

MINUTE ITEM

4/28/66

16. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1824.1, SANTA BARBARA COUNTY; STANDARD OIL COMPANY OF CALIFORNIA - W.O. 6103.

After consideration of Calendar Item 12 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO STANDARD OIL COMPANY OF CALIFORNIA, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1824.1 THROUGH DECEMBER 9, 1966, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 12 (1 page)

12.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1824.1, SANTA BARBARA COUNTY; STANDARD OIL COMPANY OF CALIFORNIA - W.O. 6103.

An application has been received from Standard Oil Company of California, Western Operations, Inc., operator, requesting a deferment of drilling requirements from June 9, 1966, to December 9, 1966.

Oil and Gas Lease P.R.C. 1824.1, containing 5,500 acres more or less of tide and submerged lands in Santa Barbara County, was issued January 10, 1957, to Standard Oil Company of California and Humble Oil & Refining Company, pursuant to competitive public bidding.

Standard, as operator for the lessees, in developing the lease, constructed two drilling platforms, drilled 47 wells of which 26 have been redrilled to date. Thirty-seven wells are currently producing.

Development of the lease has resulted in expenditures by Standard and Humble of more than \$34,000,000, which does not include the initial cash bonus paid to the State for the issuance of the lease, the evaluation expenses, the geological and geophysical costs, and the lease rentals. The Commission since April 20, 1964, has granted deferments of drilling requirements through June 9, 1966.

Standard Oil Company has previously reported that a review team composed of geological and engineering personnel is reviewing the various horizons to determine if there are additional development and exploratory prospects on the lease. Because of the complexity of the geology and engineering involved, the review has not yet been completed. At the present time, Standard is employing a work-over rig on the lease in an effort to decrease water production. This work consists of redrilling certain wells and altering the casing in other wells.

In order to permit completion of the review and evaluation of the geological and engineering data and in order to continue remedial well work, Standard has requested an additional six-month deferment.

In conformance with current Commission practice of granting deferments of periods not in excess of six months,

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO STANDARD OIL COMPANY OF CALIFORNIA, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1824.1 THROUGH DECEMBER 9, 1966, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.