

MINUTE ITEM

6/27/74
CVB

19. SIXTEENTH MODIFICATION OF THE 1973-1974 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

After consideration of Calendar Item 18 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION APPROVES THE SIXTEENTH MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1973, THROUGH JUNE 30, 1974.

Attachment:

Calendar Item 18 (1 page)

SIXTEENTH MODIFICATION OF THE 1973-1974
PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET,
LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY

The City of Long Beach and the Division have prepared the Sixteenth Modification of the 1973-1974 Plan of Development and Operations and Budget, Long Beach Unit, providing updated production and expense information with revised economic projections.

The Sixteenth Modification sets forth the third quarterly revision of Exhibits C-1, C-2, C-3, and C-4 in PART IV of the 1973-1974 Plan and Budget. The Plan provides that these exhibits showing estimated oil and gas production rates, expenditures, and resulting net income shall be reviewed quarterly by the City of Long Beach and the Division and modified as necessary. This modification will not result in any change in amounts budgeted by the Long Beach Unit.

Oil production during the third quarter averaged 110,804 B/D, slightly higher than estimated in the Thirteenth Modification of the 1973-1974 Plan and Budget, approved by the Commission at its April 4, 1974, meeting. This production rate increase is the result of increased field operating efficiency (i.e., less well downtime) and a slightly higher average production rate per well.

Revised economic projections indicate that the net income to the Unit during the 1973-1974 fiscal year will exceed \$105 million. This is \$39 million more than the estimate in the original 1973-1974 Plan and Budget approved by the Commission in April 1973, and nearly \$2 million above the revised estimate in the second quarterly revision approved by the Commission in the Thirteenth Modification. This latest increase is due primarily to increased oil income resulting from higher prices for New and Released Crude Oil, pursuant to federal regulations.

The Division has reviewed the Sixteenth Modification, and finds that the estimated production, expense, and income figures in the revised Exhibits C-1, C-2, C-3, and C-4 are reasonable.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE SIXTEENTH MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1973, THROUGH JUNE 30, 1974.