

MINUTE ITEM

1/14/75
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8. ACTION OF STATE LANDS COMMISSION OF NOVEMBER 21, 1974, AUTHORIZING THE RESUMPTION OF DRILLING OPERATIONS UNDER STATE OIL AND GAS LEASE PRC 427; MOBIL OIL CORPORATION - W 9735, PRC 427.

During consideration of Calendar Item 5 attached, Mr. Donald J. Everitts, Manager, Energy and Mineral Resources Development, explained the history of the transaction and its current status to the Commission.

Appearance:

Mr. Lawrence Straw, Jr., Attorney, representing Mobil Oil Corporation.

After the Commission determined that the former action of the previous Commission was proper, no action was taken.

Attachment:

Calendar Item 5 (3 pages)

CALENDAR ITEM

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5.

INFORMATION REGARDING ACTION OF
STATE LANDS COMMISSION NOVEMBER 21, 1974,
AUTHORIZING THE RESUMPTION OF DRILLING OPERATIONS
UNDER STATE OIL AND GAS LEASE PRC 427;
MOBIL OIL CORPORATION

State Lease PRC 427 (Calendar Item 21, Exhibit "A" attached).

Lessee: Mobil Oil Corporation.
County: Ventura.
Issued: May 19, 1930.
Acreage: 148.
Bonus: None.
Royalty: Sliding scale, minimum 12-1/2%.
Structure: Pier facilities.
Well Locations: 33.
Wells Drilled: 33.
Cumulative Production: Oil - 12,141,503 bbls.; Gas - 14,140,576 mcf.
Cumulative Royalty: \$2,903,887.
Current Production: Oil - 11,824 bbl./Mo.; Gas - 12,912 mcf/Mo.
Current Royalty: \$9,305/Mo.

Attachment: Exhibit "A" (Calendar Item 21, November 21, 1974 meeting)

In December 1973 additional operational procedures were adopted for offshore drilling operations conducted under State oil and gas lease. Such procedures mandate safety and oil spill equipment and procedures, training of operating personnel in oil spill prevention, control and cleanup techniques, and frequent and intense inspecting and monitoring by State Lands Division representatives. Additionally, detailed well casing requirements, blow-out prevention equipment, drilling fluid programs, drilling practices, production procedures, inspections, testing, plugging and record keeping are specifically detailed in the new requirements.

EXHIBIT "A"

CALENDAR ITEM

11/74
GWG
W 9735

21.

APPROVAL OF RESUMPTION OF DRILLING OPERATIONS
ON STATE OIL AND GAS LEASE PRC 427.1
RINCON FIELD, VENTURA COUNTY

LEASE: PRC 427.1.
LESSEE: Mobil Oil Corporation.
COUNTY: Ventura.
AREA: Rincon Field.

PERTINENT INFORMATION:

The purpose of the project is to complete the development of the oil and gas reserves in the reservoirs underlying the developed portions of the subject lease by continued waterflooding of the currently productive zones. The plan of development includes the redrilling of four "injector" wells which have become severely plugged resulting in low injection rates and poor injection profiles. The productive limits of the reservoirs and the geology of the lands underlying the developed portion of the lease are fully known as a result of prior drilling operations.

Redrilling the injectors as proposed will not involve any new environmental commitments. No new surface (ocean floor) holes will be created, with the redrilled portions of the wells to be commenced at considerable depth below the ocean floor, and completed in the presently developed zones. The redrilling program will require no additional production facilities on the pier, no additional pipelines and no additional onshore facilities.

The project will be conducted in accordance with the procedures for drilling and production operations, and rules and regulations of the State Lands Commission and the State Division of Oil and Gas.

ENVIRONMENTAL IMPACT:

In accordance with the State Guidelines for Implementation of the California Environmental Quality Act of 1970, as amended, a negative declaration has been prepared and circulated to concerned agencies and to the public.

EXHIBIT: A. Location Map.

CALENDAR ITEM NO. 21. (CONTD)

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS PROJECT BUT THAT A NEGATIVE DECLARATION HAS BEEN PREPARED BY THE DIVISION.
2. CERTIFY THAT THE NEGATIVE DECLARATION (ND EIR 163) HAS BEEN COMPLETED IN COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT OF 1970, AS AMENDED, AND THE STATE GUIDELINES AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
3. DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. AUTHORIZE THE RESUMPTION OF DRILLING OPERATIONS FROM EXISTING FACILITIES ON STATE OIL AND GAS LEASE PRC 427.1, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE LEASE AND THE RULES AND REGULATIONS OF THE STATE LANDS COMMISSION.