

20. FOURTH MODIFICATION OF THE 1968-1969 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. 5200.317.

After consideration of Calendar Item 28 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION, PURSUANT TO THE PROVISIONS OF SECTION 5(g), CHAPTER 138/1964, 1ST E.S., APPROVES THE FOURTH MODIFICATION OF THE 1968-1969 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1968, THROUGH JUNE 30, 1969.

Attachment

Calendar Item 28 (1 page)

28.

FOURTH MODIFICATION OF THE 1968-1969 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. 5200.317.

The City of Long Beach, pursuant to the provisions of Section 5(g), Chapter 138/1964, 1st E.S., has requested State Lands Commission approval of the Fourth Modification of the 1968-1969 Plan of Development and Operations and Budget, Long Beach Unit, July 1, 1968, through June 30, 1969. This Modification describes current changes in the Plan, including reduction in the number of wells to be drilled during the remainder of the fiscal year. This Modification also provides for adjustment of the Budget to establish closer conformity with anticipated expenditures. In addition, certain changes in administrative procedure are described.

When the 1968-1969 Plan and Budget was drafted early in 1968, it was felt that 243 additional wells, including 190 production and 53 injection wells, would be drilled during the Plan year. Recent engineering studies indicate that a more economically favorable development of the Unit can be achieved by drilling a total of only 185 wells during the Plan year, which is expected to result in a substantial reduction in drilling costs and in expenditures for field facilities and operating expense.

This proposed Plan and Budget Modification will add projects to the Plan, and remove others from it, and will alter the 1968-1969 Budget in nearly every category. The net reduction in the Budget is \$12,974,500.

With approval of this Modification, the 1968-1969 Plan and Budget, excluding Prior Budget Carry-in, will be:

After Third Modification	\$ 96,323,500
Fourth Modification	<u>-12,974,500</u>
Total After Fourth Modification	\$ 83,349,000

The Division has reviewed the proposed Plan and Budget Modification and finds it desirable in order to continue the orderly development of the Long Beach Unit.

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO THE PROVISIONS OF SECTION 5(g), CHAPTER 138/1964, 1ST E.S., APPROVE THE FOURTH MODIFICATION OF THE 1968-1969 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1968, THROUGH JUNE 30, 1969, AS SET FORTH ABOVE.