

Thence South 19° 09' 20" East 684.72 feet ;
Thence North 70° 50' 40" East 77.97 feet ;
Thence South 19° 09' 20" East 450.48 feet ;
Thence North 70° 49' 39" East 200.22 feet ;
Thence South 54° 37' 59" East 368.34 feet ;
Thence South 70° 49' 51" West 1572.40 feet ;
Thence North 19° 10' 45" West 1603.55 feet ;
Thence North 70° 43' 01" East 150.00 feet ;
Thence North 19° 10' 45" West 100.00 feet ;
Thence North 19° 16' 25" West 1699.61 feet ;

to the point of beginning.

The approximate acreage of the above described area is 88, for so long as said lands shall be used as part of the Long Beach Naval Shipyard or for purposes of national defense, or other federal purposes, and for no other uses or purposes whatsoever; provided that said lands shall not be leased or otherwise disposed of to private persons or entities for uses not substantially involving a federal function. In the event said lands or any portion thereof, are used for any other than the above specified purposes, or are not used for such specified purposes for a period in excess of two years, or if said lands or any portion thereof are determined by the United States to be no longer necessary for use as a naval shipyard or for purposes of national defense, or other federal purposes, then title to said lands or such portions thereof shall automatically revert to the grantor City of Long Beach, in trust for the State of California; provided, however, that no reversion for nonuse shall occur within 10 years immediately following the United States' acquisition of title to the Pier E lands or, as to lands included within present leases within 10 years after expiration of such leases; provided further that substantial use of said Pier E lands shall preserve the right to use all of such lands except as proper federal officials may from time to time determine unused portions to be excess to the federal need. The condemnation decree shall reserve to the City of Long Beach in trust for the State of California the entire mineral estate, including the oil, gas and other hydrocarbon substances therein contained, together with the right to withdraw and recover said minerals; provided that the city's right to occupy and use the surface of the Pier E lands shall be limited to so much of the surface thereof as reasonably may be required for operation and maintenance of its presently existing oil wells, water injection wells and oil production and water injection facilities on said lands, and the city shall have the right to drill, install, operate and maintain, at surface sites on the Pier E lands acceptable to the United States, such new oil or water injection wells or facilities as reasonably may be necessary. The tide and submerged lands herein authorized to be conveyed, or condemned, are part of the tide and submerged lands heretofore conveyed in trust to the City of Long Beach by the State of California.

The State Lands Commission is hereby authorized and empowered to convey to the United States of America, following condemnation by the United States for a nominal consideration, the reversionary and possessory right, title and interest of the State of California in and to the above described tide and submerged lands, lying within the city limits of the City of Long Beach, County of Los Angeles, State of California, which property, designated as the Pier E lands, is a part of the tide and submerged lands heretofore conveyed in trust to the City of Long Beach by the State of California. This conveyance of the State's interest in the Pier E lands also shall be for so long as said lands shall be used as part of the Long Beach Naval Shipyard or for purposes of national defense, or other federal purposes, and for no other uses or purposes whatsoever; provided that said lands shall not be leased or otherwise disposed of to private persons or entities for uses not substantially involving a federal function. In the event said lands or any portion thereof, are used for any other than the above-specified purposes, or are not used for such specified purposes for a period in excess of two years, or if said lands or any portion thereof are determined by the United States to be no longer necessary for use as a naval shipyard or for purposes of national defense, or other federal purposes, then title to said lands or such portions thereof shall automatically revert to the grantor City of Long Beach, in trust for the State of California; provided, however, that no reversion for nonuse shall occur within 10 years immediately following the United States' acquisition of title to the Pier E lands or, as to lands included within present leases within 10 years after expiration of such leases; provided further that substantial use of said Pier E lands shall preserve the right to use all of such lands except as proper federal officials may from time to time determine unused portions to be excess to the federal need. The conveyance by the State shall be made upon and subject to the condition that the entire mineral estate, including the oil, gas and other hydrocarbon substances therein contained, together with the right to withdraw and recover said minerals, shall be reserved to the State of California and its grantee, the City of Long Beach; provided that the city's right to occupy and use the surface of the Pier E lands shall be limited to so much of the surface thereof as reasonably may be required for operation and maintenance of its presently existing oil wells, water injection wells and oil production and water injection facilities on said lands, and the city shall have the right to drill, install, operate and maintain, at surface sites on the Pier E lands acceptable to the United States, such new oil or water injection wells or facilities as reasonably may be necessary. The conveyance by the State hereby authorized shall be made simultaneously with the dismissal, with prejudice, of the claim of the United States of America as against the defendants State of California and the City of Long Beach in the Anchor case. The State's deed or

other instrument necessary to pass the said title to the United States of America shall be in the name and by the authority of the people of the State of California and, upon receipt of a resolution of the State Lands Commission and a report from the Attorney General each approving such conveyance, shall be executed by the Governor, countersigned by the Secretary of State and sealed with the Great Seal of the State.

The city is authorized to bind itself, by contract, stipulated judgment, or other instrument, providing that in the event the title of the United States government to the Pier E lands shall be terminated, in whole or in part, the city may, within six months following said termination, purchase from the plaintiff, at the then fair market value, any or all of the facilities and other improvements heretofore or hereafter constructed by the plaintiff, or under its authority, on such Pier E lands. Any such facilities or improvements which are not so purchased by the city may be removed from the premises by the plaintiff within 18 months after termination or, in its discretion, may be abandoned by it without liability for such abandonment. The plaintiff shall not be obligated to restore any portion of said Pier E lands to their condition at the time of acquisition by the plaintiff.

The city shall retain its present ownership and possession of and access to the water injection plant and all oil production and water injection facilities and connecting pipelines that are located on Pier E as long as they remain in use. When the water injection plant and other facilities and pipelines are no longer maintained in use, the city shall take all necessary steps to cause them to be removed promptly from the area without cost to the United States.

(e) Although the State of California and the City of Long Beach deny any causal relationship between subsidence and oil production, in order to effect a settlement of the Anchor case, the city is authorized to bind itself, by contract, stipulated judgment or other instrument, to take every appropriate action reasonably directed toward arresting and preventing subsidence of the ground surface at the Long Beach Naval Shipyard and the United States Naval Station including, but not limited to, making all reasonable efforts to maintain and, if necessary, increase the underground fluid pressures, even to the extent of restoring original reservoir pressures, in the oil zones that the city owns beneath and adjacent to the shipyard and naval station during the remaining productive life of such zones. The city also is authorized to assume the following obligations: (1) to assure that the aforesaid city-owned oil zones are adequately repressured at the time production therefrom ceases; (2) to properly seal, plug and shut in all wells producing from the aforesaid city-owned oil zones at the time of their abandonment in order to avoid pressure loss; and (3) to make thereafter periodic tests to verify that adequate zonal pressures are being maintained, and if necessary to take all reasonable steps to restore stable pressures in said zones,

provided however, that the city shall not obligate itself to restore pressure dissipation attributable to tectonic movements or earthquakes. This authorization to maintain and increase underground pressure in the oil zones is in the interest of increasing the ultimate recovery of oil or gas from such lands, or the protection of oil or gas in such lands from unreasonable waste, or possibly arresting or ameliorating the subsidence of such lands and abutting lands without regard as to the causation thereof. Nothing herein contained shall limit or affect the rights, obligations and responsibilities of the State and the city pursuant to the provisions of Chapter 29, California Statutes of 1956, First Extraordinary Session.

SEC. 3. Authorization for Waivers and Releases

(a) The City of Long Beach is authorized to waive, and the State is authorized to join in such waiver of, any and all possible claims against its drilling and operating contractors for contribution, subrogation and indemnification (expressed or implied) under the city's respective drilling and operating contracts in the Wilmington Oil Field with respect to all moneys and other considerations paid by the city and the State to the plaintiff United States of America in the course of settlement of the Anchor case, for the reason that, at all times material to the Anchor case, said contractors operated in the manner prescribed by the city and without negligence; provided, however, that said municipal contractors waive any and all rights to seek reimbursement or recovery back from the city and the State, by way of contribution, subrogation and indemnification, or otherwise, for any amounts paid by said contractors to the United States in the course of settlement of said Anchor case.

(b) The State of California and the City of Long Beach may execute and exchange with codefendants in the Anchor case mutual releases from liability for damages attributable to subsidence.

SEC. 4. Authorization to Sign Stipulations and Agreements

The Attorney General of this State and the City of Long Beach are empowered to enter into such stipulations, agreements, or other assurances as may be necessary to effect the settlement herein authorized and approved.
