

MINUTE ITEM

16. ASSIGNMENT OF OIL AND GAS LEASE P.R.C. 1524.1, HUNTINGTON BEACH FIELD, ORANGE COUNTY; DOUGLAS OIL COMPANY OF CALIFORNIA TO CONTINENTAL OIL COMPANY - W.O. 4638.

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 DOUGLAS OIL COMPANY OF CALIFORNIA, A WHOLLY OWNED SUBSIDIARY OF CONTINENTAL OIL COMPANY, TO CONTINENTAL OIL COMPANY, A DELAWARE CORPORATION. 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, HUNTINGTON BEACH FIELD, ORANGE COUNTY; DOUGLAS OIL COMPANY OF CALIFORNIA TO CONTINENTAL OIL COMPANY - W.O. 4638.

On June 13, 1955, Oil and Gas Lease P.R.C. 1524.1, covering 320 acres of tide and submerged lands, was issued to Douglas Oil Company 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 the lease, effective August 31, 1958 (Minute Item 4, page 4350, December 11, 1958), in accordance with Section 5 of the lease. The present lease contains approximately 10 acres of tide and submerged lands.

Pursuant to assignment approved by the Commission on June 22, 1961 (Minute Item 6, page 7006), Douglas Oil Company of California (a wholly owned subsidiary of Continental Oil Company, a Delaware corporation) acquired this lease.

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

An application has been submitted by Continental Oil Company for the assignment of Lease P.R.C. 1524.1 from Douglas Oil Company of California to Continental Oil Company.

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; Douglas Oil Company of California is 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 a form of assignment has been executed by Douglas Oil Company of California, assignor, and Continental Oil Company, assignee. The \$5 statutory filing fee has been paid by the applicant. Continental has secured consent from Huntington Beach Company, Pacific Electric Railway Company, Pacific Electric Land Company, and Standard Oil Company of California to the assignment of the subsurface crossing permit.

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 DOUGLAS OIL COMPANY OF CALIFORNIA, A WHOLLY OWNED SUBSIDIARY OF CONTINENTAL OIL COMPANY, TO CONTINENTAL OIL COMPANY, A DELAWARE CORPORATION. ALL TERMS, CONDITIONS, AND PERFORMANCE REQUIREMENTS UNDER THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.