

MINUTE ITEM

21. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2725.1, SANTA BARBARA COUNTY; TEXACO INC. - W.O. 5137.

After consideration of Calendar Item 11 attached, and upon motion duly made and carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO TEXACO INC. A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2725.1 THROUGH JANUARY 24, 1965. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment
Calendar Item 11 (1 page)

CALENDAR ITEM

11.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2725.1, SANTA BARBARA COUNTY; TEXACO INC. W.O. 5137.

State Oil and Gas Lease P.R.C. 2725.1, covering approximately 4,250.14 acres of tide and submerged lands in Santa Barbara County, was issued May 4, 1961, pursuant to competitive public bidding, to Texaco Inc.

Under the terms of this lease, Texaco was not required to commence operations for the drilling of a well until May 4, 1964. Drilling, however, began on July 18, 1961, and has been continued diligently since that time. Texaco has now drilled 2 dry holes and 18 producing wells on this lease, or a total of 20 wells, all prior to the obligation date provided in the lease for the initiation of drilling. An application has been received from Texaco Inc., requesting a deferment of drilling requirements for a period of one year from July 24, 1964, the date on which the next well is required to be commenced.

The well completed on March 26, 1964, concludes development of the reservoir in the presently known productive area.

The requested deferment will enable Texaco to obtain production data which will indicate whether an extensive program of development of other sands is economically feasible. These other sands are open for production in only two wells that recently have been connected to the production test facilities on the platform. Thus, limited production data are available from which to analyze the performance of these sands. Because of the suspected poor reservoir quality of these sands, it will be necessary to obtain as lengthy a production history as possible before the economics of expensive deeper drilling to this zone can be analyzed with any accuracy. Additional drilling will be required to evaluate the undeveloped zones and areas of the lease. Texaco has requested this deferment in order that they may obtain the data necessary to plan future drilling in the best interests both of the State and of Texaco Inc.

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 TEXACO INC. A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2725.1 THROUGH JANUARY 24, 1965. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

EXHIBIT "A"
W.O. 5137

STATE LANDS COMMISSION

Deferment of Drilling Requirements
on Lease P.R.C. 2725.1
Texaco

Santa Barbara County, California

May 1964

LJA

SANTA BARBARA COUNTY

T.5N., R.34W.

T.5N., R.35W.

GAV

Government Pt.

P.R.C.
2879
UNION

P.R.C.
2207
PAULEY-
PHILLIPS

P.R.C.
2725
TEXACO

P.R.C.
2726
RICHFIELD
ET AL

P.R.C.
2705
TEXACO

P.R.C.
2793
RICHFIELD
ET AL

P.R.C.
2894
SHELL-
STANDARD

SANTA BARBARA CHANNEL



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120° 15'

