

CHAPTER 1551

An act relating to certain lands located within the subsidence area of a portion of the Long Beach Harbor District and providing for the extension, amendment and modification of existing contracts, royalty arrangements and other agreements, for the production of oil, gas and other hydrocarbon substances from such lands, and declaring the urgency thereof, to take effect immediately.

In effect
immediately

[Approved by Governor July 3, 1959. Filed with
Secretary of State July 6, 1959.]

The people of the State of California do enact as follows:

SECTION 1. The State has asserted as against the City of Long Beach claims that certain lands, easements, or well sites lying within the boundaries of the Long Beach Harbor District (as such boundaries were defined on April 1, 1956), and the revenues or the other things of value derived by the City of Long Beach therefrom, are or may be subject to the terms, provisions, conditions, trusts or rights declared by Chapter 676, Statutes of 1911, Chapter 102, Statutes of 1925, Chapter 158, Statutes of 1935, Chapter 915, Statutes of 1951, or Chapter 29, Statutes of 1956 (First Extraordinary Session) (hereinafter referred to as the Acts of 1911, 1925, 1935, 1951, and 1956), which claims are denied by the city. Such lands or portions thereof are located within that segment of the Wilmington Oil Field designated as Fault Block IV, as said Fault Block IV descriptive boundaries are set forth in the officially published Findings of Fact and Orders of the State Oil and Gas Supervisor, dated February 26, 1959, and are the subject of presently existing contracts or royalty arrangements between the City of Long Beach and the following oil operators: The Termo Company-Oakes-Combs Group, General American Oil Company of Texas, Signal Oil and Gas Company, Hancock Oil Company, D. D. Dunlap Oil Company and Royalty Service Corporation, Ltd., hereinafter called "enumerated oil operators." Said contracts or royalty arrangements provide for the production of oil and gas therefrom, which contracts or royalty arrangements will expire by their terms within the next five years or thereafter. Such lands are

located within a subsidence area, as fixed and established pursuant to Section 3336 of the Public Resources Code, and it is necessary in aid of the legislative declarations contained in Article 5.5 (commencing at Section 3315), Chapter 1, Division 3 of the Public Resources Code, that the City of Long Beach be empowered and authorized to extend, amend, and modify such contracts or royalty arrangements in order to make it feasible for the city and the enumerated oil operators, their successors or assigns, to enter into unit or co-operative agreements providing for the repressuring of a portion or all of such lands in order to arrest or ameliorate subsidence. The repressuring of such lands and adjacent lands cannot be delayed pending determination of the claims of the State.

SEC. 2. To the extent, if at all, that said lands, or portions thereof, located within said Fault Block IV, are or may be subject to the provisions of the aforesaid Acts of 1911, 1925, 1935, 1951, and 1956, or any of them, the City of Long Beach may extend the presently existing contracts or royalty arrangements between the City of Long Beach and any or all of the enumerated oil operators, their successors or assigns (together with any presently existing agreements providing for the use of surface drill sites or drill-through easements incidental thereto), without competitive bidding, for a period or periods not to exceed 25 years, and may negotiate and agree to, without competitive bidding, such other changes, amendments, or modifications in terms and conditions thereof, including but not limited to such changes in financial terms thereof, as may be necessary or appropriate to enter into unit or co-operative agreements in order to achieve the repressuring of the lands; provided, that no such extension, amendment, or modification shall be effective unless and until approved by the State Lands Commission on behalf of the State; and provided, further, that nothing herein shall authorize the extension, without competitive bidding, of the terms of those certain tideland drilling and operating contracts covering those portions of the Long Beach tidelands designated, known, and described as Parcel "A," recorded August 15, 1947, in Book 24847 at page 252, Parcels "W," "X," "Y," and "Z," recorded March 29, 1939, in Book 16537 at page 8, in Book 16526 at page 38, in Book 16446 at page 343 and in Book 16512 at page 109, respectively; as Parcel "Z-1," recorded January 9, 1942, in Book 19076 at page 50; and as Parcel "J," recorded December 18, 1944, in Book 21499 at page 196, all in the Official Records in the office of the County Recorder of Los Angeles County.

SEC. 3. Nothing in this act, or any action by the city, the enumerated oil operators, their successors or assigns, or the State Lands Commission pursuant to this act, shall be construed as an express or implied declaration or admission that the lands, easements, well sites, things of value, or any portion thereof, or the revenues therefrom are or are not subject to the terms, provisions, conditions, trusts, or rights declared in the Acts of 1911, 1925, 1935, 1951, and 1956, or any of them.

SEC. 4. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

This act is designed to facilitate the making of unit and co-operative agreements providing for the repressuring of all or a portion of the lands within the boundaries of the Long Beach Harbor District where there has been subsidence endangering life, property, and health and thereby alleviate the dangerous subsidence problem. It is therefore essential that this act go into immediate effect.
