

NOTED-ADAMS

December 2, 1987

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Chevron U.S.A. Inc.
Attention: Mr. Douglas E. Uchikura
P. O. Box 5050
San Ramon, CA 94583-0905

Re: Revised Plan of Operation -
Rocky Point Unit
Revision to Point Arguello Field DPP -
Platform Hermosa
Offshore California

Dear Sir or Madam:

Reference is made to your November 23, 1987 letter concerning the above captioned subjects. You have provided us with a revised Plan of Operation for the Rocky Point Unit which proposes the drilling and testing of an exploratory well from Platform Hermosa. An addendum to the Point Arguello Field Development and Production Plan (DPP) has also been furnished to reflect the proposed well. As agreed between Mr. Jim Seymour (Chevron) and Mr. Steven Wolfson of my staff, the proposed Plan of Operation has been further modified by us to include the expiration date of June 30, 1988.

We hereby approve the revised Plan of Operation for the Rocky Point Unit which provides for the drilling and testing of a well from Platform Hermosa into the unit area. This approval is granted with the following conditions:

- Spud date of the well is to be no later than December 31, 1987.
- There is to be diligent drilling and testing operations as evidenced by no unnecessary delays; a continuous operation.
- Test production from this well is to be allocated to Lease OCS-P 0451 for royalty purposes. The initial Participating Area for the Rocky Point Unit shall not commence.
- The long-term production testing is to be for a period of one year or less.
- Copies of all pertinent reports presenting results of the long-term testing are to be timely provided to the Minerals Management Service.

A copy of the approved Plan of Operation is enclosed.

Furthermore, we hereby approve the proposed revision to the Point Arguello Field DPP. These data will be held proprietary and not be released as public information. A copy of the approved revision is enclosed.

Sincerely,

(Orig. Sgd.) James R. Mason, Jr.

for

Thomas W. Dunaway
Regional Supervisor
Office of Field Operations

Enclosures

- bcc: File: Rocky Point Unit - General Corresp. (w/encls)
- Rocky Point Unit Agreement (w/encls)
- Point Arguello Field, Lease OCS-P 0316 DPP Corresp. (w/encls)
- RD (w/o encls)
- Chron (w/o encls)
- Chief, OR&A (w/encls)
- DS, Santa Maria (w/encls)
- Chief, R&D (w/encls)

OFO: SAWolfson/yma:12-01-87, Disk 49, Doc. 21