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27. By the State Lands
Commission by a vote of 3
2 at its 124 (77)
meeting.

CALENDAR ITEM

1/77
WMT

27.

APPROVAL OF SECOND 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,
WELMINGTON OIL FIELD

The City of Long Beach, pursuant to Section 10(b), Chapter 29/1956, has requested State Lands Commission approval of the Second 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 the City of Long Beach, acting in its capacity as Unit Operator of Unit Segment I of the Fault Block V Ranger Zone Unit, and Mobil Oil Corporation, acting in its capacity as Unit Operator for Unit Segment II and 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, PG-2A, within the Restricted Section became inoperable due to severe liner damage. In order to maintain the desired water injection rate, the parties replaced the damaged well by converting an existing producing well, L-218 to water injection service.

The Division has reviewed the proposed Second Supplemental Letter Agreement and has found that implementation of the provisions thereof will increase the ultimate amount of economically recoverable oil.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE SECOND 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 THE CITY OF LONG BEACH, ACTING IN ITS CAPACITY AS UNIT OPERATOR OF UNIT SEGMENT I OF THE FAULT BLOCK V RANGER ZONE UNIT, AND MOBIL OIL CORPORATION, ACTING IN ITS CAPACITY AS UNIT OPERATOR OF UNIT SEGMENT II AND UNIT COORDINATOR OF FAULT BLOCK V RANGER ZONE UNIT.

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