

MINUTE ITEM
This Calendar Item No. 34
was approved as Minute Item
No. 34 by the State Lands
Commission by a vote of 3
to 0 at its 3/27/90
meeting.

CALENDAR ITEM

34

A 35
S 18

03/27/90
W 9603.75 PRC 7382
Tanner

AWARD OF 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 December 12, 1989, the State Lands Commission authorized another competitive bid offering 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. A sale had been previously held on November 17, 1989 for which there were no bidders. The State's share of production from these leases is approximately 2,000 barrels per month of between 26.20-27.20 API gravity crude oil. The State is presently being paid in money for this oil by the lessees. The State may elect to take its share of crude oil from these leases in kind or return it to the lessees on 60 days' written notice.

A Notice Inviting Bids for a new royalty oil sales contract to run from June 1, 1990 until December 1, 1991 was published in the Ventura County Star-Free Press on January 18, 1990. The bid opening was scheduled for February 5, 1990. Exhibit "A" shows the results of the bidding.

STAFF RECOMMENDATIONS

Fiscal and legal reviews of the submitted bid material were done by the SLC Auditing and Legal units respectively. Based on the results of these reviews, the highest responsible bidder has been identified and is designated in Exhibit "A".

CALENDAR PAGE	258
MINUTE PAGE	619

0.1409

CALENDAR ITEM NO. 34 (CONT'D)

Staff recommends awarding the new 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 to the highest responsible bidder designated in Exhibit "A" for the period June 1, 1990 until December 1, 1991.

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 activity is exempt from the requirements of the California Environmental Quality Act (CEQA) because it is not a "project" as defined by CEQA and the State CEQA Guidelines (Authority: P.R.C. 21056 and 14 Cal. Code Regs. 15378).

EXHIBIT: A. Results of Bid Opening.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21056 AND 14 CAL. CODE REGS. 15378.
2. AWARD 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 TO TEXACO TRADING AND TRANSPORTATION, INC., AS IDENTIFIED IN EXHIBIT "A" FOR THE PERIOD JUNE 1, 1990 UNTIL DECEMBER 1, 1991.

W 9603.75
Tanner

EXHIBIT "A"

BID OPENING
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

February 5, 1990

11:00 A.M.

<u>Bidder</u>	<u>Bonus Bid</u> <u>(Per Barrel, Above Base Price)</u>
1. Texaco Trading & Transportation, Inc.	0.2625
2.	
3.	
4.	

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

1063C

CALENDAR PAGE	260
MINUTE PAGE	621