



**HUMBOLDT COUNTY  
AGREEMENT FOR PETROLEUM PROPERTY  
APPRAISAL SERVICES**

THIS AGREEMENT is made and entered into this 7<sup>th</sup> day of December, 2021, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter called COUNTY, and Harold W. Bertholf, Inc., hereinafter called CONTRACTOR.

**RECITALS:**

- a. There are a number of oil and/or gas wells in Humboldt County which must be appraised and assessed in order that they bear an equitable portion of the county tax burden.
- b. It is necessary that a qualified Petroleum Geologist/Engineer with a thorough knowledge of oil and gas well appraisal techniques be utilized for purposes of appraising and assessing such wells, and the COUNTY Assessor's Office is presently without a member of its staff so qualified.
- c. CONTRACTOR'S staff is trained in the science of Geology and Petroleum Engineering, are registered professional geologists and engineers, and are experienced in the field of Petroleum Geology/Engineering, particularly in oil and gas well appraisal and assessment.
- d. COUNTY desires to obtain, and CONTRACTOR desires to provide, appraisal and assessment services with respect to producing properties located in Humboldt County.

**NOW, THEREFORE, IT IS AGREED AS FOLLOWS:**

**1. CONTRACTOR'S DUTIES:**

A. CONTRACTOR shall provide to COUNTY, through the COUNTY Assessor, a list of all oil and gas wells, and their status, located in Humboldt County not officially certified by California Division of Oil and Gas as abandoned on January 1, 2022, January 1, 2023, and January 1, 2024.

B. CONTRACTOR shall provide to COUNTY, on a periodic basis, the market value of oil and gas wells and their facilities that are newly constructed or have changed ownership, not more than one hundred twenty (120) days after such construction or change in ownership occurs.

C. CONTRACTOR shall annually list and update the parcel number for each oil and gas well located in Humboldt County.

D. For each oil and gas well not already plotted on the Assessor's maps, CONTRACTOR shall provide the COUNTY Assessor with the coordinates of the surveyed location of these oil and gas wells.

E. CONTRACTOR shall provide the COUNTY Assessor the mailing address and a complete reporting package for each owner of an oil or natural gas well listed under 1.A. or 1.B.

F. CONTRACTOR shall appraise each oil or gas well and related facilities located in Humboldt County according to its fair market value. CONTRACTOR shall, as part of the appraisal procedure, independently and thoroughly review each well's reserves, production capabilities, operating cost and other pertinent data relevant to such an appraisal.

G. CONTRACTOR shall annually appraise each oil and gas well in Humboldt County according to Property Tax Rule 468 of the California State Board of Equalization.

H. CONTRACTOR shall maintain for the COUNTY Assessor complete appraisal files for each well. The appraisal files shall include all basic data collected, notes, worksheets, maps, etc., used in calculating reserves and values. Such materials shall be the exclusive property of the COUNTY Assessor, shall be presented upon request, and shall be maintained in a condition that will enable the COUNTY Assessor to perform audits or review any of the work performed under this AGREEMENT.

I. On or before June 15, 2022, June 15, 2023, and June 15, 2024, CONTRACTOR shall submit to the COUNTY Assessor the taxable values of all oil and gas wells in Humboldt County as of January 1st of that year.

J. At any time a controversy or question arises over the appraisal made by CONTRACTOR as a result of this AGREEMENT, CONTRACTOR shall provide under paragraph 2.A., a total of sixteen (16) hours per year:

- (1) In defense of any appraisal sampled by the California State Board of Equalization; or
- (2) In defense of taxable values challenged by a taxpayer before the Humboldt County Assessment Appeals Board; or
- (3) To consult and assist the COUNTY Assessor on matters of evaluation.

K. Whenever requested, at no additional cost to COUNTY, CONTRACTOR shall represent the COUNTY Assessor at Petroleum Advisory Sub-Committee meetings and make such occasional written reports on such meetings as warranted.

L. CONTRACTOR shall inform COUNTY of all existing financial interests of CONTRACTOR in any oil or gas well in Humboldt County, and shall notify COUNTY of any later acquired interests of CONTRACTOR immediately upon acquisition of such interests.

M. CONTRACTOR will be required to complete on an annual basis, the California "Statement of Economic Interest" and file it with the COUNTY Assessor.

N. CONTRACTOR shall maintain the confidentiality of all records, information and data of any form or description related to any assessee that is obtained in performance of this AGREEMENT, in accordance with the provisions of sections 408, 451, and 481 of the Revenue and Taxation Code. CONTRACTOR shall provide all appraisal services, advice and representation under this AGREEMENT exclusively to the COUNTY Assessor. All records, information and data obtained by CONTRACTOR shall become the property of COUNTY and shall be retained by the COUNTY Assessor's office. CONTRACTOR shall take all necessary steps to protect the confidentiality of all records, data and information relating to the assessee and made available to CONTRACTOR in order to carry out this AGREEMENT, and shall not disclose or make accessible to any person or entity other than the COUNTY Assessor any such records, data or information.

CONTRACTOR shall execute this protection and purge all confidential information by doing all of the following:

1. Make all requests for information and records from a taxpayer through the COUNTY Assessor.
2. Never show, discuss or provide appraisal data or taxpayer information or records in CONTRACTOR's possession to anyone other than the COUNTY Assessor.
3. Purge and return to the COUNTY Assessor all information contained in, or derived from, the assessee's confidential information and records (whether electronically stored, provided by the COUNTY Assessor or obtained from the taxpayer) within 90 days after the conclusion, termination, or nonrenewal of this AGREEMENT.
4. Provide a written declaration, under the penalty of perjury, to the COUNTY Assessor that upon the conclusion, termination or nonrenewal, CONTRACTOR has complied with the confidentiality provision of this AGREEMENT.

Violation of these confidentiality requirements by CONTRACTOR shall be considered a material breach of this AGREEMENT and shall be cause for immediate termination of this AGREEMENT.

O. CONTRACTOR shall at all times maintain the highest of ethical and professional standards.

## 2. COUNTY'S DUTIES:

A. COUNTY shall pay CONTRACTOR an annual fee for the annual roll services rendered pursuant to this AGREEMENT in the amount of: \$19,500.00 for 2022, \$20,000.00 for 2023, and \$20,500.00 for 2024.

B. The annual fee mentioned above shall be paid in twelve (12) equal monthly installments upon receipt of an itemized claim from CONTRACTOR.

C. If it becomes necessary for CONTRACTOR to put in time beyond the limits provided in 1.J. herein above, he shall make claim to COUNTY at the following rates. CONTRACTOR shall obtain prior agreement of COUNTY before expending any time in excess of the limits specified in paragraph 1. J. above.

### HOURLY RATE

	ENGINEER/ GEOLOGIST	TECHNICIAN	SUPPORT STAFF	NOT TO EXCEED
2022	\$255.00	\$185.00	\$84.00	\$15,000.00
2023	\$260.00	\$190.00	\$86.00	\$15,300.00
2024	\$265.00	\$195.00	\$88.00	\$15,600.00

D. With respect to such oil and gas wells and facilities listed in 1.B. herein above, COUNTY shall pay CONTRACTOR the hourly rates listed in Paragraph 2.C. above for each newly drilled well, each sold well, each reworked/redrilled well, each abandoned well, and any new surface construction and/or facilities installed as part of any oil or gas lease, for the services rendered pursuant to this AGREEMENT. The total annual billing for those services provided by Paragraph 1.B. and billed pursuant to Paragraph 2.C. shall not exceed the limits of \$5,000.00 for 2022, \$5,100.00 for 2023, and \$5,200.00 for 2024 without prior written approval of COUNTY. Upon receipt of a valid claim from CONTRACTOR, the foregoing amounts shall be paid monthly.

E. The COUNTY Assessor shall designate CONTRACTOR as his agent for the purpose of collecting all necessary data to accomplish the purposes of this AGREEMENT and shall allow CONTRACTOR access to all present and past records maintained by the COUNTY Assessor relating to appraisal of oil and natural gas wells located in Humboldt County.

F. In the event CONTRACTOR is refused access to pertinent well data by the taxpayer and legal action is necessary, or counsel is needed for equalization hearings, or questions of law arise regarding such tax matters, COUNTY Assessor shall, through his counsel, provide free of charge, sufficient legal assistance to CONTRACTOR to satisfactorily complete this AGREEMENT.

## 3. GENERAL PROVISIONS:

A. TERM. Except as otherwise provided in this AGREEMENT, the term of this AGREEMENT shall be for three (3) years, commencing on the first (1st) day of January

2022 and terminating the thirty-first (31st) day of December 2024. In the event that COUNTY does not appropriate sufficient funds for the appraisal services specified in this AGREEMENT for any fiscal year, COUNTY may terminate this AGREEMENT by giving CONTRACTOR thirty (30) days written notice of such termination; provided, however, that in such event COUNTY shall not purchase or acquire such appraisal services, or similar appraisal services, from any other outside service (non-county employees) during the original term of this AGREEMENT.

B. INDEPENDENT CONTRACTOR. In the performance of the work, duties, and obligations devolving upon him under this AGREEMENT, CONTRACTOR is at all times acting and performing as an independent contractor, practicing his profession of Petroleum Consultant. CONTRACTOR agrees to perform his work and functions at all times in strict accordance with currently approved methods and practices in this profession, and that the sole interest of COUNTY is to assure that said work and functions shall be performed and rendered in a competent, efficient, and satisfactory manner.

C. RIGHT TO CONTRACT: CONTRACTOR shall have the right to contract with other entities to provide services similar to those provided to COUNTY under this AGREEMENT. Such other services shall not conflict or be adverse to CONTRACTOR'S satisfactory performance of his duties to COUNTY under this AGREEMENT. This AGREEMENT does not preclude such other employment.

D. HOLD HARMLESS: CONTRACTOR agrees to hold harmless, indemnify and defend COUNTY, its officers, employees and agents from any and all liability and/or claims for damages arising out of any act or omission of CONTRACTOR, his agents, servants, employees, and invitees in the performance of CONTRACTOR'S operations pursuant to this AGREEMENT.

E. INSURANCE:

(1) CONTRACTOR shall take out and maintain, throughout the period of this AGREEMENT, comprehensive general liability insurance with minimum limits of \$1,000,000.00 combined single limit (CSL) covering all bodily injury and property damage arising out of its operation under this AGREEMENT.

(2) CONTRACTOR shall provide automobile insurance covering all bodily and property liability incurred during the performance of this AGREEMENT with minimum coverage of \$1,000,000.00 per accident combined single limit (CSL). Such automobile insurance coverage shall include nonowned vehicles. This requirement may be met with following form umbrella coverage.

(3) Said policies shall name the County of Humboldt as an additional insured and shall constitute primary insurance as to COUNTY, its officers, agents and employees, so that any other policies held by COUNTY shall not contribute to any loss under said insurance.

(4) CONTRACTOR shall, throughout the period of this AGREEMENT, maintain in full force and effect a policy of Workers' Compensation Insurance covering all its employees and volunteers.

(5) This AGREEMENT shall not be executed by COUNTY until a certificate or other sufficient proof that these insurance provisions have been complied with, are filed with the Clerk of the Humboldt County Board of Supervisors. COUNTY may elect to treat the failure to maintain the requisite insurance as a breach of the contract and terminate the AGREEMENT as provided herein.

F. VARIATION OF TERMS: No alteration or variation of this AGREEMENT shall be valid unless made in writing and executed by the parties hereto.

G. TERMINATION: This AGREEMENT may be terminated by COUNTY, or CONTRACTOR, at any time, with or without cause, upon 30 days' written notice from one to the other.

H. NOTICES: All notices from CONTRACTOR to COUNTY, or COUNTY to CONTRACTOR shall be in writing either personally served or delivered by the United States Mail, postage prepaid and addressed as follows:

COUNTY OF HUMBOLDT  
COUNTY ASSESSOR  
HUMBOLDT COUNTY COURTHOUSE  
825 FIFTH STREET, ROOM 300  
EUREKA, CALIFORNIA 95501-1153

HAROLD W. BERTHOLF, INC.  
1601 EXECUTIVE COURT, SUITE 1  
SACRAMENTO, CALIFORNIA 95864

I. NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:

CONTRACTOR certifies by its signature below that CONTRACTOR is not a nuclear weapons contractor, in that CONTRACTOR is not knowingly or intentionally engaged in the research, development, production, or testing of nuclear warheads, nuclear weapons systems, or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. CONTRACTOR agrees to notify COUNTY immediately if it becomes a nuclear weapons contractor, as defined above. COUNTY may immediately terminate this AGREEMENT if it determines that the foregoing certification is false or if CONTRACTOR becomes a nuclear weapons contractor.

J. COMPLIANCE WITH LAWS:

(1) CONTRACTOR agrees to comply with all local, state and federal laws and regulations, including but not limited to the Americans With Disabilities Act. CONTRACTOR further agrees to comply with any applicable federal, state or local licensing standards, any applicable accrediting standards, and any other applicable standards or criteria established locally or by the state or federal governments.

(2) This AGREEMENT shall be governed by and construed in accordance with the laws of the State of California. Any dispute arising hereunder or relating to this AGREEMENT shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to Code of Civil Procedure sections 394 and 395.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the day and year above set forth.

APPROVED AS TO CONTENT:

COUNTY OF HUMBOLDT:

Political subdivision of the  
State of California

By: Maria Weber  
Assessor

By: Wynne Bess  
Chairman, Board of Supervisors

Date: 12-13-2021

Date: 12/07/21

CONTRACTOR:

By: Annell R. Bertloff

Title: PRESIDENT

Date: 12/28/2021

By: Randolph Bertloff

Title: Secretary Treasurer

Date: 12/28/2021

CERTIFICATES OF INSURANCE  
APPROVED:

By: Kaylyn  
Risk Manager

Dated: 12/21/2021