MINUTE ITEM
This Calendar Item No. 01
was approved as Minute Item
No. 01 by the State Lands
Commission by a vote of 2
to [illegible] at its 9/13/82
meeting.

CALENDAR ITEM

01

9/13/82
Hayward

ASSIGNMENT OF
ASSOCIATED SOUTHERN INVESTMENT COMPANY'S
WORKING INTERESTS IN THE
FAULT BLOCK II UNIT AND FAULT BLOCK III UNIT,
WILMINGTON OIL FIELD, LOS ANGELES COUNTY

Associated Southern Investment Company (ASIC) a subsidiary of Southern California Edison Company, by notice dated August 16, 1982, has offered to assign ASIC's interests in the Fault Block II Unit and the Fault Block III Unit, to other working interest owners of the Fault Block II Unit and the Fault Block III Unit, respectively. The City of Long Beach, as trustee for the Long Beach granted tidelands, is one of four working interest owners in the Fault Block II Unit and one of three working interest owners in the Fault Block III Unit.

Pursuant to the provisions of Section 17.1 of the Unit Agreements of the Fault Block II Unit and the Fault Block III Unit, any working interest owners who, by the end of thirty days from ASIC's offer (September 15, 1982) give written notice of their intention to acquire ASIC's interests, would have the right to acquire ASIC's working intersts in proportion to their then Unit participation percentages.

The staff of the State Lands Commission and the City of Long Beach have reviewed the concept of the City's acquisition of a portion of ASIC's offered assignments, and find that such acquisition would be in the best interests of the State and the City of Long Beach. Accordingly, the City

A 57, 58

S 27, 31

(Revised 9/7/82)

of Long Beach as trustee proposes to notify ASIC in writing of its election to acquire the share of the working interests that ASIC proposes to surrender.

Section 10 of Chapter 29, Statutes of 1956, 1st E.S. provides that future contracts, royalty arrangements, or other agreements between the City of Long Beach and any other person relating to developing, extracting, removing or disposition of oil and gas derived from the Long Beach tidelands shall be of no effect unless and until approved by the State Lands Commission. Although ASIC's surface area lies within Long Beach harbor uplands, the oil and gas interest is a part of the unitized operations which are shared by all working interest owners, including the City of Long Beach as tideland trustee.

Should the remaining working interest owners acquire their proportionate shares of the working interests offered by ASIC, as expected, the participation percentages would be changed approximately as follows:

	Fault Block II Unit		Fault Block III Unit	
Working Interest Owners	Present	Proposed	Present	Proposed
A.S.I.C.	0.93540%	0%	6.64600%	0%
Champlin Petroleum Co.	71.82070%	72.49886%	76.85310%	82.32438%
Mobil Oil Corporation	17.40280%	17.56712%	0%	0%
City of Long Beach	9.84110%	9.93402%	16.50090%	17.67562%

AB 884: N/A.

IT IS RECOMMENDED THAT:

1. PURSUANT TO SECTION 10 OF SECTION 29, STATUTES OF 1956, 1ST E.S., THE STATE LANDS COMMISSION APPROVE ACQUISITION BY THE CITY OF LONG BEACH, AS TIDELAND TRUSTEE, OF THE SHARES OF THE WORKING INTERESTS THAT ASSOCIATED SOUTHERN INVESTMENT COMPANY PROPOSES TO ASSIGN IN THE FAULT BLOCK II UNIT AND THE FAULT BLOCK III UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

(Revised 9/10/82)