

MINUTE ITEM

This Calendar Item No. 32
was approved as Minute Item
No. 32 by the State Lands
Commission by a vote of 3
0 at its 9/30/76
meeting.

CALENDAR ITEM

9/76
WMT

32.

FINAL REPORT AND CLOSING STATEMENT 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 has requested Commission approval of the Final Report and Closing Statement of the Plan of Development and Operations and Budget, Long Beach Unit, (July 1, 1975 through June 30, 1976). This Final Report and Closing Statement, submitted in accordance with PART IV.E.3. of the subject Plan and Budget, summarizes the work accomplished under the Plan and reconciles the funds expended pursuant to the modified Budget.

During the 1975-1976 Fiscal Year, oil production was 37.5 million barrels, compared to the original estimate of 38.4 million barrels. Gas production was 8.6 billion cubic feet as originally estimated. The gross value of Long Beach Unit production was \$157.9 million. The net revenue attributable to the Long Beach Unit was \$89.9 million compared to the original estimate of \$91.7 million.

The average price received for crude oil in the 1975-1976 Fiscal Year was \$4.20 per barrel compared to \$4.19 in 1974-1975. The small monthly crude oil price increases granted by the Federal Energy Administration for March through June 1976, were offset by decreasing oil gravity with time. Crude oil prices are again frozen at the June 1976 level.

Nineteen of the twenty-three wells provided for in the Plan were completed during the year, and one well was being drilled at the end of the fiscal year.

The original 1975-1976 Budget as approved by the Commission at its April 30, 1975 meeting, was \$67,602,000. With the carry-in of \$5,731,000 of unexpended investment funds and administrative overhead from the previous year, the original Budget totaled \$73,333,000.

During the year the Plan was modified to provide for the repair of submarine pipelines from the oil producing islands and repair of pipelines in the oil storage area on Pier J. The Budget was augmented three times for a total of \$2,342,000. Included in these augmentations was funding for pipelines repairs, produced water handling facilities, and to pay a legal judgment related to the rental of a drilling mud disposal barge.

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Following is a comparison between the 1975-1976 Budget, as modified, and actual expenditures:

	<u>Budget*</u>	<u>Expenditures</u>	<u>Unexpended</u>
Investment	\$15,879,000	\$10,022,507	\$5,856,493
Expense	57,572,000	55,254,559	2,317,441
Administrative Overhead	2,224,000	1,943,725	280,275
TOTAL BUDGET	\$75,675,000	\$67,220,791	\$8,454,209

*Including Carry-in and Modifications

\$4,028,000 of the unexpended investment and administrative overhead funding had been committed but not expended by June 30, 1976, and is being carried forward into the 1976-1977 Budget. Major continuing projects provided for by this carry-over of funds are for wells in progress, increased produced water handling capacity, cellar expansion for future drilling activity, increased water injection capabilities, expanded electric power facilities, environmental protection, corrosion protection and energy conservation.

The Division has reviewed this Final Report and Closing Statement and found it to be an accurate summary of accomplishments and expenditures for the Long Beach Unit under the 1975-1976 Plan and Budget.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE FINAL REPORT AND CLOSING STATEMENT OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, (JULY 1, 1975 THROUGH JUNE 30, 1976).