

MINUTE ITEM

This Calendar Item No. 20
was approved by Minute Item
No. 20 by the State Lands
Commission by a vote of 3
to 0 at its 1/26/77
meeting.

CALENDAR ITEM

1/77
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20.

ASSIGNMENT OF CO-LESSEE INTEREST
IN STATE OIL AND GAS LEASE

LEASE: PRC 91.1.

LOCATION: Offshore Huntington Beach, Orange County:

LEASE OWNERSHIP:

Aminoil USA, Inc.	69.24488% (Main Zone Unit)
	70.21028% (Remainder of Lease)
Exxon Corporation	23.33333% (Entire Lease)
Others (twelve parties)	7.42179% (Main Zone Unit)
	6.45642% (Remainder of lease)

ASSIGNMENT: Exxon Corporation's 23.33333% interest in PRC 91.1 Main Zone Unit to Aminoil USA, Inc. Exxon's interest in remainder of lease to be retained.

ENVIRONMENTAL REPORT REQUIREMENTS: No environmental study is required. The assignment will not alter the existing lease installations or equipment in any way nor will it provide for any change in operations of the lease; as such, State approval of the assignment qualifies as a Commission ministerial project under the Guidelines for Implementation of the California Environmental Quality Act of 1970 (Title 14, Cal. Adm. Code Section 15073).

PREREQUISITE ITEMS: Assignment forms were executed by assignor and assignee on December 19, 1975.

OTHER PERTINENT DATA: The lease was originally issued on May 31, 1943, to H. R. Hamilton. By 1960, the lease ownership had become widely divided through several assignments and reassignments. In 1965, all interests were consolidated into complete ownership by Signal Oil and Gas Company (76 2/3%) and Humble Oil and Refining Company (23 1/3%). In February 1972, Signal assigned 8.27417% of its 76 2/3% interest (or 6.34349% of a 100% ownership) to John C. Elliott, et al., a six-party group, thereby leaving Signal with 70.32318% of the over-all lease. Signal then assigned

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CALENDAR ITEM NO. 20. (CONTD)

(June 1, 1972) 1.375% of its 70.32318% interest (or 0.96694% of a 100% ownership) in the Main Zone Unit of the lease to J. A. Humphrey and The Howard Corporation. Due to such assignment, Signal's ownership was reduced to 69.35623% in the Main Zone Unit of the lease while its ownership in the remainder of the lease remained at 70.32318%. An assignment by Burmah Oil and Gas Company (previously Signal Oil and Gas) on March 1, 1976, to Henry H. Clock, et al. (four parties of the Clock family) transferred from Burmah 0.16055% of its interest in the lease to the Clocks. That transfer, amounting to .11135% of the Main Zone Unit and .11290% of the remainder of the lease, leaves Burmah (now Aminoil USA, Inc.) with a present ownership of 69.24488% in the Main Zone Unit, and 70.21028% in the remainder of the lease.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF TITLE 14, CAL. ADM. CODE 15073.
2. APPROVE THE ASSIGNMENT OF EXXON'S 23.35333% INTEREST IN THE MAIN ZONE UNIT OF STATE OIL AND GAS LEASE PRG 91.1 TO AMINOIL USA, INC.; SUCH ASSIGNMENT TO INCREASE AMINOIL'S OWNERSHIP IN THE MAIN ZONE UNIT TO 92.57821%, THE REMAINDER OF THE LEASE OWNERSHIP TO REMAIN UNCHANGED; SUCH APPROVAL TO BE 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 OBLIGATIONS 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.