

MINUTE ITEM

This Calendar Item No. 39
was approved as Minute Item
No. 39 by the State Lands
Commission by a vote of 5-2-76
to 0 at its 5-22-76
meeting.

INFORMATIVE
CALENDAR ITEM

5/76
WMT

39.

REVIEW OF THE THIRD QUARTER 1975-1976 FISCAL YEAR
PRODUCTION AND REVENUE, PARCEL "A", CITY OF LONG BEACH,
WILMINGTON OIL FIELD, LOS ANGELES COUNTY

In compliance with the Commission's directive, 1975-1976 fiscal year production and revenue estimates for Parcel "A" were presented to the Commission at its meeting of September 29, 1975.

Division review of the 1975-1976 fiscal year estimate for the third quarter shows quarterly revenue above the expected level due to a reduction in expenditures for well work and facility investment. The reduction in expenditures has been necessitated by continuation of crude oil price controls only slightly above the level of December 1973. It is expected that the net tideland oil revenue to be shared between the City of Long Beach and the State for the entire 1975-1976 fiscal year will be approximately \$3,122,000, about 30% higher than the original estimate of \$2,390,000. This increase in anticipated revenue is the result of reduced expenditures for well work and facility investment, lower than estimated ad valorem taxes, and a small increase in crude oil prices permitted under new Federal Energy Administration regulations which became effective March 1, 1976. Under present FEA regulations, it is unlikely that crude oil produced from Parcel "A" will bring upper tier crude oil prices.

When final production and cost information for the 1975-1976 fiscal year becomes available, it will be reviewed by the Division. The Commission will be informed of any revisions in anticipated oil revenue that may be received by the State pursuant to Chapter 138/1964, 1st E. S.

A 52, 57, 58

S 27, 31