

INFORMATIVE CALENDAR ITEM

34.

2/78
Thompson

REVIEW OF THE SECOND QUARTER 1977-1978 FISCAL YEAR
PRODUCTION AND REVENUE, PARCEL "A", CITY OF LONG BEACH,
WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

In compliance with the Commission's directive, 1977-1978 fiscal year production and revenue estimates for Parcel "A" were presented to the Commission at its meeting of October 27, 1977.

Staff review of the 1977-1978 fiscal year estimate through the second quarter shows revenue \$318,000 above the October 1977 forecast. This increased revenue is primarily the result of reduced expenditures for well redrilling and new equipment.

After recent discussions with the City of Long Beach, Department of Oil Properties, it appears that expenditures during the balance of the 1977-1978 fiscal year will be less than reported to the Commission in October 1977. In view of the actual reduction of expenditures during the first half of the fiscal year and anticipated further reductions during the remainder of the fiscal year, the Commission's Staff prepared a revised economic estimate for Parcel "A".

Following is a summary of the revised estimate of 1977-1978 fiscal year production, expenditures and revenue, compared with the staff's original (October 1977) fiscal year estimate:

	Original 1977-78 FY Estimate (Oct. 1977)	Revised 1977-78 FY Estimate	Change
Oil Production, Bbls.	1,577,000	1,577,000	- -
Gross Revenue	\$7,633,000	\$7,633,000	- -
Total Expenditures	\$5,726,000	\$5,069,000	-\$657,000
Net Revenue	\$1,907,000	\$2,564,000	+\$657,000
Net revenue to be shared with city after deduction of con- tractor's 9% share and miscellaneous credits	\$1,785,000	\$2,414,000	+\$629,000

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When production, expenditures and resulting revenue information through the third quarter of the fiscal year becomes available it will be reviewed by the staff. The Commission will be informed of any significant changes which may affect revenue to the State pursuant to Chapter 138, Statutes of 1964, 1st E.S.