

MINUTE ITEM

This Calendar Item No. 30
was approved as Minute Item
30 by the State Lands
Commission by a vote of 2
0 at its 8/25/83
meeting.

CALENDAR ITEM

30

8/25/83
W 9603.26
Tanner
PRC 6479

AWARD OF ROYALTY OIL SALES CONTRACT,
TRACT NO. 2, LONG BEACH UNIT,
WILMINGTON OIL FIELD,
LOS ANGELES COUNTY

On June 23, 1983, the Commission authorized the sale by competitive bidding of 12½ percent of the crude oil allocated to Tract No. 2 of the Long Beach Unit, which is the share that the State may take in kind under the terms of PRC 3455, the Tract No. 2 Agreement. This 12½ percent share of crude oil constitutes about 275 barrels per day with an average gravity of 17.5° API. The oil is presently being purchased by Crysen Trading and Marketing, Inc. under a contract, that will expire on October 31, 1983.

Bids for the 12½ percent share of crude oil were received and opened on July 12, 1983. Attached as Exhibit "A" is a list of the bidders and their bonus bids in dollars per barrel above the base price. The base price is the highest posted price for like crude oil on the day of delivery in Wilmington, Long Beach (Signal Hill), Huntington Beach and Inglewood oil fields among the postings of Chevron, U.S.A. Inc., Mobil Oil Corporation, Union Oil Company of California and ARCO Petroleum Products Company.

The Commission staff has reviewed the financial ability of the bidders to fulfill the obligations of the contract and their physical ability to take the oil, and has determined the highest responsible bidder, which is identified on

A 57

S 29

NUMBER OF PAGES	144
NUMBER OF WORDS	1894

CALENDAR ITEM NO. 30 (CONT'D)

Exhibit "A". The contract, if awarded, will be for a term of 18 months, with delivery commencing on October 31, 1983. Delivery of the oil will be by exchange agreement without any change in the existing oil production and transportation facilities.

AB 884: N/A.

EXHIBIT: A. List of Bidders, including Highest Responsible Bidder.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL DOCUMENT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH A DOCUMENT IS NOT REQUIRED UNDER THE PROVISIONS OF P.R.C. 21065, 14 CAL. ADM. CODE 15037 AND 15066.
2. ACCEPT THE BID OF THE HIGHEST RESPONSIBLE BIDDER IDENTIFIED ON EXHIBIT "A" AND AUTHORIZE THE EXECUTIVE OFFICER TO EXECUTE THE CRUDE OIL SALES CONTRACT FOR 12½ PERCENT OF THE OIL ALLOCATED TO TRACT NO. 2 OF THE LONG BEACH UNIT.

	145
	1895

EXHIBIT "A"

<u>Bidders</u>	<u>Bonus Bid (Per Barrel Above Posted Price)</u>
1. Gasco Gasoline, Inc.	\$1.38
2. Crysen Trading & Marketing, Inc.	\$1.25
3. Fletcher Oil & Refining, Inc.	\$1.1913
4. Beacon Oil Company	\$1.11
5. Bemico	\$1.088
6. Coastal Petroleum Refiners	\$1.01
7. Edgington Oil Company	\$0.995
8. MacMillian Ring-Free Oil Co.	\$0.9766
9. Sunland Refining Company	\$0.86
10. Marlex Oil & Refining Co.	\$0.7975
11. Champlin Petroleum Company	\$0.757
12. Powerine Oil Company	\$0.695
13. Kern Oil and Refining Co.	\$0.305

The highest responsible bidder is Gasco Gasoline, Inc.

146
1896