MINUTE ITEM
This Calendar Item No. 52
was approved as Minute Item
No. 52 by the State Lands
Commission by a vote of 3
to 0 at its 2/6/89
meeting.

CALENDAR ITEM

A 57, 58

52

02/06/89
W 9603.27
W 17006
Tanner

S 29

APPROVAL OF THE AWARD BY THE CITY OF LONG BEACH OF THE CRUDE OIL SALES CONTRACTS, TRACT NO. 1, LONG BEACH UNIT WILMINGTON OIL FIELD, LOS ANGELES COUNTY

At its meeting on November 29, 1988, the Commission made the determination of terms and quantities and approved the provisions of sale determined by the City of Long Beach, and authorized the Executive Officer: (1) to notify the City of Long Beach; and (2) to direct the Field Contractor to offer for sale, by competitive bidding, 12 1/2% of the crude oil allocated to Tract No. 1, Long Beach Unit, Wilmington Oil Field. This production is solely from the Field Contractor's 80% share. These actions were taken pursuant to Section 3(e), Chapter 138, Statutes of 1964, 1st E.S.

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 7% and one for 5 1/2% of the crude oil allocated to Tract No. 1. The 7% segment consists of approximately 3,700 barrels per day of 17.7° API gravity crude oil. The 5 1/2% segment consists of approximately 2,900 barrels per day of 17.7°API gravity crude oil.

On December 5, 1988, the City of Long Beach opened the bids offered for this crude oil. The results of the bidding are shown on Exhibit "A".

The Long Beach City Council, on November 15, 1988, 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.

(ADDED 02/03/89)

Pursuant to Section 3(e) of Chapter 138, Statutes of 1964, 1st E.S., the crude oil sales contracts shall be of no effect unless and until approved by the State Lands Commission.

Staff recommends approving the award of the contracts to the highest responsible bidder identified on Exhibit "A".

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Adm. Code Regs. 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. Code Regs. 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. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 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.



(ADDED 02/03/89)

EXHIBIT "A"

Tract No. 1 Bid Opening
December 5, 1988 10:00 A.M.

7 Percent Segment

| Bidder | Bonus Bid (Per Barrel, Above Base Price) |
|---|---|
| 1. Petrosource | 1. $0.26 |
| 2. Chem Oil Corp. | 2. $0.201 |
| 3. Edgington | 3. $0.7199 |

5 1/2 Percent Segment

| Bidder | Bonus Bid (Per Barrel, Above Base Price) |
|---|---|
| 1. Petrosource | 1. $0.06 |
| 2. Chem Oil Corp. | 2. $0.210 |
| 3. Edgington | 3. $0.9199 |

The highest responsible bidder is:

1. Edgington Oil Company

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