



CITY OF SIGNAL HILL

2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

June 19, 2012

AGENDA ITEM

**TO: HONORABLE MAYOR
AND MEMBERS OF THE CITY COUNCIL**

**FROM: KENNETH C. FARFSING
CITY MANAGER**

SUBJECT: PRESENTATION OF 2nd QUARTER SUSTAINABILITY AWARD

Summary:

Mayor Hansen will present the 2nd Quarter Sustainability Award to Signal Hill Petroleum (SHP) for their “sustainable energy production” efforts, including their use of recycled water injection methods to recover oil and the production of natural gas and electricity produced from natural gas, used to power their oil field equipment.

Use of Recycled-Water Injection Methods

Today’s oil production is characterized by methods described as “secondary recovery” which is the general term for the search and retrieve process of oil discovery used when plentiful oil supplies have been depleted. “Waterflooding” is one secondary recovery method used by SHP. This technique enables oil to be pumped more economically and ecologically from the field by injecting water into the ground to capture smaller pockets. The water used is then recycled for repeated use. In their continued efforts to be ecologically sound, SHP currently uses approximately 4 million gallons of recycled water per day.

Production of Natural Gas and Electricity

The majority of the natural gas used by Signal Hill Petroleum comes from their own production facility at 2900 Orange Avenue. Some of this natural gas, which is stated to be five times cleaner than the standard industry grade, is then converted to electricity at their on-site gas turbine facility and used to power more than half of their oil field facilities.