

MINUTE ITEM

5/25/67

42. DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 186.1, BELMONT OFFSHORE FIELD, ORANGE COUNTY; HUMBLE OIL & REFINING COMPANY AND TEXACO INC. - W.O. 6599.

After consideration of Calendar Item 42 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO HUMBLE OIL & REFINING COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 186.1 THROUGH DECEMBER 31, 1967. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 42 (1 page)

42.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 186.1, BELMONT OFFSHORE FIELD, ORANGE COUNTY; HUMBLE OIL & REFINING COMPANY AND TEXACO INC. - W.O. 6599.

An application has been received from Humble Oil & Refining Company, operator, requesting a deferment of drilling requirements from June 30, 1967, to December 31, 1967, under Oil and Gas Lease P.R.C. 186.1, containing approximately 1,255 acres of tide and submerged lands in Orange County. This lease was issued on September 24, 1945, to Marine Exploration Company, pursuant to competitive public bidding, and is now held jointly by Humble Oil & Refining Company and Texaco Inc.

A total of 55 wells have been drilled into the leased lands, including 53 production wells and two water-injection wells; all but two of the wells were drilled from an offshore 75-foot-diameter filled-island drillsite. The cost of island construction was in excess of \$1 million. Conductor pipe for an additional 17 well locations has been placed. The lease is currently producing from 49 wells. The last well was completed October 8, 1961. The Commission, since November 22, 1961, has granted deferments of drilling requirements through June 30, 1967.

Further development of this lease should be consistent and compatible with operations under Tract No. 2 of the Long Beach Unit in order to effect ultimate realization by the State and by Humble and Texaco. Representatives of the City of Long Beach, of the State, and of Humble and Texaco have agreed that a cooperative water-injection program along the common line between the Long Beach Unit and P.R.C. 186.1 is desirable. The agreement is now being prepared. Humble and Texaco have requested modification of the lease to provide for secondary recovery.

After final approval by the City of Long Beach and the State Lands Commission of this cooperative agreement, and upon approval of lease amendments for secondary recovery, Humble will institute a water-injection program on P.R.C. 186.1 as soon as the necessary injection equipment is delivered. Not until after water-injection operations have commenced and continued for a period of time will it be possible to determine the number of additional wells or the location thereof that will be required for production or injection purposes. Therefore, Humble has requested an additional six-month deferment of drilling requirements.

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 HUMBLE OIL & REFINING COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 186.1 THROUGH DECEMBER 31, 1967. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.