

44. LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 5200.301, W.O. 5200.311, W.O. 5200.317.

Commissioner Smith asked for further explanation of the need for immediate action on Calendar Items 11, 20, and 19 attached, pointing out that because revenues were falling below original estimates given by the City, the State budget was suffering.

Assistant Attorney General Warren J. Abbott pointed out that Ch. 138/64, 1st E.S., provides that the City of Long Beach prepare and submit the plans and budgets for development of the Long Beach Unit, after which the Lands Commission has 45 days in which to do one of two things: (1) approve, or (2) reject. If rejected, a public hearing would have to be held.

Upon motion duly made and carried, the following three resolutions were adopted:

- (1) PROPOSED PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, JANUARY 1, 1968, THROUGH JUNE 30, 1968, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 5200.301 AND W.O. 5200.311.

THE COMMISSION APPROVES THE "PROPOSED PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JANUARY 1, 1968, THROUGH JUNE 30, 1968", AS ADOPTED BY THE CITY COUNCIL OF THE CITY OF LONG BEACH ON SEPTEMBER 12, 1967, ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION.

- (2) APPROVAL OF THE SIXTH MODIFICATION OF THE 1967 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 5200.317.

THE COMMISSION, PURSUANT TO THE PROVISIONS OF SECTION 5(g), CHAPTER 138, STATUTES OF 1964, 1ST E.S., APPROVES THE SIXTH MODIFICATION OF THE 1967 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, AS SET FORTH IN THUMS APPROVAL REQUEST 19-67.

- (3) APPROVAL OF THE SEVENTH MODIFICATION OF THE 1967 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 5200.317.

THE COMMISSION, PURSUANT TO THE PROVISIONS OF SECTION 5(g), CHAPTER 138, STATUTES OF 1964, 1ST E.S., APPROVES THE SEVENTH MODIFICATION OF THE 1967 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, AS SET FORTH IN THUMS APPROVAL REQUEST 20-67.

Attachments

- Calendar Item 11 (2 pages)
Calendar Item 20 (1 page)
Calendar Item 19 (1 page)

11.

PROPOSED PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, JANUARY 1, 1968, THROUGH JUNE 30, 1968, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 5200.301 AND W.O. 5200.311.

In compliance with Section 5, Ch. 138/64, 1st E.S., and with Article 4 of the Long Beach Unit Agreement, the City of Long Beach has submitted to the State Lands Commission for approval the "Proposed Plan of Development and Operations and Budget, Long Beach Unit, January 1, 1968 through June 30, 1968".

To coordinate the Long Beach Unit operations with fiscal-year requirements and planning of the State and City, this Plan and Budget covers only the first six months of 1968. It is anticipated that the next Plan of Development and Operations and Budget will be for the fiscal year 1968-1969 commencing July 1, 1968, and that it will be submitted by the City to the State at least 100 days prior to July 1, 1968.

The proposed Plan provides for the drilling of producing and injection wells from all four offshore islands; necessary facilities for drilling, producing, and water injection operations; continuing the cooperative water-injection projects along the boundaries of the Long Beach Unit; subsidence monitoring; and other projects necessary to continue the development of the Long Beach Unit area.

In order to accomplish the proposed development, the Field Contractor has estimated an expenditure of \$45,934,080. Of this total, \$32,278,000 is scheduled as investment, with \$12,117,500 allocated for expense, and \$1,538,580 for administrative overhead.

Major investment items include \$25,459,000 for new wells, and \$3,781,000 for production-site facilities. The larger expense categories are management, \$1,771,000; production \$4,685,000; and production and ad valorem taxes, \$5,529,000.

The Plan and Budget provides for the drilling of an estimated 128 wells from the following island drillsites:

| | <u>PRODUCERS</u> | <u>INJECTORS</u> | <u>TOTAL</u> |
|----------------|------------------|------------------|--------------|
| Island Alfa | 24 | 8 | 32 |
| Island Bravo | 17 | 11 | 28 |
| Island Charlie | 20 | 6 | 26 |
| Island Delta | 34 | 8 | 42 |
| | <u>95</u> | <u>33</u> | <u>128</u> |

The City Council of the City of Long Beach, at its meeting of September 12, 1967, adopted the Proposed Plan of Development and Operations and Budget, Long Beach Unit, January 1, 1968, through June 30, 1968, and authorized its submittal to the State Lands Commission.

CALENDAR ITEM 11. (CONTD.)

The Office of the Attorney General has reviewed the Proposed Plan of Development and Operations and Budget and found it to be legally sufficient.

The Division is of the opinion that execution of the Proposed Plan of Development and Operations will insure continuing orderly and aggressive development of the Long Beach Unit, and that the Proposed Budget is a reasonable estimate of expenditures anticipated during the first six months of 1968.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE "PROPOSED PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JANUARY 1, 1968, THROUGH JUNE 30, 1968", AS ADOPTED BY THE CITY COUNCIL OF THE CITY OF LONG BEACH ON SEPTEMBER 12, 1967, ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION.

APPROVAL OF THE SIXTH MODIFICATION OF THE 1967 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, pursuant to the provisions of Section 5(g), Chapter 138/1964, 1st E.S., has requested State approval of the Sixth Modification of the 1967 Plan of Development and Operations and Budget, Long Beach Unit, to provide an additional \$1,097,000 for structural forms and waterfalls on Islands Alfa and Bravo.

The 1967 Plan and Budget was prepared before the final design of the screening and beautification features for the near-shore drilling islands was complete. Now that the final design has been accepted, it is evident that the following budget modifications will be required:

| <u>Budget Categories</u> <u>As Listed in The</u> <u>Original Plan and Budget</u> | <u>Approved</u> <u>5th</u> <u>Modification</u> | <u>Requested</u> <u>6th</u> <u>Modification</u> | <u>Change</u> |
|--|--|---|---------------|
| 7. <u>Buildings, Marine</u> <u>Facilities, and Other</u> <u>Surface Improvements</u> | | | |
| A. Island Alfa | \$450,000 | \$983,000 | + \$ 533,000 |
| B. Island Bravo | 351,000 | 915,000 | + 564,000 |
| | | | + \$1,097,000 |

With approval of this Sixth Modification, the total 1967 Budget for the Long Beach Unit will become \$89,432,485.

The staff has reviewed the plans and specifications for the requested structural forms and has found that these works will continue the orderly development of the Long Beach Unit, and that the costs are based on reasonable estimates of the anticipated expenditures.

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO THE PROVISIONS OF SECTION 5(g), CHAPTER 138, STATUTES OF 1964, 1ST E.S., APPROVE THE SIXTH MODIFICATION OF THE 1967 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, AS SET FORTH IN THUMS APPROVAL REQUEST 19-67.

19.

APPROVAL OF THE SEVENTH MODIFICATION OF THE 1967 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, pursuant to the provisions of Section 5(g), Chapter 138/1964, 1st E. S., has requested State approval of the Seventh Modification of the 1967 Plan of Development and Operations and Budget, Long Beach Unit, to provide an additional \$453,150 for certain projects.

Additional funds are required for cellars, foundations, production facilities, general facilities, and taxes, in order for the Field Contractor of the Long Beach Unit to continue the necessary development work.

With approval of this Seventh Modification, the total 1967 Budget for the Long Beach Unit will become \$89,885,635. Specific details of the itemized budget changes are set forth in THUMS Approval Request 20-67.

This requested modification will insure continuing orderly and aggressive development of the Long Beach Unit, and the proposed budget funds are based on reasonable estimates of anticipated expenditures.

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO PROVISIONS OF SECTION 5(g), CHAPTER 138, STATUTES OF 1964, 1ST E. S., APPROVE THE SEVENTH MODIFICATION OF THE 1967 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, AS SET FORTH IN THUMS APPROVAL REQUEST 20-67.