

43. APPROVAL OF THE FOURTH-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 41 attached, and upon motion duly made and unanimously 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 FOURTH-QUARTER DRILLING SCHEDULE FOR THE 1966 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, SUBJECT TO THE WELL COMPLETION PROCEDURES AS SET FORTH IN THE LONG BEACH CITY MANAGER'S LETTER REQUEST DATED AUGUST 24, 1966.

Attachment

Supplemental Calendar Item 41 (2 pages)

41.

APPROVAL OF THE FOURTH-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 Fourth-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 schedules for the second quarter and the third quarter of 1966 were approved by the Commission at its meetings of March 31, 1966, and July 12, 1966, respectively.

Exhibit "A" (attached) sets forth the fourth-quarter wells to be drilled from Pier J. The final surface and bottom-hole locations of these wells will not deviate by more than 25 feet and 100 feet, respectively, from the specified locations.

Exhibit "B" (attached) specifies two wells to be drilled during October 1966 from Island "A". One of these wells, A-717, is limited to the 25-foot and 100-foot deviation standard. The other, A-319, is an exploratory well to be drilled through the Upper Terminal Zone and then plugged back for completion in the Ranger Zone. Since mechanical problems or geologic information may dictate a bottom-hole location for well A-319 more than 100 feet from the tentative location, this well will not be completed until the following further approvals by the City and State have been obtained.

The final bottom-hole location is to be approved by the Director or Assistant Director, Department of Oil Properties, City of Long Beach, and by the Manager or Assistant Manager of Long Beach Operations, State Lands Division. Such approval shall be confirmed immediately in writing, and shall be subject to the following criteria:

1. The well shall be a producer and completed in the F<sub>1</sub> to Hx<sub>1</sub>-20' interval of the Ranger Zone.
2. The final bottom-hole location of this well shall not, under any circumstances, be more than 500 feet from the tentative location given on Exhibit "B".
3. In the event of mechanical difficulties encountered on the plug-back of this well from the Upper Terminal Zone, subject to paragraph 4 below,

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it shall be completed as close to the tentative bottom-hole location given on Exhibit "B" as possible, consistent with good engineering and oil field practice.

4. In accordance with good oil field practice and the orderly development of the Ranger Zone in the Long Beach Unit, in the event geological data gathered from previously drilled Island "A" wells dictates that the bottom-hole location should be more than 100 feet from the tentative location given on Exhibit "B", the final location shall be set to be consistent with the existing development of Ranger Zone wells on Pier J. If the City and State are unable to agree on the completion location under the circumstances set forth in this paragraph 4, this well shall be completed within 100 feet of the tentative location given on Exhibit "B".

Approval of additional wells to be drilled from Island "A" during November and December 1966 will be requested at a later date.

Review by the Commission's staff of the proposed locations for wells to be drilled during the fourth 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 September 6, 1966, consented to the request for approval of the Fourth-Quarter Drilling Schedule for the 1966 Plan of Development and Operations and Budget, Long Beach Unit, subject to the well completion procedures set forth in the Long Beach City Manager's letter of August 24, 1966.

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 FOURTH-QUARTER DRILLING SCHEDULE FOR THE 1966 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, SUBJECT TO THE WELL COMPLETION PROCEDURES AS SET FORTH IN THE LONG BEACH CITY MANAGER'S LETTER REQUEST DATED AUGUST 24, 1966.