

MINUTE ITEM

7. (APPLICATION FOR CONSTRUCTION OF A WHARF, MONTEREY OIL COMPANY, SEAL BEACH, ORANGE COUNTY - W. O. 2916, P.R.C. 186.1.)

After presentation of Calendar Item 19 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO APPROVE THE CONSTRUCTION BY THE MONTEREY OIL COMPANY OF A WHARF ADJOINING THE DRILLING ISLAND LOCATED ON OIL AND GAS LEASE P.R.C. 186.1, IN ACCORDANCE WITH THE SUBMITTED PLAN, THE PROPOSED WHARF TO BE USED TO ACCOMMODATE OPERATING EQUIPMENT NECESSARY TO INITIATE A PILOT WATER FLOOD OPERATION IN THE SHALLOW PRODUCING ZONE, SUBJECT TO THE APPROVAL BY THE U. S. ARMY CORPS OF ENGINEERS OF THE PROPOSED WHARF PLACEMENT.

Attachment.

Calendar Item 19 (1 page)

CALENDAR ITEM

OIL & GAS

19.

(APPLICATION FOR CONSTRUCTION OF A WHARF, MONTEREY OIL COMPANY, SEAL BEACH, ORANGE COUNTY - W. O. 2916.)

Oil and Gas Lease P.R.C. 186.1 was issued September 24, 1945 pursuant to competitive public bidding, in accordance with the provisions of Division 6 of the Public Resources Code. Lease P.R.C. 186.1 is now held by the Monterey Oil Company and The Texas Company with Monterey Oil Company designated as operator.

On November 12, 1957 the Commission, at the request of the operator, authorized the modification of the terms of Lease P.R.C. 186.1 by the substitution of the terms of Section 6873 of the Public Resources Code, in order for the lessee to take advantage of the more favorable operating and development conditions specified. Subsection (a) of Section 6873 authorizes drilling operations from platforms or other fixed or floating structures.

Initiation of a pilot water flood operation in the shallow producing zone for the purpose of reservoir pressure maintenance and to increase the ultimate recovery of oil and gas is under consideration.

A request has been received from the Monterey Oil Company for Commission approval of the construction of a wharf, in accordance with submitted plans, adjoining the drilling island located on Lease P.R.C. 186.1, to be used to accommodate operating equipment and the water source wells required for the proposed water flood operation. The operator has also applied to the U. S. Army Corps of Engineers for a permit to construct the proposed wharf at this location.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO APPROVE THE CONSTRUCTION BY THE MONTEREY OIL COMPANY OF A WHARF ADJOINING THE DRILLING ISLAND LOCATED ON OIL AND GAS LEASE P.R.C. 186.1, IN ACCORDANCE WITH THE SUBMITTED PLAN, THE PROPOSED WHARF TO BE USED TO ACCOMMODATE OPERATING EQUIPMENT NECESSARY TO INITIATE A PILOT WATER FLOOD OPERATION IN THE SHALLOW PRODUCING ZONE, SUBJECT TO THE APPROVAL BY THE U. S. ARMY CORPS OF ENGINEERS OF THE PROPOSED WHARF PLACEMENT.