

MINUTE ITEM

6. ASSIGNMENT OF OIL AND GAS LEASE P.R.C. 1524.1, DOCAL, INC. (FORMERLY DOUGLAS OIL CO. OF CALIFORNIA) TO DOUGLAS OIL COMPANY OF CALIFORNIA, HUNTINGTON BEACH OIL FIELD, ORANGE COUNTY - W.O. 3955.

After consideration of Calendar Item 25 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO APPROVE THE ASSIGNMENT OF OIL AND GAS LEASE P.R.C. 1524.1 FROM DOCAL, INC., FORMERLY KNOWN AS DOUGLAS OIL CO. OF CALIFORNIA, TO DOUGLAS OIL COMPANY OF CALIFORNIA, A WHOLLY OWNED SUBSIDIARY OF CONTINENTAL OIL COMPANY, A DELAWARE CORPORATION. THE APPROVAL IS TO BE SUBJECT TO THE RECEIPT OF EXECUTED COPIES OF THE ASSIGNMENT OF THE UPLAND PERMIT BY THE HUNTINGTON BEACH COMPANY, PACIFIC ELECTRIC RAILWAY COMPANY, PACIFIC ELECTRIC LAND COMPANY, AND STANDARD OIL COMPANY OF CALIFORNIA. ALL TERMS, CONDITIONS, AND PERFORMANCE REQUIREMENTS UNDER THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 25 (1 page)

CALENDAR ITEM

25.

ASSIGNMENT OF OIL AND GAS LEASE P.R.C. 1524.1, DOCAL, INC. (FORMERLY DOUGLAS OIL CO. OF CALIFORNIA) TO DOUGLAS OIL COMPANY OF CALIFORNIA, HUNTINGTON BEACH OIL FIELD, ORANGE COUNTY - W.O. 3955.

On June 13, 1955, Oil and Gas Lease P.R.C. 1524.1 was issued to Douglas Oil Co. of California pursuant to competitive public bidding in accordance with Division 6 of the Public Resources Code. On December 11, 1958, the Commission authorized the quitclaim and termination of the undeveloped portion of Oil and Gas Lease P.R.C. 1524.1 effective August 31, 1958, in accordance with Section 5 of the lease (Minute Item 4, pages 4350-4352). The present lease contains approximately 10 acres of tide and submerged lands.

The drilled courses of the two wells operating under P.R.C. 1524.1 traverse uplands not owned by the State. These uplands are under jurisdiction of Huntington Beach Company, Pacific Electric Railway, Pacific Electric Land Company and Standard Oil Company of California. The lessee has a permit from these upland property owners granting the lessee the right to locate well sites on the subject surface and to slant drill through the uplands.

An application has been received from the Douglas Oil Co. of California, lessee, for the assignment of Lease P.R.C. 1524.1 to Douglas Oil Company of California, a California corporation.

Section 4 of the lease provides for the assignment as to either a divided or an undivided interest in the lease, with the approval of the State; the assignment was requested pursuant to an agreement and "Plan of Reorganization" wherein the assignor agreed to change its name from Douglas Oil Co. of California to Docal, Inc., and to transfer all of its assets to Douglas Oil Company of California, a wholly owned subsidiary of Continental Oil Company, a Delaware Corporation. The bond obligations required by the lease have been met by the assignee, and as form of assignment has been executed by Docal, Inc., formerly known as Douglas Oil Co. of California, assignor, and Douglas Oil Company of California, assignee. The \$5 statutory filing fee has been paid by the applicant.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO APPROVE THE ASSIGNMENT OF OIL AND GAS LEASE P.R.C. 1524.1 FROM DOCAL, INC., FORMERLY KNOWN AS DOUGLAS OIL CO. OF CALIFORNIA, TO DOUGLAS OIL COMPANY OF CALIFORNIA, A WHOLLY OWNED SUBSIDIARY OF CONTINENTAL OIL COMPANY, A DELAWARE CORPORATION. THE APPROVAL IS TO BE SUBJECT TO THE RECEIPT OF EXECUTED COPIES OF THE ASSIGNMENT OF THE UPLAND PERMIT BY THE HUNTINGTON BEACH COMPANY, PACIFIC ELECTRIC RAILWAY COMPANY, PACIFIC ELECTRIC LAND COMPANY, AND STANDARD OIL COMPANY OF CALIFORNIA. ALL TERMS, CONDITIONS, AND PERFORMANCE REQUIREMENTS UNDER THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.