

MINUTE ITEM

7/6/72
CVB

17. FIRST MODIFICATION OF THE 1972-1973 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1972, THROUGH JUNE 30, 1973, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

After consideration of Calendar Item 15 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION APPROVES THE FIRST MODIFICATION OF THE 1972-1973 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1972, THROUGH JUNE 30, 1973, AS SET FORTH ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

Attachment:

Calendar Item 15 (4 pages)

CALENDAR ITEM

6/72
CVB

15.

FIRST MODIFICATION OF THE 1972-1973 PLAN OF DEVELOPMENT
AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1972,
THROUGH JUNE 30, 1973, WILMINGTON OIL FIELD, LOS ANGELES COUNTY

The Commission, at its meeting of April 27, 1972, approved the Plan of Development and Operations and Budget, Long Beach Unit, July 1, 1972, through June 30, 1973, with the provision that changes agreed to by the City of Long Beach, the Division, and the Field Contractor be incorporated into the First Modification of the 1972-1973 Plan and Budget to reduce operating expenses by approximately \$1,200,000.

Joint agreement between the City of Long Beach, the Field Contractor, and the Division has been reached whereby a total reduction of \$1,220,000 will be made from three Expense Budget Divisions. Division B.2. OPERATING EXPENSE will be reduced by \$1,145,000; B.3. GENERAL ADMINISTRATIVE EXPENSE, by \$65,000; and B.4. OTHER EXPENSE, by \$10,000. Specific changes in each Budget Item are detailed in the attached Exhibit "A". After approval of this First Modification, the 1972-1973 Budget for the Long Beach Unit will total \$44,438,000, exclusive of the \$250,000 Budget Contingency Fund.

EXHIBIT: A. First Modification of the 1972-1973 Plan of Development and Operations and Budget, Long Beach Unit.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE FIRST MODIFICATION OF THE 1972-1973 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1972, THROUGH JUNE 30, 1973, AS SET FORTH ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

Attachment: Exhibit "A"

EXHIBIT "A"

FIRST MODIFICATION OF THE 1972-1973
 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET
 LONG BEACH UNIT

B. ESTIMATED EXPENDITURES FOR EXPENSE

Thousands of Dollars

<u>Acct. Code</u>		<u>Current Budget</u>	<u>This Modification</u>	<u>Adjusted Budget</u>
2. OPERATING EXPENSE				
a. Wells				
Oil Wells				
900	(1) Direct Well Charges	4,500	(225)	4,275
901	(2) Remedial Work	900	(45)	855
940	(3) Redrills (Same Zone)	900	(45)	855
943	(4) Workover	530	(25)	525
Injection Wells				
920	(5) Direct Well Charges	400	(20)	380
921	(6) Remedial Work	200	(10)	190
941	(7) Redrills (Same Zone)	600	(30)	570
944	(8) Workover	400	(20)	380
	Total Wells	8,450	(420)	8,030
b. Field Systems				
905	(1) Oil Gathering	140	(5)	135
906	(2) Oil Treating	160	(10)	150
907	(3) Oil Storage	10	-0-	10
908	(4) Oil Transfer	60	(5)	55
909	(5) Gas Gathering	30	-0-	30
910	(6) Gas Treating	10	-0-	10
911	(7) Artificial Lift - Surface	170	(10)	160
912	(8) Scale Control	190	(10)	180
913	(9) Corrosion Control	10	-0-	10
914	(10) Produced Water Handling & Filtration	220	(10)	210
915	(11) Gas Transfer	10	-0-	10
916	(12) Sulfur Removal	590	(30)	560
917	(13) Steam Injection	170	(10)	160
925	(14) Water Injection System	500	(25)	475
	(15) Pressured Water	760	(35)	725
	(16) Fresh Water	280	(15)	265
	(17) Renovated Water	60	(5)	55
	(18) Water Source Wells	50	-0-	50
	Total Field Systems	3,420	(170)	3,250

Thousands of Dollars

Acct.
Code

Current Budget	This Modification	Adjusted Budget
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c. Other Production Expense

950	(1) Production Operators	480	-0-	480
951	(2) Production Supervisors	610	(30)	580
952	(3) Production Engineers	260	(15)	245
953	(4) Prod. Support Equip.	100	(5)	95
954	(5) Operating Supplies	20	-0-	20
955	(6) Prod. Support Services	290	(15)	275
956	(7) Test & Monitoring	160	(10)	150
968	(8) Auto Expense	30	-0-	30
970	(9) Field Expense	1,860	(95)	1,765
971	(10) Marine Transportation	800	(40)	760
972	(11) Leasehold Improvements	800	(40)	760
973	(12) Fire Protection & Safety	10	-0-	10
974	(13) Electrical Expense	4,900	(245)	4,655
975	(14) Fuel Expense	0	0	0
976	(15) Fresh Water Expense	40	-0-	40
977	(16) Non-Controllable Materials	130	(5)	125
978	(17) Drilling and Workover Support Expense	660	(35)	625
979	(18) Waste Disposal	450	(20)	430
	Total Other Production Expense	11,600	(555)	11,045

TOTAL OPERATING EXPENSE	23,470	(1,145)	22,325
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3. GENERAL ADMINISTRATIVE EXPENSE

980	a. <u>Management Expense</u>			
	(1) Employees - Salaries & Burden	1,640	(80)	1,560
	(2) Contract Employees	30	-0-	30
	(3) Employee Expense	10	-0-	10
	Total Management Expense	1,680	(80)	1,600

981	b. <u>General Adm. Expense</u>			
	(1) Data Processing	90	(5)	85
	(2) Permits, Licenses, Fees & Other	40	-0-	40
	(3) General Office Expense	170	(10)	160
	Total General Adm. Expense	300	(15)	285

982	c. <u>Land Rentals</u>			
	(1) Pier A	10	-0-	10
	(2) Pier J	170	(5)	165
	(3) Pier G	40	-0-	40
	(4) Broadway & Mitchell	10	-0-	10
	(5) Pipeline Permits	20	-0-	20
	Total Land Rentals	250	(5)	245

Thousands of Dollars

<u>Acct. Code</u>		<u>Current Budget</u>	<u>This Modification</u>	<u>Adjusted Budget</u>
	d. <u>General Expense</u>			
	<u>Special Projects</u>			
983	(1) Management Projects	20	95	115
988	(2) El Dorado Facilities	100	(5)	95
984	(3) Unit Operator's Billable Costs	990	(50)	940
985	(4) Unit Equity Expense	110	(5)	105
986	(5) Townlot Participation Administration	<u>10</u>	<u>-0-</u>	<u>10</u>
	Total General Expense	1,230	35	1,265
	TOTAL GENERAL ADMINISTRATIVE EXPENSE	3,460	(65)	3,395
	4. <u>OTHER EXPENSE</u>			
991	a. <u>Abandonment Expense</u>	10	-0-	10
993	b. <u>Extraordinary Losses & Claims</u>	10	-0-	10
997	c. <u>Environmental Control</u>	<u>200</u>	<u>(10)</u>	<u>190</u>
	TOTAL OTHER EXPENSE	220	(10)	210
	TOTAL EXPENSE	38,650	(1,220)	37,430
	C. <u>ADMINISTRATIVE OVERHEAD</u>			<u>1,300</u>
	1972-1973 BUDGET	45,658	(1,220)	44,438
	D. <u>BUDGET CONTINGENCY FUND</u>			250