

MINUTE ITEM

11/18/65

31. APPROVAL OF FOURTH, FIFTH, SIXTH, AND SEVENTH MODIFICATIONS OF THE 1965 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - L.B.W.O. 10,155, L.A.W.O. 5200.301.

During presentation of Calendar Item 32 attached, the Executive Officer explained that the proposed approval meant that all bidders would know that they had at least ninety days within which to arrange for their deliveries. It was hoped that the additional period of time and the advantage thereby gained by all bidders, both domestic and foreign, for planning and delivering on schedule, would result in lower bids for the second increment of steel than had been received for the first increment. The proposed approval would authorize the THUMS Long Beach Company to commit funds in 1965 that have been authorized in the 1966 budget and that will be disbursed in 1966 for tubular steel goods.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE COMMISSION APPROVES THE ACTION BY THE EXECUTIVE OFFICER, PURSUANT TO SECTION 5(g) OF CHAPTER 138, STATUTES OF 1964, 1ST E.S., CONSENTING TO THE FOURTH, FIFTH, SIXTH, AND SEVENTH MODIFICATIONS OF THE 1965 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET FOR THE LONG BEACH UNIT.

Attachment

Calendar Item 32 (1 page)

APPROVAL OF FOURTH, FIFTH, SIXTH, AND SEVENTH MODIFICATIONS OF THE 1965 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - L.B.W.O. 10,155, L.A.W.O. 5200.301.

The City of Long Beach and the State, pursuant to the provisions of Chapter 138, Section 5(g), Statutes of 1964, 1st E.S., have mutually agreed to the Fourth, Fifth, Sixth, and Seventh Modification of the 1965 Plan of Development and Operations and Budget for the Long Beach Unit in the Wilmington Oil Field.

The Fourth Modification, currently being considered, consists of the following requests:

1. Electrical Facility Equipment, located on Pier J, provides for the arrangement into different categories of equipment items for the power distributing system for which the sum of \$221,000 has been authorized. This does not change the amount authorized to be spent.
2. Two additional heater treaters at the cost of approximately \$140,000.
3. Distribution switch gear for Islands "A" and "B", approximately \$150,000.
4. Additional office machines and office furniture, approximately \$10,000 and \$19,000, respectively.

The expenditures for the last 3 items will be made from the Contingency Fund.

The Fifth Modification of 1965 Plan of Development and Operations and Budget is necessary to change the bottom hole location of Injection Well J-141 in the Ranger Zone, and further provides for the drilling of J-141 from the proposed surface location to the proposed bottom hole location of Well J-136. Well J-136 will be drilled from J-141 surface location to the revised bottom hole location of J-141. This will minimize the crossing of well courses.

The Sixth Modification provides for the plug-back of Well J-141 from the lower Terminal Zone to the Upper Terminal Zone. Present information indicates that the well could be economic in the Lower Terminal; however, there is a possibility that the well will not be economic.

The Seventh Modification of the 1965 Plan of Development and Operations and Budget is required for the reason that in order for a foreign supplier to be the successful bidder, advance assurance is necessary to program the manufacture of tubular goods. The requested modification will authorize the order of 4,500 tons of tubular goods and the commitment of \$1,200,000 estimated to be the requirement for tubular goods for the Long Beach Unit for the first two quarters of 1966.

It is not anticipated that any disbursement of funds will be made before 1966.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE ACTION BY THE EXECUTIVE OFFICER, PURSUANT TO SECTION 5(g) OF CHAPTER 138, STATUTES OF 1964, 1ST E.S., CONSENTING TO THE FOURTH, FIFTH, SIXTH, AND SEVENTH MODIFICATIONS OF THE 1965 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET FOR THE LONG BEACH UNIT.