

MINUTE ITEM

This Calendar Item No. 35
was approved as Minute Item
No. 35 by the State Lands
Commission by a vote of 3
to 0 at its 5/26/77
meeting.

CALENDAR ITEM

5/77
WMT

35.

NINTH 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 and the Division have prepared the Ninth Modification of the Plan of Development and Operations and Budget, Long Beach Unit, July 1, 1976, through June 30, 1977, providing updated production, injection, income and expenditure information, together with revised economic projections.

The Ninth Modification revises Exhibits C-3 and C-4 in PART V of the subject Plan and Budget based on data available through March 31, 1977. PART IV PROCEDURES, of the Plan and Budget, provides that exhibits showing estimated oil, gas and water production rates, water injection rates, expenditures, and resulting Long Beach Unit net revenue shall be reviewed quarterly by the City of Long Beach and the Division, and modified as necessary. This modification satisfies that provision. It does not augment the Budget, nor transfer funds within the existing Budget.

The average oil production rate during the January through March, 1977 quarter was 84,916 B/D which was 2,884 B/D below the previously estimated rate of 87,800 B/D. The actual gas production averaged 16,707 Mcf/D, 1,152 Mcf/D above the 15,555 Mcf/D estimated rate. The water injection rate of 491,035 B/D was 38,965 B/D below the previously estimated 530,000 B/D rate.

Net income to the Long Beach Unit during the January through March 1977 quarter was \$30,312,000, or \$1,849,000 higher than estimated in the previous revision of Economic Projections presented to the Commission at its February 24, 1977 meeting. This increase is principally the result of reduced expenditures for capital investment due to a drilling labor strike.

As of the end of the third quarter of the 1976-1977 fiscal year, Long Beach Unit income for the entire fiscal year is estimated to be \$102,000,000, or \$9,444,000 above the original estimate submitted to the Commission at its April 28, 1976 meeting.

The Division has reviewed the Ninth Modification and finds that the estimated production, injection, expenditures and revenue shown in the revised exhibits are reasonable.

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When actual total 1976-1977 fiscal year information becomes available it will be reviewed by the City of Long Beach and

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the Division and reported to the Commission.

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