

1932

Voter Information Guide for 1932, Special Election

Follow this and additional works at: http://repository.uchastings.edu/ca_ballot_props

Recommended Citation

Voter Information Guide for 1932, Special Election (1932).
http://repository.uchastings.edu/ca_ballot_props/302

This Proposition is brought to you for free and open access by the California Ballot Propositions and Ballot Initiatives at UC Hastings Scholarship Repository. It has been accepted for inclusion in Propositions by an authorized administrator of UC Hastings Scholarship Repository. For more information, please contact emickt@uchastings.edu.

Referendum Measures

TO BE SUBMITTED TO THE ELECTORS
OF THE STATE OF CALIFORNIA AT
THE SPECIAL ELECTION TO BE HELD

Tuesday, May 3, 1932

TOGETHER WITH

Arguments Respecting the Same

TABLE OF CONTENTS Page 2

Compiled by
FRED B. WOOD
Legislative Counsel

And Distributed by
FRANK C. JORDAN
Secretary of State

CALIFORNIA STATE PRINTING OFFICE
HARRY HAMMOND, STATE PRINTER
SACRAMENTO, 1932

TABLE OF CONTENTS

PART I

	Page
Index To Arguments.....	3
Arguments, Beginning At.....	4

PART II (Appendix)

Index to Part II (Appendix).....	1
Text of Measures To Be Voted On, Beginning At.....	2
Order Of Measures On Ballot.....	8
Summary Of Measures Submitted.....	8
Recapitulation of Measures Submitted.....	8
Form In Which Proposed Measures Will Appear On Ballot.....	9

NOTICE

In setting forth in Part II hereof the text of the proposed measures, **NEW** laws and **NEW** provisions proposed to be **ADDED** to or **INSERTED** in existing laws, are printed in **BLACK-FACED TYPE**; **EXISTING** provisions of **EXISTING** laws proposed to be **DELETED** are printed in **STRIKE-OUT TYPE**.

PART I
ARGUMENTS

INDEX TO ARGUMENTS

	Page
Oil Control	4
Leasing State Lands	5

OIL CONTROL. Act submitted to electors by referendum. Prohibits waste of crude petroleum oil; defines waste as including physical destruction, production, storage and uneconomic use thereof; creates conservation commission composed of oil and gas supervisor and five members elected by districts as therein provided; prescribes commission's powers and duties; authorizes commission to investigate production of oil, requires sworn statements from producer, hearings; determines whether waste is committed, ascertains non-wasteful production, regulates, limits production, requires those committing waste by excessive production to desist therefrom; authorizes injunctions against violating commission's orders and provides for closing wells pending court order.

YES

NO

(For full text of Measure, see page 2, Part II)

**Argument in Favor of Oil Control
Referendum Measure**

This statute, enacted by the Legislature of the State of California and signed by the Governor, is a vital conservation measure to meet the grave problem of overproduction and waste of crude oil in California. It appears here because a small minority of crude oil producers desire to prevent this law, drawn and perfected by the Legislature after a most thorough investigation, from going into effect. Without an adequate measure of conservation and control, such as provided herein, the oil industry, one of the State's greatest industries, would face demoralization, which would be a disastrous addition to the general depression, and likewise disastrous to scores of thousands of stockholders and workers and to thousands of lessees and owners of oil lands. This measure represents a sincere and studied attempt to conserve the great oil resources of California and to regulate production to meet, rather than to exceed the demand for oil. It is in line with the conservation aims of the United States Government which is interested in the conservation of oil as a matter of national defense.

The measure provides a workable standard to determine, with fairness to all concerned, the amount of oil needed to meet the public's demand for oil, and to prevent wasteful and unneeded production beyond that amount. The statute has already been considered a model for legislation in other states facing the same problem.

The act is practical, simple and sound. It provides a fact-finding commission of six members, all qualified by experience to deal with the problems involved. The commission will be elected by the majority vote of producers, regardless of the size of their operations. One member will be a State official. The recommendations of the commission, which is only a fact-finding body, will not become effective until approved by the Director of Natural Resources of the State of California, representing the people of the State as a whole.

The welfare and progress of California are bound up with the fortunes of the oil within

its boundaries. The State has hitherto been saved from complete disaster in the matter of overproduction by voluntary curtailment of production. But, as so often is the case in cooperative undertakings, a small minority has refused to cooperate, seeking to take all the advantages of a sane and controlled development of crude oil production, without accepting their share of the burden. The State Legislature, by this statute, corrects this unfair and dangerous condition.

This is a measure of true conservation, and should commend itself to all those thoughtful and forward-looking persons who appreciate the wisdom and believe in the value of a carefully-planned program, fair to all, of the development of a great resource, rather than planless and reckless exploitation by those who seize upon the resources of the moment to turn them into profit, without thought of the future, or of the welfare of the people of California.

Vote YES on Proposition No. 1

WILL R. SHARKEY,
State Senator, Ninth District.
RALPH H. CLOCK,
State Senator, Thirty-third District.

**Argument Against Oil Control
Referendum Measure**

This act is commonly known as the "Sharkey Bill." Oil and gas conservation is one of the most important questions before the people today. There is considerable doubt, however, as to whether or not this is a real conservation measure and designed to prevent waste of crude petroleum oil. Many believe that the enactment of such a law will ultimately increase the price of gasoline and other oil products to the consumer. The producer, it is true, is entitled to a fair return, but not greater than the cost of production would justify.

Under provisions of the act the landowners or lessors are given no voice in the selection of the commissioners created by the terms of the act. If the bill becomes a law the production of crude petroleum will be curtailed to the amount necessary to take care of the requirements as

determined by the commission. This would establish an artificial standard of requirement. Only producers may participate in the election of commissioners. This will mean that land-owners and lessors, many of whom have held their land for years, will be deprived of any voice in the election of commissioners, who in turn will recommend to the Director of Natural Resources the quantity of oil to be produced. It is a further fact that the members of this commission are to serve without pay and only those who have independent means or interest to serve, can afford to offer themselves as candidates.

I am in favor of conservation, but I do not believe that this is a true conservation measure. There should be a balance between production and consumption, but that balance

should be struck by the law of supply and demand, and not by an artificial set-up. It does not seem fundamentally sound to permit the producers alone to determine the quantity of oil or gas that shall be produced.

The enforcement of the act would create at once many additional political employees. We are already suffering from excessive interference and regulation by State agencies. More commissions means more taxes. The act is not in the public interest and not in response to public demand. It seeks to repeal the natural law of supply and demand, which is the sole protection of the people as consumers.

The measure should be defeated. Vote "NO."

RAY W. HAYS,

State Senator, Thirtieth Senatorial District.

PREVENTING LEASING OF STATE-OWNED TIDE OR BEACH LANDS FOR MINERAL AND OIL PRODUCTION. Act submitted to

2 electors by referendum amending political code section 675, as amended by chapter 325, statutes of 1931; eliminating therefrom subdivision 10, which authorizes the director of finance to lease state tide or beach lands for production of minerals, oil, gas or other hydrocarbons, and by such elimination reestablishing statutes of 1929, page 944, prohibiting leasing by state or any state official of tide or beach lands or submerged lands for drilling for oil or gas.

YES

NO

(For full text of Measure, see page 6, Part II)

Argument in Favor of Preventing Leasing of State-Owned Tide or Beach Lands for Mineral and Oil Production Referendum Measure

The attempt to prevent this measure from becoming effective is inspired solely by the hope that its defeat will permit oil drilling on beaches belonging to the State. The real purpose of the referendum is not disclosed by the text of the statute. On its face the bill appears only to be one which enumerates the powers of the Director of Finance. There was, however, another bill passed by the last Legislature to similar effect with the important exception, however, that in addition to the powers enumerated in this measure it authorized him to lease State lands including tidelands and beaches for oil drilling. If the later bill, which is the subject of this referendum, were to be defeated, the earlier bill would become automatically effective and the power to lease beaches for drilling, which the Legislature took away, would be restored. The clause concerning oil leases is the only point of difference in the two statutes and when their history is explained the hidden motive in the attempted defeat of the present measure becomes obvious.

In 1929 the Legislature, in response to the insistent demand of the people, particularly from the southern part of the State, passed a law prohibiting the issuance of any new permits for drilling on State tidelands. Selfish interests have persistently sought to defeat the purpose of this law and several measures were proposed by them in the 1931 Legislature to modify its effect. All of these attempts were

frustrated because of the recognition by the administration and the Legislature of the will of the people and of the necessity of preserving our beaches from further spoliation.

One attempt, however, nearly succeeded through the authorization to lease tidelands, which was surreptitiously included in the administration measure which was originally designed merely to classify and enumerate the powers of the various administrative offices. It was discovered immediately and a corrective measure was passed the following day. It is this law which the sponsors of the referendum seek now to defeat in the hope that an entering wedge for their beach drilling campaign may be found in the rejected statute which would thus become effective.

The proposition is a very simple one. If you believe that the beaches should be preserved for the people of the State, vote "YES."

BERT B. SNYDER,

Forty-second Assembly District.

WILLIAM G. BONELLI,

Fifty-fourth Assembly District.

Argument Against Preventing Leasing of State-Owned Tide or Beach Lands for Mineral and Oil Production Referendum Measure

VOTE NO on Chapter 326, Statutes of 1931, relating to the Department of Finance, and reduce your taxes.

There are millions of barrels of oil underlying State lands now being drained by private cor-

[Five]

porations controlling adjoining property, who pay the State nothing.

If the State could lease the land from which this oil is being drained, millions of dollars would start flowing into the State Treasury. This would ease the taxpayers' burden.

Private interests are opposed to the leasing of such State-owned land. They want to take oil from under State lands without paying the State anything for it.

These private interests are trying to create a smoke screen by yelling "protect our beaches." These same companies are now producing millions of barrels of oil within a stone's throw of such state-owned land. Where this has occurred the beach has already been ruined. In a few years the oil will have been drained into the coffers of private corporations, unless you VOTE NO and permit the State to develop its own property.

The intent of the sponsors of this Referendum is to allow the Director of Finance to lease certain proven oil lands at Huntington Beach in Orange County owned by the State. The adjoining acreage is controlled by ONE oil company, who has received approximately \$6,000,000 from oil produced within 200 feet of said state-owned lands in the last four years.

If you VOTE NO you will approve the stand taken by the UNANIMOUS Legislature of 1931, which approved of the development of said oil lands at Huntington Beach. Oil geologists declare these state-owned lands now being drained by one private oil company have a potential capacity of one hundred million barrels of oil. The State will be deprived of

any income therefrom, unless you VOTE NO.

The committee of the Legislature to examine into the leasing of tidelands for oil, made a thorough investigation of the situation and made a report to the Legislature of the oil development as follows:

"* * * we report that we have examined into the situation created by the leasing of tidelands for oil * * * from the leases mentioned, there has been produced oil and gas valued at \$7,768,632.29 which is an addition to the wealth of the people of the State of California, made possible through this source."

This bill is designed to deprive the State of additional similar income. VOTE NO.

Drilling for oil on State lands at Huntington Beach has been approved by the City Council of that city and the Board of Supervisors of Orange County, and by the Chambers of Commerce of Huntington Beach, Long Beach, Wilmington, Santa Ana, San Clemente and other communities, and by leading newspapers in the area.

VOTE NO and help to decrease the tremendous burden of the taxpayer, and save to the State some of the income now going to private interests who are draining these STATE-OWNED lands.

Respectfully submitted.

ELSON G. CONRAD,
Mayor of the City of
Huntington Beach.

L. W. BLODGET,
City Attorney of the City of
Huntington Beach.

PART II
APPENDIX

PART II
APPENDIX

INDEX TO APPENDIX

	Page
Oil Control.....	1
Leasing State Lands.....	6

1	OIL CONTROL. Act submitted to electors by referendum. Prohibits waste of crude petroleum oil; defines waste as including physical destruction, production, storage and uneconomic use thereof; creates conservation commission composed of oil and gas supervisor and five members elected by districts as therein provided; prescribes commission's powers and duties; authorizes commission to investigate production of oil, requires sworn statements from producer, hearings; determines whether waste is committed, ascertains non-wasteful production, regulates, limits production, requires those committing waste by excessive production to desist therefrom; authorizes injunctions against violating commission's orders and provides for closing wells pending court order.	YES	
		NO	

The Legislature of the State of California, in regular session in 1931, passed, and the governor of the State of California on the fourth day of June, 1931, approved the following act, and a petition bearing the signatures of a sufficient number of electors asking that the act be submitted to the electors for their approval or rejection, having been filed with the secretary of state, in due time, the said act is hereby submitted on referendum.

(This proposed law does not expressly amend any existing law; therefore the provisions thereof are printed in BLACK-FACED TYPE to indicate that they are NEW.)

PROPOSED LAW

An act to prohibit and prevent the waste of crude petroleum oil in the State of California and defining such waste, and in that behalf creating an oil conservation commission; providing for the election of the members of said commission; fixing the terms of office of the members of said commission; providing for the filling of vacancies in the membership of said commission; providing for the powers, duties and authority of said commission and the members thereof; requiring producers of crude petroleum oil and operators of wells and owners and operators of any storage facilities of crude petroleum oil to make and file certain reports; providing for the filing and hearing of complaints concerning the waste of crude petroleum oil and for oaths, subpoenas and depositions; providing for the fixing of allowable production of crude petroleum oil for the state and for the several oil fields thereof, respectively, and for the several zones, properties and wells in each such oil field, respectively, so as to stop such waste; providing for the enforcement of said act; providing penalties for refusing to permit the commission or its representatives to inspect any drilling or producing well or storage facilities and for failing, neglecting or refusing to furnish any report or record or statement required by the commission and for wilfully rendering or furnishing a false or fraudulent report, statement or record, creating a fund for the purposes of said act and providing for the assessment and collection thereof.

The people of the State of California do enact as follows:

Section 1. The production of crude petroleum oil in the State of California in such manner, under such conditions and in such amounts as

to constitute or result in waste as hereinafter defined is hereby declared to be opposed to the public interest and is hereby prohibited.

Sec. 2. The term "waste" as used herein shall include underground waste or destruction without beneficial use, surface waste or destruction without beneficial use, waste by reduction of the total quantity of recoverable crude petroleum oil in any underground source of supply by the careless or improper drilling or operation of wells, and the waste incident to or resulting from the production of crude petroleum oil when the current production together with the amount of crude petroleum oil and/or its refined products in storage exceeds the current requirements for use within and for shipment to points without the state, and for the maintenance in storage of such reserves of crude petroleum oil and/or its refined products as are reasonably necessary to meet and insure the continuity of an adequate supply of crude petroleum oil and/or its refined products for such current requirements as determined upon the basis of past experience existing conditions and estimated future requirements of crude petroleum oil and its refined products for such use and shipment. The loss by evaporation or leakage and the increased hazard of loss from fire and other causes resulting from the storage of crude petroleum oil and/or its refined products in excess of the quantities which are reasonably necessary to insure continuity of an adequate supply for such current requirements is waste within the meaning of this act.

Sec. 3. There is hereby created the oil conservation commission which shall consist of six members one of whom shall be the state oil and gas supervisor and one shall be elected for each of the five districts into which the state is divided by the provisions of section 10 of an act of the State of California entitled "An act to protect the natural resources of petroleum and gas from waste and destruction; relating to the creation of a division in the department of natural resources for the prevention of such waste and destruction; providing for the appointment of a state oil and gas supervisor; prescribing his duties and powers; fixing his compensation; providing for the appointment of deputies and employees; providing for their duties and compensation; providing for the inspection of petroleum and gas wells; requiring all persons operating petroleum and gas wells to make certain reports; permitting and authorizing agreements in the interests of conservation; providing for suits by the director of the department of natural resources in the name of the

people of the State of California; providing procedure for arbitration of departmental rulings; creating a fund for the purposes of the acts; providing for assessment of charges to be paid by operators and providing for the collection thereof; and making an appropriation for the purpose of this act," approved June 10, 1915, chapter 718; amended 1917, chapter 759; amended 1919, chapter 536; amended 1921, chapter 912; amended 1929, chapter 535; as follows:

Within thirty (30) days after this act becomes effective a meeting shall be called and held in each of said districts, respectively, at a place to be determined by the state oil and gas supervisor. At each of such meetings a member of the oil conservation commission for the district in which such meeting is held shall be elected by ballot by a plurality vote of the persons, corporations, copartnerships and associations entitled to vote for district oil and gas commissioners within such district, as provided by said section 10 of said act above referred to, except that each of whom shall be entitled to only one vote. The place and time and details of such meetings, respectively, shall be fixed by the state oil and gas supervisor and he shall deposit a notice thereof in the United States mail, postage prepaid, at least two weeks before the meeting addressed to each of said persons, corporations, copartnerships and associations entitled to vote, as aforesaid, at his or its post-office address or principal place of business, as the same appears on the last record of assessment. At such meeting each of those entitled to vote, as hereinabove provided, may be represented by one person holding the written authority of such voter to act for him at such meeting.

The members first elected for districts number one and number two, as defined in said section 10, shall serve until the third Monday in September, in 1933; the members elected for districts number three and number four, as defined in said section 10, shall serve until the third Monday in September, in 1934; and the member elected for district number five, as defined in said section 10, shall serve until the third Monday in September, in 1935; and thereafter until their respective successors are elected or appointed and qualified. The successors of all members shall thereafter serve for terms of four years each and until their successors are elected or appointed and qualified and shall each be elected on the third Monday in September of the year in which his term of office expires, at the meeting held for the election of district oil and gas commissioners in the district for which his predecessor was elected. The notice of each such meeting shall state that a member of the oil conservation commission is to be elected thereat and the election shall be held in the same manner as hereinabove specified for the election of the first members.

The chairman and secretary of each such meeting shall issue a written certificate to the state oil and gas supervisor, setting forth the results of the election and the name and address of the person elected as such member for said district, and such supervisor in turn shall notify each person so elected of his election and shall certify the same to the secretary of state of the State of California.

Each person so elected shall, within thirty (30) days after notice of his election, as aforesaid, qualify by taking oath of office and by filing the same with the secretary of state, as required by law.

In case of vacancy, the remaining members of the oil conservation commission shall appoint a person to serve until the next regular meeting called and held for the election of district oil and gas commissioners in the district for which the member whose office has become vacant served. The notice of such meeting shall state the fact of such vacancy and that a member of the oil conservation commission is to be elected thereat to fill such vacancy, and at such meeting the vacancy shall be filled by an election called and held in the same manner as hereinabove specified for the election of the first members, and the result of such election shall be certified and all subsequent proceedings taken as hereinabove specified for the regular election and qualification of members.

The state oil and gas supervisor shall be ex officio secretary of said commission and shall keep a record of its proceedings, and his office shall be the office of said commission. The powers and duties of such commission shall be as hereinafter set forth. Said commission shall have power to appoint such deputies and to employ such legal, technical, clerical and other assistants as may be necessary to enable it to perform its duties under this act and shall fix their compensation with the approval of the director of finance, which, together with all reasonable and necessary costs and charges of the enforcement of this act, shall be payable out of the petroleum gas fund hereinafter referred to.

Immediately upon the commencement of the respective terms of office of the oil conservation commissioners the state oil and gas supervisor shall call the first meeting thereof, giving at least five (5) days' written notice to each commissioner of the time and place thereof. At such meeting the said commission shall appoint a chairman and such officers other than secretary as it shall deem necessary and shall adopt rules and regulations for the conduct of its meetings.

The oil conservation commissioner elected for any district hereunder may be recalled from office in the following manner: Upon the filing in the office of the state oil and gas supervisor of a written petition, signed by not less than forty per cent (40%) of the voters entitled to vote on the election of such member, as hereinabove set forth, for such district, asking the recall of such member, said supervisor shall forthwith examine and verify the signatures to such petition, and if he shall find the same sufficient he shall, within ten (10) days from the date of the filing of such petition, give written notice to all of the voters entitled to vote for the election of such member of a meeting for a special election to be held at a place within the district for which such member was elected, and at a time, designated by said supervisor in such notice. Such notice shall be given at least two (2) weeks prior to the day fixed for such election, and shall be by letter addressed to each of the persons, corporations, copartnerships and associations entitled to vote for such member, as aforesaid, at his or its post-office address or principal place of business. Such election shall be called and held in the same manner as a regular election for a member for such district except that the election shall be for the unexpired portion of the term for which such member was originally elected, and any other candidates may at the same time be voted upon with such member. It shall require a majority of the

votes of all the voters entitled to vote for the election of such member to office to elect any candidate for such unexpired portion in his place. In the event no candidate other than such member shall receive a majority of all such votes, such recall shall be deemed to have failed and such member shall continue to serve until the expiration of said term as if no such election had been held. In case any candidate other than such member shall receive a majority of such votes at such election, then such recall shall be deemed to have become effective, and the candidate so receiving such majority of votes shall be deemed elected to such office for such unexpired portion of said term. The chairman and secretary of the meeting at which such election shall be so held shall issue a written certificate to the state oil and gas supervisor setting forth the results of such election, and, if a new member is elected, the name and address of the person so elected. If a new member is so elected said supervisor shall notify him of his election, and shall certify the same to the secretary of state of the State of California. Each person so elected shall qualify as required by law and shall thenceforth be the member of the commission for the district in which such election was held.

Sec. 4. It shall be the duty of the oil conservation commission from time to time to inquire into the production of crude petroleum oil, and the amount of crude petroleum oil and/or its refined products in storage in this state and the extent of the current requirements for use within and for shipment to points without the state and of requirements for the maintenance in storage of such reserves as are reasonably necessary to meet and insure the continuity of an adequate supply of crude petroleum oil and/or its products for such requirements, in order to enable it to determine whether or not waste as hereinbefore defined exists. For this purpose the oil conservation commission shall have the power and it shall be its duty to adopt such rules and regulations as shall enable it to ascertain all the facts upon which the proper and adequate enforcement of this act shall depend. Said commission shall have the right to require any producer or producers of such crude petroleum oil or any operators of any drilling or producing well or wells to make and file sworn statements of production of or facts concerning any well or wells under their control whenever and as often and for such periods as it may specify and such well or wells may be inspected and/or gauged and/or the production therefrom gauged in such manner and under such rules and regulations as may be prescribed by such commission.

All of the records of the oil and gas supervisor of the State of California shall be available for the use of said oil conservation commission under this act.

Said commission shall likewise have the power to require owners and/or operators of any storage facilities of crude petroleum oil and/or its refined products in this state to make and file sworn statements regarding the same and the quantity and quality of the oil and/or its refined products in storage, in such manner and to such extent as shall be prescribed by said commission by rules and regulations or by specific order in the performance of its duties under this act.

Sec. 5. Upon complaint of the oil conservation commission, or upon the verified complaint of any producer of crude petroleum oil in this

state, or upon complaint of the director of natural resources of this state, that waste of crude petroleum oil as hereinbefore defined is being committed in this state, it shall hold a hearing in each of the counties in which it is alleged that such waste is being committed, to determine whether or not such or any waste is being committed. At least five (5) days prior to the date of said hearing the commission shall cause notice of the time and place of said hearing to be published in a newspaper of general circulation printed and published in each county in which it is alleged that waste is being committed, and to be posted in at least three (3) conspicuous places in each field or locality in which it is alleged that such waste is being committed; provided, however, that in lieu of notice by posting or by publication, personal service of such notice upon any person, firm or corporation at least five (5) days prior to the date of said hearing shall be sufficient notice of such hearing to such person, firm or corporation. Said notice shall also specify the commonly accepted name or general description of the field or fields or locality or localities in which the waste is alleged to be taking place and the county or counties in which the same are situated. At said hearing all persons interested shall be entitled to be heard and to introduce evidence. Said hearing shall first be held at the place specified in said notice and may be by the commission adjourned from time to time for further hearing or hearings at such place or places as may be specified by it upon such adjournments, respectively, in the county or any of the counties in which it is alleged waste is being committed as set forth in the original notice of such hearing; provided, that each operator shall be permitted to present the testimony relating to the alleged waste committed on his property in the county in which his property is located. Each member of the board of oil conservation commissioners and each representative of such commission appointed and designated to take testimony at the hearing provided herein shall have power to administer oaths, take affidavits and issue subpoenas for the attendance of witnesses at such hearing. The superior court in and for the county, or city and county, in which any hearing may be held under the authority of this act shall have power to compel the attendance of witnesses, the giving of testimony and the production of papers as required by any subpoena issued hereunder. The oil conservation commission or its representatives before whom the testimony is to be given or produced may, in case of refusal of any witness to attend or testify or produce any papers required by such subpoena, report to the superior court in said county, or city and county, by petition, setting forth that due notice has been given of the time and place of the attendance of said witness or the production of said papers and that the witness has been summoned in the manner prescribed in this act and has failed and refused to attend or produce the papers required by the subpoena before the commission or its representative in the case or proceeding named in the notice of time and place of hearing and subpoena, or has refused to answer questions propounded to him in the course of said proceedings, and ask an order of said court to compel the witness to attend and testify or produce said papers before the commission or its representative. The court, upon such petition shall enter an order directing the witness

appear before the court at a time and place to be fixed by the court in such order, the time to be not more than five (5) days from the date of the order, and then and there show cause why he has not attended and testified or produced said papers before the commission or its representative. A copy of said order shall be served upon said witness. If it shall appear to the court that said subpoena was regularly issued by the commission or its representative the court shall thereupon enter an order that said witness shall appear before the commission or its representative at the time and place entered in such order and testify or produce the required papers, and upon failure to obey said witness shall be dealt with as for contempt of court.

The commission or its representative may in any investigation or hearing cause the deposition of witnesses residing within or without the state to be taken in the manner prescribed by law for like depositions in civil actions in the superior courts of this state and to that end may compel or cause to be compelled as hereinabove set forth, the attendance of witnesses and the production of documents and papers.

Sec. 6. If upon the hearing the commission finds that waste is being committed and if such waste be incident to or result from the wasteful over production of crude petroleum oil as defined in section 2 hereof, the commission shall make an order fixing therein the amount of nonwasteful production for the State of California and for the several oil fields within the state, respectively, found to be contributing to such waste, and for each such oil field fixing therein the amount of allowable production for the several zones, producing properties and/or well or wells in such oil field, so as to stop said waste. The aggregate amount of production without waste, as so determined, shall be so allocated by the commission among the different fields and the different zones, properties and wells in the respective fields as to avoid discrimination in the quantity of production from any field or zone or property as compared with the quantity of production from any other field, zone or property, taking into consideration the extent of the respective fields, zones or properties, the relative accessible oil reserves at the times of allocation, the stage of development of each field or zone, the potential production of the wells, the size and condition of the wells, the quality of the oil produced from each field or zone, and the demand therefor.

If the commission finds that waste other than waste incident to or resulting from excessive production, as hereinabove set forth, is being committed, it shall enter its order or orders requiring the person, firm or corporation found to be committing such waste to desist from the same within such time and to the extent specified in such order or orders. No order made upon a finding of the commission that waste incident to or resulting from excessive production as hereinbefore set forth is being committed, and no order amending or modifying any such order, other than a repeal or suspension thereof, shall become effective until the same has been approved by the director of natural resources of this state, as hereinafter provided. Every order of the commission requiring the approval of the director of natural resources shall be certified to by the secretary of the commission and a copy thereof forthwith delivered by him to the director of natural

resources who shall certify either his approval thereof or his objections thereto to the secretary of the commission. If the director objects to such order, the commission shall reconsider this order and make such new or amended order as it shall determine upon. This new or amended order shall be in like manner subject to the approval of the director of natural resources.

If the director of natural resources fails to either certify his approval or objections to an order of the commission within fifteen (15) days after the certification thereof by the secretary of the commission, the same shall be deemed and considered as having been approved by the director.

Sec. 7. Each order shall state the time during which the same shall be effective and may provide for subsequent hearings for the purpose of determining upon the necessity of and providing for the amendment, modification or setting aside of any such order. The property or properties or well or wells referred to therein shall be described by using the commonly known name or designation thereof filed with the state oil and gas supervisor.

A copy of each order made by the commission shall be mailed to each person, firm or corporation operating any property affected by said order.

No failure to mail copies of any order of the commission as hereinabove provided shall affect the validity of the same.

Any order of the commission may at any time or times be amended, modified or set aside by the commission upon hearing, noticed as hereinbefore prescribed for the original hearing or had as provided for in such order.

A copy of each order when made by the commission shall be filed with the director of natural resources of the state.

Sec. 8. If and when an order of the commission shall be made fixing the amount of allowable production from any oil-producing property within the state, and notice thereof shall have been given as hereinbefore provided, no crude petroleum oil produced in violation of such order shall be removed by any third person, firm or corporation from the property where the same was produced.

Sec. 9. If and when any order shall be made by the commission hereunder fixing the quantity of allowable production from any oil-producing property within the state, and notice thereof shall have been given as hereinbefore provided, if thereafter any person, firm or corporation operating any such property shall produce therefrom a quantity of crude petroleum oil in excess of the quantity allowed to such property under said order of the commission pending proceedings in a court of competent jurisdiction as provided in section 11 hereof, the well or wells on said property shall be entirely closed in until such time as the amount which said well or wells could produce under the order of said court equals the amount theretofore produced in excess of the amount allowed by said order. Thereupon such well or wells may be restored to production upon the basis allowed by such order of said court.

Sec. 9a. The commission may at any time, upon complaint made in writing to it by any person, firm, company, corporation or syndicate, or upon its own motion, and after a hearing held in the same manner as is provided herein for hearings upon complaints that waste of crude petroleum is being committed in this state,

modify, suspend in whole or in part, or rescind any order theretofore made by it pursuant to the provisions of this act.

Sec. 10. Any producer of crude petroleum oil or operator of any drilling or producing well or wells, or owner or operator of any storage facilities of crude petroleum oil, and/or refined products, referred to in this act, or employee thereof, who refuses to permit the commission or its representative to inspect the same, and every person, firm, association, corporation, trust or syndicate, whether as principal, agent, servant, employee or otherwise, failing or neglecting or refusing to furnish any report or record or statement which may be required pursuant to the provisions of this act, or who wilfully renders or furnishes a false or fraudulent report or statement or record, is guilty of a misdemeanor.

Sec. 11. If any person, firm or corporation violates any order of the oil conservation commission made hereunder and persists in such violation after having been given notice of said order as herein provided, the director of natural resources of this state may, and upon request of such commission must, bring an action by complaint in equity in the name of the people of the State of California against such person, firm or corporation in the superior court for any county in which any of the property covered by such order is situated, to restrain the commission of waste as herein defined. There may be joined in the same proceeding any number of defendants alleged to be violating the same order, although their properties and interests may be severally owned, may be situated in several counties, and their actual violations of the order may be separate and distinct. In such action the court shall enjoin the defendants from violating said order or may find to what extent waste is being committed as herein defined regardless of said order, and enter judgment accordingly. In event the order is determined to be invalid, the court may dismiss said

action without prejudice to the right and jurisdiction to conduct further hearings and make a new order in the premises by giving notice thereof as is in this statute provided. In any action for injunction brought hereunder a restraining order shall be issued ex parte otherwise the procedure shall be governed the provisions of chapter III, title VII, part 2, of the Code of Civil Procedure of the State of California and pending appeal no temporary or permanent injunction issued in such proceeding shall be refused or dissolved or stayed upon the giving of any bond or undertaking, or otherwise.

Sec. 12. The department of natural resources shall annually on or before the first Monday in March, acting in conjunction with the state board of control, make an estimate of the amount of moneys which shall be required to carry out the provisions of this act. Said amount of money shall be provided by assessments which shall be levied, assessed, equalized and collected in the manner and at the same time as is provided for the collection of the charges under the provisions of an act entitled "An act to protect the natural resources of petroleum and gas approved June 10, 1915, chapter 718, amended 1917, chapter 759, amended 1919, chapter 536, amended 1921, chapter 912, amended 1929, chapter 535," referred to in section 3 hereof and shall be paid into the petroleum and gas fund created by section 46 of the act above referred to in addition to the amount provided for in said act.

Sec. 13. Nothing herein contained shall be construed to confer on the oil conservation commission any jurisdiction over any matter or matters given to the state oil and gas supervisor or to the director of natural resources by any law of the State of California or to limit the effect of any such law.

Sec. 14. The invalidity of any section, division, clause or sentence of this act shall not in any manner affect the validity of the remaining portion thereof.

PREVENTING LEASING OF STATE-OWNED TIDE OR BEACH LANDS FOR MINERAL AND OIL PRODUCTION. Act submitted to

2 electors by referendum amending political code section 675, as amended by chapter 325, statutes of 1931; eliminating therefrom subdivision 10, which authorizes the director of finance to lease state tide or beach lands for production of minerals, oil, gas or other hydrocarbons, and by such elimination reestablishing statutes of 1929, page 944, prohibiting leasing by state or any state official of tide or beach lands or submerged lands for drilling for oil or gas.

YES	
NO	

The Legislature of the State of California, in regular session in 1931, passed, and the governor of the State of California on the fifteenth day of May, 1931, approved the following act, and a petition bearing the signatures of a sufficient number of electors asking that the act be submitted to the electors for their approval or rejection, having been filed with the secretary of state, in due time, the said act is hereby submitted on referendum.

(This proposed amendment expressly amends an existing section of the Political Code; therefore, EXISTING PROVISIONS proposed to be DELETED are printed in STRIKE-OUT TYPE; and NEW PROVISIONS proposed to be INSERTED or ADDED are printed in BLACK-FACED TYPE.)

[Six]

PROPOSED LAW

An act to amend section 675 of the Political Code, relating to the department of finance.

The people of the State of California do enact as follows:

Section 1. Section 675 of the Political Code is hereby amended to read as follows:

675. The director of finance shall have power:

1. To let, with the consent of the state department, board, commission, or officer concerned, for a period of not to exceed five years, any property, real or personal, which belongs to the state, except where such letting is expressly prohibited by law, if in the judgment of the director such letting will be for the best interests of the state.

2. To hire or lease, upon the written request of the state department, board, commission or officer concerned, any property, real or personal, the judgment of the director such hiring or leasing will be for the best interests of the state.

3. To authorize, with the consent of the state department, board, commission, or officer concerned, the sale or exchange of any personal property which belongs to the state if in the judgment of the director such sale or exchange will be for the best interests of the state.

4. To acquire title to real property in the name of the State of California whenever the acquisition of such property is authorized or contemplated by law, if no other agency of the state is specifically directed and empowered to acquire such title.

5. To convey title to real property in the name of the State of California whenever the sale or exchange of such property is authorized or contemplated by law, if no other agency of the state is specifically directed and empowered to convey such title.

6. To render such advisory, investigational or other similar service to any city, county, city and county, district or any other political subdivision of the state, as may be deemed expedient by the director, said service to be rendered only upon such terms and conditions as may be satisfactory to the director of finance.

7. To institute, in the name of the State of California condemnation proceedings for the

acquiring of any land authorized by law to be obtained for any state department, board, commission or institution, except land to be acquired by the department of public works for highway uses and purposes, and to proceed if necessary to condemn under the terms of the Code of Civil Procedure relating to such proceedings, if no other agency of the state is specifically directed and empowered to institute such proceedings.

8. To grant and convey in the name of the State of California, with the approval of the department concerned, easements and rights of way over and across real property belonging to the state except real property used for highway rights of way, for such purposes and upon such consideration and subject to such conditions, limitations, restrictions and reservations as in his judgment may be to the interest of the state.

9. To grant and convey by deed or otherwise to abutting property owners all the right, title and interest of the State of California, in and to abandoned river channels.

10. Upon such terms and conditions and under such rules and regulations as he shall prescribe, to lease any land belonging to the state or in which the state has an interest, for the production of minerals, oil, gas or other hydrocarbons, if in his judgment it is for the best interest of the state to do so and if no other state agency has express authority in law to lease the land for such purposes.

Order of Measures on Ballot and Page in This Appendix

	Page
Oil Control.....	2
Leasing State Lands.....	6

**Summary of Measures Submitted to Electors
(Total Number 2)**

Referendum Measures

	Pa
Oil Control.....	2
Leasing State Lands.....	6

Recapitulation

New Law

	Page
Oil Control.....	2

Amendment to Existing Law

Leasing State Lands (Amends section 675 of the Political Code).....	6
---	---

Manner in Which the Referendum Measures Will Be Designated and Appear on the Ballot

<p>1</p> <p>OIL CONTROL. Act submitted to electors by referendum. Prohibits waste of crude petroleum oil; defines waste as including physical destruction, production, storage and uneconomic use thereof; creates conservation commission composed of oil and gas supervisor and five members elected by districts as therein provided; prescribes commission's powers and duties; authorizes commission to investigate production of oil, requires sworn statements from producer, hearings; determines whether waste is committed, ascertains non-wasteful production regulates, limits production, requires those committing waste by excessive production to desist therefrom; authorizes injunctions against violating commission's orders and provides for closing wells pending court order.</p>	YES	
	NO	
<p>2</p> <p>PREVENTING LEASING OF STATE-OWNED TIDE OR BEACH LANDS FOR MINERAL AND OIL PRODUCTION. Act submitted to electors by referendum amending political code section 675, as amended by chapter 325, statutes of 1931; eliminating therefrom subdivision 10, which authorizes the director of finance to lease state tide or beach lands for production of minerals, oil, gas or other hydrocarbons, and by such elimination reestablishing statutes of 1929, page 944, prohibiting leasing by state or any state official of tide or beach lands or submerged lands for drilling for oil or gas.</p>	YES	
	NO	

CERTIFICATE OF SECRETARY OF STATE

STATE OF CALIFORNIA, DEPARTMENT OF STATE,
SACRAMENTO, CALIFORNIA.

I, Frank C. Jordan, Secretary of State of the State of California, do hereby certify that the foregoing two referendum measures will be submitted to the electors of the State of California at the special election to be held throughout the State on the third day of May, 1932.

Witness my hand and the great seal of State, at office in Sacramento, California, the tenth day of March, A. D. 1932.



Frank C. Jordan
Secretary of State