

MINUTE ITEM

38. NOTICE INVITING BIDS, AND BID FORMS FOR CONTRACTORS' AGREEMENT, LONG BEACH UNIT, WILMINGTON OIL FIELD - L.B.W.O. 10,155.

After consideration of Supplemental Calendar Item 40 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION APPROVES THE NOTICE INVITING BIDS AND BID FORMS FOR CONTRACTORS' AGREEMENT, LONG BEACH UNIT, WILMINGTON OIL FIELD, CALIFORNIA, UNDER WHICH A FIELD CONTRACTOR IS TO DEVELOP AND OPERATE THE LONG BEACH UNIT, WILMINGTON OIL FIELD, CALIFORNIA, AND CONTRACTORS ARE TO SHARE COSTS AND OIL AND GAS ATTRIBUTABLE TO THE CITY'S PORTION OF THE OFFSHORE AREA.

Attachment

Supplemental Calendar Item 40 (2 pages)

SUPPLEMENTAL CALENDAR ITEM

40.

NOTICE INVITING BIDS, AND BID FORMS FOR CONTRACTORS' AGREEMENT, LONG BEACH UNIT, WILMINGTON OIL FIELD - L.B.W.O. 10,155.

The City of Long Beach, the State Lands Commission staff, and the Office of the Attorney General, pursuant to the provisions of Chapter 138, Statutes of 1964, First Extraordinary Session, have prepared the following documents requiring approval of the State Lands Commission prior to publication of notice to bidders:

1. "Notice inviting bids for the Contractors' Agreement, Long Beach Unit, Wilmington Oil Field, California."
2. Bid forms for Field Contractor's and each Nonoperating Contractor's undivided share, Contractors' Agreement, Long Beach Unit, Wilmington Oil Field, California.

Pursuant to said notice, sealed bids for the Field Contractors' eighty percent (80%) undivided share will be received until 2:00 o'clock P.M. on the 9th day of February, 1965, and such bids will be publicly opened commencing at said time and date. Also pursuant to said notice, sealed bids for the Nonoperating Contractors' undivided shares will be received until 2:00 o'clock P.M., and such bids will be publicly opened at such time on the following respective dates:

Nonoperating Contractor's ten percent (10%) undivided share	February 10 1965
Nonoperating Contractor's five percent (5%) undivided share	February 11, 1965
Nonoperating Contractor's two and one-half (2½%) undivided share	February 15, 1965
Nonoperating Contractor's one and one-half (1½%) undivided share	February 16, 1965
Nonoperating Contractor's one percent (1%) undivided share	February 17, 1965

The undivided share of the Field Contractor and each Nonoperating Contractor will be awarded to the qualified bidders who agree to pay the highest percentage of net profits attributable to such shares. The bid for the Field Contractor's 80% undivided share shall include a certified or cashier's check in the amount of \$3,000,000 as evidence of good faith. For the remaining undivided shares, the bids for the undivided share of the Nonoperating Contractor with a 10 percent undivided share will include a certified or cashier's check in the amount of \$375,000 as a deposit as evidence of good faith, and the bids for the remaining Nonoperating Contractors' undivided shares will be accompanied by deposits in proportionate amounts. At or before execution of the

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Contractors' Agreement by the Field Contractor, an advance consideration of \$10,000,000 will be required. No advance consideration is specified or required for a Nonoperating Contractor.

The notice specifies that the State Lands Commission, as well as the City of Long Beach, reserve the right at any stage of these proceedings to reject any or all bids for any one or more of the undivided shares. The bid forms are specifically made subject to all terms and conditions set forth in the notice.

The City Council of the City of Long Beach by resolution have approved the notice and bid forms. The documents have been submitted to the Office of the Attorney General who has advised that the documents comply with applicable provisions of law and may be approved by the State Lands Commission.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE NOTICE INVITING BIDS AND BID FORMS FOR CONTRACTORS' AGREEMENT, LONG BEACH UNIT, WILMINGTON OIL FIELD, CALIFORNIA, UNDER WHICH A FIELD CONTRACTOR IS TO DEVELOP AND OPERATE THE LONG BEACH UNIT, WILMINGTON OIL FIELD, CALIFORNIA, AND CONTRACTORS ARE TO SHARE COSTS AND OIL AND GAS ATTRIBUTABLE TO THE CITY'S PORTION OF THE OFFSHORE AREA.