

Safeguards Sought in Oil Leases

BY NORMAN DASH

BEVERLYWOOD — Two organizations representing property owners in this community, dissatisfied with present Signal Oil & Gas Co. subsurface oil leases, are seeking greater legal safeguards.

A citizens committee, led by Atty. Gerson Marks, is preparing its own community oil and gas lease that will be submitted this week to six oil companies for approval.

Postcard Poll

If the lease is accepted by the companies, the firms can submit it to the property owners for their approval and acceptance, Marks added.

At the same time, the Beverlywood Homes Association is going ahead with its postcard poll. Association directors are attempting to determine if residents are in favor of slant drilling from a site outside of Beverlywood, if residents have already signed leases, whether an attorney was consulted regarding the lease, and if a new lease is prepared which is satisfactory to the Beverlywood attorney would homeowners then sign it.

Temporary Shift

Signal isn't ready to abandon Beverlywood as a potential oil-drilling district, according to a company spokesman.

However, the community is being dropped temporarily so that Signal can concentrate on other oil-drilling districts east of Beverlywood, Rancho Park-Westwood Gardens, Palms-Mar Vista, Cheviot Hills and the area north of Beverlywood.

"While it is true that possible development in Beverlywood will be indefinitely delayed, we will continue to acquire oil and gas leases as time permits," a letter from Signal to homeowners stated.

Uncashed Checks

In addition, the firm has recalled its uncashed \$60 advance rental checks now in the hands of property owners. The checks were mailed at the start of Signal's leasing campaign.

The Signal spokesman said that the checks are merely bonuses for signing the leases and do not constitute a contract. Those who cash checks without signing leases will have to return the money.

Marks said his lease will affect approximately 1850 property owners living within the boundaries of Hillcrest golf course on the west, Pico Blvd. on the north, Robertson Blvd. on

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OIL LEASES

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The lease includes two features that are considered important to homeowners.

One is that the lease will forbid location of drill sites and derricks in a residential area, Marks said. Instead, subsurface operations will have to be conducted from an industrial zone.

Secondly, leases signed by homeowners will go to escrow and will not be recorded until the termination of expected litigation to determine whether certain deed restrictions found by the Beverlywood Homes Association are valid.

Second Feature

This second feature will make sure that leases are not recorded until a lawsuit settles all legal questions arising from deed restrictions.

Causing the dispute over deed restrictions is the Marblehead Land Co., original owners of the Beverlywood area.

Marblehead then sold it to the Beverly-Arnaz Co. with the provision that if oil is produced, the property would revert to Marblehead Land.

Afterward, Marblehead turned the mineral rights over to Beverly-Arnaz, but at the same time it did not remove the reverter clause from the contract.

Financial Adjustment

"Any oil company that accepts this form of community lease will obviously have to make some financial adjustment with those who have already signed leases with oil firms," Marks said.

The lease the community leader is preparing will keep the royalty approximately the same as the 16 $\frac{2}{3}$ % now being offered to homeowners by the Signal Oil & Gas Co.

Working with Marks in drawing up a lease for the companies are Irving G. Schachter, Bennett Witeby and Jack Vineberg. Schachter is representing himself and not the Beverlywood Homes Association.

Answers Awaited

Meanwhile, the Beverlywood Homes Association is waiting for answers from 1346 cards mailed out to community property owners. Before any action is taken, directors will wait for approximately 600 answers, according to Schachter, president.

"Signal's recalling of checks won't interfere with us in any way," Schachter said. "We're still going

"If we find that the homeowners are interested in a new lease, then we'll renegotiate with Signal. If, on the other hand, the response is that we don't want drilling, then we'll drop the matter!"

28% Sign Leases

Signal's reports show that approximately 28 $\frac{1}{2}$ % of the homeowners in Beverlywood have signed leases with the firm. However, to petition for an oil district, 75% is needed.

The firm, with enough contracts east of Beverlywood, Rancho Park - Westwood Gardens and Palms - Mar Vista, will soon petition Los Angeles for the formation of an oil drilling district for these communities, the spokesman said.