

MINUTE ITEM

17. ASSIGNMENT OF PARTIAL INTEREST IN OIL AND GAS LEASES P.R.C. 308.1 AND P.R.C. 309.1, COAL OIL POINT, SANTA BARBARA COUNTY; HONOLULU OIL CORPORATION - W.O.s 4291 AND 4292.

After consideration of Calendar Item 37 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO APPROVE THE ASSIGNMENT OF AN UNDIVIDED 25 PERCENT INTEREST IN STATE OIL AND GAS LEASES P.R.C. 308.1 AND P.R.C. 309.1 FROM HONOLULU OIL CORPORATION, A DELAWARE CORPORATION, TO TIDEWATER OIL COMPANY, A DELAWARE CORPORATION. THE ASSIGNEE IS TO BE BOUND BY THE TERMS OF THE LEASES TO THE SAME EXTENT AS THE ORIGINAL LESSEE.

Attachment

Calendar Item 37 (1 page)

CALENDAR ITEM

37.

ASSIGNMENT OF PARTIAL INTEREST IN OIL AND GAS LEASES P.R.C. 308.1 AND P.R.C. 309.1, COAL OIL POINT, SANTA BARBARA COUNTY; HONOLULU OIL CORPORATION - W.O.s 4291 AND 4292.

State Oil and Gas Leases P.R.C. 308.1 and P.R.C. 309.1 were issued March 4, 1947, pursuant to competitive public bidding, covering approximately 3,840 acres of tide and submerged lands in Santa Barbara County. The leases are now held by Richfield Oil Corporation, Signal Oil and Gas Company, and Honolulu Oil Corporation, with Richfield Oil Corporation designated as operator.

The Honolulu Oil Corporation, a Delaware corporation, present lessee, has an undivided 25 percent interest in Leases P.R.C. 308.1 and P.R.C. 309.1 and has executed an assignment to Tidewater Oil Company, a Delaware Corporation, of its undivided interest.

Section 4 of each lease provides: "This lease may not be assigned, transferred or sublet, except with the written consent of the State and then only to a person, association of persons, or corporation, who at the time of the proposed assignment, transfer or sublease, possesses the qualifications provided in Division 6 of the Public Resources Code, Statutes of California."

Tidewater Oil Company has submitted evidence showing that it possesses the qualifications necessary to satisfy the statutory requirements. The bond obligations required of the Lessee have been met by the Assignee. A form of assignment covering both leases has been executed by Honolulu Oil Corporation, Assignor, and by Tidewater Oil Company, Assignee. However, the \$5 statutory filing fee for each lease assignment has been paid by the applicant.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO APPROVE THE ASSIGNMENT OF AN UNDIVIDED 25 PERCENT INTEREST IN STATE OIL AND GAS LEASES P.R.C. 308.1 AND P.R.C. 309.1 FROM HONOLULU OIL CORPORATION, A DELAWARE CORPORATION, TO TIDEWATER OIL COMPANY, A DELAWARE CORPORATION. THE ASSIGNEE IS TO BE BOUND BY THE TERMS OF THE LEASES TO THE SAME EXTENT AS THE ORIGINAL LESSEE.