

A meeting of the State Lands Commission was held in the office of the Department of Finance, State Building, Los Angeles, at 11:45 A. M., August 21, 1940.

Present were:

John R. Richards, Chairman,
Harry B. Riley, Member,
Ellis E. Patterson, Member.

Absent was:

None.

The Commission gave further consideration to application of Bolsa Chica Oil Corporation and M. M. McCallen Corporation to continue with the redrilling of well described in Agreement for Easement No. 290, Huntington Beach.

The Executive Officer presented to the Commission report of Dr. E. K. Soper, Consultant, which is as follows, to wit:

"State Lands Commission
302 State Building
Los Angeles, California

Subject: Recommendation from E. K. Soper
regarding redrilling of Bolsa Chica Oil
Company's well (Easement No. 290) at
Huntington Beach.

Gentlemen:

"After a thorough study of the history of operations in connection with redrilling the above mentioned well at Huntington Beach, and after a conference August 16, 1940, with Mr. R. Templeton, engineer for Bolsa Chica Oil Company, I recommend that the Commission waive the ten-foot divergence which has occurred in the course of the redrilled hole. This recommendation is made for the following reasons:

1. The maximum divergence is only ten feet and occurs approximately 400 feet above the top of the oil sand where there is no possibility of damage to the oil zone or to any other well.
2. The surveys show that the hole is approaching the confines of the cylinder and that a short distance above the top of the oil zone is only two feet outside the cylinder, and can be brought back inside the cylinder by the time the hole reaches the top of the oil zone.
3. The ten foot maximum divergence does not violate the spirit of the rule which was made primarily to keep any redrilled hole within 100 feet of the old hole within the oil zone.

4. The Company agrees to keep the hole well within the cylinder within the oil zone and has been notified that no tolerance whatever from this rule will be permitted within the oil zone.

E. K. Soper (Signed)
Consulting Engineer and
Geologist."

At the request of the Commission, the Executive Officer read proposed form of resolution designed to permit the redrilling of said well. On motion of Mr. Riley, seconded by Mr. Patterson, and unanimously carried, a resolution was adopted in words and figures as follows, to wit:

RECITAL:

The M. M. McCallen Corporation, a corporation, has filed with the State Lands Commission its application to be substituted as the operator of Agreement for Easement No. 290, Huntington Beach, in lieu of Bolsa Chica Oil Corporation, a corporation; with such application the applicant has also filed a plan or program for continuation of the redrilling of the well described in said easement.

It appears to the State Lands Commission that the Bolsa Chica Oil Corporation, a corporation, as operator of the well described in said agreement for easement has made six attempts to redrill said well and has not finished the well in the oil sand. It further appears that the said well at a point approximately 400 feet above the oil sand is approximately 110 feet from the existing well which is 10 feet in excess of the maximum allowance under rule of the State Lands Commission. From communication filed with the Commission by Dr. E. K. Soper, Consultant to the Commission, it appears that such 10 foot divergence does not violate the spirit of the rule which was made primarily to keep any redrilled hole within 100 feet of the old hole within the oil zone, and this Consultant recommends to the Commission that said rule of the Commission insofar as application regarding this particular well be waived to enable a continuation of the redrilling of the well upon the condition that the redrilled hole be kept within 100 feet of the existing well in the downward course.

It further appears to the Commission that no well in place has so far been jeopardized by the departure of approximately 10 feet and that if the well, while being redrilled will be kept within 100 feet of the existing well, no hazard will likely arise, but permission to deviate from said rule shall in no measure constitute a precedent with respect to future applications for the redrilling of the wells.

NOW THEREFORE BE IT RESOLVED That the Commission hereby consents to the substitution of the M. M. McCallen Corporation, a corporation, as the operator of the well described in said Agreement for Easement No. 290, Huntington Beach, in lieu of the Bolsa Chica Oil Corporation, a corporation, and that the said M. M. McCallen Corporation, a corporation, be permitted to continue with the redrilling of the said well in accordance with program as follows:

The Division of State Lands does hereby approve the following course of action to be pursued in the redrilling of your well Bolsa Chica "Fee" #1:

1. To clean out the last existing hole as shown by the records of this division from the water shut-off at a measured depth of 4015 feet to a measured depth of 4400 feet using conditioned mud as a circulating fluid.
2. To make a survey of the position of the hole at 4400 feet measured depth.
3. In the event that such survey together with the survey data now on file in this division shows the hole at 4400 feet to be farther than 100.00 feet in any direction from the course of the Petroleum Company well "Fee" #1, to cement and plug back the hole to a measured depth of 4015 feet.
4. In the event that the aforementioned survey together with the survey data now on file in this division shows the hole to be within 100.00 feet of the course of The Petroleum Company well "Fee" #1, in any drilling below 4400 feet measured depth, to use only oil as a circulating fluid, such oil to be natural to the Huntington Beach tideland pool and of a gravity not less than 24° A, P. I.
5. During the course of any drilling below 4400 feet measured depth to make an accurate survey of the hole at intervals of not more than 100 feet as the hole is being drilled.
6. In the event that such surveys together with the survey data now on file in this division shows the hole below 4400 feet measured to be farther than 100.00 feet in any direction from the course of The Petroleum Company well "Fee" #1, to cement and plug back said hole to a depth where it is less than 100.00 feet in any direction from the course of The Petroleum Company well "Fee" #1.
7. In the event that at any time the plotting of the surveys by this division reveals that the drilling well is approaching closer than 200 feet to another well anywhere below a measured depth of 4400 feet, to suspend operations until such time as a release has been secured from such other well and filed with this division.
8. To drill the well to a measured depth of 5116 feet below mean sea level or such lesser depth as desired.
9. To set a 5 3/4" casing from 4015 feet measured depth to bottom, such casing to be perforated from 4400 feet measured depth to bottom, or such lesser interval as desired.

All operations performed under the foregoing program are to be conducted strictly in accordance with the terms, covenants, and conditions of Agreement for Easement No. 290, and in conformance with all the rules and regulations applicable thereto.

The Division of State Lands does not waive hereby in any manner such defaults as have previously occurred under Agreement for Easement No. 290.

The approval of the foregoing program for operation is granted upon the express condition that this program is the only program now approved by this division. Any and all other programs, proposals and approvals, tacit and otherwise, heretofore in existence are superseded hereby and are null and void.

There being no further business to come before the Commission the meeting was adjourned.