MINUTE ITEM

This Calendar Item No. [illegible] was approved as Minute Item No. [illegible] by the State Lands Commission by a vote of [illegible] to [illegible] at its [illegible] meeting.

CALENDAR ITEM

30

8/20/81
Thompson

REQUEST FOR ACTION ON BIDS
SUBMITTED FOR SALE OF CRUDE OIL ALLOCATED TO TRACT 1,
LONG BEACH UNIT

At its meeting on March 5, 1981, the Commission made the determination of term and quantities, and approved the provisions of sale determined by the City of Long Beach, and directed the Executive Officer to notify the City of Long Beach to direct the Field Contractor to offer for sale by competitive bidding 12½ percent of the crude oil allocated to Tract 1, Long Beach Unit, Wilmington oil field. These actions were taken pursuant to Section 3(e), Chapter 138, Statutes of 1964, 1st E.S.

In accordance with the provisions of sale, the Field Contractor offered for competitive bidding 12½ percent of the crude oil allocated to Tract 1, Long Beach Unit. The crude oil was offered under twelve separate contracts, including eleven for 1% of the Tract 1 allocation, and one contract for 1½%. The 1% segments each contain approximately 520 barrels per day, and the 1½% segment contains approximately 780 barrels per day.

Commencing July 10, 1981, until July 17, 1981, the City of Long Beach held bid openings for bids offered for this Tract 1 crude oil. The results are shown on Exhibit "A". Champlin Petroleum Company was the high bidder on four of the 1% segments, with high bids of $0.233 to $0.261 per barrel. Beacon Oil Company was the high bidder on three of the 1% segments, with high bids of $0.262 to $0.316 per barrel. Powerine Oil Company was the high bidder on four of the 1% segments and the 1½% segment, with high bids of $0.1525 to $0.427 per barrel.

The City Council of the City of Long Beach approved these 12 crude oil purchase contracts at their meeting on July 28, 1981.

Pursuant to Section 3(a) of Chapter 138, Statutes of 1964, 1st E.S., the sell-off contracts shall be of no effect unless and until approved by the State Lands Commission. The sell-off of this oil can begin 180 days from the date of execution of the agreements of sale. The beginning date is planned to be March 1, 1982.

A 57, 58

S 27, 31

EXHIBIT: A. Results of Bids.

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO SECTION 3(a), CHAPTER 138, STATUTES OF 1964, 1ST E.S., APPROVE THE AWARDING BY THE CITY OF LONG BEACH AND THE FIELD CONTRACTOR OF THE CRUDE OIL SALES CONTRACTS, AS SPECIFIED IN EXHIBIT "A", WHICH IS ATTACHED AND MADE A PART OF THIS CALENDAR ITEM, FOR CRUDE OIL ALLOCATED TO TRACT 1, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

EXHIBIT "A"

RESULTS OF BIDS
FOR 12½% OF THE CRUDE OIL ALLOCATED TO
LONG BEACH UNIT, TRACT 1, WILMINGTON OIL FIELD

Date/Segment		Beacon Oil Company	Champlin Petroleum Company	Kern County Refining Inc.	Powerine Oil Company
July 10	First 1%	$0.165	$0.233	0	$0.1525
	Second 1%	*	$0.133	0	$0.1525
July 13	Third 1%	*	$0.171	$0.11	$0.256
	Fourth 1%	*	*	$0.11	$0.153
July 14	Fifth 1%	$0.171	$0.261	$0.055	$0.021
	Sixth 1%	*	$0.261	$0.055	$0.0525
July 15	Seventh 1%	$0.216	$0.261	$0.076	$0.1025
	Eighth 1%	$0.262	$0.261	$0.076	$0.1525
July 16	Ninth 1%	$0.313	$0.3025	$0.111	$0.188
	Tenth 1%	$0.316	$0.3025	$0.111	$0.188
July 17	Eleventh 1%	$0.322	$0.237	*	$0.427
	1½%	*	$0.237	*	$0.427

Notes:
1. "No bid" is indicated by asterisk.
2. High bids are underlined.
3. The amount of each 1% segment is approximately 520 B/D. The 1½% segment is approximately 780 B/D.