

MINUTE ITEM

22. CONSULTANT SERVICES, OIL AND GAS OPERATIONS, LONG BEACH GRANTED TIDE AND SUBMERGED LANDS, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 5200.2.3.

After presenting Calendar Item 21 attached, the Executive Officer suggested that a meeting of the Commission be held early in December, at which time the staff could report to the Commission and have available for consultation available qualified consulting firm representatives with their specific proposals as to how the consultation work would be conducted. He pointed out that it was imperative that the Commission reach a decision as rapidly as possible. Friday, December 4, 1964, was set for this meeting, with Chairman Anderson indicating that he would not be able to attend but that his Executive Secretary, Alan Sieroty could represent him.

The Executive Officer, in response to a question by Commissioner Champion as to whether there would be a complete canvass of qualified consultants, reported that anyone and everyone who expressed any interest in being considered would receive a complete outline of the scope of the contracts under which the work would have to be conducted and of the goals to be achieved.

UPON MOTION DULY MADE, SECONDED, AND UNANIMOUSLY CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE EXECUTIVE OFFICER IS AUTHORIZED TO DETERMINE THE AVAILABILITY OF CONSULTANTS WITH EXPERIENCE IN ENGINEERING, GEOLOGY, AUDIT, AND LEGAL PHASES OF OIL AND GAS DEVELOPMENT WITH PARTICULAR EMPHASIS ON TIDE AND SUBMERGED LAND OPERATIONS, AND TO REPORT ON SUCH AVAILABLE CONSULTANTS FOR SELECTION BY THE COMMISSION.

Attachment
Calendar Item 21 (1 page)

SUPPLEMENTAL CALENDAR ITEM

21.

CONSULTANTS SERVICES, OIL AND GAS OPERATIONS, LONG BEACH GRANTED TIDE AND SUBMERGED LANDS, WILMINGTON OIL FIELD, LOS ANGELES COUNTY, CALIFORNIA - W.O. 5200.2.3.

The Commission, on October 9, 1964, directed that consideration be given to the retention of consultants to work with the staff in evaluating bids received for Contractors' shares in the Long Beach Unit of the Wilmington Field, and on October 22, 1964, instructed the staff to expand the consideration to include assistance in the development and application of all required operating programs.

In accordance with these directives, it has been determined that a proper evaluation of the bids received will require a complete analysis of the Unit documents, the Contractors' Agreement, all available exploration data that has been developed, all production information available from operations under the Long Beach Harbor Department leases, and an engineering economic appraisal of the proposed methods of exploitation of the oil field.

To make these determinations in the time required for a field of the first order magnitude of the Long Beach Unit, it will be necessary for the consulting firm to have available an existing large and competent staff experienced in management, exploration, and development of oil and gas reservoirs, including secondary recovery operations, pressure maintenance, unitization programs, and the unit operation of an oil field.

To assist in the formulation and in the review and recommended approval of development programs as required of the Commission by statute, it will be necessary for any consulting firm to make a similar type of review. For this reason, it would appear most efficient for the same firm to perform both services.

In addition to these services, consultants are required currently to assist in the review and additional programming necessitated by operations under the Long Beach Harbor Department leases in conformance with the new operating contract approved in 1964.

It will also be necessary for any consulting firm to conduct a training program for personnel to be assigned to the State Lands Division staff for the continued administrative control of these operations.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO DETERMINE THE AVAILABILITY OF CONSULTANTS WITH EXPERIENCE IN ENGINEERING, GEOLOGY, AUDIT, AND LEGAL PHASES OF OIL AND GAS DEVELOPMENT WITH PARTICULAR EMPHASIS ON TIDE AND SUBMERGED LAND OPERATIONS, AND TO REPORT ON SUCH AVAILABLE CONSULTANTS FOR SELECTION BY THE COMMISSION.