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CALENDAR ITEM

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Thompson

APPROVAL OF THE THIRD MODIFICATION OF THE 1978-1979
PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET
LONG BEACH UNIT, WILMINGTON OIL FIELD

The City of Long Beach by letter dated December 20, 1978 requested approval of the Third Modification of the 1978-1979 Plan of Development and Operations and Budget, Long Beach Unit, modifying the Plan of Development to provide for the drilling of a Tar Zone production well from Island Crissom. Budget funds for the drilling of this Tar Zone well have been provided by transfer within the existing Budget. Such transfer is not a part of this modification. The total Budget, \$34,471,000, remains unchanged.

Commission approval of this Third Modification will ratify the action taken by the Executive Officer on December 22, 1978, pursuant to Section 5(g), Chapter 138/1964, 1st E.S. and PART IV, Section A.1. and 2. of the subject Plan and Budget consenting to modification of the Plan in order to expedite the drilling of the subject Tar Zone production well.

The Commission's staff has reviewed the Third Modification. The proposed Tar Zone drilling is expected to result in additional upper tier crude oil. It is economically justified and necessary for the continued development of the Long Beach Unit.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE THIRD MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1978, THROUGH JUNE 30, 1979.

57, 57, 58

27, 31

CALENDAR PAGE	147
MINUTE PAGE	152