

MINUTE ITEM

This Calendar Item No. 46
was approved as Minute Item
No. 46 by the State Lands
Commission by a vote of 3
to 0 at its 5/27/82
meeting.

CALENDAR ITEM

46

5/27/82
Thompson

APPROVAL OF ASSIGNMENT OF INTEREST
IN CONTRACTORS' AGREEMENT FOR
TRACT 1 OF THE LONG BEACH UNIT
BY SHELL OIL COMPANY
TO SHELL CALIFORNIA PRODUCTION INC.

The City of Long Beach has requested Commission approval of its consent to the assignment of all of the interest of Shell Oil Company in the Contractors' Agreement for Tract 1 of the Long Beach Unit to Shell California Production Inc., effective June 1, 1982. The assignment will include Shell's interests in all related documents, including the Long Beach Unit and Unit Operating Agreements and the THUMS Operating and Agency Agreements. Shell's interest in the Contractors' Agreement consists of a one-fifth interest in the Field Contractor.

Shell California Production Inc. is a wholly-owned subsidiary of Shell Oil Company and has been renamed from Kernridge Oil Company. Kernridge is the Shell subsidiary which owns and operates the properties Shell acquired from Belridge Oil Company. Shell California Production Inc. will own and operate all of Shell's producing oil and gas properties in California and Shell's federal properties offshore California.

Article 25 of the Contractors' Agreement requires approval by the State Lands Commission of the City's consent to any assignment by any Contractor of its rights, privileges or obligations under the Contractors' Agreement.

The staff and the Attorney General's office have reviewed the document supplied by Shell which will effect the assignment and have concluded that the document is in proper form and that the Commission may approve the City's consent to the assignment.

AB 884: N/A.

IT IS RECOMMENDED THAT THE COMMISSION:

1. GRANT APPROVAL TO THE CITY OF LONG BEACH OF ITS CONSENT TO THE ASSIGNMENT BY SHELL OIL COMPANY OF ITS INTEREST IN THE CONTRACTORS' AGREEMENT TO SHELL CALIFORNIA PRODUCTION INC. IN THE FORM AND MANNER PROVIDED IN THE ASSIGNMENT AND AGREEMENT AND THE GUARANTEE SUBMITTED TO THE COMMISSION.
2. AUTHORIZE THE EXECUTIVE OFFICER TO EXECUTE THE APPROPRIATE DOCUMENT EFFECTING THE APPROVAL.

A 57, 58
S 27, 31

(Revised 5/26/82)

-1-

CALENDAR PAGE	197
MINUTE PAGE	1405