

MINUTE ITEM

4/27/67

21. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, OIL AND GAS LEASE P.R.C. 2206.1, SANTA BARBARA COUNTY; TEXACO INC. - W.O. 6556.

After consideration of Calendar Item 9 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. 2206.1 THROUGH DECEMBER 15, 1967, 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, OIL AND GAS LEASE P.R.C. 2206.1 SANTA BARBARA COUNTY; TEXACO INC. - W.O. 6556.

An application has been received from Texaco Inc. requesting a deferment of drilling requirements from June 13, 1967, to December 13, 1967, under State Oil and Gas Lease P.R.C. 2206.1, containing 3,840 acres more or less of tide and submerged lands in Santa Barbara County. This lease was issued July 25, 1958, to The Texas Company, Monterey Oil Company, and Newmont Oil Company, pursuant to competitive public bidding. On October 26, 1961, all interests in the lease were acquired by Texaco Inc.

Texaco, in developing the lease, constructed one fixed platform and drilled 17 wells. The last drilling operations were conducted on February 15, 1964. According to Texaco, more than \$8,000,000 has been expended in the development of the lease. Eight wells are currently producing. Since April 3, 1962, the Commission has granted deferments of drilling requirements through June 13, 1967.

In late 1965, a detailed seismic survey was conducted on this lease using conventional seismic methods. Texaco states that the results were not definitive enough to justify additional exploratory or development drilling, and has requested additional time to conduct a more detailed nonexplosive, digital-type survey. According to the operator, such a survey is now scheduled to begin during the month of April 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 TEXACO INC. A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2206.1 THROUGH DECEMBER 13, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.