

MINUTE ITEM

18. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2726.1, SANTA BARBARA COUNTY; RICHFIELD OIL CORPORATION, TIDEWATER OIL COMPANY, MARATHON OIL COMPANY, AND SOCONY MOBIL OIL COMPANY, INC. - W.O. 5589.

After consideration of Calendar Item 3 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. 2726.1 THROUGH NOVEMBER 5, 1965. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 3 (1 page)

CALENDAR ITEM

3.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2726.1, SANTA BARBARA COUNTY; RICHFIELD OIL CORPORATION, TIDEWATER OIL COMPANY, MARATHON OIL COMPANY, AND SOCONY MOBIL OIL COMPANY, INC. - W.O. 5589.

State Oil and Gas Lease P.R.C. 2726.1, containing 4,250.14 acres of tide and submerged lands in Santa Barbara County, was issued on May 4, 1961, to Richfield Oil Corporation, Tidewater Oil Company, The Ohio Oil Company (name subsequently changed to Marathon Oil Company), and Socony Mobil Oil Company, Inc., pursuant to competitive public bidding.

The lessees were not required to commence operations for the drilling of a well until May 4, 1964. However, they commenced drilling operations on July 28, 1961, and drilled two test wells. Neither of these wells discovered oil or gas in paying quantities, and both were abandoned. In addition to the money spent on the two wells, the lessees paid a cash bonus of \$1,355,111.00. The Commission, on April 29, 1964 (Minute Item 16, page 9837), and on October 22, 1964 (Minute Item 23, page 10,603), granted deferments of drilling requirements under the lease through May 3, 1965.

Since the abandonment of the test wells, the operator has conducted a gas-exploder survey of the area and has exchanged geophysical and geological data with other operators in the vicinity of the leased lands. The study of geophysical and subsurface geological data has been completed, and it has been determined to resume drilling operations on the leased lands.

It is intended to resume drilling operations as soon as a program has been agreed upon by the lessees and suitable drilling vessels become available.

Richfield Oil Corporation, operator, has requested a six-month deferment of the drilling requirements under State Oil and Gas Lease P.R.C. 2726.1 through November 3, 1965.

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. 2726.1 THROUGH NOVEMBER 3, 1965. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.