

MINUTE ITEM

7. (PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, SANTA BARBARA COUNTY - W. O. 2718(D), P.R.C. 2206.1.)

After presentation of Calendar Item 3 (First Session) attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 6 OF THE PUBLIC RESOURCES CODE, THE EXECUTIVE OFFICER IS AUTHORIZED TO ISSUE AN OIL AND GAS LEASE TO THE TEXAS COMPANY, MONTEREY OIL COMPANY, AND NEWMONT OIL COMPANY, JOINT BIDDERS, WHO SUBMITTED THE HIGHEST QUALIFIED BID, FOR THE 3,840-ACRE PARCEL OF TIDE AND SUBMERGED LANDS DESIGNATED AS PARCEL "D", IN SANTA BARBARA COUNTY, AS DETAILED IN THE PUBLISHED NOTICE OF INTENTION UNDER WORK ORDER 2718(D), PUBLISHED APRIL 28 AND MAY 5, 1958, THE CASH BONUS PAYMENT IN CONSIDERATION OF ISSUANCE OF THE LEASE TO BE \$23,711,538.24, AS OFFERED IN THE JOINT BID. PURSUANT TO THE AWARD OF LEASE, THE JOINT BIDDERS SHALL DESIGNATE A LEASE OPERATOR WHO WILL BE FULLY RESPONSIBLE FOR PERFORMANCE UNDER THE TERMS OF THE LEASE ISSUED.

Attachment

Calendar Item 3 (First Session) (2 pages)

CALENDAR ITEM

OIL & GAS

3.

(PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, SANTA BARBARA COUNTY - W. O. 2718(D).)

On June 27, 1958 six bids were received in response to a published Notice of Intention of the State Lands Commission to enter into a lease for the extraction of oil and gas from 3,840 acres of tide and submerged lands designated as Parcel "D", Santa Barbara County. Publication of this offer was authorized by the Commission April 14, 1958 (Minute page 4003). The combined bid-lease form was approved by the office of the Attorney General prior to the lease offer as to compliance with applicable statutes and rules and regulations.

The bid-lease form was authorized for use by the State Lands Commission April 14, 1958 (Minute page 4003). The office of the Attorney General has reviewed the highest bid--a joint bid of The Texas Company, Monterey Oil Company, and Newmont Oil Company--for award of the lease, and has determined that the Commission has complied with the procedural requirements of law and the bid submitted conforms with:

1. The bid requirements specified in the proposal of the Commission.
2. The applicable statutory provisions of law.
3. The rules and regulations of the Commission.

A summary tabulation of the bonus payment offers received pursuant to the lease proposal is attached.

IT IS DETERMINED THAT, IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 6 OF THE PUBLIC RESOURCES CODE, THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE AN OIL AND GAS LEASE TO THE TEXAS COMPANY, MONTEREY OIL COMPANY, AND NEWMONT OIL COMPANY, JOINT BIDDERS, WHO SUBMITTED THE HIGHEST QUALIFIED BID, FOR THE 3,840-ACRE PARCEL OF TIDE AND SUBMERGED LANDS DESIGNATED AS PARCEL "D", IN SANTA BARBARA COUNTY, AS DETAILED IN THE PUBLISHED NOTICE OF INTENTION UNDER WORK ORDER 2718(D), PUBLISHED APRIL 28 AND MAY 5, 1958, THE CASH BONUS PAYMENT IN CONSIDERATION OF ISSUANCE OF THE LEASE TO BE \$23,711,538.24, AS OFFERED IN THE JOINT BID. THE AWARD OF LEASE IS TO BE SUBJECT TO THE DESIGNATION BY THE JOINT BIDDERS OF A LEASE OPERATOR TO BE FULLY RESPONSIBLE FOR PERFORMANCE UNDER THE TERMS OF THE LEASE TO BE ISSUED.

Attachment

SUMMARY

W. O. 2718(D)

Bidder

Cash Bonus Offer

The Texas Company and
Monterey Oil Company and
Newmont Oil Company

\$23,711,538.24

Phillips Petroleum Company and
Edwin W. Pauley, et al.

22,150,000.00

Hancock Oil Company and
The Ohio Oil Company and
Richfield Oil Corporation and
Signal Oil and Gas Company and
Tidewater Oil Company and
United Carbon Company, Inc. of Maryland

12,357,357.57

Humble Oil & Refining Company and
Standard Oil Company of California

10,342,732.75

Shell Oil Company

5,326,469.99

Union Oil Company of California and
Continental Oil Company

4,076,000.00