

MINUTE ITEM

This Calendar Item No. 26
was approved as Minute Item
No. 26 by the State Lands
Commission by a vote of 3
to 0 at its 5-1-91
meeting.

CALENDAR ITEM

- 26

05/01/91
W 17097
G. Scott

A 57, 58

S 29

APPROVE THE ELEVENTH MODIFICATION OF THE 1990-91
PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET
LONG BEACH UNIT, WILMINGTON OIL FILED, LOS ANGELES COUNTY
PROPOSING TRANSFER OF FUNDS

The City of Long Beach has submitted for Commission approval the Eleventh Modification of the 1990-91 Plan of Development and Operations and Budget, Long Beach Unit, covering the period July 1, 1990 through June 30, 1991, proposing the transfer of \$2,100,000 from the Development Drilling Program to the Oil and Gas Production Program. This transfer of funds is in accordance with the provisions of Part IV, Section A, of the 1990-91 Plan and Budget.

This transfer will increase Account No. 21-900, Direct Oil Well Charges, by the amount of \$2,100,000. The City of Long Beach is requesting this additional amount to fund routine oil well operations for the remainder of the 1990-91 fiscal year. The adjusted budget for Account No. 21-900 is presently \$11,760,000. At current spending rates, these funds will have been completely spent before the end of April 1991. This is a result of returning high water cut wells to production during the second and third quarter of the fiscal year because of higher than anticipated oil prices.

The funds remaining in the Development Drilling Program, after the transfer, will be sufficient to complete the drilling commitments through the end of the fiscal year.

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.

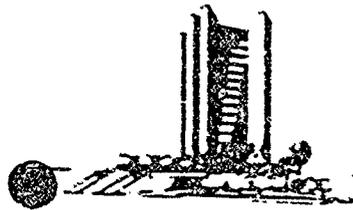
Authority: P.R.C. 21065 and 14 Cal. Code Regs. 15378.

EXHIBIT:

- A. Letter Requesting Approval of Eleventh 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 14 CAL. CODE REGS. 15378.
2. APPROVE THE ELEVENTH MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, FOR THE PERIOD JULY 1, 1990 THROUGH JUNE 30, 1991.



CITY OF LONG BEACH

DEPARTMENT OF OIL PROPERTIES

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802 • (714) 590-6354 • FAX 590-6197

April 11, 1991

Mr. Charles Warren
Executive Officer
State Lands Commission
1807 - 13th Street
Sacramento, California 95814

Subject: REQUEST FOR APPROVAL OF THE ELEVENTH MODIFICATION TO THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT (JULY 1, 1990 THROUGH JUNE 30, 1991)

Dear Mr. Warren:

In accordance with the provisions of Part IV, Section A, of the 1990-1991 Plan and Budget, we are submitting for your approval the Eleventh Modification of the Plan of Development and Operations and Budget of the Long Beach Unit covering the period July 1, 1990 through June 30, 1991.

The Eleventh Modification to the Plan proposes to transfer \$2,100,000 from the Drilling and Development Program to the Oil and Gas Program. This transfer will increase Account No. 21-900, Direct Oil Well Charges from \$11,760,000 to \$13,860,000. This additional funding is necessary to continue work through June 30, 1991. Charges to this account are substantially higher due to more wells being in operations than anticipated.

A delay in the approval process for this modification will result in lost production to the Unit, therefore the City requests that this item be considered at the May 1, 1991 meeting of the State Lands Commission. If this is not possible due to time constraints, the City of Long Beach requests that this modification be considered for emergency approval as provided for in Section 5(g) of Chapter 138. After approval of this request, the affected budget categories will be as follows:

<u>Account</u>	<u>Description</u>	<u>Current Budget</u>	<u>Transfer</u>	<u>Adjusted Budget</u>
21-900	Direct Oil Well Charges	\$11,760,000	\$2,100,000	\$13,860,000
11-401	Development Drilling	\$11,993,000	(\$2,100,000)	\$9,893,000

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Charles Warren
April 11, 1991
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The City of Long Beach, as Unit Operator of the Long Beach Unit, approves this Eleventh 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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