



May 21, 2013

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Authorize the City Manager to execute the First Amendment to the Optimized Waterflood Program Agreement for the West Wilmington Oil Field between the City of Long Beach and Tidelands Oil Production Company to correct an oversight in the accounting language. (District 1)

**DISCUSSION**

Tidelands Oil Production Company (Tidelands OPC) entered into an Optimized Waterflood Program Agreement (OWPA) with the City of Long Beach (City) on January 1, 2010, for the interest held by the Port of Long Beach. The purpose of the OWPA is to provide financial incentive to Tidelands OPC to invest tens of millions of dollars of its own capital for further oil exploration and development in the field.

If costs of operations allocated to the City exceed its share of revenues under the OWPA, such excess will be carried forward, rather than the City having to pay the excess costs to Tidelands OPC. The Amendment will revise Section 2.08 of the OWPA to reflect the foregoing. Since the execution of the OWPA, the Parties in actual practice have carried such excess costs forward. The Amendment will formally recognize the intent and past practice of the Parties under the OWPA.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on May 6, 2013 and by Budget Management Officer Victoria Bell on May 3, 2013.

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TIMING CONSIDERATIONS

City Council action on this matter is not time critical.

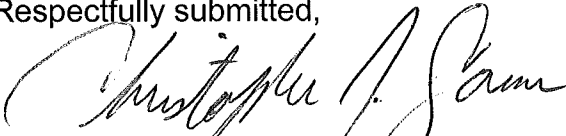
FISCAL IMPACT

There is no fiscal impact or local job impact associated with this action.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTOPHER J. GARNER  
DIRECTOR OF LONG BEACH GAS AND OIL

CJG:KT:ls

APPROVED:

  
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PATRICK H. WEST  
CITY MANAGER