



# **Request for City Council Action on Oil Wells Owned and Operated by the City**

**Scott M. Haberle**, Fire Chief

**Thomas Walker**, Evans and Walker

City Council Meeting – February 20, 2024

# Agenda

- Action to be taken
- Background
- Rationale for abandonment and lease restoration
- Process employed to obtain bids for work
- Results of bidding process



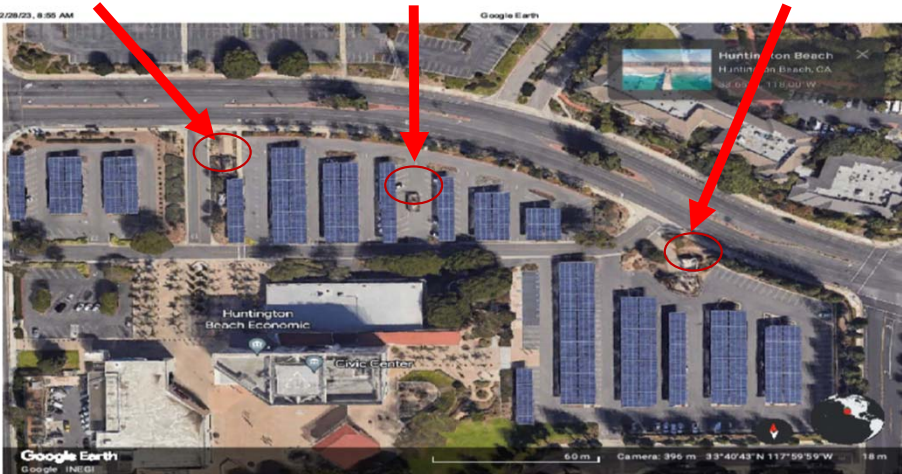
# Action

Abandon wells and restore the two sites

## Civic Center Wells

Acquired as a part of City acquisition of the Civic Center property in 1971. Uneconomic since 2014 and idle since 2021.

Civic Center 3      Civic Center 2      Civic Center 1



[https://earth.google.com/web/search/huntington+beach/@33.67862927,-117.99979638,17.99856271a,378.611764054,35yDn,0,0?data=CmsaURJLJCiUwvDgwZQyNDyZj\[0DjH\]yUMHqjQHWv00Vj...](https://earth.google.com/web/search/huntington+beach/@33.67862927,-117.99979638,17.99856271a,378.611764054,35yDn,0,0?data=CmsaURJLJCiUwvDgwZQyNDyZj[0DjH]yUMHqjQHWv00Vj...)

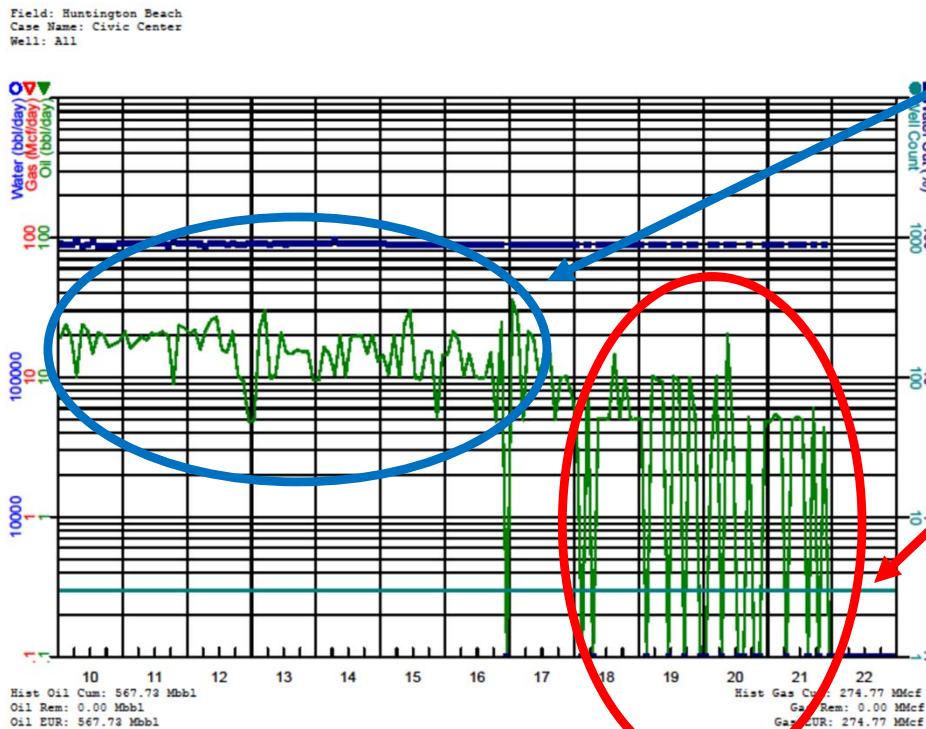


## Miley Keck Tank Farm

Located ~1 mile north of the Civic Center at 19081 Huntington Street. Rented from Tank Farm LC through October 2024.



# Background Production – Civic Center



Civic Center lease averaged 16.4 barrels of oil per day from January 2010 through June 2017 (prior to loss of pressure support)

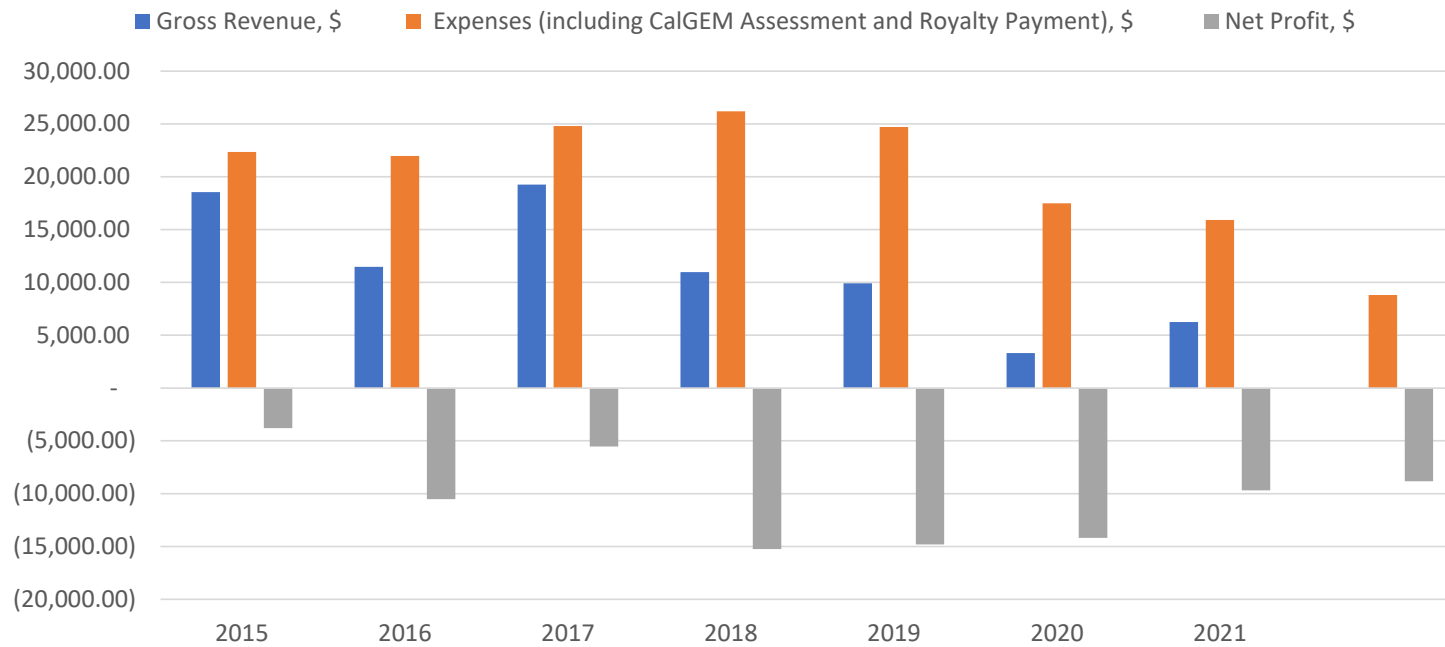
Civic Center lease averaged 5.5 barrels of oil per day from July 2017 through November 2021 (after loss of pressure support).

**This is a decrease of 10.9 barrels of oil per day.**



# Rationale

## Average Monthly Revenue, Expense, and Net Profit (Lease lost money from 2015 through 2021)



\*Does not include staff cost.



# Process

- Divided project into 3 components:
  - Remove Miley Keck Tank Farm and restore lease (site)
  - Remove Civic Center equipment and partially restore lease
  - Abandon Civic Center wells and complete lease restoration
- Submit Request for Proposals for 3 components
  - RFPs released August 2, 2023
  - Job walk on August 16, 2023
  - Receive bids on September 15, 2023
  - Analyzed bids and requested clarification from bidders
  - Determined most responsive bidders and prepared Request for City Council Action



# Results

- **Miley Keck Tank Farm Removal and Site Restoration**
  - 3 firms submitted bids
  - American Integrated Services, Inc. was the most responsive bidder
  - Vendor submitted cost of \$189,932 in the RFP
  - **Proposed Costs with 15% Contingency: \$218,422**
- **Civic Center Equipment Removal and Partial Site Restoration**
  - 2 firms submitted bids
  - O.C. Vacuum, Inc. was the most responsive bidder
  - Vendor submitted cost of \$405,514 in the RFP
  - **Proposed Costs with 15% Contingency: \$466,341**
- **Civic Center Well Abandonment and Final Site Restoration**
  - 2 firms submitted bids
  - Excalibur Well Services was the most responsive bidder
  - Vendor submitted cost of \$1,099,770 in the RFP.
  - **Proposed Costs with 15% Contingency: \$1,264,746**
  - Time & Materials contract which may require additional contingency funds to account for unknown well conditions
- **Estimated total cost will be \$1,949,498 when including a 15% contingency.**



**Questions?**

