move approval.

9 GOV. ANDERSON: It has been moved, and I second it.  
10 If there is no objection, all items under Item 3 will be  
11 approved.

12 Item 4 on the agenda is permits, easements, leases  
13 and rights-of-way issued pursuant to statutes and estab-  
14 lished rental policies of the Commission. The first  
15 applicant is Fibreboard Paper Products Corporation.

16 MR. HORTIG: Mr. Chairman.

17 GOV. ANDERSON: Mr. Hortig.

18 MR. HORTIG: Again, all items appearing under item  
19 classification 4 of your calendar summary are pursuant to  
20 rules, regulations and lease conditions, and authorized  
21 leases by the State Lands Commission are recommended by the  
22 staff, and we are unaware of any objections thereto. They  
23 do range over, in general, the field of right-of-way ease-  
24 ments, deferment of drilling requirements under an oil and  
25 gas lease, which is necessary in order to accomplish proper  
26 safety checks before reinitiating drilling, and modifica-

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1 tion of Submarine Geophysical Exploration permits to permit  
2 on a controlled experimental basis the use of a type of  
3 explosive which has not heretofore been authorized by the  
4 State Lands Commission, but which has now been authorized  
5 by the Department of Fish & Game, who are particularly con-  
6 cerned over explosive effects, and it is therefore recommend-  
7 ed that the Commission's permit for the same operations in  
8 the same area be made to conform to the authorization for  
9 such use of explosives.

10 GOV. ANDERSON: For the record, then, we will go  
11 through these. The first one I mentioned was the Fibre-  
12 board Paper Products Corporation; Item (b), Flying-S Ranch,  
13 an amendment of grazing lease; Item (c), Neva Hallmark,  
14 renewal of lease; Item (d), E. P. Jepsen, Jr., rescission  
15 of previous action; (e), Monterey Oil Company, deferring  
16 of drilling requirements; (f) Pacific Lighting Gas Supply  
17 Company, issuance of four 49-year right-of-way easements,  
18 San Bernardino County; Item (g), San Diego Gas & Electric  
19 Company, deferment of operating requirements; Item (h),  
20 Shell Oil Company, modification of Submarine Geophysical  
21 Exploration Permits; Item (i), Signal Oil & Gas Company,  
22 the renewal of lease, Contra Costa County; and Item (j),  
23 Signal Oil & Gas Company, issuance of lease, approximately  
24 one acre in Contra Costa County.

25 Any comments on any of those?

26 MR. CRANSTON: I move approval of those items.

1           GOV. ANDERSON: I will second them. If there is no  
2 objection, all of those items under Item 4 will be approved.

3           Item 5, the City of Long Beach projects, approvals  
4 required pursuant to Chapter 29, Statutes of 1956, First  
5 E.S.

6           Item (a) we completed at the last meeting?

7           MR. HORTIG: That is correct, sir.

8           GOV. ANDERSON: So we start with Item (b).

9           MR. HORTIG: All items, (b) through (f), represent  
10 requests for approval and recommendations of the staff for  
11 approval of the State Lands Commission for expenditures to  
12 be made by the City of Long Beach during the balance of the  
13 fiscal year for projects which include subsidence costs,  
14 which are allowable under Chapter 29, Statutes of 1956.  
15 The specific amount of allowance, as is standard with  
16 Commission approvals heretofore, the specific allowance will  
17 be determined as an when the work under these projects is  
18 completed, that being the first time that there is an accur-  
19 ate engineering and accounting measure of the magnitude of  
20 the operations.

21           GOV. ANDERSON: Then for the record we will commence  
22 with (b) in Item 5, which is Specification of Harbor De-  
23 partment 592, Berths 208-211, Wharf (2nd Phase); (c) Pier  
24 A, East, Miscellaneous Filling (2nd Phase); (d) is Fire  
25 Station, (1st Phase); (e) is the dredging of Alamitos Bay,  
26 Second Street to Appian Way (2nd Phase); (f) is North Harbor

1 area--pump station and drain line (1st Phase).

2 MR. CRANSTON: I move approval.

3 GOV. ANDERSON: I will second approval. If there is  
4 no objection or comment, all those items from (b) through  
5 (f) under 5 will be approved.

6 MR. HORTIG: Mr. Chairman, if you please.

7 GOV. ANDERSON: Mr. Hortig.

8 MR. HORTIG: Before proceeding under Item (e), dredging  
9 of Alamitos Bay, Second Street to Appian Way, the record  
10 should show that the Office of the Lieutenant Governor  
11 received under date of February 16, 1960, a letter from Mr.  
12 Spencer A. Hillman of 249 Venetia Drive, Long Beach 3,  
13 California, which reviews in three pages the majority of  
14 the history of the Alamitos Bay area and projects which  
15 have heretofore been undertaken by the City of Long Beach,  
16 and essentially in one paragraph summarizes an objection  
17 and a suggestion by Mr. Hillman with respect to this Item  
18 (e), and I quote:

19 "Now, to get back to the dredging of the Upper Bay"--  
20 this is the one item that appears on the calendar today to  
21 which Mr. Hillman's letter refers specifically--again  
22 quoting--"Mr. Vickers noted sand bars are building up and  
23 are a danger to many boats he expects to be in the bay."  
24 Still quoting, "Why not bar all boats in the Upper Bay and  
25 not dredge it?" Unquote.

26 The City Engineer of the City of Long Beach is here

1 today, in the event the Commission might desire further  
2 comment or rebuttal to this suggestion.

3 GOV. ANDERSON: Would the City Engineer from the City  
4 of Long Beach like to comment on that briefly?

5 Give your name for the record.

6 MR. JESS D. GILKERSON: I am Jess Gilkerson, City  
7 Engineer of Long Beach. I am a little startled that we  
8 have an objection, and the solution as suggested certainly  
9 would be novel. We are trying to provide facilities for  
10 small craft. We think we have a well-balanced, well-  
11 conceived program to accommodate as many small craft as we  
12 can in the limited area, and the consensus is you have  
13 boats down there indicating that there are a great many  
14 more where the owners live outside of our boundaries. I  
15 just can't conceive of any suggestion so ridiculous as the  
16 one made by the gentleman in his letter.

17 GOV. ANDERSON: Any further comment?

18 For the record, then, the letter that Mr. Hortig  
19 presented will be in the minutes with the comments from  
20 Mr. Hortig and the comments of the City Engineer of the  
21 City of Long Beach.

22 We will now proceed to Item Classification 6. City  
23 of Long Beach - Special Items.

24 MR. HORTIG: Mr. Chairman.

25 GOV. ANDERSON: Mr. Hortig.

26 MR. HORTIG: May I bring to the attention of the

1 Commission that Items (a), (c) and (d) were already con-  
2 sidered and approved by the Commission at the meeting last  
3 Thursday. Item (b), the staff finds requires further modi-  
4 fication in order to be certain that the proposal which is  
5 satisfactory in principle can be in complete legal form, it  
6 is requested that action on Item (b) be deferred until the  
7 next meeting of the State Lands Commission. This would  
8 dispose of all of Item Classification 6 on this agenda.

9 GOV. ANDERSON: If there is no objection, then--we  
10 are already completed with (a), (C) and (d), so those are  
11 actually not on the agenda?

12 MR. HORTIG: Right.

13 GOV. ANDERSON: --Item (b) will be deferred to the  
14 next meeting of the State Lands Commission, and so ordered.

15 We will proceed to Item Classification 7, Authoriza-  
16 tion for sales of vacant State school lands. The first  
17 applicant (a) is Lyle Cook--

18 MR. HORTIG: Mr. Chairman.

19 GOV. ANDERSON: Mr. Hortig.

20 MR. HORTIG: Mr. Lyle Cook is deceased and his  
21 application has been received from his widow, who has, I  
22 believe, an appointment as executor of the estate. In this  
23 application from the widow it is requested that this  
24 application be canceled. Therefore, there will be no  
25 action required of the Commission. The cancellation can be  
26 effectuated by the staff, and this item should be stricken

1 from the calendar today.

2 GOV. ANDERSON: In other words, it is the recommenda-  
3 tion that the application of Lyle Cook shall be stricken  
4 from the file. If there is no objection, so ordered.

5 We will proceed to (b), Mal Coombs; (c), Forrest M.  
6 Harris; (d), the applicant is Everett E. Johnson; (e),  
7 Ben Mednick etc.; (f) J. H. Partridge; (g), Harry Pon and  
8 R. A. Ellsworth; (h), Marcus Rudnick; (i), Mark J. Ryan  
9 and Camille Ryan; (j), James Selna and Margaret V. Selna.

10 Any comment on any of those?

11 MR. CRANSTON: I move approval?

12 GOV. ANDERSON: You move approval, then, of all those  
13 from Item (b) through (j). I will second the motion. If  
14 there is no further comment, the approval is so ordered.

15 Proceed to classification Item 8, authorization for  
16 selection and sale of vacant Federal lands, and the first  
17 applicant in (a) is Joe Marion Gerlach and Albert C.  
18 Gerlach, and (b) is Viola Russ McBride. Is there any  
19 comment on those?

20 If not, a motion is in order.

21 MR. CRANSTON: Move approval.

22 GOV. ANDERSON: It has been moved to approve those  
23 two items under Item Classification 8. I will second it,  
24 and if there is no objection, it is so ordered.

25 Item Classification No. 9, authorization for selection  
26 of vacant Federal lands, and for sale thereof pursuant to

1 the rules and regulations of the Commission.

2 (a) is 319.39 acres in Kern County, and (b) is 40  
3 acres in San Bernardino County. Any comment on these two?

4 MR. HORTIG: No, sir, except in amplification, as the  
5 summary indicates, these are lands which have been acquired  
6 and are available to the State pursuant to application made  
7 by individuals, originally. The individual applicants do  
8 not at this time desire to proceed with the purchase of the  
9 lands, therefore it is recommended that the State acquire  
10 title in its own name and place the lands on the vacant  
11 school land list, to be sold in the manner prescribed in  
12 the rules and regulations for the sale of vacant State  
13 school lands pursuant to competitive public bid.

14 MR. CRANSTON: I will move that we so do.

15 GOV. ANDERSON: I will second the motion.

16 If there is no further comment or objection, it is  
17 so ordered.

18 Item 10 is authorization for exchange, on an equal-  
19 value basis, of State school land in two withdrawn military  
20 installations, totaling 37,402.67 acres, plus all school  
21 lands in townships on which plats have been or may be  
22 suspended by the United States and all lands declared  
23 dangerous due to unexploded shells and duds, for United  
24 States' lands under pending exchange applications, the pur-  
25 pose being to conclude as many pending land-exchange  
26 applications as available State land will permit.

1 Any comment on that?

2 MR. HORTIG: That, Mr. Chairman, is as succinct a  
3 summary of our problem as we could make. If the commis-  
4 sion desire an explanation thereon, we would be very happy  
5 to give it to them at this time as to why history has over-  
6 taken us.

7 MR. CRANSTON: I move approval.

8 GOV. ANDERSON: I will second it.

9 If there is no further comment or objection, it is so  
10 ordered.

11 Item 11, authorization for withdrawal from public  
12 sale of 1280 acres of State school lands, Riverside County,  
13 pursuant to request of State Division of Beaches and Parks,  
14 for potential purchase by that agency.

15 Any comment on that?

16 MR. HORTIG: As the Commission will note from page  
17 56, these lands are located, one section within the ex-  
18 terior boundary of the proposed and approved Salton Sea  
19 State Park project, the other section is in very rugged  
20 country within the Painted Canyon State Park project, and  
21 it is felt that the interests of the State will not be  
22 adversely affected nor will the value of the lands decrease  
23 in any period of one year, during which time these lands  
24 might be withheld, during which time the Park Department  
25 or the Division of Beaches and Parks can conclude whether  
26 they do in fact wish to purchase these lands from the State

1 Lands Commission.

2 MR. CRANSTON: I move approval of this item.

3 GOV. ANDERSON: I will second it.

4 If there is no further comment or objection, it is so  
5 ordered.

6 Item 12, authorization for execution by the Executive  
7 Officer of service agreement with County of Marin on behalf  
8 of the Commission as contractor, providing for surveying  
9 services to be rendered the County pursuant to Chapter 497,  
10 Statutes of 1959, at a cost, to be paid by the County, not  
11 to exceed \$15,000.

12 Any comment?

13 MR. HORTIG: The services to be performed pursuant to  
14 this contract are required by the granting statute of tide  
15 and submerged lands granted to the County of Marin in 1959.  
16 The sole reason for presentation to the Commission for  
17 approval is that the delegated authority to the Executive  
18 Officer to approve contracts does not extend above \$2000  
19 per individual contract. Many of these surveys and, as  
20 a matter of fact, the one in the following item, were  
21 completed under contract approved by the Executive Officer,  
22 because the magnitude of the project was such that the  
23 \$2000 figure was not exceeded in this instance. In order  
24 to finally secure Department of Finance approval we have to  
25 have also the prior approval of the Lands Commission for  
26 entering into this contract.

1 MR. CRANSTON: What is the procedure if the \$15,000  
2 turns out to be inadequate?

3 MR. HORTIG: Happily--or not happily, because of good  
4 estimating work by your civil engineering section, our  
5 estimates to date have been found to be reasonable and  
6 sufficient and not excessive, and even were the contingency  
7 included, which is not objected to ordinarily by the other  
8 party to the contract, because the limitation, as far as  
9 the other party is concerned, that it does not exceed actual  
10 cost in any event, if the day should come and we find our-  
11 selves running close, I would assume that we would be back  
12 renegotiating with the other party to the contract, if  
13 completely unforeseen circumstances did arise, which is the  
14 only basis on which I would expect we would ever find that  
15 the amounts contracted for would not prove to be adequate.  
16 In fact--

17 MR. CRANSTON: I move approval.

18 GOV. ANDERSON: I second it.

19 Any further comment? If there is no objection, it is  
20 so ordered.

21 Item 13. Authorization for approval by Executive  
22 Officer of map entitled "Map of the Grant to City of San  
23 Leandro, Alameda County, California," dated August, 1959.

24 MR. HORTIG: This is an instance where we have the end  
25 product of a contract of the type approved by the Commission  
26 in the previous item, the end product being the map, which

1 will be recorded to show what lands were granted to the  
2 City of San Leandro by the Legislature.

3 MR. CRANSTON: I move approval.

4 GOV. ANDERSON: I will second it. Any comment?

5 If there is no objection, it is so ordered and approved.

6 Item 14, authorization for approval by Executive  
7 Officer of maps entitled "State Lands, South Humboldt Bay,  
8 Humboldt County, California," dated December 1959, and for  
9 reporting the Legislature thereafter on the extent of State  
10 ownership of tide and submerged lands in South Humboldt  
11 Bay.

12 MR. HORTIG: If the Commission please, we would  
13 recommend that in the resolution as shown on page 59, at  
14 the end of the third line, the word "thereafter" be  
15 stricken, inasmuch as it could be interpreted at the report  
16 to the Legislature should not be made until after the  
17 sheets have been recorded. In fact, this report, upon  
18 approval by the Commission, will be sent to the Legislature  
19 this afternoon. Also, the maps will be sent for recording  
20 and ultimately will be recorded.

21 GOV. ANDERSON: Then the recommendation will be  
22 changed and we will strike out the word "therefore"--

23 MR. HORTIG: "thereafter."

24 GOV. ANDERSON: --"thereafter" at the end of and  
25 beginning of lines 3 and 4.

26 MR. CRANSTON: Move approval.

1           GOV. ANDERSON: I will second it. Any further  
2 comment?

3           If there is no objection, it is so ordered and it is  
4 approved.

5           Item 15, adoption of amendments to Commission's  
6 regulations in Title 2, California Administrative Code,  
7 covering "Automatic Custody Transfer" of oil from State  
8 leases. Any comment on that?

9           MR. HORTIG: I believe I should report to the  
10 Commission that this is an example of co-operation--the  
11 results of co-operation on the part of all parties concerned,  
12 the State's oil and gas lessees and the Commission staff,  
13 and all, in developing what is felt will be a completely  
14 satisfactory set of rules and regulations which will permit  
15 under control and <sup>to</sup> specification the use of automatic custody  
16 control measuring equipment on the various State leases  
17 as some lessees will undoubtedly propose to do in the future,  
18 and by adoption of these rules and regulations the Commis-  
19 sion will not have to consider amendment of individual  
20 leases to accomplish this, which has already been done in  
21 one instance by the Commission, and which brought to our  
22 attention the necessity for rules and regulations to pre-  
23 clude that cumbersome method of operating in the future.  
24 The proposed rules and regulations were fully noticed,  
25 considered, pursuant to all statutory provisions. They  
26 were reviewed extensively by industries who might be

1 affected thereby; they were reviewed and modified, and  
2 a conference was held and consensus was developed on  
3 specific language for the rules and the regulations here-  
4 after recommended for adoption, and represent the culmina-  
5 tion of this effort.

6 It is therefore recommended that the Commission adopt  
7 the resolution in the form in which it appears on pages 60  
8 and 61 of the calendar, which resolution in turn conforms  
9 with the requirements of the California Administrative Code.

10 MR. CRANSTON: I take it that Item (b) on page 61  
11 does not constitute any delegation of the Lands Commission's  
12 authority to the American Petroleum Institute, so there can  
13 be no change without approval?

14 MR. HORTIG: That is correct, any such delegation was  
15 farthest from our mind.

16 MR. CRANSTON: I move approval.

17 GOV. ANDERSON: I will second it.

18 Any further comment? If there is no comment or  
19 objection, it is so ordered.

20 Item 16, confirmation of transactions consummated by  
21 the Executive Officer pursuant to authority confirmed by  
22 the Commission at its meeting on October 5, 1959.

23 MR. HORTIG: The summary statements appearing on  
24 pages 62 through 64 of your calendar represent routine  
25 ministerial actions which were completed by the Executive  
26 Officer, but in order to assure that there can be no

1 question of record title or the sufficiency of the author-  
2 izations granted, it is recommended that the Commission  
3 confirm the actions of the Executive Officer as reported in  
4 the items appearing on pages 62 through 64 of the calendar.

5 GOV. ANDERSON: Any further comment?

6 MR. CRANSTON: I move approval.

7 GOV. ANDERSON: I will second. If there is no ob-  
8 jection, then it is so ordered and approved.

9 Item 17 is a report on status of major litigation.

10 MR. HORTIG: This is informative for the commissioners  
11 and requires no action. Essentially, there is no real  
12 change since the last report at the last meeting to the  
13 Lands Commission. Of principal interest to the Commission,  
14 of course, are the matters of the Long Beach subsidence  
15 matter, which, in effect, has already been summarized here  
16 this morning as to progress therein. Secondly, the status  
17 of the litigation with the County of Orange now hinges on  
18 a determination by the County of Orange as to whether the  
19 County in its true capacity as a county will desire to  
20 proceed with the litigation, or will not. The press reports  
21 from Orange County indicate that this in turn may be  
22 dependent upon recommendations of a newly appointed County  
23 Counsel, who has now been appointed, effective March 1st,  
24 so therefore the Board of Supervisors have not had as yet  
25 the recommendation of their new County Counsel.

26 GOV. ANDERSON: Any questions?

1 MR. CRANSTON: No action is required.

2 GOV. ANDERSON: The next item on the agenda will be  
3 a supplemental item, which here shows Item 19, which we  
4 will take up before we take up the confirmation of our  
5 next Commission meeting. Item 19 is authority for the  
6 Executive Officer to execute a contract with Submersible  
7 Operations Corporation, San Diego, California, to provide  
8 for the preparation of a map-to-scale, with an accompanying  
9 report, locating the horizontal and vertical position of  
10 all underwater oil casings or other projecting obstructions  
11 in a predetermined area of tide and submerged lands off-  
12 shore of Summerland, Santa Barbara County. In return for  
13 services rendered, the contractor is to receive a sum not  
14 in excess of \$1900.

15 Would you explain that, Mr. Hortig.

16 MR. HORTIG: Yes, sir. The first State Mineral  
17 Leasing Act which covered tide and submerged lands, as  
18 well as other uplands of the State, was adopted in Cali-  
19 fornia in Chapter 303 of the Statutes of 1921. The first  
20 tideland well in the world was drilled in Summerland in  
21 the tidelands in 1896. Therefore, between 1896 and 1921  
22 there were extensive operations in the tide lands under no  
23 authorization and under no objection from the State of  
24 California. This Summerland Field reached a peak of  
25 operations in about 1906, again fifteen years before there  
26 was any legislative control, at which time upwards of

1 400 wells had been drilled or dug into the tidelands. As  
2 the operations became unprofitable, the operator just walked  
3 off and left whatever it wasn't feasible to salvage, in-  
4 cluding pilings sticking out of the surf, casings etc. The  
5 Commission heretofore has expended \$25,000, which was  
6 provided as a supplemental budgetary item through a bill  
7 which had been introduced by Senator Hollister of Santa  
8 Barbara County, at which time within the swimming zone of  
9 this beach, which is a desirable beach in Santa Barbara  
10 County, all visible obstructions and obstructions which  
11 could be reached without excavation were removed, in the  
12 hope that this would render the beach completely safe.  
13 There has been erosion of beach sand at Summerland over the  
14 winter months, and again now we have some of the remaining  
15 portions of these earlier casings and pilings and debris  
16 which were thrown into the ocean, formerly buried by sand,  
17 are now projecting above the sand, and some of them are  
18 actually visible above the water at low stages of the tide.  
19 How much of these obstructions there are, we do not know  
20 specifically at the moment. The County of Santa Barbara  
21 has requested, by order of its Board of Supervisors, that  
22 the co-operation of the State Lands Commission be solicited  
23 in attempting a final beach clean-up, at least we hope it  
24 will be a final beach clean-up, at Summerland in order to  
25 determine how much work has to be done and what the clean-up  
26 would cost, we have to know what obstructions there are there

1 and at what locations they are located. The Commission  
2 does have a modest appropriation in its budget, current  
3 operating budget, for beach protection and for miscellaneous  
4 investigations along the coast, and in anticipation of  
5 funding a study of this problem from that budgetary appro-  
6 priation bids were requested from submarine survey organiz-  
7 ations who could prepare an accurate survey and map of these  
8 obstructions so their location would be known, and their  
9 quantity, these bids ranging from a high of \$3700 to a low  
10 of \$1900, the low bidder herein being recommended to re-  
11 ceive the bid. After the receipt of the survey and maps  
12 from this low bidder, if this contract is entered into  
13 with the Commission, who will then be in position to  
14 either recommend in a forthcoming budget funds that will  
15 be necessary, and the Legislature can consider whether they  
16 should be allocated, the funds necessary to complete this  
17 beach clean-up on State-owned lands, or review with the  
18 Department of Finance the feasibility for a deficiency  
19 allocation for such funds to complete such beach clean-up.  
20 In any event, what is here being recommended is only the  
21 amount necessary to complete the study contract, then the  
22 procedure for authorizing the beach clean-up procedure to  
23 be undertaken will be an item that will be back to the  
24 Lands Commission for recommendation as to what course to  
25 take.

26 GOV. ANDERSON: What other areas in addition to

1 Summerland are in the same condition?

2 MR. HORTIG: This is actually the only one of  
3 which we are aware specifically and on which we have ever  
4 had specific requests from local authorities for assistance  
5 and co-operation, and it is unique in that it was the first  
6 tideland oil field in the world.

7 GOV. ANDERSON: Weren't there other areas up there,  
8 too?

9 MR. HORTIG: They were all pursuant to permits and  
10 leases issued pursuant to State law. This is the only ex-  
11 tensive operation that was actually in effect prior to the  
12 time of any existing State law, and under those leases  
13 which were issued pursuant to State law all the leases  
14 ever issued have required that some measure of clean-up  
15 be made before abandonment, and it required a performance  
16 bond upon which we have actually had to levy in some few  
17 instances to assure that the beach was returned reasonably  
18 to its natural condition before the lessee was released  
19 from further liability. There are a few instances of  
20 still-projecting pilings, and so forth, in some areas  
21 which are no longer under our jurisdiction or the juris-  
22 diction of the State Lands Commission, by reason of the  
23 lands having been granted by the Legislature to municipal-  
24 ities and counties.

25 MR. CRANSTON: I move approval.

26 GOV. ANDERSON: I will second the motion. Is there

1 any further comment or question?

2 If none, then it is so ordered and approved.

3 Then we will take up the last item on the agenda,  
4 confirmation of the date of the next Commission meeting.  
5 At our last special meeting we discussed having it on the  
6 fourth Thursday, which is March 24, 1960, in Sacramento,  
7 at 9:00 o'clock.

8 MR. CRANSTON: Fine.

9 GOV. ANDERSON: If there is no objection, then our  
10 next meeting will be 9:00 o'clock in the morning at Sac-  
11 ramento, on Thursday, on March 24, 1960, and Mr. Hortig  
12 will be responsible for finding the location.

13 MR. HORTIG: Aye, aye, sir.

14 GOV. ANDERSON: If there is no objection, it is so  
15 ordered.

16 There is nothing more that you wish to bring before  
17 the meeting, Mr. Hortig?

18 MR. HORTIG: There is nothing further, Mr. Chairman.

19 GOV. ANDERSON: In that event, we will get out of  
20 here. Do you want to move we adjourn?

21 MR. CRANSTON: I so move.

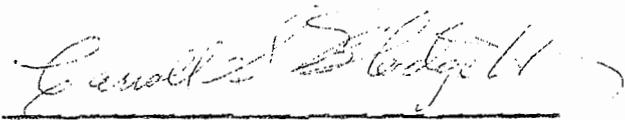
22 GOV. ANDERSON: It has been moved, and I second it.  
23 The meeting is adjourned.

24 (The meeting was adjourned at the hour of 11:10 a.m.)  
25  
26

REPORTER'S CERTIFICATE

I hereby certify that the foregoing proceedings are a full, true and correct transcript of my shorthand notes taken as Official Reporter of the State Lands Commission at the hearing covered herein.

Dated February 26, 1960.

  
\_\_\_\_\_  
Official Reporter