MINUTE ITEM 5/25/67

41. DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 3501.1, GREY LODGE WATERFOWL MANAGEMENT AREA, BUTTE COUNTY; CAPITOL OIL CORPORATION, AND BRUCE D. BROOKS, AN INDIVIDUAL - W.O. 6542.

After consideration of Calendar Item 18 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO CAPITOL OIL CORPORATION, AND BRUCE D. BROOKS, AN INDIVIDUAL, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 3501.1 THROUGH DECEMBER 14, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment
Calendar Item 18 (1 page)

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18.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 3501.1, GREY LODGE WATERFOWL MANAGEMENT AREA, BUTTE COUNTY; CAPITOL OIL CORPORATION, AND BRUCE D. BROOKS, AN INDIVIDUAL - W.O. 6542.

An application has been received from Capitol Oil Corporation, and Bruce D. Brooks, an individual, requesting a deferment of drilling requirements from June 15, 1967, through December 14, 1967, on State Oil and Gas Lease P.R.C. 3501.1, containing 320 acres more or less of land comprising a portion of the Grey Lodge Waterfowl Management Area in Butte County.

This lease was issued June 15, 1966, to Capitol Oil Corporation, and Bruce D. Brooks, an individual, pursuant to competitive public bidding. The drilling term of the lease is six months.

The lessees, in conjunction with Richard S. Rheem, operator, drilled a well in the SE$\frac{1}{4}$ of Section 11, T. 17 N., R. 1 E., M.D.B.& M., adjacent to the leased land. The well was drilled to 3200 feet, and was abandoned August 23, 1966, without encountering oil or gas in commercial quantity.

One deferment of drilling requirements was granted by the Commission extending through June 14, 1967.

Bruce D. Brooks states that the lessees had intended to pool adjacent State acreage, that they had nominated for oil and gas lease with State Lease P.R.C. 3501.1 in order to form a drilling unit to evaluate both parcels; however, Bruce D. Brooks and Capitol Oil Corporation were unsuccessful in their bid for this acreage.

In order to facilitate negotiations for pooling of lands with the successful bidder for the adjacent State acreage, Bruce D. Brooks and Capitol Oil Corporation have requested a deferment of drilling requirements through December 14, 1967.

In conformance with current Commission practice of granting deferments of periods not in excess of six months,

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO CAPITOL OIL CORPORATION, AND BRUCE D. BROOKS, AN INDIVIDUAL, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 3501.1 THROUGH DECEMBER 14, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.