

MINUTE ITEM

44. PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LAND, SANTA BARBARA COUNTY - W.O. 3880 (PARCEL 4), P.R.C. 2793.1.

After consideration of Calendar Item 35 and Supplemental Calendar Item 47 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 COMMISSION ACCEPTS THE HIGHEST QUALIFIED BID, MADE BY RICHFIELD OIL CORPORATION, A DELAWARE CORPORATION; SIGNAL OIL AND GAS COMPANY, A DELAWARE CORPORATION; AND SOCONY MOBIL OIL COMPANY, INC., A NEW YORK CORPORATION, JOINT BIDDERS, ON SEPTEMBER 7, 1961, AND AUTHORIZES THE EXECUTIVE OFFICER TO ISSUE AN OIL AND GAS LEASE TO THE AFORESAID JOINT BIDDERS FOR THE 4,250.14-ACRE PARCEL OF TIDE AND SUBMERGED LANDS DESIGNATED AS W.O. 3880 (PARCEL 4) IN SANTA BARBARA COUNTY, AS DETAILED IN THE PUBLISHED NOTICE OF INTENTION UNDER W.O. 3880 (PARCEL 4) PUBLISHED JUNE 15 AND JUNE 22, 1961. THE CASH-BONUS PAYMENT IN CONSIDERATION OF ISSUANCE OF THE LEASE IS TO BE \$2,101,875.00, AS OFFERED IN THE BID.

Attachments

- Calendar Item 35 (2 pages)
- Calendar Item 47 (2 pages)

CALENDAR ITEM

INFORMATIVE

35.

PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LAND, SANTA BARBARA COUNTY -
W.O. 3880 (Parcel 4).

On September 7, 1961, three 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 4,250.14 acres of tide and submerged lands, designated as W.O. 3880 (Parcel 4), Santa Barbara County. This offer was authorized by the Commission on May 25, 1961 (Minute Item 17, page 6979).

The office of the Attorney General has reviewed the highest bid submitted by joint bidders, Richfield Oil Corporation, Signal Oil and Gas Company, and Socony Mobil Oil Company, Inc., and has determined that the Commission has complied with the procedural requirements of law and that the bid submitted conforms with:

1. The bid requirements as specified in the proposal of the State Lands Commission to enter into the aforesaid oil and gas lease.
2. The applicable 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.

Staff recommendations on the bases for consideration of award of a lease will be presented to the Commission by supplemental Calendar Item.

Attachment
Exhibit "A"

W.O. 3880
(Parcel 4)

EXHIBIT "A"

SUMMARY

<u>Bidder</u>	<u>Cash Bonus Offer</u>
Richfield Oil Corporation, Signal Oil and Gas Company, and Socony Mobil Oil Company, Inc.	\$2,101,875.00
Shell Oil Company and Standard Oil Company of California	1,066,000.00
Texaco Inc.	510,000.00

SUPPLEMENTAL CALENDAR ITEM

47.

PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LAND, SANTA BARBARA COUNTY - W.O. 3880 (PARCEL 4).

On September 7, 1961, three 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 4,250.14 acres of tide and submerged lands designated as W.O. 3880 (Parcel 4), Santa Barbara County. This offer was authorized by the Commission on May 25, 1961 (Minute Item 17, page 6979).

The Office of the Attorney General has reviewed the highest bid, submitted by Richfield Oil Corporation, Signal Oil and Gas Company and Socony Mobil Oil Company, Inc., joint bidders, and has determined that: (a) the Commission has complied with the procedural requirements of Law and (b) the bid submitted conforms with

- (1) the bid requirements specified in the proposal of the Commission,
- (2) the applicable provisions of law, and
- (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 RECOMMENDED THAT, IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 6 OF THE PUBLIC RESOURCES CODE, THE COMMISSION ACCEPT THE HIGHEST QUALIFIED BID, MADE BY RICHFIELD OIL CORPORATION, A DELAWARE CORPORATION; SIGNAL OIL AND GAS COMPANY, A DELAWARE CORPORATION; AND SOCONY MOBIL OIL COMPANY, INC., A NEW YORK CORPORATION, JOINT BIDDERS, ON SEPTEMBER 7, 1961, AND AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE AN OIL AND GAS LEASE TO THE AFORESAID JOINT BIDDERS FOR THE 4,250.14-ACRE PARCEL OF TIDE AND SUBMERGED LANDS DESIGNATED AS W.O. 3880 (PARCEL 4) IN SANTA BARBARA COUNTY, AS DETAILED IN THE PUBLISHED NOTICE OF INTENTION UNDER W.O. 3880 (PARCEL 4) PUBLISHED JUNE 15 AND JUNE 22, 1961. THE CASH-BONUS PAYMENT IN CONSIDERATION OF ISSUANCE OF THE LEASE IS TO BE \$2,101,875.00, AS OFFERED IN THE BID.

Attachment
Exhibit "A"

W.O. 3880
(PARCEL 4)

EXHIBIT "A"

SUMMARY

W.O. 3880 (PARCEL 4)

BIDDER

Joint bid of Richfield, Signal, Socony	\$ 2,101,875.00
Joint bid of Shell Oil Company and Standard Oil Company of California	1,066,000.00
Texaco Inc.	510,000.00