6. APPROVAL OF PROPOSED REDRILLING OF WELL "STATE 392" S-131, EXCHANGE OIL AND GAS LEASE E 392, HUNTINGTON BEACH OFFSHORE, ORANGE COUNTY; BURMAH OIL AND GAS COMPANY - E 392.

After consideration of Calendar Item 4 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION:

- 1. DETERMINES THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY BECAUSE IT IS AN ONGOING PROJECT UNDER 14 CAL. ADM. CODE 15070.
- 2. AUTHORIZES THE APPROVAL OF REDRILLING WELL "STATE 392" S-131, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF EXCHANGE OIL AND GAS LEASE E 392, BURMAH OIL AND GAS COMPANY, LESSEE, AND THE RULES AND REGULATIONS OF THE COMMISSION.

Attachment: Calendar Item 4 (2 pages)

4.

APPROVAL OF PROPOSED REDRILLING OF WELL "STATE 392" S-131, EXCHANGE OIL AND GAS LEASE E 392, HUNTINGTON BEACH OFFSHORE, ORANGE COUNTY

LEASE:

E 392.

LESSEE:

Burmah Oil and Gas Company

P. O. Box 191

Huntington Beach, California

COUNTY:

Orange.

AREA:

Huntington Beach Offshore Field.

PERTINENT INFORMATION:

Burmah has been actively developing and water-flooding the Upper and Lower Jones Zone intervals, throughout the Huntington Beach Offshore Field.

The proposed redrilling of idle well "State 392" S-131 will provide a necessary additional water injection point into the Upper Jones interval of Fault Block 16. The well will be renamed "State 392" UJ-258, when recompleted.

Burmah estimates that this work should result in increasing oil recovery by 432,000 barrels. Production response to the water injection should begin to occur after about a year so it is essential that this proposed redrilling be done as soon as possible.

This proposed redrill work is a part of the plan for secondary recovery operations, approved by the State Lands Commission on November 6, 1963 (Minute Item 21, page 9362).

An environmental impact report is not required as this is an ongoing project. The surface location of this well is on the uplands.

The proposed drilling and completion program has been reviewed by the Division and found to be in accordance with good engineering practices and the rules and regulations of

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the Commission. The Division of Oil and Gas has approved the redriating of this well. This proposed well redrilling is part of the plan of development exempted from permit requirements by the South Coast Regional Commission.

EXHIBIT:

A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

- 1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY BECAUSE IT IS AN ONGOING PROJECT UNDER 14 CAL. ADM. CODE 15070.
- 2. AUTHORIZE THE APPROVAL OF REDRILLING WELL "STATE 392" S-131, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF EXCHANGE OIL AND GAS LEASE E 392, BURMAN OIL AND GAS COMPANY, LESSEE, AND THE RULES AND REGULATIONS OF THE COMMISSION.