

MINUTE ITEM

9/26/66

20. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2920.1, SANTA BARBARA COUNTY; SHELL OIL COMPANY AND STANDARD OIL COMPANY OF CALIFORNIA - W.O. 6261.

After consideration of Calendar Item 26 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO SHELL OIL COMPANY AND STANDARD OIL COMPANY OF CALIFORNIA A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2920.1 THROUGH MAY 28, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 26 (1 page)

9/66

CALENDAR ITEM

26.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2920.1, SANTA BARBARA COUNTY; SHELL OIL COMPANY AND STANDARD OIL COMPANY OF CALIFORNIA - W.O. 6261.

An application has been received from Shell Oil Company, requesting a deferment of the drilling requirements from November 28, 1966, through May 28, 1967, for State Oil and Gas Lease P.R.C. 2920.1, containing approximately 4,250 acres of offshore tide and submerged lands in Santa Barbara County.

This lease was issued on August 28, 1962, to Shell Oil Company and Standard Oil Company of California, pursuant to competitive public bidding. Shell Oil Company is presently acting as operator on the lease.

Development of the lease to date includes a total of five wells drilled. All five wells are ocean floor completions with pipelines to shore. They are producing at the present time. Shell states that the drilling and completion to production of the five wells required an expenditure of approximately \$4,800,000. Drilling operations on the lease were last conducted on January 28, 1966.

Deferments of drilling requirements granted by the Commission date from August 29, 1965, and extend through November 28, 1966.

Shell states it is presently conducting geophysical and reservoir performance studies to determine the feasibility of further developmental drilling on the lease. The operator states that these studies will require at least six months to complete and requests a deferment of drilling requirements through May 28, 1967.

Shell's developmental operations on the lease to date would cover the minimum drilling requirements under the terms of the lease for a period terminating on December 12, 1967. In conformance with the 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 SHELL OIL COMPANY AND STANDARD OIL COMPANY OF CALIFORNIA A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2920.1 THROUGH MAY 28, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.