

MINUTE ITEM

8/25/66

4. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, OIL AND GAS LEASE
P.R.C. 2933.1, SANTA BARBARA COUNTY; PHILLIPS PETROLEUM COMPANY AND PAULEY
PETROLEUM INC. - W.O. 6232.

After consideration of Calendar Item 3 attached, and upon motion duly made
and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO PHILLIPS PETROLEUM COMPANY,
OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE
P.R.C. 2933.1 THROUGH APRIL 24, 1967, ALL OTHER TERMS AND CONDITIONS OF THE
LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 3 (1 page)

8/25/66

3.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, OIL AND GAS LEASE P.R.C. 2933.1, SANTA BARBARA COUNTY; PHILLIPS PETROLEUM COMPANY AND PAULEY PETROLEUM INC. - W.O. 6232.

An application has been received from Phillips Petroleum Company requesting a deferment of drilling requirements from October 24, 1966, to April 25, 1967, for State Oil and Gas Lease P.R.C. 2933.1, containing approximately 4,250 acres of offshore tide and submerged land in Santa Barbara County.

This lease was issued on October 25, 1962, to Phillips Petroleum Company and Pauley Petroleum Inc., pursuant to competitive public bidding. Phillips Petroleum Company is the operator.

Development of the lease to date includes a total of five wells, one of which was redrilled. All five wells were completed on the ocean floor, one was abandoned, and four were completed to production with individual flow lines to onshore production facilities. Phillips states that in excess of \$7,308,800 was expended in the development of the lease.

Drilling operations on the lease were last conducted on October 25, 1964, and the operator has been conducting studies of the geological information and reservoir-performance data obtained from the wells on the lease since late 1964. Information from geophysical surveying and from wells drilled in the vicinity of the lease has also been utilized in the studies, according to Phillips. The Commission has granted deferments of drilling requirements to the Phillips Petroleum Company from October 24, 1965, through October 24, 1966.

Current plans for the lease of the operator are for a continuation of the geological, geophysical, and reservoir studies to determine the feasibility of further development.

Phillips' total drilling operations on the lease to date cover the minimum drilling requirements under the terms of the lease for a period terminating on October 7, 1968.

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 PHILLIPS PETROLEUM COMPANY, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2933.1 THROUGH APRIL 24, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.