MINUTE ITEM

2/22/73
CVB

10. APPROVAL OF NOTICE INVITING BIDS, BID FORM, AND STRETFORD PROCESS TREATING AGREEMENT FOR REMOVAL OF HYDROGEN SULFIDE FROM NATURAL GAS (LONG BEACH HARBOR DEPARTMENT TIDELANDS PARCEL AND PARCEL "A"), CITY OF LONG BEACH, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

After consideration of Calendar Item 8 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION APPROVES:

1. NOTICE INVITING BIDS FOR THE STRETFORD PROCESS TREATING AGREEMENT FOR REMOVAL OF HYDROGEN SULFIDE FROM NATURAL GAS (LONG BEACH HARBOR DEPARTMENT TIDELANDS PARCEL AND PARCEL "A");

2. BID FORM FOR THE SUBJECT AGREEMENT;

3. STRETFORD PROCESS TREATING AGREEMENT FOR REMOVAL OF HYDROGEN SULFIDE FROM NATURAL GAS (LONG BEACH HARBOR DEPARTMENT TIDELANDS PARCEL AND PARCEL "A");

AS SUBMITTED BY THE CITY OF LONG BEACH PURSUANT TO APPLICABLE STATUTE.

Attachment:
Calendar Item 8 (2 pages)

A 39, 44, 68
S 32, 37

CALENDAR ITEM

2/73
CVB

8.

APPROVAL OF NOTICE INVITING BIDS, BID FORM, AND STRETFORD PROCESS TREATING AGREEMENT FOR REMOVAL OF HYDROGEN SULFIDE FROM NATURAL GAS (LONG BEACH HARBOR DEPARTMENT TIDELANDS PARCEL AND PARCEL "A"), CITY OF LONG BEACH, WILMINGTON OIL FIELD, LOS ANGELES COUNTY

The City of Long Beach, in accordance with the provisions of Section 10, Chapter 29, Statutes of 1956, 1st E.S., has submitted the following documents for approval by the State Lands Commission prior to publication of the notice to bidders:

1. Notice Inviting Bids for the Stretford Process Treating Agreement for Removal of Hydrogen Sulfide from Natural Gas (Long Beach Harbor Department Tidelands Parcel and Parcel "A").

2. Bid Form for the subject agreement.

3. Stretford Process Treating Agreement for Removal of Hydrogen Sulfide from Natural Gas (Long Beach Harbor Department Tidelands Parcel and Parcel "A").

Under the terms of the Drilling and Operating Contract for the Long Beach Harbor Department Tidelands Parcel and the Parcel "A" Oil Contract, the City is responsible for gas processing and the removal of hydrogen sulfide from the natural gas produced from the subject parcels. City contracts for the processing of natural gas from these two tideland parcels, presently with the Lomita-Signal-Wilmington Associates and the Lomita Gasoline Company, provide that the costs of hydrogen sulfide removal will be charged separately and paid by the City.

In recent years the hydrogen sulfide content of the natural gas produced from these parcels has increased sharply and the costs of its removal by previous methods used by Lomita-Signal-Wilmington Associates and Lomita Gasoline Company have become excessive. It is now economically advantageous to treat the natural gas by means of a new Stretford process that has been tested and proven economically successful for the Long Beach Unit.

Under the terms of this proposed Stretford treating agreement for natural gas produced from the subject tidelands parcels, the City will be charged its proportional share of the costs for treating the natural gas and its proportionate share of the treater's fee. Pursuant to statutory requirements this treating agreement will be entered into after competitive public bidding.

A 39, 44, 68
S 32, 37

The City Council of the City of Long Beach has approved the notice, bid form, and treating agreement. The documents have been submitted to the Office of the Attorney General who has advised that said documents comply with applicable provisions of law as to legal sufficiency and may be approved by the Commission.

The Division has reviewed the provisions and procedures set forth in the subject documents and found that execution of the proposed treating agreement is economically desirable. After analysis of the bids by the City and State, a recommendation of acceptance or rejection of each bid will be presented to the Commission.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE:

1. NOTICE INVITING BIDS FOR THE STRETFORD PROCESS TREATING AGREEMENT FOR REMOVAL OF HYDROGEN SULFIDE FROM NATURAL GAS (LONG BEACH HARBOR DEPARTMENT TIDELANDS PARCEL AND PARCEL "A");

2. BID FORM FOR THE SUBJECT AGREEMENT;

3. STRETFORD PROCESS TREATING AGREEMENT FOR REMOVAL OF HYDROGEN SULFIDE FROM NATURAL GAS (LONG BEACH HARBOR DEPARTMENT TIDELANDS PARCEL AND PARCEL "A");

AS SUBMITTED BY THE CITY OF LONG BEACH PURSUANT TO APPLICABLE STATUTE.