

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
SACRAMENTO, CALIFORNIA
April 29, 1964

PARTICIPANTS:

THE COMMISSION:

Hon. Hale Champion, Director of Finance, Chairman
Hon. Glenn M. Anderson, Lieutenant Governor
(Hon. Alan Cranston, Controller, absent)
Mr. F. J. Hortig, Executive Officer

APPEARANCES:

Mrs. George D. LaMoree
Mr. Howard Leach, Department of Fish and Game
Mr. John B. Robinson, Department of Fish and Game

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

<u>ITEM CLASSIFICATION</u>	<u>ITEM ON</u>	<u>PAGE OF</u>	<u>PAGE OF</u>
	<u>CALENDAR</u>	<u>CALENDAR</u>	<u>TRANSCRIPT</u>
1	Call to order		
2	Confirmation of minutes of meetings February 5 and February 26, 1964		1
3	PERMITS, EASEMENTS, RIGHTS-OF-WAY, NO FEE		
	(a) Orange County Harbor Dist.	21	1
	(b) City of Redding	16	2
4	PERMITS, EASEMENTS, LEASES, RIGHTS-OF-WAY, FEE		
	(a) Associated Dredging Co.	27	4
	(b) Pacific Gas & Elec. Co.	28	6
	(c) Socony Mobil Oil Co., Inc.	31	7
	(d) Lindsey H. Spight, dba Diablo Communic. Center	10	9
	(e) Lindsey H. Spight, dba Diablo Communic. Center	11	10
	(f) Mrs. Allan H. Beckwith	9	11
	(g) Everett S. Hamman	25	13
	(h) Decon Corporation	23	14
	MOTION ON (h) only -----		5
	(i) Southern Calif. Edison Co. and San Diego Gas & Elec.	26	15
	(j) Karl Pierce, et al	5	17
	(k) Richfield Oil Corp.	12	18
	(l) Richfield Oil Corp., et al	18	19

- 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>
4 PERMITS, EASEMENTS, LEASES, RIGHTS-OF-WAY, FEE (continued)			
(m) Standard Oil Co. of Calif. and Humble Oil & Refining	22	20	9
(n) Texaco Inc.,	8	21	10
MOTION ON ITEM 4 with exception of (h) ----- (h) being on page 5			10
5 CITY OF LONG BEACH			
(a) Raise 29 Oil Wells in Town Lot Area	14	23	10
(b) Informative Only (Parcel L)	15	26	10
6 LAND SALES & EXCHANGES			
<u>Sale Vacant School Land</u>			
(a) (1) J. Stanley Johnson	4	28	15
(2) State of Calif. Public Works Board	3	30	15
(3) Kelso V.B. Young	30	31	15
(b) <u>Selection and Sale of Vacant Federal Land</u>			
(1) John R. Chase, Jr.	1	33	15
(2) Molybdenum Corp.	17	35	16
(3) Curtis M. Rocca	19	37	16
(c) Reject application of George D. LaMoree, etc.	20	39	18-Deferred
7 OIL AND GAS LEASES			
(a) Adjustments in royalty pay- ments Brazos Oil, etc.	24	42	23
(b) Compensatory Royalty Agree- ment Dow Chemical, et al	13	43	23

- continued -

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

<u>ITEM CLASSIFICATION</u>	<u>ITEM ON</u>	<u>PAGE OF</u>	<u>PAGE OF</u>
	<u>CALENDAR</u>	<u>CALENDAR</u>	<u>TRANSCRIPT</u>
7 OIL AND GAS LEASES continued			
(c) Issuance Oil & Gas Lease Parcel 17, Orange County	7	45	23
(d) Issuance Oil & Gas Lease Parcel 18A, Santa Barbara County	29	47	23
(e) Authorization to offer Parcel 21, Santa Barb.Cy.	32	49	24
<u>SUPPLEMENTAL</u>			
(f) Authorization to offer Parcel 22, Ventura County	34		24
8 APPROVAL OF MAPS			
(a) Sheets 1 through 10 Of Plat OHWM Shore of Santa Barbara Channel, Vicinity of Port Hueneme	2	51	24
9 CONFIRMATION TRANSACTIONS OF EXECUTIVE OFFICER	6		24
Pauley Petroleum Inc.		52	
Phillips Petroleum		52	
Texaco Inc.		53	
Union Oil		53	
10 INFORMATIVE - Litigation	33	54	25
11 NEXT MEETING			41
<u>UNCALENDARED:</u>			
LEGISLATION			25

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

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

ITEM ON CALENDAR	PAGE OF CALENDAR	PAGE OF TRANSCRIPT
1	33	15
2	51	24
3	30	15
4	28	15
5	17	6
6	52	24
7	45	23
8	21	10
9	11	3
10	9	2
11	10	2
12	18	6
13	43	23
14	23	10
15	26	10
16	2	1
17	35	16
18	19	9
19	37	16
20	39	18
21	1	1
22	20	9
23	14	3
24	42	23
25	13	3
26	15	6
27	4	2
28	6	2
29	47	23
30	31	15
31	7	2
32	49	24
33	54	25
34	-	24
NEXT MEETING		41

1 MR. CHAMPION: The meeting will please come to
2 order. The Controller will not be with us today and he has
3 no representative here.

4 The first item is confirmation of minutes of meet-
5 ing of February 5th, which have been distributed to the mem-
6 bers.

7 GOV. ANDERSON: Move it.

8 MR. CHAMPION: Second. Any question or comment?
9 (No response) Stand approved.

10 MR. HORTIG: Mr. Chairman, the order for confirma-
11 tion of minutes should be for the minutes of the meeting of
12 February 5, 1964 and February 26, 1964.

13 MR. CHAMPION: With amendment to that effect,
14 without objection, that will be the order.

15 Item 3 -- Permits, easements, and rights-of-way
16 to be granted to public and other agencies at no fee, pursu-
17 ant to statute. Consideration is the public benefit:

18 (a) Orange County Harbor District -- Permit to
19 dredge approximately 200,000 cubic yards of material from
20 Sunset Bay, Orange County, and deposit material on lands of
21 the Harbor District.

22 (b) City of Redding -- 40-year life-of-structure
23 permit for construction, operation and maintenance of a boat
24 launching ramp and a log boom on 6.10 acres sovereign lands
25 of the Sacramento River, Shasta County.

26 GOV. ANDERSON: I move them.

1 MR. CHAMPION: Second. Is there any question or
2 comment? (No response) Stand approved.

3 4 -- Permits, easements, leases, and rights-of-way
4 issued pursuant to statutes and established rental policies
5 of the Commission:

6 (a) Associated Dredging Company -- 15-year lease of
7 9.385 acres tide and submerged lands of the Petaluma River,
8 Sonoma County (to provide a water access to applicant's up-
9 land.) Annual rental, \$434.90.

10 (b) Pacific Gas and Electric Company -- 15-year
11 lease of 0.623-acre parcel of tide and submerged lands in the
12 San Joaquin River east of Antioch, Contra Costa County -- to
13 provide a barge dock facility for applicant's power plant on
14 adjoining upland. Annual rental, \$334.04.

15 (c) Socony Mobil Oil Company, Inc. -- 15-year lease
16 4.673 acres tide and submerged lands in the Rincon Field,
17 Ventura County (to permit maintenance and use for oil opera-
18 tions of an existing pier, and to allow subsurface drill-
19 through rights for State Oil and Gas Lease P.R.C. 427.1).
20 Annual rental, \$154.68.

21 (d) Lindsey H. Spight, d.b.a. Diablo Communications
22 Center -- Sublease to Beasley Engineering Co. of portion of
23 Lease P.R.C. 2364.2, State school lands on Mt. Diablo in
24 Contra Costa County, for a microwave installation and control
25 station.

26 (e) Lindsey H. Spight, d.b.a. Diablo Communications

1 Center -- Sublease to HEC Trucking Corporation of portion of
2 Lease P.R.C. 2364.2, State school lands on Mt. Diablo in Con-
3 tra Costa County, for a mobile repeater, transmitter, and
4 receiver.

5 (f) Mrs. Allan H. Beckwith -- Permit to dredge not
6 to exceed 10,500 cubic yards of material, at royalty of
7 five cents per cubic yard, from 1.245-acre portion of the
8 Salt Works Canal, Richardson Bay, Marin County, and to deposit
9 material on tideland lots owned by applicant. Will create a
10 navigable waterway to the general area.

11 (g) Everett S. Hamman -- Permit to dredge approxi-
12 mately 500 cubic yards of sand, silt, and gravel from 0.30-
13 acre parcel of the bed of the Noyo River, Mendocino County,
14 at royalty of six cents per cubic yard, and to deposit mater-
15 ial on adjacent property owned by applicant (for stabiliza-
16 tion of the river bank in the vicinity of the removal area,
17 which is presently being eroded).

18 (h) Decon Corporation -- 6-month temporary encroach-
19 ment permit, 0.312-acre parcel of submerged land in the City
20 of Seal Beach, Orange County -- in order to erect a temporary
21 cofferdam to facilitate construction of a bulkhead on adja-
22 cent private land. No consideration necessary.

23 MR. HORTIG: Mr. Chairman, the recommendation here
24 stated is that of the staff. On review, the Office of the
25 Lieutenant Governor has suggested that an alternative recom-
26 mendation be considered by the Commission -- that inasmuch

1 as there will be occupancy for a period not to exceed six
 2 months on approximately one-third acre of tide and submerged
 3 lands for a temporary structure, this occupancy to be by pri-
 4 vate interests in connection with development on the upland,
 5 that the standard rental fees of the Commission relating to
 6 tide and submerged lands should be applied -- which, in this
 7 instance, would be \$195 for the six months.

8 MR. CHAMPION: Has this been discussed with the
 9 corporation?

10 MR. HORTIG: Yes, sir; and they will accept it and
 11 will pay. However, the original permit for no consideration
 12 was predicated on the fact that the occupancy of the tide
 13 and submerged lands is temporary; there is a removal bond
 14 which will assure restoration of the tide and submerged lands
 15 to their original condition; and by reason of the works con-
 16 structed on the uplands further beach erosion in the area
 17 will be prevented and will eliminate the need for Federal
 18 and State beach protection against erosion. It was felt
 19 that the effects in the future would equitably offset the
 20 standard charge for the use of the tidelands.

21 However, in strict application of rules governing
 22 use of public lands by private interests, irrespective of
 23 the purposes, then the rules and regulations of the Commis-
 24 sion would require the \$195 rental fee.

25 MR. CHAMPION: What is the pleasure of the Com-
 26 mission?

1 GOV. ANDERSON: Our contention was that this is a
 2 matter of principle, that there has to be a line drawn.
 3 Where do you draw it -- \$190, \$490? And almost everybody
 4 I have seen come up with these can give benefit to the State
 5 for erosion or clearing out a channel. It was just on this
 6 basis that we raised this point. If it embarrasses the
 7 staff, I wouldn't push it.

8 MR. HORTIG: Not at all.

9 GOV. ANDERSON: Our feeling was -- where do you
 10 draw the line; if it is six months, a year -- where do you
 11 draw the line?

12 MR. HORTIG: The total factors would require
 13 evaluation and judgment. The recommendation of the Lieuten-
 14 ant Governor's staff is strictly in conformance with the cold
 15 hard facts of the rules and regulations. There is no ques-
 16 tion of precedent and no problem of exercise of judgment;
 17 and the applicant would prefer to go ahead with the permit
 18 at cost or no cost, rather than to debate the subject with
 19 the Commission.

20 GOV. ANDERSON: I am not pushing it.

21 MR. CHAMPION: I will accept whatever your motion
 22 is.

23 GOV. ANDERSON: Do you have any objection to fol-
 24 lowing our recommendation?

25 MR. HORTIG: No, sir.

26 GOV. ANDERSON: All right. I so move.

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

MR. CHAMPION: Second -- and we are speaking only to 4(h) -- and that will be the order; amended to follow the recommendation of the Lieutenant Governor's Office. That is Item 4(h) only.

(i) Southern California Edison Company and San Diego Gas and Electric Company -- 3-year permit for purpose of disposing of approximately 450,000 to 500,000 cubic yards of San Mateo Sands (to be removed from upland as part of site preparation for Unit 1 of San Onofre Nuclear Generating Station) on 16.67 acres of tide and submerged lands at San Onofre, San Diego County; and 3-year permit for temporary working area, covering 3.45 acres of tide and submerged lands at San Onofre, San Diego County, at annual rental of \$2,070.

(j) Karl Pierce, et al. -- Deferment of operating requirements for lease-year ending April 13, 1964, Preferential Mineral Extraction Lease P.R.C. 2150.2, San Luis Obispo County. (Because of depressed chrome market, grade of ore on lease area cannot be mined economically at present.)

(k) Richfield Oil Corporation -- Deferment of drilling requirements, Oil and Gas Leases P.R.C. 308.1 and P.R.C. 309.1, Santa Barbara County, through July 31, 1964 to permit completion of - - (could I have an agreement with the staff never to use the non-existent word "finalized"?) - - finalized form of Unit Agreement for pooling productive areas with a view to modifying development and producing requirements of both leases.

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

MR. HORTIG: You have such agreement.

GOV. ANDERSON: Can I ask a question? The question doesn't pertain specifically to this one, but it pertains to the series of them; and I wonder if there is any relationship between these deferments of drilling requirements and the potential East Wilmington Field? Is there anything behind these deferments?

MR. HORTIG: I do not believe so, Governor, for the reason

GOV. ANDERSON: My question is not on any one of these. I don't want to raise a question on any one. It is just a general thing. I see four of them in a row.

MR. HORTIG: Just by the nature of the timing, primarily, for leases issued 1958 and subsequently -- the drilling and development program which was undertaken at that time and which, of course, could not have forecast the East Wilmington Field entering the picture. That drilling development program started originally in accordance with leases issued at that earlier date for a series of leases naturally brings about the same relationship and problems -- how many wells to drill, how many have been drilled to date, and the problem of determining which additional areas to drill. In one case, as a typical example here, the lessee is interested in developing as rapidly as possible in order to expedite payout, hopefully, on the investment.

MR. CHAMPION: In advance of the exploitation of

1 the East Wilmington Field?

2 MR. HORTIG: Even so; because these started, as I
3 say, for the most part in 1958, and there are leases here on
4 which the operator proceeded with the development at the maxi-
5 mum rate, not taking advantage of the time between wells that
6 he could take under the lease terms and conditions; so that
7 they have actually, timewise, done all the drilling they
8 would have been required to do through the year 1966. So
9 they are really ahead of themselves and these deferment
10 periods for the most part are deferment time until time
11 catches up with them, so they are back to what would be re-
12 quired by the minimum schedule of the leases and to give
13 them the opportunity to determine these additional geophysi-
14 cal and geological studies for the additional wells, rather
15 than by the lease requirements in the first instance, as to
16 how many wells can be drilled on an area.

17 GOV. ANDERSON: I realize they can have two mean-
18 ings there, but I see the wording, "modifying development
19 and producing requirements," and I assumed they want to
20 reduce the amount of production we want.

21 MR. HORTIG: No, sir. That is with respect to
22 Richfield Oil Corporation, item (k) only. It does not apply
23 to the others, which are only for the deferment of drilling
24 requirements. It is a different situation because here we
25 actually have producing wells on two leases that should be
26 combined into one lease operation instead of having two sets

1 of drilling requirements.

2 GOV. ANDERSON: Would the requirements then be
3 reduced?

4 MR. HORTIG: Well, the requirements would be the
5 same for the new unit area that had applied to each of the
6 two leases previously, after the modification has been
7 undertaken.

8 GOV. ANDERSON: So we would actually be combining
9 the producing requirements rather than modifying them?

10 MR. HORTIG: That is right.

11 GOV. ANDERSON: It was the way I was reading it.
12 I didn't want us to be asked in future to modify downward
13 any leasing requirements in view of future developments.

14 MR. HORTIG: The Commission to date has not modi-
15 fied any requirements downward on any oil and gas lease.

16 MR. CHAMPION: (1) Richfield Oil Corporation,
17 et al. -- Deferment of drilling requirements, Oil and Gas
18 Lease P.R.C. 2726.1, Santa Barbara County, through November
19 30, 1964. Area under constant study, but analysis of sonic
20 gas exploder survey made in 1963 has not yet been completed.

21 (m) Standard Oil Company of California and Humble
22 Oil & Refining Company -- Deferment of drilling requirements
23 Oil and Gas Lease P.R.C. 1824.1, Santa Barbara County,
24 through December 9, 1964. Lessees conducting geological and
25 engineering studies which may lead to drilling of additional
26 development or exploratory wells.

1 (n) Texaco Inc. -- Deferment of drilling require-
2 ments, Oil & Gas Lease P.R.C. 2206.1, Santa Barbara County,
3 through December 13, 1964. Information developed during
4 recent drilling of well necessitates complete review of all
5 geophysical and geological data related to the lease.

6 GOV. ANDERSON: I move it.

7 MR. CHAMPION: Second. Is there any question or
8 comment on any item? (No response) Stand approved.

9 5 -- City of Long Beach. Approvals required
10 pursuant to Chapter 29, 1956, First Extraordinary Session:

11 Project (a) Raise 29 Oil Wells in Town Lot Area
12 (2nd Phase) Estimated subproject expenditures from January
13 30, 1964 to termination of \$493,000, with \$310,590 (63%)
14 estimated as subsidence costs.

15 The next is informative only. What is the pleasure
16 of the Commission on the item?

17 GOV. ANDERSON: I move item (a).

18 MR. CHAMPION: Second. Is there any question?
19 (No response) Stands approved.

20 (b) Informative only: The Harbor Department has
21 submitted a "Development Plan, Parcel L" for study and re-
22 view, to provide for immediate development to allow exploita-
23 tion of recoverable petroleum reserves in a 25-to-30-year
24 period. Total drilling costs estimated at \$7,030,000; total
25 production facility costs at \$1,371,000. The plan proposes
26 peripheral water injection with a line-drive to maintain full

1 reservoir pressure. Gross value of the 42 million barrels
2 of recoverable oil estimated to be nearly \$88 million; total
3 costs, nearly \$47 million, with net income probably in ex-
4 cess of \$41 million. Staff opinion is that plan is in accord-
5 ance with good petroleum engineering practice and should
6 result in maximum recovery of hydrocarbons.

7 MR. HORTIG: Mr. Chairman, I should like to point
8 out to the Commission the reason for presentation of this
9 item inasmuch as this is the first time that the corollary
10 agreements in connection with the recently approved and is-
11 sued extension agreements in the Long Beach Harbor Department
12 have taken effect; and those corollary agreements provided
13 for advance information, time for review and comment on such
14 operations in connection with the contract that became effect-
15 ive March 20th of this year.

16 This is the first of such operation developments
17 and we felt we should report it to the Commission both as to
18 the significant additional amount of money that will accrue
19 to the City and State by reason of this agreement, and the
20 fact that the corollary agreements are working.

21 MR. CHAMPION: This \$41 million is in addition to
22 the estimates of revenue -- previous estimates of revenue to
23 be realized from the new contract?

24 MR. HORTIG: Yes, sir.

25 GOV. ANDERSON: I want to say that I think it is
26 good that we are going to have this review plan ahead of

1 time so we can know and anticipate -- which is a lot better
2 than in the past. The one thing that bothers me -- and I
3 assume the fault is mine; it may have been staff's -- as far
4 as I was concerned, I was not aware of this addition to the
5 original Long Beach field and until I saw this it never came
6 to my mind that we were adding this number of acres.

7 MR. HORTIG: About two thousand; but there had been
8 no production on this area.

9 GOV. ANDERSON: Apparently it was secret informa-
10 tion at the time it was added, because they could not have
11 come in with this detailed report without information that
12 there was this additional amount.

13 MR. HORTIG: It was anticipated there would be an
14 addition, but the program and the economics of the thing are
15 of current development and the total numbers were added up
16 for the first time as of February 25th of this year; and it
17 was, therefore, not until that time that Staff, on review
18 of this program, and even the Long Beach Harbor Department
19 staff, really realized the significance of this.

20 GOV. ANDERSON: That last part I question. I
21 wonder if it was an unknown quantity to everyone up to Feb-
22 ruary. It would look to me that the amount of information
23 in this report would indicate that this has been going on for
24 some time and they had this information.

25 MR. HORTIG: That is correct.

26 GOV. ANDERSON: Your staff may not have had it ...

1 MR. HORTIG: One point -- It had not been trans-
2 lated into dollars, Governor Anderson. In all our previous
3 estimates to the Commission and in connection with the dis-
4 cussion of the proposed extension contract, it was pointed
5 out that by addition of this area in the tabulation it was
6 estimated that an additional forty million barrels of oil
7 would be produced, but we had not calculated at that time
8 what the potential net profit was.

9 GOV. ANDERSON: My memory is that it was going to
10 be a little larger field; it was going to coincide, was going
11 to clear up the boundary lines, and so on. But I never
12 realized the size of this field, and I know if I had I would
13 have asked why wouldn't this be considered in the new field
14 instead of bringing this way out in the Bay, which brings it
15 into our new field.

16 MR. HORTIG: No, sir. It was westerly to the new
17 field, which is why it was a logical addition to the pre-
18 viously developed L.B.O.D. parcels. As a matter of fact,
19 five years ago we made a very definite attempt to try to
20 get this very area leased or developed, and could not get
21 anybody to develop it because of various economic conditions;
22 and it was realized the only way to get it into a development
23 was at the time when a new contract with a new 25-year period
24 would be available -- which was why it was added to this
25 area.

26 GOV. ANDERSON: If there is any criticism, it is

1 due to me. I did not know at the time it was this big a
2 field and it shocked me when it was explained to me.

3 MR. HORTIG: As I say, our prior calendar report
4 did contain in the statistics the estimated additional pro-
5 duction of forty million barrels. More detail was not avail-
6 able.

7 MR. CHAMPION: Let me ask this question in the
8 light of that: Is this forty million in addition to the
9 estimates with which we have been working on the East
10 Wilmington contract?

11 GOV. ANDERSON: Using our old program, this is all
12 in addition.

13 MR. HORTIG: At the moment, I believe

14 MR. CHAMPION: If it is, it would all come to the
15 State.

16 MR. HORTIG: It will all come to the State because
17 of the ceilings imposed under the present schedule -- an
18 equivalent amount will come to the State.

19 MR. CHAMPION: Yes. I think that ought to be
20 checked out, to be sure that the figures that were being used
21 in the discussions before the legislative committees and the
22 Commission - - as to whether the forty million is already
23 included in those estimates or whether it is not.

24 MR. HORTIG: We can do that.

25 MR. CHAMPION: You think it is not?

26 MR. HORTIG: I am not positive; but either way,

1 under the present proposed schedule for distribution, the
2 State is protected.

3 MR. CHAMPION: That's correct. Anything further?

4 GOV. ANDERSON: No.

5 MR. CHAMPION: Item 6 -- Land sales and exchanges.
6 All items here presented have been reviewed by all State
7 agencies having a land acquisition program, and unless other-
8 wise indicated, no interest has been reported by those
9 agencies in the lands proposed for sale or exchange.

10 (a) Sale of Vacant State School and Lieu Lands:

11 (1) J. Stanley Johnson -- Appraised value \$10,400;
12 bid \$10,400.

13 (2) State of California, Public Works Board --
14 Appraised value \$22,586.55, bid \$22,586.55.

15 (3) Kelso V. B. Young -- Appraised value \$17,893.58;
16 bid \$17,893.58.

17 MR. HORTIG: Mr. Chairman, if we may have a moment,
18 we do have a protestant in the audience with respect to one
19 of our items. No, I see we are not there yet. Please proceed.

20 MR. CHAMPION: What is the pleasure of the Board
21 on Item 6(a)?

22 GOV. ANDERSON: I move it.

23 MR. CHAMPION: Second. Any question? (No
24 response.) Stand approved.

25 (b) Selection and Sale of Vacant Federal Land:

26 (1) John R. Chase, Jr. -- Appraised value \$14,960;
bid \$14,960.

1 (2) Molybdenum Corporation -- Appraised value
2 \$10,900; bid \$10,900.

3 (3) Curtis M. Rocca -- Appraised value \$217,193.92;
4 bid \$217,193.92.

5 MR. HORTIG: Mr. Chairman, with respect to the
6 application of Mr. Curtis M. Rocca which you just read,
7 there are indicated on page 37 of your agenda the legal
8 descriptions of the five parcels that are included, and on
9 page 38 a statement that all State agencies, as well as
10 city and county governments and school districts, have re-
11 cently been circularized under the Commission's newly adopted
12 policy, and that the only indication of interest was expressed
13 by Humboldt State College, that request being that two of the
14 parcels be withheld from sale for the maximum two-year period.
15 This request was subsequently waived. However, the Lieuten-
16 ant Governor received the following telegram this morning --
17 addressed to Lt. Governor Glenn Anderson, State Capitol,
18 Sacramento, California:

19 "RESPECTFULLY REQUEST STATE LANDS COMMISSION TO
20 WITHHOLD SALE OF PARCELS LISTED IN OUR COMMUNICATION
21 DATED 4-7 STOP RECONSIDERATION INDICATES FUTURE
22 COLLEGE DEVELOPMENT MAY NEED THESE PARCELS.

23 C. H. SEIMENS, PRES. HUMBOLDT STATE
24 COLLEGE "

25 The parcels referred to appear on Calendar Page 37,
26 identified as Parcels Number 1 and Number 3; and, therefore,

1 it is recommended that the Commission resolution for approval
2 for sale this morning exclude these parcels and put Parcels
3 1 and 3 on the hold list for the benefit of Humboldt State
4 College again.

5 MR. CHAMPION: Well, let me ask two questions.
6 First, do you know whether or not this affects Mr. Rocca's
7 plans? He is buying five parcels. With two gone, does he
8 still wish to proceed with the other three independently?

9 MR. HORTIG: The prior discussions, prior to the
10 waiver by Humboldt State College, were to the effect that it
11 was desired that the transaction proceed, even with the with-
12 holding of the two parcels. Additionally, none of the par-
13 cels listed here are contiguous lands. They are scattered
14 over considerable territory.

15 MR. CHAMPION: I see. Is there any concern here
16 about time, as far as Mr. Rocca is concerned?

17 MR. HORTIG: There certainly must be, in the sense
18 that the original application for the acquisition of these
19 lands from the Federal Government which is just now being
20 consummated was filed in 1954 -- it is ten years old.

21 MR. CHAMPION: That is pretty speedy in this busi-
22 ness. Well, I gather, then, if we should amend this, take
23 out Parcels 1 and 3 until we can ascertain this other situa-
24 tion more closely, that this poses no problems.

25 MR. HORTIG: No, sir.

26 MR. CHAMPION: Then this would be the way for the

1 Board to act -- to amend that to exclude 1 and 3?

2 MR. HORTIG: Yes, sir.

3 MR. CHAMPION: And this does not mean a negative
4 action on 1 and 3. It simply means we want to work this out
5 with Humboldt State.

6 MR. HORTIG: Yes, sir; or, alternatively, a waiver
7 or rewaiver.

8 MR. CHAMPION: I think we ought to have that re-
9 ported to us factually, with regard to Humboldt State Col-
10 lege's decision.

11 GOV. ANDERSON: I'll move, then, that the sale of
12 (b) be approved, with the exception that we withhold 1 and
13 3 -- the description of Parcels 1 and 3 to be withheld from
14 the sale for Humboldt State College.

15 MR. CHAMPION: Second. Any questions? (No
16 response) That will be the order.

17 (c) Reject application of George D. La Moree to
18 purchase 618.52 acres vacant State School land in San
19 Bernardino County; direct return of all deposits to the
20 applicant except the \$5 filing fee; hold said land for two-
21 year period from April 3, 1964, for purchase or lease by the
22 California Department of Fish and Game.

23 MR. HORTIG: Mr. Chairman, Mrs. La Moree is in the
24 audience this morning and wishes to report to the Commission
25 with respect to this recommendation.

26 MR. CHAMPION: Would you care to come forward,