

MINUTE ITEM

19. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2793.1, SANTA BARBARA COUNTY; RICHFIELD OIL CORPORATION - W.O. 5553.

After consideration of Calendar Item 9 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO RICHFIELD OIL CORPORATION A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2793.1 FROM APRIL 27, 1965, THROUGH OCTOBER 26, 1965, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 9 (1 page)

CALENDAR ITEM

9.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2793.1, SANTA BARBARA COUNTY; RICHFIELD OIL CORPORATION - W.O. 5553.

State Oil and Gas Lease P.R.C. 2793.1, containing 4250.14 acres of tide and submerged lands offshore Santa Barbara County, was issued on October 26, 1961, to Richfield Oil Corporation, Socony Mobil Oil Company, Inc., and Signal Oil and Gas Company, pursuant to competitive public bidding.

The Commission on October 22, 1964 (Minute Item 22, page 10,601), granted a deferment of drilling requirements under the lease through April 26, 1965.

An application has been received from Richfield, requesting a six-month deferment of the drilling requirement through October 26, 1965.

Richfield, as operator, has drilled one producing well on the lands covered by the subject lease. This was an ocean-floor completion, producing through submarine flow lines extending from the wellhead approximately 23,000 feet to onshore tank facilities. A great many operating difficulties have been encountered in producing this well through flow lines of this length, and it has been impossible to secure a production history from the well sufficient to evaluate the economics of additional drilling into the structure from which this well is producing. For example, during the current deferment period the well has been off production during a part of November, all of December 1964, and all of January 1965, due to icing and water conditions in the well. The well was returned to production early in February 1965, and is presently on production. However, it appears that to return the well to economic production it may be necessary to re-enter the well and attempt to shut off the water which the well is producing.

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 RICHFIELD OIL CORPORATION A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2793.1 FROM APRIL 27, 1965, THROUGH OCTOBER 26, 1965, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.