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TRANSCRIPT OF
MEETING
of

STATE LANDS COMMISSION

SACRAMENTO, CALIFORNIA

SEPTEMBER 14, 1961

PARTICIPANTS:

THE COMMISSION:

Hon. Glenn M. Anderson, Lieutenant Governor, Chairman
Hon. Alan Cranston, Controller
Hon. Hale Champion, Director of Finance

Mr. F. J. Hortig, Executive Officer
Mr. Don Rose, Executive Secretary to
Lieutenant Governor Anderson

STATE LANDS DIVISION:

Mr. Kenneth C. Smith, Public Lands Officer

OFFICE OF THE ATTORNEY GENERAL:

Mr. Paul M. Joseph, Deputy Attorney General

APPEARANCES:

(In the order of their appearance)

IN RE: ITEM CLASSIFICATION 2 (g)

Mr. A. C. Warren, Real Estate and Right-of-way
representative, Standard Oil Company
of California, Western Operations, Inc.

Mr. Paul K. Home, Standard Oil Company of California,
Western Operations, Inc.

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APPEARANCES (continued)

IN RE: CLASSIFICATION 5

Senator Edwin J. Regan
representing Warren M. Gilzean

Mr. William Ripley, Department of Fish and Game

Mr. Curtiss R. Preffitt, State of California,
Department of Fish and Game, Game Warden

Mr. Ray Nesbit, Executive Officer and Coordinator,
State Wildlife Conservation Board

Mr. George Difani, representing Associated
Sportsmen of California and California
Wildlife Association

Mr. Graham Hollister, Assistant Secretary
of the Interior, United States of America

IN RE: SUPPLEMENTAL ITEM RE SANTA BARBARA AIRPORT
ANNEXATION

Mr. Stanley I. Tomlinson, City Attorney,
City of Santa Barbara

I N D E X
(In Accordance with Calendar Summary)

| ITEM CLASSIFICATION | ITEM ON CALENDAR | PAGE OF CALENDAR | PAGE OF TRANSCRIPT |
|---------------------|---------------------|---------------------|-----------------------|
|---------------------|---------------------|---------------------|-----------------------|

1 PERMITS, EASEMENTS,
2 RIGHTS-OF-WAY, NO FEE

| | | | |
|---|----|---|---|
| (a) East Bay Municipal Utility District | 14 | 1 | 1 |
| | 15 | 3 | 1 |
| | 16 | 5 | 1 |
| (b) United States of Am. | 29 | 7 | 1 |

3 PERMITS, EASEMENTS,
4 RIGHTS-OF-WAY, LEASES,
5 FEE

| | | | |
|-----------------------------|----|----|----|
| (a) Warren H. Crowell | 21 | 8 | 1 |
| | 22 | 10 | 1 |
| | 23 | 11 | 1 |
| | 24 | 12 | 1 |
| (b) John A. Dick | 25 | 13 | 2 |
| (c) Globe Explor. Co., Inc. | 17 | 14 | 23 |
| (d) P G & E | 5 | 15 | 3 |
| (e) Richfield Oil Corp. | 20 | 16 | 3 |
| (f) Standard Oil | 26 | 17 | 3 |
| (g) Standard Oil | 27 | 18 | 3 |

MOTION ON ITEM CLASSIFICATION 2 ----- 18

MOTION ON POLLUTION REPORT BY STAFF ---- 15-18

6 CITY OF LONG BEACH

| | | | |
|---|---|----|----|
| (a) Back Areas, Pier A-D Raise Berth 19, Back Area, 2nd phase | 1 | 20 | 19 |
|---|---|----|----|

continued

I N D E X

(In Accordance with Calendar Summary)
continued

| <u>ITEM CLASSIFICATION</u> | <u>ITEM ON</u> | <u>PAGE OF</u> | <u>PAGE OF</u> |
|----------------------------|-----------------|-----------------|-------------------|
| | <u>CALENDAR</u> | <u>CALENDAR</u> | <u>TRANSCRIPT</u> |

4 LAND SALES

(a) Vacant State School Land

| | | | |
|----------------------------|----|----|------|
| (1) John D. Layman | 9 | 22 | } 19 |
| (2) Richard Mednick, et al | 3 | 23 | |
| (3) Robt. Smith | 4 | 24 | |
| (4) William J. Swallow Jr | 10 | 25 | |
| (5) Paul R. Woods | 11 | 26 | |

(b) Vacant Federal Lands

| | | | |
|------------------------------------|---|----|----|
| (1) George M. and Arthur E. LeDeit | 2 | 27 | 19 |
|------------------------------------|---|----|----|

(c) Swamp & Overflowed Land

| | | | |
|-----------------------|---|----|----|
| (1) V.P. Baker, et al | 7 | 29 | 20 |
|-----------------------|---|----|----|

MOTION ON ITEM CLASSIFICATION 4 ----- 20

| | | | |
|--|----|----|--------|
| 5 Authorization for withdrawal application 051653 with Bureau of Land Management, rejection of application Warren M. Gilzean, etc. | 12 | 34 | 20 |
| MOTION ON ITEM CLASSIFICATION 5 | | | 64, 65 |

| | | | |
|---|---|----|----|
| 6 Authorization to approve map of north property line PG&E along Sacramento River, vicinity of Pittsburg, and enter into agreement fixing boundary line | 6 | 38 | 66 |
|---|---|----|----|

| | | | |
|--|----|----|----|
| 7 Authorization to enter three preferential mineral extraction leases - Calif. Minerals Corp | 19 | 41 | 67 |
|--|----|----|----|

| | | | |
|--|----|----|----|
| 8 Proposed Oil and Gas Lease - Ventura County - Parcel 5 | 18 | 43 | 68 |
|--|----|----|----|

| | | | |
|---|----|----|----|
| 9 Authorization to file action against Pacific Fluorite Co. | 28 | 45 | 69 |
|---|----|----|----|

| | | | |
|--|----|----|----|
| 10 Confirmation of transactions of Executive Officer | 13 | 46 | 70 |
| Richard B. Greening | | | |
| Standard Oil of Calif. | | | |

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I N D E X
(In accordance with Calendar Summary)
continued

| <u>ITEM CLASSIFICATION</u> | <u>ITEM ON</u> <u>CALENDAR</u> | <u>PAGE OF</u> <u>CALENDAR</u> | <u>PAGE OF</u> <u>TRANSCRIPT</u> |
|---|-----------------------------------|-----------------------------------|-------------------------------------|
| 11 Next meeting date | | | 86 |
| <u>SUPPLEMENTAL CALENDAR ITEM</u> | | | |
| Proposed annexation by Santa Barbara (airport) | 30 | | 70 |
| MOTION ON SUPPLEMENTAL ITEM | | | 82-86 |

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I N D E X
(In accordance with item numbers)

| ITEM ON CALENDAR | PAGE OF CALENDAR | PAGE OF TRANSCRIPT | ITEM ON CALENDAR | PAGE OF CALENDAR | PAGE OF TRANSCRIPT |
|------------------|------------------|--------------------|--------------------|------------------|--------------------|
| 1 | 20 | 19 | 18 | 43 | 8 |
| 2 | 27 | 19 | 19 | 47 | 67 |
| 3 | 23 | 19 | 20 | 16 | 3 |
| 4 | 24 | 19 | 21 | 8 | 1 |
| 5 | 15 | 3 | 22 | 10 | 1 |
| 6 | 38 | 66 | 23 | 11 | 1 |
| 7 | 29 | 20 | 24 | 12 | 1 |
| 8 | (no item 8) | | 25 | 13 | 2 |
| 9 | 22 | 19 | 26 | 17 | 3 |
| 10 | 25 | 19 | 27 | 18 | 3 |
| 11 | 26 | 19 | 28 | 45 | 69 |
| 12 | 34 | 20 | 29 | 7 | 1 |
| 13 | 46 | 70 | SUPPLEMENTAL ITEM: | | |
| 14 | 1 | 1 | 30 | | 70 |
| 15 | 3 | 1 | | | |
| 16 | 5 | 1 | NEXT MEETING ----- | | 86 |
| 17 | 14 | 2 | | | |

1 GOV. ANDERSON: The meeting of the State Lands
2 Commission will come to order.

3 The first item on the agenda is Item Classification
4 1 - Permits, easements, and rights-of-way to be granted to
5 public and other agencies at no fee, pursuant to statute.
6 First applicant is Applicant (a) - East Bay Municipal Utility
7 District; Applicant (b) - United States of America. Is there
8 any motion on those first two items?

9 MR. CRANSTON: I move approval.

10 MR. CHAMPION: Second.

11 GOV. ANDERSON: It has been moved and seconded.
12 Is there any discussion? (No response) Carried unanimously.

13 Item 2 is permits, easements, leases and rights-of-
14 way issued pursuant to statutes and established rental poli-
15 cies of the Commission. The first applicant is Warren H.
16 Crowell -- assignment of partial interests in oil and gas
17 leases, Santa Barbara County. The first one is P.R.C. 2205.1
18 to Paul Appleby; second one is P.R.C. 2205.1 to A. E. Weidman;
19 and the third is P.R.C. 2207.1 to Paul Appleby; and the fourth
20 one is P.R.C. 2207.1 to A. E. Weidman.

21 MR. HORTIG: Mr. Chairman, before the Commission
22 proceeds with further consideration, might we refer back to
23 Item 1(b)? We have just received relative to that item a
24 letter from the Department of Public Works of the County of
25 San Luis Obispo, California, suggesting that there should be
26 further investigation and that on the basis of the information

1 which the County has they would feel they would object to the
2 issuance of the permit -- which is now a letter of non-objection
3 by the Commission. However, they realize that they could be
4 overruled by the Defense Department if no other location exists
5 for the testing, and the principal basis for their concern is
6 an expression that the County wishes to be reassured that the
7 tests will not result in any appreciable damage to the fishing
8 grounds and that adequate protective measures are taken with
9 the marine life offshore.

10 This is an area which is already covered by the
11 statement of non-objection to the United States by the Depart-
12 ment of Fish and Game, so this has been evaluated by the cogni-
13 zant State agency and, therefore, it is felt that the action
14 by the Commission here this morning is correct; but I wished
15 the record to show that the objection had been received from
16 San Luis Obispo County and had been considered on its merits,
17 and that the problems raised by San Luis Obispo County are
18 covered by the types of permits and investigations which have
19 been completed heretofore.

20 GOV. ANDERSON: If there is no objection the record
21 will so show.

22 Continuing on with Item 2, Applicant (b) is John A.
23 Dick -- 10-year ark site lease on Petaluma Creek at Black
24 Point, Marin County, effective October 1, 1960 at an annual
25 rental of \$65. Applicant (c) is the Globe Exploration Company,
26 Incorporated -- permit for conduct of submarine geophysical

1 exploration operations from 9/14/61 to 10/13/61; tide and sub-
2 merged lands in Suisun Bay, Solano County.

3 Applicant (d) is Pacific Gas and Electric Company --
4 amendment of legal description of 6.31 acres in Sacramento and
5 Solano counties covered by Lease P.R.C. 2539.1.

6 Applicant (e) is Richfield Oil Corporation -- modifi-
7 cation of submarine geophysical exploration permit P.R.C.
8 2765.1 (A)(B)(C), Santa Barbara, Ventura, Los Angeles, Orange
9 and San Diego counties.

10 Applicant (f) is permit for conduct of submarine geo-
11 physical exploration operations for the six-month period from
12 10/15/61 to 4/14/62, tide and submerged lands San Diego, Orange,
13 Los Angeles, Ventura and Santa Barbara counties. The applicant
14 was the Standard Oil Company of California.

15 Applicant (g) is the Standard Oil Company, Western
16 Operations, Inc. -- one-year lease of 81.16 acres of tide and
17 submerged lands in Santa Monica Bay, Los Angeles County, for
18 submerged pipe lines and tanker anchorage area, with provision
19 for new lease to be negotiated effective 9/14/62. Unadjusted
20 rental of \$8,680.29 to be in effect for one year, subject to
21 lessee making up deficit on basis of appraised value at time
22 long-term lease is entered into.

23 MR. HORTIG: Mr. Chairman, directing the attention
24 of the Commissioners to Item 2(c), on page 14 of the full
25 agenda it is recited in the recommendation: "It is recommended
26 ..." that authorization be given for the issuance of a

1 geophysical exploration permit "conforming to all operating
2 conditions (previously) established by the Commission."

3 The record should show that while all operating con-
4 ditions previously established for standard types of operations
5 permit approach of the shore line no closer than one-quarter
6 mile, in connection with the subject permit it is proposed to
7 waive this limitation in that there will be a small and limited
8 number of explosive shots discharged under the permit closer
9 than the one-quarter mile. The basis for the waiver is that
10 the Boards of Supervisors of the counties covering the opera-
11 tions adjoining this operation have heretofore authorized the
12 identical operations on the upland, right down to the water's
13 edge; therefore, there would be no useful purpose served in
14 limiting the approach to the shore from the water side, inas-
15 much as the operators have already been able to place shots
16 right down to the shoreline from the upland.

17 GOV. ANDERSON: Any further comments? (No response)
18 I have a question on Item 2(g) -- the one-year lease.

19 MR. HORTIG: We also have a further report on item
20 (g), Mr. Chairman.

21 GOV. ANDERSON: Maybe you better make your report
22 first before I ask the question.

23 MR. HORTIG: We have, as recently as yesterday, been
24 informed by the U. S. Army Corps of Engineers of the receipt
25 by the Corps of Engineers (not by the State Lands Commission)
26 of an objection by the City of Manhattan Beach, which adjoins

5
1 the area of the proposed pipeline easement here suggested,
2 the pipeline fronting on the City of El Segundo. The objec-
3 tions of the City of Manhattan Beach are concerned with pos-
4 sible contamination or despoilation of the beach by reason of
5 unloading, by oil operations, or tankage operations offshore.
6 The Office of the Attorney General has also informed us that
7 in view of the fact of observation of existing operations over
8 many years (and as you particularly, Mr. Chairman, are aware,
9 Standard Oil Company has had an El Segundo oil loading opera-
10 tion in El Segundo Bay), the Corps of Engineers are satisfied
11 that the conditions of concern to the City of Manhattan Beach
12 have not existed and will not exist in connection with the
13 proposed extended operation and, therefore, the Corps of
14 Engineers is going to grant the permit insofar as navigation
15 is concerned, after having received and considered the objec-
16 tion by the City of Manhattan Beach.

17 As I pointed out, the Lands Commission has not re-
18 ceived any such objection but I felt the Commission should be
19 aware that such objection had been made to the cognizant agency
20 controlling navigation interests, the Corps of Engineers, who
21 are going to proceed with the issuance of their permit.

22 Additionally, I believe it will be of interest to
23 the Commission that actually the existing pipelines and the
24 existing operations which have existed for years are located
25 closer to the City of Manhattan Beach than the proposed new
26 operation. In other words, the lease here proposed will be

1 located upcoast from the existing pipelines of Standard Oil
2 Company offshore at El Segundo.

3 GOV. ANDERSON: How much notification of this do the
4 communities receive on an application like this? In other
5 words, how did Manhattan Beach know about this application?

6 MR. HORTIG: The City of Manhattan Beach was noti-
7 fied in the first instance many months ago of an original
8 application by Standard Oil Company of California to locate a
9 pipeline which, far offshore, would have fronted on the City
10 of Manhattan Beach. The tide and submerged lands in front of
11 Manhattan Beach are ungranted State lands, but the City never-
12 theless filed objection to such location. At that time, then,
13 Standard Oil Company of California, in deference to the objec-
14 tion, filed a revised application -- which was again referred
15 to the City of Manhattan Beach for consideration -- indicating
16 the proposal to relocate the line so that it would not front
17 on Manhattan Beach, would front solely on the City of El
18 Segundo, again on ungranted tide and submerged lands; and it
19 is pursuant to this last revised application that the City of
20 Manhattan Beach submitted objections or a statement of concern
21 to the Corps of Engineers, which the Corps of Engineers feels
22 need not be of concern to the City in fact.

23 GOV. ANDERSON: Their concern was not so much that
24 it fronted on the City of Manhattan Beach -- their concern
25 was that there would be leakage, spillage, and so on, where
26 the oil would go on the beach?

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MR. HORTIG: That is correct.

GOV. ANDERSON: So technically, whether they move this boundary north of the existent boundary, isn't their prime objection, first, that they just don't want oil spilled along the beaches?

MR. HORTIG: That is correct and in connection with the actualities, over and above the indication by the Corps of Engineers that this has not been the case in the existent operations, under the proposed conditions it will not be the case from any extended operations.

GOV. ANDERSON: Whose responsibility is it to police this, to make sure that this oil isn't leaking out during the time of filling?

MR. HORTIG: The Corps of Engineers.

GOV. ANDERSON: I have been kind of chasing this problem for a long time. When I was in the city government, it was always the State; when I was in the Legislature, it was the State Lands Commission; now that I am in the State Lands Commission, it's the Corps of Engineers. Some day maybe I'll be in the Corps of Engineers and it will be somebody else.

MR. HORTIG: The State Lands Commission is involved in those conditions where the Lands Commission is the lessor for the conduct of an oil and gas lease development. In that event, by the lease contract itself the Commission provides, as contract conditions, that there shall be no pollution.

GOV. ANDERSON: What do we do to control it?

1 MR. HORTIG: We have continuous inspection of all o
2 oil and gas leases, but this does not include operations of a
3 type on a lease where a pipeline would be installed under a
4 permit compatible with other navigable installations, where
5 such permit is issued by the Corps of Engineers and the under-
6 lying land is the only thing leased by the Lands Commission fo
7 r occupancy.

8 GOV. ANDERSON: So with these pipelines we have no
9 responsibility to see whether they are leaking or not?

10 MR. HORTIG: We have moral responsibility.

11 GOV. ANDERSON: Do we have any beyond that?

12 MR. HORTIG: No sir, not the legal responsibility.

13 There are Federal anti-pollution statutes which also cover the
14 situation, which are administered by the U.S. Army Corps of
15 Engineers. Therefore, the situation is policed in practice by
16 the Coast Guard, who are more likely to detect offshore leakages
17 and these are in turn reported to the U. S. Army Corps of Engi-
18 neers.

19 GOV. ANDERSON: What would happen if the State Lands
20 Commission were given some authority in policing these things?
21 If we put these underwater lines, like at Santa Barbara, we're
22 going to have to pass that responsibility to the Corps of
23 Engineers or someone else unless we have some policing agency
24 on this.

25 MR. HORTIG: This could become a legal problem in
26 this sense -- In that ordinarily State legislation isn't

1 adopted in a field in which the Federal Government has entered
 2 fully, as the Federal Government feels it has in connection with
 3 the navigation control under the powers reserved to the Federal
 4 Government under the Constitution and with Federal statutes
 5 against pollution from any types of operations, which are in
 6 effect for all coastal waters of the entire United States.
 7 Similarly, of course, the State courts have held that munici-
 8 palities and counties cannot adopt either ordinances or whatever
 9 their form of regulation may be in any wise contravening or
 10 impinging on areas already fully occupied by statutes of the
 11 State.

12 GOV. ANDERSON: Can you see any reason why the State
 13 Lands Commission shouldn't go beyond the moral responsibility
 14 and do some actual policing of leakage on these pipeline loading
 15 areas and things of that sort?

16 MR. CHAMPION: What would we be doing -- reporting
 17 this to the Federal Government?

18 GOV. ANDERSON: No. I am trying to bring it a little
 19 closer to us than moral responsibility. If it isn't imagination,
 20 cities like Manhattan Beach protest usually after these vessels
 21 get closer to their beaches and they try to protest and don't
 22 know where to look, and can't get any help. They are always
 23 told that if it is from these vessels it is underground seepage
 24 and I'd like to see some of this responsibility come back to us.

25 MR. HORTIG: Mr. Chairman, might I suggest in connec-
 26 tion with consideration of a program as you have outlined it,

1 particularly for the benefit of the other Commissioners, it
2 might be in order to relate all the facts of the southern Cal
3 fornia situation, with which you are a little more familiar.

4 GOV. ANDERSON: We are now completing oil wells with
5 pipelines coming in and I am assuming we are going to expect
6 some other agency to police these.

7 MR. HORTIG: No sir. There is a double policing
8 under those leases issued by the State Lands Commission. We
9 have a policing responsibility under contract and, on the con
10 trary, the lessee could lose his lease because of pollution.

11 GOV. ANDERSON:
12 Why can't the same thing occur in this instance?

13 MR. HORTIG: Actually, the only portion of the type
14 of facility considered this morning that has an opportunity to
15 leak or drop any oil as a result of negligent operation would
16 not be the pipeline, which is located on State lands, but only
17 the loading hoses and other connections which are attached to
18 floating buoys -- which, again, are not under the jurisdiction
19 of the Lands Commission, but are under the control of the Cor
20 of Engineers as to navigation control.

21 GOV. ANDERSON: Couldn't they be brought under our
22 control before a lease is approved?

23 MR. HORTIG: As a matter of agreement by the lessee
24 as a matter of contract so negotiated, I would assume they co
25 They have not heretofore because of the control over navigati
26 interests and noninterference with navigation and anti-pollut
27 from industrial-type establishments (which this is) -- which

1 control is exercised by the U. S. Army Corps of Engineers.

2 Now, as to the petroleum industry's share of possibly
 3 contributing or proving the extent of negligence, or, happily,
 4 non-negligence -- the industry has heretofore supported an
 5 independent research study, which has developed methods for
 6 sampling this oil which arrives on the beaches, to the real
 7 definite concern of the citizenry. The samples can now be
 8 analyzed and it can be determined what their source is --
 9 whether from an offshore operation (from which we have had no
 10 evidence of spills), or from tankage, or from the offshore oil
 11 seeps which unfortunately do exist in southern California and
 12 in such location that when Nature disgorges a quantity of oil
 13 on the ocean floor it washes up on the beaches and there is no
 14 way to prevent this situation -- and El Segundo Bay offshore of
 15 Manhattan Beach is well known for this -- and it is impossible
 16 to distinguish the difference and have the citizenry understand
 17 the difference when Mother Nature puts a load of oil on the
 18 beach as distinguished from careless operations, which in
 19 these days are at a minimum.

20 If the Commissioners would care to have any review
 21 as to the background of the operations, the actual experience,
 22 the citations (if any) that have been issued against the exist-
 23 ing operations by the Corps of Engineers for pollution or
 24 spillage, the port captain for Standard Oil Company of Cali-
 25 fornia (here the applicant) -- the port captain being responsible
 26 for the operations and the one being the first one to hear as,

1 if, and when there is any spillage -- is with us here this
2 morning and could report to the Commission if you have any
3 questions in that direction.

4 GOV. ANDERSON: No, I personally haven't any ques-
5 tions in that direction. I have had the tour down there many
6 times and I have been shown the places where the tar and oil
7 is supposed to come out of. However, you can often tell the
8 difference when you are swimming on the beaches, when the tar
9 gets all over you, and the cities wouldn't continuously com-
10 plain if there wasn't something to it; and I would like to
11 bring the responsibility a little closer. I am not opposed to
12 giving this lease -- a one-year lease I understand -- but I
13 would like to see some way where we could bring the responsi-
14 bility of our agency to do something more than give moral sup-
15 port to prevention of this pollution.

16 MR. CHAMPION: As I understand it, didn't you say
17 we can do this contractually?

18 MR. HORTIG: Yes sir.

19 MR. CHAMPION: Well, why don't we explore it?

20 MR. HORTIG: This is with mutual consent by our
21 lessee -- but certainly this can be explored, as you suggest.

22 GOV. ANDERSON: There is also a question on the fee
23 involved. I would like to have you explain what the problem
24 on the fee is. They want a long lease but they are taking it
25 on a year basis until an agreement on the fee can be worked out.

26 MR. HORTIG: This type of operation, the extent of

1 the operation, and the period of time over which these lands
2 are desired to be leased present a rather complex series of
3 appraisal questions, and the applicant has the pipeline equip-
4 ment ready to go. If it is to be installed and placed in opera-
5 tion in the immediate future, this operation must be started
6 immediately before the winter surges in the ocean start; and
7 there already having been extensive delays during the time the
8 earlier objection by the City of Manhattan Beach was considered
9 and during the time that a new and revised application was sub-
10 mitted, the period was nevertheless still too brief in the
11 opinion of our staff to permit a full, objective appraisal
12 report on the area. Therefore, in order to bring it to the
13 Commission at this time in the form where an interim lease
14 could be issued while the actual appraisals are determined, it
15 was presented in this manner.

16 MR. CHAMPION: We could then be in a position of
17 issuing an interim lease while both this was being done and we
18 could be exploring the other problem.

19 MR. HORTIG: That is correct.

20 GOV. ANDERSON: One other question: The existing
21 submarine pipeline -- is that all going to be abandoned?

22 MR. HORTIG: No sir.

23 GOV. ANDERSON: In other words, this is going to be
24 an additional loading area?

25 MR. HORTIG: Actually, the location of the existing
26 line will be a standby for emergency peak capacities and times

1 of any necessary maintenance on the new facility; but the use
2 of the existing lines will be less in the future by reason of
3 installation of the new line. Part of the problem, of course,
4 is that lines also have to go farther out in the ocean these
5 days to deeper water anchorage because of the continued produc-
6 tion of super and super-super tankers, which are turning out
7 to be the largest things afloat in the world, and larger
8 capacities are needed to permit operation from these super
9 tankers and even to permit these tankers to get close enough
10 shore to tie into an unloading line.

11 GOV. ANDERSON: I am just rather curious as to why
12 the other cities didn't protest. I am thinking of Redondo,
13 Hermosa - - were they notified, or was Manhattan Beach notified
14 only because it was the adjoining city?

15 MR. HORTIG: Of course, Manhattan Beach is the next
16 adjoining area to where the pipeline is to be located and if
17 there were any hazards expected.....

18 GOV. ANDERSON: Were the other cities notified?

19 MR. HORTIG: I could not say whether the Corps of
20 Engineers notified them or not. The representative of Standard
21 Oil could possibly tell us. We did receive a statement of
22 nonobjection in general from the City of Los Angeles, recog-
23 nizing that the control conditions required in the leases by
24 the State of California and by the permits of the Corps of
25 Engineers were such that pollution and contamination of the
26 beaches would be prevented under existing statutes, rules and

1 regulations, and permit terms and conditions; and, therefore,
2 the City of Los Angeles has a statement of nonobjection in the
3 Commission's files to this operation. Even though they are
4 not the immediately adjoining landowner, the City of Los Angeles
5 does front on Santa Monica Bay at various places, notably the
6 Westgate addition on Santa Monica Bay, which is in the opposite
7 direction from El Segundo, where Manhattan Beach is downcoast;
8 but we do have this statement of nonobjection and the feeling
9 by the City of Los Angeles with respect to their beach program
10 in Santa Monica Bay that they are fully protected as long as
11 the requirements which the Lands Commission includes as standard
12 operating conditions in the leases and the surveillance of the
13 Corps of Engineers are maintained.

14 MR. CRANSTON: Mr. Chairman, I certainly share your
15 interest and I move that the staff thoroughly explore and imme-
16 diately report back to us on this matter of pollution.

17 GOV. ANDERSON: And also in new leases

18 MR. CRANSTON: That would be part of this.

19 MR. HORTIG: Mr. Chairman, if I may speak of a little
20 background on Mr. Cranston's motion, this also brings to mind
21 the fact that the pollution surveillance does not stop at the
22 point we have discussed this morning, but actually the opera-
23 tion of this and any other pipeline as an industrial facility
24 is also conducted under terms and conditions, rules and regula-
25 tions of permits issued by the District Water Pollution Control
26 Board for the area, under the State Water Pollution Control Board

1 and, last but not least, and acutely sensitive to pollution
2 and particularly in recreation areas, are the pollution facili-
3 ties of the State Department of Fish and Game. So that actually
4 already we have the Corps of Engineers, the Coast Guard, the
5 State Water Pollution Control Board, and the Department of Fish
6 and Game all exercising authority and necessitating nonpollution.

7 GOV. ANDERSON: We have some control that they don't
8 have and I think that rather than hope the Water Pollution Board
9 does something and somebody else does something, I think we can
10 do it here if we really want to.

11 MR. HORTIG: Under these circumstances, of course,
12 the broadest study and recommendation as to a program involving
13 all existent operations, as well as any suggestions for ampli-
14 fication in order to assure that there is complete and effective
15 pollution control will be undertaken by the staff, pursuant to
16 Controller Cranston's motion.

17 MR. CRANSTON: My motion was purposely broad so what-
18 ever areas necessary could be covered.

19 MR. CHAMPION: I think we ought to tell the staff
20 while we want a broad view, we also want it sharply to the
21 point Lieutenant Governor Anderson raised -- whether we can see
22 that this is done through our particular authority. We want
23 the broad question, but this is the particular question we are
24 interested in.

25 GOV. ANDERSON: Are you gentlemen seeking the floor?
26 Will you state your name and who you represent?

1 MR. WARREN: Mr. Chairman, members of the State Lands
2 Commission, my name is A. C. Warren, and I am the real estate
3 and right-of-way representative of the Standard Oil Company in
4 this application.

5 May I state that we have been operating these sub-
6 marine pipelines for nearly forty years. We have not had a
7 fracture of our lines for more than thirty years -- there has
8 been no fracture in a line. The line which we propose now,
9 and which is covered by our application, represents improved
10 construction, improved control in every manner and every way.

11 We are in full accord with working out some mutual
12 agreement, condition, whereby the State Lands Commission would
13 have concern and assurance as to the method of operation and
14 the control of any pollution. We are in full accord with that.

15 We would hope, please, that we be permitted to move
16 forward with our construction for the reason that with the
17 coming of the winter season (and we may have winter again in
18 California) the construction, should storms occur, would become
19 extremely difficult.

20 Now, the concern of the City of Manhattan Beach --
21 we are more than two miles, measured from the end of our terminal
22 line, more than two miles from the nearest point of their beach
23 property. Their concern is not grounded on fact but is more
24 concern as to the application itself. Actually, there will be
25 a safer condition of operation with a newer line, a stronger
26 line than we have ever had before. It represents the highest

1 type of engineering and construction. We will work completely,
2 as we have in the past, with the State Game Commission, the
3 Corps of Engineers, the Division of Beaches and Parks, and the
4 State. We are in full accord with working out this same agree-
5 ment with the State Lands Commission if it be your pleasure.

6 GOV. ANDERSON: Any questions?

7 MR. CHAMPION: I have none.

8 GOV. ANDERSON: Was there somebody else standing up
9 who wishes to make a comment?

10 MR. HOME: Mr. Chairman, members of the Commission,
11 my name is Paul Home. I am also with Standard of California,
12 and I second Mr. Warren's comments but wish to add this one
13 further point -- that it is our desire and hope that the Com-
14 mission will proceed at this time with the issuance of this
15 interim permit for a one-year period at least, during which
16 period of time we will work out with the State Lands Commission
17 and their staff such reasonable regulations and requirements
18 as may be in order to assure this Commission of the safe and
19 proper operation of any facilities which we place on such lease.

20 MR. CRANSTON: Mr. Chairman, I move approval of all
21 items under Classification 2.

22 MR. CHAMPION: Second.

23 GOV. ANDERSON: You have heard the motion by Mr.
24 Cranston, seconded by Mr. Champion that all items under Item
25 Classification Number 2 be approved. If there is no objection,
26 so ordered. Also the motion by Mr. Cranston, seconded by Mr.

1 Champion, that our staff report back at a future meeting was
2 carried unanimously.

3 Moving on to Item 3 -- City of Long Beach -- Approvals
4 required pursuant to Chapter 29, 1956, First Extraordinary Ses-
5 sion: Project (a) Back areas, Piers A - D; raise Berth 19,
6 back area (2nd phase). Estimated subproject expenditures from
7 9/14/61 to termination of \$149,700, with \$74,850 or fifty per-
8 cent estimated as subsidence costs. That's the only item.

9 MR. HORTIG: That's it.

10 MR. GRANSTON: I move approval.

11 MR. CHAMPION: Second.

12 GOV. ANDERSON: Any comment?

13 MR. HORTIG: No further comment beyond the calendar
14 item.

15 GOV. ANDERSON: No objection -- it is approved
16 unanimously.

17 Item 4 is land sales. All items here presented have
18 been reviewed by all State agencies having a land acquisition
19 program and no interest has been reported by those agencies
20 in any of the lands proposed for sale.

21 (a) Sale of vacant State school lands: Applicant 1,
22 Jehn D. Layman, bid \$7,360; item 2, Richard Mednick, et al,
23 \$6,320 bid; item 3, Robert Wallace Smith, bid \$7,680; item 4,
24 William J. Swallow, Jr., bid \$6,090; applicant 5, Paul R.
25 Woods, bid \$1,000.

26 (b) Is the selection and sale of vacant Federal lands.

1 The first applicant is George M. LeDelt and Arthur E. LeDelt;
2 bid is \$22,200;

3 And (c) is the sale of swamp and overflowed land in
4 Contra Costa County. The first one is W. P. Baker, et al, bid
5 \$7,500.

6 Any comments or questions on any of these?

7 MR. CRANSTON: I move approval.

8 MR. CHAMPION: Second.

9 GOV. ANDERSON: It has been moved and seconded all
10 of these be approved. If there is no objection, so ordered.

11 Item 5 is authorization for withdrawal of Exchange
12 Application No. 051653 filed with the U. S. Bureau of Land
13 Management and for rejection of application of Warren M. Gilzean
14 and for return of all deposits of applicant except \$5 deposit
15 fee, providing protestants appear before the Commission and
16 submit satisfactory evidence that such action is in the best
17 interests of the public; otherwise staff to be directed to
18 proceed with filing of an appeal with the Director of the U. S.
19 Bureau of Land Management in the usual manner. Mr. Hortig?

20 MR. HORTIG: Mr. Chairman, in view of the attendance
21 at the meeting this morning (which has already been noted to
22 you) of parties interested, with your permission I will read
23 the agenda item in order to set for full reference the essential
24 details that are to be heard by the Commission this morning.

25 On December 8, 1955, an application was filed with the
26 Commission by Warren M. Gilzean of Trinity County to acquire

1 certain vacant Federal land containing 57.99 acres.

2 On December 16, 1955, the Commission filed an ex-
3 change application with the United States Bureau of Land Man-
4 agement in accordance with the provisions of State and Federal
5 statutes, offering under the application sixty-plus acres of
6 State land within Trinity National Forest, Trinity County, in
7 exchange for the Federal land proposed to be acquired. At that
8 time the values of both the selected Federal and State offered
9 lands were approximately equal as verified by staff appraisal.

10 It is understood that the applicant, Warren M. Gilze
11 held the subject land under Federal mining laws but because of
12 his inability to perfect title thereto directly from the United
13 States under a mining patent, he elected to apply through the
14 State Lands Commission, in accordance with the procedure in
15 effect at that time. Normally, lands which are acquired by
16 the State under this procedure have been sold pursuant to com-
17 petitive bidding in accordance with the rules and regulations
18 of the State Lands Commission governing the sale of State
19 school lands.

20 From the date of filing of the State's application
21 with the United States in December 1955, the matter has been
22 pending before the United States Bureau of Land Management.
23 The staff appraisal completed in 1955, as a basis of filing the
24 equal value exchange application, indicates that the land is
25 traversed by State Highway 299 and the Trinity River. Addi-
26 tionally, the report shows that approximately four and one-half