MINUTE ITEM

12/4/72
CVB

17. QUARTERLY REVIEW, FIRST QUARTER, 1972-1973 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD.

The attached Calendar Item 15 was submitted for information only, no Commission action thereon being necessary.

Attachment:
Calendar Item 15 (1 page)

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INFORMATIVE CALENDAR ITEM

11/72
CVB

15.

QUARTERLY REVIEW, FIRST QUARTER, 1972-1973
PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET,
LONG BEACH UNIT, WILMINGTON OIL FIELD

The Division has reviewed the Long Beach Unit production and expenditures for the first quarter of the 1972-1973 fiscal year.

In summary, the average oil production rate for the quarter was 114,937 barrels per day. This rate is over 5,000 barrels per day higher than the estimated rate in the Economic Projections included in the Plan and Budget approved early in 1972. This higher oil production rate is the result of new well completions, redrills, the continued success of the well stimulation program and improved water flood efficiency.

Following is a comparison of the 1972-1973 Budget with actual commitments and expenditures through September 30, 1972:

	Adjusted Budget	Committed 9/30/72	Expenditures 9/30/72	% Committed
Drilling & Development	$ 4,915,000	$ 2,160,204	$ 972,447	44
Field & Well Facilities	2,690,000	1,474,345	372,681	55
Taxes & Licenses	11,500,000	2,713,184	2,713,184	24
Expense (Excl. Taxes)	25,930,000	6,588,921	6,588,921	25
Administrative Overhead	1 370,000	300,206	300,206	22
Total	$46,405,000	$13,236,860	$10,947,439	29

The above comparison indicates that the total 1972-1973 Budget is approximately 29 percent committed and 23.5 percent expended as of the end of the first quarter.

Gross revenue for the first quarter is higher than forecast in the original 1972-1973 Plan and Budget due to the higher oil production rate. Expenditures for the quarter are lower than estimated, resulting in higher net income for the quarter than estimated. The Economic Projections, Exhibits C-3 and C-4, will be revised and submitted to the Commission for approval at its December, 1972 meeting.

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