

MINUTE ITEM

2. PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, SANTA BARBARA COUNTY - W.O. 5050 (PARCEL 19), P.R.C. 3133.1.

After consideration of Calendar Item 26 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION ACCEPTS THE HIGHEST QUALIFIED BID MADE BY HUMBLE OIL & REFINING COMPANY, A DELAWARE CORPORATION, ON MAY 7, 1964, AND AUTHORIZES THE EXECUTIVE OFFICER TO ISSUE AN OIL AND GAS LEASE TO THE AFORESAID BIDDER FOR APPROXIMATELY 5,535 ACRES OF TIDE AND SUBMERGED LANDS DESIGNATED AS W.O. 5050 (PARCEL 19), IN SANTA BARBARA COUNTY, AS DETAILED IN THE NOTICE OF INTENTION, W.O. 5050, PUBLISHED MARCH 17 AND MARCH 24, 1964. THE CASH-BONUS PAYMENT IN CONSIDERATION OF ISSUANCE OF THE LEASE IS TO BE \$22,002,500.00 AS OFFERED IN THE BID.

Attachment

Calendar Item 26 (2 pages)

CALENDAR ITEM

26.

PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, SANTA BARBARA COUNTY - W.O. 5050 (PARCEL 19).

On May 7, 1964, three bids were received in response to a published Notice of Intention of the State Lands Commission to enter into a lease for the extraction of oil and gas from approximately 5,535 acres of tide and submerged lands designated as W.O. 5050 (Parcel 19), Santa Barbara County. This offer was authorized by the Commission on February 26, 1964 (Minute Item 16, page 9679).

All bids submitted were reviewed by the staff as to technical sufficiency and economic factors. The office of the Attorney General reviewed the highest bid submitted by Humble Oil & Refining Company, and determined:

- A. That the Commission has complied with the procedural requirements of law;
- B. That the bid submitted conforms with:
 1. The bid requirements specified in the proposals of the Commission;
 2. The applicable provisions of law; and
 3. The rules and regulations of the Commission.

A summary tabulation of the bonus-payment offers received pursuant to the lease proposal is attached (Exhibit "A").

IT IS RECOMMENDED THAT THE COMMISSION ACCEPT THE HIGHEST QUALIFIED BID MADE BY HUMBLE OIL & REFINING COMPANY, A DELAWARE CORPORATION, ON MAY 7, 1964, AND AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE AN OIL AND GAS LEASE TO THE AFORESAID BIDDER FOR APPROXIMATELY 5,535 ACRES OF TIDE AND SUBMERGED LANDS DESIGNATED AS W.O. 5050 (PARCEL 19), IN SANTA BARBARA COUNTY, AS DETAILED IN THE NOTICE OF INTENTION, W.O. 5050, PUBLISHED MARCH 17 AND MARCH 24, 1964. THE CASH-BONUS PAYMENT IN CONSIDERATION OF ISSUANCE OF THE LEASE IS TO BE \$22,002,500.00 AS OFFERED IN THE BID.

Attachment
Exhibit "A"

W.O. 5050

EXHIBIT "A"

SUMMARY

PARCEL 19

<u>Bidder</u>	<u>Cash-Bonus Offer</u>
Humble Oil & Refining Company	\$22,002,500.00
Union Oil Company of California and Socony-Mobil Oil Company, Inc.	7,524,003.80
Standard Oil Company of California and Richfield Oil Corporation	7,267,898.32

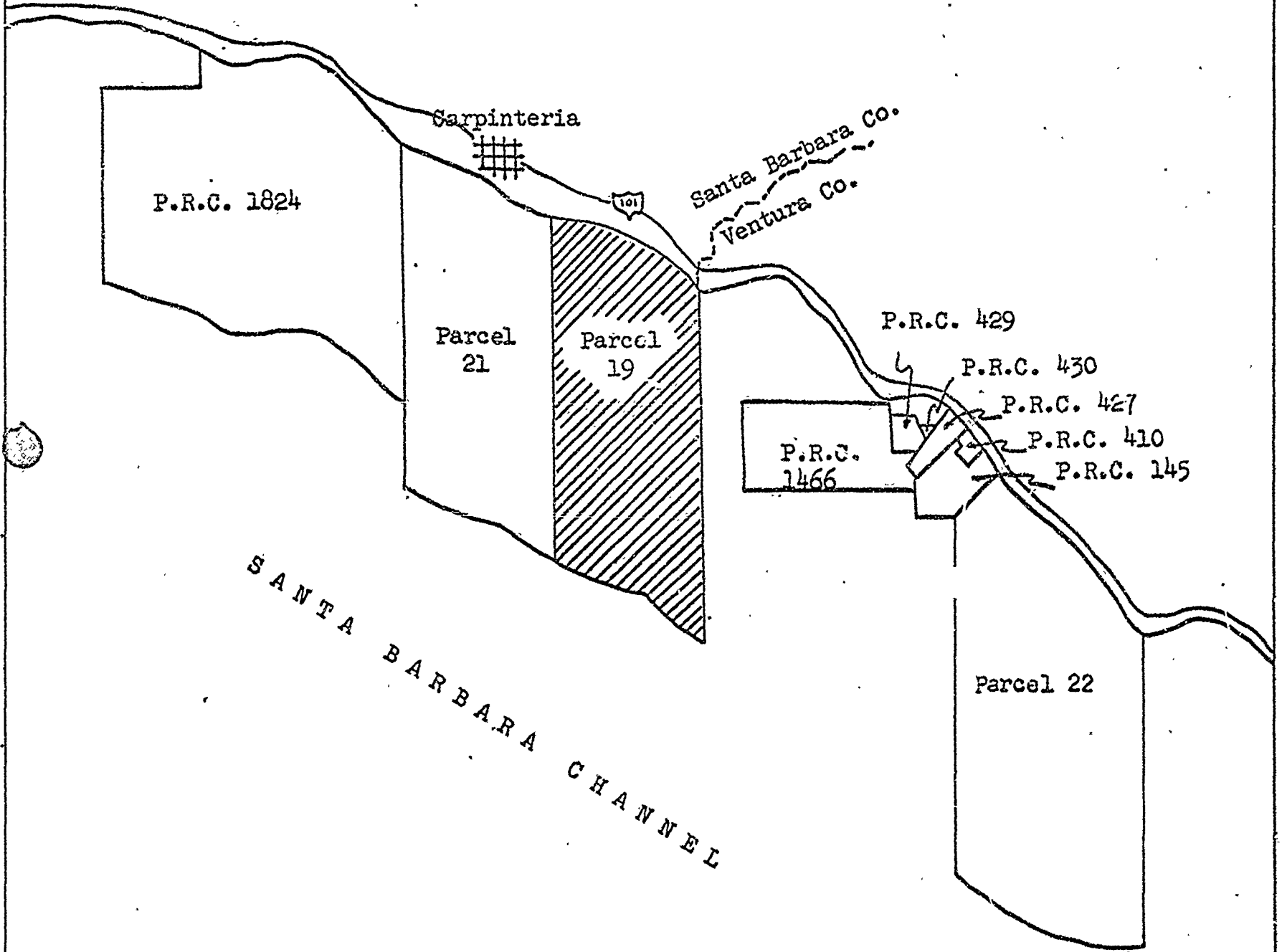
EXHIBIT "B"
W.O. 5050

STATE LANDS COMMISSION

Acceptance of Bid and Award
of Parcel 19 to
Humble Oil & Refining Company
Santa Barbara County, California

May 1964

CPP



SANTA BARBARA CHANNEL

0 10,000 20,000 ft.
Scale





OFFICE OF THE ATTORNEY GENERAL

Department of Justice

STATE BUILDING, LOS ANGELES 90012

May 12, 1964

State Lands Commission
302 State Building
217 West First Street
Los Angeles, California 90012

Attn: Mr. F. J. Hortig, Executive Officer

RE: Proposed Oil and Gas Lease, Santa Barbara
County (Bid of Humble Oil & Refining Company)
W. O. 5050 (Parcel 19), W.O. 396.323

Gentlemen:

Pursuant to your request we have examined the bid of Humble Oil & Refining Company offering the highest cash bonus, to wit: \$22,002,500.00 for the issuance of a lease for the purpose of extracting oil and gas from those certain tide and submerged lands situate in Santa Barbara County, State of California, more particularly described as follows:

"A parcel of tide and submerged lands in the Santa Barbara Channel and westerly of the prolongation of the westerly boundary of Ventura County,

"Beginning at the intersection of the mean high tide line of Santa Barbara Channel with the western boundary of Ventura County, which bears S. 18° 14' 38" W. 109.09 feet; S. 14° 15' 52" E. 224.25 feet; and S. 0° 51' 18" W., 30 feet more or less from a brass cap in a 2 inch iron pipe, Bates Survey, "Santa Barbara-Ventura County line marker" having California zone V coordinates of X = 1,554,654.08 and Y = 321,407.23 as said coordinates are shown on a map sheet 1 of 2 recorded May 29, 1951 as Document No. 11602 in Book 14 Records of Surveys at pages 96 and 97 Ventura County records, said map also being on file with the State Lands Commission under W.O. 719; thence from said point of beginning S. 0° 51' 18" W. 21,563 feet along said western boundary line of

Mr. F. J. Hortig
State Lands Commission

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Ventura County to a point which is at a distance of 3 geographical miles from the nearest point on the aforementioned mean high tide line; thence north-westerly along a line every point of which is at a distance of 3 geographical miles from the nearest point on the aforementioned mean high tide line to an intersection with a line which is parallel to and 11,299.37 feet distant (measured along a line bearing S. $90^{\circ} 00'$ W.) from the western boundary of Ventura County, said point of intersection having California Zone V coordinates of X = 1,543,160 Y = 306,620; thence N. $0^{\circ} 51' 18''$ E. along the aforementioned parallel line to an intersection with the mean high tide line; thence southeasterly along said mean high tide line to the point of beginning; containing approximately 5,535 acres.

"The bearings and distances used in the above description are based on the California coordinate system Zone 5."

We have been advised by the State Lands Commission that a deposit of \$4,405,500.00 was submitted with the bid in the form of two cashier's checks each drawn on a responsible California bank, made payable to the State of California, which amount represents the sum of \$5,000 plus one-fifth of the amount of the cash bonus offered as required by the bid proposal.

The procedure followed by the State Lands Commission in calling for, and receiving, the bid on this parcel, has been carefully scrutinized. In our opinion, the Commission has complied with the procedural requirements of law in connection therewith.

This office also has examined the subject bid submitted by Humble Oil & Refining Company with respect to its substantive content. In our opinion this bid conforms with: (1) the bid requirements as specified in the proposal of the State Lands Commission to enter into the aforesaid oil and gas lease; (2) applicable provisions of law; and (3) the rules and regulations of the State Lands Commission.

Mr. F. J. Hortig
State Lands Commission

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Our scrutiny has been confined to the legality of the instant bid. Its adequacy is, of course, a matter within the discretion of the Commission.

Your entire bid file herewith is being returned.

Very truly yours,

STANLEY MOSK, Attorney General

HOWARD S. GOLDIN
Assistant Attorney General

HSG:mu
Enclosure