

MINUTE ITEM

3/31/66

24. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, OIL AND GAS LEASE P.R.C. 3004.1, SANTA BARBARA COUNTY; UNION OIL COMPANY OF CALIFORNIA AND HUMBLE OIL & REFINING COMPANY - W.O. 6072.

After consideration of Calendar Item 35 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO UNION OIL COMPANY OF CALIFORNIA, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 3004.1 THROUGH DECEMBER 1, 1966, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 35 (1 page)

35.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, OIL AND GAS LEASE P.R.C. 3004.1, SANTA BARBARA COUNTY; UNION OIL COMPANY OF CALIFORNIA AND HUMBLE OIL & REFINING COMPANY - W.O. 6072.

An application has been received from Union Oil Company of California, operator, requesting a deferment of drilling requirements to December 1, 1966, on State Oil and Gas Lease P.R.C. 3004.1, containing 3,150 acres of tide and submerged lands offshore Santa Barbara County, which was issued on April 25, 1963, to Union Oil Company of California and Humble Oil & Refining Company, pursuant to competitive public bidding.

Under the terms of the lease, the lessees were not required to commence operations for the drilling of a well until April 25, 1966. However, the lessees commenced drilling operations on June 30, 1963, and drilled four dry holes, two from floating barges and two from upland locations. The last well was plugged on February 1, 1966. In conducting the above operations, over 40,000 feet of hole was drilled. An initial cash bonus of \$612,840.00 was paid to the State for issuance of the lease.

The applicant has requested a deferment in order that geophysical information recently obtained from another oil company may be evaluated, and a decision made in regard to conducting further geophysical operations in preparation for selecting the best location for a subsequent well.

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 UNION OIL COMPANY OF CALIFORNIA, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 3004.1 THROUGH DECEMBER 1, 1966, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.