

MINUTE ITEM

7. QUITCLAIM OF OIL AND GAS LEASE P.R.C. 994.1, HUNTINGTON BEACH OIL FIELD, ORANGE COUNTY; HUNTINGTON SIGNAL OIL COMPANY - W.O. 4913.

After consideration of Calendar Item 4 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ACCEPT A QUITCLAIM AND TO TERMINATE OIL AND GAS LEASE P.R.C. 994.1, IN ACCORDANCE WITH PARAGRAPHS 5 AND 27 OF THE LEASE, AS REQUESTED BY THE LESSEE, HUNTINGTON SIGNAL OIL COMPANY.

Attachment

Calendar Item 4 (1 page)

CALENDAR ITEM

4.

QUITCLAIM OF OIL AND GAS LEASE P.R.C. 994.1, HUNTINGTON BEACH OIL FIELD, ORANGE COUNTY; HUNTINGTON SIGNAL OIL COMPANY - W.O. 4913.

Agreement for Easement No. 306, covering well F-8 drilled under the tide and submerged lands of the Huntington Beach Oil Field, was issued to Huntington Signal Oil Company on March 1, 1934, for a period of 20 years, with a preferential right to renew the agreement for successive terms of 10 years each upon such reasonable terms and conditions as might be prescribed by the State. On March 1, 1954, the lessee was granted Oil and Gas Lease Extension and Renewal P.R.C. 994.1, covering the course of well F-8, for a period of 10 years and for so long thereafter as oil or gas is produced in paying quantities.

Section 27 provides that the lease may be terminated upon the mutual consent in writing of the parties thereto. The lessees have concluded that it is no longer economical to operate the lease and, consequently, have abandoned the only well on the lease in compliance with all of the existing laws and rules and regulations relative to the abandonment of oil and gas wells. All rent and royalty has been paid, and the lessee has fully performed and complied with all the terms of the lease. Pursuant to Paragraphs 5 and 27, of the lease, the lessees have submitted a Lease Quitclaim Deed dated October 21, 1963.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ACCEPT A QUITCLAIM AND TO TERMINATE OIL AND GAS LEASE P.R.C. 994.1, IN ACCORDANCE WITH PARAGRAPHS 5 AND 27 OF THE LEASE, AS REQUESTED BY THE LESSEE, HUNTINGTON SIGNAL OIL COMPANY.