

MINUTE ITEM

19. (CO-OPERATIVE AGREEMENT, WATERFLOOD PROGRAM, FAULT BLOCK VI, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - L.B.W.O. 10,078.)

After presentation of Calendar Item 28 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION FINDS THAT THE ENTERING INTO AND THE PERFORMANCE OF THE AGREEMENT UNDER THE WATERFLOODING PROGRAM KNOWN AS "CO-OPERATIVE AGREEMENT, FAULT BLOCK VI (RANGER ZONE), WILMINGTON FIELD" BETWEEN THE CITY OF LONG BEACH, THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH, RICH-FIELD OIL CORPORATION, AND PRODUCING PROPERTIES, INC., IS IN THE PUBLIC INTEREST; AND THAT AS REQUIRED BY SECTION 6879 OF THE PUBLIC RESOURCES CODE, SUCH CO-OPERATIVE AGREEMENT PROVIDES THAT ANY IMPAIRMENT OF THE PUBLIC TRUST FOR COMMERCE, NAVIGATION, OR FISHERIES TO WHICH THE GRANTED LANDS ARE SUBJECT IS PROHIBITED, AND THAT SAID AGREEMENT PROVIDES FOR ITS SUBMISSION TO THE STATE LANDS COMMISSION FOR APPROVAL. THE COMMISSION APPROVAL IS SUBJECT TO: (1) THE RECEIPT OF A RESOLUTION OF THE LONG BEACH CITY COUNCIL DETERMINING THAT THE SUBJECT AGREEMENT IS IN THE INTEREST OF INCREASING THE ULTIMATE RECOVERY OF OIL OR GAS FROM SUCH LANDS, OR OF THE PROTECTION OF OIL OR GAS IN SAID LANDS FROM UNREASONABLE WASTE, OR THAT THE SUBSIDENCE OR SINKING OF SUCH LANDS AND ABUTTING LANDS MAY POSSIBLY BE ARRESTED OR AMELIORATED THEREBY; (2) APPROVAL OF THE FORM OF THE CO-OPERATIVE AGREEMENT, BY THE OFFICE OF THE ATTORNEY GENERAL, AS TO COMPLIANCE WITH THE PUBLIC RESOURCES CODE.

Attachment

Calendar Item 28 (1 page)

CALENDAR ITEM

MISCELLANEOUS

28.

(CO-OPERATIVE AGREEMENT, WATERFLOOD PROGRAM, FAULT BLOCK VI, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - L.B.W.O. 10,078.)

The City of Long Beach has submitted for approval by the Commission a form of co-operative agreement to be entered into by the City of Long Beach, the Board of Harbor Commissioners of the City of Long Beach, Richfield Oil Corporation, and Producing Properties, Inc., providing for a co-operative water injection program in the Ranger Zone in Fault Block VI of the Wilmington Oil Field. The agreement provides for a row of injection wells to be drilled between the tideland lease held by the Richfield Oil Corporation and the upland lease held by Producing Properties, Inc., with water to be injected by each operator on his respective property. The agreement contains hold-harmless clauses by and between all parties.

The agreement will be submitted for approval to the State Oil and Gas Supervisor in accordance with Sections 3319.1 and 3320.1 of the Public Resources Code, which provide for submittal to the State Oil and Gas Supervisor of an engineering program for pressure restoration, pressure maintenance, and subsidence amelioration. The Supervisor shall determine whether the repressuring plan is necessary and that it will not substantially reduce the maximum economic quantity of oil or gas ultimately recovered from the area.

Section 6879 of the Public Resources Code requires approval by the Commission of such agreement whenever tide and submerged lands have been granted to a city by a grant which does not reserve the right to produce oil and gas therefrom, upon determination by the Commission that such agreement provides that any impairment of the public trust for commerce, navigation, or fisheries to which said granted lands are subject, is prohibited and that the performance of such agreement is in the public interest. The proposed agreement includes the required prohibition.

IT IS RECOMMENDED THAT THE COMMISSION FIND THAT THE ENTERING INTO AND THE PERFORMANCE OF THE AGREEMENT UNDER THE WATERFLOODING PROGRAM KNOWN AS "COOPERATIVE AGREEMENT, FAULT BLOCK VI (RANGER ZONE), WILMINGTON FIELD" BETWEEN THE CITY OF LONG BEACH, THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH, RICHFIELD OIL CORPORATION, AND PRODUCING PROPERTIES, INC., IS IN THE PUBLIC INTEREST; AND THAT AS REQUIRED BY SECTION 6879 OF THE PUBLIC RESOURCES CODE, SUCH COOPERATIVE AGREEMENT PROVIDES THAT ANY IMPAIRMENT OF THE PUBLIC TRUST FOR COMMERCE, NAVIGATION, OR FISHERIES TO WHICH THE GRANTED LANDS ARE SUBJECT IS PROHIBITED, AND THAT SAID AGREEMENT PROVIDES FOR ITS SUBMISSION TO THE STATE LANDS COMMISSION FOR APPROVAL. THE COMMISSION APPROVAL IS SUBJECT TO THE RECEIPT OF A RESOLUTION OF THE LONG BEACH CITY COUNCIL DETERMINING THAT THE SUBJECT AGREEMENT IS IN THE INTEREST OF INCREASING THE ULTIMATE RECOVERY OF OIL OR GAS FROM SUCH LANDS, OR OF THE PROTECTION OF OIL OR GAS IN SAID LANDS FROM UNREASONABLE WASTE, OR THAT THE SUBSIDENCE OR SINKING OF SUCH LANDS AND ABUTTING LANDS MAY POSSIBLY BE ARRESTED OR AMELIORATED THEREBY.