

MINUTE ITEM

This Calendar Item No. 24 was approved by the Commission at its meeting on 3/24/83 to 0 acts 3/24/83

CALENDAR ITEM

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PRC 6391
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REQUEST FOR ACTION ON BIDS FOR
SALE OF CRUDE OIL ALLOCATED TO
TRACT NO. 1, LONG BEACH UNIT

At its meeting on January 27, 1983, the Commission made the determination of term and quantities, and approved the provisions of sale determined by the City of Long Beach, and directed the Executive Officer to notify the City of Long Beach to direct the Field Contractor to offer for sale by competitive bidding 12½ percent of the crude oil allocated to Tract No. 1, Long Beach Unit, Wilmington Oil Field, which is solely from the Field Contractor's 80 percent share. These actions were taken pursuant to Section 3(e), Chapter 138, Statutes of 1964, 1st E.S.

In accordance with the provisions of sale, the Field Contractor offered the crude oil for competitive bidding. The crude oil was offered under four separate contracts, including one contract for 1½ percent, two contracts for 2 percent each, and one contract for 7 percent, totaling 12½ percent of the crude oil allocated to Tract 1. The 1½ percent segment consists of 800 barrels per day. The two 2 percent segments consist of 1,100 barrels per day each. The 7 percent segment consists of 3,750 barrels per day.

On March 9, 1983 the City of Long Beach held bid openings for bids offered for this crude oil. The results are shown on Exhibit "A".

The City Council of the City of Long Beach approved these four crude oil purchase contracts at their meeting March 23, 1983.

A 57, 58

S 27, 31

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Pursuant to Section 3(a) of Chapter 138, Statutes of 1954, 1st E.S; the sell-off contracts shall be of no effect unless and until approved by the State Lands Commission.

AB 884: N/A.

EXHIBIT: A. Results of Bids.

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO SECTION 3(a), CHAPTER 138, STATUTES OF 1964, 1ST E.S.:

1. APPROVE THE AWARDING BY THE CITY OF LONG BEACH AND THE FIELD CONTRACTOR OF THE CRUDE OIL SALES CONTRACTS, AS SPECIFIED IN EXHIBIT "A", FOR CRUDE OIL ALLOCATED TO TRACT NO. 1, LONG BEACH UNIT, WILMINGTON OIL FIELD.

EXHIBIT A

<u>Bidder</u>	<u>7% Segment</u>	<u>Bonus Bid</u> (Per barrel, Above Posting)
Champlin Petroleum Company		\$0.989
Pilot Petroleum Corporation		\$0.920
Crysen Corporation		\$0.730
Powerine Company		\$0.695
Kern Oil and Refining Company		\$0.651
Edgington Oil Company		\$0.515
Marlex Oil and Refining Company		\$0.396
Beacon Oil Company		\$0.281
Gasco Gasoline, Inc.		\$0.230
Fletcher Oil and Refining Company		\$0.180

<u>Bidder</u>	<u>First 2% Segment</u>	<u>Bonus Bid</u> (Per Barrel, Above Posting)
Pilot Petroleum Corporation		\$0.920
Champlin Petroleum Company		\$0.839
Crysen Corporation		\$0.750
Kern Oil and Refining Company		\$0.551
MacMillian Ring-Free Oil Company		\$0.5276
Fletcher Oil and Refining Company		\$0.525
Edgington Oil Company		\$0.515
Getty Oil Company		\$0.501
Powerine Oil Company		\$0.470
Tosco Corporation		\$0.375
Newhall Refining Company		\$0.350
Beacon Oil Company		\$0.315
Marlex Oil and Refining Company		\$0.257
Gasco Gasoline, Inc.		\$0.23
Sunland Refining Corporation		\$0.210

Second 2% Segment

<u>Bidder</u>	<u>Bonus Bid</u> (Per Barrel, Above Posting)
Pilot Petroleum Corporation	\$0.920
Beacon Oil Company	\$0.765
Crysen Corporation	\$0.740
Champlin Petroleum Company	\$0.731
MacMillian Ring-Free Oil Company	\$0.5687
Kern Oil and Refining Company	\$0.551
Fletcher Oil and Refining Company	\$0.525
Edgington Oil Company	\$0.515
Getty Oil Company	\$0.501
Tosco Corporation	\$0.496
Powerine Oil Company	\$0.370
Sunland Refining Corporation	\$0.360
Marlex Oil and Refining Company	\$0.257

1 1/2% Segment

<u>Bidder</u>	<u>Bonus Bid</u> (Per Barrel, Above Posting)
Pilot Petroleum Corporation	\$0.920
Fletcher Oil and Refining Company	\$0.770
Crysen Corporation	\$0.720
Champlin Petroleum Company	\$0.631
Beacon Oil Company	\$0.615
MacMillian Ring-Free Oil Company	\$0.5746
Edgington Oil Company	\$0.515
Kern Oil and Refining Company	\$0.509
Marlex Oil and Refining Company	\$0.398
Century Resources, Inc.	\$0.325
Powerine Oil Company	\$0.270

The apparent high bidder for the 7% segment is Champlin Petroleum Company and for the two 2% segments and the one 1 1/2% segment is Pilot Petroleum Corporation.