

MINUTE ITEM

5/25/67

44. DEFERMENT OF DRILLING REQUIREMENTS, OIL AND GAS LEASE P.R.C. 2207.1, SANTA BARBARA COUNTY; PHILLIPS PETROLEUM COMPANY - W.O. 6585.

After consideration of Calendar Item 48 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO PHILLIPS PETROLEUM COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2207.1 THROUGH DECEMBER 21, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 48 (1 page)

48.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, OIL AND GAS LEASE P.R.C. 2207.1, SANTA BARBARA COUNTY; PHILLIPS PETROLEUM COMPANY - W.O. 6585.

An application has been received from Phillips Petroleum Company requesting a deferment of drilling requirements from June 22, 1967, to December 21, 1967, under State Oil and Gas Lease P.R.C. 2207.1, containing approximately 3,840 acres of offshore tide and submerged lands in Santa Barbara County.

This lease was issued July 25, 1958, to Phillips Petroleum Company, Edwin W. Pauley, et al., pursuant to competitive public bidding. The lease is now held by Phillips Petroleum Company, Humble Oil & Refining Company, et al.

Phillips, as operator for the lessees, has constructed to date one fixed platform and drilled 38 wells in development operations on the lease. Twenty-four wells are currently producing. According to Phillips, in excess of \$16,311,000 has been expended in the development of the lease.

Drilling operations were last conducted on August 7, 1964. Deferments of drilling requirements have been granted by the Commission dating from December 21, 1962. The current deferment extends through June 21, 1967. The lessee states that continuing studies are being made of available geological, engineering, and production data in an effort to determine if the drilling of additional wells into the leased area will be economically feasible, and has requested a deferment of drilling requirements to December 21, 1967.

In conformance with the 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 PHILLIPS PETROLEUM COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2207.1 THROUGH DECEMBER 21, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.