

MINUTE ITEM

2/28/74
CVB

22. RATIFICATION OF THE ELEVENTH MODIFICATION OF THE 1973-1974 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

After consideration of Calendar Item 21 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION RATIFIES THE ACTION OF THE EXECUTIVE OFFICER PURSUANT TO SECTION 5(g), CHAPTER 138/1964, 1ST E.S., APPROVING THE ELEVENTH MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1973, THROUGH JUNE 30, 1974.

Attachment:

Calendar Item 21 (2 pages)

RATIFICATION OF THE ELEVENTH MODIFICATION OF THE
1973-1974 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET,
LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY

The City of Long Beach has requested Commission approval of the Eleventh Modification of the 1973-1974 Plan and Budget for the Long Beach Unit. As requested, the Eleventh Modification would augment the Budget by \$31,000 to provide funds for unanticipated legal services for the Petrecal patent infringement suit and appeal of an award to Tidewater Marine Service, Inc.

Division review of the Long Beach Unit's fiscal year expenditures to date indicates that surplus funds exist in Budget Item III.B.2.c.(18), Waste Disposal. This surplus is an indication of the effectiveness of the City's cost reduction study of waste disposal.

In compliance with the Commission's directive to utilize surplus budgeted funds prior to augmentation of the Budget, the Executive Officer, by letter dated February 7, 1974, approved the transfer of \$31,000 from PART III.B.2.c.(18) Waste Disposal to PART III.B.4.b. Extraordinary Losses and Claims, in order to provide funding for the necessary legal services. The total Budget remains unchanged.

After the transfer of funds, the affected Budget Items will be as follows:

	<u>Current Budget</u>	<u>This Modification</u>	<u>Adjusted Budget</u>
PART III			
B.			
2. <u>OPERATING EXPENSES</u>			
c. <u>Other Production</u>			
<u>Expense</u>			
(18) Waste Disposal	\$600,000	(\$31,000)	\$569,000
4. <u>OTHER EXPENSE</u>			
b. <u>Extraordinary Losses</u>			
<u>and Claims</u>	\$260,000	\$31,000	\$291,000

IT IS RECOMMENDED THAT THE COMMISSION RATIFY THE ACTION OF THE EXECUTIVE OFFICER PURSUANT TO SECTION 5(g), CHAPTER 138/1964, 1ST E.S., APPROVING THE ELEVENTH MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1973, THROUGH JUNE 30, 1974.

CALENDAR ITEM NO. 21. (CONTD)

In accordance with PART IV.A.4.c. of the 1973-1974 Plan and Budget, the following Plan Supplements, for additional projects under \$100,000, have been approved by the Manager, Long Beach Operations, State Lands Division, and are being reported and incorporated in the Plan. They require no action by the Commission. Funds for these supplemental projects have been provided by transfers within the Budget. These are:

Plan Supplement No. 10: Agreement to pay one-half the redrill cost of Continental Production Company Injection Well WI-5 (\$42,000).

Plan Supplement No. 11: Modify existing piping and vessels for standby water handling facilities J-2 area (\$33,000).

Plan Supplement No. 12: Enclose south end of Long Beach Unit warehouse (\$11,000).