

MINUTE ITEM

19. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, LEASE P.R.C. 186.1, BELMONT OFFSHORE FIELD, ORANGE COUNTY; HUMBLE OIL & REFINING COMPANY AND TEXACO INC. - W.O. 5112.

After consideration of Calendar Item 10 attached, and upon motion duly made and carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO HUMBLE OIL & REFINING COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 186.1 THROUGH DECEMBER 31, 1964. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 10 (2 pages)

CALENDAR ITEM

10.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, LEASE P.R.C. 186.1, BELMONT OFFSHORE FIELD, ORANGE COUNTY; HUMBLE OIL & REFINING COMPANY AND TEXACO INC. - W.O. 5112.

Oil and Gas Lease P.R.C. 186.1, covering approximately 1,255 acres of tide and submerged lands, was issued on September 24, 1945, to Marine Exploration Company, pursuant to competitive public bidding, and is now held jointly by Humble Oil & Refining Company and Texaco Inc., with Humble Oil & Refining Company designated as operator.

A total of 55 wells have been drilled into the leased lands, including 2 production wells from onshore drillsites, and 52 production wells and a water-injection well drilled from an offshore 75-foot-diameter filled-island drillsite. The cost of island construction was in excess of \$1 million. Conductor pipe for an additional 17 well locations has been placed. The lease is currently producing from 52 wells, and the pilot water-injection well drilled from the island drillsite is being operated. The lessee has conducted drilling operations with diligence, and has completed wells at a rate in excess of the lease requirements. Based on estimates of the productive area, one well for the production of oil and gas has been drilled into each 10 acres of the lease productive area.

The Commission, on November 22, 1961 (Minute Item 3, page 7430); on April 26, 1962 (Minute Item 8, page 7913); on December 20, 1962 (Minute Item 2, page 8509); on May 23, 1963 (Minute Item 16, page 8856); and on November 21, 1963 (Minute Item 6, page 9419), granted deferments of drilling requirements under the lease through June 30, 1964.

An application has been received from Humble Oil & Refining Company for a deferment of drilling requirements until December 31, 1964.

Humble believes that a further deferment is justified for the following reasons:

The lands covered by State Lease P.R.C. 186.1 are not far removed from the large offshore area in which the City of Long Beach plans to conduct oil and gas development operations in the immediate future, and for which it proposes unitization with other nearby areas. It is conceivable that under certain conditions such expansion would include State Lease P.R.C. 186.1 in the proposed unit. Discussions and negotiations are far from complete. Humble and Texaco believe that any new activities to be undertaken on Lease P.R.C. 186.1 should be consistent and compatible with operations in the proposed Long Beach unit. Until the nature, extent, and general locale of these operations to the northwest of State Lease P.R.C. 186.1 can be predicted with considerably more certainty than at present, Humble is unable to determine what new activities should be undertaken on this lease.

CALENDAR ITEM 10. (CONTD.)

Until the foregoing matters are resolved, Humble will continue full operation of all existing wells in accordance with good oil field practices.

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 HUMBLE OIL & REFINING COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 186.1 THROUGH DECEMBER 31, 1964. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

EXHIBIT "A"

W.O. 5112

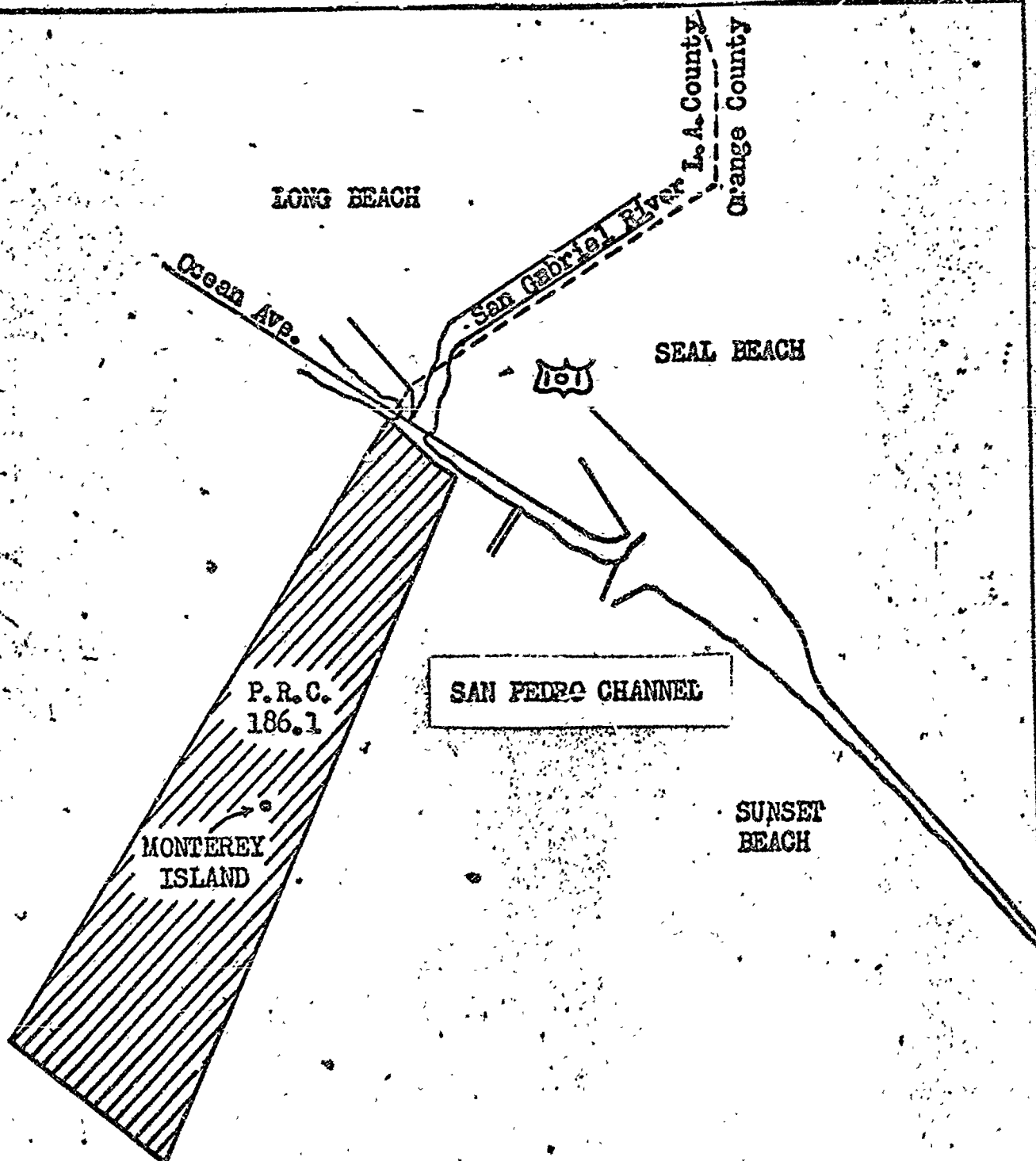
Application for Deferment
of Drilling Requirements P.R.C. 186.1
Humble Oil & Refining Company
and Texaco Inc.

Orange County, California

Scale: 1 inch = 4000 feet

May 1964

JWY



0 4000 8000 12000

SCALE IN FEET