

MINUTE ITEM

6/23/75  
CVB

4. TWELFTH MODIFICATION OF THE 1974-1975 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

After consideration of Calendar Item 3 attached, and upon motion duly made and carried, the following resolution was adopted.

THE COMMISSION APPROVES THE TWELFTH MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1974, THROUGH JUNE 30, 1975.

Attachment:

Calendar Item 3 (7 pages)

CALENDAR ITEM

6/75  
CVB

3.

TWELFTH MODIFICATION OF THE 1974-1975  
PLAN OF DEVELOPMENT AND OPERATIONS  
AND BUDGET,  
LONG BEACH UNIT, WILMINGTON OIL FIELD,  
LOS ANGELES COUNTY

The City of Long Beach and the Division have prepared the Twelfth Modification of the Plan of Development and Operations and Budget, Long Beach Unit, July 1, 1974, through June 30, 1975, providing updated production and expense information, together with revised economic projections.

The Twelfth Modification sets forth the Third Quarterly revision of Exhibits C-3 and C-4 in PART V of the 1974-1975 Plan and Budget. The Plan provides that exhibits showing estimated oil and gas production rates, expenditures, and resulting net income shall be reviewed quarterly by the City of Long Beach and the Division and modified as necessary. This Modification does not require augmentation or transfer of funds within the budget for the Long Beach Unit.

The actual oil production rate during the third quarter was 107,967 B/D, somewhat above the previously estimated rate of 106,670 B/D. Actual rate of gas production was an average of 24,978 MCF/D, slightly below the 27,222 MCF/D estimated rate. The third quarter water injection rate of 636,233 B/D was 10,434 B/D below the 646,667 B/D estimated rate.

Increased expenses were due to ad valorem taxes, wages for the Field Contractor's employees, electrical energy costs, and other inflation. Additional funding for capital investment was provided for long lead-time items and for projects which have been finalized since the original Plan and Budget was drafted. These expense and investment items have increased the Long Beach Unit budget by \$4.2 million, and have been approved by the Commission in the Eighth, Ninth and Eleventh Modifications. The increase in funding requirements was partially offset by the more favorable projection of crude oil production.

Economic projections indicate that the total income attributed to the Long Beach Unit during the 1974-1975 fiscal year will be just under \$101 million, subject to adjustment by the final amount of investment funds carried over into the next fiscal year. This is about \$3.3 million less than previously estimated, and is the result of operating the oil field with increasing costs while the price received for Long Beach Unit crude oil remains unchanged under crude oil price controls.

A 52, 57, 58  
S 27, 31

603

CALENDAR ITEM NO. 3. (CONTD)

The net reduction in Long Beach Unit projected revenue has been included in the previous forecast of State tideland oil revenue and therefore results in no change in the State revenue forecast.

The Division has reviewed the Twelfth Modification and finds that the estimated production, expense, and income figures in the revised Exhibits C-3 and C-4 are reasonable.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE TWELFTH MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1974, THROUGH JUNE 30, 1975.

# CITY OF LONG BEACH



RECEIVED

JUN 3 1975

STATE LANDS DIVISION  
LONG BEACH OPERATIONS

JOHN R. MANSELL  
City Manager

Long Beach, California 90802

May 29, 1975

Mr. William F. Northrop  
Executive Officer  
State Lands Commission  
100 Oceangate - Suite 300  
Long Beach, California 90802

Dear Sir:

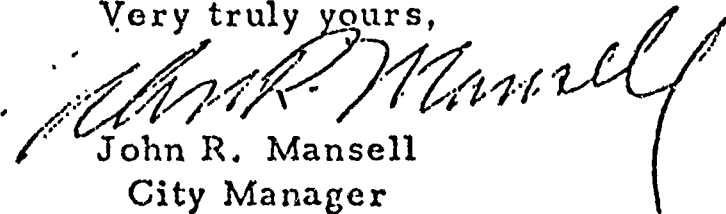
Subject: Request for Approval of Twelfth Modification  
to the Plan of Development and Operations  
and Budget, Long Beach Unit  
(July 1, 1974 through June 30, 1975)

Transmitted herewith is THUMS Request No. 57-75, covering the Twelfth Modification of the Plan of Development and Operations and Budget of the Long Beach Unit for the period July 1, 1974 through June 30, 1975. This modification is submitted to you in accordance with Part IV, Section A-3-c, and Part V of the 1974-1975 Plan and Budget.

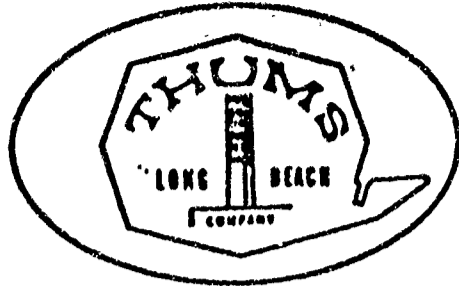
Revisions to Exhibits C-3 and C-4 are necessary in order for them to reflect the actual data for the first three quarters of Unit Operations and other changes which have occurred within the Plan and Budget. These revised exhibits reflect all changes to the Plan and Budget through the Eleventh Modification.

The City of Long Beach, as Unit Operator of the Long Beach Unit, hereby approves THUMS Request No. 57-75 and, in accordance with Section 5(g) of Chapter 138, 1964 First Extraordinary Session, hereby requests your approval of this proposed modification to the Plan of Development and Operations and Budget of the Long Beach Unit for the period July 1, 1974 through June 30, 1975.

Very truly yours,

  
John R. Mansell  
City Manager

JRM:LWB:JWP:JCN:mbb  
Attachment



P. O. BOX 2900 • LONG BEACH, CALIFORNIA 90801

May 28, 1975

RECEIVED  
DEPT OF OIL PROPERTIES  
MAY 30 8 57 AM '75

Mr. L. W. Brock, Director  
Department of Oil Properties  
Post Office Box 570  
Long Beach, California 90801

Dear Mr. Brock:

Subject: THUMS Request No. 57-75  
Twelfth Modification of the Plan  
of Development and Operations and  
Budget of the Long Beach Unit  
(July 1, 1974 through June 30, 1975)

In accordance with the provisions of Part IV, Section A-3 of the 1974-1975 Plan and Budget, we are submitting for your approval the Twelfth Modification of the Plan of Development and Operations and Budget of the Long Beach Unit covering the period July 1, 1974 through June 30, 1975.

It is necessary to modify the Plan of Development and Operations and Budget to provide updated, revised Exhibits C-3 and C-4. These attached exhibits have been modified to represent actual data for the first three quarters of the budget period and revised forecasts of the remaining quarter, and include changes through the Eleventh Modification (approved 5-27-75).


Later revision of exhibits may be required as inflation, material and equipment shortages, changing taxes and other unforeseen problems have their effect on the Plan and Budget.

No augmentation of funds is provided by this Modification. The current total budget, including changes through the Eleventh Modification (approved 5-27-75) is \$67,730,000.

Your approval of the Twelfth Modification to the 1974-1975 Plan and Budget is requested at your earliest convenience.

Very truly yours,

THUMS LONG BEACH COMPANY

  
T. S. Richards  
General Manager

Attachments

EXHIBIT C-3

ECONOMIC PROJECTIONS - BASIC DATA

(Furnished by City and State)

Revised 5-28-75

	<u>3rd Quarter 1974 (Actual)</u>	<u>4th Quarter 1974 (Actual)</u>	<u>1st Quarter 1975 (Actual)</u>	<u>2nd Quarter 1975</u>	<u>Total</u>
Estimated Oil Production (M Bbl.)	10,000	9,871	9,717	9,720	39,308
Estimated Gas Production (MM cf)	2,619	2,414	2,248	2,220	9,501
Estimated Water Production (M Bbl.)	28,160	29,214	30,042	30,500	117,916
Estimated Water Injection (M Bbl.)	55,390	57,014	57,261	59,150	228,815
Average Oil Price, Incl. NGL (\$/Bbl.)	4.201	4.198	4.188	4.182	
Average Gas Price (Cents per MCF of Total Produced Gas)	40	40	40	40	

EXHIBIT C-4ECONOMIC PROJECTIONS  
(Data in Thousands of Dollars)

Revised 5-28-75

	3rd Quarter 1974 <u>(Actual)</u>	4th Quarter 1974 <u>(Actual)</u>	1st Quarter 1975 <u>(Actual)</u>	2nd Quarter 1975 <u>(Actual)</u>	<u>Total</u>
Development Drilling	\$ 728	\$ 1,514	\$ 1,748	\$ 2,600	\$ 6,590
Well Work	35	29	23	399	486
Facilities	<u>179</u>	<u>309</u>	<u>300</u>	<u>5,318</u>	<u>6,106</u>
Total	\$ 942	\$ 1,852	\$ 2,071	\$ 8,317	\$ 13,182
Mining Rights	\$ -0-	\$ 5,124	\$ -0-	\$ 5,125	\$ 10,249
Personal Property	142	1,086	5	1,086	2,319
License & Other Taxes	<u>664</u>	<u>482</u>	<u>657</u>	<u>497</u>	<u>2,300</u>
Total	\$ 806	\$ 6,692	\$ 662	\$ 6,708	\$ 14,868
Operating Expense	\$ 8,400	\$ 7,830	\$ 8,623	\$ 8,763	\$ 33,616
General Administrative	889	880	1,000	1,005	3,774
Other Expense	118	55	160	142	475
Overhead	<u>406</u>	<u>432</u>	<u>488</u>	<u>489</u>	<u>1,815</u>
Total Expenses and Overhead	\$ 9,813	\$ 9,197	\$ 10,271	\$ 10,309	\$ 39,680
GRAND TOTAL	\$ 11,561	\$ 17,741	\$ 13,004	\$ 25,424	\$ 67,730

EXHIBIT C-4 - Economic Projects (Revised)  
 Data in Thousands of Dollars)  
 Based on Exhibits C-3 and C-4, Page 1

	3rd Quarter 1974 (Actual)	4th Quarter 1974 (Actual)	1st Quarter 1975 (Actual)	2nd Quarter 1975	Total
<u>ESTIMATED INCOME</u>					
Oil Income *	\$ 42,010	\$ 41,438	\$ 40,695	\$ 40,649	\$164,792
Gas Income	<u>1,048</u>	<u>966</u>	<u>899</u>	<u>828</u>	<u>3,301</u>
Total Income	\$ 43,058	\$ 42,404	\$ 41,594	\$ 41,537	\$168,593
<u>ESTIMATED EXPENSES</u>					
Investment	\$ 942	\$ 1,852	\$ 2,071	\$ 8,317	\$ 13,182
Taxes	806	6,692	662	6,708	14,868
Combined Expenses	<u>9,813</u>	<u>9,197</u>	<u>10,271</u>	<u>10,399</u>	<u>39,680</u>
Total Expenses	\$ 11,561	\$ 17,741	\$ 13,004	\$ 25,424	\$ 67,730
<u>ESTIMATED REVENUE</u>					
Net Income	\$ 31,497	\$ 24,663	\$ 28,590	\$ 16,113	\$100,863

\* Includes NGL income