

MINUTE ITEM

14. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 308.1 AND P.R.C. 309.1, RICHFIELD OIL CORPORATION, COAL OIL POINT, SANTA BARBARA COUNTY - W.O. 4209.

After consideration of Calendar Item 19 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO RICHFIELD OIL CORPORATION, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASES P.R.C. 308.1 AND P.R.C. 309.1 THROUGH JUNE 30, 1962, ALL OTHER TERMS AND CONDITIONS OF THE LEASES TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 19 (1 page)

CALENDAR ITEM

19.

REQUEST FOR DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS, P.R.C. 308.1 AND P.R.C. 309.1, RICHFIELD OIL CORPORATION, COAL OIL POINT, SANTA BARBARA COUNTY - W.O. 4209.

State Oil and Gas Leases P.R.C. 308.1 and P.R.C. 309.1 were issued March 4, 1947, covering approximately 3,840 acres of tide and submerged lands in Santa Barbara County, pursuant to competitive public bidding. The leases are now held by Richfield Oil Corporation, Signal Oil and Gas Company, and Tidewater Oil Company, with Richfield Oil Corporation designated as operator.

On September 29, 1960 (Minute Item 17, page 6288), the Commission authorized the deferment of drilling and operating requirements to January 1, 1961, under Oil and Gas Leases P.R.C. 308.1 and P.R.C. 309.1.

The subject leases were amended in accordance with the provisions of Section 6873 of the Public Resources Code, as approved by the Commission on January 13, 1958 (Minute Item 11, page 3747 and Minute Item 12, page 3749), in order to permit the lessee to take advantage of more flexible development and operating conditions.

The lessees have heretofore drilled eleven exploratory wells in the tide and submerged lands covered by the two leases. Seven of these wells were directionally drilled from upland drillsites, and five were drilled from mobile marine drilling equipment. Approximately \$5,000,000 has been expended in attempts to develop commercial production on the State lands covered by the two leases. Two of the wells drilled from mobile drillsites have penetrated oil and gas zones. One well was completed in July 1961 for the production of oil and gas. The other well, drilled as a geological core hole and abandoned before ocean-floor-completion equipment had been developed, is currently being redrilled, and will be completed with well-head equipment located on the ocean floor. In the course of drilling operations, electric logs, dipmeter surveys, sidewall samples and cores were taken. From an analysis of these data, supplemented by seismic information, the approximate productive limits of the producing structure have been defined. A portion of the productive area lies within each lease. The lessee has requested authorization to pool the productive areas with a view to modifying development and producing requirements of both leases.

Lease modifications which are required in order to provide for pooling for drilling and production purposes, in compliance with basic lease terms and code provisions, are under review by the staff and by the office of the Attorney General. Pending this consolidation, Richfield Oil Corporation has requested a further deferment of drilling and operating requirements under these leases through June 30, 1962.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO RICHFIELD OIL CORPORATION, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASES P.R.C. 308.1 AND P.R.C. 309.1 THROUGH JUNE 30, 1962, ALL OTHER TERMS AND CONDITIONS OF THE LEASES TO REMAIN IN FULL FORCE AND EFFECT.