

MINUTE ITEM

This Calendar Item No. 31
was submitted for information
or no action thereon
being necessary.

INFORMATIVE CALENDAR ITEM

A 57. 58

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08/28/86
W 17089
Thompson

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CITY OF LONG BEACH OIL PRICE POSTINGS

Between July 24 and August 1, 1986 crude oil posted prices in the Wilmington Field dropped as low as \$8.10 a barrel for 170 API gravity crude. These prices remained effective until August 18 when two companies increased their posted prices by \$1 a barrel. The drop to \$8.10 a barrel resulted in an average posted price that was about \$2 a barrel less than the estimated price of \$10 a barrel used to prepare the First Modification. The First Modification of the 1986/87 Plan of Development and Operations for the Long Beach Unit was approved by the Commission last month and reduced budgeted funds to \$152.4 million including a \$5 million carry-in from the 1985/86 budget.

The drop to \$8.10 a barrel brought about a series of meetings between the City of Long Beach, Field Contractor and the State. The parties agreed to a reduction in Long Beach Unit 1986/87 expenditures to \$137 million due to the lower margin between oil revenue and expenses. Because of the time required to work out the details, the actual Modification of the Plan and Budget will be calendared on the Commission agenda in September.

(ADDED 08/27/86)

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