

MINUTE ITEM

4/27/67

23. PROPOSED OIL AND GAS LEASE, GREY LODGE WATERFOWL MANAGEMENT AREA; BUTTE COUNTY - W.O. 6275, P.R.C. 3727.1.

After consideration of Calendar Item 24 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION ACCEPTS THE BID MADE BY GREAT BASINS PETROLEUM COMPANY ON FEBRUARY 28, 1967, AND AUTHORIZES THE EXECUTIVE OFFICER TO ISSUE AN OIL AND GAS LEASE TO THE AFORESAID BIDDER FOR 480 ACRES MORE OR LESS OF LAND COMPRISING A PORTION OF THE GREY LODGE WATERFOWL MANAGEMENT AREA, BUTTE COUNTY, DESIGNATED AS W.O. 6275, PUBLISHED DECEMBER 20, 1966, AND DECEMBER 27, 1966. THE CASH-BONUS PAYMENT IN CONSIDERATION OF ISSUANCE OF THE LEASE IS TO BE \$3600, AS OFFERED IN THE BID.

Attachment

Calendar Item 24 (2 pages)

24.

PROPOSED OIL AND GAS LEASE, GREY LODGE WATERFOWL MANAGEMENT AREA; BUTTE COUNTY - W.O. 6275.

On February 28, 1967, 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 480 acres more or less of land comprising a portion of the Grey Lodge Waterfowl Management Area, in Butte County, designated as W.O. 6275. This offer was authorized by the Commission on December 14, 1966 (Minute Item 18, page 13,438). The parcel adjoins P.R.C. 3501.1, which is under lease to Capitol Oil Corporation.

The bids submitted were reviewed by the staff as to technical sufficiency and economic factors. The Office of the Attorney General has reviewed the highest bid, submitted by Great Basins Petroleum Company, and has determined:

- A. That the Commission has complied with the procedural requirements of law;
- B. That the bid submitted conforms with:
 - 1. The bid requirements as specified in the proposals 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 BID MADE BY GREAT BASINS PETROLEUM COMPANY ON FEBRUARY 28, 1967, AND AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE AN OIL AND GAS LEASE TO THE AFORESAID BIDDER FOR 480 ACRES MORE OR LESS OF LAND COMPRISING A PORTION OF THE GREY LODGE WATERFOWL MANAGEMENT AREA, BUTTE COUNTY, DESIGNATED AS W.O. 6275, PUBLISHED DECEMBER 20, 1966, AND DECEMBER 27, 1966. THE CASE-BONUS PAYMENT IN CONSIDERATION OF ISSUANCE OF THE LEASE IS TO BE \$3600, AS OFFERED IN THE BID.

Attachment
Exhibit "A"

EXHIBIT "A"

SUMMARY

<u>Bidder</u>	<u>Cash-Bonus Offer</u>
Great Basins Petroleum Company	\$3600.00
Capitol Oil Corporation and Bruce D. Brooks, an Individual	\$1497.60