

22. APPROVAL OF ASSIGNMENT OF OIL PRODUCTION PAYMENT AND HYPOTHECATION, STATE OIL AND GAS LEASE P.R.C. 1824.1, SANTA BARBARA COUNTY; STANDARD OIL COMPANY OF CALIFORNIA - W.O. 7204.

After consideration of Calendar Item 40 attached, and upon motion duly made and carried, the following resolution was adopted:

THE STATE LANDS COMMISSION APPROVES THE ASSIGNMENT OF AN OIL PRODUCTION PAYMENT BY STANDARD OIL COMPANY OF CALIFORNIA FROM ITS INTEREST IN STATE OIL AND GAS LEASE P.R.C. 1824.1 TO SUTTER CHARITABLE FOUNDATION, AS SET FORTH IN THAT CONVEYANCE OF PRODUCTION PAYMENT AND AGREEMENT DATED DECEMBER 30, 1968, AND APPROVES THAT SECURITY AGREEMENT AND DEED OF TRUST DATED DECEMBER 30, 1968, FROM SUTTER CHARITABLE FOUNDATION TO UNITED CALIFORNIA BANK, SUBJECT TO THE FOLLOWING EXPRESS CONDITIONS:

1. THAT SUCH ASSIGNMENT DOES NOT RELEASE OR RELIEVE STANDARD OIL COMPANY OF CALIFORNIA FROM ANY OBLIGATION TO THE STATE UNDER THE TERMS OF STATE OIL AND GAS LEASE P.R.C. 1824.1.
2. THAT SUCH APPROVALS DO NOT CONSTITUTE CONSENT TO THE FURTHER ASSIGNMENT OR TRANSFER BY SUTTER CHARITABLE FOUNDATION OR UNITED CALIFORNIA BANK OF THEIR INTERESTS IN SAID STATE OIL AND GAS LEASE P.R.C. 1824.1 WITHOUT THE PRIOR APPROVAL OF THE STATE LANDS COMMISSION.
3. THAT NEITHER SUTTER CHARITABLE FOUNDATION NOR UNITED CALIFORNIA BANK SHALL MANAGE OR OPERATE THE INTEREST OF STANDARD OIL COMPANY OF CALIFORNIA IN THE LEASED LANDS WITHOUT THE PRIOR APPROVAL OF THE STATE LANDS COMMISSION.

Attachment
Calendar Item 40 (1 page)

40.

REQUEST FOR APPROVAL OF ASSIGNMENT OF OIL PRODUCTION PAYMENT AND HYPOTHECATION, STATE OIL AND GAS LEASE P.R.C. 1824.1, SANTA BARBARA COUNTY - W.O. 7204.

Standard Oil Company of California, owner of 50 percent interest in State Oil and Gas Lease P.R.C. 1824.1, requests the approval of an assignment from its interest in said lease of an oil production payment to Sutter Charitable Foundation, as set forth in Conveyance of Production Payment and Agreement dated December 30, 1968, and further requests approval of that Security Agreement and Deed of Trust dated December 30, 1968, from Sutter Charitable Foundation to United California Bank. Sutter Charitable Foundation and United California Bank are qualified under Public Resources Code Section 6801 to hold an interest in a State oil and gas lease. The \$25 filing fee has been paid. The surety has consented to remain bound under the bond of record for the lease interest retained by Standard Oil Company.

IT IS RECOMMENDED THAT THE STATE LANDS COMMISSION APPROVE THE ASSIGNMENT OF AN OIL PRODUCTION PAYMENT BY STANDARD OIL COMPANY OF CALIFORNIA FROM ITS INTEREST IN STATE OIL AND GAS LEASE P.R.C. 1824.1 TO SUTTER CHARITABLE FOUNDATION, AS SET FORTH IN THAT CONVEYANCE OF PRODUCTION PAYMENT AND AGREEMENT DATED DECEMBER 30, 1968, AND APPROVE THAT SECURITY AGREEMENT AND DEED OF TRUST DATED DECEMBER 30, 1968, FROM SUTTER CHARITABLE FOUNDATION TO UNITED CALIFORNIA BANK, SUBJECT TO THE FOLLOWING EXPRESS CONDITIONS:

1. THAT SUCH ASSIGNMENT DOES NOT RELEASE OR RELIEVE STANDARD OIL COMPANY OF CALIFORNIA FROM ANY OBLIGATION TO THE STATE UNDER THE TERMS OF STATE OIL AND GAS LEASE P.R.C. 1824.1.
2. THAT SUCH APPROVALS DO NOT CONSTITUTE CONSENT TO THE FURTHER ASSIGNMENT OR TRANSFER BY SUTTER CHARITABLE FOUNDATION OR UNITED CALIFORNIA BANK OF THEIR INTERESTS IN SAID STATE OIL AND GAS LEASE P.R.C. 1824.1 WITHOUT THE PRIOR APPROVAL OF THE STATE LANDS COMMISSION.
3. THAT NEITHER SUTTER CHARITABLE FOUNDATION NOR UNITED CALIFORNIA BANK SHALL MANAGE OR OPERATE THE INTEREST OF STANDARD OIL COMPANY OF CALIFORNIA IN THE LEASED LANDS WITHOUT THE PRIOR APPROVAL OF THE STATE LANDS COMMISSION.