

10. APPROVAL OF DRILLING NEW WELL "STATE 392" J-252; EXCHANGE OIL AND GAS LEASE E 392; HUNTINGTON BEACH OFFSHORE, ORANGE COUNTY; BURMAH OIL AND GAS COMPANY - E 392.

During consideration of Calendar Item 8 attached, Chairman Kenneth Cory requested the staff to summarize the item. At this time, Mr. D. J. Everitts, Manager, Energy and Mineral Resources Development, briefed the Commission on the background of the proposed authorization. Questions arose concerning the Commission's discretion in approving the item. After a short discussion the item was approved. However, Chairman Cory asked that at some time in the future Mr. Shavelson explain to the Commission the latitude of its discretion in this matter.

Upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION:

1. DETERMINES THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY BECAUSE IT IS AN ONGOING PROJECT UNDER PRC 21169 AND 14 CAL. ADM. CODE 15070.
2. AUTHORIZES THE APPROVAL OF DRILLING WELL "STATE 392" J-252, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF EXCHANGE OIL AND GAS LEASE E 392, BURMAH OIL AND GAS COMPANY, LESSEE, AND THE RULES AND REGULATIONS OF THE COMMISSION.

Attachment:

Calendar Item 8 (1 page)

CALENDAR ITEM

8.

1/75
JWY
E 392

APPROVAL OF DRILLING NEW WELL
"STATE 392" J-252;
EXCHANGE OIL AND GAS LEASE E 392;
HUNTINGTON BEACH OFFSHORE, ORANGE COUNTY

LEASE: E 392.
LESSEE: Burmah Oil and Gas Company.
COUNTY: Orange.
AREA: Huntington Beach Offshore.

PERTINENT INFORMATION:

Burmah has initiated a full-scale waterflood operation. Production performance clearly indicates that the program has been successful, resulting in an economic advantage to the State.

In order to maintain a coordinated and uninterrupted secondary recovery development program, Burmah has submitted an application to drill new well "State 392" J-252 as a producing well.

The proposed well is part of the plan for secondary recovery operations approved by the Commission on April 28, 1966 (Minute Item 23, page 12,559). An environmental impact report is not required as this is an ongoing project. The surface location of this well is on the upland.

The proposed drilling and completion programs have been reviewed by the Division and determined to be in accordance with good engineering practices and the rules and regulations of the Commission. The Division of Oil and Gas has approved the drilling of this well. The proposed well is part of the plan of development exempted from permit requirements by the South Coast Regional Commission.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY BECAUSE IT IS AN ONGOING PROJECT UNDER PRC 21169 AND 14 CAL. ADM. CODE 15070.
2. AUTHORIZE THE APPROVAL OF DRILLING WELL "STATE 392" J-252, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF EXCHANGE OIL AND GAS LEASE E 392, BURMAH OIL AND GAS COMPANY, LESSEE, AND THE RULES AND REGULATIONS OF THE COMMISSION.