



## MAYOR BOB FOSTER

CITY OF LONG BEACH

August 20, 2008

The Honorable Betty Karnette  
California State Assembly  
State Capitol, Room 2136  
Sacramento, CA 95814

**RE: Support of Assembly Bill 2165 (As Amended on August 18, 2008)**

Dear Assemblymember Karnette:

On behalf of the City of Long Beach, I am writing to express our support for Assembly Bill (AB) 2165 (as amended on August 18, 2008), which would allow for the exploration and development of additional oil reserves within the Wilmington Field in Long Beach. AB 2165 would not allow for offshore drilling nor would it increase the environmental footprint of the Wilmington Field.

The west Wilmington oil field is a valuable asset to the State of California and the City of Long Beach. However, the oil field is in need of investment in order to maintain current oil production levels, as well as potentially increase production and revenues on a long-term basis. AB 2165 would authorize the State Lands Commission to negotiate and execute, on behalf of the State, a contract with the City of Long Beach and Occidental Petroleum Corporation (OXY) for the exploration and development of additional oil reserves within the Wilmington Field in Long Beach.

Under this agreement, OXY would assume the entire financial risk of the exploration, with no risk to current State revenues. Additional revenues would be shared among the State, the City of Long Beach, and the contractor, with the majority of revenues flowing to the State. This agreement would provide an estimated \$230 million in additional revenue to the State over a 10-year period. The State entered into a similar agreement in 1992 with ARCO, which has created a net benefit to the State of over \$500 million since 1992.

On behalf of the City of Long Beach, I would again like to thank you for your support of Assembly Bill 2165.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Foster".

Mayor Bob Foster  
City of Long Beach

CC: The Honorable Edward Vincent, State Senate, 25<sup>th</sup> District  
The Honorable Alan Lowenthal, State Senate, 27<sup>th</sup> District  
The Honorable Jenny Oropesa, State Senate, 28<sup>th</sup> District  
The Honorable Mervyn Dymally, State Assembly, 52<sup>nd</sup> District  
The Honorable Warren Furutani, State Assembly, 55<sup>th</sup> District  
Patrick H. West, City Manager