

CHAPTER 1151

An act to add Section 6879 to the Public Resources Code, relating to the inclusion of tide and submerged lands in agreements for cooperative or unit development of oil and gas.

In effect
September
11, 1957

[Approved by Governor July 2, 1957 Filed with
Secretary of State July 3, 1957.]

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

SECTION 1. Section 6879 is added to the Public Resources Code, to read:

Agreements
re tide and
submerged
lands

6879. Whenever tide and submerged lands of the State have been granted to a city, county or city and county by a

grant which does not reserve to the State the right to produce oil and gas therefrom, and such grantee shall determine that it is in the interest of increasing the ultimate recovery of oil or gas from such lands, or of the protection of oil or gas in said lands from unreasonable waste, or that the subsidence or sinking of such lands and abutting lands may possibly be arrested or ameliorated thereby, such grantee may enter into agreements for the purpose of bringing about the cooperative development and operation of all or a part or parts of the oil and gas field in which such lands are located, or for the purpose of bringing about the development or operation of all or a part or parts of such field as a unit, or for the purpose of fixing the time, location, and manner of drilling and operating of wells for the production of oil or gas, or providing for the return or injection of gas, water or other substances into the subsurface of the earth for the purpose of storage or the repressuring of such oil or gas field.

Each such agreement shall provide that any impairment of the public trust for commerce, navigation or fisheries to which said granted lands are subject is prohibited, and shall be submitted to the State Lands Commission for approval. If the State Lands Commission shall find that said agreement so provides and that the entering into and the performance of such agreement is in the public interest, then the State Lands Commission may approve such agreement on behalf of the State.

The Legislature hereby finds and declares that the entering into and the performance of any such agreement which has been approved by the State Lands Commission will not impair the public trust for commerce, navigation and fisheries to which said granted lands are subject, and that any acts or things done pursuant to the terms thereof or resulting therefrom are consistent with and not in violation of the terms or conditions of any such grant or of any trust, restrictions and conditions appertaining thereto. No such agreement so approved by the State Lands Commission shall effect or result in, or be so construed as to effect or result in a revocation of or change in any trust pertaining to said lands, or in any grant, conveyance, alienation or transfer of said lands, or any part thereof, to any other individual, firm, or corporation, even though such agreement provides for the pooling of oil, gas or other hydrocarbon substances produced from said lands with oil, gas or other hydrocarbon substances produced from other lands, or results in the migration of any oil, gas or other hydrocarbon substances between said lands and other lands. Any trusts, restrictions or conditions pertaining to any production from said granted lands included in any such agreement, or to any proceeds from such production, shall apply only to that part of the production or that part of the proceeds therefrom which is allocated to such city, county or city and county on account of said lands under any such agreement, and shall not apply to any other production or the pro-

Legislative
declaration

ceeds therefrom, whether or not the same may have been produced from said lands or other lands.

Binding
effect

If approved by the State Lands Commission, any such agreement shall bind the State, and shall bind any of the following who execute the same:

(a) Such city, county or city and county; and

(b) Any operator of such tide and submerged lands under contract with such city, county or city and county, and such operators' successors and assigns; and

(c) Any other party, and the successors and assigns of such other party.

Any such agreement shall be enforceable in an action for specific performance against the parties bound thereby.

Exclusions

No agreement executed pursuant to this section shall affect or determine the boundaries of the tide and submerged lands granted, in trust, to the City of Long Beach by Chapter 676, Statutes of 1911, Chapter 102, Statutes of 1925, Chapter 158, Statutes of 1955, as modified by Chapter 915, Statutes of 1951 and Chapter 29, Statutes of 1956, First Extraordinary Session.
