

MINUTE ITEM

3/1/66

2). REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2725.1, SANTA BARBARA COUNTY; TEXACO INC. - W.O. 5973.

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 TEXACO INC. A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2725.1 THROUGH OCTOBER 11, 1966, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment
Calendar Item 10 (1 page)

10.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2725.1, SANTA BARBARA COUNTY; TEXACO INC. - W.O. 5973.

An application has been received from Texaco Inc. requesting a deferment of drilling requirements to October 11, 1966.

State Oil and Gas Lease P.R.C. 2725.1, containing approximately 4,250 acres of tide and submerged lands in Santa Barbara County, was issued on May 4, 1961, to Texaco Inc., pursuant to competitive public bidding.

The lessee was not required to commence operations for the drilling of well until May 4, 1964. However, the lessee commenced drilling operations on July 18, 1961, and thereafter conducted drilling operations on the leased lands until November 28, 1965. During this period 23 wells were drilled, all from a floating barge; four were dry holes, and 19 were completed as producers. In addition to money spent on the wells and facilities, Texaco has erected an offshore production platform, and has paid a cash bonus of \$9,572,000.

In conducting the above operations, over 70,000 feet of hole was drilled. The last well, drilled and abandoned at a total depth of 4,031 feet, was located east of the developed area in an effort to extend the proven productive limits of the field. The lessee has demonstrated diligence in the pursuit of an active drilling program by drilling an average of one well every 73 days from the inception of the lease through December 1965.

Digital seismic operations were commenced on the lease on January 5, 1966, and completed on January 7, 1966. The operator reports that because of the highly specialized nature of this type of seismic work, the final results will not be available before mid-April, and that after the data is received, it will be necessary to prepare a coordinated geological-geophysical interpretation that will require additional time.

The Commission, since July 24, 1964, has granted deferments of drilling requirements under the lease through April 11, 1966.

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 TEXACO INC. A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2725.1 THROUGH OCTOBER 11, 1966, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.