



UNIT AGREEMENT FOR THE DEVELOPMENT AND
OPERATION OF THE SANTA CLARA UNIT AREA
CHANNEL ISLANDS AREA

CULIER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

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14-08-0001-12369

UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE
SANTA CLARA UNIT AREA
CHANNEL ISLANDS AREA
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

THIS AGREEMENT, entered into as of the 15th day of March,
19 73, by and between the parties subscribing, ratifying, or consenting
hereto, and herein referred to as the "parties hereto",

WITNESSETH:

WHEREAS, the parties hereto are the owners of working or other
interests in or pursuant to oil and gas leases on the Unitized Lands
which are the subject of this Agreement; and

WHEREAS, the Outer Continental Shelf Lands Act of August 7, 1953,
67 Stat. 462; 43 U.S.C. 1331 et seq., hereinafter referred to as the "Act",
authorizes the Secretary of the Interior, in the interest of conservation,
to provide for unitization, pooling, and drilling agreements; and

WHEREAS, the parties hereto hold sufficient interest in oil and
gas leases covering the submerged lands hereinafter described to effectively
control operations thereunder; and

WHEREAS, it is deemed to be in the interest of conservation to
unitize oil and gas interests in the Unit Area under the provisions of
Section 5(a)(1) of the Act so as to conserve the natural resource, prevent
waste, and reduce to a minimum the structures and facilities necessary to
discover and develop oil and gas capable of being produced in paying
quantities;

NOW, THEREFORE, in consideration of the premises and promises
herein contained, the parties hereto commit to this Agreement their
respective interests in the below-defined Unit Area and agree among them-
selves as follows:

ARTICLE I

ENABLING ACT AND REGULATIONS

1.1 The Act and all valid and pertinent regulations promulgated by the Secretary of the Interior thereunder in existence upon the effective date of this Agreement shall be deemed incorporated herein and made a part of this Agreement. All valid and pertinent regulations hereafter issued by the Secretary pursuant to his authority under Section 5(a)(1) of the Act to prescribe and amend at any time such rules and regulations as he may determine to be necessary and proper in order to provide for the prevention of waste and for the conservation of the natural resources of the Outer Continental Shelf, and for the protection of correlative rights therein, shall be deemed incorporated herein and, by reference, made a part hereof when promulgated.

ARTICLE II

DEFINITIONS

2.1 For the purpose of this Agreement, the following terms and expressions as used herein shall mean:

(a) Unit Area: The submerged lands described in this Agreement, and recognized as logically subject to consolidated exploration, development, and operations for the production of oil and gas without regard to separate leasehold ownerships.

(b) Director: The Director of the United States Geological Survey.

(c) Secretary: The Secretary of the Interior of the United States of America, or any person duly authorized to exercise the powers vested in the Secretary of the Interior.

(d) Department: The Department of the Interior of the United States of America.

(e) Supervisor: The Oil and Gas Supervisor of the United States Geological Survey having jurisdiction over oil and gas operations in the area being unitized.

(f) Unitized land: The submerged lands in the Unit Area which are committed to this Agreement, and are subject to leases which provide for exploration, development, and production of oil and gas and which were awarded by the Department to the parties hereto.

(g) Unitized Substances: All deposits of oil and gas within any and all formations of the Unitized Land, and recovered or produced by operations under and pursuant to this Agreement.

(h) Participating Area: That part of the Unitized Lands which is determined to be capable of producing oil and gas in paying quantities from the horizon or deposit for which the Participating Area is established and to which Unitized Substances produced hereunder will be allocated in the manner described in Article XIII of this Agreement.

(i) Working Interest: The interest held in Unitized Land by virtue of an oil and gas lease, operating agreement, or other contractual arrangement under which, except as otherwise provided in this Agreement, the owner of such interest is vested with the right or authority to explore for, develop, and produce oil and gas. The right delegated to the Unit Operator as such by this Agreement is not to be regarded as a Working Interest.

(j) Working Interest Owner: The owner of a Working Interest. The term working Interest Owner, when used herein, shall include the Unit Operator when such an interest is owned by it.

(k) Tract: A parcel of land given a "Tract Number" and described as a separate Tract in Exhibit B.

(l) Unit Operator: The person, association, partnership, corporation, or other business entity designated in this Agreement or in a designation of Successor Unit Operator to explore for and develop the oil and gas resources and to conduct operations for the production of Unitized Substances as specified in the Unit Operating Agreement.

(m) Unit Operating Agreement: Any agreement or agreements (whether one or more) entered into (separately or collectively) by and between the Unit Operator and the Working Interest Owners as provided in Article VIII of this Agreement for the development and production of oil and gas from the Unitized Land with an allocation of costs and benefits on a basis defined in said Agreement.

(n) Paying Quantities: That quantity of Unitized Substances which would pay a profit to the Unit Operator, if he operated the well and marketed the product.

ARTICLE III

UNIT AREA AND EXHIBITS

3.1 The following described submerged land as shown on the United States Official Leasing Map for the Channel Islands Area, constitute the Unit Area:

<u>LEASE NO.</u>	<u>BLOCK NUMBER</u>	<u>ACREAGE</u>
OCS-P 0204	46N 60W	5,760
OCS-P 0205	46N 61W	5,760
OCS-P 0208	47N 60W	5,760
OCS-P 0209	47N 61W	5,760
OCS-P 0210	47N 62W	5,760
OCS-P 0215	48N 60W	5,760
OCS-P 0216	48N 61W	5,760
OCS-P 0217	48N 62W	5,760
	(TOTAL)	46,080

3.2 Exhibit "A", attached hereto and made a part hereof, is a plat showing the Unit Area, boundaries, and identity of the blocks and leases in said area to the extent known to the Unit Operator.

3.3 Exhibit "B", attached hereto and made a part hereof, is a schedule showing, to the extent known to the Unit Operator, the acreage and percentage of kind of ownership of oil and gas interests in the submerged lands in the Unit Area.

3.4 Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in the Unit Area or changes in the ownership of oil and gas interests render such revision necessary, and four (4) copies shall be filed with the Supervisor.

ARTICLE IV

CONTRACTION AND EXPANSION OF UNIT AREAS

4.1 The Unit Area as described above shall, when practicable, be expanded to include therein any additional submerged lands or shall be contracted to exclude such lands whenever either expansion or contraction is necessary or advisable to conform with the purposes of this Agreement.

4.2 Unless otherwise specified herein, the expansion and/or contraction shall be effected in the following manner:

(a) Unit Operator, on its own motion after preliminary concurrence of the Director or on demand of the Director, shall prepare a notice of proposed expansion and/or contraction describing the contemplated changes in the boundaries of the Unit Area, the reasons therefor, and the proposed effective date thereof, preferably the first day of a month subsequent to the date of notice.

(b) Said notice shall be delivered to the Supervisor, and copies thereof mailed to the last known address of each Working Interest Owner and lessee whose interest is affected, advising that 30 days will be allowed for submission to the Unit Operator of any objections.

(c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the Supervisor evidence of mailing of the notice of expansion and/or contraction and a copy of any objections thereto which have been filed with the Unit Operator, together with an application in sufficient number for approval of the proposed revision of the Unit Area with such joinders and consents as may be appropriate.

(d) Upon approval by the Supervisor, the proposed revision of the Unit Area shall become effective as of the date prescribed in the notice thereof.

4.3 The leases, insofar as they cover any lands which are excluded from the Unit Area under the provisions of this Article IV, may be maintained and continued in force and effect in accordance with the terms, provisions, and conditions contained in the Act, regulations and the lease or leases. Operations and/or production or a suspension of operations and/or production under this Agreement shall not serve to maintain or continue in force or effect the excluded portion of a lease.

ARTICLE V

UNIT OPERATOR

5.1 Standard Oil Company of California, a Delaware Corporation, is hereby designated as Unit Operator, and by signature hereto as Unit Operator agrees and consents to accept the duties and obligations of Unit Operator, for the discovery, development, and production of Unitized Substances as herein provided. Whenever reference is made herein to Unit Operator, such reference

means the Unit Operator acting in that capacity and not as an owner of a Working Interest or other interest in Unitized Substances when such an interest is owned by it.

ARTICLE VI

RESIGNATION OF UNIT OPERATOR

6.1 Unit Operator shall have the right to resign at any time, but such resignation shall not become effective as to release Unit Operator from the duties and obligations of Unit Operator or terminate Unit Operator's rights as such for a period of six (6) months after written notice of intention to resign has been given by Unit Operator to the Working Interest Owners, and the Supervisor, and until all wells are placed in a condition satisfactory to the Supervisor for suspension, or abandonment, unless a successor Unit Operator shall have taken over and assumed the duties and obligations of Unit Operator as provided in Article VII prior to the effective date of such resignation in which instance the resignation shall be effective upon the effective designation of the successor Unit Operator.

6.2 The resignation of Unit Operator shall not release Unit Operator from any liability for any default by it hereunder occurring prior to the effective date of its resignation.

6.3 The Unit Operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by the same percentage vote of the owners of Working Interests as provided in Article VII for the selection of a successor Unit Operator. Such removal shall be effective upon notice thereof to the Supervisor.

6.4 The resignation or removal of Unit Operator under this Agreement shall not terminate its right, title or interest as the owner of a Working Interest or other interest in Unitized Substances, but upon the resignation or removal of Unit Operator becoming effective, possession of all wells, equipment, books and records, materials, appurtenances, and any other assets used in connection with the unit operations shall be delivered to the duly qualified successor Unit Operator to be used for the purpose of conducting operations hereunder.

ARTICLE VII
SUCCESSOR UNIT OPERATOR

7.1 Whenever the Unit Operator shall tender its resignation as Unit Operator or shall be removed as provided in Article VI, a successor Unit Operator may be selected by affirmative vote of the owners of a majority of the Working Interests, based on their respective shares of the acreage subject to this Agreement. Four (4) executed copies of the designation of successor Unit Operator shall be filed with the Supervisor.

Such designation shall not become effective until (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection has been approved by the Supervisor.

7.2 If no successor Unit Operator is selected and qualified as herein provided, the Director, at his election, may declare this Agreement terminated.

ARTICLE VIII
ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT

8.1 Costs and expenses incurred by Unit Operator in conducting operations hereunder shall be paid, apportioned among, and borne by the Working Interest Owners in accordance with the Unit Operating Agreement.

8.2 The Unit Operating Agreement shall also provide the manner in which the Working Interest Owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing from operations hereunder in conformity with their leases and any other underlying operating agreements or contracts and such other rights and obligations between Unit Operator and the Working Interest Owners as may be agreed upon by them.

8.3 Neither the Unit Operating Agreement nor any amendment thereto shall be deemed either to modify any of the terms and conditions of this Agreement or to relieve the Unit Operator of any right, duty, or

obligation established under this Agreement. In case of any inconsistency or conflict between this Agreement and the Unit Operating Agreement, the terms of this Agreement shall prevail.

8.4 Three (3) true copies of a Unit Operating Agreement executed in conjunction with the execution of this Agreement and compatible with the provisions of this Agreement shall be filed with the Supervisor not later than thirty (30) days after the effective date of this Agreement. Three (3) true copies of any amendment to the Unit Operating Agreement shall be filed with the Supervisor prior to the effective date of said amendment.

ARTICLE IX

RIGHTS AND OBLIGATIONS OF UNIT OPERATOR

9.1 Except as otherwise specifically provided herein, and subject to the terms and conditions of an approved Plan of Operations, the exclusive right, privilege, and duty of exercising any and all rights of the parties hereto which are necessary or convenient for exploring for, developing, producing, storing, allocating, and distributing the Unitized Substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided.

Upon request by the Unit Operator, acceptable evidence of any party's title to said rights shall be deposited by that party with said Unit Operator, and together with this Agreement shall constitute and define the rights, privileges and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this Agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

ARTICLE X

PLANS OF OPERATION

10.1 Unit Operator shall submit Plans of Operation for approval by the Supervisor which shall provide for exploration or development or both of the Unitized Land and for the determination of land capable of producing Unitized Substances in paying quantities. Such plans shall include the information required under 30 CFR § 250.34 for exploratory drilling and development plans for a lease and shall be as complete and adequate as the Supervisor determines to be necessary for timely exploration or development or both and to ensure the protection of the environment and the proper conservation of the oil and gas or other natural resources of the Unit Area. When approved by the Supervisor, a Plan of Operation shall constitute the exploratory or development drilling obligations or both of the Unit Operator under this Agreement during the period covered by such Plan.

10.2 The drilling of Unit Operator's Well No. 1 on OCS P-0215, commenced prior to the effective date of this Agreement, shall constitute the first exploratory drilling operations under this Agreement, and no other operation shall be performed under this Agreement prior to the submission of a Plan of Operation as provided herein. Within ninety (90) days after the completion date of said Well No. 1, or such longer period as the Supervisor may approve, Unit Operator shall submit a Plan of Operation for approval by the Supervisor which shall provide for the drilling of an additional exploratory well at a location approved by the Supervisor to a depth no less than 10,000 feet unless at a lesser depth Unitized Substances shall be discovered which may be produced in paying quantities or the Unit Operator shall at any time establish to the satisfaction of the Supervisor that further drilling of said well would be unwarranted or impractical.

Unit Operator shall commence drilling said well not later than six (6) months following the approval of the Plan of Operation. The initial Plan of Operation shall expire not later than six (6) months following the completion of said well.

10.3 When warranted by unforeseen circumstances the Supervisor may grant extension of any or all of the critical dates for the commencement of specific operations prescribed in Plan of Operation

10.4 No exploratory or development drilling operations shall be conducted on the Unitized Lands other than as provided in an approved Plan of Operation. Prior to the expiration of any existing Plan of Operation Unit Operator shall submit for approval by the Supervisor a Plan of Operation proposing further operations on the Unitized Land during the period specified therein.

10.5 Until there is actual production of Unitized Substances, the failure of Unit Operator to timely drill any of the wells provided for in a Plan of Operation approved under this Article X or to timely submit a Plan of Operation for approval by the Supervisor or in any other way to timely comply with the requirements of this Agreement, shall, after notice of default or notice of prospective default to Unit Operator by the Supervisor and after failure of Unit Operator to remedy any actual default within a reasonable time (as determined by the Supervisor), result in automatic termination of this Agreement effective as of the first day of the default.

10.6 Separate Plans of Operation may be submitted for separate productive zones, subject to the approval of the Supervisor. Also subject to the approval of the Supervisor, Plans of Operation shall be modified or supplemented when necessary to meet changed conditions or to protect the interest of the United States or of the parties to this Agreement.

ARTICLE XI

PARTICIPATING AREAS

11.1 Prior to the commencement of production of Unitized Substances, the Unit Operator shall submit for approval by the Supervisor a schedule (or schedules) of all land then regarded as capable of production in paying quantities from the pool (or pools) discovered or developed; all lands in said schedule (or schedules), on approval of the Supervisor, shall constitute a Participating Area (or Areas) effective as of the date such production commences or the effective date of this Agreement, whichever is later. Said schedule (or schedules) shall also set forth the percentage of Unitized Substances to be allocated, as provided in Article XII, to each Tract or portion thereof of Unitized Land in the Participating Area (or Areas) so established and shall govern the allocation of production commencing with the effective date of the controlling Participating Area.

11.2 A separate Participating Area may be established for each separate pool 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, on approval of the Supervisor. The effective date of any Participating Area established after the commencement of actual production of Unitized Substances shall be the first day of the month in which the knowledge or information on which the establishment of that Participating Area is predicated, is obtained.

11.3 Any Participating Area (or Areas) established under Section 11.1 or 11.2 above shall, subject to the approval of the Supervisor, be revised from time to time to include additional lands then regarded as capable of production in paying quantities from the pool for which the Participating Area was established, or to exclude lands then regarded as

not capable of production from the pool or pools for which the Participating Area was established and the schedule (or schedules) of allocation percentages shall be revised accordingly. The effective date of any revision of a Participating Area established under Sections 11.1 or 11.2 shall be the first of the month in which the knowledge or information on which such revision is predicated, is obtained; Provided, however, that a more appropriate effective date may be used if justified by the Unit Operator and approved by the Supervisor.

11.4 No land shall be excluded from a Participating Area on account of depletion of the Unitized Substances, except that any Participating Area established under the provisions of this Article XI shall terminate automatically whenever all operations are abandoned in the pool or pools for which the Participating Area was established.

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

ARTICLE XII

ALLOCATION OF UNITIZED SUBSTANCES

12.1 All Unitized Substances produced from a Participating Area established under this Agreement, except any part thereof used in conformity with good operating practices on Unitized Land for drilling, operating, and other production or development purposes, for repressuring, stimulating production, or increasing ultimate recovery in accordance with a Plan of Operation approved by the Supervisor, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of Unitized Land within the Participating Area established for such production.

12.2 For the purpose of determining the allocation of royalty accruing under this Agreement, each Tract of Unitized Land shall have

Allocated to it such percentage of the production from the Participating Area as the number of acres of the Tract included in said Participating Area bears to the total number of acres of Unitized Land in said Participating Area and the royalty due thereon shall be paid by the Unit Operator.

12.3 Allocation of production hereunder for purposes other than for settlement of the royalty obligations of the respective Working Interest Owners, shall be on the basis prescribed in the Unit Operating Agreement whether in conformity with the basis of allocation set forth above or otherwise.

12.4 The Unitized Substances produced from a Participating Area shall be allocated as provided herein regardless of whether any well or wells are drilled on any particular part or Tract of said Participating Area.

12.5 Gas produced from one Participating Area and used for repressuring, stimulation of production, or increasing ultimate recovery from another Participating Area in conformity with a Plan of Operation approved by the Supervisor, shall be deemed to be the first gas withdrawn for sale from the last-mentioned Participating Area. Until a volume of gas equal to that transferred has been produced and sold, such gas shall be allocated to the Participating Area from which initially produced as such Participating Area is defined at the time of production and sale.

12.6 If gas obtained from lands or formations not subject to this Agreement is introduced into a reservoir which underlies Unitized Land for use in repressuring, stimulation of production, or increasing ultimate recovery, in conformity with a Plan of Operation approved by the Supervisor, a like amount of gas, less appropriate deduction for loss or depletion from any cause, may be withdrawn from that reservoir, royalty free as to dry gas, but not as to the products extracted therefrom; Provided, that such withdrawal shall be performed at such a time as may be set forth in the approved Plan of Operation or as may otherwise be approved by the Supervisor as conforming to good petroleum engineering practice, and pursuant to such conditions and formulas as may be prescribed or approved by the Supervisor; and Provided Further, that such royalty free withdrawal shall terminate upon the termination of this Agreement.

12.7 If natural gasoline, liquid petroleum gas fractions, or other liquid hydrocarbon substance obtained from lands or formations not subject to this Agreement is introduced into a reservoir which underlies Unitized Land, in conformity with a Plan of Operations approved by the Supervisor, a like amount of similar liquid hydrocarbon substance may be withdrawn from that reservoir royalty free; Provided, that such withdrawal shall be at such time as may be set forth in the approved Plan of Operation or as may otherwise be approved by the Supervisor as conforming to good petroleum engineering practice, and pursuant to such conditions and formulas as may be prescribed or approved by the Supervisor; and Provided Further, that such royalty free withdrawal shall terminate upon the termination of this Agreement.

ARTICLE XIII

RELINQUISHMENT OF LEASES

13.1 Pursuant to the provisions of the leases and 43 CFR 3306.1, 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 Supervisor. Upon such relinquishment the Unit Area shall be contracted automatically to exclude the lands relinquished as of the date of relinquishment.

ARTICLE XIV

RENTALS AND MINIMUM ROYALTIES

14.1 Rentals are payable in advance on or before the anniversary date of each lease made subject hereto. Minimum royalties accrue at the beginning of each lease year and are payable on or before the last day of said lease year.

14.2 Beginning with the lease year commencing on or after March 1, 1973, and for each lease year thereafter, rentals and minimum royalty payments shall be made on the following basis:

- (a) An advance annual rental of \$3.00 an acre or fraction thereof, in no event creditable against production royalties, shall be paid for all Unitized Lands which are not within a Participating Area.

(b) A minimum royalty shall accrue at the beginning of each lease year of \$3.00 an acre, or fraction thereof, for all Unitized Lands within a Participating Area as of the beginning of the lease year. If there is production during the lease year, the deficit, if any, between the actual royalty paid and the minimum royalty prescribed herein shall be paid within 30 days following the expiration of the lease year.

ARTICLE XV

AUTOMATIC CONTRACTION OF UNIT AREA

15.1 Each quarter-quarter (1/4 1/4) block of land, no part of which is entitled to be within a Participating Area on the tenth anniversary of the effective date of the initial Participating Area established under this Agreement, shall be eliminated automatically from this Agreement effective as of said tenth anniversary, and such lands shall no longer be a part of the Unit Area and shall no longer be subject to this Agreement unless diligent drilling operations are in progress on Unitized Lands not within a Participating Area on said tenth anniversary, in which event all such lands shall remain subject hereto for as long as such drilling operations are continued diligently with not more than six (6) months time elapsing between the completion of one well and the commencement of the next well.

15.2 Diligent drilling operations shall be deemed to be "in progress on Unitized Lands not entitled to participating" if on said tenth anniversary actual drilling operations are in progress on a well located on land within a Participating Area but approved for completion at a bottom hole location which is outside of a Participating Area, or if Unit Operator has completed an exploratory well drilled during the six (6) months immediately preceding said tenth anniversary on Unitized Lands not entitled to participation, under an approved Plan of Operation, provided drilling operations are commenced on lands not entitled to participating within six (6) months after the completion of said well.

15.3 With prior approval of the Supervisor, a period of time in excess of six (6) months may, when warranted, be allowed to elapse between the completion of one exploratory well and the commencement of the next exploratory well without the automatic elimination of non-participating acreage.

15.4 Unitized Lands found to be capable of production in paying quantities by drilling operations which serve to delay automatic elimination of lands under this Article XV shall be incorporated into a Participating Area (or Areas) in the same manner as such lands would have been incorporated into such areas had such lands been found to be capable of production in paying quantities prior to said tenth anniversary.

15.5 In the event non-participating lands are retained under this Agreement after the tenth anniversary of the initial Participating Area as a result of diligent drilling operations on lands not entitled to participation, each quarter-quarter (1/4 1/4) block of land no part of which is entitled to be within a Participating Area shall be eliminated automatically as of the 181st day, or such later date as may be established by the Supervisor, following the completion of the last exploratory well recognized as delaying such automatic elimination beyond the tenth anniversary of the initial Participating Area established under this Agreement.

15.6 The leases as to any lands excluded from this Agreement in accordance with this Article XV shall automatically terminate as to such eliminated lands as of the date of exclusion.

ARTICLE XVI

LEASES AND CONTRACTS CONFORMED AND EXTENDED

16.1 The terms, conditions, and provisions of all leases, sub-leases, and other contracts relating to exploration, drilling, development, or 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.

16.2 The Supervisor, by his 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 and the regulations in respect thereto, 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 Tract of Unitized Lands will be accepted and deemed to be performed upon and for the benefit of each and every Tract of Unitized Land, and no lease shall be deemed to expire by reason of failure to drill or produce wells specifically situated on the lands therein embraced.
- (b) Suspension of drilling or producing operations on all Unitized Lands pursuant to direction or consent of the Secretary, or his duly authorized representative, shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every Tract of Unitized Land; however, a suspension of drilling and/or producing operations on specified lands shall be applicable only to such lands.
- (c) Any lease committed hereto shall, as to the Unitized Lands, continue in force for the term so provided therein, or as extended by law, and so long thereafter as oil or gas may be produced from Unitized Land in paying quantities, or drilling or well reworking operations, pursuant to 30 CFR 250.35, are conducted hereunder. This subsection shall not operate to extend any lease or portion thereof as to any lands excluded from this Agreement by the contraction of the Unit Area. Upon termination of this Agreement, the leases covered hereby may be maintained and continued in force and effect in accordance with the terms, provisions, and conditions of the lease or leases.

ARTICLE XVII

EFFECTIVE DATE AND TERM

17.1 This Agreement shall be effective March 31, 1973, upon approval by the Secretary or his duly authorized representative, and shall terminate five (5) years from said effective date unless:

(a) Such date of expiration is extended by the Director;

or

(b) Unitized Substances are produced from well drilled hereunder, in which event this Agreement shall remain in effect so long as Unitized Substances may be produced in quantities sufficient to pay operating costs, or drilling or well reworking operations pursuant to 30 CFR 250.35 are being conducted hereunder; or

(c) It is terminated as provided in this Agreement; or

(d) Operations are delayed or postponed due to causes set forth in Articles XX and XXI, in which event the term of this Agreement shall be extended for a period of time equal to the period of creditable time allowed under Section 20.3 or the period of postponement permitted pursuant to Section 21.1.

17.2 This Agreement may be terminated at any time by affirmative vote of the owners of a majority of the Working Interests, based on their respective shares of the acreage subject to this Agreement, with the approval of the Supervisor. Notice of any such approval shall be given by the Unit Operator to all parties hereto.

ARTICLE XVIII

APPEARANCES

18.1 Unit Operator shall, after notice to other parties affected, have the right to appear for and on behalf of any and all interests affected hereby before the Department of the Interior, and to appeal from orders issued under the regulations of said Department, or to apply for relief from any of said regulations or in any proceedings relative to operations before the Department of the Interior or any other legally constituted authority the expense of such appearance, appeal, or application for relief to be paid and apportioned as provided in Section 8.1; Provided, however, that any interested party shall also have the right at its own expenses to be heard in any such proceeding.

ARTICLE XIX

NO WAIVER OF CERTAIN RIGHTS

19.1 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 his or its authority to waive.

ARTICLE XX

UNAVOIDABLE DELAY

20.1 Compliance with obligations imposed on each party by this Agreement, except for the payment of rental and royalty, shall not be required for the period of time that such compliance, despite the exercise of due diligence, is prevented by labor dispute, fire, war, civil disturbance, or act of God, or by Federal, State, or municipal law, or by unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials in open market, or other matters beyond the reasonable control of Unit Operator, whether similar to matters listed herein or not. Where compliance is prevented only in part by one or more of the causes listed above, compliance with obligations shall be excused to a comparable extent.

20.2 No obligation which is prevented under Section 20.1 shall become due less than thirty (30) days after it has been determined that the reason for such inability to comply is no longer applicable.

20.3 Determination of creditable "Unavoidable Delay" time shall be made by the Unit Operator subject to approval of the Director.

ARTICLE XXI

POSTPONEMENT OF OBLIGATIONS

21.1 Notwithstanding any other provisions of this Agreement, the Director, on his own initiative or upon appropriate justification by Unit Operator, may postpone for such period of time as may be warranted any obligation under this Agreement to commence or continue drilling or to operate on or produce Unitized Substances from lands covered by this Agreement.

ARTICLE XXII

NONDISCRIMINATION

22.1 In connection with the performance of work under this Agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference.

ARTICLE XXIII

COUNTERPARTS

23.1 This Agreement may be executed in any number of counterparts no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments in writing specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification, or consent hereto, with the same force and effect as if all such parties had signed the same document.

ARTICLE XXIV

SUBSEQUENT JOINDER

24.1 Any oil and gas interests in lands within the Unit Area not committed hereto prior to approval of this Agreement may thereafter be committed hereto by the owner or owners thereof subscribing or consenting to this Agreement, and, if the interest is a Working Interest, by the owner of such interest also subscribing to the Unit Operating Agreement.

24.2 The right of subsequent joinder, as provided in this Article by a Working Interest Owner is subject to such requirements or approvals, if any, pertaining to such joinder, as may be provided for in the Unit Operating Agreement. Joinder to this Agreement by a Working Interest Owner, at any time, must be accompanied by appropriate joinder to the Unit Operating Agreement, if more than one committed Working Interest Owner is involved, in order for the interest to be regarded as committed to this Agreement.

24.3 Except as may otherwise herein be provided, subsequent joinders to this Agreement shall be effective as of the first day of the month following the filing with the Supervisor of duly executed counterparts of all or any papers necessary to establish effective commitment of any tract to this Agreement unless objection to such joinder is duly made within sixty (60) days by the Supervisor.

ARTICLE XXV

COVENANTS RUN WITH THE LAND

25.1 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 conveyances, of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest.

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

ARTICLE XXVI

NOTICES

26.1 All notices required to be given or rendered by this Agreement to an official of the Department or the parties hereto shall be deemed properly given if in writing and personally delivered or sent by postpaid registered or certified mail, addressed as set forth in connection with the signatures hereto or to the ratification or consent hereof, or to such other address as may have been furnished in writing to the party sending the notice.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and have set opposite their respective names the date of execution.

Date: March 29, 1973

STANDARD OIL COMPANY OF CALIFORNIA

Address: 225 Bush Street
San Francisco, California
94104

By G. D. Couvillon
Vice President, Standard Oil Company of
California, Western Operations, Inc., a
division of said corporation

By Barbara F. Perry
Assistant Secretary

DISTRICT OF COLUMBIA

On this 29th day of March, 1973, before me appeared D. G.
Couvillon, to me personally known, who being by me duly sworn did
say that he is the Vice-President of Standard Oil Company of California,
Western Operations, Inc., and that the foregoing instrument was signed in
behalf of Standard Oil Company of California by authority of its Board of
Directors and acknowledged said instrument to be the free act and deed of
said corporation.

[Signature]
Notary Public in and for
District of Columbia

My commission expires 2-28-76

Date: March 29, 1973

UNION OIL COMPANY OF CALIFORNIA

Address: P. O. Box 7600
Los Angeles, California
90054

By Herbert S. Harry
Its Attorney-in-Fact

DISTRICT OF COLUMBIA

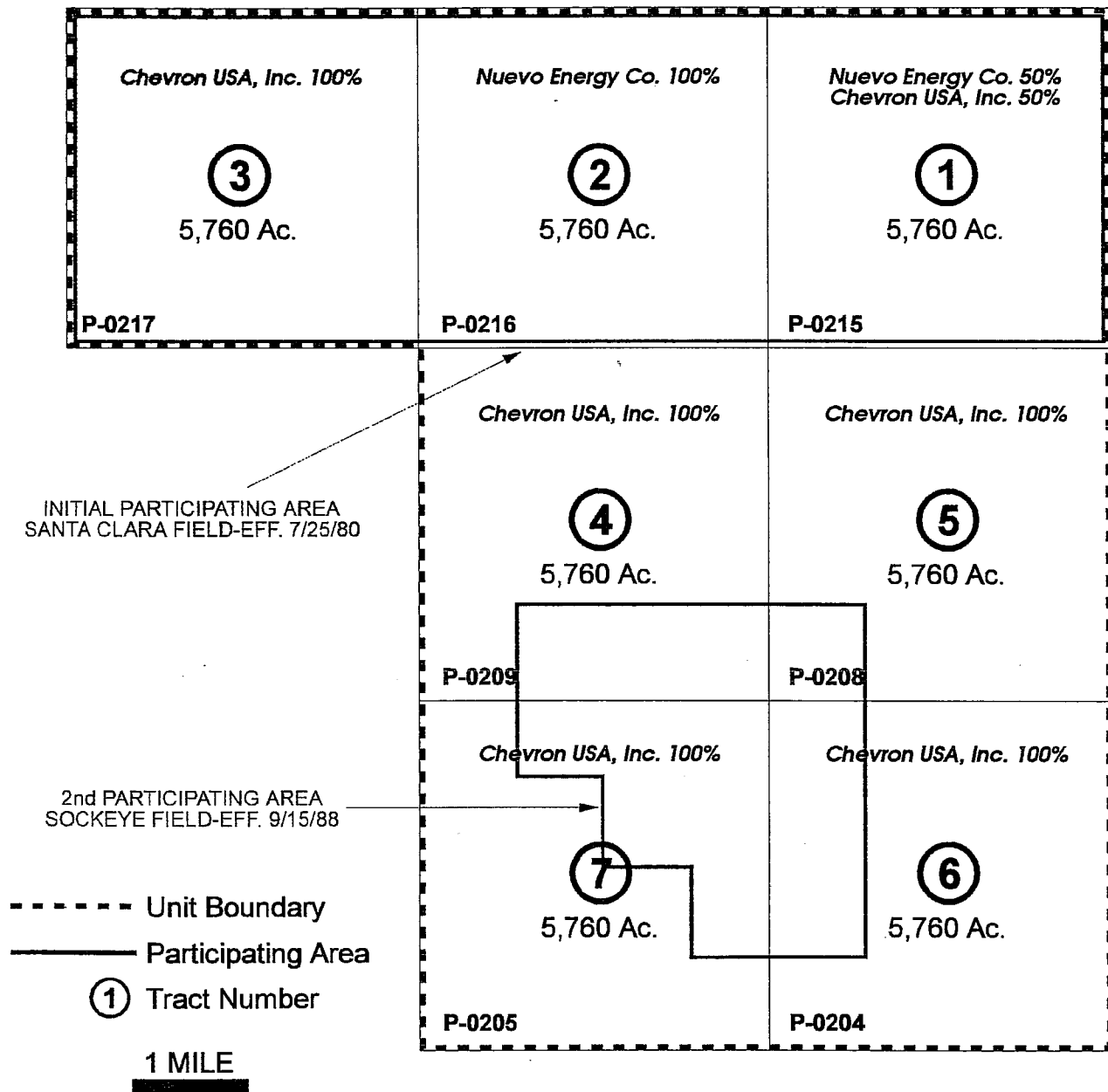
On this 29th day of March, 1973, before me appeared Herbert
S. Harry, to me personally known, who being by me duly sworn did say
that he is the Attorney-in-Fact of Union Oil Company of California,
and that the foregoing instrument was signed in behalf of the corpora-
tion by authority of its Board of Directors and that he acknowledged
the instrument to be the free act and deed of the corporation.

[Signature]
Notary Public in and for
District of Columbia

EXHIBIT "A"

SANTA CLARA UNIT OPERATING AGREEMENT

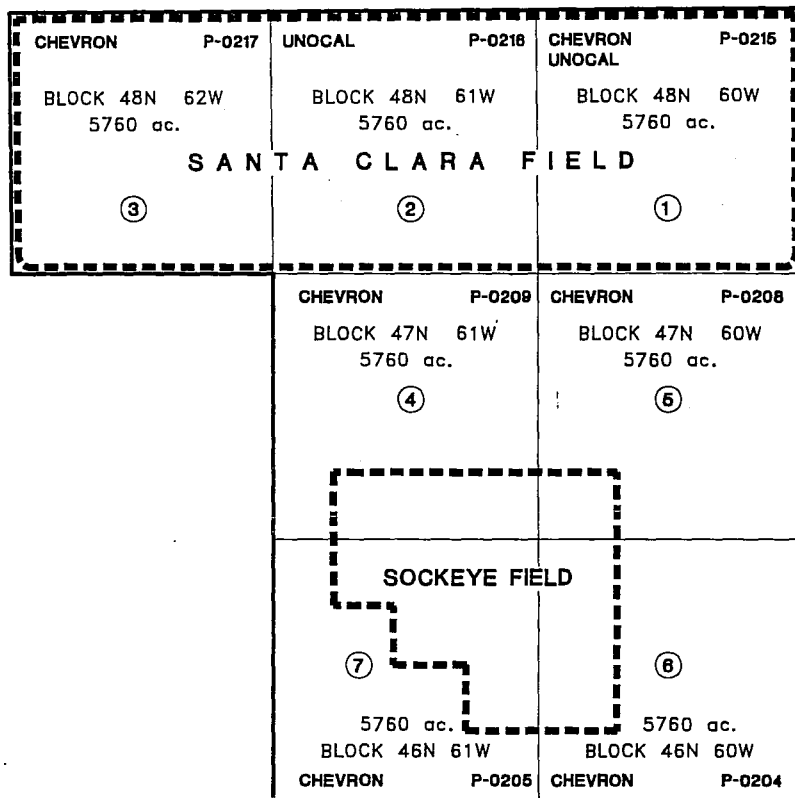
Outer Continental Shelf, California
Ownership of Oil and Gas Interests



SANTA CLARA UNIT AGREEMENT

EXHIBIT "A"

(Revised November 1, 1990)



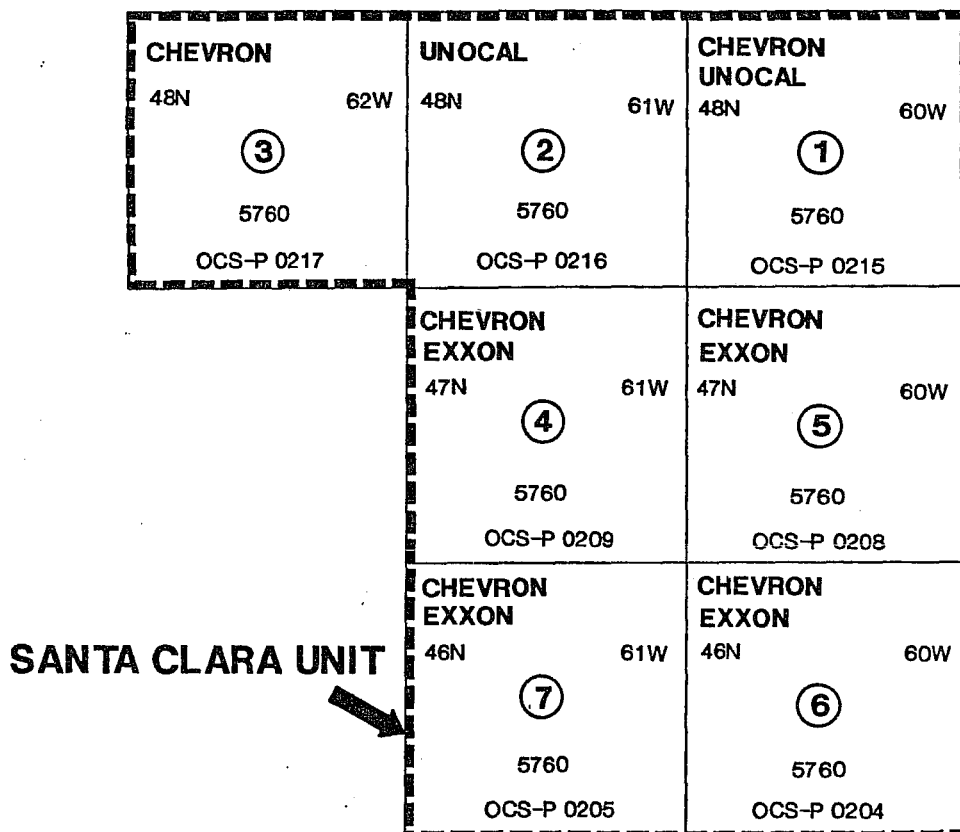
LEGEND

- UNIT AREA BOUNDARY
- PARTICIPATING AREA BOUNDARY
- TRACT NUMBER

MAP SOURCE: U.S. OFFICIAL LEASING MAP
FOR THE CHANNEL ISLANDS AREA
MAP NO. 6B

EXHIBIT "A"

SANTA CLARA UNIT AGREEMENT



LEASED	NO. OF TRACTS	ACRES	PERCENT
FEDERAL	7	40,320	100%

LEGEND

--- UNIT BOUNDARY

① TRACT NUMBER

MAP SOURCE : OFFICIAL LEASING MAP
FOR THE CHANNEL ISLANDS AREA
MAP NO. 6B

		Chevron U.S.A. Inc. Western Region - Exploration, Land and Production	
EXHIBIT "A" TO SANTA CLARA UNIT AGREEMENT			
OFFSHORE CALIFORNIA			
SCALE	DATE	Author:	
1"=8000'	5/90	Dr. By:	
		Ch. By:	

REVISED MAY 1990

SANTA CLARA UNIT AGREEMENT

Exhibit "B"

Tract No.	Description of Land Area and Block	Number of Acres	Serial No.	Basic Royalty and Ownership Percentage	Lessee of Record		Overriding Royalty and Percentage	Working Interest and Percentage	
1	Channel Islands 48N 60W: All	5,760.00	OCS-P 0215	U.S.A.: All	Chevron UNOCAL	50% 50%	None	Chevron UNOCAL	50% 50%
2	Channel Islands 48N 61W: All	5,760.00	OCS-P 0216	U.S.A.: All	UNOCAL	100%	None	UNOCAL	100%
3	Channel Islands 48N 62W: All	5,760.00	OCS-P 0217	U.S.A.: All	Chevron	100%	None	Chevron	100%
4	Channel Islands 47N 61W: All	5,760.00	OCS-P 0209	U.S.A.: All	Chevron Exxon	50% 50%	None	Chevron Exxon	50% 50%
5	Channel Islands 47N 60W: All	5,760.00	OCS-P 0208	U.S.A.: All	Chevron Exxon	50% 50%	None	Chevron Exxon	50% 50%
6	Channel Islands 46N 60W: All	5,760.00	OCS-P 0204	U.S.A.: All	Chevron Exxon	50% 50%	None	Chevron Exxon	50% 50%
7	Channel Islands 46N 61W: All	5,760.00	OCS-P 0205	U.S.A.: All	Chevron Exxon	50% 50%	None	Chevron Exxon	50% 50%
TOTAL		40,320.00							

Revised
May 1990

**PLAN OF OPERATION
SANTA CLARA UNIT
OCS-P0217
SANTA CLARA FIELD
PLATFORM GRACE
JUNE 1, 1994 TO MAY 31, 1995**

REMEDIAL ACTIVITIES

- Chevron plans to investigate the opportunity to apply new chemical technology to reduce water production in the Monterey Formation.

SURFACE FACILITIES

- Chevron plans to modify piping to allow changing the pipeline service between Grace and Carpinteria.

OTHER

- Chevron plans to continue evaluation of Platform Grace to produce safely within permitted limits.
- Chevron will continue to pursue adjustments to its royalty obligation.

THIS PLAN WILL EXPIRE ON MAY 31, 1995.

PREPARED MAY 20, 1994.

**PLAN OF OPERATION
SANTA CLARA UNIT
OCS-P0204, 0205, 0208, 0209
SOCKEYE FIELD
PLATFORM GAIL
JUNE 1, 1994 TO MAY 31, 1995**

REMEDIAL ACTIVITIES

- Chevron plans to acid stimulate selected wells in the Monterey Formation.
- Investigate and apply new cement/chemical technology to attempt to reduce water production in selected wells.
- Apply chemical technology for sand control in selected Upper Topanga wells.
- Add perforations through tubing in selected wells to maintain or improve productivity.
- Reservoir data including pressure surveys and production logs will be acquired as necessary to aid in reservoir management.
- Obtain data required to redesign gas lift installations for higher pressure system

DEVELOPMENT ACTIVITIES

- Complete development program by testing the Juncal/Lower Sespe Formation in well E-20.
- Investigate options for rig standby or demob and proceed accordingly.

SURFACE FACILITIES

- Proceed with Sulferox Phase II installation.
- Install produced water CPI separator and gather data to evaluate the need for installing a new Wemco unit.
- Install high pressure gas lift cylinder.
- Evaluate other opportunities ie: CO2 removal facilities, water injection facilities, high pressure gas processing facilities.

THIS PLAN WILL EXPIRE ON MAY 31, 1995

Prepared May 20, 1994

**PLAN OF OPERATION
SANTA CLARA UNIT
OCS-P0204, 0205, 0208, 0209
SOCKEYE FIELD
PLATFORM GAIL
JUNE 1, 1995 TO MAY 31, 1996**

REMEDIAL ACTIVITIES

- Chevron plans to acid stimulate selected wells in the Monterey and Upper Sespe Formations.
- Attempt to clean-out sand fill with coiled tubing in select Upper Sespe and Upper Topanga wells.
- Investigate and apply new thru-tubing gravel pack technology to reduce sand production from wells in the Upper Sespe and Upper Topanga Formations.
- Use the drilling rig to recompleat and/or dual selected wells.
- Attempt to reduce water production in Monterey Formation producers by either applying new chemical technology or through cement squeezing with the drilling rig.
- Acquire reservoir data through production logging and performing pressure surveys as necessary.
- Add perforations through tubing in selected wells to maintain or improve production.

DEVELOPMENT ACTIVITIES

- Chevron is evaluating a potential Eocene location to further develop the Middle Sespe/Upper Juncal Formation.
- Chevron is evaluating 3 potential infill locations to further increase oil and gas recovery from the Upper Sespe Formation.

SURFACE FACILITIES

- Install back-up sour water injection pump and sulfur filter press.
- Complete segregating sweet and sour produced water.
- Evaluate other opportunities including installation of sweet water injection facilities, CO2 removal facilities, and a spare high pressure gas lift cylinder.

FACILITIES SHUTDOWN

- A 2 week shutdown is expected in Mid-June 1995 for the subsea pipeline bypass around Platform Hope.

THIS PLAN WILL EXPIRE ON MAY 31, 1996

**PLAN OF OPERATION
SANTA CLARA UNIT
OCS-P0217
SANTA CLARA FIELD
PLATFORM GRACE
JUNE 1, 1995 TO MAY 31, 1996**

REMEDIAL ACTIVITIES

- Chevron plans to continue to investigate opportunities to stimulate selected wells.
- A workover rig will be used to repair the parted tubing in select well(s).
- Chevron is investigating the possibility of performing a plugback to evaluate the Lower Pico oil sands.
- The workover rig will be used to abandon a selected well.
- Candidates for performing a water shut-off with the rig are a being evaluated and may be proposed if economic.

DEVELOPMENT ACTIVITIES

- The workover rig will be used to sidetrack select well(s). Early candidates are wells A-2, A-22, or A-24.

SURFACE ACTIVITIES

- Platform piping will be modified to allow the changes in pipeline service from Grace to Carpinteria.
- The Wemco Flotation Unit may be replaced.
- Other potential opportunities such as installation of CO2 removal facilities and adding a high pressure gas lift cylinder will be investigated.

FACILITIES SHUTDOWN

- A 2 week shutdown is expected in Mid-June 1995 for the subsea pipeline bypass around Platform Hope.

OTHER

- Chevron will reinitiate its pursuit of adjustments to royalty obligations.

THIS PLAN WILL EXPIRE ON MAY 31, 1996.

UNIT OPERATOR
(AS UNIT OPERATOR & AS WORKING INTEREST OWNER)

Date: _____

Address: _____

STANDARD OIL COMPANY OF CALIFORNIA

By _____
Contract Agent

By _____
Assistant Secretary

WORKING INTEREST OWNERS

Date: _____

Address: _____

EXXON CORPORATION, U.S.A.

By _____

By _____

Date: March 29, 1973

Address: P.O. Box 147

Bakersfield, California 93302

ATLANTIC RICHFIELD COMPANY

By *R. O. Pollard*
Its Attorney in Fact

By _____

Date: _____

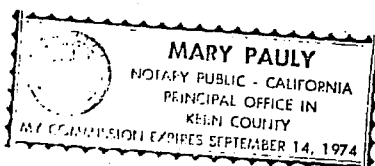
Address: _____

UNION OIL COMPANY OF CALIFORNIA

By _____

By _____

STATE OF California
COUNTY OF Kern } ss.



ON March 29, 1973
before me, the undersigned, a Notary Public in and for said State, personally appeared R. O. Pollard

known to me to be the person whose name is subscribed to the within Instrument as Attorney-in-Fact of Atlantic Richfield Company
and acknowledged to me that he subscribed the name of Atlantic Richfield Company
thereto as principal and is own name as Attorney-in-fact.
WITNESS my hand and official seal.

Mary Pauly
Mary Pauly
NAME (TYPED OR PRINTED)

UNIT OPERATOR
(AS UNIT OPERATOR & AS WORKING INTEREST OWNER)

Date: _____

STANDARD OIL COMPANY OF CALIFORNIA

Address: _____

By _____
Contract Agent

By _____
Assistant Secretary

WORKING INTEREST OWNERS

Date: March 26, 1973

EXXON CORPORATION

Address: P. O. Box 120

By *Crandall D. Jones*
Crandall D. Jones
Its Attorney in Fact

Denver, Colorado 80201

Date: _____

ATLANTIC RICHFIELD COMPANY

Address: _____

By _____

By _____

Date: _____

UNION OIL COMPANY OF CALIFORNIA

STATE OF COLORADO)
COUNTY OF ARAPAHOE) ss.

On this 26th day of March, 1973, before me, the undersigned, a Notary Public in and for said County and State personally appeared CRANDALL D. JONES, known to me to be the person whose name is subscribed to the within Instrument, as the Attorney in Fact of EXXON CORPORATION, a corporation, and acknowledged to me that he subscribed the name of EXXON CORPORATION thereto as principal and his own name as Attorney in Fact.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Dorcas Hill
Notary Public in and for said County and State

My Commission expires: 3/27/75

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., and delegated to the Director of the Geological Survey, I do hereby:

- A. Approve the attached Agreement for the development and operation of the Santa Clara Unit Area, Channel Islands Area, Outer Continental Shelf, Offshore California.
- B. Certify and determine that the unit plan of development and operation contemplated in the attached Agreement is in the interest of conservation.

DATED:

MAR 30 1973

Henry W. Corlier

Acting Director, United States Geological
Survey

Contract No. 14-08-0001-12369

AMENDMENT NO. 1

SANTA CLARA UNIT AGREEMENT CHANNEL ISLANDS AREA OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

This Amendment No. 1 to the Unit Agreement for the Exploration, Development and Production Operations on the Santa Clara Unit Area, Channel Islands Area, Outer Continental Shelf, Offshore California, approved March 30, 1973, hereinafter referred to as the "Santa Clara Unit Agreement", by and between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto";

WITNESSETH:

WHEREAS, the parties hereto, or their predecessors in interest, entered into that certain Santa Clara Unit Agreement; and

WHEREAS, the parties hereto desire to revise the rental and royalty terms of the Santa Clara Unit Agreement to bring them in conformance with current regulations; and

WHEREAS, the parties hereto desire to eliminate lease segregation as to any lands excluded from the Santa Clara Unit Agreement;

NOW THEREFORE, in consideration of the mutual covenants and promises of the parties hereto and other good and valuable consideration, the parties hereto agree as follows:

1. Article XIV of the Santa Clara Unit Agreement is hereby amended as follows:

The words "Unitized Lands which are not" in Paragraph 14.2 (a) shall be deleted and replaced with the words "leases no part of which is".

The words "Unitized Lands" in Paragraph 14.2 (b) shall be deleted and replaced with the words "leases any part of which is".

2. Article XV of the Santa Clara Unit Agreement is hereby amended as follows:

The words "Each quarter-quarter (1/4 1/4) block of land" in Paragraph 15.1 shall be deleted and replaced with the words "Any lease(s)".

The words "each quarter-quarter (1/4 1/4) block of land" in Paragraph 15.5 shall be deleted and replaced with the words "any lease(s)".

Paragraph 15.6 shall be deleted in its entirety and replaced with the following:

"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."

Amendment No. 1
Santa Clara Unit Agreement
Page 2

3. Except as amended herein the Santa Clara Unit Agreement remains in full force and effect.
4. This Amendment may be executed in any number of counterparts and all such counterparts shall be deemed to constitute a single agreement and the execution of one counterpart by any party hereto shall have the same force and effect as if it had signed all of the other counterparts.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 to the Santa Clara Unit Agreement on the dates written below but effective upon approval by the Secretary of the Interior or his duly authorized representative.

CHEVRON U.S.A. INC.

By J. P. Harrington
Title Assistant Secretary
Date 1/27/89

EXXON CORPORATION

By _____
Title _____
Date _____

UNION OIL COMPANY OF CALIFORNIA

By Herbert S. Harry
Title Attorney-in-Fact
Date _____

ATLANTIC RICHFIELD COMPANY

By _____
Title _____
Date _____

Amendment No. 1
Santa Clara Unit Agreement
Page 2

3. Except as amended herein the Santa Clara Unit Agreement remains in full force and effect.
4. This Amendment may be executed in any number of counterparts and all such counterparts shall be deemed to constitute a single agreement and the execution of one counterpart by any party hereto shall have the same force and effect as if it had signed all of the other counterparts.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 to the Santa Clara Unit Agreement on the dates written below but effective upon approval by the Secretary of the Interior or his duly authorized representative.

CHEVRON U.S.A. INC.

By J. P. Harrington
Title Assistant Secretary
Date 1/27/89

EXXON CORPORATION

By _____
Title _____
Date _____

UNION OIL COMPANY OF CALIFORNIA

By _____
Title _____
Date _____

ATLANTIC RICHFIELD COMPANY

By Frank E. Holmes *FL*
Title ATTORNEY-IN-FACT
Date 3-27-89

3. Except as amended herein the Santa Clara Unit Agreement remains in full force and effect.
4. This Amendment may be executed in any number of counterparts and all such counterparts shall be deemed to constitute a single agreement and the execution of one counterpart by any party hereto shall have the same force and effect as if it had signed all of the other counterparts.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 to the Santa Clara Unit Agreement on the dates written below but effective upon approval by the Secretary of the Interior or his duly authorized representative.

CHEVRON U.S.A. INC.

By _____

Title _____

Date _____

EXXON CORPORATION

By Eldon L. Means Form Approved
1/11/77

Title ATTORNEY IN FACT

Date March 23, 1989

UNION OIL COMPANY OF CALIFORNIA

By _____

Title _____

Date _____

ATLANTIC RICHFIELD COMPANY

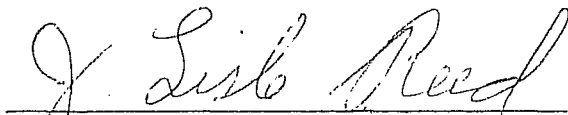
By _____

Title _____

Date _____

APPROVAL

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 approve this Amendment No. 1 to the Santa Clara Unit Agreement to be effective as of the date written below.



Date March 31, 1989

Regional Director
Pacific OCS Region
Minerals Management Service

Contract No. 14-08-0001-12369

VENOCO



217 State Street
Santa Barbara, CA 93101
Tel: (805) 966-6596 Fax: (805) 966-1425

February 17, 1999

VIA FEDERAL EXPRESS

Nuevo Energy Company
Attn: Sue Ann Craddock
1221 Lamar, Suite 1600
Houston TX 77010-3039

Dear Ms. Craddock:

Subject to Mineral Management Service (MMS) approval, Venoco, Inc has succeeded by assignment to Chevron's record title interest in Leases OCS-P 204, 205, 208, 209, 215 and 217, with an effective date of February 1, 1999. Also subject to MMS approval, Venoco has succeeded Chevron as operator of Leases 204, 205, 208, 209 and 217.


Venoco hereby requests Nuevo's concurrence to Venoco's succession to Chevron as Unit Operator. Please indicate your concurrence by signing below, on all three originals. Keep one copy for your records and return the other two to Venoco in the enclosed return Federal Express package.

Venoco has executed and delivered to MMS: two Designation of Operator forms designating Nuevo as sub-operator of Leases 215 and 216, and a Designation of Operator form designating Nuevo as operator of Lease 215. Copies of the three forms are enclosed, as is a copy of the MMS procedures received from Tom Dunaway.

Upon formal approval by MMS of Venoco as lessee, as operator of the transferred lease interests, and as operator of the Unit, Venoco will so notify you and Chevron.

If you have any questions, please call me at (805) 966-6596. Thank you for your prompt response.

Sincerely,


Kevin Rupp
Senior Landman

CONCURRENCE GRANTED BY

NUEVO ENERGY COMPANY

BY: 

NAME: SUE ANN CRADDOCK

TITLE: Attorney-in-Fact

Enclosures

cc: G.R. Steinbach, Chevron
Lee Bafalon, Chevron
Thomas Dunaway, MMS

RATIFICATION AND JOINDER OF UNIT AGREEMENT

KNOW ALL MEN BY THESES PRESENTS, that **VENOCO, INC.** ("VENOCO") does hereby ratify, join, affirm, and concur in, accept and become a party to that certain Unit Agreement covering the Santa Clara Unit, Channel Islands Area, Outer Continental Shelf, Offshore California, dated March 15, 1973. It is expressly stipulated that said Unit Agreement is hereby ratified, joined, affirmed, and concurred in to the same extent and in the same manner and for the same purposes and effects as though **VENOCO** had duly signed the same as a working interest owner at the time of the original execution thereof.

Executed this 23 day of MARCH, 1999

VENOCO, INC.

By: 

Timothy Marquez
President

PROPOSED PLAN OF OPERATION
SANTA CLARA UNIT, OCS P-0215/0216
SANTA BARBARA CHANNEL AREA

SEPTEMBER 01, 1992 - AUGUST 31, 1993

FACILITIES

- ◆ Structural Upgrades
- ◆ Oil Pipeline Linealog Survey
- ◆ NDT Inspections
- ◆ Jacket Inspections

RESERVOIR MANAGEMENT AND WELL WORK

- ◆ Reservoir Pressure Monitoring
- ◆ Alternate Lift Conversions in Upper and Lower Repetto Wells
- ◆ Injection Profile Surveys in Upper Repetto Waterflood Injectors
- ◆ Reservoir Model Refinements in Upper Repetto and Monterey Models
- ◆ Maintenance/Improvements in Upper Repetto Waterflood
- ◆ Scale Removal Treatments for Upper Repetto First Line Producers
- ◆ Development Drilling in Upper Repetto, Lower Repetto and Monterey Reservoirs
- ◆ Punchback of Existing Pico Development Well

**PLAN OF OPERATION
SANTA CLARA UNIT
OCS-P 0204, 0205, 0208, 0209
SOCKEYE FIELD
PLATFORM GAIL
JUNE 1, 1993 TO MAY 31, 1994**

REMEDIAL ACTIVITIES

- Chevron plans to investigate opportunities to stimulate selected wells in the Upper Sespe and Monterey Formations.
- Selected wells may be perforated with wireline through-tubing perforating guns.
- Chevron may apply new cement/chemical technology to attempt to reduce water production in selected wells.

DEVELOPMENT ACTIVITIES

- A drilling/workover rig will be on standby on Platform Gail. Chevron will be evaluating additional drilling opportunities that are dependent upon installing sour gas treatment facilities on Gail.
- Selected workovers may be performed in 1994 that are dependent upon installing sour gas treatment facilities on Gail. One well may be converted to produced water injection service.

SURFACE ACTIVITIES

- A sour gas treatment facility is proposed to be installed on Platform Gail in third quarter 1993. The system will remove H₂S from the produced gas.
- An additional water treatment facility will be installed on Platform Gail in 1993 to allow separate treatment of the sweet and sour produced water streams.
- Produced water injection facilities would be installed to service an injection well.

FACILITIES SHUTDOWN

- A series of platform shutdowns of about 3 weeks total duration may be scheduled during the third quarter of 1993 for installation of H₂S removal facilities (pending MMS approval in 2nd quarter). A subsea pipeline bypass around Platform Hope will be performed during one of the facilities related shutdowns. Maintenance work and reservoir pressure testing will also be performed during the shutdown.

THIS PLAN WILL EXPIRE ON MAY 31, 1994

PREPARED: MAY 5, 1993

Chevron

**PLAN OF OPERATION
SANTA CLARA UNIT
OCS-P 0217
SANTA CLARA FIELD
PLATFORM GRACE
JUNE 1, 1993 TO MAY 31, 1994**

REMEDIAL ACTIVITIES

- Chevron plans to repair parted tubing in 3 shut-in wells.
- Chevron plans to investigate opportunities to perforate and acid stimulate selected wells completed in the Monterey Formation.

SURFACE ACTIVITIES

- Chevron proposes to switch service of pipelines from Platform Grace to shore in conjunction with a proposed subsea pipeline bypass of Platform Hope. This work will be scheduled with facilities installation on Platform Gail to minimize downtime.
- Decommission the existing Hydrogen Sulfide removal plant (Stretford) after the Gail SulfurOx plant is fully operational.
- Planned work will include installation of emission control equipment on the turbines.

FACILITIES SHUTDOWN

- A series of platform shutdowns of about 3 weeks total duration may be scheduled during the third quarter of 1993. The shutdowns will coincide with facilities installation on Platform Gail and a subsea pipeline bypass around Platform Hope. Maintenance work and reservoir pressure testing will be performed during the shutdown.

OTHER

- Chevron will also be reviewing its current royalty obligation and proposing adjustments.

THIS PLAN WILL EXPIRE ON MAY 31, 1994.

PREPARED: May 5, 1993

March 1, 1994

**Plan of Operation
Santa Clara Unit
Lease OCS P-0217
Platform Grace
Offshore California**

Chevron is planning to temporarily suspend production from Platform Grace wells pending economic evaluation of the field. Initially, the platform will be manned by two operators on both day and night tours to maintain the systems that will remain in operation in support of oil and gas transportation from Platform Gail to shore. The remaining equipment will be preserved for future use, should it become economically feasible to return to production. Platform Grace will be considered a satellite of Platform Gail and will be supported by Platform Gail personnel.

OPERATING SYSTEMS

Drills will be conducted as required but will be modified to reflect appropriate responses by a smaller crew. Oil spill response will continue to be coordinated with Platform Gail personnel and equipment as per our contingency plan.

Chevron will continue to maintain and operate the following equipment:

1. Safety Systems

- Heliport lights
- H₂S and combustible gas detection
- Fire protection including UV sensors, fusible plugs and smoke detectors.
- Electric and diesel fire pumps
- Breathing air cascades and emergency packs
- Lifeboats
- PA and audible alarms
- Miscellaneous equipment such as fire extinguishers, life rings, life jackets, etc.
- I&M program

2. Oil and Gas Transportation and Associated Equipment

Gas and oil pigging operations will continue. It is our intention to store fluids received during pigging in dirty oil tanks. When stored oil volumes are sufficient, they will be pumped to shore. Accumulated produced water will be injected in the disposal well. The pilot gas and purge gas system for the flares will be kept in service should flaring be required.

2. Continued

- Pipeline SDVs
- Pig launchers and receivers
- Hydrocarbon sump tank and pumps
- Dirty oil tanks and pumps
- Oil surge tank and pump
- One oil shipping pump and one LACT meter
- Low pressure and high pressure flare scrubbers and pumps
- Flame generator, pilot and purge gas headers
- Cuno filters for injection water filtration
- Produced water storage tank
- Injection pump
- A-13 Injection well
- Associated pressure relief devices

3. Utilities

- Air compressors for utility and turbine starting air
- Sewer
- Potable water
- Turbine generators
- Emergency generator
- HVAC
- Cathodic protection
- Cranes
- Hypochloride generator
- Fuel gas system

4. Wells and Associated Equipment

The SSSV's will be closed in all wells except the injection well A-13. Surface valves will also be closed and all wells will be routinely monitored.

- SSSVs
- SSVs
- FSVs
- Annulus pressure monitoring
- Injection well

5. Waste Water System

- Deck drains/rain water tanks and pumps
- Disposal cassion

PRESERVED SYSTEMS

1. Oil and Gas Handling Systems

Clean/flush/purge and isolate both production trains including exchangers, production separators and coalescers.

Clean/flush/purge and isolate gas scrubbers, exchangers and compressors.

2. Produced Water System

Drain and preserve CPI Tank

Drain and preserve Wemco Flotation Cell

Remove Carbon Filters

The above plan is based on our initial assessment. As new information is obtained, Chevron will seek approval to modify this plan accordingly.

RATIFICATION AND JOINDER OF UNIT OPERATING AGREEMENT

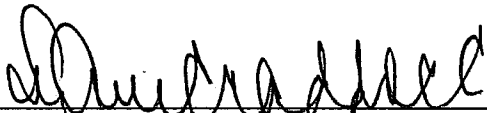
In consideration of the execution of the Unit Operating Agreement for Outer Continental Shelf Exploration, Development, and Production Operations on the Santa Clara Unit, Channel Islands Area, Offshore, California, effective March 15, 1973, in a form approved on behalf of the Secretary of the Interior, 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

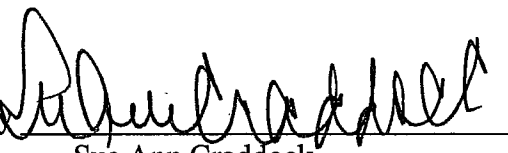
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This Ratification and Joinder of Unit Agreement shall be effective as to the undersigned's interest in any lands and leases, or interest therein, and royalties presently held or which may arise under existing option agreements or other interests in 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

c:temp/forms/ratif-1.mar

UNITED STATES DEPARTMENT OF INTERIOR
PACIFIC OCS REGION
MINERALS MANAGEMENT SERVICE

DESIGNATION OF AGENT

Pursuant to 30 CFR 250.9 the undersigned, as operator of the Santa Clara Unit under Unit Agreement No. 14-08-0001-12369, dated March 15, 1973, as amended, and approved by the Minerals Management Service on March 30, 1973, hereby designates:

Name: TORCH OPERATING COMPANY

Address: 1221 Lamar, Suite 1600
Houston, Texas 77010-3039

as its designated Agent empowered to receive notices and comply with orders issued pursuant to the regulations in 30 CFR Part 250, and as sub-operator empowered to act pursuant to the Santa Clara Unit Operating Agreement dated March 15, 1973, as amended, with regard to exploration, development and production operations on and under Lease No. OCS-P 0216.

It is understood that this designation of agent does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Regulations. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the unit operator will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

This designation of agent is limited to field operations and does not cover administrative action requiring unit operator's specific authorization.

The unit operator agrees to notify the Regional Supervisor of any change in the above designation.

Date: 4-29-96

CHEVRON U.S.A. INC.

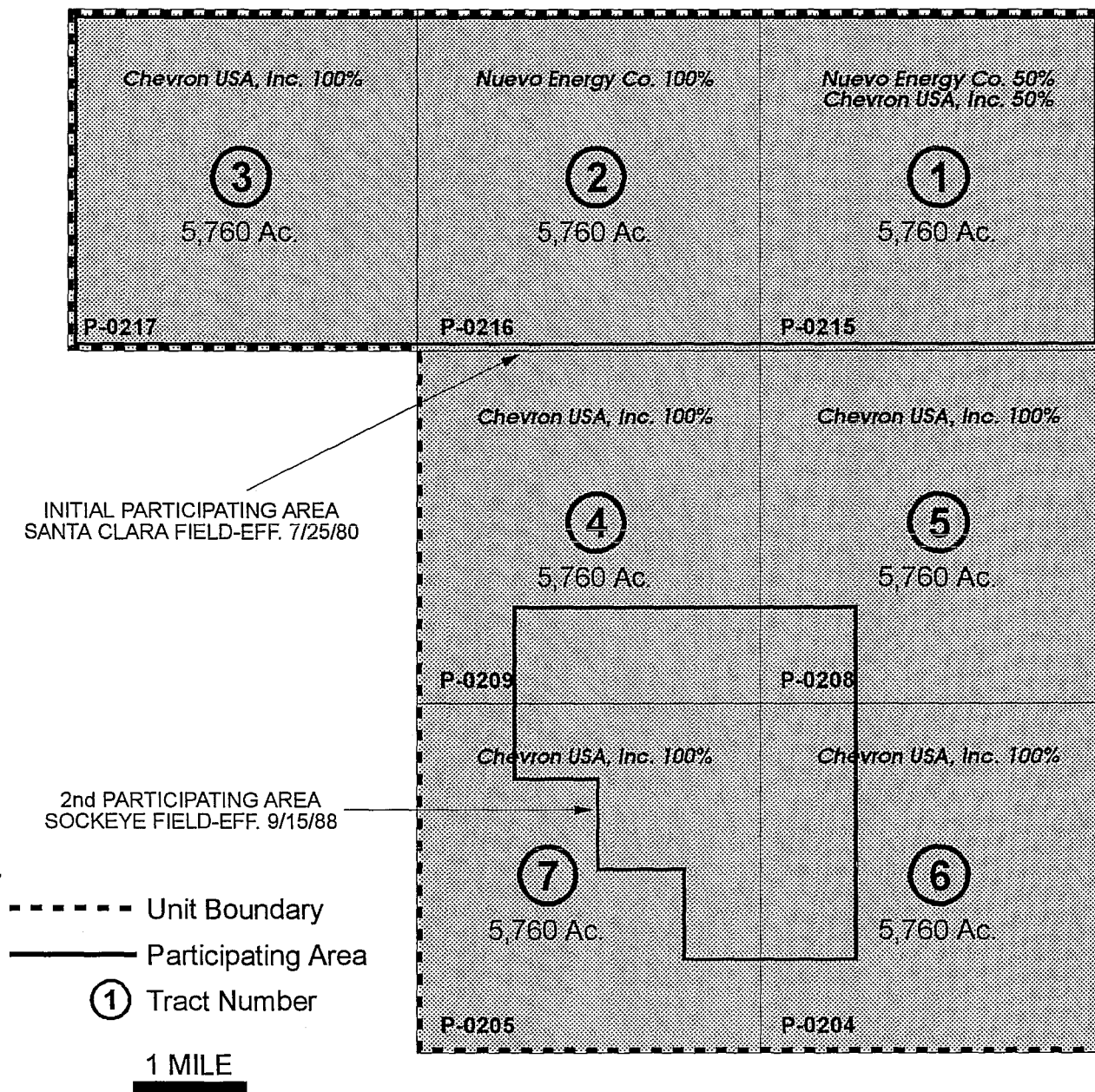
By: [Signature]

Name: Lee B. Brown

Title: Asst. Sec.

SANTA CLARA UNIT AGREEMENT

Outer Continental Shelf, California
Ownership of Oil and Gas Interests



REVISED
EXHIBIT "B"
Santa Clara 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>ORRI and Net Profits</u>
1	Channel Islands 48N 60W: All	5,760.00	OCS-P 0215	USA 16-2/3	Chevron U.S.A. Inc. Nuevo Energy Co.	50% 50%	Nuevo Energy Company ¹
2	Channel Islands 48N 61W: All	5,760.00	OCS-P 0216	USA 16-2/3	Nuevo Energy Co.	100%	None
3	Channel Islands 48N 62W: All	5,760.00	OCS-P 0217	USA 16-2/3	Chevron U.S.A. Inc.	100%	None
4	Channel Islands 47N 61W: All	5,760.00	OCS-P 0209	USA 16-2/3	Chevron U.S.A. Inc.	100%	None
5	Channel Islands 47N 60W: All	5,760.00	OCS-P 0208	USA 16-2/3	Chevron U.S.A. Inc.	100%	None

¹ Union Oil Company of California assigned all of its overriding royalty interest to Nuevo Energy Company in All of Block 48N 60W, Official Leasing Map, Channel Islands Area Map No. 6B, Insofar and only Insofar as to the S/2 in the following formations:

I. From the Base of the Monterey Formation, Down to a Depth of 10,130 feet and its stratigraphic equivalent as determined in the test well located 3,800 feet North and 1,200 feet East from the Southwest corner of OCS-P 0215 - .031250 ORRI.

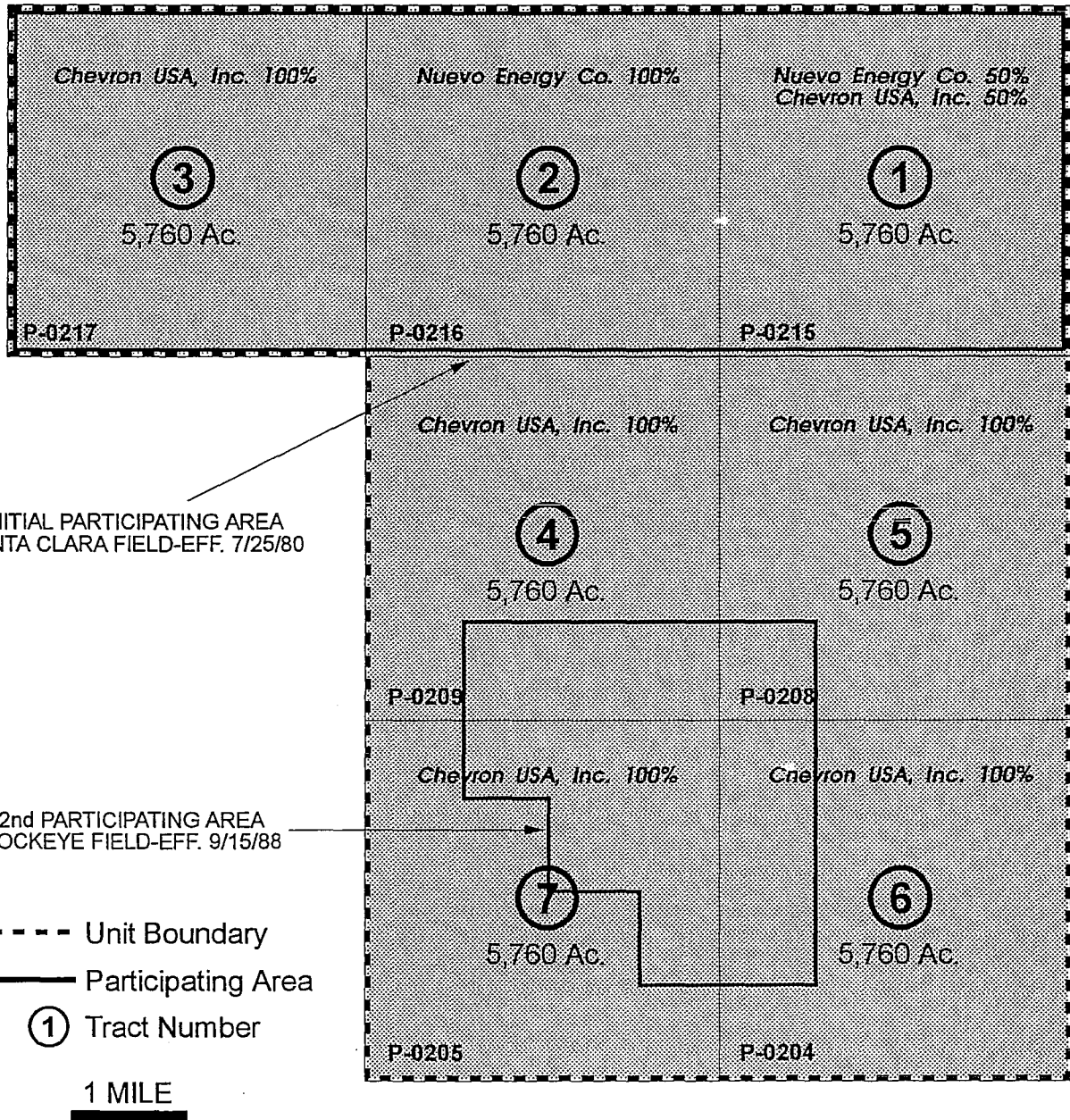
II. Below the depth of 10,130 feet and its stratigraphic equivalent as determined in the test well located 3,800 feet North and 1,200 feet East from the Southwest corner of OCS-P 0215 - .062500 ORRI.

<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>ORRI and Net Profits</u>
6	Channel Islands 46N 60W: All	5,760.00	OCS-P 0204	USA 16-2/3	Chevron U.S.A. Inc.	100%	None
7	Channel Islands 46N 61W: All	<u>5,760.00</u>	OCS-P 0205	USA 16-2/3	Chevron U.S.A. Inc.	100%	None
	Total	40,320.00					

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SANTA CLARA UNIT OPERATING AGREEMENT

Outer Continental Shelf, California
Ownership of Oil and Gas Interests



REVISED
EXHIBIT "B"
Santa Clara 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>ORRI and Net Profits</u>
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2	Channel Islands 48N 61W: All	5,760.00	OCS-P 0216	USA 16-2/3	Nuevo Energy Co.	100%	None
3	Channel Islands 48N 62W: All	5,760.00	OCS-P 0217	USA 16-2/3	Chevron U.S.A. Inc.	100%	None
4	Channel Islands 47N 61W: All	5,760.00	OCS-P 0209	USA 16-2/3	Chevron U.S.A. Inc.	100%	None
5	Channel Islands 47N 60W: All	5,760.00	OCS-P 0208	USA 16-2/3	Chevron U.S.A. Inc.	100%	None

¹ Union Oil Company of California assigned all of its overriding royalty interest to Nuevo Energy Company in All of Block 48N 60W, Official Leasing Map, Channel Islands Area Map No. 6B, Insofar and only Insofar as to the S/2 in the following formations:

I. From the Base of the Monterey Formation, Down to a Depth of 10,130 feet and its stratigraphic equivalent as determined in the test well located 3,800 feet North and 1,200 feet East from the Southwest corner of OCS-P 0215 - .031250 ORRI.

II. Below the depth of 10,130 feet and its stratigraphic equivalent as determined in the test well located 3,800 feet North and 1,200 feet East from the Southwest corner of OCS-P 0215 - .062500 ORRI.

<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>ORRI and Net Profits</u>
6	Channel Islands 46N 60W: All	5,760.00	OCS-P 0204	USA 16-2/3	Chevron U.S.A. Inc.	100%	None
7	Channel Islands 46N 61W: All	<u>5,760.00</u>	OCS-P 0205	USA 16-2/3	Chevron U.S.A. Inc.	100%	None
Total		40,320.00					

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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: Designation of Suboperator
Santa Clara Unit, 14-08-0001-12369
Leases OCS-P 0215 and 0216
Offshore California

Dear Mr. Huguenard:

Reference is made to Plains Exploration & Production Company's (PXP) letters of October 8, 2004, wherein Nuevo Energy Company resigned as the Suboperator of the Santa Clara Unit for Leases OCS P 0215 and 0216. Simultaneously, PXP provided documentation required by the Minerals Management Service (MMS) in order to become Suboperator for the Santa Clara Unit, for these two leases, pursuant to the Santa Clara Unit Operating Agreement.

We have received Venoco Inc.'s. Designation of Unit Suboperator dated October 16, 2004, in which Venoco, the Unit Operator, is designating PXP as the Suboperator for the Leases OCS-P 0215 and 0216 in the Santa Clara Unit. Venoco is clarifying your responsibilities and authority on their behalf in complying with the terms of the Santa Clara Unit Agreement, laws, and regulations applicable to the area.

We hereby approve the delegation of responsibility from Nuevo Energy Company to PXP as Santa Clara Unit Suboperator for Leases OCS-P 0215 and 0216, effective November 8, 2004.

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

Sincerely,

Joan Barminski
Chief, Office of Reservoir Evaluation and
Production

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IN AMERICA

cc: Mr. Anthony C. Marino (w/copies)
Schully, Roberts, Slattery, Jaubert & Marino
1100 Poydras Street, Suite 1800
New Orleans, Louisiana 70163

Mr. Michael Edwards
Vice President, Venoco Inc..
5464 Carpinteria Ave., Suite J
Carpinteria, CA 93013

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: File: 1703-02(a)(1) Santa Clara Unit-General-Corresp.(w/orig.docs.)
1703-02(a)(1) Santa Clara Unit Agreement-(w/orig. docs.)
1703-02(a)(1) Santa Clara Unit Operating Agreement-(w/copies docs)

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

OREP:EAS Design.suboperator Santa clara word doc. 11-4-04



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 75231

Re: Designation of Suboperator
Santa Clara Unit, 14-08-0001-12369
Leases OCS-P 0215 and 0216
Offshore California

Dear Mr. Prestridge:

Reference is made to Plains Exploration & Production Company's (PXP) letter of December 20, 2004, wherein PXP resigned as the Suboperator of the Santa Clara Unit for Leases OCS-P 0215 and 0216. Simultaneously, Dos Cuadras Offshore Resources, LLC ("DCOR") provided documentation required by the Minerals Management Service (MMS) dated March 8, 2005, in order to become Suboperator for the Santa Clara Unit, for these two leases, pursuant to the Santa Clara Unit Operating Agreement.

We have received Venoco Inc's. Designation of Unit Suboperator dated March 1, 2005, in which Venoco, the Unit Operator, is designating DCOR as the Suboperator for Leases OCS-P 0215 and 0216 in the Santa Clara Unit. Venoco is clarifying your responsibilities and authority on their behalf in complying with the terms of the Santa Clara Unit Agreement, laws, and regulations applicable to the area.

We hereby approve the delegation of responsibility from PXP to DCOR as Santa Clara Unit Suboperator for Leases OCS-P 0215 and 0216, effective March 22, 2005.

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

Sincerely,

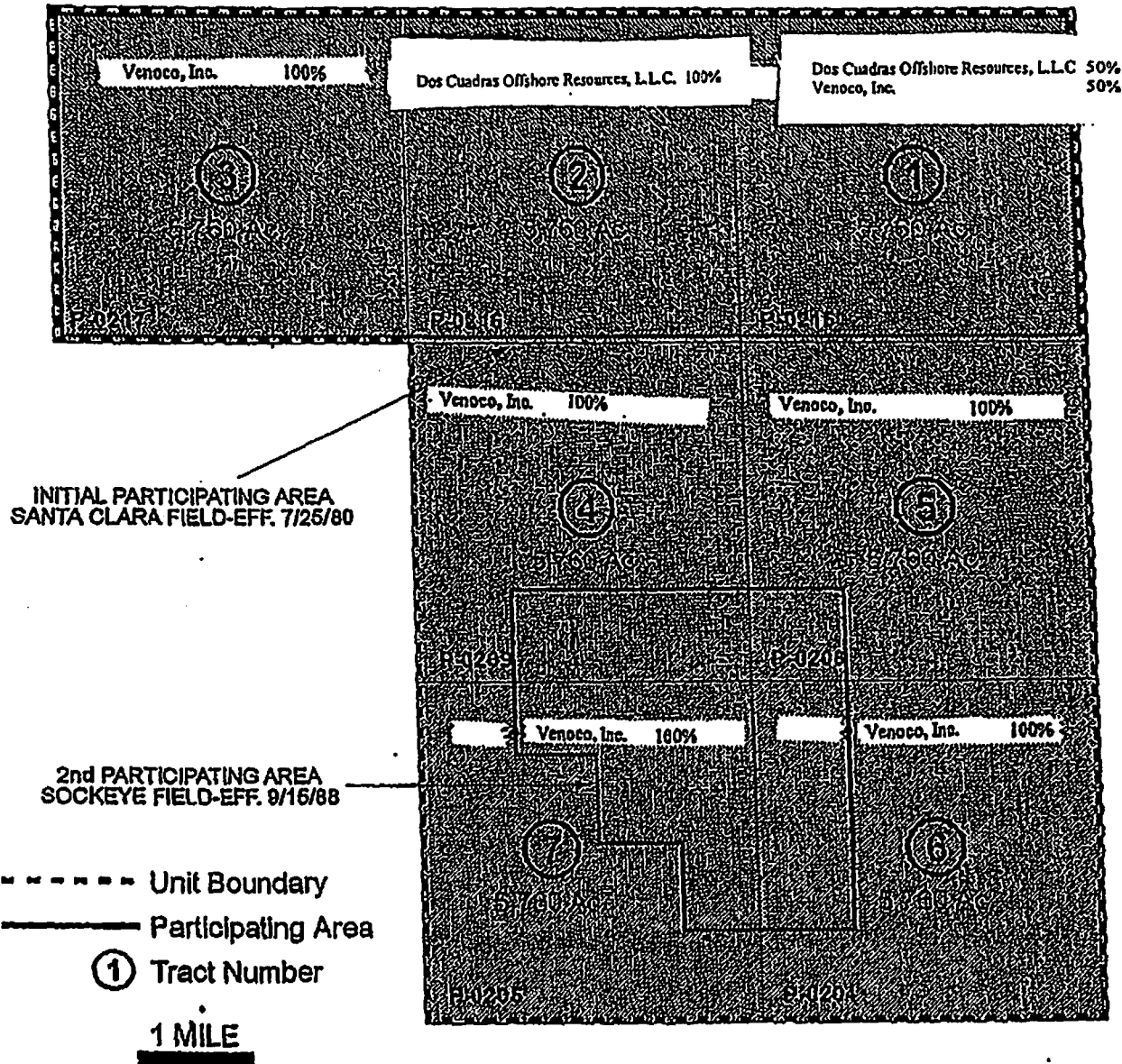
Mike Brickey
Acting Chief, Office of Reservoir
Evaluation and Production

TAKE PRIDE[®]
IN AMERICA

EXHIBIT "A"

SANTA CLARA UNIT OPERATING AGREEMENT

Outer Continental Shelf, California
Ownership of Oil and Gas Interests

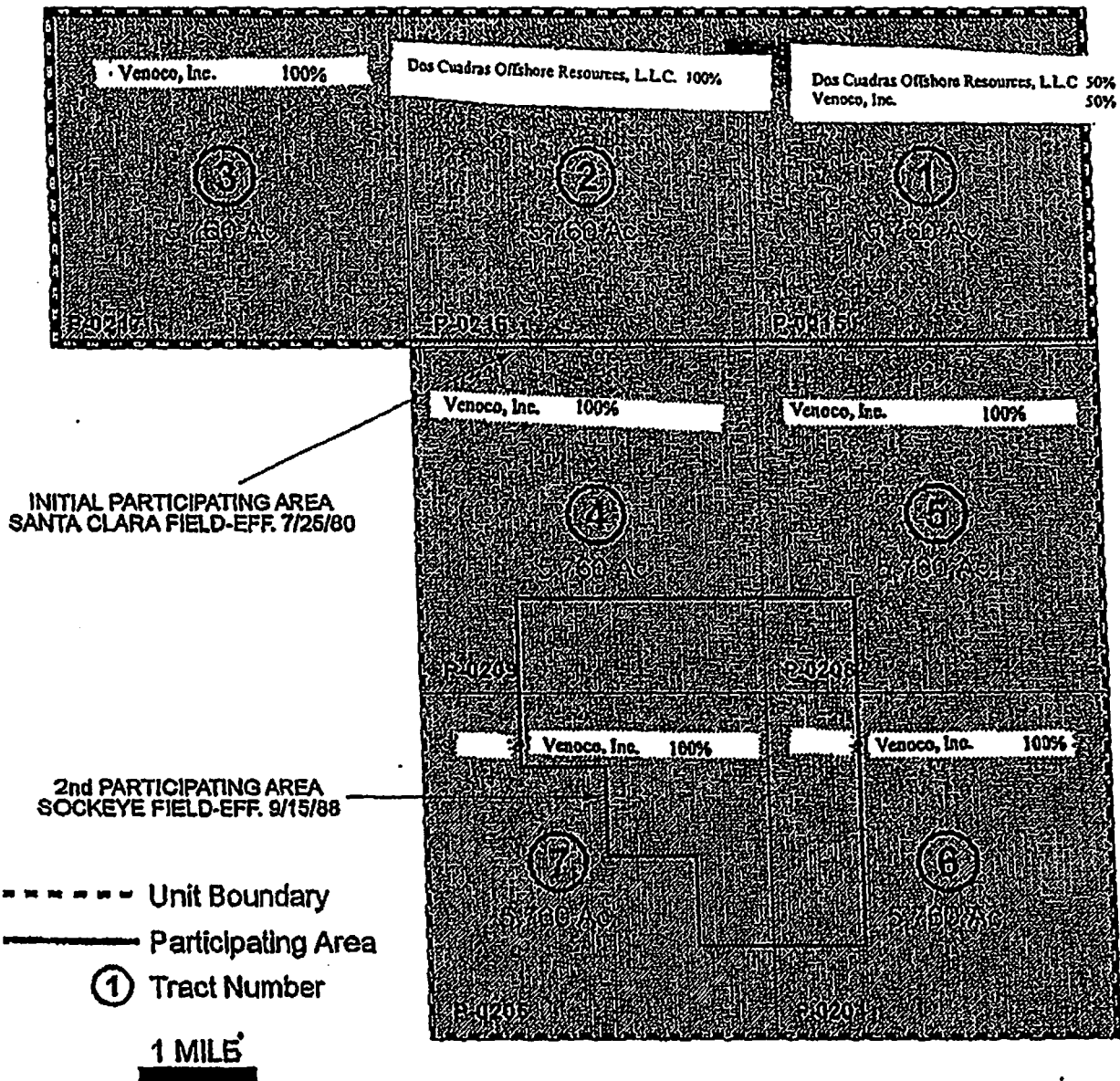


REVISED DATE: MARCH 2, 2005
EFFECTIVE DATE: DECEMBER 1, 2004

EXHIBIT "A"

SANTA CLARA UNIT AGREEMENT

Outer Continental Shelf, California
Ownership of Oil and Gas Interests



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

**REVISED
EXHIBIT "B"
TO
SANTA CLARA 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	Channel Islands 48N 60W; All	5,760	OCS-P 0215	USA 16 2/3	Venoco, Inc. Dos Cuadras Offshore Resources, L.L.C.	50% 50%	Dos Cuadras Offshore Resources, L.L.C. ¹
2	Channel Islands 48N 61W; All	5,760	OCS-P 0216	USA 16 2/3	Dos Cuadras Offshore Resources, L.L.C.	100%	None
3	Channel Islands 48N 62W; All	5,760	OCS-P 0217	USA 16 2/3	Venoco, Inc.	100%	None
4	Channel Islands 47N 61W; All	5,760	OCS-P 0209	USA 16 2/3	Venoco, Inc.	100%	None
5	Channel Islands 47N 60W;	5,760	OCS-P 0208	USA 16 2/3	Venoco, Inc.	100%	None

¹ Union Oil Company of California assigned all of its overriding royalty interest to Nuevo Energy Company in All of Block 48N 60W, Official Leasing Map, Channel Islands Area Map No. 6B, Insofar and only Insofar as to the S/2 in the following formations:

- I. From the Base of the Monterey Formation, Down to a Depth of 10,130 feet and its stratigraphic equivalent as determined in the test well located 3,800 feet North and 1,200 feet East from the Southwest corner of OCS-P 0215 - .031250 ORRI.
- II. Below the depth of 10,130 feet and its stratigraphic equivalent as determined in the test well located 3,800 feet North and 1,200 feet East from the Southwest corner of OCS-P 0215 - .062500 ORRI.

Nuevo Energy Company then merged into Plains Exploration & Production Company. Plains Exploration & Production Company assigned all of its overriding royalty interest to Dos Cuadras Offshore Resources, Inc.

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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
	All						
6	Channel Islands 46N 60W; All	5,760	OCS-P 0204	USA 16 2/3	Venoco, Inc.	100%	None
7	Channel Islands 46N 61W; All	5,760	OCS-P 0205	USA 16 2/3	Venoco, Inc.	100%	None
	TOTAL	40,320.00					

Santa Clara Unit Agreement
Effective Date: December 1, 2004
Revised Date: March 2, 2005

**REVISED
EXHIBIT "B"
TO
SANTA CLARA 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
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2	Channel Islands 48N 61W; All	5,760	OCS-P 0216	USA 16 2/3	Dos Cuadras Offshore Resources, L.L.C.	100%	None
3	Channel Islands 48N 62W; All	5,760	OCS-P 0217	USA 16 2/3	Venoco, Inc.	100%	None
4	Channel Islands 47N 61W; All	5,760	OCS-P 0209	USA 16 2/3	Venoco, Inc.	100%	None

¹ Union Oil Company of California assigned all of it's overriding royalty interest to Nuevo Energy Company in All of Block 48N 60W, Official Leasing Map, Channel Islands Area Map No. 6B, Insofar and only Insofar as to the S/2 in the following formations:

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Nuevo Energy Company then merged into Plains Exploration & Production Company. Plains Exploration & Production Company assigned all of its overriding royalty interest to Dos Cuadras Offshore Resources, Inc.

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
5	Channel Islands 47N 60W; All	5,760	OCS-P 0208	USA 16 2/3	Venoco, Inc.	100%	None
6	Channel Islands 46N 60W; All	5,760	OCS-P 0204	USA 16 2/3	Venoco, Inc.	100%	None
7	Channel Islands 46N 61W; All	5,760	OCS-P 0205	USA 16 2/3	Venoco, Inc.	100%	None
	TOTAL	40,320.00					

Santa Clara Unit Operating Agreement

Effective Date: December 1, 2004

Revised Date: March 2, 2005