

MINUTE ITEM

21. PROPOSED OCEAN-FLOOR OIL-WELL COMPLETION, RICHFIELD OIL CORPORATION, COAL OIL POINT AREA, SANTA BARBARA COUNTY - P.R.C. 308.1.

Following presentation of Informative Calendar Item 21 attached, the Executive Officer stated that, since the Commission did on its own motion at the time of the first Pincon ocean-floor installation by resolution approve that installation, the lessee had suggested that, to keep the record uniform, it might be desirable to have a Commission resolution approving this installation on recommendation of the staff.

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

THE COMMISSION APPROVES THE USE BY RICHFIELD OIL CORPORATION, AS THE OPERATOR UNDER OIL AND GAS LEASE P.R.C. 308.1, OF OCEAN-FLOOR PRODUCTION EQUIPMENT DESIGNED BY AND FABRICATED UNDER THE DIRECTIONS OF THE OPERATOR, IN DRILLING WELL "STATE 308 3.

Attachment  
Calendar Item 21 (1 page)

SUPPLEMENTAL CALENDAR ITEM

INFORMATIVE

21.

PROPOSED OCEAN-FLOOR OIL-WELL COMPLETION, RICHFIELD OIL CORPORATION, COAL OIL POINT AREA, SANTA BARBARA COUNTY - P.R.C. 308.1.

The Richfield Oil Corporation, as the operator under Oil & Gas Lease P.R.C. 308.1 for itself, Signal Oil and Gas Company, and Honolulu Oil Corporation, joint lessees, is drilling well "State 308" 3 into the leased area, at a location about two miles offshore in a water depth of 220 feet. Mobile marine drilling equipment is being used; and if the well is productive, Richfield desires to complete it for production by using ocean-floor production equipment designed by and fabricated under the directions of the operator.

The 220' water depth at this drilling location makes the cost of an island or structural platform prohibitive. Individual well ocean-floor-completion methods appear to offer economic advantages in this development. The operator, through the use of equipment and well-head control components similar to those proposed for use under Lease P.R.C. 308.1 at Coal Oil Point, has successfully completed and is now producing on the ocean floor an offshore oil well on Lease P.R.C. 1466.1 in the Rincon Oil Field, Ventura County, at a water depth of 56'. The Rincon underwater production equipment was covered by a steel hood to prevent anchor chains from fouling on the production head. At the Coal Oil Point location, the greater water depth almost eliminates the possibility of any ship trying to anchor in these waters.

A final Department of the Army permit, authorizing the placement of the production head installation on the ocean floor as a noninterference with navigation, was issued to the operator by the Corps of Engineers on May 15, 1961. A marker buoy will be the only indication on the surface of the existence of an ocean-floor-complete well. Production from the well will be transported to onshore storage facilities through an ocean-floor pipeline.