14. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2933.1, SANTA BARBARA COUNTY; PHILLIPS PETROLEUM COMPANY AND PAULEY PETROLEUM INC. - W.O. 6485.

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 PHILLIPS PETROLEUM COMPANY, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2933.1 THROUGH OCTOBER 24, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment
Calendar Item 27 (1 page)

27.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2933.1, SANTA BARBARA COUNTY; PHILLIPS PETROLEUM COMPANY AND PAULEY PETROLEUM INC. - W.O. 6485.

Phillips Petroleum Company, as operator, has requested a deferment of drilling requirements from April 25, 1967, to October 25, 1967, under Oil and Gas Lease P.R.C. 2933.1, containing 4,250 acres more or less of tide and submerged lands in Santa Barbara County. This lease was issued October 25, 1962, to Phillips Petroleum Company and Pauley Petroleum Inc., pursuant to competitive public bidding.

The deferment is requested to permit further review and evaluation of available geological data and of geophysical data developed in a recent seismic program, and in order for the lessees to obtain additional reservoir performance data, so as to determine what further development and exploration work are justified.

In developing the lease, Phillips has drilled five wells, one of which has been redrilled. The last well was completed on September 23, 1964. Four wells are producing currently.

The development has resulted in expenditures by the lessees of more than $7,000,000, which does not include the initial cash bonus paid to the State for issuance of the lease, the evaluation expenses, the geological and geophysical costs, and the lease rentals.

Since October 24, 1965, the Commission has granted deferments of drilling requirements through April 24, 1967.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO PHILLIPS PETROLEUM COMPANY, OPERATOR, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2933.1 THROUGH OCTOBER 24, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

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