

MINUTE ITEM

8. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 186.1, BELMONT OFFSHORE FIELD, ORANGE COUNTY; HUMBLE OIL & REFINING COMPANY - W.O. 4343.

After consideration of Calendar Item 15 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO HUMBLE OIL & REFINING COMPANY, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 186.1 TO DECEMBER 21, 1962, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 15 (1 page)

CALENDAR ITEM

15.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 186.1, BELMONT OFFSHORE FIELD, ORANGE COUNTY; HUMBLE OIL & REFINING COMPANY - W.O. 4343.

Oil and Gas Lease P.R.C. 186.1, covering approximately 1,255 acres of tide and submerged lands, was issued on September 24, 1955 and is now held jointly by Humble Oil & Refining Company and Texaco Inc., with Humble Oil & Refining Company designated as the operator.

A total of 62 wells have been drilled into the leased lands: 2 from on-shore drillsites, and 60 from the offshore 75-foot-diameter island drillsite. The lease is currently producing from 56 wells. In addition, a pilot water-injection well has been drilled, and is being operated currently. The lessee has conducted drilling operations with diligence, and has completed wells at a rate in excess of the lease requirements. Based on the operator's estimate of the productive area, one well for the production of oil has been drilled into each 10 acres of area of the commercially productive area. Thus compliance has been had with the drilling provisions of the lease. On November 22, 1961 (Minute Item No. 3), the Commission authorized a deferment of drilling operations to May 22, 1962.

An application has been received from Humble Oil & Refining Company for an additional six-month deferment of drilling requirements. The deferment is requested in order to evaluate further the possibility of extending the productive limits, so as to determine whether the drilling of more wells into the leased area would be economically feasible. The operator is continuing to make thorough studies of the geologic and production data already available, and to obtain additional production history from the various wells. The operator plans to move a rig immediately for the purpose of working over some of the existing wells and to perforate additional sands. The information thus obtained could have an effect upon the economic analysis.

Additionally, the operator plans to investigate the feasibility of drilling a vertical well on a flank of the structure which cannot be reached by slant drilling from the island drillsite. The operator has advised that at present there are no drilling barges or vessels on the West Coast which are capable of drilling to the desired depths and whose draft is sufficiently shallow to permit their operation in the waters over the required location.

Current Commission practice has been to grant deferments of drilling requirements for periods not in excess of six months. Therefore,

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO HUMBLE OIL & REFINING COMPANY, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 186.1 TO DECEMBER 21, 1962, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.