

MINUTE ITEM

5/26/66

18. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 186.1, BELMONT OFFSHORE FIELD, ORANGE COUNTY; HUMBLE OIL & REFINING COMPANY AND TEXACO INC. - W.O. 6117.

After consideration of Calendar Item 20 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 F.R.C. 186.1 THROUGH DECEMBER 31, 1966, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 20 (2 pages)

20.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 186.1, BELMONT OFFSHORE FIELD, ORANGE COUNTY; HUMBLE OIL & REFINING COMPANY AND TEXACO INC. - W.O. 6117.

An application has been received from Humble Oil & Refining Company, operator, requesting a deferment of drilling requirements for six months on Oil and Gas Lease P.R.C. 186.1.

This lease, containing approximately 1,255 acres of tide and submerged lands, was issued on September 24, 1945, to Marine Exploration Company, pursuant to competitive public bidding, and is now held jointly by Humble Oil & Refining Company and Texaco Inc.

Humble, now designated as operator, in developing the lease has constructed a filled island and drilled 55 wells, of which 14 have been redrilled to date. Fifty wells are currently producing, and two pilot water-injection wells drilled from the island drillsite are being operated.

Development of the lease has resulted in expenditures of more than \$1 million for the cost of island construction, plus the costs for well drilling, redrilling, and completions, in addition to the evaluation expenses, the geological and geophysical costs, and the lease rentals. The Commission since November 22, 1961, has granted deferments of drilling requirements through June 30, 1966.

Further development of Lease P.R.C. 186.1 is partially dependent upon the results of the development taking place on the parcel lying immediately to the east. Several wells have been drilled by the operator of that parcel, and Humble and Texaco are currently evaluating such information as they have been able to obtain concerning such exploration and development work that might have a bearing upon operations on P.R.C. 186.1. Tract No. 2, lying immediately west of P.R.C. 186.1, has recently been leased and committed to the Long Beach Unit. Humble and Texaco believe that additional development to be undertaken on P.R.C. 186.1 should be consistent and compatible with operations under the Long Beach Unit. Until the nature, extent, and general location of the operations to the west of P.R.C. 186.1 can be predicted with more certainty than at present, Humble and Texaco are unable to determine what new development should be undertaken on P.R.C. 186.1.

During the past three years a sand-fracturing program in the deep zone has been carried on. The operator states that there has been sufficient improvement in the performance of some of these wells to indicate the possibility that further development might be justified. Confirmation of these results, however, will require the compilation of additional production history. The above-mentioned Long Beach Unit agreement provides for expansion of the Unit area to the east. The operator states that it is conceivable that under certain conditions such expansion would include P.R.C. 186.1 in the Unit area.

CALENDAR ITEM 20. (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 HUMBLE OIL & REFINING COMPANY, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 186.1 THROUGH DECEMBER 31, 1966, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.