

MINUTE ITEM

Calendar Item No. 22
approved as Minute Item
No. 22 by the State Lands
Commission by a vote of 3
to 0 at its 12/16/82
meeting.

CALENDAR ITEM

22

12/16/82
Lammers

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

The City of Long Beach has requested approval of the Fifth Modification of the 1982-83 Plan of Development and Operations and Budget, Long Beach Unit. This modification would provide for the implementation of a Management Data Base System for the Long Beach Unit. Data access terminals would be provided for the City and the State. The cost of setting up this system, which is expected to take two years, including computer hardware, software, installation training, data input and project management is estimated to be \$2,100,000. This provides for leasing of the hardware while the system is set up. There would then be the continued expense for hardware and software maintenance. In addition there would be the future cost of two additional full time data processing positions on the THUMS Staff. The estimated funding for the current year is \$500,000. Authorization is requested for approval by the staff of fund transfers up to that amount for this project. Funds would be transferred from Investment Budget Item Development Drilling Ranger Zone, Account 401, to the appropriate investment and expense budget items.

Initial emphasis would be on using the computer capabilities, along with special plotters included in the cost estimate, to perform graphics work now being done by service companies. New well and redrill well courses would be plotted prior to drilling and maps could be computer prepared. There

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is a definite cost benefit for this work. Production accounting and general accounting reports now being done by service bureaus would be transferred in-house. Purchasing and inventory control would be computerized.

By establishing a well information system a single complete data source would be available to City, State and THUMS staff which should greatly improve operations, engineering, geological and other reviews. This system would also serve as a replacement for the existing well test system computer which is nearing the end of its useful life.

These, with other applications, would provide a basis for management to better review and control operations with a direct cost benefit for the Unit.

The State and City agreed after the Haskins and Sells Audit of the Field Contractor that the computer application had a very high priority. This is because of its need throughout the entire Field Contractor's organization. Extensive studies were initiated which have resulted in this proposal. It should also improve the communication between and the overall efficiency of the staffs of the State, City and Field Contractor.

AB 884: N/A.

IT IS RECOMMENDED THAT THE COMMISSION:

1. APPROVE THE FIFTH MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT (JULY 1, 1982 THROUGH JUNE 30, 1983).
2. APPROVE THE TRANSFER OF FUNDS UP TO \$500,000 FOR THIS PROJECT.

(Revised 12/15/82)

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