



Legislation Details (With Text)

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Title: Authorize City Manager to execute any and all documents necessary to release Occidental Petroleum Corporation and Occidental Oil & Gas Holding Corporation from their respective responsibilities as guarantor and replace with a new guarantee from California Resources Corporation. (Districts 1,2)

Sponsors: Long Beach Gas and Oil

Indexes:

Code sections:

Attachments: 1. 061014-R-17sr.pdf

Date	Ver.	Action By	Action	Result
6/10/2014	1	City Council	approve recommendation	Pass

Authorize City Manager to execute any and all documents necessary to release Occidental Petroleum Corporation and Occidental Oil & Gas Holding Corporation from their respective responsibilities as guarantor and replace with a new guarantee from California Resources Corporation. (Districts 1,2)

Occidental Petroleum Corporation (Oxy) is planning on creating California Resources Corporation, a new publicly-traded company that will own all of Oxy's existing California assets, including all of its existing operations in Long Beach. Oxy is requesting that both the City and California State Lands Commission consent to this transaction and the assignment of the documents described above. All agreements and releases will be contingent upon confirmation by the State Lands Commission that California Resources Corporation's finances are sufficiently strong to adequately cover any losses associated with the oil contracts.

This matter was reviewed by Deputy City Attorney Richard Anthony and by Budget Management Officer Victoria Bell on May 14, 2014.

City Council action on this matter is requested on June 10, 2014, so that the California State Lands Commission can consider the assignment of the interests at its next scheduled meeting on June 19, 2014.

No fiscal impact is anticipated from the requested action. Approval to execute the Assignment Consent Agreement allows for the continued operation of the Wilmington Oil Field.

CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS AND OIL

APPROVED:

PATRICK H. WEST
CITY MANAGER