

25. COOPERATIVE AGREEMENT FOR WATER INJECTION OPERATIONS (LONG BEACH UNIT AND PARCEL "L") RANGER ZONE, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - L.A.W.O. 5200.505, L.B.W.O. 10,191.

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

THE COMMISSION:

1. FINDS:

- a. THAT THE "COOPERATIVE AGREEMENT FOR WATER INJECTION OPERATIONS (LONG BEACH UNIT AND PARCEL 'L') RANGER ZONE" BETWEEN THE CITY OF LONG BEACH AND THE CITY OF LONG BEACH ACTING IN ITS CAPACITY AS UNIT OPERATOR OF THE LONG BEACH UNIT PROVIDES THAT ANY IMPAIRMENT OF THE PUBLIC TRUST FOR COMMERCE, NAVIGATION OR FISHERIES TO WHICH GRANTED LANDS ARE SUBJECT IS PROHIBITED;
- b. THAT ENTERING INTO AND THE PERFORMANCE OF SUCH AGREEMENT IS IN THE PUBLIC INTEREST.

2. APPROVES THE AFORESAID COOPERATIVE AGREEMENT ON BEHALF OF THE STATE, PURSUANT TO APPLICABLE LAW.

Attachment

Calendar Item 39 (2 pages)

COOPERATIVE AGREEMENT FOR WATER INJECTION OPERATIONS (LONG BEACH UNIT AND PARCEL "L") RANGER ZONE, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - L.A.W.O. 5200.505, L.B.W.O. 10,191.

The City of Long Beach, pursuant to applicable statutes, has submitted to the State Lands Commission for approval a "Cooperative Agreement for Water Injection Operations (Long Beach Unit and Parcel 'L') Ranger Zone" between the City of Long Beach and the City of Long Beach acting in its capacity as Unit Operator of the Long Beach Unit. This agreement will permit the City to conduct water injection operations on a cooperative basis along the common boundary between Parcel "L" and the Long Beach Unit in order to balance reservoir pressures and prevent the migration of oil, gas, water or other fluids.

Under the terms of the proposed agreement, a restricted area will be established extending 400 feet on either side of the common boundary. The number of development and injection wells to be drilled in the restricted area is specified. No modification of the agreement between the parties thereto increasing the number of producing or injection wells in the restricted section shall be effective without prior approval of the State Lands Commission. The injection of water within this restricted area will be accomplished by using three injection wells each on Parcel "L" and on Long Beach Unit lands. Each party will be permitted to drill six wells for the production of oil from the restricted area. No other wells, either producing or injection, shall be opened for production or for water injection in the restricted area without the written agreement of all parties.

Each of the parties agrees to inject water at the rate directed by the Unit Operator. Such injection rates shall be in accordance with Plans of Operation and Development adopted in accordance with the provisions of the Unit Agreements and Section 5, Chapter 138, Statutes of 1964, First Extraordinary Session, provided that such rates, insofar as is practicable, will not create a net gain or loss to any party by reason of the migration of fluids.

The Unit Operator releases the City from all claims of damage resulting from the injection of water into the Ranger Zone through wells bottomed under Parcel "L". Additionally, the Unit Operator, upon the understanding that it shall not be obligated except proportionately as a Participant, agrees to hold harmless the City from all claims made by landowners or by royalty owners whose lands are committed to the Unit on account of the injection of water by the Unit Operator into the Unitized Formations. Reciprocally, the City releases the Unit Operator, the Participants, and the State of California under the Long Beach Unit Agreements from all claims of damage resulting from the injection of water into the Unitized Formations.

Except as otherwise set forth in this agreement, each party shall be responsible for the operation of its own properties, and shall have the right to commence, discontinue or make changes in its water injection operations without the consent of any other party thereto.

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The proposed agreement, after approval by the State Lands Commission and the State Oil and Gas Supervisor, shall become effective as of the date of execution by the last signatory party, and shall continue in force as long as the Long Beach Unit Agreements continue in effect; provided, however, that the liability releases shall remain in effect until such time as they are specifically abrogated or modified in writing by all parties.

The City Council of the City of Long Beach, by resolution adopted August 24, 1965, approved the subject agreement and determined that it is in the interest of increasing the ultimate recovery of oil or gas, and of protecting the oil or gas in the subject lands from unreasonable waste, or that subsidence or sinking of such lands and abutting lands possibly may be arrested or ameliorated thereby.

The Long Beach Unit Voting Parties approved this proposed agreement at their meeting of August 12, 1965.

The Office of the Attorney General has reviewed the proposed agreement, with the conclusion that it may be approved by the State Lands Commission if it finds that the agreement is in the public interest.

The staff has reviewed the agreement, and has found that implementation of the provisions thereof will increase the ultimate amount of oil economically recoverable from the Long Beach granted tidelands.

IT IS RECOMMENDED THAT THE COMMISSION

1. FIND:

- a. THAT THE "COOPERATIVE AGREEMENT FOR WATER INJECTION OPERATIONS (LONG BEACH UNIT AND PARCEL 'L') RANGER ZONE" BETWEEN THE CITY OF LONG BEACH AND THE CITY OF LONG BEACH ACTING IN ITS CAPACITY AS UNIT OPERATOR OF THE LONG BEACH UNIT PROVIDES THAT ANY IMPAIRMENT OF THE PUBLIC TRUST FOR COMMERCE, NAVIGATION OR FISHERIES TO WHICH GRANTED LANDS ARE SUBJECT IS PROHIBITED;
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2. APPROVE THE AFORESAID COOPERATIVE AGREEMENT ON BEHALF OF THE STATE, PURSUANT TO APPLICABLE LAW.