MINUTE ITEM

This Calendar Item No. 27
was approved as Minute Item
No. 22 by the State Lands
Commission by a vote of 3
to 2 at its 7/22/82
meeting.

CALENDAR ITEM

27

7/22/82
PRC 3095
Livenick

DEFERMENT OF DRILLING REQUIREMENT,
STATE OIL AND GAS LEASE PRC 3095

LESSEE: Chevron USA, Inc.
575 Market Street
San Francisco, California 94120

AREA, TYPE LAND AND LOCATION:
State Oil and Gas Lease PRC 3095 was issued on January 30, 1964 and contains approximately 3,360 acres of tide and submerged lands lying in the County of Orange. State Lease PRC 3095 is currently being held by Chevron USA, Inc.

SUMMARY: Resumption of drilling operations from existing facilities on Oil and Gas Lease PRC 3095.1 was authorized by the Commission on January 14, 1975. Under the terms of lease, Chevron is required to maintain a continuing drilling program until the underlying oil and gas reservoirs are fully developed. That program requires that each well drilled or redrilled must be commenced within 120 days after the cessation of drilling operations on the preceding well. An engineering and geologic review indicates that the field may be fully developed except for two shallow zones. Chevron requests a 90 day deferment from the drilling requirement during which to:

1. Re-evaluate the lease geology.

2. Determine wells which could at some point be plugged back and re-completed in the shallow zones.

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3. Provide the State Lands Commission with details of the aggressive remedial program planned for the lease.

AB 884: N/A.

OTHER PERTINENT INFORMATION

1. This activity is exempt from CEQA because it does not constitute a project.

EXHIBIT: A. Site Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT CEQA IS NOT APPLICABLE TO THIS ACTION AS IT IS NOT A PROJECT WHICH MAY HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT AS DEFINED IN THE CEQA AND ITS IMPLEMENTING GUIDELINES P.R.C. 21080, CAL. ADM. CODE 15060.

2. AUTHORIZE A DEFERMENT OF THE DRILLING REQUIREMENT TO CHEVRON USA, INC. ON STATE OIL AND GAS LEASE PRC 3095, FOR THE PERIOD COMMENCING AUGUST 12, 1982, TO NOVEMBER 10, 1982. THE COMMISSION RESERVES THE RIGHT TO TERMINATE THIS DEFERMENT OF DRILLING REQUIREMENT UPON 30 DAYS WRITTEN NOTICE, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

EXHIBIT "A"

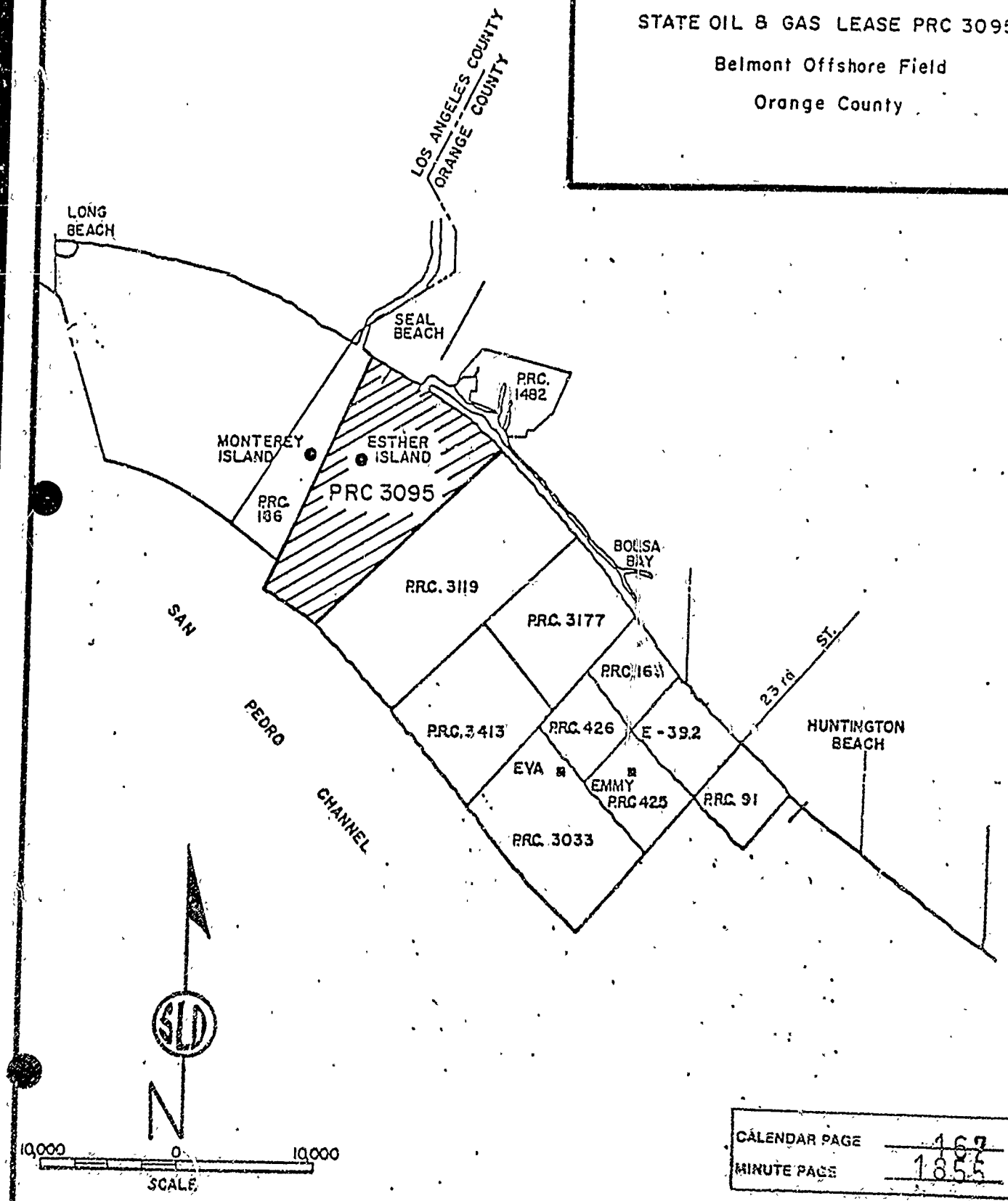
STATE LANDS COMMISSION

DEFERMENT of DRILLING REQUIREMENTS

STATE OIL & GAS LEASE PRC 3095.1

Belmont Offshore Field

Orange County



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