

MINUTE ITEM

7/6/72
JWY

8. APPROVAL OF NEW WATER-SOURCE WELL, STATE OIL AND GAS LEASE PRC 3095.1, BELMONT OFFSHORE FIELD, ORANGE COUNTY; STANDARD OIL COMPANY OF CALIFORNIA.

After consideration of Calendar Item 6 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE APPROVAL OF DRILLING AND COMPLETING A NEW WATER-SOURCE WELL, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF STATE OIL AND GAS LEASE PRC 3095.1, ISSUED TO STANDARD OIL COMPANY OF CALIFORNIA, AND THE RULES AND REGULATIONS OF THE COMMISSION.

Attachment:

Calendar Item 6 (1 page)

CALENDAR ITEM

6.

6/72
JWY
PRC 3095.1

APPROVAL OF NEW WATER-SOURCE WELL, STATE OIL AND GAS LEASE PRC 3095.1
BELMONT OFFSHORE FIELD, ORANGE COUNTY; STANDARD OIL COMPANY OF CALIFORNIA

On November 21, 1968 (Minute Item 42, page 1400), the Commission approved the "First Amendment and Modification of State Oil and Gas Lease PRC 3095.1 (Secondary Recovery)", which modified the lease in accordance with Sections 6830.1, 6830.2, and 6830.3 of the Public Resources Code. The amendment and the modification for secondary recovery operations were the result of a detailed engineering and economic evaluation of the lease.

The full-zone waterflood program was initiated in January, 1969, and has progressed successfully to this date. Production performance clearly indicates that the program has been successful, resulting in an economic advantage to the State. The injection program, however, has been interrupted as a result of a mechanical failure in the existing shallow water-source well.

Standard has now submitted an application to drill a replacement source well. The well will be drilled from the man-made Island "Esther", located approximately two miles offshore Seal Beach. The facilities available and the procedures followed in drilling from such permanent structures are identical to those used at upland locations. The drilling and completion program has been reviewed by the Division, and has been determined to be in accordance with good engineering practices and the rules and regulations of the Commission. The State Division of Oil and Gas has approved the drilling of this water-source well.

There will be no additional impact on the environment inasmuch as the proposed operations will be conducted by utilizing existing facilities.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE APPROVAL OF DRILLING AND COMPLETING A NEW WATER-SOURCE WELL, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF STATE OIL AND GAS LEASE PRC 3095.1 AND THE RULES AND REGULATIONS OF THE COMMISSION.