

MINUTE ITEM

11/30/67

32. APPROVAL OF ASSIGNMENT OF PRODUCTION PAYMENT, FIELD CONTRACTOR'S INTEREST, LONG BEACH UNIT, WILMINGTON OIL FIELD - W.O. 5200.503.1.

After consideration of Calendar Item 21 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION APPROVES THE FOLLOWING DOCUMENTS RELATIVE TO THE INTEREST OF TEXACO INC., HUMBLE OIL & REFINING COMPANY, UNION OIL COMPANY OF CALIFORNIA, MOBIL OIL CORPORATION, AND SHELL OIL COMPANY, AS FIELD CONTRACTOR UNDER THE CONTRACTOR'S AGREEMENT, LONG BEACH UNIT, WILMINGTON OIL FIELD:

1. ASSIGNMENTS AND AGREEMENTS, DATED DECEMBER 29, 1967, BETWEEN TEXACO INC., HUMBLE OIL & REFINING COMPANY, UNION OIL COMPANY OF CALIFORNIA, MOBIL OIL CORPORATION, AND SHELL OIL COMPANY (AS ASSIGNOR), AND INSTITUTE OIL, INC. (AS ASSIGNEE).
2. SECURITY AGREEMENT AND DEED OF TRUST, DATED DECEMBER 29, 1967, FROM INSTITUTE OIL, INC., TO SECURITY FIRST NATIONAL BANK, AS TRUSTEE.
3. CONSENT OF SURETY, DATED OCTOBER 18, 1967, BY AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA, REGARDING DOCUMENTS 1 AND 2 ABOVE.

THE APPROVAL OF THESE DOCUMENTS SHALL BE SUBJECT TO THEIR CONCURRENT APPROVAL BY THE CITY MANAGER OF THE CITY OF LONG BEACH.

Attachment

Calendar Item 21 (2 pages)

21.

APPROVAL OF ASSIGNMENT OF PRODUCTION PAYMENT, FIELD CONTRACTOR'S INTEREST, LONG BEACH UNIT, WILMINGTON OIL FIELD - W.O. 5200.503.1.

Texaco Inc., Humble Oil & Refining Company, Union Oil Company of California, Mobil Oil Corporation, and Shell Oil Company, as Field Contractor for the Long Beach Unit, have requested approval of the conveyance of a production payment to Institute Oil, Inc., and a concurrent hypothecation by Institute Oil, Inc., to Security First National Bank.

Article 25 of the Contractor's Agreement provides, in part, that none of the Contractors shall assign any of its rights under the agreement without first obtaining the written consent of the City Manager, with the approval of the State.

Pursuant to Article 25, the following documents have been submitted for State Lands Commission approval:

1. Assignments and Agreements, dated December 29, 1967, between Texaco Inc., Humble Oil & Refining Company, Union Oil Company of California, Mobil Oil Corporation, and Shell Oil Company (as Assignor), and Institute Oil, Inc. (as Assignee).
2. Security Agreement and Deed of Trust, dated December 29, 1967, from Institute Oil, Inc., to Security First National Bank, as Trustee.
3. Consent of Surety, dated October 18, 1967, by American Casualty Company of Reading, Pennsylvania, regarding documents 1 and 2 above.

Section 8 of the Assignments and Agreements assures that the proposed documents will not change the working relationship as it now exists between Texaco, Humble, Union, Mobil, and Shell vis-a-vis the State, the City, and the Long Beach Unit.

The Office of the Attorney General has advised that the Commission may properly approve the documents as submitted.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE FOLLOWING DOCUMENTS RELATIVE TO THE INTEREST OF TEXACO INC., HUMBLE OIL & REFINING COMPANY, UNION OIL COMPANY OF CALIFORNIA, MOBIL OIL CORPORATION, AND SHELL OIL COMPANY, AS FIELD CONTRACTOR UNDER THE CONTRACTOR'S AGREEMENT, LONG BEACH UNIT, WILMINGTON OIL FIELD:

1. ASSIGNMENTS AND AGREEMENTS, DATED DECEMBER 29, 1967, BETWEEN TEXACO INC., HUMBLE OIL & REFINING COMPANY, UNION OIL COMPANY OF CALIFORNIA, MOBIL OIL CORPORATION, AND SHELL OIL COMPANY (AS ASSIGNOR), AND INSTITUTE OIL INC. (AS ASSIGNEE).
2. SECURITY AGREEMENT AND DEED OF TRUST, DATED DECEMBER 29, 1967, FROM INSTITUTE OIL, INC., TO SECURITY FIRST NATIONAL BANK, AS TRUSTEE.

CALENDAR ITEM 21. (CONTD.)

3. CONSENT OF SURETY, DATED OCTOBER 18, 1967, BY AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA, REGARDING DOCUMENTS 1 AND 2 ABOVE.

THE APPROVAL OF THESE DOCUMENTS SHALL BE SUBJECT TO THEIR CONCURRENT APPROVAL BY THE CITY MANAGER OF THE CITY OF LONG BEACH.