

MINUTE ITEM

19. PROPOSED OIL-AND-GAS LEASE, SANTA BARBARA COUNTY - W.O. 3537,
W.O. 3557.

(Note: Commissioner Anderson arrived and was present for this and subsequent minute items.)

After presentation of Supplemental Calendar Item 19 attached,

UPON MOTION MADE BY COMMISSIONER CARR, SECONDED BY COMMISSIONER ANDERSON, AND CARRIED UNANIMOUSLY, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE EXECUTIVE OFFICER IS AUTHORIZED TO OFFER A PARCEL OF TIDE-AND-SUBMERGED LANDS IN SANTA BARBARA COUNTY FOR OIL-AND-GAS LEASE, PURSUANT TO DIVISION 6 OF THE PUBLIC RESOURCES CODE.

THE LEASE AWARD IS TO BE MADE TO THE QUALIFIED BIDDER OFFERING THE HIGHEST CASH-BONUS PAYMENT IN CONSIDERATION OF THE ISSUANCE OF AN OIL-AND-GAS LEASE.

THE BID-LEASE FORM TO BE UTILIZED FOR THE FOLLOWING-DESCRIBED PARCEL SHALL BE THE FORM APPROVED AND ADOPTED PURSUANT TO THE PRECEDING CALENDAR ITEM OF THIS CALENDAR.

THE PROPOSED LEASE AREA IS NOT WITHIN THE KNOWN GEOLOGIC STRUCTURE OF ANY PRODUCING OIL-OR-GAS FIELDS.

<u>PARCEL</u>	<u>WEST BOUNDARY</u>	<u>EAST BOUNDARY</u>	<u>AREA (ACRES)</u>
W.O. 3537(J) (PARCEL 1)	X = 1,258,850	X = 1,269,000	4,250.14

ALL COORDINATES ARE GIVEN IN CALIFORNIA COORDINATE SYSTEM, ZONE 5.

THE LANDWARD (NORTHERLY) BOUNDARY OF THE PARCEL IS THE ORDINARY HIGH WATER MARK OF THE PACIFIC OCEAN.

THE SEAWARD (SOUTHERLY) BOUNDARY OF THE PARCEL IS A LINE PARALLEL TO THE ORDINARY HIGH WATER MARK AND SEAWARD THEREFROM THREE NAUTICAL MILES.

THE LEASE RENTAL IS TO BE \$1 PER ACRE PER YEAR.

Following adoption of the foregoing resolution, the Chairman read the following policy statement:

"On September 29 it was announced, for the information of the industry interested in bidding on future tideland oil and gas leases, that the Commission had concluded that the interests of the State would be served best by inviting cash-bonus bids for leases to be considered in Santa Barbara County westerly of the Elwood Oil field.

"Again, for the information of potential lease bidders, it appears desirable to emphasize that there are potential advantages which should result from the Commission's initiative in the establishment of the leasing program authorized today. Particularly, it should be apparent that one of the foremost advantages should be the feasibility of effective long-range planning, both by industry and by the State, in exploration and development under a continuing and augmented leasing program.

"It is the expectation of the Commission that it will seek the orderly development of the tidelands by taking the initiative in the opening of new parcels in the future for leasing, without necessarily waiting for industry nominations. This program would be intended to supplement and complement, not to replace, active industry area nominations or other effective suggestions for the best possible offshore development in the interest of the people of California."

Attachment
Supplemental Calendar Item 19 (1 page)

CALENDAR ITEM

SUPPLEMENTAL

19.

PROPOSED OIL-AND-GAS LEASE, SANTA BARBARA COUNTY - W.O. 3537.

In accordance with the actions proposed in the preceding calendar item,

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO OFFER A PARCEL OF TIDE-AND-SUBMERGED LANDS IN SANTA BARBARA COUNTY FOR OIL-AND-GAS LEASE, PURSUANT TO DIVISION 6 OF THE PUBLIC RESOURCES CODE.

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