

34. (AMENDMENT OF SUBMARINE GEOPHYSICAL EXPLORATION PERMITS - W.O. 354.) Existing authorized submarine geophysical exploration permits provide in part that "For each seismic crew in operation, the permittee shall make an advance deposit of \$600 on the first day of each 30-day period of operations under this permit, as a minimum deposit to defray the cost to the Division of State Lands that are involved in inspection under this permit." It is contended that definition and application of the 30-day period of operations could result in varying computations of permit costs. The full permit inspection fees required by the Department of Fish and Game are collected on a 30-day calendar basis. Therefore, discussion has been held and agreement reached with all current geophysical exploration permittees on a proposed amendment of the permit form to require the payment of the minimum expense deposit with initiation of operations under permit and every calendar month thereafter.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

The Executive Officer is authorized to amend the standard form of submarine geophysical exploration permit by the deletion of Section 8 of such permits and the substitution therefor of the following: "8. For each seismic crew in operation, the permittee shall make an advance deposit of \$600 before the commencement of operations under this permit and \$600 every calendar month thereafter, as a minimum deposit to defray the costs of the Division of State Lands that are involved in inspection under this permit. Actual costs to the Division of State Lands of such inspection which are in excess of the aforesaid minimum deposits shall be remitted by the permittee upon receipt of a statement of such additional costs."

35. (GREY LODGE REFUGE, OIL AND GAS LEASE P.R.C. 820.4, HONOLULU OIL CORPORATION, BUTTE COUNTY.) Oil and Gas Lease P.R.C. 820.4, issued July 27, 1953 (Minute Item 2, Pages 1844-45), to the Honolulu Oil Corporation, as high bidder, provides in part as follows with respect to the drilling of the initial well under the lease: "The well shall be drilled to a vertical depth of not less than 5000 feet below sea level unless oil or gas is discovered in paying quantities at a lesser depth or basement rock is encountered. By mutual consent of the parties hereto, it may be determined that the well should be drilled to a greater or lesser depth..." The initial well, "Honolulu-Humble" State No. 1, has been drilled to a total depth of 3700 feet. The interval from which gas is produced in the adjoining Wild Goose Gas Field has been found to be completely unproductive in the State well. The State well is also structurally lower than the discovery well in the Wild Goose Gas Field and, therefore, the State well is not favorably located for deeper exploration.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

The Executive Officer is authorized to consent to the request of the Honolulu Oil Corporation, lessee under Oil and Gas Lease P.R.C. 820.4, that authorization be granted for the abandonment of well "Honolulu-Humble" State No. 1 at the total drilled depth of 3700 feet.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE MEETING WAS ADJOURNED.

-24- *Edna M. Penney*
(Senior-Senographer Clerk
STATE LANDS COMMISSION)

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