MINUTE ITEM

22. APPROVAL OF REDRILLING WELL "STATE 392" S-81-B, HUNTINGTON BEACH FIELD, ORANGE COUNTY; SIGNAL OIL AND GAS COMPANY - E 392.1.

After consideration of Calendar Item 20 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE APPROVAL OF REDRILLING AND COMPLETING WELL "STATE 392" S-81-B, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF EXCHANGE OIL AND GAS LEASE E 392.1, SIGNAL OIL AND GAS COMPANY, LESSEE, AND THE RULES AND REGULATIONS OF THE COMMISSION.

Attachment: Calendar Item 20 (1 page)

20.

PROPOSED REDRILL OF WELL "STATE 392" S-81-B

LEASE:

E 392,1.

LESSEE:

Signal Oil and Gas Company.

COUNTY:

Orange.

AREA:

Huntington Beach Field.

PERTINENT INFORMATION:

Signal has initiated a full-scale secondary recovery operation. Production performance clearly indicates that the program has been successful, resulting in an economic advantage to the State. In order to maintain a coordinated and uninterrupted secondary recovery development program, Signal has submitted an application to redrill well "State 392" S-81-B, as a producing well.

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

The proposed completion interval in this well will provide the best development spacing for optimum secondary response. The surface location of this well is on the uplands.

The proposed redrilling and completion program has 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 redrilling of this well. The proposed well 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 AUTHORIZE THE APPROVAL OF REDRILLING AND COMPLETING WELL "STATE 392" S-81-B, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF EXCHANGE OIL AND GAS LEASE E 392.1, SIGNAL OIL AND GAS COMPANY, LESSEE, AND THE RULES AND REGULATIONS OF THE COMMISSION.