

MINUTE ITEM

This Calendar Item No. 28.  
was submitted for information  
only, no action thereon  
being necessary.

CALENDAR ITEM

28.

2/80

Thompson

INFORMATIVE

REVIEW OF THE PRODUCTION AND REVENUE PROJECTIONS FOR 1979-1980  
FISCAL YEAR, PARCEL A, CITY OF LONG BEACH, WILMINGTON OIL  
FIELD, LOS ANGELES COUNTY.

In compliance with the Commission's directive, projected  
estimates of 1979-1980 fiscal year production and revenue  
on Parcel "A" were previously presented to the Commission.

Staff review of the 1979-1980 fiscal year through the second  
quarter indicates that crude oil production and net revenues  
conform closely to the forecast. Net revenue shared between  
the City of Long Beach and the State was \$893,000 in the  
quarter ending December 31, 1979.

It is expected that net tideland oil revenue to be shared  
between the City of Long Beach and the State for the full  
1979-1980 fiscal year could exceed \$10 million, which is  
nearly \$7 million higher than the previous estimate.  
Principally, this is because effective December 21, 1979  
all crude oil having a gravity of 20° API or less was  
decontrolled. Approximately 92 percent of Parcel A oil  
production has a gravity of 20° API or less. The projection  
of costs provides for additional well work and repair of  
damaged producing and injection wells, as a part of the  
plow back of increased revenue. Final net revenue will  
be determined by the federal oil excise tax now being finalized  
in Congress.

When additional information through the third quarter of  
the 1979-1980 fiscal year becomes available, it will be  
reviewed by the staff. The Commission will be informed  
of any changes in oil revenue which may be received by  
the State pursuant to Chapter 138/1964, 1st E.S.

52, 57, 58

27, 31

CALENDAR PAGE	163
MINUTE PAGE	402