MINUTE ITEM

15. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 186.1, MONTEREY OIL COMPANY, SEAL BEACH, ORANGE COUNTY - W.O. 3223.

After consideration of Calendar Item 31 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO THE MONTEREY OIL COMPANY, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 186.1 TO OCTOBER 15, 1959, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment Calendar Item 31 (1 page)

CALENDAR ITEM

31.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 186.1, MONTEREY OIL COMPANY, SEAL BEACH, ORANGE COUNTY - W.O. 3223.

Oil and Gas Lease P.R.C. 186.1, issued September 24, 1945, pursuant to competitive public bidding in accordance with the provisions of Division 6 of the Public Resources Code, is now held by the Monterey Oil Company and The Texas Company, with Monterey Oil Company designated as operator.

On March 25, 1959 (Minute Item 11, page 4634), the Commission authorized a deferment of drilling requirements to June 15, 1959, in order to minimize the congestion that would occur on the 75-foot-diameter drilling island if drilling operations were conducted during the time required for the construction of a wharf.

Remedial werk conducted on one well has resulted in an encouraging increase in production. It is proposed to perform a similar type of operation on approximately 15 additional wells in order to increase production from the lease. It is also proposed to restore to production one well currently not producing due to stuck tubing. Because of the limited space for operation on the drillsite, it would be extremely difficult to perform the above remedial work and at the same time drill a new well.

In view of these circumstances, the Monterey Oil Company has requested a further deferment of lease drilling requirements until October 15, 1959.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO THE MONTEREY OIL COMPANY, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 186.1 TO OCTOBER 15, 1959, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFACT.