

24. ASSIGNMENT OF INTEREST BY CM OIL COMPANY, A CORPORATION, TO CM OIL COMPANY, A LIMITED PARTNERSHIP, DRILLING AND OPERATING CONTRACT (LONG BEACH HARBOR DEPARTMENT TIDELANDS PARCEL), WILMINGTON OIL FIELD, LOS ANGELES COUNTY - LBWO 10,190.

After consideration of Calendar Item 6 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION APPROVES THE ASSIGNMENT BY CM OIL COMPANY, A CORPORATION, TO CM OIL COMPANY, A LIMITED PARTNERSHIP, OF ITS INTEREST AS A "CONTRACTOR" UNDER "DRILLING AND OPERATING CONTRACT (LONG BEACH HARBOR DEPARTMENT TIDELANDS PARCEL)", DATED MARCH 21, 1964, SUBJECT TO CONCURRENT APPROVAL BY THE CITY OF LONG BEACH.

Attachment

Calendar Item 6 (1 page)

6.

APPROVAL OF ASSIGNMENT OF INTEREST, CM OIL COMPANY, DRILLING AND OPERATING CONTRACT (LONG BEACH HARBOR DEPARTMENT TIDELANDS PARCEL), WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 10,190.

The City of Long Beach has requested State Lands Commission approval of the assignment by CM Oil Company, a corporation, of its interest in Drilling and Operating Contract (Long Beach Harbor Department Tidelands Parcel) to CM Oil Company, a limited partnership.

CM Oil Company holds a minor undivided interest as "Contractor" for the City of Long Beach under the subject contract. Section 33 of said Drilling and Operating Contract provides, in part, as follows:

"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 this agreement, or any part thereof, or of the whole or any part of the Contractor's rights, privileges, or obligations hereunder, without first obtaining the written consent of, and subject to such terms and conditions as may be prescribed by, the Board, after the Board has obtained State Lands Commission approval therefor."

For reasons unrelated to operations under the subject contract, CM Oil Company, a corporation, desires to liquidate. The corporation will distribute all of its assets, including its interest under the contract, to its shareholders according to their respective interests, whereupon each and every shareholder will contribute its interest in the corporation under the contract to a limited partnership, to be known as CM Oil Company, a limited partnership.

The partners of the limited partnership will be the identical persons who are now the shareholders of the corporation, and the interests of the partners in the partnership will be in the same proportions as their interests in the existing corporation.

The proposed assignment will not change the obligations or working relationships as they now exist between the City of Long Beach, the State of California, and the contractors under the Drilling and Operating Contract.

The Office of the Attorney General has advised that the Commission may properly approve the assignment.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE ASSIGNMENT BY CM OIL COMPANY, A CORPORATION, TO CM OIL COMPANY, A LIMITED PARTNERSHIP, OF ITS INTEREST AS A "CONTRACTOR" UNDER "DRILLING AND OPERATING CONTRACT (LONG BEACH HARBOR DEPARTMENT TIDELANDS PARCEL)", DATED MARCH 21, 1964, SUBJECT TO CONCURRENT APPROVAL BY THE CITY OF LONG BEACH.