

UNIT AGREEMENT  
FOR  
OUTER CONTINENTAL SHELF  
EXPLORATION, DEVELOPMENT AND PRODUCTION OPERATIONS  
GATO CANYON UNIT  
CHANNEL ISLANDS AREA  
OFFSHORE CALIFORNIA

CONTRACT NO. 487004

CERTIFICATION - DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior under the Outer Continental Shelf Lands Act, approved August 7, 1953, 67 Stat. 462, 43 U.S.C. 1331 et seq. as amended, and delegated to the Regional Director, Pacific OCS Region, Minerals Management Service, I do hereby:

- A. Approve the attached Agreement for the Exploration, Development and Production Operations of the Gato Canyon Unit, Channel Islands Area, Outer Continental Shelf, Offshore California.
- B. Certify and determine that the Unit Plan of Exploration, Development and Production Operations contemplated in the attached Agreement is in the interest of conservation.

DATED:

July 30, 1987

*Thomas W. Dunaway*  
\_\_\_\_\_  
Acting Regional Director  
Pacific OCS Region  
Minerals Management Service

Contract No. 487004

GATO CANYON UNIT

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UNIT AGREEMENT FOR OUTER CONTINENTAL SHELF  
EXPLORATION, DEVELOPMENT AND PRODUCTION OPERATIONS

GATO CANYON UNIT  
CHANNEL ISLANDS AREA  
OFFSHORE CALIFORNIA

WITNESSETH:

WHEREAS, Section 5(a) of the Act authorizes the Secretary of the Interior (Secretary) to prescribe rules and Regulations which shall provide for unitization, pooling and drilling agreements;

WHEREAS, pursuant to the rules and Regulations of the Secretary, 30 CFR 250.50 et seq., it is deemed to be in the interest of conservation, prevention of waste and protection of correlative rights to unitize the oil and gas interests in the Unit Area; and

WHEREAS, it is deemed to be in the interest of conservation to conduct exploration, development and production operations in the Unit Area as though the area were subject to a single Lease;

NOW, THEREFORE, in consideration of the premises and promises contained herein, it is agreed that:

ARTICLE 1. DEFINITIONS

The following definitions of terms shall apply to this Agreement:

1.1 Act means the Outer Continental Shelf (OCS) Lands Act of 1953, as amended, 43 U.S.C. 1331, et seq.

1.2 Agreement means this Unit Agreement, approved by the Regional Director for conducting exploration, development and production operations within the Unit Area.

1.3 Block means an area designated as a block on the Outer Continental Shelf Leasing Map Nos. 6A and 6B, Channel Islands Area, California.

1.4 Lease means, according to the context, an oil and gas lease issued or maintained pursuant to the Act, or a specific area of the OCS for which the United States has conveyed the exclusive right and privilege to drill for, extract, remove and dispose of oil and gas deposits.

1.5 Participating Area is that part of the Unit Area that is reasonably proven by drilling and completion of producible wells, geological or geophysical information, and engineering data to be capable of producing hydrocarbons in paying quantities.

- 1.6 Paying Quantities means the production of oil and/or gas in quantities sufficient to yield a return in excess of operating costs.
- 1.7 Regional Director means the Regional Director of the Minerals Management Service, U.S. Department of the Interior (DOI), or a designee, authorized and empowered to regulate and approve unit operations.
- 1.8 Regional Supervisor means the Regional Supervisor, Office of Field Operations of the Minerals Management Service, DOI, or a designee, authorized and empowered to regulate and approve unit operations.
- 1.9 Regulations means all rules prescribed or adopted pursuant to the Act. They include all Regulations prescribed or amended at any time to provide for the prevention of waste, conservation of the natural resources of the OCS, and the protection of correlative rights therein.
- 1.10 Reservoir means an underground porous, permeable medium containing an accumulation of oil or gas or both. Each zone of a general structure containing such an accumulation that is separated from and not in pressure communication with any other accumulation of oil or gas or both in the structure is a separate reservoir.
- 1.11 Tract Participation means for a Lease included in a Participating Area, the percentage of Unitized Substances produced from the Participating Area that is to be allocated to such lease. Tract Participations shall be approved by the Regional Supervisor as provided for in Article 11.
- 1.12 Unit Area means the area of the OCS which is made subject to this Agreement and described in Article 3.
- 1.13 Unit Operating Agreement means an agreement made between the Working Interest Owners and the Unit Operator providing for the apportionment of costs and liabilities incurred in conducting operations pursuant to this Agreement and the establishment of such other rights and obligations as they deem appropriate.
- 1.14 Unit Operator means the person, association, partnership, corporation, or other business entity designated by the Working Interest Owners and approved by the Regional Director to conduct operations within the Unit Area in accordance with a plan of operation approved pursuant to the Act, applicable Regulations, and this Agreement.
- 1.15 Unitized Substances means oil and/or gas within the Reservoir(s) underlying the Unit Area and which are recovered or produced by operations pursuant to this Agreement.

1.16 Working Interest means an interest in the Unit Area held by virtue of a Lease, Operating Agreement, or other contractual arrangement under which, except as otherwise provided in this Agreement, the rights or authority to explore for, develop, and produce oil and gas are conferred. The right delegated to the Unit Operator by this Agreement is not a working interest.

1.17 Working Interest Owner means a party to this Agreement that owns a Working Interest.

## ARTICLE 2. INCORPORATION

All provisions of the Act, the Regulations, other applicable laws, and the Leases covering OCS lands within the Unit Area are made part of this Agreement.

## ARTICLE 3. UNIT AREA AND EXHIBITS

3.1 The following described OCS lands as shown on the OCS Leasing Map Nos. 6A and 6B, Channel Islands Area, California, are subject to valid Leases and constitute the Unit Area.

3.2 Exhibit "A", attached to and made a part of this Agreement, is a plat showing the Unit Area and its component Blocks and Leases.

3.3 Exhibit "B", attached to and made a part of this Agreement, is a schedule listing the component Leases and the ownership of each.

3.4 Exhibit "C", which will be submitted in accordance with the provisions of this Agreement and will be made a part hereof, is a schedule listing the component parts of the Participating Area(s) by Lease and Tract Participations.

3.5 Exhibits "A", "B" and "C" shall be revised by the Unit Operator whenever changes in the Unit Area, changes in the Participating Area, changes in the ownership of one or more Leases, or changes in Tract Participation, or both, allocated to the individual Lease(s) render such changes necessary. Four copies of the revised exhibit(s) shall be submitted to the Regional Supervisor for approval.

## ARTICLE 4. DESIGNATION OF UNIT OPERATOR

4.1 Samedan Oil Corporation is designated as the Unit Operator and agrees to accept the rights and obligations of the Unit Operator to explore for, develop and produce oil and/or gas as provided in this Agreement.

4.2 Except as otherwise provided in this Agreement and subject to the terms and conditions of an approved plan of operation, the exclusive rights and obligations of the Working Interest Owners to conduct unit operations to explore

for, develop and produce oil and/or gas in the Unit Area are delegated to and shall be exercised by the Unit Operator. This delegation neither relieves a lessee of the obligation to comply with all Lease terms nor transfers title to any Lease nor transfers interest in any operating agreement.

#### ARTICLE 5. RESIGNATION OR REMOVAL OF UNIT OPERATOR

5.1 The Unit Operator shall have the right to resign at any time. Such resignation shall not become effective until sixty (60) days after written notice of an intention to resign has been delivered by the Unit Operator to the Working Interest Owners and the Regional Director and until all platforms, artificial islands, installations, wells and other devices used for conducting operations in the Unit Area, are placed in a condition satisfactory to the Regional Supervisor for suspension or abandonment of operations. However, if a successor Unit Operator is designated and approved as provided in Article 6, the resignation shall be effective upon the designation and approval of the successor Unit Operator.

5.2 The Unit Operator may be subject to removal by the Working Interest Owners as provided for in the Unit Operating Agreement. This removal shall not be effective until the Working Interest Owners notify the Regional Director and the Unit Operator and until the Regional Director approves the designation of a successor Unit Operator.

5.3 The resignation or removal of the Unit Operator shall not release the Unit Operator from liability for any failure to meet any obligations which accrued before the effective date of resignation or removal.

5.4 The resignation or removal of the Unit Operator shall not terminate any right, title, or interest as a Working Interest Owner or other interest in the Unit Area. However, when such resignation or removal of the Unit Operator becomes effective, the Unit Operator shall relinquish to the successor Unit Operator all wells, platforms, artificial islands, installations, devices, records and any other assets used for conducting operations for the Unit Area.

#### ARTICLE 6. SUCCESSOR UNIT OPERATOR

6.1 Whenever the Unit Operator tenders its resignation as Unit Operator or is removed as provided in Article 5, a successor Unit Operator may be designated by nomination of the Working Interest Owners pursuant to the Unit Operating Agreement, and the successor Unit Operator's acceptance in writing of the rights and obligations of Unit Operator. The successor Unit Operator shall file with the Regional Director four (4) executed copies of the designation of successor.

However, the designation shall not become effective until approved by the Regional Director.

6.2 If no successor Unit Operator is designated as herein provided within sixty (60) days following notice to the Regional Director of the resignation or removal of a Unit Operator, the Regional Director may elect to designate one of the Working Interest Owners other than the Unit Operator as successor or may declare this Agreement terminated.

#### ARTICLE 7. UNIT OPERATING AGREEMENT

7.1 The Working Interest Owners and the Unit Operator shall enter into a Unit Operating Agreement which shall describe how all costs and liabilities incurred in maintaining or conducting operations pursuant to this Agreement shall be apportioned and assumed. The Unit Operating Agreement shall also describe how the benefits which may accrue from operations conducted on the Unit Area shall be apportioned.

7.2 The Working Interest Owners and the Unit Operator may establish by means of one or more Unit Operating Agreements such other rights and obligations as they deem necessary or appropriate. However, no provision of the Unit Operating Agreement shall be deemed to modify the terms and conditions of this Agreement or to relieve the Working Interest Owners or the Unit Operator of any obligation set forth in this Agreement. In case of any inconsistency or conflict between this Agreement and a Unit Operating Agreement, the terms of this Agreement shall prevail.

7.3 Three (3) copies of the Unit Operating Agreement executed in conjunction with the first paragraph of this Article shall be submitted within thirty (30) days of approval of this Agreement by the Regional Director.

#### ARTICLE 8. APPEARANCES AND NOTICES

8.1 The Unit Operator shall, after notice to other parties affected, have the right to appeal on behalf of all Working Interest Owners before the DOI or any other body legally empowered to issue decisions concerning orders or Regulations of the DOI and to appeal from these decisions. The expense of these appearances shall be paid and apportioned as provided in the Unit Operating Agreement. However, any affected Working Interest Owner shall have the right, at their own expense, to be heard in any proceeding.



8.2 Any order or notice relating to this Agreement which is given to the Unit Operator by the Regional Supervisor shall be deemed given to all Working Interest Owners of the Unit Area. All notices required by this Agreement to be given to the Unit Operator or the Working Interest Owners shall be deemed properly given if given in writing and delivered personally or sent by prepaid, registered or certified mail to the addresses set forth below or to such other addresses as may have been furnished in writing to the party sending the notice.

SAMEDAN OIL CORPORATION  
ATTN: Dan O. Dinges  
350 Glenborough, Suite 240  
Houston, TX 77067

EXXON SAN JOAQUIN PROD. CO.  
ATTN: Eldon Means  
P.O. Box 4279  
Houston, TX 77210-4279

BURDETTE A. OGLE  
ATTN: Dr. B.A. Ogle  
P.O. Box 3297  
Grand Junction, CO 81502

AMBER RESOURCES COMPANY  
ATTN: George M. Schneider  
717 17th Street, Suite 2420  
Denver, CO 80202

CALO PARTNERS, L.P.  
ATTN: Dr. B.A. Ogle  
P.O. Box 3297  
Grand Junction, CO 81502

NORCEN EXPLORER, INC.  
ATTN: Cliff M. West, Jr.  
550 West Lake Park Blvd.  
Houston, TX 77057

OGLE PETROLEUM INC.  
ATTN: Dr. B.A. Ogle  
P.O. Box 3297  
Grand Junction, CO 81502

NYCAL CORPORATION  
ATTN: William C. Horn  
3050 K Street NW, Suite 310  
Washington, DC 20007

#### ARTICLE 9. PLAN OF OPERATION

9.1 The Unit Operator shall submit a plan of operation which is consistent with the requirements for Exploration Plans or Development and Production Plans as required by the Act, 30 CFR Part 250.34 et.seq., and other sections of the Regulations. All operations within the Unit Area shall be conducted in accordance with an approved plan.

9.2 When no oil or gas is being produced in Paying Quantities from the Unit Area and when all or part of the area is subject to one or more Leases beyond the primary term, a continuous drilling or well-reworking program shall be maintained with lapses of no more than ninety (90) days per lapse between such operations unless a suspension of production or other operations has been ordered or approved by the Regional Director. Plans may call for a cessation of drilling operations for a reasonable period of time between the discovery and delineation of a Reservoir when such a cessation in drilling activities is warranted to permit the design, fabrication and erection of platforms and other installations needed for development and production operations, provided a suspension of production or other operations has been ordered or approved by the Regional Director.

9.3 An acceptable initial plan of operation shall be submitted at the time this Agreement is filed for the Regional Director's approval. Each plan of

operation shall expire on the date specified in the plan. At least sixty (60) days before the scheduled expiration of any plan, unless the Regional Supervisor grants an extension for good cause, the Unit Operator shall file an acceptable subsequent plan of operation for approval in accordance with this Article.

#### ARTICLE 10. REVISION OF UNIT AREA

10.1 The Unit Area may be revised by additions necessary for unit operations or for the inclusion of an area capable of producing oil and/or gas in Paying Quantities whenever such action appears proper to include additional lands, or may be further revised by the contraction of the Unit Area when such contraction is necessary or advisable to conform with the purposes of this Agreement. Such additions or contractions shall be initiated by the Unit Operator on its own motion after preliminary concurrence of the Regional Supervisor or on demand of the Regional Supervisor. The effective date of any expansion or contraction of the Unit Area shall be the first of the month following the date of approval of the expansion or contraction by the Regional Supervisor. However, a more appropriate effective date may be used if justified by the Unit Operator and approved by the Regional Supervisor.

10.2 The Unit Area shall not be reduced on account of the depletion of the Unitized Substances for which it was established but the Unit Area established under the provisions of this Article shall terminate automatically whenever operations are permanently abandoned in the Unit.

#### ARTICLE 11. PARTICIPATING AREAS

11.1 Prior to commencement of sustained production of Unitized Substances, or as soon thereafter as required by the Regional Supervisor, the Unit Operator shall submit to the Regional Supervisor, as Exhibit "C", a schedule by Lease showing:

- a. all land reasonably proven to be productive of Unitized Substances in Paying Quantities by the drilling and completion of producible wells, geological or geophysical information and engineering data; and,
- b. the Tract Participation of each Lease which will be used for allocation of production as provided in Article 12.

All lands in said schedule, upon approval thereof by the Regional Supervisor, shall constitute the initial Participating Area, effective as of the date

such production commences. The Participating Area shall be described in parcels no smaller than 1/4 x 1/4 x 1/4 Blocks.

11.2 A separate Participating Area may be established for each accumulation of Unitized Substances or for any group thereof which is produced as a single pool or zone and any two or more Participating Areas so established may be combined into one, all subject to approval of the Regional Supervisor. For each Participating Area, an Exhibit "C", as described in Article 11.1, shall be submitted for approval of the Regional Supervisor prior to the commencement of sustained production of Unitized Substances therefrom. The effective date of such Participating Area shall be the date sustained production commences. However, a more appropriate effective date may be used if justified by the Unit Operator and approved by the Regional Supervisor.

11.3 Subject to approval of the Regional Supervisor, the Participating Area(s) so established shall be revised from time to time to include additional land reasonably proven to be productive in the manner as provided in paragraph 11.1 of this Article, or to exclude land proven not to be productive in the same manner, and Exhibit "C" shall be revised accordingly. The effective date of any revision shall be the first of the month in which the information is obtained which provides the basis for the approval of the revision by the Regional Supervisor. However, a more appropriate effective date may be used if justified by the Unit Operator and approved by the Regional Supervisor. No land shall be excluded from the Participating Area(s) on account of depletion of the Unitized Substances.

11.4 Nothing herein contained shall be construed as requiring any retroactive adjustment for production obtained prior to the effective date of the revision of the Participating Area.

#### ARTICLE 12. ALLOCATION OF PRODUCTION

12.1 The Unit Operator shall pay all production royalties and make deliveries of oil and gas which are payments of royalties taken-in-kind or which, pursuant to the Act, are purchased by the United States. Unitized Substances shall be allocated within the Participating Area(s) on a volumetric basis of oil and gas in place under original reservoir conditions. The Unit Operator shall furnish the Regional Supervisor geological and engineering maps and data sufficient to support the net-acre feet determination for volumetric allocation between Leases. Oil and gas produced from the Unit Area prior to the effective date of this Agreement shall not be allocated under this Agreement. The royalty

payments under Leases subject hereto shall be based and calculated in accordance with the Leases and Regulations upon the production allocated to the Leases as specifically provided herein. The oil and gas saved, removed, or sold from a Unit Area shall be allocated in this manner, regardless of where any well is drilled and produced from such Participating Area.

12.2 For the purpose of determining royalty obligations, Unitized Substances on which royalty has been paid and which are used for repressuring, stimulation of production, or increasing ultimate recovery from the Unit Area, in conformity with an approved plan of operation, may be deemed to be a portion of the gas and liquid-hydrocarbon substances subsequently saved, removed, or sold from the Unit Area. In such instances, a like amount of gas and liquid-hydrocarbon substances similar to that previously used may be saved, removed, or sold from the Unit Area without paying a royalty thereon. However, as to gas, only dry gas and not products extracted therefrom may be subsequently saved, removed or sold royalty-free. The royalty-free withdrawal shall be accomplished in accordance with an approved plan of operation and the amounts of gas and liquid-hydrocarbon substances withdrawn that are to be recognized as free of royalty charges shall be computed in accordance with a formula approved or prescribed by the Regional Supervisor. Any withdrawal of royalty-free gas or liquid-hydrocarbon substances shall terminate upon the termination of this Agreement, unless otherwise permitted. For the purposes of this paragraph, liquid-hydrocarbon substances include natural gasoline and liquid-petroleum gas fractions.

#### ARTICLE 13. AUTOMATIC ADJUSTMENT OF UNIT AREA

13.1 Any Lease(s) not entitled to receive an allocation of Unitized Substances on the tenth (10th) anniversary of the effective date of the initial Participating Area established under this Agreement shall be eliminated automatically from the Unit Area as of said tenth (10th) anniversary. Thereafter, the Unit Area shall be comprised of the Participating Area(s) subject to the provisions of Articles 10 and 17.

13.2 If a Lease is no longer subject to this Agreement in accordance with the provisions of this Article, that Lease shall only be maintained and continued in force and effect in accordance with the terms and provisions contained in the Act, Regulations and the Lease.

#### ARTICLE 14. RELINQUISHMENT OF LEASES

Pursuant to the provisions of the Leases and applicable Regulations, a lessee of record shall, subject to the provisions of the Unit Operating Agreement, have the right to relinquish any of its interests committed hereto, in whole or in part, provided that no relinquishment shall be made of any interests within a Participating Area without the prior approval of the Regional Supervisor. In the event such relinquishments result in the leasehold interest of only one Lease remaining committed hereto, this Agreement shall terminate automatically effective as of the date that only one Lease remains subject to this Agreement.

#### ARTICLE 15. RENTALS AND MINIMUM ROYALTIES

15.1 Rentals or minimum royalties due on Leases committed hereto shall be paid by the Working Interest Owners responsible therefor at the time and rate(s) specified in their respective Lease from the United States unless such rental or minimum royalty is suspended or reduced by law or by approval of the Secretary.

15.2 If there is production from the Unit Area during the lease year, the amount of royalty paid for production allocated to a Lease during the lease year shall be credited against the minimum royalty obligation of the Lease.

#### ARTICLE 16. EFFECTIVE DATE AND TERMINATION

16.1 This Agreement shall be effective on the date of approval by the Regional Director and shall terminate (a) pursuant to the provisions of Article 14; or (b) when oil and gas is no longer being produced from the Unit Area and drilling or well-reworking operations are no longer being conducted in accordance with the provisions of Article 9 of this Agreement. If the Regional Director has ordered or approved a suspension of operation or production on all or part of the Unit Area pursuant to the Regulations, this Agreement shall be continued in force and effect for the period of time equal to the length of the authorized suspension and thereafter so long as operations are being conducted in accordance with the provisions of Article 9 herein.

16.2 This Agreement may be terminated, with the approval of the Regional Director, at any time by an affirmative vote of the Working Interest Owners as specified in the Unit Operating Agreement.

ARTICLE 17. LEASES AND CONTRACTS CONFORMED AND EXTENDED

17.1 The terms, conditions and provisions of all Leases, subleases and other contracts related to exploration, drilling, development or production operations for oil or gas on lands committed to this Agreement are hereby modified and amended only to the extent necessary to make the same conform to the provisions hereof, but otherwise shall remain in force and effect.

17.2 The Regional Director, by the approval hereof, does hereby establish, alter, suspend, change or revoke the drilling, production, rental, minimum royalty and royalty requirements of the Federal Leases committed hereto, to conform said requirements to the provisions of this Agreement and without limiting the generality of the foregoing, all Leases, subleases and contracts are particularly modified in accordance with the following:

a. Drilling and/or producing operations performed hereunder upon any unitized Lease will be accepted and deemed to be performed upon and for the benefit of each and every unitized Lease and no Lease committed to this Agreement shall be deemed to expire by reason of failure to drill or produce a well thereon.

b. Suspension of drilling or producing operations on all unitized lands, pursuant to direction or consent of the Secretary or a duly authorized representative, shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every unitized Lease.

c. Each Lease committed hereto shall continue in force as to all lands covered thereby for the term so provided therein, or as extended by law, and so long thereafter as gas or oil and/or condensate is produced from a unit well in Paying Quantities, drilling or well-reworking operations pursuant to the Regulations are conducted within the Unit Area, or operations are suspended hereunder as provided herein, and operations are being conducted pursuant to the provisions of Article 9 of this Agreement. This subsection shall not operate to continue in force any whole Lease excluded from the Unit Area by adjustment.

17.3 Upon termination of this Agreement, the Leases committed hereto may be continued in force and effect in accordance with the terms and conditions contained in the Act, the Regulations and the Leases.

ARTICLE 18. COUNTERPARTS

This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties. If this Agreement is executed in

counterparts, all counterparts taken together shall have the same effect as if all parties had signed the same instrument.

#### ARTICLE 19. SUBSEQUENT JOINDER

The Regional Supervisor may order or, upon request, approve a subsequent joinder to this Agreement pursuant to the expansion provisions of Article 10. A request for a subsequent joinder shall be accompanied by a signed counterpart to this Agreement and shall be submitted by the Unit Operator at the time a notice of proposed expansion is submitted pursuant to Article 10. A subsequent joinder shall be subject to the requirements contained in the Unit Operating Agreement, if any, except that the Regional Supervisor may require modification of any provision in a Unit Operating Agreement which would prevent a subsequent joinder.

#### ARTICLE 20. REMEDIES

20.1 The failure of the Unit Operator to conduct operations in accordance with an approved plan of operation, to timely submit an acceptable plan for approval by the Regional Supervisor, or to comply with any other requirement of this Agreement in a timely manner shall, after notice of default to the Unit Operator with copies to all Working Interest Owners by the Regional Director and after failure of the Unit Operator to remedy any default within a reasonable time as determined by the Regional Director, result in automatic termination of this Agreement effective as of the first day of the default.

20.2 This remedy is in addition to any remedy which is prescribed in the Act, the Regulations, or a Lease committed to this Agreement or any action which may be brought by the United States to compel compliance with the provisions thereof.

#### ARTICLE 21. NO WAIVER OF CERTAIN RIGHTS

Nothing contained in this Agreement shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense pertaining to the validity or invalidity of any law of the United States, or Regulations issued thereunder, in any way affecting such party or as a waiver by any such party of any right beyond such party's authority to waive.

ARTICLE 22. COVENANTS RUN WITH THE LAND

22.1 The covenants herein shall be construed to be covenants running with the land with respect to the interest of the parties hereto and their successors in interest until this Agreement terminates, and any grant, transfer or conveyance of interest in land or Leases subject hereto shall be and hereby are conditioned upon the assumption of all privileges and obligations hereunder by the grantees, transferees or other successor in interest.

22.2 No assignment or transfer of any Working Interest or other interest subject hereto shall be binding upon the Unit Operator until the first day of the calendar month after the Unit Operator is furnished with the original, photostatic or certified copy of the instrument of transfer.



IN WITNESS WHEREOF, the Working Interest Owners and the Unit Operator have caused this Agreement to be executed as follows:

ACCEPTANCE OF RIGHTS AND OBLIGATIONS BY UNIT OPERATOR

AND APPROVAL BY WORKING INTEREST OWNER

I hereby accept and assume all rights and obligations of the Unit Operator and, as an owner of a Working Interest in the Gato Canyon Unit, hereby agree to the terms and conditions as set forth in this Agreement.

Dated: July 24, 1987  
Authorized Signature: Dan O. Dinges  
Name: Dan O. Dinges  
Title: Division General Manager  
Corporation: SAMEDAN OIL CORPORATION  
Address: 350 Glenborough, Suite 240  
Houston, Texas 77067

Subscribed and sworn to me this 24th day of July, 1987.

Notary Public: J. Michael Ables  
J. MICHAEL ABLES  
My Commission Expires: NOTARY PUBLIC STATE OF TEXAS  
COMMISSION EXPIRES 12-12-89

APPROVAL BY WORKING INTEREST OWNER

As an owner of a Working Interest in the Gato Canyon Unit, I hereby agree to the terms and conditions as set forth in this Agreement.

Dated: \_\_\_\_\_  
Authorized Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Corporation: AMBER RESOURCES COMPANY  
Address: 717 17th Street, Suite 2660  
Denver, Colorado 80202

Subscribed and sworn to me this \_\_\_\_\_ day of \_\_\_\_\_, 1987

Notary Public: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

IN WITNESS WHEREOF, the Working Interest Owners and the Unit Operator have caused this Agreement to be executed as follows:

ACCEPTANCE OF RIGHTS AND OBLIGATIONS BY UNIT OPERATOR

AND APPROVAL BY WORKING INTEREST OWNER

I hereby accept and assume all rights and obligations of the Unit Operator and, as an owner of a Working Interest in the Gato Canyon Unit, hereby agree to the terms and conditions as set forth in this Agreement.

Dated: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_ Dan O. Dinges

Title: \_\_\_\_\_ Division General Manager

Corporation: \_\_\_\_\_ SAMEDAN OIL CORPORATION

Address: \_\_\_\_\_ 350 Glenborough, Suite 240

\_\_\_\_\_ Houston, Texas 77067

Subscribed and sworn to me this \_\_\_\_\_ day of \_\_\_\_\_, 1987.

Notary Public: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

APPROVAL BY WORKING INTEREST OWNER

As an owner of a Working Interest in the Gato Canyon Unit, I hereby agree to the terms and conditions as set forth in this Agreement.

Dated: \_\_\_\_\_ July 22, 1987

Authorized Signature: \_\_\_\_\_ *George M. Schneider*

Name: \_\_\_\_\_ George M. Schneider

Title: \_\_\_\_\_ President

Corporation: \_\_\_\_\_ AMBER RESOURCES COMPANY

Address: \_\_\_\_\_ 717 17th Street, Suite 2660

\_\_\_\_\_ Denver, Colorado 80202

Subscribed and sworn to me this 22nd day of July, 1987

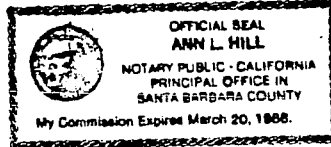
Notary Public: \_\_\_\_\_ *Robert D. [Signature]*

My Commission Expires: 12/16/88

APPROVAL BY WORKING INTEREST OWNER

As an owner of a Working Interest in the Gato Canyon Unit, I hereby agree to the terms and conditions as set forth in this Agreement.

Dated: 7/22/87  
Authorized Signature: Burdette A. Ogle  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Corporation: BURDETTE A. OGLE  
Address: 5464 Carpinteria Avenue Suite I  
Carpinteria, California 93013  
Subscribed and sworn to me this 22nd day of July, 1987  
Notary Public: Ann L. Hill  
My Commission Expires: 3-20-88



APPROVAL BY WORKING INTEREST OWNER

As an owner of a Working Interest in the Gato Canyon Unit, I hereby agree to the terms and conditions as set forth in this Agreement.

Dated: \_\_\_\_\_  
Authorized Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Corporation: CELERON Oil and Gas Company  
Address: 111 West Micheltorena  
Santa Barbara, California 93101  
Subscribed and sworn to me this \_\_\_\_\_ day of \_\_\_\_\_, 1987  
Notary Public: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

APPROVAL BY WORKING INTEREST OWNER

As an owner of a Working Interest in the Gato Canyon Unit, I hereby agree to the terms and conditions as set forth in this Agreement.

Dated: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Corporation: BURDETTE A. OGLE

Address: 5464 Carpinteria Avenue Suite I

Carpinteria, California 93031

Subscribed and sworn to me this \_\_\_\_\_ day of \_\_\_\_\_, 1987

Notary Public: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

APPROVAL BY WORKING INTEREST OWNER

As an owner of a Working Interest in the Gato Canyon Unit, I hereby agree to the terms and conditions as set forth in this Agreement.

Dated: 27 July 1987

Authorized Signature: [Signature]

Name: T. W. Ingwers

Title: Attorney-in-fact

Corporation: CELERON Oil and Gas Company

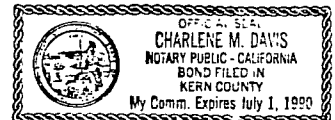
Address: 111 West Micheltorena

Santa Barbara, California 93101

Subscribed and sworn to me this 27<sup>th</sup> day of July, 1987

Notary Public: Charlene M. Davis

My Commission Expires: \_\_\_\_\_



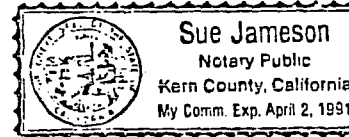
APPROVAL BY WORKING INTEREST OWNER

As an owner of a Working Interest in the Unitized Area, I hereby agree to the terms and conditions as set forth in this Agreement.

Dated: July 27, 1987  
Authorized Signature: Frank E. Holmes  
Name: Mr. Frank E. Holmes  
Title: Attorney-in-fact  
Corporation: Atlantic Richfield Company  
Address: Post Office Box 147  
Bakersfield, California 93302

Subscribed and sworn to me this 27th day of July, 1987  
Notary Public: Sue Jameson  
My Commission Expires: April 2, 1991

APPROVAL BY WORKING INTEREST OWNER



As an owner of a Working Interest in the Unitized Area, I hereby agree to the terms and conditions as set forth in this Agreement.

Dated: \_\_\_\_\_  
Authorized Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Corporation: Idemitsu Oil Exploration (California) Company  
Address: 500 Post Oak Tower  
5051 Westheimer  
Houston, Texas 77056

Subscribed and sworn to me this \_\_\_\_\_ day of \_\_\_\_\_, 1987  
Notary Public: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

APPROVAL BY WORKING INTEREST OWNER

As an owner of a Working Interest in the Unitized Area, I hereby agree to the terms and conditions as set forth in this Agreement.

Dated: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Name: Mr. Frank E. Holmes

Title: Attorney-in-fact

Corporation: Atlantic Richfield Company

Address: Post Office Box 147

Bakersfield, California 93302

Subscribed and sworn to me this \_\_\_\_\_ day of \_\_\_\_\_, 1987

Notary Public: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

APPROVAL BY WORKING INTEREST OWNER

As an owner of a Working Interest in the Unitized Area, I hereby agree to the terms and conditions as set forth in this Agreement.

Dated: July 24, 1987

Authorized Signature: 

Name: Mr. Toshiaki Nagai

Title: Vice President

Corporation: Idemitsu Oil Exploration (California) Company

Address: 500 Post Oak Tower

5051 Westheimer

Houston, Texas 77056

Subscribed and sworn to me this 24th day of July, 1987

Notary Public: 

My Commission Expires: 23<sup>rd</sup> April, 1989

RATIFICATION AND JOINDER OF UNIT AGREEMENT

KNOWN ALL MEN BY THESE PRESENTS, That, Ogle Petroleum Inc. does hereby ratify, join, affirm and concur in, accept and become a party to that certain Unit Agreement covering the Gato Canyon Unit, Channel Islands Area, Outer Continental Shelf, Offshore California, dated effective July 30, 1987, and covering and affecting the following described property, to wit:

Description of Land as  
Per Official Protraction Diagram

Outer Continental Shelf Leasing Map No. 6A	Block 53N 72W
Outer Continental Shelf Leasing Map No. 6A	Block 52N 72W
Outer Continental Shelf Leasing Map No. 6B	Block 53N 71W

It is expressly stipulated that said Unit Agreement is hereby ratified, affirmed and concurred in to the same extent and in the same manner and for the same purpose and effects as though Ogle Petroleum Inc. had duly signed the same at the time of the original execution thereof.

Executed this 12th day of FEBRUARY, 1988.

OGLE PETROLEUM INC.

A handwritten signature in black ink, appearing to read 'W. S. Wallis', is written over a horizontal line.

NAME: William S. Wallis  
TITLE: President

RATIFICATION AND JOINDER OF UNIT AGREEMENT

KNOWN ALL MEN BY THESE PRESENTS, That, Exxon San Joaquin Production Company does hereby ratify, join, affirm and concur in, accept and become a party to that certain Unit Agreement covering the Gato Canyon Unit, Channel Islands Area, Outer Continental Shelf, Offshore California, dated effective July 30, 1987, and covering and affecting the following described property, to wit:

Description of Land as  
Per Official Protraction Diagram

Outer Continental Shelf Leasing Map No. 6A	Block 53N 72W
Outer Continental Shelf Leasing Map No. 6A	Block 52N 72W
Outer Continental Shelf Leasing Map No. 6B	Block 53N 71W

It is expressly stipulated that said Unit Agreement is hereby ratified, affirmed and concurred in to the same extent and in the same manner and for the same purpose and effects as though Exxon San Joaquin Production Company had duly signed the same at the time of the original execution thereof.

Executed this 4<sup>th</sup> day of May, 1988.

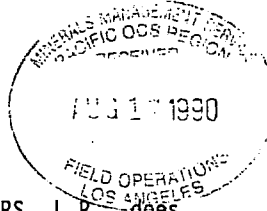
EXXON SAN JOAQUIN PRODUCTION COMPANY



NAME: Eldon L. Means  
TITLE: ATTORNEY IN FACT



RATIFICATION AND JOINDER OF UNIT AGREEMENT



KNOW ALL MEN BY THESE PRESENTS, that, CALO PARTNERS, L.P., does hereby ratify, affirm and concur in, accept and become a party to that certain Unit Agreement covering the Gato Canyon Unit, Santa Barbara Channel, Outer Continental Shelf, Offshore California, approved by the Minerals Management Service, dated effective July 30, 1987, covering and affecting the following described property, to wit:

DESCRIPTION OF LAND AS  
PER OFFICIAL PROTRACTION DIAGRAM

Outer Continental Shelf Lease Map No. 6A Portion of Block  
53N-72W  
Outer Continental Shelf Lease Map No. 6A All of Block  
52N-72W  
Outer Continental Shelf Lease Map No. 6B Portion of Block  
53N-71W

It is expressly stipulated that said Unit Agreement is hereby ratified, affirmed and concurred in to the same extent and in the same manner and for the same purpose and effects as though CALO PARTNERS, L.P. had duly signed the same at the time of the original execution thereof.

Executed this 9<sup>th</sup> day of Aug, 1990.

CALO PARTNERS, L.P.

By: RE Williams

Title: Gen. Partner

RATIFICATION AND JOINDER OF UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that, HEAFITZ ENERGY MANAGEMENT, INC., a New York corporation, does hereby ratify, affirm and concur in, accept and become a party to that certain Unit Agreement covering the Gato Canyon Unit, Santa Barbara Channel, Outer Continental Shelf, Offshore California, approved by the Minerals Management Service, dated effective July 30, 1987, covering and affecting the following described property, to wit:

DESCRIPTION OF LAND AS  
PER OFFICIAL PROTRACTION DIAGRAM

Outer Continental Shelf Lease Map No. 6A  
Portion of Block 53N-72W

(OCS-P 0460)

Outer Continental Shelf Lease Map No. 6A  
All of Block 52N-72W

(OCS-P 0462)

Outer Continental Shelf Lease Map No. 6B  
Portion of Block 53N-71W

(OCS-P 0464)

It is expressly stipulated that said Unit Agreement is hereby ratified, affirmed and concurred in to the same extent and in the same manner and for the same purpose and effects as though Heafitz Energy Management, Inc. had duly signed the same at the time of the original execution thereof.

Notwithstanding the above, Heafitz Energy Management, Inc. assumes no liability for and has no responsibility for any activities, claims, demands, or causes of action which occurred or arose prior to the Minerals Management Service approval of the assignment into Heafitz Energy Management, Inc. pursuant to 30 CFR Part 256.

Executed this 20 day of August, 1991.

HEAFITZ ENERGY MANAGEMENT, INC.

By: 

Bruce Heafitz, President

RATIFICATION AND JOINDER OF UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that, STONEHENGE CAPITAL CORPORATION, a Colorado Corporation, does hereby ratify, affirm and concur in, accept and become a party to that certain Unit Agreement covering the Gato Canyon Unit, Santa Barbara Channel, Outer Continental Shelf, Offshore California, approved by the Minerals Management Service, dated effective July 30, 1987, covering and affecting the following described property, to wit:

DESCRIPTION OF LAND AS  
PER OFFICIAL PROTRACTION DIAGRAM

Outer Continental Shelf Lease Map No. 6A  
Portion of Block 53N-72W

(OCS-P 0460)

Outer Continental Shelf Lease Map No. 6A  
All of Block 52N-72W

(OCS-P 0462)

Outer Continental Shelf Lease Map No. 6B  
Portion of Block 53N-71W

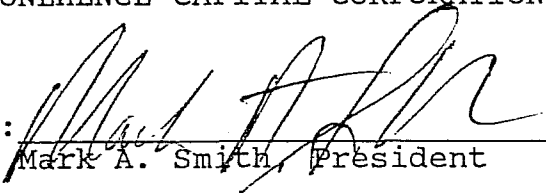
(OCS-P 0464)

It is expressly stipulated that said Unit Agreement is hereby ratified, affirmed and concurred in to the same extent and in the same manner and for the same purpose and effects as though Stonehenge Capital Corporation had duly signed the same at the time of the original execution thereof.

Notwithstanding the above, Stonehenge Capital Corporation assumes no liability for and has no responsibility for any activities, claims, demands, or causes of action which occurred or arose prior to the Minerals Management Service approval of the assignment into Stonehenge Capital Corporation pursuant to 30 CFR Part 256.

Executed this 22<sup>nd</sup> day of November, 1991.

STONEHENGE CAPITAL CORPORATION

By:   
Mark A. Smith, President

RATIFICATION AND JOINDER OF UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that, CHIPPEWA RESOURCES CORPORATION, a Colorado Corporation, does hereby ratify, affirm and concur in, accept and become a party to that certain Unit Agreement covering the Gato Canyon Unit, Santa Barbara Channel, Outer Continental Shelf, Offshore California, approved by the Minerals Management Service, dated effective July 30, 1987, covering and affecting the following described property, to wit:

DESCRIPTION OF LAND AS  
PER OFFICIAL PROTRACTION DIAGRAM

Outer Continental Shelf Lease Map No. 6A  
Portion of Block 53N-72W

Outer Continental Shelf Lease Map No. 6A  
All of Block 52N-72W

Outer Continental Shelf Lease Map No. 6B  
Portion of Block 53N-71W

It is expressly stipulated that said Unit Agreement is hereby ratified, affirmed and concurred in to the same extent and in the same manner and for the same purpose and effects as though Chippewa Resources Corporation had duly signed the same at the time of the original execution thereof.

Notwithstanding the above, Chippewa Resources Corporation assumes no liability for and has no responsibility for any activities, claims, demands, or causes of action which occurred or arose prior to the Minerals Management Service approval of the assignment into Chippewa Resources Corporation pursuant to 30 CFR Part 256.

Executed this 28th day of January, 1992

CHIPPEWA RESOURCES CORPORATION

By:   
Roger A. Parker, President

RATIFICATION AND JOINDER OF UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that STONEHENGE CAPITAL CORPORATION, a Colorado Corporation, does hereby ratify, affirm and concur in, accept and become a party to that certain Unit Operating Agreement covering the Gato Canyon Unit, Santa Barbara Channel, Outer Continental Shelf, Offshore California, approved by the Minerals Management Service, dated effective July 10, 1987, covering and affecting the following described property, to wit:

DESCRIPTION OF LAND AS  
PER OFFICIAL PROTRACTION DIAGRAM

Outer Continental Shelf Lease Map No. 6A  
Portion of Block 53N-72W

Outer Continental Shelf Lease Map No. 6A  
All of Block 52N-72W

Outer Continental Shelf Lease Map No. 6B  
Portion of Block 53N-71W

It is expressly stipulated that said Unit Agreement is hereby ratified, affirmed and concurred in to the same extent and in the same manner and for the same purpose and effects as though Stonehenge Capital Corporation had duly signed the same at the time of the original execution thereof.

Notwithstanding the above, Stonehenge Capital Corporation assumes no liability for and has no responsibility for any activities, claims, demands, or causes of action which occurred or arose prior to the Minerals Management Service approval of the assignment into Stonehenge Capital Corporation pursuant to 30 CFR Part 256.

Executed this 20<sup>th</sup> day of April, 1992.

STONEHENGE CAPITAL CORPORATION

By: 

Mark A. Smith, President

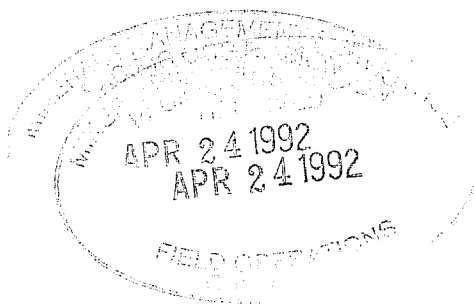
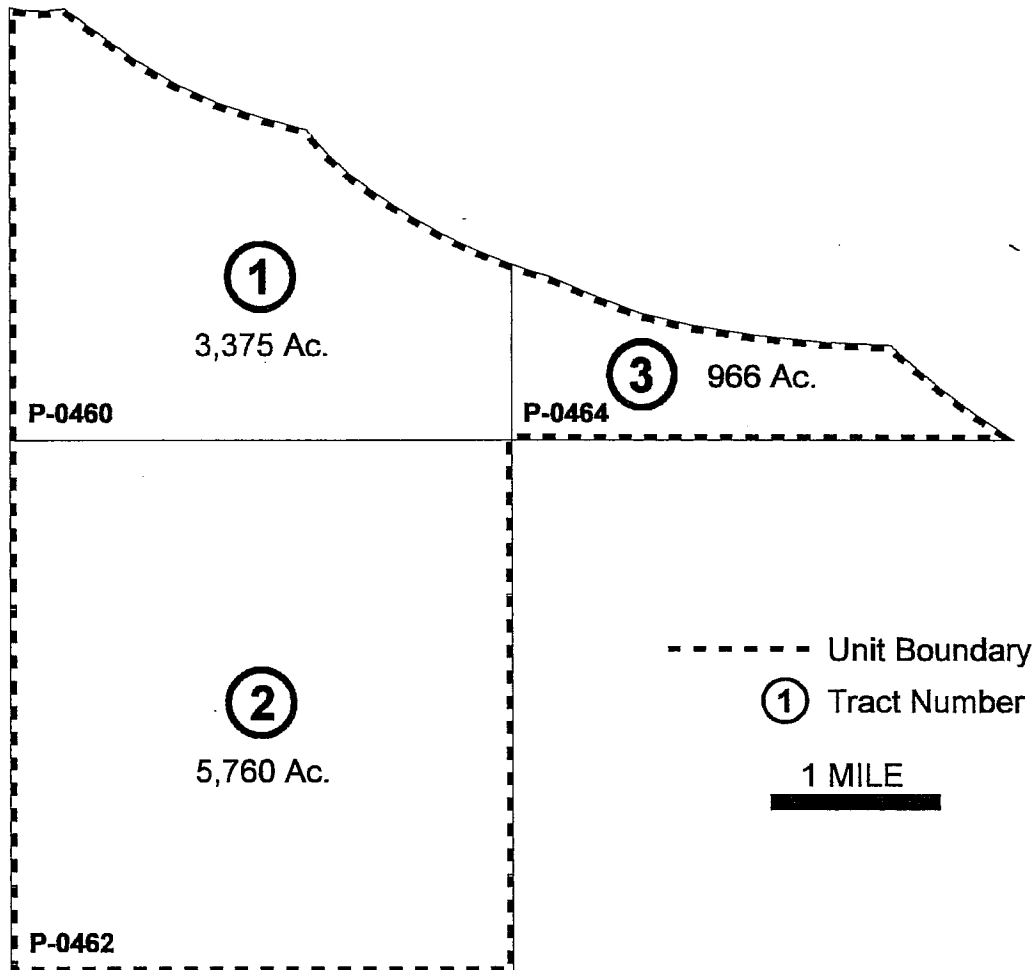


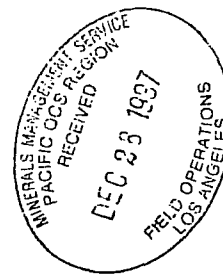
EXHIBIT "A"

# GATO CANYON UNIT OPERATING AGREEMENT

Outer Continental Shelf, California  
Ownership of Oil and Gas Interests

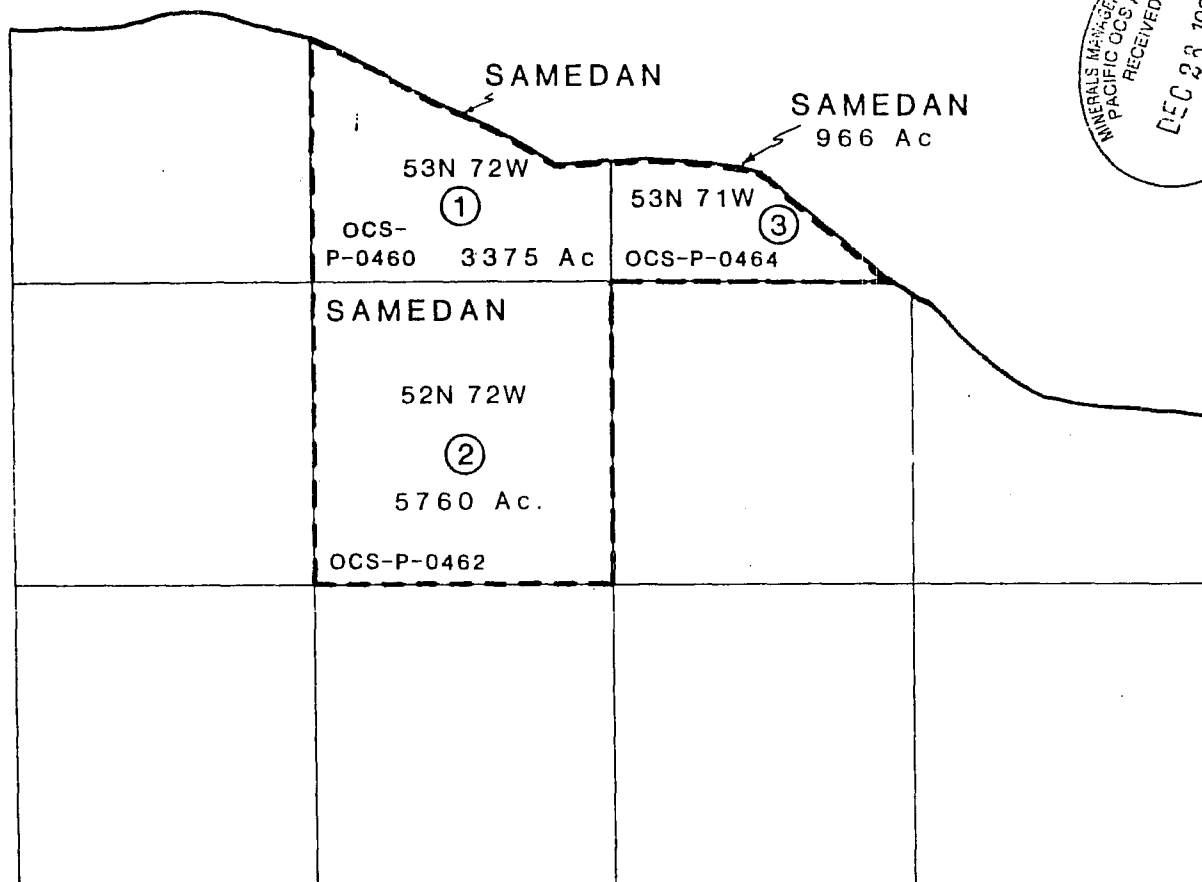


OWNERS	Tract 1	Tract 2	Tract 3
<i>Samedan Oil Co.</i>	10.00000%	10.00000%	10.00000%
<i>Ogle Petroleum, Inc.</i>	3.00000%	3.00000%	3.00000%
<i>Amber Resources Co.</i>	6.97108%	6.97108%	6.97108%
<i>Norcen Explorer, Inc.</i>	42.35352%	42.35352%	42.35352%
<i>Calo Partners, LP</i>	9.50000%	9.50000%	9.50000%
<i>Delta Petroleum Corp.</i>	8.62930%	8.62930%	8.62930%
<i>Nycal Offshore Dev.</i>	4.25313%	4.25313%	4.25313%
<i>Nuevo Energy Co.</i>	15.29197%	15.29297%	15.29197%



# EXHIBIT "A"

## GATO CANYON UNIT AGREEMENT

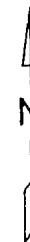


UNIT BOUNDARY - - - -

TRACT NUMBER ②

BLOCK REF: OCS LEASING MAP  
Nos. 6A and 6B, CHANNEL ISLANDS AREA

3 MILES



REV. 11/23/87

## EXHIBIT "B"

Revised 3/12/92

GATO CANYON UNIT AGREEMENT  
 SANTA BARBARA CHANNEL, OFFSHORE CALIFORNIA  
 SCHEDULE OF OWNERSHIP OF OIL AND GAS INTERESTS

TRACT NUMBER	DESCRIPTION OF LAND*	NUMBER OF ACRES	LEASE SERIAL NUMBER	PRIMARY TERM EXPIRATION DATE OF LEASE**	BASIC ROYALTY OWNER AND ROYALTY PERCENTAGE	LESSEE OF RECORD AND LEASE WORKING INTEREST PERCENTAGE	OVERRIDING ROYALTY OWNER AND GROSS PERCENTAGE
1	Block 53N 72W	3375	OCS-P 0460	7/31/87 Held by SOP	USA 16 2/3%	NORCEN EXPLORER, INC. SAMEDAN OIL CORPORATION AMBER RESOURCES CO. CALO PARTNERS, L.P. OGLE PETROLEUM INC. BURDETTE A. OGLE STONEHENGE CAPITAL CORP. CHIPPEWA RESOURCES CORP. NYCAL CORPORATION	42.35352% 10.00000% 6.97108% 9.50000% 3.00000% 16.82227% 2.91500% 4.18500% 4.25313% None
2	Block 52N 72W	5760	OCS-P 0462	7/31/87 Held by SOP	USA 12 1/2%	NORCEN EXPLORER, INC. SAMEDAN OIL CORPORATION AMBER RESOURCES CO. CALO PARTNERS, L.P. OGLE PETROLEUM INC. BURDETTE A. OGLE STONEHENGE CAPITAL CORP. CHIPPEWA RESOURCES CORP. NYCAL CORPORATION	42.35352% 10.00000% 6.97108% 9.50000% 3.00000% 16.82227% 2.91500% 4.18500% 4.25313% PRIMARY FUELS INC. 6.25%(1.1875%)
3	Block 53N 71W	966	OCS-P 0464	7/31/87 Held by SOP	USA 16 2/3%	NORCEN EXPLORER, INC. SAMEDAN OIL CORPORATION AMBER RESOURCES CO. CALO PARTNERS, L.P. BURDETTE A. OGLE OGLE PETROLEUM INC. STONEHENGE CAPITAL CORP. CHIPPEWA RESOURCES CORP. NYCAL CORPORATION	42.35352% 10.00000% 6.97108% 9.50000% 16.82227% 3.00000% 2.91500% 4.18500% 4.25313% None
TOTAL:		10,101					

\* P-OCS LEASING MAP NOS. 6A AND 6B, SANTA BARBARA CHANNEL

\*\* SOP EXPIRES JULY 31, 1994



**GATO CANYON UNIT**

**May 25, 1990**

**Subsequent Plan of Operations**

**1990**

- 1st half      Acquire copies of digital field tapes of existing 992 mile 3-D survey from ARCO Oil & Gas Company and 95 miles of 2-D data from Ogle Petroleum Inc.
- Select contractor and set final parameters for re-processing.
- 2nd half      Reprocess 3-D and 2-D data sets.

**1991**

- 1st half      Complete reprocessing of 3-D and 2-D data.
- Begin geophysical/geological interpretation.
- 2nd half      Complete geophysical/geological interpretation.

**1992**

- 1st half      Select well location and design the well program.
- 2nd half      Begin permit compliance procedures.

**1993**

- 1st half      Continue permit compliance.
- 2nd half      Complete permit compliance. Commence drilling of Unit well during 4th quarter.

**1994**

- 1st half      Complete Unit well during 1st quarter. Evaluate results of well.

**This Plan of Operations expires July 31, 1994**



## RATIFICATION AND JOINDER OF UNIT AGREEMENT

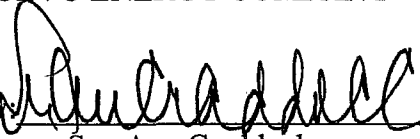
In consideration of the execution of the Unit Agreement for Outer Continental Shelf Exploration, Development, and Production Operations on the Gato Canyon Unit, Offshore California, effective July 30, 1987, in a form approved on behalf of the Secretary of the Interior, the undersigned hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

This Ratification and Joinder of Unit Agreement shall be effective as to the undersigned's interest in any lands and leases, or interest therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, its assigns or successors in interest.

Executed this 2nd day of April, 1996.

NUEVO ENERGY COMPANY

By   
Sue Ann Craddock  
Vice President

## **RATIFICATION AND JOINDER OF UNIT OPERATING AGREEMENT**

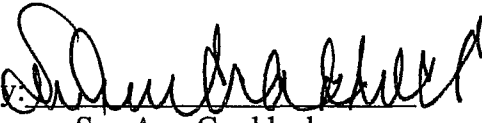
In consideration of the execution of the Unit Operating Agreement for Outer Continental Shelf Exploration, Development, and Production Operations on the Gato Canyon Unit, Offshore California, effective July 30, 1987, in a form approved on behalf of the Secretary of the Interior, the undersigned hereby expressly joins said Unit Operating Agreement and ratifies, approves, adopts and confirms said Unit Operating Agreement as fully as though the undersigned had executed the original agreement.

This Ratification and Joinder of Unit Operating Agreement shall be effective as to the undersigned's interest in any lands and leases, or interest therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Operating Agreement shall be binding upon the undersigned, its assigns or successors in interest.

Executed this 2nd day of April, 1996.

NUEVO ENERGY COMPANY

B.   
Sue Ann Craddock  
Vice President

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
MINERALS MANAGEMENT SERVICE

**DESIGNATION OF UNIT OPERATOR**

The undersigned identified below, on the records of the Minerals Management Service, is a working interest owner of:

Unit Name: Gato Canyon Unit  
Unit Agreement No.: 487004  
Regional Office: Pacific OCS Region

and hereby designates

Name: Samedan Oil Corporation  
Address: 350 Glenborough, Ste. 240  
Houston, Texas 77067

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the Unit Agreement and regulations applicable thereto and on whom the Regional Supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to the aforementioned unit.

It is understood that this designation of operator does not relieve the working interest owner of responsibility for compliance with the terms of the Unit Agreement, laws, and regulations applicable to the area. It is also understood that this designation of operator does not constitute an assignment of any interest in the unit. The unit operator will submit plans of operations and other documents or reports required under the terms of the Unit Agreement.

In case of default on the part of the designated operator, the working interest owner will make full and prompt compliance with all regulations, Unit Agreement, or orders of the Secretary of the Interior or his representative.

The working interest owner will notify the Regional Supervisor promptly of any change in the designated operator.

APR 02 1996

(Date)

Nuevo Energy Company  
(Working Interest Owner)

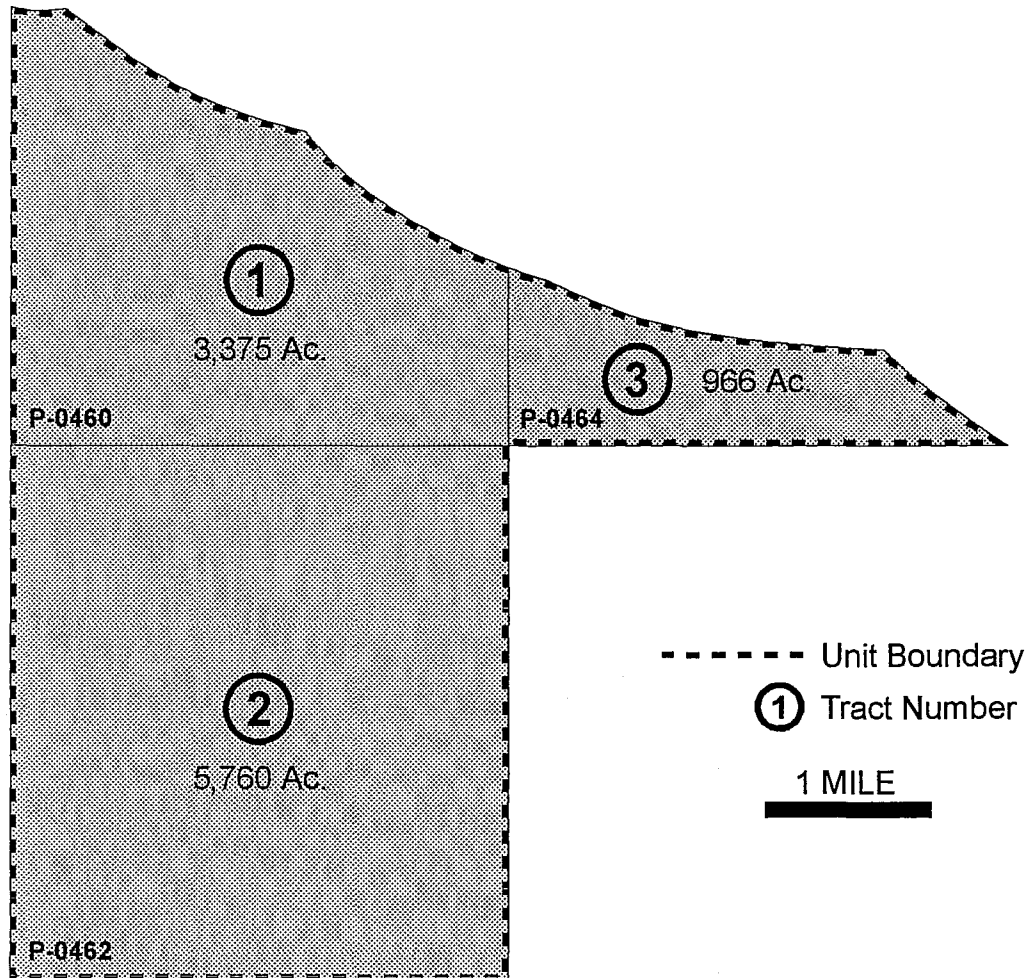
By 

Name: Sue Ann Craddock

Title: Vice President

# GATO CANYON UNIT AGREEMENT

Outer Continental Shelf, California  
Ownership of Oil and Gas Interests



OWNERS	Tract 1	Tract 2	Tract 3
<i>Samedan Oil Co.</i>	10.00000%	10.00000%	10.00000%
<i>Ogle Petroleum, Inc.</i>	3.00000%	3.00000%	3.00000%
<i>Amber Resources Co.</i>	6.97108%	6.97108%	6.97108%
<i>Norcen Explorer, Inc.</i>	42.35352%	42.35352%	42.35352%
<i>Calo Partners, LP</i>	9.50000%	9.50000%	9.50000%
<i>Delta Petroleum Corp.</i>	8.62930%	8.62930%	8.62930%
<i>Nycal Offshore Dev.</i>	4.25313%	4.25313%	4.25313%
<i>Nuevo Energy Co.</i>	15.29197%	15.29297%	15.29197%

REVISED  
EXHIBIT "B"

GATO CANYON UNIT AGREEMENT

Outer Continental Shelf, California  
Ownership of Oil and Gas Interests

<u>Tract Number</u>	<u>Description of Land</u>	<u>Number of Acres</u>	<u>Lease Serial Number</u>	<u>Basic Royalty Ownership</u>	<u>Lessee Interests</u>	<u>ORR and Net Profits</u>
1	Block 53N 72W	3375	OCS-P 0460	USA 16 2/3%	Samedan Oil Corporation 10.00000% Ogle Petroleum Inc. 3.00000% Amber Resources Company 6.97108% Norcen Explorer, Inc. 42.35352% Calo Partners,L.P. 9.50000% Delta Petroleum Corporation 8.62930% Nycal Offshore Development 4.25313% Nuevo Energy Company 15.29197%	
2	Block 52N 72W	5760	OCS-P 0462	USA 12 1/2%	Samedan Oil Corporation 10.00000% Ogle Petroleum Inc. 3.00000% Amber Resources Company 6.97108% Norcen Explorer, Inc. 42.35352% CaloPartniers,L.P. 9.50000% DeltaPetroleum Corporation 8.62930% Nycal Offshore Development 4.25313% Nuevo Energy Company 15.29297%	Primary Fuels Inc.

ship

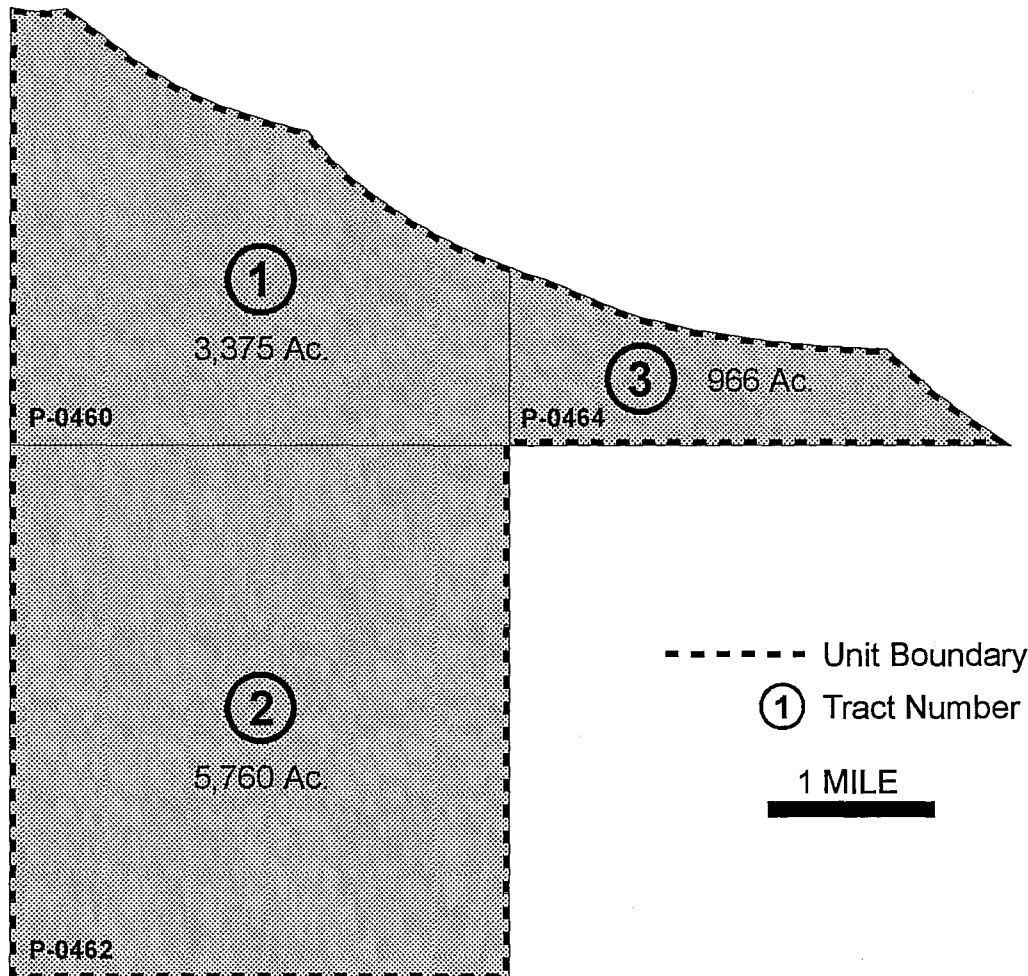
Lessee Interests

ORR and Net Profits

Samedan Oil Corporation	10.00000%
Ogle Petroleum Inc.	3.00000%
Amber Resources Company	6.97108%
Norcen Explorer, Inc.	42.35352%
CaloPartners,L.P.	9.50000%
Delta Petroleum Corporation	8.62930%
Nycal Offshore Development	4.25313%
Nuevo Energy Company	15.29297%

# GATO CANYON UNIT OPERATING AGREEMENT

Outer Continental Shelf, California  
Ownership of Oil and Gas Interests



OWNERS	Tract 1	Tract 2	Tract 3
<i>Samedan Oil Co.</i>	10.00000%	10.00000%	10.00000%
<i>Ogle Petroleum, Inc.</i>	3.00000%	3.00000%	3.00000%
<i>Amber Resources Co.</i>	6.97108%	6.97108%	6.97108%
<i>Norcen Explorer, Inc.</i>	42.35352%	42.35352%	42.35352%
<i>Calo Partners, LP</i>	9.50000%	9.50000%	9.50000%
<i>Delta Petroleum Corp.</i>	8.62930%	8.62930%	8.62930%
<i>Nycal Offshore Dev.</i>	4.25313%	4.25313%	4.25313%
<i>Nuevo Energy Co.</i>	15.29197%	15.29297%	15.29197%



REVISED  
EXHIBIT "B"

GATO CANYON UNIT OPERATING AGREEMENT

Outer Continental Shelf, California  
Ownership of Oil and Gas Interests

<u>Tract Number</u>	<u>Description of Land</u>	<u>Number of Acres</u>	<u>Lease Serial Number</u>	<u>Basic Royalty Ownership</u>	<u>Lessee Interests</u>	<u>ORR and Net Profits</u>
1	Block 53N 72W	3375	OCS-P 0460	USA 16 2/3%	Samedan Oil Corporation	10.00000%
					Ogle Petroleum Inc.	3.00000%
					Amber Resources Company	6.97108%
					Norcen Explorer, Inc.	42.35352%
					Calo Partners, L.P.	9.50000%
					Delta Petroleum Corporation	8.62930%
					Nycal Offshore Development	4.25313%
					Nuevo Energy Company	15.29197%
2	Block 52N 72W	5760	OCS-P 0462	USA 12 1/2%	Samedan Oil Corporation	10.00000%
					Ogle Petroleum Inc.	3.00000%
					Amber Resources Company	6.97108%
					Norcen Explorer, Inc.	42.35352%
					Calo Partners, L.P.	9.50000%
					Delta Petroleum Corporation	8.62930%
					Nycal Offshore Development	4.25313%
					Nuevo Energy Company	15.29297%
						Primary Fuels Inc.

<u>Tract Number</u>	<u>Description of Land</u>	<u>Number of Acres</u>	<u>Lease Serial Number</u>	<u>Basic Royalty Ownership</u>	<u>Lessee Interests</u>	<u>ORR and Net Profits</u>
3	Block 53N 71W	<u>966</u>	OCS-P 0464	USA 12 1/2%	Samedan Oil Corporation Ogle Petroleum Inc. Amber Resources Company Norcen Explorer, Inc. CaloPartners,L.P. Delta Petroleum Corporation Nycal Offshore Development Nuevo Energy Company	10.00000% 3.00000% 6.97108% 42.35352% 9.50000% 8.62930% 4.25313% 15.29297%
TOTAL		10,101				

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