

MINUTE ITEM

10/27/66

30. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1824.1, SANTA BARBARA COUNTY; STANDARD OIL COMPANY OF CALIFORNIA - W.O. 6315.

After consideration of Calendar Item 36 attached, and upon motion duly made and carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO STANDARD OIL COMPANY OF CALIFORNIA, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1824.1 THROUGH JUNE 9, 1967, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 36 (1 page)

36.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1824.1, SANTA BARBARA COUNTY; STANDARD OIL COMPANY OF CALIFORNIA - W.O. 6315.

An application has been received from Standard Oil Company of California, Western Operations, Inc., operator, requesting a deferment of drilling requirements from December 9, 1966, to June 9, 1967, under Oil and Gas Lease P.R.C. 1824.1, containing 5,500 acres more or less of tide and submerged lands in Santa Barbara County. This lease was issued January 10, 1957, to Standard Oil Company of California and Humble Oil & Refining Company for a cash bonus of \$7,250,606.95, pursuant to competitive public bidding.

Standard, as operator for the lessees, in developing the lease constructed two drilling platforms and drilled 47 wells, of which 27 have been redrilled to date. The last well to be drilled was completed on June 23, 1966. Forty wells are currently producing.

Development of the lease has resulted in expenditures by Standard and Humble of more than \$34,000,000, which does not include the initial cash bonus paid to the State for the issuance of the lease, the evaluation expenses, the geological and geophysical costs, and the lease rentals. Since April 20, 1964, the Commission has granted deferments of drilling requirements through December 9, 1966.

Standard Oil Company previously reported that a review team composed of geological and engineering personnel is reviewing the various horizons to determine if there are additional development and exploratory prospects on the lease. As a result of this review, two wells are planned for drilling in late 1966, one to be drilled from platform Hilda, and the other from a jack-up barge. In the past year, Standard has been employing a work-over rig on the lease in an effort to decrease water production.

The applicant states that it is not known at this time if drilling equipment will be available to commence operations before the current deferment expires. Therefore, an additional six-month deferment is requested to allow sufficient time to obtain suitable drilling equipment.

In conformance with current Commission practice of granting deferments of periods not in excess of six months,

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO STANDARD OIL COMPANY OF CALIFORNIA, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1824.1 THROUGH JUNE 9, 1967, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.