

MINUTE ITEM

3/23/67

21. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2726.1, SANTA BARBARA COUNTY; ATLANTIC RICHFIELD COMPANY, TIDEWATER OIL COMPANY, MARATHON OIL COMPANY, AND MOBIL OIL CORPORATION - W.O. 6523.

After consideration of Calendar Item 8 attached, and upon motion duly made and carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO MOBIL OIL CORPORATION A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2726.1 THROUGH NOVEMBER 3, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 8 (1 page)

8.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2726.1, SANTA BARBARA COUNTY; ATLANTIC RICHFIELD COMPANY, TIDEWATER OIL COMPANY, MARATHON OIL COMPANY, AND MOBIL OIL CORPORATION - W.O. 6523.

An application has been received from Mobil Oil Corporation requesting a deferment of drilling requirements from May 3, 1967, through November 3, 1967, under State Oil and Gas Lease P.R.C. 2726.1, containing 4,250 acres more or less of tide and submerged lands in Santa Barbara County. This lease was issued May 4, 1961, to Richfield Oil Corporation (now Atlantic Richfield Company), Tidewater Oil Company, The Ohio Oil Company (now Marathon Oil Company), and Socony Mobil Oil Company, Inc. (now Mobil Oil Corporation), pursuant to competitive public bidding. Mobil Oil Corporation is presently acting as operator.

The lessees have drilled a total of three wells on the lease to date. All three wells were abandoned. Mobil states that approximately \$1,000,000 was expended in the drilling of the wells. Drilling operations on the lease were last conducted on July 9, 1965. Since May 3, 1964, the Commission has granted deferments of drilling requirements through May 3, 1967.

According to Mobil, the lessees are presently negotiating with the operator of the adjacent lease to the west, State Oil and Gas Lease P.R.C. 2725.1, for the drilling of a well which would be located 600 feet west of the west boundary of P.R.C. 2726.1. Mobil states that the outcome of the proposed well would have much bearing on the further exploration and development of the subject lease. In order to allow sufficient time for the completion of the negotiation for the drilling of the aforementioned well, Mobil requests a six-month deferment of drilling requirements through November 3, 1967.

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 MOBIL OIL CORPORATION A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2726.1 THROUGH NOVEMBER 3, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.