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TRANSCRIPT OF
MEETING
of
STATE LANDS COMMISSION
SACRAMENTO, CALIFORNIA
APRIL 26, 1962

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. Alan Sieroty, Administrative Assistant to
Lieutenant Governor Anderson

APPEARANCES:

- (In the order of their appearance)
- Hon. Charles W. Petit, Mayor,
City of San Buenaventura, and
representing Ventura Port District
- Mr. Fred L. Jones
Department of Fish and Game

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

<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>
1 PERMITS, EASEMENTS, RIGHTS-OF-WAY, NO FEE			
(a) Estero Municipal Improvement District	12	1	5
(b) Huntington Harbour Corp.	16	2	5
(c) North San Mateo Sanita- tion District	9	4	6
(d) United States of Amer.	8	5	7
MOTION ON ITEM CLASSIFICATION 1 -----			7
2 PERMITS, EASEMENTS, LEASES, RIGHTS-OF-WAY, FEE			
(a) Connolly-Pacific Co.	5	6	7
(b) Humble Oil & Refining Co.	15	7	7
(c) Magnolia Motor and Logging Company, Inc.	6	8	9
(d) Signal Oil & Gas Co.	7	9	9
MOTION ON ITEM CLASSIFICATION 2 -----			10
3 CITY OF LONG BEACH			
(a) Long Beach Navy Landing	10	10	10
4 LAND ITEMS			
(a) Selection and sale of vacant Federal lands			
(1) F. T. Elliott, Jr.	2	12	11
(b) Selection vacant Fed. land on behalf of the State			
(1) 40 acres San Diego County	1	14	13

continued

<u>I N D E X</u>				
<u>ITEM CLASSIFICATION</u>	<u>ITEM ON CALENDAR</u>	<u>PAGE OF CALENDAR</u>	<u>PAGE OF TRANSCRIPT</u>	
4	LAND ITEMS continued			
	(c) Appeals			
	(1) Authorization to file appeal with Secretary of Interior on State Exchange Application No. 74, Trinity	11	15	13
5	Consent for Austral Oil Co. to hypothecate Oil and Gas Leases PRC 2205.1, PRC 2207.1	4	17	15
6	Approval of map bounding state submerged lands vicinity Martinez and authorization to execute agreement with Shell	18	19	16
7	OIL AND GAS LEASES			
	(a) Acceptance of bid on Parcel 6, Santa Barbara Cy.	13	22	19
	(b) Proposed Oil and Gas Lease, Parcel 8, S.Barb.Cy.	17	24	21
8	Confirmation of transactions of Executive Officer:	3		21
	Pauley Petroleum		25	
	Phillips Petroleum		25	
	Recreational Permits		26	
9	INFORMATIVE - Litigation	19	27	22
10	NEXT MEETING			23
<u>SUPPLEMENTAL</u>				
	Amendment of permit -- Ventura Port District	20	29	1
	MOTION ON SUPPLEMENTAL ITEM 20			5 and 6
<u>UNCALENDARED:</u>				
	U.S.Senate Bill 174 - Wilderness Bill			24

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

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<u>ITEM NUMBER</u>	<u>PAGE OF CALENDAR</u>	<u>PAGE OF TRANSCRIPT</u>
1	14	13
2	12	11
3	25	21
4	17	15
5	6	7
6	8	9
7	9	9
8	5	7
9	4	6
10	10	10
11	15	13
12	1	5
13	22	19
14	not on calendar	
15	7	7
16	2	5
17	24	21
18	19	16
19	27	22
22	SUPPLEMENTAL:	
23	20	1
24	UNCALENDARED:	
25	WILDERNESS BILL	24
26	NEXT MEETING	23

1 GOV. ANDERSON: The meeting of the State Lands
 2 Commission will come to order. I think before we start our
 3 classifications, I might point out that our former Director
 4 of Finance, former member of the Lands Commission, is sitting
 5 back in the corner and we are concerned with what great prob-
 6 lem he has here today.

7 MR. CARR: No problems at all.

8 GOV. ANDERSON: You caused great consternation up
 9 here....

10 MR. CARR: I don't have any ulterior motives of
 11 any kind.

12 GOV. ANDERSON: Mr. Cranston, do you want to take
 13 something out of order?

14 MR. CRANSTON: Yes, in keeping with our general pol-
 15 icy of taking up matters first when people are present in con-
 16 nection with an item on the agenda, and because of the import-
 17 ance of the item, I'd like to move that we take up Supple-
 18 mental Item 20 relating to the Ventura Port District as our
 19 first item this morning.

20 GOV. ANDERSON: We have a request to have supple-
 21 mental Item 20 taken out of order. If there is no objection,
 22 so ordered. We might note all of the members of the Commis-
 23 sion are here.

24 Supplemental Item 20 is application for amendment
 25 of permit P.R.C. 2342.9, permit to construct jetties and
 26 dredge channel on tide and submerged lands at Pierpont Bay,

1 Ventura County; Ventura Port District. Mr. Horig, do you
2 want to comment on this?

3 MR. HORTIG: Mr. Chairman, in summary, the Ventura
4 Port District has had under consideration and partial imple-
5 mentation various plans for establishment of a boat harbor at
6 Pierpont Bay in Ventura County since 1959, at which time the
7 Lands Commission had authorized the issuance of a 49-year per-
8 mit to the District to establish such jetties and protective
9 facilities as were necessary for the protection of the proposed
10 entrance channel.

11 Before complete implementation of that project,
12 there were difficulties, including financial, on the part of
13 the Port District, which suspended operations and considera-
14 tion of further development until this year, in April, when
15 the Port District again proceeded with the sale of bonds to
16 finance the project, which has now been redesigned so that
17 the entrance jetties will be at a slightly different location
18 than originally approved by the State Lands Commission.

19 Therefore, while the Port District has applied for
20 an amendment of the prior existing permit to permit the re-
21 location of these jetties and facilities on tide and submerged
22 lands under the jurisdiction of the State Lands Commission,
23 the staff recommends in lieu thereof the accomplishment of
24 the same purposes, slightly different mechanically, in recom-
25 mending a rescission of the prior permit with the issuance
26 simultaneously of a new permit for these facilities at the

1 new location. The simultaneous issuance is felt to be desir-
2 able in order that there be no period of time in which there
3 is no authorization to the Port District for conducting opera-
4 tions, so there can be no question as to the validity of
5 contracts that have been entered into and other time schedules
6 which have been undertaken by the Port District.

7 The staff recommendation for the issuance of the new
8 permit is subject to only one condition, and that is, that
9 the District have obtained the necessary permits from the
10 United States Army Corps of Engineers for operations in navig-
11 able waters of the United States. The Corps of Engineers has
12 opened a protest period for the general public, which will
13 close approximately May 7th; and the Corps of Engineers have
14 indicated that if no objections are received during that pro-
15 test period, such permit as is necessary will be issued on
16 May 8th. If protests are received, then the Army Engineers'
17 permit cannot be issued and there will be a further unavoid-
18 able delay for the Port District -- a delay, however, which
19 the State Lands Commission has no control over whatsoever.

20 GOV. ANDERSON: Is there anyone here who wishes to
21 comment?

22 MR. CRANSTON: Mayor Petit is here, I believe.

23 MAYOR PETIT: Mr. Chairman, my name is Charles Petit
24 and I am Mayor of the City of Ventura. The City of Ventura
25 is not, of course the entire port district. We have, however,
26 about ninety-five percent of the assessed valuation of the

1 port district in Ventura, and the five percent is in the unin-
2 corporated area. We have a letter here to the Commission,
3 authorizing us to appear for them.

4 I think the statement that has been made is complete
5 and I can't add anything to that, except that the Port Dis-
6 trict director has authorized me to state that whatever condi-
7 tions apply to this permit they are willing to meet, and there
8 is a sort of point of urgency now because they have already
9 advertised for bids and have received bids, but we have not
10 awarded the contract; and I believe they have a further re-
11 quest, and that is to dump the disposal material on State
12 land south of the south jetty on the entrance to the beach;
13 and whether that is a question or not, that is what they pro-
14 pose to do and they would ask that permission also.

15 MR. HORTIG: This is already authorized in the pro-
16 posed form of permit.

17 MAYOR PETIT: We have nothing further to add than
18 what has been said, except the fact the bids have been re-
19 ceived and bonds are ready to be sold, so they are ready to
20 proceed when these permits are received both from the State
21 Lands Commission and the U. S. Corps of Engineers.

22 MR. CRANSTON: Mr. Chairman, I move approval of
23 the project, insofar as the State Lands Commission is con-
24 cerned. The harbor project there is of very great importance,
25 not only to the people of Ventura County but all surrounding
26 counties, who will have greatly extended recreational

1 facilities on waters of California when the project is com-
2 pleted. It will also be a truly great boon to Ventura County.

3 GOV. ANDERSON: Your motion is to authorize the
4 recommendation of the staff?

5 MR. CHAMPION: There was also some condition or
6 qualification.

7 MR. HORTIG: In the staff recommendation, Item 2 --
8 in issuing a permit by the Commission or for the Commission,
9 this would be issued simultaneously with the rescission of
10 the old permit when the District has obtained the necessary
11 permits from the U. S. Army Corps of Engineers.

12 MR. CHAMPION: I'll second the motion.

13 MR. CRANSTON: It is important to have the record
14 clear that we have done all we could to move the project in
15 fairly urgent fashion; that we have given all the approvals
16 we can give; that there is a protest period under law, where-
17 by the project must be kept open before the Army Engineers'
18 permit is issued; that our authority does not extend to this.

19 MAYOR PETIT: We understand that.

20 GOV. ANDERSON: Any further comments? (No response)
21 Motion is carried unanimously.

22 Starting, then, with the regular calendar -- first
23 item is Permits, easements, and rights-of-way to be granted
24 to public and other agencies at no fee, pursuant to statute:
25 Applicant (a) is the Estero Municipal Improvement District;
26 applicant (b) is the Huntington Harbour Corporation....

1 MR. HORTIG: Mr. Chairman, the record should indi-
 2 cate with respect to the application of the Huntington Harbour
 3 District that two telegrams of protest and several telegrams
 4 of approval of this project were received by the Lands Commis-
 5 sion. The two telegrams of protest have now been withdrawn,
 6 one by a superseding telegram and one by a superseding tele-
 7 phone call from the association who submitted the original
 8 protest; so therefore there are now no protests pending and
 9 at least four recommendations, including one from Assemblyman
 10 Richard T. Hanna, that this project go forward.

11 GOV. ANDERSON: Applicant (c) is North San Mateo
 12 Sanitation District -- Amendment of legal description of the
 13 life-of-structure permit P.R.C. 1364.9, with amended descrip-
 14 tion to cover 3.926 acres in City and County of San Francisco,
 15 for purpose of extending the sewer outfall constructed on the
 16 permitted lands.

17 I was looking at that. This is out into the Pacific
 18 Ocean there. Who establishes the conditions of the sewage?

19 MR. HORTIG: The State Water Pollution Control
 20 Board and the State Department of Public Health.

21 GOV. ANDERSON: The State Department of Public
 22 Health sets the standards, then

23 MR. HORTIG: .. and the Water Pollution Board sees
 24 that under their regulations they are implemented.

25 GOV. ANDERSON: I saw in this case that their plant
 26 is in San Francisco and I wondered.

1 GOV. ANDERSON (continuing) Applicant (d) -- United
2 States of America, 10-month right-of-entry permit effective
3 5/1/62, to conduct underwater explosion tests in Mono Lake,
4 Mono County, in the interest of national defense.

5 MR. HORTIG: This permit, Mr. Chairman, is an exten-
6 sion of time under a permit previously authorized by the
7 Lands Commission for the same operation. The original test
8 operations proposed to be conducted for the United States
9 were not able to be completed.

10 GOV. ANDERSON: Is there a motion on these?

11 MR. CRANSTON: I move approval of Item Classifica-
12 tion 1.

13 MR. CHAMPION: Second.

14 GOV. ANDERSON: Moved, seconded and carried unani-
15 mously. Item Classification Number 2 -- Permits, easements,
16 leases, and rights-of-way issued pursuant to statutes and
17 established rental policies of the Commission.

18 First applicant, the Connolly-Pacific Company --
19 a one-year renewal effective 1/4/62 of Lease P.R.C.582.1,
20 covering tide and submerged lands in Pacific Ocean adjacent
21 to Santa Catalina Island, Los Angeles County, used as site
22 for two mooring buoys, annual rental \$50.

23 (b) -- Humble Oil and Refining Company -- Deferment
24 to 12/21/62 of drilling requirements under oil and gas lease
25 P.R.C. 136.1, in order to evaluate further the possibility of
26 extending the productive limits, so as to determine whether

1 drilling of more wells would be economically feasible.

2 MR. HORTIG: Do you wish further comment?

3 GOV. ANDERSON: Only if you feel there is comment
4 needed.

5 MR. HORTIG: The only additional comment, Mr. Chair-
6 man, is that the operations under this lease, further drilling
7 operations, have been deferred since the Commission authoriza-
8 tion of November 22, 1961, at which time deferment was author-
9 lized to May 22, 1962, a six-month period. The study operations
10 contemplated during that deferment period are under way and
11 have been under way, and it is the staff recommendation that
12 an additional six months' deferment period be granted for
13 this lease to complete these study operations -- because, as
14 originally reported to the Commission in connection with the
15 first deferment, the operator had been so diligent in develop-
16 ing the lease and not taking the maximum amount of time per-
17 mitted by the lease between the drilling of wells that it
18 could be calculated that he had actually exceeded the drill-
19 ing schedule by something like four years of additional time
20 which the operator would have been justified in taking under
21 the lease terms. So, with this diligence in prior develop-
22 ment, it is felt that it is entirely equitable and it cer-
23 tainly can only be to the advantage of both the State and the
24 operator to permit the time for full and complete economic
25 studies on how to efficiently develop the balance of the lease.

26 GOV. ANDERSON: The total number of wells on the

1 lease when it is completed would be 125, approximately, wouldn't
2 it?

3 MR. HORTIG: On the basis of one to ten acres, or
4 any area not developed to be quitclaimed; but as to the
5 necessity for quitclaiming under this lease, because of this
6 accelerated development schedule of the lessee, any question
7 of quitclaim is still far in the distance.

8 GOV. ANDERSON: (c) Magnolia Motor and Logging Com-
9 pany, Inc. -- Cancellation of Lease P.R.C. 2098.1, Klamath
10 River, Humboldt County, effective 4/15/62. Rental delinquent;
11 appears to be intent to abandon the premises and any rights
12 under the lease.

13 Applicant (d) Signal Oil and Gas Company -- Assign-
14 ment from Western Hyway Oil Company of Lease P.R.C. 701.1,
15 covering tide and submerged lands of Sacramento River, City of
16 Sacramento, being used for maintenance and operation of wharf
17 for distributing petroleum products.

18 MR. CHAMPION: May I ask a question about (c)? You
19 say there appears to have been intent to abandon. Has there
20 been any discussion, or is that a conclusion?

21 MR. HORTIG: The original State lessee was requested
22 by correspondence to give an expression of intent, did not
23 reply, purportedly assigned the lease to yet another organiza-
24 tion without the required approval of the State Lands Commis-
25 sion, and the assignee's attorney has indicated that the lease
26 is no longer desired.

1 In view of the provisions for deposit of first and
2 last year's rent, application of the last year's rent would
3 bring this lease up to date as far as rental payment on the
4 books is concerned through April of this year. This appears
5 to be the desirable time to terminate, with the authority
6 spelled out in the lease as being in the Commission under
7 these circumstances.

8 MR. CHAMPION: Move approval of Classification 2.

9 MR. CRANSTON: Second.

10 GOV. ANDERSON: Moved and seconded, carried unani-
11 mously.

12 Item Classification 3 -- City of Long Beach approvals
13 required pursuant to Chapter 29/56, First Extraordinary Ses-
14 sion. Project a: Long Beach Navy landing -- determination
15 of the State's share of subsidence remedial costs to be
16 \$173,579.86, with credit due State of \$32,147.53.

17 MR. HORTIG: Mr. Chairman, this is an excellent
18 exemplar of the workings of the mechanics of the Lands Com-
19 mission conditional approvals of Long Beach projects, which
20 are approved in advance on an estimated basis -- subject to
21 modification as a result of final audit and engineering review
22 after a project is completed. In this instance, as shown
23 here, the final audit shows that the City should and has
24 transferred \$32,000 additional review to the State which was
25 withheld originally on the estimate basis, and that estimate
26 basis was in excess of the actual construction costs.

1 This, I think, demonstrates the advantages to every-
2 body's bookkeeping of these conditional approvals, rather than
3 having a firm approval on an estimate basis in advance as has
4 been suggested some time in the past might expedite the opera-
5 tions. This might expedite the operations, but it wouldn't
6 give a correct reflection of actual costs and what the State
7 participation should be in Long Beach operations. The system
8 the Commission has had in effect since 1956 is working.

9 MR. CHAMPION: Move approval.

10 MR. CRANSTON: Second.

11 GOV. ANDERSON: Moved and seconded, carried
12 unanimously.

13 Item Classification 4 -- Land items: Sales, selec-
14 tions, et cetera. All land sale items here presented have been
15 reviewed by all State agencies having a land acquisition pro-
16 gram and, unless otherwise indicated, no interest has been
17 reported by those agencies in any of the lands proposed for
18 sale. (a) is the selection and sale of vacant Federal lands.
19 First applicant is F. T. Elliott, Jr., appraised value \$1,763.04
20 and that is the bid.

21 MR. HORTIG: Mr. Chairman, subsequent to preparation
22 of the agenda item, a letter has been received from the Direc-
23 tor of the Department of Fish and Game indicating that the
24 Department of Fish and Game wishes the State Lands Commission
25 to withhold disposition of this subject parcel, pending an
26 opportunity to determine whether Fish and Game could integrate

1 the area with lands which are being considered under a
2 national cooperative wildlife area management study or with
3 other existing national park lands.

4 The Commission will recall at the last meeting
5 there was an analogous item and it was recommended -- and I
6 again recommend with respect to this item -- that disposition
7 be deferred, as requested by Fish and Game, to be determined
8 finally after adoption of a land management and disposition
9 policy by the State Lands Commission; any rights which the
10 State's applicant desires to have protected to be protected
11 and to be held for him; in the event that the land is not
12 finally disposed of to Fish and Game that the disposition
13 would be completed to the applicant, F. T. Elliott.

14 MR. CRANSTON: I move the matter be deferred.

15 GOV. ANDERSON: But in the meantime you wish to
16 proceed with securing it from the Federal government?

17 MR. HORTIG: That's right.

18 GOV. ANDERSON: In other words, the first part of
19 the recommendation you wish to go on with.

20 MR. HORTIG: That's right. Actually, the Federal
21 government has already approved the State's selection of this
22 one-half of the project leading to the sales and disposition.
23 Therefore, we need approval now only on the phase of with-
24 holding disposition.

25 GOV. ANDERSON: In other words, you don't wish
26 authorization on the whole thing -- you just want to defer

1 the sale of it?

2 MR. HORTIG: Just the sale to Mr. Elliott.

3 MR. CRANSTON: I so move.

4 MR. CHAMPION: Second.

5 GOV. ANDERSON: Moved and seconded, carried unani-
6 mously. (b) Selection of vacant Federal lands on behalf of
7 the State. Applicants do not desire to proceed with acquisi-
8 tion of the lands. (1) - 40 acres in San Diego County pursu-
9 ant to application of Laurence W. Foreman.

10 MR. HORTIG: A very interesting parcel, which is an
11 exemplar of what is happening to California real estate values.
12 At the time the application was originally made to the Federal
13 Government for these lands, a routine \$5 deposit per acre was
14 made. On appraisal by the staff, the appraisal indicates an
15 appraised value of \$2,500 an acre. Therefore, we are recommend-
16 ing that these lands be acquired for the State and put in the
17 vacant land category, to be disposed of and administered in
18 accordance with policy still to be determined.

19 GOV. ANDERSON: In the case of Mr. Foreman, he gets
20 the deposit back?

21 MR. HORTIG: His deposit, less costs.

22 MR. CHAMPION: Move to approve the staff recommenda-
23 tion.

24 MR. CRANSTON: Second.

25 GOV. ANDERSON: Moved and seconded, carried unani-
26 mously. Item (c) is Appeals. First, the authorization for the

1 Executive Officer to file appeal with Secretary of the Interior
 2 to decision of the Office of the Director of the U. S. Bureau
 3 of Land Management dated 3/15/62, which affirmed rejection of
 4 State Exchange Application No. 74, Trinity County. Mr. Hortlig?

5 MR. HORTIG: The Commission will recall extensive
 6 consideration last year of the subject application, which was
 7 for approximately fifty-eight acres of Federal land on the
 8 Trinity River in Trinity County. The application of the State
 9 having been rejected at the regional level in the first in-
 10 stance, an appeal was taken on authorization of the State Lands
 11 Commission to the Director of the Bureau of Land Management,
 12 who has also rejected the State's application.

13 The full range of administrative remedies in connec-
 14 tion with application of this type include a provision for
 15 appeal to the Secretary of the Interior. It is felt that with-
 16 out in any wise changing the posture of the Lands Commission
 17 as to the sale of these lands, it would be desirable for a
 18 management record to have the complete administrative record
 19 on the processing of appeals for an application of this type
 20 available for guidance of the administrators in the Lands Divi-
 21 sion; subject to the conditions, as reported previously, that
 22 the Commission is in no manner determining the public interest
 23 in holding the land for public recreational purposes at this
 24 time and any public interest will be evaluated by the Commis-
 25 sion in the light of Commission land management and disposi-
 26 tion policy as and when (and I assume I can interpolate "LE")

1 the subject land is conveyed to the State by the United States.

2 Therefore, it is recommended that the appeal which
3 is provided for in law and the Federal regulations, to the
4 Secretary of Interior, be taken by the State of California
5 with respect to this application.

6 MR. CHAMPION: With the understanding of the policy
7 statement, that is, that we are by no means saying that we
8 think this ought to go on into the private ownership that is
9 seeking it, I move approval.

10 MR. HORTIG: There is no policy determination at this
11 time.

12 MR. CRANSTON: Second.

13 GOV. ANDERSON: Moved and seconded, carried
14 unanimously.

15 Item 5 is consent for Austral Oil Company, Incorporated,
16 to hypothecate Oil and Gas Leases P.R.C. 2205.1 and P.R.C.
17 2207.1, Santa Barbara County, as security for the repayment
18 of certain indebtedness to First National City Bank.

19 MR. HORTIG: Mr. Chairman, this is a matter made
20 complex primarily by legal verbiage, in that leases of the
21 type here under consideration may not be assigned without the
22 advance consent of the State Lands Commission. In connection
23 with financing by the Austral Oil Company, there are certain
24 documents that indicate by their language that the document
25 purports to be an assignment. The Office of the Attorney
26 General has by informal opinion informed us ^{as to} that/the trust

1 deed in question, although it purports among other things to
2 assign and transfer, the purpose is so limited that it does
3 not appear to be the type of transfer concerning which Section
4 6804 of the Public Resources Code calls for approval by the
5 State Lands Commission. On the other hand, it is not felt
6 that actions of this type should go unreviewed and that there
7 be an inference that silence on the part of the Commission has
8 lent consent; but that, preferably, as recommended on page 18,
9 there be a statement transmitted to the Austral Oil Company
10 reciting that the Commission does not hereby approve in advance
11 any assignment, transfer or sublease by the trustee pursuant to
12 the provisions of such trust deed or otherwise, and the Commis-
13 sion reserves the right to disapprove any such assignment,
14 transfer or sublease; that there is also no Commission approval
15 in advance of any change of operator or management of the lease
16 without further review of the Commission; and that the lessee
17 remains fully bound by all its obligations under the lease and
18 the Lands Commission retains all the rights and powers under
19 the lease despite the completion of this document for hypothe-
20 cating or putting up as security oil production payments out
21 of the lessee's share of this oil.

22 MR. CRANSTON: I move approval of the staff recom-
23 mendation.

24 MR. CHAMPION: Second.

25 GOV. ANDERSON: Moved and seconded, carried unani-
26 mously. Item 6 -- Approval of map entitled "Boundary of State

1 Submerged Lands, Vicinity of Martinez, Contra Costa County,
2 California," dated March 1960; authorization for Executive
3 Officer to execute agreement with the upland owner, Shell Oil
4 Company, fixing boundary line between certain State submerged
5 lands and private lands along Carquinez Strait, Martinez,
6 Contra Costa County. Mr. Hortig?

7 MR. HORTIG: Mr. Chairman, if you and the Commission-
8 ers will refer to the map following page 21 of the agenda, the
9 heavy black line arcing through the center of the map is the
10 best relocation that the State Lands Division can make at this
11 date of the natural ordinary low water mark, which was the
12 waterward mark of tidelands sales circa 1870 by State officers
13 to various private individuals. The waterward boundary of
14 those sales was never clearly defined at the time of those
15 sales and the waterward boundary is now found to be at the
16 heavy black line, which is also identified as a segment of the
17 boundary between State tidelands and those of the Shell Oil
18 Company.

19 Shell Oil Company is the original purchaser of
20 Tidelands Purchase Number 3 and, in order to develop the area
21 and to know where their boundary is, have applied and asked for
22 approval by the Lands Commission of the fixation of the water-
23 ward boundary line and execution of a boundary agreement be-
24 tween the State and Shell Oil Company as to the common boundary
25 between the State submerged lands and the Shell Oil Company.

26 MR. CHAMPION: There is no controversy?

1 MR. HORTIG: No, this is authorized under law.

2 There is no objection and I can tell you gentlemen there will
3 be a slightly analogous item further down the stream for
4 another private owner.

5 GOV. ANDERSON: These people own the land to the low
6 water mark as a result of sales in 1870 and you find there has
7 been some accretion?

8 MR. HORTIG: Accretion in some instances and in some
9 areas in this particular item, mud has moved it.

10 GOV. ANDERSON: Who owns this land? (Indicating on
11 map)

12 MR. HORTIG: State of California.

13 GOV. ANDERSON: Under the interpretation of this map
14 the State will own this land outward from this black line all
15 the way down to where the dotted lines start?

16 MR. HORTIG: That is correct, and on beyond the
17 dotted line has not actually been surveyed yet.

18 GOV. ANDERSON: Is there anything on this land now?
19 Do the companies have anything?

20 MR. HORTIG: Not insofar as the property under dis-
21 cussion here today; except, as you see, a pier which projects
22 out into Carquinez Straits encompasses both State lands and
23 Shell Oil Company lands. The pier is under permit from the
24 State Lands Commission.

25 GOV. ANDERSON: That is the only thing there? What
26 about that portion where the land is out in the water? That's

1 the start of it.

2 MR. HORTIG: This is still the location of the low
3 water mark and, therefore, in that area (which involves Tide-
4 lands Survey 18) there is a portion of the land which was sold
5 into private ownership which today is under water.

6 GOV. ANDERSON: How far out in the water would this
7 be -- two, three hundred yards?

8 MR. HORTIG: Several hundred feet.

9 GOV. ANDERSON: So in this case, is this the Shell
10 Oil Company's land out there?

11 MR. HORTIG: No, sir.

12 GOV. ANDERSON: Whose is it?

13 MR. HORTIG: Tidewater's.

14 GOV. ANDERSON: And they would own the land out
15 several hundred feet?

16 MR. HORTIG: That's right.

17 GOV. ANDERSON: And they would have jurisdiction to
18 fill that without approval from us?

19 MR. HORTIG: That is correct. They own it in fee
20 absolute.

21 MR. CHAMPION: Move approval.

22 MR. CRANSTON: Second.

23 GOV. ANDERSON: Moved and seconded, carried unani-
24 mously. Item 7 is oil and gas leases: (a) is the acceptance
25 of cash bonus bid made by Union Oil Company of California on
26 Parcel 6, Santa Barbara County, in the amount of \$3,047,740.

1 Any comment?

2 MR. HORTIG: No, sir. Representatives of Union Oil
3 Company are here today. Arrangements have been made to follow
4 award of lease and acceptance, if accepted and awarded by the
5 Commission today, to collect the remaining deposits and execute
6 the leases, and so forth, in Los Angeles.

7 MR. CHAMPION: We had quite a discussion when we
8 authorized this out to bid. How many bids did we get?

9 MR. HORTIG: Four.

10 MR. CHAMPION: In the staff's opinion, was there
11 adequate bidding here? There was great doubt that the bidding
12 would be adequate and reflect the possible value.

13 MR. HORTIG: In view of the fact that the same area,
14 a portion of the same area, here offered was offered originally
15 by the State Lands Commission without receiving a single bid,
16 the receipt of four bids for the revised parcel indicated
17 active interest and participation on the part of the industry.
18 The nominal problem for evaluating the sufficiency of the bids
19 arose out of the spread, ranging from approximately 170,000
20 low to the 3,047,000 high; but, as against what staff evalua-
21 tions could be made based on prior exploration data and extrapo-
22 lation of known developments on lands adjoining, it is recom-
23 mended that this bid is adequate and a proper one for the Lands
24 Commission to accept.

25 MR. CHAMPION: Move approval.

26 MR. CRANSTON: Second the motion.

1 GOV. ANDERSON: Moved and seconded, carried unani-
2 mously. (b) Is proposed oil and gas lease, Santa Barbara
3 County, known as Parcel 8.

4 MR. HORTIG: By reference to the map following page
5 24, Mr. Chairman and Commissioners, Parcel 8 is cross-hatched
6 thereon. As you see, Parcel 7, which is two parcels to the
7 west, is out on bid invitation now under Commission authoriza-
8 tion; and Parcel 8, therefore, is the next unleased parcel to
9 the east available for Commission consideration in western
10 Santa Barbara County.

11 It is recommended that the staff be authorized to
12 offer this parcel for lease, in accordance with the established
13 procedures.

14 MR. CRANSTON: I move approval.

15 MR. CHAMPION: Second.

16 GOV. ANDERSON: Moved and seconded. Carried
17 unanimously.

18 Item 8 -- Confirmation of transactions consummated
19 by the Executive Officer pursuant to authority confirmed by
20 the Commission at its meeting on October 5, 1959.

21 MR. CHAMPION: Mr. Chairman, excuse me a minute.
22 Could I ask a question about this? What does this bring the
23 total to for the cash bonus bidding for this fiscal year?

24 MR. HORTIG: Approximately five million dollars.
25 The Parcel 7 bids are due in, early in June.

26 MR. CHAMPION: It was only curiosity about the

1 status of our 1961-62 budget.

2 MR. HORTIG: Happily, we don't have the disparities
3 that some of our sister states have. The State of Louisiana
4 has just found itself faced with what must be a bit of a
5 crisis in having included in the budget, and possibly even
6 expended, an estimated twenty-five million in cash bonuses
7 when thirteen million actually were received.

8 MR. CHAMPION: Our estimate in this budget was about
9 six million?

10 MR. HORTIG: Six million roughly -- six million-five.

11 GOV. ANDERSON: Item Classification 8 -- Confirma-
12 tion of transactions

13 MR. CRANSTON: Move approval.

14 MR. CHAMPION: I'll second.

15 GOV. ANDERSON: Moved and seconded, carried unani-
16 mously.

17 Item 9 -- Informative only, no Commission action
18 required. Report on status of major litigation.

19 MR. HORTIG: Mr. Chairman, if you will refer to
20 page 27 with respect to Item 2, being the Alamitos Bay quit-
21 claim litigation, under which the question was to be resolved
22 by the courts as to whether or not under a quitclaim to tide
23 and submerged lands the State of California or the City of
24 Long Beach had the authority to develop the oil, this parcel
25 being located at the easterly limits of the City of Long Beach,
26 the Supreme Court on April 1954 (subsequent to the preparation

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of this agenda item) denied the petition for hearing by the City of Long Beach, with the practical effect that there is now authorization for the development potentially of a segment of one of the ripiest all fields of the State under the jurisdiction of the State Lands Commission; and thus, unlike the remainder of the Long Beach tidelands, this area is not im-

pressed with any obligation to share in all revenues with the City of Long Beach. One hundred percent of the revenues derived from this tideland will come to the State from operations which in the future will be authorized by the State Lands Commission.

GOV. ANDERSON: Any further comment?

MR. HORTON: No, sir.

GOV. ANDERSON: That was the only supplemental calendar item we had?

MR. HORTON: Yes, sir. May we have a determination of date, time and place of the next Commission meeting, Mr. Chairman?

MR. CHANDLER: I move to continue May 25th, 1961, at 10:00 a.m., Los Angeles.

GOV. ANDERSON: Did you check?

MR. CHANDLER: I didn't check.

GOV. ANDERSON: I didn't check, either.

MR. HORTON: This is the agenda item you mentioned?

MR. CHANDLER: I don't know.

MR. CHANDLER: It is necessary to have a hearing on this item.

1 and if this is approved, it is approved.

2 GOV. ANDERSON: If there is no objection, that will
3 be the next time and place of the meeting. Anything further
4 to be brought before the meeting? Alan, do you want to report
5 on that Wilderness bill, or do you think this is not the place?

6 MR. SIEROTY: I can report briefly on it.

7 GOV. ANDERSON: There is a bill before Congress
8 relative to a Wilderness bill that I am personally interested
9 in and I didn't have a chance to get any information on it. I
10 thought we might bring it up here to get any comments we might
11 have. I am in general favor of their policy, but I wondered
12 what effect it would have on any policy we might have. Alan,
13 would you bring it up and see if Mr. Hertig would have any
14 ideas on it?

15 MR. SIEROTY: This is Wilderness Bill, Senate 174,
16 by Senator Anderson of New Mexico. It has passed the United
17 States Senate September 1961 by a vote of seventy-eight to
18 eight. The bill will be heard in a subcommittee of the House
19 Interior Committee the week of May 7th -- possibly May 7th
20 or 9th. The bill provides in general that lands which have
21 been classified administratively by the National Park Service
22 and the National Forest Service as wilderness, wild and primi-
23 tive, certain ones of these lands will be provided primarily
24 or statutorily as wilderness areas -- with the provision that
25 Congress has a veto power, in effect, of any of these lands
26 that it wants to restrict from this area.

1 The major change is that it will prevent the
2 multiple use of these lands; that is, there will be no grazing,
3 mining, timber activities, nor recreation activities, (recrea-
4 tional development other than hiking, horseback riding) or
5 camping on this land. The intent is to keep these areas in
6 the natural condition, the primeval type of state.

7 MR. CHAMPION: How about fishing and hunting?

8 MR. SIROTY: I don't know.

9 MR. CHAMPION: Do you know, Frank?

10 MR. HORTIG: As far as you can do it by walking in
11 and walking out again, and not camping overnight.

12 MR. CHAMPION: There can be no overnight camping
13 in these areas?

14 MR. HORTIG: This is one of the variations in one
15 of the drafts of the Wilderness bill.

16 GOV. ANDERSON: Have you had a chance to study
17 the bill?

18 MR. HORTIG: Yes, Mr. Chairman. There are a great
19 many pros and cons, most of which will not be applicable to
20 any great degree to lands in California, but would be a matter
21 of extreme concern to states having large potential wilderness
22 areas -- Montana, Idaho, Washington. As a result, the Western
23 States Land Commissioners Association has heretofore studied
24 the bill and, prior to the vote in the Senate last year, a
25 resolution of objection was adopted by the Western States Land
26 Commissioners Association (being the land commissioners of the

1 eighteen western public land states in the United States) to
2 the bill as drafted, suggesting that in those areas where it
3 would be particularly applicable -- and, again, in the northern
4 states as I indicated -- that locking up millions of acres of
5 land, which at the time and the posture of the bill are pro-
6 hibited any roads, any overnight camping, only entrances so far
7 as a person could make it in and out again on foot during a
8 day, would result in the case of a large area, the majority
9 of the central portion of the withdrawn area, probably never
10 being seen by man unless he flew over it; and for this purpose
11 there is the question whether it is desirable to withdraw it
12 as a wilderness area simply for flying over it.

13 GOV. ANDERSON: Weren't there some changes as a
14 result of your resolution?

15 MR. HORTIG: There have been some modifications.
16 However, the essential one, the primarily essential one to
17 our sister states and not the same degree of application and
18 importance to the State of California, and which is the same
19 problem for the petroleum industry, the mining industry, the
20 lumber industry, is this basic problem of the elimination of
21 any opportunity for multiple use of the land even though it
22 could be administered -- as the petroleum industry has testi-
23 fied -- and in many instances developments could be made in
24 terms of providing fire protection roads, et cetera, in con-
25 nection with an obscure, camouflaged and reasonably developed
26 oil operation.

1 Prohibiting multiple use under those circumstances
2 and locking up the last reservoir of large scale resources
3 for development in the western United States, which is the
4 only place where this bill could have practical application,
5 doesn't appear to be a good land management program.

6 MR. CHAMPION: Isn't that always subject to unlocking?

7 MR. HORTIG: Of course -- but undoing one of these
8 after it has gone in is patently more difficult.

9 MR. CHAMPION: It is more difficult than not
10 doing it?

11 MR. HORTIG: Yes, sir.

12 GOV. ANDERSON: In California, is there any of this
13 land that falls in this category? I looked at the list, but
14 of course could not identify it; but I was wondering if
15 there were any in that category?

16 MR. HORTIG: There might be. Essentially, so far
17 as California, it would be primarily proposed expansion of
18 the limits of areas that are already national forests, national
19 monuments and national parks. As you will note, and as I
20 can see here, the total for California is one million acres
21 over eighteen different areas, with the largest single area
22 being up in the Klamath Forest area, 213,000 acres. This is
23 of potential effect and concern to the California timber in-
24 dustry; but still, 200,000 acres in one area, large as this
25 is in California, doesn't propose the million-plus per unit
26 withdrawals in our northwestern public land states.

1 MR. CHAMPION: Both California Senators voted for
2 this bill when it left the Senate.

3 MR. HORTIG: I believe that is correct. I know of
4 one.

5 GOV. ANDERSON: Doesn't our State Fish and Game and
6 Parks support this?

7 MR. HORTIG: Definitely.

8 GOV. ANDERSON: I was wondering how it would affect
9 Fish and Game and

10 MR. JONES: I wonder if I might comment. I am
11 representing the Department of Fish and Game -- Fred Jones is
12 the name.

13 GOV. ANDERSON: Yes, good.

14 MR. JONES: We have studied this legislation quite
15 intensively, particularly in regard to the testimony made
16 here in Sacramento several months back. I am really confused
17 about this reference to prohibition of overnight camping. In
18 my personal review of the legislation, I don't remember any-
19 thing that would even remotely preclude overnight camping.

20 In essence, according to our understanding, this
21 would give Congressional sanction to established wilderness
22 areas. Under the jurisdiction of the Forest Service, areas
23 which are known as wild areas -- the construction of roads,
24 use of mechanized vehicles and so-called outboard motors is
25 prohibited, but people can pack in. There are also prohibi-
26 tions under Forest Service regulations of low-flying airplane

1 Hunting and fishing would not be changed per se.
 2 There would be no change in the regulations now administered.
 3 In the national forest areas, hunting and fishing are permitted.
 4 Overnight camping has been permitted, certainly. In national
 5 parks, of course, hunting is not permitted and certainly would
 6 not be, and there would be no change in that.

7 GOV. ANDERSON: We are talking about lands which are
 8 all presently Federal-owned lands?

9 MR. JONES: Yes, national wildlife areas -- Forest
 10 Service areas.

11 GOV. ANDERSON: Can you tell me, without getting
 12 too complicated, the basic difference between wilderness and
 13 primitive terminology?

14 MR. JONES: This is confusing. It has much to do
 15 with size.

16 GOV. ANDERSON: Hundred thousand or over is
 17 wilderness?

18 MR. JONES: One hundred thousand is wild. The
 19 primitive classification covers both over and under 100,000,
 20 which have been studied from time to time and boundaries re-
 21 evaluated, and one of the two classifications applied. There
 22 are still primitive areas that have not been classified and
 23 may never be -- I do not know. The Governor, I believe,
 24 advised Mr. Warner that he could announce the Governor's sup-
 25 port at the hearing held in Sacramento, and this was the nature
 26 of the administrator's testimony. All of the agencies in the

1 Department are in support of it. There is this controversy
 2 with the industries and this, of course, is the national
 3 lineup of conflict that continues through these many past
 4 years in consideration of this. Apparently, the Congress is
 5 partly resolving it.

6 MR. HORTIG: May I clarify one point, Mr. Chairman?
 7 Mr. Jones' reference to lack of prohibition with respect to
 8 overnight camping in the existing rules administered in con-
 9 nection with all these areas of whatever classification --
 10 wildlife, primitive, and so forth -- is completely correct,
 11 particularly so for California. The problem that I referred
 12 to and was concerned with was proposed methods of administra-
 13 tion and rules which would be applied to certain of these
 14 areas in Idaho, as I recall -- and we have the record on it --
 15 in which it was suggested that over and above the limitation
 16 you mentioned, even against outboard motors in certain remote
 17 lakes, and so forth, the actual proposal for administration
 18 of this particular area -- because even overnight camping would
 19 depreciate the absolute primitive nature of the area because
 20 someone would scavenge fire wood and so forth -- the regulations
 21 prohibit or contemplate prohibition of anything other than
 22 where you could walk in and out.

23 MR. CHAMPION: This is something they would consider.

24 MR. HORTIG: I am just stating what is in the report,
 25 just what the problems are and the bases for concern.

26 GOV. ANDERSON: Let us keep within the state. Is

1 there anywhere in California where we do have a problem,
2 where some of the companies might be using the areas for
3 mining, timber? Is there any problem in California on this?

4 MR. HORTIG: With respect to timber potentially,
5 yes; and with respect to mining, to a degree, yes.

6 GOV. ANDERSON: You are talking about "potentially,"
7 but are they using any of it now?

8 MR. HORTIG: Our problem is the mining industry is
9 practically nonexistent in California at the present time.
10 On the other hand, if again we needed domestic production of
11 certain critical ores, such as chromite, as was required in
12 World War II, during which time we developed in California
13 about ninety percent of the domestic production in the United
14 States, then this area which is now inoperative because there
15 is no government support on the price

16 GOV. ANDERSON: Is there chromite on this acreage?

17 MR. HORTIG: It could come close to it, and there-
18 after there would be an exclusion against redeveloping this
19 area for mining. As of today, this is a minimal question
20 because there is minimal activity in mining as such.

21 GOV. ANDERSON: You haven't had a chance to look at
22 these specific acres of land to see whether they would stop
23 operations?

24 MR. HORTIG: We have made no such specific study,
25 Governor. We would be happy to undertake it if you wish.

26 MR. CHAMPLON: As I understand it - - you say we

1 may need chromite -- well, if the Government ever needs
2 chromite, it can authorize it to go out.

3 MR. JONES: This would not, per se, affect the
4 application of mining laws. Those laws do take precedence
5 on the type of areas that allow that now. There would be
6 no change by the Wilderness Bill itself. There is an argu-
7 ment from the logging industry, because they feel there is a
8 potential of opening up areas now classified. This, of course,
9 is exactly what the wilderness proponents want to accomplish.

10 MR. CHAMPION: It is really what the bill is all
11 about when you come down to it.

12 MR. HORTIG: Who uses it for what.

13 MR. CHAMPION: This is an attempt to provide some
14 further direct Congressional protection, so that the only way
15 in which these lands could be used for any other purpose
16 would be through Congressional determination, rather than
17 permitting it through regulation -- because it is not now
18 protected in these areas by statute. As I understand it,
19 this is the whole purpose of the Wilderness Bill. It is as
20 simple as that.

21 MR. HORTIG: The mechanics could become as simple
22 as that. As proposed, it requires a Congressional veto power.
23 It is the negative, rather than the affirmative approach.
24 It isn't an affirmative approach that "x" acres should be
25 a wilderness area; only why such acres should not be a wilder-
26 ness area.

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MR. CRANSTON: Well, I make a motion that we support the motion.

MR. CHAMPION: I'll second it.

GOV. ANDERSON: It has been moved and seconded. Any further discussion? (No response) Carried unanimously then.

Any further items to be brought on the calendar before we adjourn? (No response) If not, the meeting is adjourned.

ADJOURNED 11:40 A.M.

CERTIFICATE OF REPORTER

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I, LOUISE H. LILLICO, reporter for the Office of Administrative Procedure, hereby certify that the foregoing thirty-three pages contain a full, true and correct transcript of the shorthand notes taken by me in the meeting of the STATE LANDS COMMISSION held in Sacramento, California on April 26, 1962.

DATED: Sacramento, California, May 1, 1962.

[Handwritten signature]
