

MINUTE ITEM

17. (CONSIDERATION OF SUBSIDENCE COSTS PROJECT, LONG BEACH - ADDITIONAL COSTS TO L.B. W.O. 10,071.)

After presentation of Calendar Item 13 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION CONDITIONALLY APPROVES THE TOWN LOT AREA PROJECT AS A SUBSIDENCE PROJECT AND THE COSTS PROPOSED TO BE EXPENDED THEREUNDER FOR PROPERTY PURCHASE, RAISING OF OIL FACILITIES, AND FORCE ACCOUNT ASSOCIATED WITH THESE ITEMS FOR THE PERIOD SEPTEMBER 2, 1958 TO JUNE 30, 1959, AS SHOWN ON EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF, SUBJECT TO THE CONDITION, HOWEVER, THAT THE AMOUNT, IF ANY, OF SUCH COSTS TO BE ALLOWED ULTIMATELY AS SUBSIDENCE COSTS DEDUCTIBLE UNDER SECTION 5(a) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., WILL BE DETERMINED BY THE COMMISSION UPON AN ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO THE TIME WHEN THE ITEMS OF WORK HAVE BEEN COMPLETED; AND THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL AS SUBMITTED TO THE COMMISSION; PROVIDED THAT NO ESTIMATE SHALL BE PRESENTLY MADE OF THE AMOUNT OF SUBSIDENCE DEDUCTION ULTIMATELY TO BE ALLOWED BY VIRTUE OF SAID ACQUISITIONS AND SAID WORK; FURTHER, THE CITY OF LONG BEACH IS NOT AUTHORIZED TO WITHHOLD FROM REVENUES DUE THE STATE ANY PORTIONS OF THE COSTS OF THE TOWN LOT PROJECT UNTIL COMMISSION APPROVAL HAS BEEN HAD; FINALLY, THE EXECUTIVE OFFICER OR THE ASSISTANT EXECUTIVE OFFICER OR THE MINERAL RESOURCES ENGINEER IS AUTHORIZED TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

Attachment

Calendar Item 13 (2 pages)

CALENDAR ITEM

MISCELLANEOUS

13.

(CONSIDERATION OF SUBSIDENCE COSTS PROJECT, LONG BEACH - ADDITIONAL COSTS TO L.B. W.O. 10,071.)

On June 11, 1958 (Minute Item 22, pages 4120-25) the Commission conditionally approved the costs to be expended in the 1958-59 Fiscal Year by the Harbor Department of the City of Long Beach, including subsidence remedial work, for the "Town Lot" area project. Subsequent to the above-mentioned approval, it developed that additional unforeseen expenditures will be incurred by the Harbor Department. These costs will arise from increases in cost of purchase of previously approved plats of ground; and from the raising of oil wells to the top of the new earth fills to provide clearance for construction of adjacent streets and railroads, for drainage, and/or for freedom from dirt spilling or eroding down the side slopes onto the well sites.

Revisions are being made by the Harbor Department to the material submitted on May 6, 1958 to the staff for review of subsidence elements in the Town Lot project. Pending staff receipt of, and review of, the revised background material and agreement with the City on the degree of subsidence in the project, it is desirable that the present status continue.

IT IS RECOMMENDED THAT THE COMMISSION CONDITIONALLY APPROVE THE TOWN LOT AREA PROJECT AS A SUBSIDENCE PROJECT AND THE COSTS PROPOSED TO BE EXPENDED THEREUNDER FOR PROPERTY PURCHASE, RAISING OF OIL FACILITIES, AND FORCE ACCOUNT ASSOCIATED WITH THESE ITEMS FOR THE PERIOD SEPTEMBER 2, 1958 TO JUNE 30, 1959, AS SHOWN ON EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF, SUBJECT TO THE CONDITION, HOWEVER, THAT THE AMOUNT, IF ANY, OF SUCH COSTS TO BE ALLOWED ULTIMATELY AS SUBSIDENCE COSTS DEDUCTIBLE UNDER SECTION 5(a) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., WILL BE DETERMINED BY THE COMMISSION UPON AN ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO THE TIME WHEN THE ITEMS OF WORK HAVE BEEN COMPLETED; AND THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL AS SUBMITTED TO THE COMMISSION; PROVIDED THAT NO ESTIMATE SHALL BE PRESENTLY MADE OF THE AMOUNT OF SUBSIDENCE DEDUCTION ULTIMATELY TO BE ALLOWED BY VIRTUE OF SAID ACQUISITIONS AND SAID WORK; FURTHER, THE CITY OF LONG BEACH IS NOT AUTHORIZED TO WITHHOLD FROM REVENUES DUE THE STATE ANY PORTIONS OF THE COSTS OF THE TOWN LOT PROJECT UNTIL COMMISSION APPROVAL HAS BEEN HAD; FINALLY, THAT THE EXECUTIVE OFFICER OR THE ASSISTANT EXECUTIVE OFFICER OR THE MINERAL RESOURCES ENGINEER BE AUTHORIZED TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

Attachment  
Exhibit "A"

EXHIBIT "A"

(LONG BEACH WORK ORDER NO. 10,071 - ADDITION NO. 2 to Project and Estimate Submitted by the Port of Long Beach, TOWN LOT.)

<u>ITEM</u>	<u>AFE</u>	<u>WORK PROPOSED</u>	LBHD ESTIMATED TOTAL SUB-PROJECT EXPENDITURE SEPTEMBER 2, 1958 TO JUNE 30, 1959	<u>SUBSIDENCE AUTHORIZATION</u>
1	320	Relocate, Raise, or Purchase Oil Facilities (11 Wells in Area 4)	\$ 220,000	*
2	315	Relocate, Raise, or Purchase Oil Facilities (4 Wells in Area 7)	80,000	*
3	310	Property Purchase - Area 7 Lots 1, 2, 14-20, in Block A of Tract 6070 (Increase in cost above that previously approved.)	3,000	*

\* - Subject to later determination by the State Lands Commission.