

MINUTE ITEM

1/26/73
CVB

11. SIXTH MODIFICATION OF THE 1972-1973 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 SIXTH MODIFICATION OF THE 1972-1973 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1972, THROUGH JUNE 30, 1973.

Attachment:

Calendar Item 9 (1 page)

9.

SIXTH MODIFICATION OF THE 1972-1973
PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT,
WILMINGTON OIL FIELD, LOS ANGELES COUNTY

The City of Long Beach has requested Commission approval of the Sixth Modification of the 1972-1973 Plan of Development and Operations and Budget, Long Beach Unit, providing revised economic projections.

This Sixth Modification sets forth the first quarterly revision of Exhibits C-3 and C-4 in PART V of the 1972-1973 Plan and Budget. The Plan provides that these exhibits, showing estimated oil, gas, water production rates, water injection rates, expenditures, and resulting net income, shall be reviewed quarterly by the City of Long Beach and the Division, and modified as necessary.

Indications are that gross revenue will be higher than forecast in the original 1972-1973 Plan and Budget due to higher oil production. This increased oil production is the result of new well completions, redrills, the continued success of the well stimulation program, and improved water-flood efficiency.

The revised expenditures are lower than originally estimated. Long Beach Unit net income for the fiscal year may exceed the original estimate by nearly six million dollars.

Current economic projections, shown below, are dependent upon the development program allowed under the Coastal Zone Conservation Act.

1972-1973 Plan & Budget Period

	<u>Original Projection</u>	<u>Current Projection</u>	<u>Net Change</u>
Oil Production, Bbls	39,259,000	41,804,000	+2,545,000
Total Income, Dollars	109,400,000	114,387,000	+4,987,000
Total Expense Dollars	47,158,000	46,405,000	- 753,000
Net Income, Dollars	62,242,000	67,982,000	+5,740,000

The Division has reviewed the Sixth Modification and finds that the anticipated production, expense, and income figures shown in the revised Exhibits C-3 and C-4 are reasonable, assuming the Long Beach Unit is permitted to continue the Commission-approved development plan under the terms of the new Coastal Zone Conservation Act.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE SIXTH MODIFICATION OF THE 1972-1973 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1972, THROUGH JUNE 30, 1973.