

MINUTE ITEM

6. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, LEASE P.R.C. 186.1, BELMONT OFFSHORE FIELD, ORANGE COUNTY; HUMBLE OIL & REFINING COMPANY - W.O. 4954.

After consideration of Calendar Item 13 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 A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 186.1 THROUGH JUNE 30, 1964. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 13 (1 page)

CALENDAR ITEM

13.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, LEASE P.R.C. 186.1, DELMONT OFFSHORE FIELD, ORANGE COUNTY; HUMBLE OIL & REFINING COMPANY - W.O. 4954.

Oil and Gas Lease P.R.C. 186.1, covering approximately 1,255 acres of tide and submerged lands, was issued on September 24, 1945, to Marine Exploration Company, pursuant to competitive public bidding, and is now held jointly by Humble Oil & Refining Company and Texaco Inc., with Humble Oil & Refining Company designated as operator.

A total of 55 wells have been drilled into the leased lands, including a water-injection well, 2 production wells from onshore drillsites, and 52 production wells from an offshore 75-foot-diameter filled island drillsite. The lease is currently producing from 51 wells, and, in addition, a pilot water-injection well drilled from the island drillsite is being operated. The lessee has conducted drilling operations with diligence, and has completed wells at a rate in excess of the lease requirements. Based on estimates of the productive area, one well for the production of oil and gas has been drilled into each 10 acres of the lease productive area.

Since its last application for deferment, Humble has perforated additional sands in four wells, cleaned out two wells, and sand-oil-fractured two wells.

The Commission, on November 22, 1961 (Minute Item 3, page 7430), on April 26, 1962 (Minute Item 8, page 7913), on December 20, 1962 (Minute Item 2, page 8509), and on May 23, 1963 (Minute Item 16, page 8856), has granted deferments of drilling requirements under the lease through December 31, 1963.

An application has been received from Humble Oil & Refining Company for a deferment of drilling requirements until June 30, 1964.

During the last three months, Humble has conducted additional seismic work in an effort to re-evaluate the area covered by the lease, has also obtained additional pertinent data from other sources, and is now correlating the information thus obtained with seismic and geological information previously in its possession.

According to the lessee, it is conceivable that under certain conditions an expansion of the Long Beach Unit could include State Lease P.R.C. 186.1. Any further development of P.R.C. 186.1 at this time should be consistent and compatible with proposed primary and secondary recovery and pressure maintenance operations under the proposed unit. Until such program has been formulated, it is difficult to program new development operations on the leased area.

In consonance with current Commission practice of granting deferments for periods not in excess of six months,

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO HUMBLE OIL & REFINING COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 186.1 THROUGH JUNE 30, 1964. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

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