

MINUTE ITEM

This Calendar Item No. C78
was approved as Minute Item
No. 78 by the State Lands
Commission by a vote of 3
to 0 at its 3-8-94
meeting.

CALENDAR ITEM

C78

03/08/94
PRC 2473
Tanner

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S 8

ACCEPT THE QUITCLAIM DEED
FOR THE COMPTON LANDING AREA
COMPENSATORY ROYALTY AGREEMENT,
COLUSA COUNTY

APPLICANT:

Razar Resources, Inc.
Attn: Lester Alan Cufaude
2410 Fair Oaks Blvd., Suite 120
Sacramento, California 95825

AREA, TYPE LAND AND LOCATION:

State sovereign lands in a portion of the bed of the
Sacramento River in Colusa County consisting of
approximately 200 acres in four 3/4 miles of river channel.

LAND USE:

Channel of the Sacramento River.

CURRENT LEASE TERMS:

Term:

From July 18, 1955 until surrounding leases stop
producing and/or the leases are terminated.

Royalty:

16 2/3 percent for all natural gas allocated to
affected State lands within a 320-acre circle of all
producing wells.

BACKGROUND:

The Compton Landing Area Compensatory Royalty Agreement was
issued on July 18, 1955 to Honolulu Oil Corporation and
Humble Oil and Refining Company, each holding an undivided
50 percent interest in the agreement. The agreement was
issued to compensate the State for drainage of State
sovereign lands located in a portion of the bed of the
Sacramento River in Colusa County from wells drilled and
produced by the permittees on leased uplands surrounding the
State lands. Under the terms of the agreement, the parties
would compensate the State as follows:

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CALENDAR ITEM NO. C78 (CONT'D)

1. 16 2/3 percent royalty for all gas allocated to State lands.
2. 15 percent royalty for all gas allocated to State lands in the event it is necessary to compress the gas for delivery to a transmission line.
3. Eight 1/3 percent royalty on the sale or use value of all gasoline or other royalty products extracted from the quantity of gas allocated to State lands.

Through a series of assignments and name changes, Exxon Corporation owns 100 percent interest in the agreement. On May 1, 1992, Exxon Corporation sold its interest in this agreement to Razar Resources, Inc. Razar Resources, Inc. has submitted a quitclaim deed dated December 3, 1993, returning all right, title and interest in this agreement to the State. Many of the original wells subject to this agreement are shut-in or have been abandoned and the few remaining producing wells do not include State lands within the 320-acre drainage area. No wells were drilled into State lands and none are planned.

APPLICANT STATUS:

Applicant is lessee of upland.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Part 2; Sec. 6815.
- B. Sec. 4 of Compensatory Royalty Agreement.

AB 884:

N/A

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Code Regs. 15378.

EXHIBIT:

- A. Quitclaim Deed with Copy of Compensatory Royalty Agreement

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. ACCEPT THE QUITCLAIM DEED FOR THE COMPTON LANDING AREA COMPENSATORY ROYALTY AGREEMENT FROM RAZAR RESOURCES, INC., DATED DECEMBER 3, 1993, WHERE THE LESSEE QUITCLAIMS TO THE STATE ALL RIGHT, TITLE AND INTEREST IN THE AFFECTED LANDS DESCRIBED IN EXHIBIT "D" OF THE COMPTON LANDING AREA COMPENSATORY ROYALTY AGREEMENT DATED JULY 18, 1855.
3. RELEASE RAZAR RESOURCES, INC., FROM ALL OBLIGATIONS UNDER THE COMPTON LANDING AREA COMPENSATORY ROYALTY AGREEMENT EFFECTIVE DECEMBER 10, 1993 THE FILING DATE OF THE QUITCLAIM DEED.
4. AUTHORIZE THE EXECUTION OF ANY DOCUMENT NECESSARY TO EFFECT THE COMMISSION'S ACTION.

RECORDING REQUESTED BY:

Razar Resources, Inc.

WHEN RECORDED RETURN TO:

Razar Resources, Inc.
2410 Fair Oaks Blvd
Suite 120
Sacramento, CA 95825

QUITCLAIM DEED

KNOWN ALL MEN BY THESE PRESENT:

That Razar Resources, Inc., for valuable consideration, the receipt of which is hereby acknowledged, does hereby remise, release and forever quitclaim unto the party or parties entitled thereto, all its right, title and interest in and to that certain Compton Landing Area Compensatory Royalty Agreement shown as Exhibit "A" attached hereto and by this reference made a part hereof. Said Agreement shall no longer burden those leases, valid or not, in Colusa County, California as they are better described in Exhibit "B" attached hereto and by this reference made a part hereof.

IN WITNESS WHEREOF, Razar Resources Inc. has caused this instrument to be executed this 3rd day of December, 1993.

RAZAR RESOURCES, INC.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

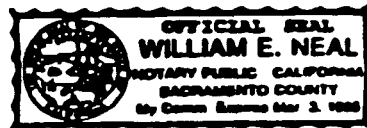
STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO)

On 12/3/92 before me, WILLIAM E. NEAL, NOTARY PUBLIC
DATE NAME, TITLE OF OFFICER - E.G. "JANE DOE, NOTARY PUBLIC"

personally appeared, Lester Alex Cofaudé
personally known to me (or 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/hers/their authorized capacity(ies), and that by his/hers/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

William E. Neal (SEAL)
NOTARY PUBLIC SIGNATURE



OPTIONAL INFORMATION

TITLE OR TYPE OF DOCUMENT Quitclaim Deed 500
DATE OF DOCUMENT 12/3 NUMBER OF PAGES 1 MINUTE PAGE 648
SIGNER(S) OTHER THAN NAMED ABOVE _____

EXHIBIT "A"

3466

P.R.C. 2473.1

COMPTON LANDING AREA
COMPENSATORY ROYALTY AGREEMENT

THIS AGREEMENT, effective as of the 18th day of July, 1955, pursuant to Division 6 of the Public Resources Code, Statutes of California, by and between the State of California, acting by and through the State Lands Commission, hereinafter called "State", and Honolulu Oil Corporation, a Delaware corporation, and Humble Oil & Refining Company, a Texas corporation, hereinafter collectively called "Lessee",

W I T N E S S E T H:

WHEREAS, said Honolulu Oil Corporation and said Humble Oil & Refining Company, Lessee herein, are the owners, each as to an undivided one-half interest, of the Lessee's interest under Oil and Gas Leases affecting certain lands within the Compton Landing Area (said area being that shown on Exhibit "B" hereinafter referred to), in Colusa County, California, as hereinafter set forth in Exhibit "A" attached hereto and by this reference made a part hereof; and

WHEREAS, State owns or claims to own the legal title to all lands (including the oil, gas and mineral rights thereto) underlying the Sacramento River, as said river is shown on the map hereto annexed, marked Exhibit "B" and by this reference made a part hereof, such lands being hereinafter referred to as "State Lands"; and

WHEREAS, Lessee has drilled certain "royalty wells", as that term is defined in Exhibit "C" attached hereto and by this reference made a part hereof, in said Compton Landing Area, the respective locations of which wells are shown on said Exhibit "B"; and

WHEREAS, certain portions of said State Lands, hereinafter referred to as "affected State Lands", as that term is defined in said Exhibit "C", lie within the "effective drainage area"

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as that term is defined in said Exhibit "C", of said royalty wells;
and

WHEREAS, the State Lands Commission in the exercise of its powers and jurisdiction has made an investigation of all available facts and upon those facts has determined that:

(a) Said royalty wells, not having been drilled on State Lands but having been drilled in the vicinity thereof, will drain gas from State Lands;

(b) It is for the best interests of the State of California to enter into this agreement for the payment of compensation to the State for such drainage in lieu of drilling offset wells upon or into State Lands;

(c) This agreement will aid in the orderly development of the Compton Landing Area and will promote conservation of gas in the State of California.

NOW, THEREFORE, in consideration of the premises and of the mutual and reciprocal benefits derived by each party hereto and of the performance by each party hereto of the covenants and agreements herein contained by such party to be kept and performed, the parties hereto, pursuant to the power vested in the State Lands Commission by Division 6 of the Public Resources Code of California, do hereby covenant and agree as follows:

(1) Lessee agrees to account for and to pay in money to State:

(a) A royalty in accordance with Exhibit "C" on the gas produced, saved and sold or produced, saved and removed from each of said royalty wells, from and after the effective date hereof, shall be due and payable not later than the 25th day of the second calendar month following the date of execution hereof and thereafter not later than the 25th day of the calendar month following the calendar month in which the gas is produced. The amount of the affected

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State Lands and the effective drainage area with respect to each of said royalty wells and the ratio of affected State Lands to the effective drainage area (expressed as a percentage and referred to as the "State Lands Percentage", said term being more fully defined in said Exhibit "C") relating to each of said royalty wells, are hereinafter set forth in the schedule marked Exhibit "D" attached hereto and by this reference made a part hereof.

The sale value of such gas shall be the monthly weighted average price for each calendar month received by Lessee during such calendar month for such gas at the wells, and in determining such weighted average price, gas used by Lessee for any purpose not connected with or incidental to Lessee's operations in the Compton Landing Area shall be deemed to be sold at the average price at the wells for which Lessee sells all gas produced by it from said Compton Landing Area during that month; provided, however, that in the event Lessee shall not sell any gas from said Compton Landing Area, then the sale value of such gas shall be the monthly weighted average price offered or paid to producers for gas of like quality in the same vicinity. The volume of all gas produced, saved and sold or used as aforesaid shall be in cubic feet at 14.73 pounds per square inch, absolute pressure, and at a temperature of 60° F., calculated in accordance with the procedure outlined in California Natural Gasoline Association Bulletin No. T.S. 402 (a revision of C.N.G.A. Bulletin No. T.S. 353) or any revisions thereof which may be adopted by such association and in effect at such time.

(b) In the event Lessee shall extract or cause to be extracted gasoline or other products from gas produced by it from its said royalty wells within the Compton Landing Area, Lessee agrees to account for State in money a royalty in accordance with the

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marked Exhibit "C", on all gasoline or other products extracted or caused to be extracted from gas produced by Lessee and used or sold. The sale or use value of such gasoline shall be the monthly weighted average price for each calendar month received by Lessee for such gasoline at the extraction plant. If no gasoline is being sold at the extraction plant, the value of such gasoline shall be the monthly weighted average price offered or paid to producers for gasoline of like specifications and quality in the vicinity.

(c) Lessee shall not be required to pay royalty to State on gas used by Lessee or lost in its operations in the Compton Landing Area or gas used or lost in the extraction of gasoline or other products therefrom.

(2) The royalty herein provided to be paid to State upon both gasoline and gas and by-products of either of them produced or extracted at the time of production or extraction of such gas or gasoline shall be a net royalty to State without any deductions of any kind whatsoever.

(3) All said payments shall be made to State by delivering or mailing a check therefor to State Lands Commission, Room 302, State Building, Los Angeles 12, California, which said check shall be made payable to State Lands Commission, State of California. Lessee shall mail to State monthly written statements showing the amount of gas, if any, produced, saved and sold by Lessee under said leases, or any of them, and the amount, if any, of gasoline extracted and sold or used by Lessee from gas produced by Lessee under the terms of said Oil and Gas Leases, or any of them, for the preceding calendar month, such statements to be mailed to State at State Building, Los Angeles, California.

(4) State shall have no right to require any exploratory, drilling, development or producing operations of any nature whatsoever in the Compton Landing Area or with respect to the affected State Lands, and Lessee in its operations

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leases shall have full discretion to conduct such operations in whatever manner it shall see fit without incurring any liability whatsoever to State, and nothing herein contained shall be deemed to obligate Lessee to produce, save, sell or otherwise dispose of gas or gasoline from the Compton Landing Area except as provided in said Oil and Gas Leases; provided further, that Lessee may at any time, at its election, without any consent or participation by State, modify, surrender, assign, terminate or otherwise dispose of its interests in said leases, or any of them, or in all or any part of the lands covered by them, or any of them, as in said leases provided or otherwise. Any modification, surrender, assignment, termination or other disposition of the interest of Lessee in said leases, or any of them, shall not, unless consented to by State, relieve Lessee from compliance with the terms and covenants of this agreement with respect to production of gas from any such "royalty well", except that Lessee may be relieved of performance under this agreement should it surrender or terminate all of said leases, in which event this Compensatory Royalty Agreement and all rights and obligations of the parties hereto shall thereupon cease and terminate.

(5) This agreement shall run co-extensively with said leases, or any of them, and any extension, modification or renewal of them, or any of them.

(6) State shall not drill or permit others to drill on, into or through affected State Lands, or any portion thereof, or produce or permit others to produce any well for the production of gas on, in or through affected State lands, or any portion thereof.

(7) By virtue of this agreement, Lessee shall receive no interest in said State Lands and State shall receive no interest in the oil and gas leasehold interests owned by Lessee.

(8) Lessee shall keep full and complete records and accounts of production and sale of gas produced by Lessee from the Compton Landing Area. All such accounts and records and

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surveys of said royalty wells shall be available for inspection by agents of State at all reasonable times.

(9) Lessee shall file with State true and correct copies of all price provisions of sales contracts for the disposition of gas produced by it from the Compton Landing Area. Lessee hereby consents to examination by State of all said sales contracts and well survey data (except geophysical data) relating to said royalty wells, and other information relating to said royalty wells, whether confidential or not, filed with the Division of Oil and Gas, Department of Natural Resources, State of California.

(10) Any assignment by Lessee of any interest or interests in said Oil and Gas Leases shall be made expressly subject to the terms, covenants and provisions of this agreement.

(11) Lessee shall at all times hold State free and harmless from any liability of the State of California, its officers, agents and employees, on account of any negligent maintenance and operation on Lessee's leased lands within the Compton Landing Area on the part of Lessee and its agents and employees.

(12) Any notice to be given under this agreement to State shall be delivered by Lessee or mailed, postage prepaid, to the State Lands Commission at State Building, Los Angeles, California, and any notice to be given under this agreement to Lessee shall be delivered by State, or mailed, postage prepaid, to each of the following:

Honolulu Oil Corporation
215 Market Street
San Francisco 5, California

Humble Oil & Refining Company
612 South Flower Street
Los Angeles 17, California

(13) Notwithstanding anything herein contained to the contrary, this agreement may be altered, changed or amended by mutual consent of the parties hereto.

(14) Should Lessee fail to comply with provisions of Division 6 of the Public Resources Code of California as such provisions are applicable to this agreement,

California insofar CALENDAR PAGE	506
or fail to MINUTE PAGE	654

file production reports and other like information as herein provided, or to pay the royalty to State at the times and in the manner herein prescribed, or to make information available to State as herein provided, or shall otherwise fail, neglect or refuse to perform the covenants and observe the conditions to be performed and observed in the manner herein required, and if such failure should continue for a period of thirty (30) days after written notice thereof to Lessee and no steps shall have been taken within that time in good faith to remedy the failure or default, then State shall have the right and power to cancel this agreement; provided, however, that State shall not have the right and power to cancel this agreement with respect to State Lands lying within a 320-acre circle circumscribed around any royalty well, as defined in Exhibit "C" hereof, with respect to which Lessee is not in default; but this provision shall not be construed to prevent the exercise by State of any legal or equitable remedy which State might otherwise effect. The waiver or failure of State to act upon any particular cause of forfeiture herein set forth shall not prevent the cancellation or forfeiture of this agreement for any other cause of forfeiture or for the same cause occurring another time.

(15) The parties hereto recognize and acknowledge that in making this agreement the title or claim of title of the State to lands in the Compton Landing Area does not necessarily reflect the State's legal position, the same being based in part on administrative convenience. Accordingly, though the State's title as shown on Exhibit "B" hereto is accepted and binding on all the parties for the purpose of this agreement, nothing contained herein shall prevent the State from asserting in any event not involving this agreement title to any other or any different land or lands in the Compton Landing Area.

(16) In the event Lessee drills and completes any additional well or wells in the Compton Landing Area which well or wells are so located that 320-acre circles circumscribed around

which well	
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then intersect State Lands, as shown on said Exhibit "B", then with respect to production from such well or wells Lessee agrees to account for and pay in money to State a royalty computed in the manner set forth in Paragraph (1) hereof, subject to all of the other terms and conditions of this agreement.

(17) This agreement relates only to the production, removal and sale of natural gas, gasoline or other products, exclusive of crude oil, and does not include the privilege or right of the Lessee to inject into or store gas within the geological zones underlying affected State Lands. Any crude oil contained within the affected State Lands is the sole property of the State and no rights respecting such crude oil are granted hereunder.

This agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers or representatives thereunto duly authorized as of the day and year first above written this 9th day of NOVEMBER, 1959.

APPROVED AS TO FORM:

Date November 7, 1959
By Ronald E. King
Deputy Attorney General

STATE OF CALIFORNIA
Acting By and Through the
State Lands Commission

By J. J. Harting
Executive Officer

HONOLULU OIL CORPORATION

By W. M. Cole
Vice President

By W. A. ...
Assistant Secretary

HUMBLE OIL & REFINING COMPANY

By Richard D. ...
Area Manager

By ...
Area Manager



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STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

On this 9th day of November, 1959, before me,
Myrtle Stratton, a Notary Public in and for
said County and State, personally appeared E. J. Hartig
known to me to be the Executive Officer of the
STATE LANDS COMMISSION, STATE OF CALIFORNIA, the Commission that
executed the within Instrument, known to me to be the person who
executed the within Instrument, on behalf of the Commission therein
named, and acknowledged to me that such Commission executed the
within Instrument pursuant to a resolution of its Commissioners.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate first above
written.

Myrtle Stratton
(Please print, stamp or type name)
MYRTLE STRATTON
NOTARY PUBLIC in and for said
County and State.
My Commission Expires October 30, 1962

STATE OF TEXAS }
COUNTY OF HARRIS } ss.

On this _____ day of _____, 19____ before _____

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

On this 16th day of October, 1959, before me, the undersigned, a Notary Public in and for said
County and State, personally appeared RICHARD E. FACCIOLI
known to me to be the Area Manager and WILBERT J. JOHNSON
known to me to be the Area Manager of NUMBLE OIL & REFINING COMPANY, the corporation that
executed the within instrument, known to me to be the person who executed the within instrument on behalf of said corpora-
tion, and acknowledged to me that said corporation executed the within instrument pursuant to its by-laws or resolution of its
board of directors.

WITNESS my hand and official seal.

Joan E. Anderson
Notary Public in and for said County and State

JOAN E. ANDERSON
My Commission Expires May 31, 1963

WITNESS my hand and official seal.

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(Please print, type or stamp name)

STATE OF CALIFORNIA,)

City and County of San Francisco)

Do this 29th day of September in the year one thousand nine hundred and fifty-nine

before me, HELEN G. BOYLE, a Notary Public in and for the City and County of San Francisco, State of California, residing therein, duly commissioned and sworn personally approved

F. M. COLE and

R. A. PRIOR

known to me to be VIC President and ASST Secretary, respectively, of MARSHALL ON Corporation, one of the corporations described in and that executed the within instrument, and also known to me to be the persons who executed the within instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of my office, this 29th day of September, 1959, at the City and County of San Francisco, the day and year in this certificate first above written.

Helen G. Boyle **MINUTE PAGE**

Notary Public in and for the City and County of San Francisco, State of California.

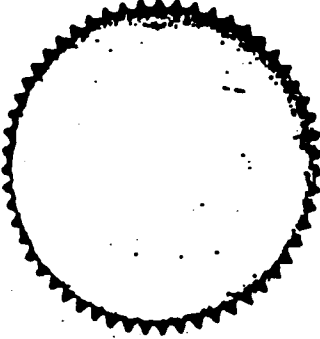


EXHIBIT "A"

OFFICIAL RECORDS
COLUSA COUNTY
RECORDING DATA

<u>FILE NUMBER</u>	<u>DATE OF LEASE</u>	<u>LESSOR</u>	<u>DATE</u>	<u>BOOK</u>	<u>PAGE</u>
182471	11/2/50	Aneita Frances Cox	12/7/50	169	277
182472	12/1/50	William R. Dunham, et ux	1/8/51	173	16
182473	12/1/50	Jennie Clark Dunham	12/30/50	176	21
PR 15-77-56 (1)	4/1/56	Sacramento & San Joaquin Drainage District	8/17/56	234	196
182475	12/5/50	Charles W. Tuttle, et ux	12/26/50	172	10
182478	12/6/50	Glenn-Colusa Company	12/26/50	179	1
182479	12/18/50	A. T. Causa	12/26/50	176	1
182480	12/28/50	Ralph D. Westfall	2/6/51	169	383
182484	2/14/51	Mary G. Jones, et al	6/25/51	176	229
212332	6/1/55	Southern Pacific Railroad Company, et al	8/1/55	189	259
225856	11/1/55	Jane Foster Carter	1/13/56	225	199
248068	10/7/57	Roman Catholic Bis- hop of Sacramento	10/15/57	247	310
225854	10/4/55	L. R. Libby, et ux	1/13/56	225	193
248067	6/11/57	Colusa Unified School District	10/16/57	247	315

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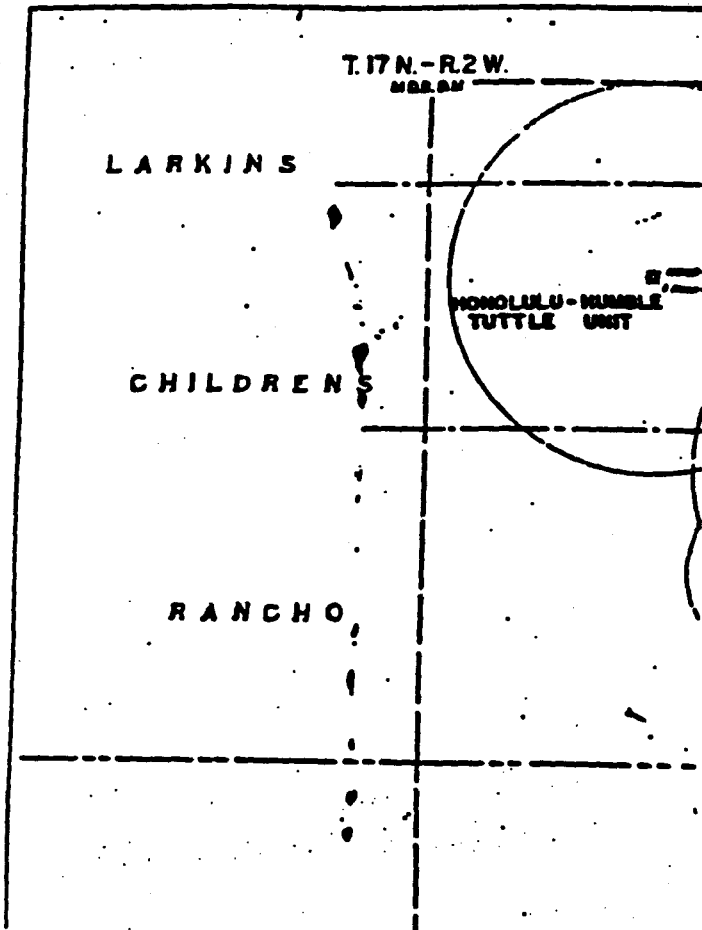


EXHIBIT "C"

Lessee agrees to account for and to pay in money to State a royalty of sixteen and two-thirds per cent (16 2/3%) for all gas allocated to affected State Lands, as hereinafter defined.

Production of gas allocated to affected State Lands upon which royalty shall be paid to State shall be calculated as follows:

1. Circumscribe a circle with an area of 320 acres around the surface location of each productive well drilled by Lessee within the Compton Landing Area. In the event the deviation from vertical of a line drawn from the surface location of any such well to the bottom of the well bore is greater than five degrees (5°), Lessee shall have said well surveyed to determine the bottom-hole location thereof, shall notify State of said bottom-hole location and shall furnish State with a copy of said well survey, and said bottom-hole location and not the surface location of said well shall be used as the center of said 320-acre circle.

2. Determine those wells whose circumscribed circles intersect State Lands. Any such well shall hereinafter be called a "royalty well".

3. Determine the "affected State Lands" with respect to each royalty well in the following manner:

No portion of State Lands shall be entitled to allocation of gas produced from more than one royalty well, although such portion be intersected by said circumscribed circles of two or more of said wells. In the event any portion of State Lands is intersected by said circles of two or more of said royalty wells, the area of State Lands contained in said area or areas of common intersection of said circles shall be divided into as many equal portions as there are wells whose circles intersect same, and one and only one of said equal portions shall be allocated to each of said wells. State Lands intersected solely by the circle of any such royalty well and the aforesaid pro rata apportionment of State Lands in said area or areas of common intersection

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allocated as hereinabove provided to said well shall together constitute and shall hereinafter be called "affected State Lands" with respect to said royalty well.

4. Determine the "effective drainage area" of each royalty well in the following manner:

If any portion of said 320-acre circle circumscribed around said royalty well is intersected by circles circumscribed around any other royalty well or wells, the area of all lands contained in said area or areas of common intersection of said circles shall be divided into as many equal portions as there are royalty wells whose circles intersect same, and one and only one of said equal portions shall be allocated to each of said wells. Lands intersected solely by said 320-acre circle circumscribed around said well and the aforesaid pro rata apportionment of said area or areas of common intersection allocated as hereinabove provided to said well together constitute and shall hereinafter be called the "effective drainage area" of said royalty well.

5. Determine the ratio in percentage that the affected State Lands bear to the effective drainage area of each royalty well. Said percentage shall hereinafter be called the "State Lands Percentage".

6. Apply the "State Lands Percentage" to the production for the calendar month from the well to which said percentage relates, to determine the quantity of gas allocated to State Lands from said well upon which royalty shall be paid.

In the event that it is necessary to compress the gas for delivery to the line, the royalty rate hereunder shall be fifteen per cent (15%) in lieu of sixteen and two-thirds per cent (16 2/3%) specified above.

Lessee shall pay to State a royalty of eight and one-third per cent (8 1/3%) of the sale or use value of all gasoline or other products extracted from the quantity of gas allocated to State Lands.

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EXHIBIT "B"

**OFFICIAL RECORDS
COLUSA COUNTY
RECORDING DATA**

<u>FILE NUMBER</u>	<u>DATE OF LEASE</u>	<u>LESSOR</u>	<u>DATE</u>	<u>BOOK</u>	<u>PAGE</u>
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225854	10/4/55	L. R. Libby, et ux	1/13/56	225	193
248067	6/11/57	Colusa Unified School District	10/16/57	247	315

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EXHIBIT "D"

<u>Name of Royalty Well</u>	<u>Affected State Lands in Acres</u>	<u>Effective Drainage Area in Acres</u>	<u>State Land Percentage</u>
Honolulu-Humble Charles W. Tuttle, et ux Unit, Well #1	18.251	299.608	6.092%
Honolulu-Humble Dunham Unit #1, Well #2	12.856	268.588	4.787%
Honolulu-Humble Carter #1	1.837	288.980	0.637%
Honolulu-Humble Jane F. Carter Unit, Well #1	2.296	205.657	1.116%
Honolulu-Humble Ansita F. Cox Unit, Well #2	2.066	205.657	1.003%

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