

MINUTE ITEM

9. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2198.1, OFFSHORE SANTA BARBARA COUNTY; STANDARD OIL COMPANY OF CALIFORNIA AND SHELL OIL COMPANY- W.O. 4695.

After consideration of Calendar Item 7 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO STANDARD OIL COMPANY OF CALIFORNIA AND SHELL OIL COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2198.1 FROM APRIL 14, 1963, THROUGH OCTOBER 13, 1963, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 7 (1 page)

CALENDAR ITEM

7.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2198.1, OFFSHORE SANTA BARBARA COUNTY; STANDARD OIL COMPANY OF CALIFORNIA AND SHELL OIL COMPANY - W.O. 4695.

State Oil and Gas Lease P.R.C. 2198.1, covering approximately 3,840 acres of tide and submerged lands offshore Santa Barbara County, was issued on October 14, 1958, to Standard Oil Company of California and Humble Oil & Refining Company, pursuant to competitive public bidding. Through subsequent assignments the lease is now held by Standard Oil Company of California and Shell Oil Company.

The lessees, at a cost of approximately \$1,500,000, have drilled and abandoned four wells on the lease. \$770,837.70 was paid as a cash bonus when the lease was issued, and additional funds have been spent on initial evaluations, on geological and geophysical investigations, and on lease rentals.

The lessees made application on September 4, 1962, for a drilling deferment from October 14, 1962, through April 13, 1963, to complete an intensive evaluation of exploration information and data; such appraisal was to be based particularly on the results from the four wells on the lease which were drilled and abandoned. The deferment was granted.

An application now has been received from Standard Oil Company of California and Shell Oil Company for a further deferment of drilling requirements until October 13, 1963, to permit further review and evaluation of the geological and geophysical data. Shell and Standard state that they are continuing diligently to review, analyze, and correlate the well, geological, and geophysical data relative to the subject lease, and that the amount of data to review and analyze is of such magnitude as to require an additional six months' extension to October 13, 1963.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO STANDARD OIL COMPANY OF CALIFORNIA AND SHELL OIL COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2198.1 FROM APRIL 14, 1963, THROUGH OCTOBER 13, 1963, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.