

MINUTE ITEM

This Calendar Item No. 44
was approved as Minute Item
No. 44 by the State Lands
Commission by a vote of 3
to 0 at its 5/29/80
meeting.

INFORMATIVE
CALENDAR ITEM

5/80
Thompson

44.

REVIEW OF THE PRODUCTION AND REVENUE PROJECTIONS.
FOR 1979-1980 FISCAL YEAR, PARCEL A, CITY OF LONG BEACH,
WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

In compliance with the Commission's Directive, projected estimates of 1979-1980 Fiscal Year Production and Revenue on Parcel A were previously presented to the Commission.

Staff review of the 1979-1980 Fiscal Year through the Third Quarter indicates that crude oil production and net revenues conform closely to the forecast. Net revenue shared between the City of Long Beach and the State was \$3,113,000 in the quarter ending March 31, 1980, an increase of \$2,220,000 over the second quarter. Principally, this is because effective December 21, 1979, all crude oil having a gravity of 20° API or less was decontrolled. Approximately 92 percent of Parcel A oil production has a gravity of 20° API or less.

It is expected that net tideland oil revenue from Parcel A to be shared between the City of Long Beach and the State for the full 1979-1980 Fiscal Year could exceed \$10 million, which is about the same as the previous estimate. Recent Federal regulations on Windfall Profits Tax are currently being analyzed to determine application to Parcel A net profits. The projection of costs provides for additional well work and repair of damaged producing and injection wells, as a part of the plow back of increased revenue.

When additional information through the Fourth Quarter of the 1979-1980 Fiscal Year becomes available, it will be reviewed by the staff. The Commission will be informed of any changes in oil revenue which may be received by the State pursuant to Chapter 138/1964, 1st E.S.

A 52, 57, 58

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