

29479

NATURAL GAS DELIVERY AGREEMENT FOR LOCALLY PRODUCED GAS

This Natural Gas Delivery Agreement for Locally Produced Gas (this "Agreement") is dated for reference purposes as of February 23, 2006 is made by and between the CITY OF LONG BEACH ("City"), a municipal corporation, and SAMPSON OIL COMPANY ("Company"), and is created pursuant to minute order adopted by the City Council of the City of Long Beach on December 20, 2005, for the delivery of locally produced natural gas processed by Company into City's pipeline to supply a portion of City's gas requirements.

NOW, THEREFORE, in consideration of the mutual agreements and undertakings set forth below, the parties agree as follows:

SECTION 1. TERM

1.1 This Agreement shall be effective on January 1, 2006 and shall be in effect for a period of five (5) years thereafter, subject to the terms and conditions set forth herein. Either party hereto may terminate this Agreement at any time by giving the other party sixty (60) days prior written notice.

SECTION 2. DEFINITIONS

For the purpose of this Agreement, the letters, words, phrases, and terms used herein shall be used in the ordinary meaning unless this Agreement clearly indicates otherwise. The following letters, words, phrases and terms are hereby defined as follows:

2.1 "BTU" shall refer to British Thermal Unit, which is the standard unit for measuring a quantity of thermal energy.

2.2 "day" shall mean a period of twenty-four (24) consecutive hours commencing at 12:01 a.m. Pacific Standard Time and ending at 12:00 midnight Pacific Standard Time.

2.3 "Delivery Point" shall mean the connection between the outlet of the Processing Facility and the inlet of the Metering Station, designated on Exhibit "A" attached hereto as the Point of Connection.

2.4 "gas" shall mean natural gas meeting the Required Specifications.

2.5 "Local Gas Price" shall mean a price equivalent to the "Cost of Gas" under the Southern California Gas Company's Core Procurement Gas Service Schedule No. G-CP for any given month, as posted on the Southern California Gas Company's website from time to time.

2.6 "Locally Produced Gas" shall mean all Gas delivered directly into City's pipeline system (as distinguished from gas transported via pipeline into Long Beach).

2.7 "MCF" shall mean one thousand (1,000) Standard Cubic Feet.

2.8 "Metering Station" shall mean all pipe, gauges, gas chromatographs, flow computers, meters, valves, regulators, filters, fittings, odorizer and other equipment installed, owned and operated by City downstream of the Delivery Point.

2.9 "month" shall mean the period commencing on the first day of a calendar month and ending at the end of the last day of the same calendar month.

2.10 "MMBTU" shall mean one million (1,000,000) BTUs.

2.11 "Normal Business Hours" shall mean the hours between 7:30 a.m. and 4:00 p.m., excluding weekends and holidays recognized by City.

2.12 "Processing Facility" shall mean the area which includes all connecting pipelines, meters, regulators, filters, odorizer (if required), monitors and all other equipment necessary for Company to process Locally Produced Gas for City.

2.13 "psia" shall mean pounds per square inch absolute.

2.14 "psig" shall mean pounds per square inch gauge.

2.15 "Required Specifications" shall mean those specifications set forth in Exhibit "B" attached hereto, or such other specifications as may be required pursuant to

3.2 The parties recognize and agree that City has no obligation under this Agreement to purchase and receive any specified minimum quantity of gas from Company for any given period during the term of this Agreement. Further, City represents that City does not have storage capabilities to accept any gas volumes at any specified time in excess of its immediate daily requirements. City's daily requirements may fluctuate substantially depending upon weather conditions or other external events.

3.3 City shall give preference to acceptance of gas into its pipeline system in the following order: (1) Locally Produced Gas (which meets all quality specifications applicable thereto), and (2) all other gas purchases including that gas which requires transportation from the California border by intrastate pipelines into City's pipeline system.

3.4 The parties recognize and agree that Company's obligation to deliver and City's obligation to receive gas hereunder is subject to Company's ability to deliver and City's available capacity in the pipeline utilized to transport such gas, the need for such gas and other factors affecting operations and maintenance of City's pipeline facilities.

SECTION 4. PERMITS

4.1 City's acceptance of gas under this Agreement is conditioned upon the continuing effectiveness of a South Coast Air Quality Management District ("SCAQMD") permit for installation of an odorizer at the Metering Station. Execution of this Agreement by Company obligates Company to timely reimburse City for all permits paid for by City. Any renewal fee will be paid by City and Company shall reimburse City within thirty (30) days after receiving a statement of billing from City advising Company of the amount of such renewal fee.

4.2 Company shall obtain, at Company's expense, all necessary permits and approvals for construction and placement of all concrete work, fences and equipment for the Processing Facility, except as specifically set forth herein. City's execution of this Agreement shall not be considered a waiver or approval of any permitting process, including but not limited to, those required by City's Harbor Department, or of the zoning and permit requirements as presently exist by ordinance, statute and procedural rules of City and the State of California.

SECTION 5. DELIVERY POINT

5.1 Company shall deliver the gas purchased hereunder to City at the Delivery Point. Title to all gas delivered hereunder shall pass from Company to City at the Delivery Point.

5.2 Except as otherwise set forth herein, Company shall be deemed to be in control and possession of the gas and responsible for any damage, or injury, or risk of loss of such gas prior to City's receipt at the Delivery Point, after which City shall be

deemed to be in exclusive control and possession thereof and responsible for any damage, injury, or risk of loss of gas caused thereby, except where such damage is attributable to Company's failure to meet any of the requirements of this Agreement

Gas Association, as amended from time to time, which will be provided to Company upon request.

7.2 Company's deliveries of gas hereunder shall be calculated from the measurements taken at the meter installed, operated and maintained by City at the Delivery Point, and from the heating value determined by the instruments operated by City. Company shall have the right to inspect and verify the calibration and accuracy of such measuring devices at all reasonable times. In the event a significant inaccuracy is discovered, City shall, upon notice from Company, promptly make all necessary repairs or adjustments, and adjust the basis for all affected payments on a retroactive basis. Company shall reimburse City for all costs associated with such repairs or adjustments provided that the malfunction of the measuring devices was not due to City's negligence. Company shall reimburse City for all such costs within thirty (30) days of receiving an invoice from City.

7.3 On or before the fifteenth (15th) day of the succeeding calendar month, City shall submit to Company a statement indicating City's measurement of Gas delivered at the Metering Station for the preceding calendar month.

SECTION 8. PRICING AND FEES

8.1 City shall pay Company monthly for gas delivered by Company and accepted into City's pipeline system according to the terms and conditions set forth in this Agreement. The gas price under this Agreement shall be paid based upon MMBTU and shall be adjusted each month and paid according to Company's monthly volume delivered and accepted into City's pipeline system. The price paid for any given month shall be equal to the Local Gas Price for that month. City shall have no obligation whatsoever to pay Company for gas accepted into City's pipeline system if such gas does not meet the Required Specifications. If for any reason it becomes impossible to determine the Local Gas Price, then City shall have no obligation whatsoever to pay Company for gas accepted into City's pipeline, and Company shall have no obligation whatsoever to deliver such gas, until such time as the parties have agreed upon an alternative price and have amended this Agreement in writing.

8.2 Company shall pay to City a monthly per meter fee ("Service Fee") equal to the City's costs and expenses related to delivery of gas into the Metering Station. Notwithstanding the foregoing, in no event shall such service fee be less than One Thousand Dollars (\$1,000) per month per meter.

8.3 All production, severance, excise, ad valorem and any other similar taxes imposed or levied by federal, state, or any other governmental entity on the gas delivered herein, shall be paid by Company prior to its delivery to City at the Delivery Point. Company shall hold City harmless from any liability against all such taxes. Nothing contained herein shall be construed as applying to any tax imposed on City after the Delivery Point or after title and possession of the gas have passed to City. Neither party shall be responsible or liable for any ad valorem taxes or other statutory

charges which are levied or assessed against any of the facilities of the other party used for the purpose of carrying out the provisions of this Agreement.

8.4 Company shall purchase all equipment, construct all facilities and obtain all permits necessary for processing gas to meet the Required Specifications.

8.5 Company shall pay for or reimburse City for all costs associated with the planning, design, purchase, installation, maintenance and operation of a suitable Metering Station, together with connecting lines to the nearest suitable gas main, including but not limited to the pipeline, meter, regulators, separator, samplers, analyzers, gas chromatographs, detection equipment, filter, odorizer and other equipment as specified by City. Company shall reimburse City for all such costs incurred by City within thirty (30) days of receiving an invoice from City.

8.6 If Company's Processing Facility is relocated, Company shall be obligated to pay, or reimburse City, for all costs associated with the removal and relocation, construction, and installation of a new Metering Station, together with connecting lines to the nearest suitable gas main, including but not limited to the pipeline, meter, regulators, separator, samplers, analyzers, gas chromatographs, detection equipment, filter, flow computers and odorizer equipment. Company shall reimburse City for any costs associated with relocation within thirty (30) days of receiving an invoice from City.

8.7 Company shall pay \$100 for each service visit made by City software support technicians at Company's request. Notwithstanding the foregoing, Company shall not be obligated to pay any fees in connection with the initial software installation and training visit.

SECTION 9. BILLING AND PAYMENT

9.1 The Service Fee shall be due on the first day of each month for the month of service.

9.2 Each party hereto shall have the right, at any and all reasonable times, for a period up to two (2) years after the date of billing to examine the books and records of the other party, to the extent necessary to verify the accuracy of any statement, charge, computation or demand made under this Agreement. There shall be no adjustment after such two (2) year period for gas delivered hereunder unless written notice of claim had been previously made to the other party which specifies with some particularity the basis for claim or objection.

SECTION 10. TITLE TO GAS AND EQUIPMENT

10.1 Company represents that it has lawful written authority to deliver the gas

10.2 Company shall indemnify and hold City harmless from and against any and all adverse claims, suits or encumbrances relating to the quality of gas, title, and/or authority to deliver said gas.

10.3 During the term of this Agreement, City shall possess and control the Metering Station and all connecting lines, meters, regulators, odorizers, gas chromatographs and other facilities or equipment located downstream of the Delivery Point whether installed by City or Company. If required by City, Company shall provide a suitable 110-volt power supply at the Metering Station for City's use in performing under this Agreement. Company shall be responsible for all costs associated with the electrical power supply, including monthly power consumption costs. Except as stated, all costs of equipment and installation of the equipment shall be borne by Company, whether installed by Company or City at Company's request.

10.4 Upon termination of this Agreement, City shall disconnect the Company pipeline, cut and cap same at an appropriate location, and abandon it in place to sever same from City's distribution system. Thereafter, ownership, possession and control of the Metering Station and all connecting lines, meter, regulators, odorizers, analyzers, gas chromatographs and other facilities or equipment located downstream of the Delivery Point that were purchased by Company (or cost reimbursed to City by Company pursuant to the provisions of Section 8.5) shall revert to Company in an "as is" condition. Company may remove such facilities and equipment at its cost, retain same in place, or make other mutually acceptable arrangements between the parties in writing.

10.5 Company shall accept full responsibility for disposing of any liquids or other impurities which are removed from the gas in strict accordance with all current federal, state, and local rules and regulations pertaining to same.

SECTION 11. INGRESS AND EGRESS

11.1 Company shall provide City access to the Processing Facilities, pipelines and Metering Station at all times without prior notice. If requested by City, Company shall provide a security fence with a locked gate, erected at Company's expense, directly around the area containing the Metering Station. City shall provide Company with a key to the gate lock.

11.2 Company shall permit no structures (whether permanent or temporary), trees or other utility lines or pipes (including but not limited to electric, water, cable and telephone) within five (5) feet on either side of the ground below which the pipeline from the Metering Station to City's pipeline facilities is located, without City's written prior consent. During the term of this Agreement, should Company desire to move the location of the pipelines or Metering Station, it shall be relocated at Company's expense after mutual agreement of the parties to the changed location.

SECTION 12. SUCCESSION AND ASSIGNMENT

12.1 This Agreement shall inure to and be binding upon the successors and assigns of the parties. Neither party may assign its rights nor delegate its obligations under this Agreement without prior written consent of the other party, which consent shall not be unreasonably withheld.

12.2 Company shall not deliver any gas to City for which City does not have a fully executed, written and current agreement permitting Company to deliver the gas to City.

SECTION 13. LIABILITY, INDEMNIFICATION AND INSURANCE

13.1 Company and City each shall indemnify and hold harmless the other party from all liability including injury and death to persons, and expense on account of any and all damages, claims, actions, arbitration or settlement, arising out of or resulting

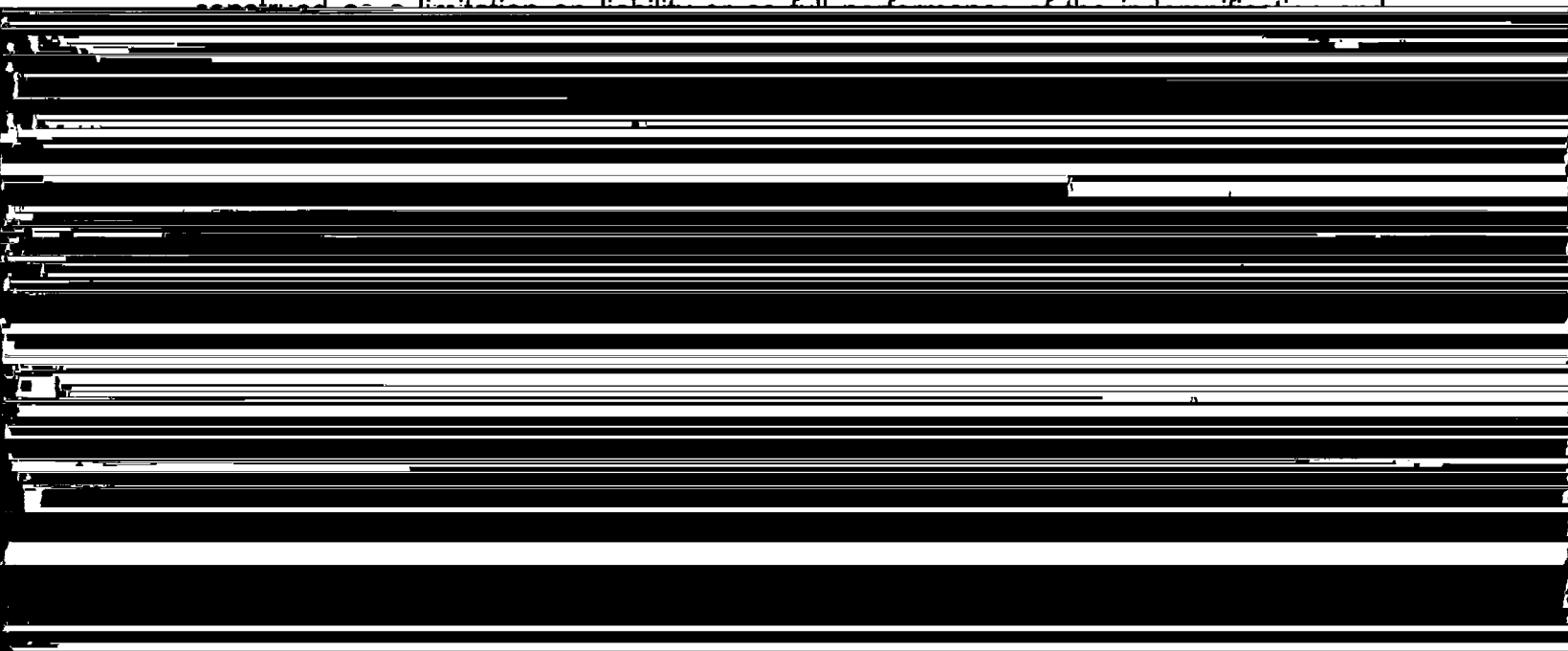
(b) If automobiles may be used in the delivery of the product, automobile liability insurance equivalent to CA 00 01 06 92 covering Symbol 1 ("Any Auto") in an amount not less than Two Million Dollars (\$2,000,000) combined single limits.

Insurance required herein shall be primary and non-contributing as respects any insurance or self-insurance, primary or excess, available to City or to any official, employee or agent of City. Coverage shall state that the insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability, and all policies shall be endorsed to provide that coverage shall not be suspended, voided, changed, or terminated except after thirty (30) days (ten (10) days for nonpayment of premium) prior written notice to City.

Prior to the commencement of this Agreement, Company shall deliver to City certificates of insurance with original endorsements evidencing the insurance coverage required by this Agreement for approval as to sufficiency and form. The certificates and endorsements for each insurance policy shall contain the signature of a person authorized by that insurer to bind coverage on its behalf. City reserves the right to require complete certified copies of all policies of the Company at any time, and Company agrees to provide such certified copies to City within ten business (10) days of City's request for said copies. Any actual or alleged failure of City to obtain proof of insurance required under this Agreement in no way waives any right or remedy of City under this Agreement.

Any self-insurance program, self-insured retention or deductibles greater than \$50,000 per occurrence or claim must be approved separately in writing by City's Risk Manager or designee and shall protect City, and its officials, employees, and agents in the same manner and to the same extent as they would have been protected had the policy or policies not contained retention provisions

The insurance required herein shall not be deemed to limit Company's liability relating to performance under this Agreement. The procuring of insurance shall not be



having proper jurisdiction, acts of the public enemy, wars, riots, blockades, insurrection, inability to secure or delay in securing labor or materials, including delay in securing or inability to secure materials by reason of allocations promulgated by authorized governmental agencies, epidemics, landslides, lightning, earthquakes, fire, storm, floods, washouts, explosions, breakage or freezing of pipelines, inability to obtain easements or rights-of-way or use of existing transportation, the making of repairs, maintenance or alterations to pipelines, meters, regulators, odorizer equipment or plants, partial or total failure of gas supply, or any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming "force majeure" and which prevents that party's performance hereunder.

14.2 The "force majeure" shall, so far as possible, be remedied with all reasonable dispatch. The settlement of strikes or lockouts or industrial disputes or disturbances shall be entirely within the discretion of the party having the difficulty and the above requirement that any "force majeure" shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts or industrial disputes or disturbances by acceding to the demands of any opposing party therein when such course is inadvisable in the discretion of the party having the difficulty.

SECTION 15. GOVERNMENT REGULATION

15.1 This Agreement shall be subject to all present and future applicable and valid laws, orders, rules and regulation of any regulatory body or agency having jurisdiction over the parties, their facilities or gas supply, or any provisions of this Agreement. The parties specifically acknowledge that certain information may need to be provided or certain documents or reports may need to be filed with certain city, county, state or federal regulatory agencies to implement or continue the transaction contemplated herein. Accordingly, upon the request of one party, the other party shall use its best efforts to cooperate in providing information or making or requesting certain filings to allow the intent of this Agreement to be fulfilled.

15.2 If any regulatory body having jurisdiction shall, after the date of execution of this Agreement, impose by rule or order any terms or conditions for such regulatory approval which is not satisfactory to the party burdened thereby, then such party may terminate this Agreement upon thirty (30) days prior written notice to the other party.

SECTION 16. NONDISCRIMINATION

16.1 In connection with the performance of this Agreement and subject to applicable rules and regulations, Company shall not discriminate against any person or employee, or fail to provide any service on the basis of race, religion, national origin, color, age, gender, sexual orientation, AIDS, AIDS related condition, handicap, disability or Vietnam Era veteran status. Company shall ensure that applicants are employed, and that employees are treated during their employment, without regard to these bases. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates

of pay or other forms of compensation, and selection for training, including apprenticeship.

16.2 In connection with the performance of this Agreement, Company shall be in compliance with all applicable provisions of the Americans with Disabilities Act ("ADA"). City has no duty under this Agreement to ensure Company's compliance with applicable ADA legislation.

SECTION 17. NOTICES AND STATEMENTS

17.1 Any notice, request or demand provided for in this Agreement, or any notice which a party may desire to give to the other, shall be in writing and shall be considered as duly delivered when personally served, or when received if sent by facsimile, telex or next day delivery service, or if deposited in the U.S. Postal Service, first class, postage prepaid, as of the third business day after the postmark date at the following addresses:

- a) To Company:
Sampson Oil Co.
301 Ultimo Ave
Long Beach, CA 90814
PH: 562-598-5027
FAX: (562) 493-3130

- b) To City:
Long Beach Gas & Oil Department PH: (562) 570-2060
2400 East Spring Street FAX: (562) 570-2008
Long Beach, CA 90806-2285
Attention: Gas Supply and Business Officer

Any facsimile notice shall be followed with a mailed confirmation copy to ensure the facsimile was properly received.

17.2 Any statement or invoice provided for in this Agreement, except as otherwise provided and until changed by written notice shall be sent to the parties at the following addresses:

- a) To Company:
Sampson Oil Co.
301 Ultimo Ave
Long Beach, CA 90814

- b) To City:
Long Beach Gas & Oil Department
2400 East Spring Street
Long Beach, CA 90806-2285
Attn: Accounting

17.3 No waiver by either City or Company of any default of the other hereunder shall operate as a waiver of any future default, whether of like or different character or nature.

17.4 This Agreement shall be construed consistently with all laws and public policies of the federal, state and local governments having proper jurisdiction over this Agreement and the parties.

SECTION 18. MISCELLANEOUS

18.1 This Agreement sets forth all understandings between the parties respecting the terms and conditions of this transaction. All prior agreements, understandings and representations, whether consistent or inconsistent, oral or written, concerning this transaction are merged into and superseded by this written Agreement. No modification or amendment of this Agreement shall be binding on either party unless amended by an instrument in writing executed with all the formalities and by the proper parties in the same manner as this Agreement.

18.2 The headings throughout this Agreement are inserted for reference purposes only, and are not to be construed or taken into account in interpreting the terms and provisions of any section, nor to be deemed in any way to qualify, modify or explain the effects of any such term or provision.

18.3 In the event that any provision of this Agreement is held by a court of competent jurisdiction or other regulatory body having jurisdiction herein, to be unenforceable or invalid, such holding shall not render unenforceable any other provision of this Agreement, each provision being expressly severable and independently enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be duly executed by its duly authorized officer as of the date first written above.

"COMPANY"
SAMPSON OIL COMPANY

BY [Signature]
NAME Renick Sampson
TITLE Owner

BY N/A
NAME
TITLE

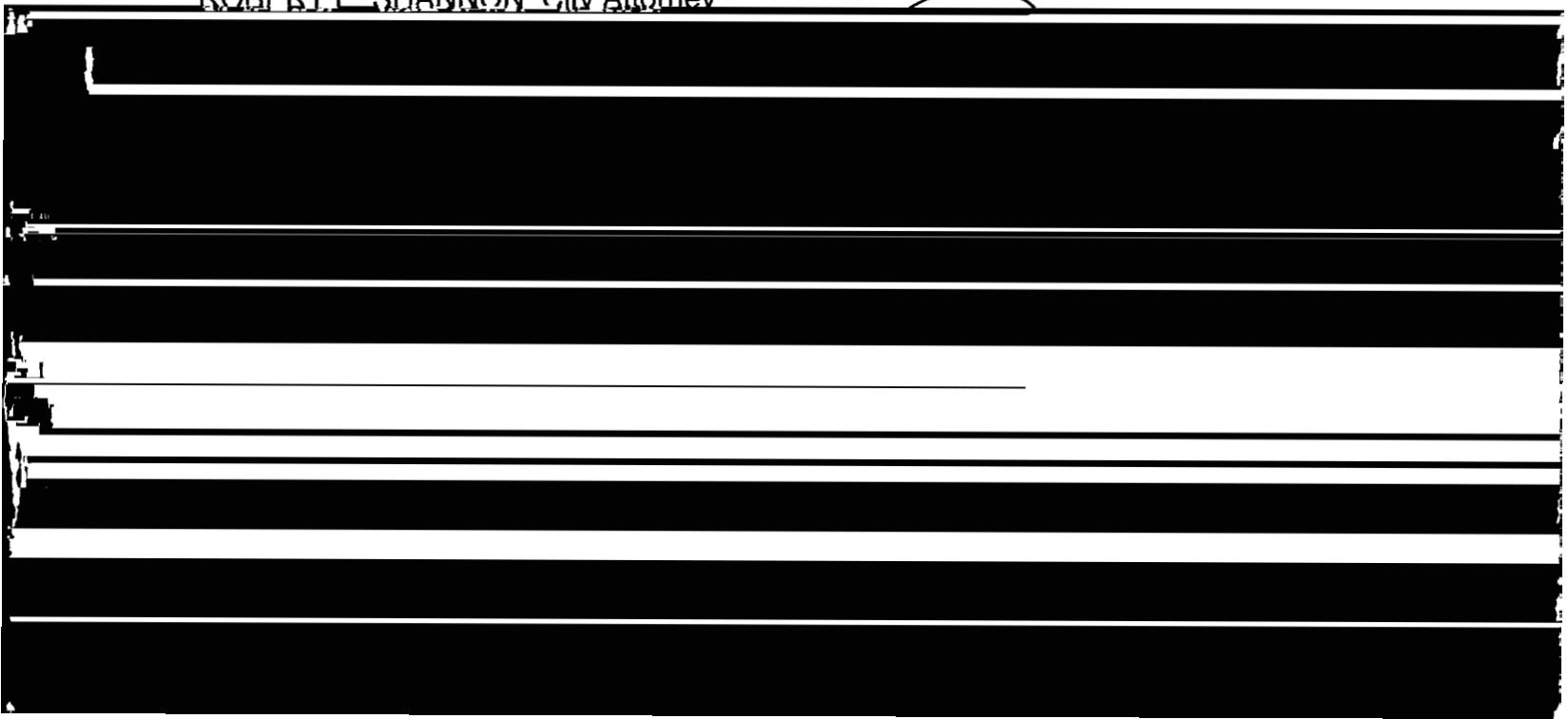
[Attach Notary Acknowledgment]

"CITY"
CITY OF LONG BEACH

BY [Signature]
City Manager



The foregoing document is approved as to form.
ROBERT E. SHANNON, City Attorney



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

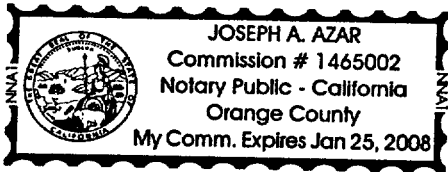
County of ORANGE } ss.

On 2-4-06, before me, JOSEPH A. AZAR,
Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared RENICK FEATHERSTON SAMPTON -
Name(s) of Signer(s)

personally known to me

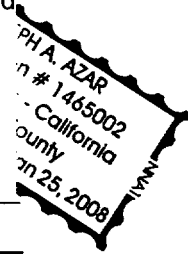
I proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted executed the instrument.



Place Notary Seal Above

WITNESS my hand and official seal.

[Signature]
 Signature of Notary Public



OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER
 Top of thumb here

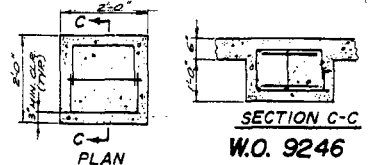
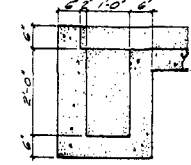
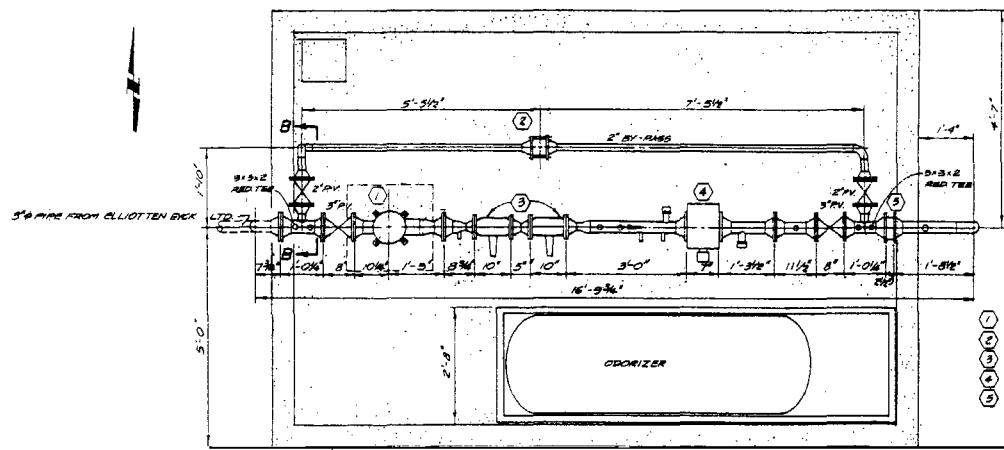
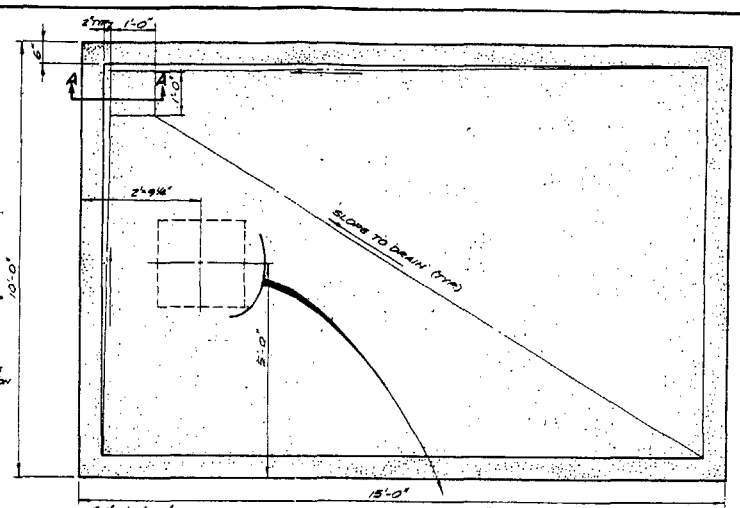
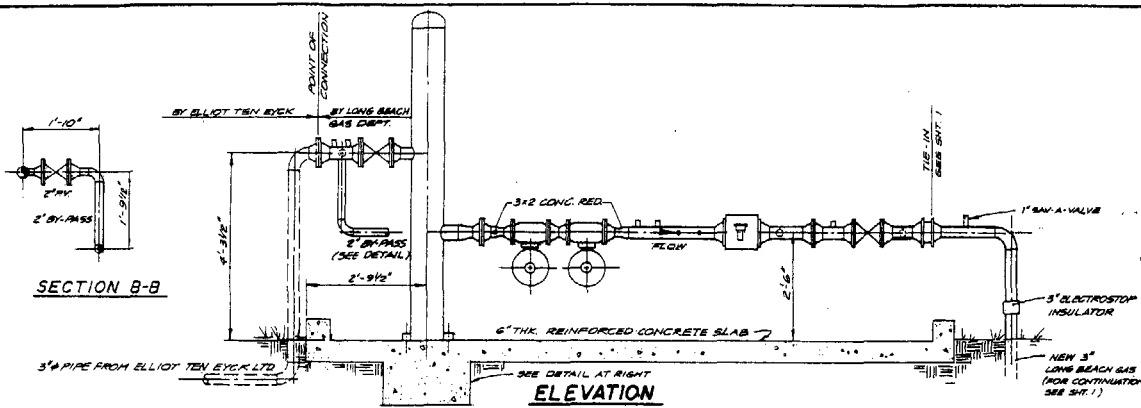
Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER
 Top of thumb here

Signer Is Representing: _____



- ① 1- MECO FILTER-SEPARATOR SERIES 85
- ② 1- 3\"/>

SECTION C-C
W.O. 9246
AS BUILT: 11-11-94
CITY OF LONG BEACH GAS DEPT.
ENGINEERING DIVISION
 2400 E. SPRING ST., LONG BEACH, CA. 90806 PH. 570-2000
INSTALL NEW 3\"/>

DESIGNED BY: J. JOHNSON	DATE: 5/11/94
DRAWN BY: M. CARULLIDO	SCALE: 1/2\"/>
CHECKED BY: G. SKYVER	APPROVED BY:

W.O. 9246
 9246



CITY OF LONG BEACH ENERGY DEPARTMENT

NATURAL GAS QUALITY SPECIFICATIONS

EXHIBIT "B"

<u>Heating Value:</u>	The minimum heating value is nine hundred and seventy (970) Btu (gross) per standard cubic foot on a dry basis. The maximum heating value is one thousand one hundred fifty (1150) Btu (gross) per standard cubic foot on a dry basis.
<u>Moisture Content or Water Content:</u>	Gas delivered shall have a water content not in excess of seven (7) pounds per million standard cubic feet.
<u>Hydrogen Sulfide:</u>	The gas shall not contain more than twenty-five hundredths (0.25) of one (1) grain of hydrogen sulfide per one hundred (100) standard cubic feet. The gas shall not contain any entrained hydrogen sulfide treatment chemical (solvent) or its by-product in the gas stream.
<u>Mercaptan Sulfur:</u>	The mercaptan sulfur is not to exceed three tenths (0.3) grains per hundred standard cubic feet.
<u>Total Sulfur:</u>	The gas shall not contain more than seventy-five hundredths (0.75) of a grain of total sulfur compounds per one hundred (100) standard cubic feet. This includes COS and CS ₂ , hydrogen sulfide, mercaptans and mono, di and poly sulfides.
<u>Carbon Dioxide:</u>	The gas shall not have a total carbon dioxide content in excess of three percent (3%) by volume.
<u>Oxygen:</u>	The gas shall not at any time have an oxygen content in excess of two-tenths of one percent (0.2%) by volume, and customer will make every reasonable effort to keep the gas free of oxygen.
<u>Inerts:</u>	The gas shall not at any time contain in excess of four percent (4%) total inerts (the total combined carbon dioxide, nitrogen, oxygen and other inert compound by volume).
<u>Dust, Gums, and Other Objectionable Matter:</u>	The gas shall be commercially free from dust, gums, and other foreign substances.
<u>Hazardous Substances:</u>	The gas must not contain hazardous substances (including but not limited to toxic and/or carcinogenic substances and/or reproductive toxins) concentrations which would prevent or restrict the normal marketing of gas, be injurious to pipeline facilities, or which would present a health and/or safety hazard to Utility employees and/or the general public.
<u>Delivery Temperature:</u>	The gas delivery temperature is not to be below 50F or above 105F.
<u>Interchangeability:</u>	<p>The gas shall meet American Gas Association's Wobbe Number, Lifting Index, Flashback Index and Yellow Tip Index interchangeability indices for high methane gas relative to a typical composition of gas in the Utility system near the points of receipt. Acceptable specification ranges are:</p> <ul style="list-style-type: none">▪ Wobbe Number (W for receiving facility) (WP for producer) $0.9 W \leq WP \leq 1.1 W$▪ Lifting Index (IL) $IL \leq 1.06$▪ Flashback Index (IF) $IF \leq 1.2$▪ Yellow Tip Index (IY) $IY \geq 0.8$

EXHIBIT "C"-1

Attached to and made part of that certain Natural Gas Delivery Agreement for Locally Produced Gas between Sampson Oil Company and the City of Long Beach

William M. Lansdale (Third Party), as fee mineral owner of that property known as The Lansdale Company, hereby grants Sampson Oil Company the authority to market natural gas produced from the property. The undersigned also authorizes Sampson Oil Company to receive all proceeds from the sale of such gas delivered under the Natural Gas Delivery Agreement for Locally Produced Gas between Sampson Oil Company and the City of Long Beach.

This Exhibit is not intended to and does not make the persons or party executing this Exhibit a party to the Agreement to which this Exhibit is attached. Any such claim or right is expressly waived.

By: W.M. Lansdale

Date: 2/6/06

Name: William M. Lansdale

Title: Owner

EXHIBIT "C"-2

Attached to and made part of that certain Natural Gas Delivery Agreement for Locally Produced Gas between Sampson Oil Company and the City of Long Beach

E&T LLC, as fee mineral owner of that property known as E&T oil (Third Party), hereby grants Sampson Oil Company the authority to market natural gas produced from the property. The undersigned also authorizes Sampson Oil Company to receive all proceeds from the sale of such gas delivered under the Natural Gas Delivery Agreement for Locally Produced Gas between Sampson Oil Company and the City of Long Beach.

This Exhibit is not intended to and does not make the persons or party executing this Exhibit a party to the Agreement to which this Exhibit is attached. Any such claim or right is expressly waived.

By: James B. Hutchings
Name: James B Hutchings
Title: Manager

Date: 2-01-2006