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CARLYLE F. LYNTON
EXECUTIVE OFFICER

State Lands Commission

DIVISION OF STATE LANDS
DEPARTMENT OF FINANCE
STATE OF CALIFORNIA
STATE BUILDING 12
LOS ANGELES

June 26, 1944

Beloil Corporation, Ltd.,
Lido Petroleum Company and
O. C. Field Gasoline Corporation,
1206 Maple Avenue,
Los Angeles 15, California.

Attention: Paul Lauer, Esq.,

Gentlemen:

In re: State Lease No. 145, P.R.C.

May we advise you that the State Lands Commission on Monday, June 19th, considered further the bids of Beloil Corporation, Ltd., Lido Petroleum Company and the O.C. Field Gasoline Corporation for the premises as described by the attached mimeographed sheet. The Commission after considering the matter thoroughly determined to accept your bid for Lease No. 145, P.R.C. of the offshore property; subject to the following terms and conditions:

- a. All installations of permanent facilities, other than actual pumping equipment and pipe lines shall be located on the landward side of the highway.
- b. No pumping or lifting device other than a hydraulic lifting device for producing oil from a well shall be installed without first securing prior written approval of the Commission.
- c. Within forty-five (45) days after the completion or abandonment of any well or wells, you, as Lessees, shall remove all derricks and/or surface drilling equipment from the site from which such well or wells had or have been drilled.
- d. All pipe lines on the oceanward side of the highway, and beneath the highway, itself, shall

FOR VICTORY



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BONDS
AND STAMPS

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be buried beneath the surface of the ground in a manner which will keep them concealed from view at all times. The pipe lines shall be buried at such depth as to insure adequate protection against any hazards.

e. All pumping or lifting facilities ^{for} any producing well or wells shall be housed within a structure which has been designed and constructed in accordance with good architectural and building practice. Notwithstanding whether such structure shall project above the surface of the ground or shall be countersunk below the surface of the ground, such structure shall be architecturally in keeping with the aesthetic and scenic properties of the surrounding area and shall in no event be incompatible therewith. You, as Lessees, shall submit architectural elevations or designs of this housing structure for the approval of the Commission before the construction thereof, shall commence; and in no event shall such construction commence until the State Lands Commission shall have approved such construction in writing.

f. It is hereby mutually agreed pursuant to the provisions of Section 27 of the awarded Lease that Section 2 on Page 3 of said Lease shall be interpreted to mean that the reasonable market price of the oil at the well as determined by the State shall be the total of the highest price to which a major oil company then buying oil of like gravity and quality in substantial quantities at the Rincon Oil Field in Ventura County is offering for oil of like gravity and quality at the well, plus any subsidy or extra payment which the Lessees might receive at any future time during the term of said lease. In all other respects, said Section 2 on Page 3 of Lease No. 145, P.R.C. shall have the same force and effect as to all other provisions, terms, covenants, conditions, agreements and stipulations therein contained.

It is hereby mutually agreed, pursuant to the provisions of Section 27 of the awarded Lease that such lease shall be and is hereby amended to add the provisions "a to f", inclusive, as above

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set forth; and that in all other respects, all provisions, terms, covenants, conditions, agreements and stipulations shall remain the same. It is hereby further mutually agreed that all of the provisions, terms, covenants, conditions, agreements and stipulations as set forth in Items "a to f", inclusive, are material, and shall be hereafter considered as having the same force and effect as though such provisions, terms, covenants, conditions, agreements and stipulations were written within the bodies of the instrument, heretofore designated as Lease No. 145, P.R.C.; and it is further mutually agreed that failure on the part of the Lessees to observe all of the provisions, terms, covenants, conditions, agreements and stipulations shall be considered grounds for cancellation of Lease No. 145 P.R.C., as provided by law.

We are enclosing two extra copies of this letter, upon which you will please have authorized representatives of Belcoil Corporation, Ltd., Lido Petroleum Company and O. C. Field Gasoline Corporation execute and accept these "mutual consent" amendments. At the same time that these executed copies are returned to this office, we would appreciate your enclosing also the faithful performance bonds which are required under the provisions of the lease.

Yours most sincerely,

CARLYLE F. LYNTON
Executive Officer

The undersigned have read, and do hereby accept the terms, covenants, conditions, agreements and stipulations embodied within Items "A" to "F", inclusive, of this letter, and do hereby agree, upon a basis of mutual consent, to the amendment of said Lease No. 145 P.R.C., in accordance with such terms, covenants, conditions, agreements and stipulations as provided in said Items "A" to "F", inclusive.

BELCOIL CORPORATION, LTD.

By M. L. Francis
President

By E. J. Danahy
Secretary

LIDO PETROLEUM COMPANY

By M. G. [Signature]
President

By [Signature]
Secretary

O. C. FIELD GASOLINE CORPORATION

By [Signature]
President

By [Signature]
Secretary

STATE OF CALIFORNIA
STATE LANDS COMMISSION

By [Signature]
Executive Officer