

MINUTE ITEM

3/25/71
CVB

24. STATUS REPORT, PAYMENTS BY NONOPERATING CONTRACTORS, TRACT NO. 1, LONG BEACH UNIT, WILMINGTON OIL FIELD.

The attached Calendar Item 23 was submitted to the Commission for information only, no action thereon being necessary.

Attachment:

Calendar Item 23 (1 page)

23.

STATUS REPORT, PAYMENTS BY NONOPERATING CONTRACTORS, TRACT NO. 1, LONG BEACH UNIT, WILMINGTON OIL FIELD.

Article 6 of the Contractors' Agreement for the Long Beach Unit provides that each Nonoperating Contractor shall pay the City of Long Beach each calendar month an amount equal to the bid percentage of net profits attributable to such contractor, less all prior payments, or 16-2/3 percent of such contractor's percentage of the total value of Oil and Gas allocated, whichever is higher.

During January 1971, the five Tract No. 1 Nonoperating Contractors' accounts reached "pay-out"; that is, the contractors' bid percentage of the cumulative net profits attributable to the Nonoperating Contractors exceeded all prior payments. The weighted Contractors' bid percentage for the five Nonoperating Contractors is 99.024%, and the payment to the City of Long Beach in January 1971 was \$1,016,548.

This first payment and all future payments based on the Nonoperating Contractors' bid percentage of net profits will be divided between the City of Long Beach and the State in accordance with the provisions of Section 4(e), Chapter 138, Statutes of 1964, First Extraordinary Session, with the first receipt by the State in the month of March 1971.