

MINUTE ITEM

This Calendar Item No. 22
was approved as Minute Item
No. 22 by the State Lands
Commission by a vote of 3
to 0 at its 237
meeting.

CALENDAR ITEM

22

2/24/83
Lammers
W 12031

MODIFICATION TO "COOPERATIVE AGREEMENT
FOR WATER INJECTION OPERATIONS
(FAULT BLOCK V RANGER ZONE)",
WILMINGTON OIL FIELD, LOS ANGELES COUNTY

The City of Long Beach has requested approval of the Third Supplemental Letter Agreement of Modification to "Cooperative Agreement for Water Injection Operations (Fault Block V Ranger Zone)" dated June 17, 1964.

This Agreement provides in part "No other wells, either producing wells or injection wells, shall be opened for production or for water injection in said Restricted Section without the written agreement of all parties hereto".

This Supplemental Agreement would permit the conversion of an idle producer to water injection in lieu of re-drilling an existing well. This conversion would result in a savings to the State of approximately \$300,000.

The first two Supplemental Agreements provided for similar conversions.

AB 884: N/A.

EXHIBIT: A. Supplemental Agreement.

IT IS RECOMMENDED THAT THE COMMISSION:

1. APPROVE THE THIRD SUPPLEMENTAL LETTER AGREEMENT OF MODIFICATION TO "COOPERATIVE AGREEMENT FOR WATER INJECTION OPERATIONS (FAULT BLOCK V RANGER ZONE)" DATED JUNE 17, 1964.

A 57, 58

S 27, 31

Non-Substantive Revision 4/4/83

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EXHIBIT "A"

_____, 1982

Powerine Oil Company, et al.,
850 Windham Avenue
Long Beach, California 90802

Attention: Dave Hollis
Superintendent

THIRD SUPPLEMENTAL LETTER
AGREEMENT OF MODIFICATION TO
"COOPERATIVE AGREEMENT FOR
WATER INJECTION OPERATIONS
(FAULT BLOCK V RANGER ZONE)"
DATED JUNE 17, 1964

Gentlemen:

Under the date June 17, 1964, that certain Cooperative Agreement for Water Injection Operations (Fault Block V Ranger Zone), hereinafter referred to as "said Agreement", was executed by the City of Long Beach and the Board of Harbor Commissioners thereof, collectively referred to as "City", Richfield Oil Corporation, and the Board of Harbor Commissioners, in its capacity as Unit Operator of Unit Segment I of the Fault Block V Ranger Zone Unit, and Socony Mobil Oil Company, Inc., in its capacity as Unit Operator of Unit Segment II, and as Unit Coordinator, of the Fault Block V Ranger Zone Unit.

Powerine Oil Company, a corporation, Rothschild Oil Company, a general partnership, and Edgington Oil Company, a corporation, hereinafter referred to collectively as "Contractor" are the successors in interest to the Richfield Oil Corporation and Atlantic Richfield Company.

City of Long Beach, as successor to its Board of Harbor Commissioners, is acting as Unit Operator of Unit Segment I of said Fault Block V Ranger Zone Unit, and Mobil Oil Corporation, formerly known as Socony Mobil Oil Company, Inc., is acting as Unit Operator of Unit Segment II, and as Unit Coordinator, of said Fault Block V Ranger Zone Unit.

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At the time of entry into said Agreement, certain water injection wells had been drilled into the "Restricted Section" and were then operable, and it was agreed that certain other water injection wells were to be drilled into and opened for injection in the Restricted Section.

The injection-interval locations of all such water injection wells in the Ranger Zone within said Restricted Section are shown on Exhibit "B" of said Agreement.

The second sentence of Section 2 of said Agreement provides:

"No other wells, either producing wells or injection wells, shall be opened for production or for water injection in said Restricted Section without the written agreement of all parties hereto."

A First Supplemental Letter Agreement of Modification to said Agreement, substituting water injection well FRA-184 in the place and stead of water injection well FRA-209, within the Restricted Section, was heretofore approved and duly entered into on October 1, 1971.

A Second Supplemental Letter Agreement of Modification to said "Cooperative Agreement", dated December 19, 1973, and duly executed, provided for the substitution of City's non-unit well J-45 as an injection well in place of Fault Block V Ranger Zone Unit injection well FJ-76 which had been abandoned.

Now, there has been a failure in Powerine injection well FRA-96 and "Contractor" proposes to convert its Powerine idle producer well A-86 to a water injection well as a substitute for FRA-96 and re-number it FRA-86, with a water injection interval from marker F minus five feet to marker G plus fifty-seven feet. The midpoint of said injection interval is within the Restricted Section and approximately 450 feet north and 480 feet west of the midpoint of the injection interval of well FRA-96. The substitution has been Approved by the Working Interest Owners of the Fault Block V Ranger Zone Unit pursuant to Determination No. LB-V-255 (copy attached).

The water injection rate for said replacement well A-86 shall be approximately 1500 to 2500 B/D and the Contractor agrees to inject water into such well at said rate during the remainder of the term of said Agreement, subject to all other provisions of said Agreement.

This supplemental letter agreement shall be subject to approval by the State Lands Commission of the State of California and by the State Oil and Gas Supervisor, and, if so approved, shall be deemed effective as of the date of execution hereof by the last party signatory hereto.

Said Cooperative Agreement dated June 17, 1964, as heretofore supplemented by said First Supplemental Letter Agreement of Modification, and by said Second Supplemental Letter Agreement of Modification, and as hereby modified, shall continue in full force and effect.

Will all parties to said Agreement, or their respective successors in interest, please indicate their agreement by executing and returning to the Long Beach Department of Oil Properties, Attention: Xenophon C. Colazas, Director, five (5) copies hereof. When all parties have signed, a completely executed copy of this agreement will be mailed to each party.

Very truly yours,

CITY OF LONG BEACH, as Unit Operator, Unit Segment I, Fault Block V Ranger Zone Unit

_____, 1982

By _____
City Manager

MOBIL OIL CORPORATION, as Unit Operator, Unit Segment II, and Unit Coordinator, Fault Block V Ranger Zone Unit

_____, 1982

By _____
Attorney-in-Fact

UNIT OPERATORS

AGREED:

_____, 1982

POWERINE OIL COMPANY)
ROTHSCHILD OIL COMPANY) CONTRACTOR
EDGINGTON OIL COMPANY)

By _____

SUCCESSORS TO RICHFIELD

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AGREED:

_____, 1982

CITY OF LONG BEACH, a
municipal corporation,
organized and existing
under the laws of the State
of California, and operating
under a freeholders' charter.

By _____
City Manager

CITY

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