12. ASSIGNMENT OF INTEREST IN COMPENSATORY ROYALTY AGREEMENT P.R.C. 2628.1, SUTTER AND COLUSA COUNTIES; FRANCO WYOMING OIL COMPANY TO SOCONY MOBIL OIL COMPANY, INC. - W.O. 5761.

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 OF AN UNDIVIDED ONE-HALF INTEREST IN COMPENSATORY ROYALTY AGREEMENT P.R.C. 2628.1 FROM FRANCO WYOMING OIL COMPANY TO SOCONY MOBIL OIL COMPANY, INC. THE ASSIGNEE IS TO BE BOUND BY THE TERMS AND CONDITIONS OF COMPENSATORY AGREEMENT TO THE SAME EXTENT AS THE ORIGINAL LESSEE.

Attachment
Calendar Item 13 (1 page)

ASSIGNMENT OF INTEREST IN COMPENSATORY ROYALTY AGREEMENT P.R.C. 2628.1, SUTTER AND COLUSA COUNTIES; FRANCO WYOMING OIL COMPANY TO MOBIL OIL COMPANY - W.O. 5761.

An application has been received from Mobil Oil Company for the assignment of Franco Wyoming Oil Company's undivided one-half interest in Compensatory Royalty Agreement P.R.C. 2628.1 to Mobil Oil Company.

Compensatory Royalty Agreement P.R.C. 2628.1 was issued September 6, 1960, to Franco Western Oil Company and A. A. Cameron, d.b.a. Cameron Oil Company, for the State's interest in that portion of the bed of Sacramento River lying in Sections 5, 6, 7, 8, 16, 17 and in a portion of Section 15, T. 14 N., R. 1 E., M.D.B.& M., Sutter and Colusa Counties, in lieu of drilling offset wells on the State lands. (Such agreements are authorized by Section 6815 of the Public Resources Code.)

McElroy Ranch Company became successor in interest to all Franco Western Oil Company's assets by virtue of a merger effective January 1, 1961; and, on August 1, 1961, the Board of Directors elected to change the name back to Franco Western Oil Company.

On September 11, 1964, by a resolution of the Board of Directors, Franco Western Oil Company merged into Franco Wyoming Oil Company.

Section 6 of the Compensatory Royalty Agreement states in part: "...Any modification, surrender, assignment, termination or other disposition of interest of Lessee in said leases, or any of them...shall not, unless consented to by State, relieve Lessee from compliance with the terms and covenants of this agreement...."

The assignee submitted the necessary documents proving that all the conditions required by Section 6801 to qualify as a lessee have been met.

The statutory application filing fee has been paid.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO APPROVE THE ASSIGNMENT OF AN UNDIVIDED ONE-HALF INTEREST IN COMPENSATORY ROYALTY AGREEMENT P.R.C. 2628.1 FROM FRANCO WYOMING OIL COMPANY TO MOBIL OIL COMPANY. THE ASSIGNEE IS TO BE BOUND BY THE TERMS AND CONDITION OF COMPENSATORY AGREEMENT TO THE SAME EXTENT AS THE ORIGINAL LESSEE.