

MINUTE ITEM

5/27/71
ADW

13. APPROVALS OF WELL DEEPENING WORK - W 9000.

During consideration of Calendar Item 18 attached, Mr. George P. Kading, Counsel for the County of Santa Barbara, appeared in opposition to deepening of existing wells under State lease.

UPON MOTION DULY MADE AND CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE COMMISSION APPROVES THE APPLICATION OF ATLANTIC RICHFIELD COMPANY TO DEEPEN AND RECOMPLETE WELL "STATE 1466" 32, AS A WATER-INJECTION WELL, THE PROPOSED WELL DEEPENING TO BE DONE FROM THE MAN-MADE "RINCON" ISLAND, LOCATED APPROXIMATELY ONE-HALF MILE OFFSHORE, RINCON AREA, VENTURA COUNTY.

Attachment:

Calendar Item 18 (1 page)

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

As a result of the well blowout and 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 with the reservation that consideration would be given to drilling proposals where effective safety and control conditions can be applied.

The Division has received and will continue to receive applications for deepening existing wells into zones that have been fully tested and partially depleted. The necessity for deepening such wells is to provide optimum zonal development in order to maximize primary and secondary oil recovery in accordance with good conservation principles and engineering practices. In such cases, the geology of the area is well known, casing has been set and cemented in competent beds, and detailed reservoir data, including formation-pressure data, is available for proposed drilling program preparation. Under such conditions, complete down-hole control and maximum safety factors are provided. Proposed well 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.

For example, Atlantic Richfield Company has submitted an application to deepen and recomplete well "State 1466" 32, as a water-injection well, in an area that has been thoroughly explored and for which there exists considerable geologic control and reservoir knowledge. Atlantic Richfield has drilled a total of 47 wells in the offshore field, of which 32 wells have penetrated this deeper zone. Formation-pressures have been sufficiently reduced by past production so that pumping equipment is now required to lift reservoir liquids to the surface.

The proposed well deepening would be from the man-made "Rincon" Island, constructed in 1958 and located approximately one-half mile offshore, Rincon area, Ventura County. The facilities available and the procedures followed in drilling from such permanent structures are identical to those used at upland locations. The deepening well program has been reviewed and fully meets the requirements of the Commission. The State Division of Oil and Gas has approved the deepening well work. There can be no additional impact on the environment inasmuch as the proposed operation would be conducted by utilizing existing facilities.

IT IS RECOMMENDED THAT THE EXECUTIVE OFFICER, AS CHIEF ENGINEER OF THE STATE LANDS DIVISION, BE AUTHORIZED TO APPROVE THE DEEPENING OF EXISTING WELLS UNDER STATE LEASE WHERE THE GEOLOGIC AND RESERVOIR CONDITIONS ARE KNOWN AND THE PROPOSED WELL PROGRAMS ARE DETERMINED TO BE IN ACCORDANCE WITH GOOD ENGINEERING PRACTICES AND THE RULES AND REGULATIONS OF THE COMMISSION.