MINUTE ITEM
This Calendar Item No. C70
was approved as Minute Item
No. 70 by the State Lands
Commission by a vote of 3
to 0 at its 2-5-01
meeting.

CALENDAR ITEM
C70

A 57, 58

S 29

02/05/01
W 9603.27
J. Tanner

CONSIDER APPROVAL OF THE AWARD OF THE CRUDE OIL SALES CONTRACTS TO THE HIGHEST RESPONSIBLE BIDDER, TRACT NO. 1, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY

APPLICANT:

City of Long Beach
Department of Oil Properties
Attn: Mr. Scott Bailey
211 East Ocean Blvd., Suite 500
Long Beach, CA 90802

BACKGROUND:

At its meeting on September 19, 2000, the California State Lands Commission authorized the sale by the City of Long Beach (City) of crude oil from Tract No. 1, Long Beach Unit, Wilmington Oil Field, Los Angeles County. At present, the crude oil available for sell-off from Tract No. 1 is being sold in two contracts to Paramount Petroleum Company (7% Segment) and Huntway Refining Company (5 ½% Segment). The oil is being re-offered in two (2) separate sales contracts: one for seven percent (7%) and a second for five and one-half (5 ½%) of the City's share of oil from Tract No. 1. This amounts to approximately 2,400 B/D for the seven-percent segment and 1,900 B/D for the five and one-half segment.

A Notice Inviting Bids for new Crude Oil Sales Contracts to run from September 1, 2001 until March 1, 2003 was published in the Long Beach Press-Telegram on November 1, 2000, and sent to all known interested parties. Bids were received and opened on November 15, 2000. Exhibit A shows the results of the bidding.

STAFF RECOMMENDATIONS:

Fiscal and Legal reviews of the submitted bid material were done by the CSLC and City of Long Beach Auditing and Legal Units respectively. Based on the

results of these reviews, the highest responsible bidders have been identified on Exhibit A. Staff recommends awarding of the new Crude Oil Sales Contracts for Tract No. 1, Long Beach Unit, Wilmington Oil Field, Los Angeles County, to the highest responsible bidders identified on Exhibit A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulation, section 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 the CEQA and the State CEQA Guidelines.

   Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

EXHIBIT:

A. Results of Bid Opening

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

AWARD THE CRUDE OIL SALES CONTRACTS FOR TRACT NO. 1, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY, TO THE HIGHEST RESPONSIBLE BIDDERS IDENTIFIED ON EXHIBIT A FOR THE PERIOD FROM SEPTEMBER 1, 2001 UNTIL MARCH 1, 2003.

02/05/01
W 9603.27
J. Tanner

EXHIBIT A

BID OPENING
CRUDE OIL SALES CONTRACTS
TRACT NO. 1, LONG BEACH UNIT
WILMINGTON OIL FIELD,
LOS ANGELES COUNTY

November 15, 2000 10:00 a.m.

7% SEGMENT

BIDDER	BONUS BID (PER BARREL, ABOVE BASE PRICE)
1. Edgington Oil Company	**$.8775**
2. Huntway Refining Company	$.86
3. Paramount Petroleum Corporation	$.8111
4. Equiva Trading Company	$.785

The highest responsible bidder is Edgington Oil Company.

5 1/2% SEGMENT

BIDDER	BONUS BID (PER BARREL, ABOVE BASE PRICE)
1. Edgington Oil Company	$.8575
2. Huntway Refining Company	**$.93**
3. Paramount Petroleum Corporation	$.6124
4. Equiva Trading Company	$.735

The highest responsible bidder is Huntway Refining Company.

CALENDAR PAGE 000360
MINUTE PAGE 0000388