

MINUTE ITEM

12/1/75  
LCS

13. APPROVAL OF PROPOSED DRILLING OF NEW WELLS "STATE 392" UJ-261, "STATE 392" UJ-262, AND "STATE 392" UJ-263 AND REDRILLING OF WELL "STATE 392" J-76A. EXCHANGE OIL AND GAS LEASE E 392, HUNTINGTON BEACH OFFSHORE, ORANGE COUNTY; BURMAH OIL AND GAS COMPANY.

During consideration of Calendar Item 13, attached, Mr. James Fink, representing himself, appeared in support of the item.

Attachment:  
Calendar Item 13 (3 pages)

MINUTE ITEM NO. 13

APPROVED 12/11/75

CALENDAR ITEM

12/75  
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13.

APPROVAL OF PROPOSED DRILLING  
OF NEW WELLS "STATE 392" UJ-261,  
"STATE 392" UJ-262, AND "STATE 392" UJ-263  
AND REDRILLING OF WELL "STATE 392" J-76A.  
EXCHANGE OIL AND GAS LEASE E 392  
HUNTINGTON BEACH OFFSHORE, ORANGE COUNTY

LEASE: E 392.

LESSEE: Burmah Oil and Gas Company  
2828 Junipero Avenue  
Signal Hill, California 90806

COUNTY: Orange.

AREA: Huntington Beach Offshore Field.

PERTINENT INFORMATION:

Burmah is actively developing the Upper Jones zone on the West Flank area in the "State 392" lease for primary and secondary recovery operations. In order to maintain a coordinated and uninterrupted secondary recovery development program in this area, Burmah proposes the following work:

1. Drill new producing Well "State 392" UJ-261 in Fault Block "12".
2. Drill new producing Well "State 392" UJ-262 in Fault Block "11".
3. Drill new injection Well "State 392" UJ-263 in Fault Block "12".
4. Redrill producing Well "State 392" J-76A in Fault Block "21".

These proposals are part of seventeen potential well locations from which an estimated 3.6 million barrels of primary and secondary oil will ultimately be recovered.

The proposed wells are part of the plan for secondary operations approved by the Commission on November 6, 1963 (Minute Item 21, Page 9362). Peak production from this lease occurred in 1972 (base year for oil price control). Current production is less than base year rates, and is therefore subject to price control. These proposed wells, if approved, would not be drilled until January and February 1976.

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An Environmental Impact Report is not required as this is an ongoing project. The surface locations of these wells are on the uplands.

Proposed new producing well "State 392" UJ-261 will initiate primary development in Fault Block "12" and will recover an estimate 155,000 barrels of oil. Proposed new injection Well "State 392" UJ-263 will initiate secondary recovery waterflood operations in Fault Block "12", approximately two months later; it should result in an incremental oil recovery of 303,000 barrels of oil. The total revenue to the State is estimated at \$246,000 under controlled prices, or \$682,000 should price controls be eliminated and current exempt prices prevail.

Proposed new producing Well "State 392" UJ-262 will initiate primary development and provide for secondary recovery steaming operations in Fault Block "11". Future primary and secondary oil recovery from this well is estimated to be 208,000 barrels of oil yielding \$109,000 in revenue to the State under controlled prices, or \$308,000 should price controls be eliminated and current exempt prices prevail.

Proposed redrill of producing well "State 392" J-76A (to be redesignated "State 392" UJ-76B) will initiate primary development and provide for secondary recovery steaming operations in Fault Block "21". Future primary and secondary oil recovery from this well is estimated to be 202,000 barrels of oil, yielding \$105,000 in revenue to the State under controlled prices, or \$299,000 should price controls be eliminated and current exempt prices prevail.

The proposed drilling programs have been reviewed by the Division and determined to be in accordance with good engineering practices and the rules and regulations of the Commission. The Division of Oil and Gas has approved the drilling of these wells. The proposed wells are part of the plan of development exempted from permit requirements by the South Coastal 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.

CALENDAR ITEM NO. 13. (CONTD)

2. AUTHORIZE THE APPROVAL OF DRILLING WELLS "STATE 392" UJ-261, "STATE 392" UJ-262, AND "STATE 392" UJ-263, AND OF REDRILLING WELL "STATE 392" J-76A (TO BE REDESIGNATED "STATE 392" UJ-76B) IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF EASEMENT OIL AND GAS LEASE E 392; BURMAH OIL AND GAS COMPANY, LESSEE, AND THE RULES AND REGULATIONS OF THE COMMISSION.