TRANSCRIPT OF
MEETING
of

STATE LANDS COMMISSION

SACRAMENTO, CALIFORNIA

October 25, 1962

PARTICIPANTS:

STATE LANDS COMMISSION:

Hon. Alan Cranston, Controller, Chairman

Hon. Glenn M. Anderson, Lieutenant Governor

Hon. Daniel M. Luevano, Chief Deputy Director of Finance, appearing for Hon. Hale Champion, Director of Finance

Mr. F. J. Hortig, Executive Officer

APPEARANCES:

Mr. Gerald Desmond, City Attorney, City of Long Beach

Mr. William E. Gardner, Humble Oil & Refining Company

I N D E X

(In accordance with Calendar Summary)

ITEM CLASSIFICATION	ITEM ON CALENDAR	PAGE OF CALENDAR	PAGE OF TRANSCRIPT
2 Confirmation of minutes meeting July 26, 1962			1
3 PERMITS, EASEMENTS, RIGHTS-WAY, NO FEE			
(a) State of Calif. Div. of Highways	9	1	1
(b) " "	3	2	1
(c) Pacif. Tel. & Tel. Co.	10	3	1
(d) U.S.Army Corps of Eng.	6	4	1
4 PERMITS, EASEMENTS, LEASES, RIGHTS-OF-WAY, FEE			
(a) Harriet L. Morgan	15	5	2
(b) Pacif.Gas & Elec. Co.	1	6	2
(c) Phillips Petroleum Co.	2	7	2
(d) Rancho Palos Verdes Corp. & Capital Co.	7	8	4
5 CITY OF LONG BEACH			
Approvals for portions of shoreline develop ment betw. E. A. River and Alamitos Ave	8	9	5
6 LAND ITEMS -			
(a) Selection vacant Federal land:			
(1) 640 ac. San Bernardino County (applic. Geo. McInerby)	5	12	7
(2) 640 ac. S.Bernardino Cy. some applic.as shown	4	13	7

continued

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

ITEM CLASSIFICATION		ITEM ON CALENDAR	PAGE OF CALENDAR	PAGE OF TRANSCRIPT
7	APPROVAL OF MAPS OF GRANTS			
	(a) Plat - City Imperial Beach, Chapter 330, Stat. 61	12	14	8
	(b) Plat Grant to County of Orange, Chapter 320, Statutoes '61	16	15	8
8	Assignment of partial interests PRC 2287.1 to University Benefit Assn. Inc. and assignment concurrently of working interest from Univ. Ben. Assn. to Humble Oil & Refining	17	16	9
9	Authorization for approval of claim Lee O. Peachey, Dan and Lynda Haight under Lease PRC 792.1, etc.	13	18	14
10	Acceptance of bid and award of Lease PRC 2933.1, Parcel 9A, Santa Barbara County	14	19	15
11	Confirmation of transactions of Executive Officer:			
	Richfield Oil Corp.			
	Texaco Inc.	11	21	16
12	INFORMATIVE ONLY			
	(a) Major Litigation	18	22	16
13	NEXT MEETING			19
14	Application Allied Properties for construction, etc. of 20 mooring areas	19	24	17

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(In accordance with Calendar Item Numbers)

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NEXT MEETING		19

MR. CRANSTON: The meeting will please come to order. First item is confirmation of minutes of meeting of July 26, 1962.

MR. LUEVANO: I move confirmation.

GOV. ANDERSON: Second.

MR. CRANSTON: Confirmation moved, seconded, adopted unanimously. Classification 3 -- Permits, easements, and rights-of-way to be granted to public and other agencies at no fee, pursuant to statute:

Applicant (a) State of California, Division of Highways -- Right-of-way easement, 1.6 acres submerged lands of Feather River, Butte County, for protection, construction and use of State Highway Route III But-21-B, Ovl.

(b) State of California, Division of Highways -- Amendment of right-of-way easement P.R.C. 402.9, submerged lands of Carquinez Strait, Contra Costa and Solano counties, to add 3.03 acres, previously omitted pending determination of State interest. Permit to be issued subject to right of Northern Railway Company and successors in interest to use certain lands.

(c) Pacific Telephone and Telegraph Company -- Agreement, pursuant to Section 7901, P.U.C., and Attorney General's Opinion No. 52/56, for telephone cable and appurtenances over 0.50 acre tide and submerged lands of Hudson Slough, Sonoma County.

(d) U. S. Army Corps of Engineers -- one-year permit

4 APD

to make test borings on 136.23 acres school lands in Inyo County. Borings to analyze soil characteristics; Commission to be furnished copy of test report.

That concludes Item Classification 3. Motion is in order.

GOV. ANDERSON: I'll move it.

MR. LUEVANO: Second it.

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

Item 4 -- Permits, easements, leases and rights-of-way issued pursuant to statutes and established rental policies of the Commission:

Applicant (a) Harriet L. Horgan -- Fifteen-year lease, 0.20 acre tide and submerged lands of Sacramento River at City of Courtland, Sacramento County, for floating dock and appurtenant structures for small boats; $1,000 site clearance bond to be furnished.

Item (b) P. G. and E. -- 49-year right-of-way easement, 0.053 acre submerged lands of San Joaquin River, San Joaquin County, for construction and maintenance of gas-line crossing, total rental $147.50.

Item (c) Phillips Petroleum Company -- Deferment of drilling requirements under Oil and Gas Lease P.R.C. 2287.1 through June 21, 1963 to interpret and evaluate geological and geophysical data, and to study and determine reservoir performance prior to further development drilling.

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GOV. ANDERSON: Could we have that explained for the record?

MR. MORRIS: Yes, Governor Anderson. The specific lease for which deferment of drilling and operating requirements is sought is one that has been developed in advance of the minimum time schedule required by the lease. Both exploratory and production wells have been developed on the lease and further development requires additional pipeline facilities to carry the gas from the area -- a gas line, which you will recall, is currently under construction and may be in operation in another ninety or one hundred twenty days. In place of being able to deliver gas to the gas pipeline at the present time, the Phillips Petroleum Company is returning gas to the well after producing it.

The advance developments over the minimum schedule carried out by Phillips Petroleum have produced large quantities of data, which ought to be analyzed in order to program any additional wells to be drilled in the area. Therefore, it is recommended that opportunity be given for such analysis particularly for the reason that during that time pipelines will be completed and thereafter the lease can be operated at its proper design capacity determined by the data analyzed during the deferment period.

GOV. ANDERSON: This is an approximate six-month period?

MR. MORRIS: It is a six-month period.

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MR. CRANSTON: Item (d) Rancho Palos Verdes Corporation and Capital Company -- ten-year renewal of Lease P.R.C. 322.1, 0.55 acre tide and submerged lands of Portuguese Bend, Los Angeles County, for pier and appurtenant facilities, annual rental $150.

A motion is in order on Item Classification 4.

GOV. ANDERSON: What is that last pier used for?

MR. HORTIG: It is the pier, Governor, you may recall, at the base of the area in Portuguese Bend that suffered the land slide damage and was originally erected for the benefit of the residents of the area. The future program of rehabilitation of the area will probably depend in part on the outcome of litigation which the landowners have with the County of Los Angeles, on which there has been a court decision but on which the County Counsel has announced an appeal will be taken. So, in the interim, it is the desire of the landowners to continue to lease the area on which the pier is constructed, even though the pier does not now receive any use.

GOV. ANDERSON: What was it ....

MR. HORTIG: It was purely a recreational pier.

GOV. ANDERSON: I'll move it.

MR. LUEVANO: Second.

MR. CRANSTON: Approval of Item Classification 4 is moved, seconded and so ordered unanimously..

MR. CRANSTON: (continuing) Item 5 -- City of Long Beach approvals required pursuant to Chapter 29/56, 1st E.S. Approval in principle of use of City's portion of tideland oil revenues to defray estimated costs of $16,052,000 for portions of City of Long Beach shoreline development projects between Los Angeles River and Alamitos Avenue, further detailed as: The basic site for the Maritime Museum (I will not give the separate item amounts, but what they add to), right-of-way acquisition, roadway construction, utilities, parking lots, landscaping and sprinkler systems, Maritime Museum (as distinguished from basic site), auditorium approach, Rainbow Lagoon for a total of $16,052,000.

There is a note on the right-of-way acquisition: "Approval for specific expenditure of not to exceed $2,045,000 for right-of-way acquisition and not to exceed $300,000 for preliminary engineering, etc."

MR. HORTIG: Mr. Chairman, if the Commissioners will refer to page 11 of the agenda and the proposed form of resolution, in addition to the resolution as set forth to authorize the expenditures you have already read of not more than $2,045,000 for right-of-way acquisition and not more than $300,000, both from the City's share of tideland revenues, for engineering site investigations, design, contract administration and advertising, and similar preconstruction work -- in conformance with the reported opinion of the Office of the Attorney General, which you also have before you, it is also

recommended that the authorization for expenditure of not more than $2,045,000 for right-of-way acquisition be subject to the condition that if any substantial direct benefit should accrue to upland areas from the projects constructed on the acquired right-of-way, an appropriate apportionment of costs between tidelands and general municipal funds will then be required.

GOV. ANDERSON: Could I ask a couple questions? I notice in the agenda, from your preliminary agenda to the final, you added the words "approval in principle." Then you are specific in these amounts of the expenditure of $2,045,000 for right-of-way and $300,000 for preliminary engineering. Does this imply that these other figures are general, but not specific?

MR. HORTIG: This is correct, Governor, to the extent, as noted in the text, that with respect to phases of the project that are approved in principle, it will be necessary for the City of Long Beach to prepare particular construction plans and submit these for later approval of the Lands Commission.

GOV. ANDERSON: So of these sixteen-million-plus figures, the only two that are specific on this motion are these two at the bottom of the page of $2,045,000 and $300,000?

MR. HORTIG: That is correct, sir.

MR. [illegible]: Motion is in order.

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GOV. ANDERSON: I'll so move.

MR. LUEVANO: Second.

MR. CRANSTON: Approval is moved, seconded, and made unanimously. Mr. Gerald Desmond.

MR. DESMOND: Mr. Chairman, members of the Commission, I did want to say that we are very appreciative of the additional time given by the staff, by Mr. Hortig and his staff, and the Attorney General's Office, Mr. Howard Goldin and Mr. Jay Shavelson. We realize this is of tremendous importance to the City of Long Beach.

Councilman Ray Kealer, Chairman of our Oil Committee, is present and I express his appreciation also, together with City Manager John Mansell and others. We are very appreciative of your work on these items and others on which we know you are working closely with us and on which we may expect action.

MR. CRANSTON: Item 6 -- Land Items, sales, selections, etcetera. All land-sale items here presented have been reviewed by all State agencies having a land acquisition program and no interest has been reported by those agencies in any of the lands proposed for sale:

(a) Selection of vacant Federal lands on behalf of the State; applicants do not desire to proceed with acquisition of the lands: (1) 640 acres in San Bernardino County (pursuant to application of George McCarthy); (2) 640 acres in San Bernardino County, likewise pursuant to application

of George McCarthy.

GOV. ANDERSON: I'll move.

MR. CRANSTON: Approval is moved ....

MR. LUEVANO: Second.

MR. CRANSTON: ... seconded, made unanimously.

Item 7 -- Approval of maps of grants: (a) Authorization for Executive Officer to approve and have recorded Sheets 1 through 6 of 6 of maps entitled "Plat of the Grant to the City of Imperial Beach, Chapter 330, Statutes of 1961, Vicinity of Imperial Beach, San Diego County, California," dated February 1962; (b) Authorization for Executive Officer to approve and have recorded Sheets 1 through 3 of 3 of maps entitled "Plat of the Grant to the County of Orange, Chapter 320, Statutes of 1961, Vicinity of Dana Cove, Orange County, California," dated February 1962.

GOV. ANDERSON: This latter one, is this in any way related to the annexation problems along that beach there that we had a while back?

MR. HORTIG: No, sir. These are independent items, in that the plats here prepared by the State Lands Commission under service contract with the County of Orange were required by legislative mandate, whereas the proposed annexation is a proposal by municipalities in the area.

GOV. ANDERSON: Are we talking about the same land?

MR. HORTIG: A portion of the same area; but, in any event, whether annexed or not, this is land that was

granted by the Legislature to the County of Orange in the vicinity of Dana Point. As a matter of fact, this was one of the reasons for the objections by the County of Orange to the annexation; but the surveying, mapping, platting, and recording of the grant limits is required by the statutory enactment to establish the legal estate in the grantee. This will result in administrators fifty years from now knowing where grants were located, which we can't tell about grants made fifty years ago.

MR. LUEVANO: I'll move it.

GOV. ANDERSON: Second.

MR. CRANSTON: Moved, seconded, approved unanimously. Item 8-- Consent to (a) assignment of partial interests in P.R.C. 2207.1 (oil and gas lease in Santa Barbara County) from Lawrence M. Arnold; Orwaca Land Company, a corporation; Gilbert C. Swanson, as Trustee under the last will and testament of W. Clarke Swanson; Gilbert C. Swanson; Edward W. Carter; Hale Bros. Associates, Inc., a corporation; Warren H. Crowell; Paul A. Appleby; A. E. Weidman; and Kenneth T. Norris to University Benefit Association, Inc.,; and (b) concurrent assignment of the working interest from University Benefit Association, Inc., to Humble Oil & Refining Company. Such consent is subject to receipt of and review as to legal sufficiency of the resolutions of the respective boards of directors, of executed copy of specific assignments of interest in and assumption of obligations, and of evidence

of compliance with the lease bond requirements by Humble Oil & Refining Company.

MR. HORTIG: Mr. Chairman, one amendment by letter received yesterday afternoon from Humble Oil and Refining Company: It is respectfully requested that the application here being considered be amended by deletion in the text of the words "Gilbert C. Swanson as Trustee under the last will and testament of W. Clarke Swanson" and substitution of the following therefor: "Omaha National Bank and Gilbert C. Swanson, as co-executors under the last will of W. Clarke Swanson, deceased."

Humble Oil & Refining report:

"We regret any inconvenience that may be caused by this request. Unfortunately, we have just recently learned that this interest was not conveyed to the trustee, but it is still held by the Estate of W. Clarke Swanson."

This is, therefore, a technical correction which should be made to the item as here presented.

GOV. ANDERSON: The University Benefit Association -- will you tell me a little about that? Is that a tax-free group?

MR. HORTIG: Whether it is a tax-free group - - we have been informed that it is a nonprofit corporation, incorporated for the purpose of providing revenue benefits for the University of Southern California. Counsel for Humble Oil & Refining Company, who have this application pending, are here

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