

MINUTE ITEM

This Calendar Item No. 25
was approved as Minute Item
No. 25 by the State Lands
Commission by a vote of 2
to 0 at its 2/23/84
meeting.

CALENDAR ITEM

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2/23/84
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Lammers

NINTH MODIFICATION OF THE 1983-1984
PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET
LONG BEACH UNIT, WILMINGTON FIELD
LOS ANGELES COUNTY

The City of Long Beach, as Unit Operator, has requested approval of the Ninth Modification of the 1983-1984 Plan of Development and Operations and Budget, Long Beach Unit. This modification would provide additional funding in the Taxes, Permits and Land Rental Program for the three Taxes budget items of \$5,217,000 by transfer. The total budget would remain unchanged at \$258,657,453.

Budgeted Funds for Mining Rights and Personnel Property Taxes were based on last year's expenditures. As a result of a significant increase in assessed valuation, over 40 percent, additional \$4,940,000 is required for Mining Rights Taxes and \$207,000 for Personal Property Taxes. Also the actual oil production rate is higher than projected and it is estimated that \$70,000 additional will be required for the Long Beach Production License Tax.

These funds would be provided by transfer from the Drilling and Development Program when there is a substantial surplus in the Development Drilling budget item. The surplus results from an excessive carry-over for drilling wells which staff recognized at the time and restricted in use.

After approval, the affected budget items will be as follows:

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CALENDAR ITEM NO. 25 ¹ (CONTD)

Budget Item	<u>Current Budget</u>	<u>This Transfer</u>	<u>Adjusted Budget</u>
A. <u>DRILLING AND DEVELOPMENT PROGRAM</u>			
1.a.(3) Development Drilling	\$56,708,841	(\$5,217,000)	\$51,491,841
F. <u>TAXES, PERMITS AND LAND RENTAL PROGRAM</u>			
1.a. (1) Personal Property Taxes	\$ 1,600,000	\$ 207,000	\$ 1,807,000
(2) Mining Rights Taxes	13,000,000	4,940,000	17,940,000
(3) L.B. Production License Tax	2,272,000	70,000	2,790,000

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE NINTH MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1983 THROUGH JUNE 30, 1984.

Additionally, in accordance with Part IV.A.4.c. of the 1983-1984 Plan of Development and Operations and Budget for the Long Beach Unit, the following Plan Supplement for additional projects under \$100,000 have 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.

- Supplement No. 1: Additional general lighting, Island White, estimated \$60,000.
- Supplement No. 2: Equipment and services for well tester improvement program, estimated \$15,000.
- Supplement No. 3: Extend LBOD Pier J power water line to J-1 site, estimated \$30,000.
- Supplement No. 5: Remove damaged production pads and install new pads, Islands Grissom and Freeman, estimated \$56,000.