

MINUTE ITEM

1/26/66

44. PROPOSED SUBSURFACE OIL AND GAS LEASE, PROPRIETARY LANDS, RESERVED MINERAL RIGHTS, TOWNLOT AREA, LONG BEACH UNIT, LOS ANGELES COUNTY - W.O. 5826 (TRACT NO. 11), P.R.C. 3429.1.

After consideration of Supplemental Calendar Item 47 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION ACCEPTS THE HIGHEST QUALIFIED BID, MADE BY SIGNAL OIL AND GAS COMPANY, A DELAWARE CORPORATION, ON JANUARY 11, 1966, AND AUTHORIZES THE EXECUTIVE OFFICER TO ISSUE A SUBSURFACE OIL AND GAS LEASE TO THE AFORESAID BIDDER FOR 0.3501 ACRE, MORE OR LESS, OF PROPRIETARY LAND DESIGNATED AS W.O. 5826 (TRACT NO. 11), PUBLISHED NOVEMBER 1 AND NOVEMBER 8, 1965. THE FLAT-RATE ROYALTY PERCENT ON OIL PRODUCED OR ALLOCATED THERETO UNDER THE LONG BEACH UNIT IN CONSIDERATION OF ISSUANCE OF THE LEASE IS TO BE 52%, AS OFFERED IN THE BID.

Attachment

Calendar Item 47 (2 pages)

47.

PROPOSED SUBSURFACE OIL AND GAS LEASE, PROPRIETARY LANDS, RESERVED MINERAL RIGHTS, TOWNLOT AREA, LONG BEACH UNIT, LOS ANGELES COUNTY - W.O. 5826 (TRACT NO. 11).

On January 11, 1966, three bids were received in response to a published Notice of Intention of the State Lands Commission to enter into a subsurface lease for the extraction of oil and gas from 0.3501 acre, more or less, of proprietary land designated as W.O. 5826 (Tract No. 11), Los Angeles County. This offer was authorized by the Commission on October 21, 1965 (Minute Item 31, page 11,837).

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 Signal Oil and Gas 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 proposal of the Commission;
 - 2. The applicable provisions of law; and
 - 3. The rules and regulations of the Commission.

A summary tabulation of the royalty offers received pursuant to the lease proposal is attached as Exhibit "A".

IT IS RECOMMENDED THAT THE COMMISSION ACCEPT THE HIGHEST QUALIFIED BID, MADE BY SIGNAL OIL AND GAS COMPANY, A DELAWARE CORPORATION, ON JANUARY 11, 1966, AND AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE A SUBSURFACE OIL AND GAS LEASE TO THE AFORESAID BIDDER FOR 0.3501 ACRE, MORE OR LESS, OF PROPRIETARY LAND DESIGNATED AS W.O. 5826 (TRACT NO. 11), PUBLISHED NOVEMBER 1 AND NOVEMBER 8, 1965. THE FLAT-RATE ROYALTY PERCENT ON OIL PRODUCED OR ALLOCATED THERETO UNDER THE LONG BEACH UNIT IN CONSIDERATION OF ISSUANCE OF THE LEASE IS TO BE 52%, AS OFFERED IN THE BID.

Attachment
Exhibit "A"

W.O. 5826

EXHIBIT "A"

SUMMARY

(TRACT NO. 11)
W.O. 5826

<u>Bidder</u>	<u>Flat Royalty Rate Percent Offer</u>
Signal Oil and Gas Company	52%
Union Oil Company of California	46.577%
Termo Company	38%