

MINUTE ITEM

17. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1824.1, SANTA BARBARA COUNTY; STANDARD OIL COMPANY OF CALIFORNIA AND HUMBLE OIL & REFINING COMPANY - W.O. 5124.

After consideration of Calendar Item 22 attached, and upon motion duly made and carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO STANDARD OIL COMPANY OF CALIFORNIA AND HUMBLE OIL & REFINING COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1824.1 THROUGH DECEMBER 9, 1964. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 22 (1 page)

CALENDAR ITEM

22.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1824.1, SANTA BARBARA COUNTY; STANDARD OIL COMPANY OF CALIFORNIA AND HUMBLE OIL & REFINING COMPANY - W.O. 5124.

Oil and Gas Lease P.R.C. 1824.1, containing 5500 acres more or less of tide and submerged lands in Santa Barbara County, was issued January 10, 1957, to Standard Oil Company of California and Humble Oil & Refining Company pursuant to competitive public bidding.

Under the terms of the lease, the lessees were not required to commence operations for the drilling of a well until January 10, 1962. However, the lessees drilled three core holes during the first year of the lease and commenced drilling operations from platform Hazel on September 20, 1958, and thereafter diligently conducted drilling operations on the leased lands until April 10, 1964. This fulfilled the drilling requirements to June 9, 1964. During this period Standard and Humble drilled a total of 69 wells on this lease, including redrills, of which 39 are currently producing. Development of this lease has resulted in expenditures by Standard and Humble of in excess of \$34,000,000, which does not include the initial cash bonus paid to the State for the issuance of the lease, evaluation expenses, geological and geophysical costs, and lease rentals. Cumulative oil production from the lease through February 1964 is 8,761,210 barrels.

An application has been received from Standard Oil Company of California, Western Operations, Inc., as the operator, requesting a deferment of drilling requirements from June 10 until December 9, 1964.

The current development plans for the lease were completed on April 10, 1964; however, the lessees are conducting geological and engineering studies of the field which may lead to the drilling of additional development or exploratory wells to the known producing zone or other prospective zones.

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

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO STANDARD OIL COMPANY OF CALIFORNIA AND HUMBLE OIL & REFINING COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1824.1 THROUGH DECEMBER 9, 1964. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.