

MINUTE ITEM

12/19/74  
CVB

14. SEVENTH 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 12 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION APPROVES THE SEVENTH MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1974, THROUGH JUNE 30, 1975.

Attachment:

Calendar Item 12 (1 page)

SEVENTH 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 and the Division have prepared the Seventh Modification of the Plan of Development and Operations and Budget, Long Beach Unit, July 1, 1974, through June 30, 1975, providing updated production and expense information together with revised economic projections.

The Seventh Modification sets forth the First Quarterly revision of Exhibits C-1, C-2, C-3 and C-4 in PART IV of the 1974-1975 Plan and Budget. The Plan provides that these exhibits showing estimated oil and gas production rates, expenditures, and resulting net income shall be reviewed quarterly by the City of Long Beach and the Division and modified as necessary. This Modification will not result in any change in amounts budgeted for the Long Beach Unit.

Oil production during the first quarter averaged 108,797 B/D, slightly higher than the upper limit of the range estimated in the original 1974-1975 Plan and Budget, approved by the Commission at its April 24, 1974, meeting. This oil production rate increase is the result of additional remedial and well stimulation work.

Revised economic projections indicate that the net income to the Long Beach Unit during the 1974-1975 fiscal year will be \$104.4 million. This is \$1.3 million less than the estimate in the original 1974-1975 Plan and Budget. This apparent decrease in net income results from including the carry-over of capital investment funds from the 1973 fiscal year for incomplete projects, and for the First Modification of the 1974-1975 Budget. That Modification augmented the Budget to provide funds for long lead time equipment and necessary environmental control projects. Those two items more than offset the increased income from additional oil production.

There may be additional operating expense in the future due to energy, inflation and taxes, which will be reflected in future modifications of exhibits.

The Division has reviewed the Seventh Modification and finds that the estimated production, expense, and income figures in the revised Exhibits C-1, C-2, C-3 and C-4 are reasonable.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE SEVENTH MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1974, THROUGH JUNE 30, 1975.