

MINUTE ITEM

28. (ADOPTION OF POLICY RE CASE NO. 800-58, HW-CIVIL, U.S.A. v. ANCHOR OIL CO. - W. O. 2274.2.)

Deputy Attorney General Howard S. Goldin presented a recommendation from the office of the Attorney General, based upon a press release by Governor Goodwin J. Knight, dated September 19, 1958, for the adoption of a policy by the Commission in connection with the civil action entitled "United States of America, Plaintiff, v. Anchor Oil Corp., et al., Defendants, No. 800-58, HW-Civil". On the basis of this recommendation, in which the City of Long Beach concurred, and upon motion duly made and unanimously carried, the following resolution was adopted:

WHEREAS THE UNITED STATES HAS RECENTLY FILED A CIVIL ACTION ENTITLED "UNITED STATES OF AMERICA, PLAINTIFF, V. ANCHOR OIL CORP., ET AL., DEFENDANTS, NO. 800-58, HW-CIVIL" IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA NAMING AS DEFENDANTS NUMEROUS PRIVATE COMPANIES ENGAGED IN THE PRODUCTION OF OIL AND GAS IN THE WILMINGTON OIL FIELD AS WELL AS THE STATE OF CALIFORNIA AND THE CITY OF LONG BEACH; AND

WHEREAS IN SAID ACTION THE UNITED STATES SEEKS INJUNCTIVE RELIEF BY WAY OF MANDATORY FIELD-WIDE WATER REPRESSURIZATION OF THE WILMINGTON OIL FIELD, ON PAIN OF SHUTTING DOWN THE FIELD, AS WELL AS MONEY DAMAGES, ON ACCOUNT OF THE SUBSIDENCE OF THE UNITED STATES NAVAL SHIPYARD AT LONG BEACH; AND

WHEREAS, ALTHOUGH THE STATE LANDS COMMISSION IS NOT ITSELF NAMED AS A DEFENDANT IN SAID SUIT, BY VIRTUE OF CHAPTER 29, STATUTES FIRST EXTRAORDINARY SESSION 1956, THIS COMMISSION HAS GENERAL RESPONSIBILITY IN CONNECTION WITH THE INTERESTS OF THE STATE OF CALIFORNIA IN AND TO THE TIDE AND SUBMERGED LANDS HELD BY THE CITY OF LONG BEACH AS TRUSTEE FOR THE STATE, SAID TIDE AND SUBMERGED LANDS COMPRISING A SUBSTANTIAL PORTION OF SAID WILMINGTON OIL FIELD; AND

WHEREAS ON SEPTEMBER 19, 1958, HONORABLE GOODWIN J. KNIGHT, GOVERNOR OF CALIFORNIA, AND HONORABLE EDMUND G. BROWN, ATTORNEY GENERAL OF CALIFORNIA, ISSUED A JOINT POLICY STATEMENT WITH REFERENCE TO LAND SUBSIDENCE IN THE LONG BEACH AREA AND WITH FURTHER REFERENCE TO THE POSITION OF THE STATE IN SAID ACTION OF UNITED STATES OF AMERICA V. ANCHOR OIL CORPORATION, WHICH POLICY STATEMENT WAS IN THE FORM OF A PRESS RELEASE, COPY OF WHICH IS ATTACHED TO AND MADE A PART OF THIS RESOLUTION AS EXHIBIT "A" HERETO;

NOW, THEREFORE, THE STATE LANDS COMMISSION:

- (1) EXPRESSES ITS CONCURRENCE IN THE SAID POLICY STATEMENT OF THE GOVERNOR AND THE ATTORNEY GENERAL OF CALIFORNIA;
- (2) AUTHORIZES AND REQUESTS THE ATTORNEY GENERAL OF CALIFORNIA TO REPRESENT AND DEFEND THE COMMISSION'S INTERESTS IN SAID CASE OF UNITED STATES V. ANCHOR OIL CORPORATION; AND
- (3) INSTRUCTS ITS STAFF TO PROVIDE THE ATTORNEY GENERAL WITH TECHNICAL ASSISTANCE AND ADVICE NECESSARY OR APPROPRIATE FOR THE PRESENTATION AND DEFENSE OF THE STATE'S POSITION IN SAID LAWSUIT.

Attachment

Exhibit "A" (2 pages)

4324

EXHIBIT "A"

PRESS RELEASE

Governor Goodwin J. Knight
September 19, 1958

Governor Goodwin J. Knight and Attorney General Edmund G. Brown in consultation with representatives of the State Lands Commission, today announced an agreed policy for the State's executive branch regarding the Long Beach subsidence problem. The statement was issued with particular emphasis on the recent lawsuit filed by the federal government as a result of sinkage of the United States Naval shipyard at Long Beach.

In their joint statement the Governor and the Attorney General said: "Subsidence in the Long Beach coastal area is a matter of the gravest concern to the state government. The safety of the area's inhabitants and the future of its economic life far outweigh all other considerations. Qualified engineers believe that large-scale water repressuring of the underground is the only hope for arresting the land sinkage. It is vital that this program be accomplished as soon as possible.

"Earlier this year the Legislature adopted a subsidence control law. This law provides the procedures and financial means for repressuring the Wilmington Oil Field, either by voluntary action of the oil operators or by compulsory orders of the State Oil and Gas Supervisor. Months ago the City of Long Beach and the major oil producers in the field commenced the arduous, complex task of engineering the water injection program. Simultaneously there has been a great acceleration of actual water injection. During the past year the rate of actual water injection under voluntary programs has increased 225%.

"A few weeks ago the situation was greatly complicated by a lawsuit filed by the federal Department of Justice on account of the sinkage of the United States Naval shipyard at Long Beach. In this lawsuit, over 300 California oil companies, as well as the City of Long Beach and the State itself, are named as defendants. By this action, the government seeks repressurization of the Wilmington Oil Field under the exclusive control of the federal courts plus damages running to unspecified millions of dollars.

"It is difficult to understand how or why water pressuring under a federal court order offers a better or more effective method of attack than that provided by state law. The majority of the oil operators are proceeding at full speed to get the state program under way. The State Oil and Gas Supervisor has already commenced the necessary proceedings. There is no reason to discard all the progress to date under the state law. There is no reason to replace state authority by federal court edicts. Furthermore, the State Oil and Gas Supervisor is far better qualified than any court to supervise the highly technical water injection arrangements. This is essentially a state problem, and the State's executive branch will insist on following the program and the policies laid down by the California Legislature.

"Members of Attorney General Brown's staff, with his personal approval, have recommended that the State insist on going ahead under state law rather than

under the injunctive power of the federal court, and that the federal court should not attempt to step into the matter until the state law has had a chance to work. The Attorney General has expressed the view that if the federal court is to control anybody at all, it might well be those few oil operators who fail to cooperate in the state-sponsored program. The fact seems to be that every major oil producer in the Wilmington field has committed itself to wholehearted cooperation under the state law.

"The Governor has accepted Attorney General Brown's recommendations as to the State's position in the federal lawsuit. The State is just as anxious as the federal authorities to halt further sinkage of the Naval shipyard. It does not agree with the federal authorities' evident desire to displace state law by federal court orders. The State's cooperation will be best expressed by the implementation of the program laid down by the State Legislature. If, contrary to all expectations, oil producers do not accomplish adequate results under state law, the Governor and Attorney General will then review the State's position in the litigation and will, if necessary, seek changes in the state law."

Governor Knight also announced that, in line with the above statement, he had instructed the State Oil and Gas Supervisor and the State Director of Finance to do everything possible to expedite effective operation of the subsidence measures provided by state law.

Participants in consultations with the Governor and his staff were T. H. Mugford, State Director of Finance, F. J. Hortig, Executive Officer of the State Lands Commission, Assistant Attorney General Leonard M. Friedman and Deputy Attorney General Howard Goldin. Mugford, who is Chairman of the State Lands Commission, indicated that the Governor's policy statement would be presented to the State Lands Commission at an early meeting of that body.