

MINUTE ITEM

19. QUITCLAIM OF OIL AND GAS LEASE P.R.C. 1551.1, HUNTINGTON BEACH, ORANGE COUNTY; SIGNAL OIL AND GAS COMPANY - W.O. 4594.

After consideration of Calendar Item 28 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ACCEPT A QUITCLAIM AND TO TERMINATE OIL AND GAS LEASE P.R.C. 1551.1, IN ACCORDANCE WITH SECTION 5 OF THE LEASE AS REQUESTED BY THE LESSEES, SIGNAL OIL AND GAS COMPANY AND RICHFIELD OIL CORPORATION.

Attachment
Calendar Item 28 (2 pages)

CALENDAR ITEM

28.

QUITCLAIM OF OIL AND GAS LEASE P.R.C. 1551.1, HUNTINGTON BEACH, ORANGE COUNTY; SIGNAL OIL AND GAS COMPANY - W.O. 4594.

Oil and Gas Lease P.R.C. 1551.1, covering approximately 647 acres of tide and submerged lands, was issued to Richfield Oil Corporation, Hancock Oil Company, and Signal Oil and Gas Company, on August 16, 1955, pursuant to competitive public bidding. The lease is now held by Richfield Oil Corporation and Signal Oil and Gas Company, with Signal designated as operator.

The lessees complied fully with the drilling and operating requirements of the lease through June 1956. During this period, two wells were drilled into the leased lands, neither of which was productive of oil or gas. On May 18, 1956 (Minute Item 15, pages 2684-85), the Commission authorized a deferment of drilling and operating requirements to November 1, 1956, and since that time further deferments of drilling and operating requirements have been authorized.

In the course of drilling operations, electric logs, dipmeter surveys, sidewall samples, and cores were taken and core analyses were made. Operations were conducted at a cost of approximately \$208,000. In addition, the lessees have conducted seismic operations using a new type of seismic instrument recently used in offshore operations.

On June 28, 1962 (Minute Item 28, page 8071), a further deferment of drilling and operating requirements was authorized until December 31, 1962, subject to the express condition that during the period of deferment, the lessee would perform one of the following actions:

1. Initiate development on the lease;
2. Quitclaim the entire lease area;
3. Present new adequate bases for consideration as to any further deferment of drilling and operating requirements under the lease.

Section 5 of the lease provides that the lessee may at any time file with the State a written quitclaim of all rights under this lease. Such quitclaim or relinquishment shall be effective as of the date of its filing, subject to the continued obligation of the lessee and his surety to make payments of all rentals and royalties theretofore accrued, and to place all wells on the land in condition for suspension or abandonment in accordance with the terms of the lease and the rules and regulations of the State.

All exploration wells drilled on the lease have been properly abandoned and the rental has been prepaid to 1963.

The lessees have submitted a quitclaim to surrender and terminate the lease dated November 19, 1962, pursuant to the provisions of Section 5 thereof.

CALENDAR ITEM 28. (CONTD.)

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ACCEPT A QUITCLAIM AND TO TERMINATE OIL AND GAS LEASE P.R.C. 1551.1, IN ACCORDANCE WITH SECTION 5 OF THE LEASE AS REQUESTED BY THE LESSEES, SIGNAL OIL AND GAS COMPANY AND RICHFIELD OIL CORPORATION.