

MINUTE ITEM

3/23/67

24. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 3119.1, ORANGE COUNTY; MOBIL OIL CORPORATION - W.O. 6463.

After consideration of Calendar Item 9 attached, and upon motion duly made and carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO MOBIL OIL CORPORATION, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 3119.1 THROUGH OCTOBER 29, 1967, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 9 (1 page)

9.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 3119.1, ORANGE COUNTY; MOBIL OIL CORPORATION - W.O. 6463.

An application has been received from Mobil Oil Corporation, operator, requesting a deferment of drilling requirements from April 29, 1967, to October 29, 1967, under Oil and Gas Lease P.R.C. 3119.1, containing 3,420 acres more or less of tide and submerged lands in Orange County. This lease was issued April 29, 1964, to Socony Mobil Oil Company, Inc. (now Mobil Oil Corporation), pursuant to competitive public bidding.

Mobil, as operator, has drilled three wells, which averaged about 6,500 feet of penetration. All of the wells have been abandoned. Drilling was completed on the last well on February 3, 1965.

The drilling of the three wells resulted in an expenditure by Mobil of more than \$750,000, 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.

Up until December of 1966, Mobil had shot approximately 150 miles of seismic survey lines in the immediate vicinity of the lease, with over 50 miles being located on the lease. In December of 1966, Mobil shot an additional 30 miles of seismic survey lines in the vicinity of the lease, with over one-half of said 30 miles being located on the lease. Mobil is presently reworking all old information in conjunction with the interpretation of the new data.

The applicant states that in order to allow sufficient time to fully evaluate all available information, including the very recently obtained information, prior to undertaking the considerable expenditure of drilling a fourth test well, a six-month deferment of the drilling requirements is requested.

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 MOBIL OIL CORPORATION, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 3119.1 THROUGH OCTOBER 29, 1967, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.