

MINUTE ITEM

2/27/69

38. SIXTH 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 13 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 SIXTH 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.

Attachment

Calendar Item 13 (2 pages)

13.

SIXTH 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 135/1964, 1st E.S., has requested State Lands Commission approval of the Sixth Modification of the 1968-1969 Plan of Development and Operations and Budget, Long Beach Unit, July 1, 1968, through June 30, 1969.

This proposed modification will provide for the purchase of two derricks, substructures, soundproofing, and casing racks from the two rigs shut down in the fall of 1968 on Island White (formerly Island Bravo), and also will provide for the purchase of all drilling equipment from one of the two remaining rigs on Island White at such time as the two-rig drilling program on that Island ceases.

It is anticipated that the purchase of the two derricks, substructures, soundproofing, and casing racks will require an investment of approximately \$169,330, plus interest, and the purchase of the drilling equipment from one of the two remaining rigs will require an investment of approximately \$620,000 if such purchase is made in April 1969.

This proposed modification will change the 1968-1969 Budget as follows:

PART III

A.2.	<u>Field and Well Facilities</u>	<u>After 5th Modification</u>	<u>Proposed 6th Modification</u>	<u>Difference</u>
e.	Leasehold Improvements	\$1,703,257	\$1,872,587	+ \$169,330
f.	Field Equipment	\$ 550,796	\$1,170,796	+ \$620,000

Assuming approval of this and prior (fifth) modification, the 1968-1969 Plan and Budget will become:

After Fifth Modification	\$96,558,298
Sixth Modification	<u>+ 789,330</u>
Total after Sixth Modification	<u>\$97,347,628</u>

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

CALENDAR ITEM 13. (CONTD.)

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO THE PROVISIONS OF SECTION 5(g), CHAPTER 138/1964, 1ST E.S., APPROVE THE SIXTH 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.