

MINUTE ITEM

19. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 308.1 AND P.R.C. 309.1, COAL OIL POINT, SANTA BARBARA COUNTY; RICHFIELD OIL CORPORATION - W.O. 5593.

After consideration of Calendar Item 27 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, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASES P.R.C. 308.1 AND P.R.C. 309.1 THROUGH NOVEMBER 17, 1965, ALL OTHER TERMS AND CONDITIONS OF THE LEASES TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 27 (2 pages)

CALENDAR ITEM

27.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 308.1 AND P.R.C. 309.1, COAL OIL POINT, SANTA BARBARA COUNTY; RICHFIELD OIL CORPORATION - W.O. 5593.

State Oil and Gas Leases P.R.C. 308.1 and P.R.C. 309.1, totaling approximately 3,840 acres of tide and submerged lands in Santa Barbara County, were issued to Honolulu Oil Corporation, Signal Oil and Gas Company, and Macco Corporation on March 4, 1947, pursuant to competitive public bidding. The leases are now held by Richfield Oil Corporation and Signal Oil and Gas Company, with Richfield Oil Corporation designated as operator.

The Commission on December 20, 1963 (Minute Item 6, page 9481), on April 29, 1964 (Minute Item 15, page 9835), and on December 17, 1964 (Minute Item 24, page 10,798), granted deferments of drilling requirements under the leases through May 17, 1965.

An application has been received from Richfield Oil Corporation requesting a deferment of drilling obligations from May 18, 1965, through November 17, 1965.

On July 28, 1964 (Minute Item 32, page 10,278), the State Lands Commission approved a Unit Agreement which became effective October 1, 1964. Under this Unit Agreement, Richfield, as operator, agreed to drill an "obligation well" into the Coal Oil Point offshore oil and gas field, Devereaux Area.

Though the Unit Agreement was not in effect, Richfield commenced operations on June 27, 1964, for the drilling of said "obligation well". This well was drilled and cored to total depth. After the well was evaluated through logging and coring, the casing was cemented, the drilling operations were suspended on August 17, 1964, and the drilling barge was released.

The well was designed to be completed with the wellhead and flow lines on the ocean floor. Since the suspension of the drilling operations, a multiple-string flow line has been fabricated, and an attempt was made to pull the flow lines to the well. However, due to the improper equipment available at the time, as well as to bad weather, it has been impossible to complete the well and place it on production.

As soon as suitable equipment becomes available and weather permits, Richfield intends to complete the installation of the ocean-floor flow lines, re-enter the well, and place it on production.

At this time, Richfield has contracted for a suitable drilling vessel. This vessel is currently being used by another operator but should be released to Richfield early in the month of May.

However, due to the fact that it is impossible to actually forecast the completion of the other operator's program and to accurately determine the date on which the drilling vessel will be available to Richfield, another extension of the lease is desired.

CALENDAR ITEM 27. (CONTD.)

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, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASES P.R.C. 308.1 AND P.R.C. 309.1 THROUGH NOVEMBER 17, 1965, ALL OTHER TERMS AND CONDITIONS OF THE LEASES TO REMAIN IN FULL FORCE AND EFFECT.