

MINUTE ITEM

9/27/73  
CVB

19. SEVENTEENTH AND FINAL MODIFICATION OF THE 1972-1973 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

After consideration of Calendar Item 17 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION, PURSUANT TO SECTION 5(g), CHAPTER 138/1964, 1ST E.S., APPROVES THE SEVENTEENTH AND FINAL MODIFICATION OF THE 1972-1973 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1972, THROUGH JUNE 30, 1973.

Attachment:

Calendar Item 17 (2 pages)

SEVENTEENTH AND FINAL MODIFICATION OF THE 1972-1973  
PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET,  
LONG BEACH UNIT, 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 Seventeenth and Final Modification of the 1972-1973 Plan of Development and Operations and Budget, Long Beach Unit (July 1, 1972, through June 30, 1973). This Final Modification, submitted in accordance with PART IV.E.3. of the 1972-1973 Plan and Budget, summarizes the work accomplished under the Plan and reconciles the funds expended pursuant to the modified Budget.

During the 1972-1973 fiscal year, oil production averaged 114,525 b/d, which was near the maximum of the estimated 99,100 to 115,100 b/d range. Gas production averaged 33,734 Mcf/d, near the middle of the estimated 29,000 to 38,200 Mcf/d range. The Unit total gross revenue was \$116 million, which is \$6 million above the original estimate of \$110 million. Net income of \$75 million was \$9 million above projected income.

Sixteen of the twenty-two production wells provided for in the Plan were completed during the year, and two production wells were drilling at the end of the fiscal year.

The original 1972-1973 Budget as reduced by the Commission at its July 6, 1972, meeting totaled \$46,265,000, including the carry-in from the previous year.

During the fiscal year the Budget was augmented twice and reduced twice. The net result was a reduction of \$4,068,000. The First and Eighth Modifications reduced the Budget by \$1,220,000 and \$3,061,000, respectively. The First Modification, reducing operating costs, was ordered by the Commission, and the Eighth Modification eliminated certain capital investment projects which were deferred due to permit requirements of the South Coast Regional Commission. The Third and Eleventh Modifications augmented the Budget by \$140,000 and \$73,000, respectively. The Third Modification provided for the purchase of long lead time equipment for the Island Grissom produced water handling plant, while the Eleventh Modification provided funds for the defense of the Petrecal waterflood patent infringement suit.

A comparison between the 1972-1973 Budget as modified, and the actual expenditures, is as follows:

CALENDAR ITEM NO. 17. (CONTD)

	<u>Budget as Modified</u>	<u>Expenditures</u>	<u>Unexpended</u>
Investment	\$ 6,747,000	\$ 4,658,376	\$2,088,624
Expense	35,517,000	35,204,918	312,082
Administrative Overhead	<u>1,171,000</u>	<u>1,170,220</u>	<u>780</u>
TOTAL BUDGET	\$43,435,000	\$41,033,514	\$2,401,486

\$1,930,000 of the unexpended funding was committed in 1972-1973 and has been carried forward into the 1973-1974 Budget. This carry-over provides, in part, for expenditures on new wells drilled or in progress at the end of the budget period that, in the normal time lag between billing and payment, could not be booked in the 1972-1973 budget period. Also the carry-over provides for completion of produced water processing facilities, and other projects that were commenced during the 1972-1973 fiscal year.

The Division has reviewed this proposed Seventeenth and Final Modification and finds it to be a reasonably accurate summary of accomplishments and expenditures for the Long Beach Unit under the 1972-1973 Plan and Budget.

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO SECTION 5(g), CHAPTER 138/1964, 1ST E.S., APPROVE THE SEVENTEENTH AND FINAL MODIFICATION OF THE 1972-1973 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1972, THROUGH JUNE 30, 1973.