# **Six bidders join federal auctions of 7 oil and gas parcels in Kern**

The Bakersfield Californian

December 11, 2020 Friday

Copyright 2020 The Bakersfield Californian

Distributed by Tribune Content Agency

**Section:** BUSINESS AND FINANCIAL NEWS

**Length:** 697 words

**Byline:** John Cox, The Bakersfield Californian

**Body**

Dec. 11—The U.S. Bureau of Land Management raised $54,254.52 this week through a series of seven online auctions totaling a little more than 4,133 acres of federal ***oil*** and gas property in ***Kern*** County.

Half a dozen ***oil*** companies participated Thursday in what were the first such sales in California since 2012. The BLM had predicted the parcels would hold no more than 10 new wells in all.

The sales were vigorously opposed by environmental activists who said leasing out the properties could lead to pollution. They also argued online auctions stifle public competition and fast-tracks oilfield activity.

The leases sold Thursday carry a primary term of 10 years, during which time the buyers must pay the government royalties of 12.5 percent on any petroleum they produce. Royalty proceeds get roughly divided between the state of California and the U.S. Treasury.

Only one of the bidders was identified, Covina-based Standard ***Oil*** Co. LLC. It submitted the day's highest bid of $27 per acre for 160 acres in or near the ***Kern*** Front ***Oil*** Field north of Bakersfield.

Bidding on that parcel opened at $4 per acre. Only one other bidder participated. That was the only property Standard ***Oil*** bid on Thursday.

A separate, 278.3-acre parcel southwest of Bakersfield also attracted two bidders, ultimately selling for $8 per acre after opening at $2. The losing bidder participated in six of Thursday's auctions and didn't prevail in any of them.

Further southwest, a 538-acre parcel also went for $8 an acre after opening at $2. Only two bidders participated.

The other four parcels were located to the south in the Maricopa area, in or adjacent to the Midway-Sunset ***Oil*** Field. The northernmost property, measuring 957 acres, sold for $8 per acre after opening at $2.

A 920-acre parcel just south of that property went for $13 per acre after opening at $2. Three companies submitted bids.

Immediately to the east, a 600-acre parcel sold for $8 per acre after opening at $2, with three bidders participating.

East of that, a 680-acre parcel sold for $16 per acre after opening at $2. Three companies submitted bids.

The resumption of ***oil*** and gas leasing in California followed a years-long legal dispute that ultimately forced the federal government to conduct a review that concluded fracking, the well-completion practice that uses high-pressure water and chemicals to open access to petroleum deposits, presents minimal risk to the environment.

The BLM estimated that ***oil*** and gas production on federal land in ***Kern*** accounts for 3,500 jobs and $200 million in economic benefits to the Bakersfield area.

Statewide, such activity accounts for less than 10 percent of California's in-state petroleum production. It generates between $65 million and $90 million in government royalties.

A BLM news release said the leases further the Trump administration's goal of promoting responsible energy development. It called the auctions part of the agency's "all-of-the-above" approach to energy development, adding that federal lands are also used for production of strategic minerals and renewable sources.

"America's free markets will help determine if energy development on public lands is feasible," the release stated.

In a written statement Friday, Rep. Kevin McCarthy, R-Bakersfield, congratulated Trump and the BLM on the auction's successful conclusion.

"This sale is expected to create new jobs in ***Kern*** County, stimulate our local economy, generate new royalty-based revenue for the federal government and the state of California, and help us to ensure that all Americans have access to reliable and affordable domestically-produced energy," McCarthy stated.

"As environmental groups and Sacramento Democrats continue to wage a war on the ***oil*** and natural gas industry in California — one of the top ***oil***-producing regions in the nation — it is encouraging to know that economic growth is still possible thanks to the Trump administration's all-of-the-above energy policies," he added.

Follow John Cox on Twitter: @TheThirdGraf

\_\_\_ (c)2020 The Bakersfield Californian (Bakersfield, Calif.) Visit The Bakersfield Californian (Bakersfield, Calif.) at www.bakersfield.com Distributed by Tribune Content Agency, LLC.

**Load-Date:** December 13, 2020

**End of Document**