

MINUTE ITEM

12/14/66

8. ASSIGNMENT OF INTEREST, P.R.C. 714.1, SACRAMENTO AND SAN JOAQUIN COUNTIES, AND P.R.C. 729.1, SACRAMENTO COUNTY, FROM THE DOW CHEMICAL COMPANY TO UNION OIL COMPANY OF CALIFORNIA, AND OF PRODUCTION PAYMENT TO C.M.C. ENDOWMENT CORPORATION - W.O. 6367.

After consideration of Calendar Item 32 attached, and upon motion duly made and carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO APPROVE: (1) THE ASSIGNMENT OF THE DOW CHEMICAL COMPANY INTEREST IN STATE GAS LEASES P.R.C. 714.1 AND P.R.C. 729.1 TO UNION OIL COMPANY OF CALIFORNIA, A CALIFORNIA CORPORATION, SUBJECT TO A RESERVED PRODUCTION PAYMENT; THE ASSIGNEE IS TO BE BOUND BY THE TERMS AND CONDITIONS OF THE LEASE TO THE SAME EXTENT AS THE ORIGINAL LESSEE; AND (2) THE ASSIGNMENT OF SAID RESERVED PRODUCTION PAYMENT FROM THE DOW CHEMICAL COMPANY TO C.M.C. ENDOWMENT CORPORATION, A CALIFORNIA CORPORATION; THE ASSIGNEE IS TO BE BOUND BY THE TERMS AND CONDITIONS OF THE LEASES TO THE SAME EXTENT AS THE ORIGINAL LESSEES.

Attachment

Calendar Item 32 (1 page)

ASSIGNMENT OF INTEREST, P.R.C. 714.1, SACRAMENTO AND SAN JOAQUIN COUNTIES, AND P.R.C. 729.1, SACRAMENTO COUNTY, FROM THE DOW CHEMICAL COMPANY TO UNION OIL COMPANY OF CALIFORNIA, AND OF PRODUCTION PAYMENT TO C.M.C. ENDOWMENT CORPORATION - W.O. 6367.

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

A request has been received from The Dow Chemical Company for the consent of the Commission to the assignment of Dow's interest in P.R.C. 714.1 and P.R.C. 729.1, subject to a reserved production payment. The interests in the leases are to be assigned to Union Oil Company of California, and the production payment is to be assigned to C.M.C. Endowment Corporation.

Both leases prohibit the assignment of the leases without the consent of the Commission.

The forms of assignment have been executed by both the assignor and the assignee. Both Union Oil Company of California and C.M.C. Endowment Corporation are qualified to hold interests in State oil and gas leases.

The statutory filing fees have been paid.

IT IS RECOMMENDED THAT THE STATE LAND COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO APPROVE: (1) THE ASSIGNMENT OF THE DOW CHEMICAL COMPANY INTEREST IN STATE GAS LEASES P.R.C. 714.1 AND P.R.C. 729.1 TO UNION OIL COMPANY OF CALIFORNIA, A CALIFORNIA CORPORATION, SUBJECT TO A RESERVED PRODUCTION PAYMENT; THE ASSIGNEE IS TO BE BOUND BY THE TERMS AND CONDITIONS OF THE LEASE TO THE SAME EXTENT AS THE ORIGINAL LESSEE; AND (2) THE ASSIGNMENT OF SAID RESERVED PRODUCTION PAYMENT FROM THE DOW CHEMICAL COMPANY TO C.M.C. ENDOWMENT CORPORATION, A CALIFORNIA CORPORATION; THE ASSIGNEE IS TO BE BOUND BY THE TERMS AND CONDITIONS OF THE LEASES TO THE SAME EXTENT AS THE ORIGINAL LESSEES.