

MINUTE ITEM

The Calendar Item No. 27  
 was adopted by a vote of 3  
 at its 2/24/77  
 meeting.

CALENDAR ITEM

2/77  
 WMT

27.

SIXTH MODIFICATION OF THE 1976-1977 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY

The City of Long Beach has requested Commission approval of the Sixth Modification of the 1976-1977 Plan of Development and Operations and Budget for the Long Beach Unit providing for the purchase of a unitized remedial and workover rig for servicing the Long Beach Unit's wells.

In order to provide funds for the purchase of the remedial rig, the investment Budget PART III. A. 2. f. (2), Drilling Equipment, will be augmented by \$600,000.

With approval of this modification, the affected budget item will be revised as follows:

| PART III  | <u>Current</u><br><u>Budget</u> | <u>This</u><br><u>Modification</u> | <u>Adjusted</u><br><u>Budget</u> |
|---|---------------------------------|------------------------------------|----------------------------------|
| A. <u>ESTIMATED EXPENDITURES</u><br><u>FOR INVESTMENT</u> |                                 |                                    |                                  |
| 2. <u>FIELD AND WELL FACILITIES</u>                       |                                 |                                    |                                  |
| F. <u>FIELD EQUIPMENT</u>                                 |                                 |                                    |                                  |
| (2) Drilling<br>Equipment                                 | \$196,000                       | \$ 600,000                         | \$ 796,000                       |

The total revised Budget will be \$75,876,000.

Additionally, the Sixth Modification ratifies the action taken by the Executive Officer on January 20, 1977, pursuant to Section S(g), Chapter 138/1964, 1st E.S. and PART IV, Section A.1 of the subject Plan of Development, consenting to modification of the Plan in order to provide for the drilling of two wells, ID-2 in the Terminal and FD-2 in the Union Pacific-Ford Zone.

The Division has reviewed the Sixth Modification and finds that the significant cost reductions that can be realized by using a Unit-owned well remedial rig as compared with contracted equipment, and the short payout period of the initial \$600,000 investment, justify the proposed budget augmentation.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE SIXTH MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT (JULY 1, 1976 THROUGH JUNE 30, 1977).

CALENDAR ITEM NO. 27. (CONTD)

In accordance with PART IV A.4c. of the 1976-1977 Plan of Development for the Long Beach Unit, the following Plan Supplements for additional projects under \$100,000 have been approved by the General Manager, Department of Oil Properties, City of Long Beach and the Manager, Long Beach Operations, State Lands Division, and are hereby reported to the Commission and incorporated in the Plan. Funding for these Plan Supplements has been provided by specific Budget Items or by transfer within the existing Budget. Plan Supplements do not require action by the Commission.

- No. 9: Design and construct a well servicing bridge to span the sixteen foot wide cellars on Island Grissom, estimated cost \$23,000.
- No. 10: (a) Purchase one tractor and two semi-trailers at an estimated cost of \$52,000.
- (b) Purchase a solids control sand separator for use on contract drilling rigs operating on Island Freeman and Pier J at an estimated cost of \$22,000.
- No. 11: Purchase two additional trailer mounted steam cleaners in order to provide on-site coverage at each location, estimated cost \$7,400.
- No. 13: Convert delayed injection Well A-145 I from submersible pumping to water injection services at an estimated cost of \$34,100.