

MINUTE ITEM

9/24/70

CVB

22. APPROVAL OF THE NINTH AND FINAL MODIFICATION OF THE 1969-1970 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1969, THROUGH JUNE 30, 1970, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

After consideration of Calendar Item 23 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION APPROVES THE NINTH AND FINAL MODIFICATION OF THE 1969-1970 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1969 THROUGH JUNE 30, 1970, AS SUBMITTED BY THE CITY OF LONG BEACH, WITH THE UNDERSTANDING THAT THE EXPENDITURES ARE SUBJECT TO MINOR ADJUSTMENTS AS THE RESULT OF AUDITS.

Attachment:

Calendar Item 23 (2 pages)

CALENDAR ITEM

9/70  
CVB

23.

APPROVAL OF THE NINTH AND FINAL MODIFICATION OF THE 1969-1970 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1969, THROUGH JUNE 30, 1970, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

The City of Long Beach, pursuant to the provisions of Section 5 (g), Chapter 138/1964, 1st E.S., has requested approval of the Ninth and Final Modification of the 1969-1970 Plan of Development and Operations and Budget for the Long Beach Unit.

The 1969-1970 Plan and Budget was approved by the Commission at its meeting of April 28, 1969, and subsequently, with Commission approval, was modified eight times. In accordance with Part IV, Section E-2, of the 1969-1970 Plan and Budget, this modification summarizes the work accomplished pursuant to the 1969-1970 Plan and reconciles the funds expended pursuant to the Plan as well as for projects carried-in from the previous Plan and Budget, together with the unexpended investment funds carried forward to the 1970-1971 Budget.

The actual oil production during the 1969-1970 Fiscal Year was less than forecast in the Plan. This lower production has been accompanied by a sharp decline in the oil production rate since the peak rate was reached in August 1969. As a consequence, the commencement of net profit payments from the tideland tracts has been deferred, with a resulting downward revision of anticipated future State revenue from the Long Beach tidelands.

COMPARISON OF 1969-1970 BUDGET, AS

PREVIOUSLY MODIFIED, WITH COMMITMENTS AND EXPENDITURES

EXCLUDING FUNDS CARRIED-IN AND CARRIED FORWARD

	<u>BUDGET AS MODIFIED</u>	<u>COMMITMENTS AND EXPENDITURES</u>	<u>DIFFERENCE</u>
Investment	\$22,920,000	\$21,793,746	\$-1,126,254
Expense	35,856,000	34,840,385	-1,015,615
Administrative Overhead	<u>1,993,000</u>	<u>1,880,243</u>	<u>- 112,757</u>
TOTAL	\$60,769,000	\$58,514,374	\$-2,254,626

The Staff has reviewed this proposed final modification and finds it to be a reasonably accurate summary of expenditures for the Long Beach Unit under the 1969-1970 Plan and Budget.

CALENDAR ITEM 23. (CONTD.)

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE NINTH AND FINAL MODIFICATION OF THE 1969-1970 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1969 THROUGH JUNE 30, 1970, AS SUBMITTED BY THE CITY OF LONG BEACH, WITH THE UNDERSTANDING THAT THE EXPENDITURES ARE SUBJECT TO MINOR ADJUSTMENTS AS THE RESULT OF AUDITS.