

MINUTE ITEM

10/7/71
DAL

19. EIGHTH AND FINAL MODIFICATION OF THE 1970-1971 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1970 THROUGH JUNE 30, 1971, WILMINGTON OIL FIELD, LOS ANGELES COUNTY; CITY OF LONG BEACH.

After consideration of Calendar Item 23 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION, PURSUANT TO SECTION 5(g), CHAPTER 138/1964, 1ST F.S., APPROVES THE EIGHTH AND FINAL MODIFICATION OF THE 1971-1972 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1971, THROUGH JUNE 30, 1972.

Attachment:

Calendar Item 23 (2 pages)

CALENDAR ITEM

9/71
DAL

23.

EIGHTH AND FINAL MODIFICATION OF THE 1970-1971 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1970 THROUGH JUNE 30, 1971, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

The City of Long Beach, pursuant to the provisions of Section 5(g), Chapter 138/1964, 1st E.S., has requested approval of the Eighth and Final Modification of the 1970-1971 Plan of Development and Operations and Budget for the Long Beach Unit.

The 1970-1971 Plan and Budget was approved by the Commission at its meeting of April 23, 1970, and subsequently, with Commission approval, was modified five times and two proposed modifications were withdrawn. In accordance with Part IV, Section E-2, of the 1970-1971 Plan and Budget, this modification summarizes the work accomplished pursuant to the 1970-1971 Plan and reconciles the funds expended pursuant to the Budget as well as funds expended for projects carried-in from the previous Plan and Budget.

Both the oil production and gas production during the 1970-1971 Fiscal Year were less than the minimums of the ranges forecast in the Plan. The actual oil production rate was 5.4% below the minimum and the gas production rate 7.2% below the minimum. This has caused a deferral in commencement of net profits payments from the Tideland tracts, and a resulting downward revision of anticipated future State revenue from the Long Beach Tidelands.

COMPARISON OF 1970-1971 BUDGET
AS PREVIOUSLY MODIFIED

	<u>Budget as Modified</u>	<u>Expenditures</u>	<u>Difference</u>
A. Investment	\$10,754,000	\$ 3,952,389	\$6,801,611
B. Expense	38,664,000	36,680,472	1,983,528
C. Administrative Overhead	<u>1,483,000</u>	<u>1,292,388</u>	<u>190,612</u>
Total Budget	50,901,000	41,925,249	8,975,751
D. Carried-In Investment	<u>4,347,188</u>	<u>3,897,230</u>	<u>449,958</u>
Total	\$55,248,188	\$45,822,479	\$9,425,709

Although a total difference of \$9,425,709 between budgeted funds and expenditures is indicated above, it has been necessary to augment the 1971-1972 Plan and Budget by \$3,605,000 to provide for completion of projects committed prior to the close of the 1970-1971 budget period.

CALENDAR ITEM 23. (CONTD.)

The Staff has reviewed this proposed Eighth and Final Modification and finds it to be a reasonably accurate summary of expenditures for the Long Beach Unit under the 1970-1971 Plan and Budget.

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO SECTION 5(g), CHAPTER 138/1964, 1ST E.S., APPROVE THE EIGHTH AND FINAL MODIFICATION OF THE 1971-1972 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1971, THROUGH JUNE 30, 1972.