

MINUTE ITEM

3/1/66

48. APPROVAL OF FIRST MODIFICATION OF 1966 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 5200.301 AND W.O. 5200.311.

After consideration of Supplemental Calendar Item 45 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), CHAPTER 138, STATUTES OF 1964, 1ST E.S., CONSENTING TO THE FIRST MODIFICATION OF THE 1966 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, FOR THE ESTABLISHMENT OF A CONTINGENCY FUND IN THE AMOUNT OF \$1,255,000 IN THE 1966 BUDGET.

Attachment

Supplemental Calendar Item 45 (1 page)

45.

APPROVAL OF FIRST MODIFICATION OF 1966 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 5200.301 AND W.O. 5200.311.

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 First Modification of the 1966 Plan of Development and Operations and Budget of the Long Beach Unit establishing a contingency fund in the amount of \$1,255,000, as set forth in TRUMS Approval Request 1-66.

This modification transfers \$1,200,000 from the tubular goods category and \$55,000 from the water injection system to a contingency fund for future use on other projects. The total budgeted amount for 1966 remains unchanged.

This budget modification is the result of two factors:

1. The 1965 budget was increased by \$1,200,000 in November 1965 to provide funds to enable the field contractor to place orders for tubular goods for delivery during the first half of 1966. This action was approved, as the Seventh Modification of the 1965 Plan of Development and Operations and Budget, by the State Lands Commission at its meeting of November 18, 1965. The 1966 budget prepared earlier (September 1965) included the same \$1,200,000.
2. When the 1966 budget was prepared, it was anticipated that the Long Beach Unit would erect its own water injection plant on Pier J. Subsequent studies showed that it would be more economical to purchase pressured injection water from the City. Therefore, the \$55,000 itemized in the 1966 budget for injection pumps is no longer needed.

The Commission's staff have reviewed this First Modification and found it reasonable and desirable.

The Executive Officer, by letter dated February 17, 1966, consented to the request for approval of the First Modification of the 1966 Plan of Development and Operations and Budget, Long Beach Unit, for the establishment of a contingency fund in the amount of \$1,255,000 in the 1966 Budget, as outlined in TRUMS Approval Request 1-66.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE ACTION BY THE EXECUTIVE OFFICER, PURSUANT TO SECTION 5(g), CHAPTER 138, STATUTES OF 1964, 1ST E.S., CONSENTING TO THE FIRST MODIFICATION OF THE 1966 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, FOR THE ESTABLISHMENT OF A CONTINGENCY FUND IN THE AMOUNT OF \$1,255,000 IN THE 1966 BUDGET.