

MINUTE ITEM

47. ASSIGNMENT OF INTEREST, OIL AND GAS LEASE P.R.C. 2206.1, NEWMONT OIL COMPANY, SANTA BARBARA COUNTY - W.O. 4161.

After consideration of Supplemental Calendar Item 49 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO APPROVE THE ASSIGNMENT OF THE INTEREST OF NEWMONT OIL COMPANY IN STATE OIL AND GAS LEASE P.R.C. 2206.1 TO TEXACO INC., THE ASSIGNEE TO BE BOUND BY THE TERMS OF THE LEASE TO THE SAME EXTENT AS THE ORIGINAL LESSEE.

Attachment  
Calendar Item 49 (1 page)

SUPPLEMENTAL CALENDAR ITEM

49.

ASSIGNMENT OF INTEREST, OIL AND GAS LEASE P.R.C. 2206.1, NEWMONT OIL COMPANY, SANTA BARBARA COUNTY - W.O. 4161.

On July 25, 1958, Oil and Gas Lease P.R.C. 2206.1 was issued to the Texas Company, Monterey Oil Company, and Newmont Oil Company, joint bidders, pursuant to competitive public bidding in accordance with Division 6 of the Public Resources Code. On December 22, 1960 (Minute Item 14, page 6530), the Commission approved the assignment of the interest of Monterey Oil Company in State Oil and Gas Lease P.R.C. 2206.1 to Texaco Inc.

An application has been received from Texaco Inc., operator, for approval of the assignment of Newmont's interest in the lease to Texaco Inc. The proposed transaction is to be consummated as soon as possible, following consideration by the Commission.

Newmont Oil Company has submitted a letter stating their agreement in principle to the assignment, provided that all necessary prior consents to the assignment to Texaco of Newmont's interest shall have been secured, and specifically that the prior consent of the Commission shall have been obtained.

Section 4 of the lease provides for the assignment of interest in the lease, with the approval of the State, to a corporation which, at the time of the proposed assignment, possesses the qualifications required by the Public Resources Code. Texaco Inc. has submitted evidence that it possesses the qualifications necessary to satisfy the code requirements. The bond requirements of the lease have been fulfilled by the assignee. The form of assignment to be executed by Newmont Oil Company, assignor, and Texaco Inc., assignee, has been reviewed by staff counsel and is proper in form and is legally sufficient.

The statutory \$5 filing fee has been paid by the applicant.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO APPROVE THE ASSIGNMENT OF THE INTEREST OF NEWMONT OIL COMPANY IN STATE OIL AND GAS LEASE P.R.C. 2206.1 TO TEXACO INC., THE ASSIGNEE TO BE BOUND BY THE TERMS OF THE LEASE TO THE SAME EXTENT AS THE ORIGINAL LESSEE.