

MINUTE ITEM

23. CONSIDERATION OF SUBSIDENCE COSTS PROJECT, LONG BEACH - L.B.W.O. 10,128.

After consideration of Calendar Item 25 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION APPROVES SUCH COSTS PROPOSED TO BE EXPENDED BY THE CITY OF LONG BEACH, INCLUDING SUBSIDENCE REMEDIAL WORK, AS INDICATED ON EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF, FOR THE PERIOD SEPTEMBER 24, 1964, TO TERMINATION DATE; SUBJECT TO THE CONDITIONS, HOWEVER, THAT THE AMOUNTS, IF ANY, OF EACH OF THE ITEMS TO BE ALLOWED ULTIMATELY AS SUBSIDENCE COSTS, DEDUCTIBLE UNDER SECTION 4(a) OF CHAPTER 138, STATUTES OF 1964, 1ST E.S., WILL BE DETERMINED BY THE COMMISSION UPON AN ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO THE TIME WHEN THE WORK UNDER ANY OF THESE ITEMS IS COMPLETED; AND THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL HERETOFORE SUBMITTED TO THE COMMISSION. FURTHER, THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER OR THE SUPERVISING MINERAL RESOURCES ENGINEER ARE AUTHORIZED TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

Attachments

Calendar Item 25 (3 pages)

CALENDAR ITEM

25.

CONSIDERATION OF SUBSIDENCE COSTS PROJECT, LONG BEACH - L.B.W.O. 10,128.

On June 23, 1960 (Minute Item 14, pages 6069 to 608'), the Commission conditionally approved the costs to be expended by the Harbor Department, including subsidence remedial work, for the Town Lot Project, including items for the raising and relocating of oil wells along with the pipelines and other facilities appurtenant thereto.

On November 20, 1963, the City of Long Beach, through the Port of Long Beach, presented, for consideration and conditional approval, costs in the amount of \$1,173,000 to be disbursed for the work of raising sixty-nine (69) additional oil wells from their lower existing elevations to the top of new earth fills in the Town Lot area. Subsequently, the Commission approved the costs to be disbursed for twenty-nine (29) wells scheduled to be raised in the immediate future to provide use of the area for the east approach to the proposed Entrance Channel high-level bridge. Consideration of the remaining forty (40) wells was postponed in view of the uncertainty of scheduling.

On June 26, 1964, the Port of Long Beach requested consideration and conditional approval of costs to be disbursed for the work of raising the remaining forty (40) wells (See Exhibit "A" attached). The subject wells are scheduled to be raised in the near future as soon as filling operations can be commenced. By resolution, the Working Interest Owners have indicated approval for making the proposed changes to the wells (Refer to Exhibits "B", "C", and "D").

The staff has made a review of recent production of the forty (40) wells under consideration, finding that six (6) are presently idle and four (4) are low production. Upon notification of the staff finding, the Harbor Department stated that no well may be abandoned without specific approval of the Working Interest Owners, and that none of the ten (10) wells will be abandoned, but will be raised against the possibility that they may be stimulated by water flooding. Alternately, one or several of these wells may be converted to water injectors.

This subproject has received additional staff review, and is considered to contain some "subsidence costs" as defined in Section 1(e) of Chapter 138, Statutes of 1964, 1st E.S., but not necessarily all of those costs as estimated by the City of Long Beach.

CALENDAR ITEM 25. (CONTD.)

IT IS RECOMMENDED THAT THE COMMISSION APPROVE SUCH COSTS PROPOSED TO BE EXPENDED BY THE CITY OF LONG BEACH, INCLUDING SUBSIDENCE REMEDIAL WORK, AS INDICATED ON EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF, FOR THE PERIOD SEPTEMBER 24, 1964, TO TERMINATION DATE; SUBJECT TO THE CONDITIONS, HOWEVER, THAT THE AMOUNTS, IF ANY, OF EACH OF THE ITEMS TO BE ALLOWED ULTIMATELY AS SUBSIDENCE COSTS, DEDUCTIBLE UNDER SECTION 4(a) OF CHAPTER 138, STATUTES OF 1964, 1ST E.S., WILL BE DETERMINED BY THE COMMISSION UPON AN ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO THE TIME WHEN THE WORK UNDER ANY OF THESE ITEMS IS COMPLETED; AND THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL HERETOFORE SUBMITTED TO THE COMMISSION. IT IS FURTHER RECOMMENDED THAT THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER OR THE SUPERVISING MINERAL RESOURCES ENGINEER BE AUTHORIZED TO SIGN APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

Attachments
Exhibit "A"

EXHIBIT "A"

LONG BEACH WORK ORDER NO. 10,128 - Additio. No. 9 to Project and Estimate Submitted by the Port of Long Beach, TOWN LOT.

<u>ITEM</u>	<u>A/E</u>	<u>WORK PROPOSED</u>	<u>LBED ESTIMATED SUB-PROJECT EXPENDITURE SEPTEMBER 24, 1964 TO TERMINATION</u>	<u>ESTIMATED SUBSIDENCE COSTS</u>
1	*	Raise 40 oil wells in the Town Lot Area: 13 in Area III, 27 in Area IV (2nd Phase)	\$650,000	\$428,400 (63%)

* A/E TO BE ASSIGNED.

NOTE:

1. The term "1st Phase" consists of costs of preliminary work expended subsequent to review of preliminary plans and/or other adequate description. (Typical "1st Phase" costs are engineering design, contract administration and advertising, preparation of site by Harbor Department forces.) For work within the same approved time period any excess of "1st Phase" approved costs over actual expenditures may be added to "2nd Phase" approvals after date of "2nd Phase" approvals.
2. The term "2nd Phase" consists of additional costs approved subsequent to review of detail construction plans and/or other data sufficient to guide construction operations.