

26. COOPERATIVE WATER INJECTION AGREEMENT, FAULT BLOCK I TOWNLOT UNIT - FAULT BLOCK I TERMINAL UNIT AREAS I AND II (RANGER AND UPPER TERMINAL ZONES), WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

After consideration of Supplemental Calendar Item 24 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION:

1. FINDS:

(A) THAT THE COOPERATIVE WATER INJECTION AGREEMENT, FAULT BLOCK I TOWNLOT UNIT - FAULT BLOCK I TERMINAL UNIT AREAS I AND II (RANGER AND UPPER TERMINAL ZONES) BY AND BETWEEN EXXON CORPORATION AS "TERMINAL UNIT OPERATOR" OF FAULT BLOCK I TERMINAL UNIT, AND EXXON CORPORATION AS "TOWNLOT UNIT OPERATOR" OF FAULT BLOCK I TOWNLOT UNIT, PROVIDES THAT ANY IMPAIRMENT OF THE PUBLIC TRUST FOR COMMERCE, NAVIGATION OR FISHERIES TO WHICH THE GRANTED LANDS ARE SUBJECT IS PROHIBITED.

(B) THAT ENTERING INTO 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:

Supplemental Calendar Item 24 (2 pages)

24.

COOPERATIVE WATER INJECTION AGREEMENT,  
FAULT BLOCK I TOWNLOT UNIT - FAULT BLOCK I  
TERMINAL UNIT AREAS I & II (RANGER AND UPPER TERMINAL ZONES),  
WILMINGTON OIL FIELD, LOS ANGELES COUNTY

The Exxon Corporation has requested State Lands Commission approval of a Cooperative Water Injection Agreement, Fault Block I Townlot Unit - Fault Block I Terminal Unit Areas I and II (Ranger and Upper Terminal Zones), between Exxon Corporation acting in its capacity as "Terminal Unit Operator", and Exxon Corporation acting in its capacity as "Townlot Unit Operator".

The purpose of this agreement is to permit the operators to conduct their respective water injection operations along the common boundary between unitized lands so as to maintain or increase reservoir pressure in the Ranger and Upper Terminal Zones and to prevent, insofar as is practical, the migration of oil, gas, water, or other fluids across the common boundary. These operations are part of an Ongoing Project, and do not require preparation of an environmental impact report.

Both parties to the agreement release each other from all claims of damage resulting from the injection of water into the Ranger and Upper Terminal Zones under the terms of this agreement.

The Board of Harbor Commissioners of the City of Los Angeles, by resolution adopted November 21, 1973, determined that the subject Cooperative Agreement is in the interest of increasing the ultimate recovery of oil or gas from granted tide and submerged lands or the protection of oil or gas in said lands from unreasonable waste.

The Office of the Attorney General reviewed the agreement and concluded that it may be approved by the State Lands Commission if it finds that the agreement is in the public interest.

The Division has reviewed the agreement and found that implementation of its provisions will increase the ultimate amount of economically recoverable oil.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND:

- A. THAT THE COOPERATIVE WATER INJECTION AGREEMENT, FAULT BLOCK I TOWNLOT UNIT - FAULT BLOCK I TERMINAL UNIT AREAS I AND II

SUPPLEMENTAL CALENDAR ITEM NO. 24. (CONTD)

(RANGER AND UPPER TERMINAL ZONES) BY AND BETWEEN EXXON CORPORATION AS "TERMINAL UNIT OPERATOR" OF FAULT BLOCK I TERMINAL UNIT, AND EXXON CORPORATION AS "TOWNLOT UNIT OPERATOR" OF FAULT BLOCK I TOWNLOT UNIT, PROVIDES THAT ANY IMPAIRMENT OF THE PUBLIC TRUST FOR COMMERCE, NAVIGATION OR FISHERIES TO WHICH THE GRANTED LANDS ARE SUBJECT IS PROHIBITED.

- B. THAT ENTERING INTO THE PERFORMANCE OF SUCH AGREEMENT IS IN THE PUBLIC INTEREST.
2. APPROVE THE AFORESAID COOPERATIVE AGREEMENT ON BEHALF OF THE STATE, PURSUANT TO APPLICABLE LAW.