

MINUTE ITEM

2. (REQUEST FOR DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS, SIGNAL OIL AND GAS COMPANY, HONOLULU OIL CORPORATION, RICHFIELD OIL CORPORATION, COAL OIL POINT, SANTA BARBARA COUNTY - P.R.C. 308.1 AND P.R.C. 309.1)

After presentation of Calendar Item 19 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO THE SIGNAL OIL AND GAS COMPANY, HONOLULU OIL CORPORATION, AND RICHFIELD OIL CORPORATION LESSEES UNDER STATE OIL AND GAS LEASE P.R.C. 308.1 AND P.R.C. 309.1, A DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS UNDER THE RESPECTIVE LEASES TO JANUARY 1, 1958. THE GRANT OF DEFERMENT IS TO BE SUBJECT TO THE EXPRESS CONDITIONS THAT DURING THE PERIOD OF DEFERMENT THE LESSEE WILL PERFORM ONE OF THE FOLLOWING ACTIONS:

1. INITIATE DEVELOPMENT ON THE LEASE;
2. QUITCLAIM THE ENTIRE LEASE AREA;
3. PRESENT NEW ADEQUATE BASES FOR CONSIDERATION AS TO ANY FURTHER DEFERMENT OF THE DRILLING AND OPERATING REQUIREMENTS UNDER THE LEASE.

Attachment
Calendar Item 19 (1 page)

STANDARD B & P "NOTEAR" ®

STANDARD B & P "NOTEAR" ®

CALENDAR ITEM

SUPPLEMENTAL

19.

(REQUEST FOR DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS, SIGNAL OIL AND GAS COMPANY, HONOLULU OIL CORPORATION, RICHFIELD OIL CORPORATION, COAL OIL POINT, SANTA BARBARA COUNTY - P.R.C. 308.1 AND P.R.C. 309.1.)

On January 10, 1957 (Minute Item 6, page 2970) the Commission authorized the further deferment of drilling and operating requirements under Oil and Gas Leases P.R.C. 308.1 and P.R.C. 309.1 to July 1, 1957. The joint lessees have requested an additional deferment of drilling and operating requirements under the subject leases P.R.C. 308.1 and P.R.C. 309.1 to January 1, 1958. This request is based on the necessity for the conduct of further exploration work. On September 5, 1956 Richfield Oil Company resumed exploration activities from mobile marine equipment on State Lease P.R.C. 309.1 under a geological survey permit; operations continued through November 1956. On May 5, 1957 exploration operations under geological survey permit were resumed on State Lease P.R.C. 308.1. These operations are being continued. After current exploration operations are completed, a full and careful analysis of the geological data obtained will be made to evaluate exploration potentials.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO THE SIGNAL OIL AND GAS COMPANY, HONOLULU OIL CORPORATION, AND RICHFIELD OIL CORPORATION, LESSEES UNDER STATE OIL AND GAS LEASE P.R.C. 308.1 AND P.R.C. 309.1, A DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS UNDER THE RESPECTIVE LEASES TO JANUARY 1, 1958. THE GRANT OF DEFERMENT IS TO BE SUBJECT TO THE EXPRESS CONDITIONS THAT DURING THE PERIOD OF DEFERMENT THE LESSEE WILL PERFORM ONE OF THE FOLLOWING ACTIONS:

1. INITIATE DEVELOPMENT ON THE LEASE;
2. QUITCLAIM THE ENTIRE LEASE AREA;
3. PRESENT NEW ADEQUATE BASES FOR CONSIDERATION AS TO ANY FURTHER DEFERMENT OF THE DRILLING AND OPERATING REQUIREMENTS UNDER THE LEASE.