

MINUTE ITEM

This Calendar Item No. 29
was approved as Minute Item
No. 29 by the State Lands
Commission by a vote of 2
to 0 at its 12/23/86
meeting.

CALENDAR ITEM

29

A 57, 58

S 29

12/23/86

W 23898

R. Ludlow

V 12004

AGREEMENT FOR ABANDONMENT OF THE MAGNOLIA DRILL SITE,
CITY OF LONG BEACH, LOS ANGELES COUNTY

The City of Long Beach is asking the State Lands Commission to agree to the abandonment of the Magnolia Drill Site so that the surface area can be incorporated into the City's Shoreline Hotel and Commercial Development Project.

The Magnolia Drill Site is the designation given to the location of 11 injection wells (seven idle, four active) and related facilities. These wells are located on a portion of filled tide and submerged lands known as "Parcel A" which was included in a grant to the City of Long Beach by the State. "Parcel A" is presently being developed by the City for its oil and gas resources under a contract with Powerine Oil Company and Edgington Oil Company (The Parcel A Contractor). The oil revenue from the development of "Parcel A" is shared with the State pursuant to the provisions of Section 4 of Chapter 138, Statutes of 1964, 1st E.S.

Seven of the eleven injections wells at the Magnolia Drill Site have already been abandoned. If the State Lands Commission agrees, the four remaining active wells will also be abandoned, and three wells will be relocated at a new drill site in the Harbor District, along with all appropriate support facilities. This will be done at the sole expense of the City of Long Beach. The City will also pay any additional costs incurred as a direct or indirect consequence of abandoning the Magnolia Drill Site. The payment of these additional costs by the City of Long Beach will not result in a reduction of tideland oil revenue payable to the State. In addition, the City of Long Beach will also be required to indemnify the State of California and the Parcel A Contractor against any and all claims and liability arising out of the abandonment of, and the relocation of, the wells and facilities.

(ADDED 12/22/86)
(REVISED 12/22/86)

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CALENDAR ITEM NO. 29 (CONT'D)

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

EXHIBIT:

A. Site Map.



IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. AGREE TO THE ABANDONMENT OF THE MAGNOLIA DRILL SITE AND AUTHORIZE THE EXECUTIVE OFFICER OR HER DESIGNEE TO EXECUTE THE AGREEMENT FOR ABANDONMENT WITH THE CITY OF LONG BEACH SUBSTANTIALLY IN THE SAME FORM ON FILE WITH THE STATE LANDS COMMISSION.

(ADDED 12/22/86)

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 CITY-STATE INTEREST LONG BEACH UNIT
 CITY-STATE INTEREST PRIOR DEVELOPMENT

