

MINUTE ITEM

5/25/67

40. DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1466.1, VENTURA COUNTY;
ATLANTIC RICHFIELD COMPANY - W.O. 6588.

After consideration of Calendar Item 17 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO ATLANTIC RICHFIELD COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1466.1 THROUGH DECEMBER 31, 1967, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 17 (1 page)

17.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1466.1, VENTURA COUNTY;
ATLANTIC RICHFIELD COMPANY - W.O. 6588.

An application has been received from Atlantic Richfield Company, operator, requesting a deferment of drilling requirements from July 1, 1967, through December 31, 1967, under Oil and Gas Lease P.R.C. 1466.1, containing 1,175 acres more or less of tide and submerged lands in Ventura County. This lease was issued August 29, 1955, to Richfield Oil Corporation (name subsequently changed to Atlantic Richfield Company), pursuant to competitive bidding.

Atlantic Richfield, in developing the lease, has constructed an earth-filled drilling island and drilled 47 producing wells. The last well was completed on February 5, 1961. Forty-one wells are currently producing.

Deferments of drilling requirements have been granted by the Commission dating from October 25, 1960. The current deferment extends through June 30, 1967.

On November 17, 1964, the State Lands Division approved a proposed pilot water-flood program for this lease. Since that time a water-source well has been drilled on the island, and one well has been taken off production and converted into a water-injection well. Water was injected into this well from June 25, 1965, through August 1966. As a result of water injection, production from the fault block being flooded has increased.

An engineering committee, made up of representatives from Atlantic Richfield and the State Lands Division, is currently studying individual well behavior and economics in an effort to reach mutual agreement on modification of Lease P.R.C. 1466.1 for secondary recovery pursuant to applicable statutes of the Public Resources Code. Therefore, to provide additional time for the committee to complete its study, a six-month deferment of the drilling requirements is requested to December 31, 1967.

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 ATLANTIC RICHFIELD COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1466.1 THROUGH DECEMBER 31, 1967, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.