

MINUTE ITEM

This Calendar Item No. 36
was approved as Minute Item
No. 36 by the State Lands
Commission by a vote of 2
to 0 at its 6/23/83
meeting.

CALENDAR ITEM

36. 4.

6/23/83
PRC 2726
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ASSIGNMENT OF STATE OIL AND GAS
LEASE PRC 2726.1
FROM MARATHON PETROLEUM COMPANY
TO MARATHON OIL COMPANY

ASSIGNOR: Marathon Petroleum Company
(Lessee)

ASSIGNEE: Marathon Oil Company
P. O. Box 2380
Anchorage, Alaska 99510
Attention: Morris L. Lowman

AREA, TYPE LAND AND LOCATION:
State Oil and Gas Lease PRC 2726.1 was
issued to Atlantic Richfield Company (25
percent), Mobil Oil Corporation (25 percent),
Getty Oil Company (25 percent) and Marathon
Oil Company (25 percent) on May 4, 1961.
This lease contains approximately 4,250
acres of tide and submerged lands located
midway between Gaviota and Point Conception,
Santa Barbara County.

AB 884: N/A.

PERTINENT INFORMATION:
In November, 1981, the firm "USS Holdings"
Company was organized by United States
Steel Corporation as a wholly owned subsidiary
for the sole purpose of acquiring Marathon
Oil Company by a stock tender offer and

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merger. Over (95 percent) of Marathon's stock was tendered and in a subsequent stockholders meeting in March of 1982, Marathon became a wholly owned subsidiary of Holdings, owning essentially 100 percent of the stock of Marathon.

In July 1982 a reorganization of USS Holdings Company and its wholly owned subsidiary Marathon Oil Company was effected. In this reorganization plan, Marathon Oil Company changed its name to Marathon Petroleum Company. In a subsequent action USS Holdings Company changed its name to Marathon Oil Company. Pursuant to a plan of Partial Liquidation, Marathon Petroleum Company, as a wholly owned subsidiary of Marathon Oil Company (formerly Holdings) conveyed all of its domestic producing and undeveloped properties to said Marathon Oil Company, including California Oil and Gas Lease PRC 2726.1.

In the end Marathon Oil Company (formerly USS Holdings Company) will own all the domestic properties and Marathon Petroleum Company, a wholly owned subsidiary of Marathon Oil Company, will own the refinery, marketing, transportation facilities and direct the international operations.

Marathon Oil Company operates as a separate entity with its own Board of Directors and is free to exercise its own good business judgment on projects or endeavors as are approved by its own Board of Directors. USS has two of its officers on Marathon's 12 man Board.

- PREREQUISITES:
1. Assignment forms have been fully executed.
 2. Assignee is fully qualified to hold a lease in the State.
 3. The statutory filing fees have been submitted.

EXHIBIT: A. Location Map.

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IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL DOCUMENT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH IS NOT REQUIRED UNDER THE PROVISIONS OF P.R.C. 21065, 14 CAL. ADM. CODE 15037 AND 15060.
2. APPROVE THE ASSIGNMENT BY THE PRESENT LESSEE, MARATHON PETROLEUM COMPANY, OF ITS ENTIRE INTEREST, WHICH IS 25 PERCENT, IN STATE OIL AND GAS LEASE PRC 2726.1 TO THE MARATHON OIL COMPANY EFFECTIVE JUNE 23, 1983; ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.
3. AUTHORIZE THE EXECUTION OF THE APPROPRIATE DOCUMENTS TO EFFECTUATE SAID CONSENT.

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AMOUNT PAID	1380

