

MINUTE ITEM

This Calendar Item No. 27
was approved as Minute Item
No. 2 by the State Lands
Commission by a vote of 3
to 0 at its 5/22/87
meeting.

CALENDAR ITEM

A 35

27

05/28/87

W 9603.48 PRC 7086

S 18

Tanner

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

On April 23, 1987, the State Lands Commission authorized the sale of royalty crude oil from one State oil and gas lease in the Wilmington Oil Field, Los Angeles County, four State oil and gas Leases in the Carpinteria - Summerland Offshore Fields, Santa Barbara County and two State oil and gas Leases in the Ellwood Offshore Oil Field, Santa Barbara County. State oil and gas Leases PRC 3133, PRC 3150, PRC 4000, PRC 1824, Carpinteria - Summerland Offshore Fields, Santa Barbara County were several of the leases for which the Commission authorized the sale of royalty crude oil. The royalty oil sales contract for these leases expired on March 1, 1987.

MacMillan Ring Free Oil Company was purchasing this oil and was paying the State a bonus of \$0.816 per barrel above the Base Price equal to the highest price posted by Chevron, U.S.A., Inc., for oil of like gravity on the day of delivery in the Carpinteria - Summerland Offshore Fields. The State's share of production from these leases is approximately 480 barrels per day of between 27° - 36° API gravity crude oil.

A Notice Inviting Bids was published in the Santa Barbara News-Press on April 28, 1987 and sent to all known interested parties. Bids were received and opened on May 13, 1987. 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 the reviews, the highest responsible bidder has been identified on Exhibit "A".

CALENDAR ITEM NO. 27 (CONT'D)

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this 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. Adm. Code 15378.

EXHIBIT: A. Results of Bidding.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. AWARD THE ROYALTY OIL SALES CONTRACT FOR STATE OIL AND GAS LEASES PRC 3133, PRC 3150, PRC 4000 AND PRC 1824, CARPINTERIA - SUMMERLAND OFFSHORE FIELDS, SANTA BARBARA COUNTY, TO THE HIGHEST RESPONSIBLE BIDDER IDENTIFIED ON EXHIBIT "A" FOR THE PERIOD DECEMBER 1, 1987 UNTIL DECEMBER 1, 1988.

05/28/87
W 9603.48

EXHIBIT "A"

Royalty Oil Sales Contract
Bid Opening
State Oil and Gas Leases PRC 3133,
PRC 3150, PRC 4000 and PRC 1824
Carpinteria - Summerland Offshore
Fields, Santa Barbara County

May 13, 1987

11:00 a.m.

<u>Bidder</u>	<u>Bonus Bid</u> <u>(Per Barrel, Above Base Price)</u>
1. Caljet, Inc.	0.5159

The highest responsible bidder is

Caljet, Inc.