

MINUTE ITEM

7/26/71
CVB

22. APPROVAL OF PROVISIONS OF SALE, OFFER TO SELL OIL, TRACT NO. 1, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

After consideration of Calendar Item 16 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION, PURSUANT TO SECTION 3(e), CHAPTER 138, 1ST E.S., APPROVES THE PROVISIONS DETERMINED BY THE CITY OF LONG BEACH, AS SET FORTH ON THE ATTACHED EXHIBIT "A".

Attachment:

Calendar Item 16 (2 pages)

CALENDAR ITEM

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16.

PROVISIONS OF SALE, OFFER TO SELL OIL, TRACT NO. 1, LONG BEACH
UNIT, WILMINGTON OIL FIELD.

In addition to the action taken today by the Commission regarding the preceding Calendar Item (Calendar Item 15), Section 3(e), of Chapter 138, Statutes of 1964, 1st E.S. provides, in part: "...that such agreement of sale shall contain such other reasonable provisions as may be determined by the City of Long Beach subject to the approval of the State Lands Commission".

The City of Long Beach has determined the above-mentioned provisions of sales as set forth on the attached Exhibit "A".

The Division has reviewed these provisions and found them reasonable.

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO SECTION 3(e), CHAPTER 138, 1ST E.S., APPROVE THE PROVISIONS DETERMINED BY THE CITY OF LONG BEACH, AS SET FORTH ON THE ATTACHED EXHIBIT "A".

Attachment: Exhibit "A"

EXHIBIT "A"

1. The sell-off oil will be offered by separate contracts for 7%, 4% and 1½%, respectively, for a three-year period.
2. The bidding factor will be the amount per barrel in excess of the price paid by THUMS under the Contractors' Agreement.
3. The right to reject any and all bids will be reserved by the City and State.
4. All oil shall be taken at the Long Beach Unit oil delivery location and under the same conditions and procedures as Long Beach Unit oil is taken by other purchasers.
5. All equipment and facilities necessary to take delivery of the subject oil shall be installed by the successful bidder at no expense to the City, State, or Long Beach Unit.
6. Each bidder shall submit a statement of financial responsibility and a summary of experience along with their bid.
7. Each bidder shall submit a certified or cashier's check with their bid in the amount of:

\$35,000 for the 7% portion
\$20,000 for the 4% portion, and
\$ 7,500 for the 1½% portion
8. The bid form shall provide for joint bids by one or more parties.
9. Bids shall be opened on consecutive days, starting with the largest portion.
10. The notice of intention to receive bids, the bid form, and the crude oil sales contracts will be prepared by the City of Long Beach, subject to approval of the Executive Officer, State Lands Commission, and shall contain the above provisions.