

MINUTE ITEM

This Calendar Item No. 44
was approved as Minute Item
No. 44 by the State Lands
Commission by a vote of 3
to 0 at its 6/21/84
meeting.

CALENDAR ITEM

A. 58,69

44 1

06/21/84
W 40293
Small

S. 31

APPROVAL OF TRANSFERS AND ASSIGNMENTS OF INTEREST IN OIL AND GAS LEASES

ASSIGNOR: Estate of Henry H. Clock

ASSIGNEE: Edwin H. Clock
Frances T. Clock
David Ralph Clock
Estate of Phillip Clock

ASSIGNOR: David Ralph Clock

ASSIGNEE: Pauley Petroleum

BACKGROUND:

Several tideland parcels in the Huntington Beach field had been leased by the State in the 1920's to settle trespass litigation. Over the years several transfers have occurred which have resulted in Aminoil Inc., and Pauley Petroleum owning the majority Lease interest. A small percentage interest has been held by the Clock family.

Five other leases (PRC 91.1, 163.1, 392.1, 425.1 and 426.1) compose the majority of the State's Huntington Beach tidelands. Aminoil and Pauley Petroleum also hold the majority interest in these leases. A small percentage interest in these leases is also held by the Clock family.

The original Clock interests were held by Harold and Maude Clock. Maude Clock's interests apparently have been transferred to other members of the Clock family through a trust.

CALENDAR ITEM NO. 44 (CONT'D)

The interests of Henry H. Clock in the State leases were transferred by a probate court order for distribution. The transfer of these interests was apparently never approved by the Commission. One of the heirs of the estate, Phillip Clock, is also deceased, and his interests are currently in probate.

Pauley Petroleum has agreed to purchase the interests of David Ralph Clock, a member of the Clock family. Pauley would like the Commission to approve the transfers from the Henry Clock estate, and other Clock transfers which may have occurred without State approval. Pauley also desires Commission approval of the transfer of David Ralph Clock's interests to Pauley Petroleum.

Staff has reviewed several of the lease files and is unable to confirm that all the interests of Clock were created by properly approved assignments. Moreover, staff is unable to confirm that all of the easement leases are still effective. Some appear to have been quitclaimed.

However, since the assignment of David Ralph Clock's interests will partially solve some of the confusion of the leasehold interests by further consolidating the ownership in Pauley, the staff recommends approval of the assignments.

EXHIBIT: A. Site Map.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA), because it is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: PRC 21065 and 14 Cal. Adm. Code 15378.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO 14 CAL. ADM. CODE 15061, BECAUSE IT IS NOT A PROJECT AS DEFINED BY PRC 21065 AND 14 CAL. ADM. CODE 15378.

2. APPROVE THE CONFIRMATION OF THE COURT ORDERED PROBATE DISTRIBUTION OF THE INTERESTS IF ANY, IN STATE TIDELAND OIL AND GAS LEASES PRC'S 91.1, 163.1, 392.1, 425.1, 426.1, 400.1, 401.1, 919.1, 920.1, 977.1, 980.1, 983.1, 985.1, 986.1, 989.1, 997.1, 999.1, 1329.1, 1331.1, 1332.1, 1333.1, 1334.1, 1336.1, 1337.1, AND 1340.1. TO DAVID RALPH CLOCK, EDWIN H. CLOCK, FRANCES T. CLOCK AND THE ESTATE OF PHILLIP T. CLOCK FROM THE ESTATE OF HENRY CLOCK, WITHOUT WARRANTING THE NATURE, EXISTENCE OR EXTENT OF SUCH INTERESTS.
3. APPROVE THE ASSIGNMENT OF THE INTERESTS IF ANY, OF DAVID RALPH CLOCK TO PAULEY PETROLEUM IN STATE TIDELAND OIL AND GAS LEASES PRC'S 91.1, 163.1, 392.1, 425.1, 426.1, 400.1, 401.1, 919.1, 920.1, 977.1, 980.1, 983.1, 985.1, 986.1, 989.1, 997.1, 999.1, 1329.1, 1331.1, 1332.1, 1333.1, 1334.1, 1336.1, 1337.1, AND 1340.1, WITHOUT WARRANTING THE NATURE, EXISTENCE OR EXTENT OF SUCH INTERESTS.
4. FIND THAT THIS APPROVAL OF ASSIGNMENTS AND THE COURT ORDERED PROBATE DISTRIBUTION TO DAVID RALPH CLOCK, EDWIN H. CLOCK, FRANCES T. CLOCK AND THE ESTATE OF PHILLIP CLOCK, AND FROM DAVID RALPH CLOCK TO PAULEY PETROLEUM, IS NOT INTENDED TO CONFIRM THE EXACT INTERESTS OF DAVID RALPH CLOCK, EDWIN H. CLOCK, FRANCES T. CLOCK, AND THE ESTATE OF PHILLIP CLOCK IN THE STATE LEASES. PROVIDED, FURTHER, THE COMMISSION'S APPROVAL OF THESE ASSIGNMENTS IS NOT INTENDED TO BE A WARRANTY OF TITLE AND THAT PAULEY PETROLEUM, AND THE HEIRS OF HENRY CLOCK ACCEPTS SUCH ASSIGNMENTS AT THEIR OWN RISK.
5. FIND THAT THE APPROVAL OF THESE TRANSFERS AND ASSIGNMENTS IS NOT INTENDED TO BE A FINDING THAT STATE TIDELANDS LEASES PRC 400.1, 401.1, 919.1, 920.1, 977.1, 980.1, 983.1, 985.1, 986.1, 989.1, 997.1, 999.1, 1329.1, 1331.1, 1332.1, 1333.1, 1336.1, 1337.1, AND 1340.1, CONTINUE TO BE IN FULL FORCE AND EFFECT, AND THAT PAULEY PETROLEUM AND THE HEIRS OF HENRY CLOCK ACCEPTS THE ASSIGNMENT OF THESE LEASES AT THEIR OWN RISK.

EXHIBIT "A"
STATE LANDS COMMISSION

W 40293

ASSIGNMENT OF PARTIAL
INTERESTS IN 27 STATE OIL
AND GAS LEASES IN HUNTINGTON
BEACH FROM DAVID RALPH CLOCK
TO PAULEY PETROLEUM, INC.

JUNE 1984

