

MINUTE ITEM

This Calendar Item No. 43  
was approved as Minute Item  
No. 43 by the State Lands  
Commission by a vote of 3  
to 0 at its 3/26/87  
meeting.

CALENDAR ITEM

43

A 57, 58

E 29

03/26/87  
W 9603.56  
Tanner

APPROVAL OF AWARD OF CRUDE OIL SALES CONTRACT  
FOR OIL PRODUCED FROM TRACTS WITHIN  
FAULT BLOCK IV UNIT AND FAULT BLOCK V RANGER ZONE UNIT  
WILMINGTON OIL FIELD, LOS ANGELES COUNTY,  
BY THE CITY OF LONG BEACH

On January 22, 1987 the State Lands Commission approved the specifications and the forms submitted by the City of Long Beach for the sale of the City's share of crude oil allocated to tracts within Fault Block IV Unit and Fault Block V Ranger Zone Unit, Wilmington Oil Field, Los Angeles County. (See Exhibits "A" and "B"). This amounts to approximately 200 barrels per day of 17° API gravity crude oil. The two contracts for the oil allocated to these tracts is presently being sold and will expire in May and June 1987. To save expense, the City has combined these two contracts into one sell-off.

A Notice Inviting Bids was published in the Wall Street Journal and The Oil Daily on February 10, 11 and 12, 1987. Bids were received and opened on March 4, 1987. Results of the bidding are listed on Exhibit "C".

Fiscal and legal reviews have been done on the submitted bid material both by the staff of the City Auditor and City Attorney's office and the SLC Auditing and Legal staffs. Based on these reviews, the highest responsible bidder is identified on Exhibit "C".

The contract, if awarded, will commence on May 1, 1987 and continue until May 1, 1988.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has

(PAGES 129-129.4)  
(ADDED 03/18/87)

CALENDAR PAGE	129
MINUTE PAGE	1037

CALENDAR ITEM NO. 43 (CONT'D)

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. Adm. Code 15378.

2. Under Section 10(a) of Chapter 27, Statutes of 1956, First E.S., the State Lands Commission must approve any sale of crude oil from the Long Beach tidelands.

AB 884: N/A.

EXHIBITS: A. List of tracts (Petrominerals).  
B. List of tracts (MacMillan).  
C. Results of Bid Opening.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. APPROVE THE AWARDED OF THE CRUDE OIL SALES CONTRACT BY THE CITY OF LONG BEACH, FOR OIL PRODUCED FROM TRACTS LISTED ON EXHIBITS "A" AND "B" WITHIN FAULT BLOCK IV UNIT AND FAULT BLOCK V RANGER ZONE UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY, TO THE HIGHEST RESPONSIBLE BIDDER IDENTIFIED ON EXHIBIT "C".

(ADDED 03/18/87)

-2-

CALENDAR PAGE	129.1
MINUTE PAGE	1038

EXHIBIT "A"

03/26/87  
W 9603.56  
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LIST OF TRACTS  
(PETROMINERALS)

Fault Block IV Unit

5	112A
6	114
16	125
103	126
104	127
111	

Fault Block V Ranger Zone Unit

27	46
28	47
29	48
30	49
31	50
32	51
33	52
34	53
35	54
36	55
37	56
38	57
39	405
40	406
41	407
42	408
43	409
44	411
45	414
	415

EXHIBIT "B"

03/26/87  
W 9603.56  
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LIST OF TRACTS  
(MACMILLAN)

Fault Block IV Unit

20

Fault Block V Ranger Zone Unit

92

CALENDAR PAGE	129.3
MINUTE PAGE	1040

EXHIBIT "C"

03/26/87  
W 9603.56  
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BID OPENING  
CRUDE OIL SALES CONTRACT  
TRACTS WITHIN FAULT BLOCK IV UNIT AND  
FAULT BLOCK V RANGER ZONE UNIT,  
WILMINGTON OIL FIELD, LOS ANGELES COUNTY

<u>Bidder</u>	<u>Bonus Bid (Above Base Price)</u>
1. Caljet, Inc.	\$ 0.1546
2. Edginton Oil Co.	\$ 0.333
3. MacMillan Ring Free	\$-0.49
4. Texaco, Inc.	\$ 0.45

The highest responsible bidder is Texaco, Inc.