

MINUTE ITEM

18. PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, SANTA BARBARA COUNTY - W.O. 4490 (PARCEL 9A), P.R.C. 2933.1.

After consideration of Calendar Item 14 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 PHILLIPS PETROLEUM COMPANY, A DELAWARE CORPORATION, AND PAULEY PETROLEUM INC., A DELAWARE CORPORATION, ON SEPTEMBER 20, 1962, AND AUTHORIZES THE EXECUTIVE OFFICER TO ISSUE AN OIL AND GAS LEASE TO THE AFORESAID BIDDERS FOR THE 4,250.14-ACRE PARCEL OF TIDE AND SUBMERGED LANDS DESIGNATED AS W.O. 4490 (PARCEL 9A), IN SANTA BARBARA COUNTY, AS DETAILED IN THE NOTICE OF INTENTION, W.O. 4490, PUBLISHED AUGUST 7 AND AUGUST 14, 1962. THE CASH-BONUS PAYMENT IN CONSIDERATION OF ISSUANCE OF THE LEASE IS TO BE \$6,100,000 AS OFFERED IN THE BID.

Attachment
Calendar Item 14 (2 pages)

CALENDAR ITEM

14.

PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, SANTA BARBARA COUNTY - W.O. 4490 (PARCEL 9A), P.R.C. 2933.1.

On September 20, 1962, two 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. 4490 (Parcel 9A), Santa Barbara County. This offer was authorized by the Commission on July 19, 1962 (Minute Item 4, page 8167).

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 Phillips Petroleum Company and Pauley Petroleum Inc., 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 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 PHILLIPS PETROLEUM COMPANY, A DELAWARE CORPORATION, AND PAULEY PETROLEUM INC., A DELAWARE CORPORATION, ON SEPTEMBER 20, 1962, AND AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE AN OIL AND GAS LEASE TO THE AFORESAID BIDDERS FOR THE 4,250.14-ACRE PARCEL OF TIDE AND SUBMERGED LANDS DESIGNATED AS W.O. 4490 (PARCEL 9A), IN SANTA BARBARA COUNTY, AS DETAILED IN THE NOTICE OF INTENTION, W.O. 4490, PUBLISHED AUGUST 7 AND AUGUST 14, 1962. THE CASH-BONUS PAYMENT IN CONSIDERATION OF ISSUANCE OF THE LEASE IS TO BE \$6,100,000 AS OFFERED IN THE BID.

Attachment
Exhibit "A"

EXHIBIT "A"

SUMMARY

W.O. 490 (Parcel 9A)

<u>Bidder</u>	<u>Cash Bonus Offer</u>
Joint bid of Phillips Petroleum Company and Pauley Petroleum Inc.	\$6,100,000.00
Joint bid of Standard Oil Company of California and Shell Oil Company	\$5,078,163.00