MINUTE ITEM

The [illegible] 19 [illegible] Item No. 27 [illegible] Lands Co[illegible] 3 to [illegible] a.m. 2/24/83 meeting.

CALENDAR ITEM

19 [illegible]

2/24/83
Willard
W 12036
W 12037
W 12038

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

The City of Long Beach is selling under four contracts the available 12½ percent of the oil allocated to the Long Beach Harbor Department Tidelands Parcel and the available 12½ percent of the oil produced from Parcel "A". Each of these contracts will expire on September 1, 1983.

The City has proposed seeking competitive bids for new oil sales to begin when the old contracts expire. In cooperation with the Commission's staff the City has prepared notices inviting bids, bid forms and crude oil sales contracts to be used in the proposed oil sales. The significant specifications are set forth in Exhibit "A" to this calendar item. Copies of the forms for the notices inviting bids, bids and crude oil sales contracts are available for inspection in the office of the Commission.

Section 10(a) of Chapter 29, Statutes of 1956, First Extraordinary Session requires that all specifications and forms for the purpose of inviting bids in connection with the disposition of oil derived from the Long Beach tidelands be approved by the State Lands Commission prior to publication of the notice to bidders.

When the bids are received, they will be analyzed by the City of Long Beach and the Commission's staff and will be presented to the Commission for approval before acceptance.

AB 884: N/A.

A 57, 58

S 27, 31

Non-Substantive 4/11/83

[illegible] 98
[illegible] 104

EXHIBIT: A. Significant Specifications for Proposed Sell-off.

IT IS RECOMMENDED THAT THE COMMISSION:

1. ACTING PURSUANT TO SECTION 10(a) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., APPROVE THE SPECIFICATIONS PROPOSED AND THE FORMS PREPARED FOR THE NOTICES INVITING BIDS, BIDS AND CRUDE OIL SALES CONTRACTS FOR THE SALE OF THE OIL AVAILABLE FOR SELL-OFF FROM THE LONG BEACH HARBOR DEPARTMENT TIDELANDS PARCEL AND PARCEL "A" WILMINGTON OIL FIELD.

EXHIBIT "A"

SIGNIFICANT SPECIFICATIONS FOR
PROPOSED SELL-OFF

1. Crude oil amount:

The oil will be offered in three contracts:

(a) For the crude oil allocated to the Long Beach Harbor Department Tidelands Parcel, one contract for eight percent of the oil which amounts to about 825 barrels per day, and one contract for 4½ percent of the oil which amounts to about 460 barrels per day.

(b) For the crude oil produced from Parcel "A", one contract for 12½ percent of the oil, which amounts to about 385 barrels per day.

2. Crude oil price:

The purchaser shall pay for the oil a bonus price per barrel, which is the bid factor, plus a base price equal to the highest price posted for like crude oil on the day of delivery in the Wilmington, Long Beach (Signal Hill), Huntington Beach and Inglewood oil fields among the postings of Chevron USA, Inc., Mobil Oil Corporation, Union Oil Company of California and ARCO Petroleum Products Company.

3. Contract term:

The contracts will be for a term of 18 months from September 1, 1983 to March 1, 1985.

4. Minimum bid:

The minimum acceptable bid for each contract will be $0.15 per barrel over the base price.