

54. APPROVAL OF THE THIRD-QUARTER DRILLING SCHEDULE FOR THE 1966 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 5200.301.

After consideration of Supplemental Calendar Item 52 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION APPROVES THE ACTION BY THE EXECUTIVE OFFICER, PURSUANT TO SECTION 5(g), CHAPTER 138, STATUTES OF 1964, 1ST E.S., CONSENTING TO THE THIRD-QUARTER DRILLING SCHEDULE FOR THE 1966 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, AND THE BOTTOM-HOLE LOCATION APPROVAL PROCEDURE, AS SET FORTH IN THE ATTACHED EXHIBIT "A".

Attachment

Supplemental Calendar Item 52 (4 pages)

APPROVAL OF THE THIRD-QUARTER DRILLING SCHEDULE FOR THE 1966 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 5200.301.

The City of Long Beach and the State, pursuant to the provisions of Section 5(g), Chapter 138, Statutes of 1964, 1st E.S., have mutually agreed to the Third-Quarter Drilling Schedule for the 1966 Plan of Development and Operations and Budget, Long Beach Unit, specifying surface and bottom-hole locations, estimated rates of production, and estimated rates and pressures of injection.

The Commission, at its meeting of November 3, 1965, approved the 1966 Plan of Development and Operations and Budget for the Long Beach Unit, including the drilling schedule for the first quarter of 1966, and temporarily waived specification of the wells to be drilled in the last three quarters of the year 1966.

The drilling schedule for the second quarter of 1966 was approved by the Commission at its meeting of March 31, 1966.

Wells to be drilled during the third quarter of 1966 have now been selected and were approved by the Voting Parties of the Long Beach Unit at their meeting of May 23, 1966. This third-quarter schedule provides for the drilling of 20 wells, as follows:

From Pier "J"

- 11 Ranger Zone Producing Wells
- 1 Ranger Zone Injection Well
- 2 Upper Terminal Zone Producing Wells

From Island "A"

- 4 Ranger Zone Producing Wells
- 1 Ranger Zone Injection Well
- 1 Upper Terminal Injection Well

One producing well and one injection well proposed for the Ranger Zone from Pier "J" shown above were previously approved by the State. Due to a change in surface location and completion interval, these wells (J-340 I and J-562) require reapproval with the third-quarter drilling schedule.

The five Ranger Zone wells to be drilled from Island "A" are considered exploratory in nature due to the unknown geologic conditions that could be encountered. Because of the uncertainties, flexibility is necessary in finally fixing the bottom-hole locations of these wells. In order to obtain this necessary flexibility, the attached Exhibit "A" provides a procedure whereby the Director or Assistant Director, Department of Oil Properties, City of Long Beach, and the Manager or Assistant Manager of Long Beach Operations, State Lands Division, may approve final bottom-hole locations.

SUPPLEMENTAL CALENDAR ITEM 52. (CONTD.)

Review by the Commission's staff and consultants of the proposed locations for wells to be drilled during the third quarter indicates they are geologically sound and will provide an orderly and aggressive development of the Long Beach Unit.

The Executive Officer, by letter dated July 6, 1966, consented to the request for approval of the Third-Quarter Drilling Schedule for the 1966 Plan of Development and Operations and Budget, Long Beach Unit, and the bottom hole location procedures set forth in the attached Exhibit "A".

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE ACTION BY THE EXECUTIVE OFFICER, PURSUANT TO SECTION 5(g), CHAPTER 138, STATUTES OF 1964, 1ST E.S., CONSENTING TO THE THIRD-QUARTER DRILLING SCHEDULE FOR THE 1966 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, AND THE BOTTOM-HOLE LOCATION APPROVAL PROCEDURE, AS SET FORTH IN THE ATTACHED EXHIBIT "A".

Attachment
Exhibit "A"

EXHIBIT "A"

THIRD QUARTER, 1966 DRILLING SCHEDULE, ISLAND "A"
LONG BEACH UNIT

In accordance with the 1966 Plan of Development and Operations, the location of the wells to be drilled in the second, third and fourth quarters of 1966 was left to mutual agreement between the City and the State.

The third-quarter drilling schedule includes 14 wells to be drilled from Pier J and one well to be drilled in the Upper Terminal Zone from Island "A". In accordance with previous Plans, the final surface location and bottom-hole location of these wells shall not deviate by more than 25 feet and 100 feet respectively from previously approved locations.

In the third-quarter approvals of surface- and bottom-hole locations, five Ranger Zone wells from Island "A" are included. Four of these wells are to be directionally drilled into the Townlot Area for the purpose of determining geological information, as outlined in Exhibit "C" to the Unit Agreement, and for the orderly development of the entire Ranger Zone. These five wells will be exploratory in nature because of the unknown geological factors that could be encountered. Because of the uncertainties, it is recognized that flexibility is necessary in finally fixing the bottom-hole locations of these wells. In addition to the need for flexibility because of unknown geological conditions, procedure to make immediate changes is required to facilitate the continuing development of the Long Beach Unit and to prevent a costly shut-down of operations. The information gained from these five wells will be used for planning the location of future production and injection wells, water injection, and the maximum economic recovery from the Ranger Zone. Accordingly, none of these five wells will be completed until approval of the City and State has been obtained as hereinafter provided. The final bottom-hole locations are to be approved by the Director or Assistant Director, Department of Oil Properties, City of Long Beach, and the Manager or Assistant Manager of Long Beach Operations, State Lands Division. Such approval shall be confirmed immediately in writing. Any such final bottom-hole locations approved as herein provided shall be subject to the following criteria:

Such bottom-hole locations shall not be more than 1000 feet from the tentative locations submitted, and will be completed in the Ranger Zone. Each well will be drilled towards its initially approved tentative location. In addition, as to each well:

1. Well A-210 shall be a producer. Prior to completion, this well will be drilled down structure to obtain additional subsurface geological information. This well will be plugged back and then redrilled to the proposed location, or to a different location as herein provided, to be completed finally in the F₁-G interval not closer than 750 feet to the X sand productive limits.
2. Well A-870 shall be a producer completed in the F₁-G interval not closer than 750 feet to the X sand productive limits.

EXHIBIT "A" (CONTD.)

3. Well A-303 shall be a producer completed in the F₁-G₅+30 interval not closer than 1500 feet to the G productive limits.
4. Well A-119-I shall be an aquifer injector completed in the F₁-X interval and located outside the productive limits of the Ranger Zone and within the Unit boundaries.
5. Well A-167 shall be a producer completed in the F-X interval on the lowest structural line of producers offsetting the aquifer injection wells and no closer than 1000 feet from the productive limit of the F sand, which limits will have been ascertained from Wells A-210, A-870, and A-119.

In the event the City and State are unable to agree on the completion locations of any of these five wells, such wells shall be completed within 100 feet of the initially approved locations.