

MINUTE ITEM

11/21/74
CVB

30. SIXTH 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 30 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., RATIFIES THE ACTION OF THE EXECUTIVE OFFICER APPROVING THE SIXTH 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 30 (2 pages)

SIXTH 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, pursuant to the provisions of Section 5(g), Chapter 138/1964, 1st E.S., has requested approval of the Sixth Modification of the Plan of Development and Operations and Budget, Long Beach Unit (July 1, 1974, through June 30, 1975).

This Sixth Modification provides for the transfer of \$167,000 to the Investment portion of the Budget, PART III.A.2., FIELD AND WELL FACILITIES, and \$224,000 to the Expense Budget, PART III.B.2.b., Field Systems. The total Budget transfer, \$391,000, will be provided from the Investment portion of the Budget, PART III.A.1.a.(2), Development Drilling, Ranger Zone, where surplus funds exist. The total 1974-1975 Budget will remain unchanged.

The major transfer of funds is to the Expense Budget to supply needed funding for oil and gas pipeline systems where unforeseen corrosion problems have resulted in additional expenses. Other Budget transfers will provide necessary investment funding for installation of a fresh water system on the islands, new electrical load centers on Island Chaffee, expansion of the lighting system on Island Grissom, the purchase of ten portable sump pumps, installation of air compressors for maintenance work and the installation of liquid level alarms on island tankage. The need for these projects has developed since the Plan and Budget was prepared in February, 1974.

After the transfer of funds, the affected Budget Items will be as follows:

PART III	<u>Current Budget</u>	<u>This Modification</u>	<u>Adjusted Budget</u>
<u>A. ESTIMATED EXPENDITURES FOR INVESTMENT</u>			
<u>1. DRILLING AND DEVELOPMENT</u>			
a. <u>Development Drilling</u>			
(2) Ranger Zone	\$5,656,000	(\$391,000)	\$5,265,000
<u>2. FIELD AND WELL FACILITIES</u>			
b. <u>Gathering, Treating, Storage & Distribution Oil Systems</u>			
(1) Gathering	\$ 146,000	\$ 8,000	\$ 154,000
(9) Fresh Water	\$ 0	44,000	44,000

CALENDAR ITEM NO. 30. (CONTD)

	<u>Current Budget</u>	<u>This Modification</u>	<u>Adjusted Budget</u>
d. <u>Electrical Communi- cations and Control</u>			
(1) <u>Electrical Systems</u>	\$ 64,000	\$ 72,000	\$ 136,000
e. <u>Leasehold Facilities</u>			
(5) <u>Leasehold Improve- ments</u>	\$ 0	\$ 4,000	\$ 4,000
f. <u>Field Equipment</u>			
(2) <u>Drilling Equip- ment</u>	\$ 139,000	\$ 17,000	\$ 156,000
(6) <u>General Field Equipment</u>	\$ 46,000	\$ 22,000	\$ 68,000

B. ESTIMATED EXPENDITURES
FOR INVESTMENT

2. OPERATING EXPENSE

h. <u>Field Systems</u>			
(1) <u>Oil Gathering</u>	\$ 254,000	\$ 152,000	\$ 406,000
(5) <u>Gas Gathering</u>	\$ 156,000	\$ 72,000	\$ 228,000

The Division has reviewed this Sixth Modification and found the proposed projects and budget transfers are desirable.

In order to expedite field development work and in compliance with the Commission's directive to utilize surplus budgeted funds prior to augmentation of the Budget, the Executive Officer, by letter dated October 22, 1974, approved the Sixth Modification subject to Commission ratification.

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO SECTION 5(g), CHAPTER 138/1964, 1ST E.S., RATIFY THE ACTION OF THE EXECUTIVE OFFICER APPROVING THE SIXTH 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 supplementary projects have been provided by transfer within the Budget.

Plan Supplement No. 2 - Extension of the 3,000 psi water injection system on Island White (\$13,600)

Plan Supplement No. 9 - Purchase of a Sonolog fluid level instrument (\$6,000).

Plan Supplement No. 10 - Purchase of portable sump pumps (\$18,000).