

MINUTE ITEM

3/1/66

28. APPROVAL OF PROCEDURES RELATED TO MODIFICATION OF THE 1966 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 5200.317.

After consideration of Calendar Item 9 attached, and 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 REQUEST FOR APPROVAL OF PROCEDURES RELATED TO MODIFICATION OF THE 1966 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET FOR THE LONG BEACH UNIT, AS OUTLINED IN THUMS APPROVAL REQUEST 53-65 (REVISED).

Attachment

Calendar Item 9 (1 page)

9.

APPROVAL OF PROCEDURES RELATED TO MODIFICATION OF THE 1966 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 5200.317.

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 certain procedures related to modifications of the 1966 Plan of Development and Operations and Budget of the Long Beach Unit, as set forth in THUMS Approval Request 53-65 (Revised).

Pursuant to these procedures, Plan and Budget Modifications will not be required unless the expenditure against a given budget category exceeds the permissible variation listed below:

<u>Amount Budgeted</u>	<u>Permissible Variations</u>
Up to \$ 50,000	plus 25%
\$ 50,001 to \$ 500,000	plus 20%
\$500,001 to \$1,000,000	plus 15%
Over \$1,000,000	plus 10%

These variations will apply only to budget categories listed on pages 10 through 15 of the 1966 Plan of Development and Operations and Budget, as approved by the Commission on November 3, 1965 (Minute Item 3, page 11,877), and any subsequent modifications which affect this portion of the Budget. A Budget Modification will be submitted if it becomes necessary to exceed a given category on the Investment or Expense Summaries listed on pages 7 through 9.

The subject procedures for Plan and Budget Modification have been reviewed by the Commission's staff and consultants and have been found reasonable in view of the unpredictable nature of exploiting an undeveloped petroleum reserve.

The Executive Officer, by letter dated January 27, 1966, consented to the request for approval of procedures related to Modification of the 1966 Plan of Development and Operations and Budget, as outlined in THUMS Approval Request 53-65 (Revised).

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 REQUEST FOR APPROVAL OF PROCEDURES RELATED TO MODIFICATION OF THE 1966 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET FOR THE LONG BEACH UNIT, AS OUTLINED IN THUMS APPROVAL REQUEST 53-65 (REVISED).