

MINUTE ITEM:

This Calendar Item No. C07
was approved as Minute Item
No. 07 by the State Lands
Commission by a vote of 3
to 0 at its 8-12-91
meeting.

CALENDAR ITEM

C 0 7

A 35

S 18

08/12/91

W 9E03.87 PRC 7558

Tanner

AWARD OF THE ROYALTY OIL SALES CONTRACT
STATE OIL AND GAS LEASES
PRC 145, PRC 410, PRC 429, PRC 427 AND PRC 1466
RINCON OIL FIELD, VENTURA COUNTY

BACKGROUND:

At its meeting on May 3, 1991, the State Lands Commission authorized the sale of royalty oil from State oil and gas leases PRC 145, PRC 410, PRC 429, PRC 427, and PRC 1466, Rincon Oil Field, Ventura County. The State's share of production from this lease is approximately 3,217 barrels per month of between 24.4° and 33.8° API gravity crude oil.

Texaco Trading & Transportation, Inc. is presently purchasing this oil and paying the State a bonus of \$0.2625 per barrel above a Base Price defined as the highest price posted for oil of like gravity and quality on the day of delivery in the Rincon Oil Field by Mobil Oil Corporation. This contract is scheduled to expire on December 1, 1991. Oil from these leases can be taken in kind or returned to the lessee on sixty days prior written notice.

A Notice Inviting Bids for a new royalty oil sales contract to run from December 1, 1991 until June 1, 1992 was published in the Ventura County Star Free Press on July 5, 1991. The bid opening was scheduled for July 23, 1991. Exhibit "A" shows the results of the bidding.

Fiscal and legal reviews of the submitted bid material were done by the State Lands Commission Auditing and Legal units, respectively. Based on the results of these reviews, the highest responsible bidder has been identified as Texaco Trading and Transportation, Inc. and is designated in Exhibit "A".

AB 884:
N/A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this

CALENDAR ITEM NO. C 07 (CONT'D)

activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Code Regs. 15378.

EXHIBIT:

A. Result of Bid.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. AWARD THE ROYALTY OIL SALES CONTRACT FOR STATE OIL AND GAS LEASES PRC 145, PRC 410, PRC 429, PRC 427, AND PRC 1466, RINCON OIL FIELD, VENTURA COUNTY, TO TEXACO TRADING AND TRANSPORTATION, INC. FOR THE PERIOD FROM DECEMBER 1, 1991 UNTIL JUNE 1, 1993.

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EXHIBIT "A"

BID OPENING
STATE OIL AND GAS LEASES
PRC 145, PRC 410, PRC 429, PRC 427 AND PRC 1466
RINCON OIL FIELD
VENTURA COUNTY

JULY 23, 1991

11:00 A.M.

BIDDER

BONUS BID
(PER BARREL, ABOVE BASE PRICE)

1. Texaco

0.2725

The highest responsible bidder is Texaco Trading & Transportation, Inc.

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