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MEETING
STATE LANDS COMMISSION

STATE CAPITOL
ROOM 2117
SACRAMENTO, CALIFORNIA

ORIGINAL

WEDNESDAY, MAY 10, 1978

10:10 A.M.

Kathleen M. Reed
CSR License No. 3486

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MEMBERS PRESENT

Mr. Sidney McCausland, representing Mr. Roy M. Bell, Member
Ms. Betty Jo Smith

MEMBERS ABSENT

Mr. Kenneth Cory, Chairman

STAFF PRESENT

Mr. David K. Hayward, Assistant Manager, Long Beach
Operations

Mr. William F. Northrup, Executive Officer

Mr. Jack Rump, staff counsel

Mr. Brian Sway, legislative coordinator

Ms. Diane Jones, Secretary

ALSO PRESENT

Mr. Richard Frank, Deputy Attorney General

Mr. Alan Hager, Deputy Attorney General

Mr. N. Gregory Taylor, Assistant Attorney General

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25**PETERS SHORTHAND REPORTING CORPORATION**7760 COLLEGE TOWN DRIVE, SUITE 213
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P R O C E E D I N G S

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ACTING CHAIRMAN McCAUSLAND: I will call this meeting of the State Lands Commission to order.

Without objection, we will recess the open session and go into Executive Session, where we will discuss two related items.

BOARD MEMBER SMITH: No objection.

ACTING CHAIRMAN McCAUSLAND: We are now in Executive Session.

MR. TAYLOR: Well, Mr. Chairman, the basis for that is because of the effect on pending and contemplated litigation.

ACTING CHAIRMAN McCAUSLAND: Counsel has noted for the record that the purpose for calling the Executive Session is to discuss potential impacts on pending litigation.

EXECUTIVE OFFICER NORTHRUP: We're going to go back into regular session so if there's a place where we can contact you if you want to come back, we'd be happy to do it.

BOARD MEMBER SMITH: Who are the gentlemen seated in the audience?

EXECUTIVE OFFICER NORTHRUP: We have in the audience Dave Hayward from our Long Beach office, John Parkin from the City of Long Beach -- which will be

1 concerned about the first item -- Brian Sway, our legislative
2 person who will be concerned about our second item, Rick
3 Frank from the Attorney General's office, and you know Alan
4 and the ones at the table.

5 BOARD MEMBER SMITH: And there's no problem with
6 them staying through the Executive Session?

7 EXECUTIVE OFFICER NORTHRUP: No, because he's --
8 well, I talked to Greg about that earlier.

9 Greg, why don't you explain?

10 MR. TAYLOR: There's no problem with Mr. Parkin's
11 being here for the first item since it's common litigation.

12 I believe that at this point the matter should go
13 off the record.

14 ACTING CHAIRMAN McCAUSLAND: All right. If the
15 court reporter would be willing to excuse herself for a
16 while, we will ask you to rejoin us in about twenty minutes.

17 (Thereupon the open session of the State Lands
18 Commission meeting was recessed, and the Board
19 went into Executive Session.)

20 ACTING CHAIRMAN McCAUSLAND: The session of the
21 State Lands Commission is called back into order.

22 During the Executive Session we discussed several
23 matters related to the sale of the oil in which the state
24 has an interest. As a result of that discussion, which did
25 have a significant bearing on existing and potential

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litigation, we proposed a resolution which I'd like to read:

"BE IT RESOLVED that the State Lands Commission authorizes the Executive Officer to prepare all necessary and appropriate documentation, including supporting factual material, for obtaining all necessary federal permits to sell any oil available to the State of California to foreign companies for export.

"The Executive Officer is also authorized to commence discussions with foreign companies for the purpose of assessing the nature and extent of their interest in purchasing crude oil from the State.

"The City of Long Beach is authorized to take similar action with regard to any tidelands oil that may be available for sale by the City.

"When the necessary federal permits have been obtained the Commission will approve notices inviting bids, bid forms, and crude oil sales contracts to be used in offering the oil for competitive

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1 bidding under circumstances where foreign
2 companies are permitted to bid."

3 Is there discussion on the proposed regulation?

4 BOARD MEMBER SMITH: I move that we adopt the
5 proposed regulation.

6 ACTING CHAIRMAN McCAUSLAND: It's moved and
7 seconded and adopted without objection.

8 Is there any further business to come before the
9 Commission?

10 If not, the meeting is adjourned.

11 (Thereupon the meeting of the State Lands
12 Commission was adjourned at 11:06 a.m.)

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