

40. APPROVAL OF CONVEYANCE OF PRODUCTION PAYMENT, THE SIGNAL COMPANIES, INC., LONG BEACH HARBOR DEPARTMENT TIDELANDS PARCEL, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 10,190.

After consideration of Calendar Item 26 attached, and upon motion duly made and carried, the following resolution was adopted.

THE COMMISSION APPROVES THE FOLLOWING DOCUMENTS SUBMITTED BY THE CITY OF LONG BEACH, ALL IN RELATION TO THE INTEREST OF THE SIGNAL COMPANIES, INC., AS A "CONTRACTOR" UNDER "DRILLING AND OPERATING CONTRACT (LONG BEACH HARBOR DEPARTMENT TIDELANDS PARCEL)", DATED MARCH 21, 1964:

1. CONVEYANCE OF PRODUCTION PAYMENT AND AGREEMENT, DATED DECEMBER 30, 1968, FROM THE SIGNAL COMPANIES, INC., WHICH ACQUIRED TITLE AND IS NOW DOING BUSINESS AS SIGNAL OIL AND GAS COMPANY, TO CMC ENDOWMENT CORPORATION, A CALIFORNIA NONPROFIT CORPORATION.
2. SECURITY AGREEMENT AND DEED OF TRUST, DATED DECEMBER 30, 1968, FROM CMC ENDOWMENT CORPORATION TO UNITED CALIFORNIA BANK, AS TRUSTEE.
3. CONSENT OF SURETY BY PACIFIC INDEMNITY COMPANY REGARDING ITEMS 1 AND 2 ABOVE.
4. APPROVALS OF STANDARD OIL COMPANY OF CALIFORNIA, HUMBLE OIL & REFINING COMPANY, CONTINENTAL OIL COMPANY, CM OIL COMPANY, AND LONG BEACH OIL DEVELOPMENT COMPANY, WHICH COMPANIES CONSTITUTE ALL OF THE CONTRACTORS UNDER THE DRILLING AND OPERATING CONTRACT, REGARDING ITEMS 1 AND 2 ABOVE.

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

Attachment

Calendar Item 26 (2 pages)

26.

APPROVAL OF CONVEYANCE OF PRODUCTION PAYMENT, THE SIGNAL COMPANIES, INC., LONG BEACH HARBOR DEPARTMENT TIDELANDS PARCEL, WILMINGTON OIL FIELD, LOS ANGELES COUNTY - W.O. 10,190.

The Signal Companies, Inc., which acquired title and is now doing business as Signal Oil and Gas Company, holds an undivided 56.43% interest as a "Contractor" for the City of Long Beach under "Drilling and Operating Contract (Long Beach Harbor Department Tideland Parcel)". Section 33 of said Drilling and Operating Contract provides, in part, as follows:

"Neither the Contractor, nor any of its successors or assigns, shall have the right or power to assign, hypothecate, pledge, or in any manner dispose of this agreement, or any part thereof, or of the whole or any part of the Contractor's rights, privileges, or obligations hereunder, without first obtaining the written consent of, and subject to such terms and conditions as may be prescribed by, the Board, after the Board has obtained State Lands Commission approval therefor."

The City of Long Beach, pursuant to Section 33 above, has submitted the following documents for State Lands Commission approval:

1. Conveyance of production Payment and Agreement, dated December 30, 1968, from The Signal Companies, Inc., which acquired title and is now doing business as Signal Oil and Gas Company, to CMC Endowment Corporation, a California nonprofit corporation.
2. Security Agreement and Deed of Trust, dated December 30, 1968, from CMC Endowment Corporation to United California Bank, as Trustee.
3. Consent of Surety by Pacific Indemnity Company regarding items 1 and 2 above.
4. Approvals of Standard Oil Company of California, Humble Oil & Refining Company, Continental Oil Company, CM Oil Company, and Long Beach Oil Development Company, which companies constitute all of the Contractors under the Drilling and Operating Contract, regarding items 1 and 2 above.

Section 8 of the Conveyance of Production Payment assures that the documents will not change the obligations or working relationships as they now exist between the City of Long Beach, the State of California, and the Contractors under the Drilling and Operating Contract.

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 SUBMITTED BY THE CITY OF LONG BEACH, ALL IN RELATION TO THE INTEREST OF THE SIGNAL COMPANIES, INC., AS A "CONTRACTOR" UNDER "DRILLING AND OPERATING CONTRACT (LONG BEACH HARBOR DEPARTMENT TIDELANDS PARCEL)", DATED MARCH 21, 1964:

CALENDAR ITEM 26. (CONTD.)

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4. APPROVALS OF STANDARD OIL COMPANY OF CALIFORNIA, HUMBLE OIL & REFINING COMPANY, CONTINENTAL OIL COMPANY, CM OIL COMPANY, AND LONG BEACH OIL DEVELOPMENT COMPANY, WHICH COMPANIES CONSTITUTE ALL OF THE CONTRACTORS UNDER THE DRILLING AND OPERATING CONTRACT, REGARDING ITEMS 1 AND 2 ABOVE.

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