

MINUTE ITEM

4/23/70
ADW

24. AUTHORIZATION FOR REMEDIAL WORK ON WATER-INJECTION WELL "STATE 392" J-53-D, EXCHANGE OIL AND GAS LEASE 392.1, HUNTINGTON BEACH FIELD, ORANGE COUNTY; SIGNAL OIL AND GAS COMPANY.

After consideration of Calendar Item 30 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE APPROVAL OF THE REMEDIAL WORK PROGRAM FOR WELL "STATE 392" J-53-D, IN ACCORDANCE WITH THE PROPOSALS SUBMITTED BY SIGNAL OIL AND GAS COMPANY, THE TERMS AND CONDITIONS OF EXCHANGE OIL AND GAS LEASE 392.1, AND THE RULES AND REGULATIONS OF THE COMMISSION.

Attachment:

Calendar Item 30 (1 page)

30.

PROPOSED REMEDIAL WORK ON WATER-INJECTION WELL "STATE 392" J-53-D, EXCHANGE OIL AND GAS LEASE 392.1, HUNTINGTON BEACH FIELD, ORANGE COUNTY; SIGNAL OIL AND GAS COMPANY.

On November 6, 1963, the Commission authorized the Executive Officer to execute and issue an "Amendment and Modification of Exchange Oil and Gas Lease 392.1 P.R.C. (Secondary Recovery)" which modified the lease in accordance with Sections 6830.1, 6830.2 and 6830.3 of the Public Resources Code. The lease amendment and modification for secondary recovery operations were the result of a detailed engineering and economic evaluation of the lease.

Considerable capital investment and additional operating costs have been required for initiation of the full-scale waterflood operation; and production performance clearly indicates that this program has been successful, resulting in economic advantage to the State.

In February 1970, water injection in "State 392" J-53-D was discontinued because it was suspected that the injected water was not being confined to the intended zone of injection. Signal has now submitted an application to perform remedial cementing operations to confine the injection to the desired zone. The surface location of the well is on the uplands (Exhibit "A"). The proposed remedial program and injection program have been reviewed by the Division and have been determined to be in accordance with good engineering practices and the rules and regulations of the Commission. The Division of Oil and Gas has approved the proposed work program for this well.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE APPROVAL OF THE REMEDIAL WORK PROGRAM FOR WELL "STATE 392" J-53-D, IN ACCORDANCE WITH THE PROPOSALS SUBMITTED BY SIGNAL OIL AND GAS COMPANY, THE TERMS AND CONDITIONS OF EXCHANGE OIL AND GAS LEASE 392.1, AND THE RULES AND REGULATIONS OF THE COMMISSION.