

MINUTE ITEM

This Calendar Item No. 31
 was approved at the Regular
 No. 31 by the State Lands
 Commission by a vote of 3
 to 0 at its 2/22/79
 meeting.

CALENDAR ITEM

31.

2/79
 Thompson

APPROVAL OF THE FOURTH MODIFICATION OF THE 1978-1979
 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET,
 LONG BEACH UNIT, WILMINGTON OIL FIELD

The City of Long Beach has requested approval of the Fourth Modification of the 1978-1979 Plan of Development and Operations and Budget, Long Beach Unit.

This Fourth Modification provides for (1) the drilling of 1 well from Island Freeman through the Union Pacific-Ford Zone and probing the 237-Baseament Zone, (2) increasing the number of planned injection well redrills to the same zone from 7 to 15 and (3) transferring funds totaling \$1,500,000 between 3 items in the Budget in order to provide funding for these injection well redrills.

The Fourth Modification will effect the following transfers within the 1978-1979 Budget, while the total Budget, \$84,471,000 remains unchanged.

PART III

	<u>Current Budget</u>	<u>This Transfer</u>	<u>Adjusted Budget</u>
A. <u>ESTIMATED EXPENDITURES FOR INVESTMENT</u>			
1. <u>DRILLING AND DEVELOPMENT</u>			
a. <u>Development Drilling</u>			
(2) Ranger Zone	\$8,085,000	\$(1,000,000)	\$7,085,000
B. <u>ESTIMATED EXPENDITURES FOR EXPENSE</u>			
2. <u>OPERATING EXPENSE</u>			
a. <u>Wells</u>			
<u>Oil Wells</u>			
(3) Redrills (Same Zone)	\$2,500,000	\$(500,000)	\$2,000,000
<u>Injection Wells</u>			
(7) Redrills (Same Zone)	\$1,500,000	\$1,500,000	\$3,000,000

A 57, 58

S 27, 31

CALENDAR PAGE	<u>218</u>
MINUTE PAGE	<u>413</u>

CALENDAR ITEM NO. 31. (CONTD)

Commission approval of this Fourth Modification will ratify the action taken by the Executive Officer on January 26, 1979, pursuant to Section 5(g), Chapter 138/1964, 1st E.S. and PART IV, Sections A.1, B.5. and D.3. of the 1978-1979 Plan and Budget, consenting to the modification in order to expedite the drilling of a well to probe the 237-Basement Zones.

The Commission's staff has reviewed the Fourth Modification. The proposed drilling and injection well redrilling is expected to result in the production of additional upper tier crude oil, and increased water injection for pressure maintenance, and is necessary for the continued development and operation of the Long Beach Unit.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE FOURTH MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1978, THROUGH JUNE 30, 1979.