

MINUTE ITEM

This Calendar Item No. 25
was approved as Minute Item
25 by the State Lands
Commission by a vote of 3
to 0 at its 9/28/83
meeting.

CALENDAR ITEM

25 -4

9/28/83
W 17075
Lammers

APPROVAL OF THE
FINAL REPORT AND CLOSING STATEMENT
OF THE 1982-83, PLAN OF DEVELOPMENT
AND OPERATIONS AND BUDGET, LONG BEACH UNIT,
WILMINGTON OIL FIELD, LOS ANGELES COUNTY

The City of Long Beach has requested Commission approval of the Final Report and Closing Statement of the Plan of Development and Operations and Budget, Long Beach Unit, (July 1, 1982 through June 30, 1983). This Final Report and Closing Statement, submitted in accordance with Part IV, E.3 of the subject Plan and Budget, summarizes the work accomplished under the Plan and reconciles the funds expended pursuant to the modified Budget.

During the 1982-83 fiscal year, oil production totaled 23.0 million barrels, and gas production was 4.6 billion cubic feet. At an average price of \$23.41 per barrel of oil and \$3.04 per thousand cubic feet of gas, the total value of Long Beach Unit production was \$553.0 million. After deduction of \$203.6 million in expenditures, remaining net income attributable to the Unit was \$349.4 million.

A total of 76 new wells and 15 redrills were spudded and completed during the fiscal year or were drilling at the end of the fiscal year. Fourteen redrills were to the same zone and one redrill was completed in a new zone. An additional eight new wells and one redrill in progress at the start of the plan year were completed.

A 57, 58

S 27, 31

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CALENDAR ITEM NO. 25 (CONT'D)

The oil production rate was one percent higher and the water production and injection rates were fourteen percent and nine percent respectively lower than the estimates included in the original economic projections.

With Commission approval the Plan was modified during the year to include four projects totaling \$16,430,000, all funded by transfer within the budget and an additional project and increased funding for pipeline permits totaling \$455,000 funded by budget augmentation. The modified Budget, including the investment fund carry-in from the previous year, totaled \$252,234,000.

As of June 30, 1983 unexpended Budget funds totaled \$48,655,192 including approximately \$28.7 million which became a part of the investment carry-over to 1983-84, \$19.1 million as expense surplus and \$0.8 million as administrative overhead surplus. There was no investment surplus.

This expense surplus had been forecast by the Commission's Staff at the end of 1982. These expenditure levels were the basis for the staff's differences with the City of Long Beach over the expense funding in the 1983-84 Budget for the Long Beach Unit. Attachments 10, 11 and 12, which were part of the April 1983 State Lands Commission Calendar Item for the Long Beach Unit Plan and Budget have been updated and are attached. It is anticipated that there will be comparable surplus funds at the end of the current budget year.

Following is a comparison between the 1982-83 Budget as modified, and expenditures (in thousands of dollars):

	<u>Approved Budget*</u>	<u>Budget Expenditures</u>	<u>Unexpended Budget</u>
Investment	\$ 85,752	\$ 58,088	\$27,668
Expense	\$157,600	\$138,546	\$19,054
Administrative Overhead	\$ 8,882	\$ 6,945	\$ 1,937
TOTAL BUDGET	\$252,234	\$203,579	\$48,655
Carry-over		\$ 28,682**	

*Including carry-in from 1981-82, modifications and Budget transfers.

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**The 27.7 million of unexpended investment funds were increased to cover revised project costs.

A carry-over occurs each year due to the time required between commitments and expenditures, because of engineering design, long lead time equipment purchases, bidding procedures and actual construction.

The Commission staff has reviewed the Final Report and Closing Statement and found it to be an accurate summary of expenditures for the Long Beach Unit under the 1982-83 Plan and Budget.

AB 884: N/A. .

EXHIBITS: A. Operating Expense.
 B. Total Wells.
 C. Total Field Systems.

IT IS RECOMMENDED THAT THE COMMISSION:

1. APPROVE THE FINAL REPORT AND CLOSING STATEMENT OF THE 1982-83, PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, (JULY 1, 1982 THROUGH JUNE 30, 1983).

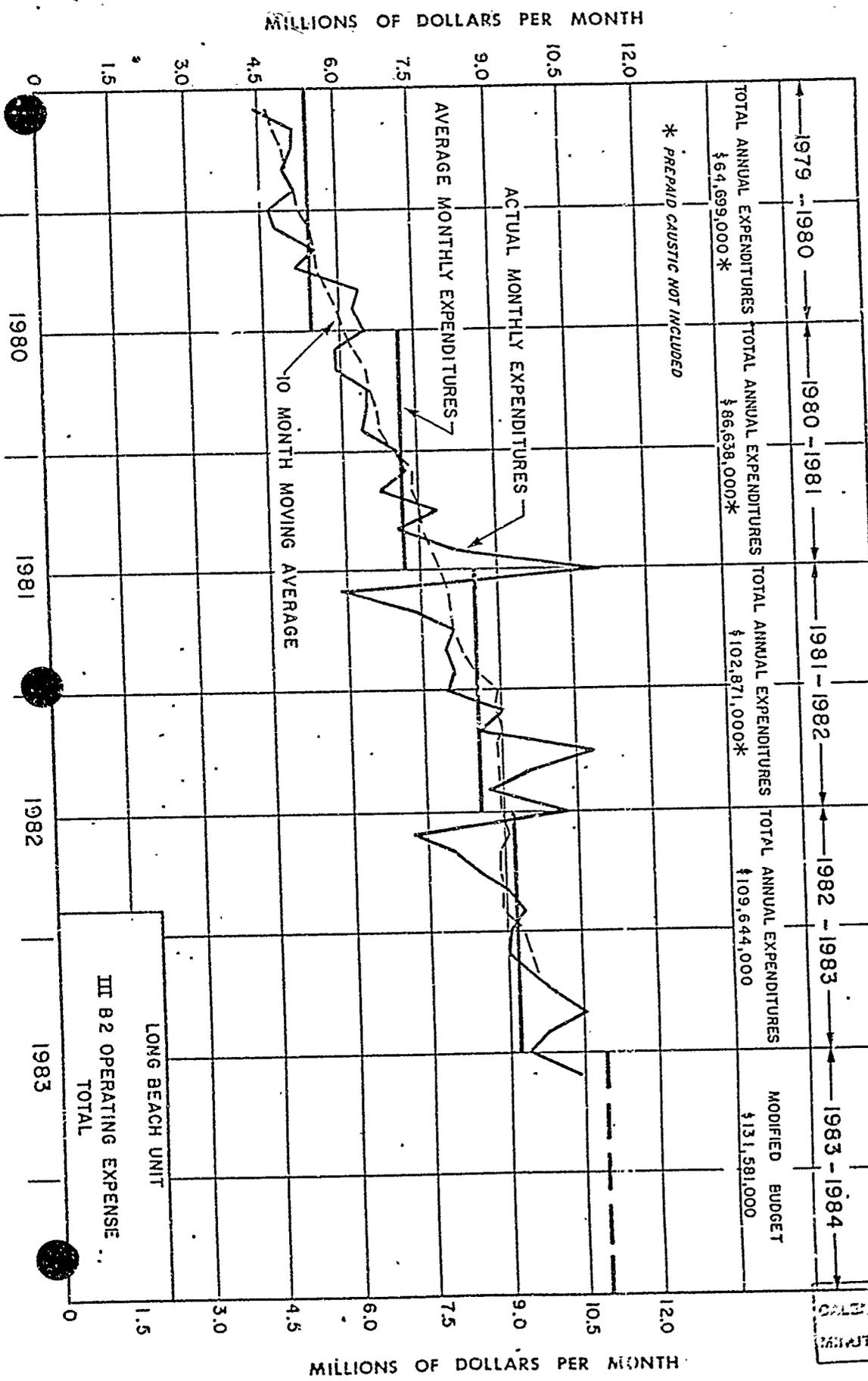
EXHIBIT A

ATTACHMENT "10"

STATE OF CALIFORNIA
STATE LANDS COMMISSION

LONG BEACH OPERATIONS

CALENDAR PAGE
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MILLIONS OF DOLLARS PER MONTH

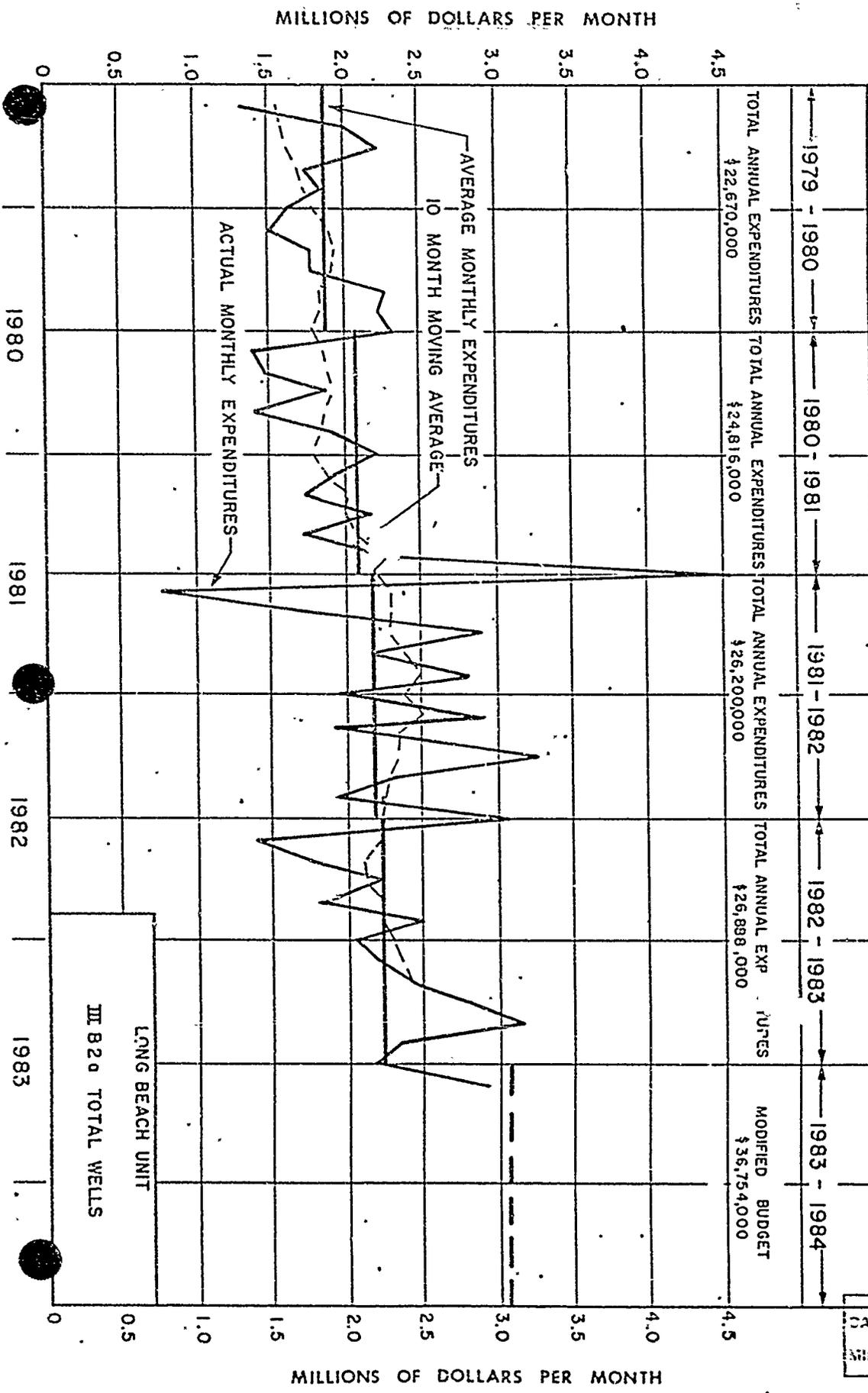
EXHIBIT B

STATE OF CALIFORNIA
STATE LANDS COMMISSION

ATTACHMENT "II"

LONG BEACH OPERATIONS

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MILLIONS OF DOLLARS PER MONTH

LONG BEACH UNIT
III B20 TOTAL WELLS

EXHIBIT C

STATE OF CALIFORNIA
STATE LANDS COMMISSION

ATTACHMENT "12"
LONG BEACH OPERATIONS

