

MINUTE ITEM

1/26/73
CVB

12. SEVENTH 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 10 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION, PURSUANT TO SECTION 5(g), CHAPTER 138/1964 1ST E.S., APPROVES THE SEVENTH 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 10 (2 pages)

10.

SEVENTH 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, in accordance with Section 5(g), Chapter 138/1964, 1st E.S., has requested Commission approval of the Seventh Modification of the 1972-1973 Plan of Development and Operations and Budget, Long Beach Unit (July 1, 1972, through June 30, 1973).

PART II.A.2 of the 1972-1973 Plan and Budget forecasts a general need for additional produced water handling facilities on Island Grissom, but funding was deferred. In order to maintain necessary and effective economic control, the Division has requested of the City of Long Beach that funding for such facilities be requested only upon completion of plans for the purchase or installation of specific equipment.

This Seventh Modification, the third produced water handling facility increment on Island Grissom, provides \$209,000 for the fabrication and installation of two clarifier tanks, one surge tank, one skim-oil tank, one back-wash water tank, and related tank-access platforms. Funds for these facilities will be provided by transfer from Budget Item III.B.1.b., Mining Rights Taxes, in which surplus funds exist. Such surplus is the result of the settlement of the Long Beach tidelands ad valorem tax litigation, for which the Commission adopted a resolution of approval at its meeting of October 26, 1972.

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

<u>BUDGET, PART III</u>	<u>Current Budget</u>	<u>This Modification</u>	<u>Adjusted Budget</u>
A. <u>ESTIMATED EXPENDITURES</u>			
<u>FOR INVESTMENT</u>			
2. <u>FIELD AND WELL FACILITIES</u>			
b. <u>Gathering, Treating,</u>			
<u>Storage & Distribution</u>			
(10) Other Systems			
Produced Water			
Handling			
	\$799,000	\$209,000	\$1,008,000

CALENDAR ITEM NO. 10, (CONTD)

<u>BUDGET, PART III</u> (Contd)	<u>Current</u> <u>Budget</u>	<u>This</u> <u>Modification</u>	<u>Adjusted</u> <u>Budget</u>
B. ESTIMATED EXPENDITURES FOR EXPENSE			
1. UNIT TAXES & LICENSES			
b. Mining Rights Taxes	\$7,406,000	(\$209,000)	\$7,197,000

The total 1972-1973 Budget remains unchanged.

The Division has reviewed this Seventh Modification and finds the proposed installation of additional produced water handling facilities and the budget fund transfer desirable.

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO SECTION 5(g), CHAPTER 138/1964 1ST E.S., APPROVE THE SEVENTH MODIFICATION OF THE 1972-1973 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1972, THROUGH JUNE 30, 1973.

In accordance with PART IV.A.4.c. of the 1972-1973 Plan and Budget, the following 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. They require no action by the Commission. Funds for these supplemental projects have been provided by transfers within the Budget. These are:

- Plan Supplement No. 8 - Replace utility work boat, \$8,900.
- Plan Supplement No. 9 - Purchase and install 12 chemical pumps, \$10,000.
- Plan Supplement No. 10 - Install cathodic protection on bulkhead sheet piling on islands, \$45,000.
- Plan Supplement No. 11 - Purchase one 2,000 KVA transformer, \$15,000.