

MINUTE ITEM

8/31/72
CVB

11. LETTER AGREEMENT AMENDING COOPERATIVE AGREEMENT FOR WATER INJECTION OPERATIONS (FAULT BLOCK IV UNIT AND PARCEL "L"), CITY OF LONG BEACH, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

After consideration of Calendar Item 9 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION APPROVES THE LETTER AGREEMENT AMENDING THE COOPERATIVE AGREEMENT FOR WATER INJECTION OPERATIONS (FAULT BLOCK IV UNIT AND PARCEL "L") BETWEEN THE CITY OF LONG BEACH, AND JOINTLY THE CITY OF LONG BEACH ACTING IN ITS CAPACITY AS UNIT OPERATOR OF UNIT SEGMENT I OF THE FAULT BLOCK IV UNIT AND MOBIL OIL CORPORATION ACTING IN ITS CAPACITY AS UNIT COORDINATOR OF FAULT BLOCK IV UNIT.

Attachment:

Calendar Item 9 (2 pages)

A 39, 44, 68
S 32, 37
T

LETTER AGREEMENT AMENDING COOPERATIVE AGREEMENT
FOR WATER INJECTION OPERATIONS
(FAULT BLOCK IV UNIT AND PARCEL "L"),
CITY OF LONG BEACH, WILMINGTON OIL FIELD, LOS ANGELES COUNTY

The City of Long Beach has requested State Lands Commission approval of a Letter Agreement amending the Cooperative Agreement for Water Injection Operations (Fault Block IV Unit and Parcel "L"), between the City of Long Beach, and jointly the City of Long Beach acting in its capacity as Unit Operator of Unit Segment I of the Fault Block IV Unit and Mobil Oil Corporation acting in its capacity as Unit Coordinator of the Fault Block IV Unit.

The Cooperative Agreement, as approved by the Commission at its meeting of February 27, 1969, permits the parties to conduct water injection operations on a cooperative basis in a portion of the Ranger Zone along the common boundary between the Fault Block IV Unit and that portion of the Long Beach Harbor Department Tidelands Parcel known as Parcel "L", in order to maintain reservoir pressures, prevent the migration of oil, gas, water, or other fluids, and increase the ultimate amount of economically recoverable oil.

Section 2 of the subject Cooperative Agreement provides, in part, that no other wells shall be opened for production or injection in the defined Restricted Section without prior written amendment to the Agreement. Additionally, Section 15 states that any amendment to the Agreement shall be subject to approval of the State Lands Commission.

Exhibit "B" of the Agreement delineates the Restricted Section and shows the location of Ranger Zone wells within the Restricted Section.

Recently one of the water injection wells, FY-131, within the Restricted Section has become inoperable due to severe liner damage. In order to maintain the desired water injection rate, the parties have agreed to replace the damaged well by converting an existing producing well, W-288, to water injection service. The costs of abandoning Well FY-131 and converting Well W-288 will be shared in the same ratio as provided for injection well operating and maintenance costs in the Cooperative Agreement, i.e., 62% by the Unit and 38% by the City.

The City Council of the City of Long Beach, at its meeting of August 1, 1972, approved the subject Letter Agreement amending the Cooperative Agreement.

The Division has reviewed the proposed Letter Agreement and has found that implementation of the provisions thereof will increase the ultimate amount of economically recoverable oil, and is in the public interest.

CALENDAR ITEM NO. 9. (CONTD)

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE LETTER AGREEMENT AMENDING THE COOPERATIVE AGREEMENT FOR WATER INJECTION OPERATIONS (FAULT BLOCK IV UNIT AND PARCEL "L"), BETWEEN THE CITY OF LONG BEACH, AND JOINTLY THE CITY OF LONG BEACH ACTING IN ITS CAPACITY AS UNIT OPERATOR OF UNIT SEGMENT I OF THE FAULT BLOCK IV UNIT AND MOBIL OIL CORPORATION ACTING IN ITS CAPACITY AS UNIT COORDINATOR OF FAULT BLOCK IV UNIT.