AMENDMENT OF STATE OIL AND GAS LEASE PRC 1466.1
(This Amendment applies only to royalty on gas)

WHEREAS, Norris Oil Co., a Nevada corporation, hereinafter called the Lessee, is the present owner and holder of State Oil and Gas Lease PRC 1466.1 which was originally entered into the 29th day of August 1955, by and through the State Lands Commission of the State of California, hereinafter called the State; and

WHEREAS, pursuant to Paragraph 27 of the lease, the Lessee desires to amend that part of Paragraph 3 of the lease which presently states:

"... The Lessee also agrees to pay to the State, at the times and in the manner herein specified for the payment of royalty on oil, twenty (20) per cent of the gross market value, at Rincon, California, of all dry gas, natural gasoline and other products extracted and saved from the gas produced from the demised premises...."

WHEREAS, the State agrees that the requested Amendment of State Oil and Gas Lease PRC 1466.1 is reasonable;

NOW THEREFORE, the parties hereto agree to amend that part of Paragraph 3 of State Oil and Gas Lease PRC 1466.1 to read as follows:

"... The Lessee agrees to pay to the State, no later than the 15th day of the second calendar month following the calendar month in which the gas is produced, twenty (20) per cent of the gross market value, at Rincon Field, California, of all dry gas, natural gasoline and other products extracted and saved from the gas produced from the demised premises...."
The effective date of this Amendment of State Oil and Gas Lease PRC 1466.1 shall be June 1, 1985.

It is further agreed that all other terms and conditions of State Oil and Gas Lease PRC 1466.1, as amended, are to remain unchanged and in full force and effect.

This agreement will become binding on the State only when approved by the State Lands Commission and executed on its behalf.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment of State Oil and Gas Lease PRC 1466.1 as of the date hereafter affixed.

LESSEE:

Norris Oil Co.
9454 Wilshire Blvd., Suite 314
Beverly Hills, CA 90212-2994

By: J. S. Dorobek

Signature

J. S. DOROBEK

Name of Officer

PRESIDENT

Title

5-14-85

Date

STATE OF CALIFORNIA

STATE LANDS COMMISSION

245 W. Broadway, Suite 425
Long Beach, CA 90802-4471

By: W. M. Thompson

Signature

W. M. Thompson

Name of Officer

Chief, Extractive Development Prog.

Title

5-28-85

Date

All signatures must be acknowledged.
STATE OF CALIFORNIA } ss.
County of Los Angeles }

On this 26th day of May, A.D., 1985, before me, the undersigned, a Notary Public for the State of California, personally appeared Wm. Thompson, Chief, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.

WITNESS my hand and official seal.

Cynthia A. Boothe
Name (Typed or Printed)

NOTARY PUBLIC IN AND FOR THE STATE OF CALIFORNIA

TO 1945 CA (B-74)
(Corporation)

STATE OF CALIFORNIA } ss.
COUNTY OF Los Angeles }

On May 15, 1985 before me, the undersigned, a Notary Public in and for said State, personally appeared J.S. Dorobek II

known to me to be the President, of the corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument on behalf of the corporation therein 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.

WITNESS my hand and official seal.

Signature