

LEONARD PUTNAM  
CITY ATTORNEY OF LONG BEACH  
600 CITY HALL  
LONG BEACH, CALIFORNIA 90802  
TELEPHONE 436-9041

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FIRST AGREEMENT AMENDING  
RECREATION PARK OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS: That the following agreement is made and entered into this 15<sup>th</sup> day of September, 1969, by and

BETWEEN CITY OF LONG BEACH, a municipal corporation,  
and

ALAMITOS LAND COMPANY, a California corporation, (hereinafter referred to collectively as "Lessors"),

AND HERBELL OIL EXPLORATION COMPANY, a limited partnership, (hereinafter referred to as "Lessee"),

W I T N E S S E T H:

Under date of September 6, 1962, City of Long Beach and Alamitos Land Company, as lessors, and J. A. Campbell, H. H. Herder and Herbell Oil Exploration Company, a general partnership, as lessee, entered into that certain Recreation Park Oil and Gas Lease, hereinafter referred to as "said lease".

By an assignment dated September 6, 1962, all right, title and interest of J. A. Campbell, H. H. Herder and Herbell Oil Exploration Company, a general partnership, the lessee in said lease, was assigned, transferred and conveyed to Herbell Oil Exploration Company, a limited partnership formed under the laws of the State of California by a Limited Partnership Agreement made and entered into as of the 6th day of September, 1962, and Ralph K. Campbell, M. D., Malcolm E. Campbell and H. H. Herder are now the general partners in said limited partnership.

Differences have arisen between the parties to said lease concerning the terms and provisions of said lease and their proper interpretation, and the parties hereto desire to

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1 settle and adjust such differences, some retroactively and some  
2 prospectively, and to provide for continued operations under  
3 said lease.

4 NOW, THEREFORE, in consideration of the mutual cove-  
5 nants and agreements herein contained, the parties hereto agree  
6 as follows:

7 1. Subparagraph (i) of Paragraph 10 of said lease is  
8 hereby amended to read:

9 (i) All taxes (exclusive of taxes of the  
10 character referred to in Subparagraph (c) (3) here-  
11 inabove and exclusive of retail sales and use taxes)  
12 imposed upon or by reason of or measured by opera-  
13 tions on the subject lands hereunder and the produc-  
14 tion of oil, gas and other hydrocarbon substances  
15 therefrom, including but not limited to, personal  
16 property, mineral rights, gross production, severance,  
17 license and any other taxes and assessments levied  
18 and assessed against drill site lands and subject  
19 lands, the oil and gas therein, the production there-  
20 from or operations thereon, and California Petroleum  
21 and Gas Fund Assessments, during the term of this  
22 lease shall be paid by lessee and charged to the  
23 lease account as lease expenditures. Twenty percent  
24 (20%) of all such taxes and assessments so paid by  
25 lessee shall be charged against and deducted from  
26 royalties on oil payable to lessors hereunder. If  
27 and when any such royalties payable in money are  
28 inadequate to provide such reimbursement to lessee,  
29 lessee may retain and sell for its own account royalty  
30 oil sufficient, at the price provided for royalty oil  
31 under Paragraph 2 hereof, to accomplish such reimburse-  
32 ment. All amounts received by lessee by way of

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1 reimbursement under the provisions of this Subpara-  
 2 graph (i) shall be credited to the lease account.  
 3 All retail sales and use taxes imposed by reason of  
 4 operations on the subject lands during the term of  
 5 this lease shall be paid directly by the lessee and  
 6 shall be charged to the lease account as lease expendi-  
 7 tures.

8 Subparagraph (i) as hereby amended shall be deemed to  
 9 have been in effect from the effective date of said lease, and  
 10 lessee is authorized and directed to adjust accordingly the  
 11 accounts of the parties hereto from the effective date of said  
 12 lease, including any appropriate reimbursement of lessee out of  
 13 royalties on oil hereafter payable to lessors, in accordance  
 14 with the following schedule:

Item	Lessors City	20% Share Alamitos	Lease Accounts Adjustment	Period Covered
Mineral Rights Taxes	\$9,887.97	\$3,187.89	-	9-6-62/ 6-30-69
City Production Taxes	2,145.46	691.70	(2,422.79)	9-6-62/ 12-31-68
State Petroleum & Gas Fund	207.61	66.93	(411.12)	9-6-62/ 12-31-68
Property Taxes	201.46	64.95	(213.50)	9-6-62/ 12-31-68
California Oil Amendment Tax	30.09	9.70	(47.05)	9-6-62/ 12-31-68
	<u>\$12,472.59</u>	<u>\$4,021.17</u>	<u>(\$3,094.46)</u>	
Lease Acct. Adjustment	(\$1,591.23)	(\$513.02)		
Net Adjustment	<u>\$10,881.36</u>	<u>\$3,508.15</u>		

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 30 Said amounts are to be deducted and retained by lessee out of  
 31 future oil royalties otherwise payable to the respective  
 32 lessors.

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1           This amendment to Subparagraph (i) of Paragraph 10 of  
2 said lease supersedes all previous amendments to such subpara-  
3 graphs, including the letter from the City Attorney of the City  
4 of Long Beach to Messrs. Peterson and Simpson dated November 29,  
5 1966, and the letter from Matthew C. Simpson to Leonard Putnam,  
6 City Attorney, dated December 5, 1966, and the letter from Orlin  
7 C. Peterson to Leonard Putnam, City Attorney, dated December 15,  
8 1966.

9           2. Subparagraph (2) of Subdivision A of Paragraph 12,  
10 Section II of the Accounting Procedure, Exhibit "C" of said  
11 lease reading,

12           "(2) Fifty Dollars (\$50.00) per well per month  
13           for the first five (5) producing wells."

14 is hereby amended to read:

15           (2) One Hundred Twenty Dollars (\$120.00) per  
16           month for the first five producing wells.

17           The above amendment of said Subparagraph (2) shall be  
18 effective retroactively to January 1, 1969.

19           3. Paragraph 12 of Section II of the Accounting  
20 Procedure, Exhibit "C" of said lease, is hereby amended by  
21 adding thereto a new subdivision "B" reading:

22           B. Field Supervision:

23           Two Hundred Fifty Dollars (\$250.00) per month  
24           for drilling and production supervision.

25           Certain monthly charges have been made heretofore to  
26 the lease account for a car allowance to supervisory personnel.  
27 Such charges, not exceeding an average of Two Hundred Fifty  
28 Dollars (\$250.00) per month, for any period prior to December  
29 31, 1968, are hereby ratified and approved, but no such charges  
30 shall be made to the lease account for any period after that  
31 date.

32           The addition of the above subdivision B shall be

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effective retroactively to January 1, 1969.

4. This agreement shall become effective September 15, 1969, and said lease, as hereby amended, shall continue in full force and effect.

IN WITNESS WHEREOF the parties hereto have executed this First Agreement Amending Recreation Park Oil and Gas Lease as of the day and year first herein written.

HERBELL OIL EXPLORATION COMPANY,  
a limited partnership

By W.A. Hendon  
General Partner

LESSEE

CITY OF LONG BEACH, a municipal corporation

By William B. Murrell  
City Manager

ALAMITOS LAND COMPANY, a California corporation

By Samuel Luff  
President

By Daniel Wighams  
Secretary

LESSORS

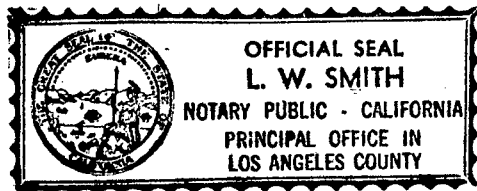
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1 STATE OF CALIFORNIA )  
2 COUNTY OF LOS ANGELES ) ss.

3 On June 20, 1969, before me, the under-  
4 signed, a Notary Public of the State of California, personally  
5 appeared H. H. Herder, known to me to be  
6 a general partner of the partnership that executed the within  
7 instrument, and acknowledged to me that such partnership  
8 executed the same.

9 WITNESS my hand and official seal.



L. W. Smith

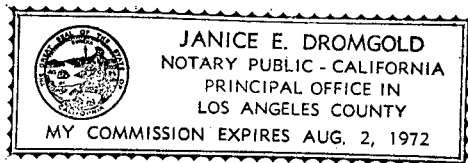
Notary Public of the State of California

My Commission Expires My Commission Expires January 16, 1971  
**L. W. SMITH**

18 STATE OF CALIFORNIA )  
19 COUNTY OF LOS ANGELES ) ss.

20 On September 15, 1969, before me, the under-  
21 signed, a Notary Public of the State of California, personally  
22 appeared JOHN R. MANSELL, known to me to be the City Manager of  
23 the City of Long Beach, the municipal corporation that executed  
24 the within instrument, known to me to be the person who executed  
25 the within instrument on behalf of the municipal corporation  
26 therein named, and acknowledged to me that such corporation  
27 executed the same.

28 WITNESS my hand and official seal.



Janice E. Dromgold

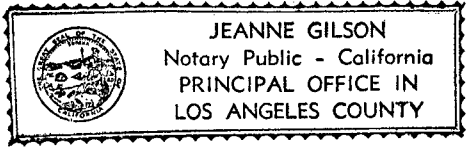
Notary Public of the State of California

My Commission Expires Aug. 2, 1972

1 STATE OF CALIFORNIA )  
2 COUNTY OF LOS ANGELES ) ss.

3 On August 15, 1969, before me, the  
4 undersigned, a Notary Public of the State of California, person-  
5 ally appeared Llewellyn Bixby, Jr., known to me to be  
6 the President, and Darrell Neighbors,  
7 known to me to be the Secretary of ALAMITOS  
8 LAND COMPANY, the corporation that executed the within instru-  
9 ment, and known to me to be the person(s) who executed the  
10 within instrument on behalf of the corporation herein named,  
11 and acknowledged to me that such corporation executed the same.

12 WITNESS my hand and official seal.



13  
14 Jeanne Gilson  
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16 Notary Public of the State of  
California

17 My Commission Expires April 26, 1970

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22 The foregoing First Agreement Amending Recreation  
23 Park Oil and Gas Lease is hereby approved as to form this  
24 8 day of Sept, 1969.

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26 LEONARD PUTNAM, City Attorney  
27 By Howard A. Lingle  
28 Deputy  
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32 HAL:mlf  
6-4-69  
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