MINUTE ITEM

12/4/72
CVB

14. EXTENSION OF CONTRACT FOR SALE OF LIQUID PRODUCTS RESULTING FROM TREATMENT OF NATURAL GAS, PARCEL A, CITY OF LONG BEACH, WILMINGTON OIL FIELD, LOS ANGELES COUNTY, EXTENDING TERMINATION DATE FROM DECEMBER 31, 1972, TO JUNE 30, 1973.

After consideration of Calendar Item 12 attached, and upon motion duly made and carried, the following resolution was adopted:

1. THE COMMISSION FINDS THAT EXTENSION TO JUNE 30, 1973, OF THE CONTRACT FOR SALE OF LIQUID PRODUCTS RESULTING FROM TREATMENT OF NATURAL GAS, PARCEL A, CITY OF LONG BEACH, WILMINGTON OIL FIELD, LOS ANGELES COUNTY, IS IN THE PUBLIC INTEREST AND ESSENTIAL FOR THE CONTINUANCE OF EFFICIENT AND ECONOMIC GAS TREATMENT.

2. APPROVES, PURSUANT TO THE TERMS OF THE AGREEMENT AND APPLICABLE STATUTES, THE EXTENSION OF THE CONTRACT WITH MacMILLAN RING-FREE OIL CO., INC., FOR SALE OF LIQUID PRODUCTS RESULTING FROM TREATMENT OF NATURAL GAS, PARCEL A, CITY OF LONG BEACH, WILMINGTON OIL FIELD, LOS ANGELES COUNTY, TO ITS TERMINATION DATE FROM DECEMBER 31, 1972, TO JUNE 30, 1973.

Attachment:
Calendar Item 12 (1 page)

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CALENDAR ITEM

11/72
CVB

12.

EXTENSION OF CONTRACT FOR SALE OF LIQUID PRODUCTS
RESULTING FROM TREATMENT OF NATURAL GAS, PARCEL A,
CITY OF LONG BEACH, WILMINGTON OIL FIELD, LOS ANGELES COUNTY,
EXTENDING TERMINATION DATE FROM DECEMBER 31, 1972,
TO JUNE 30, 1973

The Commission, at its meeting of June 29, 1972, approved the award of the contract for sale of liquid products resulting from treatment of natural gas, Parcel A, to MacMillan Ring-Free Oil Co., Inc. This contract provides for the sale of such liquid products for the six-month period July 1, 1972, through December 31, 1972, and further provides that the contract may be extended for an additional six-month term by the City and the State Lands Commission. The City of Long Beach anticipated that, commencing in January 1973, the City's share of natural gas liquid products from several properties would be combined, bid, and sold under a single contract.

It is evident that combination of products under a single contract cannot be accomplished by January 1, 1973. Therefore, the City of Long Beach has requested that the Parcel A liquid product sales contract, now in effect, be extended through June 30, 1973. MacMillan Ring-Free Oil Co., Inc., is agreeable to such extension.

The City Council of the City of Long Beach has approved this extension, and has requested Commission approval pursuant to the terms of the agreement.

The Division has reviewed this request, and recommends Commission approval. The Office of the Attorney General has advised that this extension of the contract, if found to be in the public interest and essential for the continuance of efficient and economic gas treatment, can be approved by the Commission.

IT IS RECOMMENDED THAT:

1. THE COMMISSION FIND THAT EXTENSION TO JUNE 30, 1973, OF THE CONTRACT FOR SALE OF LIQUID PRODUCTS RESULTING FROM TREATMENT OF NATURAL GAS, PARCEL A, CITY OF LONG BEACH, WILMINGTON OIL FIELD, LOS ANGELES COUNTY, IS IN THE PUBLIC INTEREST AND ESSENTIAL FOR THE CONTINUANCE OF EFFICIENT AND ECONOMIC GAS TREATMENT.

2. APPROVE, PURSUANT TO THE TERMS OF THE AGREEMENT AND APPLICABLE STATUTES, THE EXTENSION OF THE CONTRACT WITH MacMILLAN RING-FREE OIL CO., INC., FOR SALE OF LIQUID PRODUCTS RESULTING FROM TREATMENT OF NATURAL GAS, PARCEL A, CITY OF LONG BEACH, WILMINGTON OIL FIELD, LOS ANGELES COUNTY, TO ITS TERMINATION DATE FROM DECEMBER 31, 1972, TO JUNE 30, 1973.

A 39, 44, 68
S 32, 37