

MINUTE ITEM

3/30/72
CVB

10. APPROVAL OF THE FOURTEENTH MODIFICATION OF THE 1971-1972 PLAN 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 APPROVES THE FOURTEEN 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.

APPROVAL OF THE FOURTEENTH 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 Fourteenth Modification of the 1971-1972 Plan of Development and Operations and Budget for the Long Beach Unit to modify the Plan and augment the Budget by \$1,800,000 to provide for recommended development drilling during the remainder of the present fiscal year.

This modification will provide for the drilling of three Ranger Zone wells, D-520, B-702 and A-117, and one semi-exploratory 237 Zone well, C-317. In the event the 237 Zone is not commercially productive, Well C-317 may be completed in the Union Pacific-Ford Zone. Also Well A-403 is provided as a replacement well in the Terminal Zone for Well J-314. In addition, Well A-403 will probe for oil production from the Union Pacific-Ford and 237 Zones.

After 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>
401	Ranger Zone	\$ 1,751,000	\$ 725,000	\$ 2,476,000
401	Upper-Lower Terminal	-0-	500,000	500,000
401	237 Zone	6,000	575,000	581,000
	Total Investment	1,757,000	1,800,000	3,557,000
	Total Budget	45,433,000	1,800,000	47,233,000

The Division has reviewed this Fourteenth Modification and finds that the proposed development drilling will increase the ultimate revenue derived from the Long Beach Unit.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE FOURTEENTH 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. 10. To provide for repair to the marine fleet at an estimated cost of \$60,000. Approved December 20, 1971.

CALENDAR ITEM NO.8. (CONTD)

- No. 12. To purchase and install equipment for removal of sulfur dust at the outlet of the Stretford Plant at an estimated cost of \$35,000. Approved February 3, 1972.
- No. 13. To provide a four starter submersible pump motor control center on Island White at an estimated cost of \$10,700. Approved February 28, 1972.