

MINUTE ITEM

This Calendar Item No. 056 was approved as Minute Item No. 56 by the California State Lands Commission by a vote of 3 to 0 at its 12/7/95 meeting.

CALENDAR ITEM

C56

A 57, 58

12/07/95

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APPROVE THE AWARD OF THE CRUDE OIL SALES CONTRACT BY THE CITY OF LONG BEACH FOR THE CITY'S WORKING INTEREST SHARE OF CRUDE OIL ALLOCATED TO TRACTS WITHIN THE FAULT BLOCK IV UNIT AND FAULT BLOCK V, RANGER ZONE UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY

APPLICANT:

City of Long Beach
Department of Oil Properties
Attention: R. J. Rawnsley
211 E. Ocean Boulevard, Suite 500
Long Beach, California 90802

AREA, TYPE LAND AND LOCATION:

Various tracts within the Fault Block IV Unit and Fault Block V Ranger Zone Unit, Wilmington Oil Field, Los Angeles County, as detailed on Exhibit "A".

LAND USE:

Oil and gas development and production.

BACKGROUND:

The State Lands Commission (SLC) approved, at its October 17, 1995 meeting, the specifications proposed by the City of Long Beach (City) for the sale of the City's working interest share of crude oil allocated to various tracts, including some tidelands tracts, within the Fault Block IV Unit and Fault Block V Ranger Zone Unit, Wilmington Oil Field, Los Angeles County. The City published a notice inviting bids in the Long Beach Press-Telegram on October 18 through

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October 20, 1995, and sent bid packages to known interested bidders. A bid opening was held on November 8, 1995. Exhibit "B" shows the results of the bidding.

Commission staff recommends approval of the awarding by the City of the crude oil sales contract for tracts within Fault Block IV Unit and Fault Block V Ranger Zone Unit, Wilmington Oil Field to the highest responsible bidder identified on Exhibit "B".

BASIS FOR CONSIDERATION:

Section 1019, Chapter 29, Statutes of 1956, 1st E.S.

STATUTORY AND OTHER REFERENCES:

Cal. Code Regs.: Title 3, Div. 3; Title 14, Div. 6.

AB 884:

N/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: Public Resources Code 21065 and 14 Cal. Code Regs. 15378.

2. The City of Long Beach and SLC auditing and legal units have reviewed the submitted bid materials, and based on their reviews, Commission staff has identified the highest responsible bidder listed on Exhibit "B".

CALENDAR ITEM NO. C56 (CONT'D)

EXHIBITS:

- A. List of Tracts
- B. Results of Bid Opening

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 PUBLIC RESOURCES CODE SECTION 21065 AND 14 CAL. CODE REGS. 15378.
2. APPROVE THE AWARDED BY THE CITY OF LONG BEACH OF THE CRUDE OIL SALES CONTRACT FOR THE CITY'S SHARE OF CRUDE OIL ALLOCATED TO VARIOUS TRACTS LISTED ON EXHIBIT "A" WITHIN THE FAULT BLOCK IV UNIT AND FAULT BLOCK V RANGER ZONE UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY, TO THE HIGHEST RESPONSIBLE BIDDER IDENTIFIED ON EXHIBIT "B" FOR THE PERIOD FEBRUARY 1, 1996 UNTIL FEBRUARY 1, 1997.

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EXHIBIT "A"

LIST OF TRACTS

FAULT BLOCK IV UNIT

| | |
|-----|------|
| 5 | 61 |
| 6 | 79 |
| 9 | 81 |
| 16 | 103 |
| 20 | 104 |
| 21 | 109 |
| 25 | 111 |
| 26 | 112A |
| 28 | 114 |
| 28A | 125 |
| 29 | 126 |
| 38 | 127 |
| 41 | 143 |

FAULT BLOCK V RANGER ZONE UNIT

| | | | | |
|----|----|----|----|----|
| 2 | 18 | 19 | 34 | 35 |
| 3 | | 20 | | 36 |
| 4 | | 21 | | 37 |
| 5 | | 22 | | 38 |
| 6 | | 23 | | 39 |
| 7 | | 24 | | 40 |
| 8 | | 25 | | 41 |
| 9 | | 26 | | 42 |
| 10 | | 27 | | 43 |
| 12 | | 28 | | 44 |
| 13 | | 29 | | 45 |
| 14 | | 30 | | 46 |
| 15 | | 31 | | 47 |
| 16 | | 32 | | 48 |
| 17 | | 33 | | 49 |

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EXHIBIT "B"

**CITY OF LONG BEACH
CRUDE OIL SALES CONTRACT
FAULT BLOCKS IV & V
BID OPENING**

NOVEMBER 8, 1995

10:00 AM

| <u>Bidder</u> | <u>Bonus Bid (\$/BBL above posting)</u> |
|--|---|
| 1. Texaco Marketing and Refining, Inc. | 1. \$0.565 |
| 2. Ultramar, Inc. | 2. \$0.4019 |
| 3. Huntway Refining Company | 3. \$0.3706 |

The highest responsible bidder is: Texaco Marketing and Refining, Inc.

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