

MINUTE ITEM 47

W 9603.27

Tanner

APPROVE THE AWARD BY THE CITY OF LONG BEACH
OF THE CRUDE OIL SALES CONTRACTS, TRACT NO. 1,
LONG BEACH UNIT, WILMINGTON OIL FIELD,
LOS ANGELES COUNTY

Calendar Item C47, attached, was pulled from the agenda prior to the meeting.

Attachment: Calendar Item C47

A 57, 58

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CALENDAR PAGE _____
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CALENDAR ITEM

C47

A 57, 58

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APPROVE THE AWARD BY THE CITY OF LONG BEACH
OF THE CRUDE OIL SALES CONTRACTS, TRACT NO. 1,
LONG BEACH UNIT, WILMINGTON OIL FIELD,
LOS ANGELES COUNTY

BACKGROUND:

At its meeting on September 23, 1992, the Commission made the determination of the term and quantities of the sale, approved the other sales provisions proposed by the City of Long Beach, and authorized the Executive Officer to notify the City of Long Beach to direct the Field Contractor to offer for sale, by competitive bidding, 12 1/2 percent of the crude oil allocated to Tract No.1, Long Beach Unit, Wilmington Oil Field. This production 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.

The Field Contractor, with the City of Long Beach, offered the crude oil for competitive bidding on November 18, 1992. The crude oil was offered under two (2) separate contracts, one for seven percent (7%) and one for five and a half percent (5 1/2%) of the crude oil allocated to Tract No. 1. The seven percent (7%) segment consists of approximately 3,000 barrels per day of 17.7° API gravity crude oil. The five and a half percent (5 1/2%) segment consists of approximately 2,300 barrels per day of 17.7° API gravity crude oil.

On November 18, 1992, the City of Long Beach opened the bids offered for this crude oil. The results of the bidding are shown on Exhibit "A".

CALENDAR ITEM NO. C47 (CONT'D)

Pursuant to Section 10(a) of Chapter 29, Statutes of 1956, 1st. E.S., the crude oil sales contracts shall be of no effect unless and until approved by the State Lands Commission.

Fiscal and legal reviews of financial and corporate data were done by both the State Lands Commission and the City of Long Beach Auditing and Legal Units. Based on the results of these reviews, the highest responsible bidder has been identified as Ultramar, Inc.

Staff recommends Commission approval of the award by the City of Long Beach of the crude oil sales contracts for Tract No. 1, Long Beach Unit, Wilmington Oil Field, Los Angeles County, to Ultramar, Inc.

If approved, a period of at least 180 days must elapse between the execution of the contracts and their effective date which would be September 1, 1993.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.
- B. Cal. Code Regs.: Title 3, Div. 3; Title 14, Div. 6.

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

- 1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has 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. Code Regs. 15378.

EXHIBIT:

- A. Results of Tract No. 1 Bid Opening

CALENDAR ITEM NO. C47 (CONT'D)

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. PURSUANT TO SECTION 10(a) OF CHAPTER 29, STATUTES OF 1956, 1ST. E.S., APPROVE THE AWARD BY THE CITY OF LONG BEACH OF THE CRUDE OIL SALES CONTRACTS FOR TRACT NO. 1, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY, TO THE HIGHEST RESPONSIBLE BIDDER, ULTRAMAR, INC.

EXHIBIT "A"

TRACT NO. 1 BID OPENING

NOVEMBER 18, 1992

10:00 A.M.

7 Percent Segment
3,000 B/D 17.7° API

<u>Bidder</u>	<u>Bonus Bid</u> <u>(Per Barrel, Above Base Price)</u>
1. Ultramar, Inc.	\$0.05
2.	
3.	
4.	

5 1/2 Percent Segment
2,300 B/D 17.7° API

<u>Bidder</u>	<u>Bonus Bid</u> <u>(Per Barrel, Above Base Price)</u>
1. Ultramar, Inc.	\$0.05
2.	
3.	
4.	

The highest responsible bidder is: Ultramar, Inc.