

MINUTE ITEM
This Calendar Item No. 17
was approved as Minute Item
No. 17 by the State Lands
Commission by a vote of 2
to 0 at its 11-10-87
meeting.

CALENDAR ITEM

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

Edgington Oil Company is currently purchasing the State's share of sell-off oil produced from State Oil and Gas Lease PRC 3455, Tract 2, Long Beach Unit, Wilmington Oil Field, Los Angeles County paying a bonus per barrel of \$0.7237 above a base price defined as the highest price posted for oil of like quality 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 and Union Oil Company of California. The State's share of production from this lease is approximately 7,980 barrels per month 17.7° API gravity crude oil. The present contract is for a term of six months having begun on August 1, 1987 and is scheduled to terminate on February 1, 1988.

On August 20, 1987, the State Lands Commission authorized the sale of royalty or other crude oil which may be taken in kind from several State oil and gas leases including this lease.

A Notice Inviting Bids for a new contract to run from February 1, 1988 to August 1, 1989 was published in the Long Beach Press-Telegram on October 20, 1987 and sent to all known interested parties. Bids were received and opened on November 5, 1987. Exhibit "A" shows the results of the bidding.

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

CALENDAR ITEM NO. 17 (CONT'D)

Staff recommends awarding the new Sell-Off 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".

AB 884:

N/A.

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 it 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 the 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 IT 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 FROM FEBRUARY 1, 1988 TO AUGUST 1, 1989.

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EXHIBIT "A"

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

November 5, 1987

11:00 A.M.

<u>Bidder</u>	<u>Bonus Bid</u> <u>(Per Barrel, Above Base Price)</u>
1. Edgington Oil Company	.03386
2. Newhall Refinery Company	0.266
3. Cal-Jet, Inc.	0.3653
4.	
5.	

The highest responsible bidder is Cal-Jet, Inc.

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