

MINUTE ITEM

35. LEGAL CLARIFICATION ON COMMITMENT OF GRANTED TIDELANDS TO UNIT OPERATIONS, LONG BEACH W.O. 2323.1.

Following presentation of Supplemental Calendar Item No. 46 attached, City Attorney Gerald Desmond of Long Beach informed the Commission that the Council and the Mayor of the City of Long Beach are anxious that the litigation schedule be met, and he assured the Commission that it would be, and that the necessary Writ would be filed not later than Tuesday, October 5. He stated that the Board of Harbor Commissioners is equally concerned and anxious that this legal question receive judicial determination. The Navy has been advised of the steps that will be taken. On behalf of the City, Mr. Desmond expressed appreciation for the vast amount of time spent by the staff of the State Lands Commission and by the office of the Attorney General on this problem, and for their giving priority to this matter.

The Chairman, in order to make the record clear, assured the representatives of the City of Long Beach that this action was not intended as a reflection on the officials of that City, but as an indication of the willingness of the Commission to cooperate with the City in every way possible.

Mr. H. E. Ridings, Jr., speaking on behalf of the Long Beach Board of Harbor Commissioners, stated that the Board shares with the State Lands Commission the concern over any delay. He asked that the Commission consider expanding its expression of concern to include all those who must be parties to final participation in field-wide unitization, letting it be understood by independent operators as well as by the City that the Lands Commission is greatly concerned over the entire program, and especially Fault Blocks IV and V.

The Chairman then suggested that the staff recommendation be amended to add a third paragraph, to read: "Express to all parties, public and private, involved in any aspect of repressurization, its strong feelings as to the urgency of optimum repressurization, and its desire to cooperate with them in moving forward on this vital program."

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE STATE LANDS COMMISSION:

1. AUTHORIZES THE EXECUTIVE OFFICER TO INFORM THE COUNCIL, THE MAYOR, AND THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH OF THE CONCERN OF THE COMMISSION OVER THE DELAYS WHICH HAVE ACCRUED IN THE SEEKING OF THE REQUISITE JUDICIAL DETERMINATIONS TO PERMIT EFFECTIVE UNIT OPERATIONS, AND OF THE URGENT REQUEST OF THE COMMISSION THAT THE NECESSARY ACTIONS BY THE CITY OF LONG BEACH TO OBTAIN SUCH JUDICIAL DETERMINATIONS BE INITIATED IN FACT AND AT ONCE;
2. PLEDGES ITS FULL ASSISTANCE TO THE CITY OF LONG BEACH IN ADVANCING THE LITIGATION AS RAPIDLY AS POSSIBLE IN OVERCOMING ALL OBSTACLES STANDING IN THE PATH OF OPTIMUM REPRESSURIZATION; AND

3. EXPRESSES TO ALL PARTIES, PUBLIC AND PRIVATE, INVOLVED IN ANY ASPECTS OF REPRESSURIZATION, ITS STRONG FEELINGS AS TO THE URGENCY OF OPTIMUM REPRESSURIZATION, AND ITS DESIRE TO COOPERATE WITH THEM IN MOVING FORWARD ON THIS VITAL PROGRAM.

Attachment

Calendar Item 46 (1 page)

SUPPLEMENTAL CALENDAR ITEM

46.

LEGAL CLARIFICATION ON COMMITMENT OF GRANTED TIDELANDS TO UNIT OPERATIONS, LONG BEACH - W.O. 2323.1.

Since the determination that optimum repressurization project operation in the Wilmington Oil Field might necessitate unit operation of tideland and private properties in particular fault blocks, a legal question of principal concern has been whether the City of Long Beach could commit granted tidelands to such unit operations without violation of the trust conditions of the effective tideland grants. The necessity for early judicial decision of this question has been recognized as a prime factor in putting unit operations into effect for Fault Blocks II and III, as approved by the Commission on February 18, 1960 (Minute Item 6, pages 5617-5621, and Minute Item 7, pages 5622-5624), and in the negotiation of an operating agreement for Fault Block IV.

The Commissioners were informed on behalf of the City of Long Beach at least as early as July 31, 1959, that the required judicial decision would be sought promptly. On January 4, 1960, the Commissioners were again informed of the intent of the City to proceed, with the intervening delay reported to have resulted from a necessary assignment of all Long Beach legal and technical personnel to the development of accelerated repressurization programs, with special emphasis on the area underlying the Naval Shipyard. By letter dated 3 August 1960, the Commander of the Long Beach Naval Shipyard reported to the General Manager of the Port of Long Beach the concern of the Navy over the status of repressurization projects, and particularly the fact that no unit operations were yet in effect for the Fault Block II and III areas underlying the Shipyard, or for the Fault Block IV area. The Long Beach Harbor Department has informed the Commission's staff currently that no action could be initiated to obtain the required judicial determination until after completion of extensive amendments to the Long Beach Oil Development Company operating contracts (under review for approval by the Commission).

In consideration of the foregoing record and the continuing importance of obtaining earliest clarification of the legal criteria applicable to proposed Long Beach unit operations,

IT IS RECOMMENDED THAT THE COMMISSION:

1. AUTHORIZE THE EXECUTIVE OFFICER TO INFORM THE COUNCIL, THE MAYOR, AND THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH OF THE CONCERN OF THE COMMISSION OVER THE DELAYS WHICH HAVE ACCRUED IN THE SEEKING OF THE REQUISITE JUDICIAL DETERMINATIONS TO PERMIT EFFECTIVE UNIT OPERATIONS, AND OF THE URGENT REQUEST OF THE COMMISSION THAT THE NECESSARY ACTIONS BY THE CITY OF LONG BEACH TO OBTAIN SUCH JUDICIAL DETERMINATIONS BE INITIATED IN FACT AND AT ONCE, AND
2. PLEDGE ITS FULL ASSISTANCE TO THE CITY OF LONG BEACH IN ADVANCING THE LITIGATION AS RAPIDLY AS POSSIBLE IN OVERCOMING ALL OBSTACLES STANDING IN THE PATH OF OPTIMUM REPRESSURIZATION.