

MINUTE ITEM

4/25/68

31. APPROVAL, HYPOTHECATION OF OIL AND GAS LEASE P.R.C. 429.1, VENTURA COUNTY; CARR AND WRATH, INC. - W.O. 6906.

After consideration of Calendar Item 37 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE STATE LANDS COMMISSION APPROVES THE HYPOTHECATION BY CARR AND WRATH, INC., OF ITS INTERESTS IN STATE OIL AND GAS LEASE P.R.C. 429.1, PURSUANT TO A DEED OF TRUST WHEREIN CONTINENTAL AUXILIARY COMPANY OF CALIFORNIA, A CORPORATION, IS TRUSTEE, AND BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, A NATIONAL BANKING ASSOCIATION, IS BENEFICIARY. SUCH APPROVAL IS UPON THE CONDITION THAT THE TRUSTEE OR BENEFICIARY UNDER SAID DEED OF TRUST IS PROHIBITED FROM MANAGING OR OPERATING THE INTEREST OF THE ASSIGNOR IN THE LEASED LANDS WITHOUT PRIOR APPROVAL OF THE STATE LANDS COMMISSION; PROVIDED FURTHER THAT CARR AND WRATH, INC., LESSEE, REMAINS FULLY BOUND BY ALL ITS OBLIGATIONS UNDER SAID LEASE, BOTH AS LESSEE AND AS OPERATOR, AND THE SURETIES ON ITS BOND HERETOFORE FILED IN CONNECTION WITH SAID LEASE ARE IN NO WAY RELEASED OR EXONERATED HEREBY; AND, FURTHER, THE STATE OF CALIFORNIA AND THE STATE LANDS COMMISSION RETAIN ALL OF THEIR RIGHTS AND POWERS UNDER SAID LEASE, UNAFFECTED BY THE EXECUTION OF SAID TRUST DEED.

Attachment

Calendar Item 37 (1 page)

37.

REQUEST FOR CONSENT TO HYPOTHECATION OF OIL AND GAS LEASE P.R.C. 429.1; VENTURA COUNTY - W.O.6906.

Carr and Wrath, Inc., lessee under State Oil and Gas Lease P.R.C. 429.1, proposes to offer its lease interests to secure loans, such lease interests being hypothecated by inclusion of such lease interests in a deed of trust wherein Continental Auxiliary Company, a California corporation, is trustee, and Bank of America National Trust and Savings Association, a national banking association, is beneficiary. The lessee has requested that the State Lands Commission approve such hypothecation. The Office of the Attorney General has stated informally in previous cases of this type that there is no legal objection to approving such hypothecation, except that such approval should be qualified to prohibit the trustee or the beneficiary under the deed of trust from managing or operating the interest of the lessee in the leased lands without the prior approval of the State Lands Commission.

IT IS RECOMMENDED THAT THE STATE LANDS COMMISSION APPROVE THE HYPOTHECATION BY CARR AND WRATH, INC., OF ITS INTERESTS IN STATE OIL AND GAS LEASE P.R.C. 429.1, PURSUANT TO A DEED OF TRUST WHEREIN CONTINENTAL AUXILIARY COMPANY OF CALIFORNIA, A CORPORATION, IS TRUSTEE, AND BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, A NATIONAL BANKING ASSOCIATION, IS BENEFICIARY. SUCH APPROVAL IS UPON THE CONDITION THAT THE TRUSTEE OR BENEFICIARY UNDER SAID DEED OF TRUST IS PROHIBITED FROM MANAGING OR OPERATING THE INTEREST OF THE ASSIGNOR IN THE LEASED LANDS WITHOUT PRIOR APPROVAL OF THE STATE LANDS COMMISSION; PROVIDED FURTHER THAT CARR AND WRATH, INC., LESSEE, REMAINS FULLY BOUND BY ALL ITS OBLIGATIONS UNDER SAID LEASE, BOTH AS LESSEE AND AS OPERATOR, AND THE SURETIES ON ITS BOND HERETOFORE FILED IN CONNECTION WITH SAID LEASE ARE IN NO WAY RELEASED OR EXONERATED HEREBY; AND FURTHER THE STATE OF CALIFORNIA AND THE STATE LANDS COMMISSION RETAIN ALL THEIR RIGHTS AND POWERS UNDER SAID LEASE, UNAFFECTED BY THE EXECUTION OF SAID TRUST DEED.