



PHILLIPS PETROLEUM COMPANY  
1306 Santa Barbara Street  
Santa Barbara, California 93104

Exploration and Production Department

February 8, 1967

In re: Development of OCS-P-0166 Lease

CONFIDENTIAL

United States Department of Interior  
Geological Survey  
7744 Federal Building  
300 No. Los Angeles Street  
Los Angeles, California 90012

Attention: Mr. D. W. Solanas, Regional Supervisor

Gentlemen:

The purpose of this letter is to submit the general plan for developing OCS-P-0166 Lease for your approval.

The working interest owners, Phillips Petroleum Company, Cities Service Oil Company and Continental Oil Company, propose to drill five or more 5000 foot expendable wells for the purpose of obtaining reservoir data for reserve determination and for defining the limits of the reservoir. This information is needed to determine if sufficient reserves are in place to justify installation of one or more combination drilling - production platforms, and to properly locate the platforms at the optimum position for directionally drilling the wells.

Anticipating that a platform, or platforms, will be justified, bid proposals have been obtained from four platform fabricators. It is expected that sufficient reservoir data will be available from the test wells to permit ordering the initial platform by early May, 1967. Development well drilling from the platform should commence approximately nine months after placing the order for the platform, or about the first of 1968.

The working interest owners also plan to drill a deep test on the lease this summer; it is anticipated that this well will be located so as to tie back into a platform. This well will be drilled with Western Offshore Drilling Company's drilling barge, WESTERN OFFSHORE NO. 6, now under construction at Wilmington, California. The scheduled delivery date of this vessel is the first week of May, 1967.

Concurrently with the above, negotiations are being made to obtain a shore site for an onshore processing facility. After obtaining an option to the site, a conditional use permit will then be required from the Santa Barbara Planning Commission and County Supervisors to permit using the site for oil processing. Considerable trouble and delay is expected in securing this needed site.

NOTED - SOLANAS

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The foregoing general plan for orderly developing OCS-P-0166 Lease is respectfully submitted for your approval.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "F. R. Davis". The signature is written in a cursive style with a large initial "F" and a long, sweeping underline.

F. R. Davis  
District Production Superintendent

MRH:mfd