

MINUTE ITEM

4/28/69

46. PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1969, THROUGH JUNE 30, 1970, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 5200.301.

During consideration of Calendar Item 6 attached, Acting Commissioner Dwight called attention to the vast amount of time the staff of the Lands Division was required to spend in reviewing and developing information for the "PLANS OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT."

The Executive Officer was directed to review the matter, and to report to the Commission as to the development of a more orderly and more logical procedure for acquisition of budget information, so that the Division staff and the City of Long Beach will not continue to be committed to excessive staff work in order to develop a budget for the THUMS organization.

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, 1969, THROUGH JUNE 30, 1970", AS ADOPTED BY THE CITY COUNCIL OF THE CITY OF LONG BEACH ON MARCH 11, 1969, ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION.

Attachment

Calendar Item 6 (1 page)

6.

PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1969, THROUGH JUNE 30, 1970, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 5200.301.

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, 1969, through June 30, 1970".

The Plan calls for the drilling of 63 wells, of which 54 will be producers and 9 injectors. At the conclusion of this Plan the total wells should approximate 655 completed or drilling, with the Long Beach Unit approximately 93% developed.

In order to accomplish the proposed additional development and to manage, operate, and maintain the various facilities, the Field Contractor has estimated a total expenditure of \$60,769,000. Of this total, \$21,870,000 is scheduled as investment, with \$37,106,000 allocated for expense, and \$1,793,000 for administrative overhead.

Investment includes \$17,322,000 for drilling and development, and \$4,548,000 for field and well facilities. Expense categories are: taxes, \$12,960,000; operating expense, \$18,226,000; and general administrative expense, \$5,268,000.

This proposed Plan and Budget may be modified at any time by mutual agreement of the City and State in accordance with the provisions of Section 5(g), Ch. 138/1964, 1st E.S. Three scheduled Plan and Budget modifications, together with necessary revisions of exhibits, will be submitted by the City for consideration by the State Lands Commission at its regularly scheduled meetings in August and in November 1969, and in February 1970.

The City Council of the City of Long Beach, at its meeting of March 11, 1969, 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 1969-1970 Plan of Development and Operations will insure the continuing orderly development of the Long Beach Unit, and that the proposed Budget is a reasonable estimate of expenditures anticipated during the 1969-1970 fiscal year.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE "PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1969, THROUGH JUNE 30, 1970", AS ADOPTED BY THE CITY COUNCIL OF THE CITY OF LONG BEACH ON MARCH 11, 1969, ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION.