AMENDMENT OF STATE OIL AND GAS LEASES

PRC 410.1, PRC 429.1 and PRC 1466.1
STATE RIGHT-OF-WAY LEASE 1961.1 and
STATE GENERAL LEASE PRC 5968.1

In consideration of the covenants, conditions and agreements contained herein, the parties hereto agree to amend State Oil and Gas Leases PRC 410.1, PRC 429.1 AND PRC 1466.1, State Right-of-Way Lease PRC 1961.1 and State General Lease PRC 5968.1 as follows:

1. Bush Oil Company and Tenneco Oil Company through successive assignments are the present lessees of PRC 410.1, PRC 429.1, PRC 1466.1 and PRC 1961.1.

2. Bush Oil Company by a prior assignment is the Lessee of PRC 1961.1 and is the original lessee of PRC 5968.1. By assignments taking place simultaneously with these amendments Tenneco Oil Company will become an interest holder in these leases.

3. PRC 410.1, PRC 429.1, PRC 1466.1 and PRC 5968.1 require the Lessee to post a bond or other security.

4. As originally written and executed PRC 1961.1 did not require the Lessee to post a bond. On July 22, 1981 the State approved the assignment of PRC 1961.1 to Bush conditioned upon the provision of a bond. A bond in the amount of $2,000,000 was obtained to satisfy the bonding requirements of PRC 1961.1 and PRC 1466.1.

5. On September 23, 1987 the State approved the amendment of PRC 410.1, PRC 429.1 and PRC 1466.1 and the acceptance of a letter of credit in the amount of $4,000,000 to safeguard the provisions of the leases including lease abandonment costs. The letter of credit did not reference PRC 1961.1 and PRC 5968.1.

6. The State hereby agrees to amend the bonding provisions of the above referenced leases in so far as it agrees to accept a single bond, letter of credit or other security device in satisfaction of the bonding requirements of all the leases. All of the other terms of the bonding provisions as amended shall remain the same.

7. Bush Oil Company hereby agrees to amend Letter of Credit No. I-18181 dated October 1, 1987 and obtained from Wells Fargo Bank for the benefit of the State to include leases PRC 1961.1 and PRC 5968.1.
8. In addition to the assignment provisions of PRC 429.1, PRC 1466.1, PRC 1961.1, and PRC 5968.1 the Lessees hereby agree not to assign, transfer, mortgage, pledge or hypothecate PRC 429.1 without simultaneously assigning, transferring, mortgaging, pledging or hypothecating PRC 5968.1 to the same person or entity. The Lessees further agree not to assign, transfer, mortgage, pledge or hypothecate PRC 1466.1 without simultaneously assigning, transferring, mortgaging, pledging or hypothecating PRC 1961.1 to the same person or entity. The intent of this paragraph is that the Lessee of PRC 429.1 and PRC 5968.1 shall be the same party at all times and the Lessee of PRC 1466.1 and PRC 1961.1 shall be identical at all times.


10. All other terms and conditions of the leases shall remain unchanged and in full force and effect.

11. The effective date of these amendments is November 1, 1987.

12. This Agreement will become binding on the State only when duly executed on behalf of the State Lands Commission of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date hereafter affixed.

LESSEE:

BUSH OIL COMPANY

By /Harry M. Bryant/
Title President
P.O. Box 1538
Taft, California 93268
(Address)

LESSOR:

STATE OF CALIFORNIA
STATE LANDS COMMISSION

By /Claudia D. Baker/
Title EXECUTIVE OFFICER

Execution of this document was authorized by the State Lands Commission on November 19, 1987.
8. In addition to the assignment provisions of PRC 429.1, PRC 1466.1, PRC 1961.1, and PRC 5968.1 the Lessees hereby agree not to assign, transfer, mortgage, pledge or hypothecate PRC 429.1 without simultaneously assigning, transferring, mortgaging, pledging or hypothecating PRC 5968.1 to the same person or entity. The Lessees further agree not to assign, transfer, mortgage, pledge or hypothecate PRC 1466.1 without simultaneously assigning, transferring, mortgaging, pledging or hypothecating PRC 1961.1 to the same person or entity. The intent of this paragraph is that the Lessee of PRC 429.1 and PRC 5968.1 shall be the same party at all times and the Lessee of PRC 1466.1 and PRC 1961.1 shall be identical at all times.


10. All other terms and conditions of the leases shall remain unchanged and in full force and effect.

11. The effective date of these amendments is November 1, 1987.

12. This Agreement will become binding on the State only when duly executed on behalf of the State Lands Commission of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date hereafter affixed.

LESSEE:*

BUSH OIL COMPANY

LESSOR:

STATE OF CALIFORNIA

STATE LANDS COMMISSION

By ________________________________  By ________________________________

HARVEY L. BRYANT

CORPORATE ACKNOWLEDGMENT

On this the 9th day of November 1987, before me, DORIS YATES

the undersigned Notary Public, personally appeared

HARVEY L. BRYANT

☑ personally known to me

☑ proved to me on the basis of satisfactory evidence

to be the person(s) who executed the within instrument as

☑ or on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.

DORIS YATES

Notary's Signature
TENNECO OIL COMPANY

By R. E. McFetridge

Title Attorney-in-Fact

P. O. Box 9909

Bakersfield, CA 93389

(Address)

Seal

BERRY PETROLEUM COMPANY

By Harry T. Quinlan

Title President

P. O. Bin X

Taft, California 93268

(Address)

Seal

*In executing this document, the following is required:

1. Affixation of Corporate Seal.

2. A certain copy of the resolution or other document authorizing execution of this Agreement on behalf of the corporation.

3. Acknowledgment of signature.
STATE OF CALIFORNIA

COUNTY OF KERN

On November 11, 1987, before me, the undersigned, a Notary Public in and for said State, personally appeared R. E. McPHETRIDGE, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as Attorney-in-Fact on behalf of Tenneco Oil Company, the corporation within named, and acknowledged to me that he subscribed the name of said corporation thereto as principal and his own name as Attorney-in-Fact, and acknowledged to me that such corporation executed the same pursuant to its bylaws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County and State the day and year in this certificate first above written.

Maryann Lisman
Notary Public in and for said State

Seal

MATERIAL ACKNOWLEDGMENT

On this the 9th day of November 1987, before me, the undersigned Notary Public, personally appeared

DORIS YATES

the undersigned Notary Public, personally appeared

HARVEY L. BRYANT

X personally known to me

proven to me on the basis of satisfactory evidence
to be the person(s) who executed the within instrument as

PRESIDENT

or on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.

Doris Yates
Notary's Signature