

MINUTE ITEM

6/6/74
CVB

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

During consideration of Calendar Item 16 attached, Mr. E. N. Gladish, Executive Officer, State Lands Commission, explained that additional funds were needed to meet the increase in unanticipated energy costs.

Upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION RATIFIES THE ACTION OF THE EXECUTIVE OFFICER, PURSUANT TO SECTION 5(g), CHAPTER 138/1964, 1ST E.S., APPROVING THE FOURTEENTH MODIFICATION OF THE 1973-1974 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1973, THROUGH JUNE 30, 1974.

Attachment:

Calendar Item 16 (1 page)

16.

RATIFICATION OF THE FOURTEENTH 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, in accordance with Section 5(g), Chapter 138/1964, 1st E.S., and PART IV.D.3.c. of the subject Plan and Budget, has requested Commission approval of the Fourteenth Modification of the Plan of Development and Operations and Budget, Long Beach Unit (July 1, 1973, through June 30, 1974), as attached to the City's request dated May 23, 1974.

This Fourteenth Modification provides for the transfer of \$500,000 in surplus drilling funds from the Investment portion to the Expense portion of the Budget and transfer of \$468,000 within the Expense Budget. In addition, this Fourteenth Modification provides for augmentation of funds in the Expense portion of the Budget, in the amount of \$479,000.

These transfers of surplus funds, and the augmentation, are necessary in order to provide funding for additional expenditures, through May 1974, that were not anticipated at the time the Budget was prepared. Most of these added expenditures are directly related to the increase in the cost of electrical energy, caused by the rising fuel oil cost in recent months. The remainder of the increase in expenditures is due to preventive surveys and protective measures on oil pipelines, and to increased well maintenance expenditures necessary to achieve the maximum possible rate of oil production.

After the \$479,000 augmentation, the total adjusted budget will be \$46,868,000.

The Division has reviewed this Fourteenth Modification and found the proposed budget transfers and augmentation necessary, and the Executive Officer, by letter dated May 23, 1974, approved the Fourteenth Modification, subject to ratification by the Commission.

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

Additionally, in accordance with PART IV.A.4.c. of the Plan and Budget, Plan Supplement 6 and Plan Supplements 13 through 26, for additional projects under \$100,000, have been approved by the Manager, Long Beach Operations, and are being incorporated in the Plan. These Plan Supplements, which require no action by the Commission, are set forth in the attachment to the City of Long Beach request, dated May 23, 1974.