

MINUTE ITEM

4/25/68

44. PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1968, THROUGH JUNE 30, 1969, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 5200.301 AND W.O. 5200.311.

After consideration of Calendar Item 23 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION APPROVES THE "PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1968, THROUGH JUNE 30, 1969," AS ADOPTED BY THE CITY COUNCIL OF THE CITY OF LONG BEACH ON MARCH 19, 1968, ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION, AND ALSO APPROVES THE PROPOSED BOTTOM-HOLE LOCATIONS AS LISTED ON EXHIBIT B-7 OF THIS PLAN.

Attachment

Calendar Item 23 (1 page)

23.

PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1968, THROUGH JUNE 30, 1969, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 5200.301 AND W.O. 5200.311.

In compliance with Section 5, Ch. 138/1964, 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 "Plan of Development and Operations and Budget, Long Beach Unit, July 1, 1968, through June 30, 1969".

The Plan calls for the drilling of 243 wells, of which 190 will be producers and 53 injectors. Selected wells will be drilled to explore possible producing sands below the known hydrocarbon bearing horizons, and certain wells will probe for the limits of production in known oil-bearing reservoirs.

In order to accomplish the proposed new development and to manage, operate, and maintain the various facilities, the Field Contractor has estimated a total expenditure of \$93,521,000. Of this total, \$58,732,000 is scheduled as investment, with \$31,700,000 allocated for expense, and \$3,089,000 for administrative overhead.

Investment includes \$50,160,000 for drilling and development, and \$8,572,000 for field and well facilities. Expense categories are taxes, \$11,970,000; operating expense, \$15,435,000; and management, \$4,295,000.

The City Council of the City of Long Beach, at its meeting of March 19, 1968, adopted this proposed Plan of Development and Operations and Budget, and authorized its submittal to the State Lands Commission.

The Office of the Attorney General has reviewed the proposed Plan 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 1968-1969 fiscal year.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE "PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1968, THROUGH JUNE 30, 1969", AS ADOPTED BY THE CITY COUNCIL OF THE CITY OF LONG BEACH ON MARCH 19, 1968, ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION.