

MINUTE ITEM

This Calendar Item No. 29
was approved as Minute Item
No. 29 by the State Lands
Commission by a vote of 3
to 0 at its 1-26-81
meeting.

CALENDAR ITEM

29

1-26-81
Thompson

EXTENSION OF CRUDE OIL SELL OFF CONTRACT
WILMINGTON OIL FIELD
LOS ANGELES COUNTY

On August 28, 1980 the State Lands Commission approved the awarding of the crude oil sales contract to MacMillan Ring Free Oil Company for its purchase of the uncontrolled portion of the 8% increment of the crude oil from the Long Beach Harbor Department Tidelands Parcel, City of Long Beach, Wilmington Oil Field, Los Angeles County. This amount of crude oil is approximately 580 barrels per day. The contract term is for six months with a provision that it may be extended by the purchaser for an additional six month period upon the written consent of the City and the Commission.

The sell off commenced September 1, 1980, and the contract's initial term will expire February 28, 1981. MacMillan Ring Free Oil Company has notified the City of its desire to extend the contract for the additional six month period, which would be to September 1, 1981.

MacMillan is currently paying an amount for this oil equal to the higher of the average of the prices posted in the Wilmington field or in the Wilmington, Inglewood, Signal Hill and Huntington Beach fields by Chevron USA, Inc., Mobil Oil Corporation, Union Oil Company of California and ARCO Petroleum Products Company for oil of like gravity on the day of delivery plus \$0.371 per barrel.

The City of Long Beach consents to the extension, and the Commission's Long Beach staff recommends Commission consent.

IT IS RECOMMENDED THAT THE COMMISSION:

CONSENT TO A SIX MONTH EXTENSION OF THE CRUDE OIL SALES CONTRACT WITH MACMILLAN RING FREE OIL COMPANY, PURSUANT TO SECTION 10(a), CHAPTER 29, STATUTES OF 1956, 1ST E.S., FOR ITS PURCHASE OF THE UNCONTROLLED PORTION OF THE 8% INCREMENT OF THE CRUDE OIL FROM THE LONG BEACH HARBOR DEPARTMENT TIDELANDS PARCEL, CITY OF LONG BEACH, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

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