

MINUTE ITEM
 This Calendar Item No. 003
 was approved as Minute Item
 No. 03 by the State Lands
 Commission by a vote of 3
 to 0 at its 6/5/91
 meeting on 57, 58
 pages S 29

CALENDAR ITEM

003

06/05/91
 W 17099
 G. Scott

APPROVE THE FIRST MODIFICATION OF THE 1991-92
 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET
 LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY
 REDUCTION OF BUDGET AMOUNT

The City of Long Beach has submitted to the Commission the First Modification of the 1991-92 Plan of Development and Operations and Budget, Long Beach Unit, requesting a reduction in the Plan and Budget by \$5 million. This reduction reflects reduced spending levels and lower activities associated with the decline in oil prices.

After approval of this request, the Plan and Budget total will be \$164.4 million. The affected budget categories will be as follows:

Account	Description	Current Budget	Reduction	Adjusted Budget
11-401	Development Drilling	\$13,950,000	\$(1,923,000)	\$12,027,000
21-900	Direct Oil Well Charges	13,584,000	(481,000)	13,103,000
41-920	Direct Injection Well Charges	3,468,000	(481,000)	2,987,000
52-986	Special Projects	975,000	(192,000)	783,000
61-811	Mining Rights Taxes	7,900,000	(1,800,000)	6,100,000
10-989	Admin. Overhead	1,293,000	(77,000)	1,216,000
20-989	Admin. Overhead	2,711,000	(19,000)	2,692,000
40-989	Admin. Overhead	930,000	(19,000)	911,000
50-989	Admin. Overhead	927,000	(8,000)	919,000
		<u>\$45,738,000</u>	<u>\$(5,000,000)</u>	<u>\$40,738,000</u>

The Commission's staff has reviewed the First Modification and recommends this request be approved.

AR 884:
 N/A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is exempt from

CALENDAR ITEM NO 003 (CONT'D)

the requirements of CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Code Regs. 15378.

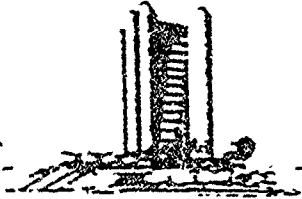
EXHIBIT:

- A. Letter Requesting Approval of First Modification to Plan of Development and Operations and Budget.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. APPROVE THE FIRST MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, FOR THE PERIOD JULY 1, 1991 THROUGH JUNE 30, 1992.

EXHIBIT "A"



CITY OF LONG BEACH

DEPARTMENT OF OIL PROPERTIES

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802 • (714) 590-6354 • FAX 590-6191

May 21, 1991

Mr. Charles Warren
 Executive Officer
 State Lands Commission
 245 West Broadway - Suite 425
 Long Beach, California 90802

Subject: REQUEST FOR APPROVAL TO THE FIRST MODIFICATION TO THE
 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH
 UNIT (JULY 1, 1991 THROUGH JUNE 30, 1992)

Dear Mr. Warren:

In accordance with the provisions of Part IV, Section A, of the 1991-1992 Plan and Budget, we are submitting for your approval the First Modification of the Plan of Development and Operations and Budget of the Long Beach Unit covering the period July 1, 1991 through June 30, 1992.

The First Modification to the Plan proposes to reduce the Plan and Budget by \$5 million. This reduction reflects current spending levels and lower activities associated with the decline in oil prices.

After approval of this request, the affected budget categories will be as follows:

<u>Account</u>	<u>Description</u>	<u>Current Budget</u>	<u>Reduction</u>	<u>Adjusted Budget</u>
11-401	Development Drilling	\$13,950,000	\$(1,923,000)	\$12,027,000
21-900	Direct Oil Well Charges	13,584,000	(481,000)	13,103,000
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		<u>\$45,738,000</u>	<u>\$(5,000,000)</u>	<u>\$40,738,000</u>

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Mr. Charles Warren
May 21, 1991
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The City of Long Beach, as Unit Operator of the Long Beach Unit, approved this First Modification to the Plan of Development and Operations and Budget, and requests your review and approval at your earliest convenience.

Very truly yours,



Xenophon C. Colazas
Director

XCC:slg

FIN 312.002