

MINUTE ITEM

4/27/67

20. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2920.1, SANTA BARBARA COUNTY; SHELL OIL COMPANY AND STANDARD OIL COMPANY OF CALIFORNIA - W.O. 6524.

After consideration of Calendar Item 15 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO SHELL OIL COMPANY AND STANDARD OIL COMPANY OF CALIFORNIA, WESTERN OPERATIONS, INC., A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2920.1 THROUGH NOVEMBER 28, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 15 (1 page)

15.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2920.1, SANTA BARBARA COUNTY; SHELL OIL COMPANY AND STANDARD OIL COMPANY OF CALIFORNIA - W.O. 6524.

An application has been received from Shell Oil Company and Standard Oil Company of California, Western Operations, Inc., requesting a deferment of drilling requirements from May 28, 1967, to November 28, 1967, under State Oil and Gas Lease P.R.C. 2920.1, containing 4,250 acres more or less of tide and submerged lands in Santa Barbara County. This lease was issued August 28, 1962, to Shell Oil Company and Standard Oil Company of California, Western Operations, Inc., pursuant to competitive public bidding. Shell Oil Company is presently acting as operator.

A total of five (5) wells have been drilled on the lease to date. All five wells were completed on the ocean floor, with pipelines to shore. Drilling operations on the lease were last conducted on January 28, 1966. The five wells are currently producing.

Development of the lease has resulted in expenditures of \$6,200,000, 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 August 29, 1965, the Commission has granted deferments of drilling requirements through May 28, 1967.

Shell states it is presently conducting geophysical and reservoir performance studies to determine the prospects for further developmental drilling on the lease, and requests a deferment of drilling requirements until November 28, 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 SHELL OIL COMPANY AND STANDARD OIL COMPANY OF CALIFORNIA, WESTERN OPERATIONS, INC., A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2920.1 THROUGH NOVEMBER 28, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.