

8. ELEVENTH 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 6 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION:

1. DETERMINES THAT THE ACTIVITIES CONTEMPLATED BY THE ELEVENTH MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1974, THROUGH JUNE 30, 1975, FALL WITHIN THE SCOPE OF A PROJECT CARRIED OUT PURSUANT TO AGREEMENTS APPROVED BY THE COMMISSION BEFORE APRIL 5, 1973, AND ARE THEREFORE ONGOING PROJECTS WITHIN THE MEANING OF 14 CAL. ADM. CODE 15070(b)(3), AND DO NOT REQUIRE THE PREPARATION OF EITHER AN ENVIRONMENTAL IMPACT REPORT OR A NEGATIVE DECLARATION.
2. PURSUANT TO SECTION 5(g), CHAPTER 138, STATUTES OF 1964, 1ST E.S., APPROVES THE ELEVENTH 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 6 (3 pages)

ELEVENTH 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., and PART IV, Sections A and D.3.c. of the subject Plan and Budget, has requested Commission approval of the Eleventh Modification providing a \$2,575,000 Budget augmentation for the Long Beach Unit.

Because of the requirement in Chapter 138 that each Plan of Development and Operation shall be submitted by the City to the State Lands Commission at least 100 days prior to its submission to the participants, it is necessary to prepare fiscal year budget estimates that are based on expense type expenditure trends of the previous December, and capital requirements that are known in January. It has been the policy of the Division to include in the Plan of Development the investment construction projects for which engineering review is in a reasonably advanced stage with firm cost estimates, and the future projects which are in the planning stage. Recommendation to the Commission of budget funds for those projects which were in the planning stage at the time of budget submittal is not done until engineering design and review have been made. Because of the long lead times that have developed in obtaining casing, tubing, equipment and materials, the Division policy is to recommend funding, when the need can be identified, for the ordering of equipment that requires an unusually long period of time for delivery.

This Eleventh Modification provides funding for projects which have been finalized since the Plan and Budget was approved, ordering of equipment for projects on which actual construction will not be commenced until the 1975-76 fiscal year, electrical energy costs which have increased 80% during the past year, and the effects of inflation which has far exceeded estimates made nearly 18 months ago. In addition, this modification provides funding for environmental control projects. Funds are included for pipeline inspection surveys such as those requested in the Sixth Modification of the 1974-75 Plan and Budget. In addition, funds are provided for sampling and analysis of the ocean floor, in preparation for possible repair or maintenance of submarine pipelines, should it be necessary.

Budget divisions increased by this Modification are as follows:

CALENDAR ITEM NO. 6. (CONTD)

PART III

A. INVESTMENT

2. FIELD AND WELL FACILITIES \$ 605,000

B. EXPENSE

2. OPERATING EXPENSE \$1,850,000

3. GENERAL ADMINISTRATIVE EXPENSE \$ 10,000

4. OTHER EXPENSE \$ 20,000

ADMINISTRATIVE OVERHEAD \$ 90,000

Total Budget Augmentation \$2,575,000

After approval of this Eleventh Modification, the total 1974-75 Budget will be increased from \$65,155,000 to \$67,730,000.

The Division has reviewed this Eleventh Modification and finds the Budget augmentation necessary to provide for the continuing development, operation and maintenance of the Long Beach Unit.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT THE ACTIVITIES CONTEMPLATED BY THE ELEVENTH MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1974, THROUGH JUNE 30, 1975, FALL WITHIN THE SCOPE OF A PROJECT CARRIED OUT PURSUANT TO AGREEMENTS APPROVED BY THE COMMISSION BEFORE APRIL 5, 1973, AND ARE THEREFORE ONGOING PROJECTS WITHIN THE MEANING OF 14 CAL. ADM. CODE 15070(b)(3), AND DO NOT REQUIRE THE PREPARATION OF EITHER AN ENVIRONMENTAL IMPACT REPORT OR A NEGATIVE DECLARATION.
2. PURSUANT TO SECTION 5(g), CHAPTER 138, STATUTES OF 1964, 1ST E.S., APPROVE THE ELEVENTH MODIFICATION OF THE 1974-75 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 1974-75 Plan and Budget, the following Plan Supplements for additional projects not exceeding \$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 fund transfers within the Budget or by this Modification. Plan Supplements 1 through 12 and 15 have previously been incorporated and made a part of the Plan.

CALENDAR ITEM NO. 6. (CONTD)

- No. 13 - Purchase three instruments to obtain bottom-hole pressures and temperatures from key or high interest wells, or wells with the pump installed in the liner, estimated cost \$6,700.
- No. 14 - Purchase and install booster pumps to facilitate transfer of injection water from Pier J to Islands Grissom and White, estimated Cost \$68,000.
- No. 16 - Modify Pier G warehouse to provide shop facilities, estimated cost \$44,500.
- No. 17 - Fabricate pump cable-handling equipment to replace rental equipment, estimated cost \$35,000.
- No. 18 - Purchase equipment for the instrument repair shop, estimated cost \$25,000.
- No. 19 - Purchase 23 joints (approximately 700 feet) of 4-1/2 inch, heavy weight drill pipe, estimated cost \$22,000.
- No. 20 - Provide three new 4160 volt to 480 volt load centers at an estimated cost of \$78,000, and two 4160 volt switchboards, at an estimated cost of \$22,000.
- No. 21 - Purchase three 4160 volt services for the electric drilling rig as part of the Chaffee cellar expansion project, estimated cost \$6,500.
- No. 22 - Obtain and analyze ocean floor soil samples in the vicinity of the submarine pipelines, estimated cost \$35,000.