

GLENN COUNTY
Planning & Public Works Agency

P.O. Box 1070 / 777 N. Colusa Street
Willows, CA 95988
530.934.6530 Fax 530.934.6533
www.gcppwa.net



California Resources Production Corporation
855 Harter Parkway #200
Yuba City, CA 95993

June 12, 2017

RE: Administrative Permit 2017-005; Gas Well: Tulainyo #2

On June 12, 2017, the Glenn County Planning & Public Works Agency Deputy Director approved Administrative Permit 2017-005 with the Conditions of Approval enclosed with this letter. Also enclosed is a copy of the CEQA Notice of Exemption and Staff Report for your records.

Please sign the Conditions of Approval where indicated and submit to the Glenn County Planning & Public Works Agency, 777 North Colusa Street, Willows, CA 95988, within ten (10) days.

Sincerely,

Hether Ward
Assistant Planner
hward@countyofglenn.net

GLENN COUNTY

Planning & Public Works Agency

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STAFF REPORT

DATE: June 12, 2017

TO: Di Aulabaugh, Deputy Director

FROM: Hether Ward, Assistant Planner

RE: Administrative Permit 2017-005
California Resources Production Corporation
Gas Well: Tulainyo #2
"AP-160" Zoning District

Attachments:

1. Conditions of Approval
2. Application
3. Road Agreement
4. Oil and Gas Lease
5. Maps

1 PROJECT SUMMARY

California Resources Production Corporation has applied for an Administrative Permit to drill a natural gas well to be known as “Tulainyo #2”. The project site of the proposed gas well is located west of the Tehama-Colusa Canal, west of the western terminus of County Road 69, southwest of the City of Willows, in the unincorporated area of Glenn County, California. The Assessor’s Parcel Number (APN) for the 642± acre site is 014-200-006.

The proposed gas well will be located within Section 7, T18N, R4W, M.D.B. & M. The gas well is proposed to be drilled on a new well pad. The parcel is primarily used for grazing and open pasture land.

The parcel is zoned “AP-160” (Agricultural Preserve Zone, 144-acre minimum parcel size) and is designated “Intensive Agriculture” in the General Plan. Natural gas wells are a permitted use in the “AP-160” zone with approval of an Administrative Permit (Glenn County Code §15.460.040.A).

1.1 RECOMMENDATIONS

Staff recommends that the Deputy Director find that this project qualifies for a Class 4 Categorical Exemption within Section 15304 of the Guidelines for the California Environmental Quality Act with the Findings as presented in the Staff Report.

Staff also recommends that the Deputy Director approve Administrative Permit 2017-005 with the Findings as presented in the Staff Report and the Conditions of Approval as attached.

2 ANALYSIS

The proposed project to drill a natural gas well is consistent with similar projects in this area. Several gas wells have been drilled to the south of the proposed site. There is a demand for natural gas and the fields present in Glenn County have proven to be economically viable for production.

2.1 ENVIRONMENTAL DETERMINATION

This project is a Class 4 Categorical Exemption pursuant to §15304, “*Minor Alterations to Land*”, of the Guidelines of the California Environmental Quality Act. California Code of Regulations states:

Title 14, Chapter 3, Article 19, §15304. Minor Alterations to Land:

Class 4 consists of minor public or private alterations in the condition of land, water, and/or vegetation, which do not involve removal of healthy, mature, scenic trees except for forestry or agricultural purposes.

The proposed gas well will be located in an agricultural area. Drilling of the gas well is a minor temporary use of land, which will have negligible effects on the environment and will be conducted in such a way as to avoid or minimize impacts to geology, hydrology, air quality, biology, and aesthetics.

2.2 GENERAL PLAN AND ZONING CONSISTENCY

The parcel is designated as “Foothill Agriculture/Forestry” in the General Plan and is zoned “AP-160” (Agricultural Preserve Zone, 144-acre minimum parcel size). The project site is in an area of existing natural gas production and natural gas wells are a permitted use within the “AP-160” zone with approval of an Administrative Permit (Glenn County Code §15.460.040.A).

The project is consistent with surrounding land use because the area consists of rural residential uses and nearby agricultural zoning. The proposal is consistent with zoning and the General Plan.

2.2.1 Natural Gas Well Development Standards (Title 15 Unified Development Code, Section 15.840.010):

Standards (Glenn County Code §15.840.010):

- A. *The proposed location of the gas well is at least five hundred feet from the nearest residential dwelling unit.* The application and Exhibit “A” for the proposed gas well states that there are no habitable structures within 500 feet of the well site.
- B. *The proposed location of the gas well is at least one hundred twenty feet from a county road right-of-way.* The proposed gas well is not located within the vicinity of a county road. The closest county road is County Road 69, which is over 2 miles away. Access to the site is from a private road.
- C. *If the proposed location of the gas well is within a flood hazard area as designated on the flood hazard maps of Glenn County, or within a designated floodway or special floodplain combining zone, the rules, regulations and restrictions of the zones shall be conditions of approval.* The project site lies within Flood Zone “X” (unshaded) according to Flood Insurance Rate Map (FIRM) No. 06021C 0800D, dated August 5, 2010, issued by the Federal Emergency Management Agency (FEMA). Flood Zone “X” consists of areas of minimal risk outside the 1-percent and 0.2-percent annual chance floodplains. No base flood elevations or base flood depths are shown within this zone.
- D. *The fire protection regulations of the affected fire district shall be complied with.* This project will be required to comply with the regulations of the Kanawha Fire Protection District.
- E. *The drilling mud shall be disposed of at an approved disposal site.* Fulton Reclamation Facility, on County Road M, is the designated disposal facility.

- F. *The necessary permits shall be secured in all affected federal, state, and local agencies. It is the responsibility of the applicant/agent to make certain all requirements are met and permits are obtained. This project will require the minimum:*
- 1) Administrative Permit – County of Glenn, Planning Division;
 - 2) Encroachment Permit – County of Glenn, Public Work Department;
 - 3) “Notice of Intention to Drill New Well” to be filed with Natural Resources Agency of California, Department of Conservation, Division of Oil, Gas, and Geothermal Resources;
 - 4) “Permit to Conduct Well Operations” to be filed with Natural Resources Agency of California, Department of Conservation, Division of Oil, Gas, and Geothermal Resources
- G. *The applicant shall enter into a Road Maintenance Agreement with the Glenn County Road Department. The applicant has applied for an Encroachment Permit and Master Gas Well Driller Road Agreement #2016-001 has been entered into by the applicant and Glenn County.*
- H. *Conversion of this gas well to an injection well may be permitted with a conditional use permit. The application is not requesting an injection well, but any future conversion will require a conditional use permit.*
- I. *Installation of a gas well compressor shall require an additional administrative permit approved by the director in the agricultural zones and a conditional use permit approved by the planning commission in the residential zones. The proposed gas well is in an agricultural zone and the application is not requesting a gas well compressor.*

2.3 NOTIFICATION OF GAS WELL ABANDONMENT

Once the gas well is no longer operational and/or is not a producing well, the applicant/owner shall notify the Planning Division within sixty (60) days and the well site shall be reclaimed to its natural state or previous use, whichever is applicable, within six (6) months of the well becoming no longer operational or producing. The gas well abandonment shall be performed in accordance with California Public Resources Code, Chapter 1, Section 3228 and California Code of Regulations, Title 14, Chapter 4, Section 1723 (§ 4.2.1, Performance Standards for Site Reclamation, Glenn County Energy Element of the General Plan).

2.4 PUBLIC BENEFIT

There is a growing public demand for natural gas energy. The development of this natural resource is desirable because it will contribute to the County’s tax revenues and provide a necessary resource to the community. This area is an agricultural area, primarily consisting of grazing and pasture land.

2.5 OTHER INFORMATION

- A. Drilling and other activities by the permittee under this permit are conditioned upon a valid enforceable lease of other right or entitlement to conduct such activities upon the property described in the application. The County makes no representation by the issuance of this permit that the permittee has any such right or entitlement.
- B. If upon approval of this Administrative Permit any problem, nuisance, or health hazard arises from the operation allowed by this Permit, the Planning Commission shall hold a Public Hearing to hear comments and consider whether Conditions of Approval need to be revised or added or if the Administrative Permit should be revoked or modified.

3 FINDINGS

3.1 CATEGORICAL EXEMPTION

Finding 1

The proposed project is located in an agricultural area.

Finding 2

Drilling of the gas well is a minor temporary use of land, which will have negligible effects on the environment.

3.2 ADMINISTRATIVE PERMIT

Administrative permits may be approved after the Director makes findings similar to those required of a conditional use permit. These findings are listed within Section 15.220.020 of the Glenn County Code.

Finding 1

The proposed use at the particular location is necessary or desirable in providing a service or facility which will contribute to the general well-being of the public because there is a demand by the public for natural gas energy, and therefore, for development of natural resources. This development will contribute to the County's tax revenues. The location is desirable because the project is compatible with existing grazing and open pasture land uses.

Finding 2

The drilling and operation of the proposed gas well will not, under the circumstances of the particular case, be detrimental to the health, safety or general welfare of persons residing or working in the vicinity, or injurious to property or improvements in the vicinity. There are no dwelling units within 500 feet of the well site and the Natural Gas Well Standards required by Section 15.840.010 of the Glenn County Code are met.

Finding 3

The site for the proposed gas well is adequate in size and shape to accommodate said use and to accommodate all of the yards, setbacks, and other features required herein.

Finding 4

The granting of this Administrative Permit will not adversely affect the General Plan of Glenn County because the policy stated in the Energy Element is as follows:

Chapter 4.2.a GAS FIELD AND GAS WELL DEVELOPMENT POLICY:

It shall be the policy of the County to continue to allow gas field and well development where it can be demonstrated that there are no significant impacts on the environment and where there will be minimal conflicts with adjoining uses.

CONDITIONS OF APPROVAL

Administrative Permit 2017-005

California Resources Production Corporation

Gas Well: Tulainyo #2

APN: 014-200-006

1. That the project activities shall be confined to those areas as shown on the Detail Sketch being identified as Exhibit "A" as well as other supporting site plans as submitted and on file at the Glenn County Planning & Public Works Agency.
2. That this Administrative Permit shall expire if it is not executed within one (1) year from its approval date. Execution of the permit is defined as having had substantial physical construction and/or use of the property in reliance on the permit.

Acknowledgment:

I hereby declare that I have read the foregoing conditions, which are in fact the conditions that were imposed upon the granting of this administrative permit, and that I agree to abide fully by said conditions. I further hereby declare that I have read the Staff Report prepared for the granting of this administrative permit and I am aware of codified county, state, and/or federal standards and regulations that shall be met with the approval of this project.

Signed: _____

Date

ADM 2017-005

GLENN COUNTY
PLANNING AND PUBLIC WORKS AGENCY
777 North Colusa Street
Willows, CA 95988
(530) 934-6540
Fax (530) 934-6533
www.countvotlenn.net

APPLICATION FOR ADMINISTRATIVE PERMIT - GAS WELL

NOTE: FAILURE TO ANSWER APPLICABLE QUESTIONS AND REQUIRED ATTACHMENTS COULD DELAY THE PROCESSING OF YOUR APPLICATION.

1. Applicant:

Name: California Resources Production Corporation

Mailing Address: 855 Harter Parkway #200, Yuba City, CA 95993

Phone :(Business) 530-671-8209 (Home) N/A

Fax: 530-751-9369 E-mail: Stephen.Signorotti@crc.com

2. Mineral Rights Owner(s):

Name: Webster Anderson

Mailing Address: 1363 Hoover Place, Woodland, CA 95776

Phone :(Business) N/A (Home) 530-661-0261

3. Engineer/Person who Prepared Site Plan (if applicable):

Name: Stephen G. Signorotti, California Resources Corporation

Mailing Address: 855 Harter Parkway #200, Yuba City, CA 95993

Phone :(Business) 530-671-8209 (Home) N/A

Fax: _____ E-mail: Stephen.Signorotti@crc.com

4. Request or Proposal: Drilling and completion of a well for the production of natural gas.

5. Address and Location of Project: Unincorporated area of Glenn County

6. Current Assessor's Parcel Number(s): 014-20-0-006

7. Existing Zoning: Pasture

8. Existing Use of Property: Grazing and open pasture land

9. Water Well Required? Yes No Approved by: _____
Building Division

Water Well Permit Issued? Yes No

10. If the well is to be located within a flood plain, the applicant shall meet all County construction requirements before any permanent structure can be built.

11. Provide any additional information that may be helpful in evaluating this proposal:

Location is located approximately 800 feet northwest from last well drilled by applicant in 2014 (Tulainyo #1).

DECLARATION UNDER PENALTY OF PERJURY

(Must be signed by Applicant and Mineral Rights Owner(s))
(Additional sheets may be necessary)

The Applicant(s) and Mineral Rights Owner(s), by signing this application, shall be deemed to have agreed to defend, indemnify, release and hold harmless the County, its agents, officers, attorneys, employees, boards and commissions from any claim, action or proceeding brought against the foregoing individuals or entities, the purpose of which is to attack, set aside, void or null the approval of this development entitlement or approval or certification of the environmental document which accompanies it, or to obtain damages relating to such action(s). This indemnification agreement shall include, but not be limited to, damages, costs expenses, attorney fees or expert witness fees that may be asserted by any person or entity, including the applicant, arising out of or in connection with the approval of the entitlement whether or not there is concurrent passive or active negligence on the part of the County.

Applicant:

Signed:  _____

Print: Stephen G. Signorotti, Landman, California Resources Production Corporation

Date: May 15, 2017

Address: 855 Harter Parkway, Suite 200, Yuba City, CA 95993

I am (We are) the owner(s) of the mineral rights of the property involved in this preparation and submission of this application. I (We) declare under penalty of perjury that the foregoing is true and correct.

Mineral Rights Owner(s):

Signed: Oil, Gas and Mineral Lease (Short Form) attached

Print: Webster Anderson, et al

Date: Lease dated September 10, 2008

Address: 1363 Hoover Place, Woodland, CA 95776

Case ADM 2017-005

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ENVIRONMENTAL INFORMATION FORM

To be completed by applicant or engineer

Use extra sheets if necessary

This list is intended to meet the requirements of State of California Government Code Section 65940.

I GENERAL INFORMATION:

- I Name: California Resources Production Corporation
Address, City, State, Zip: 855 Harter Parkway #200, Yuba City, CA 95993
Telephone: 530-671-8209 Fax: 530-751-9369
E-mail: Stephen.Signorotti@crc.com
- 2 Name: _____
Address, City, State, Zip: _____
Telephone: _____ Fax: _____
E-mail: _____
- 3 Address and Location of Project: Unincorporated area of Glenn County, no street address
- 4 Current Assessor's Parcel Number(s): 014-20-0-006
- 5 Existing Zoning: Pasture
- 6 Existing Use: Pasture and grazing
- 7 Proposed Use of Site (project for which this form is prepared): Construction of surface pad for drilling rig and associated equipment.

8. Indicate the type of permit(s) application(s) to which this form pertains:
Administrative.
-
9. If the project involves a variance, conditional use permit, or rezoning application, state this and indicate clearly why the application is required:
Administrative permit required along with Gas Well Drillers Road Agreement.
-
10. List and describe any other related permit(s) and other public approvals required for this project, including those required by city, regional, state, and federal agencies: Gas Well Drillers Road Agreement with Glenn County.
-
11. Have any special studies been prepared for the project site that are related to the proposed project including, but not limited to traffic, biology, wetlands delineation, archaeology, etc? None

II. ENVIRONMENTAL SETTING:

1. Describe in detail the project site as it exists before the project, including information on topography, soil stability, plants and animals (wetlands, if any), different crops, irrigation systems, streams, creeks, rivers, canals, water table depth, and any cultural historical or scenic aspects. Describe any existing structures on the site, and the use of the structures. Attach photographs of the site. Snapshots or Polaroid photos will be accepted.
Open pasture and grazing land, hardpan soil, currently no cattle grazing on the site, no structures on site, rolling hills, no cultural and/or scenic aspects that are apparent. No irrigation systems on the property, water table depth unknown.
2. Describe the surrounding properties, including information on plants, animals, and any cultural, historical or scenic aspects. Indicate the type of land use (residential, commercial, agricultural, etc.), intensity of land use (one-family, apartment houses, shops, department stores, dairy, row crops, orchards, etc.) Attach photographs of the vicinity. Snapshots or Polaroid photos will be accepted.

North: Open field – grazing and pasture land

East: Open field – grazing and pasture land

South: Open field – grazing and pasture land

West: Open field – grazing and pasture land

3. Describe noise characteristics of the surrounding area (include significant noise sources): Normal noises associated with drilling rig activity.

III. SPECIFIC ITEMS OF IMPACT:

1. Drainage:

Describe how increased runoff will be handled (on-site and off-site): No runoff anticipated

Will the project change any drainage patterns? (Please explain): No

Will the project require the installation or replacement of storm drains or channels? If yes, indicate length, size, and capacity: No

Are there any gullies or areas of soil erosion? (Please explain): None

Do you plan to grade, disturb, or in any way change swales, drainages, ditches, gullies, ponds, low lying areas, seeps, springs, streams, creeks, river banks, or other area on the site that carries or holds water for any amount of time during the year? None.

If yes, you may be required to obtain authorization from other agencies such as the Army Corps of Engineers or California Department of Fish and Game.

2. Water Supply:

Indicate and describe source of water supply (domestic well, irrigation district, private water company): Private water company.

Will the project require the installation or replacement of new water service mains? No

3. Liquid Waste Disposal:

Will liquid waste disposal be provided by private on-site septic system or public sewer? Private on-site septic system (portable toilets).

If private on-site septic system, describe the proposed system (leach field or seepage pit) and include a statement and tests explaining percolation rates, soil types, and suitability for any onsite sewage disposal systems:

None to be installed

Will any special or unique sewage wastes be generated by this project other than normally associated with resident or employee restrooms; Industrial, chemical, manufacturing, animal wastes? (Please describe) None.

Should waste be generated by the proposed project other than that normally associated with a single family residence, Waste Discharge Requirements may be required by the Regional Water Quality Control Board.

4. Solid Waste Collection:

How will solid waste be collected? Individual disposal, private carrier, city?

Private carrier

5. Source of Energy:

What is the source of energy (electricity, natural gas, propane)? On site
generators

If electricity, do any overhead electrical facilities require relocation? Is so, please describe: No overhead facilities on site.

If natural gas, do existing gas lines have to be increased in size? If yes, please describe: No natural gas lines on site.

Do existing gas lines require relocation? If yes, please describe:

No

6. Fire Protection:

Indicate number and size of existing and/or proposed fire hydrants and distance from proposed buildings: None. No structures in immediate area.

Indicate number and capacity of existing and/or proposed water storage facilities and distance from proposed buildings: Portable water storage containers for fire prevention and dust control.

W. FOR ZONE CHANGE, ZONE VARIANCE, AND SPECIAL USE PERMIT APPLICATION:

1. Number and sizes of existing and proposed structures: _____

Square footage (structures) _____ S.F. _____ S.F.
(New) (Existing)

2. Percentage of lot coverage: _____

3. Amount of off-street parking provided: _____

4. Will the project be constructed in phases? If so, please describe each phase briefly: _____

5. If residential, include the number of units, schedule of unit sizes, range of sale prices or rents, and type of household size expected: _____

6. If commercial, indicate type, estimated employment per shift, days and hours of operation, estimated number of daily customers/visitors on site at peak time, and loading facilities: _____

7. If industrial, indicate type, estimated employment per shift, and loading facilities: _____

8. If institutional, indicate the major function, estimated employment per shift, estimated occupancy, loading facilities, and community benefits to be derived from the project: _____

9. List types and quantities of any hazardous or toxic materials, chemicals, pesticides, flammable liquids, or other similar product used as a part of the operation and storage container sizes: _____

Submit Material Safety Data Sheets (MSDS) for any proposed hazardous materials. If hazardous materials are proposed, it is recommended that the applicant contact the Air Pollution Control District/CUPA for permitting requirements.

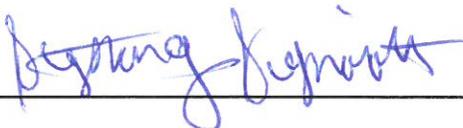
- 10. Describe any earthwork (grading) to be done and dust control methods to be used during construction: _____

- 11. Describe any potential noise or vibration sources associated with the project (i.e. compressor, machine noise, heavy equipment). _____

- 12. Describe source, type, and amount of air pollutant emissions (smoke, odors, steam, gases, water vapor, dust, chemicals) from the project. Describe what methods would be used to reduce emissions: _____

V. CERTIFICATION:

I hereby certify that the statements furnished above and in the attached exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements and information presented are true and correct to the best of my knowledge and belief.

Date: May 15, 2017 Signature: 

For: California Resources Prod. Corporation

According to Section 65943 for the California Government Code, your application will be reviewed within 30 days and you or your agent will receive written notice regarding the completeness of your application. Any reviewing agency may, in the course of processing the application, request the applicant to clarify, amplify, correct, or otherwise supplement the information required for the application.

According to Section 65944 (C), additional information may be requested in order to comply with Division 13 of the State of California Public Resources Code.

**MASTER GAS WELL DRILLER ROAD AGREEMENT BETWEEN
CALIFORNIA RESOURCES PRODUCTION CORPORATION AND GLENN COUNTY**

NO. 2016-001

SECTION 1. TERMS AND CONDITIONS OF MASTER AGREEMENT.

A. Terms of Agreement.

This agreement is hereby granted to California Resources Production Corporation hereinafter referred to as Grantee, for a term of five years (the "Initial Term") from the effective date of this agreement, subject to all of the limitations and restrictions herein contained. This agreement may be terminated by voluntary surrender or abandonment by Grantee or by forfeiture for non-compliance of the terms and provisions hereof. Grantee shall further have the option to extend this agreement for three additional five-year terms (the "Subsequent Terms") for a fee as agreed to by the parties or determined to be reasonable in light of agreement fees then being charged by jurisdictions. Grantee may exercise its rights to extend this agreement by notifying the County of its election to extend this agreement in writing no later than ninety (90) days prior to the expiration of the then current term.

B. Grant of Agreement.

This agreement grants to Grantee the right and privilege to install, operate, maintain, replace and repair pipeline(s) for the transportation of natural gas or water in, under, along and across certain public streets, highways and public rights of way, hereinafter for convenience collectively referred to as "streets," in the County of Glenn, California, hereinafter referred to as "County", as described in the addendum(s) attached hereto and shown on the map attached hereto as **EXHIBIT "A"**.

C. Appurtenances.

The Grantee shall have the right to operate, maintain, repair or replace such scraper traps, manholes, flanges, conduits, culverts, valves, appliances, cathodic protection systems, attachments and other appurtenances (hereinafter for convenience collectively referred to as "appurtenances") as may be necessary or convenient for the proper maintenance and operation of the pipeline(s) under this agreement, provided, however, that Grantee shall first secure the requisite permits and/or approvals from County for construction or excavation.

SECTION 2. MAINTENANCE AND REPAIR.

A. Grantee shall maintain the pipeline(s) in good, worker-like manner and in conformity with all applicable and lawful federal, state and local rules and regulations and shall perform any necessary repairs. County agrees to process all permit and excavation applications in a timely manner not to exceed two weeks and according to the county's fee schedule.

B. Grantee shall conduct maintenance and repair of the pipeline(s) with the least possible hindrance to the use of the streets for purposes of travel and, within 30 calendar days, all portions of the streets which have been excavated or otherwise damaged thereby shall be repaired in cooperation with and to the reasonable satisfaction of the County. The term "repair" as used in this Agreement shall mean compliance with Glenn County Code Section 13.04.090. In the activities, the Grantee shall indemnify the County as provided in Section 11.

C. Grantee, upon completing any street opening, shall repair all streets, highways, private and public property to the satisfaction of the County and does by this agreement warrant that the work of restoration shall be good against all faulty workmanship

**MASTER GAS WELL DRILLER ROAD AGREEMENT BETWEEN
CALIFORNIA RESOURCES PRODUCTION CORPORATION AND GLENN COUNTY**

and materials and shall, for a period of one (1) year therefore, maintain all such restored street surfaces in as good condition as other portions of said street, and according to current ordinances of the County, not disturbed by said opening.

D. Grantee shall make such deposits of money or shall file such bonds upon request of the County, with County as may be required to ensure satisfaction and completion of all construction activity, both in connection with the initial construction of the pipeline(s) and with the subsequent repairs of same within public rights of way.

E. In all duties of the Agreement, time is of the essence.

SECTION 3. SAFETY REQUIREMENTS.

A. Conformance with Pressure Piping Code.

The pipeline(s) and appurtenances shall be operated, maintained, replaced or repaired in accordance with the latest revision of the "American National Standard Code for Pressure Piping ANSI/ASME B31.-1979;" American Petroleum Institute standard 1104; Code of Federal Regulations, Part 195, Title 49 U.S.C. and other applicable standards and codes, whichever is the most stringent.

B. Conformance with Federal and State Codes.

The pipeline(s) and appurtenances shall be operated, maintained, replaced or repaired in accordance with all federal standards for the constructing of interstate pipeline(s) as set forth in Federal laws, rules or regulations. Whenever there is a conflict with the federal or state standards, the more stringent standard will prevail.

C. Conformance with County Ordinances and Permits.

The pipeline(s) and appurtenances shall be operated, maintained, replaced or repaired in conformity with all ordinances, rules or regulations in effect at the time of granting of this agreement, or as prescribed by the Board of Supervisors and in accordance with the terms and conditions of any permit issued by the County Engineer.

D. Certified Test Results.

For those pipelines subject to the provisions of the Pipeline Safety Act of 1981, (California Government Code Section 51010, et seq.), the testing shall be conducted as required by the state fire marshal, and certified test results shall be requested by the County from the fire marshal. In the event the state fire marshal shall fail to provide such certified test results to the County, grantee shall provide such test results to the County upon request.

SECTION 4. STREET EXCAVATION RULES.

A. Permit Required.

Except in an emergency, the Grantee shall not excavate in a country road or right of way without having first obtained all permit and excavation applications from the County Engineer. The Grantee shall pay any fees required by such a permit. Such application may include a traffic control plan and other information as required by the County Engineer. As used herein, "emergency" shall refer to situations in which persons are endangered or property or environmental damage may result, or other requirements of law, rule or regulation, or government order may be violated, if work is delayed pending issuance of a permit, and "County Road" shall mean any public street, alley, way, or any property owned by the County.

B. Duty to Repair Streets and County Roads.

**MASTER GAS WELL DRILLER ROAD AGREEMENT BETWEEN
CALIFORNIA RESOURCES PRODUCTION CORPORATION AND GLENN COUNTY**

As soon as any street excavation work is completed, all portions of the streets excavated or otherwise damaged thereby shall be repaired consistent with existing ordinances to the reasonable satisfaction of the County Engineer. All street repair work shall be made by the Grantee at the expense of the Grantee in accordance with the ordinances of the County and the conditions of the Permit(s) issued therefor by the County Engineer.

C. Capital Improvement Plan.

Annually, prior to January 1st, the Grantee shall submit a projected five-year capital improvement plan for its facilities subject to this Agreement. Scheduling for repair, replacement or modifications shall be described by year and location in order to provide information to the County for coordination with its public works capital improvement program. Projects not on such a schedule may be denied a permit unless the work is an emergency or the need is unforeseen. Justification may be required from the Grantee.

SECTION 5. CLEAN UP OF BREAKS AND LEAKS.

Grantee shall report immediately any spills or leaks to the appropriate State and Federal Agencies and to the County Engineer. If any portion of any street or County road shall be damaged by reason of breaks or leaks in any pipe or conduit operated or maintained under this agreement, or if any street, sidewalk, sewer, storm drain or other facility be contaminated with crude oil, waste water, diesel fuel, gasoline or other substance transported in said pipeline(s), the Grantee shall, at its own expense, immediately repair or clean up or cause to be repaired or cleaned up any such damage or contamination and repair such street, sidewalk, sewer, storm drain or other facility to the reasonable satisfaction of the County Engineer. Such clean ups shall be accomplished in a timely manner, with as little public disruption as possible.

The Grantee shall be responsible to reimburse the County for all costs associated with County services provided during such break or leak. The reimbursement shall include the current rate of overhead being charged by the County for reimbursable work. Reimbursable work shall include, but not be limited to, inspection, traffic control, police, fire, street, environmental and other County response forces.

SECTION 6. EMERGENCY CREWS.

At all times during the term of this agreement, the Grantee shall maintain on a twenty-four (24) hour basis personnel to operate the pipeline(s) system, including leak detection systems and any communications cable. In addition, during the term of this agreement, the Grantee shall maintain on a twenty-four (24) hour basis, adequate standby equipment and properly trained emergency standby crews for the purpose of implementing emergency response such as repairs, cleanup, preventing or minimizing damage or the threat of damage to the people or the environment in the event of an emergency resulting from an earthquake, act of war, civil disturbance, flood, leakage or other cause. The emergency standby crews and equipment shall be capable of being at the site requiring the emergency call-out within two (2) hours. All vaults within the County, if any, shall be adequately secured and county personnel briefed in obtaining access and shutting off valves.

SECTION 7. COMPENSATION TO THE COUNTY.

A. During the Initial Term, Grantee shall pay to the County for deposit in the County Road Fund a base annual fee of \$250 per active pipeline covered by this agreement.

**MASTER GAS WELL DRILLER ROAD AGREEMENT BETWEEN
CALIFORNIA RESOURCES PRODUCTION CORPORATION AND GLENN COUNTY**

The first fee shall be paid upon acceptance of the agreement and annually thereafter by the anniversary date pursuant to Section 1.A. Grantee shall pay on or before the first day of any Subsequent Term the new annual fee agreed to by the parties and on each successive anniversary date of the agreement thereafter.

B. The agreement fee set out in this Section shall in no way limit Grantee's obligation to compensate County or any private citizen for any damage, claim, expense, or loss whatsoever as set forth in this agreement.

C. Grantee shall pay to the County, on demand, the cost of all repairs to public property made necessary by any operation of the Grantee under this agreement.

D. Any payment due from Grantee to County under any provision of this agreement which is not paid when due shall bear interest at the highest amount allowable by law, but the payment of such interest shall not excuse nor cure any other default by Grantee under this agreement. All payments shall be paid, without deduction or offset except as herein provided, to the office of the Glenn County Planning & Public Works Agency at P.O. Box 1070, Willows, CA 95988, or at such place as the County shall from time to time designate in writing. In the event any payment required under this Section is late, the following schedule of late charges shall be applicable to that portion which is overdue:

- (1) Late 10 days but less than 30 days--2% of the amount due; plus:
- (2) For each additional 30 days or fraction thereof over 30 days--an additional 2% of the amount, including interest due under this Section.

SECTION 8. REMOVAL OR ABANDONMENT OF FACILITIES.

A. Application to County Engineer.

At the expiration, revocation or termination of this agreement or of the permanent discontinuance of the use of its facilities or any portion thereof, the Grantee shall, within thirty (30) days thereafter, make a written application to the County Engineer for authority to abandon all or a portion of such facilities. Such application shall describe the facilities desired to be abandoned or removed by reference to the addendum number and map or maps required by Section 1 of this agreement and shall also describe with reasonable accuracy the relative physical condition of such facilities. Abandonment of the pipeline(s) shall be accomplished as required by the Pipeline Safety Act, State or Federal regulations, or any successor legislation.

B. Determination of County Engineer.

The County Engineer shall determine whether such abandonment or removal, which is thereby proposed, may be affected without detriment to the public interest or under what conditions such proposed abandonment or removal may be safely affected. He shall then notify the Grantee, and according to such requirements as shall be specified in the County Engineer's order and applicable state and federal regulations, the Grantee shall, within ninety (90) days thereafter, either:

- (1) Remove all or a portion of such facilities; or
- (2) Abandon in place all or a portion of such facilities, as set forth in the

County Engineer's order.

C. Failure to Properly Abandon.

If any facilities to be abandoned in place subject to prescribed conditions shall not be abandoned in accordance with all such conditions, the County Engineer may make additional appropriate orders, including, if he deems desirable, an order that the Grantee shall remove

**MASTER GAS WELL DRILLER ROAD AGREEMENT BETWEEN
CALIFORNIA RESOURCES PRODUCTION CORPORATION AND GLENN COUNTY**

all such facilities in accordance with applicable requirements of the Pipeline Safety Act or other governing law or statute. In the event the Grantee shall fail to remove any facilities which it is obligated to remove in accordance with such applicable requirements within such time as may be prescribed by the County Engineer, the County may remove or cause to be removed such facilities at the Grantee's expense and the Grantee shall pay to the County the actual cost thereof plus the current rate of overhead being charged by the County for reimbursement work. The insurance provided at Section 12 shall be available to the County to recover such expense.

SECTION 9. REARRANGEMENT OF FACILITIES.

A. Expense of Grantee.

Whenever, during the existence of this agreement, the County shall change the grade, width or location of any street or road or improve any street or road in any manner including the laying of any sewer, storm drain, conduits, gas, water or other pipes owned or operated by the County or any other public agent, or construct any pedestrian tunnels, or other work of the County (the right to do all of which is specifically reserved to the County without any admission on its part that it would not otherwise have such rights) and such work shall, in the opinion of the County Engineer, render necessary any change in the position or location of any facilities of the Grantee in the street, the Grantee shall, at its own cost and expense, do any and all things to effect such change in position or location in conformity with the written notice of the County Engineer as provided in paragraph D below; provided however, that the County shall not require the Grantee to remove its conduits or lines entirely from the street.

B. Expense of Others.

Notwithstanding paragraph A of this Section 9, when such rearrangement is done for the accommodation of any person, firm or corporation, the cost of such rearrangement shall be borne by the accommodated party. Such accommodated party, in advance of such rearrangement, shall (a) deposit with the Grantee either cash or a corporate surety bond in an amount, as in the reasonable discretion of the Grantee shall be required to pay the costs of such rearrangement; and (b) shall execute an instrument agreeing to indemnifying and hold harmless the Grantee from any and all damages or claims caused by such rearrangement.

C. Rearrangement of the Facilities of Others.

Nothing contained in this agreement shall be constructed to require the County to move, alter or relocate any of the facilities upon said streets or roads, at its own expense, for the convenience, accommodation or necessity of any other public utility, person, firm, or corporation; or to require County or any person, firm or corporation now or hereafter owning a public utility system of any type or nature, to move, alter or relocate any part of its system upon said streets for the convenience, accommodation or necessity of the Grantee.

D. Notice.

The Grantee shall be given not less than thirty (30) days' written notice of any rearrangement of facilities which the Grantee is required to make hereunder. Such notice shall specify the time that such work is to be accomplished. In the event that the County shall change the provision of any such notice given to the Grantee, the Grantee shall be given an additional period not less than thirty (30) days to accomplish such work.

**MASTER GAS WELL DRILLER ROAD AGREEMENT BETWEEN
CALIFORNIA RESOURCES PRODUCTION CORPORATION AND GLENN COUNTY**

SECTION 10. SUSPENSION OF OPERATIONS.

If, for any reason, Grantee suspends operations on the pipeline(s) contained in this agreement for a period in excess of ninety (90) days, he shall notify the County Engineer. During this period of suspended operations, the Grantee shall maintain its normal pipeline(s) integrity. This shall continue until such a time as the line is returned to service or abandoned according to Section 8 herein.

SECTION 11. INDEMNIFICATION BY GRANTEE.

A. Grantee shall indemnify, defend, and hold County, its Board of Supervisors, boards and commissions, officers, agents, servants and employees harmless from and against any and all claims, demands or causes of action which may be asserted, prosecuted or established against them, or any of them, for damage to persons or property, of whatever nature, arising out of the use by it of the County roads hereunder or arising out of any of the operations or activities of the Grantee pursuant to the agreement, whether such damage shall be caused by negligence or otherwise, including reasonable attorneys' fees regardless of the merit or outcome of any such claim or suit.

B. Grantee shall indemnify, defend and hold harmless the County, its Board of Supervisors, boards, and commissions, officers, agents, servants and employees, from and against any and all claims and losses whatsoever, including reasonable attorneys' fees, accruing or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, equipment or supplies to Grantee or to its contractors in connection with activities or work conducted or performed pursuant to this agreement and arising out of such activities or work, and from any and all claims or losses whatsoever, including reasonable attorneys' fees, accruing or resulting to any person, firm or corporation for damage, injury or death arising out of Grantee's operations.

C. Grantee shall indemnify, defend and hold harmless the County, its Board of Supervisors, boards, and commissions, officers, agents, servants and employees, from and against any and all claims and losses whatsoever, including reasonable attorneys' fees, for any act in connection with approving the agreement.

SECTION 12. INSURANCE REQUIREMENTS.

A. Type and Amount.

During the life of this agreement Evidence of insurance, including special endorsements, applicable to all activities conducted under this Agreement and including the liability arising out of the existence of real property, in the following forms and amounts are required;

(1) Comprehensive Public Liability Insurance.

Grantee at all times during the term of this agreement shall maintain liability insurance in an amount not less than \$5,000,000 to cover any claim, expense, or loss arising out of the operation, use, maintenance or other privilege exercised under this agreement, including Grantee's contractual liability to indemnify County. The County, its Board of Supervisors, boards, and commissions, officers, agents, servants, and employees shall be named as additional insured in said policy of insurance for all operations of Grantee relating to the operation of the pipeline(s) within the County. Said policy of insurance shall contain the following provisions or endorsements:

**MASTER GAS WELL DRILLER ROAD AGREEMENT BETWEEN
CALIFORNIA RESOURCES PRODUCTION CORPORATION AND GLENN COUNTY**

(a) The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured.

(b) An additional insured named herein shall not be held liable for any premium or expense of any nature on this policy or any extension thereof.

(c) The provision of the policy will not be changed, suspended, cancelled or otherwise terminated as to the interest of an additional insured named herein without first delivering to County sixty (60) days notice of such intention. In such event, Grantee shall secure replacement insurance in the amount and with the endorsements set forth in this Section.

(2) **Workers' Compensation Insurance.**

Covering the Grantee's statutory obligations under California Law for injury to employees. If Grantee is self-insured, evidence must be provided of current State Certificate to Self-Insure and that the required self-insurer's bond is in effect. Each insurer shall be admitted in California, or authorized to conduct business in California, and shall be rated by Best's Insurance guide (or in the event Best's is not in publication, its successor) as Class X. The County has the right during the terms of this agreement to amend the insurance requirements to increase the amount and scope of coverage.

SECTION 13. DEFAULT.

A. **Effect of Default.**

In the event that the Grantee shall default in the performance of any of the terms, covenants and conditions herein and such default is curable, the County may give written notice to the Grantee of such default. In the event that the Grantee does not commence the work necessary to cure such default within thirty (30) days after such notice is sent or prosecute such work diligently to completion, the County may declare this agreement forfeited. Upon giving written notice thereof to the Grantee, this agreement shall be void and the rights of the Grantee hereunder shall terminate and the Grantee shall execute an instrument of surrender and deliver the same to the County.

B. **Force Majeure.**

In the event Grantee is unable to perform any of the terms of this agreement by reason of strikes, riots, acts of God, acts of public enemies or other such cause beyond its control, it shall not be deemed to be in default or have forfeited its rights hereunder if it shall commence and prosecute such performance with all deliberate speed.

C. **Cumulative Remedies.**

No provision herein made for the purpose of securing the enforcement of terms and conditions of this agreement shall be deemed an exclusive remedy or to afford the exclusive procedure for the enforcement of said terms and conditions, but the remedies and procedures herein provided, in addition to those provided by law, shall be deemed to be cumulative.

SECTION 14. SCOPE OF RESERVATION.

The enumeration herein of specific rights reserved shall not be construed as exclusive or as limiting and general reservation herein made or as limiting such rights as the County may now or hereafter have in law.

**MASTER GAS WELL DRILLER ROAD AGREEMENT BETWEEN
CALIFORNIA RESOURCES PRODUCTION CORPORATION AND GLENN COUNTY**

SECTION 15. NOTICE.

Any notice required to be given under the terms of this agreement, the manner of services of which is not specifically provided for, may be served as notice:

(1) Upon the County, by serving the County Engineer personally, or by addressing a written notice to the **County Engineer at P.O. Box 1070, Willows, CA 95988**, or at such address as may be subsequently provided to Grantee, and depositing such notice in the United States mail, postage prepaid or;

(2) Upon the Grantee, by personal delivery to the Secretary, or by addressing a written notice to Grantee addressed to Grantee addressed to **California Resources Production Corporation 855 Harter Parkway #200 Yuba City, CA 95993** and depositing such notice in the United States mail, postage prepaid, or such other address as may from time to time be furnished in writing by one party to the other, and depositing said notice in the United States mail.

When the service of any such notice is made by mail, the time of such notice shall begin with and run from the date of the deposit of the same in the United States mail.

SECTION 16. SUCCESSORS.

The terms herein shall inure to the benefit of or shall bind, as the case may be, the successors and assigns of the parties hereto. Assignment of this agreement shall require the approval of the County, which approval shall not unreasonably be withheld. This agreement is granted exclusively to Grantee. The County may demand proof of financial responsibility of any proposed assignee of Grantee.

SECTION 17. ACCEPTANCE OF AGREEMENT.

This Agreement is granted and shall be held and enjoyed only upon the terms and conditions herein contained.

SECTION 18. COSTS OF LITIGATION.

If any legal action is necessary to enforce any provision hereof or for damages by reason of an alleged breach of any provisions of this agreement, the prevailing party shall be entitled to receive from the losing party reasonable costs and expenses in such amount as the court or arbitrator may adjudge to be reasonable attorney's fees and costs incurred by the prevailing party in such action or proceeding. The arbitrator shall make and issue written findings of fact and conclusions of law regarding any issue presented for arbitration.

SECTION 19. COMPLIANCE WITH MITIGATION MEASURES SET FORTH IN EIR/EIS (Reserved).

SECTION 20. CAPTIONS FOR CONVENIENCE.

The captions herein are for convenience and references only and are not part of this agreement and do not in any way limit, define or amplify the terms and provisions hereof.

**MASTER GAS WELL DRILLER ROAD AGREEMENT BETWEEN
CALIFORNIA RESOURCES PRODUCTION CORPORATION AND GLENN COUNTY**

SECTION 21. AGREEMENT AND SEVERABILITY.

A. The agreement is granted upon each and every condition herein contained. Nothing shall pass hereby unless it is granted in plain unambiguous terms. Each of said conditions and representations made by Grantee is a material and essential condition to the granting of the agreement.

B. If any section, subsection, sentence, clause or phrase of this Agreement is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Agreement.

SECTION 22. GOVERNING LAW.

This agreement has been made and shall be constructed and interpreted in accordance with the laws of the State of California.

SECTION 23. ARBITRATION.

All disputes arising hereunder shall be referred to binding arbitration under the rules then obtaining of the American Council of Arbitrators. The costs of the arbitrator shall be born equally between County and Grantee and each party shall bear its own costs and expense in connection with arbitration. The Arbitrator shall support any decision with written findings of fact and conclusions of law.

IN WITNESS WHEREOF, County and Company have executed this agreement on the day and year set forth below.

DATED: _____

DATED: _____

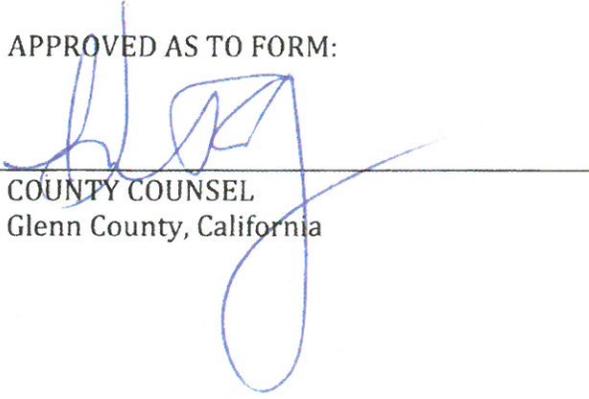
COMPANY

COUNTY OF GLENN

Company Owner/Signatory

Director, Planning & Public Works Agency
Glenn County California

APPROVED AS TO FORM:



COUNTY COUNSEL
Glenn County, California

Recorded at the request of: CIRQUE RESOURCES LP

01/22/2009 12:27 PM Fee: \$47.00 Pgs: 14

OFFICIAL RECORDS Sheryl Thur, Clerk-Recorder Glenn County, CA

RECORDING REQUESTED BY WHEN RECORDED MAIL TO:

CIRQUE RESOURCES, LP 475 17TH STREET DENVER, COLORADO 80202

OIL, GAS AND MINERAL LEASE (SHORT FORM)

THIS LEASE AND AGREEMENT, made and entered into September 10, 2008 by and between, THE UNDERSIGNED, hereinafter called "Lessor" (whether one or more), and CIRQUE RESOURCES, LP, hereinafter called "Lessee."

WITNESSETH:

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the land hereinafter described, for the purposes and with the exclusive right of prospecting, exploring, mining, drilling and operating said land for oil, gas, other hydrocarbons and associated substances, which may be produced through wells on said land, whether or not similar to the above-mentioned substances. The land hereby leased is situated in Glenn County, California, and is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

and containing 5,940.84 acres, more or less, hereinafter referred to as "said land."

This lease is made for the term and upon and subject to each and all the terms, provisions, covenants and conditions set forth in the certain Oil, Gas and Mineral Lease of even date herewith between the parties hereto covering the land hereinabove described, and said Oil, Gas and Mineral Lease is hereby incorporated herein with the same force and effect as though herein set forth at length.

IN WITNESS WHEREOF, said parties have caused this lease to be duly executed as of the date first hereinabove written.

CIRQUE RESOURCES, LP

By: [Signature]

William E. Nicas

BY: Vice President Land and Marketing

"LESSEE"

SEE SIGNATURE PAGE ATTACHED HERETO

DOCUMENTARY TRANSFER TAX \$

[] COMPUTED ON FULL VALUE OF PROPERTY CONVEYED OR

[] COMPUTED ON FULL VALUE LESS LIENS & ENCUMBRANCES

REMAINS THEREON AT TIME OF SALE.

[Signature] Signature of declarant or agent determining tax firm name

"LESSOR"



100701

EXHIBIT "A"

The South half of the Northwest quarter and the Southwest quarter of Section 5; all of Section 6; all of Section 7; all of Section 8; all of Section 17; all of Section 18; all of Section 19; the West half, the West half of the East half and the East half of the Northeast quarter of Section 20; the Northwest quarter of the Northwest quarter of Section 29; the North half of the Northeast quarter, the Northeast quarter of the Northwest quarter and the fractional Northwest quarter of the Northwest quarter of Section 30; all in Township 18 North, Range 4 West, Mount Diablo Meridian, according to the official map thereof.

EXCEPTING from said Northwest quarter of the Northwest quarter of Section 30 all that portion thereof lying within the boundaries of the following described parcel: COMMENCING at the Northwest corner of Section 30; thence South to the Southwest corner of Northwest quarter of said Section 30; thence East to the Southwest corner of the Southeast quarter of the Northwest quarter of said Section 30; thence Northerly in a straight line to the point of beginning.

The East half of Section 13; all in Township 18 North, Range 5 West, Mount Diablo Meridian, according to the official map thereof.

ALSO, the Southwest quarter of the Southeast quarter, the South half of the Southwest quarter and the Northwest quarter of the Southwest quarter of Section 31, Township 19 North, Range 4 West, Mount Diablo Meridian, according to the official map thereof.

All of Section 36; all in Township 19 North, Range 5 West, Mount Diablo Meridian, according to the official map thereof.



SIGNATURE PAGE

LESSOR

Webster Anderson
WEBSTER ANDERSON

ANGELA APODACA

TALBOT EMELIANO APODACA

MICHAELE ROSS

MARY ELIZABETH DENIS

SUSAN R. ANDERSON

CAROLINE POWERS

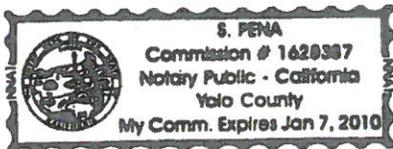
Marcia Tolson
MARCIA TOLSON



State of California)
County of Yolo) SS.

On September 10, 2008, before me, S. Peña, notary public
personally appeared Webster Anderson and Marcia Tolson

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.

S. Peña

Signature of Notary Public

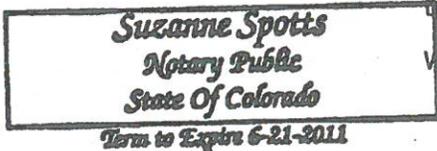
Colorado
State of ~~California~~)
County of Denver) SS.

On September 10, 2008, before me, Suzanne Spotts, A PUBLIC NOTARY
personally appeared William E. Niclas

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~~ Colorado that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Suzanne Spotts
Signature of Notary Public



SIGNATURE PAGE

LESSOR

WEBSTER ANDERSON

ANGELA APODACA

TALBOT EMELIANO APODACA

Michael Ross

MICHAELE ROSS

MARY ELIZABETH DENIS

SUSAN R. ANDERSON

CAROLINE POWERS

MARCIA TOLSON



NEVADA

State of California

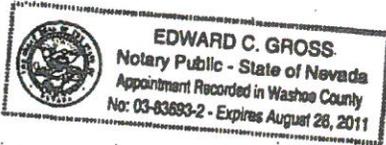
County of WASHOE) ss.

On September 10, 2008, before me, Edward Gross, A
personally appeared Michelle Ross

**PUBLIC
NOTARY**

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. NEVADA



WITNESS my hand and official seal.

[Signature]
Signature of Notary Public

State of California

County of _____) ss.

On _____, 2008, before me, _____

personally appeared _____

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 of Notary Public



SIGNATURE PAGE

LESSOR

WEBSTER ANDERSON

ANGELA APODACA

TALBOT EMELIANO APODACA

MICHAELE ROSS

MARY ELIZABETH DENIS

Susan R. Anderson

SUSAN R. ANDERSON

CAROLINE POWERS

MARCIA TOLSON



Colorado
State of California }
County of El Paso } SS.

On 9-11-08, 2008, before me, Meghan Leija, A
personally appeared Susan R. Anderson PUBLIC NOTARY



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. Colorado

WITNESS my hand and official seal.


Signature of Notary Public

Colorado
State of California }
County of _____ } SS.

On _____, 2008, before me, _____
personally appeared _____

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.

SIGNATURE PAGE

LESSOR

WEBSTER ANDERSON

ANGELA APODACA

TALBOT EMELIANO APODACA

MICHAELE ROSS

MARY ELIZABETH DENIS

SUSAN R. ANDERSON

Caroline Powers

CAROLINE POWERS

MARCIA TOLSON



State of California)
County of SISKIYOU) SS.

On 9/10/08, 2008, before me, PAIGE A. BULLERWELL, Notary Public
personally appeared CARDUINE POWERS

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.



Paige A. Bullerwell
Signature of Notary Public

State of California)
County of _____) SS.

On _____, 2008, before me, _____
personally appeared _____

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 of Notary Public

SIGNATURE PAGE

LESSOR

WEBSTER ANDERSON

Angela Apodack

ANGELA APODACK

Talbot Emeliano Apodack

TALBOT EMELIANO APODACK

MICHAELE ROSS

MARY ELIZABETH DENIS

SUSAN R. ANDERSON

CAROLINE POWERS

MARCIA TOLSON



State of CALIFORNIA)
County of SACRAMENTO) SS.
On SEPTEMBER 17, 2008, before me, MICHAEL E. HURST
a Notary Public, personally appeared ANGELA APODACA



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 ^{OF} CALIFORNIA that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Michael E. Hurst

Signature of Notary Public

State of CALIFORNIA)
County of YOLO) SS.
On SEPTEMBER 20, 2008, before me, MICHAEL E. HURST
a Notary Public, personally appeared TABOT E MELIANO APODACA



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 ^{OF} CALIFORNIA that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Michael E. Hurst

Signature of Notary Public



SIGNATURE PAGE

LESSOR

WEBSTER ANDERSON

ANGELA APODACA

TALBOT EMELIANO APODACA

MICHAELE ROSS

Mary Elizabeth Denis

MARY ELIZABETH DENIS

SUSAN R. ANDERSON

CAROLINE POWERS

MARCIA TOLSON



N.P.

State of California-Hawaii
County of Honolulu) SS.

On October 1, 2008, before me, Cammy Akiona, A PUBLIC NOTARY
personally appeared Mary Elizabeth Denis

Not Dated at time
Doc. Date: of Notarization # Pages 4
Notary Name: Cammy Akiona 1st Circuit
Doc. Description Oil, Gas And Mineral
Lease (Short Form) Geologic Resources
LP
Cammy Akiona 10/1/08
Notary Signature Date

NOTARY CERTIFICATION

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. HAWAII

WITNESS my hand and official seal.

15

SEAL

Cammy Akiona
Signature of Notary Public

My Commission Expires: April 13, 2012

State of California)
County of _____) SS.

On _____, 2008, before me, _____
personally appeared _____

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 of Notary Public



2009-0321

DOCUMENTARY TRANSFER
TAX PAID

STATEMENT OF TAX DUE UNDER PROVISIONS OF THE
DOCUMENTARY STAMP ACT
AND

REQUEST THAT STAMPS NOT BE MADE A PART OF THE PERMANENT RECORD

TO: County Recorder

The tax due pursuant to the provisions of the Documentary Stamp Act on the deed,
transfer, or conveyance from: _____

Name of Grantor (s) or Lessor (s)

WEBSTER ANDERSON ET. AL.

to: CIRQUE RESOURCES, LP.

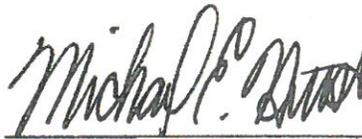
Name of Grantee (s) or Lessee (s)

on the following briefly described real property:

SEE ATTACHED OIL, GAS & MINERAL LEASE

amounts to: \$99.00

Dated: 1/20/09

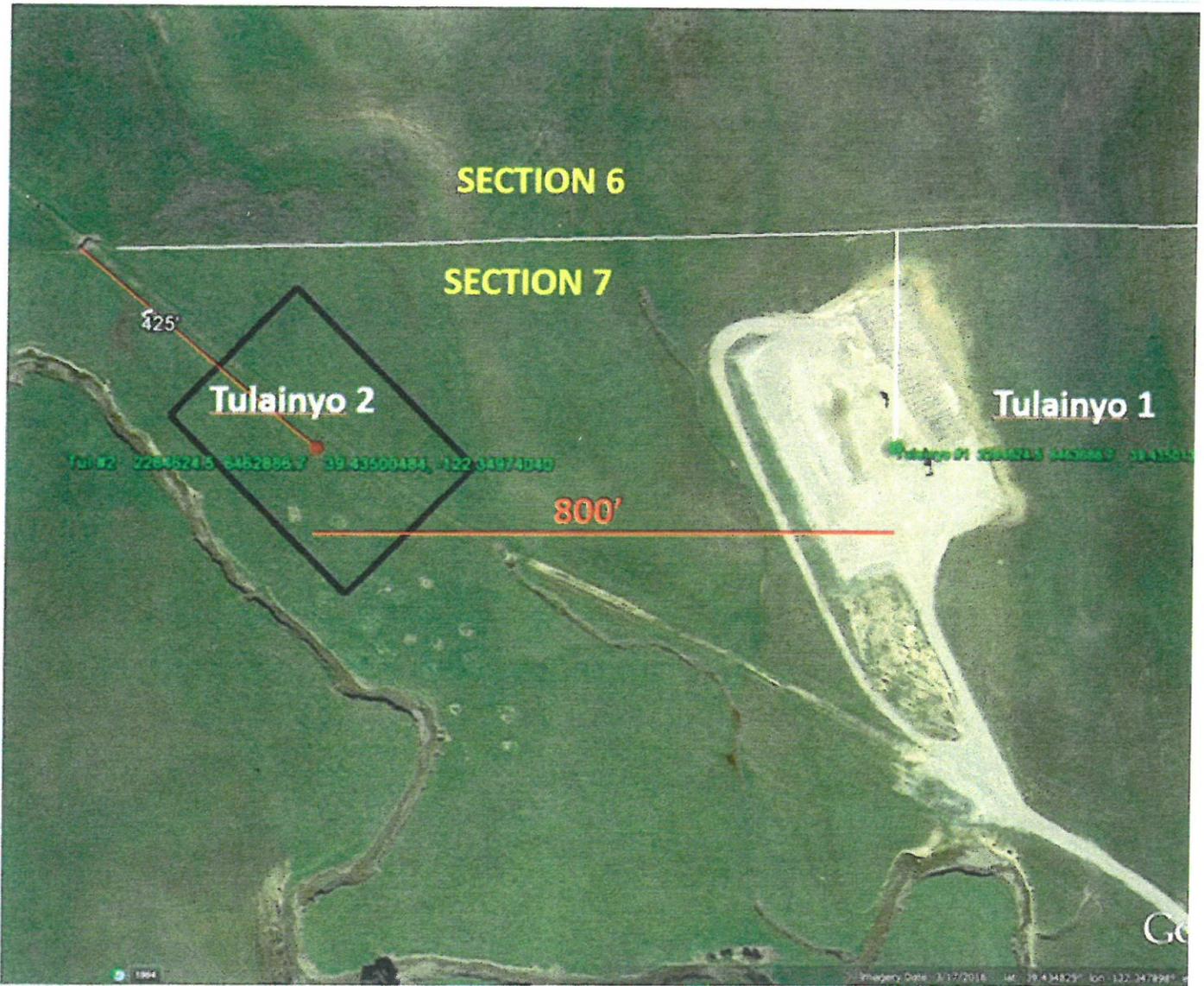


Signature

After the permanent record is made, this document will be attached to the conveying document and returned to the party entitled thereto. A copy will be made and placed on file for auditing purposes.

↑
NORTH

Surface Location / Permit update



TULAINYO #2, GLENN COUNTY, CALIFORNIA
SECTION 7, T18N, R4W, M.D.B. & M.



○ Drill Pad Location

○ Hay Barn

○ Dry creekbed

○ Dry Creekbed

○ Private Access Road (20')

○ County Road 69 (1.84 miles)

○ Nearest Residence (1.87 miles)

