

MINUTE ITEM
This Calendar Item No. 27
was approved as Minute Item
No. 27 by the State Lands
Commissioner by a vote of 3
to 0 at its 7-16-87
meeting.

CALENDAR ITEM

A 57, 58

27

07/16/87
W 9603.27
Tanner

S 29

AUTHORIZE AWARD OF CONTRACTS
FOR SALE OF CRUDE OIL ALLOCATED
TO TRACT NO. 1, LONG BEACH UNIT,
WILMINGTON OIL FIELD, LOS ANGELES COUNTY

At its meeting on April 23, 1987, the Commission made the determination of terms and quantities and approved the provisions of sale determined by the City of Long Beach, and directed the Executive Officer to notify the City of Long Beach to direct the Field Contractor to offer for sale by competitive bidding 12-1/2 percent of the crude oil allocated to Tract No. 1, Long Beach Unit, Wilmington Oil Field, Los Angeles County, which 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.

In accordance with the provisions of sale, 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 5-1/2 percent and one for seven percent (7%) of the crude oil allocated to Tract No. 1. The 5-1/2 percent segment consists of 2,900 barrels per day of 17.7° API gravity crude oil. The seven percent (7%) segment consists of 3,700 barrels per day of 17.7° API gravity crude oil.

On June 17, 1987, the City of Long Beach held bid openings for bids offered for this crude oil. The results are shown on Exhibit "A".

The Long Beach City Council, on May 26, 1987, 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 Commission Auditing and

CALENDAR ITEM NO. 27 (CONT'D)

Legal Units reviewed all submitted bid material and, as a result, staff has identified the highest responsible bidder for both contracts on Exhibit "A".

Pursuant to Section 3(e) of Chapter 138, Statutes of 1964, 1st E.S., the Crude Oil Sell-Off Contracts shall be of no effect unless and until approved by the State Lands Commission.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 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. Adm. Admin. Code 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. ADM. CODE 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. PURSUANT TO SECTION 3(e), CHAPTER 138, STATUTES OF 1964, 1ST E.S., APPROVE THE AWARDED 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.

0548c

07/16/87
W 9603.27
Tanner

Exhibit "A"

Tract No. 1 Bid Opening
June 17, 1987 - 10:00 a.m.

7 Percent Segment
(3,700 B/D-17.70

<u>Bidder</u>	<u>Bonus Bid</u> <u>(Per Barrel, Above Base Price)</u>
1. Newhall Refining Co.	\$0.466
2. Powerine Oil Co.	\$0.6275
3. Edgington Oil Co.	\$0.8699

5 1/2 Percent Segment
(2,900 B/D-17.70

<u>Bidder</u>	<u>Bonus Bid</u> <u>(Per Barrel, Above Base Price)</u>
1. Edgington Oil Co.	\$0.8699
2. Powerine Oil Co.	\$0.5575
3. Newhall Refining Co.	\$0.831

The highest responsible bidder(s) is (are):

Edgington Oil Company
Attn.: A. L. Siegner
2400 E. Artesia Blvd.
Long Beach, CA 90805