

MINUTE ITEM

3/29/73
ADW

14. PUBLIC HEARINGS FOR PROPOSED SALE OF THE STATE'S ROYALTY SHARE OF OIL FROM STATE OIL AND GAS LEASES - W 9603.

After consideration of Calendar Item 13 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE EXECUTIVE OFFICER, OR HIS DESIGNATE, TO HOLD PUBLIC HEARINGS, AS NECESSARY, RELATIVE TO THE SALE OF ITS ROYALTY SHARE OF OIL FROM STATE OIL AND GAS LEASES IN ORDER TO MAKE (AS A BASIS FOR) FUTURE RECOMMENDATIONS TO THE COMMISSION REGARDING:

1. THE FEASIBILITY OF OFFERING THE STATE'S ROYALTY SHARE OF OIL FOR SALE;
2. THE AMOUNT OF OIL TO BE OFFERED FOR SALE; AND
3. PROPOSED RULES AND REGULATIONS COVERING (THE) PROCEDURES FOR SALE OF THE STATE'S ROYALTY SHARE OF OIL.

Attachment:

Calendar Item 13 (1 page)

CALENDAR ITEM

3/73
ADW
W 9603

13.

PUBLIC HEARINGS FOR PROPOSED SALE OF
THE STATE'S ROYALTY SHARE OF OIL FROM
STATE OIL AND GAS LEASES

State oil and gas leases issued by the State Lands Commission provide that the State may take, in kind, its royalty share of oil produced from the leased lands.

Section 6815.1 of the Public Resources Code provides that, when the Commission exercises the right to take royalty oil in kind, the Commission shall prepare an agreement for the disposition and sale of such oil in accordance with procedures set forth in rules and regulations adopted by the Commission.

The report of the Legislative Analyst, 1973/74 budget, recommended that the Division offer, where feasible, its royalty share of oil for sale by competitive bid, to assure that the State is receiving maximum revenues from its oil sales. In order to evaluate the feasibility, and to establish procedures, specifications, and conditions in the form of rules and regulations, it is recommended that a public hearing be held on this matter.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER, OR HIS DESIGNATE, TO HOLD PUBLIC HEARINGS, AS NECESSARY, RELATIVE TO THE SALE OF ITS ROYALTY SHARE OF OIL FROM STATE OIL AND GAS LEASES IN ORDER TO MAKE (AS A BASIS FOR) FUTURE RECOMMENDATIONS TO THE COMMISSION REGARDING:

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3. PROPOSED RULES AND REGULATIONS COVERING (THE) PROCEDURES FOR SALE OF THE STATE'S ROYALTY SHARE OF OIL.