

MINUTE ITEM

4/28/66

36. CANCELLATION OF OIL ROYALTIES DUE TO CRUDE OIL PRICE DIFFERENTIAL;
HUNTINGTON BEACH FIELD - W.O. 4868.

After consideration of Calendar Item 8 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO MAKE APPLICATION TO THE BOARD OF CONTROL UNDER SECTION 13940 OF THE GOVERNMENT CODE FOR DISCHARGE OF ACCOUNTABILITY WITH RESPECT TO THE LEASES LISTED BELOW AND IN THE AMOUNT DUE AND OWING THE STATE:

<u>LEASE NO.</u>	<u>LESSEE</u>	<u>ACCOUNTS RECEIVABLE PER BOOKS</u>
P.R.C. 91.1	HUNTINGTON STATE COMPANY	\$210.65
P.R.C. 986.1	HAMMIL OIL CORPORATION	16.43
P.R.C. 987.1	OCEAN FRONT OIL COMPANY	4.22
P.R.C. 988.1	MAR RICO OIL COMPANY	4.20
P.R.C. 992.1	A. C. MARION, TRUSTEE	7.66
P.R.C. 1336.1	BELOFF CORPORATION	6.30
P.R.C. 1337.1	RUCHTI OIL COMPANY	10.93
P.R.C. 1338.1	H. B. OIL COMPANY	4.35
P.R.C. 1346.1	TOWER PETROLEUM COMPANY	8.86
	TOTAL	\$273.60

Attachment
Calendar Item 8 (1 page)

8.

CANCELLATION OF OIL ROYALTIES DUE TO CRUDE OIL PRICE DIFFERENTIAL; HUNTINGTON BEACH FIELD - W.O. 4868.

The amounts set forth below are outstanding in the accounts receivable of the State Lands Division. These amounts arise from the fact that there were two posted prices (for crude oil of like quality and gravity) in the Huntington Beach field for the period June 1, 1963, to June 16, 1963, inclusive. The State's receivables are based on the posted price of Union Oil Company (highest posted field price) during this period. Lessees during the 16-day period have paid a royalty to the State based upon the lower posted price of Standard Oil Company of California.

The matter of collection was referred to the Attorney General's office, who advised that the amounts presently in controversy are too small to justify the cost of collection and recommended that application for a discharge of accountability be made to the Board of Control.

IT IS RECOMMENDED THAT THE EXECUTIVE OFFICER BE AUTHORIZED TO MAKE APPLICATION TO THE BOARD OF CONTROL UNDER SECTION 13940 OF THE GOVERNMENT CODE FOR DISCHARGE OF ACCOUNTABILITY WITH RESPECT TO THE LEASES LISTED BELOW AND IN THE AMOUNT DUE AND OWING THE STATE:

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