

MINUTE ITEM  
This Calendar Item No. 25  
was approved as Minute Item  
No. 25 by the State Lands  
Commission by a vote of 5  
to 0 at its 1-21-88  
meeting.

CALENDAR ITEM

/ 25

A 57, 58

S 29

01/21/88

W 17091

Lammers

SECOND MODIFICATION OF THE 1987-88  
PLAN OF DEVELOPMENT, OPERATIONS AND BUDGET,  
LONG BEACH UNIT, WILMINGTON OIL FIELD,  
LOS ANGELES COUNTY

The City of Long Beach has requested approval of the Second Modification of the 1987-88 Plan of Development, Operations and Budget, Long Beach Unit. This Modification would change the plan to provide for an additional four months drilling rig activity primarily to allow for the redrilling of existing wells. The total adjusted budget would remain unchanged at \$132,017,000.

Recent reservoir studies, based on the reservoir modeling program now well underway, have helped define those areas and subzone intervals of several reservoirs with substantial oil reserves. In many cases, these reserves are economically recoverable at current oil prices by recompletion or redrilling of existing idle wells. Development through new wells may be justifiable in some special locations.

The actual work to be done will be selected from the most viable locations and approved under Part IV B 7 of the Plan & Budget. Proposed producing wells will be reviewed with changing oil prices to be certain adequate economic justification exists. Injection wells will be selected on the need for additional water and improved sweep efficiency.

After this Modification, the affected budget items would be as follows: (Thousands of Dollars).

<u>Budget Item</u>	<u>Description</u>	<u>Current Budget</u>	<u>Transfer</u>	<u>Adjusted Budget</u>
B.1.b.(2)	Oil Well Workover	4,088	(1,800)	2,288
D.1.b.(3)	Injection Well	2,399	( 700)	1,699

Workover

(20-989)	A/O	2,175	( 72)	2,103
(40-989)	A/O	996	( 28)	968
A.1.a.(1)	Development Drilling	2,289	730	3,019
A.1b.(1)	Oil Well Redrill	2,361	700	3,061
A.1.b.(2)	Injection Well Redrill	750	700	1,450
A.1.b.(3)	Operations-Salaried Employees	55	170	725
A.1.b.(6)	Drilling Equipment/ Support	1,136	200	1,336
(10-989)	A/O	430	100	530

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. APPROVE THE SECOND MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1987 THROUGH JUNE 30, 1988.