

MINUTE ITEM

4/1/69

30. APPROVAL OF CONVEYANCE OF PRODUCTION PAYMENT, ALLIED CHEMICAL CORPORATION, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 5200.503.2.

After consideration of Calendar Item 9 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 ALLIED CHEMICAL CORPORATION RESULTING FROM EXECUTION BY ALLIED CHEMICAL CORPORATION AND PAULEY PETROLEUM INC. (AS NONOPERATING CONTRACTOR WITH 10% CONTRACTOR'S PERCENTAGE) OF CONTRACTORS' AGREEMENT, LONG BEACH UNIT, WILMINGTON OIL FIELD:

1. CONVEYANCE OF PRODUCTION PAYMENT DATED DECEMBER 30, 1968, BY ALLIED CHEMICAL CORPORATION TO RED HILL OIL COMPANY, EFFECTIVE DECEMBER 31, 1968.
2. MORTGAGE, DEED OF TRUST AND ASSIGNMENT DATED DECEMBER 30, 1968, BY RED HILL OIL COMPANY TO CHARLES C. STEWART, JR., TRUSTEE FOR NATIONAL BANK OF DETROIT.
3. APPROVAL OF PAULEY PETROLEUM INC. 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 9 (1 page)

9.

APPROVAL OF CONVEYANCE OF PRODUCTION PAYMENT, ALLIED CHEMICAL CORPORATION, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 5200.503.2.

Allied Chemical Corporation and Pauley Petroleum Inc. hold the nonoperating contract for a 10% undivided share of 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 dated December 30, 1968, by Allied Chemical Corporation to Red Hill Oil Company, effective December 31, 1968.
2. Mortgage, Deed of Trust and Assignment dated December 30, 1968, by Red Hill Oil Company to Charles C. Stewart, Jr., Trustee for National Bank of Detroit.
3. Approval of Pauley Petroleum Inc. regarding documents 1 and 2 above.

Section 14 of the Conveyance of Production Payment assures that the documents will not change the working relationship as it now exists between Allied Chemical Corporation and Pauley Petroleum Inc., 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 ALLIED CHEMICAL CORPORATION RESULTING FROM EXECUTION BY ALLIED CHEMICAL CORPORATION AND PAULEY PETROLEUM INC. (AS NONOPERATING CONTRACTOR WITH 10% CONTRACTOR'S PERCENTAGE) OF CONTRACTORS' AGREEMENT, LONG BEACH UNIT, WILMINGTON OIL FIELD:

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3. APPROVAL OF PAULEY PETROLEUM INC. 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.