

MINUTE ITEM

25. ACCEPTANCE OF BID AND AWARD OF OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, SANTA BARBARA COUNTY - W.O. 4480 (PARCEL 8A), P.R.C. 2920.1.

After consideration of Calendar Item 23 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 SHELL OIL COMPANY AND STANDARD OIL COMPANY OF CALIFORNIA ON AUGUST 9, 1962, AND AUTHORIZES THE EXECUTIVE OFFICER TO ISSUE AN OIL-AND-GAS LEASE TO THE SAID JOINT BIDDERS FOR THE 4,250.14-ACRE PARCEL OF TIDE AND SUBMERGED LANDS DESIGNATED AS W.O. 4480 (PARCEL 8A), P.R.C. 2920.1 IN SANTA BARBARA COUNTY, AS DETAILED IN THE PUBLISHED NOTICE OF INTENTION UNDER W.O. 4480 (PARCEL 8A) PUBLISHED JULY 20 AND JULY 25, 1962. THE CASH-BONUS PAYMENT IN CONSIDERATION OF ISSUANCE OF THE LEASE IS TO BE \$14,080,713.82, AS OFFERED IN THE BID.

Attachment

Calendar Item 23 (2 pages)

SUPPLEMENTAL CALENDAR ITEM

23.

ACCEPTANCE OF BID AND AWARD OF OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, SANTA BARBARA COUNTY - W.O. 4480 (PARCEL 8A), P.R.C. 2920.1.

On August 9, 1962, four 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. 4480 (Parcel 8A), Santa Barbara County. This offer was authorized by the Commission on July 19, 1962.

All bids submitted were reviewed by the staff as to technical sufficiency and economic factors. The office of the Attorney General reviewed the highest bid, submitted by Shell Oil Company and Standard Oil Company of California, and determined:

- A. That the Commission has complied with the procedural requirements of law; and
- B. That 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 of the cash 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 SHELL OIL COMPANY AND STANDARD OIL COMPANY OF CALIFORNIA ON AUGUST 9, 1962, AND AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE AN OIL-AND-GAS LEASE TO THE SAID JOINT BIDDERS FOR THE 4,250.14-ACRE PARCEL OF TIDE AND SUBMERGED LANDS DESIGNATED AS W.O. 4480 (PARCEL 8A), P.R.C. 2920.1 IN SANTA BARBARA COUNTY, AS DETAILED IN THE PUBLISHED NOTICE OF INTENTION UNDER W.O. 4480 (PARCEL 8A) PUBLISHED JULY 20 AND JULY 25, 1962. THE CASH-BONUS PAYMENT IN CONSIDERATION OF ISSUANCE OF THE LEASE IS TO BE \$14,080,713.82, AS OFFERED IN THE BID.

Attachment
Exhibit "A"

W.O. 4480
(Parcel 8A)

EXHIBIT "A"

SUMMARY

W.O. 4480 (Parcel 8A)

BIDDER

Shell Oil Company and Standard Oil Company of California, joint bid	\$14,080,713.82
Phillips Petroleum Company and Pauley Petroleum, Inc., joint bid	12,550,000.00
Richfield Oil Corporation, Superior Oil Company and Allied Chemical Corporation, joint bid	3,685,685.00
Humble Oil & Refining Company	3,115,555.00