25. DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 3601.1, SHERMAN ISLAND, SACRAMENTO AND CONTRA COSTA COUNTIES; SIGNAL OIL AND GAS COMPANY - W.O. 7276.

After consideration of Calendar Item 35 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE GRANTING TO SIGNAL OIL AND GAS COMPANY OF A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 3601.1 THROUGH CCTOBER 19, 1969; ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment Calendar Item 35 (1 page)

CALENDAR ITEM

35.

DEFERMENT OF DRILLING REQUIREMENTS

P.R.C.:

3601.1.

LESSEE:

Signal Oil and Gas Company.

COUNTY:

Sacramento and Contra Costa counties.

AREA:

Sherman Island.

ISSUED:

September 26, 1966.

WORK COMPLETED ON LEASE:

Drilled and abandoned one well.

Conducted aquapulse seismic survey.

PREVIOUS DEFERMENTS:

From October 20, 1968, through April 19, 1969.

THIS DEFERMENT:

From April 20, 1969, through October 19, 1969.

REASON FOR REQUEST:

Heavy rains have caused destruction of levees, flooding of Sherman Island, and inundation of Signal's drillsite adjacent to the San Joaquin River. The area will have to be drained of flood

waters before drilling can commence.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE GRANTING TO SIGNAL OIL AND GAS COMPANY OF A DEFERMENT OF DPILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 3601.1 THROUGH OCTOBER 19, 1969; ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.