

MINUTE ITEM

29. SITE PREPARATION AND DRILLING CONTRACTS FOR WATER INJECTION WELLS, PARCEL "K", RANGER ZONE, FAULT BLOCKS II AND III, LONG BEACH HARBOR DEPARTMENT, WILMINGTON FIELD - L.B.W.O. 10,096.

After consideration of Calendar Item 45 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION GIVES PRIOR APPROVAL TO THE APPLICATION OF THE LONG BEACH HARBOR DEPARTMENT TO CONTRACT BY PUBLIC BIDDING PROCEDURES THE SITE PREPARATION, DRILLING AND COMPLETION OF FOUR WATER INJECTION WELLS TO BE BOTTOMED IN THE RANGER ZONE OF PARCEL "K" AREA OF THE SOUTHERLY PORTION OF FAULT BLOCKS II AND III OF THE WILMINGTON FIELD, AS DEFINED IN SPECIFICATIONS H. D. 578 AND H. D. 579 DATED APRIL 20, 1959 AND RELATED DOCUMENTS, FOR AN EXPENDITURE OF FUNDS NOT TO EXCEED \$700,000.

Attachment

(Calendar Item 45 (1 page))

CALENDAR ITEM

45.

SITE PREPARATION AND DRILLING CONTRACTS FOR WATER INJECTION WELLS, PARCEL "K", RANGER ZONE, FAULT BLOCKS II AND III, LONG BEACH HARBOR DEPARTMENT, WILMINGTON FIELD - L.B.W.O. 10,096.

Pursuant to Section 10 of Chapter 29, Statutes of 1956, 1st E.S., the Long Beach Harbor Department has made application for prior approval of the State Lands Commission to offer for public bid the proposal documents and related contract specifications covering drillsite preparation and directional drilling and completion of four water injection wells to be bottomed in the Ranger Zone of Parcel "K" area to serve as a means of implementing the repressuring operations for the southerly portion of Fault Blocks II and III. These injection wells are included in the repressuring plans submitted to and approved by the oil and gas supervisor.

Parcel "K" area is not now under development for oil and gas and since it is down structure it is considered marginal property. However, to provide for benefits to the tidelands trust from recovery of entrapped oil and gas, and to assist in the repressuring operations in the adjacent tideland areas, it is necessary that the City contract the site preparation and drilling of the wells. Upon completion of the wells, it is contemplated that the City will then contract for the operation and maintenance of the water injection wells until such time as Parcel "K" may be committed to unit operations. The estimated cost of the contracts covering site preparations, drilling and equipment including contingencies, covered by the Long Beach Harbor Department application is \$700,000.

The Commission staff has reviewed the general and special provisions of the specifications covering the application and finds that they are consistent with the contractual practices of the industry and the protection of public interests and safety. A review of the technical data covering the well course information and drilling programs indicates State requirements will be fulfilled.

IT IS RECOMMENDED THAT THE COMMISSION GIVE PRIOR APPROVAL TO THE APPLICATION OF THE LONG BEACH HARBOR DEPARTMENT TO CONTRACT BY PUBLIC BIDDING PROCEDURES THE SITE PREPARATION, DRILLING AND COMPLETION OF FOUR WATER INJECTION WELLS TO BE BOTTOMED IN THE RANGER ZONE OF PARCEL "K" AREA OF THE SOUTHERLY PORTION OF FAULT BLOCKS II AND III OF THE WILMINGTON FIELD, AS DEFINED IN SPECIFICATIONS H. D. 578 AND H. D. 579 DATED APRIL 20, 1959 AND RELATED DOCUMENTS, FOR AN EXPENDITURE OF FUNDS NOT TO EXCEED \$700,000.