

MINUTE ITEM

This Calendar Item No. 48 was approved as Minute Item No. 48 by the State Lands Commission by a vote of 2 to 0 at its 6/21/84 meeting.

CALENDAR ITEM

48 1

06/21/84
C 8371
Trout
Fernino
W 40430

AUTHORITY TO EXECUTE AMENDMENT
TO CONSULTING SERVICES FOR OFFSHORE
OIL AND GAS

The State Lands Commission at its May 7, 1984, meeting by Calendar Item 33 Authorized the execution of a contract with Mr. Robert L. Armstrong of Austin Texas. Mr. Armstrong was retained to review the timing and operations of the Commission on leasing lands offshore California for oil and gas development. He is also to provide expert advice of the effects such leasing may have on revenue to be shared with the State of California pursuant to the Outer Continental Shelf Lands Act in light of the decision in the United States District Court for the Eastern District of Texas (Case B-79-476-CA.). The total "not to exceed" cost authorized for this work was \$30,000.

Mr. Armstrong's initial research of these topics found unanticipated and significant differences between the Texas and California offshore geology. He feels that additional expert geological analysis of this difference is critical to his making any meaningful recommendations to the Commission. The cost of this additional work is estimated at \$20,000.

IT IS RECOMMENDED THAT THE COMMISSION:

1. AUTHORIZE THE EXECUTION OF AN AMENDMENT TO THE CONTRACT WITH MR. ROBERT L. ARMSTRONG TO CHANGE THE TOTAL "NOT TO EXCEED" COST OF THE CONTRACT FROM \$30,000 TO \$50,000.