

MINUTE ITEM

2. OIL AND GAS LEASES, SANTA BARBARA COUNTY (EAST OF GAVIOTA) - W.O. 3770.

After consideration of Calendar Item 2 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION APPROVES AND ADOPTS, PURSUANT TO DIVISION 6, PART 2, CHAPTER 3, ARTICLES 2 AND 4, OF THE PUBLIC RESOURCES CODE, THE COMBINED BID-LEASE FORM, REFERRED TO AS ATTACHMENT "1", A COPY OF WHICH IS HEREBY MADE A PART OF THESE MINUTES BY REFERENCE TO THE OFFICIAL FILES OF THE COMMISSION, AS THE FORM TO BE UTILIZED FOR TIDE AND SUBMERGED LAND LEASE OFFERS IN THE AREA LYING BETWEEN GAVIOTA AND THE WESTERMOST EXISTENT OIL AND GAS LEASE IN THE ELWOOD FIELD, SANTA BARBARA COUNTY (P.R.C. 208.1).

Attachment

Calendar Item 2 (1 page)

Reference:

Bid-Lease Form, Attachment "1", copy of which is on file in W.O. 3770 in the offices of the Commission.

*Bid-lease form above modified
by amendment of Paragraph 22.
See minute Item 14, pg. 9668,
minutes of February 26, 1964.*

E. Denny

CALENDAR ITEM

2.

OIL AND GAS LEASES, SANTA BARBARA COUNTY (EAST OF GAVIOTA) - W.O. 3770.

Section 6834, Public Resources Code, provides in part that: "Whenever the commission determines the lands shall be leased for oil and gas as provided in this chapter, and when the form of lease therefor has been prepared by the commission, the commission shall give notice of intention to lease such lands ..."

Section 6835, Public Resources Code, requires that bids be submitted in the form of a lease prepared in accordance with the chapter of the code.

The Commission has previously approved and adopted a combined bid-lease form for tide and submerged oil and gas lease offers in Santa Barbara County (November 15, 1960, Minute Item 18, page 6473), inclusive of operating conditions specified in Exhibit "A" thereto, royalty rate provisions specified in Exhibit "B", and cash-bonus payment specified in Exhibit "C" thereto, applicable to areas West of Gaviota, Santa Barbara County. Also, on March 29, 1962 (Minute Item 23, page 7870), the Commission authorized the amendment of Section 8, Exhibit "A", of the bid-lease form applicable to areas east of Gaviota, to assure complete mutual understanding as to the bases for employing ocean-floor installations closer than one mile from shore in oil and gas leases to be offered by the Commission in the tideland areas between Gaviota and Elwood. The combined bid-lease form approved November 15, 1960, and Exhibits "A", "B", and "C" (east of Gaviota) amended March 29, 1962, were utilized in lease offers authorized for Parcel 8 (April 26, 1962, Item 18, page 7940), and Parcel 9 (May 24, 1962, Item 28, page 8023).

A question has been raised by some prospective bidders as to these bid-lease offers, indicating the desirability of Commission approval of a lease form with Exhibit "A" specifically applicable to areas east of Gaviota as a complete unit.

Review of this problem with the Office of the Attorney General has disclosed the desirability for clarification of the Commission's records relative to the aforesaid pending offers. Therefore, oil and gas lease offers for Parcels 8 and 9 have been canceled, and

IT IS RECOMMENDED THAT THE COMMISSION APPROVE AND ADOPT, PURSUANT TO DIVISION 6, PART 2, CHAPTER 3, ARTICLES 2 AND 4, OF THE PUBLIC RESOURCES CODE, THE COMBINED BID-LEASE FORM ATTACHED HERETO AS ATTACHMENT "1" TO BE UTILIZED FOR TIDE AND SUBMERGED LAND LEASE OFFERS IN THE AREA LYING BETWEEN GAVIOTA AND THE WESTERNMOST EXISTENT OIL AND GAS LEASE IN THE ELWOOD FIELD, SANTA BARBARA COUNTY (P.R.C. 208.1).

Attachment
Bid-Lease Form (W.O. 3770)