

ORIGINAL

Decision No. 59193

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of J AND G OIL WELL SERVICE, a
corporation, for a Permit to
Issue and Sell its Securities.

Application No. 41548

O P I N I O N

J and G Oil Well Service, a corporation, has filed this application for authorization to issue 1,274 shares of common stock of the par value of \$100 each.

Applicant was organized under the laws of the State of California on or about September 16, 1952, and thereafter acquired the assets and operations of Timy R. Jamar, doing business as J and G Oil Well Service, and undertook operations as a petroleum contract carrier and a radial highway common carrier. In 1954, it was certificated by the Commission, by Decision No. 50161, dated June 18, 1954, as amended, to operate as a petroleum irregular route carrier, as defined in Section 214 of the Public Utilities Code, for the transportation of petroleum and petroleum products, as set forth in said decision as amended, between certain points and places in Ventura and Santa Barbara Counties and certain points and places in Los Angeles County.

Financial statements filed with the Commission show that applicant has financed itself with common stock and retained earnings. A summary statement showing its financial position, as of June 30, 1959, is as follows:

<u>Assets</u>		
Tangible assets, less reserves		\$ 39,024
Current and prepaid assets		<u>133,392</u>
Total		<u>\$172,416</u>
<u>Liabilities and Capital</u>		
Current liabilities		\$ 5,527
Capital -		
Common stock (637 shares)	\$ 63,700	
Surplus	<u>103,189</u>	
Total capital		<u>166,889</u>
Total		<u>\$172,416</u>

It is reported in the application that the corporation did not obtain authorization to issue its shares of common stock but that its failure to obtain the required authorization was through inadvertence on its part. The corporation now seeks an order authorizing it to issue 637 shares of common stock to the present shareholders in lieu of the shares now held by them.

In addition, the corporation seeks authorization to issue 637 shares of common stock to capitalize, in part, its retained earnings and to distribute such shares as a dividend to its present shareholders on a share-for-share basis.

From a review of the application and of the financial statements we conclude that applicant has had earnings from operations in excess of the proposed stock dividend, that such earnings have been invested in applicant's business and properties, and that an order properly may be made authorizing the issue of shares of common stock against the accumulated surplus.

O R D E R

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for through the issue of the stock herein authorized is reasonably required for the purposes specified herein, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

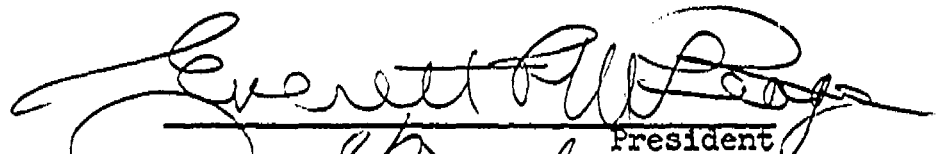
IT IS HEREBY ORDERED as follows:


1. J and G Oil Well Service, a corporation, on or after the effective date hereof and on or before December 31, 1959, may issue not to exceed 637 shares of its common stock of the par value of \$100 each in exchange for the presently outstanding shares, and, in addition, may issue 637 shares of common stock against, and in reimbursement of, its surplus and distribute such shares as a stock dividend.

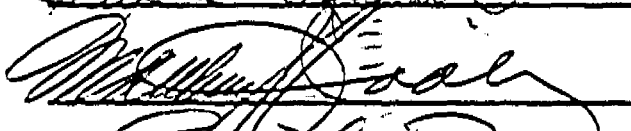
2. J and G Oil Well Service shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

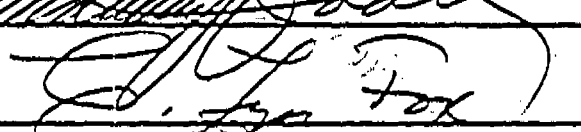
3. The authority herein granted shall become effective on the date hereof.

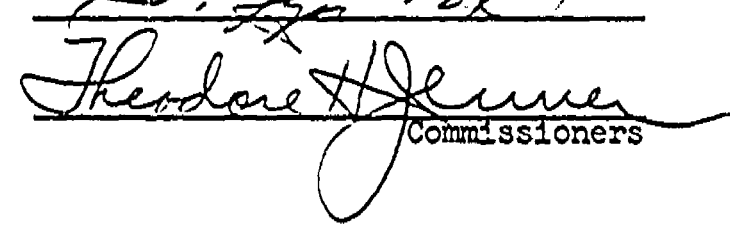
Dated at San Francisco, California,
this 27th day of October, 1959.



President








Commissioners