

MINUTE ITEM

This Calendar Item No. 49
was approved as Minute Item
No. 49 by the State Land
Commission by a vote of 3
to 0 at its 3-25-76 INFORMATIVE
CALENDAR ITEM

3/76
CVB

49

REVIEW OF THE SECOND QUARTER
1975-1976 FISCAL YEAR PRODUCTION
AND REVENUE, PARCEL "A",
CITY OF LONG BEACH,
WILMINGTON OIL FIELD, LOS ANGELES COUNTY

In compliance with the Commission's directive, 1975-1976 fiscal year production and revenue estimates for Parcel "A" were presented to the Commission at its meeting of September 29, 1975.

Division review of the 1975-1976 fiscal year estimates for the second quarter shows production and revenue somewhat below the expected level due to a lower oil production rate and higher than anticipated costs. However, it is expected that net tide-land oil revenue to be shared between the City of Long Beach and the State for the entire 1975-1976 fiscal year will be approximately \$2,648,000, about 0.5 percent higher than the original estimate. This small net increase, would result principally from reduced well work and ad valorem taxes that are lower than estimated.

The price of crude oil produced from Parcel "A" has been frozen by the Federal Energy Administration at the December 1973 level. No "new" crude oil has been produced from the Parcel because its production has declined below the 1972 base production control level designated by the FEA. As for the remainder of the 1975-1976 fiscal year, it is not expected that the Parcel will produce any "upper tier" oil, because of continued production decline which falls below either the 1972 or 1975 base production control level. Currently, Parcel "A" is producing about 5,000 barrels per day of 19.0° API gravity oil which is still sold at the December, 1973 price of \$4.27 per barrel.

When third quarter production and cost information becomes available, it will be reviewed by the Division. The Commission will be informed of any revisions in anticipated oil revenue that may be received by the State pursuant to Chapter 158, Statutes of 1964, 1st E. S.

A 52, 57, 58

S 27, 31