

MINUTE ITEM

5. RELEASE AGREEMENT, WATER INJECTION, UPPER AND LOWER TERMINAL ZONES, FAULT BLOCK V, WILMINGTON OIL FIELD - L.B.W.O. 10,107.

After consideration of Calendar Item 8 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION:

1. FINDS THAT THE ENTERING INTO AND PERFORMANCE OF THE AGREEMENT UNDER THE WATER FLOODING PROGRAM KNOWN AS "RELEASE AGREEMENT (UPPER AND LOWER TERMINAL ZONES OF FAULT BLOCK V)", WILMINGTON FIELD, BETWEEN THE CITY OF LONG BEACH, THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH, AND PRODUCING PROPERTIES, INC., IS IN THE PUBLIC INTEREST; AND THAT, AS REQUIRED BY SECTION 6879 OF THE PUBLIC RESOURCES CODE, SUCH 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.
2. APPROVES THE AFORESAID AGREEMENT PURSUANT TO THE PROVISIONS OF SECTION 6879 OF THE PUBLIC RESOURCES CODE.

Attachment

Calendar Item 8 (2 pages)

CALENDAR ITEM

8.

RELEASE AGREEMENT, WATER INJECTION, UPPER AND LOWER TERMINAL ZONES, FAULT BLOCK V, WILMINGTON OIL FIELD - L.B.W.O. 10,107.

In accordance with the provisions of Section 6879 of the Public Resources Code, the City of Long Beach has submitted a release agreement relating to water injection into the Upper and Lower Terminal Zones in Fault Block V of the Wilmington Oil Field for approval by the State Lands Commission.

The draft of the agreement has been approved by the City Council of the City of Long Beach and by its Board of Harbor Commissioners, and a resolution has been adopted making the findings required precedent to entry into such agreement in compliance with the requirements of Section 6879 of the Public Resources Code. The agreement releases and discharges the City of Long Beach and its drilling and operating contractors from any claim for damage to property owned by Producing Properties, Inc., caused by water injection operations by the City into the Upper and Lower Terminal Zones of Fault Block V underlying the City's uplands and the City's tidelands.

On July 30, 1959 (Minute Item 36, page 5102), the Commission approved a release agreement covering water injection into the Upper and Lower Terminal Zones of Fault Block V between the City of Long Beach, Board of Harbor Commissioners of the City of Long Beach, and General Petroleum Corporation. The City, through its drilling and operating contractors, is the only principal producer below the Ranger Zone, except for General Petroleum Corporation; however, Producing Properties, Inc., did have previous production in the Terminal Zones. These wells went to water and were subsequently redrilled to the Ranger Zone from which they are now producing.

The subject agreement, which has been executed by Producing Properties, Inc., releases the City from any claims for damages to its properties that may be caused in the Upper and Lower Terminal Zones of Fault Block V as a result of the City's water-flooding operations. The draft of the release agreement has been reviewed by the office of the Attorney General, with a conclusion that the agreement contains the provisions required by Section 6879 of the Public Resources Code, that these provisions conform with the applicable provisions of law, and that they properly may be approved by the Commission.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ENTERING INTO AND PERFORMANCE OF THE AGREEMENT UNDER THE WATER FLOODING PROGRAM KNOWN AS "RELEASE AGREEMENT (UPPER AND LOWER TERMINAL ZONES OF FAULT BLOCK V)", WILMINGTON FIELD, BETWEEN THE CITY OF LONG BEACH, THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH, AND PRODUCING PROPERTIES, INC., IS IN THE PUBLIC INTEREST; AND THAT, AS REQUIRED BY SECTION 6879 OF THE PUBLIC RESOURCES CODE, SUCH 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.

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CALENDAR ITEM 8. (CONTD.)

2. APPROVE THE AFORESAID AGREEMENT PURSUANT TO THE PROVISIONS OF SECTION 6879 OF THE PUBLIC RESOURCES CODE.