

MINUTE ITEM

This Calendar Item No. 39
was approved as Minute Item
No. 39 by the State Lands
Commission by a vote of 2
to 0 at its 2/9/82
meeting.

CALENDAR ITEM

39

1/28/82
Thompson

AWARD OF CONTRACTS, CRUDE OIL SELL-OFF
LONG BEACH HARBOR DEPARTMENT
TIDELANDS PARCEL AND PARCEL "A"
WILMINGTON OIL FIELD

On November 23, 1981, the Commission approved the specifications and forms for the competitive bid sale by the City of Long Beach of 12½ percent of the oil produced and saved from and allocated to the Long Beach Harbor Department Tidelands Parcel and of 12½ percent of the oil produced and saved from Parcel "A". The sale involves the following four contracts:

1. One contract for 12½ percent of the oil produced and saved from Parcel "A", which is about 350 barrels per day.
2. Two contracts, each of which is for four percent of the oil produced and saved from and allocated to the Long Beach Harbor Department Tidelands Parcel, which is about 400 barrels per day for each contract.
3. One contract for 4½ percent of the oil produced and saved from and allocated to the Long Beach Harbor Department Tidelands Parcel, which is about 450 barrels per day.

The City has solicited and received bids on all four contracts. The results of the bidding, including the designation of the highest responsible bidder for each contract, are shown in Exhibit "A". The price to be paid per barrel will be the successful bonus bid plus a base price computed at the higher of (1) the highest price posted for like oil on the day of delivery among the postings of Chevron U.S.A., Inc., Mobil Oil Corporation, Union Oil Company of California and ARCO Petroleum Products Company or (2) the price computed in accordance with the oil valuation provision of the Drilling and Operating Contract, Long Beach Harbor Department Tidelands Parcel for oil from this parcel, or the price computed in accordance with the oil valuation provision of the Parcel "A" Oil Contract for oil from this parcel. Each contract will begin March 1, 1982 and end September 1, 1983.

Section 10(a) of Chapter 29, Statutes of 1956, First Extraordinary Session, provides that contracts between the City of Long Beach and any other person relating to the disposition of oil from the Long Beach tidelands "shall be made and entered into only with the highest responsible bidder upon

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competitive bidding and shall be of no effect unless and until approved by the State Lands Commission." The City has determined the highest responsible bidder for each contract and has awarded the respective contracts to these bidders subject to the Commission's approval.

EXHIBIT: A. Bid Results.

IT IS RECOMMENDED THAT THE COMMISSION, ACTING PURSUANT TO SECTION 10(a) OF CHAPTER 29, STATUTES OF 1956, FIRST EXTRAORDINARY SESSION:

1. APPROVE THE AWARD BY THE CITY OF LONG BEACH OF EACH OF THE FOUR CRUDE OIL SALES CONTRACTS FOR THE SELL-OFF OIL FROM THE LONG BEACH HARBOR DEPARTMENT TIDELANDS PARCEL AND PARCEL "A".

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EXHIBIT "A"

BID RESULTS

CITY OF LONG BEACH CRUDE OIL SELL OFF

LONG BEACH HARBOR DEPARTMENT TIDELANDS PARCEL AND
PARCEL "A"

<u>Bidder</u>	<u>LBHD Parcel 4% 1st Segment</u> (400 B/D)	<u>LBHD Parcel 4% 2nd Segment</u> (400 B/D)	<u>LBHD Parcel 4½% Segment</u> (450 B/D)	<u>Parcel "A" 12½% Segment</u> (350 B/D)
Powerine Oil Co.	\$0.2261	\$0.2761*	\$0.3655*	\$0.3655*
Marlex Oil & Refining Co.	0.35*	0.25	0.25	0.10
Champlin Petroleum Co.	0.35	0.06	0.10	0.10
Century Resources Co.	0.10	0.1525	0.1762	0.1123
Fletcher Oil & Refining Co.	-	-	-	0.3166
Newhall Refining Co.	-	0	0.02	0.01

*Highest Responsible Bidder

(Revised 2/1/82)

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