

MINUTE ITEM:

This Calendar Item No. 21
was approved as Minute Item
No. 21 by the State Lands
Commission by a vote of 3
to 0 at its 4/27/82
meeting.

MINUTE ITEM
21

4/27/82
PRC 186
Livenick

DEFERMENT OF DRILLING REQUIREMENT,
STATE OIL AND GAS LEASE PRC 186

During consideration of Calendar Item 21, attached, Chairman
Cory requested a bi-monthly staff report on the progress
Exxon is having in stimulating oil production.

Upon motion duly made and carried the resolutions in Item 21
were approved as presented by a vote of 3-0.

Attachment: Calendar Item 21.

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CALENDAR ITEM

21

4/22/82
PRC 186
Livenick

DEFERMENT OF DRILLING REQUIREMENT,
STATE OIL AND GAS LEASE PRC 186

OPERATOR: Exxon Company, U.S.A.
1800 Avenue of the Stars
Los Angeles, California 90067
Attention: Art Wilson

AREA, TYPE LAND AND LOCATION:
State Oil and Gas Lease PRC 186 was issued on September 24, 1945 and contains approximately 1,255 acres of tide and submerged lands lying offshore the City of Seal Beach in the County of Orange. State Lease PRC 186 is currently being held by Exxon Corporation (50 percent) and Texaco, Inc. (50 percent), with Exxon Company, U.S.A., designated as operator.

SUMMARY: On April 7, 1981, the Commission authorized a deferment of the development drilling requirement commencing March 28, 1981 to March 27, 1982, in order to accomplish a workover program and production testing of a well drilled into a zone previously untested under this lease. As a condition of this deferment, Exxon agreed to meet bi-monthly with the staff to report on the progress of the workover and testing operations. Should the staff suspect that Exxon was not satisfactorily proceeding with the proposed workover and testing program, a recommendation would be presented to the Commission to terminate Exxon's deferment.

Currently, the well is producing about six barrels of oil per day. In view of this, Exxon has requested an additional one-year deferment to do additional stimulation work on the well to increase its production. If the zone is established to have commercial viability, additional development wells would be required.

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AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. Exxon has diligently proceeded with the workover program and production testing of the well to the satisfaction of the staff of the Commission.
2. This activity is exempt from CEQA because it does not constitute a project.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL DOCUMENT HAS NOT BEEN PREPARED FOR THIS ACTIVITY BECAUSE SUCH DOCUMENT IS NOT REQUIRED UNDER THE PROVISIONS OF P.R.C. 21065, 14 CAL. ADM. CODE 15037 AND 15060.
2. AUTHORIZE A DEFERMENT. THE DEVELOPMENT DRILLING REQUIREMENTS TO EXXON COMPANY, U.S.A., ON STATE OIL AND GAS LEASE PRC 186, FOR THE PERIOD COMMENCING MARCH 28, 1982, TO MARCH 27, 1983, ON THE CONDITION THAT EXXON REVIEWS ON A BI-MONTHLY BASIS WITH THE STATE THE STATUS OF THE WORKOVER PROGRAM AND RESULTS OF PRODUCTION TESTING. THE COMMISSION RESERVES THE RIGHT TO TERMINATE THIS DEFERMENT OF DRILLING REQUIREMENTS UPON 60 DAYS WRITTEN NOTICE. ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

EXHIBIT "A"

PRC 186.I

STATE LANDS COMMISSION

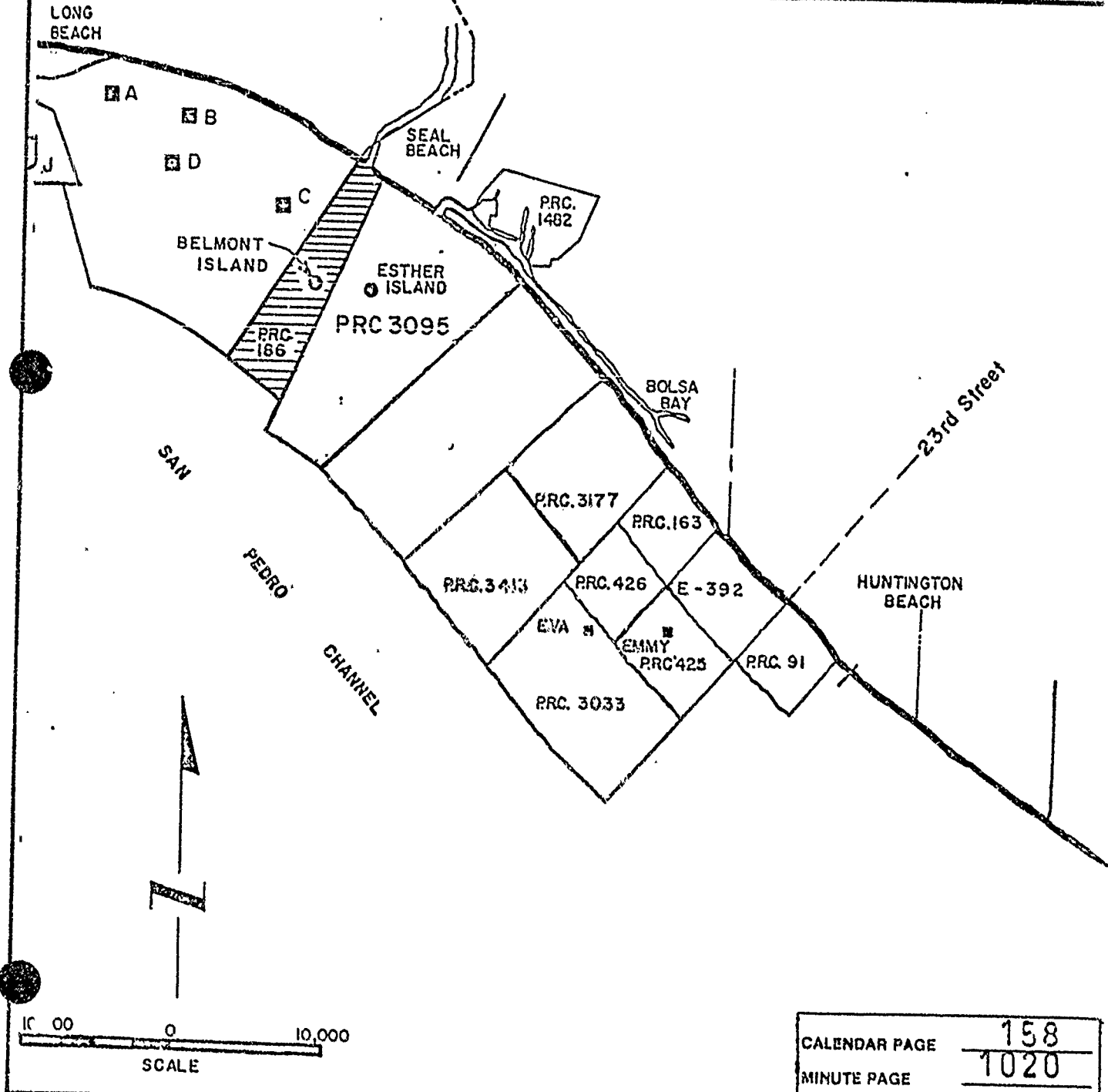
Deferment of Drilling Requirements

Exxon Company USA & Texaco Inc

ORANGE COUNTY

MARCH 1982

SRL



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