1 California.

2 THE CHAIRMAN: Mr. Hortig?

3 MR. HORTIG: The staff position there, the point that
4 Mr. Karshner has made, is that there is not a universal
5 understanding as to what the permits include, and therefore
6 it appears that the only feasible and desirable method for
7 clarification is to have complete review of the legal
8 questions which have been raised by Shell Oil Company, and
9 a presentation to the Lands Commission of any necessary
10 modifications on permits to be issued in the future.

11 THE CHAIRMAN: I think it would be helpful to the
12 Board if we knew of the character or at least the nature of
13 the argument. What is the point, the simple point at issue
14 in this dispute?

15 MR. HORTIG: The central point at issue is simply that
16 the statute requires that the lessee, the permittee, shall
17 make available for inspection all factual and physical
18 exploration results, logs, and records resulting from
19 operations under the permit for the confidential information
20 of the Commission. And permit forms as originally adopted
21 by the Commission included the additional language which
22 Mr. Karshner has suggested for the purposes of this one
23 permit be dropped out, but which is in existing permit, but
24 which may or may not be of any legal effect, inasmuch as
25 this language, the statutory basis for the language was
26 actually amended out of the statutes in 1957; so therefore

we are faced with a legal question, whether these words are applicable in the manner which Shell contends, in that Shell Oil Company has refused the Lands Division access to geologic information, seismic information which has been obtained under existing permit.

THE CHAIRMAN: They have refused it?

MR. HORTIG: Yes, sir.

MR. KARSHNER: Excuse me, I don't believe that's quite true, sir. We have had a request to provide certain data, and we in examining the permits and regulations have it under consideration as to whether we are actually required to do so, in the light of language that appears in the permit itself.

MR. HORTIG: If I may quote --

THE CHAIRMAN: In other words, let me try to get through my point here. You are saying that your real question is, then, whether the information you are being asked for is for the sole purpose described here, for the sole purposes of determining whether the permit lies within the known geologic structure. The question is, you are raising the question in your argument on this point to the staff, as to whether they are asking for that information for this sole purpose, or as to whether this information goes beyond what it would need to know for this sole purpose?

MR. KARSHNER: That is correct.

TR452 1-69 100M SPO

THE CHAIRMAN: Then it would seem to me that your presentation actually does not -- would really leave the Commission, would leave the situation harmless as far as the Commission is concerned. In other words, this is a limiting factor upon the Commission, not upon the company.

Do I follow this right, Mr. Goldin?

MR. GOLDIN: What I was checking, Mr. Champion, was the provisions of the California Administrative Code which embody the rules and regulations of the Commission, and I notice that Title II, Section 2100, subdivision (f) recites -- I am trying to find the specific section. It is subdivision (g) which says "Prior to the issuance of any permit under this section, each prospective permittee is required to accept in writing all terms, conditions, and provisions thereof." And the preceding subdivision (5) says "The Commission reserves the right to inspect and, upon demand by the Commission, the permittee shall make available for such inspection, all factual and physical exploration results, logs, and records resulting from the operations under the permit, for the confidential information of the Commission for the sole purpose of its determining whether the areas or any portion thereof embraced within the permit lie within a known geologic structure of a producing oil or gas field."

MR. HORTIG: May I call your attention, Mr. Goldin, and Commissioners, to the fact that the section which you

39462 1-63 105M SPO

1 read applies to geological survey permits, and we have
2 under discussion a geophysical exploration permit for which
3 there is no comparable or corollary rule and regulation.
4 Again, this highlights the situation, I believe, Mr.
5 Chairman, that we have legal questions as to what the
6 intent.
7 THE CHAIRMAN: Well, I recognize there are legal
8 questions. What I am trying to establish is whether or
9 not there is any jeopardy to the position of the Commission
10 or its staff in proceeding as the representative of Shell
11 has suggested, or whether it is simply a matter of your
12 not wanting to --in other words, if the matter is going to
13 be settled on this other, and it would be settled in the same
14 terms here, are we involved in anything in holding up this
15 permit that enhances or detracts from our legal position,
16 or are we simply delaying it because we don't want to
17 enter another because we haven't got the old one settled,
18 a matter of pressure on the matter.
19 MR. HORTIG: Inasmuch as the amendment, information in
20 amendment was discussed for the first time at approximately
21 9:30 a.m. this morning with Mr. Karshner, we haven't been
22 in position to determine whether or not we would have any
23 additional legal problems as a result of amending one
24 permit for one purpose, while other permits have --
25 continue existence with this identical language and under
26 which we have received -- I must respectfully disagree with

79432 1-62 105M SPD

Mr. Karshner --

THE CHAIRMAN: You said that you don't know whether this would hurt our legal position?

MR. HORTIG: I do not.

THE CHAIRMAN: What is your position? Do you have any further observations on the subject as to whether or not granting the permit under circumstances suggested by Mr. Karshner would in any way hurt the State's legal position?

MR. GOLDIN: Mr. Chairman, I do not know. I am of the opinion that the State has the right to insist upon such disclosure, but I cannot at this time venture an opinion on the specific question which you asked me. I simply do not know.

THE CHAIRMAN: Well, the answer is that certainly the State would be protected.

MR. KARSHNER: That may be true, Mr. Champion. However, the modification that we are asking here conforms with your own requirements.

THE CHAIRMAN: The problem is here, I think, that the staff has not had adequate time to handle this to make certain that our legal position would not in some way be harmed, and in the absence of such a determination I think it would be very hard for the Commission to grant your request. What is the --

GOVERNOR ANDERSON: Why don't we defer it, get together

at the next meeting?

MR. HORTIG: I recommend that.

MR. CRANSTON: I second your motion.

GOVERNOR ANDERSON: Did you get my motion, that it be deferred until the next meeting?

THE CHAIRMAN: That will be the order, then.

MR. KARSHNER: Thank you for your time.

THE CHAIRMAN: Thank you.

Item 5, selection of vacant federal lands, all in San Bernardino County, for the benefit of the State, under lieu land applications where applicants decided that they did not wish to proceed with acquisition of the lands.

(a) 100.00 - Charles Joseph Gosselin

(b) 584.07 - George McCarthy

(c) 38.14 - Ralph Gabriel Hurwit

(d) 157.81 - Nathan A. Bertram

What is the pleasure of the Committee?

GOVERNOR ANDERSON: I move approval.

MR. CRANSTON: Second.

THE CHAIRMAN: Stand approved.

Item 6, rejection of application filed by Delbert J. Sargent to acquire 130.125 acres Federal land in Imperial County; approval for return of all deposits to the applicant except filing fees; authorization for withdrawal of Exchange Application No. 65, Serial No. 0133945, filed with the U.S. Bureau of Land Management.

72432 1-63 100M SPO

1 Lands in question being acquired by County of Imperial
2 directly from U. S. Bureau of Land Management; that agency
3 suggested that State withdraw its exchange application in
4 order that the lands involved might be transferred to County
5 of Imperial.
6 Do we have some appearances on this matter?
7 MR. HORTIG: Yes, Mr. Chairman, both on behalf of
8 the State's applicant, Mr. Delbert J. Sargent, and for the
9 County Council and Board of Supervisors of the County of
10 Imperial.
11 THE CHAIRMAN: Do you have any staff comments to offer
12 before these presentations?
13 MR. HORTIG: A brief summary as to the subject matter
14 of the discussion. The State filed with the Department
15 of Interior, Bureau of Land Management, an application
16 at the request of Mr. Delbert J. Sargent to secure 130
17 acres of Federal land in approximately 1955, 1956.
18 Actually this was a second application under different
19 procedures as required by the Bureau of Land Management,
20 the first application having been filed approximately in
21 1954.
22 GOVERNOR ANDERSON: Is that Mr. Sargent's first
23 application, '54, some eight years ago?
24 MR. HORTIG: That is correct. Mr. Sargent has a
25 development on the lands pursuant to an original authori-
26 zation by the Bureau of Land Management, a permit or license,

75-43R 1-63 100M SPO

1 and has a development of a tropical fish hatchery in
2 connection with expansion of this development, in order to
3 provide a fee title to himself to provide for financing,
4 requested that these applications be filed in order that
5 he might acquire title to the land.
6 Subsequently the County of Imperial acquired from
7 the Federal Government directly lands adjoining the lands
8 being sought by Mr. Sargent, and subsequent to that
9 acquisition, and as of what date, Mr. Smith, was the purchase
10 application for the remainder of the lands by the County
11 of Imperial?
12 MR. SMITH: 1959.
13 MR. HORTIG: And as of 1959 made direct purchase
14 application on behalf of the County of the remaining lands
15 in the whole section that had not previously been acquired
16 by Imperial County, including those lands being sought by
17 Mr. Sargent since 1954.
18 GOVERNOR ANDERSON: When did the County first get
19 involved?
20 MR. HORTIG: 1959.
21 GOVERNOR ANDERSON: That's their first entry into it?
22 MR. HORTIG: Yes. This matter has been discussed
23 with the Bureau of Land Management, who have stated that in
24 view of pending exchange application by the State, that all
25 conditions of exchange applications under Section 8 of the
26 Taylor Grazing Act be met. The Bureau of Land Management

105M SPO

feels it would be mandatory on the Bureau to approve the exchange application and deliver the lands to the State, which would subsequently be sold to Mr. Sargent. However, in view of the public application, the public interest and benefit by the County of Imperial, that the Bureau of Land Management would deliver the lands sought by Imperial County to Imperial County if the State withdrew its application for benefit of private sale. This then simply because the State Lands Commission is the agent to process applications under these statutes, has put the State Lands Commission in a situation where they are faced by a question of their applicant that they proceed with perfection of the application and sale of the land to a private individual, and the County of Imperial proposes to the Lands Commission that the Commission in the public interest should withdraw the application from the private interest in order to permit the County to perfect its application.

THE CHAIRMAN: If the State did not act, in this case to withdraw, would the Bureau of Land Management feel that it must go through with the exchange, and that eventually the land would go to Mr. Sargent; if the County still wanted it, it would then be in the position of having -- having been there Mr. Sargent's property?

MR. HORTIG: That is correct.

THE CHAIRMAN: That's the alternative for the County.

MR. HORTIG: Right.

1 GOVERNOR ANDERSON: What kind of improvement does
2 Mr. Sargent have?
3 MR. HORTIG: I think Mr. Sargent or his representative
4 should reply to that.
5 GOVERNOR ANDERSON: What happens to the improvements;
6 in other words, if we were to withdraw there and it became
7 a property of the County?
8 MR. HORTIG: We can assume these would be conveyed to
9 the County, and I think the County has explored this
10 proposition and can report on it. There is a --
11 THE CHAIRMAN: Let's begin by hearing from Mr. Sargent,
12 if he is present and ready to speak.
13 MR. SARGENT: Your Honorable Body, gentlemen, and
14 The Press: we will continually refer to the calendar item
15 --
16 THE CHAIRMAN: Are you Mr. Sargent?
17 MR. SARGENT: Yes, yes. I'm sorry.
18 The calendar item, now referring to the calendar
19 item, I stipulate that paragraphs number one, two and three
20 are correct. They are history, and they reflect a correct
21 history associated with the property.
22 Now referring to paragraph four, wherein it is
23 stated - "For the past several years Delbert Sargent,
24 the applicant, has had, under a Special Land Use Permit
25 from the United States, a commercial tropical fish hatchery
26 operation". Mr. Smith knows, or should know, that my

1 Special Land Use Permit has been in full force and effect
2 for nine and a half years. The use of the word "several",
3 is misleading. Continuing with paragraph number four, it
4 says, "although it is the Staff's understanding that the
5 United States Bureau of Land Management has refused to renew
6 the permit in view of an expression of interest in the
7 subject land by the County of Imperial". What investigation
8 was made by the Staff to ascertain that I would not be given
9 a new lease? The fact is that I have a new lease.
10 Certainly if there was an understanding, why wasn't I
11 consulted about this? Continuing with this same paragraph,"
12 --
13 THE CHAIRMAN: Excuse me. Are we talking about a lease
14 or a permit? The language of the agenda uses "permit."
15 MR. SARGENT: Permit -- I'm sorry.
16 THE CHAIRMAN: All right.
17 MR. SARGENT: Continuing with this same paragraph it
18 says, "Initially it was the applicant's wish to acquire fee
19 title to the land --". The use of the word "Initially"
20 by Mr. Smith is confusing. If you apply it to the many
21 facts that are not before the Commission, you could be
22 mislead. The word "initially" should be stipulated to
23 mean that it was my intention at that time, and it is still
24 my intention. It should be understood that it is still my
25 purpose, thru the application, to acquire these lands in
26 fee title for the use in my business.

79-132 1-69 10M SPO

1 Referring to paragraph number five, wherein it
2 says that the offered lands are within the exterior
3 boundaries of Death Valley National Monument, I might add
4 that this land is situated within a Constituted Grazing
5 Area, and are, therefore, extremely desirable to the Bureau
6 of Land Management in their consolidation program. Further,
7 in this paragraph, it says, "No formal action has been
8 taken by the Bureau of Land Management to indicate whether
9 the State's application would be approved or disapproved."
10 It is true that no formal action has been taken by the
11 United States Bureau of Land Management; why is Mr. Smith
12 taking one?
13 Referring to paragraph number six, it mentions
14 my $20,000 investment; even so, if correct, requires some
15 consideration from the State Department to see what is going
16 on. In reality my investment is three times this amount on
17 the property. The only one that I know that knows about my
18 business is the Internal Revenue Department. Neither Mr.
19 Smith nor any member of his staff has ever called on me to
20 discuss my business problems with them, nor has any member
21 of his staff alerted me that the County of Imperial was
22 negotiating, with the State Lands Commission to dispossess
23 me of my application, and to hand me back my deposit, which
24 I made in good faith, to the State of California and without
25 interest or compensation for the use of my money over a
26 period of ten years.

78433 1-83 10SM GPO

THE CHAIRMAN: May I ask a question before you go on there?

MR. SARGENT: Certainly.

THE CHAIRMAN: As I read the sentence in which the figure land value is about 20,000, and that's the figure you indicate you think is only a third of what it should be?

MR. SARGENT: Yes, sir. I have over $60,000 invested at this point.

THE CHAIRMAN: I think this refers to the date 1957.

MR. SARGENT: I grant you that, but no mention has been made of any improvements that I have made since that date.

THE CHAIRMAN: Well, in other words, this statement is accurate, but since that time you have another $40,000 approximately invested?

MR. SARGENT: That's correct. And no mention was made of any improvements after the $20,000 mentioned in paragraph number six.

Referring to paragraph seven, wherein it states, "The County, by separate application filed directly with the United States Bureau of Land Management, applied for the purchase of 570 acres of Federal land which includes the 220.125 acres embraced in the State Exchange application filed for the benefit of Delbert Sargent." Referring to the Code of Federal Regulations number 43, part 147.4 (c), it says and I quote: "The filing of a valid application for exchange

PH432 1-63 105M SPO

1 under the regulations of this part will segregate the selected
2 public lands to the extent that any subsequently tendered
application, allowance of which is discretionary, will not
4 be accepted, will not be considered as filed, and will be
5 returned to the applicant."
6 Now that's quoted from the Federal Regulations.
7 With reference to the segregated lands contained
8 in my application, the question of Imperial County's
9 application as being valid and in full force and effect is
10 a matter of conjecture and would require legal counsel
11 opinion on my part, as well as the opinion of the Attorney
12 General. Again directing to the Commission's attention,
13 Mr. Hortig and his staff have remained silent on pertinent
14 and relevant facts in this calendar report to your Honorable
15 Body as regards to moratoriums which were in effect during
16 the ten year study of this subject matter. Furthermore,
17 with respect to paragraph number seven of this calendar
18 item, the staff has remained silent on the subject of a
19 resolution which became a part of the subject matter and
20 refers to an enclosure, "Exhibit A," a copy of the
21 resolution, which was never brought to my attention by
22 either the Imperial County or the State Lands Commission.
23 Paragraph number eight of the calendar item and
24 paragraph number four of the summary report from Mr. Hortig
25 of the State Lands Division are synonymous. In the summary
26 report made by the Executive Officer Hortig wherein he

1 writes of a resolution by the County of Imperial requesting
2 both the State Lands Commission and the United States Bureau
3 of Land Management to withhold further action on the
4 processing of Delbert Sargent's application until such time
5 as studies could be made to determine the effect Mr.
6 Sargent's activities in the operation of his tropical fish
7 hatchery would have upon the recreational developments
8 proposed by Imperial County -- your attention is again
9 directed to your staff remaining silent of the fact that
10 the Imperial County, prior to the date of acquiring any
11 part of the land in their applications, were attempting to
12 get the State Lands Commission to kill my application.
13 Furthermore, in this same paragraph wherein a request was
14 made, by resolution, for both the State Lands Commission and
15 the United States Bureau of Land Management to make a study
16 of this subject matter. No staff member of either the
17 State Lands Commission or the United States Bureau of Land
18 Management has contacted me as regards to study, or have they
19 informed me of the context contained within the said report,
20 if there be one. Surely, a report of some kind should be
21 in the possession of the State Lands Commission, which should
22 show any effect which might be detrimental as regards to the
23 subject matter. And certainly, if so, I am entitled to
24 a copy for study.
25 Referring now to paragraph number nine, wherein
26 again the subject is of a resolution, Mr. Smith's statement

79422 1463 100M SPO

1 that the county passed a resolution to the effect that they
2 would negotiate with me for a lease so that I would be
3 permitted to continue my operations, quote "on the area
4 which is the subject of this exchange application" unquote.
5 While in reality, the resolution passed by the County of
6 Imperial states in part, and I will quote: "in a portion
7 of that area set forth in application LA 0164346." Unquote.
8 To point up the lack of good faith by the County of Imperial,
9 on July 24, 1963 they issued a map showing their proposed
10 development of the requested 570 acres, on which shows an
11 area they will supposedly allow me to operate. They have
12 squeezed me down to an area smaller than the 30 acres that
13 I now have under lease from the Bureau of Land Management.
14 They did not take into consideration the additional 40
15 acres that I have been trying to get under lease from the
16 Bureau of Land Management for the past several years, of
17 which I need desperately now, to continue a logical
18 expansion program. It seems as an afterthought by the
19 County they have included an area unjoined to my present
20 leased land, marked "area for expansion of tropical fish
21 farm." Aside from the fact that this area is noncontingent
22 to my present operations, it would seem that possibly that
23 this area could be used; but here again they have not given
24 you the true facts. Needless to say, the character of the
25 land is impassable, upon any person's investigation.
26 I would like to show the Commission these two

79432 1-63 100M SPO

1 pictures. Now this area is a portion of my present 30-
2 acre lease.
3 THE CHAIRMAN: I think you might just as well give up
4 trying to get this into the record.
5 (Discussion off the record.)
6 MR. SARGENT: I will show you an aerial photograph
7 which was taken September 7, 1959. Now this is the latest
8 one that is available. It will show you the character of
9 the land, and the character of the land is identical as in
10 this present day. However, this shows my establishment as
11 it was in 1957. These are my fish hatcheries, and in
12 addition we have more tanks over in this area, down to about
13 here. Now this is the top mark-out. This is the part they
14 will allow me to operate. Now that is absolutely marsh
15 land. At one time I tried to get through here with a
16 tractor, and it got so deep I had to get another tractor
17 to pull me out. How they expect me to dig tanks eight to
18 nine feet deep in that type of land, is impossible.
19 THE CHAIRMAN: What is the character of your operation?
20 You are producing tropical fish, and in addition are you
21 showing them to the public at the site?
22 MR. SARGENT: Oh, no, no. My business is entirely,
23 I job tropical fish wholesale.
24 THE CHAIRMAN: Well, there is no public visitation?
25 MR. SARGENT: No, h no. And then this is absolutely
26 marsh land here, right down to include the area they have

marked out.

GOVERNOR ANDERSON: What are these x's up here?

MR. SARGENT: That is the 70 acres to this point.

THE CHAIRMAN: And they intend to place a golf course around --

MR. SARGENT: And they intend to place a golf course, one tee, show what they have, one of the tee's right here. And I spoke of additional acreage of which I requested from the Bureau of Land Management, and they recommended this area; in other words, this area here, so that I could fill this out. And I can't go ahead here anymore until I get this whole thing for these purposes.

GOVERNOR ANDERSON: Which would be the ultimate, under the County that they would have, all this within the red line here?

MR. SARGENT: This they would have within the mile.

GOVERNOR ANDERSON: Within the mile; I see. What do these red lines indicate?

MR. SARGENT: That indicates my exchange.

GOVERNOR ANDERSON: That's what you want right there?

MR. SARGENT: Yes. I am concerned for my employees. Thank you.

Attention is called to the second resolution referred to in paragraph number nine. This resolution in its wording is in direct conflict with the State of California Water Code. My position in this matter coincides

72432 1-63 105M SPO

1 with the statutes of the said Water Code, to wit: I have
2 a riparian right to that water; they, the County, can not
3 take or regulate that which is not theirs.
4 I will now quote from the "California Law of
5 Water Rights," by Mr. Wells A. Hutchins, a recognized
6 authority on this subject in California, says, "Private
7 property -- the riparian right is a 'right of property,'
8 a vested private right. It is a right of private property
9 vested exclusively in the owner of the abutting land for
10 use on that land, and is not of a political nature."
11 "Holders of possessary rights -- parties holding
12 possessary rights in separate parcels of land, title being
13 in the United States, have the rights of riparian owners
14 in the waters of any stream flowing naturally over both
15 parcels." This, incidentally, was quoted from a court case
16 -- these all were quoted from court cases, incidentally.
17 "Riparian doctrine applies both to the spring and
18 to the natural watercourse that flows away from it. The
19 same rule applies with respect to a spring on one's land
20 that supplies water to a watercourse by percolation through
21 the soil, rather than in a defined channel. In either case,
22 whether through a defined channel or by percolation, the
23 spring supplying the stream is a part of the stream. And
24 so the owner of such land (the defendant in the instant
25 case) quote: 'had the same right in the spring and no
26 greater right therein than he had in the stream below. He

had no different or better right to cut off the water in the spring or above the spring than he had to cut it off or divert it from the stream. Any interference with the supply of the stream was an interference with the lower riparian owner's right to have the water continue to run in the stream to his land!"

In reference to paragraph ten; as a challenge to Mr. Pierson of the recreational Department of the County of Imperial, reference a gold course as a feasible item in the recreational area, I have consulted with a foremost golf green architect, secured his services to scrutinize the entire area, and upon request I will furnish this report to the Commission. I have lived on the property since 1954, and I can assure you gentlemen, that golf-green grass is not one of the things that can be grown on the land, due to the high salinity of the soil. You might say, just bring in water and leach the soil, as they have done in other parts of the Valley. The Coachella branch of the All American Canal runs past the land, within a quarter of a mile -- incidentally, I think you saw it on the map, it is above it, but it is commonly known and can be verified by the Coachella Irrigation District that it is impossible to obtain water from said canal, as this land is outside of their Irrigation District. Even if it were somehow possible to convince the Coachella District that they had sufficient extra water to supply said property, would you suppose that

79432 1-69 100M SPO

1 the County Supervisors would be able to obtain a better
2 and superior deal than the State Parks and Beaches? The
3 State Parks and Beaches is now spending several millions of
4 dollars to bring water to this area.
5 THE CHAIRMAN: Mr. Sargent, I think probably this
6 matter -- you are perfectly free to go and discuss it, but
7 I think it is largely irrelevant to what this Commission
8 considers. That is, you are talking now about something
9 which must be determined by the electoral body in that
10 county, as to whether it wants this land for public
11 purposes. I think so far as this kind of a discussion, it
12 doesn't really bear on what is before us.
13 MR. SARGENT: My thought in mind was that, what I am
14 trying to show you gentlemen is the unfeasibility of the
15 proposed recreational area. In other words, I can --
16 THE CHAIRMAN: Well, we can't make that determination.
17 The County is the authority for what it wishes to do and
18 things it can do, and we are not -- we can't make a finding
19 on that.
20 MR. SARGENT: I see, I understand.
21 There is just one little thing I'd like to say on
22 this. I consider that something of that nature should be
23 included in the said report, as referred to in paragraph
24 seven, and they make no mention of it in the calendar item.
25 There is just one other thing, I just wanted to
26 show you a little bit how conducive the water is to our

72432 1-68 100M SPO

business, that the salinity is necessary to our business. It is an ingredient that we would have to install in the water if we did not have it.

Referring to paragraph number eleven, the opinion of the Attorney General is spoken as being an enclosure. The only enclosure I received from Mr. Smith is this calendar item. Why wasn't I given a copy of all these enclosures when Mr. Smith sent me this calendar item, so that I could more intelligently prepare my notes? If Mr. Smith bases his authority in getting rid of me on this letter, and he does not send me a copy, just what consideration is the State Lands Commission staff giving me? Certainly, if the Attorney General was not given any more information than what is contained in this calendar item, he was drastically misinformed. It is a moot question, as to what he, the writer of this calendar item says; it is argumentative, it is debatable, it is an item to be tried in court.

Reference is made to paragraph number twelve. I feel seriously that your staff, acting as my agent in the processing of my application, has not been persuasive enough in their efforts, by allowing the County of Imperial to sway and influence their thinking and by not pressing in my behalf as a prior applicant. I cannot press it. I was advised by Mr. Woozley, May 26, 1960, of the Bureau of Land Management, at Washington, D.C. through my Congressman, that,

88279 6-63 105M SPO

1 and I quote, in part: "In the event negotiation with the
2 State are unsuccessful in bringing the State's offered lands
3 into balance with Federal lands, then, of course, the
4 exchange may not be consummated. As indicated in the
5 foregoing, Mr. Sargent is an applicant of the State of
6 California; his efforts, therefore should be expended in that
7 direction." unquote.
8 On June 2, 1960, I telephoned Mr. Smith and gave
9 him the information contained in said letter. On August
10 30, 1960, I received a letter from Mr. Smith, quoting in
11 part, "I am informed that they are currently awaiting a
12 field classification report," -- unquote. The Bureau of
13 Land Management says that the selected and the requested
14 lands must be brought into balance, and your staff says
15 that the lands are still to be classified. Also, on June
16 23, 1960, I received a letter signed by Mr. E. J. Thomas,
17 Acting Director of the Bureau of Land Management, at
18 Washington, D.C., that states in part and I quote: "But
19 the State will have an opportunity to amend its application,
20 to bring the values into line," unquote.
21 Referring to paragraph number thirteen, it is
22 necessary for me to deny all the allegations made in this
23 paragraph. I have searched the records of Imperial County
24 and I find nothing in these records to substantiate the
25 feasibility of this from the facts set forth in rebuttal
26 of the calendar item, that the Commission is not clearly

informed of all the facts pertaining to the subject matter.

Therefore, as my concluding statement, I wish to say that I feel that the State Lands Commission should take into consideration the following: Counsel is always ready to sue. I cannot see any reason that I should sue the State. I cannot see any reason that I should go out and pick a fight. I am the owner of a $60,000 investment and I do not have money to squander on law suits -- but -- if necessary, I am going to have to sue. I am going to be advised, by counsel, I am sure, how to assert my rights, if I do not receive them here. Actually, what I would like your Honorable Body to do, is hold this matter in abeyance until such time that the Department of the Interior processes my case to its entirety.

THE CHAIRMAN: Thank you.

MR. CRANSTON: I'd like to ask you, do you feel that there is any middle ground here? Is there any other land other than that unacceptable swamp that could be allocated for your use, or perhaps the County, that perhaps we'd have to hear from them as to their views.

MR. SARGENT: I have absolutely no objection to the County acquiring the land that is not on my application, the lands, that 220 acres that I have on application, it has been my plan ever since I filed -- that was the reason I filed on that acreage.

MR. CRANSTON: Is there any modification of your

83279 6-63 10SM BPO

application that is acceptable from your point of view?

MR. SARGENT: I don't believe so, Mr. Cranston, because I have worked too many years -- start my business in there, and it's got to follow a logical pattern.

THE CHAIRMAN: In other words, if there were to be a different 40 acres, say, designated by the County, that this still would not be satisfactory to you? You want to stand on the whole application?

MR. SARGENT: Well, primarily; my operation is so situated that I cannot move, even if I wanted to move, I couldn't move because of my improvements that are in the ground.

THE CHAIRMAN: I am not talking about moving. What you meant was, you showed us on the map what the County had indicated it would provide as additional acreage beyond your present, for your planned expansion, and you explained why that was unsatisfactory land.

MR. SARGENT: That is true.

THE CHAIRMAN: If the County were to meet that by other land that is adjacent to your present operation --

MR. SARGENT: But they have given no indication that they would meet that.

THE CHAIRMAN: And we would ask about this too. I think Mr. Cranston simply wanted to explore whether or not you were willing to discuss anything less than your full application.

MR. SARGENT: Absolutely not; because it would take that amount of land to process any business into a logical expansion program. I know the question has been raised by the County Supervisors, why I needed so much land. In Tampa, Florida alone there are three large tropical fish farms, one is 640 acres, the Ellsbury is 320 acres, and there is one more of about 190 acres. Now that is all of the ones near and over 200 acres. Now there are more there, and then you go down to Palmetto, there is a 640-acre fish farm there. So acreage may seem to large to you, but it takes a huge, or a large number of tanks to carry out business on that land.

MR. CRANSTON: Does your application include that swampy area?

MR. SARGENT: Yes, sir.

MR. CRANSTON: Do you need that?

MR. SARGENT: Not that one particular point, no.

MR. CRANSTON: Well, if you don't need that, is there any other portion that you do not need, or are we limited by the acreage that you feel that you must have for appropriate expansion?

MR. SARGENT: Well, I might say that it would be an island in the middle of the property.

MR. CRANSTON: I didn't ask you that. I said, if you could get along without that, is there some other portion you can get along without also?

69329 5-63 100M SPC