

35. REQUEST FOR APPROVAL OF NEW WELL "STATE 4000" 605, STATE OIL AND GAS LEASE P.R.C. 4000.1, CARPINTERIA OFFSHORE OIL AND GAS FIELD, SANTA BARBARA COUNTY; STANDARD OIL COMPANY OF CALIFORNIA AND ATLANTIC RICHFIELD COMPANY.

During consideration of Calendar Item 34 attached, appearances were made by the following:

In favor of approving new well "State 4000" 605

Dudley G. Couvillon, Vice President, Standard Oil Company of California, Western Operations, Inc.
A. B. Bristow, Jr., Division Superintendent for the Southern Division, Standard Oil Company of California, Western Operations, Inc.
h. E. France, Division Manager at La Habra, Standard Oil Company of California, Western Operations, Inc.

Opposed to approving new well "State 4000" 605

State Senator Robert J. Lagomarsino, 24th District (Santa Barbara and Ventura Counties)
State Assemblyman Don MacGillivray, 36th District (San Luis Obispo County)
George H. Clyde, Chairman, Santa Barbara County Board of Supervisors
George P. Kading, County Counsel, Santa Barbara County

Action was deferred pending the demonstration of containment and recovery equipment that is adequate to provide protection of the public interest in the Santa Barbara Channel.

Attachment:

Calendar Item 34 (1)

34.

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Oil and Gas Lease P.R.C. 4000.1, covering approximately 204 acres of submerged lands in Santa Barbara County (Exhibit "A") was issued to Standard Oil Company of California and Atlantic Richfield Company on August 28, 1968.

Standard, as operator, has drilled 4 wells into the leased lands from Platform "Hope", located on the adjacent State Lease P.R.C. 3150.1.

Federal Outer Continental Shelf lands contiguous to Lease P.R.C. 4000.1 are under lease to Phillips Petroleum Company (O.C.S. P-0166). Phillips has drilled and completed a producing well within the offset distance (500 feet) of the seaward boundary of Lease P.R.C. 4000.1.

Standard has now submitted an application to drill a new well, "State 4000" 605, to be completed in the area currently subject to drainage. The lease provides that in the event any well is drilled and completed on other than State lands within five hundred feet of the exterior boundary of the lease, the State may require the lessee to drill an offset well. The proposed well location will be in compliance with the lease terms.

The proposed well will be drilled from Platform "Hope", constructed in December, 1965, and from which 36 wells have been drilled and completed without incident. In addition 26 wells have been drilled by Standard from Platform "Heidi" into the Carpinteria offshore Field. Therefore, considerable geologic knowledge has been acquired in the area and based upon the drilling and completion procedures proposed by Standard, the proposed well should be under complete control at all times. The drilling and completion program have been reviewed by the Division and determined to be in accordance with good engineering practice and the rules and regulations of the Commission. The Division of Oil and Gas has approved the drilling of this well. Standard has reported that containment booms would be immediately available under an agreement with Phillips, who has a total of 1000 feet of "Slickbar Oil Boom" (a continuous plastic curtain weighted on the bottom and extending 10 inches below a cylindrical foam support float) on OCS Platforms "Hogan" and "Houchin" located within 6600 feet of Standard's Platform "Hope".

Engineering and economic studies conducted by the lessee and the Division indicate the proposed well to be essential to protect the lease from drainage. Delayed authorization or lack of authorization for the well will result in a permanent loss of income to the State and the lessee by reason of continuing drainage by a Federal lessee from a well completed July 20, 1969, subsequent to the Santa Barbara blowout (January 28, 1969). However, the State Lands Division is unaware of the current existence of adequate operational oil spill containment and recovery equipment as specified by the Commission as a necessary condition for consideration of authorization for drilling new wells from exposed offshore facilities.

The applicant wishes to report to the Commission reasons for authorizing the proposed drilling.