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MEETING
STATE LANDS COMMISSION
STATE OF CALIFORNIA

STATE CAPITOL
ROOM 447
SACRAMENTO, CALIFORNIA

TUESDAY, SEPTEMBER 25, 1984

10:07 A.M.

ORIGINAL

Reported by:

Cathleen Slocum, C.S.R.
License No. 2822

MEMBERS PRESENT

1
2 Leo T. McCarthy, Lieutenant Governor, Acting Chairperson
3 Clifford Allenby, representing Jesse Huff, Director
4 of Finance
5 Elizabeth Rasmussen, representing Kenneth Cory,
6 State Controller
7

STAFF PRESENT

8 Claire Dedrick, Executive Officer
9 James Trout, Assistant Executive Officer
10 D. J. Everitts
11 Robert Hight, Chief Counsel
12 Jane Smith, Secretary
13

ALSO PRESENT

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15 Dave Judson, Deputy Attorney General
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3 PROCEEDINGS

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5 ACTING CHAIRPERSON MCCARTHY: Good morning, ladies
6 and gentlemen. We'll begin this meeting of the State Lands
7 Commission.

8 Are there any questions or amendments to the minutes
9 of the last meeting?

10 COMMISSIONER RASMUSSEN: No.

11 ACTING CHAIRPERSON MCCARTHY: If not, then they'll
12 be approved.

13 I'd like to ask our Executive Officer if she has
14 any report to make.

15 EXECUTIVE OFFICER DEYRICK: Yes. I have a brief
16 oral report, Mr. Chairman.

17 The Commission requested that the staff instigate
18 a study of the Sacramento River Marina usage at the time
19 that the moratorium was placed by the Commission on further
20 development until the study is concluded. We have met with
21 all the local state and federal agencies in a one-day meeting
22 on a boat on the river so that we could look at the project
23 and we have another meeting scheduled for next week, I think.
24 We hope to come back to you with a project that you can
25 approve as an RFP by the end of October.

ACTING CHAIRPERSON MCCARTHY: You want to take
us up the river?

1 EXECUTIVE OFFICER DEDRICK: Would you like to
2 go up the river, sir?

3 ACTING CHAIRPERSON MCCARTHY: All right. Fine.

4 Is there any question?

5 Yes, Commissioner.

6 COMMISSIONER RASMUSSEN: I'd just like to mention
7 one thing. Mr. Cory's received a letter from a Mr.
8 Cartwright commending the staff for their help. I won't
9 read you the whole letter, but he says in part that: "From
10 the field representative to the executive director, we have
11 an excellent staff that represents the commission in a very
12 professional manner." I just wanted to bring that up because
13 I think it's indicative of our whole staff and I appreciate
14 all your efforts.

15 EXECUTIVE OFFICER DEDRICK: Thank you very much,
16 Commissioner. We appreciate the kind words.

17 ACTING CHAIRPERSON MCCARTHY: Nothing unusual.

18 COMMISSIONER RASMUSSEN: We've known it all along.

19 EXECUTIVE OFFICER DEDRICK: Mr. Chairman, Item
20 29 is off.

21 ACTING CHAIRPERSON MCCARTHY: Item 29 is off
22 for anybody in the audience that's here on Item 29.

23 The first 21 items are on the Consent Calendar.
24 Anyone have any questions about any of those items?

25 COMMISSIONER RASMUSSEN: No.

1 ACTING CHAIRPERSON McCARTHY: If not, they're
2 unanimously approved.

3 Item 22.

4 EXECUTIVE OFFICER DEDRICK: Item 22 is an
5 authorization of approval of a survey and map of the lands
6 granted to the Moss Landing Harbor District.

7 ACTING CHAIRPERSON McCARTHY: Any questions about
8 this item?

9 If not, it's approved.

10 Item 23.

11 EXECUTIVE OFFICER DEDRICK: Item 23 is the
12 authorization of approval of a compiled survey and map of
13 the tidelands in the City of Carpinteria and I thought this
14 was authorized. Oh, I see. It does authorize the annexation
15 of the tidelands in Batiquitos Lagoon, does it not, to Carpinteria.

16 ACTING CHAIRPERSON McCARTHY: Any questions on
17 Item 23?

18 No questions. Approved.

19 Item 24.

20 EXECUTIVE OFFICER DEDRICK: This is the River View
21 Marina approval of an agreement and consent to encumbrancing
22 of lessee's rights in a marina on the Sacramento River in
23 Sacramento County.

24 ACTING CHAIRPERSON McCARTHY: Any questions? If
25 not, approved.

25

EXECUTIVE OFFICER DEDRICK: 25 is approval of the Commission of expenditures in excess of \$250,000 for capital improvements on granted lands under the control of the City and County of Santa Barbara.

We have had communications from members of the public in Santa Barbara County who have expressed concern as to the way in which the grant is being administered.

The item which is before you is consistent with the terms of the grant and appears to be consistent with the statewide public trust. Mr. Hight has some cautions that I'd like to add to the record.

MR. HIGHT: There's a fair or a concern on the part of the public that the financing involved here is not to the city's best interest and this approval does not in any way affect the financing. Staff will be looking into the financing issue and report back to you.

EXECUTIVE OFFICER DEDRICK: In addition to that, the staff has an ongoing investigation of the administration of the grant in Santa Barbara County. We will be meeting with these people and getting their specific concerns and will make those part of the investigation.

ACTING CHAIRPERSON MCCARTHY: All right. Any questions by commissioners? From the audience?

That's approved.

1 Item 26.

2 MR. HIGHT: 26, Mr. Chairman, is the rescission
3 of a lease and an issuance of a ten-year lease for a parcel
4 of land in Georgiana Slough for maintenance of a recreational
5 dock.

6 ACTING CHAIRPERSON McCARTHY: Any questions on
7 Item 26? If not, that's approved.

8 Item 27.

9 MR. TROUT: Mr. Chairman, Item 27 is the approval
10 of the lease terms between the City of Eureka and Chevron
11 for a marine terminal. We'd like included in the record
12 the fact that this lease has a clause allowing the lessee
13 to self-insure. Staff recommends approval only with the
14 understanding that this clause applies to Chevron, USA and
15 not to any assignee or Chevron's local distributor. As
16 far as the Commission's other leases, Chevron is self-insured.
17 Our only concern is that it might be assigned to someone
18 that doesn't have the fiscal strength of Chevron. So as
19 far as this lessee is concerned, it's fine. We recommend
20 approval.

21 ACTING CHAIRPERSON McCARTHY: All right. Any
22 questions by the commissioners? Any questions from the audience?
23 This item is approved.

24 EXECUTIVE OFFICER DEDRICK: Item 28 is approval
25 of the ten-year grazing lease on submerged land in Goose Lake

1 In Modoc County.

2 ACTING CHAIRPERSON MCCARTHY: Okay. Any questions?
3 28 is approved.

4 Item 30.

5 EXECUTIVE OFFICER DEDRICK: Item 30 is, and 31,
6 are the approval of the exchange of mineral rights on lands
7 in Lassen County. The Wildlife Conservation Board has
8 arranged the exchange. Our staff has looked at the land
9 in question and consider them to be of roughly equal mineral
10 value or no value. We recommend approval of both 30 and 31.

11 ACTING CHAIRPERSON MCCARTHY: Any questions? All
12 right. Both items are approved.

13 Item 32.

14 EXECUTIVE OFFICER DEDRICK: Item 32 is the
15 authorization for staff and the Attorney General to take
16 necessary action including litigation to achieve verification
17 of the state boundary with Oregon. Bud Uzes is here.
18 Francois Uzes is the person in charge of this kind of thing
19 that we do every now and then. You have a map, don't you,
20 Bud?

21 MR. UZES: We have a few up there.

22 EXECUTIVE OFFICER DEDRICK: Why don't you show
23 the commissioners what we're talking about.

24 ACTING CHAIRPERSON MCCARTHY: Identify yourself
25 in the microphone first, please.

1 MR. UZES: I'm Bud Uzes with the staff of the
2 Commission.

3 Can you see that?

4 ACTING CHAIRPERSON MCCARTHY: Yes.

5 MR. UZES: The boundary with Oregon is defined
6 in the act of admission and the Constitution as the 42nd
7 parallel of north latitude and it was surveyed back in 1867
8 by Daniel Major. Only his line which is represented in
9 black here departs from where the line ought to be which
10 is the red line here. There was never any agreement or
11 anything as to the line nor did Major's boundary go out
12 in the ocean. So in the ocean we don't really have an
13 established boundary. On land there's a boundary that
14 everybody's been using for a 117 years. But there's nothing
15 really that establishes it formally in law. So what we're
16 attempting to do is to take the necessary action to bring
17 about a legal boundary that everybody knows and recognizes.

18 ACTING CHAIRPERSON MCCARTHY: Does this action
19 change the ownership of any land whatever or the situs of
20 any land between Oregon and California?

21 MR. UZES: That will be part of the study. At
22 this moment we don't know that it will change the size of
23 any land that's ownership land, say. There may be some
24 school land sections along here that may change, may be
25 affected, but we don't know that. That will be part of

1 what we study.

2 EXECUTIVE OFFICER DEDRICK: And then the other
3 thing is to establish the offshore boundary. As you may
4 have read in the press, a little town called New Pine Creek
5 ends up in California by this. It's south of the 42nd
6 parallel. They don't much want to be in California because
7 we charge sales tax and Oregon doesn't. So I think there's
8 going to have to be some negotiation before this is settled.

9 COMMISSIONER ALLENBY: Is it appropriate for this
10 Commission to give some kind of indication that we would
11 not like to have people's properties that have been under
12 general belief to be in one place not disrupted? I don't
13 think that if New Pine Creek doesn't want to be part of
14 California and they haven't been for over a hundred years,
15 some question as to whether it should be.

16 EXECUTIVE OFFICER DEDRICK: I think it is
17 appropriate for the Commission to express that kind of thing.

18 ACTING CHAIRPERSON McCARTHY: Would you like to
19 visit New Pine Creek before we make that judgment?

20 COMMISSIONER ALLENBY: I've been through New Pine
21 Creek. It's one of the lovely places in Oregon.

22 [Laughter.]

23 ACTING CHAIRPERSON McCARTHY: It should continue
24 to be lovely in Oregon. All right.

25 I'm looking at our notes here. What is the

1 participation of Oregon in this undertaking?

2 EXECUTIVE OFFICER DEDRICK: Bud, would you respond?

3 Staff has been working with the staff in Oregon.

4 ACTING CHAIRPERSON McCARTHY: Is this a joint
5 and friendly --

6 MR. UZES: Yes, it will be joint. We have to
7 get together with them to work out the mechanics of how
8 it's going to be done. It could be done by agreement or
9 it could be done by litigation. We'll do it the way I think
10 is most appropriate.

11 ACTING CHAIRPERSON McCARTHY: All right. Fine.
12 I think it is very important that this be a joint undertaking
13 and stay on the friendliest of terms.

14 MR. JUDSON: One comment on behalf of the Attorney
15 General's Office. We have made contact with the Oregon
16 Attorney General's Office, both John Van de Kamp in California
17 and Dave Frohnmayer from Oregon have been apprised of the
18 situation and agree that both states should work jointly
19 to clarify this matter. Mr. Allenby's comment, both states
20 are concerned about land titles in the interstate zone and
21 would work to be as least disruptive as possible in that
22 area.

23 ACTING CHAIRPERSON McCARTHY: All right. Any
24 other questions?

25 COMMISSIONER RASMUSSEN: Just a point of

1 clarification. The functional boundaries that we've all
2 been living by for the last hundred years or so, is that
3 represented by the red line?

4 MR. UZES: By the black line.

5 COMMISSIONER RASMUSSEN: The black line. Fine.
6 I can't read it from here.

7 MR. UZES: The black line is south of the red,
8 then it crosses over and goes north of the red. It seems
9 to wander back and forth within about a half-mile belt of
10 where it ought to be. At New Pine Creek the black line
11 is about a half-mile too far south and out in the ocean
12 it's about a quarter of a mile too far south, but it does
13 cross over in between.

14 COMMISSIONER RASMUSSEN: All right. Thank you.

15 MR. TROUT: I can also point out that the State
16 Lands Office in Oregon has been involved in the discussions
17 as well.

18 ACTING CHAIRPERSON MCCARTHY: All right. Any
19 other questions?

20 Thank you.

21 Item 32, the recommendation is approved.

22 33.

23 EXECUTIVE OFFICER DEDRICK: Item 33 is deferment
24 of a drilling obligation on geothermal leases held by GRI
25 Exploration, Inc. They're in the process of trying to

1 negotiate the terms of the net profits contract which are
2 not specifically necessarily stated in the lease. The
3 counties in which these are located do not allow drilling
4 during the rainy season. So this deferment gives them until
5 July 1st or June 30th, 1985. Their drilling window will
6 open in March. That gives them 45 days. So we think they
7 ought to be able to meet the obligation.

8 ACTING CHAIRPERSON McCARTHY: All right. Any
9 questions?

10 Item 33 is approved.

11 34.

12 EXECUTIVE OFFICER DEDRICK: 34 is a denial of
13 exploration plan and deferment of drilling obligation on
14 a Texaco lease. Texaco has not signed an agreement to provide
15 money to an EIR for the reason that they are planning to
16 assign the lease. So our obligation is to take this action
17 and then with the new assigned lessee we can reestablish
18 the system.

19 ACTING CHAIRPERSON McCARTHY: All right. Any
20 questions?

21 Approved.

22 35.

23 EXECUTIVE OFFICER DEDRICK: 35 is a request for
24 an exemption from competitive bid for an oil and gas lease
25 by Contra Costa County. The area is --

1 MR. HIGHT: 200ths.

2 EXECUTIVE OFFICER DEDRICK: -- 200ths of an acre
3 and is surrounded by other lessees. Therefore, a negotiated
4 lease is the most appropriate way to go.

5 ACTING CHAIRPERSON McCARTHY: All right. Any
6 questions?

7 That's approved.

8 36.

9 EXECUTIVE OFFICER DEDRICK: 36, Kaiser Steel's
10 application for prospecting for precious metals in Riverside
11 County.

12 ACTING CHAIRPERSON McCARTHY: Any questions?

13 That's approved.

14 37.

15 EXECUTIVE OFFICER DEDRICK: 37, the Bureau of
16 Reclamation, this is an approval of a permit for the Bureau
17 of Reclamation to quarry rock from a school land section
18 in San Bernardino County to use as riprap on the Colorado
19 River levees.

20 ACTING CHAIRPERSON McCARTHY: Any questions?

21 Approved.

22 38.

23 EXECUTIVE OFFICER DEDRICK: 38 is a maintenance
24 dredging permit for the City of Vallejo.

25 ACTING CHAIRPERSON McCARTHY: Any questions?

1 Approved.

2 EXECUTIVE OFFICER DEDRICK: Item 39 is the approval
3 of the final report and closing statement of 83-84 Plan
4 of Development for the Long Beach Unit, Wilmington Oil Field.
5 You have that before you and as you can see the production
6 was up and the revenues are up roughly 20 million from our
7 projections.

8 ACTING CHAIRPERSON MCCARTHY: Any questions?
9 Approved.

10 EXECUTIVE OFFICER DEDRICK: Item 40 is deferment
11 of drilling operations on a Phillips lease in Santa Barbara
12 County. The need for this deferment is caused by the Air
13 Pollution Control District in Santa Barbara County is
14 requiring a one-year study of air pollution prior to the
15 approval of their air pollution permit.

16 ACTING CHAIRPERSON MCCARTHY: Any questions?
17 Approved.

18 41.

19 EXECUTIVE OFFICER DEDRICK: 41 is the approval
20 of expenditure of \$391,000 for tidelands oil revenues to
21 complete a floating walkway at the Alamitos Bay Marina Basin.

22 ACTING CHAIRPERSON MCCARTHY: Any questions?
23 Approved.

24 42.

25 MR. TROUT: 42, Mr. Chairman, is approval of a

1 new pipeline from Platform Holly to Shore for Atlantic-
2 Richfield Company. The primary need for that is that they're
3 producing additional fluids and they need a larger pipeline.
4 Santa Barbara County called this morning and requested that
5 a statement be made in the record regarding their review
6 of the environmental document for this item.

7 They have reviewed the Negative Declaration
8 and while they do not object to the Commission's adoption
9 of this document, they have several questions regarding
10 the proposed project. They will be working with the staff
11 at the time of submittal of the engineering design
12 specifications to make sure that all safety and mitigation
13 measures are complied with. Your staff routinely reviews
14 before approving such engineering and design specifications
15 on these kinds of projects. They just wanted this in the
16 record. They do not ask the Commission to not take action
17 today. It has to do primarily with the design of some-
18 thing called a pig track which is to capture the devices
19 that are used to clean and separate items in the pipeline.

20 ACTING CHAIRPERSON McCARTHY: Okay. So no action
21 is required.

22 MR. TROUT: Yes. Your approval of the application
23 for the installation of the pipeline.

24 ACTING CHAIRPERSON McCARTHY: All right. Without
25 any question, that is approved.

43.

EXECUTIVE OFFICER DEDRICK: Mr. Chairman, I made a mistake when I was talking about Item 23, the City of Carpinteria. That is an approval of a survey and map. I had it mixed up with Item 43, which is the City of Carlsbad which is approval of actual annexation of the lagoon to the City of Carlsbad.

ACTING CHAIRPERSON MCCARTHY: All right. We approved 23.

EXECUTIVE OFFICER DEDRICK: That's correct. I just wanted to correct the record.

ACTING CHAIRPERSON MCCARTHY: We're still unanimous.

Anything else on 43?

EXECUTIVE OFFICER DEDRICK: No.

ACTING CHAIRPERSON MCCARTHY: All right. Approved.

MR. HIGHT: 44, Mr. Chairman, is the first time authorization for the Commission to spend 23,000, \$22,300 for the purchase of 40 acres of wetlands out of the Kapiloff Land Bank funds. So it's an historic first.

ACTING CHAIRPERSON MCCARTHY: Any questions on this? That's approved.

MR. HIGHT: And 45, Mr. Chairman, is the authorization to spend 65,000 for a hundred acres in San Mateo County also out of the land bank funds.

EXECUTIVE OFFICER DEDRICK: That's an historic second.

MR. TROUT: The Commission's acting both as the Lands Commission and as the land bank trustee on those two transactions.

ACTING CHAIRPERSON McCARTHY: All right.

COMMISSIONER RASMUSSEN: How many acres are involved in Item 45?

EXECUTIVE OFFICER DEDRICK: 100.

COMMISSIONER RASMUSSEN: All right. Thank you.

ACTING CHAIRPERSON McCARTHY: Approved.

46.

MR. HIGHT: 46, Mr. Chairman, is the approval of a retrocession of exclusive jurisdiction and the establishment of concurrent jurisdiction over Parks Reserved Forces Training Center in Pleasanton, and we held a public hearing and everybody is happy.

ACTING CHAIRPERSON McCARTHY: Any questions on 46? Approved.

47.

MR. HIGHT: 47, Mr. Chairman, is the issuance of a corrected patent to the estate of Leon Fink. This is the settlement of a lawsuit of some longstanding and the Commission approved the issuance of a patent to Mr. Fink and after that he died. In order to best settle his

1 estate, the estate has asked that we issue a patent instead
2 to the estate of. So that's what we're requesting here
3 to do

4 ACTING CHAIRPERSON MCCARTHY: All right. Any
5 questions?

6 The item is approved.

7 Anything else to come before the Commission?

8 EXECUTIVE OFFICER DEDRICK: No, Mr. Chairman.

9 ACTING CHAIRPERSON MCCARTHY: Thank you, ladies
10 and gentlemen. This meeting is concluded.

11 [Thereupon, the meeting of the State Lands
12 Commission was adjourned at 10:26 a.m.]

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CERTIFICATE OF SHORTHAND REPORTER

I, CATHLEEN SLOCUM, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing State Lands Commission Meeting was reported in shorthand by me, Cathleen Slocum, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 2 day of October, 1984.

Cathleen Slocum
CATHLEEN SLOCUM
Certified Shorthand Reporter
License No. 2822

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MEETING

STATE LANDS COMMISSION

STATE OF CALIFORNIA

STATE CAPITOL

ROOM 447

SACRAMENTO, CALIFORNIA

TUESDAY, SEPTEMBER 25, 1984

10:30 A.M.

ORIGINAL

Reported by:

Cathleen Slocum, C.S.R.
License No. 2822

PETERS SHORTHAND REPORTING CORPORATION

3432 AMERICAN RIVER DRIVE, SUITE A

SACRAMENTO, CALIFORNIA 95825

TELEPHONE (916) 972-8894

MEMBERS PRESENT

Lizabeth Rasmussen, Acting Chairperson,
representing Kenneth Cory, State Controller
Susan Wallace, representing Leo T. McCarthy,
Lieutenant Governor
Nancy Ordway, representing Jesse Huff,
Director of Finance

STAFF PRESENT

Claire Dedrick, Executive Officer
James Trout, Assistant Executive Officer
Robert Hight, Chief Counsel
Jane Smith, Secretary

ALSO PRESENT

Dave Judson, Deputy Attorney General

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PROCEEDINGS

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ACTING CHAIRPERSON RASMUSSEN: Call the meeting to order.

First item of business is the confirmation of the minutes, the meeting of February 28. There's a motion. Any questions, comments, concerns? Minutes are approved. Miss Dedrick, the report of the Executive Officer. EXECUTIVE OFFICER DEDRICK: Nothing to report today.

ACTING CHAIRPERSON RASMUSSEN: All right. That was easy.

EXECUTIVE OFFICER DEDRICK: The items that are off calendar today are C7, C11, Number 20, Number 32 and Number 38.

COMMISSIONER ORDWAY: Motion to approve C1 through 19 except 7 and 11.

ACTING CHAIRPERSON RASMUSSEN: The Consent Calendar has been moved with the exception of C7 and 11 which have been removed from the calendar. Are there any questions or comments on the Consent Calendar? The Consent Calendar is approved.

Mr. Hight, did you have a comment relating to voting?

MR. HIGHT: For the record, Elizabeth Rasmussen

1 will be representing the Controller in a non-voting
2 capacity.

3 COMMISSIONER ORDWAY: You're non-voting?

4 ACTING CHAIRPERSON RASMUSSEN: Right.

5 COMMISSIONER ORDWAY: But you're chairing.

6 ACTING CHAIRPERSON RASMUSSEN: I assume that's
7 all right.

8 MR. NIGHT: It's okay.

9 ACTING CHAIRPERSON RASMUSSEN: The Regular
10 Calendar, Item 20,

11 COMMISSIONER ORDWAY: Did the Attorney General
12 come up with that little move?

13 You don't have to put that in the record. It's
14 just a little aside deal. It's interesting.

15 ACTING CHAIRPERSON RASMUSSEN: Everyone's
16 comfortable with that?

17 COMMISSIONER ORDWAY: That's fine.

18 EXECUTIVE OFFICER DEDRICK: It's also strange.

19 ACTING CHAIRPERSON RASMUSSEN: Well, they had
20 to give me something to do. If they're going to vote, I
21 have to do something. Okay.

22 EXECUTIVE OFFICER DEDRICK: Item 20 is off
23 calendar.

24 ACTING CHAIRPERSON RASMUSSEN: Item 21.

25 EXECUTIVE OFFICER DEDRICK: Item 21, Robert

1 Sherman, applicant for approval of an amendment to a
2 general commercial use lease in Burlingame, San Francisco
3 Bay, to extend its term by 25 years and revise the rental
4 structure.

5 COMMISSIONER ORDWAY: Motion.

6 ACTING CHAIRPERSON RASMUSSEN: Any questions,
7 comments? It's been moved.

8 Item 21 is approved as presented. Item 22.

9 EXECUTIVE OFFICER DEDRICK: Harbor Point
10 Estates, assignor, and Coastline Development Corp,
11 assignee, an assignment of a 35-year general permit -
12 recreational use lease in Huntington Harbour in Orange
13 County.

14 COMMISSIONER ORDWAY: Motion.

15 ACTING CHAIRPERSON RASMUSSEN: Any questions,
16 comments, concerns? Item 22 is approved.

17 Item 23.

18 EXECUTIVE OFFICER DEDRICK: John H. Crosswell
19 and Vicky J. Crosswell, approve and authorize the
20 execution of an Exchange Agreement between the State
21 Lands and Crosswell along the Kings River in Kings County
22 near Hanford.

23 COMMISSIONER ORDWAY: Motion.

24 ACTING CHAIRPERSON RASMUSSEN: Questions?
25 Item 23 is approved.

1 Item 24.

2 EXECUTIVE OFFICER DEDRICK: Todd Shipyards,
3 approval of an amendment to dredging permit to increase
4 the amount of material dredged to the total of 275,000
5 cubic yards at Todd Shipyards in San Francisco Bay.

6 COMMISSIONER ORDWAY: Motion.

7 ACTING CHAIRPERSON RASMUSSEN: Questions? Item
8 24 is approved.

9 Item 25.

10 EXECUTIVE OFFICER DEDRICK: ARCO Oil and Gas
11 Company, it's a deferment of a drilling obligation on
12 state leases in Santa Barbara County.

13 COMMISSIONER ORDWAY: Motion.

14 ACTING CHAIRPERSON RASMUSSEN: Questions on 25?
15 25 is approved.

16 26.

17 EXECUTIVE OFFICER DEDRICK: Casex Company,
18 it's an approval of an amended gas sales agreement on
19 a state oil and gas lease in Solano County.

20 COMMISSIONER ORDWAY: Motion.

21 ACTING CHAIRPERSON RASMUSSEN: Any questions on
22 26? 26 is approved.

23 27.

24 EXECUTIVE OFFICER DEDRICK: 27 is a notice of
25 intent by the City of Long Beach to spend an estimated

1 50,000 of tidelands oil revenues for sand at 55th Place
2 Beach.

3 COMMISSIONER ORDWAY: This is an internal change,
4 not an addition?

5 EXECUTIVE OFFICER DEDRICK: That is correct.
6 No. This is a situation where the city is within its
7 own money.

8 COMMISSIONER ORDWAY: It's within it's own
9 budget amount; it's not additional?

10 EXECUTIVE OFFICER DEDRICK: That's correct.

11 COMMISSIONER ORDWAY: Motion.

12 ACTING CHAIRPERSON RASMUSSEN: 27, any additional
13 questions? 27 is approved.

14 28.

15 EXECUTIVE OFFICER DEDRICK: 28 is the City of
16 Long Beach seventh modification of the Plan of
17 Development and gives you the increase, the figures
18 for the increase in production over our projected.

19 COMMISSIONER ORDWAY: Motion.

20 ACTING CHAIRPERSON RASMUSSEN: No questions? 29.
21 28 is approved.

22 EXECUTIVE OFFICER DEDRICK: 29 is approved?

23 COMMISSIONER ORDWAY: No.

24 ACTING CHAIRPERSON RASMUSSEN: 28 is approved.
25 We're on Item 29. I confused you and I apologize.

1 EXECUTIVE OFFICER DEDRICK: Gosh, I think I mixed
2 them up. Again, this is the eighth modification of the
3 Plan and budget which authorizes a shift of funds within
4 the existing budget.

5 COMMISSIONER ORDWAY: Motion.

6 ACTING CHAIRPERSON RASMUSSEN: Questions? 29
7 is approved.

8 Item 30.

9 EXECUTIVE OFFICER DEDRICK: Item 30 is again the
10 City of Long Beach, State Lands Commission monitoring of
11 seismic hazards. Moose Thompson would like to make a
12 statement for the record.

13 MR. THOMPSON: Just for the record, I'd like to
14 show the graph presentation that confirms the statement
15 we make here that there's no subsidence occurred as a
16 result of production from Long Beach. The Long Beach
17 Unit boundaries are these boundaries right here. These
18 are ISO elevation maps for the period of about 19 years
19 here, May of 1965, which was prior to the start of
20 production along this unit. All of this area here is now
21 higher than it was before we started production in the
22 Long Beach Unit. This is the last six months elevation
23 map that was run. It also shows increase in elevation.
24 At the present time there is a subsidence contingency fund
25 in which we take about \$2 million a year and charge the

7
1 cost against the net profit that goes into a contingency
2 fund in case there's any judgment against these field
3 contractor or the state and the city, and that fund is now
4 40 and \$45 million.

5 COMMISSIONER ORDWAY: And we've had no claims?

6 MR. THOMPSON: No claims because of this
7 particular incident.

8 ACTING CHAIRPERSON RASMUSSEN: Thank you,
9 Mr. Thompson.

10 Any other questions?

11 Item 30 is approved.

12 31.

13 EXECUTIVE OFFICER DEDRICK: Item 31 is approval
14 for an agreement to modify a surface entry rights on a
15 parcel of land where the state owns the mineral rights
16 and would also authorize the Executive Officer to execute
17 the agreement and all the necessary documents.

18 COMMISSIONER ORDWAY: Motion.

19 ACTING CHAIRPERSON RASMUSSEN: 31, any questions?
20 31 is approved.

21 32 is off calendar.

22 Item 33.

23 MR. HIGHT: Item 33 is an authorization to hold
24 a public hearing at Yosemite National Park concerning
25 a retrocession of jurisdiction. We will report back to you

1 on the findings of that hearing.

2 COMMISSIONER ORDWAY: When is the hearing?

3 MR. HIGHT: It's in early May.

4 ACTING CHAIRPERSON RASMUSSEN: That's a nice time
5 of year to be there.

6 EXECUTIVE OFFICER DEDRICK: Bob always does it
7 right.

8 ACTING CHAIRPERSON RASMUSSEN: I'm sure this is
9 strictly business.

10 MR. HIGHT: Strictly.

11 ACTING CHAIRPERSON RASMUSSEN: Item 33, no
12 questions? Item 33 is approved.

13 Item 34.

14 MR. TROUT: Item 34 is to augment the contract
15 we have with Robert Armstrong who is a Texas attorney
16 and some associates of his in the Outer Continental
17 Shelf dispute with the Federal Government. Mr. Armstrong
18 and some consultants that are working for him have been
19 aiding the state. The Governor's Office of Environmental
20 Affairs, the OCS Coordinator, Gordon Duffy, has asked us
21 to work with them in negotiations with the Secretary
22 of Interior and that's required additional work that we
23 hadn't anticipated.

24 COMMISSIONER ORDWAY: Motion.

25 ACTING CHAIRPERSON RASMUSSEN: We just approved.

1 this the month before, didn't we, the original contract?

2 MR. TROUT: The original one was approved almost
3 a year ago.

4 COMMISSIONER ORDWAY: Time flies when you're
5 having a good time.

6 ACTING CHAIRPERSON RASMUSSEN: All right.
7 Any other questions on 34? 34 is approved.

8 Item 35.

9 MR. TROUT: Mr. Taylor would like to have another
10 \$150,000 to carry on his work for the Lands Commission.

11 MR. TAYLOR: It's essentially for consultants.

12 COMMISSIONER ORDWAY: Is this within the budget?

13 MR. TROUT: Excuse me?

14 COMMISSIONER ORDWAY: Is this within the budget?

15 MR. TROUT: This would be reimbursable from the
16 Long Beach activities. This is moving money from one
17 pocket to another. It doesn't augment the budget.

18 MR. TAYLOR: It will require a Section 28 letter
19 for both departments.

20 COMMISSIONER ORDWAY: Any that will be prepared
21 as soon as action is taken?

22 MR. TAYLOR: The primary reason for this is that
23 we have one expert who is going to have to testify in the
24 arbitration proceedings which we anticipate will go for
25 ///

1 about 90 days and he is having to do a whole bunch of
2 engineering work. He's from Oklahoma, and he's living out
3 here now while he prepares for that. But in terms of
4 cost effectiveness, the first rulings in this case have
5 been \$30 million more this year from one ruling in the
6 arbitration proceeding. So cost-effective-wise, it's very,
7 very good for all of us.

8 ACTING CHAIRPERSON RASMUSSEN: Okay. Any other
9 questions on 35?

10 35 is approved.

11 36.

12 MR. TROUT: 36 is an augmentation to the contract
13 of Lobel, Novins and Lamont, our Washington law firm, and
14 they had to do additional work for the state on the
15 Elk Hills, our negotiation with the Federal Government on
16 the Elk Hills school lands situation which the school lands
17 are worth about one and a half to 1.8 billion dollars and
18 we're trying to get the equitable title to those lands
19 in place from the Department of Interior. If so, they
20 should produce somewhere between 35 and \$50 million a
21 year.

22 COMMISSIONER ORDWAY: Are there funds within
23 your budget for this?

24 MR. TROUT: No, not right now. If the
25 Commission approves it, we would then go through with a

1 Section 28 letter and a fund transfer.

2 ACTING CHAIRPERSON RASMUSSEN: And this is not
3 reimbursable out of the Long Beach money?

4 MR. TROUT: No, it is not.

5 EXECUTIVE OFFICER DEDRICK: This would add to
6 the school lands revenue, Commissioner. This is part of
7 the STRS --

8 COMMISSIONER ORDWAY: Motion.

9 ACTING CHAIRPERSON RASMUSSEN: Item 36, any other
10 questions?

11 EXECUTIVE OFFICER DEDRICK: Oh, I'm sorry. No,
12 that's right, STRS.

13 MR. TROUT: You're correct.

14 ACTING CHAIRPERSON RASMUSSEN: 36 is approved.

15 37

16 MR. TROUT: 37 is authority to solicit a
17 Request for Proposal to have a study done for the purpose
18 of making some exchanges with the Bureau of Land
19 Management. They have a number of parcels of ours that
20 are enclosed totally within wilderness study areas. This
21 contract would be funded out of the State Teachers' Retirement
22 System. In other words, it comes off the top of the school
23 lands revenues before the balance is given to State
24 Teachers' Retirement System. This also, if the Commission
25 approves it, would probably require, may require a Section 28

1 approval.

2 ACTING CHAIRPERSON RASMUSSEN: All right. Any
3 questions on 37?

4 COMMISSIONER ORDWAY: No.

5 ACTING CHAIRPERSON RASMUSSEN: 37 is approved.
6 38 is off calendar.

7 Are there any other --

8 EXECUTIVE OFFICER DEDRICK: No, Commissioner.

9 ACTING CHAIRPERSON RASMUSSEN: All right.
10 Thank you.

11 EXECUTIVE OFFICER DEDRICK: Thank you.

12 (Thereupon the State Lands Commission
13 meeting was adjourned at 10:43 a.m.)

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CERTIFICATE OF SHORTHAND REPORTER

I, CATHLEEN SLOCUM, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing State Lands Commission Meeting was reported in shorthand by me, Cathleen Slocum, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 17 day of April, 1985.

Cathleen Slocum
CATHLEEN SLOCUM
Certified Shorthand Reporter
License No. 2822