

MINUTE ITEM

11. QUITCLAIM OF OIL AND GAS LEASE P.R.C. 1524.1, HUNTINGTON BEACH, ORANGE COUNTY; CONTINENTAL OIL COMPANY - W.O. 5184.

After consideration of Calendar Item 36 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ACCEPT A QUITCLAIM AND TO TERMINATE OIL AND GAS LEASE P.R.C. 1524.1 EFFECTIVE JUNE 1, 1964, IN ACCORDANCE WITH SECTION 5 OF THE LEASE, AS REQUESTED BY THE LESSEE, CONTINENTAL OIL COMPANY.

Attachment

Calendar Item 36 (1 page)

CALENDAR ITEM

36.

QUITCLAIM OF OIL AND GAS LEASE P.R.C. 1524.1, HUNTINGTON BEACH, ORANGE COUNTY;
CONTINENTAL OIL COMPANY - W.O. 5184.

On June 13, 1955, Oil and Gas Lease P.R.C. 1524.1, covering 320 acres of tide and submerged lands, was issued to Douglas Oil Company of California, pursuant to competitive public bidding in accordance with Division 6 of the Public Resources Code.

The lessee complied fully with the drilling requirements of the lease through March 24, 1956, at which time the Commission authorized a deferment of drilling requirements until June 24, 1956, and further deferments of drilling requirements were authorized covering the period through September 1, 1958. On December 11, 1958 (Minute Item 4, page 4350), the State Lands Commission authorized the Executive Officer to accept a quitclaim of the undeveloped portion of the lease, leaving 10 acres of developed land containing two producing wells which was held by Continental Oil Company as a result of assignment.

Section 5 of the lease provides that the lessee may at any time file with the State a written quitclaim of all rights thereunder. Such quitclaim or relinquishment shall be effective as of the date of its filing, subject to the continued obligation of the lessee and of his surety to make payments of all rental and royalties theretofore accrued, and to place all wells on the land in condition for suspension or abandonment in accordance with the terms of the lease and the rules and regulations of the State.

The lessee has concluded that it is no longer economical to operate the lease, and both producing wells have been properly abandoned, all royalty has been paid, and the rental has been prepaid to June 13, 1964.

The lessee has submitted a quitclaim to surrender and terminate the lease dated June 1, 1964, pursuant to the provisions of Section 5 thereof.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ACCEPT A QUITCLAIM AND TO TERMINATE OIL AND GAS LEASE P.R.C. 1524.1 EFFECTIVE JUNE 1, 1964 IN ACCORDANCE WITH SECTION 5 OF THE LEASE, AS REQUESTED BY THE LESSEE, CONTINENTAL OIL COMPANY.