

MINUTE ITEM

11/18/71
CVB

12. EIGHTH MODIFICATION OF THE 1971-1972 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

After consideration of Calendar Item 9 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION APPROVES THE EIGHTH MODIFICATION OF THE 1971-1972 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1971, THROUGH JUNE 30, 1972.

Attachment:

Calendar Item 9 (2 pages)

EIGHTH MODIFICATION OF THE 1971-1972 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

The City of Long Beach has submitted the Eighth Modification of the 1971-1972 Plan and Budget, Long Beach Unit, for Commission approval.

This Eighth Modification revises the economic projections, Exhibits C-4 and C-5, set forth in Part V of the 1971-1972 Plan and Budget. The Plan provides that these exhibits, showing estimated oil, gas, water-production rates, water-injection rates, expenditures, and resulting Long Beach Unit net revenue, shall be modified quarterly by the City of Long Beach and the Division.

Accordingly, the first quarterly revisions of Exhibits C-4 and C-5 have been prepared by the City and the Division. Exhibit C-4 contains the basic production, injection, and price data, and Exhibit C-5 shows the economic projections for the Budget period.

Indications are that both the oil and the gas production will exceed previous estimates, with a resulting increase in gross revenue. Although expenditures are expected to be higher than originally forecast, net income, as currently projected, also will be higher than previously estimated. Significant changes in the economic projections are shown below:

| | <u>1971-1972 Plan & Budget Period</u> | | |
|--------------------------|---|-------------------------------|-----------------------|
| | <u>Original Projection</u> | <u>Current Projection</u> | <u>Net Change</u> |
| Oil Production, M Bbls | 39,004 | 39,971 | + 967 |
| Total Income, M Dollars | 107,075 | 110,746 | +3671 |
| Total Expense, M Dollars | 42,533 | 45,419 | +2886 |
| Net Income, M Dollars | 64,542 | 65,327 | + 785 |

Additionally, the Eighth Modification will revise the Plan, pursuant to Part IV.A.4.c., to include Division approved Plan Supplements for the following two projects:

1. Purchase of six heavy-duty jumper cables, \$7,000.
2. Purchase of two 6-inch turbine meters, \$1,620.

Funds for these Plan Supplements are available within the respective Budget Items.

The Division has reviewed the Eighth Modification and finds that the revised projections are reasonable and that the two Plan Supplements are desirable.

CALENDAR ITEM 9. (CONTD.)

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE EIGHTH MODIFICATION OF THE 1971-1972 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1971, THROUGH JUNE 30, 1972.