



UNIT AGREEMENT

FOR THE EXPLORATION, DEVELOPMENT AND OPERATION OF THE

SWORD UNIT AREA, CHANNEL ISLANDS AREA

OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

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 Manager, Pacific OCS Region, Minerals Management Service, I do hereby:

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

DATED:

7/13/84

Regional Manager  
Pacific OCS Region  
MINERALS MANAGEMENT SERVICE

Contract No. 14-08-0001-18482

William E. Brant

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TABLE OF CONTENTS

<u>ARTICLE</u>		<u>PAGE</u>
I	ENABLING ACT AND REGULATIONS	1
II	DEFINITIONS	2
III	UNIT AREA AND EXHIBITS	4
IV	CONTRACTION AND EXPANSION OF UNIT AREAS	4
V	UNIT OPERATOR	5
VI	RESIGNATION OF UNIT OPERATOR	6
VII	SUCCESSOR UNIT OPERATOR	7
VIII	ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT	7
IX	RIGHTS AND OBLIGATIONS OF UNIT OPERATOR	8
X	PLANS OF OPERATION	9
XI	PARTICIPATING AREAS	11
XII	ALLOCATION OF UNITIZED SUBSTANCES	12
XIII	RELINQUISHMENT OF LEASES	14
XIV	RENTALS AND MINIMUM ROYALTIES	14
XV	AUTOMATIC CONTRACTION OF UNIT AREA	14
XVI	LEASES AND CONTRACTS CONFORMED AND EXTENDED	16
XVII	EFFECTIVE DATE AND TERM	17
XVIII	APPEARANCES	18
XIX	NO WAIVER OF CERTAIN RIGHTS	18
XX	UNAVOIDABLE DELAY	18
XXI	POSTPONEMENT OF OBLIGATIONS	19
XXII	NONDISCRIMINATION	19
XXIII	COUNTERPARTS	19
XXIV	SUBSEQUENT JOINDER	19
XXV	COVENANTS RUN WITH THE LAND	20
XXVI	NOTICES	21
EXHIBIT "A"	MAP SHOWING UNIT AREA, BOUNDARIES, ETC.	
EXHIBIT "B"	SCHEDULE SHOWING ACREAGE AND PERCENTAGE	
EXHIBIT "C"	SCHEDULE FOR COMPONENTS OF PARTICIPATING AREA AND ALLOCATION OF PRODUCTION	

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FOR THE EXPLORATION, DEVELOPMENT AND OPERATION OF THE  
SWORD UNIT AREA, CHANNEL ISLANDS AREA,  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

THIS AGREEMENT, entered into as of the 13th day of July,  
1984, by and between the parties subscribing, ratifying, or consent-  
ing hereto, and herein referred to as the "parties hereto,"

W I T N E S S E T H :

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. as amended, hereinafter referred  
to as the "Act," authorized 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)(4) 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  
themselves 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)(4) 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:

2.1.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.

2.1.b Director: The Director of the Minerals Management Service.

2.1.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.

2.1.d Department: The Department of the Interior of the United States of America.

2.1.e Manager: The Regional Manager, Minerals Management Service, having jurisdiction over lands made subject to this Agreement.

2.1.f Supervisor: The Regional Supervisor, Field Operations Office, Minerals Management Service, having jurisdiction over oil and gas operations in the area being unitized.

2.1.g Unitized Lands: 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.

2.1.h 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.

2.1.i 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 XII of this Agreement.

2.1.j Working Interest: The interest held in the 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.

2.1.k 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.

2.1.l Tract: A parcel of land given a "Tract Number" and described as a separate Tract in Exhibit "B."

2.1.m 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.

2.1.n 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 exploration,

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.

2.1.o 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 That portion of the OCS as shown on the United States Official Leasing Map No. 6A for the Channel Islands Area, as described in Exhibit "B," is 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 component blocks and leases.

3.3 Exhibit "B" which is attached to this document and made a part hereof, is a schedule listing the component leases and the ownership of each and a "Unit Working Interest Breakdown."

3.4 Exhibit "C" which will be submitted in accordance with the provisions of this Agreement and will be made part hereof, is a schedule listing the component parts of the Participating Area (or Areas) by lease and the percentage of oil or gas, or both, that is to be allocated to each lease.

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 (or Areas), changes in the ownership of one or more leases, or changes in the percentages of oil or gas, or both, allocated to the individual leases render such changes necessary. Four copies of the revised exhibits shall be submitted for the concurrence of 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:

4.2.a Unit Operator, on its own motion after preliminary concurrence of the Manager or on demand of the Manager, 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.

4.2.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 thirty (30) days will be allowed for submission to the Unit Operator of any objections.

4.2.c Upon expiration of the 30-day period provided in the preceding item (4.2.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.

4.2.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.

#### ARTICLE V

##### UNIT OPERATOR

5.1 Conoco Inc. 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 three (3) 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 shall be subject to removal by an affirmative vote of two (2) or more owners holding at least an eighty percent (80%) share of the Working Interests, based on their respective shares of the acreage subject to this Agreement, after excluding Unit Operator's Working Interest. 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 an affirmative vote of two (2) or more owners holding at least a sixty-five percent (65%) share of the Working Interests, based on their respective shares of the acreage subject to this Agreement. However, if the removed or resigned Unit Operator fails to vote or votes only to succeed itself, the successor Unit Operator shall be selected by an affirmative vote of two (2) or more owners holding at least a sixty-five percent (65%) share of the Working Interests, based on their respective shares of the acreage subject to this Agreement, after excluding the Working Interest of the removed or resigned Unit Operator. 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 designated as herein provided within sixty (60) days following notice to the Supervisor of the resignation or removal of a Unit Operator, the Supervisor, at his election, may designate one of the Working Interest Owners other than the Unit Operator as successor Unit Operator or he 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 the 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 Concurrently with the filing of this Agreement for approval, Unit Operator shall submit the initial Plan of Operation. Such plan shall call for a) the processing and evaluation of an experimental seismic streamer survey program; b) a California Heavy Oil Study which will provide information on the best methods for testing and developing the Sword Unit Area; and c) the drilling of an exploratory well, and when such plan is approved by the Supervisor, shall constitute the activity and exploratory drilling obligation of the Unit Operator under this Agreement for the period of time specified in the Plan. The activity shall be conducted and the well shall be drilled in accordance with said Plan unless the Unit Operator establishes to the satisfaction of the Supervisor that a variance therefrom is warranted. Unit Operator shall commence drilling said well not later than April 1, 1985. The initial Plan of Operation shall expire not later than three (3) months following the completion of said well.

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

10.4 No exploratory or development drilling operations shall be conducted on the Unitized Land other than as provided in an approved Plan of Operation. During the period covered by an approved Plan of Operation the Unit Operator may drill additional wells after first obtaining the Supervisor's approval of an Amendment of the governing Plan of Operation to provide for such additional wells. Any Plan of Operation shall expire not later than three (3) months after completion of the final operation(s) provided for in such Plan of Operation. Prior to the expiration of any existing Plan of Operation, Unit Operator shall submit for approval by the Supervisor a subsequent Plan of Operation for the ensuing period.

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, or as soon thereafter as required by the Supervisor, the Unit Operator shall submit to the Supervisor, as Exhibit "C", 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 Exhibit "C" 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 from the several tracts of Unitized Land within the Participating Area established for such production in accordance with Sections 12.2 and 12.3.

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 determined on an acreage participation basis or volumetric participation basis, whichever is in effect at that time, as prescribed in the Unit Operating Agreement, 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 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 substances 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



substances 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 30 CFR 256.76, 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 Beginning with the lease year commencing September 1, 1984, and for each lease year thereafter, rentals or minimum royalties due on leases committed hereto shall be paid by the Working Interest Owners responsible therefor at the time and rate or rates specified in their respective leases from the United States unless such rental or minimum royalty is suspended, or reduced by law or by approval of the Secretary.

14.2 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 XV

##### AUTOMATIC CONTRACTION OF UNIT AREA

15.1 Each lease, 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 lease 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 such lease on said tenth anniversary, in which event such lease shall remain subject hereto for as long as such drilling operations are continued diligently with not more than three (3) months time elapsing between the completion of one well and the commencement of the next well.

15.2 With prior approval of the Supervisor a period of time in excess of three (3) 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.

15.3 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.

15.4 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 a lease not entitled to participation, such lease shall be eliminated automatically as of the 91st 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.

15.5 The leases, as to any lands excluded from this Agreement in accordance with this Article, shall automatically terminate as to said 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, subleases, 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 Manager, 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:

16.2.a Drilling and/or producing operations performed hereunder upon any Tract of Unitized Lands will be accepted and deemed to be performed upon for the benefit of each and every lease containing 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.

16.2.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 lease containing Unitized Land; however, a suspension of drilling and/or producing operations on specified lands shall be applicable only to such lands.

16.2.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 or regulatory authority, 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 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 upon approval by the Secretary or his duly authorized representative, and shall terminate five (5) years from said effective date unless:

17.1.a Such date of expiration is extended by the Manager;  
or

17.1.b Unitized Substances are or may be produced from wells drilled hereunder, in which event this Agreement shall remain in effect so long as Unitized Substances are or 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

17.1.c It is terminated as provided in this Agreement; or

17.1.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 an affirmative vote of two (2) or more owners holding at least a sixty-five percent (65%) share 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 expense 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 Manager.

#### ARTICLE XXI

##### POSTPONEMENT OF OBLIGATIONS

21.1 Notwithstanding any other provisions of this Agreement, the Manager, 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 Unit 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.

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

CONOCO INC.

Date 5-9-84  
Address P.O. Box 218850  
Houston, Texas 77218

By W. T. Prescott  
W. T. Prescott  
Attorney-in-Fact

+++++

STATE OF TEXAS  
COUNTY HARRIS

I  
I  
I

BEFORE ME, Virginia A. Atwood, a Notary Public, on this day personally appeared W. T. PRESCOTT, known to me to be the person whose name is subscribed to the foregoing instrument as Attorney-in-Fact of CONOCO INC. and acknowledged to me that he subscribed the name of CONOCO INC. thereto as principal and his own name as Attorney-in-Fact, and that CONOCO INC. executed said instrument by and through him for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 9th day of May, 1984.

Virginia A. Atwood  
Notary Public in and  
for The State of Texas

My Commission Expires:  
June 20, 1985

.0006e



SUBSCRIPTION, RATIFICATION AND JOINDER  
SWORD UNIT AREA, CHANNEL ISLANDS AREA,  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

WHEREAS, the undersigned is the owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the boundaries of the Unit Area; and

WHEREAS, the undersigned has received and reviewed true and exact copies of the Unit Agreement for the Exploration, Development and Operation of the SWORD UNIT and desires to subject its interest in submerged lands of the Outer Continental Shelf embraced within such Unit Area to said Unit Agreement;

NOW, THEREFORE, in consideration of the benefits to be derived from joining in the Unit Agreement and the mutual covenants and agreements therein contained, the undersigned owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the Unit Area, as set forth in Exhibits "A" and "B" of the Unit Agreement, does hereby commit its interest in such lands to said Unit Agreement and does hereby ratify the said Agreement and join therein as to all terms, covenants and conditions thereof applicable to owners of Working Interests to the same extent as if the undersigned had signed such Agreement.

This Subscription, Ratification and Joinder shall be binding upon the undersigned and its assigns and successors in interest.

EXECUTED this 25th day of July, 1984.

Company: AMERADA HESS CORPORATION

By:  RE

Name: T. A. Collins

Its: Vice President

GDD-vaa.00017

OCT 28 1987

FIELD OPERATIONS  
LOS ANGELES

SUBSCRIPTION, RATIFICATION AND JOINDER  
SWORD UNIT AREA, CHANNEL ISLANDS AREA  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

WHEREAS, the undersigned is the owner of a Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the boundaries of the Unit Area established by the Sword Unit under that certain Sword Unit Agreement by and between Conoco Inc. and Sun Exploration and Production Company, Hamilton Brothers Oil Company, Amerada Hess Corporation, Mobil Oil Corporation, McMoran-Freeport Oil Company, Samedan Oil Corporation, Texas Eastern Exploration Co., Tricentrol Resources Inc., American Petrofina Company of Texas, Petrofina Delaware, Incorporated, Huffco Petroleum Corporation, Weeks Exploration Company, CELERON Oil and Gas Company and Ogle Petroleum Inc. dated July 13, 1984, hereinafter referred to as "Unit Agreement"; and

WHEREAS, the undersigned has received and reviewed true and exact copies of said Unit Agreement and desires to subject its interest in submerged lands of the Outer Continental Shelf embraced within the Unit Area established by said Unit Agreement to same;

NOW, THEREFORE, in consideration of the benefits to be derived from joining in said Unit Agreement and the mutual covenants and agreements therein contained, the undersigned owner of a Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the Unit Area, as set forth in Exhibits "A" and "B" of said Unit Agreement, does hereby ratify said Unit Agreement and join therein as to all terms, covenants and conditions thereof applicable to owners of Working Interests to the same extent as if the undersigned had signed said Unit Agreement.

This Subscription, Ratification and Joinder shall be binding upon and shall inure to the benefit of the undersigned and its assigns and successors in interest.

EXECUTED this 19<sup>th</sup> day of October, 1987.

Company: BOSTON OIL & GAS, INC.

By: Thomas W.H. Phelps

Name: Thomas W.H. Phelps

Its: President

State of Mass  
County Suffolk

Before me, ELEANOR M. HOWARD, a Notary Public, on this day personally appeared THOMAS W. N. PHILIPS known to me to be the person whose name is subscribed to the foregoing instrument as PRESIDENT of BOSTON OIL & GAS, INC. and acknowledged to me that he subscribed the name of BOSTON OIL & GAS Co. thereto as principal and his/her own name as PRESIDENT, and that HE executed said instrument by and through ~~her~~/him for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 16<sup>th</sup> day of October, 1987.

Eleanor M. Howard  
Notary Public in and for  
Suffolk County,  
State of Massachusetts

My Commission Expires  
October 19, 1990

SUBSCRIPTION, RATIFICATION AND JOINDER  
SWORD UNIT AREA, CHANNEL ISLANDS AREA,  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

WHEREAS, the undersigned is the owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the boundaries of the Unit Area; and

WHEREAS, the undersigned has received and reviewed true and exact copies of the Unit Agreement for the Exploration, Development and Operation of the SWORD UNIT and desires to subject its interest in submerged lands of the Outer Continental Shelf embraced within such Unit Area to said Unit Agreement;

NOW, THEREFORE, in consideration of the benefits to be derived from joining in the Unit Agreement and the mutual covenants and agreements therein contained, the undersigned owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the Unit Area, as set forth in Exhibits "A" and "B" of the Unit Agreement, does hereby commit its interest in such lands to said Unit Agreement and does hereby ratify the said Agreement and join therein as to all terms, covenants and conditions thereof applicable to owners of Working Interests to the same extent as if the undersigned had signed such Agreement.

This Subscription, Ratification and Joinder shall be binding upon the undersigned and its assigns and successors in interest.

EXECUTED this 15th day of June, 1984.

Company: CELERON Oil and Gas Company

By: George D. Todd *encl. 1*  
Name: George D. Todd  
Its: Vice President - Land

+

STATE OF LOUISIANA  
PARISH  
~~COUNTY~~ OF LAFAYETTE

BEFORE ME, Rose M. Thibodaux, a Notary Public, on this day personally appeared George D. Todd known to me to be the person whose name is subscribed to the foregoing instrument as Vice President - Land of CELERON Oil and Gas Company and acknowledged to me that he subscribed the name of CELERON Oil and Gas Company thereto as principal and his/~~her~~ own name as Vice President - Land, and that CELERON Oil and Gas Company executed said instrument by and through ~~her~~/him for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 15th day of  
June, 1984.

Rose M. Thibodaux  
Notary Public in and for  
Lafayette ~~Cadieux~~ Parish,  
State of Louisiana

My Commission Expires:  
with life

SUBSCRIPTION, RATIFICATION AND JOINDER  
SWORD UNIT AREA, CHANNEL ISLANDS AREA  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

WHEREAS, the undersigned is the owner of a Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the boundaries of the Unit Area established by the Sword Unit under that certain Sword Unit Agreement by and between Conoco Inc. and Sun Exploration and Production Company, Hamilton Brothers Oil Company, Amerada Hess Corporation, Mobil Oil Corporation, McMoran-Freeport Oil Company, Samedan Oil Corporation, Texas Eastern Exploration Co., Tricentrol Resources Inc., American Petrofina Company of Texas, Petrofina Delaware, Incorporated, Huffco Petroleum Corporation, Weeks Exploration Company, CELERON Oil and Gas Company and Ogle Petroleum Inc. dated July 13, 1984, hereinafter referred to as "Unit Agreement"; and

WHEREAS, the undersigned has received and reviewed true and exact copies of said Unit Agreement and desires to subject its interest in submerged lands of the Outer Continental Shelf embraced within the Unit Area established by said Unit Agreement to same;

NOW, THEREFORE, in consideration of the benefits to be derived from joining in said Unit Agreement and the mutual covenants and agreements therein contained, the undersigned owner of a Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the Unit Area, as set forth in Exhibits "A" and "B" of said Unit Agreement, does hereby ratify said Unit Agreement and join therein as to all terms, covenants and conditions thereof applicable to owners of Working Interests to the same extent as if the undersigned had signed said Unit Agreement.

This Subscription, Ratification and Joinder shall be binding upon and shall inure to the benefit of the undersigned and its assigns and successors in interest.

EXECUTED this 14<sup>th</sup> day of APRIL, 1987.

Company: COLTON GULF COAST, INC.

By: 

Name: D. E. Kissel

Its: Vice President



State of Massachusetts  
County of Suffolk

Before me, Will F. Pierce a Notary Public, on this day personally  
appeared D. E. Kissel known to me to be the person whose name is  
subscribed to the foregoing instrument as Vice President of Colton Gulf  
Coast, Inc. and acknowledged to me that he subscribed the name of Colton Gulf Coast,  
Inc. thereto as principal and his/her own name as Vice President,  
and that D. E. Kissel executed said instrument by and through her/him  
for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 14th day of April,  
1987.

Will F. Pierce  
Notary Public in and for  
Suffolk County,  
State of Massachusetts

My Commission Expires

my Commission Expires February 13, 1992

**SWORD UNIT**  
**SUBSCRIPTION, RATIFICATION AND JOINDER**  
**UNIT AGREEMENT AND UNIT OPERATING AGREEMENT**

WHEREAS, the undersigned is the owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the boundaries of the Unit Area of the Sword Unit, Channel Islands Area, Outer Continental Shelf, Offshore California, where such Unit Area includes:

A Portion of Block 54N 85W  
A Portion of Block 54N 84W  
A Portion of Block 53N 85W  
A Portion of Block 53N 84W

WHEREAS, the undersigned desires to subject its interest in such lands to the Sword Unit Agreement dated July 13, 1984 and Unit Operating Agreement dated July 13, 1984, as they may be amended;

NOW, THEREFORE, in consideration of the benefits to be derived from joining in the Sword Unit Agreement and Unit Operating Agreement, as they may be amended, and the mutual covenants and agreements therein contained, the undersigned owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the Unit Area does hereby ratify the Sword Unit Agreement and Unit Operating Agreement and join therein as to all terms, covenants and conditions thereof applicable to owners of Working Interests to the same extent as if the undersigned had signed such Agreements at the time of original execution thereof.

This Subscription, Ratification and Joinder shall be binding upon the undersigned and its assigns and successors in interest.

Executed this 9th day of May, 1988.

Exxon San Joaquin Production Company

By: \_\_\_\_\_

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

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

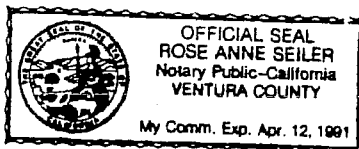
G. T. Theriot  
G. T. Theriot  
President

COUNTY OF VENTURA )

STATE OF CALIFORNIA )

On this 9th day of May, A.D. 1988, before me, the undersigned, a Notary Public in and for the State of California, duly commissioned and sworn, personally appeared G. T. Theriot to me known and known to me to be as the PRESIDENT of, and the person who executed the within instrument on behalf of, Exxon San Joaquin Production Company, the company described therein, and being by me duly sworn did say that he is the PRESIDENT of said company and that said instrument was executed on behalf of said company by authority of its Board of Directors, and did further acknowledge to me that such execution was his free and voluntary act and deed and the free and voluntary act and deed of said company for the uses, purposes and considerations therein expressed.

WITNESS my hand and official seal the day and year in this certificate first above written.



Rose Anne Seiler  
Notary in and for the STATE OF CALIFORNIA



SUBSCRIPTION, RATIFICATION AND JOINDER  
SWORD UNIT AREA, CHANNEL ISLANDS AREA,  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

WHEREAS, the undersigned is the owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the boundaries of the Unit Area; and

WHEREAS, the undersigned has received and reviewed true and exact copies of the Unit Agreement for the Exploration, Development and Operation of the SWORD UNIT and desires to subject its interest in submerged lands of the Outer Continental Shelf embraced within such Unit Area to said Unit Agreement;

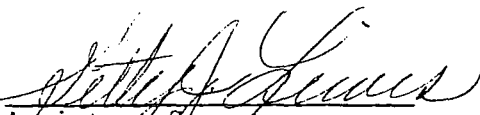
NOW, THEREFORE, in consideration of the benefits to be derived from joining in the Unit Agreement and the mutual covenants and agreements therein contained, the undersigned owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the Unit Area, as set forth in Exhibits "A" and "B" of the Unit Agreement, does hereby commit its interest in such lands to said Unit Agreement and does hereby ratify the said Agreement and join therein as to all terms, covenants and conditions thereof applicable to owners of Working Interests to the same extent as if the undersigned had signed such Agreement.

This Subscription, Ratification and Joinder shall be binding upon the undersigned and its assigns and successors in interest.

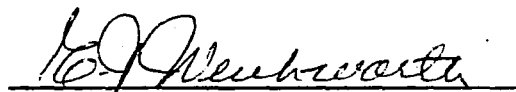
EXECUTED this 25th day of July, 1984.

ATTEST:

Company: HAMILTON BROTHERS OIL COMPANY

  
Assistant Secretary

By:



Name:

E.J. Wentworth

Its:

Vice President

SUBSCRIPTION, RATIFICATION AND JOINDER  
SWORD UNIT AREA, CHANNEL ISLANDS AREA  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

WHEREAS, the undersigned is the owner of a Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the boundaries of the Unit Area established by the Sword Unit under that certain Sword Unit Agreement by and between Conoco Inc. and Sun Exploration and Production Company, Hamilton Brothers Oil Company, Amerada Hess Corporation, Mobil Oil Corporation, McMoran-Freeport Oil Company, Samedan Oil Corporation, Texas Eastern Exploration Co., Tricentrol Resources Inc., American Petrofina Company of Texas, Petrofina Delaware, Incorporated, Huffco Petroleum Corporation, Weeks Exploration Company, CELERON Oil and Gas Company and Ogle Petroleum Inc. dated July 13, 1984, hereinafter referred to as "Unit Agreement"; and

WHEREAS, the undersigned has received and reviewed true and exact copies of said Unit Agreement and desires to subject its interest in submerged lands of the Outer Continental Shelf embraced within the Unit Area established by said Unit Agreement to same;

NOW, THEREFORE, in consideration of the benefits to be derived from joining in said Unit Agreement and the mutual covenants and agreements therein contained, the undersigned owner of a Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the Unit Area, as set forth in Exhibits "A" and "B" of said Unit Agreement, does hereby ratify said Unit Agreement and join therein as to all terms, covenants and conditions thereof applicable to owners of Working Interests to the same extent as if the undersigned had signed said Unit Agreement.

This Subscription, Ratification and Joinder shall be binding upon and shall inure to the benefit of the undersigned and its assigns and successors in interest.

EXECUTED this 28 day of April, 1987.



Company: HUFFCO 1982 EXPLORATION  
LIMITED PARTNERSHIP  
By: [Signature] HUFFCO GAS AND OIL, INC., GENERAL PARTNER  
Name: Lorne D. Bain  
Its: President, Huffco Gas and Oil, Inc.

State of TEXAS  
County HARRIS

Before me, Martha G. Braddy, a Notary Public, on this day  
personally appeared LORNE D. BAIN known to me to be the  
person whose name is subscribed to the foregoing instrument as  
President of Huffco Gas and Oil, Inc.  
and acknowledged to me that he subscribed the name of Huffco Gas and Oil, Inc.,  
General Partner of Huffco  
1982 Exploration Limited Partnership thereto as principal and his/her own name as  
President of Huffco Gas and Oil, Inc., and that LORNE D. BAIN  
executed said instrument by and through her/him for the purposes and  
consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 28th day of  
April, 1987.

MARTHA G. BRADDY  
Notary Public in and for the State of Texas  
My Commission Expires April 4, 1990

Martha G. Braddy  
Notary Public in and for  
Harris County,  
State of Texas

My Commission Expires

April 4, 1990

SUBSCRIPTION, RATIFICATION AND JOINDER  
-SWORD UNIT AREA, CHANNEL ISLANDS AREA,  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

WHEREAS, the undersigned is the owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the boundaries of the Unit Area; and

WHEREAS, the undersigned has received and reviewed true and exact copies of the Unit Agreement for the Exploration, Development and Operation of the SWORD UNIT and desires to subject its interest in submerged lands of the Outer Continental Shelf embraced within such Unit Area to said Unit Agreement;

NOW, THEREFORE, in consideration of the benefits to be derived from joining in the Unit Agreement and the mutual covenants and agreements therein contained, the undersigned owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the Unit Area, as set forth in Exhibits "A" and "B" of the Unit Agreement, does hereby commit its interest in such lands to said Unit Agreement and does hereby ratify the said Agreement and join therein as to all terms, covenants and conditions thereof applicable to owners of Working Interests to the same extent as if the undersigned had signed such Agreement.

This Subscription, Ratification and Joinder shall be binding upon the undersigned and its assigns and successors in interest.

EXECUTED this 24th day of May, 1984.

Company: HUFFCO PETROLEUM CORPORATION

By: M. L. Harvey

Name: M. L. Harvey

Its: Vice President - Land

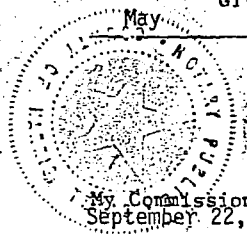
+++++

STATE OF TEXAS

COUNTY HARRIS

BEFORE ME, Sylvia D. Spanihel, a Notary Public, on this day personally appeared M. L. HARVEY known to me to be the person whose name is subscribed to the foregoing instrument as Vice President-Land of HUFFCO PETROLEUM CORPORATION and acknowledged to me that he subscribed the name of MXXXXXXXXXXXX HUFFCO PETROLEUM CORPORATION thereto as principal and his/its own name as Vice President-Land, and that MXXXXXXXXXXXX HUFFCO PETROLEUM CORPORATION executed said instrument by and through him for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 24th day of May, 1984.



Sylvia D. Spanihel  
Notary Public in and for  
Harris County,  
State of Texas

SUBSCRIPTION, RATIFICATION AND JOINDER  
SWORD UNIT AREA, CHANNEL ISLANDS AREA  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

WHEREAS, the undersigned is the owner of a Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the boundaries of the Unit Area established by the Sword Unit under that certain Sword Unit Agreement by and between Conoco Inc. and Sun Exploration and Production Company, Hamilton Brothers Oil Company, Amerada Hess Corporation, Mobil Oil Corporation, McMoran-Freeport Oil Company, Samedan Oil Corporation, Texas Eastern Exploration Co., Tricentrol Resources Inc., American Petrofina Company of Texas, Petrofina Delaware, Incorporated, Huffco Petroleum Corporation, Weeks Exploration Company, CELERON Oil and Gas Company and Ogle Petroleum Inc. dated July 13, 1984, hereinafter referred to as "Unit Agreement"; and

WHEREAS, the undersigned has received and reviewed true and exact copies of said Unit Agreement and desires to subject its interest in submerged lands of the Outer Continental Shelf embraced within the Unit Area established by said Unit Agreement to same;

NOW, THEREFORE, in consideration of the benefits to be derived from joining in said Unit Agreement and the mutual covenants and agreements therein contained, the undersigned owner of a Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the Unit Area, as set forth in Exhibits "A" and "B" of said Unit Agreement, does hereby ratify said Unit Agreement and join therein as to all terms, covenants and conditions thereof applicable to owners of Working Interests to the same extent as if the undersigned had signed said Unit Agreement.

This Subscription, Ratification and Joinder shall be binding upon and shall inure to the benefit of the undersigned and its assigns and successors in interest.

EXECUTED this 5<sup>th</sup> day of June, 1987.

Company: JAZIRA U.S.A., INC.

By: Thomas W. H. Phelps

Name: Thomas W. H. Phelps

Its: President



State of Mass  
County Suffolk

Before me, ELEANOR M. HOWARD, a Notary Public, on this day personally appeared Thomas W. H. Phelps known to me to be the person whose name is subscribed to the foregoing instrument as \_\_\_\_\_

President of Jazira USA, Inc.  
and acknowledged to me that he subscribed the name of \_\_\_\_\_  
Jazira USA, Inc. thereto as principal and his/~~her~~ own name as \_\_\_\_\_

President, and that Thomas W. H. Phelps  
executed said instrument by and through her/him for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 5<sup>th</sup> day of  
June, 1987.

Eleanor M. Howard  
Notary Public in and for  
Suffolk County,  
State of Massachusetts

My Commission Expires

October 19, 1990

SUBSCRIPTION, RATIFICATION AND JOINDER  
SWORD UNIT AREA, CHANNEL ISLANDS AREA,  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

WHEREAS, the undersigned is the owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the boundaries of the Unit Area; and

WHEREAS, the undersigned has received and reviewed true and exact copies of the Unit Agreement for the Exploration, Development and Operation of the SWORD UNIT and desires to subject its interest in submerged lands of the Outer Continental Shelf embraced within such Unit Area to said Unit Agreement;

NOW, THEREFORE, in consideration of the benefits to be derived from joining in the Unit Agreement and the mutual covenants and agreements therein contained, the undersigned owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the Unit Area, as set forth in Exhibits "A" and "B" of the Unit Agreement, does hereby commit its interest in such lands to said Unit Agreement and does hereby ratify the said Agreement and join therein as to all terms, covenants and conditions thereof applicable to owners of Working Interests to the same extent as if the undersigned had signed such Agreement.

This Subscription, Ratification and Joinder shall be binding upon the undersigned and its assigns and successors in interest.

EXECUTED this 22nd day of May, 1984.

Company: McMoRan-Freeport Oil Company

By: Ollie D. Brown, Jr.

Name: Ollie D. Brown, Jr.

Its: President

+ + + + +

STATE OF LOUISIANA                    I  
PARISH OF                                    I  
~~COUNTY~~ JEFFERSON                    I

BEFORE ME, Walton D. Sanchez, a Notary Public, on this day personally appeared Ollie D. Brown, Jr. known to me to be the person whose name is subscribed to the foregoing instrument as President of McMoRan-Freeport Oil Company and acknowledged to me that he subscribed the name of McMoRan-Freeport Oil Company thereto as principal and his/~~his~~ own name as President, and that McMoRan-Freeport Oil Company executed said instrument by and through ~~him~~ him for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 22nd day of May, 1984.

Walton D. Sanchez  
Notary Public in and for  
Jefferson Parish ~~XXXXXX~~  
State of Louisiana

My Commission Expires:  
At Death

SUBSCRIPTION, RATIFICATION AND JOINDER  
SWORD UNIT AREA, CHANNEL ISLANDS AREA,  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

WHEREAS, the undersigned is the owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the boundaries of the Unit Area; and

WHEREAS, the undersigned has received and reviewed true and exact copies of the Unit Agreement for the Exploration, Development and Operation of the SWORD UNIT and desires to subject its interest in submerged lands of the Outer Continental Shelf embraced within such Unit Area to said Unit Agreement;

NOW, THEREFORE, in consideration of the benefits to be derived from joining in the Unit Agreement and the mutual covenants and agreements therein contained, the undersigned owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the Unit Area, as set forth in Exhibits "A" and "B" of the Unit Agreement, does hereby commit its interest in such lands to said Unit Agreement and does hereby ratify the said Agreement and join therein as to all terms, covenants and conditions thereof applicable to owners of Working Interests to the same extent as if the undersigned had signed such Agreement.

This Subscription, Ratification and Joinder shall be binding upon the undersigned and its assigns and successors in interest.

EXECUTED this 24th day of July, 1984.

Company: MOBIL OIL CORPORATION

By:

S. W. Akers

Name:

S. W. Akers

Its:

Attorney in Fact



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GDD-vaa.00017

SUBSCRIPTION, RATIFICATION AND JOINDER  
SWORD UNIT AREA, CHANNEL ISLANDS AREA,  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

WHEREAS, the undersigned is the owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the boundaries of the Unit Area; and

WHEREAS, the undersigned has received and reviewed true and exact copies of the Unit Agreement for the Exploration, Development and Operation of the SWORD UNIT and desires to subject its interest in submerged lands of the Outer Continental Shelf embraced within such Unit Area to said Unit Agreement;

NOW, THEREFORE, in consideration of the benefits to be derived from joining in the Unit Agreement and the mutual covenants and agreements therein contained, the undersigned owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the Unit Area, as set forth in Exhibits "A" and "B" of the Unit Agreement, does hereby commit its interest in such lands to said Unit Agreement and does hereby ratify the said Agreement and join therein as to all terms, covenants and conditions thereof applicable to owners of Working Interests to the same extent as if the undersigned had signed such Agreement.

This Subscription, Ratification and Joinder shall be binding upon the undersigned and its assigns and successors in interest.

EXECUTED this 14th day of May, 1984.

Company: PETROFINA DELAWARE, INCORPORATED

By: 

Name: J. D. Caddell

Its: Attorney-in-Fact

+++++

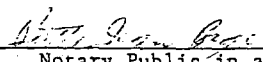
STATE OF TEXAS

COUNTY DALLAS

I  
I  
I

BEFORE ME, Betty Jean Page, a Notary Public, on this day personally appeared J. D. Caddell known to me to be the person whose name is subscribed to the foregoing instrument as Attorney-in-Fact of PETROFINA DELAWARE, INCORPORATED and acknowledged to me that he subscribed the name of PETROFINA DELAWARE, INCORPORATED thereto as principal and his/her own name as Attorney-in-Fact, and that PETROFINA DELAWARE, INCORPORATED executed said instrument by and through her/him for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 14th day of May, 1984.

  
Notary Public in and for  
Dallas County,  
State of Texas

My Commission Expires:  
February 16, 1988

SUBSCRIPTION, RATIFICATION AND JOINDER  
SWORD UNIT AREA, CHANNEL ISLANDS AREA  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

WHEREAS, the undersigned is the owner of a Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the boundaries of the Unit Area established by the Sword Unit under that certain Sword Unit Agreement by and between Conoco Inc. and Sun Exploration and Production Company, Hamilton Brothers Oil Company, Amerada Hess Corporation, Mobil Oil Corporation, McMoran-Freeport Oil Company, Samedan Oil Corporation, Texas Eastern Exploration Co., Tricentrol Resources Inc., American Petrofina Company of Texas, Petrofina Delaware, Incorporated, Huffco Petroleum Corporation, Weeks Exploration Company, CELERON Oil and Gas Company and Ogle Petroleum Inc. dated July 13, 1984, hereinafter referred to as "Unit Agreement"; and

WHEREAS, the undersigned has received and reviewed true and exact copies of said Unit Agreement and desires to subject its interest in submerged lands of the Outer Continental Shelf embraced within the Unit Area established by said Unit Agreement to same;

NOW, THEREFORE, in consideration of the benefits to be derived from joining in said Unit Agreement and the mutual covenants and agreements therein contained, the undersigned owner of a Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the Unit Area, as set forth in Exhibits "A" and "B" of said Unit Agreement, does hereby ratify said Unit Agreement and join therein as to all terms, covenants and conditions thereof applicable to owners of Working Interests to the same extent as if the undersigned had signed said Unit Agreement.

This Subscription, Ratification and Joinder shall be binding upon and shall inure to the benefit of the undersigned and its assigns and successors in interest.

EXECUTED this 28 day of April, 1987.

Company: ROY M. HUFFINGTON, INC.

By: 

Name: Lorne D. Bain

Its: President



State of TEXAS  
County HARRIS

Before me, Martha G. Braddy, a Notary Public, on this day personally appeared Lorne D. Bain known to me to be the person whose name is subscribed to the foregoing instrument as President of Roy M. Huffington, Inc. and acknowledged to me that he subscribed the name of Roy M. Huffington, Inc. thereto as principal and his/her own name as President, and that Lorne D. Bain executed said instrument by and through her/him for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 28th day of April, 1987.

MARTHA G. BRADDY  
Notary Public in and for the State of Texas  
My Commission Expires April 4, 1990

*Martha G. Braddy*  
Notary Public in and for  
Harris County,  
State of Texas

My Commission Expires  
April 4, 1990

SUBSCRIPTION, RATIFICATION AND JOINDER  
SWORD UNIT AREA, CHANNEL ISLANDS AREA,  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

WHEREAS, the undersigned is the owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the boundaries of the Unit Area; and

WHEREAS, the undersigned has received and reviewed true and exact copies of the Unit Agreement for the Exploration, Development and Operation of the SWORD UNIT and desires to subject its interest in submerged lands of the Outer Continental Shelf embraced within such Unit Area to said Unit Agreement;

NOW, THEREFORE, in consideration of the benefits to be derived from joining in the Unit Agreement and the mutual covenants and agreements therein contained, the undersigned owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the Unit Area, as set forth in Exhibits "A" and "B" of the Unit Agreement, does hereby commit its interest in such lands to said Unit Agreement and does hereby ratify the said Agreement and join therein as to all terms, covenants and conditions thereof applicable to owners of Working Interests to the same extent as if the undersigned had signed such Agreement.

This Subscription, Ratification and Joinder shall be binding upon the undersigned and its assigns and successors in interest.

EXECUTED this 29th day of May, 1984.

Company: SAMEDAN OIL CORPORATION

By: 

Name: Curtis Hancock

Its: Vice President

1	KS
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3	
4	

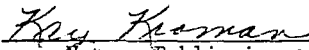
+++++

STATE OF COLORADO  
COUNTY DENVER

I  
I  
I

BEFORE ME, Kay Kroman, a Notary Public, on this day personally appeared Curtis Hancock known to me to be the person whose name is subscribed to the foregoing instrument as Vice President of SAMEDAN OIL CORPORATION and acknowledged to me that he subscribed the name of SAMEDAN OIL CORPORATION thereto as principal and his/~~her~~ own name as Vice President, and that SAMEDAN OIL CORPORATION executed said instrument by and through ~~her~~/him for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 29th day of May, 1984.

  
Notary Public in and for  
DENVER County,  
State of COLORADO

My Commission Expires:

My Commission Expires July 25, 1984

SUBSCRIPTION, RATIFICATION AND JOINDER  
SWORD UNIT AREA, CHANNEL ISLANDS AREA,  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

WHEREAS, the undersigned is the owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the boundaries of the Unit Area; and

WHEREAS, the undersigned has received and reviewed true and exact copies of the Unit Agreement for the Exploration, Development and Operation of the SWORD UNIT and desires to subject its interest in submerged lands of the Outer Continental Shelf embraced within such Unit Area to said Unit Agreement;

NOW, THEREFORE, in consideration of the benefits to be derived from joining in the Unit Agreement and the mutual covenants and agreements therein contained, the undersigned owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the Unit Area, as set forth in Exhibits "A" and "B" of the Unit Agreement, does hereby commit its interest in such lands to said Unit Agreement and does hereby ratify the said Agreement and join therein as to all terms, covenants and conditions thereof applicable to owners of Working Interests to the same extent as if the undersigned had signed such Agreement.

This Subscription, Ratification and Joinder shall be binding upon the undersigned and its assigns and successors in interest.

EXECUTED this 25th day of July, 1984.

Company: SUN EXPLORATION AND PRODUCTION COMPANY

By:

R20

Name:

W. L. Parchman, Jr.

W. L. Parchman, Jr.

Its:

Attorney-in-Fact

GDD-vaa.00017

SUBSCRIPTION, RATIFICATION AND JOINDER  
SWORD UNIT AREA, CHANNEL ISLANDS AREA,  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

WHEREAS, the undersigned is the owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the boundaries of the Unit Area; and

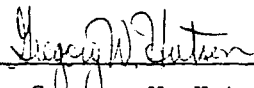
WHEREAS, the undersigned has received and reviewed true and exact copies of the Unit Agreement for the Exploration, Development and Operation of the SWORD UNIT and desires to subject its interest in submerged lands of the Outer Continental Shelf embraced within such Unit Area to said Unit Agreement;

NOW, THEREFORE, in consideration of the benefits to be derived from joining in the Unit Agreement and the mutual covenants and agreements therein contained, the undersigned owner of Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the Unit Area, as set forth in Exhibits "A" and "B" of the Unit Agreement, does hereby commit its interest in such lands to said Unit Agreement and does hereby ratify the said Agreement and join therein as to all terms, covenants and conditions thereof applicable to owners of Working Interests to the same extent as if the undersigned had signed such Agreement.

This Subscription, Ratification and Joinder shall be binding upon the undersigned and its assigns and successors in interest.

EXECUTED this 14th day of June, 1984.

Company: Tricentrol Resources Inc.

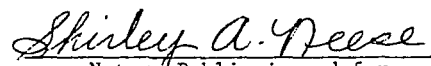
By:   
Name: Gregory W. Hutson  
Its: Attorney-in-Fact

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STATE OF Texas I  
COUNTY Harris I

BEFORE ME, Shirley A. Neese, a Notary Public, on this day personally appeared GREGORY W. HUTSON known to me to be the person whose name is subscribed to the foregoing instrument as Attorney-in-Fact of TRICENTROL RESOURCES INC. and acknowledged to me that he subscribed the name of TRICENTROL RESOURCES INC. thereto as principal and his/~~her~~ own name as Attorney-in-Fact, and that TRICENTROL RESOURCES INC. executed said instrument by and through ~~her~~/him for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 14th day of June, 1984.

  
Notary Public in and for  
Harris County,  
State of Texas

My Commission Expires:  
April 4, 1985



SUBSCRIPTION, RATIFICATION AND JOINDER.  
SWORD UNIT AREA, CHANNEL ISLANDS AREA,  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

Charles Brannan  
Notary Public in and for  
Dairfield County  
State of Connecticut

SUBSCRIPTION, RATIFICATION AND JOINDER  
SWORD UNIT AREA, CHANNEL ISLANDS AREA  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

WHEREAS, the undersigned is the owner of a Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the boundaries of the Unit Area; and

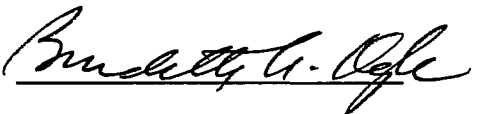
WHEREAS, the undersigned has received and reviewed true and exact copies of the Unit Agreement and Unit Operating Agreement for the exploration, development and operation of the Sword Unit and desires to subject its interest in submerged lands of the Outer Continental Shelf embraced within such Unit Area to said Agreements;

NOW, THEREFORE, in consideration of the benefits to be derived from joining in said Unit Agreement and Unit Operating Agreement and the mutual covenants and agreements therein contained, the undersigned owner of a Working Interest in certain submerged lands of the Outer Continental Shelf embraced within the Unit Area, as set forth in Exhibits "A" and "B" of the Unit Agreement, does hereby ratify the said Agreements and join therein as to all terms, covenants and conditions thereof applicable to owners of Working Interests to the same extent as if the undersigned had signed said Agreements.

This Subscription, Ratification and Joinder shall be binding upon and shall inure to the benefit of the undersigned and its assigns and successors in interest.

EXECUTED this 27 day of April, 1992.

BURDETTE A. OGLE



State of Colorado

County Mesa

Before me, Charles A. Shear, a Notary Public, on this day personally appeared Burdette A. Ogle known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he subscribed his own name and that he executed said instrument for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 27th day of April,  
1992.

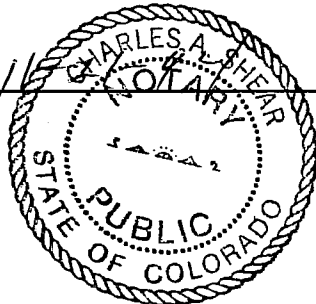


Notary Public in and for

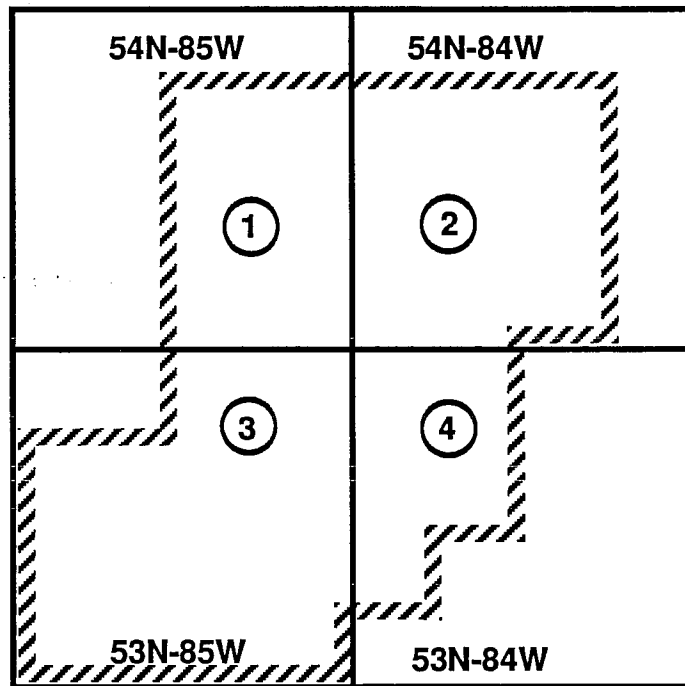
Mesa County

State of Colorado

My Commission Expires



**EXHIBIT " A "**  
**SWORD UNIT AGREEMENT**  
**CHANNEL ISLANDS AREA**  
**OFFSHORE CALIFORNIA**



UNIT OUTLINE

SCALE:1:100,000

ACRES WITHIN UNIT

TRACT

- ① OCS-P 0319 2160
- ② OCS-P 0320 3240
- ③ OCS-P 0322 5040
- ④ OCS-P 0323 A 1800

TOTAL: 12,240



EXHIBIT "B" TO  
SWORD UNIT AGREEMENT, CHANNEL ISLANDS AREA  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

SCHEDULE SHOWING OWNERSHIP OF OIL AND GAS INTERESTS

TRACT NUMBER	DESCRIPTION OF LAND AS PER OFFICIAL LEASING MAP CHANNEL ISLANDS AREA MAP NO. 6A	NUMBER OF ACRES	SERIAL NUMBER OF LEASE	DATE OF LEASE	BASIC ROYALTY AND OWNERSHIP PERCENTAGE	LESSEE OF RECORD AND WORKING INTEREST OWNER AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE
1	SE/4, S/2 NE/4, Block 54N 85W	2,160	OCS-P 0319	9/1/79	USA 16 2/3%	CONOCO INC. 63.84067% BURDETTE A. OGLE 11.06004% FINA OIL & CHEMICAL COMPANY 5.88174% PETROFINA DELAWARE, INCORPORATED 5.88174% SAMEDAN OIL CORPORATION 5.78564% CALO PARTNERS, L.P. 5.49636% OGLE PETROLEUM INC. 1.17155% AMBER RESOURCES COMPANY .88226%	NONE
2	S/2 NW/4, SW/4 NE/4, W/2 SE/4, SW4, BLOCK 54N 84W	3,240	OCS-P 0320	9/1/79	USA 16 2/3%	CONOCO INC. 55.95529% BURDETTE A. OGLE 10.53815% FINA OIL & CHEMICAL COMPANY 6.53000% PETROFINA DELAWARE, INCORPORATED 6.53000% SAMEDAN OIL CORPORATION 4.97248% CALO PARTNERS, L.P. 4.72386% COLTON GULF COAST, INC. 2.68442% ADOBE RESOURCES CORPORATION 2.01228% BOSTON OIL & GAS, INC. 1.66800% ELF AQUITAINE OIL PROGRAMS, INC. 1.41891% OGLE PETROLEUM INC. 1.22816% AMBER RESOURCES COMPANY .97953% ELF AQUITAINE/MM 1982 EXPLORATION LIMITED PARTNERSHIP .75892% ELF AQUITAINE OPERATING, INC.	1% OF 2.01228%
3	E/2, SW/4, S/2 NW/4, BLOCK 53N 85W	5,040	OCS-P 0322	9/1/79	USA 16 2/3%	CONOCO INC. 45.92798% SAMEDAN OIL CORPORATION 12.72947% CALO PARTNERS, L.P. 12.09301% BURDETTE A. OGLE 8.89476% FINA OIL & CHEMICAL COMPANY 5.46500% PETROFINA DELAWARE, INCORPORATED 5.46500% COLTON GULF COAST, INC. 2.24647% (1) ADOBE RESOURCES CORPORATION 1.68398% OGLE PETROLEUM INC. 1.45620% BOSTON OIL & GAS, INC. 1.39588% ELF AQUITAINE OIL PROGRAMS, INC. 1.18742% AMBER RESOURCES COMPANY .819730 ELF AQUITAINE/MM 1982 EXPLORATION LIMITED PARTNERSHIP .63510% ELF AQUITAINE OPERATING, INC.	1% OF 1.68398%

EXHIBIT "B" TO  
SWORD UNIT AGREEMENT, CHANNEL ISLANDS AREA  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA

SCHEDULE SHOWING OWNERSHIP OF OIL AND GAS INTERESTS

<u>TRACT NUMBER</u>	<u>DESCRIPTION OF LAND AS PER OFFICIAL LEASING MAP CHANNEL ISLANDS AREA MAP NO. 6A</u>	<u>NUMBER OF ACRES</u>	<u>SERIAL NUMBER OF LEASE</u>	<u>DATE OF LEASE</u>	<u>BASIC ROYALTY AND OWNERSHIP PERCENTAGE</u>	<u>LESSEE OF RECORD AND WORKING INTEREST OWNER AND PERCENTAGE</u>	<u>OVERRIDING ROYALTY AND PERCENTAGE</u>
4	NW/4, NW/4 SW/4 BLOCK 53N 84W	1,800	OCS-P 0323A	9/1/79	USA 16 2/3%	CONOCO INC. 46.26009% SAMEDAN OIL CORPORATION 12.31951% CALO PARTNERS, L.P. 11.70353% BURDETTE A. OGLE 7.92712% FINA OIL & CHEMICAL COMPANY 5.46500% PETROFINA DELAWARE, INCORPORATED 5.46500% OGLE PETROLEUM INC. 2.85921% COLTON GULF COAST, INC. 2.24647% (1) ADOBE RESOURCES CORPORATION 1.71594% BOSTON OIL & GAS, INC. 1.39588% ELF AQUITAINE OIL PROGRAMS, INC. 1.18742% AMBER RESOURCES COMPANY .81973% ELF AQUITAINE/MM 1982 EXPLORATION LIMITED PARTNERSHIP .63510% MOBIL OIL CORPORATION AMERADA HESS CORPORATION UNION OIL OF CALIFORNIA HAMILTON BROTHERS OIL COMPANY ELF AQUITAINE OPERATING, INC.	3.98374% OF 82% .40650% OF 82% .30488% OF 82% .30488% OF 82% 1% OF 1.715940%

(1) TRACTS 3 AND 4: THIS INTEREST IS SUBJECT TO A 32.5% OF 2.24647% WORKING INTEREST THAT REVERTS TO ELF AQUITAINE OPERATING, INC. UPON "PROGRAM PAYOUT" OR "PROPERTY PAYOUT" AS DEFINED IN THAT EXPLORATION AGREEMENT DATED FEBRUARY 22, 1982 BETWEEN HUFFCO PETROLEUM CORPORATION AND HUFFCO OIL PROGRAMS INC., ET. AL

**EXHIBIT "B" TO  
SWORD UNIT AGREEMENT, CHANNEL ISLANDS AREA  
OUTER CONTINENTAL SHELF, OFFSHORE CALIFORNIA  
SCHEDULE SHOWING OWNERSHIP OF OIL AND GAS INTERESTS**

**SWORD UNIT WORKING INTEREST BREAKDOWN**

CONOCO INC.	51.79217%
BURDETTE A. OGLE	9.56958%
SAMEDAN OIL CORPORATION	9.39048%
CALO PARTNERS, L.P.	8.92096%
FINA OIL & CHEMICAL COMPANY	5.82045%
PETROFINA DELAWARE, INCORPORATED	5.82045%
COLTON GULF COAST, INC.	1.96597%
OGLE PETROLEUM INC.	1.55193%
ADOBE RESOURCES CORPORATION	1.47841%
BOSTON OIL & GAS, INC.	1.22158%
ELF AQUITAINE OIL PROGRAMS, INC.	1.03915%
AMBER RESOURCES COMPANY	0.87307%
ELF AQUITAINE/MM 1982 EXPLORATION LIMITED PARTNERSHIP	0.55580%
<b>TOTAL</b>	<b>100.00000%</b>



## REVISED SWORD UNIT PLAN OF OPERATION

JANUARY 1, 1991 - JUNE 30, 1994

<u>ACTIVITY</u>	<u>DEADLINE</u>
Research feasibility of emulsion chemistry and test, as well as new technologies relating to production and transportation of heavy crude worldwide	12/31/91
Continue participation by the Unit Operator in IROCC	1/1/93
Re-enter OCS-P 0320-2 well or spud reservoir evaluation well	1/1/93
File Plan of Development	6/30/94
Plan of Operation expires	6/30/94

Revised 12/20/91

## RATIFICATION AND JOINDER OF UNIT OPERATING AGREEMENT

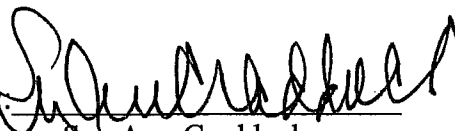
In consideration of the execution of the Unit Operating Agreement for Outer Continental Shelf Exploration, Development, and Production Operations on the Sword Unit, Offshore California, effective July 13, 1984, in a form approved on behalf of the Secretary of the Interior, the undersigned hereby expressly joins said Unit Operating Agreement and ratifies, approves, adopts and confirms said Unit Operating Agreement as fully as though the undersigned had executed the original agreement.

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

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

Executed this 2nd day of April, 1996.

NUEVO ENERGY COMPANY

By:   
Sue Ann Craddock  
Vice President

## RATIFICATION AND JOINDER OF UNIT AGREEMENT

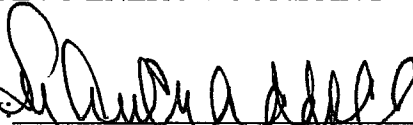
In consideration of the execution of the Unit Agreement for Outer Continental Shelf Exploration, Development, and Production Operations on the Sword Unit, Offshore California, effective July 13, 1984, in a form approved on behalf of the Secretary of the Interior, the undersigned hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

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

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

Executed this 2nd day of April, 1996.

NUEVO ENERGY COMPANY

By   
Sue Ann Craddock  
Vice President

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: Sword Unit  
Unit Agreement No.: 14-08-0001-18482  
Regional Office: Pacific OCS Region

and hereby designates

Name: Conoco Inc.  
Address: 400 E. Kaliste Saloom Road  
Lafayette, Louisiana 70508

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

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

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

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

APR 02 1996

(Date)

Nuevo Energy Company  
(Working Interest Owner)

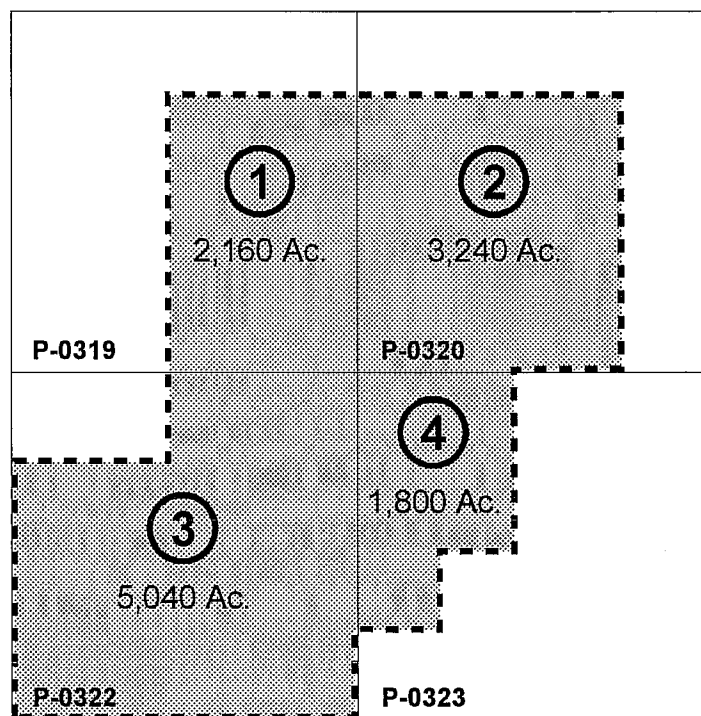
By: 

Name: Sue Ann Craddock  
Title: Vice President

# EXHIBIT "A"

## SWORD UNIT AGREEMENT

Outer Continental Shelf, California  
Ownership of Oil and Gas Interests



### TRACT 1

Conoco, Inc.	63.84067%
Samedan Oil Corp.	5.78564%
Fina Oil & Chemical Co.	5.88174%
Petrofina Delaware, Inc.	5.88174%
Ogle Petroleum, Inc.	1.17155%
Amber Resources Co.	.88226%
Calo Partners, LP	5.49636%
Nuevo Energy Co.	11.06004%

### TRACT 2

Conoco, Inc.	55.95529%
Samedan Oil Corp.	4.97248%
Fina Oil & Chemical Co.	6.53000%
Petrofina Delaware, Inc.	6.53000%
Ogle Petroleum, Inc.	1.22816%
Delmar Operating, Inc.	2.41934%
Colton Gulf Coast, Inc.	2.68442%
Amber Resources Co.	.97953%
Elf Aquitaine Oil Programs, Inc.	1.42649%
Calo Partners, LP	4.72386%
Santa Fe Energy Resources, Inc.	2.01228%
Nuevo Energy Co.	10.53815%

### TRACT 3

Conoco, Inc.	45.92798%
Samedan Oil Corporation	12.72947%
Fina Oil & Chemical Co.	5.46500%
Petrofina Delaware, Inc.	5.46500%
Ogle Petroleum, Inc.	1.45620%
Delmar Operating, Inc.	2.02463%
Colton Gulf Coast, Inc.	2.24647%
Amber Resources Co.	.81973%
Elf Aquitaine Oil Programs, Inc.	1.19377%
Calo Partners, LP	12.09301%
Santa Fe Energy Resources, Inc.	1.68398%
Nuevo Energy Co.	8.89476%

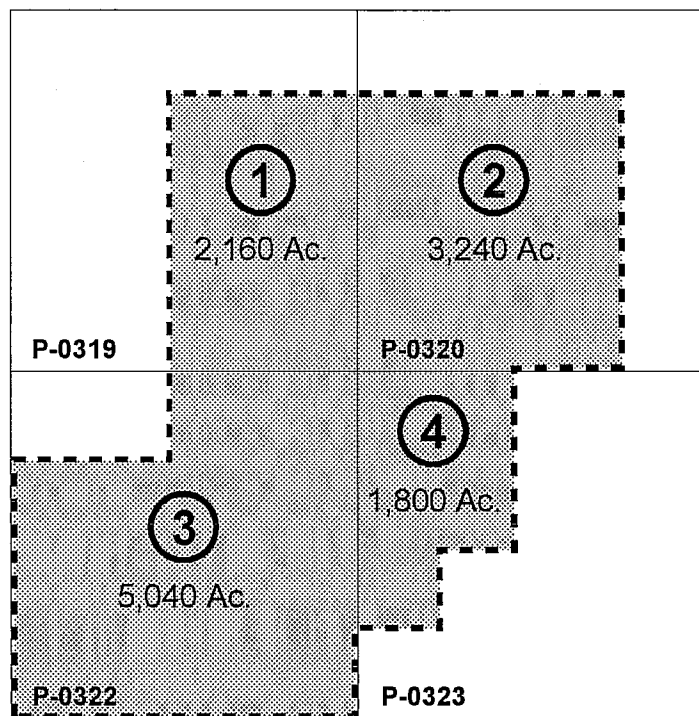
### TRACT 4

Conoco, Inc.	46.26009%
Samedan Oil Corporation	12.31951%
Fina Oil & Chemical Co.	5.46500%
Petrofina Delaware, Inc.	5.46500%
Ogle Petroleum, Inc.	2.85921%
Delmar Operating, Inc.	2.02463%
Colton Gulf Coast, Inc.	2.24647%
Amber Resources Co.	.81973%
Elf Aquitaine Oil Programs, Inc.	1.19377%
Calo Partners, LP	11.70353%
Santa Fe Energy Resources, Inc.	1.71594%
Nuevo Energy Co.	7.92712%

# EXHIBIT "A"

# SWORD UNIT OPERATING AGREEMENT

## Outer Continental Shelf, California Ownership of Oil and Gas Interests



### TRACT 1

Conoco, Inc.	63.84067%
Samedan Oil Corp.	5.78564%
Fina Oil & Chemical Co.	5.88174%
Petrofina Delaware, Inc.	5.88174%
Ogle Petroleum, Inc.	1.17155%
Amber Resources Co.	.88226%
Calo Partners, LP	5.49636%
Nuevo Energy Co.	11.06004%

### TRACT 2

Conoco, Inc.	55.95529%
Samedan Oil Corp.	4.97248%
Fina Oil & Chemical Co.	6.53000%
Petrofina Delaware, Inc.	6.53000%
Ogle Petroleum, Inc.	1.22816%
Delmar Operating, Inc.	2.41934%
Colton Gulf Coast, Inc.	2.68442%
Amber Resources Co.	.97953%
Elf Aquitaine Oil Programs, Inc.	1.42649%
Calo Partners, LP	4.72386%
Santa Fe Energy Resources, Inc.	2.01228%
Nuevo Energy Co.	10.53815%

### TRACT 3

Conoco, Inc.	45.92798%
Samedan Oil Corporation	12.72947%
Fina Oil & Chemical Co.	5.46500%
Petrofina Delaware, Inc.	5.46500%
Ogle Petroleum, Inc.	1.45620%
Delmar Operating, Inc.	2.02463%
Colton Gulf Coast, Inc.	2.24647%
Amber Resources Co.	.81973%
Elf Aquitaine Oil Programs, Inc.	1.19377%
Calo Partners, LP	12.09301%
Santa Fe Energy Resources, Inc.	1.68398%
Nuevo Energy Co.	8.89476%

### TRACT 4

Conoco, Inc.	46.26009%
Samedan Oil Corporation	12.31951%
Fina Oil & Chemical Co.	5.46500%
Petrofina Delaware, Inc.	5.46500%
Ogle Petroleum, Inc.	2.85921%
Delmar Operating, Inc.	2.02463%
Colton Gulf Coast, Inc.	2.24647%
Amber Resources Co.	.81973%
Elf Aquitaine Oil Programs, Inc.	1.19377%
Calo Partners, LP	11.70353%
Santa Fe Energy Resources, Inc.	1.71594%
Nuevo Energy Co.	7.92712%

REVISED  
EXHIBIT "B"

**SWORD 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	SE/4, S/2 NE/4, Block 54N 85W	2160	OCS-P 0319	USA - 16 2/3%	Conoco Inc. 63.84067% Samedan Oil Corporation 5.78564% Fina Oil and Chemical Company 5.88174% Petrofina Delaware, Incorporated 5.88174% Ogle Petroleum Inc. 1.17155% Amber Resources Company 0.88226% Nuevo Energy Company 11.06004% Calo Partners, L.P. 5.49636%	
2	S/2 NW/4, SW/4 NE/4, W/2 SE/4, SW/4 Block 54N 84W	3240	OCS-P 0320	USA - 16 2/3%	Conoco Inc. 55.95529% Samedan Oil Corporation 4.97248% Fina Oil and Chemical Company 6.53000% Petrofina Delaware, Incorporated 6.53000% Ogle Petroleum Inc. 1.22816% DelMar Operating Inc. 2.41934% Colton Gulf Coast, Inc. 2.68442% Amber Resources Company 0.97953% Nuevo Energy Company 10.53815% Elf Aquitaine Oil Programs, Inc. 1.42649% Calo Partners, L.P. 4.72386% Santa Fe Energy Resources, Inc. 2.01228%	Elf Aquitaine Operating Inc.  1% of 2.01228%

<u>Tract Number</u>	<u>Description of Land</u>	<u>Number of Acres</u>	<u>Lease Serial Number</u>	<u>Basic Royalty Ownership</u>	<u>Lessee Interests</u>	<u>ORR and Net Profits</u>
3	E/2, SW/4, S/2 NW/4, Block 53N 85W	5040	OCS-P 0322	USA - 16 2/3%	Conoco Inc. 45.92798% Samedan Oil Corporation 12.72947% Fina Oil and Chemical Company 5.46500% Petrofina Delaware, Incorporated 5.46500% Ogle Petroleum Inc. 1.45620% DelMar Operating Inc. 2.02463% Colton Gulf Coast, Inc. 2.24647%* Amber Resources Company 0.81973% Nuevo Energy Company 8.89476% Elf Aquitaine Oil Programs, Inc. 1.19377% Calo Partners, L.P. 12.09301% Santa Fe Energy Resources, Inc. 1.68398%	Elf Aquitaine Operating, Inc.  1% of 1.68398%



<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>
4	NW/4, NW/4 SW/4 Block 53N 84W	<u>1800</u>	OCS-P 0323-A	USA - 16 2/3%	Conoco Inc. 46.26009% Samedan Oil Corporation 12.31951% Fina Oil and Chemical Company 5.46500% Petrofina Delaware, Incorporated 5.46500% Ogle Petroleum Inc. 2.85921% DelMar Operating Inc. 2.02463% Colton Gulf Coast, Inc. *2.24647% Amber Resources Company 0.81973% Nuevo Energy Company 7.92712% Elf Aquitaine Oil Programs, Inc. 1.19377% Calo Partners, L.P. 11.70353% Santa Fe Energy Resources, Inc. 1.71594%  Mobil Oil Corporation 3.98374% of 82% Amerada Hess Corporation .40650% of 82% Nuevo Energy Company .30488% of 82% Hamilton Brothers Oil Company .30488% of 82% Elf Aquitaine Operating, Inc. 1% of 1.715940%	
TOTAL		12,240				

\*Tracts 3 and 4: This interest is subject to a 32.5% of 2.24647% working interest that reverts to Elf Aquitaine Operating, Inc. Upon Program Payout or Property Payout as defined in that exploration Agreement dated February 22, 1982 between Huffco Petroleum Corporation and Huffco Oil Programs Inc., et al

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REVISED  
EXHIBIT "B"

**SWORD 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	SE/4, S/2 NE/4, Block 54N 85W	2160	OCS-P 0319	USA - 16 2/3%	Conoco Inc. 63.84067% Samedan Oil Corporation 5.78564% Fina Oil and Chemical Company 5.88174% Petrofina Delaware, Incorporated 5.88174% Ogle Petroleum Inc. 1.17155% Amber Resources Company 0.88226% Nuevo Energy Company 11.06004% Calo Partners, L.P. 5.49636%	
2	S/2 NW/4, SW/4 NE/4, W/2 SE/4, SW/4 Block 54N 84W	3240	OCS-P 0320	USA - 16 2/3%	Conoco Inc. 55.95529% Samedan Oil Corporation 4.97248% Fina Oil and Chemical Company 6.53000% Petrofina Delaware, Incorporated 6.53000% Ogle Petroleum Inc. 1.22816% DelMar Operating Inc. 2.41934% Colton Gulf Coast, Inc. 2.68442% Amber Resources Company 0.97953% Nuevo Energy Company 10.53815% Elf Aquitaine Oil Programs, Inc. 1.42649% Calo Partners, L.P. 4.72386% Santa Fe Energy Resources, Inc. 2.01228%	Elf Aquitaine Operating Inc.  1% of 2.01228%

<u>Tract Number</u>	<u>Description of Land</u>	<u>Number of Acres</u>	<u>Lease Serial Number</u>	<u>Basic Royalty Ownership</u>	<u>Lessee Interests</u>	<u>ORR and Net Profits</u>
3	E/2, SW/4, S/2 NW/4, Block 53N 85W	5040	OCS-P 0322	USA - 16 2/3%	Conoco Inc. 45.92798% Samedan Oil Corporation 12.72947% Fina Oil and Chemical Company 5.46500% Petrofina Delaware, Incorporated 5.46500% Ogle Petroleum Inc. 1.45620% DelMar Operating Inc. 2.02463% Colton Gulf Coast, Inc. 2.24647%* Amber Resources Company 0.81973% Nuevo Energy Company 8.89476% Elf Aquitaine Oil Programs, Inc. 1.19377% Calo Partners, L.P. 12.09301% Santa Fe Energy Resources, Inc. 1.68398%	Elf Aquitaine Operating, Inc.  1% of 1.68398%

<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>
4	NW/4, NW/4 SW/4 Block 53N 84W	<u>1800</u>	OCS-P 0323-A	USA - 16 2/3%	Conoco Inc. 46.26009% Samedan Oil Corporation 12.31951% Fina Oil and Chemical Company 5.46500% Petrofina Delaware, Incorporated 5.46500% Ogle Petroleum Inc. 2.85921% DelMar Operating Inc. 2.02463% Colton Gulf Coast, Inc. *2.24647% Amber Resources Company 0.81973% Nuevo Energy Company 7.92712% Elf Aquitaine Oil Programs, Inc. 1.19377% Calo Partners, L.P. 11.70353% Santa Fe Energy Resources, Inc. 1.71594%  Mobil Oil Corporation 3.98374% of 82% Amerada Hess Corporation .40650% of 82% Nuevo Energy Company .30488% of 82% Hamilton Brothers Oil Company .30488% of 82% Elf Aquitaine Operating, Inc. 1% of 1.715940%	
TOTAL		12,240				

\*Tracts 3 and 4: This interest is subject to a 32.5% of 2.24647% working interest that reverts to Elf Aquitaine Operating, Inc. Upon Program Payout or Property Payout as defined in that exploration Agreement dated February 22, 1982 between Huffco Petroleum Corporation and Huffco Oil Programs Inc., et al

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