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REQUEST FOR ACTION ON BIDS FOR SALE OF CRUDE OIL
ALLOCATED TO TRACT NO. 1,
LONG BEACH UNIT, LOS ANGELES COUNTY

At its meeting on November 21, 1985 the Commission made the determination of terms 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 12 1/2 percent of the crude oil allowed to Tract No. 1, Long Beach Unit, Wilmington Oil Field, which is solely from the Field Contractor's 80 percent share. 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, with the City of Long Beach, offered the crude oil for competitive bidding. The crude oil was offered under two separate contracts, one for 5 1/2 percent and one for 7 percent, of the crude oil allocated to Tract No. 1. The 5 1/2 percent segment consists of 3,300 barrels per day of 17.7° API gravity crude oil. The 7 percent segment consists of 4,200 barrels per day of 17.7° API gravity crude oil.

On January 15, 1986, the City of Long Beach held bid openings for bids offered for this crude oil. The results are shown on Exhibit "A".

The Long Beach City Council December 17, 1985, gave approval to the City Manager to award these contracts to the highest responsible bidder based on recommendations from the staff of the Department of Oil Properties.

Pursuant to Section 3(e) 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.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

   Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

AB 884: N/A.

EXHIBIT: A. Results of Bids.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.

2. PURSUANT TO SECTION 3(e), 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" FOR CRUDE OIL ALLOCATED TO TRACT NO. 1, LONG BEACH UNIT, WILMINGTON OIL FIELD.

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EXHIBIT "A"

Tract No. 1 Bid Opening
January 15, 1986 - 10:00 A.M.

7 Percent Segment

Bidder	Bonus Bid (Per Barrel, Above Posted Price)
1. Edgington Oil Company	$0.261
2. Champlin Petroleum Company	$0.1776
3. U.S. Oil & Refining Company	$0.17

5 1/2 Percent Segment

Bidder	Bonus Bid (Per Barrel, Above Posted Price)
1. Edgington Oil Company	$0.311
2. Champlin Petroleum Company	$0.1776

The highest responsible bidders are:

1. Edgington Oil Company

(REVISED 01/16/86)

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