

MINUTE ITEM
This Calendar Item No. 35
was approved as Minute Item
No. 35 by the State Lands
Commission by a vote of 7
to 0 at its 4-12-88
meeting.

CALENDAR ITEM

A 35
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04/12/88
W 9603.66 PRC 7194
Tanner

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

On January 21, 1988, the State Lands Commission authorized the sale of royalty crude oil from State Oil and Gas Leases PRC 3133, PRC 3150, PRC 4000 and PRC 1824, Carpinteria-Summerland Offshore Fields, Santa Barbara County.

Caljet, Inc. is the present purchaser of the State's share of crude oil produced from these leases paying the State a bonus of \$0.56 per barrel above the base price, which is defined as the highest price posted for oil of like quality on the day of delivery in the Carpinteria-Summerland Offshore Fields by Chevron USA, Inc. The State's share of production from these leases is approximately 14,000 barrels per month of between 250 - 37.50 API gravity crude oil. The present contract is for a term of one year having begun on December 1, 1987 and is scheduled to terminate on December 1, 1988.

A Notice Inviting Bids was published in the Santa Barbara News-Press on February 1, 1988 and sent to all known interested parties. Bids were received and opened on February 17, 1988. Exhibit "A" shows the results of the bidding.

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 on Exhibit "A".

Staff recommends the awarding of 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, 1988 until June 1, 1990.

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OTHER PERTINENT INFORMATION:

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 it is not a "project" as defined by CEQA and the State CEQA Guidelines (Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378).

AB 884: N/A.

EXHIBIT: A. Results of the 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 IT 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, 1988 UNTIL JUNE 1, 1990.

W 9603.66

EXHIBIT "A"

ROYALTY OIL SALES CONTRACT BID OPENING
FEBRUARY 17, 1988, 11:00 A.M.
STATE OIL AND GAS LEASES
PRC 3133, PRC 3150, PRC 4000
AND PRC 1824, CARPINTERIA -
SUMMERLAND OFFSHORE FIELDS,
SANTA BARBARA COUNTY

<u>Bidder</u>	<u>Bonus Bid</u> <u>(\$ Per Barrel, Above Base Price)</u>
1, Caljet, Inc.	\$0.27

The highest responsible bidder is Caljet, Inc.

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