

MINUTE ITEM

9/23/65

15. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2793.1, SANTA BARBARA COUNTY; RICHFIELD OIL CORPORATION, - W.O. 5811.

After consideration of Calendar Item 3 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. 2793.1 FROM OCTOBER 27, 1965, THROUGH APRIL 26, 1966, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 3 (1 page)

3.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2793.1, SANTA BARBARA COUNTY; RICHFIELD OIL CORPORATION - W.O. 5811.

State Oil and Gas Lease P.R.C. 2793.1, containing 4,250.14 acres of tide and submerged lands offshore Santa Barbara County, was issued on October 26, 1961, to Richfield Oil Corporation, Socony Mobil Oil Company, Inc., and Signal Oil and Gas Company, pursuant to competitive public bidding.

Since October 22, 1964, the Commission has granted deferments of drilling requirements under the lease through October 26, 1965.

An application has been received from Richfield, requesting a six-month deferment of the drilling requirements through April 26, 1966.

As operator, Richfield Oil Corporation has drilled one producing oil and gas well on the lands covered by the subject lease. The well was completed with the head on the ocean floor, and produced through submarine flow lines extending from the wellhead approximately 23,000 feet to onshore tank facilities. A great many production operating problems have been encountered in producing this well through flow lines of this great length, and it has been impossible to secure a production history from the well which would give an evaluation of the economics of drilling additional wells into the structure from which the well has produced. The well ceased producing in June of 1965 due to a water column in the tubing, and the operator plans to install a compressor onshore to attempt to return the well to production.

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. 2793.1 FROM OCTOBER 27, 1965, THROUGH APRIL 26, 1966, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.