

MINUTE ITEM NO. 49  
APPROVED: 2 26 76

CALENDAR ITEM

2/76  
JFT  
PRC 5050

49.

CONSENT TO ASSIGNMENT OF INDUSTRIAL LEASE PRC 5050

ASSIGNOR: Phillips Petroleum Company  
155 Bovet Road, Suite 675  
San Mateo, California 94402

ASSIGNEE: Lion Oil Company, a subsidiary of  
the Oil Shale Company ("TOSCO")

LEASE NO.: PRC 5050.1.

LOCATION: Sacramento, Sacramento County.

USE: Wharf at Sacramento.

PERTINENT INFORMATION:

In compliance with an action in the United States District Court, for the Central District of California, Civil No. 66-1154-WJF, Phillips Petroleum Corporation is in the process of assigning certain of its leases and interest to the Oil Shale Corporation, hereinafter referred to as "TOSCO".

Leases previously issued by the State Lands Commission are affected by the Court's order. Lease PRC 5050.1 above is so affected. Applicant, Phillips Petroleum, has requested that said lease be assigned to Lion Oil Co., a subsidiary of the Oil Shale Company "TOSCO". The staff has reviewed the applicant's request and recommends Commission consent to this assignment.

This transaction is not a project within the meaning defined in Section 15037 of Title 14 of the California Administrative Code and Section 21065 of the Public Resources Code.

Accordingly, an environmental assessment for this transaction is not required.

IT IS RECOMMENDED THAT THE COMMISSION:

1. CONSENT TO THE ASSIGNMENT BY PHILLIPS PETROLEUM COMPANY TO LION OIL COMPANY, A SUBSIDIARY OF THE OIL SHALE COMPANY "TOSCO" OF LEASE AND INTEREST IDENTIFIED AS PRC 5050.1 SUBJECT TO THE FOLLOWING CONDITIONS:

CALENDAR ITEM NO. 49. (CONTD)

- A. SUCH CONSENT SHALL CONTAIN THE RESERVATION THAT "SUCH CONSENT IS MADE UPON THE EXPRESS CONDITION THAT SUCH ASSIGNMENT DOES NOT AND SHALL NOT RELEASE OR RELIEVE THE ASSIGNOR FROM ANY OBLIGATION TO THE STATE UNDER THE TERMS OF SAID LEASE, AND THAT THE STATE MAY HOLD THE ASSIGNOR LIABLE FOR THE FAITHFUL PERFORMANCE OF ANY AND ALL OBLIGATION OF THE LESSEE UNDER SAID LEASE; AND FURTHER THAT THE ASSIGNEE SHALL BE BOUND BY THE TERMS OF SAID LEASE TO THE SAME EXTENT AS IF SUCH ASSIGNEE WERE THE ORIGINAL LESSEE, ANY CONDITIONS IN THE ASSIGNMENT AGREEMENT TO THE CONTRARY, NOTWITHSTANDING."
  - B. AN ASSIGNMENT AND ACCEPTANCE OF ASSIGNMENT, FORM 51.11(a), WILL BE COMPLETED, EXECUTED AND ACKNOWLEDGED BY THE ASSIGNOR AND ASSIGNEE IN RESPECT OF EACH LEASE AND EASEMENT AND A FULL EXECUTED AND ACKNOWLEDGED COPY OF EACH ONE WILL BE DELIVERED TO THE COMMISSION.
  - C. THE COMMISSION SHALL HAVE RECEIVED A CERTIFICATE OF GOOD STANDING FROM THE CALIFORNIA SECRETARY OF STATE AS TO THE ASSIGNEE.
  - D. THE COMMISSION'S CONSENT IS CONTINGENT UPON CONSUMMATION OF THE SALE OF THE ASSETS THAT ARE THE SUBJECT OF THE JUNE 3, 1975, AGREEMENT BETWEEN PHILLIPS AND TOSCO.
  - E. PHILLIPS AND TOSCO SHALL NOTIFY THE COMMISSION OF THE EFFECTIVE DATE OF EACH ASSIGNMENT.
2. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT NEED NOT BE PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF PRC 21065, 14 CAL. ADM. CODE 15037.
  3. AUTHORIZE THE EXECUTIVE OFFICER, OR HIS DESIGNEE, TO EXECUTE APPROPRIATE DOCUMENTS TO EFFECTUATE SAID CONSENT.