

MINUTE ITEM

6. (QUITCLAIM OF OIL AND GAS LEASE P.R.C. 1549.1, MONTEREY OIL COMPANY, HUMBLE OIL & REFINING COMPANY AND SEABOARD OIL COMPANY, HUNTINGTON BEACH FIELD, ORANGE COUNTY - W. O. 3001.)

After presentation of Calendar Item 16 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ACCEPT THE QUITCLAIM AND TERMINATE OIL AND GAS LEASE P.R.C. 1549.1, EFFECTIVE AUGUST 1, 1958, IN ACCORDANCE WITH SECTION 5 OF THE LEASE, AS REQUESTED BY THE JOINT LESSEES, MONTEREY OIL COMPANY, HUMBLE OIL & REFINING COMPANY AND SEABOARD OIL COMPANY.

Attachment

Calendar Item 16 (1 page)

CALENDAR ITEM

OIL & GAS

16.

(QUITCLAIM OF OIL AND GAS LEASE P.R.C. 1549.1, MONTEREY OIL COMPANY, HUMBLE OIL & REFINING COMPANY AND SEABOARD OIL COMPANY, HUNTINGTON BEACH FIELD, ORANGE COUNTY - W. O. 3001.)

State Oil and Gas Lease P.R.C. 1549.1, covering an area of tide and submerged lands containing approximately 1,300 acres, was issued to Monterey Oil Company, Humble Oil & Refining Company and Seaboard Oil Company on August 16, 1955, pursuant to competitive public bidding.

The joint lessees complied fully with the drilling requirements of the lease through August 15, 1956, at which time the Commission authorized a deferment of drilling requirements until August 14, 1957, and on June 13, 1957 a further deferment of drilling requirements to September 1, 1958 was authorized, subject to the express condition that during the period of deferment the lessee would perform one of the following actions:

1. Initiate development of the lease;
2. Quitclaim the entire lease area;
3. Present new adequate bases for consideration as to any further deferment of drilling and operating requirements under the lease.

During the time drilling operations were conducted, two wells were drilled into the leased area. Each well was redrilled once to a different bottom hole location, making the equivalent of four wells drilled. In the course of drilling these wells, numerous cores and samples were taken and electric logs and other surveys of all types were run. No production was developed within the lease.

Section 5 of the lease provides in part: "This lease may be surrendered and terminated in whole or in part, or as to any zone or zones or portions thereof, upon the payment of all royalties and other obligations due and payable to the State, but in no event shall such termination be effective until the lessee has complied with all of the then existing laws and rules and regulations relative to the abandonment of oil and gas wells." All of these obligations have been fulfilled.

The joint lessees have submitted a quitclaim to surrender and terminate the lease effective August 1, 1958, pursuant to the provisions of Section 5 of the agreement.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ACCEPT THE QUITCLAIM AND TERMINATE OIL AND GAS LEASE P.R.C. 1549.1, EFFECTIVE AUGUST 1, 1958, IN ACCORDANCE WITH SECTION 5 OF THE LEASE, AS REQUESTED BY THE JOINT LESSEES, MONTEREY OIL COMPANY, HUMBLE OIL & REFINING COMPANY AND SEABOARD OIL COMPANY.