

MINUTE ITEM

7. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1466.1, RINCCN OIL FIELD, VENTURA COUNTY; RICHFIELD OIL CORPORATION - W.O. 4974.

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 RICHFIELD OIL CORPORATION A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1466.1 FOR THE PERIOD JANUARY 1, 1964, THROUGH JUNE 30, 1964.

THE DEFERMENT IS TO BE SUBJECT TO THE EXPRESS CONDITION THAT DURING THE PERIOD THEREOF THE LESSEE WILL PERFORM ONE OF THE FOLLOWING ACTIONS:

1. INITIATE A RENEWED DEVELOPMENT PROGRAM FOR THE LEASE; OR
2. QUITCLAIM THE UNDEVELOPED LEASE AREA; OR
3. PRESENT ADEQUATE BASES FOR CONSIDERATION AS TO FURTHER DEFERMENT OF DRILLING REQUIREMENTS UNDER THE LEASE.

ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 13 (2 pages)

CALENDAR ITEM

13.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1466.1, RINCON OIL FIELD, VENTURA COUNTY; RICHFIELD OIL CORPORATION - W.O. 4974.

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 bidding.

Preliminary exploration on the leased land disclosed that the oil-bearing sands found on this property were too shallow to be developed effectively from upland drillsites. In order to provide offshore drillsites, 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, and one producing well has been completed on the ocean floor. It appears that the 47 wells drilled heretofore can drain adequately all of that portion of the producing structure that can be developed economically from the island drillsite. In addition to the 47 oil wells, Richfield has drilled 6 core holes in an attempt to further delineate the structure. The submerged land of the subject lease and of the surrounding areas are under constant study for information that could justify further development on the leased lands.

On December 22, 1960 (Minute Item 15, page 6532), May 25, 1961 (Minute Item 8, page 6950), December 21, 1961 (Minute Item 13, page 7534), June 28, 1962 (Minute Item 16, page 8067), December 6, 1962 (Minute Item 18, page 8452), deferments were granted; and on June 27, 1963 (Minute Item 21, page 8972), the Commission granted deferments of the drilling requirements through December 31, 1963.

The Richfield Oil Corporation has submitted an application requesting a further deferment of drilling requirements through June 30, 1964.

From commencement of development in December 1958 through May 6, 1961, lessee has conducted drilling operations with diligence, and has completed wells at a rate in excess of the lease requirements. The lease provides a period of 60 days from and after the completion of a well to the commencement of a succeeding well. Had Richfield elected to take the 60-day period authorized between wells, drilling operations conducted would not have been completed until 1965.

Considerable remedial work is being performed on a number of wells in an attempt to increase production from the leased lands. To date more than \$12,250,000 has been expended in the operations on the leased lands.

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

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 JANUARY 1, 1964, THROUGH JUNE 30, 1964.

CALENDAR ITEM 13. (CONTD.)

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