

MINUTE ITEM

1/26/72
CVB

15. APPROVAL OF THE TWELFTH MODIFICATION OF THE 1971-1972 PLAN AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

After consideration of Calendar Item 3 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION APPROVES THE TWELFTH 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 3 (2 pages)

CALENDAR ITEM

1/72
CVB

3.

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

The City of Long Beach has requested approval of the Twelfth Modification of the 1971-1972 Plan of Development and Operations and Budget for the Long Beach Unit in order to provide additional produced water filtering equipment on Pier J.

All of the produced water from the Long Beach Unit is now processed at the J-2 site. The current volume of water is overloading the four filters now in operation and future produced water volumes will increase steadily. An additional filter, therefore, must be provided at this time to reduce overloading of the existing filtration equipment because of the delay in installing the produced water handling facilities on Island Delta. The produced water handling facilities on Island Delta are the subject of the Tenth Modification of the 1971-1972 Plan and Budget, Calendar Item No. 2.

This proposed modification will revise the Plan and transfer funds within the Budget to provide for the necessary water filtration plant expansion. It is estimated that the cost of this filtration plant expansion will be \$110,000. The City of Long Beach proposes to transfer funds from Budget Item III A.1.c.(3) Injection Well Conversions. The total 1971-1972 Budget will remain unchanged.

Division review of this Twelfth Modification indicates that the project is necessary because: (1) the facilities are part of a field system that is required to generate oil revenue, and (2) the processing of produced water for reinjection is an important part of the environmental protection plan for the Long Beach Unit.

After approval of this and all previous modifications, the affected Budget funds will be as follows:

<u>Acct. Code</u>	<u>Current Budget</u>	<u>This Modification</u>	<u>Adjusted Budget</u>
A. <u>Estimated Expenditures for Investment</u>			
1. <u>Drilling & Development</u>			
c. <u>Other Well Work</u>			
402		(3) Injection Well Conversions	\$ 868,000 \$ (110,000) \$ 758,000
		Total Other Well Work	\$1,198,000 \$ (110,000) \$1,088,000
		Total Drilling & Development	\$3,325,000 \$ (110,000) \$3,215,000

CALENDAR ITEM 3. (CONTD.)

<u>Acct. Code</u>	<u>Current Budget</u>	<u>This Modification</u>	<u>Adjusted Budget</u>
A. <u>Estimated Expenditures for Investment</u> (Contd.)			
2. <u>Field & Well Facilities</u>			
b. <u>Gathering, Treating, Storage & Distribution</u>			
414	(10) Produced Water Handling \$1,386,000	\$ 97,000	\$1,483,000
	Total Gathering, Treating, Storage & Distribution	\$2,187,500 \$ 97,000	\$2,284,500
d. <u>Electric Communications & Control</u>			
	(1) Electrical System	\$ 437,000 \$ 13,000	\$ 450,000
	Total Electric Communications & Control	\$ 471,000 \$ 13,000	\$ 484,000
	Total Field & Well Facilities	\$4,854,000 \$ 110,000	\$4,964,000
	Total Investment	\$8,179,000 \$ -0-	\$8,179,000

The Division has reviewed this Twelfth Modification and finds the proposed Plan and Budget changes necessary and desirable.

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

In accordance with PART IV.A.4.c. of the 1971-1972 Plan and Budget, the following three Plan Supplements, for additional projects under \$100,000, have been approved by the Manager, Long Beach Operations, State Lands Division, and are being reported and incorporated in the Plan. Funds for these supplemental projects have been provided by transfers within the Budget. These are:

- No. 7. To provide for the rental of an additional steam generator to enlarge the scope of the steam-stimulation program, at a cost of \$73,000. Approved December 13, 1971.
- No. 8. To provide for the internal inspection of submarine pipelines to check for possible corrosion, at an estimated cost of \$53,000. Approved December 15, 1971.
- No. 9. To provide for the purchase and installation of a crossover tie between the El Dorado water supply and the Long Beach Unit's inter-island fresh water system, at a cost of \$17,000. Approved on December 15, 1971.