

MINUTE ITEM

5. (REQUEST FOR DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS, SIGNAL OIL AND GAS COMPANY, HUNTINGTON BEACH FIELD, ORANGE COUNTY - W. O. 2785.)

After presentation of Calendar Item 35 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO SIGNAL OIL AND GAS COMPANY, OPERATOR UNDER STATE OIL AND GAS LEASE P.R.C. 1551.1, A DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS UNDER THE SUBJECT LEASE TO SEPTEMBER 1, 1958, ~~THE GRANT OF THE DEFERMENT TO BE SUBJECT TO THE EXPRESS CONDITION THAT DURING THE PERIOD OF DEFERMENT THE LESSEE WILL PERFORM ONE OF THE FOLLOWING ACTIONS:~~

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

Attachment

Calendar Item 35 (1 page)

CALENDAR ITEM

OIL & GAS

35.

(REQUEST FOR DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS, SIGNAL OIL AND GAS COMPANY, HUNTINGTON BEACH FIELD, ORANGE COUNTY - W. O. 2785.)

On June 13, 1957 (Minute Item 3, page 3179) the Commission authorized the deferment of drilling and operating requirements under State Oil and Gas Lease P.R.C. 1551.1, Huntington Beach, to January 1, 1958, subject to the express condition that during the period of deferment the lessee would perform one of the following actions:

1. Initiate development on the lease;
2. Quitclaim the undeveloped lease area;
3. Present new adequate bases not considered heretofore for consideration as to any further deferment of drilling and operating requirements under the lease.

Lease P.R.C. 1551.1 was issued to Richfield Oil Corporation, Honolulu Oil Company, and Signal Oil and Gas Company on August 16, 1955 pursuant to competitive public bidding. The lessees have drilled two wells, neither of which has been productive of oil or gas. The second well was abandoned in April, 1956. During the course of drilling operations, electric logs, dip meter surveys, sidewall samples and cores, were taken and core analyses were made. These operations were conducted at a cost of approximately \$208,000.

On November 25, 1957 an application was received from the lessee requesting a further extension of the deferment of drilling and operating requirements to September 1, 1958. The staffs of these co-lessees are interpreting and evaluating the data and correlating the well results with data from other wells in the area and with seismic information in order to permit the detailed analysis of all available data in an area of complex structural conditions. The additional time will be used in order to further evaluate these data to determine the feasibility of further exploratory work.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO SIGNAL OIL AND GAS COMPANY, OPERATOR UNDER STATE OIL AND GAS LEASE P.R.C. 1551.1, A DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS UNDER THE SUBJECT LEASE TO SEPTEMBER 1, 1958, THE GRANT OF THE DEFERMENT TO BE SUBJECT TO THE EXPRESS CONDITION THAT DURING THE PERIOD OF DEFERMENT THE LESSEE WILL PERFORM ONE OF THE FOLLOWING ACTIONS:

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