

MINUTE ITEM

19. CONSIDERATION OF SUBSIDENCE COSTS PROJECTS, LONG BEACH - L.B.W.O.  
10,125.

After consideration of Calendar Item 5 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION APPROVES SUCH COSTS PROPOSED TO BE EXPENDED BY THE CITY OF LONG BEACH, INCLUDING SUBSIDENCE REMEDIAL WORK, AS INDICATED ON EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF, FOR THE PERIOD AUGUST 18, 1964, TO TERMINATION DATE; SUBJECT TO THE CONDITIONS: (1) THAT THE AMOUNTS, IF ANY, OF EACH OF THE ITEMS TO BE ALLOWED ULTIMATELY AS SUBSIDENCE COSTS, DEDUCTIBLE UNDER SECTION 5(a) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., WILL BE DETERMINED BY THE COMMISSION UPON AN ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO THE TIME WHEN THE WORK UNDER ANY OF THESE ITEMS IS COMPLETED; (2) THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL HERETOFORE SUBMITTED TO THE COMMISSION. FURTHER, THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER OR THE SUPERVISING MINERAL RESOURCES ENGINEER ARE AUTHORIZED TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

Attachment

Calendar Item 5 (2 pages)

CALENDAR ITEM

5.

CONSIDERATION OF SUBSIDENCE COSTS PROJECTS, LONG BEACH - L.B.W.O. 10,125.

The City of Long Beach, through the Port of Long Beach, has presented for consideration and conditional approval the costs to be disbursed subsequent to August 18, 1964, for work to be done on Channel-2 Properties, consisting of raising and relocating oil facilities. (Refer to Exhibits "A", "B", "C" and "D" attached.)

On May 28, 1964, conditional approval was given by the Commission for similar work in the same area; that is, the raising and relocating of oil facilities over approximately 40.7 acres of the 93 acres purchased by the Harbor Department from the Pacific Deck and Terminal Company in December, 1957, at a cost of \$3,400,000.

At their meeting on May 20, 1964, the Working-Interest-Owners of Fault Block IV Unit, Wilmington Field, approved the alteration of casing and raising of the subject wells.

Recent production of the thirty-three wells under consideration has been reviewed by the staff with the finding that two wells are noncommercial, Well M-652-D, which has been idle since February, 1963, when it was producing five barrels of oil and 457 barrels of water per day, and Well M-658-D, which has been idle since 1955. Representatives of the Harbor Department stated that no well may be abandoned without authorization of the Working-Interest-Owners of Fault Block IV; further, that Well M-652-D may be converted to water injection and Well M-658-D may either have the casing extended without reinstallation of concrete mat, cellar and pumping unit, or may be abandoned.

This subproject has received initial staff review, and is considered to contain some "subsidence costs" as defined in Section 1(f) of Chapter 29, Statutes of 1956, 1st E.S., but not necessarily all of those costs as estimated by the City of Long Beach.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE SUCH COSTS PROPOSED TO BE EXPENDED BY THE CITY OF LONG BEACH, INCLUDING SUBSIDENCE REMEDIAL WORK, AS INDICATED ON EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF, FOR THE PERIOD AUGUST 18, 1964, TO TERMINATION DATE; SUBJECT TO THE CONDITIONS. (1) THAT THE AMOUNTS, IF ANY, OF EACH OF THE ITEMS TO BE ALLOWED ULTIMATELY AS SUBSIDENCE COSTS, DEDUCTIBLE UNDER SECTION 5(a) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., WILL BE DETERMINED BY THE COMMISSION AFTER AN ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO THE TIME WHEN THE WORK UNDER ANY OF THESE ITEMS IS COMPLETED; (2) THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL HERETOFORE SUBMITTED TO THE COMMISSION. IT IS RECOMMENDED FURTHER THAT THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER OR THE SUPERVISING MINERAL RESOURCES ENGINEER BE AUTHORIZED TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

Attachments:  
Exhibit "A"

EXHIBIT "A"

LONG BEACH WORK ORDER NO. 10,125 - Addition No. 2 to Project and Estimate Submitted by the Port of Long Beach, CHANNEL-2 PROPERTIES.

<u>ITEM</u>	<u>AFE</u>	<u>WORK PROPOSED</u>	<u>LBHD ESTIMATED SUBPROJECT EXPENDITURE AUGUST 18, 1964 TO TERMINATION</u>	<u>ESTIMATED SUBSIDENCE COSTS</u>
1	611	Raise Oil Facilities, Berths 83-87 Back Area. (2nd Phase)	\$820,000	\$172,200 (21%)

## NOTE:

1. The term "1st Phase" consists of costs of preliminary work expended subsequent to review of preliminary plans and/or other adequate description. (Typical "1st Phase" costs are engineering design, contract administration and advertising, preparation of site by Harbor Department forces.) For work within the same approved time period any excess of "1st Phase" approved costs over actual expenditures may be added to "2nd Phase" approvals after date of "2nd Phase" approvals.
2. The term "2nd Phase" consists of additional costs approved subsequent to review of detail construction plans and/or other data sufficient to guide construction operations.