

THE SECRETARY OF THE NAVY

WASHINGTON

March 24, 1942

MEMORANDUM FOR: ADMIRAL HORNE

I direct your attention to the attached letter from the President dealing with the subject of the immediate purchase of privately owned lands lying within Naval Petroleum Reserve #1 in California.

Admiral Stuart will be familiar with this project, but I would like to talk it over with you and Stuart before anything is done. Take up this subject at once with Stuart and both of you come in to see me with any proposals you may work out.

/s/ F.K.

Attachment.

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THE WHITE HOUSE

WASHINGTON

March 21, 1942.

My dear Mr. Secretary:

I am in hearty agreement with the recommendation in your letter to me of February 23, 1942 that we proceed to acquire at the earliest possible date the privately owned lands lying within Naval Petroleum Reserve No. 1 in California. However, I question the advisability of drilling the proposed test wells, and feel that the need for the acquisition of these lands as quickly as possible is so great that the delay incident to the drilling of such wells should not be permitted. In order to protect the oil within that Reserve, I think that not only privately owned lands lying within the limits of the Reserve but also contiguous lands lying within the same geologic structure should be acquired in order to afford permanent protection.

Accordingly, you are authorized to proceed immediately with negotiations toward the purchase, if possible, of all lands lying within the geologic structure in which Naval Petroleum Reserve No. 1 is located. In this connection, I suggest the advisability of arranging for paying for such lands through the years on a royalty basis over and above a minimum price based on their lowest estimated yield. If satisfactory arrangements cannot be promptly concluded with the owners, then you are authorized to institute condemnation proceedings through the Department of Justice.

You are also authorized to submit to the Director of the Bureau of the Budget estimates for such funds as may be necessary to accomplish the objective.

Sincerely yours,

/s/ FRANKLIN D. ROOSEVELT

The Honorable,

The Secretary of the Navy.