MINUTE ITEM 7/25/74
CVB

16. RECOMMENDED TERM, QUANTITIES AND PROVISIONS, AND OFFER TO SELL CRUDE OIL, TRACT NO. 1, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

During consideration of Calendar Item 14 attached, Mr. E. N. Gladish, Executive Officer, State Lands Commission, briefed the Commission on the background of the sell-off arrangements in Tract No. 1, Long Beach Unit, Wilmington Oil Field. Mr. Gladish asked the Commission to defer the item for the following reasons:

1. The Division is awaiting the court's decision on the Federal Government's appeal concerning the State's exemption from oil price regulations. The outcome of that decision has a bearing on the bidding process method.

2. Based on the court's decision, the Division will need sufficient time to circulate the proposed changes in the sale; and

3. If conditions warrant, the Division will jointly work with the City of Long Beach and file an appropriate request for exemption from the Federal Energy Administration concerning price and allocation regulations.

Based on Mr. Gladish's request, the item was deferred.

Attachment:
Calendar Item 14 (1 page)

A 39, 44, 68
S 32, 37

CALENDAR ITEM

7/74
CVB

14.

RECOMMENDED TERM, QUANTITIES AND PROVISIONS,
AND OFFER TO SELL CRUDE OIL, TRACT NO. 1,
LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY

The Commission, at its meeting of June 6, 1974, directed the Executive Officer to solicit comments from all interested parties concerning the possibility of directing the Field Contractor to sell off up to 12-1/2 percent of the oil allocated to Tract No. 1, Long Beach Unit, commencing July 1, 1975. Comments were to be directed toward the period of sale, quantities to be sold, bidding factor, and other conditions of sale.

In compliance with the Commission's direction, and in a joint effort with the City of Long Beach, letters soliciting comments were sent to all known interested parties. As a result of this solicitation, the Division has listed specific recommendations in Exhibit "A" attached. Included in Exhibit "A" are the Division's recommended term and quantities, and other reasonable provisions determined by the City of Long Beach subject to the approval of the Commission.

EXHIBIT: A. Fixed Term and Quantities and Provisions of Sale.

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO SECTION 3(e), CHAPTER 138, STATUTES OF 1964, 1ST E.S., MAKE THE NECESSARY DETERMINATION OF FIXED TERM AND QUANTITIES, AND APPROVE THE PROVISIONS OF SALE DETERMINED BY THE CITY OF LONG BEACH, ALL OF WHICH ARE SET FORTH IN THE ATTACHED EXHIBIT "A" AND BY REFERENCE MADE A PART HEREOF, AND DIRECT THE EXECUTIVE OFFICER TO NOTIFY THE CITY OF LONG BEACH TO DIRECT THE FIELD CONTRACTOR TO OFFER CRUDE OIL FOR SALE BY COMPETITIVE BIDDING.

Attachment: Exhibit "A"

A 39, 44, 68
S 32, 37