

MINUTE ITEM

9. REQUEST FOR PARTIAL ASSIGNMENT, LEASE P.R.C. 392.1, ORANGE COUNTY; SIGNAL OIL AND GAS COMPANY TO PAULEY PETROLEUM INC., EDWIN W. PAULEY, JOHN B. ELLIOTT, JOHN C. ELLIOTT, HENRY H. CLOCK, JOHN G. CLOCK, MAUDE H. CLOCK, AND R. A. WAESIMAN - W.O. 5379.

After consideration of Calendar Item 13 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO APPROVE THE ASSIGNMENT BY SIGNAL OIL AND GAS COMPANY OF UNDIVIDED INTERESTS IN STATE OIL AND GAS LEASE P.R.C. 392.1 TO EACH OF THE FOLLOWING: PAULEY PETROLEUM INC., EDWIN W. PAULEY, JOHN B. ELLIOTT, JOHN C. ELLIOTT, HENRY H. CLOCK, JOHN G. CLOCK, MAUDE H. CLOCK, AND R. A. WAESIMAN. THE ASSIGNEES ARE TO BE BOUND BY THE TERMS OF THE LEASE TO THE SAME EXTENT AS THE ORIGINAL LESSEE.

Attachment

Calendar Item 13 (1 page)

CALENDAR ITEM

13.

REQUEST FOR PARTIAL ASSIGNMENT, LEASE P.R.C. 392.1, ORANGE COUNTY; SIGNAL OIL AND GAS COMPANY TO PAULEY PETROLEUM INC., EDWIN W. PAULEY, JOHN B. ELLIOTT, JOHN C. ELLIOTT, HENRY H. CLOCK, JOHN G. CLOCK, MAUDE H. CLOCK, AND R. A. WAESTMAN - W.O. 5379.

Signal Oil and Gas Company, a Delaware corporation, is the owner of the 100% working interest in State Oil and Gas Lease P.R.C. 392.1, issued on September 26, 1938, to Southwest Exploration Company pursuant to competitive public bidding in accordance with applicable law. An application has been received from Signal Oil and Gas Company for approval of the assignment of an undivided interest in Lease P.R.C. 392.1 to each of the following: Pauley Petroleum Inc., Edwin W. Pauley, John B. Elliott, John C. Elliott, Henry H. Clock, John G. Clock, Maude H. Clock, and R. A. Waestman.

The lease provides for the assignment of interests in the lease, with the approval of the State, to corporations or individuals possessing the qualifications required by the Public Resources Code. The aforementioned assignees have submitted evidence showing that they possess the qualifications necessary to satisfy the Code requirements. The bond requirements of the lease have been fulfilled by the assignees. The form of assignment has been executed by Signal Oil and Gas Company and the assignees. Statutory filing fees have been paid by the applicants.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO APPROVE THE ASSIGNMENT BY SIGNAL OIL AND GAS COMPANY OF UNDIVIDED INTERESTS IN STATE OIL AND GAS LEASE P.R.C. 392.1 TO EACH OF THE FOLLOWING: PAULEY PETROLEUM INC., EDWIN W. PAULEY, JOHN B. ELLIOTT, JOHN C. ELLIOTT, HENRY H. CLOCK, JOHN G. CLOCK, MAUDE H. CLOCK, AND R. A. WAESTMAN. THE ASSIGNEES ARE TO BE BOUND BY THE TERMS OF THE LEASE TO THE SAME EXTENT AS THE ORIGINAL LESSEE.