

MINUTE ITEM

2. CORE-HOLE PERMIT APPLICATIONS, SANTA BARBARA COUNTY: STANDARD OIL COMPANY OF CALIFORNIA, WESTERN OPERATIONS, INC., W.O. 3992, P.R.C. 2741.1; PAULEY PETROLEUM INC., W.O. 3993, P.R.C. 2742.1; AND GULF OIL CORPORATION OF CALIFORNIA, W.O. 3979, P.R.C. 2743.1.

The Executive Officer, following presentation of Supplemental Calendar Item 23 attached, informed the Commission that representatives of the applicants were present for questioning, if desired.

After stating that he did not have any questions, Commissioner Carr moved approval, which was seconded by Commissioner Anderson. The Chairman then asked if there was any discussion on the motion.

Commissioner Anderson asked if the Commission had ever before allowed drilling under a core-hole permit at a similar location, or almost the exact location, of a prior permit. The Executive Officer replied in the negative, but stated that, conversely, the Commission had never denied this authority, either, as this was the first time that applications had ever been received to perform such an operation, and, also, such operations are now provided for specifically in the discretion of the Commission in the rules and regulations which were adopted on May 4, 1961.

The Chairman stated that it was the purpose of the Commission to give equal opportunity to all oil companies, and to be as fair as possible in the administration of the law.

UPON MOTION DULY MADE, SECONDED, AND CARRIED UNANIMOUSLY, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE COMMISSION AUTHORIZES THE EXECUTIVE OFFICER TO ISSUE PERMITS, IN ACCORDANCE WITH THE RULES AND REGULATIONS, TO STANDARD OIL COMPANY OF CALIFORNIA, WESTERN OPERATIONS, INC., PAULEY PETROLEUM INC., AND GULF OIL CORPORATION OF CALIFORNIA, INDIVIDUALLY, AUTHORIZING THE DRILLING OF CORE HOLES AT LOCATIONS WITHIN 100 FEET OF THE SURFACE LOCATION OF ABANDONED CORE HOLE 7D50 AT CALIFORNIA COORDINATES, ZONE V, X = 1,319,440, Y = 351,385. THE CORE HOLES ARE TO BE PERMITTED TO BE DRILLED TO A TOTAL DEPTH NOT IN EXCESS OF 4905 FEET BELOW THE TOP OF THE KELLY BUSHING (AT AN ELEVATION 27 FEET ABOVE SEA LEVEL) SUBJECT TO THE SAME TERMS AND CONDITIONS WHICH APPLIED TO PERMITTEE TEXACO INC. IN THE DRILLING OF CORE HOLE 7D50.

Pursuant to a question raised by Mr. J. Barton Hutchins of Edwin W. Pauley & Associates, the Executive Officer stated that the foregoing resolution would not prevent two or three permittees from operating under one permit.

Attachment
Calendar Item 23 (1 page)

SUPPLEMENTAL CALENDAR ITEM

23.

CORE HOLE PERMIT APPLICATIONS, SANTA BARBARA COUNTY - STANDARD OIL COMPANY OF CALIFORNIA, WESTERN OPERATIONS, INC., W.O. 3992; PAULEY PETROLEUM INC., W.O. 3993; AND GULF OIL CORPORATION OF CALIFORNIA, W.O. 3979.

Section 2100(f)(1) of the Commission's Rules and Regulations, effective May 4, 1961, provides in part:

"Nothing herein contained shall preclude the State Lands Commission itself, in its discretion and upon application duly made, from authorizing drilling operations subject to the same terms and conditions as those which applied to a prior permittee at the same location. This provision does not authorize any member, officer or employee of the Commission, nor any person performing any function or work assigned to him by the Commission to disclose any information made confidential by law."

Applications have been received from Standard Oil Company of California, Western Operations, Inc., Pauley Petroleum Inc., and Gulf Oil Corporation of California for authorization to drill submarine core holes to the same depth and at the same location as core hole 7D50 drilled by Texaco Inc. under State permit in April 1960.

Core hole 7D50 was drilled at the surface location identified by California Coordinates, Zone V, X = 1,319,440, Y = 351,385. Texaco Inc. has consented in writing to the release by the Commission of the total depth reached in the subject core hole in connection with the issuance of any permits for authorization of additional holes at the same location. Copies of the permit form and well drilling authorization issued for core hole 7D50 are attached as Exhibits "A" and "B" respectively.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE PERMITS, IN ACCORDANCE WITH THE RULES AND REGULATIONS, TO STANDARD OIL COMPANY OF CALIFORNIA, WESTERN OPERATIONS, INC., PAULEY PETROLEUM INC., AND GULF OIL CORPORATION OF CALIFORNIA AUTHORIZING THE DRILLING OF CORE HOLES AT LOCATIONS WITHIN 100 FEET OF THE SURFACE LOCATION OF ABANDONED CORE HOLE 7D50 AT CALIFORNIA COORDINATES, ZONE V, X = 1,319,440, Y = 351,385. THE CORE HOLES ARE TO BE PERMITTED TO BE DRILLED TO A TOTAL DEPTH NOT IN EXCESS OF 4905 FEET BELOW THE TOP OF THE KELLY BUSHING (AT AN ELEVATION 27 FEET ABOVE SEA LEVEL) SUBJECT TO THE SAME TERMS AND CONDITIONS WHICH APPLIED TO PERMITTEE TEXACO INC. IN THE DRILLING OF CORE HOLE 7D50.