

MINUTE ITEM

4/28/66

15. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 308.1 AND P.R.C. 309.1, COAL OIL POINT, SANTA BARBARA COUNTY; THE ATLANTIC REFINING COMPANY - W.O. 6091.

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 THE ATLANTIC REFINING COMPANY, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASES P.R.C. 308.1 AND P.R.C. 309.1 THROUGH NOVEMBER 17, 1966, ALL OTHER TERMS AND CONDITIONS OF THE LEASES TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 15 (1 page)

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 308.1 AND P.R.C. 309.1, COAL OIL POINT, SANTA BARBARA COUNTY; THE ATLANTIC REFINING COMPANY - W.O. 6091.

An application has been received from The Atlantic Refining Company requesting a deferment of drilling requirements on State Oil and Gas Leases P.R.C. 308.1 and P.R.C. 309.1 from May 17, 1966, through November 18, 1966.

State Oil and Gas Leases P.R.C. 308.1 and P.R.C. 309.1, totaling approximately 3,840 acres of tide and submerged lands in Santa Barbara County, were issued to Honolulu Oil Corporation, Signal Oil and Gas Company, and Macco Corporation on March 4, 1947, pursuant to competitive public bidding. The leases are now held by The Atlantic Refining Company and Signal Oil and Gas Company, with The Atlantic Refining Company designated as operator.

On July 28, 1964 (Minute Item 32, page 10,278), the State Lands Commission approved a Unit Agreement effective October 1, 1964, including the known productive area of the two leases.

A total of 26 wells and redrills have been drilled into the two leases, of which three, with wellheads and flowlines on the ocean floor, are presently producing.

To the west of and adjacent to the subject leases, on Oil and Gas Lease P.R.C. 3242, Atlantic is co-lessee with Socony Mobil Oil Company. At the present time, an offshore drilling platform, to be placed on State lease P.R.C. 3242.1, is being fabricated, with drilling programmed to commence in September of this year. Atlantic anticipates that the wells drilled from this platform will provide additional geological and reservoir information which will lead to further development of the two leases.

The Commission, since December 20, 1963, has granted deferments of drilling requirements under the leases through May 17, 1966.

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 THE ATLANTIC REFINING COMPANY, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASES P.R.C. 308.1 AND P.R.C. 309.1 THROUGH NOVEMBER 17, 1966, ALL OTHER TERMS AND CONDITIONS OF THE LEASES TO REMAIN IN FULL FORCE AND EFFECT.