

the sole purpose of its determination as to whether the areas or any portion thereof embraced within the permit lie within a known geologic structure of a producing oil or gas field."

Mr. J. L. Sturgeon appeared on behalf of The Texas Company, and indicated that they would be willing to accept a permit on the conditions previously discussed (Calendar Item No. 23, Minute Item No. 4), but would like to go on record as indicating that their action in this matter is not to be construed as setting a precedent. They have already obtained a permit from the Department of Fish and Game, for 90 days commencing after May 1, 1956.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ISSUE A PERMIT CONFORMING TO ALL OPERATING CONDITIONS ESTABLISHED BY THE COMMISSION TO THE TEXAS COMPANY FOR THE CONDUCT OF GEOPHYSICAL EXPLORATION OPERATIONS ON THOSE TIDE AND SUBMERGED LANDS UNDER THE JURISDICTION OF THE STATE LANDS COMMISSION LYING BETWEEN A LINE DRAWN DUE SOUTH FROM PT. CONCEPTION AND A LINE DRAWN DUE SOUTH FROM COAL OIL POINT, SANTA BARBARA COUNTY, FOR A 90-DAY PERIOD COMMENCING MAY 1, 1956. AUTHORIZATION OF THE PROPOSED EXPLORATIONS SHALL BE SUBJECT TO THE CONDITION THAT THE COMMISSION RESERVES THE RIGHT TO RECEIVE, AND UPON DEMAND BY THE COMMISSION THE PERMITTEE SHALL FURNISH, COPIES OF ALL EXPLORATION RESULTS, LOGS, AND RECORDS FOR THE CONFIDENTIAL USE OF THE STATE LANDS COMMISSION FOR THE SOLE PURPOSE OF ITS DETERMINATION AS TO WHETHER THE AREAS OR ANY PORTION THEREOF EMBRACED WITHIN THE PERMIT LIE WITHIN A KNOWN GEOLOGIC STRUCTURE OF A PRODUCING OIL OR GAS FIELD.

THE PERMITTEE IS TO REIMBURSE THE STATE LANDS DIVISION FOR ALL OF ITS INSPECTION COSTS. THE PERMIT IS TO BE EFFECTIVE ONLY AS LONG AS A CONCURRENT PERMIT BY THE FISH AND GAME COMMISSION IS IN EFFECT FOR THE SAME OPERATING AREA.

7. (APPLICATIONS FOR GEOLOGICAL SURVEY PERMITS

- (A) RICHFIELD OIL CORPORATION -
LOS ANGELES, VENTURA, AND SANTA BARBARA COUNTIES - W. O. 2252
- (B) UNION OIL COMPANY OF CALIFORNIA -
SANTA BARBARA COUNTY - W. O. 2272
- (C) STANDARD OIL COMPANY OF CALIFORNIA -
SANTA BARBARA, VENTURA, AND LOS ANGELES COUNTIES - W. O. 2300
- (D) GENERAL PETROLEUM CORPORATION -
LOS ANGELES, VENTURA, AND SANTA BARBARA COUNTIES - W. O. 2308)

Reference is made to the discussion under Minute Item No. 4 (Calendar Item No. 23) of the requirement by the Commission of a clause in geological survey permits calling for disclosure to the State of confidential information upon request.

Mr. Goodwin appeared on behalf of the Richfield Oil Corporation and informed the Commission that, inasmuch as he understood action on his company's application for a geological survey permit was to be deferred, he had no instructions from his company as to how to proceed. However, he felt that if a provision requiring submission to the State of confidential information was to be included,

it should be made to operate alike on all persons receiving permits, and not with one company required to divulge information and another allowed to keep it secret. He further indicated that since this is a matter which has not been settled by the Commission and is still under consideration by the industry, his company should not be required at this time to make a decision. He informed the Commission that his company is not in a position to accede to the requirement that confidential information may be requested.

Mr. Kirkwood stated that it was his understanding that no request would be made by the staff for information between the date of this meeting and the date at which a definite decision is to be made; and that if the decision is to be that in future permits this language be deleted, then this information would never be required of those currently being given permits.

The Executive Officer stated that clearance could be given for issuing the permit to Richfield on the basis that if the company did not want it they did not have to use it.

Mr. J. K. Bridges of the Humble Oil & Refining Company asked if core holes would be allowed to such depth as would test the structures, or whether core drilling would be for the purpose of obtaining structural information only.

Mr. Hortig informed those present that core holes would be permitted as allowed by the Division of Oil and Gas relative to depth, methods of drilling, and safety control.

Mr. Bridges thought that the regulations of the Division of Oil and Gas needed some clarification. He felt that it was not in the interests of the State to allow drilling to depths that would reach an oil pool.

Mr. Hortig brought out that there was no limit on depth at present, that core holes were for the purpose of obtaining samples of the ground, but there was no authority to permit setting of equipment by which oil could actually be produced.

Mr. Bridges replied that even without the setting of testing equipment you could tell whether you have an oil field, and that "it is not in our opinion in the interests of the State to go in and discover whether there is oil without having a lease from the State". The Chairman indicated that the point raised would appear to open up a very big question, and it was felt that possibly it included a question of interpretation of the rules of the Division of Oil and Gas. Mr. Bridges reiterated that he felt some limit should be specified as to the depth to which drilling was allowed.

Mr. Lower commented that he did not think any member of the industry contemplated intentionally drilling deep enough to try to prove or disprove land that is not under lease.

Mr. John Bell of the Humble Oil & Refining Company told the Commission that he thought action should be deferred until such time as rules and regulations are decided upon. Mr. Bell further stated that with modern tools it can be predicted with accuracy through geological surveys whether or not there is oil.

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minutes*

Mr. Goodwin reminded those present that core-hole drilling is done for the purpose of obtaining geological information, and that if the work goes deep enough to discover oil sands, then it is considered that you have drilled a discovery hole. He also thought the matter should be postponed for awhile.

The Executive Officer recommended that action be deferred on issuance of all geological survey permits.

Mr. Home, on behalf of Standard Oil Company of California, stated he thought it was in the interest of all concerned that these technological developments go ahead. He indicated that in Standard's application for a permit they stated they would not conduct their operations within a distance of two miles of any presently producing lease, and that they were willing to stay out of any places which could be considered actual oil-producing areas. They are not coring to depths in excess of 500 feet, although they would like to engage in deeper coring; however, they are willing to limit drilling to 1500 feet. He objected to a 30-day delay, and asked that a permit be granted at this time authorizing Standard to core to depths not in excess of 1500 feet and not within two miles of any presently existing oil or gas lease or onshore production, and subject to revision as to divulging confidential information at such time as the new rules and regulations are actually adopted. He did not feel that at this time the request for disclosure of information should be included, and would not agree, even conditionally, to disclosure of information. He also felt that the language of the permits needs clarification, but that the current requests should be granted now and without reservation.

Mr. W. P. Carver of General Petroleum agreed that action should be deferred until such time as the industry and the State know to what the interim condition applies, so that it will apply equally to all permittees.

Mr. Lower, speaking on behalf of the Union Oil Company, concurred with Mr. Home's statements, and stated that the Shell, Union, Superior and Continental group would be willing to accept depth limitations of 1500 feet, but would not concur in the imposing of any condition requiring disclosing of information, and said that if the regulations are changed (after permits are issued on the basis of not requiring disclosure of information), then the State could cancel those permits. He felt that if information was turned over to the State, even on a confidential basis, that once the Commission had made a determination based on that information, prior to issuance of an oil lease, it would become public information and could be available to all members of the industry. He informed the Commission that he was authorized to say, on behalf of his group of companies, that they would not be willing to accept a permit that would require disclosure of information to the Commission, at least under the broad general provision which is provided, and therefore would not be interested at this time in accepting a permit as proposed.

A motion was proposed that action relating to core drilling be postponed until the next meeting of the State Lands Commission. Mr. Home protested that such action on the part of the Commission would mean another 30-day delay. He stated that the basic problem is that coring is going forward with a 500-foot limitation, which relieves the companies of the necessity of obtaining an express permit; they are operating under blanket permit regulations. However,

there is no way of knowing that explorations are stopping at 500 feet. He expressed the thought that in the interim the Commission should exercise the jurisdiction which it has and determine that actual operations are limited to the allowed depths during that time. Mr. Leovy of the Western Gulf Oil Company concurred with Mr. Home that the Commission should take steps to see that the depth limitation is being enforced. Mr. Hortig pointed out that this would require 24-hour-a-day inspection for each operating crew.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED THAT ACTION ON THE FOLLOWING ITEMS BE DEFERRED UNTIL THE NEXT MEETING OF THE STATE LANDS COMMISSION:

- (A) APPLICATION OF RICHFIELD OIL CORPORATION FOR A GEOLOGICAL SURVEY PERMIT IN LOS ANGELES, VENTURA, AND SANTA BARBARA COUNTIES - W. O. 2252;
- (B) APPLICATION OF UNION OIL COMPANY OF CALIFORNIA FOR A GEOLOGICAL SURVEY PERMIT IN SANTA BARBARA COUNTY - W. O. 2272;
- (C) APPLICATION OF STANDARD OIL COMPANY OF CALIFORNIA FOR A GEOLOGICAL SURVEY PERMIT IN SANTA BARBARA, VENTURA, AND LOS ANGELES COUNTIES - W. O. 2300;
- (7) APPLICATION OF GENERAL PETROLEUM CORPORATION FOR A GEOLOGICAL SURVEY PERMIT IN LOS ANGELES, VENTURA, AND SANTA BARBARA COUNTIES - W. O. 2308.