

SEPTEMBER 1, 1944, FILED IN CONNECTION WITH OIL AND GAS LEASE P.R.C. 145.5.

2. THE APPROVAL, PURSUANT TO THE TERMS OF OIL AND GAS LEASE P.R.C. 145.5 AND SECTION 6804 OF THE PUBLIC RESOURCES CODE, SHALL NOT BE DEEMED A WAIVER OF STATUTORY REQUIREMENTS, IF ANY, OTHERWISE APPLICABLE TO TRANSFERS OF INTERESTS IN OIL AND GAS LEASES.

3. (SUBLEASE, OIL AND GAS LEASE P.R.C. 145.5, SEXTON CORPORATION, VENTURA COUNTY.) An application has been received from the Sexton Corporation, holders of a 12 $\frac{1}{2}$ % interest in Oil and Gas Lease P.R.C. 145.5, Rincon Oil Field, Ventura County, for approval of a sublease to Mr. J. L. Rosen. X/5/52

The sublessor proposes to sublease the Sexton Corporation interest in Lease P.R.C. 145.5, as to that portion of the leased lands lying below a depth of 5,500 feet below sea level. The sublease procedure and proposed form have been reviewed informally with the Office of the Attorney General with the conclusion that the sublease may be approved, subject to the following conditions:

1. Nothing in the sublease or in the approval shall relieve any of the parties to Oil and Gas Lease P.R.C. 145.5 from any of the duties and obligations of that lease, or from any of the duties or obligations contained in the operating agreement dated September 1, 1944, filed in connection with Lease P.R.C. 145.5. (Under this agreement Fullerton Oil Company, principal lessee, is responsible for all performances under the lease.)
2. The approval, pursuant to the terms of Oil and Gas Lease P.R.C. 145.5 and Section 6804, Public Resources Code, shall not be deemed a waiver of statutory requirements, if any, otherwise applicable to transfers of interests in oil and gas leases.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

THE EXECUTIVE OFFICER IS AUTHORIZED TO APPROVE THE SUBLEASE OF A PORTION OF OIL AND GAS LEASE P.R.C. 145.5, DATED JANUARY 22, 1954, BETWEEN THE SEXTON CORPORATION AND J. L. ROSEN, AS SUBMITTED FOR APPROVAL BY THE SEXTON CORPORATION, PURSUANT TO OIL AND GAS LEASE P.R.C. 145.5, SUBJECT TO THE FOLLOWING CONDITIONS:

1. NOTHING IN THE SUBLEASE, OR IN THE APPROVAL, SHALL RELIEVE ANY OF THE PARTIES TO OIL AND GAS LEASE P.R.C. 145.5 FROM ANY OF THE DUTIES AND OBLIGATIONS OF THE LEASE, OR FROM ANY OF THE DUTIES OR OBLIGATIONS CONTAINED IN THE OPERATING AGREEMENT DATED SEPTEMBER 1, 1944, FILED IN CONNECTION WITH LEASE P.R.C. 145.5.

2. THE APPROVAL, PURSUANT TO THE TERMS OF OIL AND GAS LEASE P.R.C. 145.5 AND SECTION 6804, PUBLIC RESOURCES CODE, SHALL NOT BE DEEMED A WAIVER OF STATUTORY REQUIREMENTS, IF ANY, OTHERWISE APPLICABLE TO TRANSFERS OF INTERESTS IN OIL AND GAS LEASES.

4. (RENEWAL AND EXTENSION, AGREEMENTS FOR EASEMENT 272-368, HUNTINGTON BEACH, ORANGE COUNTY.)

Applications have been received from the lessees under State agreements for easement, as tabulated hereinafter, for renewal and extension of the respective agreements. These agreements were issued for a term of twenty years starting March 1, 1934 (with the exception of E. 272, issued December 30, 1933), and provide that the grantee has the preferential right to renewal for successive periods of ten years upon such reasonable terms and conditions as may be prescribed by the State, unless otherwise provided by law at the time of the expiration of such periods. Section 6827, Public Resources Code, now provides that oil and gas leases may be for a term of twenty years and for so long thereafter as oil or gas is produced in paying quantities.

The form of oil and gas lease proposed to be issued in renewal and extension of the expired easement agreements has been approved as to form by the Office of the Attorney General and is in conformance with the renewals in the same field authorized by the Commission February 9, 1954 (Minute Items 3 and 4, pages 1961-63). The new leases provide for the same basic oil royalty required previously under the expired agreements with a specified minimum of 16-2/3%, except in those instances where higher minima were established in lease modifications by mutual consent, as noted in the following tabulation.

All applicants have agreed to the acceptability of the proposed form of lease extension and renewal.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

THE EXECUTIVE OFFICER IS AUTHORIZED TO EXECUTE AND ISSUE TO THE APPLICANTS LISTED IN THE FOLLOWING TABULATION AN OIL AND GAS LEASE IN RENEWAL AND EXTENSION OF THE RESPECTIVE EASEMENT AGREEMENTS, IN THE FORM APPROVED BY THE OFFICE OF THE ATTORNEY GENERAL. THE TERM OF THE LEASE IS TO BE FOR TEN YEARS AND FOR SO LONG THEREAFTER AS OIL OR GAS IS PRODUCED IN PAYING QUANTITIES FROM THE DEMISED PREMISES. THE ANNUAL LEASE RENTAL IS TO BE \$50, AND OIL ROYALTIES WILL BE PAYABLE IN ACCORDANCE WITH THE FORMULA SPECIFIED IN THE ORIGINAL AGREEMENT FOR EASEMENT OR MODIFICATIONS THEREOF, SUBJECT TO A MINIMUM OIL ROYALTY RATE OF 16-2/3%. ALL EXTENSION LEASE TERMS AND CONDITIONS ARE TO BE EFFECTIVE MARCH 1, 1954, WITH THE EXCEPTION OF THE LEASE ISSUED IN EXTENSION OF E. 272, WHICH IS TO BE EFFECTIVE DECEMBER 30, 1953. EXECUTION OF ALL RENEWAL LEASES IS TO BE COMPLETED BY MAY 31, 1954. INTERIM OPERATIONS OF PRODUCING WELLS ARE TO BE CONDUCTED UNDER AN EXTENSION TO NOT LATER THAN MAY 31, 1954, OF THE INTERIM LETTER AGREEMENT AUTHORIZED BY THE COMMISSION MARCH 26, 1954 (MINUTE ITEM 3, PAGE 2011), TO PROVIDE FOR OPERATIONS UNDER THE TERMS AND PERFORMANCES OF THE RENEWAL LEASES PENDING CONSUMMATION THEREOF.

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