

MINUTE ITEM

8/8/66

16. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2725.1, SANTA BARBARA COUNTY; TEXACO INC. - W.O. 6181.

After consideration of Calendar Item 19 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. 2725.1 THROUGH APRIL 11, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 19 (1 page)

19.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2725.1, SANTA BARBARA COUNTY; TEXACO INC. - W. O. 6181.

An application has been received from Texaco Inc. requesting a deferment of drilling requirements from October 11, 1966, to April 11, 1967.

State Oil and Gas Lease P.R.C. 2725.1, containing approximately 4,250 acres of tide and submerged lands in Santa Barbara County, was issued on May 4, 1961, to Texaco Inc., pursuant to competitive public bidding.

Development of the lease to date has included the drilling of 23 wells, 19 of which were completed as producers, and the construction of one offshore producing platform. Eighteen wells are currently producing. Drilling operations on the lease were last conducted on November 30, 1965.

Deferments of drilling requirements have been granted by the Commission since July 24, 1964 and extend through October 11, 1966.

Texaco conducted a three-day seismic survey on the lease in January, 1966. It reports that the results of the survey were unsatisfactory and that it is now planning another seismic survey to be conducted as soon as equipment becomes available. Texaco states that several months may be required to process the data resulting from the proposed survey.

In order to proceed with the seismic work proposed and process the resultant data, Texaco now requests an additional six-month deferment.

Texaco's total drilling operations on the lease to date would cover the minimum drilling requirements under the terms of the lease for a period terminating on August 26, 1973.

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. 2725.1 THROUGH APRIL 11, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.