

MINUTE ITEM

This Calendar Item No. 24
was approved as Minute Item
No. 24 by the State Lands
Commission by a vote of 3
to 0 at its 4/27/82
meeting.

CALENDAR ITEM

24

4/22/82
W 960.20
Hamilton
PRC 6142

AWARD OF ROYALTY OIL SALES CONTRACT

On February 25, 1982, the Commission authorized the competitive bid sale of royalty oil produced from State Lease PRC 426. The royalty oil is currently being purchased under contract; however, the purchaser has declined to extend the sales contract. The State's share of royalty oil produced from State Lease PRC 426 is approximately 1,250 barrels per day with an average gravity of 22° API.

On March 1, 1982, the staff offered by competitive public bid the royalty production from State Lease 426. One bid was received and opened on March 16, 1982. Staff has reviewed this bid for compliance with applicable rules and regulations. The successful bidder is:

Champlin Petroleum Company
249 E. Ocean Boulevard
Long Beach, CA 90802
Attn: William Howler

Champlin has offered to pay, in addition to the base price, a bonus of \$0.151 per barrel for 18 months commencing May 1, 1982. The base price is defined as the highest price posted for oil of like gravity and quality in the Huntington Beach Field. The transfer of oil from State Lease PRC 426 will be accomplished by exchange agreement(s), utilizing existing pipeline facilities. Acceptance of the bid and issuance of a sales contract is exempt from CEQA as this activity does not constitute a project.

AB 884: N/A.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL DOCUMENT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH DOCUMENT IS NOT REQUIRED UNDER THE PROVISIONS OF P.R.C. 21065, 14 CAL. ADM. CODE 15037 AND 15060.

A 73

S 36

-1-

CALENDAR PAGE	192
MINUTE PAGE	1056

CALENDAR ITEM NO. 24 (CONTD)

2. ACCEPT THE BID OF CHAMFLIN PETROLEUM COMPANY AND AUTHORIZE THE EXECUTION OF "ROYALTY OIL SALES CONTRACT, STATE OIL AND GAS LEASE PRC 426, HUNTINGTON BEACH FIELD." ON FILE IN THE COMMISSION'S OFFICE, COMMENCING MAY 1, 1982 AND ENDING NOVEMBER 1, 1983.