

26. EXEMPTION FROM COMPETITIVE PUBLIC BIDDING PROCEDURE UNDER SECTIONS 7057, 7058.5, 7059 AND 7061 OF THE PUBLIC RESOURCES CODE; CITY OF BEVERLY HILLS - W.O. 7023.

After consideration of Calendar Item 31 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

PURSUANT TO THE PROVISIONS OF SECTION 7061 OF THE PUBLIC RESOURCES CODE, THE COMMISSION APPROVES THE EXEMPTION OF THE PROPOSED OIL AND GAS LEASE OF THE CITY OF BEVERLY HILLS ON THE PARCELS OF LAND DESCRIBED IN EXHIBIT "I" ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF FROM COMPETITIVE PUBLIC BIDDING PROCEDURE AS AUTHORIZED UNDER SECTIONS 7057, 7058.5, 7059 AND 7061 OF THE PUBLIC RESOURCES CODE BY REASON OF THE IMPRACTICALITY OF COMPETITIVE BIDDING BECAUSE OF DRAINAGE AND SMALL SIZE.

Attachment

Calendar Item 31 (1 page)

31.

## APPLICATION FOR EXEMPTION FROM BIDDING PROCEDURE

APPLICANT: City of Beverly Hills

LOCATION: City of Beverly Hills

PROPOSED USE: The City of Beverly Hills proposes to lease 49 parcels of City land to Standard Oil Company of California, and has requested exemption from the bidding procedures as authorized by the Public Resources Code.

## PERTINENT INFORMATION:

1. Forty eight (48) separated parcels contain a total of 64.68 acres and are small in size; the average size of each is 1.35 acres.
2. The remaining parcel contains 22 acres. Standard Oil Company of California has under lease the land surrounding the parcel, and has established production 600 feet from the parcel. There exists a continuity of structure between the parcel and surrounding wells, and additional wells are proposed. Drainage is therefore imminent if not actual.
3. Only one operator (Standard Oil Company of California) is in a unique position to develop the parcel by pooling with surrounding leases. Other operators do not have the pass-through rights necessary to develop the parcel economically with the surrounding leases.

## STAFF DETERMINATION:

1. It would not be practical to follow competitive bidding procedures for forty-eight separated parcels by reason of their small size.
2. The remaining parcel, from which drainage is imminent, can be developed economically at this time by only one operator.

## STATUTORY AND OTHER REFERENCES:

Public Resources Code: Div. 6, Pt. 2, Ch. 5,  
Secs. 7057, 7058.5, 7059 and 7061

IT IS RECOMMENDED THAT, PURSUANT TO THE PROVISIONS OF SECTION 7061 OF THE PUBLIC RESOURCES CODE, THE COMMISSION APPROVE THE EXEMPTION OF THE PROPOSED OIL AND GAS LEASE OF THE CITY OF BEVERLY HILLS ON THE PARCELS OF LAND DESCRIBED IN EXHIBIT "I" ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF FROM COMPETITIVE PUBLIC BIDDING PROCEDURE AS AUTHORIZED UNDER SECTIONS 7057, 7058.5, 7059 AND 7061 OF THE PUBLIC RESOURCES CODE BY REASON OF THE IMPRACTICALITY OF COMPETITIVE BIDDING BECAUSE OF DRAINAGE AND SMALL SIZE.