

MINUTE ITEM

12/14/66

7. ASSIGNMENT OF AN INTEREST IN GAS LEASES P.R.C. 714.1 AND P.R.C. 729.1, SACRAMENTO AND SAN JOAQUIN COUNTIES; THE DOW CHEMICAL COMPANY TO STANDARD OIL COMPANY OF CALIFORNIA - W.O. 6228.

After consideration of Calendar Item 30 attached, and upon motion duly made and carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO APPROVE THE ASSIGNMENT OF A PORTION OF GAS LEASES P.R.C. 714.1 AND P.R.C. 729.1 FROM THE DOW CHEMICAL COMPANY TO STANDARD OIL COMPANY OF CALIFORNIA, A DELAWARE CORPORATION. THE ASSIGNEE IS TO BE BOUND BY THE TERMS AND CONDITIONS OF THE LEASES TO THE SAME EXTENT AS THE ORIGINAL LESSEE.

Attachment

Calendar Item 30 (2 pages)

30.

ASSIGNMENT OF AN INTEREST IN GAS LEASES P.R.C. 714.1 AND P.R.C. 729.1, SACRAMENTO AND SAN JOAQUIN COUNTIES; THE DOW CHEMICAL COMPANY TO STANDARD OIL COMPANY OF CALIFORNIA - W.O. 6228.

Gas Leases P.R.C. 714.1 and P.R.C. 729.1 were issued to Brazos Oil and Gas Company on April 18, 1952, and June 30, 1952, respectively. Both leases are now held by Standard Oil Company of California and Dow Chemical Company.

Standard Oil Company of California has submitted an application for an assignment to it by The Dow Chemical Company of Dow's interest in the portion of the State land to be included in the proposed North River Island Unit (see Calendar Item 31 of this agenda). The State lands to be assigned are described in Exhibit "A" attached.

Standard and Texaco Inc. have entered into an agreement for the joint drilling of a well in the North River Island Area of Sacramento County. The agreement requires the formation of a unit that will include lands subject to Gas Leases P.R.C. 714.1 and P.R.C. 729.1, which are jointly owned by Standard Oil Company of California and The Dow Chemical Company.

Standard will be the operator of the unit.

Section 4 of the leases provides, in part: "This lease may not be assigned, ...except with the written consent of the State and then only ...a corporation, who at the time of the proposed assignment, ...possesses the qualifications provided in Division 6 of the Public Resources Code..."

Standard Oil Company of California has submitted evidence that the corporation possesses qualifications required to hold a State lease. The bond requirements of the leases have been fulfilled by the assignee, and a form of assignment has been executed by The Dow Chemical Company, assignor, and by Standard Oil Company of California, Western Operations, Inc., assignee.

The \$5 statutory filing fee has been paid by the applicant

IT IS RECOMMENDED THAT THE STATE LANDS COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO APPROVE THE ASSIGNMENT OF A PORTION OF GAS LEASES P.R.C. 714.1 AND P.R.C. 729.1 FROM THE DOW CHEMICAL COMPANY TO STANDARD OIL COMPANY OF CALIFORNIA. A DELAWARE CORPORATION, THE ASSIGNEE IS TO BE BOUND BY THE TERMS AND CONDITIONS OF THE LEASES TO THE SAME EXTENT AS THE ORIGINAL LESSEES.

Attachment
Exhibit "A"

EXHIBIT "A"

1. Gas Lease No. 729.1 P.R.C. dated June 30, 1952, from the State of California to Brazos Oil and Gas Company covering certain tide and submerged lands lying northerly and westerly of a line drawn midway between the center lines of the Sacramento River and Georgiana Slough, INSOFAR AND ONLY INSOFAR as said lease covers that portion of the Sacramento River lying between a projection of the North line of the Josephine Robinson lease (recorded in Book 1804, Page 26, Official Records of Sacramento County, California) and the North line of Dow, et al., Sacramento River Gas Unit No. 1 (recorded in Book 3586, Page 591, Official Records of Sacramento County, California), said area estimated to contain 60 acres, and INSOFAR AND ONLY INSOFAR as said lease covers all depths below the depth of the base of the Nortonville Zone, such depth being the stratigraphic equivalent of 3600 feet on the electric log of the Brazos-Josephine Robinson Unit Well, Section 9, Township 4 North, Range 4 East, Sacramento County, California.

2. Gas Lease No. 714 P.R.C. dated April 18, 1952, from the State of California to Brazos Oil and Gas Company covering certain submerged lands lying southerly and easterly of a line drawn midway between the center lines of the channels of the Sacramento River and Georgiana Slough INSOFAR AND ONLY INSOFAR as said lease covers that portion of Georgiana Slough lying between the South line of the Texaco-Dow Georgiana Slough Gas Unit (recorded in Book 2889, Page 90, Official Records of Sacramento County, California) and the North line of Dow, et al., Sacramento River Gas Unit No. 1 (recorded in Book 3586, Page 591, Official Records of Sacramento County, California), said area estimated to contain 29.82 acres, and INSOFAR AND ONLY INSOFAR as said lease covers all depths below the depth of the base of the Nortonville Zone, such depth being the stratigraphic equivalent of 3600 feet on the electric log of the Brazos-Josephine Robinson Unit Well, Section 9, Township 4 North, Range 4 East, Sacramento County, California.