

MINUTE ITEM

5/31/73
CVB

15. FIRST SUPPLEMENTAL LETTER AGREEMENT OF MODIFICATION TO COOPERATIVE AGREEMENT FOR WATER INJECTION OPERATIONS (FAULT BLOCK V RANGER ZONE UNIT AND PARCEL "L"), CITY OF LONG BEACH, 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:

THE COMMISSION APPROVES THE FIRST SUPPLEMENTAL LETTER AGREEMENT OF MODIFICATION TO THE COOPERATIVE AGREEMENT FOR WATER INJECTION OPERATIONS (FAULT BLOCK V RANGER ZONE UNIT AND PARCEL "L"), BETWEEN THE CITY OF LONG BEACH, AND JOINTLY (1) THE CITY OF LONG BEACH ACTING IN ITS CAPACITY AS UNIT OPERATOR OF THE UNIT SEGMENT I OF THE FAULT BLOCK V RANGER ZONE UNIT AND (2) MOBIL OIL CORPORATION ACTING IN ITS CAPACITY AS UNIT COORDINATOR OF FAULT BLOCK V RANGER ZONE UNIT.

Attachment:

Calendar Item 13 (2 pages)

13.

FIRST SUPPLEMENTAL LETTER AGREEMENT OF
MODIFICATION TO COOPERATIVE AGREEMENT FOR WATER
INJECTION OPERATIONS (FAULT BLOCK V RANGER ZONE 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 the First Supplemental Letter Agreement of Modification to the Cooperative Agreement for Water Injection Operations (Fault Block V Ranger Zone Unit and Parcel "L"), between the City of Long Beach, and jointly (1) the City of Long Beach acting in its capacity as Unit Operator of Unit Segment I of the Fault Block V and Ranger Zone Unit and (2) Mobil Oil Corporation acting in its capacity as Unit Coordinator of the Fault Block V Ranger Zone Unit.

The Cooperative Agreement, as approved by the Commission at its meeting of March 26, 1964, provides for 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 V Ranger Zone 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 agreement of all parties. 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, FJ-83, 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, Z1-59 to water injection service.

The City Council of the City of Long Beach, at its meeting of May 8, 1973, approved the subject Letter Agreement modifying the Cooperative Agreement.

The activity contemplated pursuant to this letter agreement appears to be exempt from the requirement for an Environmental Impact Report under the Guidelines for Implementation of the California Environmental Quality Act of 1970. The work to be accomplished under the terms of this Letter Agreement has been reviewed by the Division for its environmental impact with the conclusion that it will not have any significant adverse environmental impact.

CALENDAR ITEM NO.13.(CONTD)

The Division has reviewed the proposed First Supplemental 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.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE FIRST SUPPLEMENTAL LETTER AGREEMENT OF MODIFICATION TO THE COOPERATIVE AGREEMENT FOR WATER INJECTION OPERATIONS (FAULT BLOCK V RANGER ZONE UNIT AND PARCEL "I"), BETWEEN THE CITY OF LONG BEACH, AND JOINTLY (1) THE CITY OF LONG BEACH ACTING IN ITS CAPACITY AS UNIT OPERATOR OF THE UNIT SEGMENT I OF THE FAULT BLOCK V RANGER ZONE UNIT AND (2) MOBIL OIL CORPORATION ACTING IN ITS CAPACITY AS UNIT COORDINATOR OF FAULT BLOCK V RANGER ZONE UNIT.