

16. APPROVAL OF LETTERS OF AGREEMENT SUPPLEMENTING COOPERATIVE AGREEMENTS FOR WATER-INJECTION OPERATIONS, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

After consideration of Calendar Item 13 attached, and upon motion duly made and carried, the following resolution was adopted:

PURSUANT TO APPLICABLE STATUTES, THE COMMISSION APPROVES:

1. LETTER AGREEMENT SUPPLEMENTING COOPERATIVE AGREEMENT FOR WATER-INJECTION OPERATIONS (EAST BOUNDARY, MIDDLE SECTION FAULT BLOCK V RANGER ZONE UNIT), DATED APRIL 12, 1965 (B), AND COOPERATIVE AGREEMENT FOR WATER-INJECTION OPERATIONS (FAULT BLOCK V RANGER ZONE UNIT - CONTINENTAL PRODUCTION COMPANY), DATED JUNE 2, 1966 (C);

AND,

2. LETTER AGREEMENT SUPPLEMENTING COOPERATIVE AGREEMENT FOR WATER-INJECTION OPERATIONS (FAULT BLOCK V RANGER ZONE), DATED JUNE 17, 1964 (A).

Attachment:

Calendar Item 13 (2 pages)

APPROVAL OF LETTERS OF AGREEMENT SUPPLEMENTING COOPERATIVE AGREEMENTS FOR WATER-INJECTION OPERATIONS, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

The Commission has approved the following cooperative agreements for water-injection operations:

- A. Cooperative Agreement for Water Injection Operations (Fault Block V Ranger Zone) between the City of Long Beach, Atlantic Richfield Company, and the City of Long Beach and Mobil Oil Corporation (jointly referred to as "Unit Operators"), at its meeting of March 26, 1964;
- B. Cooperative Agreement for Water Injection Operations (East Boundary, Middle Section, Fault Block V Ranger Zone Unit) between the City of Long Beach and Mobil Oil Corporation, as Unit Operators of the Fault Block V Ranger Zone Unit, and the Standard Oil Company of California, at its meeting of February 25, 1965;
- C. Cooperative Agreement for Water Injection Operations (Fault Block V Ranger Zone Unit - Continental Production Company) between Mobil Oil Corporation, as Unit Operator for Unit Segment II and as Unit Coordinator of the Fault Block V, Ranger Zone Unit, and the Continental Production Company, at its meeting of May 26, 1966.

The parties to these agreements now wish to modify certain provisions by means of Letter Agreements.

It is proposed to modify Agreements B. and C., above, by Letter Agreement to provide for increased water-injection rates and pressures in three injection wells along a common property boundary. These increased rates and pressures have been used during an approximate six-month trial period. The parties have reviewed the results of this trial increase, and have concluded that the changes are beneficial and consistent with the purpose of the cooperative agreements and that the increased rates and pressures should be continued.

A second Letter Agreement will modify Agreement A., above, to provide for the conversion of well A-184 for water-injection use as a replacement for injection well FRA-209, which has sustained severe casing damage requiring abandonment of the present hole. This proposed conversion will be considerably less expensive than redrilling well FRA-209, and otherwise will have no appreciable effect on the water-injection operations.

All parties and the Working Interest Owners of Fault Block V Ranger Zone Unit have approved these Letter Agreements, and the City Council of the City of Long Beach, on October 12, 1971, approved the Letter Agreements and authorized their execution by the City Manager.

CALENDAR ITEM 13. (CONTD.)

The Division has reviewed these proposed Letter Agreements and finds the implementation of the changes set forth in the agreements to be desirable.

IT IS RECOMMENDED THAT, PURSUANT TO APPLICABLE STATUTE, THE COMMISSION APPROVE:

1. LETTER AGREEMENT SUPPLEMENTING COOPERATIVE AGREEMENT FOR WATER-INJECTION OPERATIONS (EAST BOUNDARY, MIDDLE SECTION FAULT BLOCK V RANGER ZONE UNIT), DATED APRIL 12, 1965 (B), AND COOPERATIVE AGREEMENT FOR WATER-INJECTION OPERATIONS (FAULT BLOCK V RANGER ZONE UNIT - CONTINENTAL PRODUCTION COMPANY), DATED JUNE 2, 1966 (C);

AND,

2. LETTER AGREEMENT SUPPLEMENTING COOPERATIVE AGREEMENT FOR WATER-INJECTION OPERATIONS (FAULT BLOCK V RANGER ZONE), DATED JUNE 17, 1964 (A).