

18. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1466.1, VENTURA COUNTY, RICHFIELD OIL CORPORATION - W.O. 5903.

During presentation of Calendar Item 3 attached, Commissioner Anderson questioned the necessity for continuing on this lease and expressed concern that the derrick on the lease should be up for so long a period. The Executive Officer explained the need for evaluating the field, in order to determine where additional wells should be drilled. He indicated also that it had been necessary to start a pilot waterflooding operation, and that the series of pressure measurements obtained as a result thereof would be used to determine where it might be economic to drill additional wells. If it is determined that additional wells would not be economic, then the probability exists that the area for which deferments have been requested will be quit-claimed, or a shorter service derrick erected in place of the present drilling derrick. The service would be portable and laid down flat when not in use.

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. 1466.1 THROUGH JUNE 30, 1966. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 3 (1 page)

3.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1466.1, VENTURA COUNTY, RICHFIELD OIL CORPORATION - W.O. 5903.

State Oil and Gas Lease P.R.C. 1466.1, containing approximately 1,175 acres of tide and submerged lands in Ventura County, was issued on August 29, 1955, to Richfield Oil Corporation, pursuant to competitive public bidding.

Preliminary explorations on the leased lands were conducted from floating drilling equipment. Four core holes were drilled, after which an earth-filled drilling island was constructed. To date, 46 producing oil wells, including one deep test well that was not commercially productive in the deep zone, have been drilled from this island, and one producing well has been completed with the wellhead and flow lines on the ocean floor.

The most recent drilling and testing was completed on February 19, 1961. The Commission has granted deferments of the drilling requirements since October 25, 1960.

An application has been received from Richfield Oil Corporation requesting an additional deferment of drilling requirements for a six-month period extending from January 1, 1966, through June 30, 1966.

On November 17, 1964, the State Lands Division approved a proposed pilot water-flood program for this lease. Since that time a water-source well has been drilled on the island, and one well has been taken off production and converted into a water-injection well. Water injection into this well commenced on June 25, 1965, and such water injection is continuing at this time. To date, more than \$61,000.00 has been expended on this program; however, it has not been in operation long enough to evaluate the success of the project properly.

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 A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1466.1 THROUGH JUNE 30, 1966. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.