

MINUTE ITEM

12/28/67

31. APPROVAL OF ASSIGNMENT OF PRODUCTION PAYMENT, ATLANTIC RICHFIELD COMPANY, TRACT NO. 2 AGREEMENT, LONG BEACH UNIT, WILMINGTON OIL FIELD - P.R.C. 3455.1 AND W.O. 5200.510.

After consideration of Calendar Item 31 attached, and upon motion ~~being~~ made and carried, the following resolution was adopted:

THE COMMISSION APPROVES THE FOLLOWING DOCUMENTS SUBMITTED BY ATLANTIC RICHFIELD COMPANY, ALL IN RELATION TO THE INTEREST OF ATLANTIC RICHFIELD COMPANY RESULTING FROM ITS EXECUTION OF TRACT NO. 2 AGREEMENT, LONG BEACH UNIT, WILMINGTON OIL FIELD, CALIFORNIA:

1. ASSIGNMENT AND AGREEMENT, DATED DECEMBER 29, 1967, FROM ATLANTIC RICHFIELD COMPANY TO DINCY CORPORATION.
2. SECURITY AGREEMENT, DATED DECEMBER 29, 1967, FROM DINCY CORPORATION TO MORGAN GUARANTY TRUST COMPANY OF NEW YORK.
3. CONSENT OF SURETY BY PACIFIC INDEMNITY COMPANY REGARDING DOCUMENTS 1 AND 2 ABOVE.

Attachment

Calendar Item 31 (1 page)

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The Atlantic Richfield Company holds certain oil and gas interests pursuant to "Tract No. 2 Agreement, Long Beach Unit." Article 19 of this agreement provides, in part:

"Neither the Contractor nor any of its successors or assigns shall have the right or power to assign, hypothecate, pledge, or in any manner dispose of its rights, privileges or obligations under this agreement, or any part thereof, without first obtaining the written consent of, and subject to such terms and conditions as may be prescribed by the State."

The Atlantic Richfield Company, pursuant to Article 19, above, has submitted the following documents for State Lands Commission approval:

1. Assignment and Agreement, dated December 29, 1967, from Atlantic Richfield Company to Dincy Corporation.
2. Security Agreement, dated December 29, 1967, from Dincy Corporation to Morgan Guaranty Trust Company of New York.
3. Consent to Surety by Pacific Indemnity Company regarding documents 1 and 2 above.

Section 9 of the Assignment and Agreement assures that the documents will not change the working relationship as it now exists between Atlantic Richfield Company, the State, and the Long Beach Unit.

The Office of the Attorney General has advised that the Commission may properly approve the documents as submitted.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE FOLLOWING DOCUMENTS SUBMITTED BY ATLANTIC RICHFIELD COMPANY, ALL IN RELATION TO THE INTEREST OF ATLANTIC RICHFIELD COMPANY RESULTING FROM ITS EXECUTION OF TRACT NO. 2 AGREEMENT, LONG BEACH UNIT, WILMINGTON OIL FIELD, CALIFORNIA:

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