

MINUTE ITEM

10/3/74
CVB

15. FOURTH MODIFICATION OF THE 1974-1975 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

After consideration of Calendar Item 16 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 FOURTH MODIFICATION OF THE 1974-1975 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1974, THROUGH JUNE 30, 1975.

Attachment: Calendar Item 16 (2 pages)

16.

FOURTH MODIFICATION OF THE 1974-1975 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 Fourth Modification of the Plan of Development and Operations and Budget, Long Beach Unit (July 1, 1974, through June 30, 1975).

This Fourth Modification supplements the Plan to provide more adequate control of Unit Storehouse Stock, and it transfers all the funds within Budget Item III.A.1.a.(7), Well Equipment and Tubular Goods Inventory, to specific reservoir zones as identified by Development Drilling Budget Items III.A.1.a.(1), (5), and (6). The total Budget will remain unchanged.

After approval of this Modification the affected Budget Items will be adjusted as follows:

PART III

A. ESTIMATED EXPENDITURES FOR INVESTMENT

a. <u>Development Drilling</u>	<u>Current Budget</u>	<u>This Modification</u>	<u>Adjusted Budget</u>
(2) Ranger Zone	\$3,947,000	\$1,850,000	\$5,797,000
(5) Union Pacific- Ford Zone	480,000	210,000	690,000
(6) 237 Zone	275,000	125,000	400,000
(7) Well Equipment and Tubular Goods Inventory	2,185,000	(2,185,000)	-0-

In order to provide more adequate economic control of Unit Storehouse Stock, and to more fully report Unit Storehouse activity to the City of Long Beach and the State Lands Division, PART IV.E.4, Unit Storehouse Stock, will be added to the procedures section of the subject Plan and Budget. This new Unit Storehouse Stock provision institutes a procedure whereby any purchase augmenting Storehouse Stock by \$30,000 or more will require the approval of the Director or Assistant Director, Department of Oil Properties, City of Long Beach, with a copy of such approval furnished to the Manager, Long Beach Operations, State Lands Division. In addition, a copy of the monthly Warehouse Inventory and Warehouse Activity reports shall be furnished to the Manager, Long Beach Operations, State Lands Division, and a copy of the annual physical inventory adjustment report of the Unit Storehouse Stock shall be furnished to all Participants and the Manager, Long Beach Operations, State Lands Division.

CALENDAR ITEM NO. 16. (CONT'D)

The Division has reviewed this Fourth Modification and finds that the proposed budget transfers and procedural changes will provide better economic control of Long Beach Unit Storehouse Stock.

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO SECTION 5(g), CHAPTER 138/1964, 1ST E.S., APPROVE THE FOURTH MODIFICATION OF THE 1974-1975 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1974, THROUGH JUNE 30, 1975.

In accordance with PART IV.A.4.c. of the 1974-1975 Plan and Budget, the following Plan Supplements, for additional projects under \$100,000, have been approved by the Manager, Long Beach Operations, State Lands Division, and are being reported and incorporated in the Plan. They require no action by the Commission. Funds for these supplemental projects have been provided by transfers within the Budget. These are:

- Plan Supplement No. 3. - Installation of oil meters on mud pumps (\$6,000).
- Plan Supplement No. 4. - Installation of corrosion monitoring spools, etc., in submarine pipeline system (\$36,000).
- Plan Supplement No. 5. - Purchase of four small electric carts (\$71,000).
- Plan Supplement No. 6. - Installation of liquid level alarms on selected tanks (\$35,000).
- Plan Supplement No. 7. - Installation of a second pump in water source Well No. 3, Island Chaffee (\$18,620).