MINUTE ITEM
This Calendar Item No. 26
was approved as Minute Item
No. 26 by the State Lands
Commission by a vote of 3
to 0 at its 5/28/87
meeting.

CALENDAR ITEM

A 58

26

05/28/87
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AWARD OF SELL-OFF OIL SALES CONTRACT,
STATE PRC 3455, TRACT NO. 2, LONG BEACH UNIT,
WILMINGTON OIL FIELD, LOS ANGELES COUNTY

On April 23, 1987, the State Lands Commission authorized the sale of royalty crude oil from one State oil and gas Lease in the Wilmington Oil Field in Los Angeles County, four State oil and gas Leases in the Carpinteria-Summerland Offshore Fields in Santa Barbara County and two State oil and gas Leases in the Ellwood Oil Field, in Santa Barbara County. State PRC 3455, Tract No. 2 of the Long Beach Unit, Wilmington Oil Field, Los Angeles County was one of the leases for which the Commission authorized the sale of the State's share of crude oil. The previous contract for this sell-off oil expired on November 1, 1986.

Crysen Trading and Marketing, Inc. was purchasing this oil and paying the State a bonus of $1.01 per barrel above the Base Price defined as 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 specific named posters. The State's share of production from this lease is approximately 275 barrels per day of 17.6° API gravity crude oil.

A Notice Inviting Bids was published in the Long Beach Press-Telegram on April 27, 1987. Bids were received and opened on May 12, 1987. Exhibit "A" shows the results of the bidding.

Fiscal and legal reviews of the submitted bid material were done by the State Lands Commission Auditing and Legal Units respectively. Based on the results of these reviews, the highest responsible bidder has been identified on Exhibit "A".

AB 884: N/A.

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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.

EXHIBIT: A. Results of Bidding.

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. AWARD THE SELL-OFF OIL SALES CONTRACT FOR STATE PRC 3455, TRACT NO. 2, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY TO THE HIGHEST RESPONSIBLE BIDDER IDENTIFIED ON EXHIBIT "A" FOR THE PERIOD AUGUST 1, 1987 UNTIL FEBRUARY 1, 1988.

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EXHIBIT "A"

SELL-OFF OIL BID OPENING
STATE PRC 3455, TRACT NO. 2,
LONG BEACH UNIT, WILMINGTON
OIL FIELD, LOS ANGELES COUNTY

May 12, 1987 — 11:00 A.M

	Bidder	Bonus Bid (Per Barrel, Above Posted Price)
1.	Edgington Oil Co.	$0.7237
2.	U. S. Oil & Refining Co	$0.542
3	Alton Corporation	$0.463
4	Champlin Petroleum Co.	$0.373
5	ARCO Oil & Gas Co.	$0.348
6.	Huntway Refining Co.	$0.335
7.	Mac Millan Ring Free Oil Co	$0.27

The highest responsible bidder is

Edgington Oil Co.

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