

MINUTE ITEM

This Calendar Item No. 30 was approved as Minute Item No. 30 by the State Lands Commission by a vote of 3 to 0 at its 12/22/83 meeting.

CALENDAR ITEM

30 - 1

12/22/83
W 9603.31 PRC 65
PRC 3133
PRC 3150
PRC 4000
PRC 1824
Tanner

AWARD OF ROYALTY OIL SALES CONTRACT,
STATE OIL AND GAS LEASES
PRC 3133, PRC 3150, PRC 4000, PRC 1824,
CARPINTERIA AND SUMMERLAND OFFSHORE FIELDS,
SANTA BARBARA COUNTY

On November 21, 1983 the Commission rejected the bid of Pacific Oasis and directed the staff to re-offer for competitive public bid royalty oil produced from State Oil and Gas Leases PRC 3133, PRC 3150, PRC 4000, PRC 1824; Carpinteria and Summerland Offshore Fields, Santa Barbara County. The royalty oil is currently being purchased by Beacon Oil Company under a contract which will expire on July 1, 1984, Beacon is paying the State a bonus of \$1.33 per barrel above the Base Price. The State's share of royalty oil produced from State Leases PRC 3133, PRC 3150, PRC 4000 and PRC 1824 is approximately 430 barrels per day of between 25°-34° API gravity crude oil.

Bids were received and opened on December 6, 1983. Attached as Exhibit "A" is a list of bidders and their bonus bids in dollars per barrel above the base price. The base price is the highest price posted for oil of like gravity and quality in the Carpinteria or Summerland Offshore Fields on the day of delivery.

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The Commission staff has reviewed the financial ability of the bidders to fulfill the obligations of the contract and their physical ability to take the oil and has determined the highest responsible bidder, which is identified on Exhibit "A". the contract, if awarded, will be for a term of 18 months, with delivery commencing on July 1, 1984. Delivery of the oil will be by exchange agreement without any change in the existing oil production and transportation facilities.

AB 884: N/A.

EXHIBIT: A. List of bidders, including the highest responsible bidder.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THIS ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 15061 CAL. ADM. CODE BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY 21065 P.R.C. AND 14 CAL. ADM. CODE 15378.
2. ACCEPT THE BID OF THE HIGHEST RESPONSIBLE BIDDER IDENTIFIED ON EXHIBIT "A" AND AUTHORIZE THE EXECUTIVE OFFICER TO EXECUTE THE CRUDE OIL SALES CONTRACT FOR THE OIL ALLOCATED TO STATE OIL AND GAS LEASES PRC 3133, PRC 3150, PRC 4000 AND PRC 1824.

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W 9603.31

EXHIBIT "A"

ROYALTY OIL SALE BID OPENING
STATE OIL AND GAS LEASES
PRC 3133, PRC 3150, PRC 4000 AND PRC 1824
11:00 A.M. DECEMBER 6, 1983

<u>BIDDER</u>	<u>BONUS BID</u> <u>(PER BARREL, ABOVE BASE PRICE)</u>
MacMillan Ring Free Oil Company	\$1.472
Powerine Oil Company	\$1.411
Shell Oil Company	\$1.36
Fletcher Oil & Refining Company	\$1.301
Pacific Oasis	\$0.962
Newhall Refining Company	\$0.94
Tosco Corporation	\$0.877
Beacon Oil Company	\$0.75
Golden West Refining Company	\$0.55
Kern Oil & Refining Company	\$0.365

The highest responsible bidder is MacMillan Ring Free Oil Company.

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