

MINUTE ITEM

23. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1466.1, VENTURA COUNTY; RICHFIELD OIL CORPORATION - W.O. 5419.

After consideration of Calendar Item 15 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO RICHFIELD OIL CORPORATION A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1466.1 THROUGH JUNE 30, 1969. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 15 (1 page)

CALENDAR ITEM

15.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1466.1, VENTURA COUNTY;
RICHFIELD OIL CORPORATION - W.O. 5419.

State Oil and Gas Lease P.R.C. 1466.1, containing approximately 1,175 acres of tide and submerged lands in Ventura County, was issued on August 29, 1955, to Richfield Oil Corporation.

Preliminary explorations on the leased lands were conducted from floating drilling equipment. Four core holes were drilled, after which an earth-filled drilling island was constructed. To date, 46 producing oil wells have been drilled from this island, and one producing well has been completed with the wellhead and flow lines on the ocean floor. One of said wells was drilled from the island to a depth of 7,725 feet. The sand found at that depth in this well had very low permeability and was wet.

On December 22, 1960 (Minute Item 15, page 6532); May 25, 1961 (Minute Item 8, page 6950); December 21, 1961 (Minute Item 13, page 7534); June 28, 1962 (Minute Item 16, page 8067); December 6, 1962 (Minute Item 18, page 8452); June 27, 1963 (Minute Item 21, page 8972); December 20, 1963 (Minute Item 7, page 9483), and on June 24, 1964 (Minute Item 12, page 10,094); the Commission granted deferments of the drilling requirements through December 31, 1964.

An application has been received from Richfield Oil Corporation requesting a deferment of drilling requirements through June 30, 1965.

Extensive reservoir studies indicate that the 47 producing wells drilled into the leased lands are adequate to drain this portion of the Rincon structure. However, a detail structural and volumetric study of the producing zones indicates that the bottom-hole pressures have declined rapidly, and that some form of secondary-recovery program must be instituted in order to assure maximum recovery of the oil.

On October 29, 1964, the lessee submitted a proposal to the Division for a pilot water-flood program to be conducted in a portion of the structure.

The lessee also filed with the Division and with the State Division of Oil and Gas a proposal to drill a water-source well on Rincon Island. This is to supply water to be used in the water-flood project.

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 A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1466.1 THROUGH JUNE 30, 1965. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.