

MINUTE ITEM

23. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2726.1, SANTA BARBARA COUNTY; RICHFIELD OIL CORPORATION, TIDEWATER OIL COMPANY, MARATHON OIL COMPANY, AND SOCONY MOBIL OIL COMPANY, INC. - W.O. 5353.

After consideration of Calendar Item 10 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. 2726.1 THROUGH MAY 3, 1965. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 10 (1 page)

CALENDAR ITEM

10.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2726.1, SANTA BARBARA COUNTY; RICHFIELD OIL CORPORATION, TIDEWATER OIL COMPANY, MARATHON OIL COMPANY, AND SOCONY MOBIL OIL COMPANY, INC. - W.O. 5353.

State Oil and Gas Lease P.R.C. 2726.1, containing 4,250.14 acres of tide and submerged lands in Santa Barbara County, was issued on May 4, 1961, to Richfield Oil Corporation, Tidewater Oil Company, The Ohio Oil Company (name subsequently changed to Marathon Oil Company), and Socony Mobil Oil Company, Inc., pursuant to competitive public bidding.

The lessees were not required to commence operations for the drilling of a well until May 4, 1964; however, they commenced drilling operations on July 28, 1961, and drilled two test wells. Neither of these wells discovered oil or gas in paying quantities, and both were abandoned. In addition to the money spent on these two wells, the lessees paid a cash bonus of \$1,355,111. The Commission, on April 29, 1964 (Minute Item 16, page 9837), granted a deferment of drilling requirements under the lease through November 3, 1964.

An application has been received from Richfield Oil Corporation, operator, requesting a deferment of drilling requirements through May 4, 1965.

Since the abandonment of the test wells, the operator has conducted a gas-exploder survey of the area and has exchanged geophysical and geological data with other operators in the vicinity of the leased lands. This data is being correlated and studied for the purpose of determining the feasibility of drilling an additional well or wells upon the leased lands.

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

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZED THE EXECUTIVE OFFICER TO GRANT TO RICHFIELD OIL CORPORATION A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2726.1 THROUGH MAY 3, 1965. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.