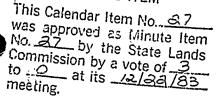
MINUTE ITEM



CALENDAR ITEM

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DEFERMENT OF DRILLING OBLIGATION, STATE OIL AND GAS LEASE PRC 2725.1

LESSEE:

Texaco Inc. 3350 Wilshire Boulevard Los Angeles, CA 90010 Attention: G. F. Clarke

AREA, TYPE LAND AND LOCATION:

State Oil and Gas Lease PRC 2725.1 contains approximately 4,250 acres of tide and submerged lands lying offshore in the Santa Barbara Channel in Santa Barbara County, between Gaviota and Pt. Conception. This lease was issued to Texaco Inc. on May 4, 1961.

SUMMARY:

On April 28, 1983, the Commission granted Texaco a deferment of the 120-days continuous drilling obligation of State Oil and Gas Lease PRC 2725.1. This deferment was for two months and ended July 1, 1983.

Commencing on June 20, 1983, Texaco drilled well "Jade #26" and "Jade #26-A" redrill. This well was tested and abandoned on September 6, 1983.

Under the terms of the lease, Texaco is obligated to commence drilling operations of the next well within 120 days after completing the preceding well, in this case, by January 4, 1984. Texaco requests that the Commission extend the dealline for drilling the next well by six months so that additional seismic data of the

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lease area may be acquired to complement the information obtained from the last well and to assist in the preparation of an environmentally sound plan of development for the next well. Staff recommends extending the January 4, 1984 deadline to July 4, 1984.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

 This activity is exempt from CEQA because it does not constitute a project pursuant to P.R.C. 21065, 14. Cal. Adm. Code 13378 and 15061(b)(1).

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

- 1. FIND THAT THIS ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 15061 CAL. ADM. CODE BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY 21065 P.R.C. AND 14 CAL. ADM. CODE 15378.
- 2. APPROVE A DEFERMENT OF THE DRILLING OBLIGATION OF STATE OIL AND GAS LEASE PRC 2725.1, FROM JANUARY 4, 1984 TO JULY 4, 1984; ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

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