

MINUTE ITEM

2/22/73
CVB

9. RATIFICATION OF THE NINTH 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 7 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION RATIFIES THE ACTION OF THE ACTING EXECUTIVE OFFICER, PURSUANT TO SECTION 5(g), CHAPTER 138/1964, 1ST E.S., APPROVING THE NINTH 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 7 (2 pages)

RATIFICATION OF THE NINTH 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 Ninth Modification of the Plan of Development and Operations and Budget, Long Beach Unit (July 1, 1972 through June 30, 1973).

Pursuant to Section 5(g), Chapter 138/1964, 1st E.S., the Acting Executive Officer, by letter dated February 5, 1973, approved the Ninth Modification of the 1972-1973 Plan and Budget, subject to ratification by the Commission.

This Ninth Modification provides for an additional Budget Item, III.B.4.d., Prior Year Expense Adjustments, in order to permit segregation of prior year production expense adjustments from current year operating costs.

Additionally, this modification provides \$16,000, by transfer, to Budget Item III.A.2.e.(2), Waste Disposal Facilities, to allow for the purchase of sand storage and waste container equipment. This is now being leased by the Unit to maintain environmental standards. The present lease-purchase contract has reached the end of its term, and the purchase option will be exercised in order to take advantage of the Unit's accumulated equity in the equipment.

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 FOR INVESTMENT</u>			
2. <u>FIELD AND WELL FACILITIES</u>			
c. <u>Injection Water Treating and Distribution</u>			
(1) Water Injection System	\$296,000	(\$7,000)	\$289,000
e. <u>Leasehold Facilities</u>			
(2) Waste Disposal Facilities	-0-	\$16,000	\$ 16,000

CALENDAR ITEM NO. 7. (CONTD)

	<u>Current Budget</u>	<u>This Modification</u>	<u>Adjusted Budget</u>
B. <u>ESTIMATED EXPENDITURES FOR EXPENSE</u>			
2. <u>OPERATING EXPENSE</u>			
c. <u>Other Production Expense</u>			
(18) Waste Disposal	\$466,000	(\$2,000)	\$464,000
4. <u>OTHER EXPENSE</u>			
d. <u>Prior Year Expense Adjustments</u>			
	-0-	(\$7,000)	(\$7,000)

The total 1972-1973 Budget remains unchanged.

The Division has reviewed this Ninth Modification and finds the proposed purchase and budget transfers desirable.

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