



GAIL FARBER, Director

**COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS**

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone (626) 458-5100
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE
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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

42 December 20, 2016

LORI GLASGOW
EXECUTIVE OFFICER

**AMENDMENTS TO THE DRILLING AND OPERATING AGREEMENT
AND DRILLSITE AGREEMENT NOS. 05-23 AND 06-11
BETWEEN THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT AND
CALIFORNIA RESOURCES LONG BEACH, INC.,
IN THE CITY OF LONG BEACH
(SUPERVISORIAL DISTRICT 4)
(3 VOTES)**

SUBJECT

This action is to approve amendments to the Drilling and Operating Agreement dated January 30, 1939, and Drillsite Agreement Nos. 05-23 and 06-11 between the Los Angeles County Flood Control District and California Resources Long Beach, Inc., along portions of the Los Angeles River in the City of Long Beach.

**IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE
LOS ANGELES COUNTY FLOOD CONTROL DISTRICT:**

1. Find that the amendments to the Drilling and Operating Agreement dated January 30, 1939, and Drillsite Agreement Nos. 05-23 and 06-11 are not projects under the California Environmental Quality Act.
2. Approve amendments to the Drilling and Operating Agreement dated January 30, 1939, and Drillsite Agreement Nos. 05-23 and 06-11 between the Los Angeles County Flood Control District and California Resources Long Beach, Inc.
3. Instruct the Chairman of the Board of Supervisors to sign the amendments and authorize delivery to California Resources Long Beach, Inc.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to amend the Drilling and Operating Agreement dated January 30, 1939 (Enclosure A), and Drillsite Agreement Nos. 05-23 and 06-11 (Enclosures B and C) (Agreements) to reflect a name change from Oxy Long Beach, Inc., to California Resources Long Beach, Inc. Oxy Long Beach, Inc., the named Lessee in the Agreements, has changed its name to California Resources Long Beach, Inc.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness/Fiscal Sustainability (Goal 1). The revenue from the Agreements will help promote fiscal sustainability for the operation and maintenance of flood control facilities.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

Rents from the current Agreements are received in the form of royalties. The Los Angeles County Flood Control District (LACFCD) received approximately \$1,000,000 in royalties for Fiscal Year 2014-15. Monies will continue to be received in the form of royalties and will be deposited into the Flood Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The purpose of the Agreements is to allow California Resources Long Beach, Inc., to produce, extract, and remove oil, gas, and other hydrocarbons from the LACFCD's right of way along portions of the Los Angeles River located in the City of Long Beach.

The LACFCD initially entered into the Drilling and Operating Agreement dated January 30, 1939, with Continental Corporation. Through a series of agreements, Pacific Energy Resources, Ltd., succeeded to the interest of Continental Corporation under the agreement, and on May 21, 2008, Pacific Energy Resources, Ltd., assigned all its right, title, and interest in and to the agreement to Oxy Long Beach, Inc.

The LACFCD Initially entered into Drillsite Agreement Nos. 05-23 and 06-11 with Pacific Energy Resources, Ltd., on January 24, 2006. On May 21, 2008, Pacific Energy Resources, Ltd., assigned all its right, title, and interest in and to Agreement Nos. 05-23 and 06-11 to Oxy Long Beach, Inc.

On November 5, 2014, Oxy Long Beach, Inc., filed a Certificate of Amendment with the Secretary of the State of Delaware to change its name to California Resources Long Beach, Inc.

County Counsel has reviewed and approved the enclosed Amendments as to form.

ENVIRONMENTAL DOCUMENTATION

The amendments are not projects pursuant to the California Environmental Quality Act because they involve an activity that is excluded from the definition of a project by Section 15378(b) of the California Environmental Quality Act Guidelines. The amendments are administrative activities of government that will not result in direct or indirect physical changes to the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This action allows for the joint use of the LACFCD's right of way without interfering with the primary mission of the LACFCD.

CONCLUSION

Please return one adopted copy of this letter and two originals of each of the three amendments to the Department of Public Works, Survey/Mapping & Property Management Division. Retain an original of each amendment for your files.

Respectfully submitted,



MARK PESTRELLA
Chief Deputy Director

MP:JTS:mr

Enclosures

c: Auditor-Controller (Accounting Division--Asset
Management)
Chief Executive Office (Rochelle Goff)
County Counsel
Executive Office

ENCLOSURE A

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO

Los Angeles County
Department of Public Works
SMPM Division
900 South Fremont Avenue, Tenth Floor
Alhambra, CA 91803

SPACE ABOVE THIS LINE FOR RECORDER'S USE

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT
TO SECTION 27383 OF THE GOVERNMENT CODE

Amendment to Drilling and Operating Agreement

This Amendment to Drilling and Operating Agreement dated January 30, 1939, is made and entered into this 20th day of December, 2016 ("Effective Date"), by and between the Los Angeles County Flood Control District ("LACFCD") and California Resources Long Beach, Inc., formerly known as Oxy Long Beach, Inc.

RECITALS

WHEREAS, the LACFCD and Continental Corporation entered into that certain Drilling and Operating Agreement Dated January 30, 1939 and recorded in the Official Records of Los Angeles County, California on October 27, 1947 in Book 25702 at Page 297 (the "Original Agreement"). The Original Agreement has been amended from time to time, including, among others, by that certain unrecorded Fourth Agreement of Amendment dated February 23, 1966 by and between the LACFCD and Standard Oil Company of California, and by that certain unrecorded Confidential Settlement Agreement and Release dated November 4, 1997 by and among the LACFCD, Pacific Energy Resources, and Chevron U.S.A. Inc. The Original Agreement, as so amended, is referred to herein as the "Agreement";

WHEREAS, Pacific Energy Resources Ltd. has succeeded to the interest of Continental Corporation under Agreement;

WHEREAS, on May 21, 2008 Pacific Energy Resources Ltd. assigned Oxy Long Beach Inc. all its right, title, and interest in and to Agreement;

76622 Supplement No. 2

WHEREAS, on November 5th, 2014 Oxy Long Beach, Inc. filed a Certificate of Amendment with the Secretary of State for Delaware to change its name to California Resources Long Beach, Inc.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, LACFCD and California Resources Long Beach, Inc. hereby amend the Agreement as follows:

1. California Resources Long Beach, Inc., hereinafter "CRLBI" shall be substituted in place of Oxy Long Beach Inc. as a party to the Agreement and CRLBI will be subject to and act in accordance with all of the terms and provisions of said Agreement.
2. Except as amended herein, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to Drilling and Operating Agreement to be executed in three (3) counterparts, by its officers, as of the day and year first written above.

LOS ANGELES COUNTY FLOOD CONTROL DISTRICT

CALIFORNIA RESOURCES LONG BEACH, INC

By: Mark Kullberg-Thoma
CHAIRMAN, BOARD OF SUPERVISORS

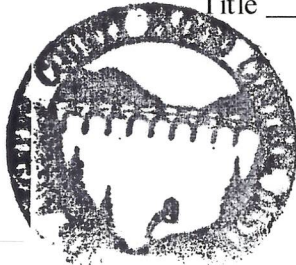
By: Dan Wesley Marshall
Name DAN Wesley Marshall
Title Agency-in-FACT

APPROVED AS TO FORM

By: _____
Name _____
Title _____

By: [Signature]

ATTEST LORI GLASGOW
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS



By: Danya Ruiz, Deputy

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

LORI GLASGOW
Executive Officer
Clerk of the Board of Supervisors

By: Danya Ruiz
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

4 2

DEC 20 2016

Lori Glasgow
LORI GLASGOW
EXECUTIVE OFFICER

76622 Supplement No. 2

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Los Angeles)

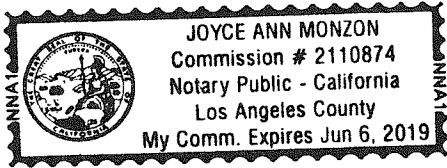
On May 17, 2016 before me, Joyce Ann Monzon, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Dan Wesley Marshal
Name(s) of Signer(s)

who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended 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: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

ENCLOSURE B

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO

Los Angeles County
Department of Public Works
SMPM Division
900 South Fremont Avenue, Tenth Floor
Alhambra, CA 91803

SPACE ABOVE THIS LINE FOR RECORDER'S USE

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT
TO SECTION 27383 OF THE GOVERNMENT CODE

Agreement No. 05-23
Los Angeles River- Parcel No 1219
Affects Parcel Nos 1236, 2091, 2166, 2173,
2178 to 2184
19-RW 62.1, 63.1
Fourth District

Second Amendment to Drillsite Agreement

This Second Amendment to the Drillsite Agreement No. 05-23 ("Second Amendment"), is made and entered into this 20th day of December, 2016 ("Effective Date"), by and between the Los Angeles County Flood Control District ("LACFCD") and California Resources Long Beach, Inc., formerly known as Oxy Long Beach, Inc. .

RECITALS

WHEREAS, the LACFCD and Pacific Energy Resources Ltd. entered into Drillsite Agreement No. 05-23 on the 24th of January, 2006, which provides, among other things, for the occupancy and use of the surface and subsurface of certain lands described more fully in Article 1 therein and referred to as said lands for the purpose of conducting any and all operations necessary or convenient to directional drilling for, removal, production, storage, treatment, transportation and/or marketing of oil, gas and other hydrocarbon substances from other lands by means of wells located upon and/or drilled through said lands but bottomed outside the boundaries of said lands;

WHEREAS, on May 21, 2008 Pacific Energy Resources Ltd. assigned Oxy Long Beach, Inc. all its right, title, and interest in and to Agreement No. 05-23;

WHEREAS, on June 9, 2010 Oxy Long Beach, Inc. entered into an Amendment to Drillsite Agreement with the LACFCD;

WHEREAS, on November 5th, 2014 Oxy Long Beach, Inc. filed a Certificate of Amendment with the Secretary of State for Delaware to change its name to California Resources Long Beach, Inc.

76622 Supplement No. 2

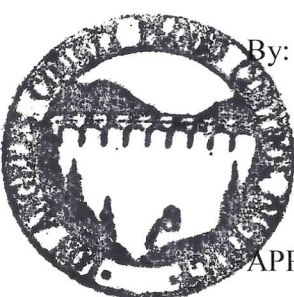
NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, LACFCD and California Resources Long Beach, Inc. hereby amend Drillsite Agreement No. 05-23 as follows:

1. California Resources Long Beach, Inc., hereinafter "CRLBI", shall be substituted in place of Oxy Long Beach Inc. as a party to Drillsite Agreement No. 05-23 and CRLBI will be subject to and act in accordance with all of the terms and provisions of said Drillsite Agreement No. 05-23 and the Amendment to Drillsite Agreement.
2. Except as amended herein, all other provisions of Drillsite Agreement No. 05-23 and the Amendment to Drillsite Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to Drillsite Agreement to be executed in three (3) counterparts, by their respective, duly authorized officers, as of the day and year first written above.

LOS ANGELES COUNTY FLOOD CONTROL DISTRICT

CALIFORNIA RESOURCES LONG BEACH, INC



By: Mark Ridley-Thomas
CHAIRMAN, BOARD OF SUPERVISORS

By: David Wesley Marshall
Name David Wesley Marshall
Title Attorney-in-Fact

APPROVED AS TO FORM
By: [Signature]

By: _____
Name _____
Title _____

ATTEST LORI GLASGOW
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS
By: Danya Ruiz, Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

4 2 DEC 2 0 2016

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

LORI GLASGOW
Executive Officer
Clerk of the Board of Supervisors

Lori Glasgow
LORI GLASGOW
EXECUTIVE OFFICER

By: Danya Ruiz
Deputy

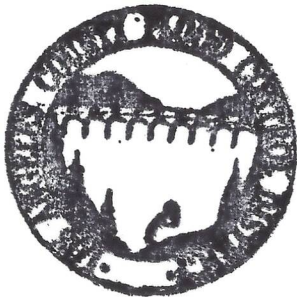
76622 Supplement No. 2

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

On January 6, 1987, the Board of Supervisors for the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts adopted a resolution pursuant to Section 25103 of the Government Code that authorized the use of facsimile signatures of the Chair of the Board on all papers, documents, or instruments requiring the Chair's signature.

The undersigned hereby certifies that on this 20th day of December, 2016, the facsimile signature of MARK RIDLEY-THOMAS, Chair of the Board of Supervisors of the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, was affixed hereto as the official execution of this document. The undersigned further certifies that on this date a copy of the document was delivered to the Chair of the Board of Supervisors of the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT.

In witness whereof, I have also hereunto set my hand and affixed my official seal the day and year above written.



(LACFCD-SEAL)

APPROVED AS TO FORM

MARY C. WICKHAM
County Counsel

By [Signature]
Deputy

LORI GLASGOW, Executive Officer
of the Board of Supervisors
of the County of Los Angeles

By [Signature]
Deputy

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Los Angeles)

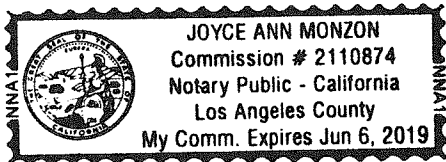
On May 17, 2016 before me, Joyce Ann Monzon, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Dan Wesley Marshal
Name(s) of Signer(s)

who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended 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: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

ENCLOSURE C

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO

Los Angeles County
Department of Public Works
SMPM Division
900 South Fremont Avenue, Tenth Floor
Alhambra, CA 91803

SPACE ABOVE THIS LINE FOR RECORDER'S USE

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT
TO SECTION 27383 OF THE GOVERNMENT CODE

Agreement No. 06-11
Los Angeles River – Parcel No 2018
Affects Parcel Nos 2019, 2086-2094, 2099-
2103, 2105-2184
19RW 62.1, 63.1, 64.1, 65.1 and 66.1
Fourth District

Second Amendment to Drillsite Agreement

This Second Amendment to the Drillsite Agreement No.06-11 (“Second Amendment”), is made and entered into this 20th day of December, 2016 (“Effective Date”), by and between the Los Angeles County Flood Control District (“LACFCD”) and California Resources Long Beach, Inc., formerly known as Oxy Long Beach, Inc.

RECITALS

WHEREAS, the LACFCD and Pacific Energy Resources Ltd. entered into the Drillsite Agreement No. 06-11 on the 24th of January, 2006, which provides, among other things, for the occupancy and use of the surface and subsurface of the Northern Well Site and Southern Well Site (“said lands”) for the purpose of conducting any and all operations necessary or convenient to directional drilling for, removal, production, storage, treatment, transportation and/or marketing of oil, gas and other hydrocarbon substances from other lands by means of wells located upon and/or drilled through said lands but bottomed outside the boundaries of said lands;

WHEREAS, on May 21, 2008 Pacific Energy Resources Ltd. assigned Oxy Long Beach Inc. all its right, title, and interest in and to the Agreement No. 06-11;

WHEREAS, on June 9, 2010 Oxy Long Beach, Inc. entered into Amendment to Drillsite Agreement with the LACFCD;

WHEREAS, on November 5th, 2014 Oxy Long Beach, Inc. filed a Certificate of Amendment with the Secretary of State for Delaware to change its name to California Resources Long Beach, Inc.

76622 Supplement No. 2

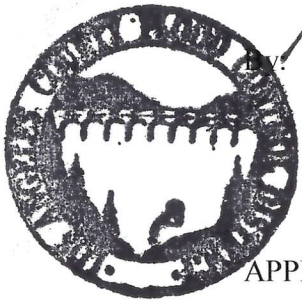
NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, LACFCD and California Resources Long Beach, Inc. hereby agree as follows:

1. California Resources Long Beach, Inc., hereinafter "CRLBI" shall be substituted in place of Oxy Long Beach Inc. as a party to Drillsite Agreement No. 06-11 and CRLBI will be subject to and act in accordance with all of the terms and provisions of said Drillsite Agreement No. 06-11 and Amendment to Drillsite Agreement.
2. Except as amended herein, all other provisions of the Drillsite Agreement No. 06-11 and the Amendment to Drillsite Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to Drillsite Agreement to be executed in three (3) counterparts, by its officers, as of the day and year first written above.

LOS ANGELES COUNTY FLOOD CONTROL DISTRICT

CALIFORNIA RESOURCES LONG BEACH, INC



Mark Ridley-Thomas
CHAIRMAN, BOARD OF SUPERVISORS

By: Dan Wesley Marshall
Name Dan Wesley Marshall
Title Attorney-in-Fact

APPROVED AS TO FORM

By: _____
Name _____
Title _____

By: [Signature]

ATTEST: LORI GLASGOW
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS

By: Danya Ruiz, Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made,

42 DEC 20 2016

LORI GLASGOW
Executive Officer
Clerk of the Board of Supervisors

By: Danya Ruiz
Deputy

Lori Glasgow
LORI GLASGOW
EXECUTIVE OFFICER

76622 Supplement No. 2

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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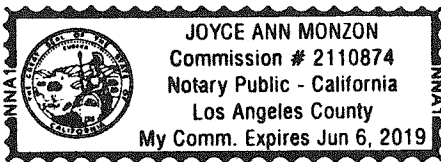
On May 17, 2016 before me, Joyce Ann Monzon, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Dan Wesley Marshal
Name(s) of Signer(s)

who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature]
Signature of Notary Public

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Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

