MINUTE ITEM

2. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 186.1, BELMONT OFFSHORE FIELD, ORANGE COUNTY; HUMBLE OIL & REFINING COMPANY - W.O. 4596.

After consideration of Calendar Item 2 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, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 186.1 TO JUNE 21, 1963, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment
Calendar Item 2 (1 page)

CALENDAR ITEM

2.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 186.1, BELMONT OFFSHORE FIELD, ORANGE COUNTY; HUMBLE OIL & REFINING COMPANY - W.O. 4596.

Oil and Gas Lease P.R.C. 186.1, covering approximately 1,255 acres of tide and submerged lands, was issued on September 24, 1945, to Marine Exploration Company, pursuant to competitive public bidding, in accordance with Division 6 of the Public Resources Code, and is now held jointly by Humble Oil & Refining Company and Texaco Inc., with Humble Oil & Refining Company designated as the operator.

A total of 62 wells have been drilled into the leased lands: 2 from onshore drillsites, and 60 from the offshore 75-foot-diameter island drillsite. The lease is currently producing from 51 wells. In addition, a pilot water-injection well has been drilled, and is being operated. The lessee has conducted drilling operations with diligence, and has completed wells at a rate in excess of the lease requirements. Based on the operator's estimate of the productive area, one well for the production of oil has been drilled into each 10 acres of area of the commercially productive area. On April 26, 1962 (Minute Item 8, page 7913), the Commission authorized a deferment of drilling operations to December 21, 1962.

An application has been received from Humble Oil & Refining Company for an additional six-month deferment of drilling requirements. The deferment is requested in order that the operator may continue to make studies of the geologic data, including data obtained from the eight core holes recently drilled by the City of Long Beach westerly of State Oil and Gas Lease P.R.C. 186.1. Important studies are being conducted, based on production data from the 51 producing wells. These studies will help in deciding whether the drilling of additional wells is advisable. Humble has carried out a well workover program of casing perforating in order to produce from sand sections formerly sealed off. This program commenced on April 4, 1962, and was conducted continuously until September 21, 1962; thus, valuable reservoir data was obtained and additional sources of production were opened.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO HUMBLE OIL & REFINING COMPANY, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 186.1 TO JUNE 21, 1963, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.