

**MINUTE ITEM**

This Calendar Item No. 41  
 was approved as Minute Item  
 No. 41 by the State Lands  
 Commission by a vote of 3  
 to 0 at its 5/29/80  
 meeting.

**CALENDAR ITEM**

41.

5/80  
 Thompson

**SEVENTH MODIFICATION OF THE 1979-80 PLAN OF  
 DEVELOPMENT AND OPERATIONS AND BUDGET  
 LONG BEACH UNIT, WILMINGTON FIELD, LOS ANGELES COUNTY**

The City of Long Beach as Unit Operator for the Long Beach Unit has requested that the Plan of Development and Operations and Budget be modified to provide for the purchase of two diesel powered tractors and two 130 barrel vacuum tank trailers. The purchase of the trucks will be part of the expanded plan for additional development of the Long Beach Unit to increase the production of additional crude oil. The staff has determined its recommendation is consistent with the Commission's policy of reinvesting a reasonable portion of any increased revenue resulting from crude oil price increases.

The Seventh Modification would modify the Plan for the purchase of these two vacuum trucks in order to replace the more expensive contract trucking to haul drilling mud and other oil field fluids. The cost of the trucks is estimated to be \$225,000.

With approval of this Modification the affected Budget Items will be revised as follows: (in thousands of dollars)

	<u>Current Budget</u>	<u>Seventh Modification</u>	<u>Adjusted Budget</u>
<b>PART III. A.</b>			
<b>ESTIMATED EXPENDITURES</b>			
<b>FOR INVESTMENT</b>			
<b>1. DRILLING AND DEVELOPMENT</b>			
a. <u>Development Drilling</u>			
(2) Ranger Zone	\$7,062	\$(225)	\$6,837
<b>2. FIELD AND WELL FACILITIES</b>			
f. <u>Field Equipment</u>			
(4) Automotive Equipment	\$279	\$225	\$504

A 52, 57, 58

S 27, 31

CALENDAR ITEM NO. 41. (CONTD)

IT IS RECOMMENDED THAT THE COMMISSION:

1. APPROVE THE SEVENTH MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1979 THROUGH JUNE 30, 1980 WHICH WILL CHANGE THE PLAN TO PROVIDE FOR THE PURCHASE OF TWO ADDITIONAL DIESEL POWERED TRACTORS AND TWO 130 BARREL VACUUM TANK TRAILERS, AND WILL TRANSFER \$225,000 IN FUNDS BETWEEN MAJOR BUDGET CLASSES WITHIN THE BUDGET.

Additionally, in accordance with Part IV. A. 4.c of the 1979-1980 Plan of Development and Operations Budget for the Long Beach Unit, the following Plan Supplements for additional projects under \$100,000 have been approved by the Director, Department of Oil Properties, City of Long Beach and the Chief, Long Beach Operations, State Lands Commission and incorporated in the Plan. These projects require no action by the Commission.

Plan Supplement 2. To convert drawworks from gear drive to conventional chain drive and to modify direct current motors from clamp type to standard pedestal footing on drilling rigs T-1 and T-2.

Plan Supplement 3. Purchase two flat bed semi-trailers to be used for on-lease and off-lease hauling.

Plan Supplement 8. Purchase a new gas compressor for oxygen stripping of injection water on Island White.