MINUTE ITEM

11. CONSIDERATION OF SUBSIDENCE COSTS - L.B.W.O. 10,099 (56-131).

After consideration of Calendar Item 10 attached, and upon motion duly made
and unanimously carried, the following resolution was adopted:

THE COMMISSION DETERMINES THE SUBSIDENCE COSTS SUBSEQUENT TO APRIL 1, 1956,
AND THE STATE'S SHARE OF SUCH SUBSIDENCE COSTS IN THE LONG BEACH NAVY LANDING
DEDUCTIBLE FROM THE OIL REVENUE PAYABLE TO THE STATE UNDER THE PROVISIONS OF
SECTION 5(a) (1) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., TO BE AS SHOWN
ON EXHIBIT "A" ATTACHED HERETO AND HEREBY MADE A PART HEREOF; AND THAT THE
EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER, OR THE SUPERVISING
MINERAL RESOURCES ENGINEER ARE AUTHORIZED ON THE BASIS OF THIS DETERMINATION
TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REQUIRING THAT ADJUSTMENTS TO
EXISTING ACCOUNTS ON THE WORK CONSIDERED HEREIN BE MADE IN FAVOR OF THE STATE
OF CALIFORNIA OR THE CITY OF LONG BEACH AS MAY BE NECESSARY TO FINALLY CLOSE
SUCH ACCOUNT.

Attachment
  Calendar Item 10 (2 pages)

A 44 & 70
S 38

7919

CALENDAR ITEM

10.

CONSIDERATION OF SUBSIDENCE COSTS - L.B.W.O. 10,099 (56-131).

On February 11, 1958 (Minute Item 23, page 3860), on June 11, 1958 (Minute Item 23, page 4126), and on June 25, 1959 (Minute Item 25, page 4982), the Commission approved the costs expended by the City of Long Beach for contractor and force account payments on project: "Navy Landing in the City of Long Beach West of Magnolia Avenue."

The approvals on the above-listed project were made subject to the condition, in part, that the amounts, if any, of each of the items to be allowed ultimately as subsidence costs deductible under Section 5(a) of Chapter 29, Statutes of 1956, 1st E.S., will be determined by the Commission upon an engineering review and final audit subsequent to the time when the work under any of these items is completed.

For the above-listed project, the work has been completed, the final costs have been collected and transmitted to the staff by the City of Long Beach, and the above-stated final engineering review and audit has been made by the staff, with results summarized in Exhibit "A" attached hereto.

Current accounts have been maintained during progress of the work on this project by allowing deductions of estimated subsidence costs from monthly oil revenue remittances to the State. Such approximate existing accounts will be adjusted and closed on the basis of results of an engineering review and final audit as shown on Exhibit "A" attached.

Agreement with the amounts set forth in attached Exhibit "A" is indicated in letter from the City Engineer of the City of Long Beach dated February 28, 1962.

IT IS RECOMMENDED THAT THE COMMISSION DETERMINE THE SUBSIDENCE COSTS SUBSE-QUENT TO APRIL 1, 1956, AND THE STATE'S SHARE OF SUCH SUBSIDENCE COSTS IN THE LONG BEACH NAVY LANDING DEDUCTIBLE FROM THE OIL REVENUE PAYABLE TO THE STATE UNDER THE PROVISIONS OF SECTION 5(a) (1) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., TO BE AS SHOWN ON EXHIBIT "A" ATTACHED HERETO AND HEREBY MADE A PART HEREOF; AND THAT THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER, OR THE SUPERVISING MINERAL RESOURCES ENGINEER BE AUTHORIZED ON THE BASIS OF THIS DETERMINATION TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REQUIRING THAT ADJUSTMENTS TO EXISTING ACCOUNTS ON THE WORK CONSIDERED HEREIN BE MADE IN FAVOR OF THE STATE OF CALIFORNIA OR THE CITY OF LONG BEACH AS MAY BE NECESSARY TO FINALLY CLOSE SUCH ACCOUNT.

Attachment
  Exhibit "A"

A 44 & 70
S 38

7920

EXHIBIT "A"

SUBSIDENCE COST DETERMINATION

RESULTS OF ENGINEERING REVIEW AND FINAL AUDIT UPON COMPLETION

OF THE WORK

L.B.W.O.	TITLE	TOTAL SUBSIDENCE DEDUCTIONS FROM RE-MITTANCES OF OIL REVENUE*	DETERMINATION OF ALLOWABLE SUBSIDENCE DEDUCTIONS	CREDIT DUE STATE
10,099(56-131)	Long Beach Navy Landing (Contract No. 2)	$ 205,727.39	$ 173,579.86	$ 32,147.53

* Actual deductions made on the basis of estimates
by the City of Long Beach of the amount of sub-
sidence costs in the project.

7921