

MINUTE ITEM

This Calendar Item No. 36
was approved as Minute Item
No. 36 by the State Lands
Commission by a vote of 2
0 at its 4/28/83
meeting.

CALENDAR ITEM

36

4/28/83
PRC 6419 W 12037 PRC 6420
W 12038 PRC 6418
Tanner

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

On February 24, 1983, 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 three contracts:

1. One contract for 12½ percent of the oil produced and saved from Parcel "A", which is approximately 385 barrels per day.
2. For the crude oil allocated to the Long Beach Harbor Department Tidelands Parcel, one contract for eight percent of the oil which amounts to approximately 825 barrels per day, and one contract for 4½ percent of the oil which amounts to approximately 460 barrels per day.

The City has solicited and received bids on all three contract. The results of the bidding are shown on Exhibit "A". The price to be paid per barrel will be the successful bonus bid 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. Each contract will begin on September 1, 1983 and end on March 1, 1985.

A 57, 58

S 27, 31

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CALENDAR ITEM NO. 36 (CONTD)

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 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 (see Exhibit "A").

AB 884: N/A.

EXHIBIT: A. Summary of Bids.

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 THREE 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"Parcel "A" (12½%)

<u>Bidder</u>	<u>Bid (Per Barrel, Above Base Price)</u>
1. Edgington Oil Company	\$0.875
2. Koch Oil Company	0.825
3. MacMillian Ring-Free Oil Company	0.601
4. Sunland Refining Corporation	0.519
5. Tosco Corporation	0.458
6. Marlex Oil and Refining Company	0.321
7. Champlin Petroleum Company	0.313
8. Kern Oil and Refining Company	0.241
9. Fletcher Oil and Refining Company	0.18
10. Powerine Oil Company	0.16

LBOD Tidelands Parcel (8%)

<u>Bidder</u>	<u>Bid (Per Barrrel, Above Base Price)</u>
1. Edgington Oil Company	\$0.875
2. Gasco Gasoline, Inc.	0.77
3. Sunland Refining Corporation	0.739
4. MacMillian Ring-Free Oil Company	0.513
5. Kern Oil and Refining Company	0.342
6. Marlex Oil and Refining Company	0.321
7. Champlin Petroleum Company	0.313
8. Tosco Corporation	0.269
9. Fletcher Oil and Refining Company	0.18
10. Powerine Oil Company	0.16

LBOD Tidelands Parcel (4½%)

<u>Bidder</u>	<u>Bid (Per Barrel, Above Base Price)</u>
1. Edgington Oil Company	\$0.875
2. Gasco Gasoline, Inc.	0.77
3. Sunland Refining Corporation	0.655
4. MacMillian Ring-Free Oil Company	0.564
5. Tosco Corporation	0.368
6. Kern Oil and Refining Company	0.342
7. Marlex Oil and Refining Company	0.321
8. Champlin Petroleum Company	0.313
9. Fletcher Oil and Refining Company	0.18
10. Powerine Oil Company	0.16

The apparent high bidder for all three crude oil sales contracts is Edgington Oil Company.