

MINUTE ITEM

14 REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2725.1, SANTA BARBARA COUNTY; TEXACO INC. - W.O. 5355.

After consideration of Calendar Item 8 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO TEXACO INC., A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2725.1 THROUGH JULY 24, 1965. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 8 (1 page)

CALENDAR ITEM

8.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2725.1, SANTA BARBARA COUNTY; TEXACO INC. - W.O. 5355.

State Oil and Gas Lease P.R.C. 2725.1, containing 4,250.14 acres of tide and submerged lands in Santa Barbara County, was issued on May 4, 1961, to Texaco Inc., pursuant to competitive public bidding.

Under the terms of the lease, the lessee was not required to commence operations for the drilling of a well until May 4, 1964. However, the lessee commenced drilling operations on July 18, 1961, and thereafter diligently conducted drilling operations on the leased lands until March 26, 1964; this fulfilled the drilling requirements through July 24, 1964. During this period twenty wells were drilled, all from a floating drilling barge. Two were dry holes, and 18 were completed as producers. The Commission on May 28, 1964 (Minute Item 21, page 9966), granted a deferment of drilling requirements under the lease from July 25, 1964, through January 24, 1965. During the period of this deferment, one more well was drilled and abandoned.

An application has been received from Texaco Inc., requesting a deferment of drilling requirements for nine months from December 30, 1964.

The lessee has followed the drilling of the last well with a highly specialized seismic survey which consisted of the shooting of 34 miles of new line. Actual shooting was completed on September 17, 1964. Because of the relatively new computer techniques used to interpret the data, the lessee anticipates that several months will be required to complete the analysis of results and to formulate a program for further exploratory drilling.

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 TEXACO INC., A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2725.1 THROUGH JULY 24, 1965. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.