

MINUTE ITEM

7. COOPERATIVE AGREEMENT, WATER INJECTION, FAULT BLOCKS I AND II (RANGER AND UPPER TERMINAL ZONES), WILMINGTON OIL FIELD - L.B.W.O. 10,106.

After consideration of Calendar Item 18 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION:

1. FINDS THAT THE ENTERING INTO AND THE PERFORMANCE OF THE WATER FLOODING PROGRAM KNOWN AS COOPERATIVE AGREEMENT - FAULT BLOCKS I AND II (RANGER AND UPPER TERMINAL ZONES), WILMINGTON OIL FIELD, BETWEEN GENERAL PETROLEUM CORPORATION, SOUTHERN CALIFORNIA EDISON COMPANY, LOS ANGELES AND SALT LAKE RAILROAD COMPANY, ITS LESSEE, UNION PACIFIC RAILROAD COMPANY, AND BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH MADE AND ENTERED INTO JULY 15, 1959 ARE 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 THE SAID AGREEMENT PROVIDES FOR ITS SUBMISSION TO THE STATE LANDS COMMISSION FOR APPROVAL.
2. APPROVES THE AFORESAID COOPERATIVE AGREEMENT, PURSUANT TO THE PROVISIONS OF SECTION 6879 OF THE PUBLIC RESOURCES CODE.

Attachment

Calendar Item 18 (2 pages)

CALENDAR ITEM

18.

COOPERATIVE AGREEMENT, WATER INJECTION, FAULT BLOCKS I AND II (RANGER AND UPPER TERMINAL ZONES), WILMINGTON OIL FIELD - L.B. W.O. 10,106.

In accordance with the provisions of Section 6879 of the Public Resources Code, the City of Long Beach has submitted for approval by the State Lands Commission cooperative agreements providing for water injection into the Ranger and Upper Terminal Zones in Fault Blocks I and II of the Wilmington Oil Field.

The agreement providing for water injection into Fault Blocks I and II will be entered into by the General Petroleum Corporation, Southern California Edison Company, Los Angeles and Salt Lake Railroad Company, its lessee Union Pacific Railroad Company, and the Board of Harbor Commissioners.

The draft of the agreement has been approved by the City Council, City of Long Beach, and by the Board of Harbor Commissioners of the City of Long Beach, and a resolution has been adopted making the findings required precedent to entry into such agreements in compliance with the requirements of Section 6879 of the Public Resources Code.

The execution of the cooperative agreement for Fault Blocks I and II is essential for conducting water flooding operations on the south flank of Fault Block I in accordance with the engineering plans approved under the March 10 order of the State Oil and Gas Supervisor. Under these plans the city will complete three wells on the south flank of Fault Block I, and the Union Pacific Railroad Company will convert three wells to injection immediately north of the city's boundary line in Fault Block I.

The Union Pacific Railroad Company and the Atlantic Oil Company, through mutual agreements, will also expand water flooding operations somewhat to the north of the city's line in the same Fault Block. The purpose of the entire segment of the engineering plan is essentially to create a substantial pressure barrier between Fault Blocks I and II on the south flank. This is an essential part of the program for repressuring the critical Navy Shipyard area. The cost of the city's program will be financed from the eight million dollars which has been approved for water injection projects by the Commission.

The draft of the cooperative agreement has been reviewed by the office of the Attorney General with the conclusion that the agreement contains the provisions required by Section 6879 of the Public Resources Code that it conform with the applicable provisions of law and properly may be approved by the Commission.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ENTERING INTO AND THE PERFORMANCE OF THE WATER FLOODING PROGRAM KNOWN AS COOPERATIVE AGREEMENT - FAULT BLOCKS I AND II (RANGER AND UPPER TERMINAL ZONES), WILMINGTON OIL FIELD, BETWEEN GENERAL PETROLEUM CORPORATION, SOUTHERN CALIFORNIA EDISON COMPANY, LOS ANGELES

CALENDAR ITEM 18 (CONTD.)

AND SALT LAKE RAILROAD COMPANY, ITS LESSEE, UNION PACIFIC RAILROAD COMPANY, AND BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH MADE AND ENTERED INTO JULY 15, 1959 ARE 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 THE SAID AGREEMENT PROVIDES FOR ITS SUBMISSION TO THE STATE LANDS COMMISSION FOR APPROVAL.

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