

MINUTE ITEM

11/18/65

17. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, LEASE P.R.C. 186.1, BELMONT OFFSHORE FIELD, ORANGE COUNTY; HUMBLE OIL & REFINING COMPANY AND TEXACO INC. - W.O. 5902.

After consideration of Calendar Item 17 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO HUMBLE OIL & REFINING COMPANY, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 186.1 THROUGH JUNE 30, 1966. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 17 (1 page)

17.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, LEASE P.R.C. 186.1, BELMONT OFFSHORE FIELD, ORANGE COUNTY; HUMBLE OIL & REFINING COMPANY AND TEXACO INC. - W.O. 5902.

Oil and Gas Lease P.R.C. 186.1, covering approximately 1,255 acres of tide and submerged lands, was issued on September 24, 1945, to Marine Exploration Company, pursuant to competitive public bidding, and is now held jointly by Humble Oil & Refining Company and Texaco Inc., with Humble Oil & Refining Company designated as operator.

A total of 55 wells have been drilled into the leased lands, including 53 production wells and two water-injection wells, all but two of which have been drilled from an offshore 75-foot-diameter filled-island drillsite. The cost of island construction was in excess of \$1 million. Conductor pipe for an additional 17 well locations has been placed. The lease is currently producing from 50 wells, and the two pilot water-injection wells drilled from the island drillsite are being operated. The last well was completed October 8, 1961. Based on estimates of the productive area, one well for the production of oil and gas has been drilled into each 10 acres of the productive lease.

The Commission has granted deferments of drilling requirements from November 22, 1961, through December 31, 1965. An application has been received from Humble Oil & Refining Company for a deferment of drilling requirements for six months.

The lands covered by P.R.C. 186.1 are not far removed from the area included in the Long Beach Unit and are adjacent to Tract 2, proposed to be committed to the Unit. Any new activities to be undertaken on P.R.C. 186.1 should be consistent and compatible with the operations under the Long Beach Unit. Until the nature, extent, and general locale of such operations to the west of P.R.C. 186.1 can be predicted with more certainty, additional development drilling is not advisable.

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 HUMBLE OIL & REFINING COMPANY, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 186.1 THROUGH JUNE 30, 1966. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.