

MINUTE ITEM

4/25/68

22. DEFERMENT, DRILLING REQUIREMENTS, P.R.C. 308.1 AND P.R.C. 309.1, SANTA BARBARA COUNTY; ATLANTIC RICHFIELD COMPANY AND SIGNAL OIL AND GAS COMPANY - W.O. 6948.

After consideration of Calendar Item 44 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE GRANTING TO ATLANTIC RICHFIELD COMPANY AND SIGNAL OIL AND GAS COMPANY OF A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASES P.R.C. 308.1 AND P.R.C. 309.1 THROUGH NOVEMBER 17, 1968.

THE DEFERMENT IS TO BE SUBJECT TO THE EXPRESS CONDITION THAT DURING THE PERIOD THEREOF THE LESSEE WILL PERFORM ONE OF THE FOLLOWING ACTIONS:

1. INITIATE A RENEWED DEVELOPMENT PROGRAM FOR THE LEASE; OR
2. QUITCLAIM THE UNDEVELOPED LEASE AREA.

ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 44 (1 page)

CALENDAR ITEM

4/68  
W.O. 6948

44.

DEFERMENT OF DRILLING REQUIREMENTS

P.R.C. 308.1 and P.R.C. 309.1

LESSEE: Atlantic Richfield Company and Signal Oil and Gas Company

COUNTY: Santa Barbara

AREA: Goleta

ISSUED: March 4, 1947

WORK COMPLETED ON LEASES:

Twenty-four wells drilled. Three ocean-floor completed wells producing approximately 350 barrels of oil per day.

PREVIOUS DEFERMENTS:

From December 20, 1963, through May 17, 1968

THIS DEFERMENT:

From May 18, 1968, through November 17, 1968

REASON FOR REQUEST:

To evaluate wells drilled on State leases adjacent to Lease P.R.C. 308.1, and the proposed well to be drilled to within 1800 feet of the western boundary of the Lease P.R.C. 308.1.

DISCUSSION:

On July 28, 1964, the Commission approved a unit plan of development for State Oil and Gas leases P.R.C. 308.1 and P.R.C. 309.1. The principal effect of the unit plan was to liberalize drilling requirements by requiring only one well per 40 acres rather than per 20 acres as prior to the agreement; and by extending the drilling term between wells from 30 days to 120 days.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE GRANTING TO ATLANTIC RICHFIELD COMPANY AND SIGNAL OIL AND GAS COMPANY OF A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASES P.R.C. 308.1 AND P.R.C. 309.1 THROUGH NOVEMBER 17, 1968.

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ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.