

MINUTE ITEM

12/28/67

33. APPROVAL OF CONVEYANCE OF PRODUCTION PAYMENT, STANDARD OIL COMPANY OF CALIFORNIA, TRACT NO. 1, LONG BEACH UNIT, WILMINGTON OIL FIELD - W.O.s 5200.503.3, 503.4, 503.5, AND 503.6.

After consideration of Calendar Item 33 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 STANDARD OIL COMPANY OF CALIFORNIA AND ATLANTIC RICHFIELD COMPANY 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. CONVEYANCE OF PRODUCTION PAYMENT AND AGREEMENT, DATED DECEMBER 28, 1967, FROM STANDARD OIL COMPANY OF CALIFORNIA TO SUTTER CHARITABLE FOUNDATION, A CALIFORNIA NONPROFIT CORPORATION.
2. SECURITY AGREEMENT AND DEED OF TRUST, DATED DECEMBER 28, 1967, FROM SUTTER CHARITABLE FOUNDATION TO EQUITABLE TRUST COMPANY, TRUSTEE.
3. CONSENT OF SURETY BY PACIFIC INDEMNITY COMPANY REGARDING DOCUMENTS 1 AND 2 ABOVE.
4. APPROVAL OF ATLANTIC RICHFIELD COMPANY 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 33 (2 pages)

33.

APPROVAL OF CONVEYANCE OF PRODUCTION PAYMENT, STANDARD OIL COMPANY OF CALIFORNIA, TRACT NO. 1, LONG BEACH UNIT, WILMINGTON OIL FIELD - W.O.'s 5200.503.3, 503.4, 503.5 and 503.6.

Standard Oil Company of California and Atlantic Richfield Company are collectively the Nonoperating Contractor for the 5%, 2½%, 1½% 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. Conveyance of Production Payment and Agreement, dated December 28, 1967, from Standard Oil Company of California to Sutter Charitable Foundation, a California nonprofit corporation.
2. Security Agreement and Deed of Trust, dated December 28, 1967, from Sutter Charitable Foundation to Equitable Trust Company, Trustee.
3. Consent of Surety by Pacific Indemnity Company regarding documents 1 and 2, above.
4. Approval of Atlantic Richfield Company regarding documents 1 and 2, above.

The Conveyance of Production Payment and Agreement will not change the obligation or working relationships as they now exist between Standard Oil Company of California, Atlantic Richfield Company, 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 STANDARD OIL COMPANY OF CALIFORNIA AND ATLANTIC RICHFIELD COMPANY COLLECTIVELY AS NONOPERATING CONTRACTOR FOR THE 5%, 2½%, 1½%, AND 1% CONTRACTORS' PERCENTAGES OF THE CONTRACTORS' AGREEMENT, LONG BEACH UNIT, WILMINGTON OIL FIELD:

CALENDAR ITEM 33 (CONTD.)

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