

MINUTE ITEM

This Calendar Item No. 005
was approved as Minute Item
No. 05 by the State Lands
Commission by a vote of 2
to 0 at its 6/5/91
meeting.

CALENDAR ITEM

005

06/05/91
W 9603.27
W 17006
Tanner

A 57, 58

S 29

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

At its meeting on February 6, 1991, 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 to notify the City of Long Beach to direct the Field Contractor to offer for sale, by competitive bidding, 12½ percent 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 percent 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 percent and one for 5½ percent of the crude oil allocated to Tract No. 1. The 7 percent segment consists of approximately 2,400 barrels per day of 17.7° API gravity crude oil. The 5½ percent segment consists of approximately 1,900 barrels per day of 17.7° API gravity crude oil.

On May 22, 1991, 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 April 30, 1991, 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. The award of the contracts must be 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 Cal. 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 IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. APPROVE THE AWARDING BY THE CITY OF LONG BEACH AND THE FIELD CONTRACTOR OF THE CRUDE OIL SALES CONTRACTS FOR 7 $\frac{1}{8}$ AND 5 $\frac{1}{8}$ OF THE CRUDE OIL ALLOCATED TO TRACT NO. 1, LONG BEACH UNIT, WILMINGTON OIL FIELD TO THE HIGHEST RESPONSIBLE BIDDER IDENTIFIED IN EXHIBIT "A".

6/1/91
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EXHIBIT "A"

TRACT NO. 1 BID OPENING

MAY 22, 1991 10:00 A.M.

7 Percent Segment

<u>BIDDER</u>	<u>BONUS BID (PER BARREL, ABOVE BASE PRICE)</u>
1. Fletcher Oil and Refining Co.	\$0.5755
2. Ultramar, Inc	\$0.10

5 1/2 Percent Segment

<u>BIDDER</u>	<u>BONUS BID (PER BARREL, ABOVE BASE PRICE)</u>
1. Fletcher Oil and Refining Co.	\$0.3780
2. Ultramar, Inc.	\$0.10

The highest responsible bidder is:
Fletcher Oil and Refining Co.