

MINUTE ITEM

9/23/65

17. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 308.1 AND P.R.C. 309.1, COAL OIL POINT, SANTA BARBARA COUNTY; RICHFIELD OIL CORPORATION - W.O. 5810.

After consideration of Calendar Item 18 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, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASES P.R.C. 308.1 AND P.R.C. 309.1 THROUGH MAY 17, 1966, ALL OTHER TERMS AND CONDITIONS OF THE LEASES TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 18 (1 page)

18.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 308.1 AND P.R.C. 309.1, COAL OIL POINT, SANTA BARBARA COUNTY; RICHFIELD OIL CORPORATION - W.O. 5810.

State Oil and Gas Leases P.R.C. 308.1 and P.R.C. 309.1, totaling approximately 3,840 acres of tide and submerged lands in Santa Barbara County, were issued to Honolulu Oil Corporation, Signal Oil and Gas Company, and Macco Corporation on March 4, 1947, pursuant to competitive public bidding. The leases are now held by Richfield Oil Corporation and Signal Oil and Gas Company, with Richfield Oil Corporation designated as operator.

The Commission, since December 20, 1963, granted deferments of drilling requirements under the leases through November 17, 1965.

An application has been received from Richfield Oil Corporation requesting a deferment of drilling requirements from November 18, 1965, through May 17, 1966.

On July 28, 1964 (Minute Item 32, page 10,278), the State Lands Commission approved a Unit Agreement which became effective October 1, 1964, that included the known productive area of the leases.

Richfield has drilled and completed three producing oil and gas wells, all with wellheads on the ocean floor and producing to onshore facilities through separate submarine pipe lines.

One well has produced large quantities of water. At the present time a drilling vessel is on location over this well and operations have commenced to clean out and plug off the source of the water entry, to perforate additional zones and to return the well to production. The operator estimates that the proposed remedial work will cost in excess of \$100,000.

In addition to the above remedial work now being conducted, Richfield, as operator for itself and Mobil, drilled a well on a neighboring State oil and gas lease west of P.R.C. 308.1 and P.R.C. 309.1, and has discovered certain additional geological information which is now being correlated and studied. These studies may lead to additional drilling on the two subject leases.

In conformance 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 RICHFIELD OIL CORPORATION, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASES P.R.C. 308.1 AND P.R.C. 309.1 THROUGH MAY 17, 1966, ALL OTHER TERMS AND CONDITIONS OF THE LEASES TO REMAIN IN FULL FORCE AND EFFECT.