

MINUTE ITEM

11/18/71  
CVB

14. RATIFICATION OF THE SEVENTH 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 8 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION RATIFIES THE ACTION OF THE EXECUTIVE OFFICER, PURSUANT TO SECTION 5(g), CHAPTER 138/1964, 1ST E.S., APPROVING THE SEVENTH 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 8 (2 pages)

8.

RATIFICATION OF THE SEVENTH 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 requested approval of the Seventh Modification of the 1971-1972 Plan and Budget for the Long Beach Unit in order to provide for necessary pipeline repair.

A leak was found recently in the 24-inch oil transfer pipeline between the oil cleaning and storage facility on Pier J and the Broadway and Mitchell Street oil shipping site. Subsequent inspection of the pipeline indicated severe internal corrosion.

This essential pipeline can be repaired by application of an internal cement coating. During the lining process, temporary facilities will be needed to minimize production curtailment that would result in loss of revenue. The estimated cost of this line repair and temporary facilities is \$165,000.

With approval of this modification the affected Budget Items will be as follows:

<u>Acct. Code</u>		<u>Current Budget</u>	<u>This Modification</u>	<u>Adjusted Budget</u>
	B. <u>Estimated Expenditures for Expense</u>			
	2. <u>Operating Expense</u>			
	b. <u>Field Systems</u>			
	(4) Oil Transfer	\$ 35,000	\$165,000	\$ 200,000
	Total Field Systems	3,258,000	165,000	3,423,000
	Total Expense	35,888,000	165,000	36,053,000
	Total Budget	44,349,000	165,000	44,514,000

The above amounts have been adjusted to conform with the revision of the Fourth Modification as approved by the Commission at its meeting of October 28, 1971.

The Division has reviewed this proposed Seventh Modification and finds that the proposed pipeline repair and the use of temporary facilities are necessary in order to assure continued oil production from the Long Beach Unit.

Pursuant to Section 5(g), Chapter 138/1964, 1st E.S., the Executive Officer, by letter dated November 1, 1971, approved the Seventh Modification of the 1971-1972 Plan and Budget, subject to ratification by the Commission.

A 39, 44, 68  
S 32, 37  
M

CALENDAR ITEM 8. (CONTD.)

IT IS RECOMMENDED THAT THE COMMISSION RATIFY THE ACTION OF THE EXECUTIVE OFFICER, PURSUANT TO SECTION 5(g), CHAPTER 138/1964, 1ST E.S., APPROVING THE SEVENTH MODIFICATION OF THE 1971-1972 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1971, THROUGH JUNE 30, 1972.