

MINUTE ITEM

This Calendar Item No. 29
was approved as Minute Item
No. 29 by the State Lands
Commission by a vote of 2
to 0 at its 4/23/87
meeting.

CALENDAR ITEM

A 57, 58

29

04/23/87

S 29

W 17091

Lammers

**1987-88 PLAN OF DEVELOPMENT
AND OPERATIONS AND BUDGET, LONG BEACH UNIT
WILMINGTON OIL FIELD, LOS ANGELES COUNTY**

Section 5, Chapter 138, Statutes of 1964, 1st E.S., and Article 4 of the Long Beach Unit Agreement require adoption by the City of Long Beach of an annual Plan of Development and Operations and Budget for the Long Beach Unit. The Plan and budget is then to be submitted the State Lands Commission at least 100 days prior to submission to the participants of the Long Beach Unit before the start of the Plan Year on July 1, 1987.

The Commission has 45 days after submittal to take action. If no action is taken, the Plan and Budget is deemed to be approved as submitted. The Commission may affirmatively approve the Plan and Budget or modify it after holding a formal hearing. Under Section 5(g), the Plan and Budget may be modified upon mutual agreement by the City and the Commission.

The City Council of the City of Long Beach, at its meeting of March 17, 1987, adopted this proposed Plan of Development and Operations and Budget for 1987-88, and authorized its submittal to the State Lands Commission for consideration and approval. The Plan and Budget was submitted to the State by the City on March 17, 1987.

As presented the 1987-88 Long Beach Unit Plan and Budget provides \$138,411,000 in the six budget programs as follows:
(Thousand of Dollars)

(ADDED 04/22/87)

-1-

CALENDAR PAGE	108
MINUTE PAGE	1314

CALENDAR ITEM NO. 29 (CONT'D)

PROGRAM	INVESTMENTS	ADMINISTRATIVE		TOTAL
		EXPENSE	OVERHEAD	
A. Drilling & Development	2,334	8,609	438	11,381
B. Oil & Gas Production	2,166	51,319	2,140	55,625
C. Enhanced Recovery and Stimulation	-0-	-0-	-0-	-0-
D. Water Injection	2,049	24,860	978	27,887
E. Management	654	17,129	690	18,473
F. Taxes, Pmts. & Land Rentals	<u>-0-</u>	<u>16,976</u>	<u>69</u>	<u>17,045</u>
Total	7,203	118,893	4,315	130,411

Exhibits C-3 and C-4 to the Plan show anticipated production rates, expenditures, revenue and net profit for the Unit as projected by the City of Long Beach Department of Oil Properties. The City has estimated that the Unit will generate a net revenue of \$139,521,000 based on an average production rate of 56,800 barrels per day and a February 1, 1987 oil price of \$12.50 a barrel. If the current oil price of \$14.00 for 170 crude holds throughout the Budget Year, the net revenue will be higher.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT THE ACTIVITIES CONTEMPLATED BY THE "PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1987 THROUGH JUNE 30, 1988" ARE PLANNED TO BE CARRIED OUT PURSUANT TO AGREEMENT PROVIDED BY THE COMMISSION BEFORE APRIL 5, 1973 AND ARE THEREFORE ONGOING PROJECTS WITHIN THE MEANING OF 14 CAL. ADM. CODE 15007 (B), AND DO NOT REQUIRE THE PREPARATION OF EITHER AN EIR OR A NEGATIVE DECLARATION.
2. APPROVE THE "PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1987 THROUGH JUNE 30, 1988", AS ADOPTED BY THE LONG BEACH CITY COUNCIL ON MARCH 17, 1987.

(ADDED 04/22/87)

-2-

CALENDAR PAGE	108
MINUTE PAGE	1315