

MINUTE ITEM
This Calendar Item No. 30
was approved as Minute Item
No. 30 by the State Lands
Commission by a vote of 2
to 0 at its 9-23-87
meeting.

CALENDAR ITEM

A 58

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09/23/87

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Tanner

PRC 7125

AWARD OF THE ROYALTY OIL SALES CONTRACT,
STATE OIL AND GAS LEASE E-392,
HUNTINGTON BEACH FIELD, ORANGE COUNTY

APPLICANT: Golden West Refining Company
Attn: Thomas J. Fillipp, Vice President
Crude Supply
13539 East Foster Road
Santa Fe Springs, California 90670

On August 20, 1987, the State Lands Commission authorized the sale of royalty crude oil from State Oil and Gas Lease E-392 in the Huntington Beach Field in Orange County under specified terms and conditions.

Texacc Refining & Marketing, Inc. is the present purchaser of the State's share of crude oil from this lease paying the State a bonus of \$0.55 per barrel above a base price defined as the highest price posted for oil of like gravity and quality in the Huntington Beach Field on the day of delivery among the postings of Chevron USA, Inc., Mobil Oil Corporation, and Union Oil Company of California. The State's share of production from this lease is approximately 19,000 barrels per month of 19.50 API gravity crude oil. The current Royalty Oil Sales Contract began on May 1, 1987 and is scheduled to terminate on November 1, 1987.

A Notice Inviting Bids was published in the Orange County Register on August 24, 1987 and sent to all known interested parties. Bids were received and opened on September 8, 1987. Exhibit "A" shows the results of the bidding.

Fiscal and legal reviews of the submitted bid material were done by the State Lands Commission Auditing and Legal Units respectively. Based on the results of these reviews, the highest responsible bidder has been identified on Exhibit "A".

CALENDAR ITEM NO. 30 (CONT'D)

Staff recommends the awarding of the Royalty Oil Sales Contract for State Oil and Gas Lease E-392, Huntington Beach Field, Orange County to the highest responsible bidder identified on Exhibit "A" for the period beginning on November 1, 1987.

AB 884: N/A.

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. Code 15378.

EXHIBIT: A. 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. ADM. CODE 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. AWARD THE ROYALTY OIL SALES CONTRACT FOR STATE OIL AND GAS LEASE E-392, HUNTINGTON BEACH FIELD, ORANGE COUNTY TO THE HIGHEST RESPONSIBLE BIDDER IDENTIFIED ON EXHIBIT "A" FOR THE PERIOD BEGINNING ON NOVEMBER 1, 1987.

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EXHIBIT "A"

ROYALTY CRUDE OIL SALES CONTRACT BID OPENING,
STATE OIL AND GAS LEASE E-392,
HUNTINGTON BEACH FIELD, ORANGE COUNTY

September 8, 1987

11:00 A.M.

<u>Bidder</u>	<u>Bonus Bid</u> <u>(Per Barrel, Above Base Price)</u>
1. Cal Jet, Inc.	\$0.3755
2. Golden West Refining Co.	\$0.699
3. Texaco Refining and Marketing	\$0.57
4. Newhall Refining	\$0.313

The highest responsible bidder is GOLDEN WEST REFINING COMPANY.

(REVISED 09/21/87)

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