



Legislation Text

File #: 08-1164, **Version:** 1

Recommendation to authorize City Manager to execute an amendment to the Agreement for Implementation of an Optimized Waterflood Program for the Long Beach Unit that allows for enhanced oil recovery methods other than water injection. (Districts 1,2,3)

The City of Long Beach (City), in its capacity as Unit Operator for the Long Beach Unit (Unit), desires to enter into an Amendment to the Agreement for Implementation of an Optimized Waterflood Program (OWPA) with Occidental Long Beach, Inc. (OLBI), and the State of California - State Lands Commission (SLC). The City, SLC and OLBI entered into the OWPA on November 5, 1991. The OWPA currently limits the injection of fluid into the oil field to a waterflood, water-alternating-hydrocarbon gas injection or other similar recovery methods. Pursuant to California State Chapter 446 of the Statutes of 2008, OLBI, as contractor for the City, may use any means of enhanced oil recovery consistent with good oil field practice to develop additional oil reserves. The California Division of Oil, Gas, and Geothermal Resources and the City must approve all enhanced recovery methods.

The Amendment to the OWPA allows for additional approved methods of enhanced oil recovery in the Unit.

This item was reviewed by Deputy City Attorney Richard Anthony and Budget Management Officer Victoria Bell on October 29, 2008.

City Council action on this matter is requested on November 18, 2008 so that the SLC can consider the Amendment to the OWPA at its next scheduled meeting on December 3, 2008.

Approval of the Amendment to the OWPA will have no immediate fiscal impact.

Approve recommendation.

CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS AND OIL

APPROVED:

PATRICK H. WEST
CITY MANAGER