

MINUTE ITEM

3. REQUEST OF RICHFIELD OIL CORPORATION TO COMPLETE CORE HOLE GAVIOTA NO. 5 ON PARCEL 4, W.O. 3880, SANTA BARBARA COUNTY.

Following presentation by the Executive Officer of Supplemental Calendar Item 22 attached, Mr. Clark Heggeness of Ball, Hunt and Hart of Long Beach, representing the Richfield Oil Corporation, asked that the Commission comply with the request in Richfield's letter of April 25, 1961, and give Richfield an equal opportunity to drill Core Hole Gaviota 5 to the same stratigraphic depth as the Texaco Core Hole 7D50.

A discussion followed of the complex geological factors that come into consideration, and of the principles involved in the exercise of uniform and impartial judgments by the technical staff of the Commission in relation to all permittees in conformance with Commission policies stated in rules and regulations.

Mr. Heggeness asked specifically that if the Richfield request was to be denied, this be done "without prejudice".

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

THE COMMISSION DENIES THE REQUEST OF RICHFIELD OIL CORPORATION, MADE IN ITS LETTER OF APRIL 25, 1961, TO DRILL CORE HOLE GAVIOTA NO. 5 DEEPER, WITHOUT PREJUDICE TO THE CONSIDERATION OF ANY FUTURE APPLICATION.

Attachment

Calendar Item 22 (1 page)

SUPPLEMENTAL CALENDAR ITEM

INFORMATIVE

22.

REQUEST OF RICHFIELD OIL CORPORATION TO COMPLETE CORE HOLE GAVIOTA NO. 5 ON PARCEL 4, W.O. 3880, SANTA BARBARA COUNTY.

On April 25, 1961, counsel for Richfield Oil Corporation wrote to the State Lands Commission: (1) challenging the validity of the action of the Commission's staff on April 14, 1961, suspending drilling on Core Hole Gaviota No. 5 on Parcel 4, W.O. 3880, Santa Barbara County, located approximately 1500 feet westerly of Texaco Core Hole No. 7D50; and (2) requesting the right to complete drilling of Gaviota No. 5 to the same stratigraphic depth as Texaco Core Hole No. 7D50. The letter further requests that bidding be deferred on Parcel 4, W.O. 3880, Santa Barbara County, until Richfield and all other interested parties have been given an opportunity to obtain the same information as Texaco. The substantive content of said letter contains material made confidential by law so that it cannot be attached hereto.

Since the Richfield letter is critical of staff action in connection with the aforementioned order to suspend drilling of Core Hole Gaviota No. 5, it is recommended that the Commission review and evaluate said order.

As to the request for approval or further drilling, the staff has reviewed its files, including material and data made confidential by law. The staff has determined that Richfield Core Hole Gaviota No. 5 is not at the same location as Texaco Core Hole No. 7D50. Based upon those factors set forth in Section 2100(f)(1) of Title 2 of the California Administrative Code, and particularly the location of Gaviota No. 5 and the Commission's knowledge of the substrata thereat, the staff recommends denial of said request, without prejudice, however, to granting approval to Richfield Oil Corporation, upon proper application, to drill to the same depth and at the same location as Texaco Inc. Core Hole No. 7D50.