

1 THIRD AMENDMENT TO PRODUCED WATER AGREEMENT (NO. 32869)

2 **32869**

3 This Third Amendment to Produced Water Agreement (No. 32869) is made
4 and entered, in triplicate, as of March 17, 2020, pursuant to a minute order adopted by the
5 City Council of the City of Long Beach at its meeting held on March 17, 2020, by and
6 among:

7 **CITY OF LONG BEACH**, a municipal corporation, acting in its capacity as
8 Unit Operator for Unit Segments I and II, under the Unit Agreements, Fault
9 Blocks II, III, IV and V Ranger Zone Units and as operator of certain
10 Ununitized formations in the Wilmington Oil Field, hereinafter collectively
11 referred to as "City";

12 **TIDELANDS OIL PRODUCTION COMPANY**, a Texas general partnership,
13 hereinafter referred to as "Tidelands";

14 AND

15 **OIL OPERATORS, INC.**, a California corporation, hereinafter referred to as
16 "Oil Operators";

17 **RECITALS**

18 This Third Amendment to Produced Water Agreement ("Amendment") is
19 made and entered into with respect to the following facts and objectives:

20 (A) The parties hereto entered into that certain Produced Water
21 Agreement, effective September 24, 2001 (as the same has previously been amended, the
22 "Agreement"), pursuant to a minute order adopted by the City Council of the City of Long
23 Beach at its meeting held on August 28, 2001, and have each duly performed pursuant to
24 the terms thereof.

25 (B) The parties entered into that certain First Amendment to Agreement
26 for the Delivery of Produced Water From Oil Operators, dated August 25, 2006, which,
27 among other things, extended the term of the Agreement.

28 (C) The parties entered into that certain Second Amendment to

1 Agreement Produced Water Agreement, dated July 26, 2012, which, among other things,
2 extended the term of the Agreement.

3 (D) Oil Operators plans to make significant capital improvements to its
4 pipelines and desires to secure the Agreement for an extended term of six (6) years from
5 the current expiration date of the Agreement.

6 NOW, THEREFORE, the parties mutually agree as follows:

7 1. Section 1 of the Agreement is hereby amended in its entirety to read
8 as follows:

9 "1. TERM. This Agreement shall continue to be effective, and remain in
10 effect until August 25, 2026. This Agreement shall thereafter automatically be renewed for
11 successive one (1) year terms unless any party shall deliver to the other parties written
12 notice of an election to terminate this Agreement not later than thirty (30) days prior to the
13 then-scheduled expiration of the term of this Agreement. All such renewals shall be on the
14 same terms and conditions as contained in this Agreement."

15 2. CONTRACT PRICE. Notwithstanding anything to the contrary in the
16 Agreement, Oil Operators shall only be obligated to pay Tidelands for the first 17,000
17 barrels of Oil Operators Produced Water per day at a rate equal to \$0.027 per barrel. Oil
18 Operators shall have no obligation to pay for additional daily deliveries of Oil Operators
19 Produced Water in excess of 17,000 barrels, and the per barrel price shall no longer be
20 adjusted in accordance with CPI.

21 3. Except as specifically amended by this Amendment, all terms and
22 conditions of the Agreement are ratified and confirmed and shall remain in full force and
23 effect.

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1 This Third Amendment to Produced Water Agreement is executed on the
2 dates set forth opposite each of the respective signatures.

3 2676 Orange Avenue
4 Signal Hill, California 90755
5 Attn: Manager

OIL OPERATORS, INC., a California
corporation

6 _____, 2020

By: _____
Its: _____

7 1 World Trade Center, 15th Floor Long Beach,
8 California 90831
9 Attn: Ryan Kellogg, PSC Assets Manager

TIDELANDS OIL PRODUCTION
COMPANY, a Texas general partnership

10 May 11th, 2020

By: 
Its: PSC Assets Manager

11
12 411 West Ocean Blvd.
13 Long Beach, California 90802
14 Attn: City Manager

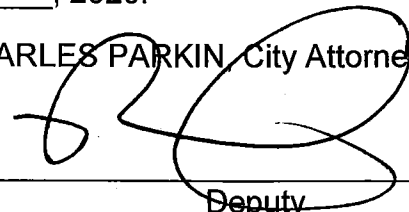
CITY OF LONG BEACH, a municipal
corporation, acting in its capacity as Unit
Operator for Unit Segments I and II, under
the Unit Agreements, Fault Blocks II, III, IV
and V Ranger Zone Units and as Operator
of certain Ununitized formations in the
Wilmington Oil Field

15
16
17 June 8, 2020

By: Rebecca G. Garner
City Manager
EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER

18 The foregoing Third Amendment to Produced Water Agreement is hereby
19 approved as for form this 8 day of June, 2020.

20 CHARLES PARKIN, City Attorney

21 By: 
22 Deputy

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach, CA 90802-4664

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This Third Amendment to Produced Water Agreement is executed on the dates set forth opposite each of the respective signatures.

2676 Orange Avenue
Signal Hill, California 90755
Attn: Manager

OIL OPERATORS, INC., a California corporation

May 14, 2020

By: *Kevin Long*
Its: President

1 World Trade Center, 15th Floor Long Beach, California 90831
Attn: Ryan Kellogg, PSC Assets Manager

TIDELANDS OIL PRODUCTION COMPANY, a Texas general partnership

_____, 2020

By: _____
Its: _____

411 West Ocean Blvd.
Long Beach, California 90802
Attn: City Manager

CITY OF LONG BEACH, a municipal corporation, acting in its capacity as Unit Operator for Unit Segments I and II, under the Unit Agreements, Fault Blocks II, III, IV and V Ranger Zone Units and as Operator of certain Ununitized formations in the Wilmington Oil Field

June 8, 2020

By: *Rebecca G. Ganss*
City Manager

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER

The foregoing Third Amendment to Produced Water Agreement is hereby approved as for form this 8 day of June, 2020.

CHARLES PARKIN, City Attorney

By: *[Signature]*
Deputy

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach, CA 90802-4664