

MINUTE ITEM

4/4/74  
CVB

13. TWELFTH MODIFICATION OF THE 1973-1974 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

After consideration of Calendar Item 11 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 TWELFTH MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1973, THROUGH JUNE 30, 1974.

Attachment:

Calendar Item 11 (1 page)

11.

TWELFTH MODIFICATION OF THE 1973-1974  
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 Twelfth Modification of the Plan of Development and Operations and Budget, Long Beach Unit (July 1, 1973, through June 30, 1974) augmenting the Budget PART III.B.1.b., Mining Rights Taxes, \$100,000, and PART III.B.1.c., Long Beach Oil Production License Tax, \$500,000.

The 1973-1974 budget provided \$7.5 million for ad valorem taxes, including \$5.3 million for mining rights taxes, which are chargeable to the net profits accounts of the Unit. The amount of mining rights taxes actually levied were \$5.4 million. Additionally, the City of Long Beach increased its business license tax on oil production from \$0.03 per barrel to \$0.05 per barrel, commencing in December 1973. That portion of the Business License Tax that is applicable to Tract No. 1 net profits is credited to the Tideland Oil Revenue Fund, and therefore does not affect State revenue. These two tax increases require a Budget augmentation of \$600,000, thereby increasing the total 1973-1974 Long Beach Unit Budget from \$45,789,000 to \$46,389,000.

With approval of this Twelfth Modification, the affected Budget Items will be augmented as follows:

<u>BUDGET, PART III</u>	<u>Current Budget</u>	<u>This Modification</u>	<u>Adjusted Budget</u>
<b>B. <u>ESTIMATED EXPENDITURES FOR EXPENSE</u></b>			
<b>1. <u>UNIT TAXES &amp; LICENSES</u></b>			
b. <u>Mining Rights Taxes</u>	\$5,320,000	\$100,000	\$ 5,420,000
c. <u>Long Beach Oil Pro- duction License Tax</u>	1,300,000	500,000	1,800,000
<b>TOTAL BUDGET</b>	<b>\$45,789,000</b>	<b>\$600,000</b>	<b>\$46,389,000</b>

The Division has reviewed this Twelfth Modification and finds it necessary to augment the Budget in order to provide funds for the increased mining rights and oil production business license taxes.

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO SECTION 5(g), CHAPTER 138/1964, 1ST E.S., APPROVE THE TWELFTH MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1973, THROUGH JUNE 30, 1974.