

MINUTE ITEM

25. MUNICIPAL FACILITIES FOR WATER INJECTION SYSTEM, FAULT BLOCK IV, CITY OF LONG BEACH, WILMINGTON FIELD - L.B.W.O. 10,103.

After consideration of Calendar Item 39 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION APPROVES THE EXPENDITURE BY THE LONG BEACH HARBOR DEPARTMENT OF NOT TO EXCEED \$500,000 FOR MUNICIPALLY OWNED AND OPERATED WATER INJECTION FACILITIES TO SERVE THE FOUR UPPER ZONES OF FAULT BLOCK IV OF THE WILMINGTON OIL FIELD. THE EXPENDITURES FOR THIS PURPOSE ARE TO BE MADE ONLY FROM THE CITY OF LONG BEACH'S SHARE OF TIDELAND OIL REVENUES.

Attachment

Calendar Item 39 (1 page)

CALENDAR ITEM

39.

MUNICIPAL FACILITIES FOR WATER INJECTION SYSTEM, FAULT BLOCK IV, CITY OF LONG BEACH, WILMINGTON FIELD - L.B.W.O. 10,103.

On July 30, 1959 (Minute Item 34, page 5098), the Commission approved costs not to exceed \$100,000 to be expended by the City of Long Beach for an engineering study of a field-wide water-injection system.

In the opinion of the office of the Attorney General, the use by the City of Long Beach of its own share of tideland oil revenues to finance, engineer, construct and operate a field-wide injection water-supply system in the Wilmington Oil Field is legally unobjectionable in principle.

The Board of Harbor Commissioners of the City of Long Beach has submitted to the staff for review a final report of cost analysis and engineering design in connection with proposed water injection facilities, providing for the repressurization of the four upper zones of Fault Block IV of the Wilmington Field. This injection program has been given basic approval by the State Oil and Gas Supervisor.

The City has requested the approval of the Commission for the expenditure of \$500,000 from the City's share of tideland oil revenues to cover the cost of construction of the surface facilities required. These facilities include one booster pump station and water transmission lines to the injection wells, but the cost of injection wells is not included in the request. The plant will provide approximately 123,000 barrels of water per day at pressures ranging from 1,050 pounds to 2,000 pounds per square inch. Surplus high pressure water adequate to meet the current needs of Fault Block IV is available from the Fault Blocks II and III Mainland pumping station. It is also planned that the ultimate pressures at the Mainland pumping station will be increased by 200 pounds when the field injection program requires the additional pressure. Only one booster station, capable of raising 40,000 barrels per day an additional 1,000 pounds per square inch, will be required. Transmission lines will transport the high-pressure water to 22 injection wells. It is estimated that the injection water cost will be approximately \$0.00731 per barrel. This figure includes amortization of capital costs including interest payments over a ten-year period. Five upland operators, Southern California Edison Company, Mobil Oil Company, Union Pacific Railroad Company, Richfield Oil Company and Signal Oil and Gas Company, controlling approximately 90% of the production in Fault Block IV north of Seaside Boulevard, have approved and agreed to a proposal to purchase required injection water from the City's plants.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE EXPENDITURE BY THE LONG BEACH HARBOR DEPARTMENT OF NOT TO EXCEED \$500,000 FOR MUNICIPALLY OWNED AND OPERATED WATER INJECTION FACILITIES TO SERVE THE FOUR UPPER ZONES OF FAULT BLOCK IV OF THE WILMINGTON OIL FIELD. THE EXPENDITURES FOR THIS PURPOSE ARE TO BE MADE ONLY FROM THE CITY OF LONG BEACH'S SHARE OF TIDELAND OIL REVENUES.