AMENDMENT OF STATE OIL AND GAS LEASE PRC 410.1
(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 410.1 which was originally entered into the 17th day of April 1949, 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 2 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 centum 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...."

WHEREAS, the State agrees that the requested Amendment of State Oil and Gas Lease PRC 410.1 is reasonable;

NOW THEREFORE, the parties hereto agree to amend that part of Paragraph 2 of State Oil and Gas Lease PRC 410.1 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 centum 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 410.1 shall be June 1, 1985.

It is further agreed that all other terms and conditions of State Oil and Gas Lease PRC 410.1, 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 410.1 as of the date hereafter affixed.

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

By: J. S. Derdzinski
Signature
J. S. Derdzinski
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  
County of Los Angeles  

On this 28th day of May, A.D., 1985, before me, the undersigned, a Notary Public for the State of California, personally appeared W. M. 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

Notary Public in and for the State of California

TO 1945 CA (B-74)

(Corporation)

STATE OF CALIFORNIA  
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 thereof, 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

(Official seal)

TITLE INSURANCE AND TRUST
A TICOR COMPANY

OFFICIAL SEAL
DAVID J. SWAN
NOTARY PUBLIC - CALIFORNIA  
LOS ANGELES COUNTY  
My Comm. Expires June 19, 1987

(This area for official notarial seal)