

MINUTE ITEM

7/24/75
WEB

25. ACCEPTANCE OF ALTERNATE SECURITY IN LIEU OF BOND, LONG BEACH UNIT SELL-OFF 1-1/2% INCREMENT, LOS ANGELES COUNTY.

After consideration of Calendar Item 23 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION APPROVES THE ALTERNATE SECURITY SUBMITTED PURSUANT TO SECTION 11 OF THE CRUDE OIL SALES CONTRACT, LONG BEACH UNIT SELL-OFF OIL 1-1/2% INCREMENT:

1. LETTER OF CREDIT IN THE AMOUNT OF \$150,000 SUBMITTED BY LUNDAY-THAQARD OIL COMPANY COVERING LONG BEACH UNIT SELL-OFF OIL 1-1/2% INCREMENT, SUBJECT TO MODIFICATION BY APPROPRIATE LEGAL PROCEDURE AT SUCH TIME AS LAW REQUIRES; SAID LETTER OF CREDIT IS ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF.

Attachment:

Calendar Item 23 (1 page)

ACCEPTANCE OF ALTERNATE SECURITY IN LIEU OF BOND,
LONG BEACH UNIT SELL-OFF 1-1/2% INCREMENT

The crude oil sales contracts for Long Beach Unit Sell-Off Oil were issued on December 31, 1971. Section 11 of the contracts requires the purchaser to furnish a good and sufficient bond to the City. Section 11 also provides that the purchaser may, with the prior written approval of the City and the State, provide alternate security. The following purchaser has submitted alternate security to satisfy the requirements of Section 11 of the sales contract.

<u>PURCHASER</u>	<u>CONTRACT</u>	<u>AMOUNT</u>	<u>SECURITY</u>
Lunday-Thagard Oil Company	LBU Sell-Off 1-1/2% Increment	\$150,000	Letter of Credit

The above document submitted as alternate security under the terms of the respective sell-off oil sales contract has been reviewed by the staff and the Office of the Attorney General and found to be adequate at present.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE ALTERNATE SECURITY SUBMITTED PURSUANT TO SECTION 11 OF THE CRUDE OIL SALES CONTRACT, LONG BEACH UNIT SELL-OFF OIL 1-1/2% INCREMENT.

1. LETTER OF CREDIT IN THE AMOUNT OF \$150,000 SUBMITTED BY LUNDAY-THAGARD OIL COMPANY COVERING LONG BEACH UNIT SELL-OFF OIL 1-1/2% INCREMENT, SUBJECT TO MODIFICATION BY APPROPRIATE LEGAL PROCEDURE AT SUCH TIME AS LAW REQUIRES; SAID LETTER OF CREDIT IS ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF.