

MINUTE ITEM

9/26/66

19. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2726.1, SANTA BARBARA COUNTY; ATLANTIC RICHFIELD COMPANY, TIDEWATER OIL COMPANY, MARATHON OIL COMPANY, AND MOBIL OIL CORPORATION - W.O. 6260.

After consideration of Calendar Item 29 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO MOBIL OIL CORPORATION A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2726.1 THROUGH MAY 3, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 29 (1 page)

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2726.1, SANTA BARBARA COUNTY; ATLANTIC RICHFIELD COMPANY, TIDEWATER OIL COMPANY, MARATHON OIL COMPANY, AND MOBIL OIL CORPORATION - W.O. 6260.

An application has been received from Mobil Oil Corporation requesting a deferment of drilling requirements from November 3, 1966, through May 3, 1967, for State Oil and Gas Lease P.R.C. 2726.1, containing approximately 4,250 acres of offshore tide and submerged lands in Santa Barbara County.

This lease was issued on May 4, 1961, to Richfield Oil Corporation (now Atlantic Richfield Company), Tidewater Oil Company, The Ohio Oil Company (now Marathon Oil Company), and Socony Mobil Oil Company, Inc. (now Mobil Oil Corporation), pursuant to competitive public bidding. Mobil Oil Corporation is presently acting as operator.

Development of the lease to date includes a total of three exploratory wells drilled. All three wells were abandoned. Mobil states that approximately \$1,000,000 was expended in the drilling of the wells. Drilling operations on the lease were last conducted on July 9, 1965.

Deferments of drilling requirements granted by the Commission date from May 3, 1964, and extend through November 3, 1966.

Mobil recently completed a regional geophysical program in this area and is presently evaluating the resulting information. In addition, according to Mobil, an intensive subsurface study is being conducted on the lease.

In order to complete the evaluation of the results of the above-mentioned regional geophysical program and subsurface study, Mobil has requested a six-month deferment of drilling requirements under the subject lease through May 3, 1967.

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 MOBIL OIL CORPORATION A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2726.1 THROUGH MAY 3, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.