

MINUTE ITEM
This Calendar Item No. 30
was approved as Minute Item
No. 30 by the State Lands
Commission by a vote of 9
to 0 at its 4-13-88
meeting.

CALENDAR ITEM

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APPROVAL OF THE AWARD BY THE CITY OF LONG BEACH OF
THE CRUDE OIL SALES CONTRACT FOR TRACTS WITHIN
FAULT BLOCK IV UNIT AND FAULT BLOCK V
RANGER ZONE UNIT, WILMINGTON OIL FIELD,
LOS ANGELES COUNTY

On January 21, 1988, the State Lands Commission approved the significant specifications for and authorized the sale of crude oil by the City of Long Beach from tracts within Fault Block IV Unit and Fault Block V Ranger Zone Unit, Wilmington Oil Field, Los Angeles County. This oil at present is being sold under two separate contracts. Texaco Refining & Marketing Inc. is purchasing oil from the City under one contract and is paying the City a bonus of \$0.45 per barrel above the Base Price defined as the highest price posted in the Wilmington, Long Beach (Signal Hill), Huntington Beach and Inglewood Oil Fields among the postings of Chevron, U.S.A., Mobil Oil Corporation and Union Oil Company of California for oil of like quality on the day of delivery. Caljet, Inc. is purchasing oil under the other contract paying the City a bonus of \$0.6535 per barrel above the Base Price. The City's share of crude oil under these contracts is approximately 200 barrels per day of 17° API gravity crude oil.

A Notice Inviting Bids was published in the Wall Street Journal (Western Edition) and The Oil Daily on February 2, 3, 4, 1988. Bids were received and opened on February 24, 1988. Exhibit "A" shows the results of the bidding.

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

Under Section 10(a) of Chapter 29, Statutes of 1956, 1st E.S., the State Lands Commission must approve any contract involving the disposition of crude oil from the Long Beach Tidelands. The contract will be for a twelve-month period from May 1, 1988 until May 1, 1989.

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 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. APPROVE THE AWARD BY THE CITY OF LONG BEACH OF THE CRUDE OIL SALES CONTRACT FOR TRACTS WITHIN FAULT BLOCK IV UNIT AND FAULT BLOCK U RANGER ZONE UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY, TO THE HIGHEST RESPONSIBLE BIDDER IDENTIFIED ON EXHIBIT "A" FOR THE PERIOD MAY 1, 1988 UNTIL MAY 1, 1989.

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EXHIBIT "A"

BID OPENING, CITY OF LONG BEACH
CRUDE OIL SALES CONTRACT
FAULT BLOCK IV UNIT AND FAULT BLOCK V RANGER ZONE UNIT,
WILMINGTON OIL FIELD, LOS ANGELES COUNTY

February 24, 1988

10:00 a.m.

<u>Bidder</u>	<u>Bonus Bid</u> <u>(Per Barrel, Above Base Price)</u>
1. Edgington Oil Company	\$0.365
2. Caljet, Inc.	\$0.26

The highest responsible bidder is Edgington Oil Company.

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