

STATE OF CALIFORNIA
STATE LANDS COMMISSION

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:

STATE OF CALIFORNIA

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

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

By: J. S. Dorobek II
Signature

By: W. M. Thompson
Signature

J. S. DOROBEK II
Name of Officer

W. M. Thompson
Name of Officer

PRESIDENT
Title

Chief, Extractive Development Prog.
Title

5-14-85
Date

5-28-85
Date

All signatures must be acknowledged.

FILE COPY	
APPROVED:	<u>[Signature]</u>
Section Head	<u>[Signature]</u>
Legal	<u>[Signature]</u>
ADH/JF	<u>[Signature]</u>

STATE OF CALIFORNIA)
County of Los Angeles) ss.

On this 26th day of May, A.E., 19 85,
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

Cynthia A. Boothe

Name (Typed or Printed)

NOTARY PUBLIC IN AND FOR THE STATE OF
CALIFORNIA



TO 1945 CA (8-74)

(Corporation)



STATE OF CALIFORNIA)
COUNTY OF Los Angeles) ss.

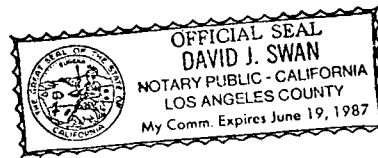
On May 15, 1985 before me, the undersigned, a Notary Public in and for said
State, personally appeared J.S. Dorobek II
known to me to be the President, and XXX

~~known to me to be the~~ ~~Secretary~~
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

David J. Swan



(This area for official notarial seal)

↑ STAPLE HERE ↓