

MINUTE ITEM

This Calendar Item No. 027
 was approved as Minute Item
 No. 027 by the State Lands
 Commission by a vote of 2
 to 0 at its 10/29/90
 meeting.

CALENDAR ITEM**027**

10/29/90
 W 17097
 G. Scott

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**THIRD MODIFICATION OF THE 1990-91
 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET,
 LONG BEACH UNIT, WILMINGTON OIL FIELD,
 LOS ANGELES COUNTY**

The City of Long Beach has requested approval of the Third Modification of the 1990-91 Plan of Development and Operations and Budget, Long Beach Unit. This will modify the plan and provide funding for the Drilling and Development Program to permit the operation of a third drilling rig through the end of the 1990-91 budget period. The current adjusted budget funds the drilling program for only 2 1/2 rig-years. This modification will add an additional six months drilling rig activity to the Plan, and augments the 1990-91 Plan and Budget in the amount of \$4,600,000.

Upon approval, the affected budget items would be:

<u>Account</u>	<u>Budget Item</u>	<u>1990-1990 Budget</u>	<u>Augmentation</u>	<u>Adjusted Budget</u>
11-401	Development Drilling	\$11,924,000	\$2,100,000	\$14,024,000
11-941	Oil Well Redrills	7,782,000	1,580,000	9,362,000
11-946	Injection Well Redrills	1,920,000	440,000	2,360,000
11-968	Drilling Equipment Support	2,370,000	310,000	3,180,000
11-989	Administrative Overhead	<u>1,053,000</u> \$25,549,000	<u>170,000</u> \$4,600,000	<u>1,223,000</u> \$30,149,000

CALENDAR ITEM NO. C 2 7 (CONT'D)

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Code Regs. 15370.

- EXHIBIT: A. Letter Requesting Approval of Third Modification to Plan of Development and Operations and Budget, Long Beach Unit (July 1, 1990 through June 30, 1991).

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15370.
2. APPROVE THE THIRD MODIFICATION OF THE 1990-91 PLAN OF DEVELOPMENT OPERATIONS AND BUDGET, LONG BEACH UNIT.

EXHIBIT "A"

DEPARTMENT OF OIL PROPERTIES

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802 • (213) 590-3354 • FAX 590-6191

September 27, 1990

Mr. Charles Warren
 Executive Officer
 State Lands Commission
 245 West Broadway - Suite 425
 Long Beach, California 90802

Subject: REQUEST FOR APPROVAL OF THE THIRD MODIFICATION TO THE
 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET,
 LONG BEACH UNIT (JULY 1, 1990 THROUGH JUNE 30, 1991)

Dear Mr. Warren:

In accordance with the provisions of Part IV, Section A, of the 1990-1991 Plan and Budget, we are submitting for your approval the Third Modification of the Plan of Development and Operations and Budget of the Long Beach Unit covering the period July 1, 1990 through June 30, 1991.

This Third Modification augments the Drilling and Development Program to permit the operation of a third drilling rig through the end of the 1990-1991 budget period. Since the current budget funds the drilling program for only 2-1/2 rig-years, there are insufficient funds available for transfer. Accordingly, a budget augmentation in the amount of \$4,600,000 is proposed.

Those budget items affected will be adjusted as follows:

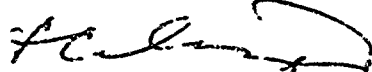
(Thousands of Dollars)

<u>Account</u>	<u>Description</u>	<u>1990-91 Budget</u>	<u>Proposed Augmentation</u>	<u>Adjusted Budget</u>
11-401,	Development Drilling	\$11,924	\$2,100	\$14,024
11-941,	Oil Well Redrills	7,782	1,580	9,362
11-946,	Injection Well Redrills	1,920	440	2,360
11-968,	Drilling Equipment/ Support	2,870	310	3,180
10-989,	Administrative Overhead	<u>1,053</u>	<u>170</u>	<u>1,223</u>
		\$25,549	\$4,600	\$30,149

Charles Warren
September 27, 1990
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The City of Long Beach, as Unit Operator of the Long Beach Unit, approved this Third Modification to the Plan of Development and Operations and Budget, and requests your approval at your earliest convenience.

Very truly yours,



Xenophon C. Colazas
Director

XCC:slg

FIN 312.002

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