

MINUTE ITEM

1/26/66

22. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2955.1, SANTA BARBARA COUNTY; TEXACO INC. - W.G. 5949.

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 TEXACO INC. A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2955.1 THROUGH SEPTEMBER 7, 1966, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 15 (1 page)

15.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2955.1, SANTA BARBARA COUNTY; TEXACO INC. - W.O. 5949.

An application has been received from Texaco Inc. requesting a deferment of drilling requirements to September 7, 1966.

State Oil and Gas Lease P.R.C. 2955.1, containing approximately 4,250 acres of tide and submerged lands in Santa Barbara County, was issued on December 20, 1962, 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 December 20, 1965. However, a well was commenced on August 25, 1965, and was abandoned at a total depth of 9,872 feet on November 7, 1965, without discovering oil or gas in commercial quantities. In addition to the cost of this well, estimated by the lessee to be in excess of \$750,000, an initial cash bonus of \$107,100 was paid to the State for issuance of the lease.

The lessee states that a seismic survey is scheduled in this area in conjunction with a program currently being conducted, and that this data will be incorporated with other data acquired from wells drilled on adjoining leases. A deferment of drilling obligations is requested to gain additional time to perform a review and to select the best possible drilling location.

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. 2955.1 THROUGH SEPTEMBER 7, 1966, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.