

MINUTE ITEM

11/17/66

22. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 186.1, BELMONT OFFSHORE FIELD, ORANGE COUNTY; HUMBLE OIL & REFINING COMPANY AND TEXACO INC. - W.O. 6341.

After consideration of Calendar Item 5 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO HUMBLE OIL & REFINING COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 186.1 THROUGH JUNE 30, 1967. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 5 (1 page)

5.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 186.1, BELMONT OFFSHORE FIELD, ORANGE COUNTY; HUMBLE OIL & REFINING COMPANY AND TEXACO INC. - W.O. 6341.

An application has been received from Humble Oil & Refining Company, operator, requesting a deferment of drilling requirements from December 31, 1966, to June 30, 1967, on Oil and Gas Lease P.R.C. 186.1

This lease, containing approximately 1,255 acres of tide and submerged lands in Orange County, was issued on September 24, 1945, to Marine Exploration Company, pursuant to competitive public bidding, and is now held jointly by Humble Oil & Refining Company and Texaco Inc.

A total of 55 wells have been drilled into the leased lands, including 53 production wells and 2 water-injection wells; all but two of the wells were drilled from an offshore 75-foot-diameter filled-island drillsite. The cost of island construction was in excess of \$1 million. Conductor pipe for an additional 17 well locations has been placed. The lease is currently producing from 49 wells. The last well was completed October 8, 1961. The Commission, since November 22, 1961, has granted deferments of drilling requirements through December 31, 1966.

Further development of this lease should be consistent and compatible with operations under Tract No. 2 of the Long Beach Unit in order to effect ultimate realization by the State and by Humble and Texaco. In conformity with such a concept, a meeting was recently held with representatives of the City of Long Beach to discuss the desirability of instituting a cooperative water-injection program along the common line between the Long Beach Unit and P.R.C. 186.1. In addition, a meeting has been held with State Lands Division personnel to discuss lease modification and the detailed engineering studies, which are required in order to proceed with full-scale secondary recovery on the lease.

Until such time as an agreement has been formally approved by all parties and engineering studies have been completed, it is not possible to program further development operations.

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 HUMBLE OIL & REFINING COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 186.1 THROUGH JUNE 30, 1967. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.