

**SECOND AMENDMENT TO WHITTIER MAIN 2008
MINERAL EXTRACTION OIL, GAS AND MINERAL LEASE**

This Amendment is entered into effective this 8th day of MAY, 2012 by and between the City of Whittier, a charter municipality of the State of California (hereinafter called "Lessor") and Matrix Oil Corporation, a California corporation (as to an undivided 25%) and Clayton Williams Energy, Inc., a Delaware corporation (as to an undivided 75%) (hereinafter collectively called "Lessee") in consideration of the covenants hereinafter set forth.

RECITALS:

- A. Reference is made to that certain Oil, Gas and Mineral Lease dated October 28, 2008 by and between Lessor and Lessee (the "Lease").
- B. The Lease was amended effective April 12, 2011 so as to extend the Primary Term for three (3) to six (6) years, with related changes to the rental paragraph
- C. Lessor and Lessee desire to further amend the Lease in the manner hereinafter set forth.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

- 1. Paragraph 6.1 of the Lease is hereby amended to read as follows:

"6.1 No Surface Entry Unless and Until Conditional Use Permit Obtained and CEQA Complied With. Lessee shall not be entitled to make any surface entry on the Leased Land (other than for visual inspection or surveying purposes in support of an application for a Conditional Use Permit) unless and until: (i) a Conditional Use Permit has been applied for at the City of Whittier for up to three drill and well sites, for use for drilling and production support facilities including waste water reinjection, of not more than 7 acres in total, combined size and in reasonably compact shape and routes of ingress and egress thereto and for pipeline and utility purposes and, if desired by Lessee, for the conduct of a seismic survey, (ii) environmental review under the California Environmental Quality Act ("CEQA") has been conducted and paid for by Lessee, and (iii) a Conditional Use Permit has been issued by the City of Whittier, in its sole and absolute discretion; and accepted in writing by Lessee within a period of ten (10) days of the date of its issuance. The terms and conditions of any Conditional Use Permit which may be issued by the City of Whittier, including any mitigation measures and monitoring plans which may arise in the cause of any CEQA review thereunder, shall be deemed incorporated into this Lease as terms and conditions thereof."

- 2. Paragraph 6.6 of the Lease is hereby amended to read as follows:

"6.6 Request for Additional Sites. In the event that Lessee has drilled six wells on the Leased Lands, then Lessee shall have the right to request from Lessor one or more additional drill sites, subject to Lessee applying for and obtaining a

Conditional Use Permit therefor. Lessor may in its sole discretion and for any reason deny or grant Lessee the right to construct any such additional site.”

3. The Lease remains in full force and effect and unmodified except as expressly amended herein.

4. This Amendment may be executed in multiple counterparts, all of which, taken together shall constitute one single Amendment to the Lease.

LESSEE:

MATRIX OIL CORPORATION

By: Michael McCaskey **EVP**
Signature (title) *Secretary*

Michael McCaskey
Printed Name

CLAYTON WILLIAMS ENERGY, INC.

By: _____
Signature (title)

Printed Name

LESSOR:

CITY OF WHITTIER

By: [Signature]
Jeffrey W. Collier, City Manager

APPROVED AS TO FORM:

By: [Signature]
City Attorney

Date: 5/22/12

Conditional Use Permit therefor. Lessor may in its sole discretion and for any reason deny or grant Lessee the right to construct any such additional site.”

3. The Lease remains in full force and effect and unmodified except as expressly amended herein.

4. This Amendment may be executed in multiple counterparts, all of which, taken together shall constitute one single Amendment to the Lease.

LESSEE:

MATRIX OIL CORPORATION

By: _____
Signature (title)

Printed Name

CLAYTON WILLIAMS ENERGY, INC.

By: T. Mark Tiodale
Signature (title)

T. Mark Tiodale Vice President
Printed Name

LESSOR:

CITY OF WHITTIER

By: [Signature]
Jeffrey W. Collier, City Manager

APPROVED AS TO FORM:

By: [Signature]
City Attorney

Date: 5/2/12