

MINUTE ITEM

This Calendar Item No. 40
was approved as Minute Item
No. 40 by the State Lands
Commission by a vote of 3
to 0 at its 9/23/82
meeting.

CALENDAR ITEM

40

9/23/82
Lammers

THIRD MODIFICATION OF THE 1982-83,
PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET
LONG BEACH UNIT, WILMINGTON OIL FIELD,
LOS ANGELES COUNTY

Drilling rig T-1 has been in service most of the time since drilling was first commenced on Island Grissom. While repairs, modifications, and replacements have been on the mechanical and electrical components, the substructure and mud tanks have had little attention. This has been due primarily because of their compactness and inaccessibility in the base of the rig. In moving rig T-3 from Island Chaffee to Island White it was found that severe corrosion of structural members of that rig has occurred.

Inspection of rig T1 revealed that repairs are essential soon, if the rig is to continue in operation. This work, however, which is expected to cost approximately \$630,000, was not provided for in the 1982-83 Plan and Budget. This modification would change the Plan to provide for repairing this rig. It is anticipated that funding can be provided by transfer since there will be a reduction in new well or redrill drilling expense while the rig is out of service approximately equal to the cost of the repairs. Therefore, no budget augmentation will be necessary. It is proposed that transfer of funds be made at a latter date when actual costs and fund availability is better known.

AB 884: N/A.

A 57, 58

S 27, 31

CALENDAR PAGE	<u>223</u>
MINUTE PAGE	<u>2497</u>

CALENDAR ITEM NO. 40 (CONTD)

IT IS RECOMMENDED THAT THE COMMISSION:

1. APPROVE THIS THIRD MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1982 THROUGH JUNE 30, 1983.

Additionally, in accordance with Part IV.A.4.c. of the 1982-83 Plan of Development and Operations and Budget for the Long Beach Unit, the following Plan Supplement for an additional project under \$100,000 has been approved by the Director, Department of Oil Properties, City of Long Beach and the Chief, Extractive Development Program, State Lands Commission and are hereby reported to the Commission and incorporated in the Plan. This report requires no action by the Commission.

Plan Supplement II: Replace a filter backwash tank at the Pier J-2 location.

CALENDAR PAGE	224
MINUTE PAGE	2438