

## CHAPTER 138

*An act relating to the tidelands and submerged lands granted by the State to the City of Long Beach and the revenues therefrom.*

[Approved by Governor June 4, 1964 Filed with  
Secretary of State June 5, 1964.]

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

SECTION 1. As used in this act:

(a) "Long Beach tidelands" means those certain tide and submerged lands, whether filled or unfilled, heretofore conveyed to the City of Long Beach upon certain trusts and conditions by Chapter 676, Statutes of 1911, Chapter 102, Statutes of 1925, and Chapter 158, Statutes of 1935.

(b) "Oil revenue" means the net proceeds received by the City of Long Beach from the sale or disposition of oil, gas and other hydrocarbon substances (other than dry gas) derived from, or allocated or assigned to, the Long Beach tidelands, including advance payments, after deducting moneys expended for the extraction and sale or disposition thereof and conducting repressuring operations and for the satisfaction of obligations attributable to such extraction or sale or disposition. "Oil revenue" also includes the net receipts from the sale of property used in such extraction or sale or disposition, the cost of which has been or may be defrayed from proceeds from such hydrocarbon substances. "Oil revenue" shall not include the net proceeds from the sale or disposition of oil, gas and other hydrocarbon substances derived from, or allocated or assigned to, the Alamitos Beach Park Lands.

(c) "Dry gas" means the gas directly produced from wells, which contains one-half ( $\frac{1}{2}$ ) of a gallon or less of recoverable gasoline per 1,000 cubic feet, or from which gasoline has been removed by processing.

(d) "Dry gas revenue" means the reasonable wholesale market value of dry gas derived from, or allocated or assigned to, or attributable to production from, or allocated or assigned to, said Long Beach tidelands and received into the system of the municipal gas department of said City of Long Beach, and the net receipts to the City of Long Beach from the sale of tideland dry gas as such and which is not received into said system.

(e) "Subsidence costs" means costs expended by the City of Long Beach with the prior approval of the State Lands Commission to remedy or protect against (1) the effects of subsidence of the land surface, heretofore or hereafter occurring, within the boundaries of the Long Beach Harbor District (as such boundaries were defined on April 1, 1956) and within the boundaries of the Long Beach tidelands situated outside of said Long Beach Harbor District, and (2) the effects of subsidence of the land surface, hereafter occurring, within any

other portion of the city, which may be attributable, in whole or in part, as determined by the State Lands Commission, to production from the Long Beach tidelands. The cost of repessuring operations shall not be considered a "subsidence cost," but shall be considered a cost of production, which shall be a deductible expense for the purpose of determining "oil revenue" under subdivision (b) of this section. "Subsidence costs" shall not include any costs deductible for the purpose of determining "oil revenue" under subdivision (b) of this section.

(f) The "undeveloped portion of the Long Beach tidelands" means the following described lands:

Beginning at the intersection of the northwesterly line of Block 50 of Alamitos Bay Tract as per map recorded Book 5, page 137 of maps in Official Records of Los Angeles County, with the mean high tide line of San Pedro Bay; thence S. 32° 03' 00" W. 18,228.31 feet more or less along the southwesterly prolongation of said northwesterly line of Block 50 to the seaward boundary of the City of Long Beach (as such boundary was defined as of March 1, 1964); thence in a northwesterly direction along said seaward boundary of the City of Long Beach to its intersection with the easterly boundary of the Long Beach Harbor District (as such boundary was defined on April 1, 1956); thence along said easterly boundary N. 17° W. 14,794 feet more or less; thence north 52° 36' 17" west 170 feet more or less to the easterly line of the land described as Parcel "A" under that certain contract executed by the City of Long Beach and the Board of Harbor Commissioners of the City of Long Beach, dated March 12, 1947; thence northerly along said easterly line 4,123 feet to the northerly line of said Parcel "A"; thence westerly along said northerly line to the southerly prolongation of the centerline of Pine Avenue 80 feet wide as per map of the Townsite of Long Beach recorded in Book 19, page 91 et seq. Miscellaneous Records of said County; thence northerly along said southerly prolongation to said mean high tide line thence in a southeasterly direction along said mean high tide line to the point of beginning, containing 6,100 acres more or less.

(g) "Person" means and includes any firm, corporation, association, partnership, or natural person.

(h) "Contractors' agreement" means and includes any contract, royalty arrangement or other agreement between the City of Long Beach (or any department, board or agency thereof) and any person or persons relating to the drilling for, developing, extracting, processing, taking or removing of oil, gas and other hydrocarbons derived from, or allocated or assigned to, the undeveloped portion of the Long Beach tidelands or the estimated productive portion thereof (other than unit agreements, unit operating agreements and cooperative agreements authorized by Sections 6879 or 7058 of the Public Resources Code).

(i) "Alamitos Beach Park Lands" means those tidelands and submerged lands, whether filled or unfilled, described in that certain Judgment After Remittitur in *The People of the State of California v. City of Long Beach*, Case No. 683824 in the Superior Court of the State of California for the County of Los Angeles, dated May 8, 1962, and entered on May 15, 1962 in Judgment Book 4481, at Page 76, of the Official Records of the above entitled court.

SEC. 2. It is hereby found and determined:

(a) Since the enactment of Chapter 29, Statutes of 1956, First Extraordinary Session, exploration has disclosed the existence of additional deposits of oil, gas and other hydrocarbons in and under the Long Beach tidelands which should be developed for the benefit and profit of the State of California.

(b) Such development will result in very substantial augmentations of the oil revenue currently received from the Long Beach tidelands. By reason of such augmentations, as well as previous expenditures of trust revenues for the construction of improvements within the City of Long Beach both within and without the Harbor District of said city, the continued expenditure in the future by the city of oil revenues in the percentage heretofore provided, for the uses and purposes required by law would be economically impracticable, unwise and unnecessary. Economically practicable, wise and necessary expenditures of oil revenue by the City of Long Beach are limited to the purposes hereinafter provided, and to the amounts hereinafter provided to be retained by the City of Long Beach. By reason of the increased amount of oil revenue hereinafter provided to be paid over to the State free from the public trust for navigation, commerce, and fisheries and from such uses, trusts, conditions and restrictions as were imposed by the acts of 1911, 1925, and 1935, it is necessary and desirable that the State have increased control over oil and gas production operations and standards as hereinafter provided

(c) It is likewise imperative that such oil, gas and other hydrocarbons be produced with all measures necessary or proper in the interest of preventing, arresting or ameliorating any subsidence of the surface of any lands in the vicinity, which may be attributable to such production; provided, however, that nothing in this act shall be construed as an admission by the State of California or the City of Long Beach that any such subsidence was in fact caused by such production, nor shall anything in this act be admissible in any proceeding as evidence of such causation.

(d) By Chapter 2000, Statutes of 1957, the Legislature authorized the State Lands Commission to bring any actions necessary to determine the boundaries of the Long Beach tidelands. In response to this legislation, the State of California in 1960 instituted an action against the city in the Superior Court of the State of California, County of Los

Angeles, Action No. 747562, for the purpose of determining said boundaries. The State also concurrently filed a supplementary petition in a pending action between the State of California and the city, Action No. 649466, for the same purpose. In addition to the boundary line claim, the State asserts in each of said actions that certain lands, property, interests in property, and other things of value (which, together with the tidelands claimed are referred to as "litigated lands") held by the City of Long Beach are subject to the tideland trust and owned by the city in a trust capacity. Said actions have been consolidated for trial and are now pending in the Superior Court of the State of California, County of Los Angeles. The City of Long Beach is vigorously defending said actions and asserts various defenses against said claims of the State. The city also claims that the boundary line claim of the State is erroneous and improper and that it acquired and holds all of said litigated lands in its proprietary capacity and that it developed said litigated lands in its municipal capacity including the use of general tax revenues. Under existing circumstances, disposition of said litigation and determination of the respective rights of the State and of the city in the premises cannot be made except through the continuation of extensive, complicated, expensive, and time-consuming litigation, including possibly a lengthy court-supervised accounting. Certain proceeds from oil and gas production have been impounded and said impounded funds will remain in a condition of enforced idleness in the absence of a compromise. The continuation of the existing controversies between the State and the city is contrary to the best interests of the people of the State, including the inhabitants of the city. A purpose of statewide interest and benefit will be served by a compromise determination of the boundary line and a compromise determination of the respective rights and interests of the State and city in, and the status of, said litigated lands, together with the oil and gas production from, and the use of, said litigated lands. Such determination will so fix and clarify the respective entitlement of the State and the city as to permit the early termination of the pending litigation by means of stipulations between the city and the State or dismissals, and so far as necessary or appropriate through the entry of court orders, decrees and judgments. Such a disposition of the litigation will bring about a closer cooperation between the people of the State of California and the City of Long Beach so that the time, efforts and money can be spent for urgently needed public purposes and avoid the public detriment incident to protracted litigation between the State and one of its major municipalities. Compromise of the litigation will also avoid the continuation of the collection of the considerable amount of the information, data, and surveys, which does not promote the best interests of the people of the State of California. It is essential to the public interest to resolve the uncertainty which exists as to the true location of the mean high tide line and as

to the exact boundary line between the tide and submerged lands and lands owned by the city in its municipal capacity. It is not the purpose of the compromise hereby authorized to transfer any title but rather, by stipulation, to fix and establish a boundary which is presently uncertain and in doubt. For these, among other reasons, the Legislature finds and declares that the litigation should be compromised as provided in this act and that said compromise is fair, legal and equitable to both the State of California and the City of Long Beach.

SEC. 3. It is hereby ordered that the City of Long Beach and the State Lands Commission are to proceed to prepare a contractors' agreement and any other necessary contracts or agreements for the production of oil, gas and other hydrocarbons from the undeveloped portion of the Long Beach tidelands (or the estimated productive portion thereof), in accordance with good oilfield practice and prevention of land surface subsidence incident thereto.

(a) The contractors' agreement, and any other agreements between the City of Long Beach (or any department, board, or agency thereof) and any person or persons relating to the sale or disposition of oil, gas and other hydrocarbons derived from, or allocated or assigned to, the undeveloped portion of the Long Beach tidelands (with the exception of dry gas after it has been received into the system of the municipal gas department), shall be made and entered into only with the highest responsible bidder or bidders upon competitive bidding and shall be of no effect unless and until approved by the State Lands Commission. All specifications and forms for the purpose of inviting bids in connection therewith shall be approved by the State Lands Commission prior to publication of notice to bidders, and shall provide that the State Lands Commission reserves the right to reject any or all bids. No such agreement shall be modified or amended in any respect without the advance consent of the State Lands Commission to such modification or amendment. Every such agreement made in violation of this subdivision shall be void.

(b) The contractors' agreement may provide for an advance payment by the successful bidder or bidders in amounts and on terms to be fixed by the City of Long Beach subject to the approval of the State Lands Commission. Without limiting the generality of the foregoing, an advance payment may be an oil production payment or an advance royalty payment.

(c) The contractors' agreement, so approved, shall be executed by the City of Long Beach, as trustee for the State of California as to the undeveloped portion of the Long Beach tidelands.

(d) The oil and gas reserves underlying the undeveloped portion of the Long Beach tidelands shall be developed and operated under unitized oil operations by a single field contractor under a contractors' agreement dividing the oil, gas and other hydrocarbon substances assigned or allocated to the undeveloped portion of the Long Beach tidelands into undi-

vided shares as follows: the field contractor shall have an 80 percent share and there shall be five nonoperating contractor's shares of 10 percent, 5 percent,  $2\frac{1}{2}$  percent,  $1\frac{1}{2}$  percent and 1 percent shares, respectively.

(e) The contractors' agreement shall provide that the field contractor shall offer for sale, by competitive bidding, up to  $12\frac{1}{2}$  percent of 100 percent of all oil assigned or allocated to the undeveloped portion of the Long Beach tidelands from the field contractor's 80 percent share of such oil. Said bidding shall be limited to persons other than (1) the field contractor, (2) any of the persons comprising the field contractor, (3) any person owning a controlling interest in, controlled by or under common control of the field contractor, or (4) any person owning a controlling interest in, controlled by or under common control of any person comprising the field contractor. The phrases "owning a controlling interest in," and "controlled by or under common control," as used in this section, shall mean that relationship between two persons resulting from the direct or indirect ownership or control by one person of a majority of the voting securities of the second person or the direct or indirect ownership or control by a third person of a majority of the voting securities of each of such two persons. No bid shall be accepted, however, unless it is equal to or greater than the amount per barrel at which the field contractor accounts for like oil under the terms of the contractors' agreement.

The contractors' agreement shall provide that any agreement of sale between the field contractor and the successful bidder shall be for a fixed term to be determined by the State Lands Commission; that the successful bidder shall commence purchasing oil at a date, determined by the City of Long Beach subject to the approval of the State Lands Commission, not less than 180 days subsequent to the execution of such agreement of sale; and that such agreement of sale shall contain such other reasonable provisions as may be determined by the City of Long Beach subject to the approval of the State Lands Commission.

Said oil shall be offered for competitive bidding not more than 60 days after the State Lands Commission notifies the city to direct the field contractor to offer such oil for bidding. The notice by the State Lands Commission shall specify the amount or amounts of oil to be put out for bid, and such notice may be given whenever any amount of oil less than said  $12\frac{1}{2}$  percent is committed by agreement of sale under this subdivision, but in no event more than once in any 12-month period.

(f) The contractors' agreement shall provide that in the event any one person party to the contractors' agreement, or any two or more such persons controlled by or under common control of any one person, shall at any time have, or acquire, the right to receive any percentage over and above  $67\frac{1}{2}$  percent of 100 percent of all oil assigned or allocated to the undeveloped portion of the Long Beach tidelands, said person or persons

shall offer all oil in excess of said  $67\frac{1}{2}$  percent for sale by competitive bidding. No bid shall be accepted, however, unless it is equal to or greater than the amount per barrel at which the field contractor accounts for like oil under the terms of the contractors' agreement.

The contractors' agreement shall provide that any agreement of sale between said person or persons and the successful bidder shall be for a fixed term to be determined by the State Lands Commission; that the successful bidder shall commence purchasing oil at a date, determined by the City of Long Beach subject to the approval of the State Lands Commission, not less than 180 days subsequent to the execution of such agreement of sale; and that such agreement of sale shall contain such other reasonable provisions as may be determined by the City of Long Beach, subject to the approval of the State Lands Commission.

Said oil in excess of said  $67\frac{1}{2}$  percent shall be offered for competitive bidding in an amount or amounts specified by the State Lands Commission not more than 60 days after the State Lands Commission shall determine that said person or persons have the right to receive any percentage over and above such  $67\frac{1}{2}$  percent, and notifies the city to direct said person or persons to offer such oil for bidding. The notice by the State Lands Commission may be given whenever the commission makes the aforesaid determination, but in no event more than once in any 12-month period.

For purposes of this subdivision, the percentage of oil allocated or assigned to the undeveloped portion of the Long Beach tidelands which said person or persons have the right to receive shall be computed after first deducting a percentage of such oil equal to  $12\frac{1}{2}$  percent times such person's or persons' percentage interest in the field contractor's undivided share of oil. In the event of a joint bid and the awarding of the field contractor's or any nonoperating contractor's share of oil to two or more persons, the interest of each such person and not the joint interest (unless such persons are controlled by or under the common control of any one person) shall be considered in computing the percentage of oil which any person has the right to receive for purposes of this subdivision. Each person party to the contractors' agreement shall furnish to the State Lands Commission each year any and all information required to carry out the purposes of this subdivision. All oil sold by competitive bidding pursuant to subdivisions (e) and (f) hereof shall be accounted for at the price at which the field contractor accounts for oil under the contractors' agreement, and any excess received over said price shall be paid over to the city.

(g) The contractors' agreement shall provide that the field contractor and nonoperating contractors shall, on a cumulative basis throughout the life of the agreement, account for and pay over to the city not less than  $16\frac{2}{3}$  percent of the value (as determined under the contractors' agreement) of all oil, gas

and other hydrocarbons allocated or assigned to the lands covered by the contractors' agreement.

(h) At any time the value (as determined under the contractors' agreement) of 20 0° A.P.I. gravity crude oil assigned or allocated to the lands covered by the contractors' agreement shall be and remain less than one dollar and fifty cents (\$1.50) per barrel, the contractors' agreement, and the unit and unit operating agreement including the lands covered by the contractors' agreement, shall provide that the field contractor shall curtail, limit or suspend production when, and to the extent, required by the city, acting pursuant to the direction of the State Lands Commission.

(i) Any unit or unit operating agreement including the lands covered by the contractors' agreement shall be subject to the prior approval of the State Lands Commission as provided in Sections 6879 and 7058 of the Public Resources Code; and the unit area covered by any present or future unit or unit operating agreement including any portion of the Long Beach tidelands shall not be enlarged so as to include additional tide or submerged lands, nor shall any such agreement be modified or amended in any respect, without the prior approval of the State Lands Commission.

(j) Nothing in this act shall be deemed to entitle the City of Long Beach to receive or retain any of the net proceeds from the sale or disposition of oil, gas (including dry gas) or other hydrocarbons or other minerals derived from or assigned or allocated to the Alamitos Beach Park Lands. The State Lands Commission may lease the Alamitos Beach Park Lands (or the estimated productive portion thereof) for the production of oil, gas and other hydrocarbons in accordance with Section 6827 and other applicable provisions of the Public Resources Code, or in the event the State Lands Commission shall determine that it is in the best interests of the State, it may, in lieu of issuing a lease, offer the Alamitos Beach Park Lands (or the estimated productive portion thereof) for bid under a net profits agreement for the production of oil, gas and other hydrocarbons. Any such net profits agreement relating to the Alamitos Beach Park Lands or any part thereof shall be awarded to the highest responsible bidder upon terms and conditions determined by the State Lands Commission to be in the best interests of the State, and shall provide that the State Lands Commission shall have the unilateral right, without the necessity of obtaining the consent of the successful bidder, to commit said lands to the unit encompassing the undeveloped portion of the Long Beach tidelands. Any net profits agreement relating to the Alamitos Beach Park Lands, or any part thereof, or any lease covering the Alamitos Beach Park Lands or any part thereof, and any unit and unit operating agreements including the Alamitos Beach Park Lands or any part thereof, shall provide that the State Lands Commission, acting for and on behalf of the State of California, shall have the sole right to vote the entire working interest assigned to the Alamitos Beach Park Lands under the unit



and unit operating agreements including such lands. The State Lands Commission, on behalf of the State of California, may negotiate and enter into any unit, unit operating or cooperative agreement for the development of oil, gas and other hydrocarbons, which agreement includes all or part of the Alamitos Beach Park Lands. In carrying out the purposes of this subdivision, the State Lands Commission, on behalf of the State, may exercise any or all powers specified in Section 6829.2 of the Public Resources Code (whether or not the State is a lessor or prospective lessor of the Alamitos Beach Park Lands). In the event the State, under the terms of any net profits agreement relating to the Alamitos Beach Park Lands, has the right to receive in kind any of the oil, gas, or other hydrocarbons allocated or assigned to the Alamitos Beach Park Lands, the State Lands Commission may dispose thereof in accordance with the procedures specified in Section 6815.1 of the Public Resources Code.

(k) Nothing herein shall be deemed to affect or diminish the applicability of either state or federal antitrust laws, or to create any immunity therefrom in favor of any parties to the contractors' agreement, nor shall anything herein affect or diminish the powers and authority of the Supervisor of Oil and Gas under Division 3 (commencing with Section 3000) of the Public Resources Code.

SEC. 4. (a) Until and including the last day of the calendar month in which this act becomes effective, the city shall account for and pay over to the State of California oil revenue and dry gas revenue in accordance with all the provisions of Chapter 29, Statutes of 1956, First Extraordinary Session, as amended by Chapter 1398, Statutes of 1963.

(b) Commencing on the first day of the calendar month following the date on which this act becomes effective, the City of Long Beach shall account for and pay over monthly to the State of California oil revenue and dry gas revenue free from the public trust for navigation, commerce and fisheries and from such uses, trusts, conditions and restrictions as were imposed by said acts of 1911, 1925 and 1935, and the city shall retain, subject to the provisions of this act, the amounts or percentages of oil revenue hereinafter provided.

(c) The City of Long Beach shall account for and pay over monthly to the State Lands Commission for and on behalf of the State of California all dry gas revenue thereafter received by the city.

(d) The city shall retain out of oil revenue each month an amount equal to all subsidence costs thereafter expended by the city and an amount equal to the money thereafter expended by the city in administering oil and gas operations on the Long Beach tidelands (to the extent, if any, such amount is not deductible under Section 1(b) hereof), and shall pay out of oil revenue to the State Lands Commission for and on behalf of the State of California each month an amount equal to the money thereafter expended by the State, as determined

by the Director of Finance, in administering this act and Chapter 29, Statutes of 1956, First Extraordinary Session, including the costs of the audits by the Auditor General pursuant to Section 10 hereof, insofar as such amount pertains to the Long Beach tidelands. The oil revenue remaining after deducting and paying said amounts shall hereafter be referred to as "remaining oil revenue."

(e) All advance payments attributable to the undeveloped portion of the Long Beach tidelands shall be divided equally between the City of Long Beach and the State of California. The City of Long Beach shall account for and pay over monthly to the State Lands Commission for and on behalf of the State of California all other remaining oil revenue, except for the percentages or amounts of remaining oil revenue specified in the following schedule, which percentages or amounts shall be retained by the City of Long Beach:

(1) Until and including December 31, 1967, 50 percent.

(2) During the calendar year 1968, 45 percent or the total amount of nine million dollars (\$9,000,000) during said year, whichever is less.

(3) During the calendar year 1969, 40 percent or the total amount of nine million dollars (\$9,000,000) during said year, whichever is less.

(4) During the calendar year 1970, 35 percent or the total amount of nine million dollars (\$9,000,000) during said year, whichever is less.

(5) During the calendar year 1971, 30 percent or the total amount of nine million dollars (\$9,000,000) during said year, whichever is less.

(6) During the calendar year 1972, 25 percent or the total amount of nine million dollars (\$9,000,000) during said year, whichever is less.

(7) During the calendar year 1973, and during each calendar year thereafter, to and including 1979, 20 percent or the total amount of nine million dollars (\$9,000,000) during each said year, whichever is less.

(8) During the calendar year 1980, and during each calendar year thereafter, to and including 1982, 20 percent or the total amount of eight million dollars (\$8,000,000) during each said year, whichever is less.

(9) During the calendar year 1983, 20 percent or the total amount of seven million dollars (\$7,000,000) during said year, whichever is less.

(10) During the calendar year 1984, 20 percent or the total amount of six million dollars (\$6,000,000) during said year, whichever is less.

(11) During the calendar year 1985, 20 percent or the total amount of five million dollars (\$5,000,000) during said year, whichever is less.

(12) During the calendar year 1986, 20 percent or the total amount of four million five hundred thousand dollars (\$4,500,000) during said year, whichever is less.

(13) During the calendar year 1987, 20 percent or the total amount of three million four hundred thousand dollars (\$3,400,000) during said year, whichever is less.

(14) During the calendar year 1988, and each calendar year thereafter, the total sum of one million dollars (\$1,000,000) during each said year.

In the event the execution of the contractors' agreement is delayed beyond December 31, 1964, the city shall retain 50 percent of remaining oil revenue, as provided in subdivision (1) of the above schedule, until and including the last day of the third calendar year following the calendar year in which the contractors' agreement is executed, and the amounts or percentages of remaining oil revenues to be retained by the city as specified in subdivisions (2) to (14), inclusive, of the above schedule shall be deferred accordingly. In the event the total aggregate amount of remaining oil revenue (including advance payments) retained by the city on and after the effective date of this act should reach the sum of two hundred thirty-eight million dollars (\$238,000,000) at any date prior to January 1, 1988, the city shall retain during the next calendar year following the date at which such total aggregate sum is reached, and during each calendar year thereafter, the total sum of one million dollars (\$1,000,000) out of remaining oil revenue during each said year, in lieu of any amounts which might otherwise be specified in the above schedule in respect to said years.

(f) The contractors' agreement shall include a provision for a "reserve for subsidence contingencies." Such reserve shall accumulate at the rate of two million dollars (\$2,000,000) a year, exclusive of interest thereon, commencing from and after the first day of the second month following termination of the right to receive any advance payment from the field contractor and shall continue for a period of 20 years thereafter. Said amounts so accumulated, but not the interest thereon, shall be treated as a cost of oil production under the contractors' agreement and shall be deductible in computing oil revenue.

Said amounts so accumulated, together with interest, shall be impounded by the city in a separate fund and shall be invested in bonds issued by the State of California or, if such bonds are unavailable, then in securities of the United States. Said fund shall be available to indemnify and hold harmless the City of Long Beach, the State of California, and any and all contractors under the contractors' agreement from claims, judgments and costs of defense, arising from subsidence alleged to have occurred as a result of operations under said agreement. Said fund may also be used for the purpose of paying subsidence costs or for conducting repressuring operations in the event there is no oil revenue or the oil revenue is insufficient to pay such costs.

Said fund shall remain impounded until such time as the city and State shall jointly determine that there is no longer any hazard of such claims or judgments or that there is

no potential danger of subsidence, whichever is later; provided, that if the city and State are unable to agree upon such a joint determination, the State Lands Commission may make application to a court of competent jurisdiction for determination by the court as to whether it is necessary to continue the impoundment of said fund.

Upon termination of such impoundment, the money so impounded, including all interest and earnings thereof, shall be distributed to the city (in addition to the amounts specified under subdivision (e) hereof) and the State as follows: an amount equal to 50 percent of all subsidence costs approved and disbursed by the city from the effective date of this act to and including December 31, 1968, shall be distributed and paid to the city; and the balance shall be paid and distributed to the State of California. Nothing herein contained shall constitute a waiver of sovereign immunity by the State of California; nor shall anything herein contained affect in any manner the rights and obligations of the City of Long Beach, the State of California, or the contractors under the contractors' agreement, or any of them, as against any other person or persons, relative to claims, judgments or liability arising from subsidence of the land surface.

SEC. 5. The contractors' agreement, and any unit agreement and unit operating agreement between the City of Long Beach and any other person or persons (including the State) relating to the undeveloped portion of the Long Beach tidelands, or any part thereof, shall include all provisions necessary to assure compliance with the ordinance adopted by the people of the City of Long Beach at the municipal election held on the 27th day of February, 1962, concerning the Offshore Area and Townlot Area therein defined; provided however that the City of Long Beach is hereby authorized and directed to exercise all controls and reservations of authority specified in Sections 4(e), 4(f) and 4(h) of said ordinance, in accordance with all of the provisions of this act and in accordance with plans of operation and development containing the provisions and adopted in accordance with the procedure set forth in this section. Nothing herein shall be construed as affecting the rights and powers of the State Lands Commission under Section 3(j) hereof.

(a) All exploration, development and operation of the undeveloped portion of the Long Beach tidelands, or any part thereof, shall be in accordance with plans of development and operation. Said plans shall not cover a period in excess of one year (unless otherwise mutually agreed between the city and the State Lands Commission), and shall specify (unless otherwise mutually agreed between the city and the State Lands Commission) with particularity, in addition to other matters deemed necessary or desirable, the surface and bottom locations of both producing and injection wells to be drilled, drilling schedules, range of rates of production, range of rates and pressures of injection, location and

capacity of facilities, and an itemized budget of intended expenditures relating to the exploration, development and operation of the undeveloped portion of the Long Beach tidelands. Each such plan of development and operation shall be initially adopted by the City of Long Beach and shall be submitted by the city to the State Lands Commission at least 100 days prior to its submission to the participants in any unit agreement covering the undeveloped portion of the Long Beach tidelands. Day-to-day operations shall be the responsibility of the field contractor acting under the direction and control of the city.

(b) The State Lands Commission shall have 45 days after submittal within which to approve such plan or order a hearing to consider a modification of said plan. If the commission takes no action upon the plan within 45 days, the plan shall be deemed to be approved. If the commission believes that a modification of the plan is necessary, it shall conduct a formal hearing. At such hearing, the city may present evidence in support of its plan. After the hearing, the commission may order modification of the plan in any respect if it finds that such modification is necessary to promote good oil field practice, to prevent waste of oil or gas, to promote the maximum economic recovery of oil and gas, or to conserve reservoir energy in any zone or separate underground source of supply of oil or gas covered in whole or part by the contractors' agreement. Any modification of such plan shall be ordered not less than 30 days prior to the date such plan is to be submitted to the participants in said unit.

(c) In the event the commission orders a modification of the plan after such hearing, the modification shall go into effect unless the city council of the City of Long Beach finds prior to the date such plan is to be submitted to the participants in said unit, after a formal hearing at which the commission may present evidence in support of its modification, that all or specified parts of the plan submitted by the city are required in order to carry out a program of complete pressure maintenance or to prevent, arrest or ameliorate subsidence. In the event the city council makes such a finding, the city shall adopt a plan which includes all subsidence controls which it deems necessary or appropriate, but which will otherwise conform (to the extent consistent with said controls) with the modification ordered by the State Lands Commission. Said plan adopted by the city shall be submitted to the participants in said unit and shall go into effect and stay in effect unless and until, upon application of the commission to a court of competent jurisdiction, the court finds that there is no substantial evidence that the plan adopted by the city council, including all elements inconsistent with the modification ordered by the commission, is necessary either to carry out a program of complete pressure maintenance or to prevent, arrest or ameliorate subsidence. In the event of such finding, said plan shall be altered or rescinded, either before or after its submission to the participants, as ordered by the court. In the event the city's plan is

rescinded, the modification ordered by the State Lands Commission shall go into effect.

(d) In the event the city disagrees with the findings of the commission that a modification of the plan is necessary in order to promote good oil field practice, to prevent waste of oil and gas, to promote the maximum economic recovery of oil and gas, or to conserve reservoir energy in any zone or separate underground source of supply of oil or gas covered in whole or part by the contractors' agreement, and the city council does not make the finding referred to in subdivision (c), the modification shall be submitted to the participants in said unit and shall go into effect and stay in effect unless and until, upon application of the city to a court of competent jurisdiction, the court finds that there is no substantial evidence that the modification of the plan is necessary in order to promote good oil field practice, to prevent waste of oil and gas, to promote the maximum economic recovery of oil and gas, or to conserve reservoir energy in any zone or separate underground source of supply of oil or gas covered in whole or in part by the contractors' agreement. In the event of such finding, said modification shall be altered or rescinded, either before or after submission to the participants, as ordered by the court. In the event the modification is rescinded, the plan adopted by the city shall go into effect.

(e) The city shall have the power, upon receipt of any evidence of subsidence or a significant diminution of underground pressure, to order a cessation or curtailment of production until the time such precautions have been taken, which, in the opinion of the city, are completely adequate and sufficient to prevent or arrest any land subsidence or carry out a program of complete pressure maintenance. Unless the city finds that earlier cessation or curtailment is necessary in order to prevent or correct such subsidence, it shall give the State Lands Commission 30 days' notice of such cessation or curtailment. In the event of a dispute between the city and the State Lands Commission over a cessation or curtailment of production ordered by the city under this subdivision, the State may make application to a court of competent jurisdiction for review of such action. Any cessation or curtailment of production by the city shall not be rescinded or modified by the court unless it finds that there is no substantial evidence that such cessation or curtailment is necessary in order to carry out a program of complete pressure maintenance or to prevent, arrest or ameliorate any land surface subsidence.

(f) In order to carry out the purposes of this section and to effect a speedy determination of any disagreement between the city and the commission, the Superior Court of the State of California for the County of Los Angeles (in the event such proceeding is filed in said court) shall give any proceeding filed under this section priority over other civil matters, and any court of competent jurisdiction in which such proceeding is filed shall have the power to issue appropriate temporary

orders. In any proceeding filed under this section for judicial review of any finding made under this section, the State Lands Commission and the city shall be entitled to offer evidence in addition to the evidence offered at the hearing at which the finding was made. Upon application of either the city or the State, and upon good cause, the court may rescind or modify the effectiveness of any modification ordered by the State Lands Commission or any plan or order adopted by the city, pending trial upon the merits.

(g) The City of Long Beach and the State Lands Commission may, without a hearing, mutually agree upon any modification in any plan of development at any time or from time to time. The executive officer or acting executive officer of the State Lands Commission shall have the power to consent to a modification, provided that his consent shall be subject to ratification by the State Lands Commission at its next regular meeting. In the event the State Lands Commission does not ratify the consent of the executive officer or acting executive officer to such modification, neither the City of Long Beach nor the field contractor shall be liable to the State for any actions performed or taken under the consent or authority of the executive officer or acting executive officer.

(h) The City of Long Beach, in exercising its right to vote the working interest in the undeveloped portion of the Long Beach tidelands on any date on or after January 1, 1968, shall vote as directed by the State Lands Commission upon all matters relating to the establishment of equity formula factors and tract assignments of oil, gas and other hydrocarbons produced from the lands covered by the unit and unit operating agreements including the undeveloped portion of the Long Beach tidelands, or any part thereof. Any such unit and unit operating agreements shall provide that all determinations relating to equity formula factors and tract assignments made between the effective date of such agreements and January 1, 1968, and for any subsequent period provided for in such agreements, shall be subject to retroactive adjustment.

SEC. 6. The Legislature hereby finds that the remaining oil revenue hereinabove allocated to the City of Long Beach is needed and can be economically utilized by said city for the fulfillment of the trust uses and purposes described in said acts of 1911, 1925 and 1935 and described as follows in this act, which are hereby found to be matters of state, as distinguished from local, interest and benefit.

(a) The construction, reconstruction, improvement, repair, operation and maintenance of works, lands, waterways, and facilities necessary for the harbor within the boundaries of the harbor district of said city (as said boundaries were defined on April 1, 1956).

(b) The construction, reconstruction, repair, operation and maintenance of streets, roadways, bridges and bridge approaches within the boundaries of, or reasonably necessary to

provide immediate access to, said harbor district (as such boundaries were defined on April 1, 1956).

(c) The construction, reconstruction, repair, operation and maintenance of the bulkheads, piers, earthfills, streets, roadways, bridges, bridge approaches, buildings, structures, recreational facilities, landscaping, parking lots, and other improvements on or adjacent to the Long Beach tidelands or on or adjacent to the Alamitos Beach Park Lands for the benefit and use of said tidelands or the Alamitos Beach Park Lands.

(d) The construction, reconstruction, repair, operation and maintenance of small boat harbors, marine stadiums, maritime museum, marine parks, beaches, waterways, and related facilities, on or adjacent to the Long Beach tidelands or on or adjacent to the Alamitos Beach Park Lands, or on or adjacent to aquatic recreational areas of the aforesaid nature.

(e) The acquisition, filling, improvement, rehabilitation and disposal of lands, which have, prior to January 1, 1964, been damaged by subsidence, located in the City of Long Beach westerly of Alamitos Avenue, easterly of the harbor district and southerly of Ocean Boulevard (as said streets and district now exist).

(f) The acquisition of property or the rendition of services reasonably necessary to the carrying out of the foregoing uses and purposes.

(g) In addition to the foregoing, expenditures for any other use or purpose of state, as distinguished from purely local, interest and benefit which are in fulfillment of those trust uses and purposes described in said acts of 1911, 1925 and 1935, and which are approved in advance by the State Lands Commission.

(h) As to any expenditure of oil revenue for a capital improvement involving an amount in excess of fifty thousand dollars (\$50,000) proposed to be made under subdivisions (a) to (f), inclusive, of this section, the City of Long Beach shall file with the State Lands Commission an adequate detailed description of such capital improvement not less than 60 days prior to the time of any disbursement therefor or in connection therewith. Said description shall specify, in addition, the particular subdivision or subdivisions of this section which the city deems applicable and its reasons, if necessary, for regarding such expenditure as being so authorized. The commission shall have 60 days after the time of such filing within which to notify the city that such capital improvement is not authorized by any of such subdivisions. In the event the commission so notifies the city, a copy of the opinion of the Attorney General (or other legal counsel of the commission) upon which such disapproval has been based shall be delivered to the city. In the event the commission notifies the city that such capital improvement is not authorized, the city shall not disburse any oil revenue for or in connection with said capital improvement for a period of 30 days following such notice, during which period or afterwards the State Lands Commission may seek



any judicial relief in any court of competent jurisdiction which it deems appropriate.

In order to carry out the purposes of this section and to effect a speedy determination of any disagreement between the city and the commission, the Superior Court of the State of California for the County of Los Angeles (in the event such proceeding is filed in said court) shall give any proceeding filed by the city or State under this section priority over other civil matters.

SEC. 7. It is hereby found and determined that the northerly boundary of the Long Beach tidelands and the Alamitos Beach Park Lands commencing at the westerly city limits and extending easterly to the westerly side of the entrance of Alamitos Bay is as follows:

Beginning at the southwesterly corner of Block 10 of East San Pedro as shown on map of same recorded in Book 52, page 13, et seq., Miscellaneous Records of Los Angeles County, State of California; thence southeasterly along the southeasterly prolongation of the westerly boundary of said Block 10, 100.459 feet to the intersection with the Southerly line of Seaside Boulevard 100 00 feet wide as described in deed from Los Angeles & Salt Lake Railroad Company to City of Long Beach recorded in Book 12355, page 45, Official Records of Los Angeles County, California, said intersection being on the westerly boundary of the City of Long Beach and comprising the true point of beginning of the herein described line;

Thence from said true point of beginning and along the Southerly line of Seaside Boulevard, North  $65^{\circ} 14' 48''$  East 670.796 feet to a point distant South  $23^{\circ} 48' 21''$  East 100.014 feet from Pipe No. 334, set at the Southwest corner of Block 11 of East San Pedro as per map recorded in Book 52, page 13, et seq., Miscellaneous Records of said County; thence North  $67^{\circ} 08' 30''$  East 596.287 feet to a point distant South  $21^{\circ} 03' 57.5''$  East 100.049 feet from Pipe No. 333, set at the Southeast corner of said Block 11; thence North  $70^{\circ} 43' 35''$  East 58.537 feet to a point distant South  $20^{\circ} 13' 42''$  East 100.014 feet from Pipe No. 329, set at the Southwest corner of Block 12 of said East San Pedro; thence North  $68^{\circ} 49' 01''$  East 600.282 feet to a point distant South  $20^{\circ} 13' 42''$  East 100.014 feet from Pipe No. 328, set at the Southeast corner of said Block 12; thence North  $70^{\circ} 43' 35''$  East 718.280 feet to a point distant South  $19^{\circ} 16' 25''$  East 100.000 feet from Pipe No. 318, set at the Southwest corner of Block 14 of said East San Pedro; thence North  $70^{\circ} 43' 01''$  East 358.408 feet to a point distant South  $19^{\circ} 16' 59''$  East 100.000 feet from Pipe No. 317, set at the intersection of the Northerly line of Seaside Boulevard with the Westerly line of Henry Ford Avenue as described in deed to City of Long Beach recorded in Book 12312, page 172, of said Official Records; thence continuing North  $70^{\circ} 43' 01''$  East 61.950 feet to a point distant South  $19^{\circ} 16' 59''$  East 100.000 feet from Pipe No. 236, set at intersection of the Northerly line of Seaside Boulevard with the Easterly line of said Henry Ford Avenue;

thence continuing North 70° 43' 01" East 2879.679 feet to a point distant South 19° 16' 59" East 100.000 feet from Pipe No. 260, set at the Southwest corner of Block 19 of said East San Pedro; thence continuing North 70° 43' 01" East 201.041 feet to a point distant South 19° 16' 59" East 100.000 feet from Pipe No. 264, said point being also at the beginning of a tangent curve, concave to the North, having a radius of 6029.65 feet; thence Northeasterly along said curve a distance of 449.041 feet, to the end of curve at a point distant South 23° 33' 00" East 237.50 feet from Pipe No. 267; thence on a tangent to said curve, North 66° 27' 00" East 27.046 feet to a point distant South 23° 33' 00" East 100.000 feet from Pipe No. 269, set at the Southwest corner of Block 20 of said East San Pedro; thence continuing North 66° 27' 00" East 600.000 feet to a point distant South 23° 33' 00" East 230.000 feet from Pipe No. 272, set at the Northeast corner of said Block 20; thence continuing North 66° 27' 00" East 1217.525 feet to a point on the easterly line of Lot 15 of Tract No. 751, as recorded in Map Book 16, Pages 26-27, Records of said County; (The base of bearings used heretofore is identical with the map entitled "Record of Survey Partly in the City of Los Angeles and Partly in City of Long Beach," by Francis Bates, dated 1937-1940, and filed in Book 51, Pages 1-21, Record of Surveys, Records of said County); thence along said easterly line South 15° 55' East 197.61 feet, more or less, to the Southeasterly corner thereof; thence Northeasterly 510 feet, more or less, to a point on the westerly boundary of the Long Beach Harbor Entrance Channel, said point being South 23° 33' East 532 feet measured along last said westerly boundary line from a point on the southerly boundary line of the 100-foot right of way of the Los Angeles and Salt Lake Railroad Company; thence North 23° 33' West 532 feet along said westerly boundary line of the Long Beach Harbor Entrance Channel to a point on the southerly boundary line of said 100-foot right of way; thence North 66° 27' East 300 feet along the southerly boundary line of said 100-foot right of way to the intersection with the easterly boundary line of said Long Beach Harbor Entrance Channel; thence South 23° 33' East 573 feet along last said easterly boundary line to a point; thence northeasterly 83 feet, more or less, to a point 60 feet distant from the southwesterly corner of Block 15, Plat No. 2, Seaside Park, as recorded in Map Book 4, Page 6, Records of said County, said 60 feet being measured along the southerly prolongation of the westerly boundary line of said Block 15; thence northeasterly to a point 65 feet distant from the southeasterly corner of said Block 15 being measured along the southerly prolongation of the easterly boundary line of said Block 15; thence northeasterly to a point 85 feet distant from the southeasterly corner of Block 14 of said Seaside Park being measured southeasterly at right angles to the southerly boundary line of said Block 14; thence northeasterly to a point 57 feet distant from the southwesterly corner of Block

12 of said Seaside Park being measured along the southerly prolongation of the westerly boundary line of said Block 12; thence northeasterly to a point 39 feet distant from the southwesterly corner of Block 10 of said Seaside Park being measured along the southerly prolongation of the westerly boundary line of said Block 10; thence northeasterly to a point 32 feet distant from the southeasterly corner of said Block 10 being measured along the southerly prolongation of the easterly boundary line of said Block 10; thence northeasterly to a point 30 feet distant from the southeasterly corner of Block 9 of said Seaside Park being measured along the southerly prolongation of the easterly boundary line of said Block 9; thence northeasterly to a point 27 feet distant from the southeasterly corner of Block 8 of said Seaside Park being measured along the southerly prolongation of the easterly boundary of said Block 8; thence northeasterly to a point 24 feet distant from the southwesterly corner of Block 6 of said Seaside Park being measured along the southerly prolongation of the westerly boundary of said Block 6; thence northeasterly to a point 28 feet distant from the southeasterly corner of said Block 6 being measured along the southerly prolongation of the easterly boundary of said Block 6; thence northeasterly to a point 27 feet distant from the southeasterly corner of Block 5 of said Seaside Park being measured along the southerly prolongation of the easterly boundary of said Block 5; thence northeasterly to a point 28 feet distant from the southwesterly corner of Block 3 of Plat No. 1, Seaside Park, as recorded in Map Book 3, Page 99, Records of said County, being measured along the southerly prolongation of the westerly boundary of said Block 3; thence northeasterly to the intersection with the southerly prolongation of the westerly right of way line of the Los Angeles County Flood Control District, as established by a Final Judgment had in Superior Court Case No. B-72307, recorded in Book 7714, Page 153, of Official Records of said County, said intersection being 47 feet, measured southerly along the last said prolongation line from the southerly boundary of Block 2 of said Plat No. 1, Seaside Park; thence easterly on a line towards a point on the southerly prolongation of the westerly line of Lot 13, Block 3, Seaside Park Plat No. 3, recorded in Map Book 10, Page 27, Records of said County, said point being southerly thereon 68 feet from the northerly line of Seaside Boulevard, to the easterly line of the Los Angeles County Flood Control right of way; thence northerly along said easterly line 68.39 feet, more or less, to the northerly line of Seaside Boulevard, as shown on said Map of Seaside Park Plat No. 3; thence easterly along said northerly line of Seaside Boulevard North  $86^{\circ} 31'$  East 723.67 feet more or less to the westerly line of Golden Avenue; thence southerly 74 feet along the southerly prolongation of the westerly line of Golden Avenue to a point; thence easterly to a point on the southerly prolongation of the westerly line of Mermaid Place distant southerly thereon 66 feet from the

northerly line of Seaside Boulevard; thence easterly, as shown on City of Long Beach City Engineer's Drawing No. B-1774, dated June 9, 1959, to a point on the southerly prolongation of the westerly line of Daisy Avenue distant southerly thereon 72 feet from the northerly line of Seaside Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of Magnolia Avenue distant southerly thereon 52 feet from the northerly line of Seaside Boulevard; thence easterly to a point on the southerly prolongation of a line parallel to and 20 feet easterly of the easterly line of Chestnut Place distant southerly thereon 72 feet from the northerly line of Seaside Boulevard; thence easterly to a point 50 feet southerly of the northerly line of Seaside Boulevard and 115 feet westerly of the center line of Cedar Walk, which distances are measured respectively at right angles to, and along Seaside Boulevard; thence easterly to a point on the southerly prolongation of the center line of Cedar Walk distant southerly thereon 85 feet from the easterly prolongation of the northerly line of Seaside Boulevard; thence easterly to a point on the southerly prolongation of the easterly line of Pine Avenue distant southerly thereon 160 feet from the northerly line of Seaside Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of Pier Place distant southerly thereon 155 feet from the northerly line of Seaside Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of Locust Avenue South distant southerly thereon 146 feet from the northerly line of Seaside Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of Collins Way distant southerly thereon 137 feet from the northerly line of Seaside Boulevard, thence easterly to a point on the southerly prolongation of westerly line of Long Beach Boulevard (formerly American Avenue) distant southerly thereon 138 feet from the northerly line of Seaside Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of Hart Place distant southerly thereon 143 feet from the northerly line of Seaside Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of Elm Way distant southerly thereon 143 feet from the northerly line of Seaside Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of Linden Avenue distant southerly thereon 140 feet from the northerly line of Seaside Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of Atlantic Way distant southerly thereon 137 feet from the northerly line of Seaside Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of Lime Way distant southerly thereon 143 feet from the northerly line of Seaside Boulevard; thence easterly to a point on the southerly prolongation of the easterly line of Alamitos Avenue distant southerly thereon 149 feet from the easterly prolongation of the northerly line of Seaside Boulevard; thence northerly along said easterly line

of Alamitos Avenue to a line prolonged westerly from a point on the southerly prolongation of the westerly line of 2nd Place distant southerly thereon 384 feet from the southerly line of Ocean Boulevard and through a point on the southerly prolongation of the westerly line of 1st Place distant southerly thereon 386 feet from the southerly line of Ocean Boulevard; thence easterly along said westerly prolonged line to said point on the southerly prolongation of the westerly line of 2nd Place; thence easterly to a point on the southerly prolongation of the westerly line of 3rd Place distant southerly thereon 380 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 4th Place distant southerly thereon 377 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 5th Place distant southerly thereon 370 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 6th Place distant southerly thereon 368 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 7th Place distant southerly thereon 371 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 8th Place distant southerly thereon 370 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 9th Place distant southerly thereon 365 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 10th Place distant southerly thereon 370 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 11th Place distant southerly thereon 362 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 12th Place distant southerly thereon 363 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the easterly line of 13th Place distant southerly thereon 359 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 14th Place distant southerly thereon 360 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 15th Place distant southerly thereon 352 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 16th Place (vacated) distant southerly thereon 346 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 17th Place (vacated) distant southerly thereon 334 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line

of 18th Place distant southerly thereon 310 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of westerly line of 19th Place distant southerly thereon 294 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 20th Place distant southerly thereon 285 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of Lindero Avenue distant southerly thereon 270 feet from the northerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of Molino Avenue distant southerly thereon 260 feet from the northerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of Temple Avenue distant southerly thereon 243 feet from the northerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of Orizaba Avenue distant southerly thereon 248 feet from the northerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of Paloma Avenue distant southerly thereon 241 feet from the northerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of Coronado Avenue distant southerly thereon 261 feet from the northerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the easterly line of Redondo Avenue distant southerly thereon 209 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 36th Place distant southerly thereon 325 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 38th Place (vacated) distant southerly thereon 379 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 39th Place distant southerly thereon 395 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the easterly line of Termino Avenue distant southerly thereon 135 feet from the southerly line of Allin Street; thence easterly to a point on the southerly prolongation of the westerly line of 43rd Place distant southerly thereon 186 feet from the southerly line of Allin Street; thence easterly to a point on the southerly prolongation of the westerly line of 45th Place distant southerly thereon 151 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 46th Place distant southerly thereon 144 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 48th Place distant southerly thereon 132 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 50th Place distant southerly thereon 138 feet from

the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 52nd Place distant southerly thereon 131 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of La Verne Place distant southerly thereon 151 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 53rd Place distant southerly thereon 158 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of Claremont Place distant southerly thereon 160 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the easterly line of Claremont Place distant southerly thereon 161 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 54th Place distant southerly thereon 160 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of Isthmus Place distant southerly thereon 146 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of Peninsula Place distant southerly thereon 151 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of 55th Place distant southerly thereon 165 feet from the southerly line of Ocean Boulevard; thence easterly to a point on the southerly prolongation of the westerly line of Balboa Place distant southerly thereon 44 feet from the southerly line of Seaside Walk; thence easterly to a point on the southerly prolongation of the westerly line of Laguna Place distant southerly thereon 48 feet from the southerly line of Seaside Walk; thence easterly to a point on the southerly prolongation of the westerly line of Dana Place distant southerly thereon 54 feet from the southerly line of Seaside Walk; thence easterly to a point on the southerly prolongation of the westerly line of 56th Place distant southerly thereon 69 feet from the southerly line of Seaside Walk; thence easterly to a point on the southerly prolongation of the westerly line of 57th Place distant southerly thereon 78 feet from the southerly line of Seaside Walk; thence easterly to a point on the southerly prolongation of the westerly line of 58th Place distant southerly thereon 86 feet from the southerly line of Seaside Walk; thence easterly to a point on the southerly prolongation of the westerly line of 59th Place distant southerly thereon 90 feet from the southerly line of Seaside Walk; thence easterly to a point on the southerly prolongation of the westerly line of 60th Place distant southerly thereon 95 feet from the southerly line of Seaside Walk; thence easterly to a point on the southerly prolongation of the westerly line of 61st Place distant southerly thereon 92 feet from the southerly line of Seaside Walk; thence easterly to a point on the southerly prolongation of the westerly line of 62nd Place

distant southerly thereon 93 feet from the southerly line of Seaside Walk; thence easterly to a point on the southerly prolongation of the easterly line of 62nd Place distant southerly thereon 95 feet from the southerly line of Seaside Walk; thence easterly to a point on the southerly prolongation of the westerly line of 63rd Place distant southerly thereon 91 feet from the southerly line of Seaside Walk; thence easterly to a point on the southerly prolongation of the westerly line of 64th Place distant southerly thereon 93 feet from the southerly line of Seaside Walk; thence easterly to a point on the southerly prolongation of the westerly line of 65th Place distant southerly thereon 98 feet from the southerly line of Seaside Walk; thence easterly to a point on the southerly prolongation of the westerly line of 66th Place distant southerly thereon 98 feet from the southerly line of Seaside Walk; thence easterly to a point on the southerly prolongation of the westerly line of 67th Place distant southerly thereon 100 feet from the southerly line of Seaside Walk; thence easterly to a point on the southerly prolongation of the westerly line of 68th Place distant southerly thereon 102 feet from the southerly line of Seaside Walk; thence easterly to a point on the southerly prolongation of the westerly line of 69th Place distant southerly thereon 98 feet from the southerly line of Seaside Walk; thence easterly to a point on the southerly prolongation of the westerly line of 70th Place distant southerly thereon 101 feet from the southerly line of Seaside Walk; thence easterly to a point on the southerly prolongation of the westerly line of 71st Place distant southerly thereon 132 feet from the southerly line of Seaside Walk (vacated); thence easterly to a point on the southerly prolongation of the westerly line of 72nd Place distant southerly thereon 160 feet from the southerly line of Seaside Walk (vacated).

The aforesaid finding and determination shall not apply to any lands within Alamitos Bay.

All the litigated lands, referred to and described in Section 2(d), held by the city located shoreward of said line are, and shall be deemed to be, uplands held by the city in its proprietary capacity. The Legislature finds and declares that the city acquired all of said litigated lands in its municipal capacity, and not as a trustee. All use value, and all proceeds, including those from the production of oil, gas and other hydrocarbon substances received, or to be received, by the city from, or allocated or assigned to, or attributable to production from or allocated to, said litigated lands shoreward of said line shall be proprietary funds of the city and shall be deemed to be held by the city in its municipal capacity and not as a trustee; and neither the State of California nor the tideland trust shall have any right, title or interest in them. Nothing herein shall be construed as affecting the trust status of any buildings, facilities and other improvements which may have been erected upon said litigated lands by use of tideland trust moneys, or as affecting the trust status of any proceeds or use value of



any such buildings, facilities and other improvements. All lands located seaward of said line within the city limits of the City of Long Beach (as said city limits existed as of January 1, 1964) and westerly of the easterly boundary of the undeveloped portion of the Long Beach tidelands, shall be, and be deemed to be, Long Beach tidelands. All net proceeds from oil, gas and other hydrocarbons received on and after February 1, 1956, and to be received in the future by the City of Long Beach derived from, or allocated or assigned to, or attributable to production from or allocated or assigned to, (1) any lands lying seaward of said line and westerly of the easterly boundary of the undeveloped portion of the Long Beach tidelands, and (2) to the extent hereinafter provided, any lands within the city limits of the City of Long Beach owned by the city and which were purchased or acquired, in whole or in part, by use of tideland trust moneys, shall be, and shall be considered to be, oil revenue and dry gas revenue from the Long Beach tidelands, and the city shall be accountable to the State and to the tideland trust for said proceeds. Whenever any of said lands lying seaward of said line have been developed or operated with lands lying shoreward of said line, the location of the producing interval of any and all wells shall be considered in determining whether the city derives or derived any proceeds of oil, gas and other hydrocarbons from said lands lying seaward of said line. Whenever any of said lands lying seaward of said line are a portion of a tract containing lands lying shoreward of said line under an existing unit or unit operating agreement, the location of the producing interval of wells shall be considered for the purpose of determining the allocation, assignment or attribution of primary production to lands lying seaward of said line, which primary production is based upon the record of wells drilled prior to the execution of the unit and unit operating agreement; and the proceeds of secondary recovery shall be allocated, assigned, and attributed to the respective portions of any said tract based upon the terms, provisions and formulae contained in any such existing unit or unit operating agreement for determining and computing secondary recovery.

All lands, buildings, facilities, and other improvements within the city limits of the City of Long Beach owned by the city and which were purchased or acquired, in whole or in part, by use of tideland trust moneys, and any proceeds from, and use value, for nontrust purposes, of, any such lands, buildings, facilities, and other improvements, shall be, and shall be considered to be, properties and assets of the tideland trust held by the city as trustee for the people of the State of California; except that if the City of Long Beach shows, to the satisfaction of the State Lands Commission, that municipal funds were used, in part, to purchase or acquire any such lands, buildings, facilities, or other improvements, then such lands, buildings, facilities, or other improvements, and any proceeds therefrom, including oil revenue and dry gas revenue, shall be appor-

tioned, in accordance with the relative proportion of municipal funds and tideland trust moneys used, between the city in its general municipal capacity, on the one hand, and the State and the tideland trust, on the other. . Without limiting in any way the generality of the foregoing provision, said provision shall apply to, but not be limited to, the following described lands:

- Block 39, Lots 3 through 8, inclusive;
- Block 40, Lots 1 through 8, inclusive;
- Block 41, Lots 1 through 8, inclusive;
- Block 42, Lots 1 through 8, inclusive;
- Block 43, Lots 1 through 8, inclusive;
- Block 44, Lots 1, 2, East  $\frac{1}{2}$  of 6, 7 and East  $\frac{1}{2}$  of 9;
- Block 45, Lots 1 through 4, inclusive, 7, and 11 through 14, inclusive;
- Block 46, Lots 1, 2, 8, 11 and 15;
- Block 47, Lots 1, 2, 9, 12, 14 and 15;
- Block 48, Lots 3, 4, 6, 7, 8, 13, 14 and 15;
- Block 49, Lots 1, 2, 4, 5, 7, 10 and 13;
- Block 50, Lots 1, 3, 6, 7, and West  $\frac{1}{2}$  of 8, 10 and 13;
- Block 51, Lots 4, 10, 11, 12, and the West  $\frac{1}{2}$  of 13; according to the map of "Resubdivision of Part of Alamitos Bay Townsite" filed November 18, 1903, in Book 4, pages 75-76, of maps of the county recorder of Los Angeles County.

As one of the purposes of this act is to compromise the dispute between the City of Long Beach and the State of California over the boundaries of the Long Beach tidelands and over the status of said litigated lands held by the city and claimed to be subject to the tideland trust, nothing in this act shall be deemed to affect the boundaries or ownership of any lands or titles held by private persons. Insofar as this act determines the boundaries of the Long Beach tidelands as between the lands owned or held by the city in its proprietary capacity and the Long Beach tidelands, the commission shall survey, monument and plat said boundaries as required by Chapter 2000, Statutes of 1957, in accordance with the finding and determination made in this section.

SEC. 8. The Attorney General and the City of Long Beach are hereby authorized and directed to enter into an appropriate stipulation or stipulations as may be necessary to carry out all the provisions and all the purposes and intents of this act. Said authorization shall include the modification of the existing decree in said Action No. 649466, dated September 7, 1956, insofar as it is in any respect inconsistent or in conflict with any of the provisions and intents or purposes of this act. Said stipulation or stipulations shall also provide for the compromise of the pending litigation between the City of Long Beach and the State of California, referred to in Section 2(d), including the establishment of the boundary line provided for in this act. The court is authorized to accept said stipulation or stipulations and to modify said decree in Action No. 649466 and to enter appropriate orders and decrees

in accordance with any of the provisions and intents or purposes of this act.

Unless (1) the city, within 60 days after the effective date of this act, shall agree to enter into a written stipulation complying in all respects with the findings, determinations, and provisions of Section 7 hereof; and (2) the city, within 30 days after the effective date of this act, shall file in the actions referred to in Section 2(d) hereof a stipulation waiving any and all defenses in said actions arising solely by lapse of time on or after June 1, 1959, including, but not limited to, defenses by way of the statute of limitations, estoppel, and laches, or any of them, which said defenses might otherwise fully ripen or become perfected by law after said date, and stipulating that the time for bringing said actions to trial as specified in Section 583 of the Code of Civil Procedure be extended until March 1, 1970; the legislative findings and determinations as to the boundaries of the Long Beach tidelands and the Alamitos Beach Park Lands and as to the status of the litigated lands made in Section 7 of this act shall be null and void, shall not be admissible in evidence in said actions referred to in Section 2(d) hereof or in any other proceedings, and said actions shall proceed to trial unaffected by said findings and determinations.

No stipulation or stipulations authorized by this act providing for the establishment of the boundary line or the compromise of the pending litigation between the City of Long Beach and the State of California referred to in Section 2(d) hereof shall be executed by the State of California, and no decree or judgment providing for any such compromise shall be entered, prior to the execution of the contractors' agreement by the City of Long Beach with the approval of the State Lands Commission as provided by Section 3 hereof; and the legislative findings and determinations as to the boundaries of the Long Beach tidelands and the Alamitos Beach Park Lands and as to the status of the litigated lands made in Section 7 of this act shall be subject to revocation by the Legislature at any time prior to such execution of the contractors' agreement by the City of Long Beach with the approval of the State Lands Commission

Any decree or judgment entered on the said stipulation or stipulations providing for the compromise of the pending litigation between the City of Long Beach and the State of California, referred to in Section 2(d) hereof, shall be final as to any and all claims, demands or causes of action in said litigation, and shall be a final determination as between the city and the State as to that portion of the landward boundary of the Long Beach tidelands and the Alamitos Beach Park Lands covered by said decree or judgment; otherwise, the powers of the State of California over the Long Beach tidelands, and over the grants evidenced by Chapter 676, Statutes of 1911, Chapter 102, Statutes of 1925, and Chapter 158, Statutes of 1935, including oil revenue and dry gas revenue received be-

fore or after the effective date of this act and unexpended for purposes authorized by law, and the powers of the State of California over the Alamitos Beach Park Lands as set forth in the Judgment After Remittitur referred to in Section 1(i) hereof and over the grant to the City of Long Beach evidenced by Chapter 1579, Statutes of 1961, are hereby expressly reserved.

SEC. 9. To the extent that the provisions of this act conflict or are inconsistent with any provision in Chapter 29, Statutes of 1956, First Extraordinary Session, as amended by Chapter 1398, Statutes of 1963, or any other act, the provisions of this act shall prevail. Otherwise, the provisions of said Chapter 29, as so amended, or such other act, shall remain in full force and effect.

SEC. 10. On or before October 1st of each year, the City of Long Beach shall cause to be made and filed with the State Lands Commission and with the Legislature a detailed statement of all expenditures of oil revenue, other than that required in this act to be paid to the State, including obligations incurred but not yet paid. Said statement shall cover the fiscal year preceding its submission and shall show the project or operation for which each such expenditure or obligation is made or incurred.

Each year the Auditor General shall audit the Long Beach tideland revenues and expenditures and report thereon to the Legislature. For the purposes of accomplishing this audit, the provisions of Section 10527 of the Government Code shall apply to the City of Long Beach.

SEC. 11. The Legislature hereby finds and determines that the provisions of this act are necessary for the public interest and welfare and are of statewide concern. The City of Long Beach and the State Lands Commission are hereby authorized and directed to comply herewith, notwithstanding any contrary provisions of the Long Beach City Charter, or any ordinance of the City of Long Beach. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 12. The first eleven million dollars (\$11,000,000) of oil revenue and dry gas revenue payable to the State of California under this act each year shall be deposited in the California Water Fund