MINUTE ITEM

This Calendar Item No. 22
was approved by the State Lands
Commission by a vote of 3
to 0 at its 3/31/77
meeting.

CALENDAR ITEM

22.

3/77
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APPROVAL OF RESUMPTION OF DRILLING OPERATIONS
FROM EXISTING FACILITIES ON STATE OIL AND GAS LEASE
PRC 410.1, VENTURA COUNTY

LEASE: PRC 410.1.

LESSEE: Cabot Oil and Gas Corporation
2497 Harbor Blvd., Suite 1
Ventura, California 93003

COUNTY: Ventura.

AREA: Rincon Field.

PERTINENT INFORMATION:

The purpose of the project is to complete the development of the oil and gas reserves underlying the developed portions of the subject lease. The project will recover an estimated two million barrels of oil; one million barrels from the shallow zones above 4,000 feet through expansion of an existing waterflood program and another million from further development in the zones below 4,000 feet. Additional production would be upper tier oil with an approximate value of $10.50 per barrel. The plan of development will include new well drilling, redrilling of existing wells and expansion of the waterflood program. A total of eleven wells are to be drilled; five will be new wells and six will be redrills. It is expected that the entire drilling program will not exceed 2 years and only one drilling rig will be used. All project operations will be conducted on the lessee's adjacent upland facilities.

Minor modifications of the surface facilities will be required upon completion of the proposed wells. The anticipated production increase would result in some new flow lines and require the construction of a 500-barrel wash tank.

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.

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ENVIRONMENTAL CONSIDERATION:

In accordance with the State Guidelines for implementation of the California Environmental Quality Act of 1970, as amended, Division staff prepared an initial study for the project and concluded that the proposed work will not result in a significant effect on the environment. Therefore, the preparation of an Environmental Impact Report is not required. As such, a Negative Declaration was prepared and circulated to concerned agencies and to the public.

EXHIBITS: A. Lease Location Map. B. Negative Declaration.

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 (EIR ND# 208) 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 410.1, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE LEASE AND THE RULES AND REGULATIONS OF THE STATE LANDS COMMISSION.