

MINUTE ITEM

22

07/12/84
PRC 425
PRC 3120
Ludlow

TRANSFER OF ROYALTY OIL SALES
CONTRACTS ORANGE COUNTY/SANTA BARBARA

Calendar Item 22, attached, was pulled from the agenda prior to the meeting.

Attachment: Calendar Item 22.

CALENDAR PAGE
MINUTE PAGE

1604

CALENDAR ITEM

A 58
S 31

22, A

07/12/84
PRC 6497
Willard

APPLICANT:
(PURCHASER) Paramount Petroleum
147000 Downey Avenue
Paramount, California 90723

ASSIGNEE: Edgington Oil Company, Inc.
2400 E. Artesia Boulevard.
Long Beach, California 90805

SUMMARY:

Issuance of Royalty Oil Sales Contract PRC 6497 to Paramount Petroleum Corporation (formerly Pacific Oasis) for a term of 18 months commencing December 1, 1983, and was authorized by the Commission on September 28, 1983. The contract was based on competitive public bid (11 bidders) with bonus bids in dollars per barrel above the base price. The base price is the highest price posted for oil of like gravity and quality in Huntington Beach Field on the day of the delivery. Paramount was the highest responsible bidder with a bid of \$2.057..

Paramount has submitted a non-conditional assignment and assumption of contract form effective July 1, 1984, and has requested State Lands Commission approval.

PREREQUISITE ITEMS:

- A. Assignment forms have been executed by assignor and assignee and are on file in the Long Beach Office of the Commission.
- B. Assignee is eligible to hold a State Royalty Oil Sales Contract.
- C. Performance bond (\$1,000,000) will be submitted before oil deliveries commence.

(ADDED 07/11/84)

CALENDAR PAGE	99
MINUTE PAGE	1605

CALENDAR ITEM NO. 22 A. CONT'D

STATUTORY AND OTHER REFERENCES:

- A. Section ten of the sales contract.
- B. P.R.C. Section 6801.
- C. 2 Ca. Adm. Code 2163.
- D. 14 Cal. Adm. Code 15061 and 15378.

OTHER PERTINENT INFORMATION:

This activity is exempt from CEQA because it is not considered to be a project pursuant to 14 Cal. Adm. Code 15378.

AB 884: N/A.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THIS ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DERIVED BY 21065 P.R.C. AND 14 CAL. ADM. CODE 15378.
2. CONSENT TO THE ASSIGNMENT OF ALL OF THE ASSIGNOR'S (PARAMOUNT PETROLEUM CORPORATION) INTEREST IN ROYALTY OIL SALE CONTRACT STATE OIL AND GAS LEASE PRC 425, HUNTINGTON BEACH FIELD TO THE ASSIGNEE (EDGINGTON OIL COMPANY, INC.), EFFECTIVE JULY 1, 1984, WITH THE ASSIGNEE TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT TO THE SAME EXTENT AS THE ORIGINAL PURCHASER UNDER THE CONTRACT, PROVIDED THAT NOTHING IN THE ASSIGNMENT OR IN THE STATE'S CONSENT TO IT ABROGATES THE RESPONSIBILITY OF PARAMOUNT TO PAY FOR ROYALTY OIL DELIVERED TO PARAMOUNT PRIOR TO JULY 1, 1984, AND THE OBLIGATIONS OF THE SURETY TO GUARANTEE SUCH PAYMENT.

(ADDED 07/11/84)

CALENDAR ITEM

A 35

S 18

22. B

07/12/84
PRC 6533
Willard

APPLICANT: Paramount Petroleum
(PURCHASER) 147000 Downey Avenue
Paramount, California 90723

ASSIGNEE: Champlin Petroleum Company
100 Oceangate, Suite 620
Long Beach, California 90802

SUMMARY: Issuance of Royalty Oil Sales Contract PRC 6533 to Paramount Petroleum Corporation (formerly Pacific Oasis) for a term of 18 months commencing July 1, 1984, authorized by the Commission on December 22, 1983. The contract was based on competitive public bid (9 bidders) with bonus bids in dollars per barrel above the base price. The base price is the highest price posted for oil of like gravity and quality in South Elwood Offshore Field on the day of the delivery. Paramount was the highest responsible bidder with a bid of \$2.155.

Paramount has submitted a non-conditional assignment and assumption of contract form effective July 1, 1984, and has requested State Lands Commission approval.

PREREQUISITE ITEMS:

- A. Assignment forms have been executed by assignor and assignee and are on file in the Long Beach Office of the Commission.
- B. Assignee is eligible to hold a State Royalty Oil Sales Contract.
- C. Performance bond (\$3,000,000) will be submitted before oil deliveries commence.

(ADDED 07/11/84)

CALENDAR PAGE	99.2
MINUTE PAGE	1607

CALENDAR ITEM NO. 22. B CONT'D

STATUTORY AND OTHER REFERENCES:

- A. Section ten of the sales contract.
- B. P.R.C. Section 6801.
- C. 2 Ca. Adm. Code 2163.
- D. 14 Cal. Adm. Code 15061 and 15378.

OTHER PERTINENT INFORMATION:

This activity is exempt from CEQA because it is not considered to be a project pursuant to 14 Cal. Adm. Code 15378.

AB 884: N/A.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THIS 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 21065 P.R.C. AND 14 CAL. ADM. CODE 15378.
2. CONSENT TO THE ASSIGNMENT OF ALL OF THE ASSIGNOR'S (PARAMOUNT PETROLEUM CORPORATION) INTEREST IN ROYALTY OIL SALE CONTRACT STATE OIL AND GAS LEASE PRC 3120, SOUTH ELWOOD OFFSHORE FIELD TO THE ASSIGNEE (CHAMPLIN PETROLEUM COMPANY), EFFECTIVE JULY 1, 1984, WITH THE ASSIGNEE TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT TO THE SAME EXTENT AS THE ORIGINAL PURCHASER UNDER THE CONTRACT, PROVIDED THAT NOTHING IN THE ASSIGNMENT OR IN THE STATE'S CONSENT TO IT ABROGATES THE RESPONSIBILITY OF PARAMOUNT TO PAY FOR ROYALTY OIL DELIVERED TO PARAMOUNT PRIOR TO JULY 1, 1984, AND THE OBLIGATIONS OF THE SURETY TO GUARANTEE SUCH PAYMENT.

(ADDED 07/11/84)