

MINUTE ITEM

16. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, LEASE P.R.C. 2726.1, SANTA BARBARA COUNTY; RICHFIELD OIL CORPORATION, TIDEWATER OIL COMPANY, MARATHON OIL COMPANY, AND SOCONY MOBIL OIL COMPANY, INC. - W.O. 5116.

After consideration of Calendar Item 18 attached, and upon motion duly made and carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO RICHFIELD OIL CORPORATION, TIDEWATER OIL COMPANY, MARATHON OIL COMPANY, AND SOCONY MOBIL OIL COMPANY, INC., A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2726.1 THROUGH NOVEMBER 3, 1964. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 18 (1 page)

CALENDAR ITEM

18.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, LEASE P.R.C. 2726.1, SANTA BARBARA COUNTY; RICHFIELD OIL CORPORATION, TIDEWATER OIL COMPANY, MARATHON OIL COMPANY, AND SOCONY MOBIL OIL COMPANY, INC. - W.O. 5116.

State Oil and Gas Lease P.R.C. 2726.1, containing 4,250.14 acres of tide and submerged lands in Santa Barbara County, was issued on May 4, 1961, to Richfield Oil Corporation, Tidewater Oil Company, The Ohio Oil Company (name subsequently changed to Marathon Oil Company), and Socony Mobil Oil Company, Inc., pursuant to competitive public bidding.

Under the terms of the lease, the lessees were not required to commence operations for the drilling of a well until May 4, 1964. However, they commenced drilling operations on July 28, 1961, and drilled two test wells, the first to a total depth of 6,348 feet, the second to a total depth of 6,405 feet. Neither of these wells discovered oil or gas in paying quantities, and both were abandoned. In addition to the money spent on these two wells, the lessees paid a cash bonus of \$1,355,111.

An application has been received from the lessees requesting a deferment of drilling requirements extending from May 4, 1964, through November 3, 1964. Since drilling the two exploratory wells, the lessees have had the area under constant study. A sonic gas exploder survey was made of the area in 1963. Analysis of the results of this survey has not been completed as yet.

In conformance with current Commission practice of granting deferments for periods not in excess of six months,

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO RICHFIELD OIL CORPORATION, TIDEWATER OIL COMPANY, MARATHON OIL COMPANY, AND SOCONY MOBIL OIL COMPANY, INC., A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2726.1 THROUGH NOVEMBER 3, 1964. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.