

MINUTE ITEM

This Calendar Item No. 48
was approved as Minute Item
No. 48 by the State Lands
Commission by a vote of 3
to 0 at its 3/27/90
meeting.

CALENDAR ITEM

48

A 57, 58

S 29

03/27/90
W 17096
Pace
Hager

**SECOND MODIFICATION OF THE 1989-1990
PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET,
LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY
TRANSFER OF FUNDS AMONG BUDGET ITEMS**

The City of Long Beach has submitted to the Commission the Second Modification of the 1989-1990 Plan of Development and Operations and Budget for the Long Beach Unit which transfers funds among budget items to provide for payment of a claim by the United States Department of Energy under the Tertiary Incentive Program. Payment of this claim is being made pursuant to a settlement that the Unit, the City of Long Beach and the State Lands Commission have reached with the Department of Energy.

The Second Modification revises the budget by taking \$2 million from the account for mining rights taxes and placing \$1,925 million of it in the account for prior years expense adjustments and \$0.075 million of it in the account for administrative overhead. This transfer will provide adequate funding to pay the Department of Energy claim.

The City of Long Beach, as Unit Operator, has approved the Second Modification and requests approval by the Commission. The staff has reviewed the City's request and recommends that approval be given.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 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. Code Regs. 15378.

EXHIBIT:

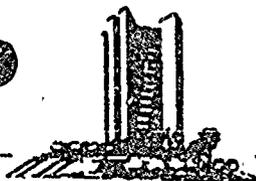
- A. Letter Requesting Approval of Second Modification to Plan of Development and Operations and Budget.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061, BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND CAL. CODE REGS. 15378.
2. APPROVE THE SECOND MODIFICATION OF THE 1989-1990 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET FOR THE LONG BEACH UNIT.

Exhibit "A"

17096



CITY OF LONG BEACH

DEPARTMENT OF OIL PROPERTIES

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802 • (714) 550-8384

February 13, 1990

Charles Warren
Extractive Officer
State Lands Commission
245 West Broadway - Suite 425
Long Beach, California 90802

Subject: REQUEST FOR APPROVAL FOR THE SECOND MODIFICATION
TO THE PLAN OF DEVELOPMENT AND OPERATIONS AND
BUDGET, LONG BEACH UNIT (JULY 1, 1989 THROUGH
JUNE 30, 1990)

Dear Mr. Warren:

In accordance with the provisions of Part IV, Section A, of the 1989-1990 Plan and Budget, we are submitting for your approval the Second Modification of the Plan of Development and Operations and Budget of the Long Beach Unit covering the period July 1, 1989 through June 30, 1990.

The proposed Second Modification will provide for a payment to the Department of Energy for settlement of a dispute related to the Tertiary Incentive Program. Legal representatives for the City, State and THUMS have been consulted and are in agreement with the D.O.B. request for additional monies.

Those budget items affected will be adjusted as follows:

(Thousands of Dollars)

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>1989-1990 BUDGET</u>	<u>PROPOSED TRANSFER</u>	<u>ADJUSTED BUDGET</u>
61-811,	Mining Rights Taxes	\$9,000	\$(2,000)	\$7,000
52-999,	Prior Year Adjustments	15	1,925	1,940
50-989,	Administrative Overhead	825	75	900
		<u>\$9,840</u>	<u>\$ (0)</u>	<u>\$9,840</u>

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Charles Warren
February 13, 1990
Page Two

The City of Long Beach, as Unit Operator of the Long Beach Unit, approves this Second Modification to the Plan of Development and Operations and Budget, and requests your review and approval at your earliest convenience.

Very truly yours,



Xenophon C. Colazas
Director

XCC:slg

FIN 312.002

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