

MINUTE ITEM

This Calendar Item No. 25
was approved as Minute Item
No. 22 by the State Lands
Commission by a vote of 3
to 0 at its 6-29-76 CALENDAR ITEM
meeting. 25.

6/76
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EIGHTH MODIFICATION OF THE 1975-1976 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 Eighth Modification of the Plan of Development and Operations and Budget, Long Beach Unit, July 1, 1975, through June 30, 1976, providing updated production, injection, expenditure, and revenue information, together with revised economic projections.

The Eighth Modification revises Exhibits C-3 and C-4 in Part V of the subject Plan and Budget based on data available through the third quarter of the Fiscal year. The Plan provides that exhibits showing estimated oil, gas and water production rates, water injection rates, expenditures, and resulting Long Beach Unit net revenue shall be reviewed quarterly by the City of Long Beach and the Division, and modified as necessary. This modification does not require a Budget augmentation nor transfer of funds within the existing Unit Budget.

The average oil production rate during the third quarter was 102,033 B/D, close to the previously estimated rate of 101,374 B/D. The actual rate of gas production averaged 22,725 MCF/D, somewhat lower than the 23,099 MCF/D estimated rate. The third quarter water injection rate of 543,593 B/D was 3,593 B/D above the previously estimated rate of 540,000 B/D.

Net income to the Long Beach Unit during the third quarter was \$26,446,000, or \$4,097,000 higher than the previous revision made in the Sixth Modification. This increase is principally the result of reductions in investment and expense.

As of the end of the third quarter, Unit income for the entire 1975-1976 Fiscal Year is estimated to be \$86,820,000, just \$59,000 below the previous estimate. It is anticipated that actual total Unit income for the 1975-1976 Fiscal Year will be higher than estimated, mainly because certain budgeted investment funds will not be expended during the present fiscal year and will be carried forward into the 1976-1977 Fiscal year.

The Division has reviewed the Eighth Modification and finds that the estimated production, injection, expenditures and revenue shown in the revised exhibits are reasonable.

When final 1975-1976 Fiscal Year information becomes available, it will be reviewed by the City of Long Beach and the Division and reported to the Commission.

CALENDAR ITEM NO. 25. (CONTD)

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE EIGHTH
MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND
BUDGET, LONG BEACH UNIT, JULY 1, 1975, THROUGH JUNE 30, 1976.