



**Standard Oil Company of California,  
Western Operations, Inc.**

320 Market Street, San Francisco, CA 94111

J. E. Brooks  
Division Land Manager  
California Division  
Land Department

March 18, 1974

Honorable George Slaff  
Honorable J. M. Stuchen  
Oil Committee  
City of Beverly Hills  
450 North Crescent Drive  
Beverly Hills, California 90210

Gentlemen:

It has now been quite some time since we filed application with the City Council for approval of a drillsite within the City limits. This application was filed on April 30, 1973, and since that time a considerable amount of information has been furnished pursuant to your request. We believe that the Council now has ample information upon which to base a final decision and we would very much appreciate your taking the necessary steps to arrange for final action by the Council.

Our letter of May 18, 1973 summarizes the potential benefits to the City, its residents and the School District. Since those estimates were compiled, the price of crude oil has been substantially increased. Although the price situation is in a state of flux and subject to change, it is probably a safe guess that it will not decrease below the levels upon which our original estimates were made.

Using the same production estimates and on the basis of various potential price levels, the estimated benefits to the City and its residents would be increased as follows:

Minimum Case

Current composite Posted Price	-	\$4.75 per barrel
5% overriding royalty to City	-	\$ 5,900,000
Residents - 1/6 royalty	-	19,800,000
City Lease Royalty	-	950,000
Total:		\$26,650,000

Maximum Case

Current "Exempt Price" for qualifying crude	-	\$9.00 per barrel
5% overriding royalty to City	-	\$11,250,000
Residents - 1/6th royalty	-	37,500,000
City lease royalty	-	1,800,000
Total:		\$50,550,000

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