

MINUTE ITEM

12/14/66

12. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 3033.1, ORANGE COUNTY; UNION OIL COMPANY OF CALIFORNIA - W.O. 6404.

After consideration of Calendar Item 23 attached, and upon motion duly made and 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. 3033.1 THROUGH JULY 25, 1967, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 23 (1 page)

23.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 3033.1, ORANGE COUNTY;
UNION OIL COMPANY OF CALIFORNIA - W.O. 6404.

An application has been received from Union Oil Company of California, operator, requesting a deferment of drilling requirements from January 25, 1967, through July 25, 1967, under Oil and Gas Lease P.R.C. 3033.1, containing 2,113.245 acres more or less of submerged lands in Orange County. This lease was issued July 25, 1963, to Union Oil Company of California, pursuant to competitive public bidding.

Union, as operator, in developing the lease constructed a drilling platform and drilled 32 wells, of which 4 have been redrilled to date. The last well to be drilled was completed on October 25, 1965. Thirty wells are currently producing.

The Commission since July 12, 1966, has granted deferments of drilling requirements through January 25, 1967.

Union is currently evaluating the performance of the wells in order to determine the reservoir characteristics and the advisability of conducting further drilling operations.

In order to permit completion of the evaluation, Union has requested a six-month deferment.

Had Union fulfilled only the minimum drilling requirements of the lease, the present number of wells drilled would not have been completed until approximately May 29, 1979.

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 UNION OIL COMPANY OF CALIFORNIA, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 3033.1 THROUGH JULY 25, 1967, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.