

MINUTE ITEM

8/29/74
CVB

14. REVIEW OF FOURTH QUARTER 1973-1974 FISCAL YEAR PRODUCTION AND REVENUE AND ESTIMATE OF 1974-1975 FISCAL YEAR AND REVENUE, PARCEL "A", CITY OF LONG BEACH, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

The attached Informative Calendar Item 12 was submitted to the Commission for information only, no action thereon being necessary.

Attachment:

Informative Calendar Item 12 (2 pages)

INFORMATIVE CALENDAR ITEM

8/74
CVB

12.

REVIEW OF FOURTH QUARTER 1973-1974 FISCAL YEAR
PRODUCTION AND REVENUE AND ESTIMATE OF 1974-1975 FISCAL YEAR
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 this directive, estimates for the 1973-1974 fiscal year 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 production and expense through the end of the fiscal year. The Chapter 138 oil revenue for sharing from Parcel "A" during the State 1973-1974 fiscal year was \$3,323,000, \$824,000 above the original estimate of \$2,499,000. This revenue increase was due principally to the higher price received for crude oil combined with a slight reduction in estimated expenditures.

Improvement in production efficiency in conjunction with producing well redrills has flattened the oil rate decline in comparison to the previous year.

For the 1974-1975 fiscal year, the Division has prepared the following revenue estimates:

<u>Quarter</u>	<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>4th</u>	<u>1974-75 Total</u>
<u>PRODUCTION</u>					
Oil Barrels/Day	5,830	5,750	5,750	5,750	5,770
Oil Thousands of Barrels	536	530	530	510	2,106
<u>REVENUE</u>					
	<u>Thousands of Dollars</u>				
<u>Oil Value</u>	2,280	2,260	2,260	2,180	8,980
<u>Costs</u>					
Wells	50	310	310	310	980
Facilities	70	90	90	90	340
O. & M.	570	570	570	570	2,280
F.S. & O. - Contractor	130	130	130	130	520

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<u>Quarter</u>	<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>4th</u>	<u>1974-75 Total</u>
6% Admin. Overhead	40	60	60	60	220
Other	50	30	20	(190)	(90)
Taxes - Production - City	30	20	20	20	90
- Ad Valorem	0	0	210	210	420
- Other	10	10	10	10	40
<u>Total Costs</u>	<u>950</u>	<u>1,220</u>	<u>1,420</u>	<u>1,210</u>	<u>4,800</u>
<u>Net Revenue</u>	<u>1,330</u>	<u>1,040</u>	<u>840</u>	<u>970</u>	<u>4,180</u>
Contractor's 9% Share of Net Profits (deducted)	120	90	80	90	380
City's 91% Share of Net Profits	1,210	950	760	880	3,800
Parcel "A" Natural Gas Liquid Products	3	2	2	2	9
6% Admin. Overhead on Parcel "A"	40	60	60	60	220
City Tax Credit	27	18	18	18	81
Chapter 138 Oil Revenue to be Shared by City of Long Beach and State of California	<u>\$1,280</u>	<u>\$1,030</u>	<u>\$ 840</u>	<u>\$ 960</u>	<u>\$4,110</u>

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