

1703-00 a(1)
UNIT AGREEMENT
PT. ARGUELLO

UNIT AGREEMENT FOR OUTER CONTINENTAL SHELF

EXPLORATION, DEVELOPMENT AND PRODUCTION OPERATIONS ON THE

POINT ARGUELLO UNIT

BLOCKS 55N, 84W AND 55N, 85W, CHANNEL ISLANDS AREA

AND

PARTS OF BLOCKS 464 AND 465, SANTA MARIA BASIN AREA

OFFSHORE CALIFORNIA

756497001

Contract No.: 497001

Effective Date: October 1, 1996

APPROVAL BY REGIONAL SUPERVISOR

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, 43U.S.C. 1331 et seq. as amended and delegated to the Regional Supervisor, Pacific OCS Region, Minerals Management Service, I do hereby approve the attached Agreement for exploration, development, and production operations of the Point Arguello Unit, Channel Islands Area and Santa Maria Basin Area, on the Outer Continental Shelf offshore California.

EFFECTIVE DATE OF AGREEMENT: October 1, 1996

Dated: 11/20/96

Thomas R. Sullivan
Regional Supervisor
Development, Operations, and Safety
Pacific OCS Region

CONTRACT NO: 497001

**UNIT AGREEMENT FOR OUTER CONTINENTAL SHELF
EXPLORATION, DEVELOPMENT AND PRODUCTION OPERATIONS,
POINT ARGUELLO UNIT,
BLOCKS 55N, 84W AND 55N, 85W, CHANNEL ISLANDS AREA AND PARTS OF
BLOCKS 464 AND 465, SANTA MARIA BASIN AREA
OFFSHORE CALIFORNIA**

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BLOCKS 464 AND 465, SANTA MARIA BASIN AREA
OFFSHORE CALIFORNIA**

W I T N E S S E T H:

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

WHEREAS, pursuant to the rules and regulations of the Secretary, 30 CFR 250.190, *et seq.*, it is deemed to be in the interest of conservation, prevention of waste, or the protection of correlative rights to unitize the oil and gas interest in the Unit Area; and

WHEREAS, it is deemed to be necessary in the interest of conservation, for the prevention of waste, or for the protection of correlative rights to conduct exploration, development, and production operations in the Unit Area as though the area were subject to a single lease;

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

**ARTICLE I
DEFINITIONS**

The following definitions of terms shall apply to this Agreement:

“Act” means the OCS Lands Act of 1953, as amended, 43 U.S.C. 1331, *et seq.*

“Agreement” means this Unit Agreement, approved by the Regional Supervisor for conducting exploration, development, and production operations within the Unit Area.

“Block” means an area designated as a block on a U. S. Official Leasing Protraction Diagram for an area of the OCS.

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

“Paying Quantities” as used herein means the production of oil and/or gas in quantities sufficient to yield a return in excess of operating costs.

“Regional Supervisor” means the Regional Supervisor of the MMS, U.S. Department of the Interior (DOI), or a designee, authorized and empowered to regulate and approve unit operations.

"Regulations" means all rules prescribed or adopted pursuant to the Act. They include all regulations prescribed or amended at any time to provide for the prevention of waste, conservation of the natural resources of the OCS, and the protection of correlative rights therein.

"Reservoir" means an underground porous, permeable medium containing an accumulation of oil or gas or both. Each zone of a general structure containing such an accumulation that is separated from any other accumulation of oil or gas or both in the structure is a separate "reservoir."

"Unit Area" means the area of the OCS which is made subject to this Agreement and described in Article III.

"Unit Operating Agreement" means the agreement made between the Working Interest Owners and the Unit Operator providing for the apportionment of costs and liabilities incurred in conducting operations pursuant to this Agreement and the establishment of such other rights and obligations as they deem appropriate.

"Unit Operator" means the person, association, partnership, corporation, or other business entity designated by the Working Interest Owners and approved by the Regional Supervisor to conduct unit operations within the Unit Area in accordance with plans of operations approved pursuant to the Act, applicable Regulations, and this Agreement.

"Unitized Substances" means oil, and/or gas and associated hydrocarbons within the Reservoir(s) that underlie the unitized lands, and which are recovered or produced by operations pursuant to this Agreement.

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

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

ARTICLE II INCORPORATION BY REFERENCE

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

ARTICLE III UNIT AREA AND EXHIBITS

- 3.1 The following described offshore area as shown on the U. S. Official Leasing Protraction Diagram 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 Agreement and made a part hereof, is a schedule listing the component leases and the ownership of each.

- 3.4 Exhibit "C", which will be submitted in accordance with the provisions of this Agreement and will be made part hereof, is a schedule listing the component parts of the Participating Area(s) 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, 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 to the Regional Supervisor for approval.

ARTICLE IV DESIGNATION OF UNIT OPERATOR

- 4.1 Chevron U.S.A. Inc. is hereby designated as the Unit Operator and agrees to accept the rights and obligations of the Unit Operator to explore for, develop, and produce Unitized Substances as provided in this Agreement.
- 4.2 Except as otherwise provided in this Agreement and subject to the terms and conditions of approved plans of operations, the exclusive rights and obligations of the Working Interest Owners to conduct unit operations to explore for, develop, and produce Unitized Substances in the Unit Area are delegated to and shall be exercised by the Unit Operator. This delegation neither relieves a lessee of the obligation to comply with all lease terms nor transfers title to any lease or the operating agreement.

ARTICLE V RESIGNATION OR REMOVAL OF UNIT OPERATOR

- 5.1 The Unit Operator shall have the right to resign at any time. Such resignation shall not become effective until ninety (90) days after written notice of an intention to resign has been delivered by the Unit Operator to the Working Interest Owners and the Regional Supervisor and until all platforms, artificial islands, installations, and other devices, including wells used for conducting operations in the Unit Area, are placed in a condition satisfactory to the Regional Supervisor for the transfer of operations, or, if no successor Unit Operator has been designated, for suspension or abandonment of operations. If a successor Unit Operator is designated and approved as provided in Article VI, the resignation shall be effective upon the designation and approval of the successor Unit Operator.
- 5.2 The Unit Operator may be subject to removal by a vote of the Working Interest Owners as provided in the Unit Operating Agreement. This removal shall not be effective until the Working Interest Owners notify the Regional Supervisor and the Unit Operator and until the Regional Supervisor approves the designation of a successor Unit Operator.
- 5.3 The resignation or removal of the Unit Operator shall not release the Unit Operator from liability for any failure to meet its obligations which accrued before the effective date of its resignation or removal.
- 5.4 The resignation or removal of the Unit Operator shall not terminate any of its right, title, or interest as the owner of a Working Interest or other interest in the Unit Area. However, when the resignation or removal of the Unit Operator becomes effective, the Unit Operator shall relinquish to the successor Unit Operator all wells, platforms, artificial islands, installations, devices, records, and any other assets all owned solely by the unit joint account.

**ARTICLE VI
SUCCESSOR UNIT OPERATOR**

- 6.1 Whenever the Unit Operator tenders its resignation as Unit Operator or is removed as provided in Article V, a successor Unit Operator may be designated by (a) an affirmative vote of the Working Interest Owners based on their decision pursuant to the Unit Operating Agreement(s), and (b) the successor Unit Operator's acceptance in writing of the rights and obligations of the Unit Operator. The successor Unit Operator shall file with the Regional Supervisor four executed copies of the designation of successor. However, the designation shall not become effective until approved by the Regional Supervisor.
- 6.2 If no successor Unit Operator is designated as herein provided within 60 days following notice to the Regional Supervisor of the Unit Operator's intent to resign or removal of a Unit Operator, the Regional Supervisor may elect to designate one of the Working Interest Owners other than the Unit Operator as successor Unit Operator, or may declare this Agreement terminated.

**ARTICLE VII
UNIT OPERATING AGREEMENT**

- 7.1 The owners of Working Interests and the Unit Operator shall enter into the Unit Operating Agreement which shall describe how all costs and liabilities incurred in maintaining or conducting operations pursuant to this Agreement shall be apportioned and assumed. The Unit Operating Agreement shall also describe how the benefits which may accrue from operations conducted on the Unit Area shall be apportioned.
- 7.2 The owners of Working Interests and the Unit Operator may establish by means of one or more Unit Operating Agreements such other rights and obligations as they deem necessary or appropriate. However, no provision of the Unit Operating Agreements shall be deemed to modify the terms and conditions of this Agreement or to relieve the Working Interest Owners or the Unit Operator of any obligation set forth in this Agreement. In case of any inconsistency or conflict between this Agreement and the Unit Operating Agreement, the terms of this Agreement shall prevail.
- 7.3 Three copies of the Unit Operating Agreement executed in conjunction with the first section of this Article shall be attached to this Agreement when it is filed with the Regional Supervisor with a request for approval. Three copies of all other Unit Operating Agreements and any amendments thereto shall be filed with the Regional Supervisor within 30 days of final execution.

**ARTICLE VIII
APPEARANCES AND NOTICES**

- 8.1 The Unit Operator shall, after notice to other parties affected, have the right to appear on behalf of all Working Interest Owners before the DOI or any other body legally empowered to issue decisions concerning orders or Regulations of the DOI and to appeal from these decisions. The expense of these appearances shall be paid and apportioned as provided in the Unit Operating Agreement. However, any affected Working Interest Owners shall have the right at their own expense to be heard in any proceeding.
- 8.2 Any order or notice relating to this Agreement which is given to the Unit Operator by the Regional Supervisor shall be deemed given to all Working Interest Owners of the Unit Area. All notices

required by this Agreement to be given to the Unit Operator or the Working Interest Owners shall be deemed properly given if given in writing and delivered personally or sent by prepaid registered or certified mail to the addresses set forth below or to such other addresses as may have been furnished in writing to the party sending the notice.

ARTICLE IX PLAN OF OPERATION

- 9.1 The Unit Operator shall submit plans of operation which are consistent with the requirements for Exploration Plans or Development and Production Plans as required by the Act, subpart B of 30 CFR Part 250, and other sections of the Regulations. All operations within the Unit Area shall be conducted in accordance with an approved plan.
- 9.2 When no Unitized Substances are being produced in paying quantities from the Unit Area and when all or part of the Unit Area is subject to one or more leases beyond the primary term, a continuous drilling or well-reworking program shall be maintained with lapses of no more than 180 days per lapse between such operations unless a suspension of production or other operations has been ordered or approved by the Regional Supervisor or unless extended by the Director pursuant to 30 CFR 250.13(b). Plans may call for a cessation of drilling operations for a reasonable period of time after the discovery and delineation of a Reservoir when such a pause in drilling activities is warranted to permit the design, fabrication, and erection of platforms and other installations needed for development and production operations, provided a suspension of production or other operation has been ordered or approved by the Regional Supervisor.
- 9.3 An acceptable initial plan of operation shall be submitted at the time this Agreement is filed for the Regional Supervisor's approval. Each plan of operation shall expire on the date specified in the plan. At least 60 days before the scheduled expiration of any plan, unless the Regional Supervisor grants an extension for good cause, the Unit Operator shall file an acceptable subsequent plan of operation for approval in accordance with this Article.

ARTICLE X REVISION OF UNIT AREA

- 10.1 The Unit Area may be further revised by additions necessary for unit operations or for the inclusion of an area capable of producing oil and / or gas in paying quantities whenever such action appears proper to include additional lands or may be further revised by the contraction of the Unit Area when such contraction is necessary or advisable to conform with the purposes of this Agreement. Such additions or contractions shall be effected by the Unit Operator on its own motion after preliminary concurrence of the Regional Supervisor or on demand of the Regional Supervisor. The effective date of any expansion or contraction of the Unit Area shall be the first day of the month following the date of approval of the expansion or contraction by the Regional Supervisor provided, however, that a more appropriate effective date may be used if justified by the Unit Operator and approved by the Regional Supervisor.
- 10.2 The Unit Area shall not be reduced on account of the depletion of the Unitized Substances for which it was established, but the Unit Area established under the provisions of this Article shall terminate automatically whenever operations are permanently abandoned in the Unit.

ARTICLE XI PARTICIPATING AREAS

- 11.1 Prior to the commencement of production of Unitized Substances, or as soon thereafter as required by the Regional Supervisor, the Unit Operator shall submit to the Regional Supervisor, as Exhibit "C," a schedule by lease of (a) all land reasonably proven to be productive of Unitized Substances in paying quantities by the drilling and completion of producible wells, geological and geophysical information, and engineering data, and (b) the percentage of Unitized Substances to be allocated as provided in Article XII to each lease. All lands in said schedule, upon approval thereof by the Regional Supervisor, shall constitute the initial Participating Area, effective as of the effective date of this agreement. The Participating Area shall be described in parcels no smaller than 1/4 x 1/4 x 1/4 Blocks.
- 11.2 Subject to approval of the Regional Supervisor, the Participating Area(s) so established shall be revised from time to time to include additional land reasonably proven to be productive in the same manner as provided in section 11.1 of this Article, or lands proven not to be productive to be excluded in the same manner, and Exhibit "C" shall be revised accordingly. The effective date of any revision shall be the first of the month in which the information is obtained which provides the basis for the approval of the revision by the Regional Supervisor provided, however, that a more appropriate effective date may be used if justified by the Unit Operator and approved by the Regional Supervisor. No land shall be excluded from the Participating Area(s) on account of depletion of the Unitized Substances.
- 11.3 A separate Participating Area may be established for each accumulation of Unitized Substances or for any group thereof which is produced as a single pool or zone and any two or more Participating Areas so established may be combined into one, all subject to approval of the Regional Supervisor.
- 11.4 Nothing herein contained shall be construed as requiring any retroactive adjustment for production obtained prior to the effective date of the revision of the Participating Area.

ARTICLE XII ALLOCATION OF PRODUCTION

- 12.1 Each Working Interest Owner shall pay its share of production royalties and/or make deliveries of oil and gas which are payments of royalties taken-in-kind or which, pursuant to the Act, are purchased by the United States. Unitized Substances shall be allocated within the Participating Area(s) on the basis of a combination of (a) reservoir quality factors, (b) reservoir bulk rock volumes, and (c) oil and/or gas production and proportionally credited to the respective leases committed hereto. The Unit Operator shall furnish the Regional Supervisor geological and engineering maps and data sufficient to support the allocation between leases. Oil and gas produced from the Unit Area prior to the effective date of this Agreement shall not be allocated under this Agreement. The royalty payments under leases subject hereto shall be based and calculated upon the production allocated to the leases as specifically provided herein. The Unitized Substances saved, removed, or sold from the Unit Area shall be allocated in this manner, regardless of where any well is drilled and produced in the Unit Area.
- 12.2 For the purpose of determining royalty obligations, Unitized Substances on which royalty has been paid and which are used for repressuring, stimulation of production, or increasing ultimate recovery from the Unit Area, in conformity with an approved plan of operation, may be deemed to be a portion of the gas and liquid-hydrocarbon substances subsequently saved, removed, or sold from the Unit

Area. In such instances, a like amount of gas and liquid-hydrocarbon substances similar to that previously used may be saved, removed, or sold from the Unit Area without paying a royalty thereon. However, as to dry gas, only dry gas and not products extracted therefrom may be saved, removed, or sold royalty-free. The royalty-free withdrawal shall be accomplished in accordance with an approved plan of operation and the amount of gas and liquid-hydrocarbon substances withdrawn that are to be recognized as free of royalty charges shall be computed in accordance with a formula approved or prescribed by the Regional Supervisor. Any withdrawal of royalty-free gas or liquid-hydrocarbon substances shall terminate upon the termination of this Agreement, unless otherwise permitted. For the purposes of this paragraph, liquid-hydrocarbon substances include natural gasoline and liquid petroleum gas fractions.

ARTICLE XIII RELINQUISHMENT OF LEASES

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

ARTICLE XIV RENTALS AND MINIMUM ROYALTIES

- 14.1 Rentals or minimum royalties due on leases committed hereto shall be paid by the Working Interest Owners responsible therefor at the time and rates specified in their respective lease from the United States unless such rental or minimum royalty is suspended or reduced by law or by approval of the Secretary.
- 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 EFFECTIVE DATE AND TERMINATION

- 15.1 This Agreement shall be effective on October 1, 1996 and shall terminate when oil or gas is no longer being produced from the Unit Area and drilling or well-reworking operations are no longer being conducted in accordance with the provisions of Article IX of this Agreement. If the Regional Supervisor has ordered or approved a suspension of operations or production on all or part of the Unit Area pursuant to the Regulations, this Agreement shall be continued in force and effect for the period of time equal to the length of the authorized suspension and thereafter so long as operations are being conducted in accordance with the provisions of Article IX herein.
- 15.2 This Agreement may be terminated, with the approval of the Regional Supervisor, at any time by an affirmative vote of all of the Working Interest Owners or as otherwise specified in the Unit Operating Agreement.

**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 production operations for oil or gas on lands committed to this Agreement are hereby modified and amended only to the extent necessary to make the same conform to the provisions hereof but otherwise shall remain in force and effect.
- 16.2 The Regional Supervisor, by the approval hereof, does hereby establish, alter, suspend, change, or revoke the drilling, production, rental, minimum royalty, and royalty requirements of the Federal leases committed hereto, to conform said requirements to the provisions of this Agreement, and, without limiting the generality of the foregoing, all leases, subleases, and contracts are particularly modified in accordance with the following:
- (a) Drilling and/or producing operations performed hereunder upon any unitized lease will be accepted and deemed to be performed upon and for the benefit of each and every unitized lease, and no lease committed to this Agreement shall be deemed to expire by reason of failure to drill or produce a well thereon.
 - (b) Suspension of drilling or producing operations on all unitized lands, pursuant to direction or consent of the Secretary or a duly authorized representative, shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every unitized lease.
 - (c) Suspension of drilling or producing operations on less than all unitized lands, pursuant to direction or consent of the Secretary or a duly authorized representative, shall be deemed to constitute such suspension pursuant to such direction or consent only as to unitized lands specified in the document providing direction or consent.
 - (d) Each lease committed hereto shall continue in force as to all lands covered thereby for the term so provided therein, or as extended by law, and so long thereafter as oil or gas and / or condensate is produced from a unit well in paying quantities, drilling or well-reworking operations pursuant to the Regulations are conducted within the Unit Area, or operations are suspended hereunder as provided herein, and operations are being conducted pursuant to the provisions of Article IX of this Agreement. This subsection shall not operate to continue in force any whole lease excluded from the Unit Area by adjustment pursuant to Article X.
- 16.3 Upon termination of this Agreement, the leases committed hereto may be continued in force and effect in accordance with the terms and conditions contained in the Act, the Regulations, and the leases.

**ARTICLE XVII
COUNTERPARTS**

This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties. If this Agreement is executed in counterparts, all counterparts taken together shall have the same effect as if all parties had signed the same instrument.

**ARTICLE XVIII
SUBSEQUENT JOINDER**

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

**ARTICLE XIX
REMEDIES**

- 19.1 The failure of the Unit Operator to conduct operations in accordance with an approved plan of operation, to timely submit an acceptable plan for approval by the Regional Supervisor, or to comply with any other requirement of this Agreement in a timely manner shall, after notice of default to the Unit Operator with copies to all Working Interest Owners by the Regional Supervisor and after failure of the Unit Operator to remedy any default within a reasonable time as determined by the Regional Supervisor, result in automatic termination of this Agreement effective as of the first day of the default.
- 19.2 This remedy is in addition to any remedy which is prescribed in the Act, the Regulations, or a lease committed to this Agreement or any action which may be brought by the United States to compel compliance with the provisions thereof.

**ARTICLE XX
NO WAIVER OF CERTAIN RIGHTS**

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

**ARTICLE XXI
COVENANTS RUN WITH THE LAND**

- 21.1 The covenants herein shall be construed to be covenants running with the land with respect to the interest of the parties hereto and their successors in interest until this Agreement terminates, and any grant, transfer, or conveyance of interest in land or leases subject hereto shall be and hereby are conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest.
- 21.2 No assignment or transfer of any Working Interest or other interest subject hereto shall be binding upon the Unit Operator until the first day of the calendar month after the Unit Operator is furnished with the original, photostatic, or certified copy of the instrument of transfer.

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

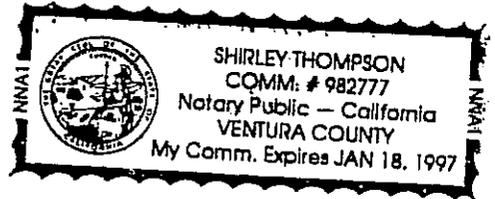
ACCEPTANCE OF RIGHTS AND OBLIGATIONS BY UNIT OPERATOR

I hereby accept and assume all rights and obligations of the Unit Operator as set forth herein.

Dated: October 25, 1996
Authorized Signature: A. Cornelius
Name: A. Cornelius
Title: Assistant Secretary
Corporation: Chevron U.S.A. Inc.

Subscribed and sworn to me this 25th day of October, 1996.

Notary Public: Shirley Thompson
My Commission Expires: Jan. 18, 1997



APPROVAL BY WORKING INTEREST OWNER

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

Dated: _____
Authorized Signature: _____
Name: _____
Title: _____
Corporation: Phillips Petroleum Company
Address: _____

Subscribed and sworn to me this ___ day of _____, 1996.

Notary Public: _____
My Commission Expires: _____

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

ACCEPTANCE OF RIGHTS AND OBLIGATIONS BY UNIT OPERATOR

I hereby accept and assume all rights and obligations of the Unit Operator as set forth herein.

Dated: October 25, 1996

Authorized Signature: _____

Name: A. Cornelius

Title: Assistant Secretary

Corporation: Chevron U.S.A. Inc.

Subscribed and sworn to me this 25th day of October, 1996.

Notary Public: _____

My Commission Expires: _____

APPROVAL BY WORKING INTEREST OWNER

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

Dated: October 28, 1996

Authorized Signature: *S. M. Park*

Name: S. M. Park

Title: Attorney-In-Fact

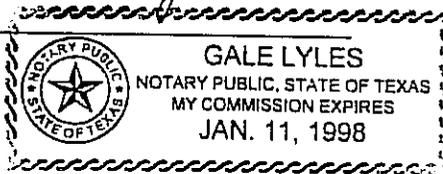
Corporation: Phillips Petroleum Company

Address: P. O. Box 1967, Houston, TX 77251-1967

Subscribed and sworn to me this 28 day of October, 1996.

Notary Public: *Gale Lyles*

My Commission Expires: _____



APPROVAL BY WORKING INTEREST OWNER

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

Dated: October 29, 1996
Authorized Signature: *John R. Hazlett*
Name: John R. Hazlett
Title: Vice President
Corporation: Whiting Petroleum Corporation
1700 Broadway, Suite 2300
Address: Denver, CO 80290-2301

Subscribed and sworn to me this 29th day of October, 1996.
Notary Public: *Jana S. [Signature]*
My Commission Expires: March 24, 1999

APPROVAL BY WORKING INTEREST OWNER

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

Dated: _____
Authorized Signature: _____
Name: _____
Title: _____
Corporation: Texaco Exploration and Production Inc.
Address: _____

Subscribed and sworn to me this ___ day of _____, 1996.
Notary Public: _____
My Commission Expires: _____

APPROVAL BY WORKING INTEREST OWNER

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

Dated: _____

Authorized Signature: _____

Name: _____

Title: _____

Corporation: Whiting Petroleum Corporation

Address: _____

Subscribed and sworn to me this ___ day of _____, 1996.

Notary Public: _____

My Commission Expires: _____

APPROVAL BY WORKING INTEREST OWNER

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

Dated: 10-29-96

Authorized Signature: Alan A. Kleier

Name: Alan A. Kleier

Title: Attorney-in-Fact

Corporation: Texaco Exploration and Production Inc.

Address: P.O. Box 5197X, Bakersfield, CA 93388

Subscribed and sworn to me this 30 day of Oct, 1996.

Notary Public: Carolyn Ronald

My Commission Expires: 6-30-99



APPROVAL BY WORKING INTEREST OWNER

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

Dated: OCTOBER 29, 1996

Authorized Signature: *Thomas M. Gladney*

Name: THOMAS M. GLADNEY

Title: ATTORNEY-IN-FACT

Corporation: Sun Operating Limited Partnership, by Oryx Energy Company, its Managing General Partner

Address: P.O. Box 2880 DALLAS TX 75221

Subscribed and sworn to me this 29th day of October, 1996.

Notary Public: *Wilma J. Mabrey*

My Commission Expires: 8-31-99



Wilma J. Mabrey
Notary Public, State of Texas
My Comm. Expires 08/31/99

APPROVAL BY WORKING INTEREST OWNER

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

Dated: _____

Authorized Signature: _____

Name: _____

Title: _____

Corporation: Pennzoil Exploration and Production Company

Address: _____

Subscribed and sworn to me this ___ day of _____, 1996.

Notary Public: _____

My Commission Expires: _____

APPROVAL BY WORKING INTEREST OWNER

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

Dated: _____

Authorized Signature: _____

Name: _____

Title: _____

Corporation: Sun Operating Limited Partnership, by
Oryx Energy Company, its Managing General Partner

Address: _____

Subscribed and sworn to me this ___ day of _____, 1996.

Notary Public: _____

My Commission Expires: _____

APPROVAL BY WORKING INTEREST OWNER

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

Dated: October 31, 1996

Authorized Signature: Paul L. Bruce

Name: Paul L. Bruce

Title: Agent & Attorney-in-Fact

Corporation: Pennzoil Exploration and Production Company

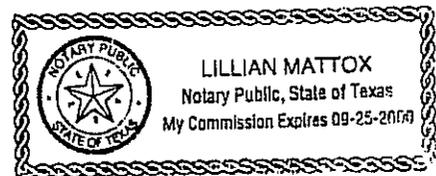
P.O. Box 2967

Address: Houston, Texas 77252-2967

Subscribed and sworn to me this 31 day of October, 1996.

Notary Public: Lillian Mattox

My Commission Expires: 09-25-2000



APPROVAL BY WORKING INTEREST OWNER

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

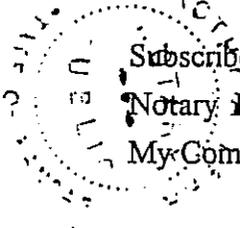
Dated: October 31, 1996
Authorized Signature: J.W. Moeller
Name: J. W. Moeller
Title: Executive Vice President, Koch Industries, Inc.
Corporation: Koch Industries, Inc.

Address: P.O. Box 2256, Wichita, KS 67201-2256

Subscribed and sworn to me this 31st day of October, 1996.

Notary Public: Jarotay A. Klein

My Commission Expires: 8-21-98



APPROVAL BY WORKING INTEREST OWNER

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

Dated: _____
Authorized Signature: _____
Name: _____
Title: _____
Corporation: Oxbow Energy, Inc.

Address: _____

Subscribed and sworn to me this ___ day of _____, 1996.

Notary Public: _____

My Commission Expires: _____

APPROVAL BY WORKING INTEREST OWNER

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

Dated: _____

Authorized Signature: _____

Name: _____

Title: _____

Corporation: Koch Industries, Inc.

Address: _____

Subscribed and sworn to me this ____ day of _____, 1996.

Notary Public: _____

My Commission Expires: _____

APPROVAL BY WORKING INTEREST OWNER

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

Dated: November 20, 1996

Authorized Signature: B. Acton

Name: Brian L. Acton

Title: President

Corporation: Oxbow Energy, Inc.

Address: 1601 Forum Place, West Palm Beach, FL 33401

Subscribed and sworn to me this 20th day of November, 1996. He is personally known to me.

Notary Public: Janice C. Develle

My Commission Expires: _____

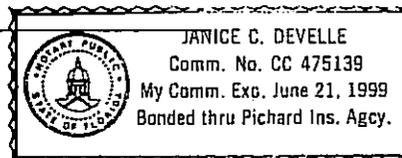
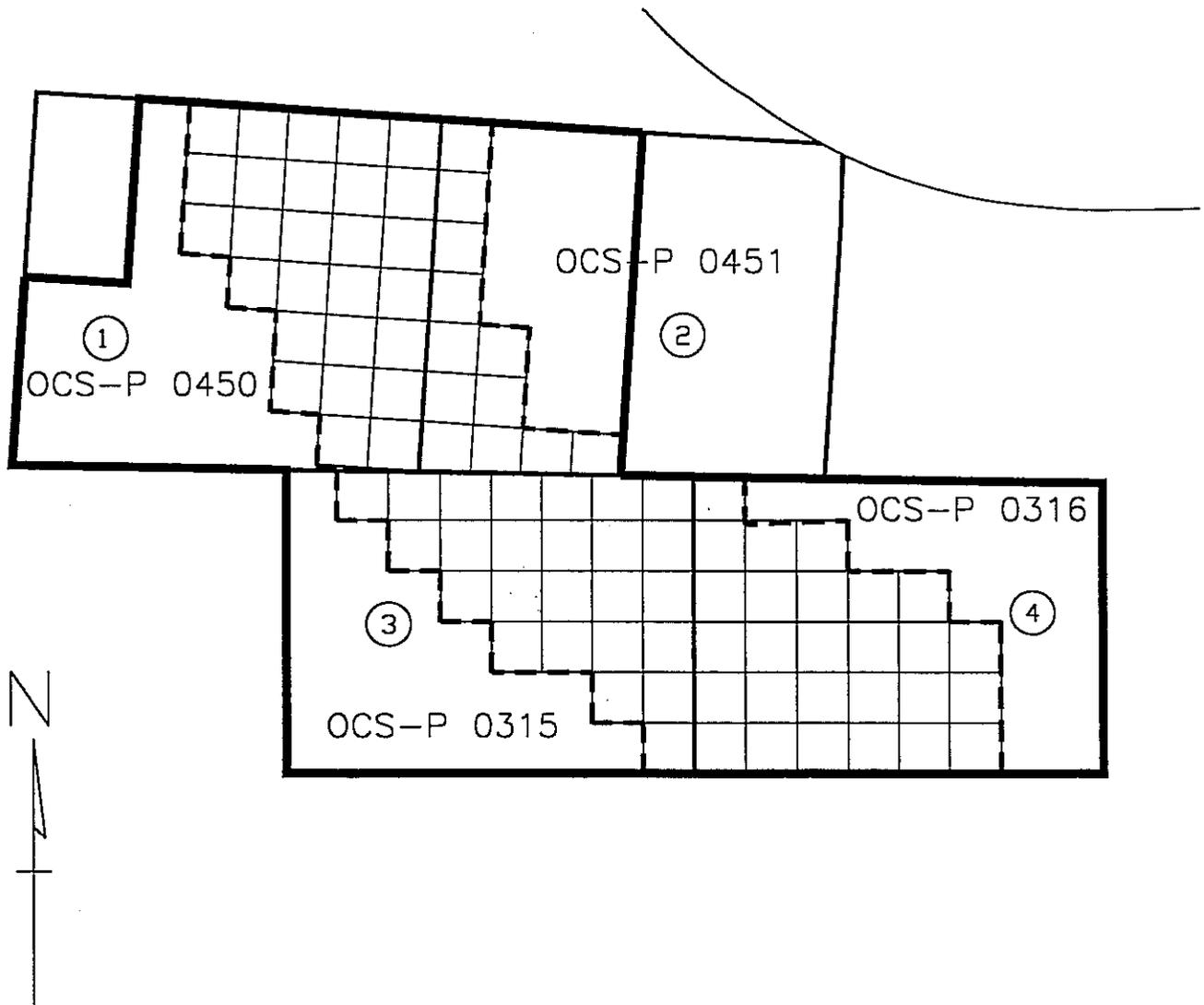


EXHIBIT "A" POINT ARGUELLO UNIT AGREEMENT



LEGEND

- PARTICIPATING AREA
- UNIT BOUNDARY
- Ⓝ TRACT NUMBER



Chevron U.S.A. Inc.
Western Region—Exploration, Land and Production

EXHIBIT "A" TO POINT ARGUELLO UNIT AGREEMENT OFFSHORE CALIFORNIA

SCALE	DATE
1" = 1 MILE	October 1985

Contract No. 497001

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

ARGUELLO INC., a Delaware corporation, hereby accepts and assumes all rights and obligations as unit operator under the Point Arguello Unit Agreement dated effective October 1, 1996, Santa Maria Basin Area, Offshore California, Contract No. 497001.

Dated: August 5, 1999

Authorized
Signature:



Name: Jim G. Hester

Title: Vice President

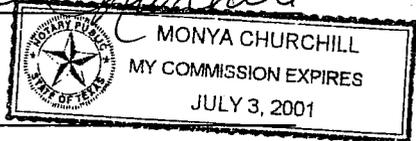
Corporation: ARGUELLO INC.

Subscribed and sworn before me on this 5th day of Aug., 1999.

Notary Public:



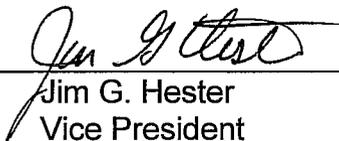
My Commission Expires:



RATIFICATION AND JOINDER OF UNIT OPERATING AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that effective July 1, 1999, **ARGUELLO INC. ("ARGUELLO")** does hereby ratify, join, affirm, and concur in, accept and become a party to that certain **Unit Operating Agreement** covering the **Point Arguello Unit, Channel Islands Area and Santa Maria Basin Area, Outer Continental Shelf, Offshore California**, dated effective October 1, 1996. It is expressly stipulated that said Unit Operating Agreement is hereby ratified, joined, affirmed, and concurred in to the same extent and in the same manner and for the same purposes and effects as though **ARGUELLO** had duly signed the same as a working interest owner at the time of the original execution thereof.

ARGUELLO INC.

By 

Jim G. Hester
Vice President

RATIFICATION AND JOINDER OF UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that effective July 1, 1999, **ARGUELLO INC. ("ARGUELLO")** does hereby ratify, join, affirm, and concur in, accept and become a party to that certain **Unit Agreement** covering the **Point Arguello Unit, Channel Islands Area and Santa Maria Basin Area, Outer Continental Shelf, Offshore California**, dated effective October 1, 1996. It is expressly stipulated that said Unit Agreement is hereby ratified, joined, affirmed, and concurred in to the same extent and in the same manner and for the same purposes and effects as though **ARGUELLO** had duly signed the same as a working interest owner at the time of the original execution thereof.

ARGUELLO INC.

By 
Jim G. Hester
Vice President



EXHIBIT "A"

POINT ARGUELLO UNIT OPERATING AGREEMENT



LEGEND

-  PARTICIPATING AREA
-  UNIT BOUNDARY
-  TRACT NUMBER



Chevron U.S.A. Inc.
Western Region-Exploration, Land and Production

EXHIBIT "A" TO

POINT ARGUELLO UNIT OPERATING AGREEMENT
OFFSHORE CALIFORNIA

SCALE	DATE
NTS	7/1/99

Contract No. 497001

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: Point Arguello Unit
Unit Agreement No.: 497001
Regional Office: Pacific OCS Region

and hereby designates

Name: Arguello Inc.
Address: 500 Dallas, Suite 700
Houston, Texas 77002

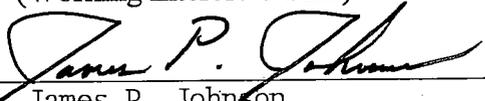
as his operator and local agent, with full authority to act in his behalf in complying with the terms of the Unit Agreement and regulations applicable thereto and on whom the Regional Supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations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

July 8, 1998
(Date)

PHILLIPS PT. ARGUELLO PRODUCTION COMPANY
(Working Interest Owner)
By: 
Name: James P. Johnson
Title: Vice President

UNITED STATES
DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE

DESIGNATION OF UNIT OPERATOR

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

Unit Name: Point Arguello Unit
Unit Agreement No.: 497001
Regional Office: Pacific OCS Region

and hereby designates

Name: Arguello Inc.
Address: 500 Dallas, Suite 700
Houston, Texas 77002

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.

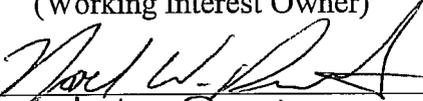
The working interest owner will notify the Regional Supervisor promptly of any change in the designated operator.

July 9, 1999

(Date)

Pennzoil Exploration and
Production Company

(Working Interest Owner)

By: 
Name: Noel W. Putscher
Title: Agent and Attorney-in-Fact

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: Point Arguello Unit
Unit Agreement No.: 497001
Regional Office: Pacific OCS Region

and hereby designates

Name: Arguello Inc.
Address: 500 Dallas, Suite 700
Houston, Texas 77002

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.

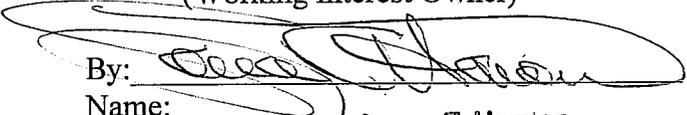
It is understood that this designation of operator does not relieve the working interest owner of responsibility for compliance with the terms of the Unit Agreement, laws, and regulations applicable to the area. It is also understood that this designation of operator does not constitute an assignment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

July 12, 1999
(Date)

KECK INDUSTRIES, INC.
(Working Interest Owner)

By: 
Name: Lance F. Harmon
Title: Attorney-in-Fact

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: Point Arguello Unit
Unit Agreement No.: 497001
Regional Office: Pacific OCS Region

and hereby designates

Name: Arguello Inc.
Address: 500 Dallas, Suite 700
Houston, Texas 77002

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.

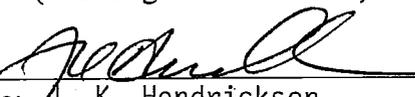
It is understood that this designation of operator does not relieve the working interest owner of responsibility for compliance with the terms of the Unit Agreement, laws, and regulations applicable to the area. It is also understood that this designation of operator does not constitute an assignment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

July 14, 1989
(Date)

Texaco Exploration and Production Inc.
(Working Interest Owner)

By: 
Name: J. K. Hendrickson
Title: Attorney-in-Fact

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: Point Arguello Unit
Unit Agreement No.: 497001
Regional Office: Pacific OCS Region

and hereby designates

Name: Arguello Inc.
Address: 500 Dallas, Suite 700
Houston, Texas 77002

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.

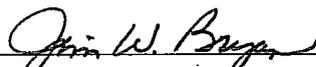
It is understood that this designation of operator does not relieve the working interest owner of responsibility for compliance with the terms of the Unit Agreement, laws, and regulations applicable to the area. It is also understood that this designation of operator does not constitute an assignment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

July 28, 1999
(Date)

Sun Operating Limited Partnership
(Working Interest Owner)

By: 
Name: Jim W. Bryan
Title: Attorney-in-Fact

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: Point Arguello Unit
Unit Agreement No.: 497001
Regional Office: Pacific OCS Region

and hereby designates

Name: Arguello Inc.
Address: 500 Dallas, Suite 700
Houston, Texas 77002

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.

July 19, 1999

(Date)

WHITING ^{DeVolleum} PROGRAMS, INC.

(Working Interest Owner)

By:

John R. Hazlett
Name: John R. Hazlett

Title: Vice President

UNITED STATES
DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE

DESIGNATION OF UNIT OPERATOR

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

Unit Name: Point Arguello Unit
Unit Agreement No.: 497001
Regional Office: Pacific OCS Region

and hereby designates

Name: Chevron U.S.A. Inc.
Address: 646 County Square Drive
Ventura, California 93003

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.

Dated: August 19, 1999

ARGUELLO INC.

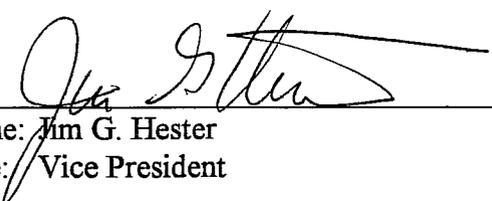
By: 
Name: Jim G. Hester
Title: Vice President

EXHIBIT "B"

**POINT ARGUELLO UNIT OPERATING AGREEMENT
OIL AND GAS LEASES SUBJECT TO THE AGREEMENT, INTERESTS OF THE PARTIES**

A. Leases subject to this Agreement:

Unit Tract Number	Description of Lands subject to the Unit Operating Agreement	Number of Acres or Hectare	Lease Ownership	Lessee Interests	ORR & Net Profits
1	Federal OCS P-0450 E1/2NW1/4, NE1/4, S1/2 Block 464 OCS Official Protraction Diagram, NI 10-6	4,419.13 1,788.40	Arguello Inc. Phillips Pt. Arguello Production Company	50.00000% 50.00000%	None None
2	Federal OCS P-0451 W1/2 Block 465, All that portion seaward of the three geographic mile, OCS Official Protraction Diagram NI 10-6, Santa Maria	2,422.37 980.32	Arguello Inc. Phillips Pt. Arguello Production Company Whiting Petroleum Corporation	44.44440% 44.44440% 11.1120%	None None *
3	Federal OCS P-0315 All Block 55N 85W, OCS Leasing Map, Channel Islands Area, CAL Map No. 6A	4,269.12 1,727.69	Texaco Exploration and Production Inc. Pennzoil Exploration and Production Company Sun Operating Limited Partnership Koch Exploration Company Oxbow Energy Inc.	40.4518860% 25.00000000% 20.00000000% 10.4213609% 4.1267531%	None None None None None
4	Federal OCS P-0316 All Block 55N 84W, OCS Leasing Map, Channel Islands Area, CAL Map No. 6A	4,177.93 1,690.78	Arguello Inc. Phillips Pt. Arguello Production Company Whiting Petroleum Corporation	40.00000% 40.00000% 20.00000%	None None *
	Total number of acres in unit.	15,288.55			
	Total number of hectares in unit.	6,187.19			

* Overriding royalty burdening only Whiting's interest equaling three and one-half percent of Whiting's Net Revenue Interest. (Net Revenue Interest is defined as Whiting's gross Working Interest less royalty.)

B. Participating Interests of the Parties:

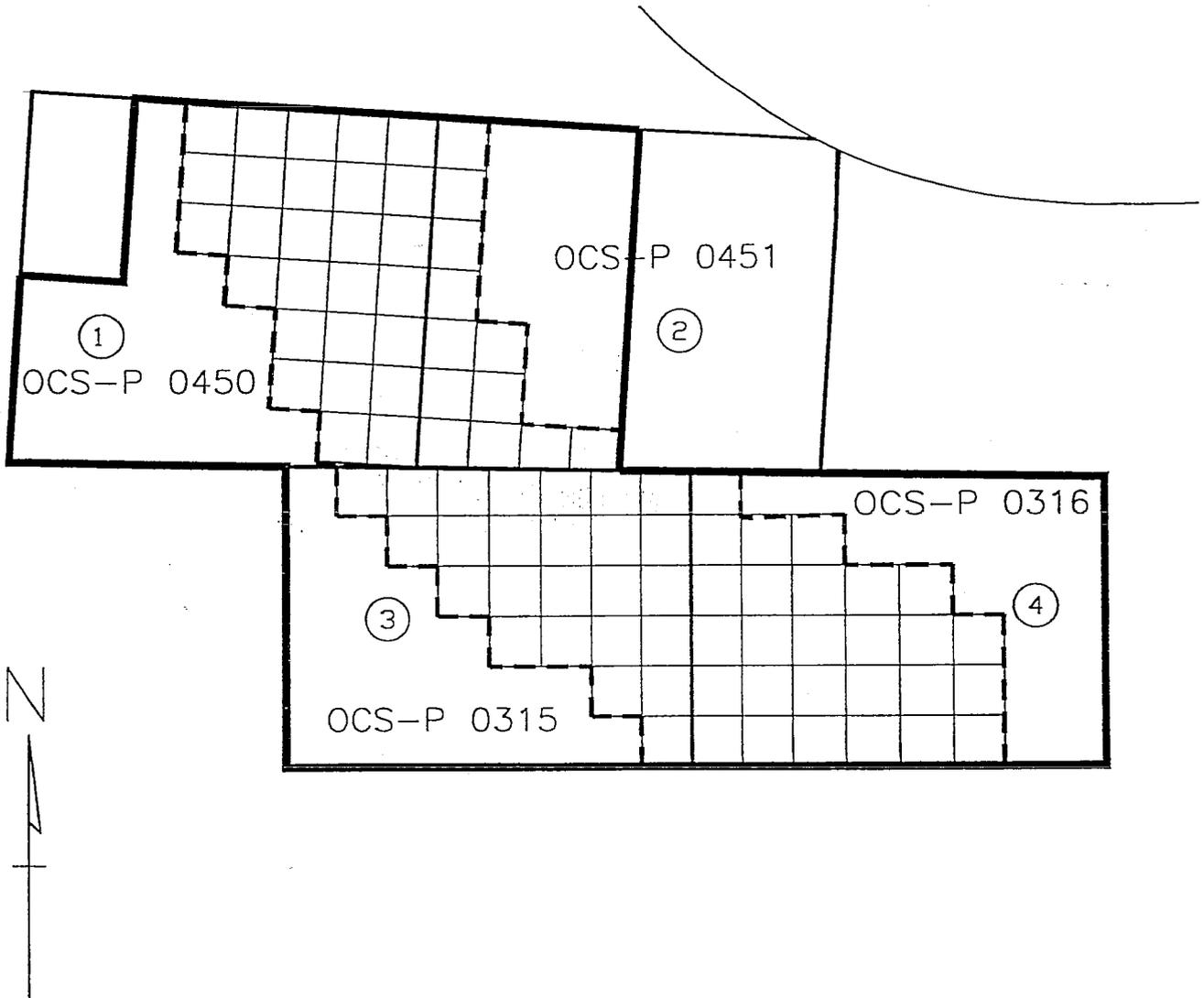
Company	Participating Interest
Chevron U.S.A. Inc	26.31522%
Phillips Pt. Arguello Production Co.	26.31522%
Texaco Exploration and Production Inc.	16.70839%
Pennzoil E&P Company	10.32609%
Sun Operating Limited Partnership	8.26087%
Whiting Petroleum Corporation	6.06521%
Koch Exploration Company	4.30448%
Oxbow Energy Inc.	1.70452%
TOTAL	100.00%

EXHIBIT "B"
POINT ARGUELLO UNIT AGREEMENT
OIL AND GAS LEASES AND LEASE OWNERSHIP INTERESTS

Tract Number	Description of Lands in the Unit Area	Number of Acres or Hectares	U.S.A. Lease Serial Number	Lease Royalty	Lessees of Record	Lessee Interests	ORR & Net Profits
1	E½NW¼, NE¼, S½ Block 464 OCS Official Protraction Diagram NI10-6, (Santa Maria).	4,419.58 1,788.55	OCS-P 0450	16 2/3%	Arguello Inc. Phillips Pt. Arguello Production Company	50.00000% 50.00000%	None None
2	W½ Block 465, All that portion seaward of the three geographic mile, OCS Official Protraction Diagram NI10-6 (Santa Maria).	2,459.66 995.39	OCS-P 0451	16 2/3%	Arguello Inc. Phillips Pt. Arguello Production Company Whiting Petroleum Corporation	44.44400% 44.44400% 11.11200%	None None *
3	All Block 55N 85W, OCS Leasing Map, Channel Islands Area, Cal Map No. 6A	4,269.12 1,727.66	OCS-P 0315	16 2/3%	Texaco Exploration and Production Inc. Pennzoil Exploration and Production Co. Sun Operating Limited Partnership Koch Industries, Inc. Oxbow Energy, Inc.	40.45189% 25.00000% 20.00000% 10.42136% 4.12675%	None None None None None
4	All Block 55N 84W, OCS Leasing Map, Channel Islands Area, Cal Map No. 6A Total number of acres in unit. Total number of hectares in unit	4,177.93 <u>1,690.76</u> 15,326.29 6,202.36	OCS-P 0316	16 2/3%	Arguello Inc. Phillips Pt. Arguello Production Company Whiting Petroleum Corporation	40.00000% 40.00000% 20.00000%	None None *

* Overriding royalty burdening only Whiting's interest equaling three and one half percent of Whiting's Net Revenue Interest. (Net Revenue Interest is defined as Whiting's gross Working Interest less royalty.)

EXHIBIT "A" POINT ARGUELLO UNIT AGREEMENT



LEGEND

- PARTICIPATING AREA
- UNIT BOUNDARY
- Ⓝ TRACT NUMBER



Chevron U.S.A. Inc.
Western Region—Exploration, Land and Production

EXHIBIT "A" TO POINT ARGUELLO UNIT AGREEMENT OFFSHORE CALIFORNIA

SCALE
NTS

DATE
7/1/99

Contract No. 497001

**POINT ARGUELLO UNIT AGREEMENT
OIL AND GAS LEASES AND LEASE OWNERSHIP INTERESTS**

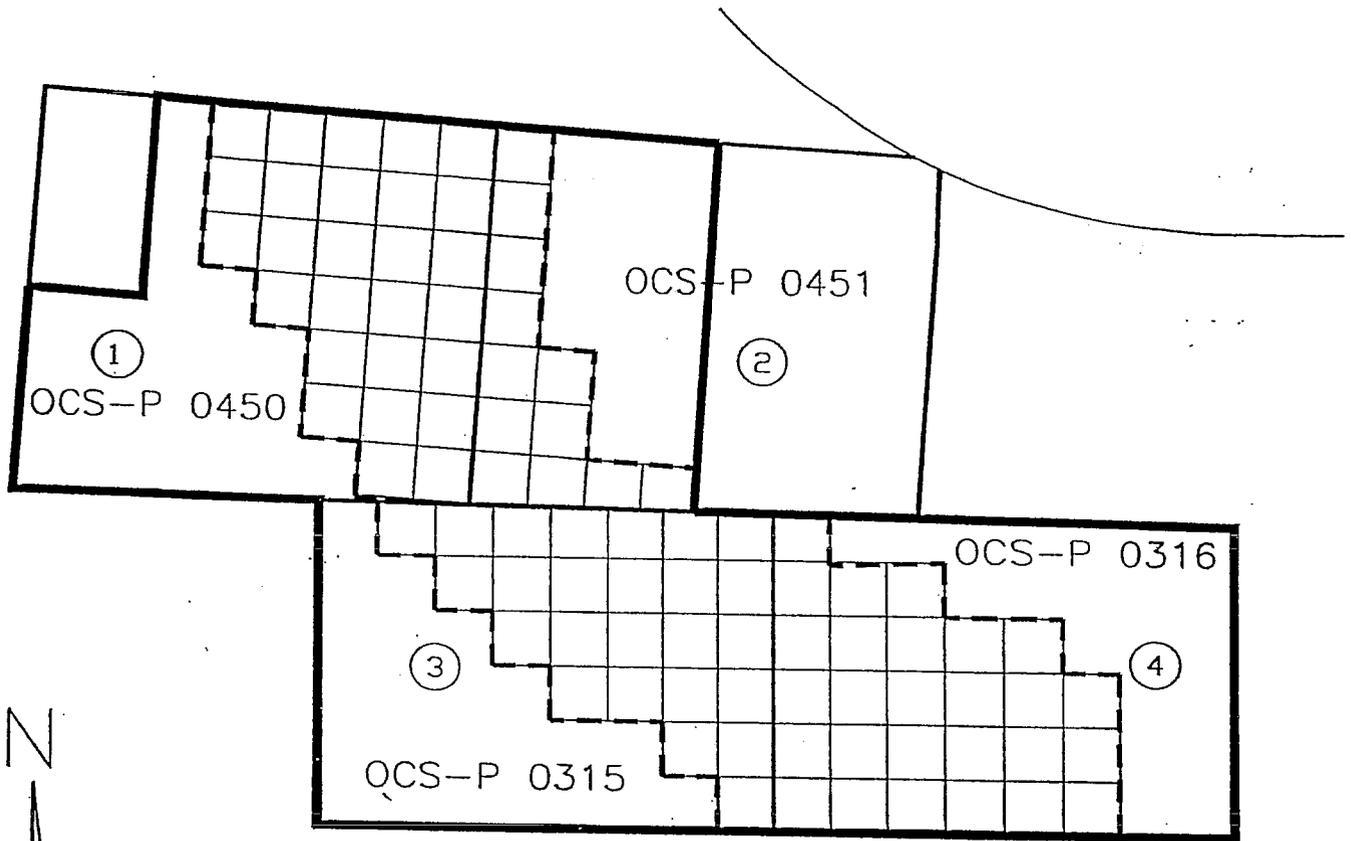
A. Leases subject to this Agreement:

Unit Tract No.	Description of Lands in the Unit Area	Number of Acres or Hectares	U.S.A. Lease Serial Number	Lease Royalty	Lessees of Record	Lessee Interests	ORR & Net Profits
1	E/2 NW/4, NE/4, S/2 Block 464 OCS Official Protraction Diagram NI 10-6 (Santa Maria)	4,419.58 1,788.55	OCS-P 0450	16 2/3%	Arguello Inc.	100%	None
2	W/2 Block 465, All that portion seaward of the three geographic mile, OCS Official Protraction Diagram NI 10-6, (Santa Maria)	2,459.66 995.39	OCS-P 0451	16 2/3%	Arguello Inc. Whiting Petroleum Corporation	88.888% 11.1120%	None *
3	All of Block 55N 85W, OCS Leasing Map, Channel Islands Area, CAL Map No. 6A	4,269.12 1,727.69	OCS-P 0315	16 2/3%	Texaco Exploration and Production Inc. Pennzoil Exploration and Production Co. Sun Operating Limited Partnership Koch Industries, Inc. Oxbow Energy Inc.	40.45189% 25.00000% 20.00000% 10.42136% 4.12675%	None None None None None
4	All Block 55N 84W, OCS Leasing Map, Channel Islands Area, CAL Map No. 6A	4,177.93 1,690.76	OCS-P 0316	16 2/3%	Arguello Inc. Whiting Petroleum Corporation	80.00000% 20.00000%	None *
	Total number of acres in unit	15,326.29					
	Total number of hectares in unit	6,202.36					

*Overriding royalty burdening only Whiting's interest equaling three and one-half percent of Whiting's Net Revenue Interest. (Net Revenue Interest is defined as Whiting's gross Working Interest less royalty).

Point Arguello Unit Agreement
Effective October 1, 1996
Contract No. 497001
Revised Effective April 1, 2002

EXHIBIT "A" POINT ARGUELLO UNIT AGREEMENT



LEGEND

--- PARTICIPATING AREA

— UNIT BOUNDARY

① TRACT NUMBER

EXHIBIT "A" TO POINT ARGUELLO UNIT AGREEMENT OFFSHORE CALIFORNIA

SCALE

DATE

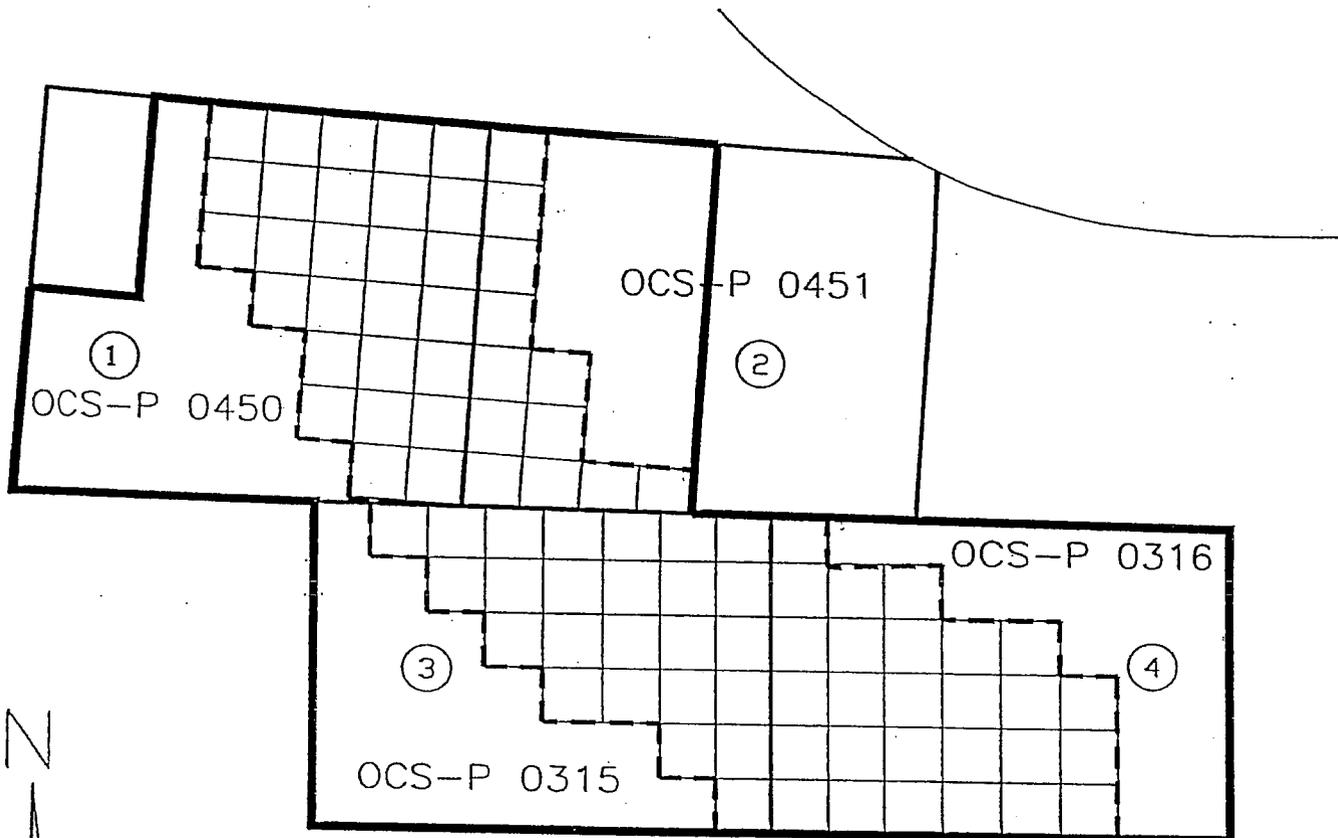
NTS

April 1, 2000

Contract No. 497001

EXHIBIT "A"

POINT ARGUELLO UNIT OPERATING AGREEMENT



LEGEND

--- PARTICIPATING AREA

— UNIT BOUNDARY

① TRACT NUMBER

EXHIBIT "A" TO

POINT ARGUELLO UNIT OPERATING AGREEMENT
OFFSHORE CALIFORNIA

SCALE
NTS

DATE
April, 2002

Contract No. 497001

EXHIBIT "B"

**POINT ARGUELLO UNIT OPERATING AGREEMENT
OIL AND GAS LEASES SUBJECT TO THE AGREEMENT, INTERESTS OF THE PARTIES**

A. Leases subject to this Agreement:

Unit Tract No.	Description of Lands Subject to the Unit Operating Agreement	Number of Acres or Hectare	Lease Ownership	Lessee Interests	ORR & Net Profits
1	Federal OCS-P 0450 E/2 NW/4, NE/4, S/2 Block 464 OCS Official Protraction Diagram NI 10-6	4,419.58 1,788.55	Arguello Inc.	100%	None
2	Federal OCS-P 0451 W/2 Block 465, All that portion seaward of the three geographic mile, OCS Official Protraction Diagram NI 10-6, Santa Maria	2,4259.66 995.39	Arguello Inc. Whiting Petroleum Corporation	88.888% 11.1120%	None *
3	Federal OCS-P 0315 All of Block 55N 85W, OCS Leasing Map, Channel Islands Area, CAL Map No. 6A	4,269.12 1,727.66	Texaco Exploration and Production Inc. Pennzoil Exploration and Production Co. Sun Operating Limited Partnership Koch Exploration Company Oxbow Energy Inc.	40.4518860% 25.0000000% 20.0000000% 10.4213609% 4.1267531%	None None None None None
4	Federal OCS-P 0316 All Block 55N 84W, OCS Leasing Map, Channel Islands Area, CAL Map No. 6A	4,177.93 1,690.76	Arguello Inc. Whiting Petroleum Corporation	80.00000% 20.00000%	None *
	Total number of acres in unit Total number of hectares in unit	15,326.29 6,202.36			

*Overriding royalty burdening only Whiting's interest equaling three and one-half percent of Whiting's Net Revenue Interest. (Net Revenue Interest is defined as Whiting's gross Working Interest less royalty).

B. Participating Interests of the Parties:

COMPANY	PARTICIPATING INTEREST
Arguello Inc.	52.63044%
Texaco Exploration and Production Inc.	16.70839%
Pennzoil E&P Company	10.32609%
Sun Operating Limited Partnership	8.26087%
Whiting Petroleum Corporation	6.06521%
Koch Exploration Company	4.30448%
Oxbow Energy Inc.	1.70452%
TOTAL	100.00%

Point Arguello Unit Operating Agreement
Effective October 1, 1996
Contract No.497001
Revised Effective April 1, 2002

April 14, 2008

Mr. Doss R. Bourgeois, Executive Vice President
Plains Exploration and Production Company
700 Milam, Suite 3100
Houston, TX 77002

Re: Acceptance of Resignation of Unit Operator
Designation of Successor Unit Operator
Point Arguello Unit
Leases OCS-P 0315, 0316, 0450, and 0451
Offshore California

Dear Mr. Bourgeois:

The Minerals Management Service received Plains Exploration and Production Company's (PXP) letter of March 26, 2007, and the supporting documentation wherein, in accordance with Article V of the Point Arguello Unit Agreement, Arguello Inc. resigned as unit operator of the Point Arguello Unit. Simultaneously, under the terms and conditions of Article VI of the Point Arguello Unit Agreement, PXP submitted to MMS appropriate documents to become the successor unit operator of the Point Arguello Unit.

In accordance with the terms of Article VI of the Point Arguello Unit Agreement, MMS hereby approves Plains Exploration and Production Company as successor Unit Operator. MMS hereby accepts Arguello Inc.'s resignation as Point Arguello Unit Operator. Documents designating PXP as the Unit Operator have been signed and ratified by the current unit record title interest owners. The current record title interest owners have also ratified the Point Arguello Unit Agreement and Unit Operating Agreement.

Copies of the approved unit operator documents will be attached to, and made a part of, the Point Arguello Unit Agreement and Unit Operating Agreement. Resignation of Arguello Inc. as Unit Operator of Point Arguello Unit and designation of PXP as successor Unit Operator for the subject unit is effective May 21, 2007.

Additionally, MMS has received the designation of operator form for each lease in the Point Arguello Unit.

Mr. Allan Shareghi at (phone (805) 389-7704 or email allan.shareghi@mms.gov) is the MMS contact concerning unitization matters. Please feel free to contact him if you have any further questions.

Sincerely,

/S/ Drew Mayerson

Drew A. Mayerson
Chief, Reservoir Evaluation & Production

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



cc: Mr. Gregg R. Maynard
Assistant General Counsel
Plains Exploration and Production Company
700 Milam, Suite 3100, Houston TX 77002

cc: Ms. Wendy Campbell (w/copies of docs.)
Minerals Management Service/MRM
Building 85/Area A-14
Denver Federal Center
Denver, CO 80225

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

Chron

Ecc: C/DO (w/o copies)
C/OEE (w/o copies)
C/OFSE (w/o copies)
C/OREP (w/o copies)
A. Shareghi (w/copies)
E. Williams (W/o copies)

OREP:AShareghi:mbr:MYDOCS:OREPFILES:CAROLEL:EAS DesPXP pt.Arguello unit word
doc 5/15/07

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: Point Arguello Unit
Unit Agreement No.: 497001
Regional Office: Pacific OCS Region

and hereby designates

Name: Plains Exploration & Production Company
Address: 700 Milam, Suite 3100
Houston, Texas 77002

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 Manager 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 Manager promptly of any change in the designated operator.

1/24/07
(Date)

Koch Industries, Inc.
(Working Interest Owner)

By: Dale G. Schlipsof
Name: Dale G. Schlipsof
Title: Attorney-in-Fact

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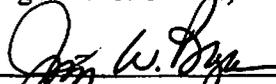
In case of default on the part of the designated operator, the working interest owner will make full and prompt compliance with all regulations, Unit Agreement, or orders of the Secretary of the Interior or his representative.

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4/25/07

(Date)

Kerr-McGee Oil and Gas Corporation
(Working Interest Owner)

By: 
Name: Jim W. Bryan
Title: Attorney-in-Fact

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DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE

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Name: Plains Exploration & Production Company
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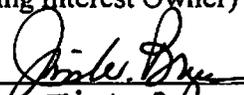
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4/25/07

(Date)

Kerr-McGee Oil and Gas Corporation
(Working Interest Owner)

By: 

Name: Jim W. Bryan

Title: Attorney-in-Fact

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MINERALS MANAGEMENT SERVICE

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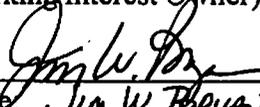
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The working interest owner will notify the Regional Manager promptly of any change in the designated operator.

4/25/07

(Date)

Kerr-McGee Oil and Gas Corporation
(Working Interest Owner)

By: 
Name: JIM W. BRYAN
Title: ATTORNEY-IN-FACT