STATE LANDS COMMISSION

State of California

Agreement Amending State Oil and Gas Lease

P.R.C. 145.1

WHEREAS by virtue of mesne assignments and transfers with the consent of the State Lands Commission, Humble Oil & Refining Company, Beloil Corporation, Ltd., Neptune Corporation, Sexton Corporation, American Metal Climax, Inc., and G. L. Rosen, an individual, are present lessees under that State Oil and Gas Lease No. 145, P.R.C., made and entered into the 3rd day of July 1944, by and between the State of California, acting by and through the State Lands Commission, and Beloil Corporation, Ltd., Lido Petroleum Company, O. C. Field Gasoline Corporation for a term of twenty (20) years; and

WHEREAS with the consent of the State Lands Commission certain amendments to said lease were made and entered into, to wit:

That letter amendment dated the 26th day of June 1944 which amendment was a condition precedent to the execution of said Lease No. 145, P.R.C. and was made a part thereof and

That amendment dated the 19th day of August 1949; and

WHEREAS on the 9th day of October, 1963 and on the 6th day of December, 1963, an application was made by Humble Oil & Refining Company, Beloil Corporation, Ltd., Neptune Corporation, Sexton Corporation, American Metal Climax, Inc., and G. L. Rosen, present lessees under State Oil and Gas Lease No. 145, P.R.C., to amend the term of said lease pursuant to Section 6827 of the Public Resources Code and to further amend said lease to conform with subdivisions (a), (b), (c), and (d) of Public Resources Code Section 6873; and

WHEREAS the State deems the amendments hereinafter set forth of said oil and gas lease pursuant to Sections 6827 and 6873 of the Public Resources Code to be in the best interests of the State and the State Lands Commission, by resolution duly adopted, has authorized said amendment;
NOW, THEREFORE, in consideration of the premises, the State of California, acting by and through the State Lands Commission, and Humble Oil & Refining Company, Beloil Corporation, Ltd., Neptune Corporation, Sexton Corporation, American Metal Climax, Inc., and G. L. Rosen, lessees, do hereby further amend said lease and do hereby mutually agree as follows:

I

Paragraphs 21 and 22 of said lease now reading as follows:

21. Each well drilled pursuant to the terms of this lease shall be drilled in accordance with the rules and regulations now or which may hereafter be promulgated by the State, only upon filled lands or shall be slant drilled from an upland or littoral drill site to and into the subsurface of the tide or submerged lands covered by this Lease; and on a course and to an objective approved in writing by the State prior to the commencement of such drilling. The derricks, machinery, and any and all other surface structures, equipment, and appliances shall be located only upon filled lands or upon the littoral lands or uplands, and all surface operations shall be conducted therefrom.

22. All operations under this lease shall be conducted in such manner as to prevent pollution and contamination of the ocean and tidelands or any impairment of and interference with bathing, fishing, or navigation in the waters of the ocean or any bay or inlet thereof, and no oil, tar, residuary products of oil, or any refuse of any kind from any well or works of the lessee shall be permitted to be deposited on or pass into the waters of the ocean or any bay or inlet thereof.

are hereby stricken and deleted from said lease, and in lieu thereof, the following language is inserted in said lease as Paragraph 22 thereof:

22. (a) Each well drilled pursuant to the terms of this lease, whether from upland, littoral or offshore locations, shall be drilled in accordance with the rules and regulations now or which may hereafter
be promulgated by the State and on a course and to an objective approved in writing by the State prior to the commencement of such drilling. Each said well may be drilled or slant-drilled to and into the sub-
surface of the tide or submerged lands covered by this lease from upland or littoral drill sites owned or controlled by the State or owned by or available to the Lessee, or from drill sites located upon any filled lands heretofore or hereafter filled, whether con-
tiguous or non-contiguous to the littoral lands or uplands, or from any pier heretofore or hereafter constructed, owned by or available to the Lessee and available for such purpose, or from platforms or other fixed or floating structures in, on or over the tide or sub-
merged lands covered by this lease or otherwise available to the Lessee.

(b) Pollution and contamination of the ocean and tidelands and all impairment of and interference with bathing, fishing or navigation in the waters of the ocean or any bay or inlet thereof is prohibited, and no oil, tar, residuary product of oil or any refuse of any kind from any well or works shall be permitted to be deposited on or pass into the waters of the ocean or any bay or inlet thereof; provided, however, that this subsection (b) shall not be deemed to apply to deposit on or passage into said waters of water not containing any hydrocarbons or vegetable or animal matter.

(c) If the Lessee proposes to drill one or more wells from filled lands, whether contiguous or non-contiguous to the riparian or littoral lands or uplands, or from any pier or from platforms or other fixed or floating structures to be constructed for such purpose, and if permission from any federal or state agency is legally required in order to construct any such filled land o:
structures, the Lessee shall be allowed a reasonable time follow-
ing the execution of the lease within which to secure the neces-
sary permission from such federal and state agencies as shall be
legally required, and, upon the securing of such permission, a
further reasonable time, determined with regard to the nature of
the filled lands or structure or structures to be constructed,
within which to commence operations for the drilling of such well
or wells. The drilling term of the lease shall be extended by the
commission by a period equal to such reasonable time to secure such
permission, and, if necessary, to the date to which the time to com­
ence operations for the drilling of such well or wells has been
extended.

(d) Any offshore filled lands or structure or structures
constructed for the purpose of drilling pursuant to this Para-
graph 22 shall conform to the rules and regulations of the commis­
sion in effect on February 26, 1964.

It is further mutually agreed as follows:

1. The signing of this agreement by the parties constitutes
an oil and gas lease between said parties in exchange for said
State Oil and Gas Lease No. 145, P.R.C., at the same royalty and
upon the same terms and conditions as said State Oil and Gas Lease
No. 145, P.R.C., as heretofore and herein above amended which is
incorporated by reference herein and is to be deemed a part hereof
except that the language appearing on page 3 of State Oil and Gas
Lease No. 145, P.R.C., reading as follows:

"The term of this lease shall continue for a period of
twenty (20) years from and after the date hereof, but such term
may be thereafter extended upon such terms and conditions and
for such period of time as the State deems for its best interests."
is hereby stricken and deleted from said lease and, in lieu thereof, the
following language is substituted:

"The term of said lease shall be for a term of five (5) years
from and after February 26, 1964, and for so long thereafter as
oil and gas is produced in paying quantities, or lessee shall be
conducting producing, drilling, deepening, repairing, redrilling
or other necessary lease or well maintenance operations on the
leased land."

2. Nothing herein contained shall operate to discharge or
release Lessee, its legal representatives or assigns from the
liabilities heretofore or hereafter arising to fulfill, keep and
promptly perform the terms and conditions contained in said State
Oil and Gas Lease No. 145, P.R.C.

IN WITNESS WHEREOF, the parties hereto have executed this agreement
with all formalities required by law as of April 16, 1964.

STATE LANDS COMMISSION OF THE
STATE OF CALIFORNIA

By

Lessee:
HUMBLE OIL & REFINING COMPANY
By:

BELGIOIL CORPORATION, LTD.
By:

NEPTUNE CORPORATION
By:

AMERICAN METAL CLIMAX, INC.
By:

SEXTON CORPORATION
By:

ATTEST

FILE COPY
APPROVED:
Section Head
Fiscal
Legal
A.E.O.

RErored COPY

STATE LANDS COMMISSION OF THE
STATE OF CALIFORNIA
By

Lessee:
HUMBLE OIL & REFINING COMPANY
By:

BELGIOIL CORPORATION, LTD.
By:

NEPTUNE CORPORATION
By:

AMERICAN METAL CLIMAX, INC.
By:

SEXTON CORPORATION
By:

ATTEST
STATE OF CALIFORNIA
COUNTY OF ANGELES

On this 16th day of April, A.D., 19... before me, the undersigned, a Notary Public in and for the State of California, with principal office in the County of Los Angeles, personally appeared F. J. HORTIG, known to me to be the Executive Officer of the STATE LANDS COMMISSION, STATE OF CALIFORNIA, the Commission that executed the within Instrument, known to me to be the person who executed the within Instrument, on behalf of the Commission therein named, and acknowledged to me that such Commission executed the within Instrument pursuant to a resolution of its Commissioners.

WITNESS my hand and official seal.

MYSHE STRATTON, Notary Public
My Commission Expires October 30, 1966

STATE OF OKLAHOMA
COUNTY OF TULSA

On this 22nd day of March, 19... before me, JANELLE GROGG personally appeared Don E. Hollingshead, known to me to be the person whose name is subscribed to the within instrument as the attorney in fact of AMERICAN METAL CLIMATE, Inc., and acknowledged to me that he subscribed the name of AMERICAN METAL CLIMATE, Inc. thereto as principal, and his own name as attorney in fact.

WITNESS my hand and official seal.

JANELLE GROGG
My Commission Expires Aug. 20, 1967
State of California,
San Francisco
City & County of Los Angeles

On March 19, 1964, before me, the undersigned, a Notary Public in and for said County and State, personally appeared
Louise A. Sullivan, known to me to be the President, and
Jean C. Lambert, known to me to be the Assistant Secretary of Neptune Corporation

the Corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument, on behalf of the Corporation herein named, and acknowledged to me that such Corporation executed the within Instrument pursuant to its by-laws or a resolution of its board of directors.

In Witness Whereof, I have hereunto set my hand and affixed my official seal.

ACKNOWLEDGMENT - CORP. - PRES. & SEC., L.A.CO. - FORM 223 - REV. 7-56

FLORENCE PATTON

Notary Public in and for said County and State.

My Commission Expires July 25, 1966

State of California,
San Francisco
City & County of Los Angeles

On March 19, 1964, before me, the undersigned, a Notary Public in and for said County and State, personally appeared
Paul C. Lloyd, known to me to be the President, and
J. G. de Filippo, known to me to be the Assistant Secretary of Sexton Corporation

the Corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument, on behalf of the Corporation herein named, and acknowledged to me that such Corporation executed the within Instrument pursuant to its by-laws or a resolution of its board of directors.

In Witness Whereof, I have hereunto set my hand and affixed my official seal.

ACKNOWLEDGMENT - CORP. - PRES. & SEC., L.A.CO. - FORM 223 - REV. 7-56

FLORENCE PATTON

Notary Public in and for said County and State.

My Commission Expires July 25, 1966
COUNTY OF

On this ........................................ day of ............................................., 19......, before me, the undersigned, a Notary Public in and for said County and State, personally appeared

known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

(Put signature)

Notary Public in and for said County and State

STATE OF CALIFORNIA

COUNTY OF

On this ........................................ day of ............................................., 19......, before me, the undersigned, a Notary Public in and for said County and State, personally appeared

known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that

WITNESS my hand and official seal.

(Put signature)

Notary Public in and for said County and State

STATE OF CALIFORNIA

COUNTY OF

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known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that

WITNESS my hand and official seal.

(Put signature)

Notary Public in and for said County and State

STATE OF CALIFORNIA

COUNTY OF

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known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that

WITNESS my hand and official seal.

(Put signature)

Notary Public in and for said County and State

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On this ........................................ day of ............................................., 19......, before me, the undersigned, a Notary Public in and for said County and State, personally appeared

known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that

WITNESS my hand and official seal.

(Put signature)

Notary Public in and for said County and State

(Put signature)

Notary Public in and for said County and State