MINUTE ITEM
This Calendar Item No. C102 was approved as Minute Item No. 102 by the California State Lands Commission by a vote of 3 to Ø at its 4-24-01 meeting.

CALENDAR ITEM
C102

A 57, 58

S 29

04/24/01
W 9603.56
J. Tanner

CONSIDER APPROVAL OF THE AWARD OF THE CRUDE OIL SALES CONTRACTS TO THE HIGHEST RESPONSIBLE BIDDER, VARIOUS TRACKS WITHIN THE FAULT BLOCK IV UNIT AND FAULT BLOCK V, RANGER ZONE, WILMINGTON OIL FIELD, LOS ANGELES COUNTY

APPLICANT:

City of Long Beach
Department of Oil Properties
Attn: Mr.Sigmund W. Jacoby
211 W. Ocean Blvd., Suite #500
Long Beach, CA 90802

BACKGROUND:

At its meeting on February 5, 2001, the California State Lands Commission authorized the sale by the City of Long Beach (City) of crude oil from various tracts within the Fault Block IV Unit and Fault Block V, Ranger Zone Unit, Wilmington Oil Field, Los Angeles County. At present, the City's share of crude oil from these tracts (approximately 500 B.D) is being sold to Bravo Energy Company (Bravo). Under a contract ending August 1, 2001, Bravo is paying the City a bonus of $0.762 per barrel above a base price defined as the arithmetic average of the postings in the Wilmington, Long Beach (Signal Hill), Huntington Beach and Inglewood oil fields among Chevron, Exxon Mobil, Equiva and Union 76. The City desires to sell again, its share of crude oil from these tracts.

A Notice Inviting Bids for new Crude Oil Sales Contracts to run from August 1, 2001, until February 1, 2003, was published in the Long Beach Press Telegram on February 20, 21, and 22, 2001, and sent to all known interested parties. Bids

were received and opened on March 14, 2001. Exhibit B 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 Contract for tracts 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 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.

EXHIBITS:

A. List of Tracts
B. 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 CONTRACT FOR VARIOUS TRACTS 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 FROM AUGUST 1, 2001 UNTIL FEBRUARY 1, 2003.

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EXHIBIT A
LIST OF TRACTS
FAULT BLOCK IV UNIT

5	29	112A
6	38	114
9	41	115
16	61	125
20	79	126
21	81	127
26	103	132
27	104	136
28	109	143
28A	111	144

FAULT BLOCK V RANGER ZONE UNIT

2	24	45	108
3	25	46	110
4	26	47	113
5	27	48	122
6	28	49	187
7	29	50	188
8	30	51	189
9	31	52	208
10	32	53	248
12	33	54	253
13	34	55	271
14	35	56	405
15	36	57	406
16	37	64	407
17	38	69	408
18	39	80	409
19	40	90	410
20	41	92	411
21	42	96	414
22	43	98	415
23	44	104	

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EXHIBIT B
BID OPENING
CRUDE OIL SALES CONTRACTS
FAULT BLOCK IV UNIT AND
FAULT BLOCK V, RANGER ZONE UNIT,
WILMINGTON OIL FIELD,
LOS ANGELES COUNTY

Date: March 14,2001 Time: 11:00 AM

BIDDER	BONUS BID (PER BARREL, ABOVE BASE PRICE)
1. Huntway Refining Company	$0.261
2. Equiva Trading Company	$0.915
3. Paramount Petroleum	$0.891

The highest responsible bidder is Equiva Trading Company.

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