

MINUTE ITEM

This Calendar Item No. 27
was approved as Minute Item
No. 27 by the State Lands
Commission by a vote of 3
to 0 at its 3-19-80
meeting.

CALENDAR ITEM

27.

3/80
Thompson

SIXTH MODIFICATION OF THE 1979-80 PLAN OF DEVELOPMENT
AND OPERATIONS AND BUDGET, LONG BEACH UNIT,
WILMINGTON FIELD, LOS ANGELES COUNTY.

The City of Long Beach as Unit Operator for the Long Beach Unit has requested that the Plan of Development and Operations and Budget be modified to provide for the installation of additional well cellars on Islands Grissom and Freeman. Provisions for these cellars will be part of the plan for the expanded development of the Long Beach Unit, resulting in the production of additional crude oil. The staff believes its recommendation is consistent with the Commission's policy of plowing back a reasonable portion of any increased revenue from crude oil price increases. Funding would be principally by budget augmentation, with some amounts transferred within the budget. It has also been requested that the plan be modified to provide for the abandonment of three wells in the present completion intervals and redrilling to or recompletion in shallower zones.

Additional well surface locations are required to fully implement the plan now emerging to redevelop the producing zones in the Long Beach Unit in light of markedly increased crude oil prices. A budget augmentation of \$9,871,000 would provide for cellars, conductor pipe, piping and electrical facilities for 42 well locations on Island Freeman and 184 well locations on Island Grissom. This would be the first phase of the cellar expansion on Island Freeman. Additional cellars on Islands White and Chaffee are anticipated but still in the planning stage.

The funds for the abandonment of deeper zones and redrilling to or recompleting in shallower zones will be provided by transfer within the budget.

With approval of this modification, the affected Budget Items will be revised as follows: (in thousands of dollars)

A 57, 58

S 27, 31

CALENDAR ITEM NO. 27. (CONTD)

| | <u>Current Budget</u> | <u>This Modification</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 | 7,252 | (190) | 7,062 |
| c. Other Well Work | | | |
| (1) Redrills (Other Zones) | 0 | 190 | 190 |
| 2. <u>FIELD AND WELL FACILITIES</u> | | | |
| a. <u>Artificial Lift-Surface</u> | | | |
| (2) Submersible Lift | 123 | 3,122 | 3,245 |
| Systems-Surface | | | |
| b. <u>Gathering, Treating Storage & Distribution Oil Systems</u> | | | |
| (1) Gathering | 0 | 929 | 929 |
| (2) Well Test | 0 | 336 | 336 |
| <u>Gas Systems</u> | | | |
| (6) Gathering | 0 | 336 | 336 |
| <u>Other Systems</u> | | | |
| (9) Fresh Water | 0 | 86 | 86 |
| c. <u>Injection Water Treating and Distribution</u> | | | |
| (1) Water Injection System | 23 | 446 | 469 |
| d. <u>Electrical Communications and Control</u> | | | |
| (1) Electrical Systems | 76 | 885 | 961 |

CALENDAR ITEM NO. 27. (CONT)

e. Leasehold Facilities

| | | | |
|---------------------------|---|-------|-------|
| (3) Cellars | 0 | 3,671 | 3,671 |
| (5) Leasehold Improvement | 0 | 60 | 60 |

IT IS RECOMMENDED THAT THE COMMISSION:

APPROVE THE SIXTH MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1979 THROUGH JUNE 30, 1980 WHICH WILL AUGMENT THE BUDGET IN THE AMOUNT OF \$9,871,000 AND CHANGE THE PLAN TO PROVIDE FOR THE CONSTRUCTION OF ADDITIONAL CELLARS ON ISLANDS GRISSOM AND FREEMAN. THIS MODIFICATION ALSO WILL CHANGE THE PLAN TO PROVIDE FOR THE RECOMPLETION AND/OR REDRILLING OF THREE WELLS TO OTHER ZONES AND WILL TRANSFER \$190,000 FOR THIS PURPOSE.