

MINUTE ITEM

8/21/75  
CVB

19. SECOND MODIFICATION OF THE 1975-1976 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

After consideration of Calendar Item 19 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION, PURSUANT TO SECTION 5(g), CHAPTER 138, STATUTES OF 1964, 1ST E.S., APPROVES THE SECOND MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1975, THROUGH JUNE 30, 1976.

Attachment:

Calendar Item 19 (2 pages)

A 52, 57, 58  
S 27, 31

CALENDAR ITEM

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CVB

19.

SECOND MODIFICATION OF THE 1975-1976  
PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET  
LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY

The City of Long Beach, in accordance with Section 5(g), Chapter 138/1964, 1st E.S., has requested Commission approval of the Second Modification of the Plan of Development and Operations and Budget, Long Beach Unit, July 1, 1975 through June 30, 1976.

This modification will augment the Budget by \$172,000 to provide funding for payment of a judgment ordered by the United States Court of Appeals for the Ninth Circuit in the case of Tidewater Santa Barbara Inc., et al vs. THUMS Long Beach Company. THUMS Long Beach Company is the operating company for the five oil companies comprising the Field Contractor of the Long Beach Unit. The subject judgment is the result of a suit in admiralty initiated by Tidewater to recover for the hire of a drilling mud disposal barge in 1967.

The Office of the Attorney General advised that the possibility of a reversal of the judgment by the Supreme Court was so minute that appeal was not recommended, and that payment of the judgment did not require State Lands Commission approval.

Interest was accruing on the judgment at the rate of about \$1,000 per month. In order to minimize this interest, funding to pay the judgment was provided by transfer, in July, 1975, from Budget Item III.B.4.c. Environmental Control where unexpended funds existed. It is now necessary to replace these transferred funds.

A four percent Administrative Overhead charge is allowed on the \$111,500 principal of the judgment; however, augmentation of the Administrative Overhead portion of the Budget is not necessary at present.

After approval of this Second Modification, the affected budget Item will be adjusted to its previous level as follows:

A 52, 57, 58  
S 27, 31

CALENDAR ITEM NO. 19. (CONTD)

	<u>Current Budget</u>	<u>Second Modification</u>	<u>Adjusted Budget</u>
BUDGET PART III			
B. <u>ESTIMATED EXPENDITURES FOR EXPENSE</u>			
4. OTHER EXPENSE			
c. <u>Environmental Control</u>	\$ 268,500	\$172,000	\$ 440,500
TOTAL 1975-1976 BUDGET	\$73,773,000	\$172,000	\$73,945,000

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO SECTION 5(g), CHAPTER 138, STATUTES OF 1964, 1ST E.S., APPROVE THE SECOND MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1975, THROUGH JUNE 30, 1976.

In accordance with PART IV.A.4.c. of the 1975-1976 Plan and Budget, the following Plan Supplements for additional projects not exceeding \$100,000 have been approved by the Manager, Long Beach Operations, State Lands Division, and are being reported and incorporated in the Plan. The Plan Supplements require no action by the Commission, and funds for the projects have been provided by transfer within the Budget.

Plan Supplement No. 2 - Purchase of a trailer mounted mast for use with Field Contractor operated wire line equipment at an estimated cost of \$7,000.

Plan Supplement No. 3 - Purchase of four electric driven winches for barges used in submarine pipeline repair work for an estimated cost of \$5,300.