

OFFICE OF THE CITY ATTORNEY  
ROBERT E. SHANNON, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

1 FIRST AMENDMENT TO CRUDE OIL MARKETING AGREEMENT  
2 **28961**

3 THIS FIRST AMENDMENT is made and entered, in duplicate, as of  
4 October 31, 2009, for reference purposes only, pursuant to a minute order adopted by  
5 the City Council of the City of Long Beach at its meeting on July 21, 2009, by and  
6 between TIDELANDS OIL PRODUCTION COMPANY, a Texas general partnership  
7 ("Tidelands Oil"), and the CITY OF LONG BEACH, a municipal corporation ("City"), in its  
8 capacity as Unit Operator of the Long Beach Unit, Fault Block IV Unit, and Fault Block V  
9 Ranger Unit in the Wilmington Oil Field.

10 WHEREAS, the parties entered into that certain Crude Oil Marketing  
11 Agreement dated as of November 16, 2004 (the "Agreement"), whereby Tidelands Oil  
12 agreed to perform crude oil marketing services for the City; and

13 WHEREAS, the City desires that Tidelands Oil continue to provide such  
14 services as provided in the Contract;

15 NOW, THEREFORE, in consideration of the mutual terms and conditions  
16 contained in the Agreement and herein, the parties agree as follows:

17 1. Commencing November 1, 2009 (the "Extension Date"), the term of  
18 the Agreement shall be extended for a period of one (1) year, with the term automatically  
19 extending for periods of one additional year upon the expiration of the previous term.  
20 The Agreement may be terminated by either party on the next anniversary of the  
21 Extension Date, for any reason, by giving the other party at least 180-day advance  
22 termination notice before such anniversary of the Extension Date. If Tidelands Oil has  
23 entered into binding commitments with third parties in connection with the marketing of  
24 crude oil on the City's behalf, and such commitments extend beyond the duly-noticed  
25 termination date, then the termination date of this Agreement shall be extended so that  
26 this Agreement shall be co-terminus with such binding commitments; provided, however,  
27 that in no event shall the termination date be more than 365 days after delivery of notice  
28 to terminate.

1                   2.       Except as expressly amended herein, all of the terms and conditions  
2 in the Agreement, as previously amended and/or supplemented, are ratified and  
3 confirmed and shall remain in full force and effect.

4                   IN WITNESS WHEREOF, the parties have caused this document to be duly  
5 executed with all formalities required by law as of the date first stated above.

6                   TIDELANDS OIL PRODUCTION COMPANY,  
7 a Texas general partnership

8 By *James K. Eastlack*  
9 Name JAMES K EASTLACK  
10 Title PRESIDENT

11 By *Mark S. Kapelke*  
12 Name Mark S. Kapelke  
13 Title Operations Manager

14 "Tidelands Oil"

15 CITY OF LONG BEACH, a municipal  
16 corporation

17 By *[Signature]* Assistant City Manager  
18 City Manager

19 "City"                   EXECUTED PURSUANT  
20 TO SECTION 301 OF  
21 THE CITY CHARTER.

22 This First Amendment to Crude Oil Marketing Agreement is approved as to form on  
23 September 4, 2009.

24 ROBERT E. SHANNON, City Attorney  
25 By *[Signature]*  
26 Deputy

27 04-04656