

15. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2725.1, SANTA BARBARA COUNTY; TEXACO INC. - W.O. 6466.

After consideration of Calendar Item 6 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, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 6 (1 page)

6.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2725.1, SANTA BARBARA COUNTY; TEXACO INC. - W. O. 6466

An application has been received from Texaco Inc., requesting a deferment of drilling requirements from April 11, 1967, to October 11, 1967, under Oil and Gas Lease P.R.C. 2725.1, containing 4,250 acres more or less of tide and submerged lands in Santa Barbara County. This lease was issued May 4, 1961, to Texaco Inc. for a cash bonus of \$9,550,000, pursuant to competitive public bidding.

Texaco, in developing the lease, constructed a producing platform and drilled 23 wells, of which 19 were completed as producers, and are currently producing. Drilling operations on the lease were last conducted on November 30, 1965.

The Commission, since July 24, 1964, has granted deferments of drilling requirements through April 11, 1967.

Texaco states that the problems with the structural interpretation from the results of seismic work done on the lease have been resolved, and that negotiation with the companies holding the adjoining lease is being conducted in order to determine a drilling location on P.R.C. 2725.1 that will have a bearing on both leases.

In order to permit the conclusion of the negotiation and the time to secure a drilling vessel, Texaco has requested another six-month deferment.

Had Texaco chosen to fulfill the minimum drilling requirements of the lease, the present number of wells drilled would have held the lease through August 25, 1973.

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, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.