

MINUTE ITEM

16. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1466.1, RINCON OIL FIELD, VENTURA COUNTY; RICHFIELD OIL CORPORATION - W.O. 4414.

After consideration of Calendar Item 11 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 A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1466.1 FOR THE PERIOD JULY 2, 1962, THROUGH DECEMBER 31, 1962, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 11 (1 page)

CALENDAR ITEM

11.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1466.1, RINCON OIL FIELD, VENTURA COUNTY; RICHFIELD OIL CORPORATION - W.O. 4414.

State Oil and Gas Lease P.R.C. 1466.1, covering approximately 1,175 acres of tide and submerged lands in the Rincon Field, Ventura County, was issued on August 29, 1955, to the Richfield Oil Corporation, pursuant to competitive public bidding in accordance with Division 6 of the Public Resources Code. The lease was amended in accordance with the provisions of Section 6873 of the Public Resources Code by Commission action on May 13, 1958 (Minute Item 6, page 4014), in order to permit the lessee to take advantage of the more flexible development and operating conditions specified in the code section.

Preliminary exploration on the leased land disclosed that the oil-bearing sands found on this property were too shallow to be developed properly from upland drillsites. In order to provide an offshore drillsite, Richfield constructed an earth-fill island at a cost in excess of \$4,000,000. To date, 46 producing oil wells have been drilled from this island drillsite, and one producing well has been completed on the ocean floor. It appears that the wells drilled heretofore can drain adequately all of that portion of the producing structure that can be developed economically from the island drillsite.

On December 21, 1961 (Minute Item 13, page 7534), the Commission granted a deferment of the drilling requirements through July 1, 1962. The Richfield Oil Corporation has submitted an application requesting a further deferment of lease drilling requirements for the period July 2, 1962, through December 31, 1962, in order to continue studies to determine the feasibility of drilling additional wells into the leased land from other locations. Upon determination that additional development drilling is justified at other sites, further drilling operations will be conducted.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO RICHFIELD OIL CORPORATION A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1466.1 FOR THE PERIOD JULY 2, 1962, THROUGH DECEMBER 31, 1962, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.