

1 MR. HORTIG: And a low of four million.

2 MR. BALL: Mr. Chairman, there is another subject I
3 want to say something about and this also has to do with Com-
4 mission policy in the future; and that is, in our protest we
5 pointed out that what we consider a lack of regulations is
6 required by the statute. There are numerous resolutions passed
7 by the Commission that we are aware of in the past years that
8 deal with this particular problem, but I want to make our posi-
9 tion clear and then if you have any questions I'd be glad to
10 answer them.

11 We took the position that the Commission had not com-
12 plied with the statute adequately in adopting regulations on
13 this core drilling; that there were general statements of policy
14 in these resolutions and then there was sort of an implied dele-
15 gation of authority to the Executive Officer to determine these
16 particular depths to which the companies would be permitted to
17 drill and then he would exercise his best discretion in the
18 matter in accordance with that policy. We felt that more
19 exact regulations could be drawn up by the Commission so that
20 everybody could go to the regulation and see exactly what they
21 could do, because if you will take the record - - if you will
22 take the record there you will see that there are various dep'
23 to which core drilling, to which wells are drilled.

24 Now, it's true before you drill different places in
25 a structure you can't say in a regulation "You can drill (say)
26 to 4,300 feet" and have it uniform for everyone, because that

1 would not be uniform for everyone because of the difference in
 2 stratographic depth, the rise and different position of the
 3 structure; but we felt that the regulations could be more
 4 exactly stated there -- the principles could be exactly stated
 5 there, and adopted as regulations; and that was one of our
 6 criticisms.

7 GOV. ANDERSON: How do you feel that could be more
 8 exact?

9 MR. BALL: Well, let's take an example here: Some
 10 years ago it provided - - there was some general statement there
 11 that it could go to the first ...

12 MR. HORTIG: ... competent correlative stratographic
 13 marker.

14 MR. BALL: Everybody figured that was -- everybody
 15 thought it was left up to them to determine what that might be.
 16 Then later on, I think it was in August 1959, wasn't it, Mr.
 17 Hortig, it was changed.....

18 MR. HORTIG: Actually July, but effective in August.

19 MR. BALL: .. and then you went to a depth - -
 20 actually, in other words, you would assign a depth in a letter
 21 for the core drilling.

22 MR. HORTIG: That's correct.

23 MR. BALL: Instead of using generalized language
 24 like "the nearest stratographic marker" or instead of assignment
 25 to the Executive Director (or impliedly assigning it to him,
 26 because I was somewhat in doubt as to whether or not there was

1 an adequate delegation to do that) to let him in each instance
 2 determine what should be the depth, the regulation could be
 3 adopted which would permit him to state a generalized depth.
 4 For example, suppose he said you could go to the Monterey shale
 5 or you can go to the Marin County shale or to the depth of the
 6 Vaqueros sand. Then everyone would know exactly how far they
 7 would go and if they went further they would violate their
 8 permit.

9 Also, another statement on what I had to say before --
 10 I am sure I made myself clear on Number 2 -- and that is this --
 11 that if, in the judgment of this Commission with the information
 12 you have before you -- and which we don't have -- if you could
 13 determine that the bid of 9,500,000 is a small bid compared
 14 with the possible reservoir there, if you could determine you
 15 could get more for the State of California than that with a
 16 minimum cash bid, that's a matter for your information. You
 17 have it; I don't have it. I can't make any suggestions -- I
 18 can't argue facts on which I have no knowledge.

19 MR. CRANSTON: Are there any further comments? Mr.
 20 Hortig, we have a full and complete record of all people present
 21 at this meeting, do we not?

22 MR. HORTIG: Yes sir -- if they signed attendance
 23 slips. You might ask that they be sure to do so.

24 MR. CRANSTON: Well, every person here has had an
 25 opportunity to sign an attendance slip and we will presume they
 26 have done so. If there are no further comments from anyone

1 here, I take it this silence indicates that no company repre-
2 sented here and no company apprised of this meeting wishes to
3 protest the award of oil and gas lease to Texaco on Parcel 2
4 other than the protest we have from Texaco.

5 MR. HUTCHINS: Mr. Chairman, my name is Hutchins --
6 J. Barton Hutchins. I am with Edwin Pauley Associates. I
7 just want to be sure that the record has our statement, that
8 Mr. Pauley is definitely on record with that protest.

9 MR. CRANSTON: His letter did not appear to constitute
10 a formal protest. Did you wish us to interpret it that way?

11 MR. HUTCHINS: Yes, I do.

12 MR. CARR: I believe we have a copy of a letter that
13 Mr. Pauley wrote to the Governor - - I have a copy here. It
14 says:

15 "With reference to my letter to you of March 28th
16 concerning the bidding on Parcel 2, I am attaching a copy of
17 the letter sent to the State Lands Commission by the attorneys
18 for the Richfield Oil Corporation. This reaffirms our position
19 in the matter."

20 Do you have a copy of that?

21 MR. CRANSTON: I don't have a copy of that.

22 MR. CARR: Is that what you are referring to?

23 MR. HUTCHINS: That one, as well as the one sent to
24 the various individuals.

25 MR. CARR: This is of recent date, about April 10th.

26 MR. HUTCHINS: I think that's about the same date the

1 other one was sent, the one Mr. Cranston referred to.

2 MR. CRANSTON: Do you have any further comments?

3 MR. HUTCHINS: No, I want to be sure that letter is
4 interpreted as an objection.

5 MR. CRANSTON: Does anyone else.....

6 MR. BUCKLEY: Mr. Chairman -- Buckley of Tidewater
7 Oil. We would not want our letter supporting Mr. Pauley's
8 letter interpreted as a protest, formal protest, on Parcel 2.

9 MR. CRANSTON: It is not a formal protest?

10 MR. BUCKLEY: No.

11 MR. CRANSTON: Any further comments to be made?

12 MR. KETCHUM: Mr. Chairman, George Ketchum, Mobil
13 Oil Company. We, likewise, would not like to have our letter
14 interpreted as a protest to the award on Parcel 2.

15 MR. CRANSTON: Any further comments? (No response)

16 If there are none, the time for the Lands Commission to con-
17 sider its course has come, and I would like to state that in
18 view of the limited time that the State has had to consider the
19 Richfield protest and the currently received interpretation of
20 the Pauley letter as a protest, I recommend that the Lands Com-
21 mission request the opinion of the Attorney General, who has
22 not had adequate time to consider this matter. Before acting,
23 I would recommend that we ask for all possible speed in receiv-
24 ing the Attorney General's advice on this matter and I would
25 assure all interested parties that as far as the Chairman is
26 concerned and, I am sure, as far as the other members of this

1 Commission are concerned, there will be no unreasonable delay
 2 in reaching a decision on our course of action on this matter.

3 GOV. ANDERSON: How much time do we have left on the
 4 award?

5 MR. CRANSTON: The Code does not spell out any time
 6 schedule we have to follow on this matter and all we have to
 7 do is be reasonable; and certainly the limited time given to
 8 the Attorney General to advise us could not possibly be con-
 9 sidered unreasonable. The Chairman would appreciate a motion
 10 to that intent, unless others have other views to express.

11 MR. CARR: I only have one question, Mr. Chairman,
 12 and that is -- looking at this history of these other leases,
 13 when there was a \$5,000,000 bonus on E and nine a half million
 14 dollar bonus offer on Z, and \$23,000,000 on D -- not being a
 15 geologist, I'd like to get some information as to why 3 seems
 16 to be worth as little as the bid we received on it.

17 MR. HORTIG: Mr. Chairman, in response to Mr. Carr's
 18 inquiry -- of course, the evaluation of 3 was not subject of
 19 the agenda today. We do not have the material with us, although
 20 we have such material and at your convenience we can report to
 21 you on that subject.

22 MR. CARR: That's the only comment. I second the
 23 motion.

24 GOV. ANDERSON: I didn't make it, but I will.

25 MR. CARR: I thought you made it.

26 GOV. ANDERSON: All right, I will. There is no way

1 of Texaco withdrawing, pulling out, protesting this? I am just
2 thinking of the time on this.

3 MR. CRANSTON: We have a fairly substantial deposit
4 on hand and there is no limit spelled out in the Code as to the
5 time in which we are required to act. The only possible grounds
6 would be if we were unreasonable and it is certainly not un-
7 reasonable to seek the Attorney General's opinion.

8 MR. CARR: As long as we have the representative of
9 Texaco here, I'd just like to get into the record as to whether
10 or not he also understands it that way. Do we understand this
11 correctly, now, that in delaying the acceptance or rejection of
12 your bid on Parcel 2, that is, until we get an Attorney General's
13 opinion, that your bid still stands?

14 MR. NEWBY: Yes sir.

15 MR. CARR: Thank you.

16 MR. CRANSTON: The motion is to withhold action until
17 the Lands Commission can receive the advice of the Attorney
18 General in this matter and the motion includes a request to the
19 Attorney General for the earliest possible advice and also an
20 assurance that there will be no unreasonable delay in Lands
21 Commission action; and before voting on the motion, I'd like
22 to hear from the representative of the Attorney General as to
23 their ability to respond quickly to this request.

24 MR. SHAVELSON: The Office of the Attorney General
25 will consider this a matter of utmost urgency and we will be
26 prepared to advise the State Lands Commission after we analyze

1 the whole transaction. I would hope that we would be able to
2 get advice to you by the end of this month.

3 MR. GRANSTON: Thank you very much. Are there any
4 comments before the Lands Commission acts on the motion made
5 by Lieutenant Governor Anderson? There being no comment by
6 anyone, the motion is approved unanimously by the Lands Com-
7 mission.

8 GOV. ANDERSON: Could I ask Mr. Shavelson a question,
9 that is, not on that - - Mr. Shavelson, I am just a little con-
10 cerned with information that these companies get when they
11 drill. Now, I understand that the State Lands Division is not
12 supposed to give this information out. I understand, however,
13 these companies send it back and forth to each other and sell
14 it back and forth to each other, but it still is something we
15 are not supposed to give out ourselves.

16 When we get letters from Mr. Pauley and others, when
17 they have this information in these letters, how confidential
18 is that, then? Are we still supposed to be guarding these
19 letters as to what information they have, and if one gets out
20 of our hands what is the position? I see they have a lot of
21 information in these things, where they discuss the depths and
22 the things they found -- page after page; and these were mailed
23 out, each of us got copies of it, and I just wondered what
24 security do we have in this position?

25 MR. SHAVELSON: As far as Section 6826 of the Public
26 Resources Code is involved, it provides that the information

1 must not be disclosed by the State Lands Commission or by any
2 of its employees and staff, except when there has been a writ-
3 ten consent to the dissemination of that information by the
4 person who obtained it. I don't think there is any restric-
5 tion upon that person making it available, and at least no
6 express restriction in the Code Section against other persons
7 disseminating summaries or information they have gotten in one
8 way or another as to survey data that other people have obtained.

9 In other words, the section is a restriction on the
10 Commission and its staff. There is nothing in it, I don't
11 think, that constitutes a restriction upon third persons.

12 GOV. ANDERSON: Now, when they send us a letter like
13 this, this in a sense is a kind of public letter. It is
14 directed to the State Lands Commission. Is this a public letter
15 then, that is, something anyone can see; or is this something
16 we give to the Commission and do not give the information out?

17 MR. SHAVELSON: Well, I informally suggested that we
18 not read these letters verbatim into the record for the reason
19 that it could be construed as the Lands Commission's dissemi-
20 ating some of the data that is in there, in violation of the
21 Code. Right now, I think we ought to stick to that decision
22 of not making these letters public, but upon further reflection
23 we might decide that it's all right to make that information
24 public.

25 GOV. ANDERSON: If a member of the press were to
26 come in and say "I understand you received such and such a

1 letter and I would like to see a copy of the letter," then we
2 can say "Upon the advice of the Attorney General we are not to
3 give the information out at this time"? In other words, I
4 want to know what we can withhold and what grounds we have to
5 withhold it.

6 MR. SHAVELSON: I would suggest that if the letter
7 contains reference to survey data that is made expressly con-
8 fidential by the Code section, that the letters not be released
9 at this time; and I'll get a more complete picture of the atti-
10 tude of our office on that after we have had time to think
11 about it for a while.

12 Actually, of course, in a sense we are not giving out
13 information that we have obtained through the permit, so you
14 could argue it either way; but I think in the interests of
15 caution it would be better not to disseminate these letters --
16 for Commission members or staff to disseminate these letters
17 at this time.

18 MR. CRANSTON: Next item on the agenda is number 9 --
19 authorization for Executive Officer to offer 4,250.14-acre
20 parcel of tide and submerged lands in Santa Barbara County
21 for oil and gas lease -- Parcel 4. The Chair recommends that
22 this matter go over to the next meeting.

23 MR. CARR: So move.

24 GOV. ANDERSON: I'll second it.

25 MR. CRANSTON: Moved and seconded and unanimously
26 adopted. At this point since some people may be leaving, the

1 Chair would like to ask if there is someone here from Long
2 Beach who can give us a report on the extent of the damage by
3 the earthquake.

4 (Off the record discussion 11:15-11:20 a.m.)

5 MR. CRANSTON: We will reconvene formally now and
6 proceed to Item 10 -- confirmation of transactions consummated
7 by the Executive Officer, pursuant to authority confirmed by
8 the Commission at its meeting on October 5, 1959. Frank?

9 MR. HORTIG: The items tabulated on pages 34 and 35 of
10 your agenda are routine extensions and approvals of assignments
11 of existing documentation previously authorized by the Lands
12 Commission, which actions were undertaken pursuant to specific
13 delegation of authority from the Commission to the Executive
14 Officer, and it is recommended that confirmation of these
15 actions be granted.

16 GOV. ANDERSON: I'll move.

17 MR. CARR: Second.

18 MR. CRANSTON: Moved, seconded, approved unanimously.

19 Item 11 -- Report on status of legislation, 1961
20 session....

21 MR. HORTIG: .. which is noted as informative only.
22 It can be amplified that the six bills reported on that were
23 introduced by the request of the Commission not only passed the
24 Senate but are all in the Assembly and have been bouncing back on
25 and off the consent calendar currently. So the Commission's
26 legislative program is progressing, I should say, very

1 satisfactorily. Additionally, as reported, there are numerous
 2 bills both in the Senate and Assembly which could have a defin-
 3 ite effect on the laws governing the Commission's operations
 4 and these are being followed both in committee and by discus-
 5 sion with authors and affording technical assistance to those
 6 gentlemen on behalf of the Commission.

7 MR. CRANSTON: Any questions or comments? (No
 8 response) Now we proceed to Item 12 -- Report on status of
 9 land sales programs of the State Lands Commission; informative
 10 only.

11 MR. HORTIG: As the Commission will recall, on
 12 January 26th they directed the suspension of the processing of
 13 all pending applications for purchase of lands from the State
 14 and requested the preparation of a report on the number and
 15 status of such applications and specific data as to the lands
 16 involved. The report, in three parts and voluminous, has been
 17 delivered to each of the Commissioners. In view of the volume
 18 of the data reported, it is suggested the Commission accept the
 19 report for study as the basis of determination of Commission
 20 policy on processing of applications on such proposals as will
 21 be recommended at the next regular meeting.

22 In addition thereto, may I read to the Commission a
 23 letter received from Atomic Investments, Inc.:

24 "The February 6th letter from the Public Lands
 25 Officer indicates the Commission's decision to
 26 withhold processing of purchase applications
 pending review and report to be made at the
 March meeting. (This is the item under con-
 sideration at the moment.)

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"Correspondingly, we assume that the report at this meeting and various other related information received by the Commission could have a bearing on their recommendation for action on applications pending. Correspondingly, we are forwarding the following information for their consideration in connection with determinations that could be made.

In that applications now pending were made in good faith more than one year ago and in that various applications were accompanied by deposits which in certain cases were no doubt in substantial amounts, it would follow that the applicants being citizens could be inconvenienced and suffer a loss of income from the amounts pledged along with the applications should further processing, including the reasonable appraisal on the basis consistent with that in effect at the time of their application, be denied by directives of the State Lands Commission or other person or persons controlling this program.

Considering the foregoing information, on behalf of ourselves and other applicants we petition that any changes or realignment in the State Lands Commission policy be applicable to future applications, rather than existing applications. If it be in order, will you please make this petition available to the Commission at this time as the problem is considered.

Sincerely,

Atomic Investments, Inc.
(signed) Elmer E. Tessyer."

This item will be included and dealt with specifically in the recommendations to the Commission.

MR. CRANSTON: Any further comments? (No response)
Now we proceed to Item 13 -- Status of major litigation -- Informative only.

MR. HORTIG: Which it is strictly, as the Commission will recognize from the similarity of prior calendar reports.

1 There have not been any substantive changes in the status of
2 the major actions in which the State is a party in interest,
3 as reported on pages 38 and 39 of your agenda.

4 MR. CRANSTON: Any questions or comments? (No
5 response) If not, we go on to Item 14 -- review of calendaring
6 schedule procedure. Frank?

7 MR. HORTIG: To expedite the discussion, if the
8 Chairman will bear with me I will read the item.

9 On March 7, 1961, the Chairman requested a review of
10 calendar-scheduling procedures authorized by the Commission on
11 October 29, 1959, for the purpose of determining whether in-
12 creased flexibility of scheduling is desirable in the prepara-
13 tion of the agenda of business for the Commission.

14 Investigation of the processing schedule for all
15 applications received since specification of calendar-
16 preparation procedures on October 29, 1959, has not shown a
17 single instance of any delay in processing where at least the
18 minimum time required for effective staff review was available
19 prior to a scheduled Commission meeting. In addition, special
20 meetings were held to process those applications involving
21 broad public interests and public health or safety which required
22 more expeditious processing than could be given through monthly
23 meetings of the Commission.

24 A few scattered complaints have been received from
25 applicants desiring more rapid Commission consideration. All
26 of these instances, with one exception, resulted from late or

1 inadequate submittals of the original applications. The
2 exception referred to was a late submittal after several months
3 of direct refusal by the applicant to file any application.

4 From this investigation it appears that improvement
5 for more rapid but effectively controlled calendar processing
6 could result from a directive to the Executive Officer to
7 process to conclusion all applications for operations which
8 are in conformance with all statutory requirements and estab-
9 lished policies of the Commission. Authorization for such
10 processing is included in the delegations of authority from
11 the Commission on October 5, 1959. Such actions by the Execu-
12 tive Officer would be submitted to the Commission for review
13 and final confirmation, as specified in the delegations of
14 authority.

15 It is recommended that the Commission (1) reaffirm
16 the calendar-scheduling procedures adopted October 29, 1959;
17 and (2) direct the Executive Officer to process to conclusion
18 all applications for operations in conformance with all statutory
19 requirements and established policies of the Commission, as
20 specified in the delegations of authority adopted October 5, 1959

21 MR. CARR: I don't understand exactly what that
22 means, Mr. Chairman. Does that mean that such applications
23 we have had for sales of land would be processed automatically
24 and then submitted for post review to the Commission, Mr. Hortig?

25 MR. HORTIG: Not for the sale of land. There would
26 be no applications processed automatically where title would

1 be conveyed. Under the statutes, and to assure proper convey-
 2 ance of title, permission must come to the Commission in the
 3 first instance. The only things that would be processed would
 4 be permits, easements, licenses for short-term operations,
 5 assignments, subleases where the applications are submitted in
 6 full conformance with existing specified policy of the Commis-
 7 sion's rules and regulations and statutes.

8 MR. CARR: When you speak of permits, how broad is
 9 that interpretation of permits?

10 MR. HORTIG: Anything that could be authorized by
 11 the Lands Commission on a negotiated basis; nothing that re-
 12 quires competitive public bidding.

13 GOV. ANDERSON: For example, today all the items under
 14 Classification 2 could be handled by you?

15 MR. HORTIG: Could be.

16 GOV. ANDERSON: And then after it was done, it could
 17 be given to us for approval?

18 MR. HORTIG: Or disapproval.

19 GOV. ANDERSON: Supposing we disapproved, then what?

20 MR. HORTIG: Then the permit or easement or whatever
 21 is not issued in fact.

22 GOV. ANDERSON: In other words, they would be granted
 23 subject to our approval?

24 MR. HORTIG: That is essentially correct.

25 MR. CARR: But the permittee would, nevertheless,
 26 withhold any action with regard to his permit until it was

1 approved?

2 MR. HORTIG: Or could undertake it on a calculated
3 risk basis, having been informed that this was subject to
4 approval and confirmation by the Commission; but invariably
5 the pressures are that a piece of machinery is at a location
6 and the contractor wants to move some pier and there is no
7 Lands Commission meeting for two weeks, and where it is routine
8 operation and the application completely in conformance with
9 Commission policy and all the local planning and other agencies
10 have approved it and there are no objections, it would appear
11 the calculated risk in these situations is minimal

12 GOV. ANDERSON: Except if he would move the pier and
13 then we wouldn't approve for some reason

14 MR. HORTIG: Right.....

15 MR. CARR: Take this specific....

16 MR. HORTIG: .. then it would be better to hold
17 everything up.

18 MR. CARR: ... removal of sand at the confluence of
19 the American River

20 MR. HORTIG: Yes sir.

21 MR. CARR: Actually, what is that? Sand builds up
22 where it is being carried by the Sacramento and deposited in
23 the stream?

24 MR. HORTIG: That's correct.

25 MR. CARR: So that is an aid to navigation.

26 MR. HORTIG: That is correct. If not removed by

1 this permit, the Corps of Engineers would have to take it in
2 hand.

3 MR. CARR: That is the type of thing you have in
4 mind -- where there is very little calculated risk?

5 MR. HORTIG: Yes sir.

6 MR. CARR: I just wanted to find out whether or not
7 that is a specific example.

8 MR. HORTIG: Yes -- or for a general type of operation
9 as with respect to issuing prospecting permits or leasing for
10 boat docks, etcetera, and so forth. There is a specific policy
11 in writing in the records of the Lands Commission as to the
12 scope within which those items will be issued.

13 GOV. ANDERSON: You would probably have awarded (a)
14 and (b) subject to our approval today, which we upon the request
15 of the Attorney General deferred.

16 MR. HORTIG: Items 2(a) and 2(b)?

17 GOV. ANDERSON: Yes.

18 MR. HORTIG: I would have withheld them in view of
19 the question raised by the Attorney General.

20 GOV. ANDERSON: But your dealings would have been
21 directly with the client?

22 MR. HORTIG: That is correct, sir, but these items,
23 particularly items (a) and (b) -- prospecting permits, are
24 referred to the Office of the Attorney General for clearance
25 as required by statute; and, actually, we have the problem here
26 that we have the clearance but still have a question from the

1 Attorney General's Office. So to clear that, it would have
2 been a staff routine matter to do it exactly the same way with
3 the Attorney General -- we would have been informed; we would
4 have withheld action.

5 MR. CRANSTON: Referring to the resolution that
6 appears on page 41, which spells out the procedures for calendar
7 closing dates, the normal procedure is that material must be
8 in ten days ahead of time for consideration; and then the pro-
9 cedure for getting in if something comes in after that time is
10 spelled out, comes under "2" -- for emergency matters only,
11 emergency items being defined as those which are highly critical
12 and where delay in action would result in impairment to the
13 public safety, health, or welfare.

14 MR. HORTIG: That is correct.

15 MR. CRANSTON: I'd just like to ask if it is felt
16 that this does give adequate opportunity for those who may
17 come in late with something that is an emergency to the party
18 involved, but may not fit this definition of "impairment to
19 the public safety, health, or welfare"; whether there is enough
20 flexibility to give us a chance to fully consider and yet
21 accommodate, give a citizen or group of citizens a chance.

22 MR. HORTIG: This is the crux, Mr. Chairman -- you
23 said "... give us time to consider." The staff also has this
24 problem and if a very complex problem, requiring extensive
25 engineering review, meritorious though it may be, is filed on
26 the day before the Commission meeting -- the answer is, it is

1 humanly impossible.

2 MR. CRANSTON: Obviously, if it is very complex.....

3 MR. HORTIG: We just don't get any simple ones any
 4 mere. I don't know where they went to - there is no such
 5 thing as a simple application. We could use electronic com-
 6 puters to check these things out. I wish to suggest even in
 7 the case of a last-minute application, if it is reasonably
 8 standard, noncontroversial and all, then that the Executive
 9 Officer approve it under the delegation of authority so that
 10 the additional paper work that the applicant ordinarily wants
 11 to undertake with other agencies and so forth may be undertaken.
 12 This gain in time prior to the next Commission meeting in most
 13 instances would resolve the problem of his pressures and,
 14 finally, he would have, in order to make sure that this were
 15 completely valid under the statutes, the consideration for
 16 confirmation at the next Lands Commission meeting.

17 Now, there are going to be some items that definitely
 18 for an applicant, an individual is going to feel it is super-
 19 important for immediate action; but it is going to include
 20 controversial or policy determinative matters which, under the
 21 delegation of authority, at least this Executive Officer would
 22 not undertake to resolve but would of necessity hold and bring
 23 to the Commission for determination in the first instance.

24 I am not seeking any more work but I am trying to
 25 get the elimination of the necessity for submitting routine to
 26 you gentlemen if this is possible and if I can expedite your

1 operations by taking on that routine.

2
 3 MR. ROSE: My question is this: The language here
 4 is so specific where it says "only in the case of public health,
 5 safety or welfare" is this action to be taken. It seems to me
 6 there might come instances rather often that are not too com-
 7 plicated, in which the Executive Officer might relieve damage
 8 being done to some private citizen or group of citizens, which
 9 would be beneficial to him if he could get some action and some
 10 expedient decision; and if he is automatically ruled out because
 11 it doesn't come under the public health, safety and welfare,
 12 I wonder if it is the intent of the Commission to have it that
 13 stringently laid down.

14 MR. HORTIG: May I reply to that? This, of course,
 15 was considered at the time these specifications were originally
 16 drafted; and absent a closing of this door, we would be back
 17 in the situation where the Commission found itself and where it
 18 was felt desirous to adopt this as a policy -- because, obviously
 19 to every citizen who has an application, this application is
 20 to him of paramount importance. Without this door closed, you
 21 gentlemen on the Commission, if there is any opening, are imme-
 22 diately bombarded by telephone calls, letters from everyone
 23 from the Governor on down.

24 Upon our review, we have seen all matters not processed
 25 immediately to the State Lands Commission were, as I say, late
 26 or incomplete; or, as in the extreme example we had, months of
 refusal on the part of the applicant to even file an application

1 and finally, with an Attorney General's opinion that he had to
2 file an application to get this authorization, then the day
3 after he received this Attorney General's opinion he wanted
4 his permit.

5 MR. CRANSTON: In response to Don Rose's question,
6 the language is "or public welfare" and not "and"

7 MR. HORTIG: Right.

8 MR. CRANSTON: And the Chair would assume the words
9 "public welfare" can be interpreted rather broadly.

10 MR. HORTIG: Right.

11 MR. CRANSTON: Any further questions? (No response)

12 We proceed to Item 15 -- issuance of dredging permit to
13 Associated Contractors, to excavate 22,500 cubic yards of
14 material at royalty of three cents per cubic yard, from
15 156,153-square-foot portion of Salt Works Canal, Richardson
16 Bay, Marin County.

17 MR. HORTIG: Mr. Chairman, I don't believe the
18 record shows that we had any action on the preceding motion.

19 MR. CRANSTON: Was there a motion made?

20 MR. HORTIG: No. There was a recommendation of the
21 staff on page 41.

22 MR. CARR: I move.

23 MR. CRANSTON: The staff recommendation on the
24 calendar item on page 40 is moved, seconded and unanimously
25 adopted; and on this dredging permit?

26 MR. CARR: Why wasn't this five cents a yard?

1 MR. HORTIG: There's a very limited amount of
 2 material, sir. Actually, it is mucked in mud -- a very limited
 3 amount of sand therein -- and the removal is in an area here-
 4 tofore granted to the County of Marin, in which the minerals
 5 were reserved to the State. The applicant doesn't agree with
 6 our interpretation but the statute says it is and this is the
 7 only basis for authorization by the Lands Commission to author-
 8 ize this type of operation, and the permit is recommended.

9 MR. CRANSTON: Motion is in order.

10 MR. CARR: I move.

11 GOV. ANDERSON: Second.

12 MR. CRANSTON: Approval moved, seconded, unanimously
 13 adopted.

14 Finally, we come, then, to item 16 -- determination
 15 of date, time and place of the next Commission meeting. Do we
 16 have a tentative schedule now?

17 MR. HORTIG: We had mentally, but may I suggest, Mr.
 18 Chairman, that that determination be held in abeyance with the
 19 possibility in mind of selecting later, when we can, a particu-
 20 larly practical date to coincide with when the Commission can
 21 be informed by the Attorney General with respect to our oil and
 22 gas leasing policy.

23 MR. CRANSTON: Did we wish, however, to set a regular
 24 meeting now, apart from any special meeting we might have?

25 MR. HORTIG: My thought was the Commission might wish
 26 to consider holding the regular meeting date in abeyance until

1 the time when all these matters could be considered. On the
2 other hand, approximately thirty days from today would be a
3 desirable date, in order to permit staff processing of the
4 agenda. The regular meeting date, of course, would be the
5 last Thursday of this month, which is a preparation time almost
6 impossible to meet.

7 MR. CRANSTON: Is Wednesday or Thursday, May 3rd or
8 4th, suitable to the other members?

9 GOV. ANDERSON: I am not sure -- May 3rd or 4th

10 MR. CRANSTON: John, how about you? Wednesday, May
11 3rd, is preferable to me.

12 MR. CARR: Well, I have an appointment in San Francisco
13 ten o'clock that morning.

14 MR. CRANSTON: How about Thursday?

15 MR. CARR: Thursday is O. K.

16 MR. CRANSTON: Thursday, the 4th, tentatively. Will
17 you check that, Glenn?

18 GOV. ANDERSON: Will that be in the morning?

19 MR. CRANSTON: Yes.

20 GOV. ANDERSON: I'll check that.

21 MR. CRANSTON: Did somebody wish to be heard on that
22 previous item?

23 MR. HUTCHISON: Mr. Chairman, members, I am Elmore
24 Hutchison, consulting engineer for the Associated Contractors.
25 I have about four hats. I am President of the Hunters Point
26 Reclamation District and I am a landowner in the Marsh Land