

MINUTE ITEM

42. LONG BEACH UNIT, WILMINGTON OIL FIELD, CH. 138/64, 1ST E.S. -
W.O. 10,155.

Following a recess called at 12 noon, the meeting reconvened at 2:40 p.m., at which time the Long Beach Unit was reviewed at length.

The Chairman reported that there had been excellent response, both within and without the oil industry, to the invitation by the Commission to offer criticisms of and comments about the unit agreement and the operating contract, drafts of which the Commission, at its last meeting, had indicated it would approve in principle. Scheduling of the current session has been for the purpose of further review of questions and comments, followed by an approval in principle of the documents before the Commission. Formal approval by the Lands Commission will be subsequent to formal approval by the City of Long Beach.

State Senator Virgil O'Sullivan informed the Commission that he was concerned because the documents, as drafted, did not give the State sufficient control over the operation. He reviewed parts of the Chapman Report, and asked that the Commission examine these comments further before giving final approval to the Long Beach Unit.

Deputy Attorney General Jay L. Shavelson replied to the legal questions raised by the Commissioners. During this discussion, Commissioner Anderson had to leave the meeting because of a previous commitment, and thereafter was represented by his Executive Secretary, Alan Sieroty.

The Executive Officer outlined the requirements that must be met before actual bids can be received, leading to the conclusion that bids could not be opened prior to late in December.

UPON MOTION MADE BY COMMISSIONER CRANSTON, AND SECONDED BY COMMISSIONER CHAMPION, A RESOLUTION WAS ADOPTED APPROVING IN PRINCIPLE THE LONG BEACH UNIT DOCUMENTS THAT HAD BEEN PLACED BEFORE THE COMMISSION, WITH THE UNDERSTANDING THAT THE COMMISSION RESERVES THE RIGHT TO CONSIDER FURTHER ANY POINTS RAISED ON THE LONG BEACH UNIT RELATIVE TO THE INTERESTS OF THE STATE.