

MINUTE ITEM

This Calendar Item No. C45
was approved as Minute Item
No. 45 by the State Lands
Commission by a vote of 3
to 0 at its 11-9-93
meeting.

CALENDAR ITEM

C45

A 57, 58
S 29

11/09/93
W 9603.56
Tanner

AWARD OF THE CRUDE OIL SALES CONTRACT,
FROM TRACTS WITHIN THE FAULT BLOCK IV UNIT,
AND FAULT BLOCK V RANGER ZONE UNIT,
WILMINGTON OIL FIELD,
LOS ANGELES COUNTY

BACKGROUND:

At its meeting on September 9, 1993, the State Lands Commission authorized the sale of crude oil by the City of Long Beach from tracts within the Fault Block IV Unit and Fault Block V Ranger Zone Unit, Wilmington Oil Field, Los Angeles County, some of which are tideland tracts. Texaco Refining and Marketing Inc. (Texaco) is presently purchasing the City's crude oil from these tracts. Texaco is paying the City a bonus of \$0.35 per barrel above a base price defined as the arithmetic average of the prices posted for oil of like gravity and quality in the Wilmington Oil Field on the day of delivery by Chevron, Mobil, Texaco and Union. The City's production from these tracts is approximately 600 barrels per day of 19° API gravity crude oil. The present crude oil sales contract is for a term of one year, and is scheduled to expire on February 1, 1994.

A Notice Inviting Bids for a new Crude Oil Sales Contract to run from February 1, 1994 until February 1, 1995 was published in the Long Beach Press-Telegram on September 14, 15 and 16, 1993, and sent to all known interested parties. Bids were received and opened on October 6, 1993. Exhibit "A" shows the results of the bidding.

STAFF RECOMMENDATIONS:

Fiscal and Legal reviews of the submitted bid material were done by the SLC Auditing and Legal Units and the City of Long Beach's Auditing and Legal Units, respectively. Based on the results of these reviews, the highest responsible bidder has been identified on Exhibit "A".

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CALENDAR ITEM NO. C45 (CONT'D)

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 Huntway Refining Co.

AB 884:
N/A

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 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. Code Regs. 15378.

EXHIBIT:

- A. Results of Bid Opening

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. APPROVE THE AWARD OF THE CRUDE OIL SALES CONTRACT BY THE CITY OF LONG BEACH FOR TRACTS WITHIN THE FAULT BLOCK IV UNIT AND FAULT BLOCK V RANGER ZONE UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY, TO HUNTWAY REFINING CO. FOR THE PERIOD FROM FEBRUARY 1, 1994 UNTIL FEBRUARY 1, 1995.

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

October 6, 1993

10:00 A.M.

<u>Bidder</u>	<u>Bonus Bid</u> <u>(Per Barrel Above Base Price)</u>
1. <u>Ultramar, Inc.</u>	\$0.1025
2. <u>Huntway Refining Co.</u>	\$0.235

The highest responsible bidder is Huntway Refining Company.

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