

32. APPROVAL OF ASSIGNMENT OF PRODUCTION PAYMENT, ATLANTIC RICHFIELD COMPANY, TRACT NO. 1, LONG BEACH UNIT, WILMINGTON OIL FIELD - W.O. NOS. 5200.503.3, 503.4, 503.5 AND 503.6.

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

THE COMMISSION APPROVES THE FOLLOWING DOCUMENTS SUBMITTED BY THE CITY OF LONG BEACH, ALL IN RELATION TO THE INTEREST OF ATLANTIC RICHFIELD COMPANY AND STANDARD OIL COMPANY OF CALIFORNIA COLLECTIVELY AS NONOPERATING CONTRACTOR FOR THE 5%, 2-1/2%, 1-1/2%, AND 1% CONTRACTORS' PERCENTAGES OF THE CONTRACTORS' AGREEMENT, LONG BEACH UNIT, WILMINGTON OIL FIELD:

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.
4. APPROVAL OF STANDARD OIL COMPANY OF CALIFORNIA REGARDING DOCUMENTS 1 AND 2 ABOVE.

THE APPROVAL OF THE DOCUMENTS SHALL BE SUBJECT TO THEIR CONCURRENT APPROVAL BY THE CITY MANAGER OF THE CITY OF LONG BEACH.

Attachment

Calendar Item 32 (2 pages)

32.

APPROVAL OF ASSIGNMENT OF PRODUCTION PAYMENT, ATLANTIC RICHFIELD COMPANY, TRACT NO. 1, LONG BEACH UNIT, WILMINGTON OIL FIELD - W.O. NOS. 5200.503.3, 503.4, 503.5 AND 503.6.

Atlantic Richfield Company and Standard Oil Company of California are Collectively the Nonoperating Contractor for the 5%, 2-1/2%, 1-1/2%, and 1% Contractors' Percentages under the Contractors' Agreement, Long Beach Unit. Article 25 of the Contractors' Agreement provides, in part:

"None of the Contractors nor any of their 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 City Manager, with the approval of the State".

The City of Long Beach, pursuant to Article 25, 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 of Surety by Pacific Indemnity Company regarding documents 1 and 2 above.
4. Approval of Standard Oil Company of California regarding documents 1 and 2 above.

Section 10 of the Assignment and Agreement assures that the documents will not change the working relationship as it now exists between Atlantic Richfield Company and Standard Oil Company of California, the State, the City, 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 THE CITY OF LONG BEACH, ALL IN RELATION TO THE INTEREST OF ATLANTIC RICHFIELD COMPANY AND STANDARD OIL COMPANY OF CALIFORNIA COLLECTIVELY AS NONOPERATING CONTRACTOR FOR THE 5%, 2-1/2%, 1-1/2%, AND 1% CONTRACTORS' PERCENTAGES OF THE CONTRACTORS' AGREEMENT, LONG BEACH UNIT, WILMINGTON OIL FIELD:

1. ASSIGNMENT AND AGREEMENT, DATED DECEMBER 29, 1967, FROM ATLANTIC RICHFIELD COMPANY TO DINCY CORPORATION.

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2. SECURITY AGREEMENT, DATED DECEMBER 29, 19<sup>7</sup>, 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.
4. APPROVAL OF STANDARD OIL COMPANY OF CALIFORNIA REGARDING DOCUMENTS 1 AND 2 ABOVE.

THE APPROVAL OF THE DOCUMENTS SHALL BE SUBJECT TO THEIR CONCURRENT APPROVAL BY THE CITY MANAGER OF THE CITY OF LONG BEACH.