

MINUTE ITEM

This Calendar Item No. 31
was approved as Minute Item
No. 31 by the State Lands
Commission by a vote of 3
0 at its 1-26-81
meeting.

CALENDAR ITEM

31

1/81
Thompson

SEVENTH MODIFICATION OF THE
1980-81 PLAN OF DEVELOPMENT
AND OPERATIONS AND BUDGET
LONG BEACH UNIT
WILMINGTON FIELD
LOS ANGELES COUNTY

The City of Long Beach as Unit Operator for the Long Beach Unit has requested that the Plan of Development and Operations and Budget be modified to provide for a Plan change to increase the number of new wells to fifty-two and a Plan change and funding for engineering for new cellar construction, \$200,000; for equipment and tools for roustabout crews, \$450,000; and for the expansion of the hydraulic lift plant on Island Freeman, \$144,000; and Administrative Overhead, \$32,000. With this augmentation of \$826,000 the total revised budget would be \$168,098,000.

The original Plan provides for only forty new wells during the year, with the balance of the available rig time on redrills and workovers. It now appears that more rig time will be spent on new well drilling. To provide for this the Plan would be modified to increase the number of new wells to fifty-two, with the additional wells being Ranger or Terminal Zone wells.

The Unit Voting Parties have approved a cellar expansion on Island White to provide for 160 additional wells and are expected to approve an expansion on Island Chaffee for 110 additional wells. Considerable planning is necessary before work actually starts. This modification would provide \$200,000 for engineering for these projects at this time, with the construction funding provided in the 1981-1982 Budget.

In order to reduce contract labor and to provide a source for potential higher level employees the Field Contractor would like to employ its own roustabout crews. To do this it is necessary that trucks and tools now supplied by the contractor be obtained. This modification would provide \$450,000 for the purchase of the necessary equipment.

The existing high pressure hydraulic plant on Island Freeman is of limited capacity. This modification would provide \$144,000 to expand this facility to handle additional wells and improve reliability.

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S 27, 31

CALENDAR PAGE	<u>136</u>
MINUTE PAGE	<u>154</u>

CALENDAR ITEM NO. 3 f (CONTD)

Those budget items affected would be as follows upon approval: (Thousands of Dollars)

	<u>Current Budget</u>	<u>This Modification</u>	<u>Adjusted Budget</u>
A.2.a.(1) Hydraulic Lift Systems Surface	437	144	581
A.2.e.(3) Cellars	3,531	200	3,731
A.2.f.(4) Automotive Equipment	380	40	420
A.2.f.(6) General Field Equipment	127	410	537
<u>ADMINISTRATIVE OVERHEAD</u>	5,815	32	5,847

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE SEVENTH MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1980 THROUGH JUNE 30, 1981.

In addition, in accordance with Part IV.A.4.c of the Plan the approval of Plan Supplemental No. 6 is hereby reported. This Plan Supplement provides for the purchase of equipment, rentals and services for a well tester improvement program.