

MINUTE ITEM

7/2/65

31. PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, VENTURA COUNTY -
W.O. 5500 (PARCEL 25), P.R.C. 3314.1.

After consideration of Calendar Item 35 attached, and upon motion duly made
and unanimously carried, the following resolution was adopted:

THE COMMISSION ACCEPTS THE HIGHEST QUALIFIED BID MADE BY SHELL OIL COMPANY,
A DELAWARE CORPORATION, ON MAY 20, 1965, AND THE EXECUTIVE OFFICER IS AUTHORIZED
TO ISSUE AN OIL AND GAS LEASE TO THE AFORESAID BIDDER FOR APPROXIMATELY 5,430
ACRES OF TIDE AND SUBMERGED LANDS DESIGNATED AS W.O. 5500 (PARCEL 25), PUBLISHED
MARCH 11 AND MARCH 18, 1965. THE CASH-BONUS PAYMENT IN CONSIDERATION OF
ISSUANCE OF THE LEASE IS TO BE \$3,299,685.00, AS OFFERED IN THE BID.

Attachment

Calendar Item 35 (2 pages)

35.

PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, VENTURA COUNTY - W.O. 5500 (PARCEL 25).

On May 20, 1965, 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 approximately 5,430 acres of tide and submerged lands designated as W.O. 5500 (Parcel 25), Ventura County. This offer was authorized by the Commission on February 25, 1965 (Minute Item 17, page 10,959).

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 determined:

- A. That the Commission has complied with the procedural requirements of law;
- 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 as Exhibit "A".

IT IS RECOMMENDED THAT THE COMMISSION ACCEPT THE HIGHEST QUALIFIED BID MADE BY SHELL OIL COMPANY, A DELAWARE CORPORATION, ON MAY 20, 1965, AND AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE AN OIL AND GAS LEASE TO THE AFORESAID BIDDER FOR APPROXIMATELY 5,430 ACRES OF TIDE AND SUBMERGED LANDS DESIGNATED AS W.O. 5500 (PARCEL 25), PUBLISHED MARCH 11 AND MARCH 18, 1965. THE CASH-BONUS PAYMENT IN CONSIDERATION OF ISSUANCE OF THE LEASE IS TO BE \$3,299,685.00, AS OFFERED IN THE BID.

Attachment:
Exhibit "A"

W.O. 5500

EXHIBIT "A"

SUMMARY

PARCEL 25

<u>Bidder</u>	<u>Cash-Bonus Offer</u>
Shell Oil Company	\$3,299,685.00
Union Oil Company of California	2,360,000.00
Richfield Oil Corporation and Standard Oil Company of California	533,333.35