

MINUTE ITEM

2/6/74
CVB

16. REVIEW OF SECOND QUARTER 1973-1974 FISCAL YEAR PRODUCTION AND REVENUE, PARCEL "A", CITY OF LONG BEACH, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

The attached Calendar Item 17 was submitted to the Commission for information only, no action thereon being necessary.

Attachment:

Calendar Item 17 (1 page)

REVIEW OF SECOND QUARTER 1973-1974 FISCAL YEAR
PRODUCTION AND REVENUE, PARCEL "A", CITY OF LONG BEACH
WILMINGTON OIL FIELD, LOS ANGELES COUNTY

The Commission at its meeting of January 26, 1972, directed the Division to prepare and submit annual fiscal year estimates of oil and gas production, oil and gas liquids value, investment and expense expenditures, net revenue and net profits from Parcel "A", and to review quarterly such annual estimates.

In compliance with the Commission's directive, fiscal year estimates for 1973-1974 were prepared by the Division and presented to the Commission at its meeting of August 30, 1973.

The Division has reviewed these 1973-1974 fiscal year estimates in the light of actual second quarter production and expense experience and revised the estimates. Actual production has been slightly below the original estimate. Therefore, the estimated daily oil rate for the year has been reduced from 5,950 B/D to 5,780 B/D. Estimated costs remain practically unchanged except for ad valorem taxes which have been revised downward from \$425,000 to \$322,000. Net revenue to the Tideland Oil Revenue Fund during the 1973-1974 fiscal year is expected to be approximately \$3,170,000, nearly \$650,000 more than the original estimate. This revenue increase is due principally to the higher prices received for crude oil since December 1973. The City and the State are claiming the exempt price, which will result in additional revenue.

When third quarter production and cost information becomes available, it will be reviewed by the Division. The Commission will be informed of any revisions in anticipated oil revenue which may be received by the State pursuant to Chapter 138, Statutes of 1964, 1st E.S.