

MINUTE ITEM

9/26/66

18. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 308.1 AND P.R.C. 309.1, COAL OIL POINT, SANTA BARBARA COUNTY; ATLANTIC RICHFIELD COMPANY - W.O. 6258.

After consideration of Calendar Item 25 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO ATLANTIC RICHFIELD COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASES P.R.C. 308.1 AND P.R.C. 309.1 THROUGH MAY 17, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASES TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 25 (1 page)

CALENDAR ITEM

25.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 308.1 AND 309.1, COAL OIL POINT, SANTA BARBARA COUNTY; ATLANTIC RICHFIELD COMPANY - W.O. 6258.

An application has been received from Atlantic Richfield Company requesting a deferment of drilling requirements from November 18, 1966, through May 17, 1967, on State Oil and Gas Leases P.R.C. 308.1 and P.R.C. 309.1, totaling approximately 3,840 acres of offshore tide and submerged lands in Santa Barbara County.

These leases 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 Atlantic Richfield Company and Signal Oil and Gas Company, with Atlantic Richfield Company acting as operator.

On July 28, 1964, the State Lands Commission approved a unit agreement for the two leases. Under the terms of the agreement the drilling requirements within the known productive area of the Unit have been fulfilled.

Development of the two leases to date includes 24 wells and 2 redrilled wells; a total of 26 wells drilled.

Three producing oil and gas wells have been completed on the ocean floor with production lines to shore. The three completed wells are producing at the present time.

Mobil Oil Company and Atlantic have erected drilling and producing platform, "Holly", on State Oil and Gas Lease P.R.C. 3242.1, the lease west of and adjacent to the subject leases. Atlantic Richfield as operator states that drilling from "Holly" will commence in September 1966 and it is anticipated that the wells drilled from the platform will provide information relative to the possibility of the development of a structure believed to exist south of the present productive area.

In order to obtain and evaluate the information that will be obtained from the wells drilled from "Holly", with the possibility that such information may lead to further development of the subject leases, Atlantic Richfield had requested another six-month deferment of lease drilling requirements.

Previous deferments granted by the Commission date from December 20, 1963, and extend through November 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 ATLANTIC RICHFIELD COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASES P.R.C. 308.1 AND P.R.C. 309.1 THROUGH MAY 17, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASES TO REMAIN IN FULL FORCE AND EFFECT.