

MINUTE ITEM

13. ASSIGNMENT OF INTEREST IN OIL AND GAS LEASES AND EASEMENTS FROM MONTEREY OIL COMPANY, A DELAWARE CORPORATION, TO HUMBLE OIL & REFINING COMPANY, A DELAWARE CORPORATION; P.R.C. 91.1, P.R.C. 919.1, P.R.C. 920.1, E. 400.1, E. 401.1, P.R.C. 136.1 AND P.R.C. 145.1 - W.O. 3804.

Following presentation of Calendar Item No. 30 attached, the Executive Officer, upon being questioned by Commissioner Anderson as to whether any additional fee may be charged for such assignments, explained that approval of assignments is authorized by statute and the right to seek assignment is provided for in the individual leases as issued. Deputy Attorney General Jay L. Shavelson pointed out that there is specific provision in the Public Resources Code, Section 6804, that provides for the assignment of oil and gas leases, and where it was determined that the State would be fully protected by the assignment, it would not appear to be proper under said Code Section to refuse it.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE EXECUTIVE OFFICER IS AUTHORIZED TO EXECUTE A SPECIFIC ASSIGNMENT OF INTERESTS IN, AND ASSUMPTION OF OBLIGATIONS UNDER, CALIFORNIA STATE LEASES AS DETAILED IN EXHIBIT "A" ATTACHED HERETO AND HEREBY MADE A PART HEREOF, INDICATING CONSENT TO THE RESPECTIVE ASSIGNMENTS, AND TO APPROVE THE ASSIGNMENT OF MONTEREY'S INTEREST IN SUBSURFACE CROSSING PERMITS UNDER STATE OIL AND GAS LEASES ISSUED IN EXCHANGE FOR OIL AND GAS EASEMENTS 400.1 AND 401.1, SUBJECT TO RECEIPT OF THE FOLLOWING:

1. A CERTIFIED COPY OF THE RESOLUTION OF THE BOARD OF DIRECTORS OF MONTEREY OIL COMPANY, A DELAWARE CORPORATION, AUTHORIZING THE ASSIGNMENT OF ITS INTERESTS TO HUMBLE OIL & REFINING COMPANY, A DELAWARE CORPORATION, AND DESIGNATING THE CORPORATE OFFICER WHO IS AUTHORIZED TO EXECUTE THE SPECIFIC ASSIGNMENT OF INTERESTS IN, AND ASSUMPTION OF OBLIGATIONS UNDER, CALIFORNIA STATE LEASES.
2. A CERTIFIED COPY OF THE RESOLUTION OF THE BOARD OF DIRECTORS OF HUMBLE OIL & REFINING COMPANY, A DELAWARE CORPORATION, AUTHORIZING THE ACCEPTANCE OF THE ASSIGNMENT FROM MONTEREY OIL COMPANY, A DELAWARE CORPORATION, AND DESIGNATING THE CORPORATE OFFICER WHO IS AUTHORIZED TO EXECUTE THE SPECIFIC ASSIGNMENT OF INTERESTS IN, AND ASSUMPTION OF OBLIGATIONS UNDER, CALIFORNIA STATE LEASES.
3. AN EXECUTED COPY OF THE SPECIFIC ASSIGNMENT OF INTERESTS IN, AND ASSUMPTION OF OBLIGATIONS UNDER, CALIFORNIA STATE LEASES SIGNED BY THE AUTHORIZED OFFICERS OF MONTEREY OIL COMPANY AND HUMBLE OIL AND REFINING COMPANY.
4. ~~EXECUTED COPIES OF THE ASSIGNMENT OF THE SUBSURFACE CROSSING PERMITS BY AND BETWEEN STANDARD OIL COMPANY OF CALIFORNIA, HUNTINGTON BEACH COMPANY, PACIFIC ELECTRIC RAILWAY COMPANY, PACIFIC ELECTRIC LAND COMPANY AND WILSHIRE OIL COMPANY, INC., COVERING THE COURSES OF TWO~~

WELLS, EASEMENT 400.1 AND EASEMENT 401.1, TRAVERSING UPLANDS NOT
UNDER THE JURISDICTION OF THE STATE.

5. EVIDENCE OF FULFILLMENT OF THE RESPECTIVE BOND REQUIREMENTS FOR
EACH LEASE.

Attachment
Calendar Item 30 (3 pages)

CALENDAR ITEM

30.

ASSIGNMENT OF INTEREST IN OIL AND GAS LEASES AND EASEMENTS FROM MONTEREY OIL COMPANY, A DELAWARE CORPORATION, TO HUMBLE OIL & REFINING COMPANY, A DELAWARE CORPORATION; P.R.C. 91.1, P.R.C. 919.1, P.R.C. 920.1, E. 400.1, E. 401.1, P.R.C. 186.1 AND P.R.C. 145.1 - W.O. 3804.

The Monterey Oil Company, a Delaware corporation, lessee of a partial interest in certain agreements with the State of California, is in the process of assigning its partial assets, property, etc., of whatever character and wherever situated (hereinafter listed) to Humble Oil & Refining Company, a Delaware corporation.

In order to accomplish the transfer contemplated in this transaction, there has been prepared a general indenture of conveyance, assignment and transfer, which by its terms conveys all rights, property, assets and interests of the assignor, Monterey Oil Company, in leases hereinafter listed, to the assignee, Humble Oil & Refining Company, excepting and reserving a production payment in Monterey Oil Company. This indenture will be executed, pursuant to respective Board authorization, by each of the corporations involved.

Monterey Oil Company is at the present time the owner of the interests in State lands described as follows:

1. An undivided 23-1/3% interest in lands covered by State Oil and Gas Lease P.R.C. 91.1 and is one of the holders of certain overriding royalties as to the remaining portion of the tide and submerged lands covered by said lease (as to an undivided 23-1/3% interest) (Huntington Beach Field, Orange County);
2. An undivided 66.664% in State Leases P.R.C. 919.1 and P.R.C. 920.1, and Easements 400.1 and 401.1 (Huntington Beach Field, Orange County), an undivided 50% interest in Lease P.R.C. 186.1 (Belmont Offshore Field, Orange County), and an undivided 50% interest in Lease P.R.C. 145.1 (Rincon Field, Ventura County).

Pursuant to the above indenture, Monterey Oil Company has requested approval of the assignment of each and all of the above-described interests in State lands to the new corporation, Humble Oil & Refining Company. Humble Oil & Refining Company is eligible to be a State lessee under the provisions of Public Resources Code, Section 6801.

While the State is not a party to the specific right-of-way agreements, such agreements for the courses of wells drilled under Agreements for Easement Nos. 400.1 and 401.1 provide that the upland crossing permit is personal to the lessee, and shall not be assigned in whole or in part without the written consent of the State Lands Commission. Approval of these assignments is requested also by the Monterey Oil Company.

Appropriate substitutions on bonds affecting each of the respective leases or easements will be accomplished upon approval of the assignment by the State Lands Commission.

CALENDAR ITEM 30. (CONTD.)

IT IS RECOMMENDED THAT THE EXECUTIVE OFFICER BE AUTHORIZED TO EXECUTE A SPECIFIC ASSIGNMENT OF INTERESTS IN, AND ASSUMPTION OF OBLIGATIONS UNDER, CALIFORNIA STATE LEASES AS DETAILED IN EXHIBIT "A" ATTACHED HERETO AND HEREBY MADE A PART HEREOF, INDICATING CONSENT TO THE RESPECTIVE ASSIGNMENTS, AND TO APPROVE THE ASSIGNMENT OF MONTEREY'S INTEREST IN SUBSURFACE CROSSING PERMITS UNDER STATE OIL AND GAS LEASES ISSUED IN EXCHANGE FOR OIL AND GAS EASEMENTS 400.1 AND 401.1, SUBJECT TO RECEIPT OF THE FOLLOWING:

1. A CERTIFIED COPY OF THE RESOLUTION OF THE BOARD OF DIRECTORS OF MONTEREY OIL COMPANY, A DELAWARE CORPORATION, AUTHORIZING THE ASSIGNMENT OF ITS INTERESTS TO HUMBLE OIL & REFINING COMPANY, A DELAWARE CORPORATION, AND DESIGNATING THE CORPORATE OFFICER WHO IS AUTHORIZED TO EXECUTE THE SPECIFIC ASSIGNMENT OF INTERESTS IN, AND ASSUMPTION OF OBLIGATIONS UNDER, CALIFORNIA STATE LEASES.
2. A CERTIFIED COPY OF THE RESOLUTION OF THE BOARD OF DIRECTORS OF HUMBLE OIL & REFINING COMPANY, A DELAWARE CORPORATION, AUTHORIZING THE ACCEPTANCE OF THE ASSIGNMENT FROM MONTEREY OIL COMPANY, A DELAWARE CORPORATION, AND DESIGNATING THE CORPORATE OFFICER WHO IS AUTHORIZED TO EXECUTE THE SPECIFIC ASSIGNMENT OF INTERESTS IN, AND ASSUMPTION OF OBLIGATIONS UNDER, CALIFORNIA STATE LEASES.
3. AN EXECUTED COPY OF THE SPECIFIC ASSIGNMENT OF INTERESTS IN, AND ASSUMPTION OF OBLIGATIONS UNDER, CALIFORNIA STATE LEASES SIGNED BY THE AUTHORIZED OFFICERS OF MONTEREY OIL COMPANY AND HUMBLE OIL & REFINING COMPANY.
4. EXECUTED COPIES OF THE ASSIGNMENT OF THE SUBSURFACE CROSSING PERMITS BY AND BETWEEN STANDARD OIL COMPANY OF CALIFORNIA, HUNTINGTON BEACH COMPANY, PACIFIC ELECTRIC RAILWAY COMPANY, PACIFIC ELECTRIC LAND COMPANY AND WILSHIRE OIL COMPANY, INC., COVERING THE COURSES OF TWO WELLS, EASEMENT 400.1 AND EASEMENT 401.1, TRAVERSING UPLANDS NOT UNDER THE JURISDICTION OF THE STATE.
5. EVIDENCE OF FULFILMENT OF THE RESPECTIVE BOND REQUIREMENTS FOR EACH LEASE.

Attachment:

Exhibit "A"

EXHIBIT "A"

1. An undivided 23-1/3% interest in lands covered by State Oil and Gas Lease P.R.C. 91.1 (Huntington Beach Field, Orange County); .

2. An undivided 66.664% in State Lease P.R.C. 919.1, P.R.C. 920.1, Easement 400.1, Easement 401.1 (Huntington Beach Field, Orange County), an undivided 50% interest in lease P.R.C. 186.1 (Belmont Offshore Field, Orange County), and an undivided 50% interest in Lease P.R.C. 145.1 (Rincon Field, Ventura County).