

TRANSCRIPT OF

MEETING

of

STATE LANDS COMMISSION

SACRAMENTO, CALIFORNIA

MARCH 2, 1965

10:15 A.M.

STATE LANDS COMMISSION

MARCH 2, 1965

PARTICIPANTS:

THE STATE LANDS COMMISSION:

Hon. Glenn M. Anderson, Lieutenant Governor, Chairman

Hon. Alan Cranston, Controller

Hon. Hale Champion, Director of Finance

Mr. F. J. Hortig, Executive Officer

OFFICE OF THE ATTORNEY GENERAL:

Mr. Jay L. Shavelson, Assistant Attorney General

APPEARANCE:

Mr. Glen E. Woodward, Senior Vice President of
DeGolyer and MacNaughton, Consultants to
the State Lands Commission

1 GOV. ANDERSON: The meeting of the State Lands
2 Commission will come to order.

3 The calendar item this morning, Number 1, is:
4 Approval of bids, Contractors' agreement, Long Beach Unit,
5 Wilmington Oil Field - L.B.W.O. 10,155:

6 Pursuant to the published notice inviting bids for the
7 Long Beach Unit of the Wilmington Oil Field, approved by the
8 State Lands Commission on October 22, 1964 (Minute Item 38,
9 pages 10,652-54), the City of Long Beach received and opened
10 bids for the Field Contractor's 80% undivided interest under the
11 Contractors' Agreement on February 9, 1965, and for the Nonoper-
12 ating Contractor's 10%, 5%, 2½%, 1½%, and 1% undivided interests
13 on February 10, 11, 15, 16, and 17, respectively. A summary
14 table of all bids received for the contractors' interests is
15 attached (Exhibit A). The high bids received for the undivided
16 interests are listed in the following table:

17 Field Contractor's 80% Undivided Share:

18 Jointly bid at 95.56% by Texaco Inc., Humble
19 Oil & Refining Company, Union Oil Company of
20 California, Socony Mobil Oil Company, Inc.,
21 Shell Oil Company

22 Nonoperating Contractor's 10% Undivided Share:

23 Jointly bid at 98.277% by Pauley Petroleum, Inc.
24 and Allied Chemical Corporation

25 Nonoperating Contractor's 5% Undivided Share:

26 Jointly bid at 100% by Standard Oil Company of
27 California and Richfield Oil Corporation

28 Nonoperating Contractor's 2½% Undivided Share:

29 Jointly bid at 99.54% by Standard Oil Company of
30 California and Richfield Oil Corporation

31 Nonoperating Contractor's 1½% Undivided Share:

32 Jointly bid at 99.54% by Standard Oil Company of
33 California and Richfield Oil Corporation

34 Nonoperating Contractor's 1% Undivided Share:

35 Jointly bid at 99.55% by Standard Oil Company of
36 California and Richfield Oil Corporation

1 The bids received by the City of Long Beach have been
2 transmitted to the State Lands Commission, and have been review-
3 ed by the staff, by the staff consultants, and by the Office of
4 the Attorney General. Included with the high bid for the Field
5 Contractor's undivided share, there was submitted evidence which,
6 in the opinion of the staff and of the State's consultants,
7 establishes the competence and experience of the joint bidders
8 in oil drilling and producing operations. The evidence sub-
9 mitted with all high bids, in the opinion of the staff and of
10 the consultants, established that each high bidder is financially
11 responsible and able to take its individual share of the crude
12 oil.

13 The Office of the Attorney General has reviewed each
14 high bid, and has advised that all the statutory prerequisites
15 and procedures for the acceptance of the bids have been met and
16 followed by the City of Long Beach and by the State Lands Com-
17 mission, that the bids comply with the Notice Inviting Bids and
18 with the Bid Form, and that the bids may be considered for
19 approval by the Commission.

20 The City of Long Beach has submitted certified copies
21 of two resolutions of the City Council, Nos. C-19266 and C-19267
22 adopted on February 23, 1965, directing the City Manager, upon
23 the concurrence of the State Lands Commission in the action
24 directed by said resolutions, to execute the Contractors' Agree-
25 ment, Long Beach Unit, Wilmington Oil Field, California, and to
26 award the Contract to the highest responsible successful bidders
27 designated in the resolutions as Field Contractor and as Non-
28 operating Contractors.

29 The Notice Inviting Bids provides that the successful
30 bidder for the Field Contractor's and for each Nonoperating Con-
31 tractor's undivided share shall execute the Contractors' Agree-
32 ment, the Unit Agreement, and the Unit Operating Agreement on

1 the date directed by the City and approved by the State Lands
2 Commission, and entitles each such successful bidder to five
3 days' notice prior to such required execution. The City has
4 indicated that, subject to approval by the Commission, it in-
5 tends to direct the successful bidders to execute said documents
6 at any time after the passage of the resolution recommended
7 herein and on or before March 8, 1965.

8 I think I'll stop there, Frank, and let you go on
9 before we take up the resolution itself.

10 MR. HORTIG: Mr. Chairman, as noted in the bid review
11 which was conducted by the consultants retained by the State
12 Lands Commission, the firm of DeGolyer and MacNaughton pursuant
13 to that review submitted a letter report dated February 26, 1965,
14 copy attached to the Commissioners' calendars following the map.
15 There is a specific recommendation that the State Lands Commis-
16 sion award the bids to the highest bidders, which are the same
17 high bidders here recited in the agenda item.

18 I would invite the attention of the Commission to the
19 second page of that letter -- specifically, for the record, to
20 the following statement from DeGolyer and MacNaughton:

21 After the recommendation to award the bids to the
22 highest designated bidders - - and I quote:

23 "In order to assure that the State will receive
24 maximum profits from the development of the Long
25 Beach Unit, a very aggressive program must be
26 carried out by the Field Contractor. Avoidable
27 delay in the development of the Unit could cost
28 the State as much as three million dollars per
29 month. It, therefore, is essential that the State
Lands Commission, the City of Long Beach and the
Field Contractor together proceed with their
respective responsibilities in the development
of the field as expeditiously as possible, with
due regard to economics and good oil field
practice."

30 If the Commissioners have any questions with particu-
31 lar reference to the recommendations of DeGolyer and MacNaughton,
32 Mr. Glen E. Woodward is here today to respond to such questions

1 on behalf of the firm.

2 GOV. ANDERSON: Mr. Champion has a question he would
3 like to ask. Is this the representative of DeGolyer and
4 MacNaughton?

5 MR. HORTIG: The Senior Vice President of DeGolyer and
6 MacNaughton, who has personally been directing this work on be-
7 half of the State Lands Commission.

8 GOV. ANDERSON: Do you wish to ask a question?

9 MR. CHAMPION: Yes. Mr. Woodward, what I wanted to
10 ask is this: It is not specifically covered in your letter. I
11 assume the answer, but I would like to know it for sure. When
12 we asked for the employment of consultants, we asked not only
13 that you review the bids and tell us what should be done with
14 them, but you would also go back over the whole procedure lead-
15 ing to this -- looking at the law, at the basic premises on
16 which we were working in the contract -- and tell us whether the
17 contract was also a good and viable document; in addition to
18 eliciting bids which we are satisfied with, that you would be
19 satisfied this would be a good document to work with -- the
20 contract as it went to bid.

21 What is the opinion of the consultants?

22 MR. WOODWARD: I think the answer is yes, it is a
23 good contract. We fortunately received bids from competent
24 operators. We have, of course, many problems with an operation
25 of this size involving tremendous amounts of oil and money, most
26 of which will go to the State. It takes a lot of work.

27 It is almost inconceivable to get a higher bid or
28 higher return to the State, under any circumstances.

29 MR. CHAMPION: That's the other thing I wanted to go
30 into. I want to go into the provisions of the contract -- there
31 was a good deal of dispute as to various questions on conditions
32 of the contract -- whether you think the contract itself, in

1 addition to conditions on operation, is a good document.

2 MR. WOODWARD: I think again I'd have to say yes on
3 that, but I must add that the Lands Commission has great responsi-
4 bility and duties which they have to work out -- this is a
5 tremendous amount of work -- to assure that the State gets every
6 nickel coming to them. I can't stress that enough because I
7 think basically we have to realize at the Long Beach Unit, Tract
8 One at least, that we own ninety-six percent of that thing now,
9 and ninety-six percent of the total income is ours and we have
10 to pay ninety-six percent of the cost; and when you are talking
11 about a billion dollars or more, this puts a great responsibility
12 on the Commission which has to take care of this matter.

13 MR. CHAMPION: I think the Commission recognizes this,
14 but the question we needed to have settled was not only whether
15 we had desirable bids, but whether we had a document that could
16 lead up to this.

17 MR. WOODWARD: I am sure they can. They would have to.

18 GOV. ANDERSON: I was a little interested in the last
19 paragraph of your letter, where you are stating a very aggressive
20 program must be carried out by the Field Contractor. Could you
21 amplify on this? Are we the only ones that would lose if they
22 did not move in this direction? What could we do also to comply
23 with this?

24 MR. WOODWARD: Basically, there are two people who
25 would be hurt on this thing. One would be the Field Contractor
26 and the other would be the State. The Field Contractor puts up
27 a large amount of money and this costs him interest if it is his
28 own money or borrowed money, so consequently it must be his aim
29 to get that money back as soon as possible.

30 Basically, the same thing applies to the State. The
31 sooner you get your money, the better it is. You get interest
32 on the road. It is to our interest to get the thing into the

1 black as soon as possible because then we start getting our
2 large share of the net profits. If this thing dragged on and
3 on in a program that was not aggressive, then, of course, the
4 Field Contractor would not be in a position to pay his ninety-
5 five percent to the State and would be paying advance royalties
6 all this time....

7 GOV. ANDERSON: It is to our mutual advantage to get
8 moving.

9 MR. WOODWARD: Yes.

10 GOV. ANDERSON: It would not just hurt the State.

11 MR. WOODWARD: It would be primarily the Field Con-
12 tractor and the State.

13 GOV. ANDERSON: Any other questions of Mr. Woodward?
14 (No response).

15 Is there anything you would like to say, Mr. Woodward,
16 to amplify any further?

17 MR. WOODWARD: No, I think that's it.

18 GOV. ANDERSON: I think Assemblyman Kennick just came
19 in. Joe, do you have anything to say on this? If you do, let
20 us know. We know you are very interested. I don't want to go
21 on in the meeting without calling upon you.

22 ASSEMBLYMAN KENNICK: Just very happy to be here.

23 GOV. ANDERSON: Go ahead, then, Frank.

24 MR. HORTIG: Yes, Mr. Chairman. The Commission has
25 received the following letter for the record from Dynamic
26 Industries Company, 1619 Beverly Boulevard, Los Angeles 16,
27 California:

28 " Hon. Glenn M. Anderson
29 Chairman, State Lands Commission
30 State of California
31 State Capitol Building
32 Sacramento, California

Dear Governor Anderson:

We understand that the State Lands Commission will

1 " be meeting on March 2, 1965 for the purpose of having
2 submitted to it the proposed contracts for the develop-
ment of the East Wilmington Oil Field.

3 We wish to take this means of advising you -- as we
4 are sure you are already aware -- of the probable in-
5 validity of any such contracts under the plans now
6 contemplated. I have reference to the fact that the
7 plan of operation for the field contemplates the con-
8 struction of four islands to be utilized as drilling
9 sites, which islands will be located in the navigable
10 waters of the United States. As such, they will con-
11 stitute an obstruction to the navigable capacity of
12 said waters. Your attention is invited to the provi-
13 sions of the River and Harbor Act approved by the
14 Congress on March 3, 1899, 30 Stat. 1151. Section 10
15 of that Act, which has been codified in 33 U.S.C. 403,
16 reads as follows:

17 'Sec. 10. That the creation of any obstruction not
18 affirmatively authorized by Congress, to the navi-
19 gable capacity of any of the waters of the United
20 States is hereby prohibited; and it shall not be
21 lawful to build or commence the building of any
22 wharf, pier, dolphin, boom, weir, breakwater, bulk-
23 head, jetty, or other structures in any port, road-
24 stead, haven, harbor, canal, navigable river, or
25 other water of the United States, outside estab-
26 lished harbor lines, or where no harbor lines have
27 been established, except on plans recommended by
28 the Chief of Engineers and authorized by the Secre-
29 tary of War; and it shall not be lawful to excavate
30 or fill, or in any manner to alter or modify the
31 course, location, condition, or capacity of, any
32 port, roadstead, haven, harbor, canal, lake, harbor
of refuge, or inclosure within the limits of any
breakwater, or of the channel of any navigable water
of the United States, unless the work has been
recommended by the Chief of Engineers and author-
ized by the Secretary of War prior to beginning
the same.'

22 There has been no approval whatever by the Chief of
23 Engineers or by the successor to the Secretary of War
24 of the proposed islands. Indeed, so far as we have
25 been able to determine, there has not even been any
26 contact made with those authorities to determine in
27 advance whether or not the proposed plan of develop-
28 ment utilizing said islands would be approved, pursu-
29 ant to said Act.

30 Since the islands are an indispensable feature of
31 the development of the East Wilmington Oil Field as
32 now contemplated, we are sure that the State Lands
Commission would not wish to approve contracts which,
if performed, would necessarily violate the provisions
of Federal law.

Sincerely yours,
DYNAMIC INDUSTRIES COMPANY
By H. A. Hansen, President

Copies to:
Honorable Alan Cranston and Hon. Hale Champion "

1 MR. HORTIG: (continuing) We have with us today
2 Assistant Attorney General Jay Shavelson, and Deputy Attorney
3 General Warren Abbott, whom some of you members of the Commission
4 have not met previously, who will respond to the legal phases of
5 the questions raised in Mr. Hansen's letter.

6 On behalf of the staff, both for the State Lands Divi-
7 sion and the City of Long Beach, I should like to comment that
8 in the letter there is a statement:

9 "Indeed, so far as we have been able to determine,
10 there has not even been any contact made with those
11 authorities to determine in advance whether or not
12 the proposed plan of development utilizing said
13 islands would be approved, pursuant to said Act."

14 Now, the facts are, of course, that both the City of
15 Long Beach and the State Lands Division have been in consultation
16 with the District Engineer's Office, Los Angeles Office of the
17 U. S. Army Corps of Engineers, for at least the last three years,
18 at which time it was contemplated initially that erection of
19 these islands offshore be authorized as a result of an initiative
20 measure adopted by the citizens of Long Beach with respect to the
21 proposed development of the offshore; and if this were to be an
22 essential item to the practicability of the operation, the City,
23 of course, wished to know in advance that this was feasible under
24 general terms and could be approved by the U. S. Army Corps of
25 Engineers as a matter of operation.

26 Similarly, up to two years ago, when the State Lands
27 Commission adopted its more intensive studies with respect to
28 this operation, even prior to Chapter 138, at which time it ap-
29 peared that a program was going to be initiated by the City of
30 Long Beach, the State Lands Division had similar consultations
31 with the United States Corps of Engineers to determine that
32 there were no basic difficulties that would clearly preclude or
33 prohibit the Army Engineers from approving reasonable plans for
34 a reasonable number of islands at reasonable locations, which

1 they would concur did not inhibit the navigation interests which
2 they are called upon to control.

3 Additionally, as a matter of uniform practice in Cali-
4 formia, with respect to placement of offshore structures, no
5 permit has ever been received from the Army Engineers prior to
6 the issuance of a lease which necessitated the placement of such
7 structure; but every such proposal has been discussed informally
8 and in advance with the Army Engineers, and we have never had an
9 operation that could not be designed to comply with the necess-
10 ary requirements of the Army Engineers; and, therefore, we have
11 never had a proposal to place a structure on State leases along
12 the State of California offshore that has been refused, rejected,
13 by the local Army Engineers Office.

14 GOV. ANDERSON: Mr. Shavelson.

15 MR. SHAVELSON: Thank you, Mr. Chairman. As Frank
16 pointed out, the procedure of the Corps of Engineers is to
17 approve the location of islands when that exact location has
18 been determined; and the exact location of the islands involved
19 here is going to be determined as a result of study made by the
20 City and the State and the Field Contractor and, as Frank also
21 pointed out, this is completely consistent with the procedure
22 that the State has always followed in connection with its own
23 offshore leases.

24 The contracts specifically recognize that there can be
25 no impairment of navigation by any operation under the contract
26 and that there must be full compliance with Federal laws and
27 rules and regulations. Specifically, I would like to call the
28 Commission's attention to Section 3.5 of the Unit Agreement,
29 which provides that: "Any impairment of the public trust for
30 commerce, navigation or fisheries to which any committed parcels
31 or any lands in the Unit are subject, is hereby prohibited."

32 So all parties understand that no operation shall take

1 they would concur did not inhibit the navigation interests which
2 they are called upon to control.

3 Additionally, as a matter of uniform practice in Cali-
4 fornia, with respect to placement of offshore structures, no
5 permit has ever been received from the Army Engineers prior to
6 the issuance of a lease which necessitated the placement of such
7 structure; but every such proposal has been discussed informally
8 and in advance with the Army Engineers, and we have never had an
9 operation that could not be designed to comply with the necess-
10 ary requirements of the Army Engineers; and, therefore, we have
11 never had a proposal to place a structure on State leases along
12 the State of California offshore that has been refused, rejected,
13 by the local Army Engineers Office.

14 GOV. ANDERSON: Mr. Shavelson.

15 MR. SHAVELSON: Thank you, Mr. Chairman. As Frank
16 pointed out, the procedure of the Corps of Engineers is to
17 approve the location of islands when that exact location has
18 been determined; and the exact location of the islands involved
19 here is going to be determined as a result of study made by the
20 City and the State and the Field Contractor and, as Frank also
21 pointed out, this is completely consistent with the procedure
22 that the State has always followed in connection with its own
23 offshore leases.

24 The contracts specifically recognize that there can be
25 no impairment of navigation by any operation under the contract
26 and that there must be full compliance with Federal laws and
27 rules and regulations. Specifically, I would like to call the
28 Commission's attention to Section 3.5 of the Unit Agreement,
29 which provides that: "Any impairment of the public trust for
30 commerce, navigation or fisheries to which any committed parcels
31 or any lands in the Unit are subject, is hereby prohibited."

32 So all parties understand that no operation shall take

1 place that will impair the trust for navigation.

2 Article 28 of the Contractor's Agreement provides that
3 "Each of the contractors and the State agree to be bound by all
4 valid provisions of Federal, State, Municipal, and local laws,
5 ordinances, rules and regulations in any manner affecting Field
6 Contractor's operations hereunder and to the extent of their
7 respective powers hereunder to faithfully comply therewith."

8 In our opinion, these provisions are adequate to as-
9 sure no operations under this contract will interfere with navi-
10 gation, and also reflect a clear understanding of all parties
11 that the location and size of any island will be subject to
12 approval by the U. S. Corps of Engineers, as required by Federal
13 law.

14 GOV. ANDERSON: Any further comment on this item?

15 MR. CHAMPION: I don't think it requires any action by
16 the Commission, does it?

17 GOV. ANDERSON: The secretary will make note of Mr.
18 Hortig's remarks and Mr. Shavelson's remarks.

19 I might point out that Assemblyman Deukmejian and
20 Senator Begovich have joined us. If you wish to comment, we
21 give you the same opportunity we gave to Assemblyman Kennick,
22 which he declined.

23 Is there anything further we should take up on this at
24 this time?

25 MR. HORTIG: Unless the Commissioners have any specific
26 questions, it might be appropriate to point out for the record
27 the Attorney General's opinion.

28 GOV. ANDERSON: It has been pointed out that we might
29 include for the record that the Attorney General's opinion states
30 that everything is sufficient and in order, and it goes into each
31 of the individual bidders and is rather complete. I don't in-
32 tend to read all of this, but at least it is a matter of record;

1 and, Mr. Shavelson, if there is anything that I should do on
2 this, as far as reading or anything like that; let me know -- so
3 there is no question.

4 MR. SHAVELSON: No, sir.

5 GOV. ANDERSON: We don't very often let something
6 quite this large.

7 Then the resolution is:

8 IT IS RECOMMENDED THAT THE COMMISSION FIND AND DETER-
9 MINE THAT THE FOLLOWING ARE THE HIGHEST RESPONSIBLE
10 BIDDERS FOR THE CONTRACTORS' AGREEMENT, LONG BEACH
11 UNIT, WILMINGTON OIL FIELD, AND THAT THE ACCEPTANCE
12 OF THE FOLLOWING BIDS IS IN THE BEST INTERESTS OF
13 THE STATE OF CALIFORNIA AND OF THE CITY OF LONG BEACH
14 IN ITS CAPACITY AS TRUSTEE FOR THE STATE OF CALIFORNIA:

15 FIELD CONTRACTOR'S 80% UNDIVIDED SHARE

16 JOINTLY BID AT 95.56% BY: TEXACO INC.; HUMBLE
17 OIL & REFINING COMPANY; UNION OIL COMPANY OF
18 CALIFORNIA; SOCONY MOBIL OIL COMPANY, INC.;
19 SHELL OIL COMPANY

20 NONOPERATING CONTRACTOR'S 10% UNDIVIDED SHARE

21 JOINTLY BID AT 98.277% BY: PAULEY PETROLEUM,
22 INC. AND ALLIED CHEMICAL CORPORATION

23 NONOPERATING CONTRACTOR'S 5% UNDIVIDED SHARE

24 JOINTLY BID AT 100% BY: STANDARD OIL COMPANY
25 OF CALIFORNIA AND RICHFIELD OIL CORPORATION

26 NONOPERATING CONTRACTOR'S 2½% UNDIVIDED SHARE

27 JOINTLY BID AT 99.54% BY: STANDARD OIL COMPANY
28 OF CALIFORNIA AND RICHFIELD OIL CORPORATION

29 NONOPERATING CONTRACTOR'S 1½% UNDIVIDED SHARE

30 JOINTLY BID AT 99.54% BY: STANDARD OIL COMPANY
31 OF CALIFORNIA AND RICHFIELD OIL CORPORATION

32 NONOPERATING CONTRACTOR'S 1% UNDIVIDED SHARE

IT IS FURTHER RECOMMENDED THAT THE COMMISSION CONCUR
IN THE ACTIONS DIRECTED BY CITY COUNCIL RESOLUTIONS
NOS. C-19266 AND C-19267, AND, IN ACCORDANCE WITH
THE PROVISIONS OF SECTION 3, CHAPTER 138, STATUTES
OF 1964, FIRST EXTRAORDINARY SESSION, APPROVE THE
EXECUTION BY THE CITY MANAGER OF THE CITY OF LONG
BEACH OF SAID CONTRACTORS' AGREEMENT ON BEHALF OF
THE CITY, AS TRUSTEE FOR THE STATE OF CALIFORNIA,
AND AWARD THE SAID CONTRACTORS' AGREEMENT TO THE

1 HIGHEST RESPONSIBLE BIDDERS AS FIELD CONTRACTOR AND
2 AS NONOPERATING CONTRACTORS, RESPECTIVELY.

3 IT IS FURTHER RECOMMENDED THAT THE COMMISSION APPROVE
4 THE CITY'S DIRECTING THE AFORESAID SUCCESSFUL BIDDERS
5 TO COMPLETE EXECUTION OF THE CONTRACTORS' AGREEMENT,
6 THE UNIT AGREEMENT, AND THE NON-OPERATING AGREEMENT,
7 LONG BEACH UNIT, WILMINGTON () FIELD, ON OR BEFORE
8 MARCH 8, 1965.

9 MR. CHAMPION: I so move.

10 MR. CRANSTON: Second the motion.

11 GOV. ANDERSON: It has been moved and seconded. Any
12 further comment or remarks? (No response) If not, it is car-
13 ried unanimously.

14 I just might say that the acceptance of today's high
15 bids represents a milestone in the development of California
16 natural resources; that this can produce between one and one-
17 half to two billion dollars for the State Treasury in the next
18 thirty-five years, and today's action is the largest on a single
19 development in California's history.

20 It has been suggested that I thank some people who
21 have been helpful in putting together this contract: Of course,
22 Mr. DeGolyer and Mr. MacNaughton, who are consultants in this;
23 and the following State Lands Division staff members and asso-
24 ciates have been the principal participants with the Executive
25 Officer in the development of the Long Beach tideland contracts
26 under consideration for approval today by the State Lands Com-
27 mission:

28 Mr. A. W. Pfeil, Assistant Executive Officer; Mr. O.
29 V. Wysynsky, Senior Geologist; Mr. C. V. Boquist, Senior Mineral
30 Resources Engineer; Mr. R. L. Johnson, Staff Engineer; Mr. C. N.
31 Hurlbut, Supervising Financial Examiner; and, of course, the
32 associates -- Mr. Jay L. Shavelson, Assistant Attorney General;
33 Mr. Warren Abbott, Deputy Attorney General; and Mr. Howard
34 Goldin, former Assistant Attorney General.

35 Perhaps there are others we should be thinking for

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their help and cooperation, but for the record we want to make sure those names are noted.

Is there anything else, Frank? Anything else that should be brought up before we bring this matter to a halt?

MR. HORTIG: Not with respect to this matter, Governor. Now we have only the problem of going to get the oil.

GOV. ANDERSON: If there is nothing further, the meeting is adjourned.

ADJOURNED 10:45 A.M.

CERTIFICATE OF REPORTER

I, LOUISE H. LILLICO, reporter for the Office of Administrative Procedure, hereby certify that the foregoing (pages one through thirteen) are a true, accurate, and full transcript of the shorthand notes taken by me in the meeting of the STATE LANDS COMMISSION held at Sacramento, California, on March 2, 1965.

Dated: Los Angeles, California, March 5, 1965.

Louise H Lillico