Shell California Production Inc.

A Subsidiary of Shell Oil Company



P.O. Box 11164 Bakersfield, California 93389

May 30, 1985

NOTED DUNAWAY



United States Department of the Interior Minerals Management Service Pacific OCS Region Regional Supervisor Offshore Field Operations 1340 West Sixth Street Los Angeles, CA 90017

Gentlemen:

SUBJECT: AMENDMENT TO THE BETA PLAN OF DEVELOPMENT

We request your approval to amend the original Beta Unit Plan of Development to allow for the drilling and evaluation of the Mohnian age section from Platform Eureka. This evaluation would require production testing, and eventual production, if warranted. Should further development be required on the basis of a successful test, we will submit a development plan outlining the proposed exploitation of these deeper horizons.

On April 19, 1983, we requested the subject amendment; and through your letter dated April 29, 1985, received approval for the exploratory drilling and testing of one or more wells from Platform Ellen for delineation of potential Mohnian age reservoirs. This lithologic section was tested by Ellen well No. A-51 and small quantities of 20-25° API gravity oil were recovered during testing. Although well No. A-51 was noncommercial, each of the three Monterey production tests gave 500-1000 B/D rates on nitrogen gas lift, with maximum rates estimated at 1000-2000 B/D.

The proposed test from Platform Eureka will penetrate a Mohnian section about 2000' structurally higher than in the Ellen area. We anticipate that the well will encounter the Mohnian section at approximately -5500' subsea and would penetrate basement near -8250' subsea (see figures 1,2). The lowest hydrocarbon bearing interval in the Delmontian section should occur at approximately -4100' subsea. As a precautionary measure, the surface and subsurface equipment will be $\rm H_2S$ rated, the drilling crews will be $\rm H_2S$ trained and the necessary $\rm H_2S$ detection and safety equipment will be utilized. $\rm H_2S$ considerations also will be reflected in our request for permitting which will also outline our proposed casing program.

In the event the well is not put on Mohnian production, it would be plugged and abandoned in the deeper portions, and recompleted in the Delmontian section as a producing well.

The proposed well has a current projected spud date of early September, 1985. We request your early consideration and approval to proceed with development according to the amended plan outlined above. Any questions regarding the subject plan may be directed to H. A. Orndorff, (805) 326-5238.

Sincerely,

N. G. McKim

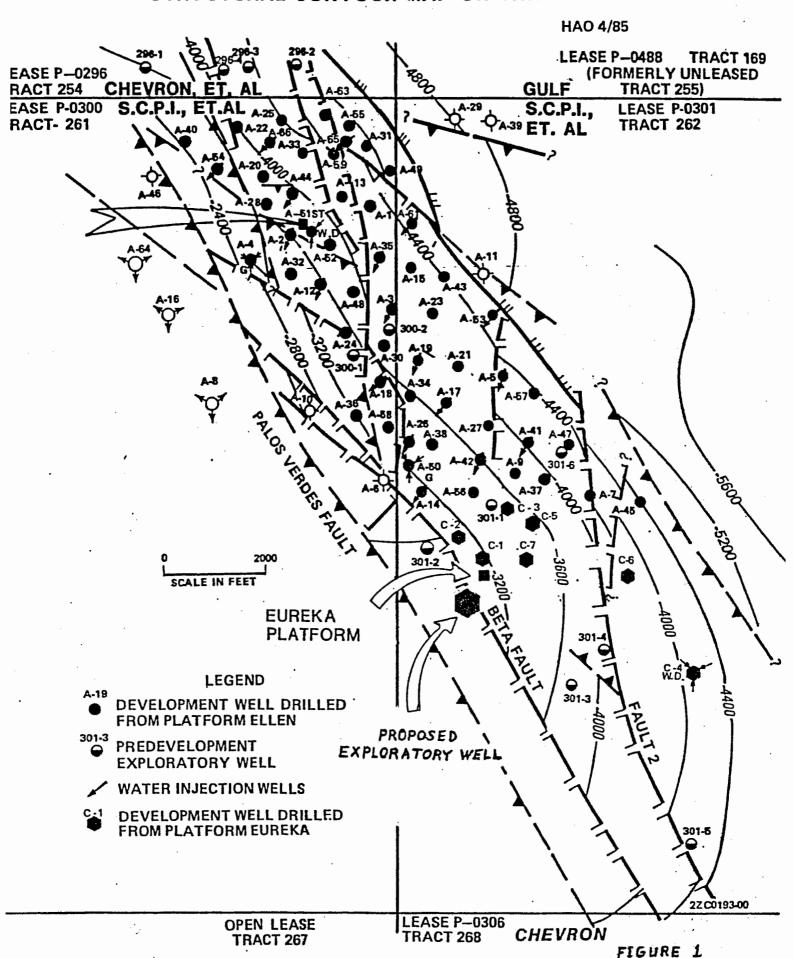
Division Production Manager Coastal Production Division

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CURRENT BETA FIELD DEVE. OPMENT

STRUCTURAL CONTOUR MAP ON THE "D" SAND



P-0301-1 PENETRATION — SECTION

