

STANDARD B & P "NOTEAR"

MINUTE ITEM

9. (OFFER OF AN OIL AND GAS LEASE, RICHFIELD OIL CORPORATION, ESCHEATED LANDS, BANDINI AREA, LOS ANGELES COUNTY - GEO.-LOS ANGELES COUNTY, ESCHEATED LANDS; P.R.C. 2014.6.)

Following presentation of Calendar Item 15 attached, Deputy Attorney General Jay L. Shavelson informed the Commission that at the time the escheated lands in question were conveyed to private owners, the law required that a reservation of all minerals be made to the State. Subsequent to that time, the statutes were changed, so that this reservation is no longer required, and the State Lands Commission was given the right to dispose of the mineral rights in whatever manner it may determine to be in the best interests of the State. There is no necessity for competitive bidding, and the Commission has broad discretion to convey the mineral rights in whatever manner it deems best.

Upon being questioned by the Commission as to the value of the mineral rights, the Acting Executive Officer reported that the area may be potentially productive, but because of the small area of land and its location, there do not appear to be any means of developing it other than through the established community lease.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE ACTING EXECUTIVE OFFICER TO ENTER INTO A LEASE WITH THE RICHFIELD OIL CORPORATION IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE LEASE FORM SUBMITTED BY THE RICHFIELD OIL CORPORATION AND AS APPROVED BY THE OFFICE OF THE ATTORNEY GENERAL, FOR THE EXTRACTION OF OIL AND GAS FROM A PARCEL OF LAND IN LOS ANGELES COUNTY, DESCRIBED AS FOLLOWS:

ALL THAT PORTION OF THE LANDS LYING BELOW 500 FEET FROM THE SURFACE OF: NORTHWESTERLY 45 FEET OF LOT 52 OF TRACT NO. 9256 IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 124, PAGE 77, OF THE MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, ALSO THE SOUTHEASTERLY HALF OF WILMA AVENUE LYING BETWEEN THE NORTHWESTERLY PROLONGATION OF THE NORTHEASTERLY AND THE SOUTHWESTERLY LINES OF THE ABOVE-DESCRIBED PORTION OF LOT 52, CONTAINING .0861 ACRES, MORE OR LESS.

Attachment
Calendar Item 15 (2 pages)

STANDARD B & P "NOTEAR" ®

CALENDAR ITEM

OIL & GAS

15.

(OFFER OF AN OIL AND GAS LEASE, RICHFIELD OIL CORPORATION, ESCHEATED LANDS, BANDINI AREA, LOS ANGELES COUNTY - GEO.-LOS ANGELES COUNTY, ESCHEATED LANDS.)

The Richfield Oil Corporation has offered a lease covering a parcel of land in which the minerals are reserved to the State in the Bandini area, Los Angeles County, described as follows:

All that portion of the lands lying below 500 feet from the surface of: Northwesterly 45 feet of Lot 52 of Tract No. 9256 in the County of Los Angeles, State of California; also, the southeasterly half of Wilma Avenue lying between the northwesterly prolongation of the northeasterly and the southwesterly lines of the above-described portion of Lot 52, containing .0861 acres, more or less.

This land was acquired by the State through escheat proceedings August 22, 1935. On September 25, 1946, the subject lands were sold by the Controller of the State of California. Pursuant to the provisions of the Public Resources Code, the Controller reserved to the State the mineral rights in the land, and on September 20, 1950, the mineral rights were transferred by the Controller to the State Lands Commission.

This area, aggregating less than one acre, is surrounded by other lands which are subject to an oil and gas lease held by the Richfield Oil Corporation. In accordance with Section 3608 of the Public Resources Code, the Richfield Oil Corporation has filed with the State Oil and Gas Supervisor a notice to drill a well upon the leasehold (designated as Bandini Pooling Unit A). The State Oil and Gas Supervisor has caused to be recorded with the County Recorder a declaration that said parcel be deemed by the provisions of Section 3608 to be included in Bandini Pooling Unit A.

It is the opinion of the office of the Attorney General that, pursuant to Sections 6403 and 6406 of the Public Resources Code, which states in part:

"The commission is hereby authorized to sell, exchange, rent, lease or otherwise manage the property represented by all mineral reservations to the State made prior to the effective date of Section 6403 of this code, as added by Chapter 227 of the Statutes of 1947...in such manner and upon such conditions as the commission may determine; provided that any proceeds from the rent, lease or other management of mineral reservations to the State made in connection with the property which has been distributed or escheated to the State...."

the State may properly enter into the form of lease offered.

The royalty provisions provide for a payment to the State of 16-2/3 per cent of the pro rata share of oil and gas produced and saved, and 16-2/3 per cent of the net casing head gasoline extracted and sold.

OIL & GAS 15. (CONTD.)

IT IS RECOMMENDED THAT THE STATE LANDS COMMISSION AUTHORIZE THE ACTING EXECUTIVE OFFICER TO ENTER INTO A LEASE WITH THE RICHFIELD OIL CORPORATION IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE LEASE FORM SUBMITTED BY THE RICHFIELD OIL CORPORATION AND AS APPROVED BY THE OFFICE OF THE ATTORNEY GENERAL, FOR THE EXTRACTION OF OIL AND GAS FROM A PARCEL OF LAND IN LOS ANGELES COUNTY, DESCRIBED AS FOLLOWS:

ALL THAT PORTION OF THE LANDS LYING BELOW 500 FEET FROM THE SURFACE OF: NORTHWESTERLY 45 FEET OF LOT 52 OF TRACT NO. 9256 IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 124, PAGE 77, OF THE MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, ALSO THE SOUTHEASTERLY HALF OF WILMA AVENUE LYING BETWEEN THE NORTHWESTERLY PROLONGATION OF THE NORTHEASTERLY AND THE SOUTHWESTERLY LINES OF THE ABOVE-DESCRIBED PORTION OF LOT 52, CONTAINING .0861 ACRES, MORE OR LESS.