

MINUTE ITEM

18. APPROVAL OF NATURAL GASOLINE SALES AGREEMENT, STATE OIL AND GAS LEASES, HUNTINGTON BEACH FIELD, ORANGE COUNTY - W.O. 4665.

After consideration of Calendar Item 11 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO APPROVE THE NATURAL GASOLINE SALES AGREEMENT BETWEEN HUMBLE OIL & REFINING COMPANY, AS SELLER, AND STANDARD OIL COMPANY OF CALIFORNIA, WESTERN OPERATIONS, INC., AS BUYER, EFFECTIVE FOR A PERIOD OF ONE YEAR AFTER NOVEMBER 1, 1963, AND THEREAFTER UNTIL TERMINATED BY EITHER PARTY ON SIX MONTHS' WRITTEN NOTICE TO THE OTHER, FOR THE SALE OF NATURAL GASOLINE EXTRACTED FROM WET GAS PRODUCED UNDER STATE OIL AND GAS LEASES IN THE HUNTINGTON BEACH FIELD TABULATED ON EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF.

THIS APPROVAL IS NOT TO BE CONSTRUED AS MODIFYING OR AFFECTING, IN ANY MANNER, ANY OF THE LEASE TERMS, INCLUDING FULL COMPLIANCE BY THE LESSEES WITH THE TERMS AND CONDITIONS OF THE RESPECTIVE STATE OIL AND GAS LEASES AND THE RULES AND REGULATIONS OF THE STATE LANDS COMMISSION.

Attachments

Exhibit "A" (1 page)

Calendar Item 11 (2 pages)

EXHIBIT "A" - W.O. 4665

<u>State Lease P.R.C. No.</u>	<u>Operator</u>	<u>State Lease P.R.C. No.</u>	<u>Operator</u>
91.1	Huntington State Company	1330.1	Beloil Corp.
919.1	Humble Oil & Refining Company	1331.1	Beloil Corp.
920.1	Humble Oil & Refining Company	1333.1	McVicar-Rood
976.1	Termo Co.	1336.1	Beloil Corp.
977.1	Hammil Oil Corp.	1337.1	Ruchti Oil Co.
978.1	McVicar-Rood	1338.1	A. C. Marich, Trustee
979.1	McVicar-Rood	1341.1	W. K. Co.
980.1	Simaroo Oil Co.	1342.1	Termo Co.
981.1	McVicar-Rood	1344.1	Signal Oil and Gas Co.
982.1	McVicar-Rood	1345.1	Orco Oil Co.
983.1	McVicar-Rood	2515.1	Termo Co.
984.1	Hammil Oil Corp.	2516.1	Termo Co.
985.1	Hammil Oil Corp.	2517.1	Termo Co.
986.1	Hammil Oil Corp.	<u>Easement No.</u>	
987.1	Ocean Front Oil Co.	400.1	Humble Oil & Refining Company
988.1	Mar Rico Oil Co.		
989.1	Charles W. Camp	401.1	Humble Oil & Refining Company
991.1	Benito-Huntington Oil Co.		
993.1	Bee Oil Co.		
996.1	McVicar-Rood		
997.1	McVicar-Rood		
998.1	Westshore Petroleum Co.		
999.1	Beloil Corp.		
1329.1	McVicar-Rood		

CALENDAR ITEM

11.

APPROVAL OF NATURAL GASOLINE SALES AGREEMENT, STATE OIL AND GAS LEASES, HUNTINGTON BEACH FIELD, ORANGE COUNTY - W.O. 4665.

Humble Oil & Refining Company, on behalf of the State oil and gas lessees shown on Exhibit "A" attached, has submitted for approval a letter agreement dated September 9, 1963, between Humble Oil & Refining Company, seller, and Standard Oil Company of California, Western Operations, Inc., buyer, covering the sale of natural gasoline extracted by Humble Oil & Refining Company from wet gas produced from those State oil and gas leases tabulated on Exhibit "A".

The royalty rates of the respective leases are based on the gross market value at Huntington Beach, California, of all dry gas and extracted products. The gross market value is the reasonable market value as fixed by the State, unless such dry gas, natural gasoline, and other products are sold pursuant to a sales contract approved by the State.

The term of the agreement is for one year commencing on November 1, 1963, and thereafter until terminated by either party on six months' written notice to the other. The maximum quantity deliverable under the agreement is 500,000 gallons per month. The price to be paid under the agreement is Standard Oil Company of California's Posted Natural Gasoline Price for the Huntington Beach Field, Schedule No. 115, which is the highest quoted price for natural gasoline in this field. The product currently being extracted is approximately 400,000 gallons per month of 18-pound vapor pressure natural gasoline, for which the quoted price is 8.72 cents per gallon.

Other terms and conditions of the agreement relating to the manner of delivery are in conformance with the terms of the respective leases and with general practices in industry.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO APPROVE THE NATURAL GASOLINE SALES AGREEMENT BETWEEN HUMBLE OIL & REFINING COMPANY, AS SELLER, AND STANDARD OIL COMPANY OF CALIFORNIA, WESTERN OPERATIONS, INC., AS BUYER, EFFECTIVE FOR A PERIOD OF ONE YEAR AFTER NOVEMBER 1, 1963, AND THEREAFTER UNTIL TERMINATED BY EITHER PARTY ON SIX MONTHS' WRITTEN NOTICE TO THE OTHER, FOR THE SALE OF NATURAL GASOLINE EXTRACTED FROM WET GAS PRODUCED UNDER STATE OIL AND GAS LEASES IN THE HUNTINGTON BEACH FIELD TABULATED ON EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF.

THIS APPROVAL IS NOT TO BE CONSTRUED AS MODIFYING OR AFFECTING, IN ANY MANNER, ANY OF THE LEASE TERMS, INCLUDING FULL COMPLIANCE BY THE LESSEES WITH THE TERMS AND CONDITIONS OF THE RESPECTIVE STATE OIL AND GAS LEASES AND THE RULES AND REGULATIONS OF THE STATE LANDS COMMISSION.

Attachment  
Exhibit "A"

EXHIBIT "A" - W.O. 4663

<u>State Lease P.R.C. No.</u>	<u>Operator</u>	<u>State Lease P.R.C. No.</u>	<u>Operator</u>
91.1	Huntington State Company	1330.1	Beloil Corp.
919.1	Humble Oil & Refining Company	1331.1	Beloil Corp.
920.1	Humble Oil & Refining Company	1333.1	McVicar-Rood
976.1	Termo Co.	1336.1	Beloil Corp.
977.1	Hammil Oil Corp.	1337.1	Ruchti Oil Co.
978.1	McVicar-Rood	1338.1	A. C. Marion, Trustee
979.1	McVicar-Rood	1341.1	W. K. Co.
980.1	Simaroo Oil Co.	1342.1	Termo Co.
981.1	McVicar-Rood	1344.1	Signal Oil and Gas Company
982.1	McVicar-Rood	1345.1	Orco Oil Co.
983.1	McVicar-Rood	2515.1	Termo Co.
984.1	Hammil Oil Corp.	2516.1	Termo Co.
985.1	Hammil Oil Corp.	2517.1	Termo Co.
986.1	Hammil Oil Corp.	<u>Easement No.</u>	
987.1	Ocean Front Oil Co.	400.1	Humble Oil & Refining Company
988.1	Mar Rico Oil Co.		
989.1	Charles W. Camp	401.1	Humble Oil & Refining Company
991.1	Benito-Huntington Oil Co.		
993.1	Bee Oil Co.		
996.1	McVicar-Rood		
997.1	McVicar-Rood		
998.1	Westshore Petroleum Co.		
999.1	Beloil Corp.		
1329.1	McVicar-Rood		