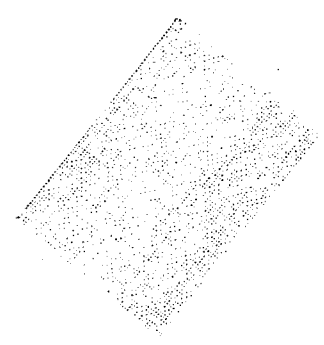




UNIT AGREEMENT
FOR
OUTER CONTINENTAL SHELF
EXPLORATION, DEVELOPMENT AND PRODUCTION OPERATIONS
POINT HUENEME UNIT
CHANNEL ISLANDS AREA
OFFSHORE CALIFORNIA

CONTRACT NO. 488001



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

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EXHIBITS

Exhibit "A" Map of Unit Area

Exhibit "B" Ownership of Oil and Gas Interests

Exhibit "C" Participating Area and Tract Participations

UNIT AGREEMENT FOR OUTER CONTINENTAL SHELF
EXPLORATION, DEVELOPMENT, AND PRODUCTION OPERATIONS
POINT HUENEME 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 I
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~~1311~~, 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 No. 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 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 XI.

1.12 UNIT AREA means the area of the OCS which is made subject to this Agreement and described in Article III.

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 II 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 III UNIT AREA AND EXHIBITS

3.1 The following described OCS Lands as shown on the OCS Leasing Map No. 6B, Channel Islands Area, California are subject to valid Leases and constitutes the Unit Area.

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

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

3.4 Exhibit "C", which is attached to this Agreement and made a part hereof, is a schedule listing for each Participating Area 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 Participations render such changes necessary. Four copies of the revised exhibit(s) shall be submitted to the Regional Supervisor for approval.

ARTICLE IV DESIGNATION OF UNIT OPERATOR

4.1 Union Oil Company of California 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 V 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 VI, 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 VI SUCCESSOR UNIT OPERATOR

6.1 Whenever the Unit Operator tenders its resignation as Unit Operator or is removed as provided in Article V, a successor Unit Operator may be designated by nomination by 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 VII 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 the 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 the 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 sixty (60) days of approval of this agreement by the Regional Director.

Three (3) copies of all other Unit Operating Agreements and any amendments thereto also shall be filed with the Regional Director within 30 days of final execution.

ARTICLE VIII
APPEARANCES AND NOTICES

8.1 The Unit Operator shall, after notice to other parties affected, have the right to appear 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 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.

Texaco Producing Inc.
4601 DTC Blvd.
P.O. Box 2100
Denver, Colorado 80201
Attn: Land Manager
Phone: 303-793-4120
Facsimile: 303-793-4063

Koch Exploration Company
P.O. Box 2256
4111 East 37th Street North
Wichita, Kansas 67220
Attn: Jim Whisnand
Phone: 316-832-5452
Facsimile: 316-832-5390

Exxon San Joaquin Production Co.
P. O. Box 4279
Houston, Texas 77210-4279
Attn: F. M. Courreges
Phone: 713-591-5200
Facsimile: 713-591-5501

Union Oil Company of California
P.O. Box 7600
Los Angeles CA, 90051
Attn: Manager of Lands
Phone: 818-304-7643
Facsimile: 818-304-7798

ARTICLE IX
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 X
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 XI 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 XII.

All lands in said schedule, upon approval thereof by the Regional Supervisor, shall constitute the initial Participating Area, effective as of the date of approval of this Agreement. 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) established shall be revised from time to time to include additional land reasonably proven to be productive in the same 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 a revision of the Participating Area.

ARTICLE XII ALLOCATION OF PRODUCTION

12.1 The Unit Operator shall be responsible for and 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. 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.

12.2 Unitized Substances produced from a Participating Area shall be allocated to each Lease within that Participating Area in proportion to such Lease's approved Tract Participation as will be set forth in Exhibit "C". The oil and gas saved, removed, or sold from a Participating Area shall be allocated in this manner, regardless of where any well is drilled and produced from such Participating Area. Tract Participations may be redetermined from time to time. The Unit Operator shall furnish the Regional Supervisor geological and engineering maps and data sufficient to support the Tract Participations.

12.3 Oil and gas produced from the Unit Area prior to the effective date of this Agreement shall not be allocated under this Agreement.

12.4 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 XIII
AUTOMATIC ADJUSTMENT OF UNIT AREA

13.1 Any Lease(s) not entitled to receive an allocation of Unitized Substances on the fifth (5th) 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 fifth (5th) anniversary. Thereafter, the Unit Area shall only be comprised of the Participating Area(s) subject to the provisions of Articles X and XVII.

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 XIV
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 the Agreement.

ARTICLE XV
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 XVI
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 XIV; 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 IX 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 IX 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 XVII
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 IX 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 XVIII 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 XIX
SUBSEQUENT JOINDER

The Regional Supervisor may order or, upon request, approve a subsequent joinder to this Agreement pursuant to the expansion provisions of Article X. 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 X. 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 XX
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 XXI
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 XXI

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 grantee, transferee, 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 Point Hueneme Unit, hereby agree to the terms and conditions as set forth in this Agreement.

Dated: February 22, 1988

Authorized Signature: Herbert S. Harry

Name: Herbert S. Harry

Title: Attorney-in-Fact

Corporation: UNION OIL COMPANY OF CALIFORNIA

Address: P. O. Box 7600, Los Angeles, CA 90051

Subscribed and sworn to me this 22nd day of February, 1988

Notary Public: Heri Chambers

My Commission Expires: April 21, 1989

APPROVAL BY WORKING INTEREST OWNER

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

Dated: February 24, 1988

Authorized Signature: J.G. Butera

Name: J.G. Butera

Title: Attorney-in-Fact

Corporation: TEXACO PRODUCING INC.

Address: 4601 DTC Blvd.-P.O. Box 2100, Denver, CO 80201

Subscribed and sworn to me this _____ day of _____, 19__.

Notary Public: _____

My Commission Expires: _____

APPROVAL BY WORKING INTEREST OWNER

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

Dated: _____

Authorized Signature: _____

Name: _____

Title: _____

Corporation: EXXON SAN JOAQUIN PRODUCTION COMPANY

Address: P. O. Box 4279, Houston, Texas 77210-4279

Subscribed and sworn to me this _____ day of _____, 19__.

Notary Public: _____

My Commission Expires: _____

APPROVAL BY WORKING INTEREST OWNER

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

Dated: _____

Authorized Signature: _____

Name: _____

Title: _____

Corporation: TEXACO PRODUCING INC.

Address: 4601 DTC Blvd.-P.O. Box 2100, Denver, CO 80201

Subscribed and sworn to me this _____ day of _____, 19__.

Notary Public: _____

My Commission Expires: _____

APPROVAL BY WORKING INTEREST OWNER

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

Dated: FEB 19 1988

Authorized Signature: *F. M. Courreges* SLP

Name: F. M. COURREGES

Title: ATTORNEY IN FACT

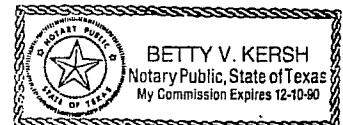
Corporation: EXXON SAN JOAQUIN PRODUCTION COMPANY

Address: P. O. Box 4279, Houston, Texas 77210-4279

Subscribed and sworn to me this 19th day of February, 19PP.

Notary Public: *Betty V. Kersh*

My Commission Expires: 12/10/90



APPROVAL BY WORKING INTEREST OWNER

An owner of a Working Interest in the Point Hueneme Unit, I hereby agree to the terms and conditions as set forth in this Agreement.

Dated: February 19, 1988

Authorized Signature: _____

Name: R. Walton, President

Corporation: KOCH EXPLORATION COMPANY

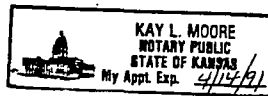
Address: P. O. Box 2256, 4111 E. 37th St. North
Wichita, Kansas 67201

Subscribed and sworn to me this 19th day of February, 1988.

Notary Public: _____

Kay L. Moore

My Commission Expires: 4-14-91



CERTIFICATION - DETERMINATION

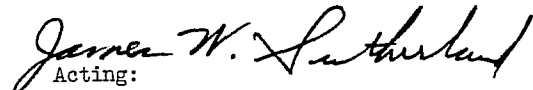
Pursuant to the authority vested in the Secretary of the Interior under the Outer Continental Shelf Lands Act, approved August 7, 1953, 67 Stat. 462, 43 U.S.C. 1331 et seq. as amended, and delegated to the Regional Director, Pacific OCS Region, Minerals Management Service, I do hereby:

A. Approve the attached Agreement for the Exploration, Development and Production Operations of the Point Hueneme 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:

February 29, 1988


Acting:

Regional Director
Pacific OCS Region
Minerals Management Service

Contract No. 488001

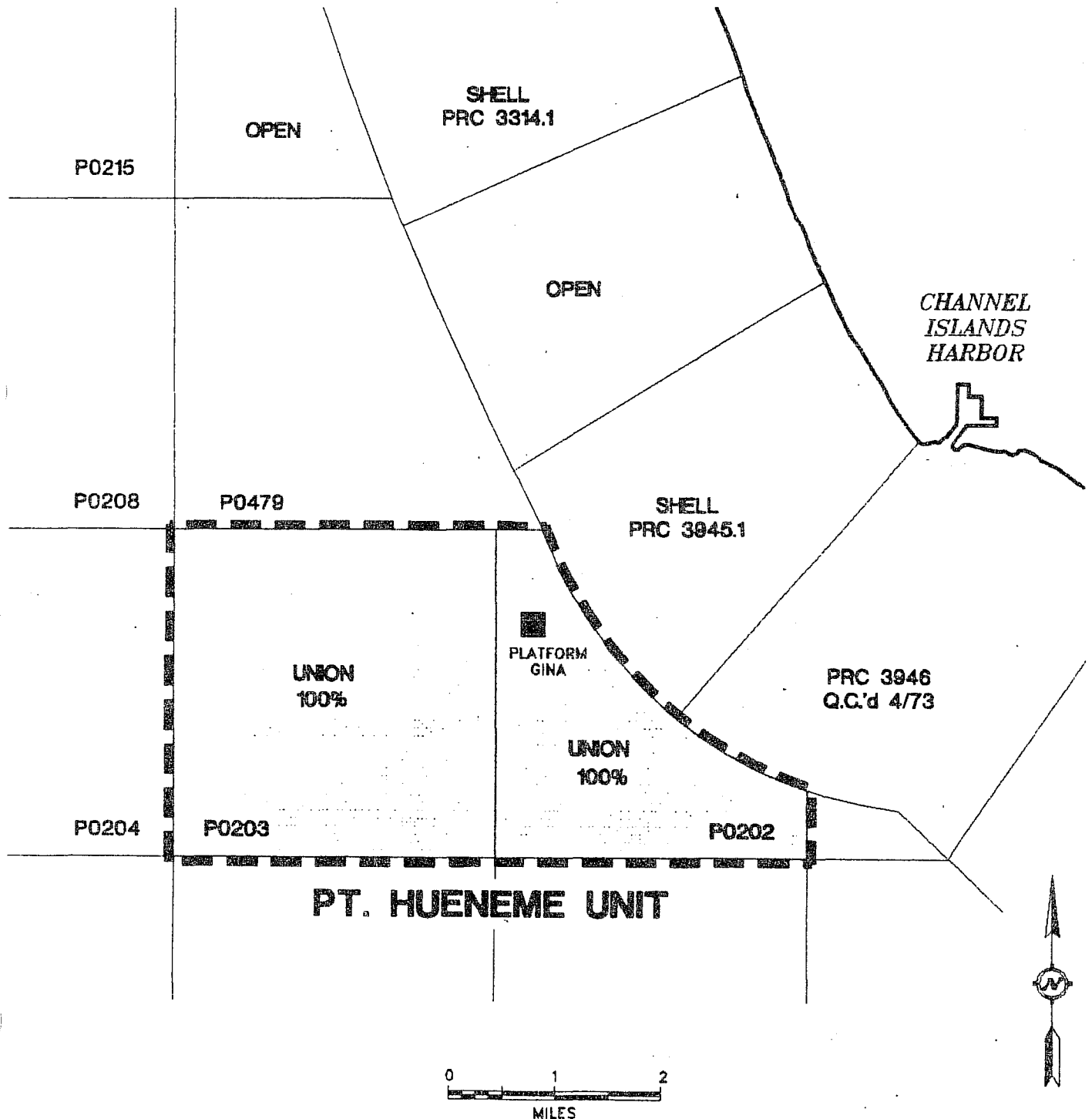
EXHIBIT "A"

(REVISED 3/93)

TO

POINT HUENEME UNIT

AGREEMENT



REVISED
EXHIBIT "B"
POINT HUENEME 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>CRR and Net Profits</u>
1	All Block 46N-59W OCS Leasing Map, Channel Islands Area Map. No. 6B	5,760	OCS P-0203	USA 16-2/3	Union Oil Company of California 100%	None
2	All Block 46N-58W Channel Islands Area Map No. 6B	2,824	OCS P-0202	USA 16-2/3	Union Oil Company of California 100%	None
	TOTAL	8,584.00				

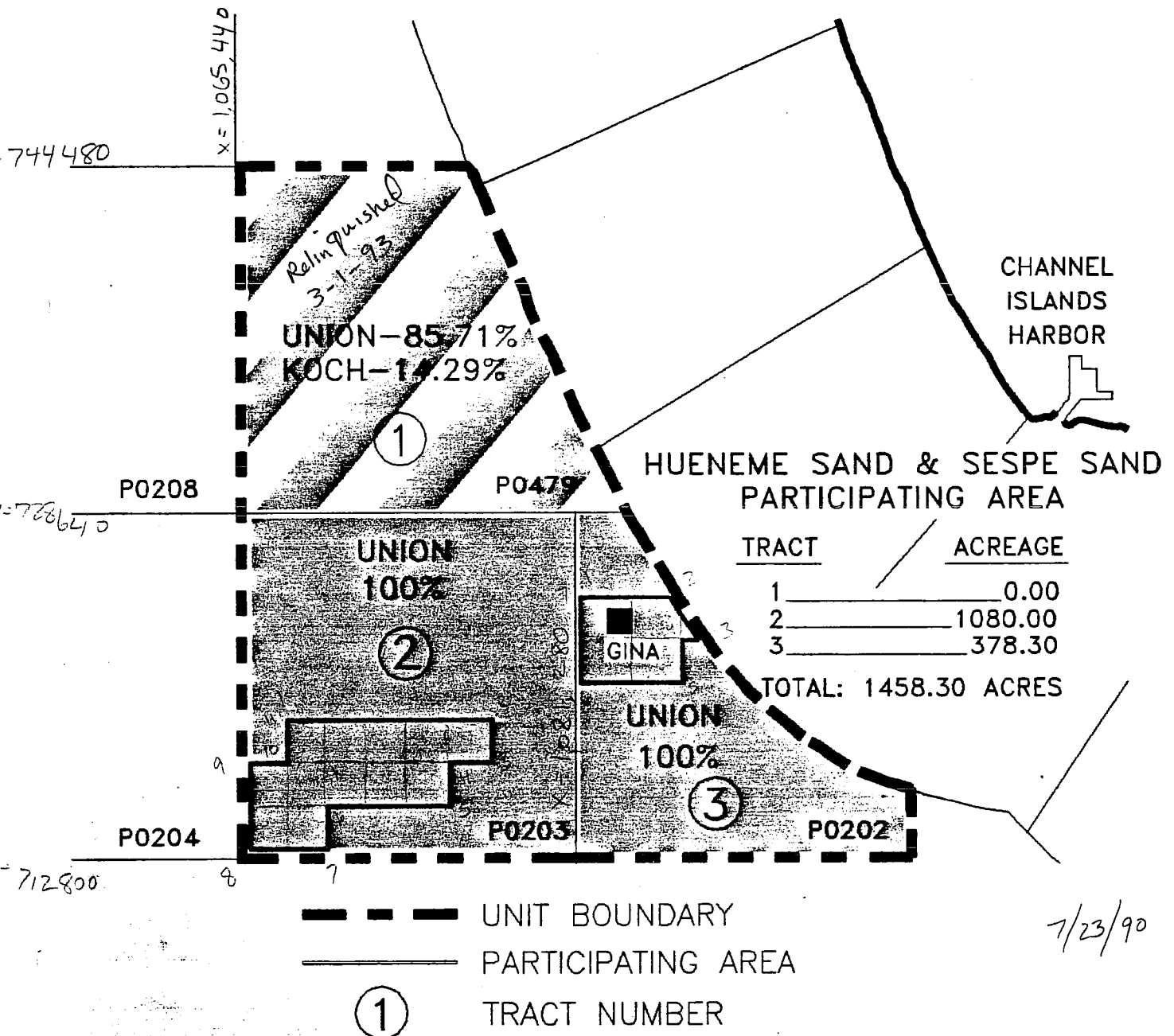
WWW:dsm
Revised 3/9/93

EXHIBIT "C"

(REVISED)

ATTACHMENT C-1

HUENEME SAND & SESPE SAND PARTICIPATING AREA POINT HUENEME UNIT



POINT HUENEME UNIT AGREEMENT
REVISED EXHIBIT C
ATTACHMENT C-2
HUENEME SAND AND SESPE SAND PARTICIPATING AREA



LAND WITHIN AND INITIAL DETERMINATION OF TRACT PARTICIPATIONS FOR THE
HUENEME SAND AND SESPE SAND PARTICIPATING AREA

The Amended Participating Area for the Point Hueneme Unit, as described hereinbelow and shown on Attachment C-1, shall consist of 1,458.3 acres, more or less.

Tract Participations for the Hueneme Sand and Sespe Sand Participating Area shown hereinbelow will apply from the Effective Date of the Unit Agreement until such time as these values may be redetermined as provided in Article 11 of the Unit Agreement.

<u>Tract Number</u>	<u>Lease Serial Number</u>	<u>Acreage</u>	<u>Tract Participation Percent</u>
1	OCS-P 0479	None	None
2	OCS-P 0203	1080.00	74.06
3	OCS-P 0202	<u>378.30</u>	<u>25.94</u>
	TOTAL	1458.30	100.00

The legal description of the particular Federal Lease is as follows:

Tract 3: Portions of five 1/4 1/4 1/4 blocks within the SW 1/4 NW 1/4 and the NW 1/4 SE 1/4 NW 1/4 seaward of the geographical three-mile line of Block 46N 58W.

Tract 2: Twelve 1/4 1/4 1/4 blocks described as the SE 1/4 NW 1/4 SW 1/4, S 1/2 NE 1/4 SW 1/4, SW 1/4 SW 1/4, N 1/2 SE 1/4 SW 1/4, S 1/2 NW 1/4 SE 1/4 and the NW 1/4 SW 1/4 SE 1/4 of Block 46N 59W.

July 19, 1990

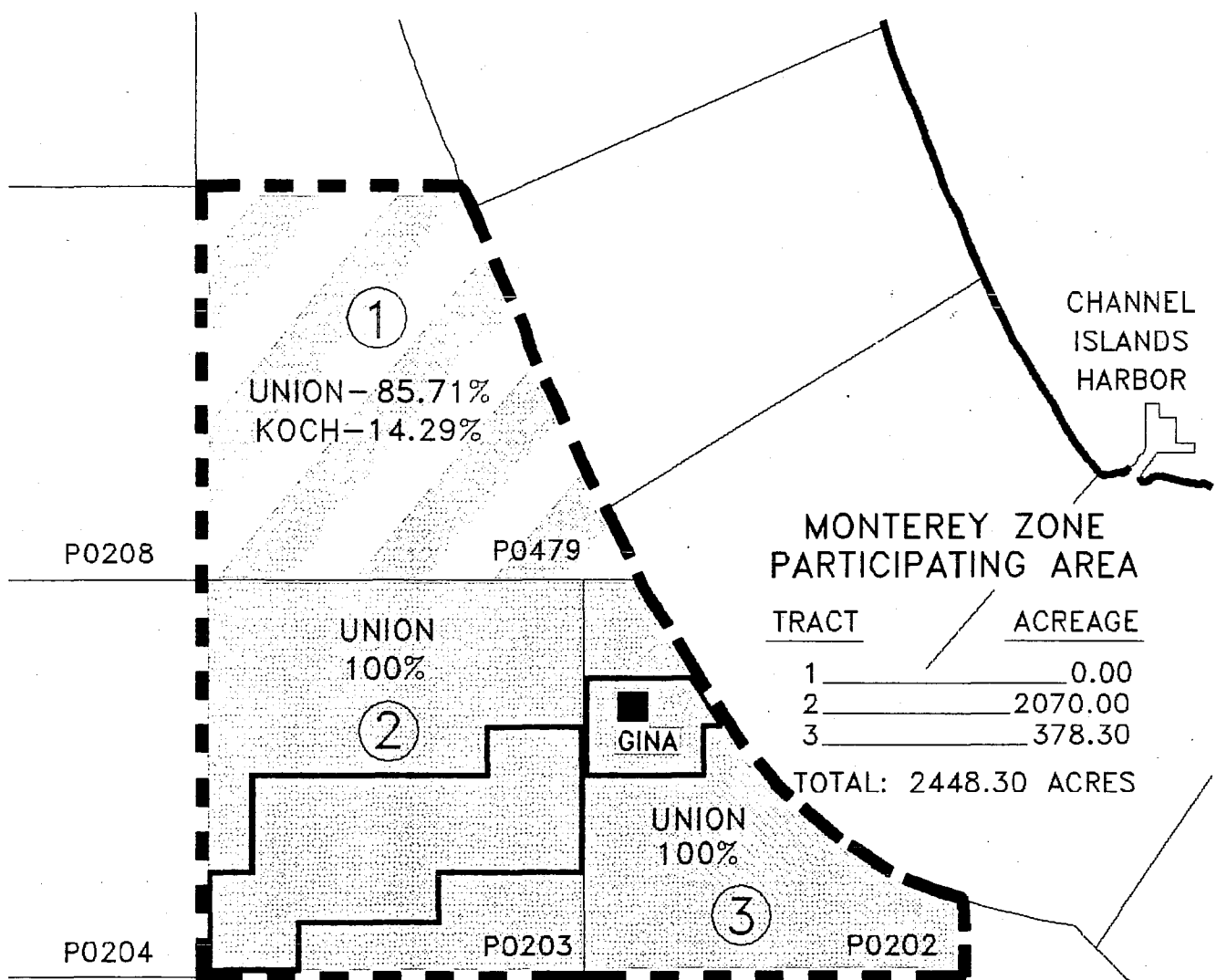
EXHIBIT "C"

ATTACHMENT C-3

POINT HUENEME UNIT

MONTEREY ZONE

PARTICIPATING AREA



- UNIT BOUNDARY
- PARTICIPATING AREA
- ① TRACT NUMBER

POINT HUENEME UNIT AGREEMENT
EXHIBIT "C"
ATTACHMENT C-4
MONTEREY ZONE PARTICIPATING AREA

LAND WITHIN AND INITIAL DETERMINATION OF TRACT PARTICIPATIONS
FOR THE MONTEREY ZONE PARTICIPATING AREA

The Amended Participating Area for the Point Hueneme Unit, as described hereinbelow and shown on Attachment C-3, shall consist of 2,448.30 acres, more or less.

Tract Participations for the Monterey Zone Participating Area shown hereinbelow will apply from the Effective Date of the Unit Agreement until such time as these values may be redetermined as provided in Article 11 of the Unit Agreement.

<u>Tract Number</u>	<u>Lease Serial Number</u>	<u>Acreage</u>	<u>Tract Participation Percent</u>
1	OCS P-0479	None	None
2	OCS P-0203	2070.00	84.55
3	OCS P-0202	<u>378.30</u>	<u>15.45</u>
	TOTAL	2448.30	100.00

The legal description of the particular Federal Lease is as follows:

Tract 3: Portions of five $\frac{1}{4}$ $\frac{1}{4}$ $\frac{1}{4}$ blocks within the SW $\frac{1}{4}$ NW $\frac{1}{4}$ and the NW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ seaward of the geographical three-mile line of Block 46N 58W.

Tract 2: Twenty-three $\frac{1}{4}$ $\frac{1}{4}$ $\frac{1}{4}$ blocks described as the S $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$, and the NW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$.

WWW:ka
4/14/92

PROPOSED PLAN OF OPERATION
POINT HUENEME UNIT
SANTA BARBARA CHANNEL AREA

SEPT. 1, 1992 - AUGUST 31, 1993

O.C.S. P-0202

- ◆ Continue to produce four wells with ESPs.
- ◆ Continue sea water injection into four wells.
- ◆ Continue to monitor reservoir pressure.
- ◆ Run internal oil pipeline inspection.
- ◆ Run external inspection of oil and gas pipelines.

O.C.S. P-0203

- ◆ Continue to produce O.C.S. Well H-14 Sespe completion with E.S.P.
- ◆ Continue to monitor reservoir pressure.
- ◆ Evaluate option of permanent facility for H₂S treatment on Platform Gina to process future Monterey gas production.
- ◆ Evaluate recompletion program for Well H-14 in Monterey gas zones.

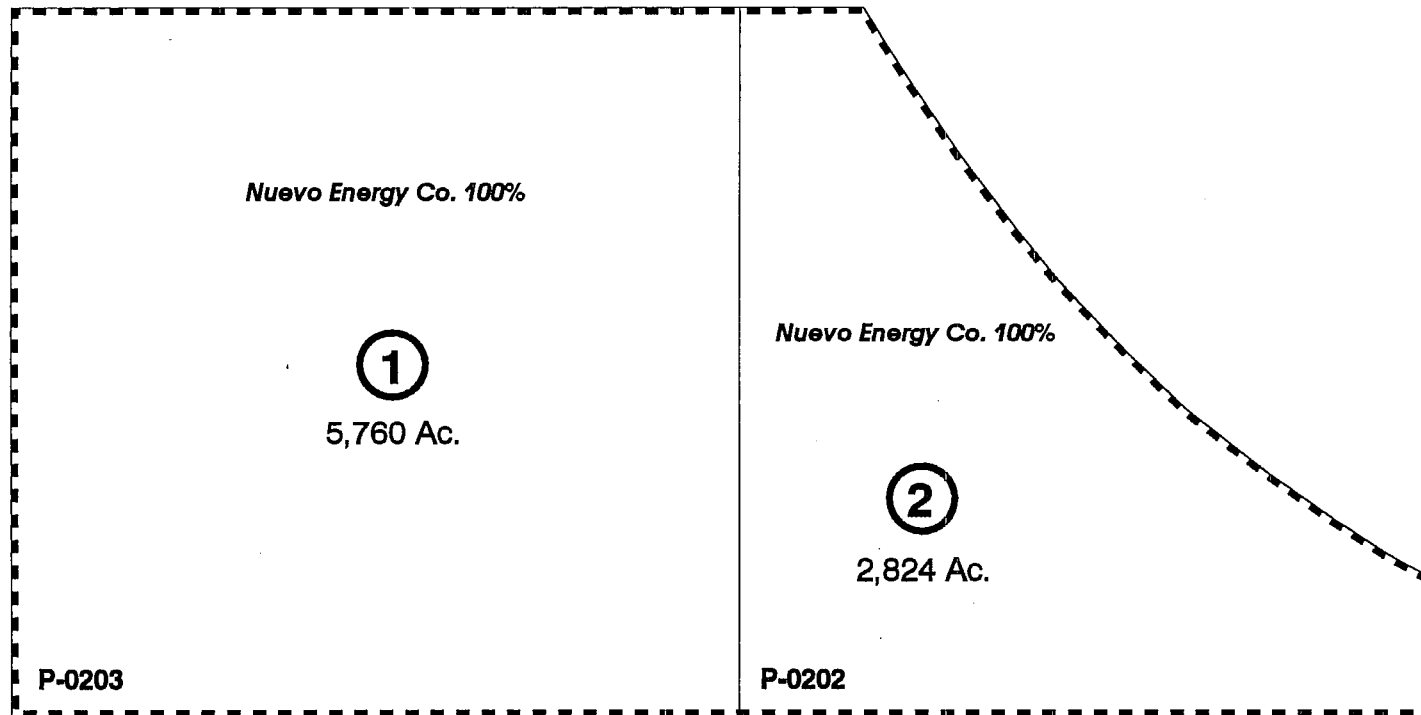
O.C.S. P-0479

- ◆ Continue feasibility evaluation for heavy oil development opportunities in Hueneme and Monterey formations.

EXHIBIT "A"

HUENEME UNIT OPERATING AGREEMENT

Outer Continental Shelf, California
Ownership of Oil and Gas Interests



----- Unit Boundary

① Tract Number

1 MILE



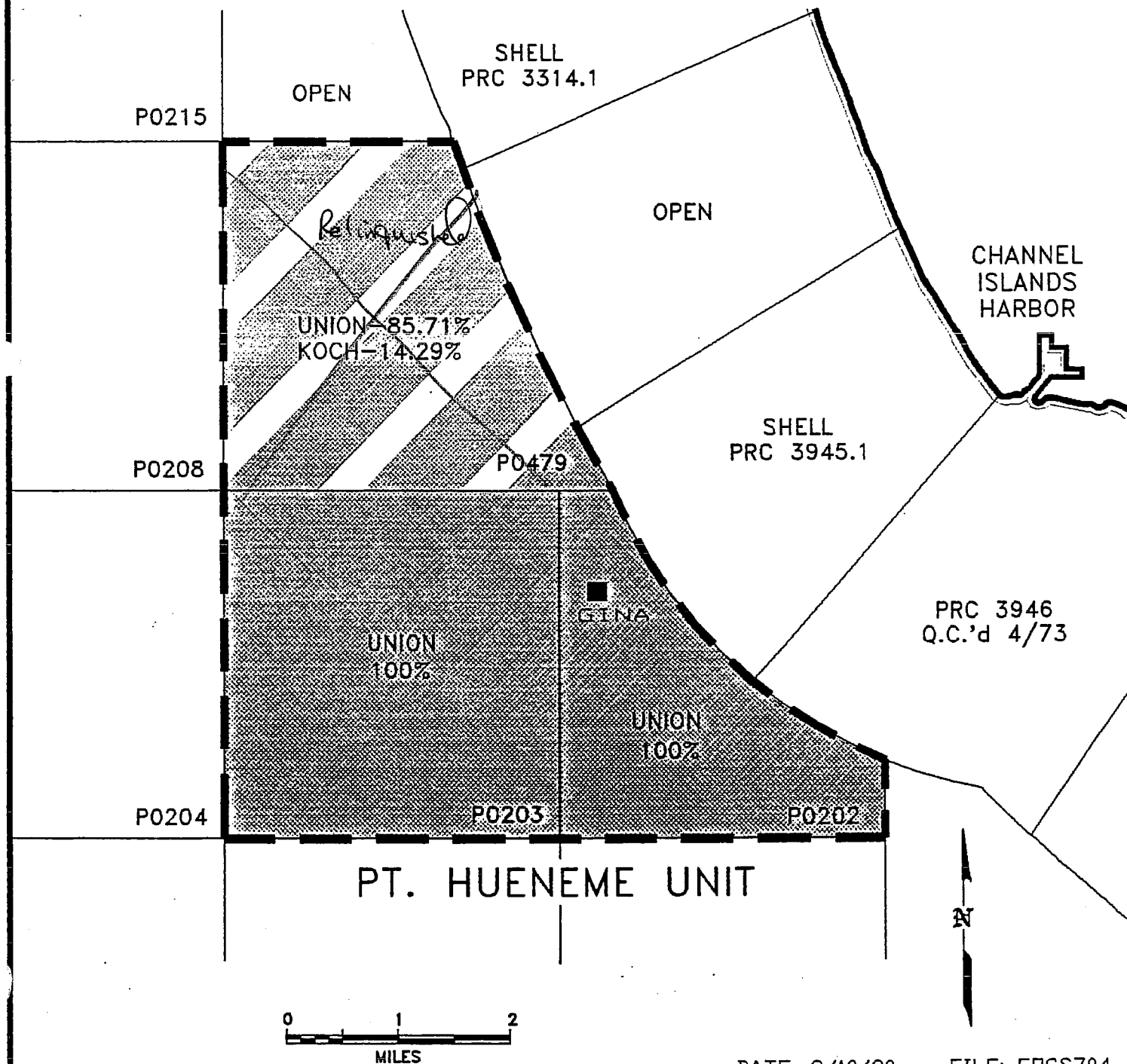
EXHIBIT "A"

(REVISED)

TO

POINT HUENEME UNIT

AGREEMENT



DATE: 9/10/90

FILE: FD05704

REVISED
EXHIBIT "B"
TO
POINT HUENEME UNIT AGREEMENT
OUTER CONTINENTAL SHELF, CALIFORNIA
Ownership of Oil and Gas Interests

Tract Number	Description of Land	Number of Acres	Lease Serial Number	Basic Royalty Ownership	Lessee Interests	ORR and Net Profits
1	All Blocks 47N-58W 47N-59W OCS Leasing Map, Channel Islands Area Map No. 6B	5,063.61	OCS P-0479	USA 16-2/3	Union Oil Company of California 85.71% Koch Exploration Company 14.29%	.00349892 ←
2	All Block 46N-59W OCS Leasing Map, Channel Islands Area Map. No. 6B	5,760	OCS P-0203	USA 16-2/3	Union Oil Company of California 100%	None
3	All Block 46N-58W Channel Islands Area Map No. 6B	2,824	OCS P-0202	USA 16-2/3	Union Oil Company of California 100%	None
TOTAL		<u>8,584</u> 13,647.61				

Relinquished
3/1/93

7200

July 19, 1991

Mr. Lee Bafalon
Chevron U.S.A. Inc.
P.O. Box 6917
Ventura, CA 93006

Re: Revised Exhibits "A" and "B"
Santa Clara Unit Agreement
Leases OCS-P 0204, 0205, 0208,
0209, 0215, 0216 and 0217
Santa Barbara Channel
Offshore California

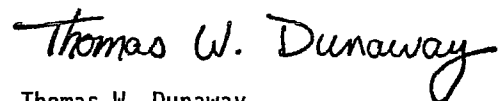
Dear Mr. Bafalon:

Reference is made to your letter dated May 31, 1991 requesting Minerals Management Service (MMS) approval of revised Exhibits "A" and "B" to the Santa Clara Unit Agreement. The above documents were submitted in accordance with Article 3 of the Santa Clara Unit Agreement, specifically in regard to the November 1, 1990 assignments from Exxon Corporation to Chevron U.S.A. Inc. of title interests for Leases OCS-P 0204, 0205, 0208, and 0209, and the automatic contraction of the Santa Clara Unit.

Pursuant to Article 3 of the Santa Clara Unit Agreement, the submitted revised Exhibits "A" and "B" to the Santa Clara Unit Agreement are hereby approved. These documents will be attached to and made part of the Santa Clara Unit Agreement. A copy of the approved Exhibits "A" and "B" to the Santa Clara Unit Agreement is enclosed.

If you have any questions, please contact Ms. Joan Roberts at (805) 389-7556.

Sincerely,



Thomas W. Dunaway
Regional Supervisor
Office of Field Operations

Enclosures

bcc: Minerals Management Service (w/encl.)
Fiscal Accounting Division
Reference Data Branch
P.O. Box 25165
Denver, CO 80225

File: 1703-02a.(1) Santa Clara Unit - Gen. Corresp. (w/encl.)
✓1703-02a.(1) Santa Clara Unit Agreement (w/encl.)
1101-02a.(2) Leases OCS-P 0204, 0205, 0208, 0209, 0215 , 0216 and
0217 (w/o encl.)

RD (w/o encl.)
Chron (w/o encl.)
DS, Camarillo (w/encl.)
RS, OL&E (attn: Ann Copsey) (w/orig.)
Chief, P&O (w/o encl.)
Chief, P&D (w/encl.)

OFO: MLee/bh:wp51:ltr:ASCCHEV.ML/07-16-91



Chevron U.S.A. Inc.
646 County Square Drive, Ventura, California
Mail Address: P.O. Box 6917, Ventura, CA 93006

File 1703-62a(1)
Santa Clara Unit -
Gen. Corresp.

Noted - Dunaway

Land Department
Ventura District

May 31, 1991

Revised Exhibits "A" and "B"
Santa Clara Unit Agreement
Santa Barbara Channel
Offshore California

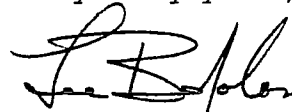
Minerals Management Service
Pacific OCS Region
770 Paseo Camarillo
Camarillo, CA 93010
Attention: Mr. Thomas W. Dunaway
Supervisor, Field Operations

Gentlemen:

Enclosed are four copies each of revised Exhibits "A" and "B" to the Santa Clara Unit Agreement, submitted for your approval. The revised exhibits reflect changes in the unit effected by 1) the automatic contraction of the unit on July 25, 1990, as determined in your letters of August 6, 1990 and May 22, 1991; and 2) the assignments of November 1, 1990 from Exxon to Chevron of title interests in Leases OCS-P 0204, 0205, 0208 and 0209.

If you have any questions, please call me at (805) 658-4345.

Very truly yours,


Lee Bafalon

LB:s:scuexab.2
Enclosures

cc: Mr. Hugh Herndon, Unocal w/encl.



SCHULLY, ROBERTS, SLATTERY & JAUBERT

A PROFESSIONAL LAW CORPORATION

ENERGY CENTRE

1100 POYDRAS STREET, SUITE 1800

NEW ORLEANS, LOUISIANA 70163

TELEPHONE (504) 585-7800

TELEFAX (504) 585-7890

EMAIL: srsj96@aol.com

O. FOERSTER SCHULLY III
F. NEELIS ROBERTS
GERALD F. SLATTERY, JR.
LISA S. JAUBERT
WILLIAM C. WALLACE
ANTHONY C. MARINO
STEPHEN A. LANDRY
ANDREW R. THOMAS
PAUL J. GOODWINE
JANET H. ASCHAFFENBURG

April 28, 1997

VIA FEDERAL EXPRESS

Mr. Allan Shareghi
Minerals Management Service
770 Paseo Camarillo
Camarillo, California 93010

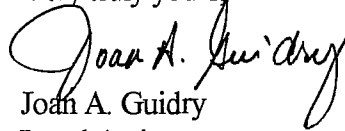
Re: Revised Exhibit A to Unit Agreement
and Unit Operating Agreement for the Pitas
Point and Hueneme Units
Our File No. 5934.0986

Dear Allan:

As per our telephone conversation, enclosed please find revised Exhibit A to the Unit Agreement and Unit Operating Agreement for the Pitas Point and. Hueneme Units.

If you have any questions regarding the above, please contact me at (504)-585-7800.

Very truly yours,



Joan A. Guidry
Legal Assistant

Enclosures:

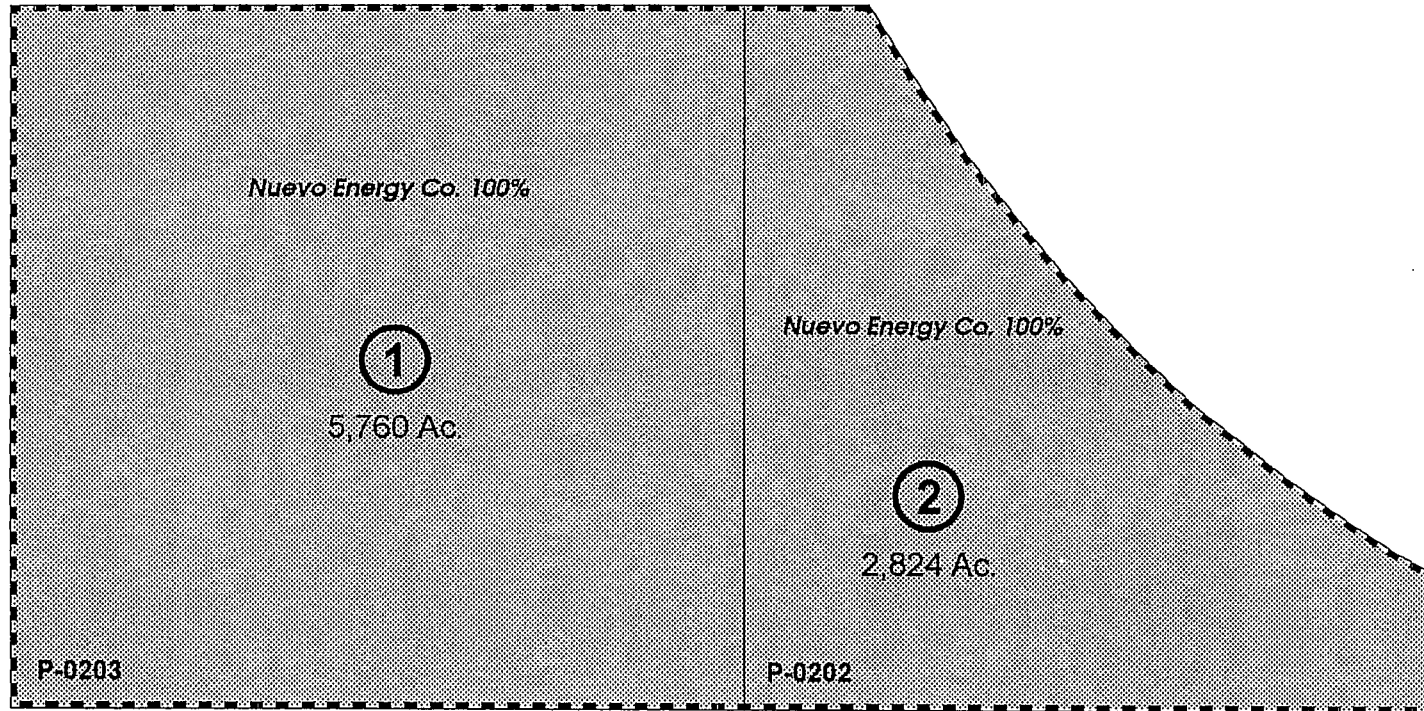
cc: Anthony C. Marino (w/enclosures)



EXHIBIT "A"

HUENEME UNIT AGREEMENT

Outer Continental Shelf, California
Ownership of Oil and Gas Interests



----- Unit Boundary

① Tract Number

1 MILE



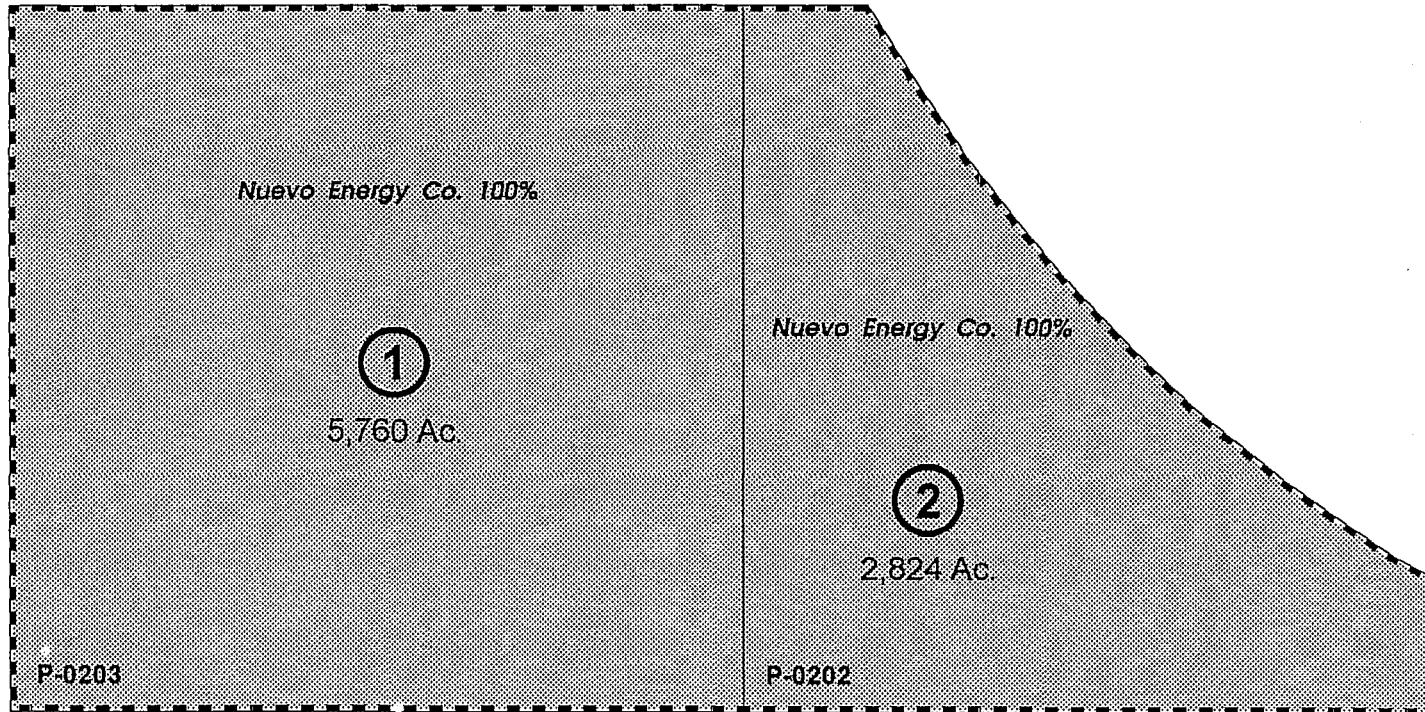
REVISED DATE
March 1, 1987

NUEVO
ENERGY COMPANY

EXHIBIT "A"

HUENEME UNIT OPERATING AGREEMENT

Outer Continental Shelf, California
Ownership of Oil and Gas Interests



----- Unit Boundary

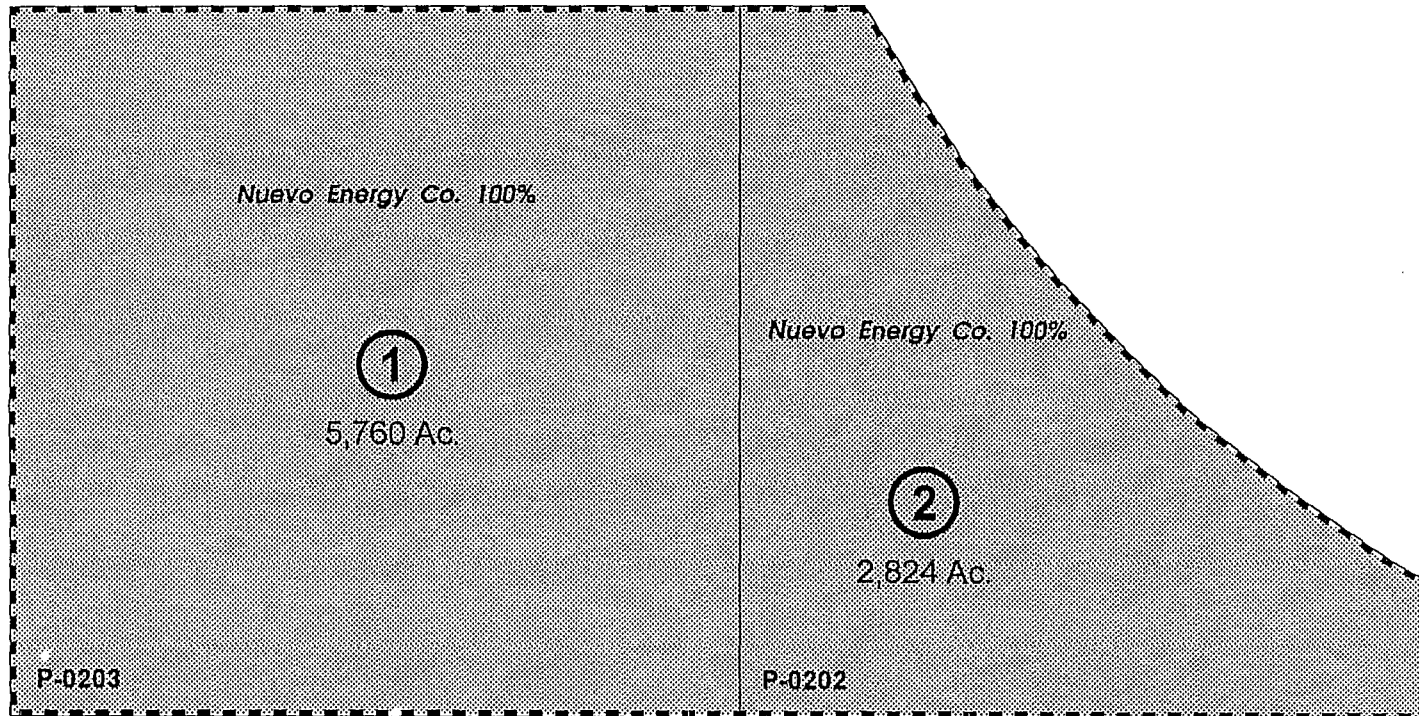
① Tract Number

1 MILE

EXHIBIT "A"

HUENEME UNIT OPERATING AGREEMENT

Outer Continental Shelf, California
Ownership of Oil and Gas Interests



----- Unit Boundary

① Tract Number

1 MILE





Oil and Gas Operations
Coastal California

March 31, 1996

Minerals Management Service
Pacific OCS Region
770 Paseo Camarillo
Camarillo, California 93010

Attention: Mr. Thomas W. Dunaway
Office of Operations,
Development & Safety

Re: Hueneme Unit, Offshore California - Notice of
Resignation of Unit Operator and Designation of Successor
Unit Operator

Dear Mr. Dunaway:

Under the terms and conditions of the Unit Operating Agreement for the Hueneme Unit this letter is to notify you that Union Oil Company of California hereby resigns as the Unit Operator of the Hueneme Unit. Simultaneously herewith, the working interest owners hereby designate Torch Operating Company as the Successor Unit Operator in accordance with Article VI of the Unit Agreement. Nuevo Energy Company is the successor in title to the interest of Union Oil Company of California in this unit.

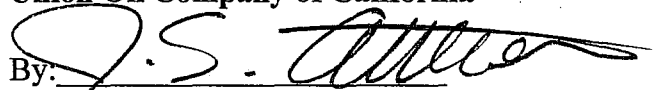
Please find enclosed four (4) original documents evidencing the acceptance of the rights and obligations by Torch Operating Company as Unit Operator.

Minerals Management Service
Attention: Mr. Thomas W. Dunaway
March 31, 1996
Page 2

The resignation of Union Oil Company of California as Unit Operator and the designation of Torch Operating Company as Successor Unit Operator is to be effective upon the approval of the Regional Director, Pacific OCS Region, Minerals Management Service.

Very truly yours,

Union Oil Company of California

By: 

Name: J.S. Attebery

Title: Attorney in Fact

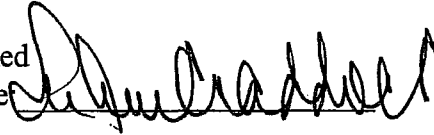
c:/joan/closing/resihuen.doc

**ACCEPTANCE OF RIGHTS AND OBLIGATIONS
OF THE UNIT OPERATOR**

TORCH OPERATING COMPANY, a Texas corporation, hereby accepts and assumes all rights and obligations as unit operator under the Hueneme Unit Agreement, Channel Islands Area, Offshore California, effective October 1, 1995 at 7:00 a.m. (Pacific Time)

Dated: April 1, 1996

Authorized
Signature

A handwritten signature in black ink, appearing to read "Sue Ann Craddock", written over a horizontal line.

Name: Sue Ann Craddock

Title: Vice President

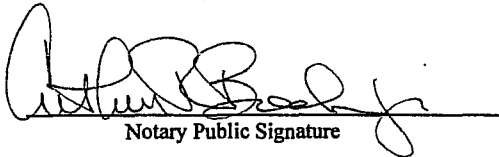
Corporation: Torch Operating Company

**CALIFORNIA
ALL-PURPOSE
ACKNOWLEDGEMENT**

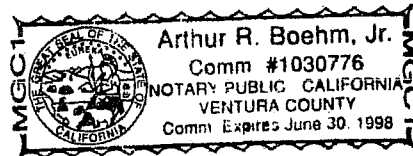
STATE OF CALIFORNIA
COUNTY OF Ventura

On the 1st day of April, 1996 before me, **Arthur R. Boehm, Jr., NOTARY PUBLIC**
personally appeared, **Sue Ann Craddock, Vice President, Torch Operating Company**
personally known to me (or proved to me on the basis of satisfactory evidence) to be the
person whose name is subscribed to the within instrument and acknowledged to me that
she executed the same in her authorized capacity, and that by her signature on the
instrument the person, or the entity upon behalf of which the person acted, executed the
instrument.

WITNESS my hand and official seal.


Notary Public Signature

(SEAL)



RATIFICATION AND JOINDER OF UNIT OPERATING AGREEMENT

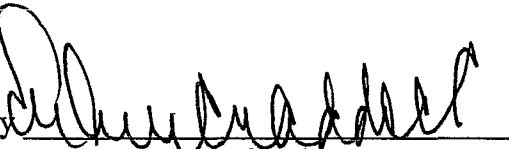
In consideration of the execution of the Unit Operating Agreement for Outer Continental Shelf Exploration, Development, and Production Operations on the Hueneme Unit, Channel Islands Area, Offshore, California, effective May 16, 1988, in a form approved on behalf of the Secretary of the Interior, the 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 1st day of April, 1996

NUEVO ENERGY COMPANY

By 
Sue Ann Craddock
Vice President

RATIFICATION AND JOINDER OF UNIT AGREEMENT

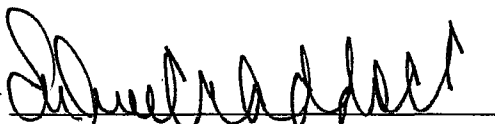
In consideration of the execution of the Unit Agreement for Outer Continental Shelf Exploration, Development, and Production Operations on the Hueneme Unit, Channel Islands Area, Offshore, California, effective February 29, 1988, in a form approved on behalf of the Secretary of the Interior, the undersigned 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 1st day of April, 1996.

NUEVO ENERGY COMPANY

By 
Sue Ann Craddock
Vice President

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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: Hueneme
Unit Agreement No.: 488001
Regional Office: Pacific OCS Region

and hereby designates

Name: Torch Operating Company
Address: 1221 Lamar, Suite 1600
Houston, Texas 77010

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.

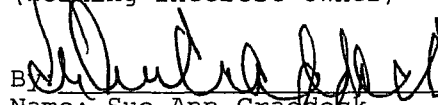
It is understood that this designation of operator does not relieve the working interest owner of responsibility for compliance with the terms of the Unit Agreement, laws, and regulations applicable to the area. It is also understood that this designation of operator does not constitute an assignment 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.

April 9, 1996
(Date)

Nuevo Energy Company
(Working Interest Owner)



By _____
Name: Sue Ann Craddock
Title: 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: Hueneme
Unit Agreement No.: 488001
Regional Office: Pacific OCS Region

and hereby designates

Name: Torch Operating Company
Address: 1221 Lamar, Suite 1600
Houston, Texas 77010

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.

April 9, 1996
(Date)

Union Oil Company of California
(Working Interest Owner)

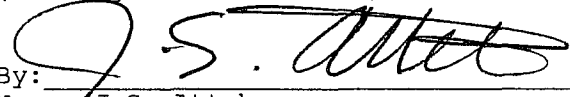
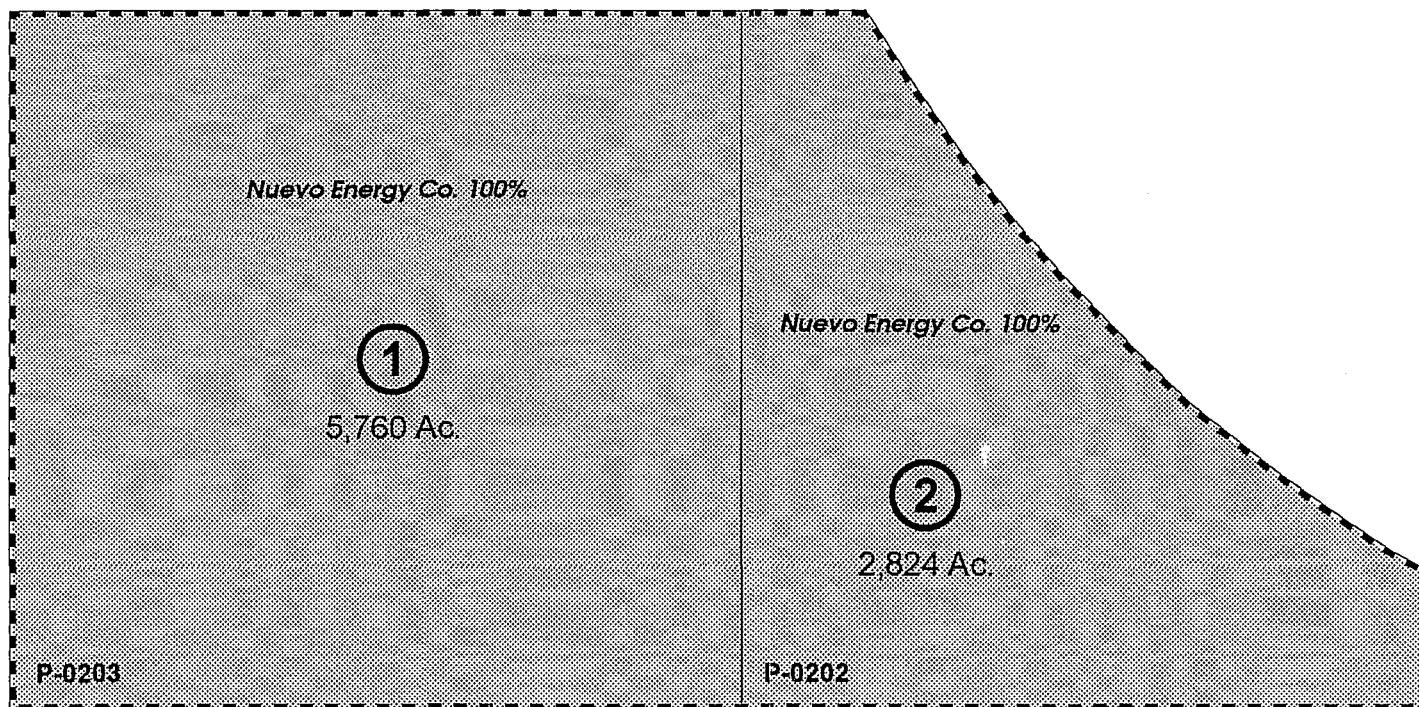
By: 
Name: J.S. Attebery
Title: Attorney in Fact

EXHIBIT "A"

HUENEME UNIT AGREEMENT

Outer Continental Shelf, California
Ownership of Oil and Gas Interests



----- Unit Boundary

① Tract Number

1 MILE



REVISED DATE
MARCH 31, 1996

NUEVO
ENERGY COMPANY

REVISED
EXHIBIT "B"
Point Hueneme Unit Agreement

Outer Continental Shelf, California
Ownership of Oil and Gas Interests

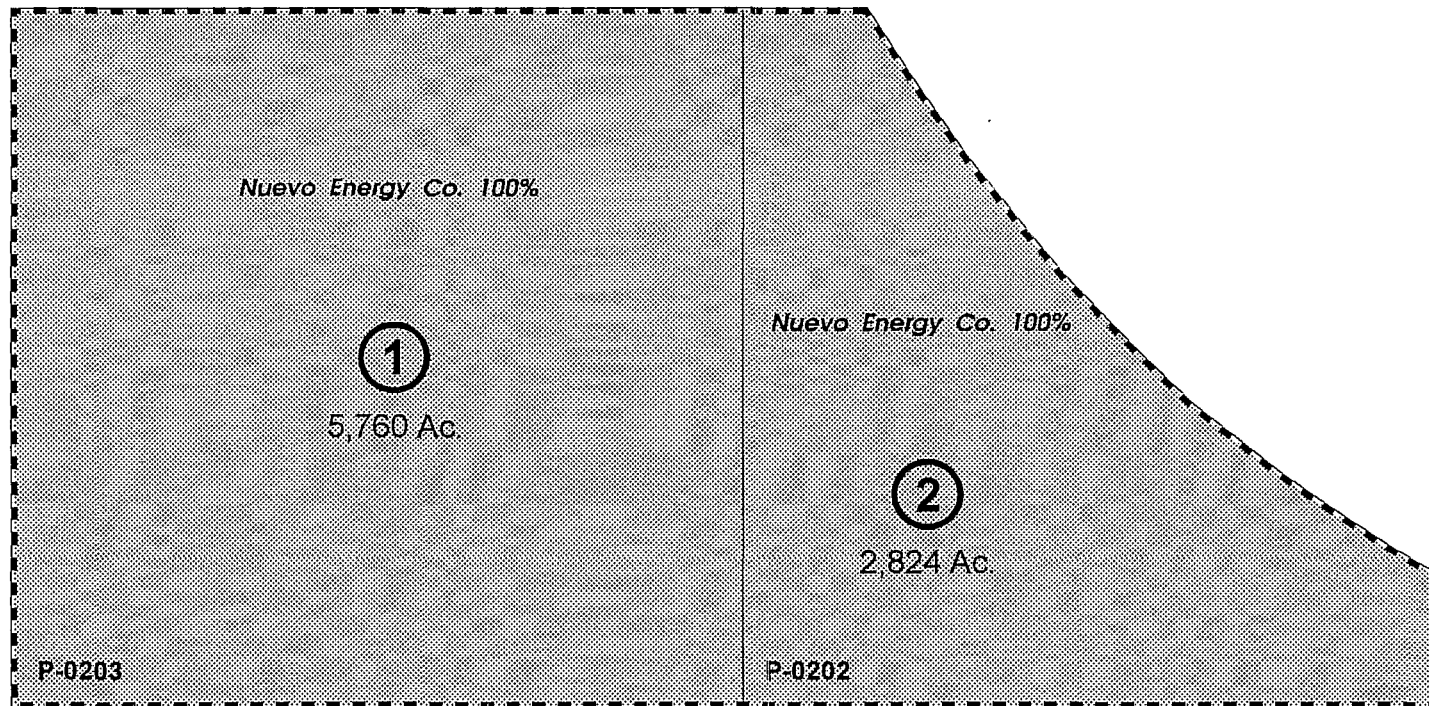
<u>Tract Number</u>	<u>Description of Land</u>	<u>Number of Acres</u>	<u>Lease Serial Number</u>	<u>Basic Royalty Ownership</u>	<u>Lessee Interests</u>		<u>ORR and Net Profits</u>
1	All Block 46N-59W OCS Leasing Map, Channel Islands Area Map. No. 6B	5,760	OCS-P 0203	USA 16-2/3	Nuevo Energy Company	100%	None
2	All Block 46N-58W Channel Islands Area Map No. 6B	<u>2,824</u>	OCS-P 0202	USA 16-2/3	Nuevo Energy Company	100%	None
TOTAL		8,584.00					

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EXHIBIT "A"

HUENEME UNIT OPERATING AGREEMENT

Outer Continental Shelf, California
Ownership of Oil and Gas Interests



----- Unit Boundary

① Tract Number

1 MILE



REVISED
EXHIBIT "B"
Point Hueneme 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	All Block 46N-59W OCS Leasing Map, Channel Islands Area Map. No. 6B	5,760	OCS-P 0203	USA 16-2/3	Nuevo Energy Company	100%	None
2	All Block 46N-58W Channel Islands Area Map No. 6B	<u>2,824</u>	OCS-P 0202	USA 16-2/3	Nuevo Energy Company	100%	None
TOTAL		8,584.00					

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United States Department of the Interior

MINERALS MANAGEMENT SERVICE
Pacific OCS Region
770 Paseo Camarillo
Camarillo, California 93010-6064

7100

November 8, 2004

Mr. Robert E. Huguenard, Vice President
Western Business Unit
Plains Exploration & Production Company
201 S. Broadway
Orcutt, CA 93455-4606

Re: Acceptance of Resignation of Unit Operator
Designation of Successor Unit Operator
Point Hueneme Unit, 488001
Leases OCS-P 0202 and 0203
Offshore California

Dear Mr. Huguenard:

The Minerals Management Service received Plains Exploration & Production Company's (PXP) letters of October 8, 2004, and the supporting documentation wherein, in accordance with Article V of the Point Hueneme Unit Agreement, Nuevo Energy Company resigned as operator of the Point Hueneme Unit. Simultaneously, under the terms and conditions of Article VI of the Point Hueneme Unit Agreement, PXP submitted to MMS appropriate documents, and has met all of MMS's regulatory requirements to become the successor unit operator of the Point Hueneme Unit (see enclosure).

In accordance with the terms of Article VI of the Point Hueneme Unit Agreement, MMS hereby approves Plains Exploration & Production Company as successor Unit Operator. MMS hereby accepts Nuevo Energy Company's resignation as Point Hueneme Unit Operator. Documents designating PXP as the Unit Operator have been signed and ratified by the current unit working interest owner. The current working interest owner has also provided ratifications of the Point Hueneme Unit Agreement and Unit Operating Agreement.

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IN AMERICA 

Copies of the approved unit operator documents will be attached to and made a part of the Point Hueneme Unit Agreement and Unit Operating Agreement. Resignation of Nuevo Energy Company as Unit Operator of Point Hueneme Unit and designation of PXP as successor Unit Operator for the subject unit is effective November 8, 2004.

If you have any questions, please contact Mr. Allan Shareghi at (805) 389-7704.

Sincerely,

A handwritten signature in black ink that reads "Joan Barminski". The signature is fluid and cursive, with the first name "Joan" being more prominent than the last name "Barminski".

Joan Barminski
Chief, Office of Reservoir Evaluation and
Production

- cc: Mr. Anthony C. Marino (w/copies)
Schully, Roberts, Slattery, Jaubert & Marino
1100 Poydras Street, Suite 1800
New Orleans, Louisiana 70163
- cc: Mr. Steve Rusch
Plains Exploration & Production Company
5640 South Fairfax Avenue
Los Angeles, CA 90056
- Ms. Wendy Krebs (w/copies docs.)
Minerals Management Service/MRM
MS 375B1, Room A-614, Document Processing
Building 85, Denver Federal Center
Denver, CO 80225

Bcc: Files: 1703-02(a)(1) Point Hueneme Unit - General Corresp. (w/orig docs.)
1703-02(a)(1) Point Hueneme Unit Agreement (w/orig. docs.)
1703-02(a)(1) Point Hueneme Unit Operating Agreement (w/copy. docs.)

Chron (w/o copies.)

Ecc: DRM (w/o copies.)
C/DO (w/ocopies)
C/EE (w/o copies)
C/FSE (w/o copies)
C/REP (w/o-copies)
A. Shareghi (w/copies)
E. Williams (w/o copies)

OREP:EAS DesPXP pt. Hueneme word doc 11-3-04



United States Department of the Interior

MINERALS MANAGEMENT SERVICE

Pacific OCS Region
770 Paseo Camarillo
Camarillo, California 93010-6064

7100

March 22, 2005

Mr. Andrew L. Prestridge, Vice President
Dos Cuadras Offshore Resources, LLC
Suite 750
8750 N. Central Expressway
Dallas, Texas 775231

Re: Acceptance of Resignation of Unit Operator
Designation of Successor Unit Operator
Point Hueneme Unit, 488001
Leases OCS-P 0202 and 0203
Offshore California

Dear Mr. Prestridge:

The Minerals Management Service received Plains Exploration & Production Company's (PXP) letter of December 20, 2004, and the supporting documentation wherein, in accordance with Article V of the Point Hueneme Unit Agreement, PXP resigned as operator of the Point Hueneme Unit. Simultaneously, under the terms and conditions of Article VI of the Point Hueneme Unit Agreement, Dos Cuadras Offshore Resources, LLC ("DCOR") submitted to MMS appropriate documents, and has met all of MMS's regulatory requirements to become the successor unit operator of the Point Hueneme Unit.

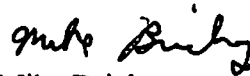
In accordance with the terms of Article VI of the Point Hueneme Unit Agreement, MMS hereby approves DCOR as successor Unit Operator. MMS hereby accepts PXP's resignation as Point Hueneme Unit Operator. Documents designating DCOR as the Unit Operator have been signed and ratified by the current unit working interest owner. The current working interest owner has also provided ratifications of the Point Hueneme Unit Agreement and Unit Operating Agreement.



Copies of the approved unit operator documents will be attached to and made a part of the Point Hueneme Unit Agreement and Unit Operating Agreement. Resignation of PXP as Unit Operator of Point Hueneme Unit and designation of DCOR as successor Unit Operator for the subject unit is effective March 22, 2005.

If you have any questions, please contact Mr. Allan Shareghi at (805) 389-7704.

Sincerely,



Mike Brickey
Acting Chief, Office of Reservoir
Evaluation and Production

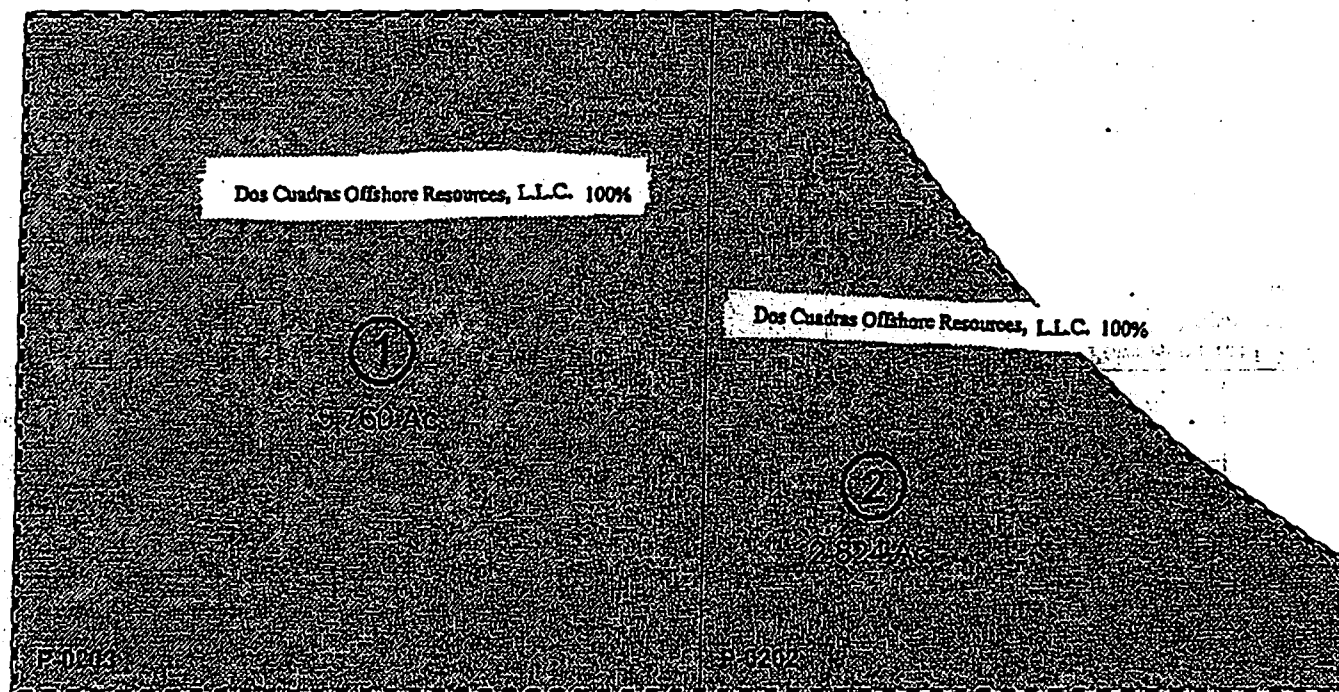
cc: Mr. Steve Rusch
Plains Exploration & Production Company
5640 South Fairfax Avenue
Los Angeles, CA 90056

Ms. Wendy Campbell (w/copies docs.)
Minerals Management Service/MRM
MS 375B1, Room A-614, Document Processing
Building 85, Denver Federal Center
Denver, CO 80225

EXHIBIT "A"

HUENEME UNIT OPERATING AGREEMENT

Outer Continental Shelf, California
Ownership of Oil and Gas Interests



----- Unit Boundary

① Tract Number

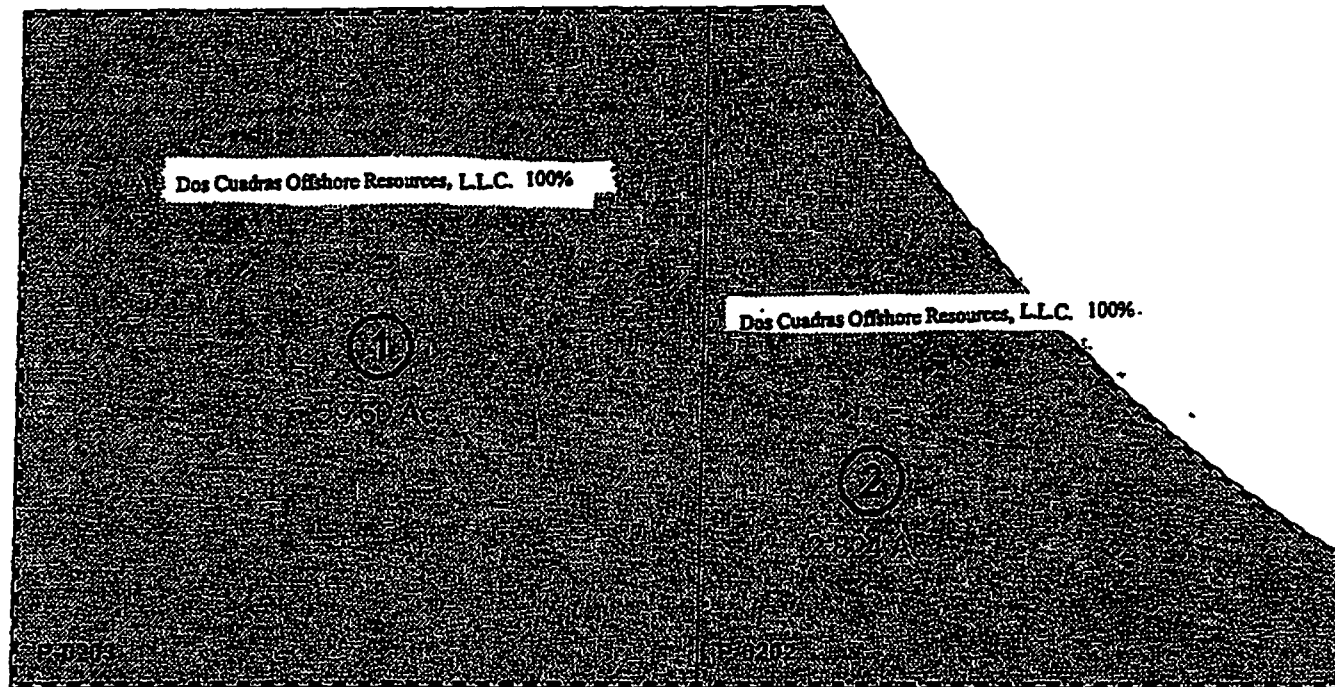
1 MILE

REVISED DATE: MARCH 2, 2005
EFFECTIVE DATE: DECEMBER 1, 2004

EXHIBIT "A"

HUENEME UNIT AGREEMENT

Outer Continental Shelf, California
Ownership of Oil and Gas Interests



----- Unit Boundary

① Tract Number

1 MILE

REVISED DATE: MARCH 2, 2005
EFFECTIVE DATE: DECEMBER 1, 2004

**REVISED
EXHIBIT "B"
TO
POINT HUENEME UNIT AGREEMENT
OUTER CONTINENTAL SHELF, CALIFORNIA**

OWNERSHIP OF OIL AND GAS LEASE INTERESTS

Tract No.	Description of Lands in the Unit Area	Number of Acres	U.S.A. Lease Serial Number	Basic Royalty Ownership	Lessees of Record	Lessee Interests	ORR & Net Profits
1	All Block 46N-59W OCS Leasing Map, Channel Islands Area Map No. 6B	5,760	OCS-P 0203	USA 16 2/3	Dos Cuadras Offshore Resources, L.L.C.	100%	None
2	All Block 46N-58W Channel Islands Area Map No. 6B	2,824	OCS-P 0202	USA 16 2/3	Dos Cuadras Offshore Resources, L.L.C.	100%	None
	Total	8,584.00					

Point Hueneme Unit Agreement
Effective Date: December 1, 2004
Revised Date: March 2, 2005

**REVISED
EXHIBIT "B"
TO
POINT HUENEME UNIT OPERATING AGREEMENT
OUTER CONTINENTAL SHELF, CALIFORNIA**

OWNERSHIP OF OIL AND GAS LEASE INTERESTS

Tract No.	Description of Lands in the Unit Area	Number of Acres	U.S.A. Lease Serial Number	Basic Royalty Ownership	Lessees of Record	Lessee Interests	ORR & Net Profits
1	All Block 46N-59W OCS Leasing Map, Channel Islands Area Map No. 6B	5,760	OCS-P-0203	USA-16/2/3	Dos Cuadras Offshore Resources, LLC	100%	None
2	All Block 46N-58W Channel Islands Area Map No. 6B	2,824	OCS-P-0202	USA-16/2/3	Dos Cuadras Offshore Resources, LLC	100%	None
	Total	8,584.00					

Point Hueneme Unit Operating Agreement
Effective Date: December 1, 2004
Revised Date: March 2, 2005

**REVISED
EXHIBIT "B"
TO
POINT HUENEME UNIT AGREEMENT
OUTER CONTINENTAL SHELF, CALIFORNIA**

OWNERSHIP OF OIL AND GAS LEASE INTERESTS

Tract No.	Description of Lands in the Unit Area	Number of Acres	U.S.A. Lease Serial Number	Basic Royalty Ownership	Lessees of Record	Lessee Interests	ORR & Net Profits
1	All Block 46N-59W OCS Leasing Map, Channel Islands Area Map No. 6B	5,760	OCS-P-0203	USA 16-2/3	Dos Cuadras Offshore Resources, L.L.C.	100%	None
2	All Block 46N-58W Channel Islands Area Map No. 6B	2,824	OCS-P-0202	USA 16-2/3	Dos Cuadras Offshore Resources, L.L.C.	100%	None
	Total	8,584.00					

Point Hueneme Unit Agreement
Effective Date: December 1, 2004
Revised Date: March 2, 2005