

MINUTE ITEM

This Calendar Item No. 28.  
was submitted for information  
only, no action thereon  
being necessary.

CALENDAR ITEM

28.

2/80  
Thompson

INFORMATIVE

REVIEW OF THE PRODUCTION AND REVENUE PROJECTIONS FOR 1979-1980  
FISCAL YEAR, PARCEL A, CITY OF LONG BEACH, WILMINGTON OIL  
FIELD, LOS ANGELES COUNTY.

In compliance with the Commission's directive, projected estimates of 1979-1980 fiscal year production and revenue on Parcel "A" were previously presented to the Commission.

Staff review of the 1979-1980 fiscal year through the second quarter indicates that crude oil production and net revenues conform closely to the forecast. Net revenue shared between the City of Long Beach and the State was \$893,000 in the quarter ending December 31, 1979.

It is expected that net tideland oil revenue to be shared between the City of Long Beach and the State for the full 1979-1980 fiscal year could exceed \$10 million, which is nearly \$7 million higher than the previous estimate. Principally, this is because effective December 21, 1979 all crude oil having a gravity of 20° API or less was decontrolled. Approximately 92 percent of Parcel A oil production has a gravity of 20° API or less. The projection of costs provides for additional well work and repair of damaged producing and injection wells, as a part of the plow back of increased revenue. Final net revenue will be determined by the federal oil excise tax now being finalized in Congress.

When additional information through the third quarter of the 1979-1980 fiscal year becomes available, it will be reviewed by the staff. The Commission will be informed of any changes in oil revenue which may be received by the State pursuant to Chapter 138/1964, 1st E.S.

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