

CALENDAR ITEM
C34

MINUTE ITEM
This Calendar Item No. C34
was approved as Minute Item
No. 34 by the State Lands
Commission by a vote of 2
to 0 at its 12/21/94
meeting.

APPROVE THE AWARD BY THE CITY OF ~~LONG BEACH~~
OF THE CRUDE OIL SALES CONTRACTS
TO THE HIGHEST RESPONSIBLE BIDDER,
WILMINGTON OIL FIELD,
LOS ANGELES COUNTY

12/21/94
W 9603.27
Tanner

BACKGROUND:

At its meeting on August 3, 1994, the State Lands Commission authorized the sale by the City of Long Beach (City) of crude oil from Tract No. 1, Long Beach Unit, Wilmington Oil Field, Los Angeles County.

At present, there is no selloff of crude oil from Tract No. 1. All oil allocated to the Field Contractor's interest is being taken by the Field Contractor, Arco Long Beach, Inc. (ALBI). The oil is being offered in two (2) separate sales contracts: one for seven percent (7%) and a second for five and one-half (5 1/2%) of the oil allocated to Tract No. 1. This amounts to approximately 2,800 B/D for the seven percent segment and 2,200 B/D for the five and one-half segment.

A Notice Inviting Bids for new Crude Oil Sales Contracts to run from September 1, 1995 until March 1, 1997 was published in the Long Beach Press-Telegram on October 25, 1994, and sent to all known interested parties. Bids were received and opened on November 16, 1994. Exhibit "A" shows the results of the bidding.

STAFF RECOMMENDATIONS:

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

Staff recommends awarding of the new Crude Oil Sales Contracts for Tract No. 1, Long Beach Unit, Wilmington Oil Field, Los Angeles County, to the highest responsible bidder identified on Exhibit "A".

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. AWARD THE CRUDE OIL SALES CONTRACTS FOR TRACT NO. 1, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY, TO THE HIGHEST RESPONSIBLE BIDDER IDENTIFIED ON EXHIBIT "A" FOR THE PERIOD FROM SEPTEMBER 1, 1995 UNTIL MARCH 1, 1997.

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EXHIBIT "A"

BID OPENING
CRUDE OIL SALES CONTRACTS
TRACT NO. 1, LONG BEACH UNIT,
WILMINGTON OIL FIELD,
LOS ANGELES COUNTY

November 16, 1994

10:00 a.m.

7% SEGMENT

<u>BIDDER</u>	<u>BONUS BID (PER BARREL, ABOVE BASE PRICE)</u>
1. Edgington Oil Company	\$0.375
2. Enron Oil Trading & Transportation Company	\$0.459

The highest responsible bidder is Enron Oil Trading & Transportation Company.

5 1/2% SEGMENT

<u>BIDDER</u>	<u>BONUS BID (PER BARREL, ABOVE BASE PRICE)</u>
1. Edgington Oil Company	\$0.26
2. Enron Oil Trading & Transportation Company	\$0.516

The highest responsible bidder is Enron Oil Trading & Transportation Company.