

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

TRANSCRIPT OF
MEETING
of
STATE LANDS COMMISSION
LOS ANGELES, CALIFORNIA
JULY 26, 1962

**

PARTICIPANTS:

THE STATE LANDS COMMISSION:

- Hon. Alan Cranston, Controller, Chairman
- Hon. Glenn M. Anderson, Lieutenant Governor
- Hon. Daniel M. Luevano, Deputy Director of Finance

- Mr. F. J. Hortig, Executive Officer
- Mr. Alan Sieroty, Executive Secretary to
Lieutenant Governor Anderson

OFFICE OF THE ATTORNEY GENERAL:

- Mr. Jay L. Shavelson, Deputy Attorney General

APPEARANCES:

- Mr. Gordon D. Tandy, Pacific Gas and Electric
Company, San Francisco
- Mr. Francis E. Hopkins, City Manager, City
of Redondo Beach

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

<u>ITEM CLASSIFICATION</u>	<u>ITEM ON CALENDAR</u>	<u>PAGE OF CALENDAR</u>	<u>PAGE OF TRANSCRIPT</u>
1 Election of Chairman	7		1
2 Confirmation minutes of April 26 and May 24, 1962			1
3 PERMITS, EASEMENTS, LEASES, RIGHTS-OF-WAY, FEE			
(a) Casiano Land & Live-stock and Dorothy W. Capezoli	1	2	1
(b) Diaz Brothers	2	3	1
(c) C. Carew McFall	22	4	1 (Deferred)
(d) Wm. H. and Verlin McLendon	12	8	1
(e) Mobil Oil Company	5	9	1
(f) Pacific Gas & Elec. Co.	(1) 13	10	2
	(2) 14	11	2
	(3) 15	12	2
	(4) 16	13	2
(g) Pauley Petroleum Inc	19	14	5
(h) Signal Oil & Gas Co.	11	15	5
(i) Lindsey H. Spight dba Diablo Communic. Center	17	17	6
(j) Southern Calif. Gas Co. and So. Counties Gas Co.	21	18	6
4 LAND ITEMS			
(a) Sale Vacant State School Land - (1) Viola McBride	3	19	6
(b) Selection Vacant Federal Lands - (1) 162.40 acres in Kern County (applic. Byron Elmo Taylor)	6	21	7

continued

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

<u>ITEM CLASSIFICATION</u>	<u>ITEM ON CALENDAR</u>	<u>PAGE OF CALENDAR</u>	<u>PAGE OF TRANSCRIPT</u>
5 Authorization re City of Redondo Beach Ordinance No. 1766	20	22	7
6 Determination re land of Reclamation District No. 1004, Colusa County	23	23	11
7 Authorization re map of "Boundary of State Submerged Lands Vicinity of Elliot Cove, Solano County" dated April 5, 1962 and agreement fixing boundary	4	25	12
8 Correction of Minute Item 28 of March 29, 1962	10	28	13 (stricken)
9 Confirmation transactions consummated by Exec. Officer			
Standard Oil Co.) Union Oil Co.)	6	29	13
10 Informative - Litigation	18	30	13
11 Next meeting date			19
<u>SUPPLEMENTAL</u>			
Pacific Gas & Elec. Co. Easement for tower line crossing parallel to Dumbarton Bridge	24	31	14
Consideration oil and gas lease offer - Orange County	25	33	15
Land management and sales program	26	35	17
<u>UNCALENDARED:</u>			
Report by Lieutenant Governor Anderson re Lands Commission operations			20

~~*

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

<u>ITEM ON</u>	<u>PAGE OF</u>	<u>PAGE OF</u>	<u>ITEM ON</u>	<u>PAGE OF</u>	<u>PAGE OF</u>
<u>CALENDAR</u>	<u>CALENDAR</u>	<u>TRANSCRIPT</u>	<u>CALENDAR</u>	<u>CALENDAR</u>	<u>TRANSCRIPT</u>
	1	2	1	<u>SUPPLEMENTAL ITEMS</u>	
	2	3	1	24	31 14
	3	19	6	25	33 15
	4	25	12	26	35 17
	5	9	1		
	6	29	13		
	7	not on calendar		<u>UNCALENDARED</u>	
	8	21	7		
	9	not on calendar		Report on Lands Commission revenue year ending 6/30/62 20	
	10	28	13		
	11	15	5		
	12	8	1		
	13	10	2		
	14	11	2	<u>NEXT MEETING</u> 19	
	15	12	2		
	16	13	2		
	17	17	6		
	18	30	13		
	19	14	5		
	20	22	7		
	21	18	6		
	22	4	1		
	23	23	11		

1 GOV. ANDERSON: The meeting of the State Lands
2 Commission will come to order, and the first item on the
3 agenda will be the election of a new chairman for the Commis-
4 sion. As I think you know, two years ago we decided to rotate
5 this every July, I believe it was. I have just completed my
6 second term as chairman and I want to say I appreciate the
7 honor and privilege of being chairman of this group, but this
8 being the end of my second term in this capacity I at this
9 time declare the office of the Chairman of the State Lands
10 Commission vacant and will listen to suggestions as to who
11 might be the new chairman.

12 MR. LUEVANO: Mr. Chairman, I wish to nominate Mr.
13 Alan Cranston as Chairman of the State Lands Commission.

14 GOV. ANDERSON: I would like to second that nomina-
15 tion and, hearing no opposition, declare this motion approved
16 unanimously. Mr. Chairman, you are in.

17 MR. CRANSTON: Thank you very much. We now come to
18 confirmation of minutes of meetings of April 26th and of May
19 24th. Are there any amendments? (No response) If not,
20 they will stand approved as submitted.

21 Item 3 -- Permits, easements, leases, and rights-of
22 way issued pursuant to statutes and established rental policies
23 of the Commission:

24 Applicant (a) Casiano Land and Livestock Co., Inc.,
25 and Dorothy W. Capezoli -- five-year grazing lease, 960 acres
26 Lassen County, annual rental \$72; item (b) Diaz Brothers --

1 One-year grazing lease, 2,240 acres, Lassen County, annual
2 rental \$112; item (c)

3 MR. HORTIG: Mr. Chairman, excuse the interruption,
4 but this morning the staff received a request from the appli-
5 cant under item (c) for further staff consideration of the
6 proposed royalty rates to be applicable to the prospecting
7 permit. Therefore, it is recommended that this item be
8 deferred.

9 MR. GRANSTON: With that objection, this item
10 will be deferred. Item (d) William H. McLendon and Verlin
11 McLendon -- Approval of assignment of Lease P.R.C. 226.1 from
12 H. F. McMurphy, and issuance of ten-year renewal of lease,
13 4.60 acres tide and submerged lands Napa River, Solano County,
14 annual rental \$607.89; item (e) Mobil Oil Company -- ten-year
15 renewal of Lease P.R.C. 373.1, 0.104 acre tide and submerged
16 lands Sacramento River, Yolo County, annual rental \$150; item
17 (f) Pacific Gas and Electric Company -- four tower-line
18 right-of-way easements: (1) 0.99 acre submerged lands of
19 Ravenswood Slough, annual rental \$45.87; (2) 1.38 acre sub-
20 merged lands of Steinberger Slough, annual rental \$264.93;
21 (3) 2.07 acres tide and submerged lands of Belmont Slough,
22 annual rental \$397.40; (4) 2.30 acres tide and submerged lands
23 of Redwood Creek, annual rental \$106.58.

24 GOV. ANDERSON: May I ask a question on these?
25 Mr. Hortig, when do they start to plan construction on these
26 towers?

1 MR. HORTIG: Various times, Governor Anderson.
2 These are in connection with the distribution system from the
3 Ravenswood substation, which will be fed, at least in part,
4 from the across-bay transmission line immediately south of
5 the Dumbarton Bridge and which will be the subject of a supple-
6 mental item to be presented to the Commission this morning.
7 Actually, each of these crossings is already existent -- the
8 new easement will permit, in fact, not the establishment of
9 a new transmission line at a new location, but a third line
10 paralleling the two existing lines.

11 GOV. ANDERSON: Would the construction of these
12 start, say, within the next year or two?

13 MR. HORTIG: The representative of the Pacific Gas
14 and Electric Company is here this morning in the audience,
15 Mr. Anderson, and probably could give us specific data on this
16 right now. Mr. Gordon Tandy.

17 GOV. ANDERSON: Mr. Gordon Tandy. Did you hear my
18 inquiry as to when the construction will start on these?

19 MR. TANDY: Yes, sir -- immediately.

20 GOV. ANDERSON: Immediately; in other words by that
21 you mean within the next year or two?

22 MR. TANDY: Yes, sir.

23 GOV. ANDERSON: Well, then -- my only concern,
24 Frank, is that I find more and more concern throughout the
25 State over some of this planning for the future and for some
26 controls over things that might affect the esthetics and things

1 in certain areas; that there seems to be a concern developing.
 2 My fear was that maybe there were rights-of-way being applied
 3 for, for five or ten years in the future, with the thought in
 4 mind that things were going to be tougher five or ten years
 5 from now, so "let's get them now."

6 My feeling would be that at any time you have an
 7 application, if it is not for immediate construction, that we
 8 look into it because it might be tougher later. I am thinking
 9 of anything that might be interfering with planning.....

10 MR. HORTIG: We certainly can report in connection
 11 with easement applications, Governor Anderson. There is, of
 12 course the element of long range planning necessary for particu-
 13 larly large utility distribution systems, where at times for a
 14 total program to be ultimately developed and expanded to capac-
 15 ity it is necessary to acquire rights-of-way in advance, in
 16 order to know you are going to be able to get into an area
 17 with the expansion of the system at the time you are ready to
 18 go in there.

19 In this particular instance, even though there might
 20 be a delayed program of one, two, three, four years hence,
 21 specifically every one of these easements has been reviewed for
 22 use planning with the San Mateo Planning Commission, with the
 23 U. S. Army Corps of Engineers, and now with the State Lands
 24 Commission, in order to assure their integration in the
 25 planning and that it is not simply a speculative situation
 26 such as you suggested might be injected some time on other

1 easement applications. We will certainly call this to the
2 attention of the Commission if we ever think such is the case
3 in connection with easement applications.

4 MR. CRANSTON: Item (g) - - Thank you very much - -
5 Pauley Petroleum, Inc. -- Assignment to Humble Oil and Refining
6 Company of interest in Oil and Gas Lease P.R.C. 2207.1, Santa
7 Barbara County; item (h) Signal Oil and Gas Company -- six-
8 month permit from 8/1/62 through 1/31/63

9 MR. HORTIG: Mr. Chairman, in connection with item
10 (h) and the application of Signal Oil and Gas Company, in
11 view of the receipt of protests from the County of Humboldt
12 and Senator Christensen of Senatorial District Number 2,³ Signal
13 Oil and Gas Company has submitted an amendment to the area pro-
14 posed to be covered by their exploration permit to exclude
15 Del Norte and Humboldt counties.

16 Therefore, the staff recommendation is amended to
17 cover all area applied for with the exception of Del Norte and
18 Humboldt counties. Senator Christensen and the county offi-
19 cials of the County of Humboldt have been informed that this
20 would be the revised recommendation of the staff.

21 MR. CRANSTON: The matter will be before us as
22 amended. Item (h) Signal Oil and Gas Company -- Six-month
23 permit from 8/1/62 through 1/31/63 for geophysical exploration
24 operations on tide and submerged lands lying between the
25 northern boundary and southern boundary of State of California,
26 excluding San Francisco Bay and other inland waters draining

1 therein; item (i), Lindsey H. Spight, d.b.a. Diablo Communica-
 2 tions Center -- Approval of sublease to Readymix Concrete Co.,
 3 Ltd., d.b.a. Readymix Trucking, under Lease P.R.C. 2364.2,
 4 Contra Costa County, for portion of site for installation,
 5 maintenance and operation of a mobile repeater transmitter and
 6 receiver; item (j) Southern California Gas Company and Southern
 7 Counties Gas Company of California -- rescission of Commission
 8 action of 5/25/61 authorizing Easement P.R.C. 2740.2, and issu-
 9 ance of new 49-year easement in lieu thereof, 6.494 acres
 10 vacant State school land, San Bernardino County, annual rental
 11 \$602.70, for gas pipe lines.

12 That concludes Item Classification 3 and before us
 13 for action are all actions excluding (c), which has gone over
 14 to the next meeting; and (h) as amended.

15 GOV. ANDERSON: I so move.

16 MR. LUEVANO: Second.

17 MR. CRANSTON: Approval is moved, seconded, and made
 18 unanimously.

19 Item Classification 4 -- Land Items: Sales, selec-
 20 tions, et cetera. All land sale items here presented have
 21 been reviewed by all State agencies having a land acquisition
 22 program and, unless otherwise indicated, no interest has been
 23 reported by those agencies in any of the lands proposed for
 24 sale.

25 Item (a): Sale of vacant State school land --
 26 Applicant Viola Dorothy Russ McBride, appraised value

1 \$239,551.26, bid \$247,345; (b) -- Selection of vacant Federal
2 lands on behalf of the State. Applicants do not desire to
3 proceed with acquisition of the lands. (1) 162.40 acres in
4 Kern County, pursuant to application of Byron Elmo Taylor.

5 That concludes Item Classification 4.

6 GOV. ANDERSON: I will move it.

7 MR. LUEVANO: Second.

8 MR. CRANSTON: Approval is moved, seconded, made
9 unanimately.

10 Item 5 -- Authorization for Executive Officer to
11 inform City Council of City of Redondo Beach that the Commis-
12 sion interposes no objection to adoption of City of Redondo
13 Beach Ordinance No. 1766 to permit amendment of existent lease
14 with Signal Oil and Gas Company and Reserve Oil and Gas Company
15 to provide for basic eighteen percent royalty or fifty percent
16 of net profits, whichever is greater, and for elimination of
17 minimum annual rental.

18 MR. HORTIG: Mr. Chairman, Governor Anderson, and
19 Mr. Luevano, by statutes of 1959 the Legislature prescribed
20 certain approval requirements and supervisory responsibilities
21 of the State Lands Commission to relate to the development of
22 oil and gas leases on granted tide and submerged lands. In
23 1955, the City of Redondo Beach entered into a development
24 lease for the development of production of oil and gas from
25 tide and submerged lands which had been previously granted by
26 the State of California to the City of Redondo Beach under

1 the trust conditions for harbors, commerce and navigation.

2 While the 1959 enactment of the statutes followed
3 the lease by the City of Redondo Beach by four years, in
4 view of the fact that the lands on which this lease was issued
5 were granted in trust and the trust conditions are still under
6 the control of the Legislature, there is a question as to
7 whether the requirement for approval of an amendment to a
8 lease of this date is actually required by the State Lands Com-
9 mission. On the other hand, there may be because of the reten-
10 tion of complete control over these granted tidelands by the
11 Legislature of California, as was set forth in the case of
12 Mallon versus City of Long Beach, on which the Attorney
13 General's representative can report to you further, if this
14 is desired.

15 Under the circumstances, and the staff having re-
16 viewed the proposed bases for amendment and found them to be
17 equitable and proper -- and these are also predicated on
18 recommendation of an independent consulting firm that was re-
19 tained by the City of Redondo Beach to evaluate the proposed
20 amendment -- it was felt that the most certain procedure, in
21 view of the acceptability of the proposed amendment, was to
22 request the Lands Commission to state and report to the City
23 nonobjection to the adoption by the City of Redondo Beach, to
24 whatever extent the statutes may apply.

25 GOV. ANDERSON: If the statute would not apply,
26 there would still be a question of whether we had jurisdiction

1 or not?

2 MR. HORTIG: Not only that -- whether or not the
3 City of Redondo Beach had a valid amendment and a necessary
4 amendment to the lease.

5 GOV. ANDERSON: A question both ways?

6 MR. HORTIG: Right -- all of which questions are
7 eliminated by an affirmative action.

8 GOV. ANDERSON: I see we have the City Manager of
9 the City of Redondo Beach, Mr. Hopkins, with us. Perhaps he
10 would like to say something, or at least be identified.

11 MR. HOPKINS: Thank you. Mr. Chairman, gentlemen,
12 I think Mr. Hortig has explained it very satisfactorily. It
13 was just a case where oil production from this area of tide-
14 lands wasn't as great as originally anticipated, and out of
15 economic necessity it was necessary to draw a new agreement
16 or amend the lease to provide for an equitable share to the
17 City and to the operator; and this was done. We had it re-
18 viewed by recognized consultants and received good advice in
19 doing so, and we think it to be fair to everyone that it
20 should come before the Commission so there will not be any
21 questions left unanswered. Thank you.

22 MR. HORTIG: Governor Anderson, might I suggest that
23 with Deputy Shavelson here and with his file open to the point
24 of the specific ambiguity that brings this situation before
25 the Commission, a report on that matter might be of interest
26 and of essential information to the Commission.

1 MR. SHAVELSON: It is on rather a small point of
2 statutory interpretation, in that the statutes enacted in 1959
3 thoroughly applied both to original leases and to amendments,
4 but the section that refers to amendments is the new Section
5 7060, subsection (b) of the Public Resources Code, which says
6 that "no city shall consent to the modification or amendment
7 of any 'such' lease...." (There is the word "such" there)
8 "... without the advance consent of the State Lands Commission
9 to such modification or amendment."

10 Now, in referring back to "such lease" the descrip-
11 tion is of leases entered into after the effective date of the
12 statute. This particular lease was entered into prior to
13 the effective date of the statute.

14 I think you could argue it either way: That the
15 literal language of the statute would seem to state that Com-
16 mission approval is only required as to amendment of leases
17 executed after 1959; but the intention of the statute, you
18 could also argue, would be better carried out if it had all of
19 the prospective applications, which would include amendments
20 of any lease no matter when it was executed.

21 So that is the point involved, and it is our opinion
22 that certainly, since there is no dispute between us and the
23 City as to the desirability of this, they are certainly entitled
24 to Lands Commission approval just to clear up any possible
25 doubt -- although we are not altogether certain it is required.

26 GOV. ANDERSON: I move approval.

1 MR. LUEVANO: Second.

2 MR. CRANSTON: Approval is moved, seconded and
3 made unanimously.

4 ITEM 6 -- Determination that land of Reclamation
5 District No. 1004, Colusa County, should be exempt from com-
6 petitive public bidding procedure for a proposed oil and gas
7 lease, and authority for Executive Officer to so inform the
8 District.

9 Frank, do you want to explain that?

10 MR. HORTIG: Yes, Mr. Chairman. Under the sections
11 of the Public Resources Code which authorize counties and
12 special districts to lease their lands for oil and gas, all
13 such public agencies and quasi-public agencies are required
14 by statute to issue leases only pursuant to competitive public
15 bidding, with one possible exception -- where they have parcels
16 of land of such small size, peculiar conditions or with other
17 surface problems that no useful purpose is served (and, indeed,
18 it could be detrimental to require competitive public bidding
19 because no bids in all probability would be received because
20 of the peculiar restrictions applicable to the particular
21 parcel of land.)

22 The saving clause in this requirement is that under
23 such circumstances the agency involved may apply to the State
24 Lands Commission for a review and determination of whether
25 the parcel should be approved for lease disposition, exempt
26 from the requirements of public bidding.

1 An application was made by Reclamation District No.
 2 1004, Colusa County -- and the parcel containing approximately
 3 eleven acres in a gas area where the minimum acreage to sup-
 4 port one gas well is approximately 160 acres, and also due to
 5 the configuration of the parcel and its general location with
 6 respect to the probability of production, it is recommended
 7 that the Commission grant the Reclamation District the exemp-
 8 tion from the competitive public bidding procedure in the
 9 leasing of this parcel.

10 MR. CRANSTON: Any questions?

11 GOV. ANDERSON: I'll move it.

12 MR. LUEVANO: Second.

13 MR. CRANSTON: Approval is moved, seconded; approved
 14 unanimously.

15 Item 7 -- Authorization for Executive Officer to
 16 approve and have recorded Sheet 1 of 1 of map entitled
 17 "Boundary of State Submerged Lands, Vicinity of Elliot Cove,
 18 Solano County, California," dated 5 April 1962; and to execute
 19 agreement with upland owners fixing common boundary line along
 20 Carquinez Strait between State submerged lands and certain
 21 private lands.

22 MR. HORTIG: The Commission will recall, Mr. Chair-
 23 man, in the last two preceding meetings of having approved
 24 similar agreements for adjoining parcels of land along the
 25 shore of Carquinez Strait. This is part of the continuing
 26 program on the part of the upland landowners and the Lands

1 Division to secure a complete, accurate, definitive, and
2 authoritative delineation of boundaries between State lands
3 and privately owned lands.

4 MR. LUEVANO: I'll move it.

5 GOV. ANDERSON: Second.

6 MR. CRANSTON: Moved and seconded, approved unani-
7 mously.

8 Item 8

9 MR. HORTIG: Mr. Chairman, this item was considered
10 by the Commission at a meeting a week ago today and should be
11 stricken from the agenda.

12 MR. CRANSTON: Item 9 -- Confirmation of transactions
13 consummated by the Executive Officer pursuant to authority
14 confirmed by the Commission at its meeting on October 5, 1959.

15 MR. HORTIG: These actions, Mr. Chairman, consti-
16 tuted the granting of extension of time for geophysical and
17 geological surveys under permits previously authorized by the
18 State Lands Commission; and it is recommended that the Commis-
19 sion confirm those actions, taken by the Executive Officer
20 under the delegation of authority.

21 GOV. ANDERSON: Move approval.

22 MR. LUEVANO: Second.

23 MR. CRANSTON: Approval is confirmed unanimously.

24 Item 10 -- Informative only, no Commission action
25 required. Report on status of major litigation.

26 MR. HORTIG: Mr. Chairman, there has been no

1 modification as to the substance and the timing, but the re-
2 port is included here for the Commission, so the Commission
3 may know the current status; and continuing to be of primary
4 interest to the Commission, of course, is the fact that initial
5 proceedings on certain phases of the case U. S. versus Anchor
6 Oil Corporation, the Long Beach subsidence litigation filed
7 by the United States Government naming numerous defendants
8 including the State of California and the City of Long Beach,
9 are now scheduled for the first week in October in the Federal
10 Court.

11 MR. CRANSTON: No action required on that. Do we
12 have supplemental items?

13 MR. HORTIG: Yes, sir.

14 MR. CRANSTON: Supplemental Item 24 -- Application
15 for easement lease for a tower line crossing of San Francisco
16 Bay parallel to Dumbarton Bridge, San Mateo County; Pacific
17 Gas and Electric Company -- W.O. 3994, P.R.C. 2909.1. Frank?

18 MR. HORTIG: Mr. Chairman, at the last meeting of
19 the Lands Commission, the application for an easement lease
20 for twin power lines on San Francisco Bay parallel to Dumbarton
21 Bridge was considered by the Commission. No action was taken
22 but a directive was given to staff and to Mr. Sieroty, on
23 behalf of Lieutenant Governor Anderson in connection with the
24 interests of the Toll Bridge Crossing Authority interests in
25 connection with the location of this proposed line, that a
26 conference be held with all agencies interested and, in

1 particular, the consulting architect to the Toll Bridge
 2 Authority, as well as the chief engineer of the Toll Bridge
 3 Authority. This conference was held, at which time an alterna-
 4 tive program was developed to provide for issuance of an ease-
 5 ment for a single crossing line at this time, to be located
 6 northerly of Dumbarton Bridge, if an area for this could be
 7 selected that was satisfactory to the Toll Bridge Authority.

8 Such an area was selected satisfactory to the Toll
 9 Bridge Authority and on that basis, then, again under delega-
 10 tion of authority, I issued the easement on July 20, 1962 for
 11 the purpose of just one line, and it is now recommended that
 12 the Commission confirm this action.

13 MR. LUEVANO: I'll move.

14 MR. STEROTY: I think it should be pointed out for
 15 the record that we held a conference at which representatives
 16 of the Pacific Gas and Electric Company, State Lands Division,
 17 and representatives of all the Commissioners were present, and
 18 the architect, and Mr. Raab of the Toll Bridge Authority; and
 19 we discussed this at some length and the over-all problems,
 20 and I think the representatives of the Commissioners were
 21 satisfied as to the outcome.

22 GOV. ANDERSON: I'll second it.

23 MR. CRANSTON: Approval of the action already taken
 24 is moved, seconded and made unanimously.

25 We come to Supplemental Calendar Item 25 -- Considera-
 26 tion of Oil and Gas Lease offer, Section 6871.3 of the Public

1 Resources Code -- W.O. 4290.

2 MR. HORTIG: Mr. Chairman, in the short form --
3 After having published notice of intention required by statute
4 and as directed by the Commission precedent to considering
5 offering oil and gas leases on tide and submerged lands in
6 Orange County, requisite notices were published, distributed
7 to all interested parties -- which provided that within thirty
8 days from and after March 22, 1962 any affected city or county
9 may request in writing to the State Lands Commission that a
10 hearing be held with respect to the offering of leases.

11 The only response received by the Commission pursu-
12 ant to this notice was a copy of a Minute Entry from the
13 Board of Supervisors of Orange County that the notice had been
14 received and filed.

15 The City of Huntington Beach has now, at this late
16 date, reported that -- and I quote from the City's letter:
17 "The City has not heretofore requested that any public hearing
18 be held in this connection. However, it is now the opinion
19 that it is advisable that a public hearing be held before such
20 lands are offered so that the people of Huntington Beach and
21 the surrounding areas may be better informed as to what may be
22 physically involved on a long range basis. It is recognizable
23 that this request may be somewhat tardy and we respectfully
24 request that you consider it and let us know of your decision."

25 In view of this request by the City of Huntington
26 Beach, it is recommended that the Commission authorize the

1 Executive Officer to conduct a public review at Huntington
2 Beach, Orange County, of proposed oil and gas lease terms and
3 conditions, the record of this review to be reported to the
4 Commission prior to the determination by the Commission as to
5 the specific lease form to be utilized in any oil and gas
6 offer, pursuant to the Public Resources Code, in Orange County
7 on tide and submerged lands lying between the northerly city
8 limits of the City of Newport Beach and the easterly boundary
9 of the City of Long Beach.

10 Parenthetically, these limits are the limits
11 originally authorized for consideration by the Commission.

12 GOV. ANDERSON: I'll move it.

13 MR. LUEVANO: Second.

14 MR. CRANSTON: Approval is moved, seconded, made
15 unanimously.

16 Final supplemental Calendar Item 26 -- Informative:
17 Status of proposal and recommendations for a land management
18 and sales program for all public lands other than sovereign --
19 W. O. 3590.

20 MR. HORTIG: Mr. Chairman, the Commissioners will
21 recall the public session on consideration of a land manage-
22 ment and sales program which was held June 27, 1962 at Sacra-
23 mento. Approximately twenty days prior to the holding of
24 that session, each California legislator received a copy of
25 the staff report and copies of prior agenda items considered
26 by the Commission which were to be reviewed at that public

1 review; and, as the Commissioners will recall, there was no
2 attendance or presentation at the review on June 27th by any
3 legislator.

4 However, on June 28th, the following day, and the
5 last day of the special session which ran also the preceding
6 date concurrently with this review period by the Commission,
7 Senate Resolution 22 was adopted -- resolving that no action
8 be taken by the State Lands Commission to adopt or otherwise
9 effectuate the recommendation until the proposed program has
10 been reviewed by a Senate committee and a report has been
11 filed thereon with the State Lands Commission.

12 This Senate Resolution 22 has been referred by
13 Senate rules to the Senate Judiciary Committee, of which
14 Senator Edwin Regan is chairman. Upon inquiry to Senator
15 Regan, I was informed that the review requested by the reso-
16 lution has not yet been scheduled.

17 It would be the policy or the program of the staff,
18 unless otherwise directed by the Commission, to seek an early
19 Senate committee review in order to minimize the delay time
20 in effectuating the Commission's adoption of a land manage-
21 ment program.

22 MR. CRANSTON: You received no clues as to when
23 they might reasonably be expected to meet?

24 MR. HORTIG: No, sir. I have a tentative meeting
25 with Senator Regan to discuss that point.

26 MR. CRANSTON: (First portion of remark inaudible)

1 What is agreeable to all you people?

2 MR. MORTIG: We have a meeting date determination
3 to change, Mr. Chairman. It is the same date and different
4 place. If I might explain, Mr. Chairman - - Prior schedul-
5 ing had suggested or established a date, time and place of
6 the next Commission meeting as Thursday, August 23, 1962, at
7 10 a.m. in Sacramento. Two Commissioners -- two other than
8 you, Governor Anderson -- have now reported a preference and
9 indeed a need for a rescheduling in order to permit attend-
10 ance -- preferably for the same day, Thursday, August 23,
11 1962, but at Los Angeles and for 3 p.m.

12 GOV. ANDERSON: Well, I can't say. I had assumed
13 it was all right when I saw the agenda here, and I did not
14 bring my calendar with me. I think the best thing to do is
15 to adopt whichever one you want -- if you want it at three
16 o'clock in Los Angeles, although I do not know why you don't
17 like Sacramento -- and if I don't, I will so inform you.

18 MR. CRANSTON: We will consider that a motion that
19 we will meet here at 3 p.m. August 23rd, subject to confirma-
20 tion.

21 MR. LUEVANO: Second.

22 MR. CRANSTON: Moved, seconded, passed unanimously.
23 Is there any further business?

24 GOV. ANDERSON: I'd like to make a little report
25 before we adjourn, and probably should have made this report
26 while I was still chairman.

1 Some three or four weeks, maybe about two months
2 ago, a politician (whose name escapes me) reported that we
3 weren't doing so good in the State Lands Commission and so I
4 asked Mr. Hortig to give me a breakdown of what our revenues
5 had been in the past year as compared with our optimum budget
6 what we had hoped to raise; and so he has given me this, which
7 is for the year 1961-62, ending June 30th.

8 I thought you might like to know we had hoped to
9 reach an estimated goal in oil and gas lease royalties of
10 ten million dollars and we actually brought in eleven and a
11 quarter million, in excess of a million and a quarter.

12 In oil and gas lease bonuses, we hoped to have
13 \$6,300,000; we got \$6,655,000, again over our optimum goal.

14 In royalties other than oil and gas, we almost
15 reached our minimum goal with \$68,268; in our miscellaneous
16 rentals and charges, we hoped to reach \$204,000 -- we took
17 in \$290,297, almost 90,000 over our goal.

18 So for this one-year period, our estimated budget
19 amount was \$16,574,000; we actually took in \$18,280,847, or a
20 plus of \$1,706,000; and, actually, I wouldn't have asked you
21 for this, Frank, if this man hadn't raised the point. I
22 didn't realize we had done so much better than we expected;
23 but in view of this, I think we ought to let the press know
24 that in the past year we overshot our goal by almost two
25 million dollars. I wanted to make that report. Thank you.

26 MR. CRANSTON: Thank you very much, Glenn.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Is there anything more to come before the Lands Commission? (No response) If not, we stand adjourned, presumably to meet in Los Angeles at the time indicated.

ADJOURNED 10:47 a.m.

CERTIFICATE OF REPORTER

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

I, LOUISE H. LILLICO, reporter for the Office of Administrative Procedure, hereby certify that the foregoing twenty-one 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 Los Angeles, California, on July 26, 1962.

Dated: Los Angeles, California, July 26, 1962.

Louise H. Lillico
