Meeting Date: 10/14/25
Work Order Number: 17166
Staff: J. Abedi

Staff Report 31

GRANTEE:

City of Long Beach

PROPOSED ACTION:

Consider acknowledgement of receipt of the Final Report and Closing Statement for the Long Beach Unit Annual Plan (July 1, 2024, through June 30, 2025), Long Beach Unit, Wilmington Oil Field, Los Angeles County.

BACKGROUND:

The City of Long Beach submitted its Final Report and Closing Statement for the Annual Plan (Report), Long Beach Unit for Fiscal Year 2024-2025 (Exhibit C, attached), covering the period July 1, 2024, through June 30, 2025, to the Commission, as required by section 10 of Chapter 138, Statutes of 1964, 1st Extraordinary Session. Although Commission action on the Report is not required under the statute or various Long Beach Unit agreements, the City of Long Beach has requested the Commission's concurrence with and acceptance of the Report by letter dated September 16, 2025. This Report provides the Unit's actual performance for the full Fiscal Year 2024-2025 (FY 2024-25).

Total expenditures for the Long Beach Unit were $204.6 million, which is $99.2 million less than the approved budget of $303.8 million for FY 2024–25. The reduction is mainly attributable to suspension of development drilling, with additional savings from lower operating expenses and a $6.9 million property tax refund.

Net profit for FY 2024-25 was $123.4 million, which is $83.1 million greater than the approved plan's net profit estimate of $40.3 million. The higher than planned net profit primarily reflects stronger oil prices, complemented by reduced expenditures.

The average oil and gas rates for the FY 2024-25 were 12,318 barrels (bbls)/day of oil (1,880 bbls/day less than the Plan estimate) and 5,499 thousand cubic feet

(MCF)/day of gas (1,174 MCF/day less than the Plan estimate). Although oil and gas production volumes averaged below plan due to reduced drilling activity and lower injection due to regulations, this impact is offset by stronger oil prices and cost savings through lower energy spending.

The approved budget forecast used an oil price of $65.00/bbl and a gas price of $3.00/MCF. The actual price averaged $71.67/bbl for oil and $2.56/MCF for gas for the Fiscal Year. See Tables 1 and 2, below, for additional details.

Table 1. Actual Oil and Gas Prices, Expenditures, and Net Profit for Fiscal Year 2024-2025 (Revenue, Expenditure, and Net Profit Figures in Thousands of Dollars)

	First Quarter FY 24/25	Second Quarter FY 24/25	Third Quarter FY 24/25	Fourth Quarter FY 24/25	Total FY 24/25
Oil Revenue	90,653	83,154	78,362	70,640	322,810
Gas Revenue	1,162	1,054	1,794	1,125	5,135
Expenditures	54,666	41,006	61,320	47,572	204,564
Net Profit	37,149	43,201	18,836	24,194	123,380
Oil Price $/BBL	76.69	72.22	72.84	64.93	71.67 (Average)
Gas Price $/MCF	2.16	2.07	3.71	2.31	2.56 (Average)

Table 2. Actual Net Profit for Fiscal Year 2024-2025 (All Figures in Thousands of Dollars)

	Actual First Quarter FY 24/25	Actual Second Quarter FY 24/25	Actual Third Quarter FY 24/25	Actual Fourth Quarter FY 24/25	Actual Total FY 24/25	Planned FY 24/25
Actual Net Profit	37,149	43,201	18,836	24,194	123,380	40,343

Staff have reviewed the Report, including production, injection, expenditure, and revenue figures, and have prepared Exhibits A and B, attached, to represent graphically the actual Fiscal Year performance compared to the approved budget.

OTHER PERTINENT INFORMATION:

1. This action is consistent with paragraph 2 of the "Meeting Evolving Public Trust Needs" Strategic Focus Area of the Commission's 2021-2025 Strategic Plan.
2. Acknowledgement of the Final Report and Closing Statement is not a project as defined by the California Environmental Quality Act (CEQA) because it is an administrative action that will not result in direct or indirect physical changes in the environment.

   Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, sections 15060, subdivision (c)(3), and 15378, subdivision (b)(5).
3. If, however, this action were considered a project under CEQA, it would be exempt. Commission review of the Final Report and Closing Statement is part of the ongoing Long Beach Unit operations approved and carried out prior to November 23, 1970, and it involves only the operation and maintenance of existing facilities.

   Authority: California Code of Regulations, title 14, sections 15261, subdivision (a), and 15301.

EXHIBITS:

A. LBU Financial Performance, FY 2024-2025, Annual Plan vs. Actual

B. LBU Oil Rate Performance, FY 2024-2025, Annual Plan vs. Actual

C. Letter from the City of Long Beach dated September 16, 2025

RECOMMENDED ACTION:

It is recommended that the Commission:

AUTHORIZATION:
Acknowledge receipt of the Final Report and Closing Statement for the Long Beach Unit Annual Plan for the period July 1, 2024, through June 30, 2025, Long Beach Unit, Wilmington Oil Field, Los Angeles County.

EXHIBIT A

W 17166

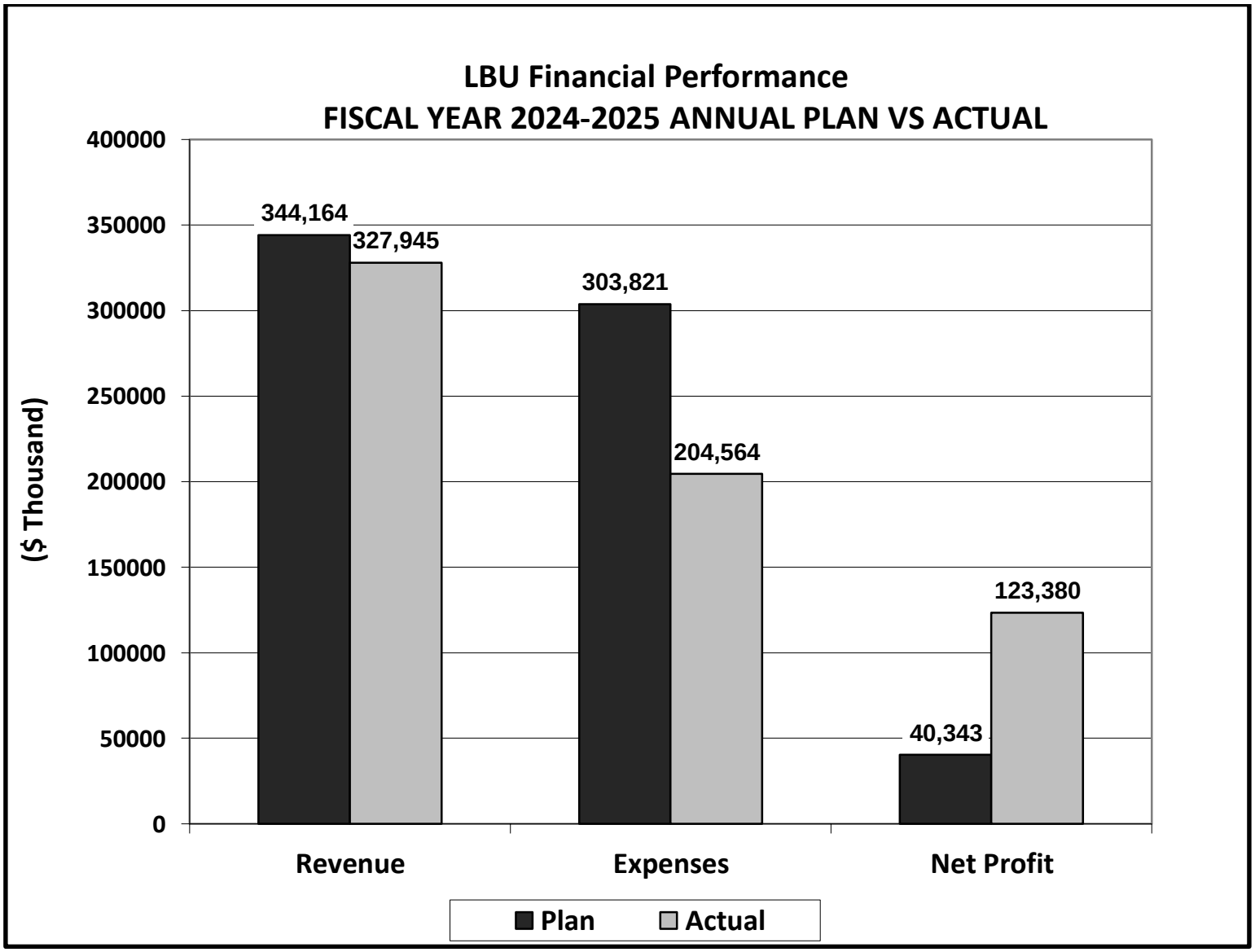
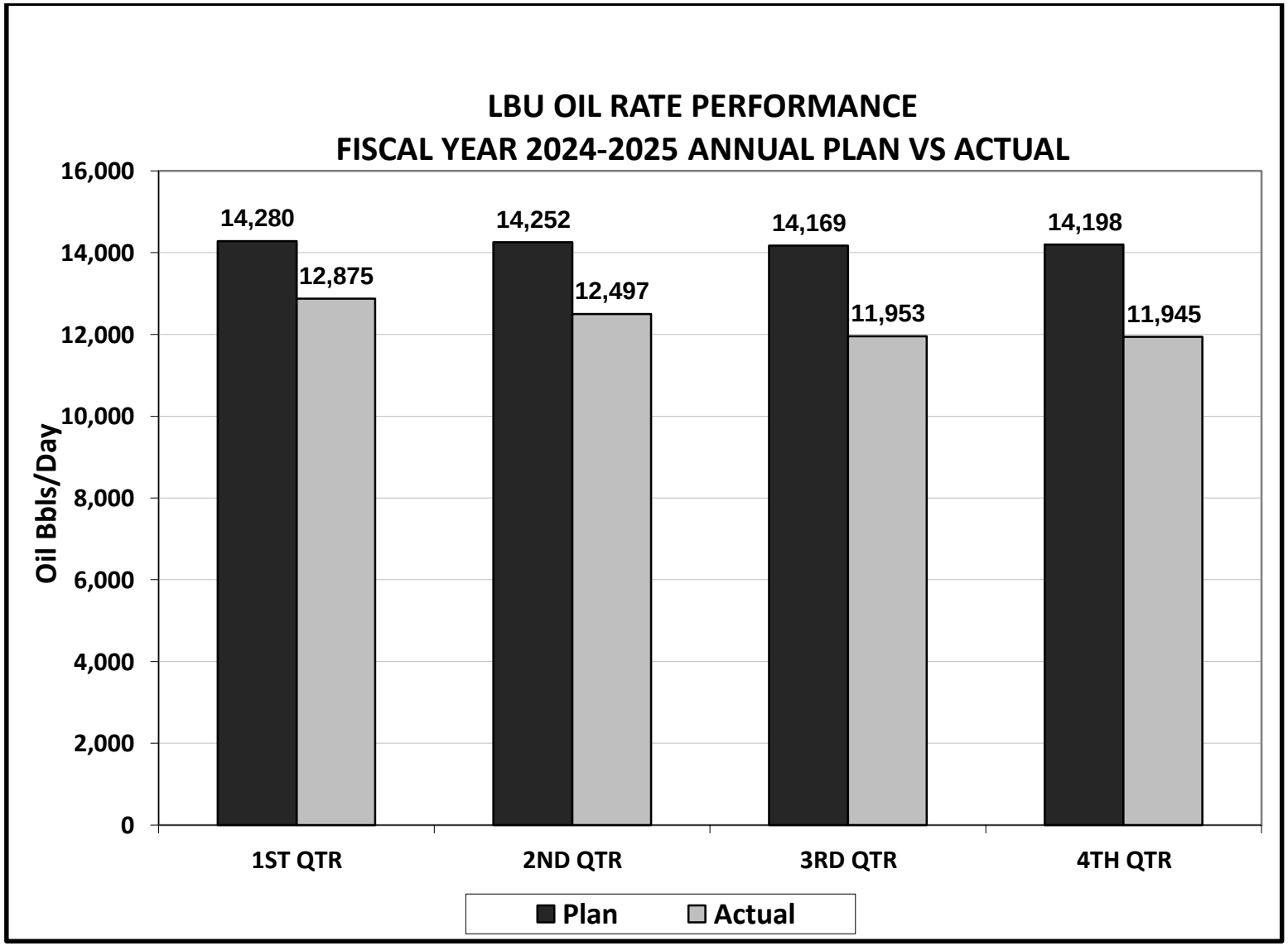


EXHIBIT B

W 17166



CITY OF LONG BEACH

LONG BEACH ENERGY RESOURCES
2400 EAST SPRING STREET • LONG BEACH, CA 90806
(562) 570-2000 • www.longbeach.gov

September 16, 2025

Mr. Peter Regan, Division Chief
Mineral Resources Management Division
California State Lands Commission
301 E. Ocean Blvd., Suite 550
Long Beach, CA 90802

SUBJECT: **REQUEST FOR APPROVAL OF THE FINAL REPORT AND CLOSING STATEMENT TO THE ANNUAL PLAN (JULY 1, 2024 THROUGH JUNE 30, 2025)**

Dear Mr. Regan:

In accordance with provisions of Part IV, Section C, of the Annual Plan, attached for your approval is the final report and closing statement to the Annual Plan covering the period July 1, 2024 through June 30, 2025. This report contains a reconciliation of Unit activities by category.

The Long Beach Unit FY2025 budget was $303.8 million. The actual expenditure was $204.6 million, or 67 percent of budget. As oil prices fluctuated, costs were proactively managed and discretionary activities were high-graded to match the current environment, resulting in fiscal year profit of $123.4 million.

Funding Category	Budget	Actual	Variance
Development Drilling	50.3	0.8	No wells were redrilled compared to 25 wells originally planned.
Operating Expense	129.0	95.8	Spending for this category was lower due to reduced activity and lower energy costs.
Facilities, Maintenance, and Plant	50.2	44.5	Spending for this category was lower due to reduced activity level.
Unit Field Labor and Administrative	41.6	40.2	Spending for this category was in line with the budgeted amount.
Taxes, Permits, and Administrative Overhead	32.7	23.2	Spending for this category was lower due to a property tax refund.
Total	**303.8**	**204.6**	

Note: Numbers in table are in millions of Dollars (rounded).

Significant effort was made during the Plan period to maintain waterflood performance, which is paramount to increasing long-term value for the Unit.

Your concurrence with this Final Report and Closing Statement to the Annual Plan is requested.

Sincerely,

Robert Dowell
Director

Attachment: Final Report and Closing Statement – Annual Plan (July 1, 2024 - June 30, 2025) prepared by California Resources Corporation, September 11, 2025.

CONCURRENCE:

_____
Peter Regan, Division Chief
Mineral Resources Management Division
California State Lands Commission

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September 11, 2025

Robert Dowell, Director
Long Beach Energy Resources
2400 East Spring Street
Long Beach, CA 90806

Subject: 29-25 Thums Approval Request
Final Report and Closing Statement
Annual Plan (July 1, 2024 - June 30, 2025)

Dear Mr. Dowell:

In accordance with provisions of Part IV, Section C, of the Annual Plan, we are submitting for your approval this final report and closing statement to the Annual Plan covering the period July 1, 2024 through June 30, 2025 (FY2025). This report contains a reconciliation of Unit activities by category. Our dedicated workforce consists of 124 full-time equivalent employees at the end of the reporting period committed to safe and environmentally-sound subsidence management and production of local energy resources. During the fiscal year, they helped deliver nearly 4.5 million barrels of oil to our local economy and provided our stakeholders with over $123 million in proceeds from operations.

DEVELOPMENT DRILLING

The Development Drilling Category provides funding for all drilling and redrilling activity, as well as maintenance and replacement of drilling equipment within the Unit.

Operations Review

FY2025 reflects the Unit's operation strategy to capitalize on the prevailing market conditions. During the FY2025 Plan period, operations activities were advantageously planned to navigate the current environment while maximizing return to the Unit. During the period, the Unit operated no drilling rigs, and no wells were drilled or completed during the period.

On June 30, 2025, the total number of wells in the Unit was 1,507 of which 623 were active producers, 379 were active injectors, and 505 wells were shut in due to mechanical or reservoir related issues. Excluded from these totals are the abandoned wells.

Budget to Actual Variance

The Plan provided funds for 25 redrilled wells that were to be drilled with a drilling pace equivalent to 1.0 full-time drilling rigs. The budget for the Development Drilling Category was

$50.3 million, while actual spend was $0.8 million or 2% of the budgeted amount. Most of the actual spend was directed toward well abandonment costs.

OPERATING EXPENSE

The Operating Expense Category provides funding for the ongoing cost of day-to-day well production and injection operations necessary for producing, processing, and delivering crude oil and gas, for all electric power costs, and for abandonment costs.

Operations Review

- Unit oil production during the Plan period averaged 12,321 bbls/day, which was 1,877 bbls/day lower than the Plan estimate, driven by regulation changes and no drilling activity as compared to plan.
- Gas production averaged 5,499 mcf/day, which was 1,174 mcf/day lower than the Plan estimate.
- Water injection averaged 961,297 bbls/day, which was 73,757 bbls/day lower than the Plan estimate. Water production averaged 909,411 bbls/day, which was 100,397 bbls/day lower than the Plan estimate.
- The average price for Unit crude was $71.78/bbl during the Plan period. The Plan was based on $65.00/bbl crude. The average price for Unit gas was $2.55/mcf and the Plan was based on $3.00/mcf.

Budget to Actual Variance

Total spending for the Operating Expense Category was $95.8 million, compared to $129.0 million in the budget. This resulted in 74% of the budgeted amount being spent. The lower spending level was primarily related to reduced energy costs driven by reduced volume and pricing.

FACILITIES, MAINTENANCE AND PLANT

The Facilities, Maintenance and Plant Category provides funds for maintenance, repairs, upgrades, additions of surface facilities and pipelines, and costs for general field services.

Operations Review

Projects with significant expenditures during the fiscal year include the following:

- Grissom Produced Water Pipeline
- Chaffee SCE Transformer #5 Replacement
- THUMS Air Compressor Replacements

Budget to Actual Variance

The Facilities, Maintenance and Plant Category had a budget of $50.2 million, of which $44.5 million, or 89% of the budgeted amount was spent. The lower spending level was primarily related to changes in activity.

UNIT FIELD LABOR AND ADMINISTRATIVE

The Unit Field Labor and Administrative Category provides funding for salaries, benefits, training, and other expenses of all Unit personnel, and costs for other Unit support activities. Unit support activities include costs for professional and temporary services, data processing and general office equipment and materials, Unit Operator billable costs, California Resources Long Beach Inc. billable costs, management projects, extraordinary losses and claims, and prior year adjustments.

Budget to Actual Variance

The Unit Field Labor and Administrative Category had a budget of $41.6 million. Actual spend was in line with budget for a total of $40.2 million.

TAXES, PERMITS, AND ADMINISTRATIVE OVERHEAD

The Taxes, Permits, and Administrative Overhead Category provides funding for specific taxes, permits, licenses, land leases, and all administrative overhead costs for the Unit.

Budget to Actual Variance

The Taxes, Permits, and Administrative Overhead Category had a budget of $32.7 million, while actual spend was $23.2 million, or 71% of the budgeted amount. The lower spending was related to a $6.9 million property tax refund.

SUMMARY

The Long Beach Unit FY2025 budget was $303.8 million, of which $204.6 million, or 67%, was spent. Costs were proactively managed along with high grading discretionary activities to match the current environment. Oil price averaged $71.78 for the year, providing $322.8 million of oil revenue. Gas provided an additional $5.1 million in revenue. Fiscal year profit was $123.4 million compared to an estimated profit of $40.3 million in the Plan.

Significant effort was made during the Plan period to maintain waterflood performance, which is paramount to increasing long-term value for the Unit. The development program was

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thoughtfully implemented, and optimized for capital investment, cash flows, and commodity market volatility, while maintaining focus on health, environment, and safety.

Your concurrence with this Final Report and Closing Statement of the Annual Plan is requested.

Yours very truly,

Signed by:
H Dean Persinger
E9FA14636949450...

H Dean Persinger
VP Coastal Operations
California Resources Corporation

APPROVED:

Robert Dowell _____ Date

JMR
Attachments
cc:
H Dean Persinger
Bryan Hanley
Ashley Godbey
John Robles

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Economic Projections

Data in Thousands of $	ACTUAL FIRST QUARTER FY25	ACTUAL SECOND QUARTER FY25	ACTUAL THIRD QUARTER FY25	ACTUAL FOURTH QUARTER FY25	ACTUAL TOTAL FISCAL YEAR FY25	BUDGET FISCAL YEAR FY25	% ACTUAL OVER/ UNDER (-) BUDGET FY25
ESTIMATED REVENUE							
Oil Revenue	$ 90,653	$ 83,154	$ 78,362	$ 70,640	$ 322,810	$ 336,857	-4.2%
Gas Revenue	$ 1,162	$ 1,054	$ 1,794	$ 1,125	$ 5,135	$ 7,307	-29.7%
TOTAL REVENUE	$ 91,815	$ 84,207	$ 80,156	$ 71,766	$ 327,945	$ 344,164	-4.7%
ESTIMATED EXPENDITURES							
Development Drilling	$ 20	$ 314	$ 107	$ 382	$ 823	$ 50,250	-98.4%
Operating Expense	$ 26,276	$ 21,679	$ 24,266	$ 23,593	$ 95,814	$ 128,994	-25.7%
Facilities, Maintenance & Plant	$ 10,309	$ 11,858	$ 12,417	$ 9,902	$ 44,485	$ 50,191	-11.4%
Unit Field Labor & Admin	$ 9,787	$ 7,709	$ 14,984	$ 7,691	$ 40,171	$ 41,638	-3.5%
Taxes, Permits & Admin Overhead	$ 8,274	$ (554)	$ 9,546	$ 6,005	$ 23,272	$ 32,748	-28.9%
TOTAL EXPENDITURES	$ 54,666	$ 41,006	$ 61,320	$ 47,572	$ 204,565	$ 303,821	-32.7%
NET PROFIT	$ 37,149	$ 43,201	$ 18,836	$ 24,194	$ 123,380	$ 40,343	

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Major Planning Assumptions

	ACTUAL FIRST QUARTER FY25	ACTUAL SECOND QUARTER FY25	ACTUAL THIRD QUARTER FY25	ACTUAL FOURTH QUARTER FY25	ACTUAL TOTAL FISCAL YEAR FY25	BUDGET TOTAL FISCAL YEAR FY25	% ACTUAL OVER/ UNDER (-) BUDGET FY25
OIL PRODUCTION :							
QUARTERLY (1,000 BBL)	1,184	1,150	1,076	1,087	4,497	5,182	
AVERAGE B/D	12,875	12,497	11,953	11,945	12,321	14,198	-13.2%
GAS PRODUCTION :							
QUARTERLY (MMCF)	528	509	484	487	2,007	2,436	
AVERAGE MCF/D	5,734	5,528	5,382	5,348	5,499	6,673	-17.6%
WATER PRODUCTION :							
QUARTERLY (1,000 BBL)	86,025	84,407	80,050	81,453	331,935	368,580	
AVERAGE B/D	935,050	917,466	889,446	895,090	909,411	1,009,809	-9.9%
WATER INJECTION :							
QUARTERLY (1,000 BBL)	91,336	89,291	84,245	86,000	350,873	377,795	
AVERAGE B/D	992,786	970,557	936,059	945,060	961,297	1,035,054	-7.1%
AVG. OIL PRICE ($/BBL)	76.69	72.22	72.84	64.93	71.78	65.00	10.4%
AVG GAS PRICE ($/MCF)	2.16	2.07	3.71	2.31	2.55	3.00	-15.1%

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	Oil Production		Gas Production	
Location	**Average B/D 7/1/24 - 6/30/25**	**Cumulative Mbbls 6/30/2025**	**Average MCF/D 7/1/24 - 6/30/25**	**Cumulative MMCF 6/30/2025**
Grissom	3,727	212,203	1,033	35,534
White	2,058	192,477	1,258	55,849
Chaffee	3,105	240,495	1,776	82,894
Freeman	2,122	295,126	931	99,790
Pier J	1,309	158,390	502	30,395
Total	**12,321**	**1,098,691**	**5,499**	**304,462**
Reservoir				
SHALLOW GAS	-	-	-	-
TAR	181	2,745	109	1,235
RANGER	9,305	818,101	4,224	200,347
TERMINAL	1,949	161,277	710	34,611
Union-pac-ford	887	112,283	456	63,274
237	-	4,285	-	4,995
Total	**12,321**	**1,098,691**	**5,499**	**304,462**

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	Water Production		Water Injection	
Location	**Average B/D 7/1/24 - 6/30/25**	**Cumulative Mbbls 6/30/2025**	**Average B/D 7/1/24 - 6/30/25**	**Cumulative Mbbls 6/30/2025**
Grissom	245,252	3,331,847	231,194	3,767,973
White	164,523	2,620,692	147,288	2,858,720
Chaffee	214,251	2,387,830	224,859	3,090,495
Freeman	173,860	3,038,188	213,411	3,335,603
Pier J	111,525	1,981,052	144,545	2,357,595
Total	**909,411**	**13,359,608**	**961,297**	**15,410,387**
Reservoir				
SHALLOW GAS	-	-	-	-
TAR	5,303	25,663	8,450	57,142
RANGER	723,240	10,962,986	770,582	12,944,435
TERMINAL	135,618	1,723,715	141,154	2,014,385
Union-pac-ford	45,249	642,083	41,111	745,298
237	-	5,164	-	-
Total	**909,411**	**13,359,610**	**961,297**	**15,761,260**

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Number of wells
As of June 30, 2025

By Location	Producer	Injectors	Total
Grissom	247	104	351
White	215	108	323
Chaffee	218	125	343
Freeman	215	110	325
Pier J	103	62	165
Total	**998**	**509**	**1,507**

By Reservoir			
SHALLOW GAS	0	0	0
TAR	15	3	18
RANGER	747	383	1,130
TERMINAL	153	76	229
UP-Ford	80	47	127
237	3	0	3
Total	**998**	**509**	**1,507**