## MINUTE ITEM

10. AUTHORIZATION OF THE EXECUTIVE OFFICER TO APPROVE REMEDIAL WELL WORK - W 9000.

After consideration of Calendar Item 3 attached, and upon motion duly made and carried, the following resolution was adopted:

THE EXECUTIVE OFFICER, AS CHIEF ENGINEER OF THE STATE LANDS DIVISION, IS AUTHOR-IZED TO APPROVE REMEDIAL WELL WORK INVOLVING SIDETRACK DRILLING OPERATIONS WHERE THE PROPOSED WORK PROGRAMS ARE DETERMINED TO BE IN ACCORDANCE WITH GOOD ENGINEERING PRACTICES AND THE RULES AND REGULATIONS OF THE COMMISSION.

Attachment:

Calendar Item 3 (1 page)

3.

AUTHORIZATION OF THE EXECUTIVE OFFICER TO APPROVE REMEDIAL WELL WORK - W 9000.

As a result of a well blowout and the subsequent marine pollution on Federal Outer Continental Shelf lands in the Santa Barbara Channel, the State Lands Commission imposed a moratorium on new drilling on existing State leases, subject to Commission review of drilling requests on a well-by-well basis.

The Division has received and will continue to receive applications for certain remedial work that will require "sidetracking" the original completion intervals of existing wells. The necessity for recompleting a well involves a mechanical failure that makes the well incapable of production. In such circumstances it is normal practice to plug the well at the point of the mechanical failure (usually in excess of one-thousand feet below the ocean floor) and, using the remaining cased well bore, to sidetrack (i.e., drill out from the existing well bore) and to recomplete the well within 100 feet of the former bottom-hole location. Under such conditions, complete down-hole control and safety of operations are provided. The geologic conditions are known, casing has been set and cemented in competent beds, and detailed reservoir data, including formation-pressure data, is available for the remedial work program preparation. Such programs are subjected to a detailed engineering review for determination that good engineering practices and the rules and regulations of the Commission are to be followed.

IT IS RECOMMENDED THAT THE EXECUTIVE OFFICER, AS CHIEF ENGINEER OF THE STATE LANDS DIVISION, BE AUTHORIZED TO APPROVE REMEDIAL WELL WORK INVOLVING SIDETRACK DRILLING OPERATIONS WHERE THE PROPOSED WORK PROGRAMS ARE DETERMINED TO BE IN ACCORDANCE WITH GOOD ENGINEERING PRACTICES AND THE RULES AND REGULATIONS OF THE COMMISSION.