IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re Venoco, LLC, *et al.*, Debtors.[1]	Chapter 11 Case No. 17-10828 (KG) (Jointly Administered) **Hearing**: December 4, 2017 at 11:00 a.m. (ET) **Objection Deadline**: November 27, 2017 at 4:00 p.m. (ET)

DEBTORS' MOTION FOR ENTRY OF AN ORDER (A) AUTHORIZING THE SALE OF CERTAIN ASSETS OF THE DEBTORS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS (OTHER THAN PERMITTED ENCUMBRANCES AND ASSUMED LIABILITIES), (B) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES OF THE DEBTORS, AND (C) GRANTING RELATED RELIEF

Venoco, LLC and Ellwood Pipeline, Inc. (together, "Venoco" or the "Sellers"), as debtors and debtors in possession (collectively, with their affiliated debtors and debtors in possession, the "Debtors") in the above-captioned chapter 11 cases (the "Cases"), hereby move the Court (the "Motion") pursuant to sections 102, 105, 363, and 365 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2002, 4001, 6004, 6006, 9007, 9008 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rules 2002-1 and 6004-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), for entry of an order (the "Sale Order"),

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Venoco, LLC (3555); TexCal Energy (LP) LLC (0806); Whittier Pipeline Corporation (1560); TexCal Energy (GP) LLC (0808); Ellwood Pipeline, Inc. (5631); and TexCal Energy South Texas, L.P. (0812). The Debtors' mailing address for purposes of these chapter 11 cases is: Venoco, LLC, 3700 Quebec Street, 100-223, Denver, CO 80207.

substantially in the form attached hereto as **Exhibit A**: (i) authorizing the sale of certain of the assets of Venoco LLC and Ellwood Pipeline, Inc. (collectively "Venoco" or the "Sellers"), as more fully described herein, to Chevron U.S.A. Inc. ("Chevron" or "Purchaser"; and, together with Venoco, the "Parties") free and clear of any and all Liens, claims, liabilities, encumbrances and interests of any kind or nature whatsoever, other than the Permitted Encumbrances and Assumed Liabilities; (ii) approving the SCU/Carpinteria Plant PSA (as defined herein); (iii) approving the Carpinteria Station PSA (as defined herein); (iv) authorizing the assumption and assignment of the Assumed Contracts (as defined herein) to Chevron; and (v) granting related relief.

Jurisdiction

1. The United States Bankruptcy Court for the District of Delaware (the "Court") has jurisdiction over these Cases and the Motion pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of these Cases and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

2. Pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), the Debtors consent to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

3. The bases for the relief requested herein are sections 102, 105, 363 and 365 the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6004, 6006, 9007, 9008 and 9014 and Local Rules 2002-1 and 6004-1.

Background

A. General Background

4. The Debtors are independent exploration and production companies based in Denver, Colorado. As of April 17, 2017 (the "Petition Date"), the Debtors' primary oil and gas properties were located both onshore and offshore in Southern California. Other than the assets described herein (and their related decommissioning obligations), the Debtors have since sold and otherwise disposed of the majority of their key assets and are in the process of winding down their operations.

5. On the Petition Date, the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or official committee of unsecured creditors has been appointed in these Cases. These Cases are consolidated for procedural purposes and are administered jointly.

6. A full description of the Debtors' business, corporate structure, prepetition indebtedness, and events leading to these Cases is set forth in the *Declaration of Bret Fernandes, Chief Restructuring Officer of Venoco, LLC in Support of Chapter 11 Petitions and First Day Pleadings* (the "First Day Declaration") [D.I. 12].

B. The SCU Abandonment Motion and Chevron Settlement Agreement

7. Venoco is the owner and operator of certain upstream oil and gas assets and related pipelines and processing facilities, which include: (a) certain of the Santa Clara Unit ("SCU") Federal OCS leases and Federal rights of way and which contain two platforms, one

rig, numerous wells, pipelines leading onshore from the platforms, and (b) the Carpinteria Plant, the Carpinteria Station Segment, the Casitas Pier and related onshore facilities and pipelines.

8. On September 26, 2017, the Debtors filed the *Debtors' Motion for Entry of an Order (A) Authorizing, but Not Directing, the Debtors to Take Actions Necessary to (I) Reject the SCU Leases and (II) Abandon the SCU Properties; and (B) Granting Related Relief* (the "SCU Abandonment Motion") [D.I. 495]. By the SCU Abandonment Motion, absent a viable alternative the Debtors intended to reject the SCU leases and relinquish the same to the United States Bureau of Ocean Energy Management ("BOEM") and the Bureau of Safety and Environmental Enforcement ("BSEE," and, together with BOEM, the "DOI"). On October 24, 2017, the Court entered an order granting the SCU Abandonment Motion [D.I. 595].[2]

9. Since filing the SCU Abandonment Motion, the Debtors engaged in active discussions and negotiations with Chevron, resulting in a settlement agreement (the "Chevron Settlement Agreement") that resolves a number of issues between the Parties, and issues in connection with decommissioning various assets, as described therein. On October 3, 2017, the Debtors filed the *Motion for Entry of an Order Pursuant to Bankruptcy Rule 9019 or, in the Alternative, Pursuant to Section 363 of the Bankruptcy Code Approving the Agreement By and Among Venoco, LLC and Ellwood Pipeline, Inc., and Their Successors, and Chevron U.S.A. Inc.* (the "Chevron Settlement Motion") [D.I. 510]. On October 24, 2017, the Court entered an order granting the Chevron Settlement Motion [D.I. 593].

[2] Pursuant to section 6.04(b) of the SCU/Carpinteria Plant PSA and consistent with the Order approving the SCU Abandonment Motion, the Debtors have agreed to take the steps necessary under the Bankruptcy Code to effect the rejection of the Rejected Leases and take all steps required under applicable Law to relinquish the Rejected Leases to BOEM and BSEE.

C. The SCU/Carpinteria Plant PSA

10. Since filing the Chevron Settlement Motion, the Debtors have engaged in active discussions and negotiations with Chevron regarding the purchase and sale agreements referenced in the Chevron Settlement Agreement.

11. In the first instance, the Debtors seek approval of the *Purchase and Sale Agreement for the Carpinteria Plant, the Carpinteria Pier and Certain Other Assets*, dated as of November 13, 2017, by and among the Sellers and Purchaser (together with all other documents contemplated thereby, as such agreements may be amended, restated or supplemented the "SCU/Carpinteria Plant PSA"), a copy of which is annexed to the Sale Order as **Exhibit 1** thereto. Pursuant to the SCU/Carpinteria Plant PSA, Venoco will sell its interest in the Carpinteria Plant, Casitas Assets, Rig 11, and the SCU/Carpinteria Plant-related Easements (a list of which is attached hereto as **Exhibit C-1**), Equipment, Acquired Permits (a list of which is attached hereto as **Exhibit D-1**), Acquired Contracts (a list of which is contained in **Exhibit B**) and Records (each as defined in the SCU/Carpinteria Plant PSA) to Chevron (as described more fully in the SCU/Carpinteria Plant PSA and Chevron Settlement Motion, and collectively, the "SCU/Carpinteria Plant Assets"),for (a) $3.45 million and (b) such other amount that Chevron may elect to credit bid pursuant to any secured claims that it may have in these Cases. A summary of some of the key provisions of the SCU/Carpinteria Plant PSA is set forth in the chart pursuant to Local Rule 6004-1(b)(iv), below.

D. The Carpinteria Station PSA

12. In addition, the Debtors seek approval of the *Purchase and Sale Agreement for the Carpinteria Station Segment and Certain Pipeline Segments*, dated as of November 13, 2017, by and among the Sellers and Purchaser (together with all other documents contemplated thereby, as such agreements may be amended, restated or supplemented the "Carpinteria Station

PSA" and, together with the SCU/Carpinteria Plant PSA, the "Agreements"), a copy of which is annexed to the Sale Order as **Exhibit 2** thereto. Pursuant to the Carpinteria Station PSA, Venoco will sell its interest in the Carpinteria Station Segment, Federal Pipeline Assets, State Pipeline Segments, State Pipeline Segments Equipment, Carpinteria Station Segment Easements and State Pipeline Segments Easements (a list of which is attached hereto as **Exhibit C-2**), State Pipeline Segments Acquired Permits (a list of which is attached hereto as **Exhibit D-2**), Carpinteria Station Segment Acquired Contracts (a list of which is contained in **Exhibit B**), State Pipeline Segments Acquired Contracts, Carpinteria Station Segment Records, and State Pipeline Segments Records (each as defined in the Carpinteria Station PSA) to Chevron (as described more fully in the Carpinteria Station PSA, and collectively, the "State and Carpinteria Station Assets," and, together with the Carpinteria Plant Assets, the "Acquired Assets"), for (a) $50,000.00 and (b) such other amount that Chevron may elect to credit bid pursuant to any secured claims that it may have in these Cases. A summary of some of the key provisions of the Carpinteria Station PSA is set forth in the chart pursuant to Local Rule 6004-1(b)(iv), below

E. Assumed Contracts to be Assumed and Assigned to Chevron

13. The Acquired Assets include the contracts, leases and agreements listed on **Exhibit B**, attached hereto (the "Assumed Contracts"). The Debtors have provided notice of any assumption and assignment to the non-Debtor counterparties associated with the Assumed Contracts, and Chevron can provide adequate assurance of future performance to any non-Debtor counterparty upon request. The Debtors reserve the right, in consultation with Chevron, to remove any of the agreements listed on **Exhibit B** until Closing of the applicable purchase and sale agreement, with any amended list to be attached as **Exhibit 3** to a revised Sale Order (the "Amended Contracts List").

Relief Requested

14. By this Motion, the Debtors seek entry of the Sale Order: (a) authorizing the sale of the Acquired Assets to Chevron, free and clear of any and all Liens, claims, liabilities, encumbrances and interests of any kind or nature whatsoever, other than the Permitted Encumbrances and Assumed Liabilities; (b) approving the SCU/Carpinteria Plant PSA; (c) approving the Carpinteria Station PSA; (d) authorizing the assumption and assignment of the Assumed Contracts to Chevron; and (e) granting related relief.

Basis for Relief

A. The Sale of the Acquired Assets is Within the Sound Business Judgment of the Debtors and Should be Approved

15. Section 363(b) of the Bankruptcy Code provides, in relevant part, that a debtor, "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1).

16. Although section 363 of the Bankruptcy Code does not set forth a standard for determining when a sale or disposition of property of the estate should be authorized, courts in the Third Circuit generally authorize sales of a debtor's assets if such sale is based upon the sound business judgment of the debtor. *See, e.g.*, *In re Martin*, 91 F.3d 389, 395 (3d Cir. 1996); *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999); *In re Del. & Hudson Ry. Co.*, 124 B.R. 169, 176 (D. Del. 1991).

17. The sale of estate assets outside the ordinary course of business is appropriate if: (a) there is a sound business purpose for the sale; (b) the debtor has provided interested parties with adequate and reasonable notice; (c) the proposed sale price is fair and reasonable; and (d) the purchaser has acted in good faith. *See, e.g.*, *In re Abbotts Dairies*, 788 F.2d 143, 147 (3d

Cir. 1986); *In re Exaeris, Inc.*, 380 B.R. 741, 744 (Bankr. D. Del. 2008); *In re Titusville Country Club*, 128 B.R. 396, 399 (Bankr. W.D. Pa. 1991).

18. A debtor's showing of a sound business purpose need not be unduly exhaustive; rather, a debtor is "simply required to justify the proposed disposition with sound business reasons." *In re Baldwin United Corp.*, 43 B.R. 888, 906 (Bankr. S.D. Ohio 1984). A sound business purpose for the sale of a debtor's assets outside the ordinary course of business may be found where such a sale is necessary to preserve and enhance the value of the assets for the debtor's estate, its creditors, or interest holders. *See, e.g.*, *In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir. 1983); *In re Food Barn Stores, Inc.*, 107 F.3d 558, 564–65 (8th Cir. 1997) (stating that, in bankruptcy sales, "a primary objective of the Code [is] to enhance the value of the estate at hand").

19. Additionally, section 105(a) of the Bankruptcy Code provides a bankruptcy court with broad powers in the administration of a case under the Bankruptcy Code. Section 105(a) provides that "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a). Provided that a bankruptcy court does not employ its equitable powers to achieve a result not contemplated by the Bankruptcy Code, the exercise of its section 105(a) power is proper. *In re Fesco Plastics Corp.*, 996 F.2d 152, 154 (7th Cir. 1993). Pursuant to section 105(a), a court may fashion an order or decree that helps preserve or protect the value of a debtor's assets. *See, e.g.*, *In re Chinichian*, 784 F.2d 1440, 1443 (9th Cir. 1986) ("Section 105 sets out the power of the bankruptcy court to fashion orders as necessary pursuant to the purposes of the Bankruptcy Code."); *In re Cooper Props. Liquidating Trust, Inc.*, 61 B.R. 531, 537 (Bankr. W.D. Tenn. 1986) (noting that a bankruptcy court is "one of equity and as such it has a duty to protect

whatever equities a debtor may have in property for the benefit of its creditors as long as that protection is implemented in a manner consistent with the bankruptcy laws").

20. Here, the Debtors have a sound business justification for selling the Acquired Assets. The Acquired Assets are a subset of the assets the Debtors extensively marketed through their sale process and were unable to sell, except through the transactions contemplated herein. Consummation of the Agreements will inject $3.5 million into the Debtors' estates – a significant net benefit for the Debtors' estates and creditors that would otherwise go unrealized. Moreover, approval of the Agreements will ultimately result in a coordinated handoff of the Acquired Assets, as opposed to the only other option, asset abandonment, which could result in hotly contested and complex litigation with various interested parties in these Cases. Maximizing estate value while minimizing disputes against the Debtors' estates will ultimately best facilitate the Debtors' orderly wind down in due course. Additionally, the Debtors continue to incur operational costs that, absent prompt consummation of the sale, will likely erode otherwise realizable proceeds for creditors. *See In re Lionel Corp.*, 722 F.2d at 1071 (stating that of the factors for a court to evaluate on motion under Section 363(b), "most important perhaps, [is] whether the asset is increasing or decreasing in value"). Finally, with approval of the Agreements and subject to agreement with the appropriate federal, state and local regulatory authorities, Chevron will take over responsibility for decommissioning these assets, reducing, if not eliminating, further disputes and the costs and use of judicial resources about the extent of the bankruptcy estates' obligations, if any, for decommissioning. Thus, the sale of the Acquired Assets to Chevron will afford the Debtors the opportunity to maximize the value of their estates and the recoveries to their creditors. Accordingly, the Debtors believe, given the circumstances of these Cases, that the Agreements comprise the best offer for the Acquired Assets, will yield a

significant net benefit to the estates, are appropriate in the Debtors' business judgment and should therefore be approved.

B. Compliance with Local Rule 6004-1(b)(iv)

21. The following chart represents the Debtors' compliance with Local Rule 6004-1(b)(iv) for both Agreements:

Term	**Description**
Sale to Insider *Local Rule 6004-1(b)(iv)(A)*	The sale is not to an insider.
Agreements with Management *Local Rule 6004-1(b)(iv)(B)*	No agreements with management have been entered into in connection with either of the Agreements.
Releases *Local Rule 6004-1(b)(iv)(C)*	There are no releases contained in either of the Agreements
Private Sale/No Competitive Bidding *Local Rule 6004-1(b)(iv)(D)*	No viable bidder was identified through the competitive bidding process. The Agreements are the definitive documents entered into pursuant to the Chevron Settlement Agreement.
Closing and Other Deadlines *Local Rule 6004-1(b)(iv)(E)*	The consummation of the purchase and sale of the Acquired Assets contemplated by the Agreements shall take place at the Houston office of King & Spalding LLP, 1100 Louisiana Street, Suite 4000, Houston, Texas 77002, at 10:00 a.m. local time, on the later of (i) December 20, 2017 and (ii) the date that is three (3) business days following the date on which the conditions set forth in Article VIII and Article IX of the Agreement or on such other date or at such other place and time as the parties may mutually agree in writing. (See § 3.01 of each Agreement)
Good Faith Deposit *Local Rule 6004-1(b)(iv)(F)*	Pursuant to § 7 the Chevron Settlement Agreement, a $690,000 deposit was made with respect to the SCU/Carpinteria Plant PSA.
Interim Arrangements with Proposed Buyer *Local Rule 6004-1(b)(iv)(G)*	Without limiting the generality of § 6.02 of either of the Agreements, during the period between signing and closing, with respect to the Acquired Assets, except as permitted or required by the other terms of any Transaction Document (as defined in the Agreements), or as expressly required by the terms of any permit or contract, or under the law (including an order of

Term	**Description**
	the Court), or as otherwise described in Schedule 6.03 to each of the Agreements, or consented to or approved in writing by purchaser, which consent or approval will not be unreasonably withheld, conditioned or delayed, sellers shall not: (a) (i) amend, supplement or otherwise modify in any material respect, or terminate or renew or extend any acquired contract or any material contract, or (ii) waive any material default by, material term of or material right against any other party to an acquired contract; (b) enter into any contract that will constitute an acquired contract; (c) create or permit any lien (other than a permitted encumbrance) against any of the Acquired Assets; (d) sell, transfer, convey or otherwise dispose of any Acquired Assets other than used materials in the ordinary course of business; (e) incur any obligation for borrowed money secured by the Acquired Assets or guarantee any obligation of any person with the Acquired Assets; (f) subject to § 6.04 of each of the agreements, institute, settle or agree to settle any material proceeding pending or threatened before any arbitrator, court or other governmental authority primarily related to the Acquired Assets, except to the extent the outcome of which would not (i) require or involve any post-closing investigation or remediation relating to the Acquired Assets or (ii) have a material and adverse effect upon purchaser's ownership, operation or use of, or the value of, the Acquired Assets, after the closing; (g) seek to assume and assign the 1998 PSA or the 1999 Guaranty (as defined in each of the Agreements) in the Cases, in whole or in part, in connection with any transaction or otherwise; or agree or commit to do any of the foregoing or take any action that is intended to (or that is reasonably likely to) result in, or fail to take any commercially reasonable action, the intent (or the reasonably likely result) of which such failure to act is to cause

Term	**Description**
	any of the foregoing to become expressly required under the terms of any permit or contract or under the Law (including an order of the Court). (See § 6.03 of each Agreement)
Use of Proceeds *Local Rule 6004-1(b)(iv)(H)*	None.
Tax Exemption *Local Rule 6004-1(b)(iv)(I)*	None.
Record Retention *Local Rule 6004-1(b)(iv)(J)*	For five (5) years after the closing date (or such longer period as may be required by any governmental authority or ongoing claim, including any Court requirements pertaining to sellers), (i) purchaser shall not dispose of or destroy any of the records received by purchaser as Acquired Assets and (ii) purchaser shall allow sellers (including, for clarity, any trust established under a chapter 11 plan of sellers or any other successors of sellers) and its representatives reasonable access during normal business hours, at sellers' sole expense and upon reasonable advance notice, to any records included in the Acquired Assets for purposes relating to the cases, the wind-down of the operations of sellers or any such trusts or successors and sellers (including any such trust or successors) and such directors, officers, employees, counsel, representatives, accountants and auditors shall have the right to make copies of any such Records for such purposes. Until the closing of the Case or the liquidation and winding up of sellers' estate, sellers may keep a copy of the records and, at purchaser's sole expense, shall make all records, and sellers' personnel available to purchaser and its representatives as may be reasonably required by purchaser in connection with, among other things, any insurance claims by, proceedings, actions or tax audits against, or governmental investigations of, purchaser or any of its affiliates or in order to enable purchaser to comply with its obligations under this agreement and each other transaction document. In the event any party desires to destroy any such records prior to the time during which they must be maintained pursuant to each Agreement, such party shall first give ninety (90) days prior written notice to the other party and such other party shall have the right at their option and expense, upon prior written notice given within such ninety (90) day period to the party desiring to destroy such records or records, to take possession of the records within one hundred and eighty (180) days after the date of such notice, or such shorter period as the liquidation and

Term	**Description**
	winding up of seller's estate shall permit. Except as required by laws or to the extent required to enforce its rights with respect to the excluded liabilities, from and after the closing, each seller shall and shall cause its affiliates and its and their respective representatives to keep confidential and not use the records and any files and records that would have been included in the records but for the failure to obtain a material third party consent. (See § 7.03 of each Agreement)
Sale of Avoidance Actions *Local Rule 6004-1(b)(iv)(K)*	None.
Successor Liability *Local Rule 6004-1(b)(iv)(L)*	the parties intend that, except where expressly prohibited under law, upon the closing, purchaser shall not be deemed to: (i) be the successor of sellers, (ii) have, de facto, or otherwise, merged with or into sellers, (iii) be a mere continuation or substantial continuation of sellers or the enterprise(s) of sellers, or (iv) be liable for any acts or omissions of sellers in the conduct of the business of sellers or arising under or related to the Acquired Assets other than as set forth in either of the Agreements. Without limiting the generality of the foregoing, and except as otherwise provided in either of the Agreements, the parties intend that purchaser shall not be liable for any encumbrances (other than assumed liabilities) against sellers or any of their predecessors or affiliates, and purchaser shall have no successor or vicarious liability of any kind or character whether known or unknown as of the closing date, whether now existing or hereafter arising, or whether fixed or contingent, with respect to the business of sellers, the Acquired Assets or any liabilities of sellers arising prior to the closing date. (See § 7.05 of each Agreement)
Sale Free and Clear *Local Rule 6004-1(b)(iv)(M)*	Sellers shall sell, convey, assign, transfer and deliver to purchaser, and purchaser shall purchase and acquire from sellers, all of sellers' right, title and interest in and to the following, free and clear of any and all liens, claims, encumbrances and interests (other than the Permitted Encumbrances (as defined in each of the Agreements)). (See § 2.01 of each Agreement)
Credit Bid *Local Rule 6004-1(b)(iv)(N)*	The purchase price includes the amount that the purchaser may elect to credit bid pursuant to that certain deed of trust dated February 1, 1999, filed in the real property record of Santa

Term	**Description**
	Barbara County, California at file #2002-0011709. (See § 3.05(a) of the SCU/Carpinteria Plant PSA and § 3.04(a) of the Carpinteria Station PSA)
Relief from Bankruptcy Rule 6004(h) *Local Rule 6004-1(b)(iv)(O)*	The Debtors seek a waiver of the 14-day stay under Bankruptcy Rules 6004(d) and 6004(h).

C. The Proposed Notice of the Sale Hearing is Adequate and Appropriate

22. Pursuant to Bankruptcy Rule 2002, the Debtors are required to provide their creditors with 21 days' notice of the Sale Hearing. Under Bankruptcy Rule 2002(c), such notice must include the date, time and place of the Sale Hearing, and the deadline for filing any objections to the relief requested in the Sale Motion. The Debtors have set this Motion for hearing on December 4, 2017. Notice of this Motion has been served on parties in interest on at least 21 days' notice and satisfies Bankruptcy Rule 2002.

D. The Sale of the Acquired Assets Has Been Proposed in Good Faith and Without Collusion

23. The Debtors have proposed the sales of the Acquired Assets in good faith, and have negotiated with Chevron in good faith, at arm's length and without collusion with respect thereto.

24. Section 363(m) of the Bankruptcy Code provides in pertinent part:

> [t]he reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease or property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

11 U.S.C. § 363(m).

25. Section 363(m) of the Bankruptcy Code thus protects a buyer of assets pursuant to section 363 of the Bankruptcy Code from the risk that it will lose its interest in the purchased assets if the order approving the sale is reversed on appeal, provided that the buyer purchased the assets in "good faith." Although the Bankruptcy Code does not define "good faith," courts have held that a purchaser shows its good faith through the integrity of its conduct during the course of the sale proceedings, finding that where there is a lack of such integrity, a good faith finding may not be made. *See, e.g.*, *In re Abbotts Dairies of Pa., Inc.*, 788 F.2d 143, 150 (3d Cir. 1986) ("Typically, the misconduct that would destroy a [buyer's] good faith status at a judicial sale involves fraud, collusion between the [proposed buyer] and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders."). Similarly, section 363(n) of the Bankruptcy Code allows a debtor to, among other things, avoid a transaction "if the sale price was controlled by an agreement among potential bidders at such sale. . . ." 11 U.S.C. § 363(n).

26. The Debtors submit that Chevron is entitled to the protections of section 363(m) of the Bankruptcy Code and a finding that there was no fraud or collusion in satisfaction of section 363(n) of the Bankruptcy Code. The Debtors and Chevron negotiated the Agreements in good faith, based upon arm's length bargaining after a fair, open and comprehensive marketing process resulted in no buyer for the Acquired Assets. Through their comprehensive and months-long marketing and sale process, the Debtors provided ample opportunity for interested parties to conduct due diligence and formulate proposals for the Acquired Assets that are now the subject of the Agreements.

27. Moreover, both parties were represented by experienced, sophisticated counsel in negotiating the terms of the Agreements without any collusion or fraud of any kind. Neither the Debtors nor Chevron have engaged in any conduct that would prevent the application of section

363(m) of the Bankruptcy Code or cause the application of, or implicate, section 363(n) to the Agreements or to the consummation of the Sale Transactions and transfer of the Acquired Assets and Assumed Contracts to Chevron. Moreover, the Debtors submit Chevron is purchasing the Acquired Assets (including the Assumed Contracts) in good faith, is a good faith purchaser within the meaning of section 363(m) of the Bankruptcy Code, and is an assignee in good faith of the Assumed Contracts.

28. Additionally, Chevron otherwise has proceeded in good faith in all respects in connection with this proceeding, including, without limitation in that: (a) Chevron recognized that the Debtors were free to deal with any other party interested in acquiring the Acquired Assets; (b) all consideration to be paid by Chevron and other agreements or arrangements entered into by Chevron in connection with the sale have been disclosed; (c) Chevron has not violated section 363(n) of the Bankruptcy Code by any action or inaction; (d) the negotiation and execution of the Agreements and any other agreements or instruments related thereto was in good faith; and (e) there has been no showing that any of the Debtors or Chevron (i) has entered into the Agreements or proposes to consummate the Sale Transactions for the purposes of hindering, delaying, or defrauding the Debtors' present or future creditors or (ii) is entering into the Agreements or proposing to consummate the Sale Transactions fraudulently, for the purpose of statutory or common law fraudulent conveyance and fraudulent transfer claims, whether under the Bankruptcy Code or under any other applicable Laws.

29. Accordingly, given the Parties' good faith, arm's length efforts and the absence of any collusion or fraud of any kind, the Debtors submit Chevron is entitled to the protections of sections 363(m) and 363(n) of the Bankruptcy Code.

E. Approval to Sell the Assets Free and Clear of Any and All Liens, Claims, Liabilities, Encumbrances and Interests

30. The Debtors request approval to sell the Acquired Assets to Chevron free and clear of any and all Liens, claims, liabilities, encumbrances and interests of any kind or nature whatsoever, other than the Permitted Encumbrances and Assumed Liabilities, in accordance with section 363(f) of the Bankruptcy Code.

31. Pursuant to section 363(f), a debtor in possession may sell estate property "free and clear of any interest in such property of an entity other than the estate" if any one of the following conditions is satisfied:

> (1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;
>
> (2) such entity consents;
>
> (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
>
> (4) such interest is in *bona fide* dispute; or
>
> (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f).

32. Because section 363(f) is stated in the disjunctive, satisfaction of any one of its five requirements will suffice to warrant approval of a sale of assets free and clear of all liens, claims, encumbrances and other interests. *See, e.g., In re Kellstrom Indus., Inc.*, 282 B.R. 787, 793 (Bankr. D. Del. 2002); *see also Folger Adam Sec., Inc. v. DeMatteis/MacGregor, JV*, 209 F.3d 252, 257 (3d Cir. 2000) (discussing how section 363(f) authorizes the sale of a debtor's assets free and clear of all liens, claims, encumbrances and other interests if "any one of [the] five prescribed conditions" is met). Furthermore, courts have held that they have the equitable

power to authorize sales free and clear of adverse interests that are not specifically covered by section 363(f). *See, e.g., In re Trans World Airlines, Inc.*, 2001 WL 1820325 at *3, 6 (Bankr. D. Del. Mar. 27, 2001).

33. The Debtors submit that the sale of the Acquired Assets free and clear of any and all Liens, claims, liabilities, encumbrances and interests of any kind or nature whatsoever, other than the Permitted Encumbrances and Assumed Liabilities satisfies the requirements of section 363(f) of the Bankruptcy Code. The Debtors are not aware of any interests in the Acquired Assets not governed by the Agreements and, accordingly, submit that such any such interest would be subject to a *bona fide* dispute and not preclude a sale free and clear, pursuant to section 363(f)(4) of the Bankruptcy Code. Additionally, the Debtors believe that the service of this Motion will afford creditors sufficient notice of the sale of the Acquired Assets and ability to object to the extent they believe they have an affected interest.

F. Approval of the Assumption and Assignment of the Assumed Contracts

34. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession "subject to the court's approval, may assume or reject any executory contract or [unexpired] lease of the debtor." 11 U.S.C. § 365(a). *See, e.g., In re Trans World Airlines, Inc.*, 261 B.R. 103, 120 (Bankr. D. Del. 2001). If the debtor's business judgment has been reasonably exercised, a court should approve the assumption or rejection of an unexpired lease or executory contract. *See Grp. of Institutional Investors v. Chicago M. St. P. & P.R.R. Co.*, 318 U.S. 523 (1943); *Sharon Steel Corp. v. Nat'l Fuel Gas Distrib. Corp.*, 872 F.2d 36, 39–40 (3d Cir. 1989). The business judgment test "requires only that the trustee [or debtor in possession] demonstrate that [assumption or] rejection of the contract will benefit the estate." *In re Wheeling-Pittsburgh Steel Corp.*, 72 B.R. 845, 846 (Bankr. W.D. Pa. 1987). Any more exacting scrutiny would slow

the administration of a debtor's estate and increase costs, interfere with the Bankruptcy Code's provision for private control of administration of the estate, and threaten the court's ability to control a case impartially. *See Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1311 (5th Cir. 1985).

35. Here, the Debtors' assumption of the Assumed Contracts is a sound exercise of their business judgment. Assumption of the Assumed Contracts is an important component of the sale of the Acquired Assets and an essential part of the consideration for both Chevron and the Debtors. Facilitating the sale is in the best interests of the Debtors' estates, and therefore assumption of the Assumed Contracts is an appropriate exercise of the Debtors' business judgment.

36. Upon finding that a debtor has exercised its business judgment in determining that assuming a lease or an executory contract is in the best interest of its estate, courts must then evaluate whether the assumption meets the requirements of section 365(b) of the Bankruptcy Code, specifically that a debtor or assignee: (a) cure, or provide adequate assurance of promptly curing, prepetition defaults under the lease or executory contract; (b) compensate parties for pecuniary losses arising therefrom; and (c) provide adequate assurance of future performance thereunder. This subsection "attempts to strike a balance between two sometimes competing interests, the right of the contracting non-debtor to get the performance it bargained for and the right of the debtor's creditors to get the benefit of the debtor's bargain." *In re Luce Indus., Inc.*, 8 B.R. 100, 107 (Bankr. S.D.N.Y. 1980).

37. Here, all three of these requirements are satisfied. First, section 2.03 of each of the Agreements provides for Chevron to assume all of Venoco's liabilities with respect to the Assumed Contracts listed on **Exhibit B**, attached hereto, including all cure costs, if any, whether

arising prior to or after the Closing Date (the "Cure Costs").[3] Second, Chevron will compensate any non-Debtor parties for any pecuniary losses arising from the assumption and assignment of the Assumed Contracts. Third, as described below, to the extent there is any legitimate issue, Chevron can provide adequate assurance of future performance to any non-Debtor counterparty that requests it.

38. Once an executory contract is assumed, a debtor in possession may elect to assign such contract. *See In re Rickel Home Centers, Inc*., 209 F.3d 291, 299 (3d Cir. 2000) ("[t]he Code generally favors free assignability as a means to maximize the value of the debtor's estate"); *see also In re Headquarters Dodge, Inc*., 13 F.3d 674, 682 (3d Cir. 1994) (noting that the purpose of section 365(f) is to assist a trustee in realizing the full value of the debtor's assets). Section 365(f) of the Bankruptcy Code provides that the "trustee may assign an executory contract . . . only if the trustee assumes such contract . . . and adequate assurance of future performance is provided." 11 U.S.C. § 365(f)(2). The meaning of "adequate assurance of future performance" depends on the facts and circumstances of each case, but should be given "practical, pragmatic construction." *See Carlisle Homes, Inc. v. Arrari (In re Carlisle Homes, Inc.)*, 103 B.R. 524, 538 (Bankr. D.N.J. 1989); *see also In re Natco Indus., Inc*., 54 B.R. 436, 440 (Bankr. S.D.N.Y. 1985) (adequate assurance of future performance does not mean absolute assurance that debtor will thrive and pay rent). Among other things, adequate assurance may be given by demonstrating the assignee's financial health and experience in managing the type of

[3] To the extent necessary, this Motion, including **Exhibit B**, shall serve as a cure notice with respect to the Assumed Contracts. If any non-Debtor counterparty to an Assumed Contract fails to object to the cure amount set forth in **Exhibit B** by the objection deadline of this Motion (November 27, 2017) (the "Cure Objection Deadline"), then the cure costs set forth in **Exhibit B** will be binding upon such counterparty, and such counterparty will forever be (a) barred from objecting to the cure amount and from asserting any additional cure or other amounts, and (b) barred, estopped and permanently enjoined from asserting or claiming against the Debtors, Chevron or their respective property that any additional amounts are due or other defaults exist, that conditions to assignment must be satisfied under such Assumed Contract or that there is any objection or defense to the assumption and assignment of such Assumed Contract.

enterprise or property assigned. *See In re Bygaph, Inc.*, 56 B.R. 596, 605–06 (Bankr. S.D.N.Y. 1986) (adequate assurance of future performance is present when prospective assignee of lease from debtors has financial resources and has expressed willingness to devote sufficient funding to business in order to give it strong likelihood of succeeding).

39. The Debtors submit assignment of the Assumed Contracts to Chevron is proper because the statutory requirements of sections 365(b) and 365(f)(2) of the Bankruptcy Code are satisfied. As detailed above, the Debtors have satisfied all of the assumption requirements, and Chevron, as proposed assignee of the Assumed Contracts can provide adequate assurance of future performance to any non-Debtor counterparty to any Assumed Contract upon request. Chevron, as one of the largest oil and gas companies in the world and the Debtors' predecessor-in-interest in the SCU, clearly has both the financial wherewithal and expertise to perform under the Assumed Contracts. Thus, Chevron's status as assignee adequately assures non-Debtor counterparties of future performance, pursuant to section 365(f).

40. Moreover, section 365(f)(1) of the Bankruptcy Code provides that, except as provided in subsections 365(c) and (b), "notwithstanding a provision in an executory contract or unexpired lease of the debtor, or in applicable law, that prohibits, restricts, or conditions the assignment of such contract or lease, the trustee may assign such contract or lease . . . ." 11 U.S.C. § 365(f)(1). While narrow exceptions exist under section 365(c)(1), here, the Assumed Contracts either do not contain anti-assignment clauses or, to the extent any of the Assumed Contracts do contain such a clause, no "applicable law" under section 365(c)(1) operates to preclude assignment or excuse a non-Debtor counterparty's performance. *See, e.g., ANC Rental Corp.*, 277 B.R. 226, 236 (D. Del. 2002) (adopting majority approach and stating that section 365(c)(1) applies only where the "applicable law . . . specifically state[s] that the contracting

party is excused from accepting performance from a third party under circumstances where it is clear from the statute that the *identity of the contracting party is crucial* to the contract or public safety is at issue" (emphasis added)); *RCI Tech. Corp. v. Sunterra Corp. (In re Sunterra Corp.*), 361 F.3d 257, 266 (3d Cir. 2000) ("[U]nder the broad rule of § 365(f)(1), the 'applicable law' is the law prohibiting or restricting assignments as such; where the 'applicable law' under § 365(c)(1) embraces 'legal excuses for refusing to render or accept performance, regardless of the contract's status as 'assignable . . . .") (quotation omitted). Accordingly, the Assumed Contracts can be assigned to Chevron under section 365(f), regardless of any anti-assignment provisions that may exist in such contracts.

41. Finally, the Debtors submit that they have provided adequate notice for non-Debtor counterparties to object should they disagree with the Debtors' assumption and assignment to Chevron or the Cure Cost ascribed to their Assumed Contract.[4] Accordingly, the assumption and assignment of the Assumed Contracts should be authorized.

Waiver of Rules 6004(h) and 6006(d)

42. The Debtors request that, upon entry of the Sale Order, the Court waive the 14-day stay requirements of Bankruptcy Rules 6004(h) and 6006(d). The waiver of the 14-day stay imposed by Bankruptcy Rules 6004(h) and 6006(d) permits the Parties to close on the sale of the Acquired Assets as soon as possible and prevents further delay in the administration of these Cases. Time is of the essence here, and many of the Acquired Assets impose holding costs on the Debtors during their period of ownership and control. Thus, any delay in closing may diminish

[4] The Debtors propose that any non-Debtor counterparty that fails to object to the proposed assumption and assignment of its contract or lease will be deemed to consent to that assumption and assignment, or have waived any objection thereto, pursuant to section 365 of the Bankruptcy Code. *See, e.g.*, *In re Tabone, Inc.*, 175 B.R. 855, 858 (Bankr. D.N.J. 1994) (holding that creditor was deemed to have consented to sale by not objecting to sale motion).

the Debtors' estates. Thus, the Debtors respectfully submit that a waiver of the 14-day stay requirements contained in Bankruptcy Rules 6004(h) and 6006(d) is appropriate under the circumstances.

Reservation of Rights

43. Except to the extent provided otherwise by the Chevron Settlement Agreement, the Sale Order and the Agreements, nothing in this Motion: (a) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates; (b) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority, or amount of any claim against the Debtors and their estates; or (c) shall be construed as a promise to pay a claim.

Notice

44. The Debtors have provided notice of this Motion to: (a) the Office of the United States Trustee for the District of Delaware; (b) the entities listed on the Consolidated List of Creditors Holding the 20 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (c) all non-Debtor counterparties to the Assumed Contracts; (d) the Office of the United States Trustee for the District of Delaware; (e) all Persons who have asserted any Liens (other than Permitted Encumbrances) in or upon any of the Acquired Assets; (f) the Internal Revenue Service and all taxing authorities in each jurisdiction applicable to any Seller; (g) all Governmental Authorities exercising jurisdiction with respect to environmental matters affecting or relating to the Acquired Assets; (h) Office of the Attorney General of the State of California; (i) counsel for Santa Barbara County, California; and (j) counsel for the city of Carpinteria, California; and (k) all entities who are entitled to notice under Bankruptcy Rule 2002. In light of

the nature of the relief requested in this Motion, the Debtors respectfully submit that no further notice is necessary.

[*Remainder of this page intentionally left blank*]

WHEREFORE the Debtors respectfully request entry of the Sale Order granting the relief requested herein and such other relief as is just and proper.

Dated: November 13, 2017
Wilmington, Delaware

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re Venoco, LLC, *et al.*, Debtors.[1]	Chapter 11 Case No. 17-10828 (KG) (Jointly Administered) **Hearing Date:** December 4, 2017, at 11:00 a.m. (ET) **Objections Due:** November 27, 2017, at 4:00 p.m. (ET)

NOTICE OF DEBTORS' MOTION FOR ENTRY OF AN ORDER (A) AUTHORIZING THE SALE OF CERTAIN ASSETS OF THE DEBTORS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS (OTHER THAN PERMITTED ENCUMBRANCES AND ASSUMED LIABILITIES), (B) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES OF THE DEBTORS, AND (C) GRANTING RELATED RELIEF

PLEASE TAKE NOTICE that today the debtors and debtors in possession (the "Debtors") in the above-captioned cases, filed the **Debtors' Motion for Entry of an Order (A) Authorizing the Sale of Certain Assets of the Debtors Free and Clear of All Liens, Claims, Encumbrances and Interests (Other than Permitted Encumbrances and Assumed Liabilities), (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases of the Debtors, and (C) Granting Related Relief** (the "Motion").

PLEASE TAKE FURTHER NOTICE that objections, if any, to approval of the relief sought in the Motion must be (a) in writing and served on or before **November 27, 2017 at 4:00 p.m. (ET)** (the "Objection Deadline"); (b) filed with the Clerk of the Bankruptcy Court, 824 N. Market Street, 3rd Floor, Wilmington, Delaware 19801; and (c) served as to be received on or before the Objection Deadline by the undersigned proposed counsel to the Debtors.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Venoco, LLC (3555); TexCal Energy (LP) LLC (0806); Whittier Pipeline Corporation (1560); TexCal Energy (GP) LLC (0808); Ellwood Pipeline, Inc. (5631); and TexCal Energy South Texas, L.P. (0812). The Debtors' main corporate and mailing address for purposes of these chapter 11 cases is: Venoco, LLC, 3700 Quebec Street, 100-223, Denver, CO 80207.

PLEASE TAKE FURTHER NOTICE THAT only objections made in writing and timely filed and received, in accordance with the procedures above, will be considered by the Bankruptcy Court at such hearing.

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE MOTION WILL BE HELD ON **DECEMBER 4, 2017 AT 11:00 A.M. (ET)** BEFORE THE HONORABLE KEVIN GROSS, AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 N. MARKET STREET, 6TH FLOOR, COURTROOM #3, WILMINGTON, DELAWARE 19801.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: November 13, 2017
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

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EXHIBIT A

SALE ORDER

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re Venoco, LLC, *et al.*, Debtors.[1]	Chapter 11 Case No. 17-10828 (KG) (Jointly Administered) **Re: D.I. ___**

ORDER (A) AUTHORIZING THE SALE OF CERTAIN ASSETS OF THE DEBTORS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS (OTHER THAN PERMITTED ENCUMBRANCES AND ASSUMED LIABILITIES), (B) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES OF THE DEBTORS, AND (C) GRANTING RELATED RELIEF

Upon the *Debtors' Motion For Entry Of An Order (A) Authorizing The Sale Of Certain Assets Of The Debtors Free And Clear Of All Liens, Claims, Encumbrances And Interests (Other Than Permitted Encumbrances And Assumed Liabilities), (B) Authorizing The Assumption And Assignment Of Certain Executory Contracts And Unexpired Leases Of The Debtors, And (C) Granting Related Relief* [D.I. _] (the "Sale Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order"), among other things: (a) authorizing the sale of the Acquired Assets pursuant to those Purchase and Sale Agreements, each dated as of November 13, 2017, by and among Venoco, LLC and Ellwood

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Venoco, LLC (3555); TexCal Energy (LP) LLC (0806); Whittier Pipeline Corporation (1560); TexCal Energy (GP) LLC (0808); Ellwood Pipeline, Inc. (5631); and TexCal Energy South Texas, L.P. (0812). The Debtors' mailing address for purposes of these chapter 11 cases is: Venoco, LLC, 3700 Quebec Street, 100-223, Denver, CO 80207.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Sale Motion or the Agreements (as defined herein), as applicable; provided that in the event of any conflict with respect to the meaning of a capitalized term between this Order (as defined herein), the Sale Motion and the Agreements, the meaning ascribed to such term in this Order shall control.

Pipeline, Inc., as Sellers, and Chevron U.S.A. Inc., as Purchaser (together with all other documents contemplated thereby, as such agreements may be amended, restated or supplemented, the "Agreements"), execution versions of which are attached hereto as **Exhibits 1** and **2** and are incorporated herein by reference as if set forth herein, free and clear of any and all Liens, claims, liabilities, encumbrances and interests of any kind or nature whatsoever, other than the Permitted Encumbrances and Assumed Liabilities; (b) authorizing the assumption and assignment of the Assumed Contracts to the Purchaser; and (c) granting related relief, all as more fully set forth in the Sale Motion; and the Debtors having filed the *Notice of (A) Potential Assumption and Assignment of Executory Contracts and Unexpired Leases and (B) Cure Amounts [D.I. 274], the First Supplemental Notice of (A) Potential Assumption and Assignment of Executory Contracts and Unexpired Leases and (B) Cure Amounts* [D.I. 281], the *Second Supplemental Notice of (A) Potential Assumption and Assignment of Executory Contracts and Unexpired Leases and (B) Cure Amounts* [D.I. 358], the *Third Supplemental Notice of (A) Potential Assumption and Assignment of Executory Contracts and Unexpired Leases and (B) Cure Amounts* [D.I. 362] and *the Fourth Supplemental Notice of (A) Potential Assumption and Assignment of Executory Contracts and Unexpired Leases and (B) Cure Amounts* [D.I. 468] (together with the Motion and the contracts and leases listed in **Exhibit B** thereto, the "Cure Notices"), evidencing any and all amounts, costs or expenses that must be paid or actions that must be performed pursuant to sections 365(b) and (f) of the Bankruptcy Code in connection with the assumption and assignment of each Assumed Contract, as ultimately determined by the Court pursuant to this Order (the "Cure Costs"); and the Debtors having filed the *Motion for Entry of an Order Pursuant to Bankruptcy Rule 9019 or, in the Alternative, Pursuant to Section 363 of the Bankruptcy Code Approving the Agreement By and Among Venoco, LLC and Ellwood*

Pipeline, Inc., and Their Successors, and Chevron U.S.A. Inc. [D.I. 510] (the "Settlement Motion"); and the Court having entered an order approving the Settlement Motion [D.I. 589] (the "Settlement Order"); and the Court having jurisdiction to consider the Sale Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012; and in consideration of the Sale Motion, the relief requested therein, and all objections or responses thereto being a core proceeding in accordance with 28 U.S.C. § 157(b)(2); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Sale Motion being adequate and appropriate under the particular circumstances; and a hearing, if necessary, having been held to consider the relief requested (the "Sale Hearing"); and the appearance of all interested parties and all responses and objections to the Sale Motion having been duly noted in the record of the Sale Hearing; and upon the record of the Sale Hearing and all other pleadings and proceedings in these Bankruptcy Cases, including (without limitation) the Sale Motion and the certificate of service regarding the Sale Motion [D.I. _]; and it appearing that the relief requested in the Sale Motion is in the best interests of the Debtors, their estates, their creditors and other parties in interest; and after due deliberation and sufficient cause appearing therefore;

IT IS HEREBY FOUND, DETERMINED AND CONCLUDED THAT:[3]

A. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014.

[3] All findings of fact and conclusions of law announced by the Court at the Sale Hearing in relation to the Sale Motion are incorporated herein to the extent not inconsistent herewith.

B. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

C. The Court has jurisdiction over this matter and over the property of the Debtors' estates, including the Acquired Assets to be sold, transferred, or conveyed pursuant to the Agreements, pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a "core proceeding" pursuant to 28 U.S.C. § 157(b)(2). Venue of these Bankruptcy Cases and the Sale Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

D. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a). To any extent necessary under Bankruptcy Rule 9014 and Rule 54(b) of the Federal Rules of Civil Procedure, as made applicable by Bankruptcy Rule 7054, the Court expressly finds that there is no just reason for delay in the implementation of this Order, and expressly directs entry of judgment as set forth herein.

E. The statutory bases for the relief requested in the Sale Motion and for the approvals and authorizations herein are (i) Bankruptcy Code §§ 102, 105, 362, 363 and 365, and (ii) Bankruptcy Rules 2002, 4001, 6004, 6006, 9007, 9008 and 9014. The consummation of the transactions contemplated by the Agreements and this Order (the "Sale Transactions") is legal, valid and properly authorized under all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules and the Debtors and the Purchaser, and their advisors and affiliates, have complied with all of the applicable requirements of such sections and rules in respect of the Sale Transactions.

F. On April 17, 2017 (the "Petition Date"), the Debtors filed voluntary petitions under chapter 11 of the Bankruptcy Code. Since the Petition Date, the Debtors have continued in

possession and management of their business and properties as debtors in possession pursuant to Bankruptcy Code §§ 1107(a) and 1108.

G. As evidenced by the affidavits and/or certificates of service filed with the Court, proper, timely, adequate, and sufficient notice of the Settlement Motion, the Settlement Order, the Sale Motion, the Sale Hearing, the Agreements, the sale of the Acquired Assets free and clear of any and all Liens, claims (as used in this Order, the term "claims" shall have the definition set forth in the Bankruptcy Code), liabilities, encumbrances and interests of any kind or nature whatsoever, other than the Permitted Encumbrances and Assumed Liabilities, the assumption and assignment of the Assumed Contracts to the Purchaser, the Cure Costs and Sale Transactions, and all deadlines related thereto, has been provided in accordance with Bankruptcy Code §§ 102(1), 363(b) and 365, Bankruptcy Rules 2002, 6004, 6006, 9006, 9007, 9008, and 9014, the local rules of the Court, and the procedural due process requirements of the United States Constitution. The Debtors also gave due and proper notice of the assumption and assignment of each executory contract and unexpired lease, listed on the Schedules attached to the Agreements, to each non-Debtor party under each such contract or lease.[4] This notice was good and sufficient and appropriate under the circumstances.

H. Notice and a reasonable opportunity to object and/or be heard regarding the Sale Motion, the Sale Hearing, the Agreements, the sale of the Acquired Assets free and clear of all Liens, the Sale Transactions, the assumption and assignment of the Assumed Contracts, the Cure Costs and the entry of this Order have been provided to all interested Persons, including, without limitation (a) the Office of the United States Trustee for the District of Delaware; (b) the entities

[4] The contracts, leases and agreements listed on Exhibit B attached to the Motion that are included in the Acquired Assets are identified on Exhibit 3 to this Order (the "Amended Contract List") and are referred to in this Order as the "Assumed Contracts".

listed on the Consolidated List of Creditors Holding the 20 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (c) all non-Debtor counterparties to the Assumed Contracts; (d) the Office of the United States Trustee for the District of Delaware; (e) all Persons who have asserted any Liens (other than Permitted Encumbrances) in or upon any of the Acquired Assets; (f) the Internal Revenue Service and all taxing authorities in each jurisdiction applicable to any Seller; (g) all Governmental Authorities exercising jurisdiction with respect to environmental matters affecting or relating to the Acquired Assets; (h) Office of the Attorney General of the State of California; (i) counsel for Santa Barbara County, California; and (j) counsel for the city of Carpinteria, California; and (k) all entities who are entitled to notice under Bankruptcy Rule 2002.

I. The Acquired Assets are property of the Debtors' estates and title thereto is vested in the Debtors' estates.

J. The Debtors have demonstrated a sufficient basis and the existence of reasonable and appropriate circumstances to enter into the Agreements, sell the Acquired Assets, and assume and assign the Assumed Contracts under Bankruptcy Code §§ 363 and 365, and such actions are appropriate exercises of the Debtors' business judgment, are consistent in all respects with the Debtors' fiduciary duties, and are in the best interests of the Debtors, their estates, their creditors, and their other stakeholders.

K. The offer of the Purchaser, upon the terms and conditions set forth in the Agreements, including the form and total consideration to be realized by the Debtors pursuant to the Agreements, (a) is the highest or best offer received by the Debtors, (b) is fair and reasonable, (c) is in the best interests of the Debtors' creditors, stakeholders and estates, (d) constitutes full and fair consideration and reasonably equivalent value, fair consideration, and

fair value for the Acquired Assets under the Bankruptcy Code, the Uniform Fraudulent Transfer Act, and under any other applicable Laws, and (e) will provide a greater recovery for the Debtors' creditors, stakeholders and other interested parties than would be provided by any other practically available alternative. Taking into consideration all relevant factors and circumstances, no other entity has offered to purchase the Acquired Assets for greater economic value to the Debtors or their estates.

L. The Purchaser is not an "insider" or "affiliate" of the Debtors as those terms are defined in the Bankruptcy Code and the decisions thereunder.

M. The Purchaser is a purchaser in "good faith," as that term is used in the Bankruptcy Code and the decisions thereunder, and is entitled to the protections of Bankruptcy Code § 363(m) with respect to all of the Acquired Assets. The Agreements were negotiated and entered into in good faith, based upon arm's length bargaining, and without collusion or fraud of any kind. Neither the Debtors nor the Purchaser have engaged in any conduct that would prevent the application of Bankruptcy Code § 363(m) or cause the application of, or implicate, Bankruptcy Code § 363(n) to the Agreements or to the consummation of the Sale Transactions and transfer of the Acquired Assets and Assumed Contracts to the Purchaser. The Purchaser is purchasing the Acquired Assets (including the Assumed Contracts) in good faith, is a good faith purchaser within the meaning of Bankruptcy Code § 363(m), is an assignee in good faith of the Assumed Contracts, and is, therefore, together with the Debtors, entitled to the protection of Bankruptcy Code § 363(m). Additionally, the Purchaser otherwise has proceeded in good faith in all respects in connection with this proceeding, including, without limitation in that: (i) the Purchaser recognized that the Debtors were free to deal with any other party interested in acquiring the Acquired Assets, (ii) all consideration to be paid by the Purchaser and other

agreements or arrangements entered into by the Purchaser in connection with the sale have been disclosed, (iii) the Purchaser has not violated Bankruptcy Code § 363(n) by any action or inaction, (iv) the negotiation and execution of the Agreements and any other agreements or instruments related thereto was in good faith and (v) there has been no showing that any of the Debtors or the Purchaser: (x) has entered into the Agreements or proposes to consummate the Sale Transactions for the purposes of hindering, delaying, or defrauding the Debtors' present or future creditors or (y) is entering into the Agreements or proposing to consummate the Sale Transactions fraudulently, for the purpose of statutory or common law fraudulent conveyance and fraudulent transfer claims, whether under the Bankruptcy Code or under any other applicable Laws.

N. The Debtors have full corporate, limited liability partnership and other power and authority to execute the Agreements (and all other documents contemplated thereby) and to consummate the Sale Transactions, and the sale of the Acquired Assets has been duly and validly authorized by all necessary corporate, limited liability partnership and other actions on the part of the Debtors. No consents or approvals, other than as may be expressly provided for in the Agreements, are required by the Debtors to consummate such Sale Transactions.

O. The Debtors have advanced sound business reasons for seeking to enter into the Agreements and to sell and/or assume and sell and assign the Acquired Assets, as more fully set forth in the Sale Motion and as demonstrated at the Sale Hearing, and it is a reasonable exercise of the Debtors' business judgment to sell the Acquired Assets and to consummate the Sale Transactions contemplated by the Agreements. Notwithstanding any requirement for approval or consent by any Person, the transfer of the Acquired Assets to the Purchaser and the assumption

and assignment of the Assumed Contracts is a legal, valid, and effective transfer of the Acquired Assets (including the Assumed Contracts).

P. The terms and conditions of the Agreements, including the total consideration to be realized by the Debtors pursuant to the Agreements, are fair and reasonable, and the Sale Transactions contemplated by the Agreements are in the best interests of the Debtors' estates.

Q. The Acquired Assets shall be sold free and clear of any and all Liens, claims, liabilities, encumbrances and interests of any kind or nature whatsoever, other than the Permitted Encumbrances and Assumed Liabilities. The Purchaser would not have entered into the Agreements, and would not have agreed to purchase and acquire the Acquired Assets, if each of the sale of the Acquired Assets and the assumption and assignment of the Assumed Contracts was not free and clear of any and all Liens, other than the Permitted Encumbrances and Assumed Liabilities.

R. The transfer of the Acquired Assets to the Purchaser will be a legal, valid, and effective transfer of the Acquired Assets and shall vest the Purchaser with all right, title, and interest of the Debtors to the Acquired Assets free and clear of any and all Liens, claims, liabilities, encumbrances and interests of any kind or nature whatsoever, other than the Permitted Encumbrances and Assumed Liabilities. Except as specifically provided in the Agreements or this Order, the Purchaser shall not assume or become liable for any Liens, claim, liabilities, encumbrances and interests of any kind whatsoever, other than the Permitted Encumbrances and Assumed Liabilities.[5]

S. The transfer of the Acquired Assets to the Purchaser free and clear of any and all Liens, claims, liabilities, encumbrances and interests of any kind or nature whatsoever, other

[5] In the event of any conflict between the provisions of this Order and the Agreements, the terms of this Order shall govern.

than the Permitted Encumbrances and Assumed Liabilities, will not result in undue burden or prejudice to any holders of any Liens, because all such Liens of any kind or nature whatsoever shall attach to the net proceeds of the sale of the Acquired Assets received by the Debtors in the order of their priority, with the same validity, force, and effect which they now have as against the Acquired Assets and subject to any claims and defenses the Debtors or other parties may possess with respect thereto. All persons having Liens of any kind or nature whatsoever against or in any of the Debtors or the Acquired Assets are and shall be forever barred, estopped and permanently enjoined from pursuing or asserting such Liens (other than Assumed Liabilities and Permitted Encumbrances) against the Purchaser, any of its assets, property, successors or assigns, or the Acquired Assets.

T. The Debtors may sell the Acquired Assets free and clear of any and all Liens, claims, liabilities, encumbrances and interests of any kind or nature whatsoever, other than the Permitted Encumbrances and Assumed Liabilities because, in each case, one or more of the standards set forth in Bankruptcy Code § 363(f) has been satisfied. All those parties in interest, who did not object, or who withdrew their objections, to the sale of the Acquired Assets, the Sale Motion, the assumption and assignment of the Assumed Contracts or the associated Cure Costs are deemed to have consented pursuant to Bankruptcy Code § 363(f)(2). Those holders of Liens in or with respect to the Acquired Assets and any of the non-Debtor parties to Assumed Contracts who did object fall within one or more of the other subsections of Bankruptcy Code § 363(f) and are adequately protected by having their Liens, if any, attach to the proceeds of the sale of the Acquired Assets ultimately attributable to the property against or in which they claim or may claim any Liens in the order of their priority, with the same validity, force, and effect which they now have as against the Acquired Assets.

U. The Debtors and the Purchaser have, to the extent necessary, satisfied the requirements of Bankruptcy Code § 365, including Bankruptcy Code §§ 365(b)(1)(A), (B) and 365(f), in connection with the sale and the assumption and assignment of the Assumed Contracts. The Purchaser has demonstrated adequate assurance of future performance with respect to the Assumed Contracts pursuant to Bankruptcy Code § 365(b)(1)(C). The assumption and assignment of the Assumed Contracts pursuant to the terms of this Order are integral to the Agreements and are in the best interests of the Debtors, their estates, their creditors, their stakeholders and other parties in interest, and represent the exercise of sound and prudent business judgment by the Debtors.

V. The Assumed Contracts are assignable notwithstanding any provisions contained therein to the contrary. Subject to the provisions of Section 2.03(a) of each of the Agreements, the Purchaser shall have sole responsibility for paying the Cure Costs, if any, required to assume and assign the Assumed Contracts listed on the Amended Contract List (attached hereto).

W. Cause has been shown as to why this Order should not be subject to the stay provided by Bankruptcy Rules 6004(h) and 6006(d).

X. The Sale Transactions do not amount to or constitute a consolidation, merger, or *de facto* merger of the Purchaser and the Debtors or the Debtors' estates, there is not substantial continuity between the Purchaser and the Debtors or the Debtors' estates, there is no continuity of enterprise between the Purchaser and the Debtors or the Debtors' estates, the Purchaser is not a continuation or substantial continuation of the Debtors or their estates, and the Purchaser is not a successor or successor-in-interest to the Debtors or their estates.

Y. The total consideration provided by the Purchaser for the Acquired Assets was the highest or best overall consideration received by the Debtors, and the Purchase Price (along with

certain liabilities assumed by the Purchaser) constitutes reasonably equivalent value, fair consideration, and fair value under the Bankruptcy Code, the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act and any other applicable Laws for the Acquired Assets.

Z. Time is of the essence in consummating the sale of the Acquired Assets. There is no credible basis for concluding that a delay in the sale of the Acquired Assets would result in a higher or better offer for the Acquired Assets than the offer reflected in the Agreements. In order to maximize the value of the Acquired Assets, it is essential that the sale of the Acquired Assets occur within the time constraints set forth in the Agreements. Accordingly, there is cause to lift the stays contemplated by Bankruptcy Rules 6004(h) and 6006(d).

AA. At and effective as of the Closing, the Purchaser shall assume sole responsibility for paying and satisfying the Assumed Liabilities as provided in the Agreements. After the Closing, the Debtors shall have no liability whatsoever with respect to the Assumed Liabilities. The Purchaser shall have no obligations or responsibility whatsoever with respect to any claims against the Debtors (including, without limitation, the Excluded Liabilities) other than the Assumed Liabilities.

NOW, THEREFORE, BASED UPON ALL OF THE FOREGOING, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The relief requested in the Sale Motion is granted in its entirety, and the Agreements and the provisions thereof are approved in their entirety, subject to the terms and conditions contained herein.

2. All objections, responses, reservations of rights, and requests for continuance concerning the Sale Motion are resolved in accordance with the terms of this Order and as set forth in the record of the Sale Hearing. To the extent any such objection, response, reservation

of rights, or request for continuance was not otherwise withdrawn, waived, or settled, it is overruled and denied on the merits.

3. Notice of the Sale Motion, the Sale Hearing, the Agreements, the sale of the Acquired Assets free and clear of all Liens (other than the Permitted Encumbrances and Assumed Liabilities), the Sale Transactions, the Cure Costs, and the assumption and assignment of the Assumed Contracts, was reasonable, fair and equitable under the circumstances and complied in all respects with Bankruptcy Code § 102(1) and Bankruptcy Rules 2002, 6004, and 6006.

4. The sale of the Acquired Assets, and the terms and conditions of the Agreements (including all schedules and exhibits affixed thereto), and the Sale Transactions are hereby authorized and approved in all respects.

5. The sale of the Acquired Assets and the consideration provided by the Purchaser under the Agreements are fair and reasonable and shall be deemed for all purposes to constitute a transfer for reasonably equivalent value and fair consideration under the Bankruptcy Code and any other applicable Laws.

6. The Purchaser is hereby granted and is entitled to all of the protections provided to a good faith purchaser under Bankruptcy Code § 363(m).

7. The sale of the Acquired Assets is not subject to avoidance pursuant to Bankruptcy Code § 363(n).

8. The Debtors are, authorized and directed to assume, perform under, consummate, and implement the terms of the Agreements together with any and all additional instruments and documents that may be necessary or desirable in connection with implementing and effectuating the terms of the Agreements, this Order, and/or the Sale Transactions including, without

limitation, bills of sale, certificates, deeds, assignments, and other instruments of transfer, and to take all further actions as may reasonably be requested by the Purchaser for the purpose of assigning, transferring, granting, conveying, and conferring to the Purchaser, or reducing to possession, any or all of the Acquired Assets or Assumed Liabilities, as may be necessary or appropriate to the performance of the Debtors' obligations as contemplated by the Agreements, without any further corporate, limited liability partnership, or other action or orders of this Court; provided, however, nothing in this Order shall be construed as eliminating or waiving the Debtors' obligation to comply with the provisions of Section 363(d)(1) of the Bankruptcy Code.

9. Effective as of the Closing, (a) the sale of the Acquired Assets by Sellers to the Purchaser shall constitute a legal, valid, and effective transfer of the Acquired Assets notwithstanding any requirement for approval or consent by any Person and shall vest the Purchaser with good, valid and marketable title in and to the Acquired Assets, free and clear of any and all Liens (other than the Permitted Encumbrances and Assumed Liabilities) pursuant to Bankruptcy Code § 363(f), and (b) the assumption of the Assumed Liabilities by the Purchaser shall constitute a legal, valid and effective delegation and assignment of all Assumed Liabilities to the Purchaser and shall divest the Debtors of all liability with respect to any Assumed Liabilities.

10. At the Closing, the Debtors shall be, and hereby are, authorized, empowered, and directed, pursuant to Bankruptcy Code §§ 105, 363(b), 363(f) and 365, to sell the Acquired Assets and to assume and assign the Assumed Contracts to the Purchaser. The sale of the Acquired Assets shall vest the Purchaser with all right, title and interest of the Debtors to the Acquired Assets free and clear of any and all Liens (other than the Permitted Encumbrances and Assumed Liabilities), with all such Liens to attach only to the proceeds of the sale with the same

priority, validity, force, and effect, if any, as they now have in or against the Acquired Assets, subject to all claims and defenses the Debtors may possess with respect thereto. Following the Closing Date, no holder of any Liens in the Acquired Assets (other than the Permitted Encumbrances and Assumed Liabilities) shall interfere with the Purchaser's use and enjoyment of the Acquired Assets based on or related to such Liens, or any actions that the Debtors may take in the Bankruptcy Cases. All Persons having any Liens against or in any of the Debtors or the Acquired Assets are forever barred, estopped and permanently enjoined from pursuing or asserting any such Liens (other than the Permitted Encumbrances and the Assumed Liabilities) against the Purchaser, any of Purchaser's assets, property, successors or assigns, or the Acquired Assets. No Person shall take any action to prevent, interfere with or otherwise enjoin consummation of the Sale Transactions.

11. The provisions of this Order authorizing the sale of the Acquired Assets free and clear of Liens (other than the Permitted Encumbrances and Assumed Liabilities) shall be self-executing, and neither the Debtors nor the Purchaser shall be required to execute or file releases, termination statements, assignments, consents, or other instruments in order to effectuate, consummate, and implement the provisions of this Order.

12. On or before the Closing Date, the Debtors' creditors are authorized and directed to execute such documents and take all other actions as may be necessary to release any Liens (other than the Permitted Encumbrances and Assumed Liabilities) of any kind against the Acquired Assets, as such Liens may have been recorded or may otherwise exist, and deliver such executed documents to the Debtors' counsel to be held in escrow. If any Person that has filed financing statements, mortgages or other documents, instruments or agreements evidencing any Liens in or against the Acquired Assets (other than Permitted Encumbrances) shall not have

delivered to the Debtors' counsel prior to the Closing after request therefor, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, or releases of all such Liens that the Person has with respect to the Acquired Assets, the Debtors and each of the Debtors' officers are hereby authorized and directed to execute and file such statements, instruments, releases, and other documents on behalf of the Person with respect to such Acquired Assets at Closing, and the Purchaser and each of the Purchaser's officers are hereby authorized to execute and file such statements, instruments, releases, and other documents on behalf of the Person with respect to such Acquired Assets after the Closing. In addition, after Closing, the Purchaser and the Debtors are authorized to file a copy of this Order in the appropriate real estate records, the secretary of state records and any other filing location selected by the Purchaser or the Debtors and, once filed, this Order shall constitute conclusive evidence of the release of all Liens (other than the Permitted Encumbrances and Assumed Liabilities) from the Acquired Assets.

13. To the greatest extent available under applicable Law, (a) the Purchaser shall be authorized, as of the Closing Date, to operate under any Permit relating to the Acquired Assets, (b) all such Permits are deemed to have been, and hereby are, deemed to be transferred to the Purchaser as of the Closing Date, and (c) each Governmental Authority that has issued or granted a Permit and who did not object to the sale of the Acquired Assets shall be deemed to have consented to the transfer of such Permit to the Purchaser as of the Closing Date.

14. All of Sellers' interests in the Acquired Assets to be acquired by the Purchaser under the Agreements shall be, as of the Closing Date and upon the occurrence of the Closing, transferred to and vested in the Purchaser. Upon the occurrence of the Closing, this Order shall be considered and shall constitute for any and all purposes a full and complete general

assignment, conveyance, and transfer of the Acquired Assets acquired by the Purchaser under the Agreements and/or a bill of sale, deed, or assignment transferring good and marketable, indefeasible title and interest in the Acquired Assets to the Purchaser.

15. Except as expressly provided in the Agreements, the Purchaser is not assuming nor shall it or any affiliate of the Purchaser be in any way liable or responsible, as a successor, successor-in-interest, continuation, substantial continuation, or otherwise, for any claims, debts, or obligations of the Debtors in any way whatsoever relating to or arising from the Debtors' ownership or use of the Acquired Assets prior to consummation of the Sale Transactions, or any claims or liabilities calculable by reference to the Debtors or their operations or the Acquired Assets, or relating to continuing or other conditions existing on or prior to consummation of the Sale Transactions, which liabilities, claims, debts, and obligations are hereby extinguished insofar as they may give rise to liability, successor, successor-in-interest, continuation, substantial continuation, or otherwise, against the Purchaser or any affiliate of the Purchaser.

16. On the Closing Date, each of the Debtors' creditors is authorized and directed to execute such documents and take all other actions as may be necessary to release their respective Liens (other than the Permitted Encumbrances) against the Acquired Assets, if any, as may have been recorded or may otherwise exist.

17. All Persons presently or on or after the Closing Date in possession of some or all of the Acquired Assets are directed to surrender possession of the Acquired Assets to the Purchaser on the Closing Date or at such time thereafter as the Purchaser may request.

18. Subject to the terms of the Agreements and the occurrence of the Closing Date, the assumption by the Debtors of the Assumed Contracts and the sale and assignment of such agreements and unexpired leases to the Purchaser, as provided for or contemplated by the

Agreements, hereby are authorized and approved pursuant to Bankruptcy Code §§ 363 and 365; provided, however, that on or before the Closing of the Sale Transactions, the Purchaser shall be permitted (in consultation with the Debtors) to modify the list of Assumed Contracts to delete any contract, lease or other agreement, in which case the deleted item shall not be deemed an Assumed Contract and shall not be assumed and assigned to the Purchaser.

19. The Assumed Contracts shall be deemed valid and binding and in full force and effect and assumed by the Debtors and sold and assigned to the Purchaser at the Closing, pursuant to Bankruptcy Code §§ 363 and 365, subject only to the payment of the Cure Costs.

20. Upon the Closing, in accordance with Bankruptcy Code §§ 363 and 365, the Purchaser shall be fully and irrevocably vested in all right, title, and interest in and to each Assumed Contract. The Debtors shall reasonably cooperate with, and take all actions reasonably requested by, the Purchaser to effectuate the foregoing.

21. Pursuant to Bankruptcy Code §§ 365(b)(l)(A) and (B), subject to Section 2.03(a) of each Agreement, the Purchaser shall promptly pay at Closing to the non-Debtor parties to any Assumed Contracts the requisite Cure Costs, if any, set forth on Amended Contract List, following the assumption and assignment thereof, the non-Debtor parties to the Assumed Contracts are forever bound by such Cure Costs, and all defaults or other obligations under the Assumed Contracts arising prior to the Closing (without giving effect to any acceleration clauses, assignment fees, increases, advertising rates, or any other default provisions of the kind specified in Bankruptcy Code § 365(b)(2)) shall be deemed cured by payment of the Cure Costs.

22. Any provision in any Assumed Contract that purports to declare a breach, default, or payment right as a result of an assignment or a change of control in respect of the Debtors is unenforceable, and all Assumed Contracts shall remain in full force and effect, subject only to

payment of the appropriate Cure Costs, if any. No sections or provisions of any Assumed Contract that purport to provide for additional payments, penalties, charges, or other financial accommodations in favor of the non-Debtor party to the Assumed Contract shall have any force and effect with respect to the Sale Transactions and assignments authorized by this Order, and such provisions constitute unenforceable anti-assignment provisions under Bankruptcy Code § 365(f) and/or are otherwise unenforceable under Bankruptcy Code § 365(e) and no assignment of any Assumed Contract pursuant to the terms of the Agreements shall in any respect constitute a default under any Assumed Contract. The non-Debtor party to each Assumed Contract shall be deemed to have consented to such assignment under Bankruptcy Code § 365(c)(1)(B), and the Purchaser shall enjoy all of the Debtors' rights and benefits under each such Assumed Contract as of the applicable date of assumption without the necessity of obtaining such non-Debtor party's written consent to the assumption or assignment thereof.

23. The Purchaser has satisfied all requirements under Bankruptcy Code §§ 365(b)(1)(C) and 365(f)(2)(b) to provide adequate assurance of future performance under the Assumed Contracts.

24. The Debtors and their estates shall be relieved of any liability for any breach of any of the Assumed Contracts occurring from and after Closing, pursuant to and in accordance with Bankruptcy Code § 365(k).

25. Pursuant to Bankruptcy Code §§ 105(a), 363, and 365, all parties to the Assumed Contracts are forever barred and enjoined from raising or asserting against the Purchaser any assignment fee, default, breach or claim or pecuniary loss, or condition to assignment, arising under or related to the Assumed Contracts existing as of the Closing or arising by reason of the

Closing, except for any amounts that are Assumed Liabilities, including the Cure Costs, being assumed by the Purchaser under the Agreement.

26. Each Governmental Authority is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the Sale Transactions contemplated by the Agreements and this Order. This Order and the Agreements shall govern the acts of all such federal, state, and local governmental agencies and departments, including any filing agents, filing officers, title agents, recording agencies, secretaries of state, and all other persons and entities who may be required by operation of Law, the duties of their office, or contract, to accept, file, register, or otherwise record or release any documents or instruments, or who may be required to report or insure any title in or to the Acquired Assets, and each such entity is hereby directed to accept this Order for recordation as conclusive evidence of the free, clear, and unencumbered transfer of title to the Acquired Assets conveyed to Purchaser pursuant to the Agreement.

27. To the maximum extent permitted by Bankruptcy Code § 525, no Governmental Authority may revoke or suspend any Permit relating to the operation of the Acquired Assets sold, transferred, or conveyed to the Purchaser on account of the filing or pendency of these Bankruptcy Cases or the consummation of the Sale Transactions.

28. Nothing in this Order or any document governing the Sale Transactions releases, nullifies, precludes or enjoins the enforcement of any police or regulatory liability to a governmental unit that any entity would be subject to as the owner or operator of property after the date of entry of this Order. Nothing in this Order or any document governing the Sale Transactions authorizes the transfer or assignment of any governmental (a) license, (b) permit, (c) registration, (d) authorization, or (e) approval, or the discontinuation of any obligation

thereunder, without compliance with all applicable legal requirements and approvals under police or regulatory law. Nothing in this Order divests any tribunal of any jurisdiction it may have under police or regulatory law to interpret this Order or to adjudicate any defense asserted under this Order.

29. Notwithstanding anything to the contrary in this Order or any document governing the Sale Transactions, any assumption, assignment, and/or transfer of any interests in the federal grants of rights-of-way (the "Federal ROWs") or in the Santa Barbara County grants of rights-of-way (collectively with the Federal ROWs, the "Government ROWs") will be ineffective absent the consent of the governmental unit. At minimum, in order to obtain the consent of the governmental unit to any assumption, assignment, and/or transfer, any and all existing Government ROWs defaults, including any outstanding royalties or rents due under Government ROWs must be cured or the prospective assignee and/or transferee (including, without limitation Purchaser) must provide adequate assurance that the defaults will be promptly cured. Nothing in this Order or the documents governing the Sale Transactions shall be interpreted to set cure amounts for Government ROWs or to require the governmental unit to novate or otherwise consent to the assignment and/or transfer of any interests in the Government ROWs. Except to the extent already paid by the Debtors or by Purchaser, as the case may be, the obligations for Cure Costs owed to the governmental unit, which include without limitation pre-petition and post-petition royalties known to date, are ratified and assumed by the Purchaser as Assumed Liabilities under the Agreement, and each Cure Cost shall be paid in full, in cash, as provided in the Agreements, when due in the ordinary course. If any Cure Cost is not timely paid, the Debtors or the Purchaser, as the case may be under the Agreement, will pay late payment charges on the untimely payment(s) at the rate established at 30 C.F.R. § 1218.54.

Notwithstanding any other provision herein the governmental unit will retain and have the right to audit and/or perform any compliance review, and if appropriate, collect from the Debtors or their successors and assigns, any additional monies owed by the Debtors prior to the assumption of the Government ROWs without those rights being adversely affected by these bankruptcy proceedings. The Debtors and their successors and assigns (including, without limitation, Purchaser), if able to obtain the governmental unit's consent and an interest in the Government ROWs, will retain all defenses and/or rights, other than defenses and/or rights arising from the bankruptcy, to challenge such determination; provided, however, that any such challenge, including any challenge associated with this bankruptcy proceeding, must be raised (1) with respect to the Federal ROWs, in the United States' administrative review process leading to a final agency determination by the Office of Natural Resources Revenue, or (2) with respect to any other Government ROW, in the appropriate forum. The audit and/or compliance review period shall remain open for the full statute of limitations period established by the Federal Oil and Gas Royalty Simplification and Fairness Act of 1996 (30 U.S.C. §§1701, *et seq.*). Nothing in this Order or the documents governing the Sale Transactions shall affect the governmental units' rights to offset or recoup any amounts due (if any) under, or relating to, any Government ROWs.

30. In addition, nothing in this Order shall affect any decommissioning obligations and financial assurance requirements under the Government ROWs, as determined by the governmental unit, that must be met by the Debtors or their successors and assigns (including, without limitation, Purchaser) on the Government ROWs going forward.

31. For the avoidance of doubt, to the extent of any conflict between paragraphs 28 – 31 of this Order and any other provisions in this Order or in any document governing the Sale Transaction, paragraphs 28 – 31 shall control.

32. The Purchaser has not assumed and is not otherwise obligated for any of the claims against the Debtors other than the Assumed Liabilities, as set forth in the Agreements, and the Purchaser has not purchased any of the Excluded Assets as set forth in the Agreements. Effective as of the Closing, the Purchaser and its Affiliates are and shall be released from any liability or obligation with respect to the Excluded Liabilities. Consequently, all Persons, Governmental Authorities and holders of Liens (other than the Permitted Encumbrances) based upon or arising out of claims retained by the Debtors are hereby enjoined from taking any action against the Purchaser or the Acquired Assets to recover any Liens or on account of any claims against the Debtors other than Assumed Liabilities pursuant to the Agreements. All Persons holding or asserting any Liens in or relating to the Excluded Assets are hereby enjoined from asserting or prosecuting such Liens or any cause of action against the Purchaser or the Acquired Assets for any Liens associated with the Excluded Assets.

33. The Purchaser is not a "successor," "successor-in-interest," "continuation," or "substantial continuation" to or of the Debtors or their estates by reason of any theory of Law or equity, and the Purchaser shall not assume, nor be deemed to assume, or in any way be responsible for any liability, claim or obligation of any of the Debtors and/or their estates except to the extent expressly included in the Assumed Liabilities or provided in the Agreements.

34. Subject to the terms of the Agreements, the Agreements and any related agreements and/or instruments may be waived, modified, amended, or supplemented by agreement of the Debtors and the Purchaser, without further action or order of the Court;

provided, however, that any such waiver, modification, amendment, or supplement is not adverse to the Debtors.

35. The failure specifically to include any particular provisions of the Agreements or any related agreements or instruments in this Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court, the Debtors, and the Purchaser that the Agreements and any related agreements and instruments are authorized and approved in their entirety with such amendments thereto as may be made by the parties in accordance with this Order prior to Closing.

36. No bulk sale Law or any similar Law of any state or other jurisdiction shall apply in any way to the sale and the Transactions contemplated by the Agreements.

37. This Order and the Agreements shall be binding upon and govern the acts of all Persons including, without limitation, the Debtors, the Debtors' estates, the Purchaser, and each of their respective directors, officers, employees, agents, successors, and permitted assigns, including, without limitation, any Chapter 11 trustee hereinafter appointed for the Debtors' estates, any trustee appointed in a Chapter 7 case if these Bankruptcy Cases are converted from Chapter 11, any Chapter 11 plan agent or trustee, liquidating agent or trustee, or any other agent or trustee charged with administering any assets of the Debtors or their estates, all creditors of each Debtor (whether known or unknown), holders of Liens in or with respect to the Acquired Assets, filing agents, filing officers, title agents, recording agencies, secretaries of state, and all other Persons who may be required by operation of Law, the duties of their office, or contract, to accept, file, register, or otherwise record or release any documents or instruments, or who may be required to report or insure any title in or to the Acquired Assets.

38. Nothing in any Order of this Court or contained in any plan of reorganization or liquidation confirmed in these Bankruptcy Cases, or in any subsequent or converted cases of the Debtors under chapter 7 or chapter 11 of the Bankruptcy Code, shall conflict with or derogate from the provisions of the Agreements or the terms of this Order.

39. The stays imposed by Bankruptcy Rules 6004(h), 6006(d), and 7062 are hereby waived, and this Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing. In the absence of any Person obtaining a stay pending appeal, the Debtors and the Purchaser are free to close under the Agreements at any time, subject to the terms of the Agreements, in which case the Purchaser shall be deemed to be acting in "good faith" and shall be entitled to the protections of Bankruptcy Code § 363(m) as to all aspects of the Sale Transactions if this Order or any authorization contained herein is reversed or modified on appeal.

40. The sale of the Acquired Assets to the Purchaser outside of a plan of reorganization pursuant to the Agreements neither impermissibly restructures the rights of the Debtors' creditors nor impermissibly dictates the terms of a liquidating plan or plan of reorganization of the Debtors. The Agreements and the Sale Transactions do not constitute a *sub rosa* chapter 11 plan.

41. The automatic stay provisions of Bankruptcy Code § 362 are vacated and modified to the extent necessary to implement the terms and conditions of the Agreements and the provisions of this Order, and the stay imposed by Bankruptcy Rule 4001(a)(3) is hereby waived with respect thereto.

42. Nothing in this Order shall be construed to constitute a release of any claims held by third parties against any Person.

43. The provisions of this Order are non-severable and mutually dependent. The terms and conditions of the Agreements (including all schedules and exhibits thereto) constitute a single, integrated transaction and are mutually dependent and non-severable.

44. As soon as practicable after the Closing, the Debtors shall file a report of sale in accordance with Bankruptcy Rule 6004(f)(1).

45. Simultaneous with the closing of the transactions contemplated by the SCU/Carpinteria Plant PSA (as defined in the Settlement Agreement) (a) Venoco (as defined in the Settlement Agreement) and the bankruptcy estates completely and fully release Chevron (as defined in the Settlement Agreement) and its past and present parents, affiliates, subsidiaries, shareholders, partners, members, predecessors, successors, assigns, agents, employees, directors, officers, and/or representatives of each of them (collectively, the "Chevron Parties") from any and all claims or causes of action of any nature arising from acts, omissions, events, facts or circumstances existing or occurring on or prior to the effective date of the release and arising from or related to the SCU or any related leases, rights of way, facilities or equipment, the Acquired Assets, the Ventura Pipeline System (the "VPS"), or the Carpinteria Pipeline System (the "CPS") and (b) the Chevron Parties completely and fully release Venoco and its past and present parents, affiliates, subsidiaries, shareholders, partners, members, predecessors, successors, assigns, agents, employees, directors, officers, and/or representatives of each of them from any and all claims or causes of action of any nature arising from acts, omissions, events, facts or circumstances existing or occurring on or prior to the effective date of the release and arising from or related to the SCU or any related leases, rights of way, facilities or equipment, the assets contemplated to be sold hereunder, the VPS, or the CPS except that, nothing in this Paragraph 42 waives or limits (1) the Parties' rights to enforce the terms of this Agreement, (2)

Chevron's rights as to any non-Venoco third party, property, or asset, including but not limited to any bonds or other financial assurance (for sake of clarity, the parties do not intend this Paragraph 42 to release, impair or otherwise diminish Chevron's ability to recover from any sums or bonds guaranteeing Venoco's performance of any obligation owed to Chevron, including without limitation the approximate $3.3 million bond posted by Venoco in favor of Chevron, and this Paragraph 42 would not cover an obligation up to the amount of bond funds payable to Chevron), (3) Chevron's rights in connection with its' ability to credit bid pursuant to any secured claim it may have, or (4) Chevron's rights to assert a monetary claim in the Cases (other than any claim as set forth in Section 13 of the Agreement attached to the Settlement Motion) or any claim for amounts that would have been Chevron's or its affiliates' obligations under the 1998 PSA if the 1998 PSA were not rejected.

46. This Court shall retain jurisdiction to enforce the terms and provisions of this Order, the Settlement Order, and the Agreements.

Date: _____, 2017
Wilmington, Delaware

THE HONORABLE KEVIN GROSS
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Carpinteria Plant Agreement

Execution Version

PURCHASE AND SALE AGREEMENT

for

THE CARPINTERIA PLANT, THE CASITAS PIER

AND CERTAIN OTHER ASSETS

by and among

VENOCO, LLC

ELLWOOD PIPELINE, INC.

as Sellers,

and

CHEVRON U.S.A. INC.

as Purchaser

Dated as of November 13, 2017

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EXHIBITS

SCHEDULES

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this "Agreement") is made as of November 13, 2017 (the "Execution Date") by and among Venoco, LLC ("Venoco") and Ellwood Pipeline, Inc. ("Ellwood"), each with an address at 6267 Carpinteria Ave., Ste. 100, Carpinteria, California 93013, and their successors, including any trustee or liquidating trust appointed or approved in the Bankruptcy Cases (defined below), as sellers (Venoco and Ellwood collectively, "Sellers"), and Chevron U.S.A. Inc., with an address at 9525 Camino Media, Bakersfield, California 93311 ("Chevron" or "Purchaser"; and, together with the Sellers, the "Parties" hereto).

RECITALS:

WHEREAS, Venoco is the lessee and operator of the Santa Clara Unit, consisting of certain unitized oil and gas leases located on the U.S. Outer Continental Shelf, offshore California;

WHEREAS, Sellers are the owner and operator of the certain oil and gas facilities and equipment, pipelines and related real property assets used in conjunction with its operation of Platform Gail, Platform Grace and the Santa Clara Unit (defined herein as the Acquired Assets) which include the following: (i) Rig 11, an oil and gas drilling rig currently located on Platform Gail over the Sockeye Field in the Santa Clara Unit, in the U.S. Outer Continental Shelf, offshore California; (ii) the Carpinteria Plant, an onshore hydrocarbons processing facility for the Santa Clara Unit; and (iii) the Casitas Pier Lease and the Casitas Pier, shore facilities located adjacent to the Carpinteria Plant;

WHEREAS, Sellers acquired all or part of the Acquired Assets, together with certain other assets, from Chevron, pursuant to that certain Purchase and Sale Agreement, dated November 4, 1998, between Chevron U.S.A. Inc., Chevron Pipe Line Company, Venoco, LLC (f/k/a Venoco, Inc.) and Ellwood Pipeline, Inc.;

WHEREAS, Sellers are currently in Chapter 11 bankruptcy proceedings pending in the United States Bankruptcy Court for the District of Delaware, Case No. 17-10828 (KG);

WHEREAS, Chevron desires to purchase the Acquired Assets (excluding the Santa Clara Unit and certain other Excluded Assets) from Sellers, and Sellers desire to sell the Acquired Assets to Chevron, subject to the jurisdiction and any requisite approvals of the Bankruptcy Court;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Purchaser and Sellers agree as follows:

ARTICLE I.
DEFINITIONS

1.01 Definitions. As used in this Agreement, the following defined terms have the meanings indicated below:

"1998 PSA" means that certain Purchase and Sale Agreement, dated November 4, 1998, between Chevron U.S.A. Inc., Chevron Pipe Line Company, Venoco, LLC (f/k/a Venoco, Inc.) and Ellwood Pipeline, Inc., and all of its exhibits and schedules, and any amendments thereto.

"1999 Guaranty" means that certain Guaranty Agreement, dated February 1, 1999, from Chevron Corporation to Venoco, LLC (f/k/a Venoco, Inc.), and all of its exhibits and schedules, and any amendments thereto.

"Acquired Assets" has the meaning ascribed thereto in Section 2.01.

"Acquired Contracts" has the meaning ascribed thereto in Section 2.01(g).

"Acquired Permits" has the meaning ascribed thereto in Section 2.01(f).

"Action" means any legal or equitable action, suit or arbitration, or any inquiry, audit, proceeding or investigation, by or before any Governmental Authority.

"Affiliate" means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with the Person specified.

"Affiliate Interest" has the meaning ascribed thereto in Section 7.09.

"Agreement" has the meaning ascribed thereto in the preamble to this agreement.

"Allocated Value" has the meaning ascribed thereto in Section 3.06.

"Approval Order" has the meaning ascribed thereto in Section 6.04(c).

"Assessment" has the meaning ascribed thereto in Section 6.01(b).

"Assumed Liabilities" has the meaning ascribed thereto in Section 2.03.

"Bankruptcy Cases" means the jointly administered chapter 11 cases for each of Sellers pending under Case No. 17-10828 (KG).

"Bankruptcy Code" means Title 11 of the United States Code, Sections 101 *et seq.*

"Bankruptcy Court" means the United States Bankruptcy Court for the District of Delaware presiding over the Bankruptcy Cases.

"Bill of Sale" means a Bill of Sale, substantially in the form attached hereto as Exhibit C-2.

"BOEM" has the meaning ascribed thereto in Section 6.04(b).

"BSEE" has the meaning ascribed thereto in Section 6.04(b).

"Business Day" means a day other than Saturday, Sunday or any day on which banks located in Santa Barbara, California are authorized or obligated to close.

"Carpinteria Line" means the six mile, 10-inch oil pipeline segment owned by Ellwood that receives both off-shore and on-shore production for delivery to Ellwood's Rincon Facility which is part of the Ventura Pipeline System.

"Carpinteria Plant" has the meaning ascribed thereto in Section 2.01(a).

"Carpinteria Station Assets" means those assets described as "Acquired Assets", including those described as "Federal Pipeline Assets", in the Carpinteria Station PSA.

"Carpinteria Station PSA" means that certain Purchase and Sale Agreement between Sellers and Purchaser of even date herewith pertaining to the purchase and sale (or the option to purchase) certain assets other than the Acquired Assets, including the "Carpinteria Station Segment" the "State Pipeline Segments" and the "Federal Pipeline Segments", as such terms are defined therein.

"Carpinteria Station Approval Order" means that certain order from the Bankruptcy Courts referred to as the "Approval Order" in the Carpinteria Station PSA.

"Casitas Assets" has the meaning ascribed thereto in Section 2.01(b).

"Casitas Assignment Consent" has the meaning set forth in Section 2.05.

"Casitas Pier Lease" has the meaning ascribed thereto in Section 2.01(b).

"Casitas Pier" has the meaning ascribed thereto in Section 2.01(b).

"Casualty Loss" means any loss, damage or destruction of the Acquired Assets that occurs during the period between the Execution Date and the Closing for any reason, including any act of God, fire, explosion, collision, earthquake, windstorm, flood, hurricane, tropical storm, terrorism, or other casualty or condemnation taking under the right of eminent domain, but excluding any loss, damage, or destruction as a result of depreciation, ordinary wear and tear.

"Closing" has the meaning ascribed thereto in Section 3.01.

"Closing Date" has the meaning ascribed thereto in Section 3.01.

"Code" means the Internal Revenue Code of 1986, as may be amended, modified, supplemented or replaced from time to time.

"Contract" means any written contract, agreement, lease, license, evidence of indebtedness, mortgage, indenture, security agreement, purchase order, binding bid, letter of credit or other legally binding document or arrangement.

"Control" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person whether through ownership of voting securities or ownership interests, by Contract or otherwise, and specifically with respect to a corporation, partnership or limited liability company, means direct or indirect ownership of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person.

"Controlled Group Liability" means any and all Liabilities of Sellers or any ERISA affiliate (i) under Title IV of ERISA, (ii) under Sections 206(g), 302, or 303 of ERISA, (iii) under Sections 412, 430, 431, 436, or 4971 of the Code, (iv) as a result of the failure to comply with the continuation of coverage requirements of Section 601 et seq. of ERISA and Section 4980B of the Code, and (v) under corresponding or similar provisions of any foreign Legal Requirement.

"Credit Bid Amount" has the meaning ascribed thereto in Section 3.05(a).

"Deed" means a Deed, substantially in the form attached hereto as Exhibit C-1.

"Deposit" has the meaning ascribed thereto in Section 3.04.

"Easements" has the meaning ascribed thereto in Section 2.01(c).

"Effective Time" has the meaning ascribed thereto in Section 3.01.

"Environmental Laws" means any and all applicable Law, and any applicable administrative or judicial interpretation thereof, pertaining to (a) use, storage, emission, discharge, clean-up, Release or threatened Release into or through the environment of Hazardous Substances or otherwise relating to the manufacture, processing, distribution, treatment, disposal, exploration, production, transportation or handling of Hazardous Substances, (b) prevention of pollution, (c) protection of the environment or wildlife or natural resources, or (d) remediation of contamination, including the Outer Continental Shelf Lands Act (OCSLA), the Clean Air Act (Air Pollution Control Act), the Clean Water Act (CWA), the Federal Water Pollution Act, the Rivers and Harbors Act, the Safe Drinking Water Act, the National Environmental Policy Act of 1969 (NEPA), the Endangered Species Act (ESA), the Fish and Wildlife Conservation Act of 1980, the Fish and Wildlife Coordination Act (FWCA), the Oil Pollution Act, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Superfund Amendments and Reauthorization Act of 1986 (SARA), the Resources Conservation and Recovery Act (RCRA), the Toxic Substance Control Act, the Occupational, Safety and Health Act (OSHA), the Emergency Planning and Community Right-To-Know Act (EPCRA), the Hazardous Materials Transportation Act, the Hazardous and Solid Waste Amendments of 1984 (HSWA) and any and all other applicable Laws whose purpose is to regulate Hazardous Substances or to conserve or protect health, the environment, wildlife or natural resources.

"Equipment" has the meaning ascribed thereto in Section 2.01(e).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Excluded Assets" has the meaning ascribed thereto in Section 2.02.

"Excluded Contracts" has the meaning ascribed thereto in Section 2.02(c).

"Excluded Leases" has the meaning ascribed thereto in Section 2.02(a).

"Excluded Liabilities" has the meaning ascribed thereto in Section 2.04.

"Excluded Offshore Facilities" has the meaning ascribed thereto in Section 2.02(a).

"Excluded Records" has the meaning ascribed thereto in Section 2.02(d).

"Excluded Midstream Assets" has the meaning ascribed thereto in Section 2.02(b).

"Excluded Units" has the meaning ascribed thereto in Section 2.02(a).

"Excluded Upstream Assets" has the meaning ascribed thereto in Section 2.02(a).

"Excluded Wells" has the meaning ascribed thereto in Section 2.02(a).

"Excluded Liabilities" has the meaning ascribed thereto in Section 2.04. For the avoidance of doubt, "Excluded Liabilities" includes Taxes with respect to the Acquired Assets for a Pre-Closing Tax Period.

"Execution Date" has the meaning ascribed thereto in the preamble to this agreement.

"Governmental Authority" means any entity exercising executive, legislative, judicial, regulatory, Tax or administrative functions of or pertaining to government, including any governmental authority, agency, department, board, commission or instrumentality of the United States, or of any state of the United States, city, county or political subdivision, and any tribunal, court or arbitrator(s) of competent jurisdiction, including zoning, planning and subdivision authorities, agencies, departments, boards, commissions or instrumentalities.

"Hazardous Substance" means any regulated quantity or concentration of a substance or material listed, defined or classified as a hazardous substance, hazardous material, extremely hazardous substance, toxic substance, or hazardous waste under any Environmental Law, including petroleum and petroleum products, polychlorinated biphenyls, asbestos-containing materials, radioactive materials, flammables and explosives.

"Income Taxes" means any Tax imposed on, or measured by, income, franchise, profits or gross receipts or any similar Taxes.

"Interim Agreement" means that certain agreement, dated October 3, 2017, between Venoco, LLC and Ellwood Pipeline, Inc., and Chevron U.S.A. Inc., approved by the Bankruptcy Court on October 24, 2017.

"Interim Period" means the period beginning upon the execution and delivery of this Agreement and ending upon the earlier of the Closing and the termination of this Agreement.

"Knowledge of Purchaser" means the actual knowledge of those Persons listed in Schedule 1.01(a), without inquiry.

"Knowledge of Sellers" means the actual knowledge of those Persons listed in Schedule 1.01(b), without inquiry.

"Laws" means any and all applicable laws, statutes, rules, regulations, ordinances, codes, and other pronouncements having the effect of law, of the United States or any state, county, city or other political subdivision thereof or of any Governmental Authority.

"Liability" means any and all claims, rights, demands, causes of action, liabilities (including civil fines), Taxes, obligations, damages (including natural resource damages), losses, fines, penalties, sanctions of every kind and character (including reasonable fees and expenses of attorneys, technical experts and expert witnesses), judgments or proceedings of any kind or character whatsoever, whether known or unknown, asserted or un-asserted, choate or inchoate, absolute or contingent, accrued or un-accrued, liquidated or unliquidated, or due or to become due, and whether arising or founded in law, common law, equity, statute, contract, tort, strict liability or voluntary settlement, and all reasonable expenses, costs and fees (including reasonable attorneys' fees) in connection therewith.

"Liens" means any mortgage, deed of trust, pledge, security interest, lease, lien, levy, charge, easement, restrictive covenant, encroachment or other encumbrance, or any conditional sale Contract, title retention Contract or other Contract to give any of the foregoing.

"Losses" means any liabilities, damages, losses, claims, causes of action, payments, charges, judgments, assessments, penalties, fines, awards, settlements, costs and expenses (including reasonable attorneys' and consultants' fees and expenses).

"Material Adverse Effect" means any events, changes or circumstances that, individually or in the aggregate, could be reasonably likely to (a) result in a material adverse effect (which could be comprised of an increase in compliance costs or other liabilities) on the value, ownership, operation or financial condition of the Acquired Assets taken as a whole; or (b) result in a material adverse effect on Sellers' performance of any of their obligations and covenants hereunder that are to be performed prior to, at or after Closing; provided, that, with respect to clause (a) only, none of the following shall be taken into account in determining whether there is a Material Adverse Effect: any adverse event, change or circumstance to the extent arising from or relating to: (i) general business, industry or economic conditions, (ii) any act of terrorism or war or any natural disaster, (iii) overall changes in financial, banking, or securities markets, (iv) overall changes in commodity prices, or (v) changes in Legal Requirements or (vi) the performance of any covenants under Article VI, including where applicable those to which Purchaser has consented in writing pursuant thereto; provided, further,

that with respect to clauses (i) through (iii) and (v), any such adverse event, change or circumstance shall not be disregarded if it has had or is reasonably expected to have a disproportionate effect on the Acquired Assets relative to similar assets held by other participants in the industries in which the assets are operated (in which event the extent of such disproportionate effect may be taken into account in determining whether there has been a Material Adverse Effect).

"Material Consent" means a consent by a third party that if not obtained prior to the assignment of an Acquired Asset, (i) voids or nullifies (automatically or at the election of the holder thereof) the assignment, conveyance or transfer of such Acquired Asset, (ii) terminates (or gives the holder thereof the right to terminate) any material rights in the Acquired Asset subject to such consent, or (iii) requires payment of a fee; provided, however, that "Material Consent" does not include any consent which by its terms cannot be unreasonably withheld, delayed or conditioned.

"Material Contracts" means, to the extent related to the Acquired Assets, the following: (a) any Contract that can reasonably be expected to result in aggregate payments by or revenues to Sellers or Purchaser with respect to the Acquired Assets of more than Fifty Thousand Dollars ($50,000) during the current or any future fiscal year; (b) any Hydrocarbon purchase and sale, exchange, marketing, compression, gathering, transportation, processing, refining, treating, storage, handling or similar Contracts (in each case) to which any Seller is a party (or to which any portion of the Acquired Assets is subject) that is not terminable without penalty on sixty (60) days or less notice; (c) any Contract binding upon one or more Sellers to acquire, sell, lease, farmout, develop or otherwise dispose of or encumber any interest in any of the Acquired Assets; (d) any Contract that constitutes or contains (or series of Contracts that, taken together, constitute or contain) a non-competition agreement, joint bidding or joint development agreement, area of mutual interest or any agreement that purports to restrict, limit, or prohibit the manner in which, or the locations in which, Sellers conduct business; (e) any Contract providing for any call upon, option to purchase, option to use or similar rights with respect to the Acquired Assets, including any capacity reservation or other long term throughput, services or usage arrangement on or otherwise pertaining to any of the Acquired Assets; (f) any Contract that constitutes a joint operating agreement or any joint use, joint development or joint ownership arrangement, (g) any Contract between one or more Sellers and any Seller Party; or (h) any Contract where the primary and principal purpose thereof is to provide a guarantee or indemnity.

"Non-Income Tax" means any Tax other than any Income Tax or any Transfer Tax.

"Operating Costs" means all costs, expenses and capital expenditures paid or incurred in connection with the ownership, development, production, operation, and maintenance of the Acquired Assets (including rentals, overhead, Taxes, and other charges, including overhead charges and other indirect costs and expenses billed under applicable operating agreements or governmental statute(s)).

"Order" means any writ, judgment, decree, injunction or award issued, or otherwise put into effect by or under the authority of any court, administrative agency, or other Governmental Authority (in each such case whether preliminary or final).

"Organizational Documents" means, with respect to any Person, the charter documents, articles or certificate of incorporation or organization and by-laws, the limited partnership agreement, the partnership agreement or the limited liability company agreement, operating agreement or other organizational documents, written resolutions, written board actions and minutes of the board, in each case, of such Person, and any amendments to any of the foregoing.

"Outside Date" has the meaning ascribed thereto in Section 11.01(b)(ii).

"Party" or "Parties" means Sellers and Purchaser, each individually, a "Party", and collectively as the "Parties".

"Permits" means all material licenses, permits, certificates of authority, authorizations, approvals, registrations, franchises and similar consents granted, issued, made or required by any Governmental Authority.

"Permitted Encumbrances" means (a) liens for taxes or assessments not yet due or delinquent or, if delinquent, that are being contested in good faith in the normal course of business, (b) easements, road-use agreements, rights-of-way, servitudes, permits, surface leases and other rights in respect of surface operations, or defects or deficiencies in title thereto, that do not materially interfere with Purchaser's operation or use of the Acquired Assets following Closing, (c) zoning, planning and environmental laws to the extent valid and applicable to the Acquired Assets, and (d) liens of carriers, warehousemen, mechanics, workers, material suppliers or other providers of materials or services arising by operation of law in the ordinary course of business or incident to the construction or improvement of any property in respect of obligations which are not yet due.

"Person" means any individual, corporation, company, partnership, joint venture, trust, limited liability company, other business or entity or Governmental Authority.

"Plant Property" has the meaning ascribed thereto in Section 2.01(a).

"Platform Gail" means the offshore oil rig platform, as further described in Exhibit B-4.

"Platform Grace" means the offshore oil rig platform, as further described in Exhibit B-4.

"Post-Closing Covenant" means any covenant required to be performed by any Seller or by Purchaser, as applicable, under this Agreement following the Closing.

"Post-Closing Tax Period" means any taxable period or portion thereof beginning on the Closing Date. For a Straddle Period, the portion of the Straddle Period that begins on the Closing Date shall constitute a Post-Closing Tax Period.

"Preferential Purchase Right" means any right or agreement that enables any Person to purchase or acquire any Acquired Asset or any interest therein or portion thereof as a result of or in connection with the execution or delivery of this Agreement or the consummation of the transactions contemplated hereby.

"Pre-Closing Tax Period" means any taxable period or portion thereof ending on the day immediately prior to the Closing Date. For a Straddle Period, the portion of the Straddle Period that ends on the day immediately prior to the Closing Date shall constitute a Pre-Closing Tax Period.

"Proceeding" means any Action, legal contest, suit, complaint, petition, demand, claim, investigation, proceeding, arbitration, mediation, hearing or other proceeding by or before a Governmental Authority.

"Purchase Price" has the meaning ascribed thereto in Section 3.05.

"Purchaser" has the meaning ascribed thereto in the preamble to this Agreement.

"Purchaser Indemnified Parties" has the meaning ascribed thereto in Section 10.01(a).

"Purchaser Required Permits" has the meaning ascribed thereto in Section 6.04(f).

"Purchaser Termination Notice" has the meaning ascribed thereto in Section 11.01(b)(i).

"Records" has the meaning ascribed thereto in Section 2.01(h).

"Rejected Leases" has the meaning ascribed thereto in Section 2.02(a).

"Release" means any depositing, spilling, leaking, pumping, pouring, emitting, discarding, abandoning, emptying, discharging, migrating, injecting, escaping, leaching, seeping, dumping, or disposing.

"Representatives" means, as to any Person, its officers, directors, employees, agents, partners, members, stockholders, counsel, accountants, financial advisors, engineers, consultants and other advisors.

"Rig 11" has the meaning ascribed thereto in Section 2.01(d).

"Sale Motion" has the meaning ascribed thereto in Section 6.04(c).

"Santa Clara Unit" means the Santa Clara federal oil and gas unit covering certain of the Excluded Leases, as further described in Exhibit B-2.

"Schedules" means the disclosure schedules attached to this Agreement.

"SCU Leases Rejection" has the meaning ascribed thereto in Section 6.04(b).

"SCU Leases Relinquishment" has the meaning ascribed thereto in Section 6.04(b).

"Seller" and "Sellers" have the meaning ascribed thereto in the preamble to this Agreement.

"Seller Credit Obligations" has the meaning ascribed thereto in Section 4.17.

"Seller Current Insurance" has the meaning ascribed thereto in Section 4.17.

"Seller Indemnified Parties" has the meaning ascribed thereto in Section 10.01(b).

"Seller Termination Notice" has the meaning ascribed thereto in Section 11.01(c).

"Straddle Period" means a taxable period that begins before the Closing Date and ends on or after the Closing Date.

"Tax" means any and all federal, state, provincial, local, foreign and other taxes, levies, fees, imposts, duties, and similar governmental charges in the nature of a tax (including any interest, fines, assessments, penalties or additions to tax imposed in connection therewith or with respect thereto), including income, franchise, profits, gross receipts, ad valorem, value added, capital gains, sales, goods and services, use, real or personal property, capital stock, license, license fee, utility revenue, branch, payroll, withholding, employment, social security (or similar), unemployment, compensation, utility, severance, production, excise, stamp, occupation, premium, windfall profits, transfer and gains taxes, and customs duties.

"Tax Adjustment" has the meaning ascribed thereto in Section 7.02(b).

"Tax Return" means any return, report, information return, declaration, claim for refund, election, disclosure, estimate, or other document, together with all schedules, attachments, amendments and supplements thereto (including all related or supporting information), supplied to or required to be supplied to any Governmental Authority in respect of Taxes.

"Third Party" means any Person other than a Seller, Purchaser or any of their respective Affiliates.

"Transaction Documents" means (a) this Agreement, (b) the Deed and the Bill of Sale, (c) the Confidentiality Agreement, (d) the Interim Agreement, and (e) any and all additional agreements, certificates, documents, and instruments to be executed and delivered by any Party or any Affiliate thereof at or in connection with the Closing.

"Transactions" means the transactions contemplated by the Transaction Documents.

"Transfer Taxes" means any real property transfer or excise, sales, use, value added, stamp, documentary, recording, registration, conveyance, intangible property transfer, personal property transfer, duty, securities transactions or similar fees or Taxes or governmental

charges (together with any interest or penalty, addition to Tax or additional amount imposed), including any payments made in lieu of any such Taxes or governmental charges.

"Treasury Regulations" means the U.S. Treasury Regulations promulgated under the Code.

"Trustee" has the meaning ascribed thereto in Section 12.13.

"Ventura Pipeline" means the 14-mile oil pipeline, consisting of varying diameters, owned by Ellwood that transports oil production from Ellwood's Rincon Facility southward to destinations in Ventura County which is part of the Ventura Pipeline System.

"Ventura Pipeline System" means both the Carpinteria Line and the Ventura Pipeline collectively.

1.02 Certain Principles of Interpretation. In this Agreement, unless otherwise indicated, all words defined in the singular have the corresponding meaning in the plural and vice versa; words importing any gender include all other genders; references to statutes or regulations are to be construed as including all statutory or regulatory provisions consolidating, amending or replacing the statute or regulation referred to prior to the date hereof; references to "writing" include printing, typing, lithography and other means of reproducing words in a tangible visible form; the words "including", "includes" and "include" shall be deemed to be followed in each instance by the words "without limitation"; the words "shall" and "will" have the same meaning; references to articles, sections (or subdivisions of sections), exhibits, annexes or schedules are to articles, sections (or subdivisions of sections), exhibits, annexes or schedules of or to this Agreement; references to agreements and other contractual instruments shall be deemed to include all amendments, extensions and other modifications to such instruments (but only to the extent such amendments, extensions and other modifications are not prohibited by the terms of this Agreement); references to Persons include their respective successors and permitted assigns and, in the case of Governmental Authorities, Persons succeeding to their respective functions and capacities; and all accounting terms used herein and not expressly defined herein shall have the meanings given to them under GAAP. Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified. Whenever any action must be taken hereunder on or by a day that is not a Business Day, then such action may be validly taken on or by the next day that is a Business Day. Each of Sellers and Purchaser acknowledges that each Party and its attorney have reviewed this Agreement and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting party, or any similar rule operating against the drafter of an agreement, shall not be applicable to the construction or interpretation of this Agreement. Currency amounts referenced herein are in U.S. Dollars.

ARTICLE II.
PURCHASE AND SALE; ASSUMPTION OF LIABILITIES

2.01 Acquired Assets. Upon the terms and subject to the conditions contained in this Agreement, at the Closing, Sellers shall sell, convey, assign, transfer and deliver to Purchaser, and Purchaser shall purchase and acquire from Sellers, all of Sellers' right, title and

interest in and to the following, free and clear of any and all liens, claims, encumbrances and interests (other than the Permitted Encumbrances) and pursuant to 11 U.S.C. sections 363 and 365, as applicable, but in each case excluding the Excluded Assets (collectively, the "Acquired Assets"):

(a) (i) the approximately 55 acres of real property in Carpinteria, California and certain mineral fee interests, in each case as described on Exhibit A-1 attached hereto (collectively, the "Plant Property"), and (ii) the oil and gas processing and other facilities located on the surface lands of the Plant Property, as further described on Exhibit A-2 attached hereto, together with any other offices, buildings, and other structures and facilities if any, located at the Plant Property and any furniture, fixtures and equipment located at or on the Plant Property or any such other offices, buildings or other structures and facilities, but excluding any Carpinteria Station Assets located thereon (collectively, the "Carpinteria Plant");

(b) (i) the real property lease of certain tide and submerged land located in Santa Barbara County, California, dated November 1, 1965, between Venoco, as lessee, and the City of Carpinteria, as lessor, as successors in interest to Standard Oil Company of California and the County of Santa Barbara, as original lessee and original lessor, respectively, as further described on Exhibit A-3 attached hereto ("Casitas Pier Lease"); and (ii) the pier located at the property covered by the Casitas Pier Lease (the "Casitas Pier" and, together with the Casitas Pier Lease, the "Casitas Assets").

(c) to the extent transferable, any right of Sellers, by way of lease, license, right-of-way, servitude, easement, or similar right or instrument relating to the ownership, operation, construction, maintenance and repair of the Carpinteria Plant or the Casitas Assets, together with and including such rights described on Exhibit A-4 attached hereto (the "Easements");

(d) the oil and gas drilling rig currently located on Platform Gail over the Sockeye Field which is part of the Santa Clara Unit, as further described on Exhibit A-5 attached hereto ("Rig 11");

(e) the equipment, vehicles, tools, inventory, personal property, and fixtures located on, necessary to operate, or otherwise primarily used in conjunction with, the Carpinteria Plant, the Casitas Assets, the Easements or Rig 11, together with and including the equipment, vehicles, tools, inventory, personal property, and fixtures described on Exhibit A-6 attached hereto (collectively, the "Equipment");

(f) (i) to the extent transferable, all active Permits necessary to own, occupy, operate or control the aforementioned Acquired Assets, together with those Permits listed or described on Exhibit A-7 attached hereto (collectively, the "Acquired Permits") and (ii) all pending applications for any renewal, extension or modification of any Acquired Permit;

(g) the Contracts described on Exhibit A-8 attached hereto (including all Contracts in existence prior to the date hereof but added to Exhibit A-8 between the date hereof and the Closing Date by Sellers with the written consent of Purchaser) (collectively, the "Acquired Contracts");

(h) originals or copies of all books, records, documents, drawings, reports, operating data, operating safety and maintenance manuals, inspection reports, engineering design plans, blueprints, specifications, original permits, plans, compliance records, lease records, rights-of-way records, government (federal, state, Santa Barbara County and City of Carpinteria) correspondence and other files, in each case to the extent covering or otherwise primarily relating to the Acquired Assets, together with and including the records and documents described on Exhibit A-9 attached hereto (the "Records"); and

(i) to the extent transferable, all of Sellers' rights to any unexpired warranties, indemnities, and guarantees made or given by manufacturers, contractors, architects, engineers, consultants, vendors, suppliers and other third parties with respect to any of the aforementioned Acquired Assets.

2.02 Excluded Assets. Nothing in this Agreement shall constitute or be construed as conferring on Purchaser, and Purchaser shall not be entitled or required to purchase or acquire, any right, title or interest in, to or under the following assets, interests, properties, rights, licenses or Contracts (collectively, the "Excluded Assets"), which such assets, interests, properties, rights, licenses and Contracts shall be excluded from and shall not constitute Acquired Assets:

(a) all oil and gas leases, oil, gas and mineral leases (including record title and operating rights) and subleases, royalties, overriding royalties, net profits interests, mineral fee interests (excluding those mineral fee interests described on Exhibit A-1), carried interests, and other rights to oil and gas in place, and mineral servitudes owned by Sellers, including those described on Exhibit B-1 hereto (collectively, the "Excluded Leases"), together with (i) all pooled, communitized or unitized acreage which includes all or part of any Excluded Leases and all tenements, hereditaments and appurtenances belonging to pooled, communitized or unitized acreage or otherwise to the Excluded Leases, and together with and including the Santa Clara Unit described on Exhibit B-2 attached hereto (the "Excluded Units"); (ii) any and all oil, gas, water, CO2 or injection wells located on the Excluded Leases or the Excluded Units, including the interests in the wells shown on Exhibit B-3 attached hereto (the "Excluded Wells"), and (iii) any oil and gas production platforms and other exploration, production, processing or other hydrocarbon facilities located on the Excluded Leases or the Excluded Units or otherwise associated with the Excluded Wells, together with and including Platform Gail and Platform Grace, but excluding Rig 11, including those described on Exhibit B-4 hereto (the "Excluded Offshore Facilities" and, together with the Excluded Leases, the Excluded Units and the Excluded Wells, the "Excluded Upstream Assets");

(b) the Ventura Pipeline and all segments of the Carpinteria Line, together with all equipment, personal property and fixtures located on, relating to, necessary to operate or otherwise used in conjunction therewith, and together with any including any Carpinteria Station Assets, provided that the exclusion of the Carpinteria Station Assets shall be subject to the Carpinteria Station PSA (collectively, the "Excluded Midstream Assets");

(c) (i) all oil and gas produced from or attributable to the Excluded Upstream Assets before or after the Effective Time, (ii) all oil, gas condensate and scrubber liquids inventories and ethane, propane, iso-butane, nor-butane and gasoline inventories produced from

the Excluded Upstream Assets, but excluding any linefill or storage contained in or at the Carpinteria Plant as of the Closing Date that remains after the Sellers have completed or ceased the "Warm Stack Services" pursuant to and as defined in the Interim Agreement, and (iii) all production, plant and transportation imbalances pertaining to the Excluded Midstream Assets or to production from the Excluded Upstream Assets, in each case as modified by or otherwise subject to the limitations set forth on Schedule 2.02(c), if any;

(d) all of the rights and interests of any Seller and any Affiliate of any Seller in, to, under or pursuant to any Contract other than the Acquired Contracts (the "Excluded Contracts");

(e) (i) each Seller's and its direct and indirect parent companies' Organizational Documents, minute books, limited liability company interest books, ledger, company seal, Tax Returns, balance sheets, income statements, statements of cash flows, books of account, and employee-related or employee-benefit related files and records, and (ii) all books, records, documents, drawings, reports, operating data, operating safety and maintenance manuals, inspection reports, engineering design plans, blueprints, and specifications relating to the Excluded Assets (collectively, the "Excluded Records");

(f) cash, cash equivalents, bank accounts, securities, accounts, bank deposits, accounts and notes receivable, trade or otherwise of Sellers or any of their respective Affiliates;

(g) certificates of deposit, shares of stock, securities, bonds, debentures, evidences of indebtedness, and interests in joint ventures or other Persons, in any such case owned (beneficially or of record) by any Seller or any Affiliate of any Seller;

(h) all rights of Sellers and their respective Affiliates arising under this Agreement, the other Transaction Documents or any other instrument or document executed and delivered pursuant to the terms of this Agreement or any other Transaction Document;

(i) all claims, causes of action, counterclaims, cross claims, offsets or defenses arising, occurring or existing in favor of any Seller or any Affiliate of any Seller to the extent relating to or attributable to (i) the Excluded Liabilities, (ii) any other Excluded Asset, or (iii) this Agreement, the other Transaction Documents or any other instrument or document executed and delivered pursuant to the terms of this Agreement or the other Transaction Documents;

(j) the Purchase Price delivered to Sellers pursuant to this Agreement;

(k) all rights to any refunds of Taxes (or other related costs or expenses) that are borne by or the responsibility of Sellers or attributable to any Tax asset of any Seller;

(l) subject to Section 7.04 and except to the extent attributable to any Assumed Liabilities, all insurance policies and rights to proceeds thereof;

(m) any Acquired Assets excluded from Closing pursuant to Section 2.05 or Section 2.06, in each subject to transfer at a later Closing pursuant to the relevant section;

(n) all assets set forth on Schedule 2.02; and

(o) without limiting the foregoing provisions of this Section 2.02, all other assets, properties, rights or interests owned, used, occupied or held by or for the benefit of any Seller or any Affiliate of any Seller that are not specifically designated as Acquired Assets pursuant to Section 2.01(a) through Section 2.01(i).

2.03 Assumption of Liabilities. Upon the terms and subject to the conditions of this Agreement and the Approval Order, on the Closing Date, without limiting Purchaser's rights to indemnity under and in accordance with Article IX, from and after the Closing (including, as applicable, any subsequent Closing that occurs after the Closing Date in accordance with the terms hereof), for all or, as applicable, the relevant portion of the Acquired Assets transferred at such Closing, Purchaser shall assume and agree to discharge, when due (in accordance with their respective terms and subject to the respective conditions thereof), only the following Liabilities, save and except the Excluded Liabilities (subject to such exception, collectively, the "Assumed Liabilities"):

(a) all of Sellers' Liabilities under the Acquired Contracts, whether arising prior to, at or after the Closing Date, together with any and all cure and reinstatement costs or expenses relating to the assignment and assumption of the Acquired Contracts or Acquired Assets imposed by the Bankruptcy Court pursuant to Bankruptcy Code Section 365;

(b) all of Sellers' unsatisfied decommissioning, remediation and clean-up obligations for the Acquired Assets, whether arising prior to, at or after the Closing Date (but, for clarity, excluding any decommissioning, remediation and clean-up obligations or plugging and abandonment obligations for the Excluded Assets);

(c) all Taxes that are the responsibility of Purchaser pursuant to Section 7.02 and, to the extent covered by the Tax Adjustment, the Taxes that are the responsibility of Sellers pursuant to Section 7.02; and

(d) to the extent not already described in Section 2.03(a) through Section 2.03(c) above all Liabilities arising from, related to or associated with the Acquired Assets, in each case, to the extent accruing on or after the Closing Date.

2.04 Excluded Liabilities. Notwithstanding any provision in this Agreement to the contrary, Purchaser shall not assume and shall not be obligated to assume or be obliged to pay, perform or otherwise discharge any Liability of Sellers other than the Assumed Liabilities (such Liabilities, collectively, the "Excluded Liabilities"). For purposes of clarity, and without limitation of the generality of the foregoing, the Excluded Liabilities shall include, without limitation, each of the following Liabilities:

(a) all guarantees of Third Party obligations by Sellers and reimbursement obligations to guarantors of Sellers' obligations or under letters of credit, including obligations and other liability under bonds acquired by Sellers and posted for Sellers' benefit;

(b) all accrued expenses and accounts payable in relation to the Acquired Assets or any other assets of Sellers or otherwise with respect to Sellers accrued as of the Closing Date, (other than any applicable cure or restatement costs specifically assumed pursuant to Section 2.03(a) or costs related to decommissioning, remediation or clean-up specifically assumed pursuant to Section 2.03(b));

(c) all Taxes that are the responsibility of Sellers pursuant to Section 7.02, all Transfer Taxes and any Taxes imposed on Sellers for any taxable period;

(d) those Actions and Proceedings set forth on, or required to be set forth on, Schedule 4.05;

(e) all Liabilities of Sellers to any owner or former owner of capital stock or warrants, or holder of indebtedness for borrowed money;

(f) all Liabilities arising out of or relating to (i) any employee benefit or compensation plan, program or arrangement sponsored, maintained or contributed to by Sellers or any ERISA affiliate or to which any Seller or any ERISA affiliate was obligated to contribute at any time on or prior to the Closing Date, including all Controlled Group Liabilities; or (ii) the employment or engagement by any Seller of any employee or contractor;

(g) all Liabilities (including Liabilities related to Environmental Law) related to the Excluded Assets, provided that, for the avoidance of doubt, allocation of Liabilities (including Liabilities related to Environmental Law) related to the Carpinteria Station Assets shall be subject to the terms and conditions of the Carpinteria Station PSA;

(h) all obligations arising out of or relating to the accounting for, failure to pay or the incorrect payment to or from any royalty owner, overriding royalty owner, working interest owner or other interest holder under the Acquired Assets or the Excluded Assets and escheat obligations, in each case, insofar as the same are attributable to periods, and Hydrocarbons produced and marketed with respect to the Acquired Assets or the Excluded Assets, whether arising prior to the Closing Date (for the Acquired Assets) or prior to or after the Closing Date (for the Excluded Assets);

(i) all Liabilities arising out of or relating to disposal of Hazardous Substances off-site of the Acquired Assets (or the Excluded Assets) prior to Closing;

(j) all Liabilities related to death or physical injury to any Person arising out of or relating to the ownership or operation of the Acquired Assets occurring prior to the Closing Date;

(k) all Liabilities related to property damage of any Third Party related to or arising out of or relating to the ownership or operation of the Acquired Assets prior to the Closing Date;

(l) any fines or penalties imposed or assessed related to or arising out of or relating to the ownership or operation of the Acquired Assets prior to the Closing Date (including fines and penalties imposed or assessed in connection with any pre-Closing violation

of Laws by Sellers, including Environmental Laws), except to the extent such fines or penalties are imposed or assessed relating to or arising out of acts or omissions after the Closing Date;

(m) any actions, suits or proceedings that are pending prior to the Closing Date related to or arising out of or relating to the ownership or operation of the Acquired Assets;

(n) all Liabilities related to any agent, broker, finder, investment or commercial banker, or any other Person that Seller nor any of Sellers' Affiliates may have employed in connection with this Agreement or any of the Transactions, including any broker's, finder's or similar fee, commission or other payment relating thereto or arising therefrom; and

(o) all Liabilities related to the Bankruptcy Case, the costs or administration of the Bankruptcy Case or any Seller's duties or obligations arising under the Bankruptcy Code.

2.05 Assignment of Casitas Pier Assets Subject to Casitas Assignment Consent. From and after the date hereof Sellers shall use commercially reasonable efforts to obtain all consents and approvals from any relevant Governmental Authority(ies) that may be necessary to transfer the Casitas Pier Assets from Sellers to Purchaser in accordance with this Agreement, including those designated as pertaining to the Casitas Pier Assets that are set forth on Schedule 2.05 hereto (collectively, the "Casitas Assignment Consent"), including by delivering notices to the relevant Governmental Authority(ies) holding any such consent or approval rights as promptly as practicable following the date of this Agreement. If prior to the Closing Date, the Casitas Assignment Consent has not been obtained, or otherwise waived or satisfied (including under section 363 or 365 of the Bankruptcy Code), the Casitas Pier Assets shall be held back from the Acquired Assets conveyed at Closing and the Purchase Price paid at Closing shall be reduced by the Allocated Value of the Casitas Pier Assets. If the Casitas Assignment Consent is obtained, waived or otherwise satisfied following Closing, the Casitas Pier Assets will be conveyed to Purchaser within ten (10) Business Days after such Casitas Assignment Consent has been obtained, waived or otherwise satisfied; *provided that*, if the Casitas Assignment Consent is not obtained, waived or otherwise satisfied on or prior to March 31, 2018 (the "Casitas Assignment Outside Date"), Sellers may refuse to convey, or Purchaser may refuse to accept conveyance of, the Casitas Pier Assets (at Seller's or Purchaser's sole discretion, as applicable). At such subsequent closing, Sellers shall contribute, assign, transfer and convey to Purchaser, and Purchaser shall acquire and accept from Sellers, the Casitas Pier Assets, and Purchaser shall pay to Sellers the Allocated Value of the Casitas Pier Assets, in each case pursuant to the terms of this Agreement. In the event that the Casitas Pier Assets are not assigned to Purchaser by February 1, 2018, Purchaser shall reimburse to Sellers the actual costs to operate the Casitas Pier on a monthly basis, in arrears, from February 1, 2018 through the earlier of (i) the termination of this Agreement, or (ii) the assignment of the Casitas Pier Assets to Purchaser, subject to an overall cap of $250,000.

2.06 Unobtained Material Consents.

(a) Subject to Section 2.05, if prior to the Closing Date any Material Consent has not been obtained or satisfied, the Acquired Assets affected by such Material Consent shall be held back from the Acquired Assets conveyed at Closing and the Purchase Price paid at Closing shall be reduced by the Allocated Value of the relevant Acquired Assets. From and

after the date hereof Sellers shall use commercially reasonable efforts to obtain any Material Consents (including delivering notices to all Third Parties holding any Material Consents as promptly as practicable following the date of this Agreement). If a Material Consent is obtained following Closing, any Acquired Assets so held back at the Closing will be conveyed to Purchaser within ten (10) Business Days after such Material Consent has been obtained, waived or otherwise satisfied; *provided that*, if any such Material Consent is not obtained, waived or otherwise satisfied on or prior to March 31, 2018, Sellers may refuse to convey, or Purchaser may refuse to accept conveyance of, the affected Acquired Asset(s) (at Seller's or Purchaser's sole discretion, as applicable). At such subsequent closing, Sellers shall contribute, assign, transfer and convey to Purchaser, and Purchaser shall acquire and accept from Sellers, the relevant Acquired Assets, and Purchaser shall pay to Sellers the Allocated Value of the relevant Acquired Assets, in each case pursuant to the terms of this Agreement. Subject to Section 2.05 and except for Material Consents listed in Schedule 4.03, if any consents to the assignment of any Acquired Asset are not obtained prior to Closing, then with respect to each affected Acquired Asset, the affected Acquired Assets shall nevertheless be sold and conveyed to Purchaser at the Closing and Purchaser shall pay for the affected Acquired Asset(s) at Closing in accordance with this Agreement as though such consent had been obtained (including the payment by Purchaser to Sellers of the Allocated Value of such affected Acquired Asset(s)). In the case of licenses, certificates, approvals, authorizations, Contracts and other commitments included in the Acquired Assets (i) that cannot be transferred or assigned without the Material Consent of Third Parties, which Material Consent has not been obtained prior to the Closing (after giving effect to the Approval Order and the Bankruptcy Code), Sellers shall, at Purchaser's sole expense and subject to any approval of the Bankruptcy Court that may be required, reasonably cooperate with Purchaser in attempting to obtain such Material Consent and, if any such Material Consent is not obtained, Sellers shall, following the Closing, at Purchaser's election and at Purchaser's sole expense and subject to any approval of the Bankruptcy Court that may be required, cooperate with Purchaser in all reasonable respects to provide to Purchaser the benefits thereof in some other manner, or (ii) that are otherwise not transferable or assignable (after giving effect to the Approval Order and the Bankruptcy Code), Sellers shall, following the Closing, at Purchaser's election and at Purchaser's sole expense and subject to any approval of the Bankruptcy Court that may be required, reasonably cooperate with Purchaser to provide to Purchaser the benefits thereof in some other manner (including the exercise of the rights of Sellers thereunder).

(b) Nothing herein constitutes an admission or acknowledgement that any Governmental Authority(ies) consent is necessary and Sellers and Purchasers reserve their rights to obtain approval of the assignment of the Casitas Pier Assets or any other Acquired Assets pursuant to Bankruptcy code section 365(f).

ARTICLE III.
CLOSING; PURCHASE PRICE

3.01 Closing. Subject to the terms and conditions hereof, the consummation of the purchase and sale of the Acquired Assets contemplated hereby (the "Closing") shall take place at the Houston office of King & Spalding LLP, 1100 Louisiana Street, Suite 4000, Houston, Texas 77002, at 10:00 a.m. local time, on the later of (i) December 20, 2017 and (ii) the date that is three (3) Business Days following the date on which the conditions set forth in

Article VIII and Article IX, other than those conditions that by their nature are to be satisfied at the Closing (but subject to their satisfaction or waiver at the Closing), have been either satisfied or waived by the Party for whose benefit such conditions exist; or on such other date or at such other place and time as the Parties may mutually agree in writing. The date on which the Closing occurs is referred to as the "Closing Date." The Closing shall be effective for all purposes at 12:01 a.m., local time, in Santa Barbara, California, on the Closing Date (the "Effective Time"). All actions listed in Sections 3.02 or 3.03 that occur on the Closing Date shall be deemed to occur simultaneously at the Closing unless otherwise specified herein.

3.02 Seller Closing Deliverables. At the Closing, each Seller shall deliver, or cause to be delivered, to Purchaser the following:

(a) a duly executed counterpart to the Deed and to the Bill of Sale, together with, as applicable, counterpart(s) to any other assignment for each jurisdiction in which the Acquired Assets are located and each other Transaction Document to which such Seller is a party (including transfer orders and change of operator forms), and any other applicable forms required by federal and state agencies relative to the transfer of the ownership and/or operation of the Acquired Assets from Sellers to Purchaser, in each case in a form reasonably acceptable to Purchaser;

(b) a copy of the Approval Order;

(c) the certificates of such Seller to be received by Purchaser pursuant to Section 8.03;

(d) UCC-3, mortgage releases, and other release documents, in form and substance reasonably acceptable to Purchaser, to evidence the release of any and all Encumbrances arising from or relating to any secured debt and, to the extent required under Section 7.07, any materialman's, mechanic's, repairman's, employee's, contractor's, operator's and other similar Encumbrances;

(e) all Records, including electronic Records, that have not yet been provided to Purchaser pursuant to Section 6.04(a);

(f) such other bills of sale, deeds, endorsements, assignments, transfer documentation for transferring vehicles or equipment, including execution of any relevant title, lease or license, and other good and sufficient instruments of conveyance and transfer (i) in form reasonably satisfactory to Purchaser, as Purchaser may reasonably request to vest in Purchaser all the right, title and interest of such Seller in, to or under any or all the Acquired Assets, in each case, in a form reasonably acceptable to Purchaser, (ii) as may be required by the Bankruptcy Court, or (iii) as reasonably necessary to enable Purchaser to obtain title insurance as to the Acquired Assets, including with respect to this clause (iii) affidavits of ownership/marketable title and affidavits of no debts/liens; and

(g) a certificate and affidavit of non-foreign status of such Seller pursuant to Section 1445 of the Code executed by a duly authorized representative of such Seller (or such Seller's Tax parent Affiliate, as applicable).

3.03 Purchaser Closing Deliverables. At the Closing, Purchaser shall deliver, or cause to be delivered, the following:

(a) the cash portion of the Purchase Price (less the Deposit and Tax Adjustment) by wire transfer of immediately available funds to the accounts designated by Sellers in writing at least two (2) Business Days prior to the Closing Date, in each case, in accordance with the allocation schedule attached hereto as Schedule 3.03;

(b) to Sellers, a duly executed counterpart to the Deed and to the Bill of Sale, together with, as applicable, counterpart(s) to any other assignment for each jurisdiction in which the Acquired Assets are located and each other Transaction Document to which Purchaser is a party (including transfer orders and change of operator forms), and any other applicable forms required by federal and state agencies relative to the transfer of the ownership and/or operation of the Acquired Assets from Sellers to Purchaser, in each case in a form reasonably acceptable to Seller; and

(c) the certificates of Purchaser to be received by Sellers pursuant to Section 9.03; and

(d) such other agreements, documents and instruments as Sellers may reasonably request in order to fully consummate the transactions contemplated by this Agreement and carry out the purposes and intent of this Agreement as reasonable requested by Sellers or as may be required by the Bankruptcy Court.

3.04 Deposit. Purchaser has, by wire transfer of immediately available funds, deposited an amount equal to six hundred and ninety thousand dollars and zero cents ($690,000.00) (the "Deposit") with Sellers, which such amount shall be credited towards payment by Purchaser of the Purchase Price at Closing or either be retained by Sellers or be returned to Purchaser in accordance with Section 11.02(b) in the event of termination of this Agreement prior to Closing. Sellers shall hold and maintain the Deposit in a separate and segregated debtor in possession bank account and shall not use the Deposit, or commingle any other funds with the Deposit, outside the terms of this Agreement.

3.05 Purchase Price. The purchase price for the purchase, sale, assignment and conveyance of Sellers' right, title and interest in, to and under the Acquired Assets shall consist of the following (collectively, the "Purchase Price"):

(a) cash in an amount equal to the sum of (i) three million and four hundred and fifty thousand dollars and zero cents ($3,450,000.00), plus (ii) such other amount that Purchaser may elect to credit bid pursuant to that certain deed of trust dated February 1, 1999, filed in the real property record of Santa Barbara County, California at file #2002-0011709 (the "Credit Bid Amount"); and

(b) the assumption of the Assumed Liabilities.

3.06 Purchase Price Allocation. On or before ninety (90) days after the Closing Date, Purchaser shall deliver to Seller a final allocation of the Purchase Price (as determined for federal income Tax purposes) among the Acquired Assets in accordance with Section 1060 of

the Code and Treasury Regulations thereunder (and any similar provision of state, local or foreign Law, as applicable), which shall be consistent with the allocation of the Purchase Price among the Acquired Assets set forth on Exhibit D; provided, that the Allocated Value of the Casitas Assets shall not be greater than fifty thousand dollars ($50,000). The allocation of the Purchase Price to each Acquired Asset is referred to herein as the "Allocated Value" of such Acquired Asset, and the general allocation of value described in this Section 3.06 is referred to herein as the "Tax Allocation". The Tax Allocation set forth on Purchaser's notice shall be reflected on a completed IRS Form 8594, which form shall be timely filed separately by Purchaser and Sellers with the IRS pursuant to the requirements of Section 1060(b) of the Code. Purchaser and Sellers (and their respective Affiliates) agree not to take any position or file any Tax Return inconsistent with the Tax Allocation unless required by applicable Law or a "determination" within the meaning of Section 1313(a)(1) of the Code; provided, however, that nothing in this Agreement will prevent a Party from settling any proposed deficiency or adjustment by any Governmental Authority based upon or arising out of the Tax Allocation, and neither Party will be required to litigate before any court any proposed deficiency or adjustment by any Governmental Authority challenging the Tax Allocation, as applicable. Each Party shall promptly notify the other upon receipt of notice of any pending or threatened Tax audit or assessment challenging the Tax Allocation. Notwithstanding any other provision of this Agreement, the terms and provisions of this Section 3.06 shall survive the Closing without limitation.

ARTICLE IV.
REPRESENTATIONS AND WARRANTIES OF SELLERS

The Sellers hereby represent and warrant to Purchaser as follows:

4.01 Legal Existence. Each Seller is duly formed, validly existing and in good standing under the Laws of the state of its formation. Each Seller is duly qualified or licensed to do business and is in good standing in the states in which the conduct of its business or locations of its assets and properties makes such qualification or license necessary. Each Seller has all requisite limited liability company or corporate power and authority, as applicable, to execute, deliver and perform its obligations under this Agreement and the other Transaction Documents.

4.02 Authority. The execution and delivery by Sellers of, and the performance by Sellers of its obligations under, this Agreement and the other Transaction Documents and the consummation by Sellers of the Transactions have been duly and validly authorized by all necessary action under each Seller's Organizational Documents and by order of the Bankruptcy Court, subject to entry of the Approval Order. This Agreement has been, and the other Transaction Documents delivered by Sellers at Closing when executed and delivered at Closing shall be, duly and validly executed and delivered by Sellers and, subject to entry of the Approval Order and assuming the due authorization, execution and delivery thereof by all other parties thereto, constitute the legal, valid and binding obligation of Sellers enforceable against Sellers in accordance with its and their respective terms.

4.03 No Conflicts; Consents and Approvals. Subject to entry of the Approval Order, none of the execution and delivery by Sellers of this Agreement or any other Transaction

Document, the performance by Sellers of its obligations under any Transaction Document, or the consummation by Sellers of the Transactions does or will:

(a) violate, conflict with or constitute a default under the Organizational Documents of any Seller;

(b) assuming the Material Consents listed in Schedule 4.03 are duly obtained, require any Material Consent applicable to Sellers, or breach, violate or result in a default under any Acquired Contract or otherwise constitute a default (with or without notice or lapse of time or both) under, or conflict with, or cause any acceleration of any obligation of any Seller under any agreement, indenture, or other instrument to which any Seller is or the Acquired Assets are bound or reasonably be expected to have a Material Adverse Effect; or

(c) violate in any material respect any Order or any Law applicable to the Sellers.

4.04 Compliance with Laws. Except as set forth in Schedule 4.04, to the Knowledge of Sellers, Sellers are in compliance with all Laws applicable to the Acquired Assets, including the ownership and operation thereof. No Seller has received written notice from any Governmental Authority or other Person alleging non-compliance with any Laws applicable to the ownership and/or operation of the Acquired Assets (other than Taxes to the extent disclosed on Schedule 4.10 or Environmental Laws to the extent disclosed on Schedule 4.11), the subject of which has not been resolved.

4.05 Legal Proceedings. Except for the Bankruptcy Cases and for matters set forth in Schedule 4.05:

(a) There are no Proceedings pending or, to the Knowledge of Sellers, threatened against Sellers or their respective Affiliates by or before any Governmental Authority that relate to (i) the Acquired Assets or (ii) the execution and delivery of this Agreement by Sellers or the consummation by Sellers of the Transactions.

(b) There are no Orders outstanding against Sellers or any of their respective Affiliates relating to the Acquired Assets, other than, in each case, Orders of general applicability.

4.06 Leases and Easements. To the Knowledge of Sellers, with respect to the Casitas Pier Lease and the Easements: (a) all rental payments and other lease payments or other amounts due and payable by Sellers with respect to such instruments or any related agreements are current, and (b) Sellers are not in violation or breach of or in default under any such instrument (and no event has occurred that with or without the giving of notice, the lapse of time or both would constitute a default thereunder).

4.07 Title to Acquired Assets. Except as set forth in Schedule 4.07, Sellers have good and marketable title to all of the Acquired Assets, free and clear of all Liens other than Permitted Encumbrances and, upon and pursuant to delivery of the Deed and to the Bill of Sale at Closing, Sellers shall deliver good and marketable title to Purchaser as to all of the Acquired Assets, free and clear of all Liens other than Permitted Encumbrances. None of the

Acquired Assets are co-owned by, or otherwise owned or operated pursuant to a joint venture arrangement with, any Person other than Sellers.

4.08 Operation of Assets. As of the Closing Date, none of the Acquired Assets are involved in or otherwise being operated in support of, the exploration for, or the production, processing, storage or transportation of, oil or gas extracted from offshore reserves, for commercial purposes (other than purposes related to shut-down or decommissioning), other than the third party use of the Casitas Pier pursuant to the leases set forth on Disclosure Schedule 4.08.

4.09 Contracts.

(a) Sellers have made available to Purchaser true and complete copies of all Acquired Contracts, including all amendments, waivers or other changes thereto. Each Acquired Contract is in full force and effect and constitutes a legal, valid and binding obligation of the applicable Seller, enforceable in accordance with its terms. No Seller nor, to the Knowledge of Sellers, any other party to any Acquired Contract is in violation or breach of or in default under (and no event has occurred that with or without the giving of notice, the lapse of time or both would constitute a default under) any such Contract.

(b) Disclosure Schedule 4.09 lists all Material Contracts in effect as of the Execution Date, to which any Seller is a party or by which any Seller's interests in the Acquired Assets are bound. To Sellers' Knowledge, (a) all Material Contracts are in full force and effect, and (b) except for the Bankruptcy Cases, no default or breach (or event that, with notice or lapse of time, or both, would become a default or breach) of any Material Contract has occurred or is continuing on the part of any Seller. Except in connection with the Bankruptcy Cases, no Seller has received a written notice of any unresolved breach under any Material Contract. Sellers have made available to Purchaser complete and accurate copies of all Material Contracts, and any and all amendments, schedules and/or exhibits thereto

4.10 Taxes. Except as set forth in Schedule 4.10:

(a) Sellers have duly and timely filed, or caused to be duly and timely filed, all Tax Returns for Non-Income Taxes relating to the Acquired Assets required to be filed by Sellers with an applicable Governmental Authority. All such Tax Returns are, and were when filed, true, correct and complete in all material respects;

(b) All Non-Income Taxes imposed on or with respect to the Acquired Assets by any Governmental Authorities have been paid and there are no liens on any of the Acquired Assets currently existing, pending or, to Sellers' Knowledge, threatened with respect to any Acquired Assets related to any unpaid Taxes;

(c) No Seller nor any of their respective Affiliates is a party to any audit, litigation or other Proceeding, nor, to the Knowledge of Sellers, is any audit, litigation or other Proceeding threatened for the assessment or collection of any Non-Income Tax relating to the Acquired Assets, and no written deficiency notice or report has been received by Sellers or any of their respective Affiliates in respect of any Non-Income Tax relating to the Acquired Assets;

(d) There are no outstanding agreements or waivers extending the statutes of limitation applicable to any Tax Return for Non-Income Taxes or a Non-Income Tax assessment or deficiency, in each case, relating to the Acquired Assets;

(e) All of the Acquired Assets have been properly listed and described on the property tax rolls for all periods prior to and including the Closing Date and no portion of the Acquired Assets constitutes omitted property for property tax purposes;

(f) Purchaser will not be held liable for any unpaid Taxes that are or have become due on or prior to the Effective Time as a successor or transferee, by statute, contract or otherwise, as a result of the transfer of the Acquired Assets pursuant to this Agreement; and

(g) none of the Acquired Assets is held by or is subject to any contractual arrangement between one or more of the Sellers, on the one hand, and any other Person, on the other hand, whether owning undivided interests therein or otherwise, that is classified as a partnership for United States federal tax purposes (a "Tax Partnership") and no transfer of any part of the Acquired Assets pursuant to this Agreement will be treated as a transfer of an interest or interests in any partnership for federal income tax purposes

4.11 Environmental Matters. Except as set forth on Schedule 4.11:

(a) To Sellers' Knowledge, Sellers' ownership and operation of the Acquired Assets are in material compliance with applicable Environmental Laws;

(b) Sellers possess, and, to the extent applicable, have timely filed application(s) to renew, and are in material compliance with all Permits required under applicable Environmental Laws for the ownership or operation of the Acquired Assets;

(c) With respect to Sellers' operation of the Acquired Assets, no Seller has received any written notice alleging non-compliance with or violation of applicable Environmental Law from any Governmental Authority or other Person, the subject of which is unresolved;

(d) There is no Proceeding or Order pending, outstanding, or, to the Sellers' Knowledge, threatened against any Seller pursuant to Environmental Law with respect to the Acquired Assets or any Seller's operation of the Acquired Assets;

(e) To Sellers' Knowledge, during the period of Sellers' ownership and operation of the Acquired Assets, there has been no Release of Hazardous Substances into the environment at, on, under, to or from the Acquired Assets or any other property for which applicable Environmental Law requires notice, further investigation or response action by Sellers; and

(f) Sellers have made available to Purchaser, in written or electronic format, all significant environmental site assessments, audit reports, studies and analyses in the possession or control of any Seller addressing potentially material Liabilities or obligations pertaining to Hazardous Substances or Environmental Law in relation to the Acquired Assets.

4.12 Permits. To the Knowledge of Sellers, except as set forth in Schedule 4.12, the Acquired Permits constitute all of the Permits required for the ownership, occupancy, and operation of the Acquired Assets as currently owned, occupied, and operated. Except where indicated as a pending application on Exhibit A-7, each Acquired Permit is valid and in full force and effect and is held by Sellers. To the Knowledge of Sellers, no event has occurred that would reasonably be expected to cause the revocation, suspension, limitation or termination of, or the adverse modification or impairment in any material respect to, any Acquired Permit. To the Knowledge of Sellers, except as set forth in Schedule 4.12, Sellers and their respective Affiliates are in material compliance with the Acquired Permits.

4.13 Brokers. Neither Seller nor any of Sellers' Affiliates has employed an agent, broker, finder, investment or commercial banker, or any other Person, in connection with this Agreement or any of the Transactions in a manner that would give rise to any broker's, finder's or similar fee, commission or payment payable by Purchaser or any of its Affiliates.

4.14 Preferential Purchase Rights. There are no Preferential Purchase Rights to which any of the Acquired Assets are subject that would be triggered by this Agreement or to which a notice would be required under the terms thereof due to the Parties entering into this Agreement.

4.15 Intellectual Property. Sellers do not own, hold, license or otherwise use any intellectual property, including any copyrights, patents and trademarks, in the ownership and operation of the Acquired Assets or otherwise related to or used in connection therewith.

4.16 Casualty Losses. Since January 1, 2016, there has been no condemnation, seizure, damage, destruction or other Casualty Loss (whether or not covered by insurance) affecting any of the Acquired Assets or any Seller which has not subsequently been completely repaired, replaced or restored.

4.17 Insurance and Bonds. Schedule 4.17 sets forth a true, correct and complete list of all insurance policies of Sellers which insure any of Sellers or any of the Acquired Assets ("Seller Current Insurance"), and a true, correct and complete list of all letters of credit, surety bonds and performance bonds required to be obtained by Sellers (or any of them) in connection with the ownership or operation of the Acquired Assets ("Seller Credit Obligations"). All Seller Current Insurance and Seller Credit Obligations are in full force and effect, all premiums or fees with respect thereto covering all periods up to and including the Closing have been paid, and no notice of cancellation or termination has been received with respect to any such insurance policy, letter of credit or bond.

4.18 Required Notices. Sellers have complied in all material respects with all notice provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and any applicable local rules and chambers rules of the Bankruptcy Court to the extent related to the Transactions, including the purchase and sale of the Acquired Assets contemplated hereunder. Without limiting the generality of the foregoing, prior to the Closing, Sellers will have delivered adequate notice of the sale of the Acquired Assets free and clear of all Encumbrances to each Person entitled to receive such notice pursuant to the bid procedures order. For clarity, the Parties agree that the foregoing includes, but is not limited to, the delivery of notice to the

following Persons: (a) each Person who is the beneficiary of or a holder of any Encumbrance in and to any of the Acquired Assets; (b) each counterparty to each of the Acquired Contracts, the Casitas Pier Lease, the Easements, and each of the Excluded Contracts; (c) each Person holding or asserting any Preferential Purchase Right in the Acquired Assets or to whom there are owed any amounts relating thereto; (d) each Person who is the holder or other beneficiary of any revenue interest, net profit interests or other income or profits interest or right in any of the Acquired Assets, or any similar interest burdening any of the Acquired Assets; (e) each Person having a right to consent to the transactions contemplated by this Agreement; and (f) each Governmental Authority with jurisdiction in respect of any Seller or the Acquired Assets.

4.19 Regulatory Matters. At Closing, none of the Acquired Assets will be engaged in the transportation of natural gas, crude oil, natural gas liquids or other hydrocarbons in interstate commerce or operated or used in a manner that would subject any Third Party operator of the Acquired Assets or any future owner of the Acquired Assets to the jurisdiction of, or regulation: (a) by the Federal Energy Regulatory Commission (i) as a natural gas company under the Natural Gas Act of 1938 (other than pursuant to a certificate of limited jurisdiction as described below), or (ii) as a common carrier pipeline under the Interstate Commerce Act; (b) by the State of California, as a gas utility, common carrier or public utility; or (c) otherwise by the CPUC. No Seller acquired any of the Acquired Assets through the use or threatened use of eminent domain or condemnation.

ARTICLE V.
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to Sellers as follows:

5.01 Legal Existence. Purchaser is a corporation duly organized and validly existing under the laws of the State of Pennsylvania. Purchaser is duly qualified to do business and is in good standing in the states in which the conduct of its business or locations of its assets and properties makes such qualification or license necessary, except where failure to be so qualified or licensed or to be in good standing would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on Purchaser's ability to perform its obligations hereunder. Purchaser has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement and the other Transaction Documents.

5.02 Authority. The execution and delivery by Purchaser of, and the performance by Purchaser of its obligations under, this Agreement and the other Transaction Documents and the consummation by Purchaser of the Transactions have been duly and validly authorized by all necessary action on the part of Purchaser. This Agreement has been, and the other Transaction Documents delivered by Purchaser at Closing when executed and delivered at Closing shall be, duly and validly executed and delivered by Purchaser and, assuming the due authorization, execution and delivery thereof by Sellers, constitute the legal, valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its and their respective terms, except as the same may be limited by (i) bankruptcy, insolvency, reorganization, moratorium and other similar Laws of general application affecting the rights and remedies of creditors and (ii) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

5.03 No Conflicts; Consents and Approvals. Subject to entry of the Approval Order, none of the execution and delivery by Purchaser of this Agreement or any other Transaction Document, the performance by Purchaser of its obligations under any Transaction Document, or the consummation by Purchaser of the Transactions does or will:

(a) violate, conflict with or constitute a default under the Organizational Documents of Purchaser; or

(b) (i) violate or result in a breach of any Law applicable to Purchaser, except for any such violation or default that would not reasonably be expected to result in a material adverse effect on Purchaser's ability to perform its obligations hereunder, (ii) violate or result in a default under any Contract to which Purchaser is a party, except for any such violation or default that would not reasonably be expected to result in a material adverse effect on Purchaser's ability to perform its obligations hereunder, or (iii) require any consent or approval of any Governmental Authority under any Law applicable to Purchaser, other than in each case any such consent or approval which, if not made or obtained, would not reasonably be expected to result in a material adverse effect on Purchaser's ability to perform its obligations hereunder.

5.04 Legal Proceedings. Except for the Bankruptcy Cases and as set forth in Schedule 5.04: (a) there are no Proceedings pending or, to the Knowledge of Purchaser, threatened against Purchaser before any Governmental Authority that relate to the execution and delivery of this Agreement by Purchaser or the consummation by Purchaser of the Transactions, in each case that, individually or in the aggregate, would reasonably be expected to result in a material adverse effect on the ability of Purchaser to perform its obligations under this Agreement or to consummate the Transactions; and (b) there are no Orders outstanding against Purchaser or any of its Affiliates except to the extent the same would not reasonably be expected to adversely affect the ability of Purchaser to perform its obligations under this Agreement or to consummate the Transactions.

5.05 Investment Representations. Purchaser is an investor experienced (or owned or managed by Persons experienced) in evaluating investments and, in particular (either on its own or with advisors), natural gas pipelines and related assets, and has the knowledge, experience and resources to enable it to evaluate and to bear the risks of the acquisition of the Acquired Assets. Purchaser is acquiring the Acquired Assets for its own account, and not with a view toward or for sale associated with any distribution thereof, nor with any present intention of making a distribution thereof within the meaning of the Securities Act of 1933, as amended, any applicable state securities or blue sky Laws or any other applicable securities Law.

5.06 Capacity. Purchaser has, as of the Effective Date and will continue to have at all times prior to and at the Closing, sufficient cash or other sources of immediately available funds to enable Purchaser to make payment of all cash amounts required to be paid by Purchaser pursuant to the Transaction, on and after the Closing, including all applicable cure costs. Purchaser as of the Closing will be capable of satisfying the conditions contained in Sections 365(b)(1)(C) and 365(f) of the Bankruptcy Code with respect to the Assumed Contracts and the other Acquired Assets assigned pursuant to the Transaction. Purchaser is a "good faith" purchaser, as such term is used in the Bankruptcy Code and the court decisions thereunder.

Purchaser is entitled to the protections of Sections 363(m) and 363(n) of the Bankruptcy Code with respect to all of the Acquired Assets.

5.07 Brokers. Neither Purchaser nor any of its Affiliates has employed an agent, broker, finder, investment or commercial banker, or any other Person, in connection with this Agreement or any of the Transactions in a manner that would give rise to any broker's, finder's or similar fee, commission or payment payable by Sellers or any of their respective Affiliates.

ARTICLE VI.
INTERIM PERIOD COVENANTS

6.01 Access of Purchaser.

(a) During the Interim Period, Sellers will provide Purchaser and its Representatives with reasonable access to all Acquired Assets, including the Carpinteria Plant, the Casitas Assets, Rig 11 and the Records, upon reasonable prior notice and during normal business hours, but only to the extent that such access (i) does not unreasonably interfere with the business of Sellers or their respective Affiliates, and (ii) is reasonably related to Purchaser's obligations and rights hereunder. Notwithstanding anything to the contrary in this Section 6.01, Purchaser shall have no right of access to, and neither Sellers nor any of their respective Affiliates shall have any obligation to provide Purchaser with access: (x) to any information relating to bids or offers received from others in connection with the Transactions or information and analysis (including financial analysis) relating to such bids or offers, (y) information the disclosure of which could reasonably be expected to (1) jeopardize any privilege available to Seller or any of its Affiliates, (2) cause any Seller or any of its Affiliates to breach a Contract, or (3) result in a violation of Law; or (z) to Excluded Records.

(b) During the Interim Period, Purchaser may, at its option, cause a Phase I environmental assessment of all or any portion of the Acquired Assets to be conducted by a reputable environmental consulting or engineering firm (the "Environmental Consultant") and such Environmental Consultant may conduct visual inspections, record reviews, and interviews relating to the Acquired Assets, including their condition and their compliance with Environmental Laws (collectively the "Assessment"). Purchaser may not conduct a Phase II environmental site assessment, without the prior written consent of Seller. Purchaser shall coordinate the Assessment with Sellers to minimize any inconvenience to or interruption of the conduct of business by Sellers and their respective Affiliates. Purchaser shall and shall cause its Representatives to observe and comply with all applicable environmental health, safety and security requirements of Sellers during any site visits to Sellers' facilities in conjunction with an Assessment. The Assessment shall be conducted at the sole risk, cost and expense of Purchaser. All information or data obtained under this Section 6.01(b) shall be subject to the Confidentiality Agreement.

(c) PURCHASER AGREES TO REIMBURSE AND INDEMNIFY AND HOLD HARMLESS SELLERS, THEIR RESPECTIVE AFFILIATES AND ITS AND THEIR RESPECTIVE REPRESENTATIVES FOR ANY AND ALL LOSSES INCURRED BY SELLERS, THEIR RESPECTIVE AFFILIATES OR ANY OF THEIR RESPECTIVE

REPRESENTATIVES ARISING OUT OF THE ACCESS RIGHTS UNDER THIS SECTION 6.01, TO THE EXTENT RELATING TO ANY INJURIES, CONTAMINATION OR PROPERTY DAMAGE CAUSED OR EXACERBATED BY PURCHASER OR ITS REPRESENTATIVES WHILE PRESENT ON SELLERS' PROPERTY DURING THE INTERIM PERIOD FOR THE PURPOSES OF CONDUCTING THE REVIEW AND ASSESSMENT CONTEMPLATED UNDER SECTIONS 6.01(a) AND (b), RESPECTIVELY.

6.02 Conduct of Business. During the Interim Period, unless Purchaser shall otherwise consent in writing, which consent shall not be unreasonably withheld, conditioned or delayed, and except for (a) actions required by Law, (b) actions required or permitted by this Agreement or any other Transaction Document or necessary to consummate the Transactions and expressly contemplated hereunder or thereunder, and (c) reasonable actions taken in response to an emergency or an event of force majeure and promptly disclosed in writing to Purchaser, Sellers shall maintain the Acquired Assets in a reasonably prudent manner, in each case subject to the other obligations set forth in this Agreement and in particular Section 6.04. Notwithstanding the foregoing or the other provisions pertaining to the Interim Period hereunder, the Parties acknowledge and agree that Purchaser will have no direct oversight or operational control over Sellers' management of the Acquired Assets or the Excluded Assets during the Interim Period.

6.03 Certain Restrictions – Acquired Assets. Without limiting the generality of Section 6.02, during the Interim Period, with respect to the Acquired Assets, except as permitted or required by the other terms of any Transaction Document (including Section 6.04), or as expressly required by the terms of any Permit or Contract, or under the Law (including an order of the Bankruptcy Court), or as otherwise described in Schedule 6.03, or consented to or approved in writing by Purchaser, which consent or approval will not be unreasonably withheld, conditioned or delayed, Sellers shall not:

(a) (i) amend, supplement or otherwise modify in any material respect, or terminate or renew or extend any Acquired Contract or any Material Contract, or (ii) waive any material default by, material term of or material right against any other party to an Acquired Contract;

(b) enter into any Contract that will constitute an Acquired Contract;

(c) create or permit any Lien (other than a Permitted Encumbrance) against any of the Acquired Assets;

(d) sell, transfer, convey or otherwise dispose of any Acquired Assets other than used materials in the ordinary course of business;

(e) incur any obligation for borrowed money secured by the Acquired Assets or guarantee any obligation of any Person with the Acquired Assets;

(f) subject to Section 6.04, institute, settle or agree to settle any material Proceeding pending or threatened before any arbitrator, court or other Governmental Authority primarily related to the Acquired Assets, except to the extent the outcome of which would not (i) require or involve any post-Closing investigation or remediation

relating to the Acquired Assets or (ii) have a material and adverse effect upon Purchaser's ownership, operation or use of, or the value of, the Acquired Assets, after the Closing;

(g) seek to assume and assign the 1998 PSA or the 1999 Guaranty in the Bankruptcy Cases, in whole or in part, in connection with any transaction or otherwise; or

(h) agree or commit to do any of the foregoing or take any action that is intended to (or that is reasonably likely to) result in, or fail to take any commercially reasonable action, the intent (or the reasonably likely result) of which such failure to act is to cause any of the foregoing to become expressly required under the terms of any Permit or Contract or under the Law (including an order of the Bankruptcy Court).

6.04 Certain Affirmative Covenants – Acquired Assets. Subject to the terms and conditions of this Agreement, each Party (i) shall exercise its commercially reasonable efforts, proceed diligently and in good faith, and cooperate with the other Party and its Affiliates and Representatives to satisfy each condition that it is required to satisfy contained in Article VIII or Article IX, as applicable, of this Agreement and (ii) shall not, and shall not permit any of its Affiliates or Representatives to, take or fail to take any action that would reasonably be expected to result in the non-fulfillment of any such condition. Without limiting the generality of the foregoing or of Section 6.02, during the Interim Period, with respect to the Acquired Assets and, as applicable, the Transaction, the relevant Parties shall endeavor and complete the following:

(a) *Document Production*. Immediately following the Execution Date, in addition to Sellers obligation to deliver the Records at Closing, Sellers will make available to Purchaser copies of all permits, plans, compliance records and critical files in the possession or control of Venoco and related to the Excluded Upstream Assets, the Excluded Midstream Asset and the Acquired Assets. In accordance with, but without limitation of, the foregoing, Sellers will provide to Purchaser with respect to such assets: (1) a listing of all such permits and plans associated with past and ongoing operations, future critical compliance dates and reporting required under all permits; (2) a listing of all such records (well, platform, pipeline, federal unit, offshore state waters, and onshore plant) that support operations of the pipelines, facilities, infrastructure and wells; and (3) such maintenance, testing and inspection records with compliance data in support of past and ongoing operations and permits; including all of the documents outlined in Schedule 6.04(a);

(b) *Rejection and Relinquishment of Leases*. On October 24, 2017, the Bankruptcy Court has entered an order authorizing the rejection of the Excluded Leases set forth on Schedule 6.04(b) (the "Rejected Leases"). Prior to Closing, (i) Sellers shall take the steps necessary under the Bankruptcy Code to effect the rejection of the Rejected Leases in the Bankruptcy Cases (the "SCU Lease Rejection"); and (ii) Sellers shall take all the steps required under applicable Law to relinquish the Rejected Leases to the United States Bureau of Ocean Energy Management ("BOEM") and the Bureau of Safety and Environmental Enforcement ("BSEE"), including providing notice of the SCU Lease Rejection (the "SCU Lease Relinquishment").

(c) *Bankruptcy – Approval Order*. By November 13, 2017, the Parties shall submit an agreed motion (the "Sale Motion") to the Bankruptcy Court requesting it to issue an order (the "Approval Order"), containing the following: (i) approval of this Agreement; (ii) rejection of the 1998 PSA and the 1999 Guaranty by Sellers and any of their relevant Affiliates, contingent upon the occurrence of Closing under this Agreement (including any Closing where the Casitas Pier Assets are not assigned at Closing due to failure to obtain the Casitas Assignment Consent); and (iii) to the extent not already approved by prior order, anything necessary pursuant to Section 6.04(b) for the SCU Lease Rejection. Subject to the preceding requirement, the Approval Order shall be subject to Purchaser's reasonable approval as to final content and form prior to submission thereof. In the event an appeal is taken or a stay pending appeal is requested from the Approval Order, Sellers (at Purchaser's expense) shall oppose such appeal or stay, defend against the same and will promptly notify Purchaser of such appeal or stay request and shall promptly provide to Purchaser a copy of the related notice of appeal or Order of stay. Sellers shall also provide Purchaser with written notice of any motion or application filed in connection with any appeal from either of such Orders. For the avoidance of doubt, the Parties recognize and acknowledge that the Approval Order may be part of, or contained within the same order as, the Carpinteria Station Approval Order.

(d) *Cessation of Production*. (i) Within three (3) days following the Execution Date, Sellers shall diligently seek to initiate shut down of production operations on the Santa Clara Unit (including by shut-in of the Excluded Wells) and any related operations in support of such production on any of the Excluded Upstream Assets, the Excluded Midstream Assets or the Acquired Assets, and (ii) prior to Closing, Sellers shall have completed such production shut-down contemplated under item (i), subject to any ongoing activity expressly contemplated under the Interim Agreement or under any Acquired Contracts (completion of such production shut down referred to as the "SCU Asset Shut Down"). Purchaser will have no oversight or operational control over Seller's activities in conjunction with conducting the SCU Asset Shut Down and neither Sellers nor Purchaser will have any type of agency, partnership, or joint venture relationship with each other relating thereto. The Parties agree that the shut-in of the Excluded Wells shall qualify as the condition to be achieved under Sections 2 and 13 of the Interim Agreement in order to trigger reimbursement by Purchaser for the "Warm Stack Services" under Section 13 of the Interim Agreement.

(e) *Permit Transfer*. In addition to Sellers obligation to deliver the Permits, Easements and Contracts in conjunction with Closing hereunder, during the Interim Period and following Closing as applicable, Sellers (i) will identify to Purchasers all permits, plans, easements, rights-of-way or existing regulatory approvals applicable to ongoing operations as allowed by federal and state law that are necessary for decommissioning activities; (ii) will make available to Purchaser and provide copies to Purchasers of any pending or current applications or other pending approvals relating to such permits, plans, easements, rights-of-way or regulatory approvals that are in the regulatory process or that are to be applied for by Sellers; (iii) will advise Purchaser of any upcoming or pending expiration dates of any such permits, plans, easements, rights-of-way or regulatory approvals required in support of the operation of facilities (whether Acquired Assets or Excluded Assets); and (iv) will provide commercially reasonable

support to Purchaser to facilitate the transfer of any such permits, plans, easements, rights-of-way or regulatory approvals, including participating in meetings with regulators (federal, state, county, city, etc.) as deemed necessary and requested by Purchaser.

(f) *Other Required Approvals.* Subject to the foregoing subparts of this Section 6.04, prior to Closing, Purchaser shall seek to complete critical filings, provide and maintain required, material financial assurances, and procure all critical Permits, in each case, as may be required by any relevant Governmental Authority for the proper ownership and operation by Purchaser of the Acquired Assets from and after Closing (collectively, "Purchaser Required Permits").

6.05 Insurance. Prior to Closing, Sellers and their respective Affiliates shall keep, acquire and otherwise maintain the insurance policies described on Schedule 6.05 for the benefit of the Acquired Assets ("Seller Maintained Insurance").

6.06 Updates of Schedules. During the Interim Period, each Seller shall promptly notify Purchaser in writing of any event, condition, fact or circumstance occurs or arises after the date of this Agreement and that requires any change in the disclosure Schedules, assuming the disclosure Schedule were dated as of the date of the occurrence, existence or discovery of such event, condition, fact or circumstance ("Updated Schedules").

ARTICLE VII.
OTHER COVENANTS

7.01 Insurance. Following Closing, Sellers and their respective Affiliates shall maintain the Seller Maintained Insurance in force and effect with respect to the Excluded Upstream Assets, the Excluded Midstream Assets and the Acquired Assets until the later of (i) Sellers ceasing to maintain a physical presence on the applicable asset(s) and the closing of the applicable sale relating thereto, or (ii) Sellers ceasing to maintain a physical presence on the applicable asset(s) and the abandonment of the applicable asset(s).

7.02 Tax Matters.

(a) In the event that any Transfer Taxes are imposed on the Transactions, all such Transfer Taxes incurred in connection with this Agreement, the other Transaction Documents or the Transactions shall be borne by Purchaser. Sellers and Purchaser shall cooperate in timely making all filings, returns, reports and forms as may be required in connection with the payment of such Transfer Taxes. Purchaser will cause such Transfer Taxes to be timely paid to the applicable Governmental Authority. Sellers and Purchaser, as appropriate shall execute and deliver all instruments and certificates reasonably necessary to enable the other to comply with any filing requirements relating to any such Transfer Taxes. In preparing and reviewing such Tax Returns, the Parties shall cooperate to resolve any disagreement between them or with any Governmental Authority related to such Tax Returns.

(b) Sellers shall be responsible for any Tax paid or payable with respect to the Acquired Assets that is attributable to a Pre-Closing Tax Period. Purchaser shall be responsible for any Tax with respect to the Acquired Assets that is attributable to a Post-Closing Tax Period. With respect to a Straddle Period, Sellers and Purchaser shall determine the Tax

attributable to the portion of the Straddle Period that ends on the day immediately before the Closing Date by an interim closing of the books as of the day immediately before the Closing Date, except for ad valorem or property Taxes, which should be allocated to the Sellers based on the number of days in the Straddle Period ending on the day immediately before the Closing Date, and to the Purchaser based on the number of days in the Straddle Period beginning on the Closing Date. In determining whether a property Tax is attributable to a Pre-Closing Tax Period or a Straddle Period (or portion thereof), any property Tax shall be deemed a property Tax attributable to the taxable period specified on the relevant property Tax bill. Prior to Closing, Sellers will deliver a good faith estimate of the unpaid property Tax (whether or not due and payable) for the Acquired Assets that is attributable to the Sellers' portion of the Straddle Period (such amount, the "Tax Adjustment").

(c) Any refund received for Taxes paid or payable with respect to the Acquired Assets shall be promptly paid (or to the extent payable but not paid due to offset against other Taxes shall be promptly paid by the Party receiving the benefit of the offset) as follows: (i) to Sellers, if attributable to Taxes with respect to any Pre-Closing Tax Period; and (ii) to Purchaser, if attributable to Taxes with respect to any Post-Closing Tax Period.

(d) From and after Closing, Purchaser and Sellers agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Acquired Assets (including access to books and records and Tax Returns and related working papers dated before Closing) as is reasonably necessary for the filing of all Tax Returns, the making of any election relating to Taxes, the preparation for any audit by any taxing authority, the prosecution or defense of any claims, suit or proceeding relating to any Tax, and the claiming by Purchaser of any federal, state or local business tax credits or incentives that Purchaser may qualify for in any of the jurisdictions in which any of the Acquired Assets are located; *provided*, *however*, that neither Purchaser nor Sellers shall be required to disclose the contents of their respective income Tax Returns to any Person. Any expenses incurred in furnishing such information or assistance pursuant to this Section 7.02(d) shall be borne by the Party requesting it.

7.03 Post-Closing Books and Records and Personnel.

(a) No later than three (3) Business Days after the Closing Date, Sellers shall make available to Purchaser copies of all Records for pickup or copying, at Purchaser's option and expense, during normal business hours.

(b) For five (5) years after the Closing Date (or such longer period as may be required by any Governmental Authority or ongoing claim, including any Bankruptcy Court requirements pertaining to Sellers), (i) Purchaser shall not dispose of or destroy any of the Records received by Purchaser as Acquired Assets and (ii) Purchaser shall allow Sellers (including, for clarity, any trust established under a Chapter 11 plan of Sellers or any other successors of Sellers) and its Representatives reasonable access during normal business hours, at Sellers' sole expense and upon reasonable advance notice, to any Records included in the Acquired Assets for purposes relating to the Bankruptcy Cases, the wind-down of the operations of Sellers or any such trusts or successors and Sellers (including any such trust or successors) and such directors, officers, employees, counsel, representatives, accountants and auditors shall

have the right to make copies of any such Records for such purposes. Until the closing of the Bankruptcy Case or the liquidation and winding up of Sellers' estate, Sellers may keep a copy of the Records and, at Purchaser's sole expense, shall make all records, and Sellers' personnel available to Purchaser and its Representatives as may be reasonably required by Purchaser in connection with, among other things, any insurance claims by, Proceedings, Actions or Tax audits against, or governmental investigations of, Purchaser or any of its Affiliates or in order to enable Purchaser to comply with its obligations under this Agreement and each other Transaction Document. In the event any Party desires to destroy any such Records prior to the time during which they must be maintained pursuant to this Section 7.05(b), such Party shall first give ninety (90) days prior written notice to the other Party and such other Party shall have the right at their option and expense, upon prior written notice given within such ninety (90) day period to the Party desiring to destroy such Records or records, to take possession of the Records within one hundred and eighty (180) days after the date of such notice, or such shorter period as the liquidation and winding up of Seller's estate shall permit. Except as required by Laws or to the extent required to enforce its rights with respect to the Excluded Liabilities, from and after the Closing, each Seller shall and shall cause its Affiliates and its and their respective Representatives to keep confidential and not use the Records and any files and records that would have been included in the Records but for the failure to obtain a material Third Party consent.

7.04 Casualty.

(a) If, after the Effective Date and prior to the Closing, a part of the Acquired Assets suffers a Casualty Loss or if a part of the Acquired Assets is taken in condemnation or under the right of eminent domain or if Proceedings for such purposes are pending or threatened, Sellers shall promptly give Purchaser written notice of such occurrence, including reasonable particulars with respect thereto, and this Agreement shall remain in full force and effect notwithstanding any such Casualty Loss.

(b) No insurance or condemnation proceeds shall be committed or applied by Sellers to repair, restore or replace a lost, damaged, destroyed or taken portion of the Acquired Assets, individually or when combined with all other lost, damaged, destroyed or taken portions of the Acquired Assets. Sellers shall at the Closing pay to Purchaser all sums paid to Sellers by reason of such loss, damage, destruction or taking or, to the extent any such sums have not been paid to Sellers by Closing, Sellers shall transfer to Purchaser, at the Closing, without recourse against Sellers, all of the right, title and interest of Sellers in and to any unpaid insurance or condemnation proceeds and other rights against Third Parties arising out of such loss, damage, destruction or taking, less any reasonable Third Party costs and expenses incurred by Sellers in collecting such proceeds.

(c) At the Closing, the Acquired Assets affected by a Casualty Loss or condemnation shall be included in the Closing and Purchaser shall pay the full Allocated Value therefor and Purchaser's recourse with respect to a condemnation or Casualty Loss shall be limited to the proceeds of Sellers' applicable insurance coverage actually recovered by Sellers in respect thereof or other sums paid to Sellers by Third Parties (or an assignment of claims related thereto), which proceeds or other sums shall be payable to Purchaser upon the Closing of the transaction contemplated hereby.

7.05 No Successor Liability. The Parties intend that, except where expressly prohibited under Law, upon the Closing, Purchaser shall not be deemed to: (i) be the successor of Sellers, (ii) have, de facto, or otherwise, merged with or into Sellers, (iii) be a mere continuation or substantial continuation of Sellers or the enterprise(s) of Sellers, or (iv) be liable for any acts or omissions of Sellers in the conduct of the business of Sellers or arising under or related to the Acquired Assets other than as set forth in this Agreement. Without limiting the generality of the foregoing, and except as otherwise provided in this Agreement, the Parties intend that Purchaser shall not be liable for any Encumbrances (other than Assumed Liabilities) against Sellers or any of their predecessors or Affiliates, and Purchaser shall have no successor or vicarious liability of any kind or character whether known or unknown as of the Closing Date, whether now existing or hereafter arising, or whether fixed or contingent, with respect to the business of Sellers, the Acquired Assets or any Liabilities of Sellers arising prior to the Closing Date. The Parties agree that the provisions substantially in the form of this Section 7.05 shall be reflected in the Approval Order.

7.06 Preferential Purchase Rights.

(a) Unless notice has been previously provided by Sellers that is sufficient, in all respects, with the Bankruptcy Code requirements, Sellers shall, within three (3) Business Days after the Effective Date, deliver to each holder of a Preferential Purchase Right a notice reasonably satisfactory to Purchaser (i) this Agreement, the proposed Approval Order and the sale notice, and (ii) informing such holder that it must submit a notice to Sellers by the Closing Date of such holder's intent to exercise or not exercise its Preferential Purchase Right at the Closing.

(b) All Acquired Assets that are subject to Preferential Purchase Rights shall be transferred or assigned to Purchaser at the Closing, and Purchaser shall take title to such Acquired Assets subject to such Preferential Purchase Rights. In the event any holder of a valid Preferential Purchase Right thereafter lawfully and timely exercises its Preferential Purchase Right, Purchaser shall assign such affected Acquired Assets to the holder of such Preferential Purchase Right, and such holder shall pay Purchaser all proceeds generated from the exercise of such Preferential Purchase Right.

7.07 Release of Encumbrances. Prior to Closing, Sellers shall obtain releases of any Encumbrance that secures any claims that any Person may have for goods and/or services secured by an Encumbrance (other than a Permitted Encumbrance) on the Acquired Assets with respect to which such goods and/or services were furnished or rendered, including any claims for goods and/or services rendered in connection with any Properties.

7.08 Pre-Effective Time Costs. Subject to the terms of the Interim Agreement, Sellers shall bear all Operating Costs or other costs associated with the Acquired Assets that were, in each case, incurred prior to the Effective Time. Should Purchaser, during the period after Closing, receive any invoice for any such pre-Effective Time costs, Purchaser shall forward such invoice to Sellers and Sellers shall pay such invoice promptly after receipt.

7.09 No Affiliate Interests. If, prior to Closing, any Seller or Purchaser obtains Knowledge that any Seller, or any Affiliate of a Seller, holds or owns any right, title or interest in

and to any right, interest, asset or property that if held or owned by any Seller as of the Effective Date would have constituted an Acquired Asset (an "Affiliate Interest"), then such Party shall promptly notify the other of the same and in writing and, unless otherwise directed by Purchaser in writing, Sellers shall, and shall cause such Affiliate to, convey such Affiliate Interest to Sellers prior to the Closing. Thereafter, such Affiliate Interest shall be an Acquired Asset for all purposes under this Agreement and the Approval Order.

7.10 Further Assurances. The Parties agree to (a) furnish upon request to each other such further information, (b) execute, acknowledge and deliver to each other such other documents (including, if reasonably requested by Purchaser, the obtaining by Sellers of further orders of the Bankruptcy Court) and (c) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and the Transaction Documents; provided that nothing in this Section 7.10 shall prohibit any Seller from ceasing operations or winding up its affairs following the Closing.

7.11 Approval Order. From and after the Effective Date and prior to the Closing or the termination of this Agreement in accordance with Section 11.01, neither Party shall take any action that is intended to (or that is reasonably likely to) result in, or fail to take any commercially reasonable action, the intent (or the reasonably likely result) of which such failure to act is to cause, the reversal, voiding, modification or staying of this Agreement in the Bankruptcy Cases, and neither Party shall take any action that is intended to (or that is reasonably likely to) result in, or fail to take any commercially reasonable action, the intent (or the reasonably likely result) of which such failure to act is to cause, the reversal, voiding, modification or staying of the Approval Order (once obtained) or this Agreement.

7.12 Use of Records and Other Information. From and after the Effective Date Purchaser and its Affiliates shall not use any Records or other information acquired from Sellers pursuant to this Agreement or any other Transaction Document against the Sellers or any Affiliate in any claim or dispute in front of any Governmental Authority, including in the Bankruptcy Cases, other than any claims or disputes arising from Purchaser's rights to enforce this Agreement or any other Transaction Document. The preceding sentence does not prohibit Purchaser from using such Records or other information that it may acquire from an ordinary discovery process related to such claim or dispute where Sellers would then have an opportunity to raise any defenses either may have.

7.13 Acknowledgement; Disclaimer. Except for Sellers' representations and warranties expressly set forth herein, including in Article IV (as modified by the Schedules) and in the other Transaction Documents, if applicable, the Parties acknowledge and agree that neither Sellers nor any other Person on its behalf, makes any other express or implied representation or warranty with respect to Sellers or the Acquired Assets and Sellers disclaim any other representations or warranties, whether made by Sellers or any other Person. Except for Sellers' representations and warranties expressly set forth herein and in the other Transaction Documents, if applicable, Purchaser disclaims reliance on any representations or warranties, either express or implied, by Sellers or any other Person provided to Purchaser or its Representatives during due diligence, including any representation or warranty expressed or implied in any oral, written or electronic response to any information request provided to Purchaser.

(b) Except for Purchaser's representations and warranties expressly set forth herein, including in Article V (as modified by the Schedules) and in the other Transaction Documents, if applicable, the Parties represent, warrant, acknowledge, and agree that neither Purchaser nor any other Person on its behalf, makes any other express or implied representation or warranty with respect to Purchaser and Purchaser disclaims any other representations or warranties, whether made by Purchaser or any other Person. Except for Purchaser's representations and warranties expressly set forth herein and in the other Transaction Documents, if applicable, Sellers disclaim reliance on any representations or warranties, either express or implied, by Purchaser or any other Person provided to Sellers or their respective Representatives during due diligence, including any representation or warranty expressed or implied in any oral, written or electronic response to any information request provided to Sellers.

(c) EXCEPT FOR AND SUBJECT TO THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH HEREIN AND IN THE OTHER TRANSACTION DOCUMENTS, IF APPLICABLE: (a) NONE OF SELLERS OR ANY OF THEIR RESPECTIVE AFFILIATES OR REPRESENTATIVES HAS MADE OR IS MAKING, AND SELLERS AND THEIR RESPECTIVE AFFILIATES SPECIFICALLY DISCLAIM AND NEGATE, AND PURCHASER HEREBY WAIVES, ANY LIABILITY OR RESPONSIBILITY FOR, ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, AT COMMON LAW, STATUTORY OR OTHERWISE, WRITTEN OR ORAL, INCLUDING ANY IMPLIED REPRESENTATION OR WARRANTY AS TO (i) THE CONDITION, VALUE, QUALITY, MERCHANTABILITY, USAGE, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, APPARENT OR LATENT DEFECTS OF ANY TYPE, PROSPECTS (FINANCIAL OR OTHERWISE) OR RISKS OR OTHER INCIDENTS OF THE ACQUIRED ASSETS, (ii) COMPLIANCE WITH APPLICABLE LAW AND/OR ANY REQUIREMENTS FOR ALTERATIONS OR IMPROVEMENTS TO COMPLY WITH APPLICABLE LAW (INCLUDING LAWS PERTAINING TO ZONING OR ENVIRONMENTAL LAWS), (iii) THE PRESENCE OR RELEASE OF HAZARDOUS SUBSTANCES AT OR FROM THE ACQUIRED ASSETS, OR (iv) ANY OTHER MATTER BEARING ON THE USE, VALUE OR CONDITION OF THE ACQUIRED ASSETS; AND (b) THE SALE OF THE ACQUIRED ASSETS IS BEING MADE "AS IS, WHERE IS, WITH ALL FAULTS". EXCEPT FOR AND SUBJECT TO THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH HEREIN AND IN THE OTHER

TRANSACTION DOCUMENTS, IF APPLICABLE, NONE OF SELLERS OR THEIR RESPECTIVE AFFILIATES OR REPRESENTATIVES MAKES ANY REPRESENTATION OR WARRANTY REGARDING THE INFORMATION SET FORTH IN ANY FINANCIAL PROJECTIONS, FORECASTS, ESTIMATES, OR FORWARD LOOKING STATEMENTS OF ANY KIND OR NATURE WHATSOEVER RELATING TO ANY OF THE ACQUIRED ASSETS, INCLUDING DURING MANAGEMENT PRESENTATIONS OR IN RESPONSES TO QUESTIONS SUBMITTED BY OR ON BEHALF OF PURCHASER.

ARTICLE VIII.
CONDITIONS TO OBLIGATIONS OF PURCHASER

The obligation of Purchaser to consummate the Closing is subject to the fulfillment of each of the following conditions (all or any of which may be waived in whole or in part by Purchaser in its sole discretion):

8.01 Representations and Warranties. The representations and warranties of Sellers contained in Article IV shall be true and correct in all material respects (excluding any representations and warranties already qualified by materiality, which shall be true and correct in all respects) as of the Closing Date (without considering the Updated Schedules) as though such representations and warranties were made on and as of the Closing Date (or, to the extent such representations and warranties expressly relate to a specific date, on and as of such date); *provided* that, in the event of a breach of or inaccuracy in the representations and warranties of Sellers set forth in this Agreement other than the Fundamental Representations, the condition set forth in this Section 8.01 shall be deemed satisfied with respect to such representations and warranties of Sellers (excluding the Fundamental Representations) unless the effect of all breaches of or inaccuracies in all representations and warranties of Sellers set forth in this Agreement (including the Fundamental Representations) would reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect. For the purposes of this Agreement, the term "Fundamental Representations" shall refer those representations and warranties of Seller set forth in the following Sections: 4.01 (Legal Existence), 4.02 (Authority), 4.03 (No Conflicts; Consents and Approvals), 4.05 (Legal Proceedings), 4.07 (Title to Acquired Assets), 4.10 (Taxes) and 4.13 (Brokers), 4.18 (Required Notices) and 4.19 (Regulatory Matters).

8.02 Performance. All of the Sellers shall have performed and complied in all material respects with the agreements, covenants and obligations required by this Agreement to be performed or complied with by Sellers at or before the Closing.

8.03 Officer's Certificate. Each Seller shall have delivered to Purchaser an officer's certificate, dated as of the Closing Date and executed by an authorized signatory of such Seller in the name and on behalf of Seller, certifying that all of the conditions set forth in Sections 8.01 and 8.02 have been satisfied as to Seller.

8.04 Orders and Laws. There shall not be in effect on the Closing Date any final, non-appealable Order or Law restraining, enjoining or otherwise prohibiting or making illegal the consummation of any of the Transactions (other than any such Order or Law resulting from a Proceeding instituted by Purchaser or its Affiliates).

8.05 Purchaser Required Permits. Purchaser shall have obtained all Purchaser Required Permits set forth on Schedule 8.05.

8.06 SCU Lease Relinquishment. The SCU Lease Rejection and the SCU Lease Relinquishment shall have been achieved and shall remain in effect.

8.07 Approval Order. The Approval Order shall have been submitted to, and approved by order of, the Bankruptcy Court; and (i) the Approval Order shall be in full force and effect and not subject to any stay, and (ii) the time to file an appeal, a motion for rehearing or reconsideration or a petition for writ of certiorari with respect to the Approval Order has expired and no such appeal, motion or petition is pending.

8.08 SCU Asset Shutdown. The SCU Asset Shutdown shall have been achieved.

ARTICLE IX.
CONDITIONS TO OBLIGATIONS OF SELLERS

The obligation of Sellers to consummate the Closing is subject to the fulfillment of each of the following conditions (all or any of which may be waived in whole or in part by Sellers acting as a group, in their sole discretion):

9.01 Representations and Warranties. The representations and warranties of Purchaser contained in Article V shall be true and correct in all material respects as of the Closing Date as though such representations and warranties were made on and as of the Closing Date (or, to the extent such representations and warranties expressly relate to an earlier date, on and as of such earlier date), except where the failure of such representations and warranties to be true and correct (in each case disregarding all qualifications and exceptions contained therein relating to materiality) does not and would not reasonably be expected to have a material adverse effect on the Purchaser's performance of any of its obligations and covenants hereunder that are to be performed prior to, at or after Closing.

9.02 Performance. Purchaser shall have performed and complied in all material respects with the agreements, covenants and obligations required by this Agreement to be performed or complied with by Purchaser at or before the Closing, except where the failure to perform or comply with such agreements, covenants and obligations does not and would not reasonably be expected to have a material adverse effect on the ability of Purchaser to consummate the Transactions.

9.03 Officer's Certificate. Purchaser shall have delivered to Sellers a certificate, dated as of the Closing Date and executed by an authorized signatory of Purchaser in the name and on behalf of Purchaser, certifying that all of the conditions set forth in Sections 9.01 and 9.02 have been satisfied.

9.04 Orders and Laws. There shall not be in effect on the Closing Date any final, non-appealable Order or Law restraining, enjoining or otherwise prohibiting or making illegal the consummation of any of the Transactions (other than any such Order or Law resulting from a Proceeding instituted by one or more Sellers or their respective Affiliates).

9.05 Approval Order. The Approval Order shall have been submitted to, and approved by order of, the Bankruptcy Court; and (i) the Approval Order shall be in full force and effect and not subject to any stay, and (ii) the time to file an appeal, a motion for rehearing or reconsideration or a petition for writ of certiorari with respect to the Approval Order has expired and no such appeal, motion or petition is pending.

ARTICLE X.
INDEMNIFICATION; LIMITATIONS ON LIABILITY; AND WAIVERS

10.01 Indemnity. From and after Closing, Sellers and their successors and assigns shall jointly, and not severally, indemnify, defend, and hold harmless Purchaser, Purchaser's Affiliates, and its and their respective Representatives (collectively, the "Purchaser Indemnified Parties") from and against all Losses incurred or suffered by the Purchaser Indemnified Parties resulting from or arising with respect to any breach of any Post-Closing Covenant by Sellers.

(b) From and after Closing, Purchaser shall indemnify, defend, and hold harmless Sellers, their respective Affiliates, and each of their respective Representatives (collectively, the "Seller Indemnified Parties") from and against all Losses incurred or suffered by the Seller Indemnified Parties resulting from:

(i) any breach of any representations or warranties or any Post-Closing Covenant by Purchaser; and

(ii) the Assumed Liabilities.

10.02 Limitations of Liability.

(a) Except for the special warranty in the Deed, the representations and warranties of Sellers contained herein and in any certificate or other Transaction Document delivered by a Seller pursuant to this Agreement shall terminate upon and not survive the Closing and there shall be no liability thereafter in respect thereof. Each Seller's covenants and other agreements contained in this Agreement shall terminate upon the Closing, except the Post-Closing Covenants, which shall survive the Closing until the earlier of (a) performance of such Post-Closing Covenant in accordance with this Agreement or, (b)(i) if time for performance of such Post-Closing Covenant is specified in this Agreement, sixty (60) days following the expiration of the time period for such performance or (ii) if time for performance of such Post-Closing Covenant is not specified in this Agreement, the expiration of the applicable statute of limitations with respect to any claim for any failure to perform such Post-Closing Covenant; provided that if a written notice of any claim with respect to any Post-Closing Covenant is given prior to the expiration thereof then such Post-Closing Covenant shall survive until, but only for purposes of, the resolution of such claim by final, non-appealable judgment or settlement.

(b) The representations and warranties of Purchaser contained herein and in any certificate or other Transaction Document delivered by Purchaser pursuant to this Agreement shall terminate eighteen (18) months following Closing and there shall be no liability thereafter in respect thereof. Each of Purchaser's covenants and other agreements contained in this Agreement shall terminate upon the Closing, except any post-Closing

covenants applicable to Purchaser, which shall survive the Closing until the earlier of (a) performance of such covenant in accordance with this Agreement, or (b)(i) if time for performance of such covenant is specified in this Agreement, sixty (60) days following the expiration of the time period for such performance, or (ii) if time for performance of such covenant is not specified in this Agreement, the expiration of the applicable statute of limitations with respect to any claim for any failure to perform such covenant; *provided that* if a written notice of any claim with respect to any post-Closing covenant is given prior to the expiration thereof, then such post-Closing covenant shall survive until, but only for purposes of, the resolution of such claim by final, non-appealable judgment or settlement; and *provided further that*, notwithstanding anything to the contrary contained herein (other than the preceding proviso), all of Purchaser's covenants and other agreements and obligations contained in this Agreement shall in any event terminate five (5) years following the Closing Date.

10.03 Waiver of Remedies.

(a) Except as expressly provided in this Agreement, the Parties hereby agree that no Party shall have any liability, and no Party shall (and each Party shall cause its respective Affiliates not to) make any claim, for any Loss or any other matter, under, relating to or arising out of this Agreement (including breach of representation, warranty, covenant or agreement) or any other document, agreement, certificate or other instrument delivered pursuant hereto, whether based on contract, tort, strict liability, other Laws or otherwise. Notwithstanding anything to the contrary in this Agreement, the Parties further acknowledge and agree that from and after Closing, the indemnification provisions in this Article X shall be the sole and exclusive remedy of the Parties with respect to any breach of this Agreement or any other document, agreement, certificate or other matter delivered hereunder, whether based on contract, tort, strict liability, other Laws or otherwise.

(b) NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NO PARTY NOR ANY OF ITS AFFILIATES SHALL BE LIABLE TO THE OTHER PARTY OR ITS AFFILIATES FOR SPECIAL, PUNITIVE, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES, DIMINUTION IN VALUE, OR LOST PROFITS, WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY, OTHER LAW OR OTHERWISE AND WHETHER OR NOT ARISING FROM THE OTHER PARTY'S OR ANY OF ITS AFFILIATES' SOLE, JOINT OR CONCURRENT NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT; PROVIDED, HOWEVER, IN NO EVENT SHALL THIS SECTION 10.03(b) BE A LIMITATION ON ANY OBLIGATION OF A PARTY HEREUNDER WITH RESPECT TO A THIRD PARTY CLAIM RELATING TO SUCH OBLIGATION.

ARTICLE XI.
TERMINATION

11.01 Termination Events. Notwithstanding anything herein to the contrary, this Agreement may be terminated at any time prior to the Closing:

(a) by Sellers or Purchaser:

(i) if a Governmental Authority issues a final, non-appealable ruling or Order prohibiting the transactions contemplated hereby where such ruling or Order was not requested, encouraged or supported by the party hereto (or its Affiliates or its or their Representatives) electing to terminate this Agreement;

(ii) if the Approval Order has not been granted by December 17, 2017; or

(iii) by mutual written agreement of Sellers and Purchaser.

(b) by Purchaser:

(i) in the event of any breach by any Seller of any of such Seller's agreements, covenants, representations or warranties contained herein (*provided* such breach would result in the failure of a condition set forth in Section 8.01 or Section 8.02 to be satisfied) or (if such breach is material) in the Approval Order, and if the breach is curable, the failure of Sellers to cure such breach within thirty (30) Business Days following their receipt of written notice from Purchaser with respect to breach; *provided, however*, that (A) Purchaser is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein or in the Approval Order, (B) Purchaser notifies Sellers in writing (the "Purchaser Termination Notice") of its intention to exercise its rights under this Section 11.01(b)(i) as a result of the breach, and (C) Purchaser specifies in the Purchaser Termination Notice the representation, warranty, covenant or agreement contained herein or in the Approval Order of which a Seller is allegedly in breach and a description of the specific factual circumstances to support the allegation;

(ii) if the Closing has not occurred by March 31, 2018 (the "Outside Date"); provided, however; that Purchaser shall be permitted to terminate this Agreement pursuant to this Section 11.01(b)(ii) only if Purchaser is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein and (y) Purchaser has provided written notice to Sellers of its intention to exercise its rights under this Section 11.01(b)(ii) and Sellers have not provided written notice to Purchaser that they are ready, willing and able to close the transactions contemplated by this Agreement on or before the date that is five (5) Business Days after the date of such notice from Purchaser; or

(iii) if the Bankruptcy Court enters an Order dismissing, or converting into cases under Chapter 7 of the Bankruptcy Code, any of the cases commenced by any Seller under Chapter 11 of the Bankruptcy Code and comprising part of the Bankruptcy Cases; or

(c) by Sellers:

(i) in the event of any breach by Purchaser of any of Purchaser's agreements, covenants, representations or warranties contained herein (*provided* such breach would result in the failure of a condition set forth in Section 9.01 or Section 9.02 to be satisfied) or (if such breach is material) in the Approval Order, and, if the breach is curable, the failure of Purchaser to cure (or commence and diligent pursue such cure) such breach within thirty (30) Business Days after receipt of the Seller Termination Notice; *provided, however*, that (A) with respect to Sellers, no Seller is itself in material breach of any of its representations, warranties,

covenants or agreements contained herein or in the Approval Order, (B) Sellers notify Purchaser in writing (the "Seller Termination Notice") of their intention to exercise their rights under this Section 11.01(c)(i) as a result of the breach, and (C) Sellers specify in the Seller Termination Notice the representation, warranty, covenant or agreement contained herein or in the Approval Order of which Purchaser is allegedly in breach and a description of the specific factual circumstances to support the allegation; or

(ii) if the Closing has not occurred by the Outside Date; provided, however; that Sellers shall be permitted to terminate this Agreement pursuant to this Section 11.01(c)(ii) only if each Seller is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein and (y) Sellers have provided written notice to Purchaser of its intention to exercise its rights under this Section 11.01(c)(ii) and Purchaser has not provided written notice to Sellers that they are ready, willing and able to close the transactions contemplated by this Agreement on or before the date that is five (5) Business Days after the date of such notice from Sellers.

11.02 Effect of Termination.

(a) In the event of termination of this Agreement by Purchaser or Sellers pursuant to this Article XI, all rights and obligations under this Agreement shall terminate without any Liability of any Party or Person to any other Party or Person; *provided*, *however*, that nothing herein shall relieve any Seller or Purchaser from liability for any breach of this Agreement prior to such termination unless the Agreement is terminated by Purchaser due to a breach of or inaccuracy in any Fundamental Representation and the effect of all breaches of or inaccuracies in all representations and warranties of Sellers set forth in this Agreement (including the Fundamental Representations) would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect. The provisions of this Section 11.02 and Sections 6.01(c) 7.12 and 10.3(b) (and, to the extent applicable to the interpretation or enforcement thereof, Article I and Article XII), shall expressly survive the termination of this Agreement.

(b) In the event of termination of this Agreement by a Party pursuant to Section 11.01 due to the breach of the other Party, such terminating Party shall have the right to pursue any and all rights that such Party may otherwise have hereunder, at law or in equity (subject to the limitations set forth in Section 12.02(b), but without limiting such Party's right to specifically enforce the terms and provisions hereof as provided in Section 12.08 in lieu of terminating the Agreement as provided in this Article XI).

(c) In the event of a termination of this Agreement by Sellers in accordance with Section 11.01(c)(i), the Deposit shall be retained by Sellers; in all other circumstances of termination, the Deposit shall be returned to Purchaser.

ARTICLE XII.
MISCELLANEOUS

12.01 Notices. All notices, consents, waivers and other communications under this Agreement must be in writing and shall be deemed to have been duly given when (a)

delivered by hand (with written confirmation of receipt), (b) sent by email (with read receipt requested, with the receiving party being obligated to respond affirmatively to any read receipt requests delivered by the sending party), (c) received by the addressee, if sent by a delivery service (prepaid, receipt requested) or (d) received by the addressee, if sent by registered or certified mail (postage prepaid, return receipt requested), in each case to the appropriate addresses and representatives (if applicable) set forth below (or to such other addresses and representatives as a Party may designate by notice to the other Party):

(a) If to any Seller, then to:

Venoco, LLC
Attn: Brian E. Donovan, General Counsel
3700 Quebec Street #100-223
Denver CO 80207
E-mail: be.donovan@venocoinc.com

with a copy (which shall not constitute notice) to:

Bracewell LLP
Attn: Robert G. Burns, Robin J. Miles and Mark Dendinger
1251 Avenue of Americas, 49th Floor
New York, New York 10020-1104
E-mail: Robert.Burns@bracewell.com
Robin.Miles@bracewell.com
Mark.Dendinger@bracewell.com

(b) If to Purchaser:

Chevron U.S.A. Inc.
Attn: Mr. Kevin McNally
9524 Camino Media
Bakersfield, California 93311
Email: KMcNally@chevron.com

with a copy (which shall not constitute notice) to:

Chevron U.S.A. Inc.
Attn: Ms. Laney Vazquez
9524 Camino Media
Bakersfield, California 93311
Email: LVazquez@chevron.com

and to:

King & Spalding LLP
Attn: Ed Ripley and Peter Hays
1100 Louisiana St., Suite 4000
Houston, TX 77002
Email: eripley@kslaw.com
peterhays@kslaw.com

12.02 Waiver. Neither the failure nor any delay by any Party in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement shall operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege shall preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by Law, (i) no waiver that may be given by a Party shall be applicable except in the specific instance for which it is given, and (ii) no notice to or demand on one party hereto shall be deemed to be a waiver of any right of the Party that gives such notice or demand to take further action without notice or demand.

12.03 Entire Agreement; Amendment. This Agreement (including the Schedules and the Exhibit) and the other Transaction Documents supersede all prior agreements between Purchaser and Sellers with respect to its subject matter and constitute a complete and exclusive statement of the terms of the agreements between Purchaser and Sellers with respect to their subject matter; provided that this Agreement shall supersede Sections 6 and 7 of the Interim Agreement, but not any other part of the Interim Agreement. This Agreement, including all exhibits hereto, may not be amended, modified or supplemented, or the terms hereof waived, except by a written agreement executed by all of the parties hereto.

12.04 Assignment. This Agreement, and the rights, interests and obligations hereunder, shall not be assigned by any Party by operation of law or otherwise without the express written consent of the other Party (which consent may be granted or withheld in the sole discretion of such other Party). Notwithstanding the foregoing, prior to Closing Purchaser shall have the right to assign its rights to receive all or any part of the Acquired Assets and its obligations to assume all or any part of the Assumed Liabilities, in each case to one or more Affiliates of Purchaser, without the prior written consent of Sellers, and, upon any such assignment, Purchaser shall be released from any liability hereunder and the assignee(s) shall be deemed to be the "Purchaser" under this Agreement and each of the other Transaction Documents (to the extent of such assignment); *provided*, that such assignee(s) first agrees in writing to be bound by the terms of this Agreement and the other Transaction Documents (to the extent it has been assigned rights and/or obligations hereunder or under such Transaction Documents). Any assignment in violation of this Section 12.04 shall be deemed void ab initio. For the avoidance of doubt, following Closing Purchaser shall have the right to assign its interest in all or any of the Acquired Assets to any Third Party at its sole discretion.

12.05 Severability. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability.

12.06 Expenses. Each Party shall bear its own respective expenses (including all compensation and expenses of counsel, financial advisors, consultants, actuaries and independent

accountants) incurred in connection with this Agreement and the transactions contemplated hereby.

12.07 Time of the Essence. Time shall be of the essence with respect to all time periods and notice periods set forth in this Agreement.

12.08 Specific Performance. The Parties agree that irreparable damage would occur if any provision of this Agreement is not performed in accordance with the terms hereof, including if any of the parties hereto fails to take any action required of it hereunder to consummate the transactions contemplated by this Agreement, and, accordingly, prior to the Closing, each Party shall be entitled to an injunction or injunctions without proof of damages or posting a bond or other security to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof, including specific performance of such covenants, promises or agreements or an order enjoining the other Party from any threatened, or from the continuation of any actual, breach of the covenants, promises or agreements contained in this Agreement. Unless otherwise expressly stated in this Agreement, no right or remedy described or provided in this Agreement is intended to be exclusive or to preclude a Party from pursuing other rights and remedies to the extent available under this Agreement, at law or in equity. The right of specific performance and other equitable relief is an integral part of the transactions contemplated by this Agreement and without that right, neither Sellers nor Purchaser would have entered into this Agreement. If, prior to the Outside Date, any Party brings any action to enforce specifically the performance of the terms and provisions hereof by any other Party, the Outside Date will automatically be extended (i) for the period during which such action is pending, plus ten (10) Business Days or (ii) by such other time period established by the court presiding over such action, as the case may be.

12.09 Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.

(a) Except (i) to the extent the mandatory provisions of the Bankruptcy Code apply and (ii) except for any real or immovable property issues, which shall be governed by and construed and enforced in accordance with the internal laws of the State in which such real or immovable property is located (without reference to the choice of law rules of such State), this Agreement shall be governed by, and construed in accordance with, the laws of the State of California applicable to contracts made and to be performed entirely in such state without regard to principles of conflicts or choice of laws or any other law that would make the laws of any other jurisdiction other than the State of California applicable hereto.

(b) Without limitation of any Party's right to appeal any Order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby, and (ii) any and all claims relating to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent and submit to the exclusive jurisdiction and venue of the Bankruptcy Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding; *provided, however*, that, if the Bankruptcy Cases are closed (and not reopened, if requested by Purchaser (*provided* that Purchaser shall have no obligation to make such a request)), all Actions and

Proceedings arising out of or relating to this Agreement shall be heard and determined in a California state court or a federal court sitting in the State of California, and the Parties each hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such Action or Proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding. The Parties each consent to service of process by mail (in accordance with Section 12.01) or any other manner permitted by law.

(c) THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF ANY PARTY OR SUCH PARTY'S REPRESENTATIVES IN THE NEGOTIATION OR PERFORMANCE HEREOF.

12.10 Counterparts. This Agreement and any amendment hereto may be executed in one (1) or more counterparts, each of which shall be deemed to be an original of this Agreement or such amendment and all of which, when taken together, shall constitute one and the same instrument. Notwithstanding anything to the contrary in Section 12.01, delivery of an executed counterpart of a signature page to this Agreement or any amendment hereto by email attachment shall be effective as delivery of a manually executed counterpart of this Agreement or such amendment, as applicable.

12.11 Parties in Interest; No Third Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon Purchaser and Sellers and their respective successors and permitted assigns. This Agreement is for the sole benefit of such Parties and their permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable benefit, claim, cause of action, remedy or right of any kind, except that Section 10.01(a) and Section 10.01(b) are intended for the benefit of and is enforceable by the Purchaser Indemnified Parties and the Seller Indemnified Parties, respectively, provided that in each case such party shall be subject to all the limitations and procedures of this Agreement as if it were a Party hereunder.

12.12 Disclosure Schedules; Materiality. The inclusion of any matter in any Disclosure Schedule shall be deemed to be an inclusion for all purposes of this Agreement, in all other Disclosure Schedules to the extent that such disclosure is sufficient to identify the matter to which such disclosure is responsive, but inclusion therein shall not be deemed to constitute an admission, or otherwise imply, that any such matter is material or creates a measure for materiality for purposes of this Agreement. The disclosure of any particular fact or item in any Disclosure Schedule shall not be deemed an admission as to whether the fact or item is "material" or would constitute a "material adverse effect".

12.13 Liquidating Trustee. If at any time any Seller liquidates, its estate is converted to Chapter 7, or otherwise has a trustee or other representative appointed by the Bankruptcy Court (as applicable, a "Trustee"), then (a) such Trustee shall be bound to perform the obligations of Sellers and shall be entitled to exercise the rights of Sellers under this Agreement, and (b) with respect to all of Sellers' assets that are abandoned (if any) following the Effective Date, Sellers grant to such Trustee a power of attorney for purposes performing Sellers' obligations with respect to such abandoned assets. Sellers acknowledge and agree that

the power of attorney granted to such Trustee (if any) pursuant to the foregoing clause (b) is coupled with an interest and shall be irrevocable.

12.14 Seller Representative.

(a) Ellwood, by executing this Agreement, irrevocably constitutes and appoints Venoco and its successors, acting as hereinafter provided, as such appointing Person's attorney-in-fact to act on behalf of such Person in connection with the authority granted to Venoco pursuant to this Section 12.14, and acknowledges that such appointment is coupled with an interest.

(b) Ellwood, by the appointment described in Section 12.14(a), (i) authorizes Venoco subsequent to the date hereof (A) to give and receive written consents, reports, notices and communications to or from Purchaser relating to this Agreement, the transactions contemplated by this Agreement and the other Transaction Documents, (B) to act on such appointing Person's behalf with respect to any and all matters affecting such appointing Person in this Agreement, including giving and receiving all notices and communications to be given or received with respect to any such matters, and (C) to negotiate, compromise and resolve any dispute that may arise under this Agreement; *provided*, *however*, that in each of clauses (A) through (C) preceding, Venoco shall not have the authority to execute any agreements or documents (other than consents, reports, notices and communications) on behalf of Ellwood, and (ii) agrees to be bound by all agreements and determinations made by and documents executed and delivered by Venoco pursuant to the authority granted to Venoco hereunder.

(c) Ellwood, by the execution of this Agreement, expressly acknowledges and agrees that (i) Venoco is authorized to act on its behalf with respect to this Agreement, notwithstanding any dispute or disagreement between such appointing Person and Venoco, and (ii) Purchaser, each Purchaser Indemnified Party and any other Person shall be entitled to solely interact with, and rely on any and all actions taken by, Venoco under this Agreement without any liability to, or obligation to inquire of, such appointing Person. Any notice or communication given or received by, and any decision, action, failure to act within a designated period of time, agreement, consent, settlement, resolution or instruction of, Venoco that is within the scope of Venoco's authority under this Section 12.14 shall constitute a notice or communication to or by, or a decision, action, failure to act within a designated period of time, agreement, consent, settlement, resolution or instruction of Sellers and shall be final, binding and conclusive upon such appointing Person. Purchaser and any other Person shall be entitled to rely upon any such notice, communication, decision, action, failure to act within a designated period of time, agreement, consent, settlement, resolution or instruction as being a notice or communication to or by, or a decision, action, failure to act within a designated period of time, agreement, consent, settlement, resolution or interaction of, such appointing Person and Sellers.

12.15 Captions. The captions and section headings appearing in this Agreement are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party as of the date first above written.

SELLERS:

VENOCO, LLC

By: _____
Name: Bret W Fernandes
Title: Chief Restructuring Officer
Date: November 13, 2017

ELLWOOD PIPELINE, INC.

By: _____
Name: Bret W Fernandes
Title: Chief Restructuring Officer
Date: November 13, 2017

PURCHASER:

CHEVRON U.S.A. INC.

By: _____
Name: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party as of the date first above written.

SELLERS:

VENOCO, LLC

By:_____
Name:_____
Title:_____
Date:_____

ELLWOOD PIPELINE, INC

By:_____
Name:_____
Title:_____
Date:_____

PURCHASER:

CHEVRON U.S.A. INC.

By: K.R. McNally
Name: K.R. McNally
Title: Attorney-in-Fact
Date: 11/13/2017

EXHIBIT 2

Carpinteria Station Agreement

Execution Version

PURCHASE AND SALE AGREEMENT

for

THE CARPINTERIA STATION SEGMENT

and

CERTAIN PIPELINE SEGMENTS

by and among

VENOCO LLC

ELLWOOD PIPELINE, INC.

as Sellers,

and

CHEVRON U.S.A. INC.

as Purchaser

Dated as of November 13, 2017

TABLE OF CONTENTS

EXHIBITS

SCHEDULES

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this "Agreement") is made as of November 13, 2017 (the "Execution Date") by and among Venoco LLC ("Venoco") and Ellwood Pipeline, Inc. ("Ellwood"), each with an address at 6267 Carpinteria Ave., Ste. 100, Carpinteria, California 93013, and their successors, including any trustee or liquidating trust appointed or approved in the Bankruptcy Cases (defined below), as sellers (Venoco and Ellwood collectively, "Sellers"), and Chevron U.S.A. Inc., with an address at 9525 Camino Media, Bakersfield, California 93311 ("Chevron" or "Purchaser"; and, together with the Sellers, the "Parties" hereto).

RECITALS:

WHEREAS, Venoco is the lessee and operator of the Santa Clara Unit, consisting of certain unitized oil and gas leases, located on the U.S. Outer Continental Shelf, offshore California;

WHEREAS, Sellers own certain offshore and onshore pipeline segments pertaining to operation of the Santa Clara Unit (offshore) and Carpinteria Plant (onshore) and related equipment (defined hereunder as the Acquired Assets);

WHEREAS, Sellers acquired all or part of the Acquired Assets, together with certain other assets, from Chevron, pursuant to that certain Purchase and Sale Agreement, dated November 4, 1998, between Chevron U.S.A. Inc., Chevron Pipe Line Company, Venoco, Inc. and Ellwood Pipeline, Inc.;

WHEREAS, Sellers are currently in Chapter 11 bankruptcy proceedings pending in the United States Bankruptcy Court for the District of Delaware, Case No. 17-10828 (KG);

WHEREAS, Chevron desires to purchase the Acquired Assets (excluding the Excluded Assets, as further defined herein) from Sellers, and Sellers desire to sell the Acquired Assets to Chevron, subject to the jurisdiction and any requisite approvals of the Bankruptcy Court;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Purchaser and Sellers agree as follows:

ARTICLE I.
DEFINITIONS

1.01 Definitions. As used in this Agreement, the following defined terms have the meanings indicated below:

"1998 PSA" means that certain Purchase and Sale Agreement, dated November 4, 1998, between Chevron U.S.A. Inc., Chevron Pipe Line Company, Venoco, LLC (f/k/a Venoco,

Inc.) and Ellwood Pipeline, Inc., and all of its exhibits and schedules, and any amendments thereto.

"1999 Guaranty" means that certain Guaranty Agreement, dated February 1, 1999, from Chevron Corporation to Venoco, LLC (f/k/a Venoco, Inc.), and all of its exhibits and schedules, and any amendments thereto.

"Acquired Assets" shall mean the State and Carpinteria Station Acquired Assets and the Federal Pipeline Assets, provided that, in the event that Purchaser fails to exercise the Purchaser Option prior to the Option Termination Date, then, on and following the Option Termination Date, the Federal Pipeline Assets shall be excluded from the Acquired Assets (and included in the Excluded Assets).

"Acquired Contracts" shall mean the State Pipeline Segments Acquired Contracts, the Carpinteria Station Segment Acquired Contracts and the Federal Pipeline Segments Acquired Contracts, provided that, in the event that Purchaser fails to exercise the Purchaser Option prior to the Option Termination Date, then, on and following the Option Termination Date, the Federal Pipeline Segments Acquired Contracts shall be excluded from the Acquired Contracts (and included in the Excluded Assets).

"Acquired Permits" shall mean the State Pipeline Segments Acquired Permits, the Carpinteria Station Segment Acquired Permits and the Federal Pipeline Segments Acquired Permits, provided that, in the event that Purchaser fails to exercise the Purchaser Option prior to the Option Termination Date, then, on and following the Option Termination Date, the Federal Pipeline Segments Acquired Permits shall be excluded from the Acquired Permits (and included in the Excluded Assets).

"Action" means any legal or equitable action, suit or arbitration, or any inquiry, audit, proceeding or investigation, by or before any Governmental Authority.

"Affiliate" means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with the Person specified.

"Affiliate Interest" has the meaning ascribed thereto in Section 7.09.

"Agreement" has the meaning ascribed thereto in the preamble to this agreement.

"Allocated Value" has the meaning ascribed thereto in Section 3.06.

"Approval Order" has the meaning ascribed thereto in Section 6.04(c).

"Assessment" has the meaning ascribed thereto in Section 6.01(b).

"Assumed Liabilities" has the meaning ascribed thereto in Section 2.03.

"Bankruptcy Cases" means the jointly administered chapter 11 cases for each of Sellers pending under Case No. 17-10828 (KG).

"Bankruptcy Code" means Title 11 of the United States Code, Sections 101 *et seq.*

"Bankruptcy Court" means the United States Bankruptcy Court for the District of Delaware presiding over the Bankruptcy Cases.

"Bill of Sale" means a Bill of Sale, substantially in the form attached hereto as Exhibit C.

"BOEM" has the meaning ascribed thereto in Section 6.04(b).

"BSEE" has the meaning ascribed thereto in Section 6.04(b).

"Business Day" means a day other than Saturday, Sunday or any day on which banks located in Santa Barbara, California are authorized or obligated to close.

"Carpinteria Line" means the 21.4 mile 10-inch oil pipeline from Platform Grace to the Rincon Facility.

"Carpinteria Plant Property" means the approximately 55 acres of real property in Carpinteria, California further described on Part 1 of Exhibit A-1 hereto.

"Carpinteria Station Assets" has the meaning ascribed thereto in Section 2.01.

"Casualty Loss" means any loss, damage or destruction of the Acquired Assets that occurs during the period between the Execution Date and the Closing for any reason, including any act of God, fire, explosion, collision, earthquake, windstorm, flood, hurricane, tropical storm, terrorism, or other casualty or condemnation taking under the right of eminent domain, but excluding any loss, damage, or destruction as a result of depreciation, ordinary wear and tear.

"Closing" has the meaning ascribed thereto in Section 3.01.

"Closing Date" has the meaning ascribed thereto in Section 3.01.

"Code" means the Internal Revenue Code of 1986, as may be amended, modified, supplemented or replaced from time to time.

"Contract" means any written contract, agreement, lease, license, evidence of indebtedness, mortgage, indenture, security agreement, purchase order, binding bid, letter of credit or other legally binding document or arrangement.

"Control" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person whether through ownership of voting securities or ownership interests, by Contract or otherwise, and specifically with respect to a corporation, partnership or limited liability company, means direct or indirect ownership of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person.

"Controlled Group Liability" means any and all Liabilities of Sellers or any ERISA affiliate (i) under Title IV of ERISA, (ii) under Sections 206(g), 302, or 303 of ERISA, (iii) under Sections 412, 430, 431, 436, or 4971 of the Code, (iv) as a result of the failure to comply with the continuation of coverage requirements of Section 601 et seq. of ERISA and Section 4980B of the Code, and (v) under corresponding or similar provisions of any foreign Legal Requirement.

"Credit Bid Amount" has the meaning ascribed thereto in Section 3.04(a).

"Deed" means a Deed, substantially in the form attached hereto as Exhibit C-1.

"Easements" shall mean the State Pipeline Segments Easements, the Carpinteria Station Segment Easements and the Federal Pipeline Segments Easements, provided that, in the event that Purchaser fails to exercise the Purchaser Option prior to the Option Termination Date, then, on and following the Option Termination Date, the Federal Pipeline Segments Easements shall be excluded from the Easements (and included in the Excluded Assets).

"Effective Time" has the meaning ascribed thereto in Section 3.01.

"Environmental Laws" means any and all applicable Law, and any applicable administrative or judicial interpretation thereof, pertaining to (a) use, storage, emission, discharge, clean-up, Release or threatened Release into or through the environment of Hazardous Substances or otherwise relating to the manufacture, processing, distribution, treatment, disposal, exploration, production, transportation or handling of Hazardous Substances, (b) prevention of pollution, (c) protection of the environment or wildlife or natural resources, or (d) remediation of contamination, including the Outer Continental Shelf Lands Act (OCSLA), the Clean Air Act (Air Pollution Control Act), the Clean Water Act (CWA), the Federal Water Pollution Act, the Rivers and Harbors Act, the Safe Drinking Water Act, the National Environmental Policy Act of 1969 (NEPA), the Endangered Species Act (ESA), the Fish and Wildlife Conservation Act of 1980, the Fish and Wildlife Coordination Act (FWCA), the Oil Pollution Act, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Superfund Amendments and Reauthorization Act of 1986 (SARA), the Resources Conservation and Recovery Act (RCRA), the Toxic Substance Control Act, the Occupational, Safety and Health Act (OSHA), the Emergency Planning and Community Right-To-Know Act (EPCRA), the Hazardous Materials Transportation Act, the Hazardous and Solid Waste Amendments of 1984 (HSWA) and any and all other applicable Laws whose purpose is to regulate Hazardous Substances or to conserve or protect health, the environment, wildlife or natural resources.

"Equipment" has the meaning ascribed thereto in Section 2.01(b).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Excluded Assets" has the meaning ascribed thereto in Section 2.02.

"Excluded Contracts" has the meaning ascribed thereto in Section 2.02(c).

"Excluded Leases" has the meaning ascribed thereto in Section 2.02(a).

"Excluded Liabilities" has the meaning ascribed thereto in Section 2.04.

"Excluded Offshore Facilities" has the meaning ascribed thereto in Section 2.02(a).

"Excluded Records" has the meaning ascribed thereto in Section 2.02(d).

"Excluded Midstream Assets" has the meaning ascribed thereto in Section 2.02(b).

"Excluded Units" has the meaning ascribed thereto in Section 2.02(a).

"Excluded Upstream Assets" has the meaning ascribed thereto in Section 2.02(a).

"Excluded Wells" has the meaning ascribed thereto in Section 2.02(a).

"Excluded Liabilities" has the meaning ascribed thereto in Section 2.04. For the avoidance of doubt, "Excluded Liabilities" includes Taxes with respect to the Acquired Assets for a Pre-Closing Tax Period.

"Execution Date" has the meaning ascribed thereto in the preamble to this agreement.

"Federal Pipeline Assets" means all of Sellers' right, title and interest in and to the following, in each case excluding any Excluded Assets:

(a) (i) the portion of the SCU Gas Pipeline Segment that is located on rights-of-way, easements or by other permissions or consents, in each case as granted by United States federal Governmental Authorities as further described and delineated in Part 3 of Exhibit A-1 (the "Federal Gas Pipeline Segment"); and (ii) the portion of the SCU Oil Pipeline Segment that is located on rights-of-way, easements or by other permissions or consents, in each case as granted by United States federal Governmental Authorities as further described and delineated in Part 3 of Exhibit A-1 (the "Federal Oil Pipeline Segment"; and, together with the Federal Gas Pipeline Segment, the "Federal Pipeline Segments");

(b) the equipment, vehicles, tools, inventory, personal property, and fixtures located on, necessary to operate, or otherwise primarily used in conjunction with, the Federal Pipeline Segments, including any shipping pumps, oil measurement equipment and all associated pipelines, and together with and including the equipment, vehicles, tools, inventory, personal property, and fixtures described on Part 3 of Exhibit A-2 attached hereto (collectively, the "Federal Pipeline Segments Equipment");

(c) to the extent transferable, any right of Sellers, by way of lease, license, right-of-way, servitude, easement, or similar right or instrument, relating to the ownership, operation, construction, maintenance and repair of the Federal Pipeline Segments or the Federal Pipeline Segments Equipment, together with and including such rights described on Part 3 of Exhibit A-3 attached hereto (the "Federal Pipeline Segments Easements");

(d) to the extent transferable, all active Permits necessary to own, occupy, operate or control the aforementioned Federal Pipeline Assets, together with those Permits listed or described on Part 3 of Exhibit A-4 attached hereto (collectively, the "Federal Pipeline Segments Acquired Permits"), and all pending applications for any renewal, extension or modification of any such Federal Pipeline Segments Acquired Permits;

(e) the Contracts described on Part 3 of Exhibit A-5 attached hereto (collectively, the "Federal Pipeline Segments Acquired Contracts");

(f) originals or copies of all books, records, documents, drawings, reports, operating data, operating safety and maintenance manuals, inspection reports, engineering design plans, blueprints, specifications, original permits, plans, compliance records, lease records, rights-of-way records, government (federal, state, Santa Barbara County and City of Carpinteria) correspondence and other files, in each case to the extent covering or otherwise primarily relating to the aforementioned Federal Pipeline Assets, together with and including the records and documents described on Part 3 of Exhibit A-6 attached hereto (the "Federal Pipeline Segments Records"); and

(g) to the extent transferable, all of Sellers' rights to any unexpired warranties, indemnities, and guarantees made or given by manufacturers, contractors, architects, engineers, consultants, vendors, suppliers and other third parties with respect to any of the aforementioned Federal Pipeline Assets.

"Governmental Authority" means any entity exercising executive, legislative, judicial, regulatory, Tax or administrative functions of or pertaining to government, including any governmental authority, agency, department, board, commission or instrumentality of the United States, or of any state of the United States, city, county or political subdivision, and any tribunal, court or arbitrator(s) of competent jurisdiction, including zoning, planning and subdivision authorities, agencies, departments, boards, commissions or instrumentalities.

"Hazardous Substance" means any regulated quantity or concentration of a substance or material listed, defined or classified as a hazardous substance, hazardous material, extremely hazardous substance, toxic substance, or hazardous waste under any Environmental Law, including petroleum and petroleum products, polychlorinated biphenyls, asbestos-containing materials, radioactive materials, flammables and explosives.

"Income Taxes" means any Tax imposed on, or measured by, income, franchise, profits or gross receipts or any similar Taxes.

"Interim Agreement" means that certain agreement, dated October 3, 2017, between Venoco, LLC and Ellwood Pipeline, Inc., and Chevron U.S.A. Inc., approved by the Bankruptcy Court on October 24, 2017.

"Interim Period" means the period beginning upon the execution and delivery of this Agreement and ending upon the earlier of the Closing and the termination of this Agreement, provided that, for any Acquired Assets that are not conveyed at the initial Closing hereunder pursuant to Section 2.05 or Section 6.04(f), the Interim Period shall be extended until the earlier of the closing with respect to such Acquired Assets, the termination of this Agreement, or, in the

case of the Federal Pipeline Assets, the occurrence of the Option Termination Date without Purchaser having exercised the Purchase Option.

"Knowledge of Purchaser" means the actual knowledge of those Persons listed in Schedule 1.01(a), without inquiry.

"Knowledge of Sellers" means the actual knowledge of those Persons listed in Schedule 1.01(b), without inquiry.

"Laws" means any and all applicable laws, statutes, rules, regulations, ordinances, codes, and other pronouncements having the effect of law, of the United States or any state, county, city or other political subdivision thereof or of any Governmental Authority.

"Liability" means any and all claims, rights, demands, causes of action, liabilities (including civil fines), Taxes, obligations, damages (including natural resource damages), losses, fines, penalties, sanctions of every kind and character (including reasonable fees and expenses of attorneys, technical experts and expert witnesses), judgments or proceedings of any kind or character whatsoever, whether known or unknown, asserted or un-asserted, choate or inchoate, absolute or contingent, accrued or un-accrued, liquidated or unliquidated, or due or to become due, and whether arising or founded in law, common law, equity, statute, contract, tort, strict liability or voluntary settlement, and all reasonable expenses, costs and fees (including reasonable attorneys' fees) in connection therewith.

"Liens" means any mortgage, deed of trust, pledge, security interest, lease, lien, levy, charge, easement, restrictive covenant, encroachment or other encumbrance, or any conditional sale Contract, title retention Contract or other Contract to give any of the foregoing.

"Losses" means any liabilities, damages, losses, claims, causes of action, payments, charges, judgments, assessments, penalties, fines, awards, settlements, costs and expenses (including reasonable attorneys' and consultants' fees and expenses).

"Material Adverse Effect" means any events, changes or circumstances that, individually or in the aggregate, could be reasonably likely to (a) result in a material adverse effect (which could be comprised of an increase in compliance costs or other liabilities) on the value, ownership, operation or financial condition of the Acquired Assets taken as a whole; or (b) result in a material adverse effect on Sellers' performance of any of their obligations and covenants hereunder that are to be performed prior to, at or after Closing; provided, that, with respect to clause (a) only, none of the following shall be taken into account in determining whether there is a Material Adverse Effect: any adverse event, change or circumstance to the extent arising from or relating to: (i) general business, industry or economic conditions, (ii) act of terrorism or war or any natural disaster, (iii) overall changes in financial, banking, or securities markets, (iv) overall changes in commodity prices, or (v) changes in Legal Requirements or (vi) the performance of any covenants under Article VI, including where applicable those to which Purchaser has consented in writing pursuant thereto; provided, further, that with respect to clauses (i) through (iii) and (v), any such adverse event, change or circumstance shall not be disregarded if it has had or is reasonably expected to have a disproportionate effect on the Acquired Assets relative to similar assets held by other participants in the industries in which the assets are operated (in which event the extent of such

disproportionate effect may be taken into account in determining whether there has been a Material Adverse Effect).

"Material Consent" means a consent by a third party that if not obtained prior to the assignment of an Acquired Asset, (i) voids or nullifies (automatically or at the election of the holder thereof) the assignment, conveyance or transfer of such Acquired Asset, (ii) terminates (or gives the holder thereof the right to terminate) any material rights in the Acquired Asset subject to such consent, or (iii) requires payment of a fee; provided, however, that "Material Consent" does not include any consent which by its terms cannot be unreasonably withheld, delayed or conditioned.

"Material Contracts" means, to the extent related to the Acquired Assets, the following: (a) any Contract that can reasonably be expected to result in aggregate payments by or revenues to Sellers or Purchaser with respect to the Acquired Assets of more than Fifty Thousand Dollars ($50,000) during the current or any future fiscal year; (b) any Hydrocarbon purchase and sale, exchange, marketing, compression, gathering, transportation, processing, refining, treating, storage, handling or similar Contracts (in each case) to which any Seller is a party (or to which any portion of the Acquired Assets is subject) that is not terminable without penalty on sixty (60) days or less notice; (c) any Contract binding upon one or more Sellers to acquire, sell, lease, farmout, develop or otherwise dispose of or encumber any interest in any of the Acquired Assets; (d) any Contract that constitutes or contains (or series of Contracts that, taken together, constitute or contain) a non-competition agreement, joint bidding or joint development agreement, area of mutual interest or any agreement that purports to restrict, limit, or prohibit the manner in which, or the locations in which, Sellers conduct business; (e) any Contract providing for any call upon, option to purchase, option to use or similar rights with respect to the Acquired Assets, including any capacity reservation or other long term throughput, services or usage arrangement on or otherwise pertaining to any of the Acquired Assets; (f) any Contract that constitutes a joint operating agreement or any joint use, joint development or joint ownership arrangement, (g) any Contract between one or more Sellers and any Seller Party; or (h) any Contract where the primary and principal purpose thereof is to provide a guarantee or indemnity.

"Non-Income Tax" means any Tax other than any Income Tax or any Transfer Tax.

"Operating Costs" means all costs, expenses and capital expenditures paid or incurred in connection with the ownership, development, production, operation, and maintenance of the Acquired Assets (including rentals, overhead, Taxes, and other charges, including overhead charges and other indirect costs and expenses billed under applicable operating agreements or governmental statute(s)).

"Option Termination Date" has the meaning ascribed thereto in Section 2.06(a).

"Order" means any writ, judgment, decree, injunction or award issued, or otherwise put into effect by or under the authority of any court, administrative agency, or other Governmental Authority (in each such case whether preliminary or final).

"Organizational Documents" means, with respect to any Person, the charter documents, articles or certificate of incorporation or organization and by-laws, the limited partnership agreement, the partnership agreement or the limited liability company agreement, operating agreement or other organizational documents, written resolutions, written board actions and minutes of the board, in each case, of such Person, and any amendments to any of the foregoing.

"Outside Date" has the meaning ascribed thereto in Section 11.01(b)(iii).

"Party" or "Parties" means Sellers and Purchaser, each individually, a "Party", and collectively as the "Parties".

"Permits" means all material licenses, permits, certificates of authority, authorizations, approvals, registrations, franchises and similar consents granted, issued, made or required by any Governmental Authority.

"Permitted Encumbrances" means (a) liens for taxes or assessments not yet due or delinquent or, if delinquent, that are being contested in good faith in the normal course of business, (b) easements, road-use agreements, rights-of-way, servitudes, permits, surface leases and other rights in respect of surface operations, or defects or deficiencies in title thereto, that do not materially interfere with Purchaser's operation or use of the Acquired Assets following Closing, (c) zoning, planning and environmental laws to the extent valid and applicable to the Acquired Assets, and (d) liens of carriers, warehousemen, mechanics, workers, material suppliers or other providers of materials or services arising by operation of law in the ordinary course of business or incident to the construction or improvement of any property in respect of obligations which are not yet due.

"Person" means any individual, corporation, company, partnership, joint venture, trust, limited liability company, other business or entity or Governmental Authority.

"Platform Gail" means the offshore oil rig platform, as further described in Exhibit B-4.

"Platform Grace" means the offshore oil rig platform, as further described in Exhibit B-4.

"Post-Closing Covenant" means any covenant required to be performed by any Seller or by Purchaser, as applicable, under this Agreement following the Closing.

"Post-Closing Tax Period" means any taxable period or portion thereof beginning on the Closing Date. For a Straddle Period, the portion of the Straddle Period that begins on the Closing Date shall constitute a Post-Closing Tax Period.

"Preferential Purchase Right" means any right or agreement that enables any Person to purchase or acquire any Acquired Asset or any interest therein or portion thereof as a result of or in connection with the execution or delivery of this Agreement or the consummation of the transactions contemplated hereby.

"Pre-Closing Tax Period" means any taxable period or portion thereof ending on the day immediately prior to the Closing Date. For a Straddle Period, the portion of the Straddle Period that ends on the day immediately prior to the Closing Date shall constitute a Pre-Closing Tax Period.

"Proceeding" means any Action, legal contest, suit, complaint, petition, demand, claim, investigation, proceeding, arbitration, mediation, hearing or other proceeding by or before a Governmental Authority.

"Purchase Price" has the meaning ascribed thereto in Section 3.05.

"Purchaser" has the meaning ascribed thereto in the preamble to this Agreement.

"Purchaser Indemnified Parties" has the meaning ascribed thereto in Section 10.01(a).

"Purchaser Option" has the meaning ascribed thereto in Section 2.06(a),

"Purchaser Required Permits" has the meaning ascribed thereto in Section 6.04(f).

"Purchaser Termination Notice" has the meaning ascribed there to in Section 11.01(b)(i).

"Records" shall mean the State Pipeline Segments Records, the Carpinteria Station Segment Records and the Federal Pipeline Segments Records, provided that, in the event that Purchaser fails to exercise the Purchaser Option prior to the Option Termination Date, then, on and following the Option Termination Date, the Federal Pipeline Segments Records shall be excluded from the Records (and included in the Excluded Assets).

"Rejected Leases" has the meaning ascribed thereto in Section 2.02(a).

"Release" means any depositing, spilling, leaking, pumping, pouring, emitting, discarding, abandoning, emptying, discharging, migrating, injecting, escaping, leaching, seeping, dumping, or disposing.

"Representatives" means, as to any Person, its officers, directors, employees, agents, partners, members, stockholders, counsel, accountants, financial advisors, engineers, consultants and other advisors.

"Sale Motion" has the meaning ascribed thereto in Section 6.04(c).

"Santa Clara Unit" means the Santa Clara federal oil and gas unit covering certain of the Excluded Leases, as further described in Exhibit B-2.

"Schedules" means the disclosure schedules attached to this Agreement.

"SCU/Carpinteria Plant Assets" means those assets described as "Acquired Assets" and assigned at closing by Sellers to Purchaser under the SCU/Carpinteria Plant PSA.

"SCU/Carpinteria Plant Approval Order" means that certain order from the Bankruptcy Courts referred to as the "Approval Order" in the SCU/Carpinteria Plant PSA.

"SCU/Carpinteria Plant PSA" means that certain Purchase and Sale Agreement between Sellers and Purchaser of even date herewith pertaining to the sale and purchase of certain assets other than the Acquired Assets hereunder, including the "Carpinteria Plant", the "Casitas Pier Lease" and the "Casitas Pier", as such terms are defined therein.

"SCU Leases Rejection" has the meaning ascribed thereto in Section 6.04(b).

"SCU Leases Relinquishment" has the meaning ascribed thereto in Section 6.04(b).

"SCU Gas Pipeline Segment" means, collectively: (i) the 10-inch gas pipeline that runs from the Carpinteria Plant to Platform Grace, and (ii) the 8-inch gas pipeline that runs from Platform Grace to Platform Gail, in each case as and to the extent described on Part 2 (state waters) and Part 3 (federal waters) of Exhibit A-1 hereto.

"SCU Oil Pipeline Segment" means (i) that portion of the Carpinteria Line located offshore of the Carpinteria Property that extends from the shore to Platform Grace, and (ii) those two oil pipelines that run from Platform Grace to Platform Gail, in each case (i) and (ii) as and to the extent described on Part 2 (state waters) and Part 3 (federal waters) of Exhibit A-1 hereto.

"Seller" and "Sellers" have the meaning ascribed thereto in the preamble to this Agreement.

"Seller Credit Obligations" has the meaning ascribed thereto in Section 4.19.

"Seller Current Insurance" has the meaning ascribed thereto in Section 4.19.

"Seller Indemnified Parties" has the meaning ascribed thereto in Section 10.01(b).

"Seller Termination Notice" has the meaning ascribed thereto in Section 11.01(c).

"State Gas Pipeline Segment" has the meaning ascribed thereto in Section 2.01(b).

"State Oil Pipeline Segment" has the meaning ascribed thereto in Section 2.01(b).

"State Pipeline Assets" has the meaning ascribed thereto in Section 2.01.

"Straddle Period" means a taxable period that begins before the Closing Date and ends on or after the Closing Date.

"Tax" means any and all federal, state, provincial, local, foreign and other taxes, levies, fees, imposts, duties, and similar governmental charges in the nature of a tax (including any interest, fines, assessments, penalties or additions to tax imposed in connection therewith or

with respect thereto), including income, franchise, profits, gross receipts, ad valorem, value added, capital gains, sales, goods and services, use, real or personal property, capital stock, license, license fee, utility revenue, branch, payroll, withholding, employment, social security (or similar), unemployment, compensation, utility, severance, production, excise, stamp, occupation, premium, windfall profits, transfer and gains taxes, and customs duties.

"Tax Adjustment" has the meaning ascribed thereto in Section 7.02(b).

"Tax Return" means any return, report, information return, declaration, claim for refund, election, disclosure, estimate, or other document, together with all schedules, attachments, amendments and supplements thereto (including all related or supporting information), supplied to or required to be supplied to any Governmental Authority in respect of Taxes.

"Third Party" means any Person other than a Seller, Purchaser or any of their respective Affiliates.

"Transaction Documents" means (a) this Agreement, (b) the Deed and the Bill of Sale, (c) the Confidentiality Agreement, (d) the Interim Agreement, and (e) any and all additional agreements, certificates, documents, and instruments to be executed and delivered by any Party or any Affiliate thereof at or in connection with the Closing.

"Transactions" means the transactions contemplated by the Transaction Documents.

"Transfer Taxes" means any real property transfer or excise, sales, use, value added, stamp, documentary, recording, registration, conveyance, intangible property transfer, personal property transfer, duty, securities transactions or similar fees or Taxes or governmental charges (together with any interest or penalty, addition to Tax or additional amount imposed), including any payments made in lieu of any such Taxes or governmental charges.

"Treasury Regulations" means the U.S. Treasury Regulations promulgated under the Code.

"Trustee" has the meaning ascribed thereto in Section 12.13.

"Ventura Pipeline" means the 14-mile oil pipeline, consisting of varying diameters, owned by Ellwood that transports oil production from Ellwood's Rincon Facility southward to destinations in Ventura County which is part of the Ventura Pipeline System.

"Ventura Pipeline System" means both the Carpinteria Line and the Ventura Pipeline collectively.

1.02 Certain Principles of Interpretation. In this Agreement, unless otherwise indicated, all words defined in the singular have the corresponding meaning in the plural and vice versa; words importing any gender include all other genders; references to statutes or regulations are to be construed as including all statutory or regulatory provisions consolidating, amending or replacing the statute or regulation referred to prior to the date hereof; references to

"writing" include printing, typing, lithography and other means of reproducing words in a tangible visible form; the words "including", "includes" and "include" shall be deemed to be followed in each instance by the words "without limitation"; the words "shall" and "will" have the same meaning; references to articles, sections (or subdivisions of sections), exhibits, annexes or schedules are to articles, sections (or subdivisions of sections), exhibits, annexes or schedules of or to this Agreement; references to agreements and other contractual instruments shall be deemed to include all amendments, extensions and other modifications to such instruments (but only to the extent such amendments, extensions and other modifications are not prohibited by the terms of this Agreement); references to Persons include their respective successors and permitted assigns and, in the case of Governmental Authorities, Persons succeeding to their respective functions and capacities; and all accounting terms used herein and not expressly defined herein shall have the meanings given to them under GAAP. Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified. Whenever any action must be taken hereunder on or by a day that is not a Business Day, then such action may be validly taken on or by the next day that is a Business Day. Each of Sellers and Purchaser acknowledges that each Party and its attorney have reviewed this Agreement and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting party, or any similar rule operating against the drafter of an agreement, shall not be applicable to the construction or interpretation of this Agreement. Currency amounts referenced herein are in U.S. Dollars.

ARTICLE II.
PURCHASE AND SALE; ASSUMPTION OF LIABILITIES

2.01 Acquired Assets. Upon the terms and subject to the conditions contained in this Agreement, at the Closing, Sellers shall sell, convey, assign, transfer and deliver to Purchaser, and Purchaser shall purchase and acquire from Sellers (i) the State and Carpinteria Station Acquired Assets, and (ii) subject to the Purchaser Option, the Federal Pipeline Assets, in each case (i) and (ii), free and clear of any and all liens, claims, encumbrances and interests (other than the Permitted Encumbrances) and pursuant to 11 U.S.C. sections 363 and 365, as applicable. The "State and Carpinteria Station Acquired Assets" shall include all of Sellers' right, title and interest in and to the following, but in each case excluding the Excluded Assets and the Federal Pipeline Assets (with the State and Carpinteria Station Acquired Assets pertaining solely to the Carpinteria Station Segment referred to collectively as the "Carpinteria Station Assets" and the State and Carpinteria Station Acquired Assets pertaining solely to the State Pipeline Segments referred to collectively as the "State Pipeline Assets"):

(a) that portion of the Carpinteria Line that is located on the Carpinteria Plant Property, which begins immediately downstream of the scraper receiving trap for the Platform Grace – Carpinteria Station segment and ends immediately upstream of the scraper launching trap for the Carpinteria Station - Rincon Facility segment, as further described on Part 1 of Exhibit A-1 hereto (the "Carpinteria Station Segment");

(b) (i) the portion of the SCU Gas Pipeline Segment that is located on rights-of-way, easements or by other permissions or consents, in each case as granted by state, city or local Governmental Authorities consisting of, or consisting of sub-units of or located within, the tidal lands and waters of the State of California, as further described and delineated in Part 2 of

Exhibit A-1 (the "State Gas Pipeline Segment"); and (ii) the portion of the SCU Oil Pipeline Segment that is located on rights-of-way, easements or by other permissions or consents, in each case as granted by state, city or local Governmental Authorities consisting of, or consisting of sub-units of or located within, the tidal lands and waters of the State of California, as further described and delineated in Part 2 of Exhibit A-1 (the "State Oil Pipeline Segment") (the "State Pipeline Segments" and, together with the Carpinteria Station Segment, the "Pipeline Segments");

(c) (i) the equipment, vehicles, tools, inventory, personal property, and fixtures located on, necessary to operate, or otherwise primarily used in conjunction with, the Carpinteria Station Segment, including any shipping pumps, tank 861, oil measurement equipment and all associated pipelines, and together with and including the equipment, vehicles, tools, inventory, personal property, and fixtures described on Part 1 of Exhibit A-2 attached hereto (collectively, the "Carpinteria Station Segment Equipment"), and (ii) the equipment, vehicles, tools, inventory, personal property, and fixtures located on, necessary to operate, or otherwise primarily used in conjunction with, the State Pipeline Segments, including any shipping pumps, oil measurement equipment and all associated pipelines, and together with and including the equipment, vehicles, tools, inventory, personal property, and fixtures described on Part 2 of Exhibit A-2 attached hereto (collectively, the "State Pipeline Segments Equipment") ;

(d) (i) to the extent transferable, any right of Sellers, by way of lease, license, right-of-way, servitude, easement, or similar right or instrument, relating to the ownership, operation, construction, maintenance and repair of the Carpinteria Station Segment or the Carpinteria Station Segment Equipment, together with and including such rights described on Part 1 of Exhibit A-3 attached hereto (the "Carpinteria Station Segment Easements"), and (ii) to the extent transferable, any right of Sellers, by way of lease, license, right-of-way, servitude, easement, or similar right or instrument, relating to the ownership, operation, construction, maintenance and repair of the State Pipeline Segments or the State Pipeline Segments Equipment, together with and including such rights described on Part 2 of Exhibit A-3 attached hereto (the "State Pipeline Segments Easements");

(e) (i) to the extent transferable, all active Permits necessary to own, occupy, operate or control the Carpinteria Station Segment, the Carpinteria Station Segment Equipment or the Carpinteria Station Segment Easements, together with those Permits listed or described on Part 1 of Exhibit A-4 attached hereto (collectively, the "Carpinteria Station Segment Acquired Permits"), and all pending applications for any renewal, extension or modification of any such Carpinteria Station Permits, and (ii) to the extent transferable, all active Permits necessary to own, occupy, operate or control the State Pipeline Segments, the State Pipeline Segments Equipment or the State Pipeline Segments Easements, together with those Permits listed or described on Part 2 of Exhibit A-4 attached hereto (collectively, the "State Pipeline Segments Acquired Permits"), and all pending applications for any renewal, extension or modification of any such State Pipeline Segments Acquired Permits;

(f) (i) the Contracts described on Part 1 of Exhibit A-5 attached hereto (including all Contracts in existence prior to the date hereof but added to Part 1 of Exhibit A-5 between the date hereof and the Closing Date by Sellers with the written consent of Purchaser)

(collectively, the "Carpinteria Station Segment Acquired Contracts"), and (ii) the Contracts described on Part 2 of Exhibit A-5 attached hereto (including all Contracts in existence prior to the date hereof but added to Part 2 of Exhibit A-5 between the date hereof and the Closing Date by Sellers with the written consent of Purchaser) (collectively, the "State Pipeline Segments Acquired Contracts");

(g) (i) originals or copies of all books, records, documents, drawings, reports, operating data, operating safety and maintenance manuals, inspection reports, engineering design plans, blueprints, specifications, original permits, plans, compliance records, lease records, rights-of-way records, government (federal, state, Santa Barbara County and City of Carpinteria) correspondence and other files, in each case to the extent covering or otherwise primarily relating to the Carpinteria Station Segment, the Carpinteria Station Segment Equipment, the Carpinteria Station Segment Easements, the Carpinteria Station Segment Acquired Permits or the Carpinteria Station Segment Acquired Contracts, together with and including the records and documents described on Part 1 of Exhibit A-6 attached hereto (the "Carpinteria Station Segment Records"), and (ii) originals or copies of all books, records, documents, drawings, reports, operating data, operating safety and maintenance manuals, inspection reports, engineering design plans, blueprints, specifications, original permits, plans, compliance records, lease records, rights-of-way records, government (federal, state, Santa Barbara County and City of Carpinteria) correspondence and other files, in each case to the extent covering or otherwise primarily relating to the State Pipeline Segments, the State Pipeline Segments Equipment, the State Pipeline Segments Easements, the State Pipeline Segments Acquired Permits or the State Pipeline Segments Acquired Contracts, together with and including the records and documents described on Part 2 of Exhibit A-6 attached hereto (the "State Pipeline Segments Records"); and

(h) to the extent transferable, all of Sellers' rights to any unexpired warranties, indemnities, and guarantees made or given by manufacturers, contractors, architects, engineers, consultants, vendors, suppliers and other third parties with respect to any of the aforementioned Carpinteria Station Assets or State Pipeline Assets, as applicable.

2.02 Excluded Assets. Nothing in this Agreement shall constitute or be construed as conferring on Purchaser, and Purchaser shall not be entitled or required to purchase or acquire, any right, title or interest in, to or under the following assets, interests, properties, rights, licenses or Contracts (collectively, the "Excluded Assets"), which such assets, interests, properties, rights, licenses and Contracts shall be excluded from and shall not constitute Acquired Assets:

(a) all oil and gas leases, oil, gas and mineral leases (including record title and operating rights) and subleases, royalties, overriding royalties, net profits interests, mineral fee interests, carried interests, and other rights to oil and gas in place, and mineral servitudes owned by Sellers, including those described on Exhibit B-1 hereto (collectively, the "Excluded Leases"), together with (i) all pooled, communitized or unitized acreage which includes all or part of any Excluded Leases and all tenements, hereditaments and appurtenances belonging to pooled, communitized or unitized acreage or otherwise to the Excluded Leases, and together with and including the Santa Clara Unit described on Exhibit B-2 attached hereto (the "Excluded Units"); (ii) any and all oil, gas, water, CO2 or injection wells located on the

Excluded Leases or the Excluded Units, including the interests in the wells shown on Exhibit B-3 attached hereto (the "Excluded Wells"), and (iii) any oil and gas production platforms and other exploration, production, processing or other hydrocarbon facilities located on the Excluded Leases or the Excluded Units or otherwise associated with the Excluded Wells, together with and including Platform Gail and Platform Grace, including those described on Exhibit B-4 hereto (the "Excluded Offshore Facilities" and, together with the Excluded Leases, the Excluded Units and the Excluded Wells, the "Excluded Upstream Assets");

(b) the Ventura Pipeline and all segments of the Carpinteria Line, excluding the Carpinteria Station Segment, the State Pipeline Segments and the Federal Pipeline Segments, together with all equipment, personal property, and fixtures located on, relating to, necessary to operate, or otherwise used in conjunction therewith (the "Excluded Midstream Assets");

(c) (i) all oil and gas produced from or attributable to the Excluded Upstream Assets before or after the Effective Time, (ii) all oil, gas condensate and scrubber liquids inventories and ethane, propane, iso-butane, nor-butane and gasoline inventories produced from the Excluded Upstream Assets, but excluding any linefill or storage contained in the Carpinteria Station Segment, the State Pipeline Segments or the Federal Pipeline Segments as of the Closing Date that remains after the Sellers have completed or ceased the "Warm Stack Services" pursuant to and as defined in the Interim Agreement, and (iii) all production, plant and transportation imbalances pertaining to the Excluded Midstream Assets or to production from the Excluded Upstream Assets, in each case as modified by or otherwise subject to the limitations set forth on Schedule 2.02(c), if any;

(d) all of the rights and interests of any Seller and any Affiliate of any Seller in, to, under or pursuant to any Contract other than the Acquired Contracts (the "Excluded Contracts");

(e) (i) each Seller's and its direct and indirect parent companies' Organizational Documents, minute books, limited liability company interest books, ledger, company seal, Tax Returns, balance sheets, income statements, statements of cash flows, books of account, and employee-related or employee-benefit related files and records, and (ii) all books, records, documents, drawings, reports, operating data, operating safety and maintenance manuals, inspection reports, engineering design plans, blueprints, and specifications relating to the Excluded Assets (collectively, the "Excluded Records");

(f) cash, cash equivalents, bank accounts, securities, accounts, bank deposits, accounts and notes receivable, trade or otherwise of Sellers or any of their respective Affiliates;

(g) certificates of deposit, shares of stock, securities, bonds, debentures, evidences of indebtedness, and interests in joint ventures or other Persons, in any such case owned (beneficially or of record) by any Seller or any Affiliate of any Seller;

(h) all rights of Sellers and their respective Affiliates arising under this Agreement, the other Transaction Documents or any other instrument or document executed and delivered pursuant to the terms of this Agreement or any other Transaction Document;

(i) all claims, causes of action, counterclaims, cross claims, offsets or defenses arising, occurring or existing in favor of any Seller or any Affiliate of any Seller to the extent relating to or attributable to (i) the Excluded Liabilities, (ii) any other Excluded Asset, or (iii) this Agreement, the other Transaction Documents or any other instrument or document executed and delivered pursuant to the terms of this Agreement or the other Transaction Documents;

(j) subject to the terms and conditions of the SCU/Carpinteria Plant PSA, the SCU/Carpinteria Plant Assets;

(k) the Purchase Price delivered to Sellers pursuant to this Agreement;

(l) all rights to any refunds of Taxes (or other related costs or expenses) that are borne by or the responsibility of Sellers or attributable to any Tax asset of any Seller;

(m) subject to Section 7.04 and except to the extent attributable to any Assumed Liabilities, all insurance policies and rights to proceeds thereof;

(n) any Acquired Assets excluded from Closing pursuant to Section 2.05 or Section 6.04(f) (with respect to State Pipeline Assets), in each case subject to exclusion from this definition of Excluded Assets upon transfer of relevant Acquired Asset to Purchaser at a later Closing pursuant to the relevant section;

(o) in the event that Purchaser fails to exercise the Purchaser Option prior to the Option Termination Date, the Federal Pipeline Assets;

(p) all assets set forth on Schedule 2.02; and

(q) without limiting the foregoing provisions of this Section 2.02, all other assets, properties, rights or interests owned, used, occupied or held by or for the benefit of any Seller or any Affiliate of any Seller that are not specifically designated as Acquired Assets hereunder.

2.03 Assumption of Liabilities. Upon the terms and subject to the conditions of this Agreement and the Approval Order, on the Closing Date, without limiting Purchaser's rights to indemnity under and in accordance with Article IX, from and after the Closing (including, as applicable, any subsequent Closing that occurs after the Closing Date in accordance with the terms hereof), for all or, as applicable, the relevant portion of the Acquired Assets transferred at such Closing, Purchaser shall assume and agree to discharge, when due (in accordance with their respective terms and subject to the respective conditions thereof), only the following Liabilities, save and except the Excluded Liabilities (subject to such exception, collectively, the "Assumed Liabilities"):

(a) all of Sellers' Liabilities under the Acquired Contracts, whether arising prior to, at or after the Closing Date, together with any and all cure and reinstatement costs or expenses relating to the assignment and assumption of the Acquired Contracts or Acquired Assets imposed by the Bankruptcy Court pursuant to Bankruptcy Code Section 365;

(b) all of Sellers' unsatisfied decommissioning, remediation and clean-up obligations for the Acquired Assets, whether arising prior to, at or after the Closing Date (but, for clarity, excluding any decommissioning, remediation and clean-up obligations or plugging and abandonment obligations for the Excluded Assets);

(c) all Taxes that are the responsibility of Purchaser pursuant to Section 7.02, and, to the extent covered by the Tax Adjustment, the Taxes that are the responsibility of Sellers pursuant to Section 7.02; and

(d) to the extent not already described in Section 2.03(a) through Section 2.03(c) above all Liabilities arising from, related to or associated with the Acquired Assets, in each case, to the extent accruing on or after the Closing Date.

2.04 Excluded Liabilities. Notwithstanding any provision in this Agreement to the contrary, Purchaser shall not assume and shall not be obligated to assume or be obliged to pay, perform or otherwise discharge any Liability of Sellers other than the Assumed Liabilities (such Liabilities, collectively, the "Excluded Liabilities"). For purposes of clarity, and without limitation of the generality of the foregoing, the Excluded Liabilities shall include, without limitation, each of the following Liabilities:

(a) all guarantees of Third Party obligations by Sellers and reimbursement obligations to guarantors of Sellers' obligations or under letters of credit, including obligations and other liability under bonds acquired by Sellers and posted for Sellers' benefit;

(b) all accrued expenses and accounts payable in relation to the Acquired Assets or any other assets of Sellers or otherwise with respect to Sellers accrued as of the Closing Date, (other than any applicable cure or restatement costs specifically assumed pursuant to Section 2.03(a) or costs related to decommissioning, remediation or clean-up specifically assumed pursuant to Section 2.03(b));

(c) all Taxes that are the responsibility of Sellers pursuant to Section 7.02, all Transfer Taxes and any Taxes imposed on Sellers for any taxable period;

(d) those Actions and Proceedings set forth on, or required to be set forth on, Schedule 4.05;

(e) all Liabilities of Sellers to any owner or former owner of capital stock or warrants, or holder of indebtedness for borrowed money;

(f) all Liabilities arising out of or relating to (i) any employee benefit or compensation plan, program or arrangement sponsored, maintained or contributed to by Sellers or any ERISA affiliate or to which any Seller or any ERISA affiliate was obligated to contribute at any time on or prior to the Closing Date, including all Controlled Group Liabilities; or (ii) the employment or engagement by any Seller of any employee or contractor;

(g) all Liabilities (including Liabilities related to Environmental Law) related to the Excluded Assets, provided that, for the avoidance of doubt, allocation of Liabilities

(including Liabilities related to Environmental Law) related to the SCU/Carpinteria Plant Assets shall be subject to the terms and conditions of the SCU/Carpinteria Plant PSA;

(h) all obligations arising out of or relating to the accounting for, failure to pay or the incorrect payment to or from any royalty owner, overriding royalty owner, working interest owner or other interest holder under the Acquired Assets or the Excluded Assets and escheat obligations, in each case, insofar as the same are attributable to periods, and Hydrocarbons produced and marketed with respect to the Acquired Assets or the Excluded Assets, whether arising prior to the Closing Date (for the Acquired Assets) or prior to or after the Closing Date (for the Excluded Assets);

(i) all Liabilities arising out of or relating to disposal of Hazardous Substances off-site of the Acquired Assets (or the Excluded Assets) prior to Closing;

(j) all Liabilities related to death or physical injury to any Person arising out of or relating to the ownership or operation of the Acquired Assets occurring prior to the Closing Date;

(k) all Liabilities related to property damage of any Third Party related to or arising out of or relating to the ownership or operation of the Acquired Assets prior to the Closing Date;

(l) any fines or penalties imposed or assessed related to or arising out of or relating to the ownership or operation of the Acquired Assets prior to the Closing Date (including fines and penalties imposed or assessed in connection with any pre-Closing violation of Laws by Sellers, including Environmental Laws), except to the extent such fines or penalties are imposed or assessed relating to or arising out of acts or omissions after the Closing Date;

(m) any actions, suits or proceedings that are pending prior to the Closing Date related to or arising out of or relating to the ownership or operation of the Acquired Assets;

(n) all Liabilities related to any agent, broker, finder, investment or commercial banker, or any other Person that Seller nor any of Sellers' Affiliates may have employed in connection with this Agreement or any of the Transactions, including any broker's, finder's or similar fee, commission or other payment relating thereto or arising therefrom; and

(o) all Liabilities related to the Bankruptcy Case, the costs or administration of the Bankruptcy Case or any Seller's duties or obligations arising under the Bankruptcy Code.

2.05 Assignment Subject Third Party Consent.

(a) Subject to Section 2.06 and Section 6.04, if prior to the Closing Date any Material Consent has not been obtained or satisfied, the Acquired Assets affected by such Material Consent shall be held back from the Acquired Assets conveyed at Closing and the Purchase Price paid at Closing shall be reduced by the Allocated Value of the relevant Acquired Assets. From and after the date hereof Sellers shall use commercially reasonable efforts to obtain any Material Consents (including delivering notices to all Third Parties holding any Material Consents as promptly as practicable following the date of this Agreement). If a

Material Consent is obtained following Closing, any Acquired Assets so held back at the Closing will be conveyed to Purchaser within ten (10) Business Days after such Material Consent has been obtained, waived or otherwise satisfied; *provided that*, if any such Material Consent is not obtained, waived or otherwise satisfied on or prior to June 30, 2018, Sellers may refuse to convey, or Purchaser may refuse to accept conveyance of, the affected Acquired Asset(s) (at Seller's or Purchaser's sole discretion, as applicable). At such subsequent closing, Sellers shall contribute, assign, transfer and convey to Purchaser, and Purchaser shall acquire and accept from Sellers, the relevant Acquired Assets, and Purchaser shall pay to Sellers the Allocated Value of the relevant Acquired Assets, in each case pursuant to the terms of this Agreement. Subject to Section 2.06 and Section 6.04 and except for Material Consents listed in Schedule 4.03, if any consents to the assignment of any Acquired Asset are not obtained prior to Closing, then with respect to each affected Acquired Asset, the affected Acquired Assets shall nevertheless be sold and conveyed to Purchaser at the Closing and Purchaser shall pay for the affected Acquired Asset(s) at Closing in accordance with this Agreement as though such consent had been obtained (including the payment by Purchaser to Sellers of the Allocated Value of such affected Acquired Asset(s)). In the case of licenses, certificates, approvals, authorizations, Contracts and other commitments included in the Acquired Assets (i) that cannot be transferred or assigned without the Material Consent of Third Parties, which Material Consent has not been obtained prior to the Closing (after giving effect to the Approval Order and the Bankruptcy Code), Sellers shall, at Purchaser's sole expense and subject to any approval of the Bankruptcy Court that may be required, reasonably cooperate with Purchaser in attempting to obtain such Material Consent and, if any such Material Consent is not obtained, Sellers shall, following the Closing, at Purchaser's election and at Purchaser's sole expense and subject to any approval of the Bankruptcy Court that may be required, cooperate with Purchaser in all reasonable respects to provide to Purchaser the benefits thereof in some other manner, or (ii) that are otherwise not transferable or assignable (after giving effect to the Approval Order and the Bankruptcy Code), Sellers shall, following the Closing, at Purchaser's election and at Purchaser's sole expense and subject to any approval of the Bankruptcy Court that may be required, reasonably cooperate with Purchaser to provide to Purchaser the benefits thereof in some other manner (including the exercise of the rights of Sellers thereunder).

(b) Nothing herein constitutes an admission or acknowledgement that any Governmental Authority(ies) consent is necessary and Sellers and Purchasers reserve their rights to obtain approval of an assignment of Acquired Assets pursuant to Bankruptcy code section 365(f).

2.06 Purchaser Option for Federal Pipeline Assets.

(a) From the Effective Date until June 30, 2018 (the "Option Termination Date"), Purchaser shall have the option to purchase the Federal Pipeline Assets as part of the Acquired Assets in accordance with this Agreement (the "Purchaser Option"), which shall be exercisable by Purchaser providing written notice to Sellers that it elects to exercise the Purchaser Option prior to the Option Termination Date. In the event that Purchaser elects to exercise the Purchaser Option by providing notice to Sellers no fewer than five (5) Business Days prior to Closing, then the Federal Pipeline Assets shall be included in the Acquired Assets conveyed at Closing; provided that, if the Purchaser fails to make such election on or prior to five (5) Business Days prior the Closing, the Federal Pipeline Assets shall be held back from the

Acquired Assets conveyed at Closing and the Purchase Price paid at Closing shall be reduced by the Allocated Value of the Federal Pipeline Assets. In the event that Purchaser exercises the Purchaser Option after five (5) Business Days prior to the initial Closing hereunder, the Federal Pipeline Assets will be conveyed to Purchaser within ten (10) Business Days after the Purchaser Option is exercised. At such subsequent closing, Sellers shall contribute, assign, transfer and convey to Purchaser, and Purchaser shall acquire and accept from Sellers, the Federal Pipeline Assets, and Purchaser shall pay to Sellers the Allocated Value of the Federal Pipeline Assets, in each case pursuant to the terms of this Agreement.

(b) In a timely manner following the Execution Date, until the earlier of (i) closing of the sale of the Federal Pipeline Assets to Purchaser pursuant to the Purchaser Option or (ii) the Option Termination Date, if Purchaser has failed to exercise the Purchaser Option on or before the Option Terminate Date, the Parties shall perform, and otherwise use their commercially reasonable efforts to accomplish, the following items:

(i) Sellers will continue to own and operate the Federal Pipeline Assets and subject to applicable Law will permit Purchaser to use the Federal Pipeline Assets in the course of Purchaser's decommissioning activities pertaining to the Santa Clara Unit, in exchange for Purchaser paying in advance all actual costs of Sellers continued ownership and operation thereof (the "Usage Rights"); provided that Seller's continued ownership and operation and Purchaser's use of the Federal Pipeline Assets after the SCU Lease Relinquishment is subject to the consent of BOEM and BSEE, and provided further that; Sellers shall be free to abandon the Federal Pipeline Assets at any time subsequent to June 30, 2018;

(ii) Sellers and Purchaser shall work together in good faith to agree on a transportation and usage agreement covering the Usage Rights described above (the "Usage Agreement"), provided that, in the event that the such agreement is not finalized prior to the start of the relevant decommissioning activities, Purchaser shall have the option to use the Federal Pipeline Assets in accordance with the general principles set forth herein describing the Usage Rights;

(iii) In the event that prior to June 30, 2018, Sellers are required to relinquish any rights-of-way, easements or similar rights (including lease rights) necessary to own or operate the Federal Pipeline Assets, including such rights as are necessary to provide the Usage Rights or provide services under the Usage Agreement, Sellers shall consult with Purchaser prior to and during the course of any such relinquishment to minimize the impact of such relinquishment on the Usage Rights and/or the Usage Agreement, as applicable, and, in any event, any such relinquishment shall include written notice to the relevant Governmental Authority that certain of the assets subject to relinquishment are subject to, as applicable, the Usage Rights, the Usage Agreement and/or the Purchaser Option; and

(iv) Upon request of Purchaser, Sellers shall reasonably cooperate with Purchaser during the course of the administrative process or other discussions with the relevant Governmental Authority (including the BOEM and BSEE) pertaining to the aforementioned decommissioning activities pertaining to the Santa Clara Unit, including

with regard to maintaining the Usage Rights, Usage Agreement and/or the Purchaser Option during the course of the decommissioning activities and in the course of and following any relinquishment of relevant assets by Sellers.

ARTICLE III.
CLOSING; PURCHASE PRICE

3.01 Closing. Subject to the terms and conditions hereof, the consummation of the purchase and sale of the Acquired Assets contemplated hereby (the "Closing") shall take place at the Houston office of King & Spalding LLP, 1100 Louisiana Street, Suite 4000, Houston, Texas 77002, at 10:00 a.m. local time, on the later of (i) December 20, 2017 and (ii) the date that is three (3) Business Days following the date on which the conditions set forth in Article VIII and Article IX, other than those conditions that by their nature are to be satisfied at the Closing (but subject to their satisfaction or waiver at the Closing), have been either satisfied or waived by the Party for whose benefit such conditions exist; or on such other date or at such other place and time as the Parties may mutually agree in writing. The date on which the Closing occurs is referred to as the "Closing Date." The Closing shall be effective for all purposes at 12:01 a.m., local time, in Santa Barbara, California, on the Closing Date (the "Effective Time"). All actions listed in Sections 3.02 or 3.03 that occur on the Closing Date shall be deemed to occur simultaneously at the Closing unless otherwise specified herein.

3.02 Seller Closing Deliverables. At the Closing, each Seller shall deliver, or cause to be delivered, to Purchaser the following:

(a) a duly executed counterpart to the Deed and to the Bill of Sale, together with, as applicable, counterpart(s) to any other assignment for each jurisdiction in which the Acquired Assets are located and each other Transaction Document to which such Seller is a party (including transfer orders and change of operator forms), and any other applicable forms required by federal and state agencies relative to the transfer of the ownership and/or operation of the Acquired Assets from Sellers to Purchaser, in each case in a form reasonably acceptable to Purchaser;

(b) a copy of the Approval Order;

(c) the certificates of such Seller to be received by Purchaser pursuant to Section 8.03;

(d) UCC-3, mortgage releases, and other release documents, in form and substance reasonably acceptable to Purchaser, to evidence the release of any and all Encumbrances arising from or relating to any secured debt and, to the extent required under Section 7.07, any materialman's, mechanic's, repairman's, employee's, contractor's, operator's and other similar Encumbrances;

(e) all Records, including electronic Records, that have not yet been provided to Purchaser pursuant to Section 6.04(a);

(f) such other bills of sale, deeds, endorsements, assignments, transfer documentation for transferring vehicles or equipment, including execution of any relevant title,

lease or license, and other good and sufficient instruments of conveyance and transfer (i) in form reasonably satisfactory to Purchaser, as Purchaser may reasonably request to vest in Purchaser all the right, title and interest of such Seller in, to or under any or all the Acquired Assets, in each case, in a form reasonably acceptable to Purchaser, (ii) as may be required by the Bankruptcy Court; or (iii) as reasonably necessary to enable Purchaser to obtain title insurance as to the Acquired Assets, including with respect to this clause (iii) affidavits of ownership/marketable title and affidavits of no debts/liens; and

(g) a certificate and affidavit of non-foreign status of such Seller pursuant to Section 1445 of the Code executed by a duly authorized representative of such Seller (or such Seller's Tax parent Affiliate, as applicable).

3.03 Purchaser Closing Deliverables. At the Closing, Purchaser shall deliver, or cause to be delivered, the following:

(a) The cash portion of the Purchase Price (less the Tax Adjustment) by wire transfer of immediately available funds to the accounts designated by Sellers in writing at least two (2) Business Days prior to the Closing Date, in each case, in accordance with the allocation schedule attached hereto as Schedule 3.03;

(b) to Sellers, a duly executed counterpart to the Deed and to the Bill of Sale, together with, as applicable, counterpart(s) to any other assignment for each jurisdiction in which the Acquired Assets are located and each other Transaction Document to which Purchaser is a party (including transfer orders and change of operator forms), and any other applicable forms required by federal and state agencies relative to the transfer of the ownership and/or operation of the Acquired Assets from Sellers to Purchaser, in each case in a form reasonably acceptable to Seller;

(c) the certificates of Purchaser to be received by Sellers pursuant to Section 9.03; and

(d) such other agreements, documents and instruments as Sellers may reasonably request in order to fully consummate the transactions contemplated by this Agreement and carry out the purposes and intent of this Agreement as reasonable requested by Sellers or as may be required by the Bankruptcy Court.

3.04 Purchase Price. The purchase price for the purchase, sale, assignment and conveyance of Sellers' right, title and interest in, to and under the Acquired Assets shall consist of the following (collectively, the "Purchase Price"):

(a) cash in an amount equal to the sum of (i) fifty thousand dollars and zero cents ($50,000.00), plus (ii) such other amount that Purchaser may elect to credit bid pursuant to that certain deed of trust dated February 1, 1999, filed in the real property record of Santa Barbara County, California at file #2002-0011709 (the "Credit Bid Amount"); and

(b) the assumption of the Assumed Liabilities.

3.05 Purchase Price Allocation. On or before ninety (90) days after the Closing Date, Purchaser shall deliver to Seller a final allocation of the Purchase Price (as determined for federal income Tax purposes) among the Acquired Assets in accordance with Section 1060 of the Code and Treasury Regulations thereunder (and any similar provision of state, local or foreign Law, as applicable), which shall be consistent with the allocation of the Purchase Price among the Acquired Assets set forth on Exhibit D. The allocation of the Purchase Price to each Acquired Asset is referred to herein as the "Allocated Value" of such Acquired Asset, and the general allocation of value described in this Section 3.06 is referred to herein as the "Tax Allocation". The Tax Allocation set forth on Purchaser's notice shall be reflected on a completed IRS Form 8594, which form shall be timely filed separately by Purchaser and Sellers with the IRS pursuant to the requirements of Section 1060(b) of the Code. Purchaser and Sellers (and their respective Affiliates) agree not to take any position or file any Tax Return inconsistent with the Tax Allocation unless required by applicable Law or a "determination" within the meaning of Section 1313(a)(1) of the Code; provided, however, that nothing in this Agreement will prevent a Party from settling any proposed deficiency or adjustment by any Governmental Authority based upon or arising out of the Tax Allocation, and neither Party will be required to litigate before any court any proposed deficiency or adjustment by any Governmental Authority challenging the Tax Allocation, as applicable. Each Party shall promptly notify the other upon receipt of notice of any pending or threatened Tax audit or assessment challenging the Tax Allocation. Notwithstanding any other provision of this Agreement, the terms and provisions of this Section 3.05 shall survive the Closing without limitation.

ARTICLE IV.
REPRESENTATIONS AND WARRANTIES OF SELLERS

The Sellers hereby represent and warrant to Purchaser as follows:

4.01 Legal Existence. Each Seller is duly formed, validly existing and in good standing under the Laws of the state of its formation. Each Seller is duly qualified or licensed to do business and is in good standing in the states in which the conduct of its business or locations of its assets and properties makes such qualification or license necessary. Each Seller has all requisite limited liability company or corporate power and authority, as applicable, to execute, deliver and perform its obligations under this Agreement and the other Transaction Documents.

4.02 Authority. The execution and delivery by Sellers of, and the performance by Sellers of its obligations under, this Agreement and the other Transaction Documents and the consummation by Sellers of the Transactions have been duly and validly authorized by all necessary action under each Seller's Organizational Documents and by order of the Bankruptcy Court, subject to entry of the Approval Order. This Agreement has been, and the other Transaction Documents delivered by Sellers at Closing when executed and delivered at Closing shall be, duly and validly executed and delivered by Sellers and, subject to entry of the Approval Order and assuming the due authorization, execution and delivery thereof by all other parties thereto, constitute the legal, valid and binding obligation of Sellers enforceable against Sellers in accordance with its and their respective terms.

4.03 No Conflicts; Consents and Approvals. Subject to entry of the Approval Order, none of the execution and delivery by Sellers of this Agreement or any other Transaction

Document, the performance by Sellers of its obligations under any Transaction Document, or the consummation by Sellers of the Transactions does or will:

(a) violate, conflict with or constitute a default under the Organizational Documents of any Seller;

(b) assuming the Material Consents listed in Schedule 4.03 are duly obtained, require any Material Consent applicable to Sellers, or breach, violate or result in a default under any Acquired Contract or otherwise constitute a default (with or without notice or lapse of time or both) under, or conflict with, or cause any acceleration of any obligation of any Seller under any agreement, indenture, or other instrument to which any Seller is or the Acquired Assets are bound or reasonably be expected to have a Material Adverse Effect; or

(c) violate in any material respect any Order or any Law applicable to the Sellers.

4.04 Compliance with Laws. Except as set forth in Schedule 4.04, to the Knowledge of Sellers, Sellers are in compliance with all Laws applicable to the Acquired Assets, including the ownership and operation thereof. No Seller has received written notice from any Governmental Authority or other Person alleging non-compliance with any Laws applicable to the ownership and/or operation of the Acquired Assets (other than Taxes to the extent disclosed on Schedule 4.09 or Environmental Laws to the extent disclosed on Schedule 4.10), the subject of which has not been resolved.

4.05 Legal Proceedings. Except for the Bankruptcy Cases and for matters set forth in Schedule 4.05:

(a) There are no Proceedings pending or, to the Knowledge of Sellers, threatened against Sellers or their respective Affiliates by or before any Governmental Authority that relate to (i) the Acquired Assets or (ii) the execution and delivery of this Agreement by Sellers or the consummation by Sellers of the Transactions.

(b) There are no Orders outstanding against Sellers or any of their respective Affiliates relating to the Acquired Assets, other than, in each case, Orders of general applicability.

4.06 Leases and Easements. To the Knowledge of Sellers, with respect to the Easements: (a) all rental payments and other lease payments or other amounts due and payable by Sellers with respect to such instruments or any related agreements are current, and (b) Sellers are not in violation or breach of or in default under any such instrument (and no event has occurred that with or without the giving of notice, the lapse of time or both would constitute a default thereunder).

4.07 Title to Acquired Assets. Except as set forth in Schedule 4.07, Sellers have good and marketable title to all of the Acquired Assets, free and clear of all Liens other than Permitted Encumbrances and, upon and pursuant to delivery of the Deed and to the Bill of Sale at Closing, Sellers shall deliver good and marketable title to Purchaser as to all of the Acquired Assets, free and clear of all Liens other than Permitted Encumbrances. None of the

Acquired Assets are co-owned by, or otherwise owned or operated pursuant to a joint venture arrangement with, any Person other than Sellers.

4.08 Contracts.

(a) Sellers have made available to Purchaser true and complete copies of all Acquired Contracts, including all amendments, waivers or other changes thereto. Each Acquired Contract is in full force and effect and constitutes a legal, valid and binding obligation of the applicable Seller, enforceable in accordance with its terms. No Seller nor, to the Knowledge of Sellers, any other party to any Acquired Contract is in violation or breach of or in default under (and no event has occurred that with or without the giving of notice, the lapse of time or both would constitute a default under) any such Contract.

(b) Disclosure Schedule 4.08 lists all Material Contracts in effect as of the Execution Date, to which any Seller is a party or by which any Seller's interests in the Acquired Assets are bound. To Sellers' Knowledge, (a) all Material Contracts are in full force and effect, and (b) except for the Bankruptcy Cases, no default or breach (or event that, with notice or lapse of time, or both, would become a default or breach) of any Material Contract has occurred or is continuing on the part of any Seller. Except in connection with the Bankruptcy Cases, no Seller has received a written notice of any unresolved breach under any Material Contract. Sellers have made available to Purchaser complete and accurate copies of all Material Contracts, and any and all amendments, schedules and/or exhibits thereto

4.09 Taxes. Except as set forth in Schedule 4.09:

(a) Sellers have duly and timely filed, or caused to be duly and timely filed, all Tax Returns for Non-Income Taxes relating to the Acquired Assets required to be filed by Sellers with an applicable Governmental Authority. All such Tax Returns are, and were when filed, true, correct and complete in all material respects;

(b) All Non-Income Taxes imposed on or with respect to the Acquired Assets by any Governmental Authorities have been paid and there are no liens on any of the Acquired Assets currently existing, pending or, to Sellers' Knowledge, threatened with respect to any Acquired Assets related to any unpaid Taxes;

(c) No Seller nor any of their respective Affiliates is a party to any audit, litigation or other Proceeding, nor, to the Knowledge of Sellers, is any audit, litigation or other Proceeding threatened for the assessment or collection of any Non-Income Tax relating to the Acquired Assets, and no written deficiency notice or report has been received by Sellers or any of their respective Affiliates in respect of any Non-Income Tax relating to the Acquired Assets;

(d) There are no outstanding agreements or waivers extending the statutes of limitation applicable to any Tax Return for Non-Income Taxes or a Non-Income Tax assessment or deficiency, in each case, relating to the Acquired Assets;

(e) All of the Acquired Assets have been properly listed and described on the property tax rolls for all periods prior to and including the Closing Date and no portion of the Acquired Assets constitutes omitted property for property tax purposes;

(f) Purchaser will not be held liable for any unpaid Taxes that are or have become due on or prior to the Effective Time as a successor or transferee, by statute, contract or otherwise, as a result of the transfer of the Acquired Assets pursuant to this Agreement; and

(g) none of the Acquired Assets is held by or is subject to any contractual arrangement between one or more of the Sellers, on the one hand, and any other Person, on the other hand, whether owning undivided interests therein or otherwise, that is classified as a partnership for United States federal tax purposes (a "Tax Partnership") and no transfer of any part of the Acquired Assets pursuant to this Agreement will be treated as a transfer of an interest or interests in any partnership for federal income tax purposes

4.10 Environmental Matters. Except as set forth on Schedule 4.10:

(a) To Sellers' Knowledge, Sellers' ownership and operation of the Acquired Assets are in material compliance with applicable Environmental Laws;

(b) Sellers possess, and, to the extent applicable, have timely filed application(s) to renew, and are in material compliance with all Permits required under applicable Environmental Laws for the ownership or operation of the Acquired Assets;

(c) With respect to Sellers' operation of the Acquired Assets, no Seller has received any written notice alleging non-compliance with or violation of applicable Environmental Law from any Governmental Authority or other Person, the subject of which is unresolved;

(d) There is no Proceeding or Order pending, outstanding, or, to the Sellers' Knowledge, threatened against any Seller pursuant to Environmental Law with respect to the Acquired Assets or any Seller's operation of the Acquired Assets;

(e) To Sellers' Knowledge, during the period of Sellers' ownership and operation of the Acquired Assets, there has been no Release of Hazardous Substances into the environment at, on, under, to or from the Acquired Assets or any other property for which applicable Environmental Law requires notice, further investigation or response action by Sellers; and

(f) Sellers have made available to Purchaser, in written or electronic format, all significant environmental site assessments, audit reports, studies and analyses in the possession or control of any Seller addressing potentially material Liabilities or obligations pertaining to Hazardous Substances or Environmental Law in relation to the Acquired Assets.

4.11 Permits. To the Knowledge of Sellers, except as set forth in Schedule 4.11, the Acquired Permits constitute all of the Permits required for the ownership, occupancy, and operation of the Acquired Assets as currently owned, occupied, and operated. Except where indicated as a pending application on Exhibit A-4, each Acquired Permit is valid and in full force and effect and is held by Sellers. To the Knowledge of Sellers, no event has occurred that would reasonably be expected to cause the revocation, suspension, limitation or termination of, or the adverse modification or impairment in any material respect to, any

Acquired Permit. To the Knowledge of Sellers, except as set forth in Schedule 4.11, Sellers and their respective Affiliates are in material compliance with the Acquired Permits.

4.12 Brokers. Neither Seller nor any of Sellers' Affiliates has employed an agent, broker, finder, investment or commercial banker, or any other Person, in connection with this Agreement or any of the Transactions in a manner that would give rise to any broker's, finder's or similar fee, commission or payment payable by Purchaser or any of its Affiliates.

4.13 Preferential Purchase Rights. There are no Preferential Purchase Rights to which any of the Acquired Assets are subject that would be triggered by this Agreement or to which a notice would be required under the terms thereof due to the Parties entering into this Agreement.

4.14 Intellectual Property. Sellers do not own, hold, license or otherwise use any intellectual property, including any copyrights, patents and trademarks, in the ownership and operation of the Acquired Assets or otherwise related to or used in connection therewith.

4.15 Casualty Losses. Since January 1, 2016, there has been no condemnation, seizure, damage, destruction or other Casualty Loss (whether or not covered by insurance) affecting any of the Acquired Assets or any Seller which has not subsequently been completely repaired, replaced or restored.

4.16 Insurance and Bonds. Schedule 4.16 sets forth a true, correct and complete list of all insurance policies of Sellers which insure any of Sellers or any of the Acquired Assets ("Seller Current Insurance"), and a true, correct and complete list of all letters of credit, surety bonds and performance bonds required to be obtained by Sellers (or any of them) in connection with the ownership or operation of the Acquired Assets ("Seller Credit Obligations"). All Seller Current Insurance and Seller Credit Obligations are in full force and effect, all premiums or fees with respect thereto covering all periods up to and including the Closing have been paid, and no notice of cancellation or termination has been received with respect to any such insurance policy, letter of credit or bond.

4.17 Required Notices. Sellers have complied in all material respects with all notice provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and any applicable local rules and chambers rules of the Bankruptcy Court to the extent related to the Transactions, including the purchase and sale of the Acquired Assets contemplated hereunder. Without limiting the generality of the foregoing, prior to the Closing, Sellers will have delivered adequate notice of the sale of the Acquired Assets free and clear of all Encumbrances to each Person entitled to receive such notice pursuant to the bid procedures order. For clarity, the Parties agree that the foregoing includes, but is not limited to, the delivery of notice to the following Persons: (a) each Person who is the beneficiary of or a holder of any Encumbrance in and to any of the Acquired Assets; (b) each counterparty to each of the Acquired Contracts, the Easements, and each of the Excluded Contracts; (c) each Person holding or asserting any Preferential Purchase Right in the Acquired Assets or to whom there are owed any amounts relating thereto; (d) each Person who is the holder or other beneficiary of any revenue interest, net profit interests or other income or profits interest or right in any of the Acquired Assets, or any similar interest burdening any of the Acquired Assets; (e) each Person having a right to

consent to the transactions contemplated by this Agreement; and (f) each Governmental Authority with jurisdiction in respect of any Seller or the Acquired Assets.

4.18 Regulatory Matters. At Closing, none of the Acquired Assets will be engaged in the transportation of natural gas, crude oil, natural gas liquids or other hydrocarbons in interstate commerce or operated or used in a manner that would subject any Third Party operator of the Acquired Assets or any future owner of the Acquired Assets to the jurisdiction of, or regulation: (a) by the Federal Energy Regulatory Commission (i) as a natural gas company under the Natural Gas Act of 1938 (other than pursuant to a certificate of limited jurisdiction as described below), or (ii) as a common carrier pipeline under the Interstate Commerce Act; (b) by the State of California, as a gas utility, common carrier or public utility; or (c) otherwise by the CPUC. No Seller acquired any of the Acquired Assets through the use or threatened use of eminent domain or condemnation.

ARTICLE V.
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to Sellers as follows:

5.01 Legal Existence. Purchaser is a corporation duly organized and validly existing under the laws of the State of Pennsylvania. Purchaser is duly qualified to do business and is in good standing in the states in which the conduct of its business or locations of its assets and properties makes such qualification or license necessary, except where failure to be so qualified or licensed or to be in good standing would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on Purchaser's ability to perform its obligations hereunder. Purchaser has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement and the other Transaction Documents.

5.02 Authority. The execution and delivery by Purchaser of, and the performance by Purchaser of its obligations under, this Agreement and the other Transaction Documents and the consummation by Purchaser of the Transactions have been duly and validly authorized by all necessary action on the part of Purchaser. This Agreement has been, and the other Transaction Documents delivered by Purchaser at Closing when executed and delivered at Closing shall be, duly and validly executed and delivered by Purchaser and, assuming the due authorization, execution and delivery thereof by Sellers, constitute the legal, valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its and their respective terms, except as the same may be limited by (i) bankruptcy, insolvency, reorganization, moratorium and other similar Laws of general application affecting the rights and remedies of creditors and (ii) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

5.03 No Conflicts; Consents and Approvals. Subject to entry of the Approval Order, none of the execution and delivery by Purchaser of this Agreement or any other Transaction Document, the performance by Purchaser of its obligations under any Transaction Document, or the consummation by Purchaser of the Transactions does or will:

(a) violate, conflict with or constitute a default under the Organizational Documents of Purchaser; or

(b) (i) violate or result in a breach of any Law applicable to Purchaser, except for any such violation or default that would not reasonably be expected to result in a material adverse effect on Purchaser's ability to perform its obligations hereunder, (ii) violate or result in a default under any Contract to which Purchaser is a party, except for any such violation or default that would not reasonably be expected to result in a material adverse effect on Purchaser's ability to perform its obligations hereunder, or (iii) require any consent or approval of any Governmental Authority under any Law applicable to Purchaser, other than in each case any such consent or approval which, if not made or obtained, would not reasonably be expected to result in a material adverse effect on Purchaser's ability to perform its obligations hereunder.

5.04 Legal Proceedings. Except for the Bankruptcy Cases and as set forth in Schedule 5.04: (a) there are no Proceedings pending or, to the Knowledge of Purchaser, threatened against Purchaser before any Governmental Authority that relate to the execution and delivery of this Agreement by Purchaser or the consummation by Purchaser of the Transactions, in each case that, individually or in the aggregate, would reasonably be expected to result in a material adverse effect on the ability of Purchaser to perform its obligations under this Agreement or to consummate the Transactions; and (b) there are no Orders outstanding against Purchaser or any of its Affiliates except to the extent the same would not reasonably be expected to adversely affect the ability of Purchaser to perform its obligations under this Agreement or to consummate the Transactions.

5.05 Investment Representations. Purchaser is an investor experienced (or owned or managed by Persons experienced) in evaluating investments and, in particular (either on its own or with advisors), natural gas pipelines and related assets, and has the knowledge, experience and resources to enable it to evaluate and to bear the risks of the acquisition of the Acquired Assets. Purchaser is acquiring the Acquired Assets for its own account, and not with a view toward or for sale associated with any distribution thereof, nor with any present intention of making a distribution thereof within the meaning of the Securities Act of 1933, as amended, any applicable state securities or blue sky Laws or any other applicable securities Law.

5.06 Capacity. Purchaser has, as of the Effective Date and will continue to have at all times prior to and at the Closing, sufficient cash or other sources of immediately available funds to enable Purchaser to make payment of all cash amounts required to be paid by Purchaser pursuant to the Transaction, on and after the Closing, including all applicable cure costs. Purchaser as of the Closing will be capable of satisfying the conditions contained in Sections 365(b)(1)(C) and 365(f) of the Bankruptcy Code with respect to the Assumed Contracts and the other Acquired Assets assigned pursuant to the Transaction. Purchaser is a "good faith" purchaser, as such term is used in the Bankruptcy Code and the court decisions thereunder. Purchaser is entitled to the protections of Sections 363(m) and 363(n) of the Bankruptcy Code with respect to all of the Acquired Assets.

5.07 Brokers. Neither Purchaser nor any of its Affiliates has employed an agent, broker, finder, investment or commercial banker, or any other Person, in connection with this Agreement or any of the Transactions in a manner that would give rise to any broker's,

finder's or similar fee, commission or payment payable by Sellers or any of their respective Affiliates.

ARTICLE VI.
INTERIM PERIOD COVENANTS

6.01 Access of Purchaser.

(a) During the Interim Period, Sellers will provide Purchaser and its Representatives with reasonable access to all Acquired Assets and the Records, upon reasonable prior notice and during normal business hours, but only to the extent that such access (i) does not unreasonably interfere with the business of Sellers or their respective Affiliates, and (ii) is reasonably related to Purchaser's obligations and rights hereunder. Notwithstanding anything to the contrary in this Section 6.01, Purchaser shall have no right of access to, and neither Sellers nor any of their respective Affiliates shall have any obligation to provide Purchaser with access: (x) to any information relating to bids or offers received from others in connection with the Transactions or information and analysis (including financial analysis) relating to such bids or offers, (y) information the disclosure of which could reasonably be expected to (1) jeopardize any privilege available to Seller or any of its Affiliates, (2) cause any Seller or any of its Affiliates to breach a Contract, or (3) result in a violation of Law; or (z) to Excluded Records.

(b) During the Interim Period, Purchaser may, at its option, cause a Phase I environmental assessment of all or any portion of the Acquired Assets to be conducted by a reputable environmental consulting or engineering firm (the "Environmental Consultant") and such Environmental Consultant may conduct visual inspections, record reviews, and interviews relating to the Acquired Assets, including their condition and their compliance with Environmental Laws (collectively the "Assessment"). Purchaser may not conduct a Phase II environmental site assessment, without the prior written consent of Seller. Purchaser shall coordinate the Assessment with Sellers to minimize any inconvenience to or interruption of the conduct of business by Sellers and their respective Affiliates. Purchaser shall and shall cause its Representatives to observe and comply with all applicable environmental health, safety and security requirements of Sellers during any site visits to Sellers' facilities in conjunction with an Assessment. The Assessment shall be conducted at the sole risk, cost and expense of Purchaser. All information or data obtained under this Section 6.01(b) shall be subject to the Confidentiality Agreement.

(c) PURCHASER AGREES TO REIMBURSE AND INDEMNIFY AND HOLD HARMLESS SELLERS, THEIR RESPECTIVE AFFILIATES AND ITS AND THEIR RESPECTIVE REPRESENTATIVES FOR ANY AND ALL LOSSES INCURRED BY SELLERS, THEIR RESPECTIVE AFFILIATES OR ANY OF THEIR RESPECTIVE REPRESENTATIVES ARISING OUT OF THE ACCESS RIGHTS UNDER THIS SECTION 6.01, TO THE EXTENT RELATING TO ANY INJURIES, CONTAMINATION OR PROPERTY DAMAGE CAUSED OR EXACERBATED BY PURCHASER OR ITS REPRESENTATIVES WHILE PRESENT ON SELLERS' PROPERTY DURING THE INTERIM PERIOD FOR THE PURPOSES OF CONDUCTING THE REVIEW AND ASSESSMENT CONTEMPLATED UNDER SECTIONS 6.01(a) AND (b), RESPECTIVELY.

6.02 Conduct of Business. During the Interim Period, unless Purchaser shall otherwise consent in writing, which consent shall not be unreasonably withheld, conditioned or delayed, and except for (a) actions required by Law, (b) actions required or permitted by this Agreement or any other Transaction Document or necessary to consummate the Transactions and expressly contemplated hereunder or thereunder, and (c) reasonable actions taken in response to an emergency or an event of force majeure and promptly disclosed in writing to Purchaser, Sellers shall maintain the Acquired Assets in a reasonably prudent manner, in each case subject to the other obligations set forth in this Agreement and in particular Section 6.04. Notwithstanding the foregoing or the other provisions pertaining to the Interim Period hereunder, the Parties acknowledge and agree that Purchaser will have no direct oversight or operational control over Sellers' management of the Acquired Assets or the Excluded Assets during the Interim Period.

6.03 Certain Restrictions – Acquired Assets. Without limiting the generality of Section 6.02, during the Interim Period with respect to the Acquired Assets, except as permitted or required by the other terms of any Transaction Document (including Section 6.04), or as expressly required by the terms of any Permit or Contract, or under the Law (including an order of the Bankruptcy Court), or as otherwise described in Schedule 6.03, or consented to or approved in writing by Purchaser, which consent or approval will not be unreasonably withheld, conditioned or delayed, Sellers shall not:

(a) (i) amend, supplement or otherwise modify in any material respect, or terminate or renew or extend any Acquired Contract or any Material Contract, or (ii) waive any material default by, material term of or material right against any other party to an Acquired Contract;

(b) enter into any Contract that will constitute an Acquired Contract;

(c) create or permit any Lien (other than a Permitted Encumbrance) against any of the Acquired Assets;

(d) sell, transfer, convey or otherwise dispose of any Acquired Assets other than used materials in the ordinary course of business;

(e) incur any obligation for borrowed money secured by the Acquired Assets or guarantee any obligation of any Person with the Acquired Assets;

(f) subject to Section 6.04, institute, settle or agree to settle any material Proceeding pending or threatened before any arbitrator, court or other Governmental Authority primarily related to the Acquired Assets, except to the extent the outcome of which would not (i) require or involve any post-Closing investigation or remediation relating to the Acquired Assets or (ii) have a material and adverse effect upon Purchaser's ownership, operation or use of, or the value of, the Acquired Assets, after the Closing;

(g) seek to assume and assign the 1998 PSA or the 1999 Guaranty in the Bankruptcy Cases, in whole or in part, in connection with any transaction or otherwise; or

(h) agree or commit to do any of the foregoing or take any action that is intended to (or that is reasonably likely to) result in, or fail to take any commercially reasonable action, the intent (or the reasonably likely result) of which such failure to act is to cause any of the foregoing to become expressly required under the terms of any Permit or Contract or under the Law (including an order of the Bankruptcy Court).

6.04 Certain Affirmative Covenants – Acquired Assets. Subject to the terms and conditions of this Agreement, each Party (i) shall exercise its commercially reasonable efforts, proceed diligently and in good faith, and cooperate with the other Party and its Affiliates and Representatives to satisfy each condition that it is required to satisfy contained in Article VIII or Article IX, as applicable, of this Agreement and (ii) shall not, and shall not permit any of its Affiliates or Representatives to, take or fail to take any action that would reasonably be expected to result in the non-fulfillment of any such condition. Without limiting the generality of the foregoing or of Section 6.02, during the Interim Period, with respect to the Acquired Assets and, as applicable, the Transaction, the relevant Parties shall endeavor and complete the following:

(a) *Document Production*. Immediately following the Execution Date, in addition to Sellers obligation to deliver the Records at Closing, Sellers will make available to Purchaser copies of all permits, plans, compliance records and critical files in the possession or control of Venoco and related to the Excluded Upstream Assets, the Excluded Midstream Asset and the Acquired Assets. In accordance with, but without limitation of, the foregoing, Sellers will provide to Purchaser with respect to such assets: (1) a listing of all such permits and plans associated with past and ongoing operations, future critical compliance dates and reporting required under all permits; (2) a listing of all such records (well, platform, pipeline, federal unit, offshore state waters, and onshore plant) that support operations of the pipelines, facilities, infrastructure and wells; and (3) such maintenance, testing and inspection records with compliance data in support of past and ongoing operations and permits; including all of the documents outlined in Schedule 6.04(a);

(b) *Rejection and Relinquishment of Leases*. On October 24, 2017, the Bankruptcy Court has entered an order authorizing the rejection of the Excluded Leases set forth on Schedule 6.04(b)(the "Rejected Leases"). Prior to Closing, (i) Sellers shall take the steps necessary under the Bankruptcy Code to effect the rejection of the Rejected Leases in the Bankruptcy Cases (the "SCU Lease Rejection"); and (ii) Sellers shall take all the steps required under applicable Law to relinquish the Rejected Leases to the United States Bureau of Ocean Energy Management ("BOEM") and the Bureau of Safety and Environmental Enforcement ("BSEE"), including providing notice of the SCU Lease Rejection (the "SCU Lease Relinquishment").

(c) *Bankruptcy – Approval Order*. By November 13, 2017, the Parties shall submit an agreed motion (the "Sale Motion") to the Bankruptcy Court requesting it to issue an order (the "Approval Order"), containing the following: (i) approval of this Agreement; (ii) rejection of the 1998 PSA and the 1999 Guaranty by Sellers and any of their relevant Affiliates, contingent upon the occurrence of closing under the SCU/Carpinteria Plant PSA; and (iii) to the extent not already approved by prior order,

anything necessary pursuant to Section 6.04(b) for the SCU Lease Rejection. Subject to the preceding requirement, the Approval Order shall be subject to Purchaser's reasonable approval as to final content and form prior to submission thereof. In the event an appeal is taken or a stay pending appeal is requested from the Approval Order, Sellers (at Purchaser's expense) shall oppose such appeal or stay, defend against the same and will promptly notify Purchaser of such appeal or stay request and shall promptly provide to Purchaser a copy of the related notice of appeal or Order of stay. Sellers shall also provide Purchaser with written notice of any motion or application filed in connection with any appeal from either of such Orders. For the avoidance of doubt, the Parties recognize and acknowledge that the Approval Order may be part of, or contained within the same order as, the SCU/Carpinteria Plant Approval Order.

(d) *Cessation of Production*. (i) Within three (3) days following the Execution Date, Sellers shall diligently seek to initiate shut down of production operations on the Santa Clara Unit (including by shut-in of the Excluded Wells) and any related operations in support of such production on any of the Excluded Upstream Assets, the Excluded Midstream Assets or the Acquired Assets, and (ii) prior to Closing, Sellers shall have completed such production shut-down contemplated under item (i), subject to any ongoing activity expressly contemplated under the Interim Agreement or under any Acquired Contracts (completion of such production shut down referred to as the "SCU Asset Shut Down"). Purchaser will have no oversight or operational control over Seller's activities in conjunction with conducting the SCU Asset Shut Down and neither Sellers nor Purchaser will have any type of agency, partnership, or joint venture relationship with each other relating thereto. The Parties agree that the shut-in of the Excluded Wells shall qualify as the condition to be achieved under Sections 2 and 13 of the Interim Agreement in order to trigger reimbursement by Purchaser for the "Warm Stack Services" under Section 13 of the Interim Agreement.

(e) *Deregulation of Carpinteria Station Segment and SCU Oil Pipeline Segment*. From and after the Execution Date, Sellers shall perform the following actions with respect to the Carpinteria Station Segment and the Carpinteria Line portion of the SCU Oil Pipeline Segment, provided that, for the avoidance of doubt neither Sellers nor Purchaser will have any type of agency, partnership, or joint venture relationship with each other with respect to such actions:

(i) physically separate the Carpinteria Station Segment and the Carpinteria Line portion of the SCU Oil Pipeline Segment from the remainder of the Carpinteria Line downstream of the Carpinteria Station Segment after flushing the hydrocarbons in accordance with industry practices from the Grace Platform through the Carpinteria Station to the Ventura Pipeline's Rincon Facility to facilitate potential future relocation of the scraper traps to points closer to the Carpinteria Plant Property boundaries. Purchaser, however, will have no oversight or operational control over Sellers' work (the "Carpinteria Station Physical Separation"); and

(ii) on October 10, 2017 Sellers submitted a filing with the California Public Utility Commission ("CPUC") requesting the removal of the following two Carpinteria Line tariff receipt points from its Ellwood Pipeline, Inc. CPUC tariff: (1)

Platform "Grace" Block P-0127 Santa Clara Unit Offshore California and (2) Carpinteria Station, Santa Barbara County, California (the "CPUC Filing").

Sellers shall use commercially reasonable efforts (i) to complete the Carpinteria Station Physical Separation, and (ii) to obtain the approval of the CPUC Filing by final order of the CPUC, in each case of (i) and (ii), prior to Closing.

(f) *State Pipeline Segment Approvals*. From and after the Execution Date, Sellers shall perform the following actions with respect to the State Pipeline Segments, provided that, for the avoidance of doubt neither Sellers nor Purchaser will have any type of agency, partnership, or joint venture relationship with each other with respect to such actions:

(i) within seven (7) Days following the Execution Date, Sellers will submit a request to the Governmental Authorities indicated by Purchaser requesting the extension of the term of the State Pipeline Segments Easements until the date that is the earlier of (A) eight (8) years from December 31, 2017, or (B) the date upon which Purchaser's decommissioning activities pertaining to the Santa Clara Unit are completed ("Easement Extension Request"); and

(ii) within seven (7) Days following the Execution Date, Sellers submit requests to the relevant Governmental Authorities indicated by Purchaser to obtain all necessary approvals indicated by Purchaser for usage of the State Pipeline Segments Easements (and any other applicable State Pipeline Assets, all as indicated by Purchaser) by Purchaser for a continued power supply at Platform Grace and Platform Gail (as to the relevant gas pipeline(s)) and to facilitate plugging and abandonment of offshore wells (as to the relevant oil pipeline) (the "Usage Authorization Request"),

provided that, prior to submitting the Easement Extension Request or the Usage Authorization Request to the relevant Governmental Authority, Sellers shall obtain Purchaser's prior approval of the form of substance of the relevant request, which Purchaser may withhold at its reasonable discretion. At no out of pocket cost, Sellers shall use commercially reasonable efforts to obtain the approval of the Easement Extension Request and the Usage Authorization Request, in each case by final, non-appealable order of the relevant Governmental Authorities (collectively, the "State Pipeline Approvals"), prior to Closing. If prior to the Closing Date, the State Pipeline Approvals have not been obtained, or the requirement to obtain them has not been waived by Purchaser, the State Pipeline Assets shall be held back from the Acquired Assets conveyed at Closing and the Purchase Price paid at Closing shall be reduced by the Allocated Value of the State Pipeline Assets. If the State Pipeline Approvals are obtained or otherwise satisfied, or waived by Purchaser, following Closing, the State Pipeline Assets will be conveyed to Purchaser within ten (10) Business Days after such State Pipeline Approvals have been obtained, otherwise satisfied, or waived; *provided*, that if the State Pipeline Approvals are not obtained or otherwise satisfied, or waived by Purchaser prior to June 30, 2018, Sellers may refuse to convey, or Purchaser may refuse to accept conveyance of, the State Pipeline Assets (at Seller's or Purchaser's sole discretion, as applicable). At such subsequent closing, Sellers shall contribute, assign, transfer and convey to Purchaser, and Purchaser shall acquire and accept from Sellers, the

State Pipeline Assets, and Purchaser shall pay to Sellers the Allocated Value of the State Pipeline Assets, in each case pursuant to the terms of this Agreement.

(g) *Permit Transfer*. In addition to Sellers obligation to deliver the Permits, Easements and Contracts in conjunction with Closing hereunder, during the Interim Period and following Closing as applicable, Sellers (i) will identify to Purchasers all permits, plans, easements, rights-of-way or existing regulatory approvals applicable to ongoing operations as allowed by federal and state law that are necessary for decommissioning activities; (ii) will make available to Purchaser and provide copies to Purchasers of any pending or current applications or other pending approvals relating to such permits, plans, easements, rights-of-way or regulatory approvals that are in the regulatory process or that are to be applied for by Sellers; (iii) will advise Purchaser of any upcoming or pending expiration dates of any such permits, plans, easements, rights-of-way or regulatory approvals required in support of the operation of facilities (whether Acquired Assets or Excluded Assets); and (iv) will provide commercially reasonable support to Purchaser to facilitate the transfer of any such permits, plans, easements, rights-of-way or regulatory approvals, including participating in meetings with regulators (federal, state, county, city, etc.) as deemed necessary and requested by Purchaser.

(h) *Other Required Approvals.* Subject to the foregoing subparts of this Section 6.04, prior to Closing, Purchaser shall seek to complete critical filings, provide and maintain required, material financial assurances, and procure all critical Permits, in each case, as may be required by any relevant Governmental Authority for the proper ownership and operation by Purchaser of the Acquired Assets from and after Closing (collectively, "Purchaser Required Permits").

6.05 Insurance. Prior to Closing, Sellers and their respective Affiliates shall keep, acquire and otherwise maintain the insurance policies described on Schedule 6.05 for the benefit of the Acquired Assets ("Seller Maintained Insurance").

6.06 Updates of Schedules. During the Interim Period, each Seller shall promptly notify Purchaser in writing of any event, condition, fact or circumstance occurs or arises after the date of this Agreement and that requires any change in the disclosure Schedules, assuming the disclosure Schedule were dated as of the date of the occurrence, existence or discovery of such event, condition, fact or circumstance ("Updated Schedules").

ARTICLE VII.
OTHER COVENANTS

7.01 Insurance. Following Closing, Sellers and their respective Affiliates shall maintain the Seller Maintained Insurance in force and effect with respect to the Excluded Upstream Assets, the Excluded Midstream Assets and the Acquired Assets until the later of (i) Sellers ceasing to maintain a physical presence on the applicable asset(s) and the closing of the applicable sale relating thereto, or (ii) Sellers ceasing to maintain a physical presence on the applicable asset(s) and the abandonment of the applicable asset(s).

7.02 Tax Matters.

(a) In the event that any Transfer Taxes are imposed on the Transactions, all such Transfer Taxes incurred in connection with this Agreement, the other Transaction Documents or the Transactions shall be borne by Purchaser. Sellers and Purchaser shall cooperate in timely making all filings, returns, reports and forms as may be required in connection with the payment of such Transfer Taxes. Purchaser will cause such Transfer Taxes to be timely paid to the applicable Governmental Authority. Sellers and Purchaser, as appropriate shall execute and deliver all instruments and certificates reasonably necessary to enable the other to comply with any filing requirements relating to any such Transfer Taxes. In preparing and reviewing such Tax Returns, the Parties shall cooperate to resolve any disagreement between them or with any Governmental Authority related to such Tax Returns.

(b) Sellers shall be responsible for any Tax paid or payable with respect to the Acquired Assets that is attributable to a Pre-Closing Tax Period. Purchaser shall be responsible for any Tax with respect to the Acquired Assets that is attributable to a Post-Closing Tax Period. With respect to a Straddle Period, Sellers and Purchaser shall determine the Tax attributable to the portion of the Straddle Period that ends on the day immediately before the Closing Date by an interim closing of the books as of the day immediately before the Closing Date, except for ad valorem or property Taxes, which should be allocated to the Sellers based on the number of days in the Straddle Period ending on the day immediately before the Closing Date, and to the Purchaser based on the number of days in the Straddle Period beginning on the Closing Date. In determining whether a property Tax is attributable to a Pre-Closing Tax Period or a Straddle Period (or portion thereof), any property Tax shall be deemed a property Tax attributable to the taxable period specified on the relevant property Tax bill. Prior to Closing, Sellers will deliver a good faith estimate of the unpaid property Tax (whether or not due and payable) for the Acquired Assets that is attributable to the Sellers' portion of the Straddle Period (such amount, the "Tax Adjustment").

(c) Any refund received for Taxes paid or payable with respect to the Acquired Assets shall be promptly paid (or to the extent payable but not paid due to offset against other Taxes shall be promptly paid by the Party receiving the benefit of the offset) as follows: (i) to Sellers, if attributable to Taxes with respect to any Pre-Closing Tax Period; and (ii) to Purchaser, if attributable to Taxes with respect to any Post-Closing Tax Period.

(d) From and after Closing, Purchaser and Sellers agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Acquired Assets (including access to books and records and Tax Returns and related working papers dated before Closing) as is reasonably necessary for the filing of all Tax Returns, the making of any election relating to Taxes, the preparation for any audit by any taxing authority, the prosecution or defense of any claims, suit or proceeding relating to any Tax, and the claiming by Purchaser of any federal, state or local business tax credits or incentives that Purchaser may qualify for in any of the jurisdictions in which any of the Acquired Assets are located; *provided*, *however*, that neither Purchaser nor Sellers shall be required to disclose the contents of their respective income Tax Returns to any Person. Any expenses incurred in furnishing such information or assistance pursuant to this Section 7.02(d) shall be borne by the Party requesting it.

7.03 Post-Closing Books and Records and Personnel.

(a) No later than three (3) Business Days after the Closing Date, Sellers shall make available to Purchaser copies of all Records for pickup or copying, at Purchaser's option and expense, during normal business hours.

(b) For five (5) years after the Closing Date (or such longer period as may be required by any Governmental Authority or ongoing claim, including any Bankruptcy Court requirements pertaining to Sellers), (i) Purchaser shall not dispose of or destroy any of the Records received by Purchaser as Acquired Assets and (ii) Purchaser shall allow Sellers (including, for clarity, any trust established under a Chapter 11 plan of Sellers or any other successors of Sellers) and its Representatives reasonable access during normal business hours, at Sellers' sole expense and upon reasonable advance notice, to any Records included in the Acquired Assets for purposes relating to the Bankruptcy Cases, the wind-down of the operations of Sellers or any such trusts or successors and Sellers (including any such trust or successors) and such directors, officers, employees, counsel, representatives, accountants and auditors shall have the right to make copies of any such Records for such purposes. Until the closing of the Bankruptcy Case or the liquidation and winding up of Sellers' estate, Sellers may keep a copy of the Records and, at Purchaser's sole expense, shall make all records, and Sellers' personnel available to Purchaser and its Representatives as may be reasonably required by Purchaser in connection with, among other things, any insurance claims by, Proceedings, Actions or Tax audits against, or governmental investigations of, Purchaser or any of its Affiliates or in order to enable Purchaser to comply with its obligations under this Agreement and each other Transaction Document. In the event any Party desires to destroy any such Records prior to the time during which they must be maintained pursuant to this Section 7.05(b), such Party shall first give ninety (90) days prior written notice to the other Party and such other Party shall have the right at their option and expense, upon prior written notice given within such ninety (90) day period to the Party desiring to destroy such Records or records, to take possession of the Records within one hundred and eighty (180) days after the date of such notice, or such shorter period as the liquidation and winding up of Seller's estate shall permit. Except as required by Laws or to the extent required to enforce its rights with respect to the Excluded Liabilities, from and after the Closing, each Seller shall and shall cause its Affiliates and its and their respective Representatives to keep confidential and not use the Records and any files and records that would have been included in the Records but for the failure to obtain a material Third Party consent.

7.04 Casualty.

(a) If, after the Effective Date and prior to the Closing, a part of the Acquired Assets suffers a Casualty Loss or if a part of the Acquired Assets is taken in condemnation or under the right of eminent domain or if Proceedings for such purposes are pending or threatened, Sellers shall promptly give Purchaser written notice of such occurrence, including reasonable particulars with respect thereto, and this Agreement shall remain in full force and effect notwithstanding any such Casualty Loss.

(b) No insurance or condemnation proceeds shall be committed or applied by Sellers to repair, restore or replace a lost, damaged, destroyed or taken portion of the Acquired

Assets, individually or when combined with all other lost, damaged, destroyed or taken portions of the Acquired Assets. Sellers shall at the Closing pay to Purchaser all sums paid to Sellers by reason of such loss, damage, destruction or taking or, to the extent any such sums have not been paid to Sellers by Closing, Sellers shall transfer to Purchaser, at the Closing, without recourse against Sellers, all of the right, title and interest of Sellers in and to any unpaid insurance or condemnation proceeds and other rights against Third Parties arising out of such loss, damage, destruction or taking, less any reasonable Third Party costs and expenses incurred by Sellers in collecting such proceeds.

(c) At the Closing, the Acquired Assets affected by a Casualty Loss or condemnation shall be included in the Closing and Purchaser shall pay the full Allocated Value therefor and Purchaser's recourse with respect to a condemnation or Casualty Loss shall be limited to the proceeds of Sellers' applicable insurance coverage actually recovered by Sellers in respect thereof or other sums paid to Sellers by Third Parties (or an assignment of claims related thereto), which proceeds or other sums shall be payable to Purchaser upon the Closing of the transaction contemplated hereby.

7.05 No Successor Liability. The Parties intend that, except where expressly prohibited under Law, upon the Closing, Purchaser shall not be deemed to: (i) be the successor of Sellers, (ii) have, de facto, or otherwise, merged with or into Sellers, (iii) be a mere continuation or substantial continuation of Sellers or the enterprise(s) of Sellers, or (iv) be liable for any acts or omissions of Sellers in the conduct of the business of Sellers or arising under or related to the Acquired Assets other than as set forth in this Agreement. Without limiting the generality of the foregoing, and except as otherwise provided in this Agreement, the Parties intend that Purchaser shall not be liable for any Encumbrances (other than Assumed Liabilities) against Sellers or any of their predecessors or Affiliates, and Purchaser shall have no successor or vicarious liability of any kind or character whether known or unknown as of the Closing Date, whether now existing or hereafter arising, or whether fixed or contingent, with respect to the business of Sellers, the Acquired Assets or any Liabilities of Sellers arising prior to the Closing Date. The Parties agree that the provisions substantially in the form of this Section 7.05 shall be reflected in the Approval Order.

7.06 Preferential Purchase Rights.

(a) Unless notice has been previously provided by Sellers that is sufficient, in all respects, with the Bankruptcy Code requirements, Sellers shall, within three (3) Business Days after the Effective Date, deliver to each holder of a Preferential Purchase Right a notice reasonably satisfactory to Purchaser (i) this Agreement, the proposed Approval Order and the sale notice, and (ii) informing such holder that it must submit a notice to Sellers by the Closing Date of such holder's intent to exercise or not exercise its Preferential Purchase Right at the Closing.

(b) All Acquired Assets that are subject to Preferential Purchase Rights shall be transferred or assigned to Purchaser at the Closing, and Purchaser shall take title to such Acquired Assets subject to such Preferential Purchase Rights. In the event any holder of a valid Preferential Purchase Right thereafter lawfully and timely exercises its Preferential Purchase Right, Purchaser shall assign such affected Acquired Assets to the holder of such Preferential

Purchase Right, and such holder shall pay Purchaser all proceeds generated from the exercise of such Preferential Purchase Right.

7.07 Release of Encumbrances. Prior to Closing, Sellers shall obtain releases of any Encumbrance that secures any claims that any Person may have for goods and/or services secured by an Encumbrance (other than a Permitted Encumbrance) on the Acquired Assets with respect to which such goods and/or services were furnished or rendered, including any claims for goods and/or services rendered in connection with any Properties.

7.08 Pre-Effective Time Costs. Subject to the terms of the Interim Agreement, Sellers shall bear all Operating Costs or other costs associated with the Acquired Assets that were, in each case, incurred prior to the Effective Time. Should Purchaser, during the period after Closing, receive any invoice for any such pre-Effective Time costs, Purchaser shall forward such invoice to Sellers and Sellers shall pay such invoice promptly after receipt.

7.09 No Affiliate Interests. If, prior to Closing, any Seller or Purchaser obtains Knowledge that any Seller, or any Affiliate of a Seller, holds or owns any right, title or interest in and to any right, interest, asset or property that if held or owned by any Seller as of the Effective Date would have constituted an Acquired Asset (an "Affiliate Interest"), then such Party shall promptly notify the other of the same and in writing and, unless otherwise directed by Purchaser in writing, Sellers shall, and shall cause such Affiliate to, convey such Affiliate Interest to Sellers prior to the Closing. Thereafter, such Affiliate Interest shall be an Acquired Asset for all purposes under this Agreement and the Approval Order.

7.10 Further Assurances. The Parties agree to (a) furnish upon request to each other such further information, (b) execute, acknowledge and deliver to each other such other documents (including, if reasonably requested by Purchaser, the obtaining by Sellers of further orders of the Bankruptcy Court) and (c) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and the Transaction Documents; provided that nothing in this Section 7.10 shall prohibit any Seller from ceasing operations or winding up its affairs following the Closing.

7.11 Approval Order. From and after the Effective Date and prior to the Closing or the termination of this Agreement in accordance with Section 11.01, neither Party shall take any action that is intended to (or that is reasonably likely to) result in, or fail to take any commercially reasonable action, the intent (or the reasonably likely result) of which such failure to act is to cause, the reversal, voiding, modification or staying of this Agreement in the Bankruptcy Cases, and neither Party shall take any action that is intended to (or that is reasonably likely to) result in, or fail to take any commercially reasonable action, the intent (or the reasonably likely result) of which such failure to act is to cause, the reversal, voiding, modification or staying of the Approval Order (once obtained) or this Agreement.

7.12 Use of Records and Other Information. From and after the Effective Date Purchaser and its Affiliates shall not use any Records or other information acquired from Sellers pursuant to this Agreement or any other Transaction Document against the Sellers or any Affiliate in any claim or dispute in front of any Governmental Authority, including in the Bankruptcy Cases, other than any claims or disputes arising from Purchaser's rights to enforce

this Agreement or any other Transaction Document. The preceding sentence does not prohibit Purchaser from using such Records or other information that it may acquire from an ordinary discovery process related to such claim or dispute where Sellers would then have an opportunity to raise any defenses either may have.

7.13 Acknowledgement; Disclaimer. Except for Sellers' representations and warranties expressly set forth herein, including in Article IV (as modified by the Schedules) and in the other Transaction Documents, if applicable, the Parties acknowledge and agree that neither Sellers nor any other Person on its behalf, makes any other express or implied representation or warranty with respect to Sellers or the Acquired Assets and Sellers disclaim any other representations or warranties, whether made by Sellers or any other Person. Except for Sellers' representations and warranties expressly set forth herein and in the other Transaction Documents, if applicable, Purchaser disclaims reliance on any representations or warranties, either express or implied, by Sellers or any other Person provided to Purchaser or its Representatives during due diligence, including any representation or warranty expressed or implied in any oral, written or electronic response to any information request provided to Purchaser.

(b) Except for Purchaser's representations and warranties expressly set forth herein, including in Article V (as modified by the Schedules) and in the other Transaction Documents, if applicable, the Parties represent, warrant, acknowledge, and agree that neither Purchaser nor any other Person on its behalf, makes any other express or implied representation or warranty with respect to Purchaser and Purchaser disclaims any other representations or warranties, whether made by Purchaser or any other Person. Except for Purchaser's representations and warranties expressly set forth herein and in the other Transaction Documents, if applicable, Sellers disclaim reliance on any representations or warranties, either express or implied, by Purchaser or any other Person provided to Sellers or their respective Representatives during due diligence, including any representation or warranty expressed or implied in any oral, written or electronic response to any information request provided to Sellers.

(c) EXCEPT FOR AND SUBJECT TO THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH HEREIN AND IN THE OTHER TRANSACTION DOCUMENTS, IF APPLICABLE: (a) NONE OF SELLERS OR ANY OF THEIR RESPECTIVE AFFILIATES OR REPRESENTATIVES HAS MADE OR IS MAKING, AND SELLERS AND THEIR RESPECTIVE AFFILIATES SPECIFICALLY DISCLAIM AND NEGATE, AND PURCHASER HEREBY WAIVES, ANY LIABILITY OR RESPONSIBILITY FOR, ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, AT COMMON LAW, STATUTORY OR OTHERWISE, WRITTEN OR ORAL, INCLUDING ANY IMPLIED REPRESENTATION OR WARRANTY AS TO (i) THE CONDITION, VALUE, QUALITY, MERCHANTABILITY, USAGE, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, APPARENT OR LATENT DEFECTS OF ANY TYPE, PROSPECTS (FINANCIAL OR OTHERWISE) OR RISKS OR OTHER INCIDENTS OF THE ACQUIRED ASSETS, (ii) COMPLIANCE WITH APPLICABLE LAW AND/OR ANY REQUIREMENTS FOR ALTERATIONS OR IMPROVEMENTS TO COMPLY WITH APPLICABLE LAW (INCLUDING LAWS PERTAINING TO ZONING OR ENVIRONMENTAL LAWS), (iii) THE PRESENCE OR RELEASE OF HAZARDOUS

SUBSTANCES AT OR FROM THE ACQUIRED ASSETS, OR (iv) ANY OTHER MATTER BEARING ON THE USE, VALUE OR CONDITION OF THE ACQUIRED ASSETS; AND (b) THE SALE OF THE ACQUIRED ASSETS IS BEING MADE "AS IS, WHERE IS, WITH ALL FAULTS". EXCEPT FOR AND SUBJECT TO THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH HEREIN AND IN THE OTHER TRANSACTION DOCUMENTS, IF APPLICABLE, NONE OF SELLERS OR THEIR RESPECTIVE AFFILIATES OR REPRESENTATIVES MAKES ANY REPRESENTATION OR WARRANTY REGARDING THE INFORMATION SET FORTH IN ANY FINANCIAL PROJECTIONS, FORECASTS, ESTIMATES, OR FORWARD LOOKING STATEMENTS OF ANY KIND OR NATURE WHATSOEVER RELATING TO ANY OF THE ACQUIRED ASSETS, INCLUDING DURING MANAGEMENT PRESENTATIONS OR IN RESPONSES TO QUESTIONS SUBMITTED BY OR ON BEHALF OF PURCHASER.

ARTICLE VIII.
CONDITIONS TO OBLIGATIONS OF PURCHASER

The obligation of Purchaser to consummate the Closing is subject to the fulfillment of each of the following conditions (all or any of which may be waived in whole or in part by Purchaser in its sole discretion):

8.01 Representations and Warranties. The representations and warranties of Sellers contained in Article IV shall be true and correct in all material respects (excluding any representations and warranties already qualified by materiality, which shall be true and correct in all respects) as of the Closing Date (without considering the Updated Schedules) as though such representations and warranties were made on and as of the Closing Date (or, to the extent such representations and warranties expressly relate to a specific date, on and as of such date); *provided* that, in the event of a breach of or inaccuracy in the representations and warranties of Sellers set forth in this Agreement other than the Fundamental Representations, the condition set forth in this Section 8.01 shall be deemed satisfied with respect to such representations and warranties of Sellers (excluding the Fundamental Representations) unless the effect of all breaches of or inaccuracies in all representations and warranties of Sellers set forth in this Agreement (including the Fundamental Representations) would reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect. For the purposes of this Agreement, the term "Fundamental Representations" shall refer those representations and warranties of Seller set forth in the following Sections: 4.01 (Legal Existence), 4.02 (Authority), 4.03 (No Conflicts; Consents and Approvals), 4.05 (Legal Proceedings), 4.07 (Title to Acquired Assets), 4.09 (Taxes) and 4.12 (Brokers), 4.17 (Required Notices) and 4.18 (Regulatory Matters).

8.02 Performance. All of the Sellers shall have performed and complied in all material respects with the agreements, covenants and obligations required by this Agreement to be performed or complied with by Sellers at or before the Closing.

8.03 Officer's Certificate. Each Seller shall have delivered to Purchaser an officer's certificate, dated as of the Closing Date and executed by an authorized signatory of such Seller in the name and on behalf of Seller, certifying that all of the conditions set forth in Sections 8.01 and 8.02 have been satisfied as to Seller.

8.04 Orders and Laws. There shall not be in effect on the Closing Date any final, non-appealable Order or Law restraining, enjoining or otherwise prohibiting or making illegal the consummation of any of the Transactions (other than any such Order or Law resulting from a Proceeding instituted by Purchaser or its Affiliates).

8.05 Purchaser Required Permits. Purchaser shall have obtained all Purchaser Required Permits set forth on Schedule 8.05.

8.06 SCU Lease Relinquishment. The SCU Lease Rejection and the SCU Lease Relinquishment shall have been achieved and shall remain in effect.

8.07 Approval Order. The Approval Order shall have been submitted to, and approved by order of, the Bankruptcy Court; and (i) the Approval Order shall be in full force and effect and not subject to any stay, and (ii) the time to file an appeal, a motion for rehearing or reconsideration or a petition for writ of certiorari with respect to the Approval Order has expired and no such appeal, motion or petition is pending.

8.08 SCU Asset Shutdown. The SCU Asset Shutdown shall have been achieved.

8.09 Carpinteria Station Segment and SCU Oil Pipeline Segment Deregulation. (i) The Carpinteria Station Physical Separation shall have been achieved, and (ii) the CPUC Filing shall have been approved by final, non-appealable order of the CPUC.

8.10 State Pipeline Approvals. With respect to Closing as to the State Pipeline Assets only, the State Pipeline Approvals shall have been obtained; provided that, for the avoidance of doubt and subject to and in accordance with Section 6.04(f), the closing condition of obtaining the State Pipeline Approvals is not a Purchaser Closing condition with respect to the Carpinteria Station Assets, and failure of Closing as to the State Pipeline Assets due solely to failure to obtain the State Pipeline Approvals shall not prevent Closing as to the Carpinteria Station Assets.

ARTICLE IX.
CONDITIONS TO OBLIGATIONS OF SELLERS

The obligation of Sellers to consummate the Closing is subject to the fulfillment of each of the following conditions (all or any of which may be waived in whole or in part by Sellers acting as a group, in their sole discretion):

9.01 Representations and Warranties. The representations and warranties of Purchaser contained in Article V shall be true and correct in all material respects as of the Closing Date as though such representations and warranties were made on and as of the Closing Date (or, to the extent such representations and warranties expressly relate to an earlier date, on and as of such earlier date), except where the failure of such representations and warranties to be true and correct (in each case disregarding all qualifications and exceptions contained therein relating to materiality) does not and would not reasonably be expected to have a material adverse effect on the Purchaser's performance of any of its obligations and covenants hereunder that are to be performed prior to, at or after Closing.

9.02 Performance. Purchaser shall have performed and complied in all material respects with the agreements, covenants and obligations required by this Agreement to be performed or complied with by Purchaser at or before the Closing, except where the failure to perform or comply with such agreements, covenants and obligations does not and would not reasonably be expected to have a material adverse effect on the ability of Purchaser to consummate the Transactions.

9.03 Officer's Certificate. Purchaser shall have delivered to Sellers a certificate, dated as of the Closing Date and executed by an authorized signatory of Purchaser in the name and on behalf of Purchaser, certifying that all of the conditions set forth in Sections 9.01 and 9.02 have been satisfied.

9.04 Orders and Laws. There shall not be in effect on the Closing Date any final, non-appealable Order or Law restraining, enjoining or otherwise prohibiting or making illegal the consummation of any of the Transactions (other than any such Order or Law resulting from a Proceeding instituted by one or more Sellers or their respective Affiliates).

9.05 Approval Order. The Approval Order shall have been submitted to, and approved by order of, the Bankruptcy Court; and (i) the Approval Order shall be in full force and effect and not subject to any stay, and (ii) the time to file an appeal, a motion for rehearing or reconsideration or a petition for writ of certiorari with respect to the Approval Order has expired and no such appeal, motion or petition is pending.

ARTICLE X.
INDEMNIFICATION; LIMITATIONS ON LIABILITY; AND WAIVERS

10.01 Indemnity.From and after Closing, Sellers and their successors and assigns shall jointly, and not severally, indemnify, defend, and hold harmless Purchaser, Purchaser's Affiliates, and its and their respective Representatives (collectively, the "Purchaser Indemnified Parties") from and against all Losses incurred or suffered by the Purchaser Indemnified Parties resulting from or arising with respect to any breach of any Post-Closing Covenant by Sellers.

(b) From and after Closing, Purchaser shall indemnify, defend, and hold harmless Sellers, their respective Affiliates, and each of their respective Representatives (collectively, the "Seller Indemnified Parties") from and against all Losses incurred or suffered by the Seller Indemnified Parties resulting from:

(i) any breach of any representations or warranties or any Post-Closing Covenant by Purchaser; and

(ii) the Assumed Liabilities.

10.02 Limitations of Liability.

(a) Except for the special warranty in the Deed, the representations and warranties of Sellers contained herein and in any certificate or other Transaction Document delivered by a Seller pursuant to this Agreement shall terminate upon and not survive the Closing and there shall be no liability thereafter in respect thereof. Each Seller's covenants and

other agreements contained in this Agreement shall terminate upon the Closing, except the Post-Closing Covenants, which shall survive the Closing until the earlier of (a) performance of such Post-Closing Covenant in accordance with this Agreement or, (b)(i) if time for performance of such Post-Closing Covenant is specified in this Agreement, sixty (60) days following the expiration of the time period for such performance or (ii) if time for performance of such Post-Closing Covenant is not specified in this Agreement, the expiration of the applicable statute of limitations with respect to any claim for any failure to perform such Post-Closing Covenant; provided that if a written notice of any claim with respect to any Post-Closing Covenant is given prior to the expiration thereof then such Post-Closing Covenant shall survive until, but only for purposes of, the resolution of such claim by final, non-appealable judgment or settlement.

(b) The representations and warranties of Purchaser contained herein and in any certificate or other Transaction Document delivered by Purchaser pursuant to this Agreement shall terminate eighteen (18) months following Closing and there shall be no liability thereafter in respect thereof. Each of Purchaser's covenants and other agreements contained in this Agreement shall terminate upon the Closing, except any post-Closing covenants applicable to Purchaser, which shall survive the Closing until the earlier of (a) performance of such covenant in accordance with this Agreement, or (b)(i) if time for performance of such covenant is specified in this Agreement, sixty (60) days following the expiration of the time period for such performance, or (ii) if time for performance of such covenant is not specified in this Agreement, the expiration of the applicable statute of limitations with respect to any claim for any failure to perform such covenant; *provided* that if a written notice of any claim with respect to any post-Closing covenant is given prior to the expiration thereof, then such post-Closing covenant shall survive until, but only for purposes of, the resolution of such claim by final, non-appealable judgment or settlement; and *provided further that*, notwithstanding anything to the contrary contained herein (other than the preceding proviso), all of Purchaser's covenants and other agreements and obligations contained in this Agreement shall in any event terminate five (5) years following the Closing Date.

10.03 Waiver of Remedies.

(a) Except as expressly provided in this Agreement, the Parties hereby agree that no Party shall have any liability, and no Party shall (and each Party shall cause its respective Affiliates not to) make any claim, for any Loss or any other matter, under, relating to or arising out of this Agreement (including breach of representation, warranty, covenant or agreement) or any other document, agreement, certificate or other instrument delivered pursuant hereto, whether based on contract, tort, strict liability, other Laws or otherwise. Notwithstanding anything to the contrary in this Agreement, the Parties further acknowledge and agree that from and after Closing, the indemnification provisions in this Article X shall be the sole and exclusive remedy of the Parties with respect to any breach of this Agreement or any other document, agreement, certificate or other matter delivered hereunder, whether based on contract, tort, strict liability, other Laws or otherwise.

(b) NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NO PARTY NOR ANY OF ITS AFFILIATES SHALL BE LIABLE TO THE OTHER PARTY OR ITS AFFILIATES FOR SPECIAL, PUNITIVE, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES, DIMINUTION IN VALUE,

OR LOST PROFITS, WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY, OTHER LAW OR OTHERWISE AND WHETHER OR NOT ARISING FROM THE OTHER PARTY'S OR ANY OF ITS AFFILIATES' SOLE, JOINT OR CONCURRENT NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT; PROVIDED, HOWEVER, IN NO EVENT SHALL THIS SECTION 10.03(b) BE A LIMITATION ON ANY OBLIGATION OF A PARTY HEREUNDER WITH RESPECT TO A THIRD PARTY CLAIM RELATING TO SUCH OBLIGATION.

ARTICLE XI.
TERMINATION

11.01 Termination Events. Notwithstanding anything herein to the contrary, this Agreement may be terminated at any time prior to the Closing:

(a) by Sellers or Purchaser:

(i) if a Governmental Authority issues a final, non-appealable ruling or Order prohibiting the transactions contemplated hereby where such ruling or Order was not requested, encouraged or supported by the party hereto (or its Affiliates or its or their Representatives) electing to terminate this Agreement

(ii) if the Approval Order has not been granted by December 17, 2017; or

(iii) by mutual written agreement of Sellers and Purchaser.

(b) by Purchaser:

(i) in the event of any breach by any Seller of any of such Seller's agreements, covenants, representations or warranties contained herein (provided such breach would result in the failure of a condition set forth in Section 8.01 or Section 8.02 to be satisfied) or (if such breach is material) in the Approval Order, and if the breach is curable, the failure of Sellers to cure such breach within thirty (30) Business Days following their receipt of written notice from Purchaser with respect to breach; *provided, however*, that (A) Purchaser is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein or in the Approval Order, (B) Purchaser notifies Sellers in writing (the "Purchaser Termination Notice") of its intention to exercise its rights under this Section 11.01(b)(i) as a result of the breach, and (C) Purchaser specifies in the Purchaser Termination Notice the representation, warranty, covenant or agreement contained herein or in the Approval Order of which a Seller is allegedly in breach and a description of the specific factual circumstances to support the allegation;

(ii) if the Closing has not occurred by June 30, 2018 (the "Outside Date"); *provided*, *however*; that Purchaser shall be permitted to terminate this Agreement pursuant to this Section 11.01(b)(ii) only if Purchaser is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein and (y) Purchaser has provided written notice to Sellers of its intention to exercise its rights under this Section 11.01(b)(ii) and Sellers have not provided written notice to Purchaser that they are ready, willing

and able to close the transactions contemplated by this Agreement on or before the date that is five (5) Business Days after the date of such notice from Purchaser;

(iii) if the CPUC affirmatively denies the CPUC Filing, by final order; or

(iv) if the Bankruptcy Court enters an Order dismissing, or converting into cases under Chapter 7 of the Bankruptcy Code, any of the cases commenced by any Seller under Chapter 11 of the Bankruptcy Code and comprising part of the Bankruptcy Cases; or

(c) by Sellers:

(i) in the event of any breach by Purchaser of any of Purchaser's agreements, covenants, representations or warranties contained herein (*provided* such breach would result in the failure of a condition set forth in Section 9.01 or Section 9.02 to be satisfied) or (if such breach is material) in the Approval Order, and, if the breach is curable, the failure of Purchaser to cure (or commence and diligent pursue such cure) such breach within thirty (30) Business Days after receipt of the Seller Termination Notice; *provided, however*, that (A) with respect to Sellers, no Seller is itself in material breach of any of its representations, warranties, covenants or agreements contained herein or in the Approval Order, (B) Sellers notify Purchaser in writing (the "Seller Termination Notice") of their intention to exercise their rights under this Section 11.01(c)(i) as a result of the breach, and (C) Sellers specify in the Seller Termination Notice the representation, warranty, covenant or agreement contained herein or in the Approval Order of which Purchaser is allegedly in breach and a description of the specific factual circumstances to support the allegation; or

(ii) if the Closing has not occurred by the Outside Date; provided, however; that Sellers shall be permitted to terminate this Agreement pursuant to this Section 11.01(c)(ii) only if each Seller is not itself in material breach of any of its representations, warranties, covenants or agreements contained herein and (y) Sellers have provided written notice to Purchaser of its intention to exercise its rights under this Section 11.01(c)(ii) and Purchaser has not provided written notice to Sellers that they are ready, willing and able to close the transactions contemplated by this Agreement on or before the date that is five (5) Business Days after the date of such notice from Sellers.

11.02 Effect of Termination.

(a) In the event of termination of this Agreement by Purchaser or Sellers pursuant to this Article XI, all rights and obligations under this Agreement shall terminate without any Liability of any Party or Person to any other Party or Person; *provided, however*, that nothing herein shall relieve any Seller or Purchaser from liability for any breach of this Agreement prior to such termination unless the Agreement is terminated by Purchaser (i) due to a breach of or inaccuracy in any Fundamental Representation and the effect of all breaches of or inaccuracies in all representations and warranties of Sellers set forth in this Agreement (including the Fundamental Representations) would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect or (ii) due to Seller's breach of Sections 6.04(e) or (f). The provisions of this Section 11.02 and Sections 6.01(c), 7.12 and 10.3(b) (and,

to the extent applicable to the interpretation or enforcement thereof, Article I and Article XII), shall expressly survive the termination of this Agreement.

(b) In the event of termination of this Agreement by a Party pursuant to Section 11.01 due to the breach of the other Party, such terminating Party shall have the right to pursue any and all rights that such Party may otherwise have hereunder, at law or in equity (subject to the limitations set forth in Section 12.02(b), but without limiting such Party's right to specifically enforce the terms and provisions hereof as provided in Section 12.08 in lieu of terminating the Agreement as provided in this Article XI).

ARTICLE XII.
MISCELLANEOUS

12.01 Notices. All notices, consents, waivers and other communications under this Agreement must be in writing and shall be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by email (with read receipt requested, with the receiving party being obligated to respond affirmatively to any read receipt requests delivered by the sending party), (c) received by the addressee, if sent by a delivery service (prepaid, receipt requested) or (d) received by the addressee, if sent by registered or certified mail (postage prepaid, return receipt requested), in each case to the appropriate addresses and representatives (if applicable) set forth below (or to such other addresses and representatives as a Party may designate by notice to the other Party):

(a) If to any Seller, then to:

Venoco, LLC
Attn: Brian E. Donovan, General Counsel
3700 Quebec Street #100-223
Denver CO 80207
E-mail: be.donovan@venocoinc.com

with a copy (which shall not constitute notice) to:

Bracewell LLP
Attn: Robert G. Burns, Robin J. Miles and Mark Dendinger
1251 Avenue of Americas, 49th Floor
New York, New York 10020-1104
E-mail: Robert.Burns@bracewell.com
Robin.Miles@bracewell.com
Mark.Dendinger@bracewell.com

(b) If to Purchaser:

Chevron U.S.A. Inc.
Attn: Mr. Kevin McNally
9524 Camino Media
Bakersfield, California 93311

Email: KMcNally@chevron.com

with a copy (which shall not constitute notice) to:

Chevron U.S.A. Inc.
Attn: Ms. Laney Vazquez
9524 Camino Media
Bakersfield, California 93311
Email: LVazquez@chevron.com

and to:

King & Spalding LLP
Attn: Ed Ripley and Peter Hays
1100 Louisiana St., Suite 4000
Houston, TX 77002
Email: eripley@kslaw.com
peterhays@kslaw.com

12.02 Waiver. Neither the failure nor any delay by any Party in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement shall operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege shall preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by Law, (i) no waiver that may be given by a Party shall be applicable except in the specific instance for which it is given, and (ii) no notice to or demand on one party hereto shall be deemed to be a waiver of any right of the Party that gives such notice or demand to take further action without notice or demand.

12.03 Entire Agreement; Amendment. This Agreement (including the Schedules and the Exhibit) and the other Transaction Documents supersede all prior agreements between Purchaser and Sellers with respect to its subject matter and constitute a complete and exclusive statement of the terms of the agreements between Purchaser and Sellers with respect to their subject matter; provided that this Agreement shall supersede Section 8 of the Interim Agreement, but not any other part of the Interim Agreement. This Agreement, including all exhibits hereto, may not be amended, modified or supplemented, or the terms hereof waived, except by a written agreement executed by all of the parties hereto.

12.04 Assignment. This Agreement, and the rights, interests and obligations hereunder, shall not be assigned by any Party by operation of law or otherwise without the express written consent of the other Party (which consent may be granted or withheld in the sole discretion of such other Party). Notwithstanding the foregoing, prior to Closing Purchaser shall have the right to assign its rights to receive all or any part of the Acquired Assets and its obligations to assume all or any part of the Assumed Liabilities, in each case to one or more Affiliates of Purchaser, without the prior written consent of Sellers, and, upon any such assignment, Purchaser shall be released from any liability hereunder and the assignee(s) shall be deemed to be the "Purchaser" under this Agreement and each of the other Transaction Documents (to the extent of such assignment); *provided*, that such assignee(s) first agrees in writing to be bound by the terms of this Agreement and the other Transaction Documents (to the extent it has been assigned rights and/or obligations hereunder or under such Transaction

Documents). Any assignment in violation of this Section 12.04 shall be deemed void ab initio. For the avoidance of doubt, following Closing Purchaser shall have the right to assign its interest in all or any of the Acquired Assets to any Third Party at its sole discretion.

12.05 Severability. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability.

12.06 Expenses. Each Party shall bear its own respective expenses (including all compensation and expenses of counsel, financial advisors, consultants, actuaries and independent accountants) incurred in connection with this Agreement and the transactions contemplated hereby.

12.07 Time of the Essence. Time shall be of the essence with respect to all time periods and notice periods set forth in this Agreement.

12.08 Specific Performance. The Parties agree that irreparable damage would occur if any provision of this Agreement is not performed in accordance with the terms hereof, including if any of the parties hereto fails to take any action required of it hereunder to consummate the transactions contemplated by this Agreement, and, accordingly, prior to the Closing, each Party shall be entitled to an injunction or injunctions without proof of damages or posting a bond or other security to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof, including specific performance of such covenants, promises or agreements or an order enjoining the other Party from any threatened, or from the continuation of any actual, breach of the covenants, promises or agreements contained in this Agreement. Unless otherwise expressly stated in this Agreement, no right or remedy described or provided in this Agreement is intended to be exclusive or to preclude a Party from pursuing other rights and remedies to the extent available under this Agreement, at law or in equity. The right of specific performance and other equitable relief is an integral part of the transactions contemplated by this Agreement and without that right, neither Sellers nor Purchaser would have entered into this Agreement. If, prior to the Outside Date, any Party brings any action to enforce specifically the performance of the terms and provisions hereof by any other Party, the Outside Date will automatically be extended (i) for the period during which such action is pending, plus ten (10) Business Days or (ii) by such other time period established by the court presiding over such action, as the case may be.

12.09 Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.

(a) Except (i) to the extent the mandatory provisions of the Bankruptcy Code apply and (ii) except for any real or immovable property issues, which shall be governed by and construed and enforced in accordance with the internal laws of the State in which such real or immovable property is located (without reference to the choice of law rules of such State), this

Agreement shall be governed by, and construed in accordance with, the laws of the State of California applicable to contracts made and to be performed entirely in such state without regard to principles of conflicts or choice of laws or any other law that would make the laws of any other jurisdiction other than the State of California applicable hereto.

(b) Without limitation of any Party's right to appeal any Order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby, and (ii) any and all claims relating to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent and submit to the exclusive jurisdiction and venue of the Bankruptcy Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding; *provided, however*, that, if the Bankruptcy Cases are closed (and not reopened, if requested by Purchaser (*provided* that Purchaser shall have no obligation to make such a request)), all Actions and Proceedings arising out of or relating to this Agreement shall be heard and determined in a California state court or a federal court sitting in the State of California, and the Parties each hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such Action or Proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding. The Parties each consent to service of process by mail (in accordance with Section 12.01) or any other manner permitted by law.

(c) THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF ANY PARTY OR SUCH PARTY'S REPRESENTATIVES IN THE NEGOTIATION OR PERFORMANCE HEREOF.

12.10 Counterparts. This Agreement and any amendment hereto may be executed in one (1) or more counterparts, each of which shall be deemed to be an original of this Agreement or such amendment and all of which, when taken together, shall constitute one and the same instrument. Notwithstanding anything to the contrary in Section 12.01, delivery of an executed counterpart of a signature page to this Agreement or any amendment hereto by email attachment shall be effective as delivery of a manually executed counterpart of this Agreement or such amendment, as applicable.

12.11 Parties in Interest; No Third Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon Purchaser and Sellers and their respective successors and permitted assigns. This Agreement is for the sole benefit of such Parties and their permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable benefit, claim, cause of action, remedy or right of any kind, except that Section 10.01(a) and Section 10.01(b) are intended for the benefit of and is enforceable by the Purchaser Indemnified Parties and the Seller Indemnified Parties, respectively, provided that in each case such party shall be subject to all the limitations and procedures of this Agreement as if it were a Party hereunder.

12.12 Disclosure Schedules; Materiality. The inclusion of any matter in any Disclosure Schedule shall be deemed to be an inclusion for all purposes of this Agreement, in all other Disclosure Schedules to the extent that such disclosure is sufficient to identify the matter to which such disclosure is responsive, but inclusion therein shall not be deemed to constitute an admission, or otherwise imply, that any such matter is material or creates a measure for materiality for purposes of this Agreement. The disclosure of any particular fact or item in any Disclosure Schedule shall not be deemed an admission as to whether the fact or item is "material" or would constitute a "material adverse effect".

12.13 Liquidating Trustee. If at any time any Seller liquidates, its estate is converted to Chapter 7, or otherwise has a trustee or other representative appointed by the Bankruptcy Court (as applicable, a "Trustee"), then (a) such Trustee shall be bound to perform the obligations of Sellers and shall be entitled to exercise the rights of Sellers under this Agreement, and (b) with respect to all of Sellers' assets that are abandoned (if any) following the Effective Date, Sellers grant to such Trustee a power of attorney for purposes performing Sellers' obligations with respect to such abandoned assets. Sellers acknowledge and agree that the power of attorney granted to such Trustee (if any) pursuant to the foregoing clause (b) is coupled with an interest and shall be irrevocable.

12.14 Seller Representative.

(a) Ellwood, by executing this Agreement, irrevocably constitutes and appoints Venoco and its successors, acting as hereinafter provided, as such appointing Person's attorney-in-fact to act on behalf of such Person in connection with the authority granted to Venoco pursuant to this Section 12.14, and acknowledges that such appointment is coupled with an interest.

(b) Ellwood, by the appointment described in Section 12.14(a), (i) authorizes Venoco subsequent to the date hereof (A) to give and receive written consents, reports, notices and communications to or from Purchaser relating to this Agreement, the transactions contemplated by this Agreement and the other Transaction Documents, (B) to act on such appointing Person's behalf with respect to any and all matters affecting such appointing Person in this Agreement, including giving and receiving all notices and communications to be given or received with respect to any such matters, and (C) to negotiate, compromise and resolve any dispute that may arise under this Agreement; *provided, however*, that in each of clauses (A) through (C) preceding, Venoco shall not have the authority to execute any agreements or documents (other than consents, reports, notices and communications) on behalf of Ellwood, and (ii) agrees to be bound by all agreements and determinations made by and documents executed and delivered by Venoco pursuant to the authority granted to Venoco hereunder.

(c) Ellwood, by the execution of this Agreement, expressly acknowledges and agrees that (i) Venoco is authorized to act on its behalf with respect to this Agreement, notwithstanding any dispute or disagreement between such appointing Person and Venoco, and (ii) Purchaser, each Purchaser Indemnified Party and any other Person shall be entitled to solely interact with, and rely on any and all actions taken by, Venoco under this Agreement without any liability to, or obligation to inquire of, such appointing Person. Any notice or communication given or received by, and any decision, action, failure to act within a designated

period of time, agreement, consent, settlement, resolution or instruction of, Venoco that is within the scope of Venoco's authority under this Section 12.14 shall constitute a notice or communication to or by, or a decision, action, failure to act within a designated period of time, agreement, consent, settlement, resolution or instruction of Sellers and shall be final, binding and conclusive upon such appointing Person. Purchaser and any other Person shall be entitled to rely upon any such notice, communication, decision, action, failure to act within a designated period of time, agreement, consent, settlement, resolution or instruction as being a notice or communication to or by, or a decision, action, failure to act within a designated period of time, agreement, consent, settlement, resolution or interaction of, such appointing Person and Sellers.

12.15 Captions. The captions and section headings appearing in this Agreement are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party as of the date first above written.

SELLERS:

VENOCO, LLC

By: Bret W Fernandes
Name: Bret W Fernandes
Title: Chief Restructuring Officer
Date: November 13, 2017

ELLWOOD PIPELINE, INC

By: Bret W Fernandes
Name: Bret W Fernandes
Title: Chief Restructuring Officer
Date: November 13, 2017

PURCHASER:

CHEVRON U.S.A. INC.

By:_____
Name:_____
Title:_____
Date:_____

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party as of the date first above written.

SELLERS:

VENOCO, LLC

By:_____
Name:_____
Title:_____
Date:_____

ELLWOOD PIPELINE, INC.

By:_____
Name:_____
Title:_____
Date:_____

PURCHASER:

CHEVRON U.S.A. INC.

By: K.R. McNally
Name: K.R. McNally
Title: Attorney-in-Fact
Date: 11/13/2017

EXHIBIT 3

Amended Contract List

[TO BE FILED]

EXHIBIT B

ASSUMED CONTRACTS

Exhibit B

ASSUMED CONTRACTS

Agreement	Effective Date	Grantor	Grantee	Description	Counterparty Address	Proposed Cure Amount
Casitas Pier Operating Agreement	1/1/1967	Standard Oil Company of California	Atlantic Richfield Company	Covers a 300' wide corridor containing the Casitas Pier. Since 2009 Venoco is 100% owner and sole party to agreement. (QLS# 264930)	Atlantic Richfield Co BP–ARCO, Attn: Ms. Duronda Smith, Esq. 12001 N Central Expressway Dallas, TX 75243	$0.00
Casitas Pier Settlement Agreement	3/14/2011	Venoco, Inc.	Atlantic Richfield Company	Settles dispute over ownership and cost of the Casitas Pier.	Atlantic Richfield Co BP–ARCO, Attn: Ms. Duronda Smith, Esq. 12001 N Central Expressway Dallas, TX 75243	$0.00
Cost sharing Agreement for Rincon Peak Microwave Repeater Site	10/1/2000	Arguello Inc.	Venoco Inc.	50%-50% cost sharing for the costs of the site lease, and maintenance of Shared Equipment. Arguello Inc. (subsidiary of Freeport-McMoran Oil & Gas LLC) is the current Operator.	Arguello Inc. 700 Miami St. Houston, TX	$0.00

Exhibit B

ASSUMED CONTRACTS

Clean Seas Lease	4/1/2016	Venoco, Inc.	Clean Seas, LLC	Lease for 2.920 acres of the Carpinteria Plant site for use as office, storage and staging area for oil spill response.	CLEAN SEAS LLC 990 Cindy Lane Ste B Carpinteria, CA 93013	$0.00
DCOR Office Lease	12/1/2010	Venoco, Inc.	DCOR, LLC	Lease of 748ft^2 buidling at 5661 Carpinteria Avenue, Carpinteria, CA together with all furnishings.	Dcor, LLC 290 Maple Court Suite 290 Ventura, CA 93003	$0.00 Previously Noticed and Not Subject to Objection
DCOR Casitas Pier License Agreement	1/1/2010	Venoco, Inc.	DCOR, LLC	Permission to use the Casitas Pier, pier crane, access road, and other fixtures.	Dcor, LLC 290 Maple Court Suite 290 Ventura, CA 93003	$0.00 Previously Noticed and Not Subject to Objection
POOI Casitas Pier License Agreement	1/1/2007	Venoco, Inc.	Pacific Offshore Operators, LLC	Permission to use the Casitas Pier, pier crane, access road, and other fixtures.	Pacific Offshore Operators, Inc. 1145 Eugenia Place, #200 Carpinteria, CA 93013	$0.00

Exhibit B

ASSUMED CONTRACTS

Casitas Pier Leases

i) Casitas Pier Lease

Agreement	Effective Date	Grantor	Grantee	Description	Counterparty Address	Cure Amount
Carp City/Pier Submerged Lands Lease	11/01/1965	City of Carpinteria	CUSA	100% interest in the Casitas Pier Lease (QLS# 255800)	5775 Carpinteria Avenue Carpinteria, CA 93013	$0.00

ii) Casitas Pier

100% ownership of the Casitas Pier, a 700 foot metal and concrete pier.

Agreement	Effective Date	Grantor	Grantee	Description	Counterparty Address	Cure Amount
Assignment and Assumption Agreement	2/1/1999	CUSA	Venoco, Inc.	50% undivided interest in all right title and interest to the Casitas Pier, Casitas Pier Operating Agreement and Associated Property. (QLS# 255800)	Chevron USA, Inc. 9525 Camino Media Bakersfield, CA 93311	$0.00
Conveyance, Assignment and Bill of Sale	3/14/2009	Atlantic Richfield Company	Venoco, Inc.	50% undivided interest in the Casitas Pier Operating Agreement; Casitas Pier fixture, improvement and personal property; and Associated Property. (QLS# 255800)	Atlantic Richfield Co BP–ARCO, Attn: Ms. Duronda Smith, Esq. 12001 N Central Expressway Dallas, TX 75243	$0.00

EXHIBIT C-1

SCU/CARPINTERIA PLANT-RELATED EASEMENTS

Exhibit C-1

SCU/CARPINTERIA PLANT RELATED-EASEMENTS

Venoco File #	Agreement	Effective Date	Grantor	Grantee	Description	Counterparty Address
CA132.S00004	Murvale – Exxon/Sacs Surface Lease	9/18/79	Exxon and Murvale	CUSA and ARCO	Lease covering the Murvale – Exxon Carpinteria Plant Fee (APN 1-170-21) for Casitas Pier Operations and) (CHEVRON LIS# 264940).	ExxonMobil Production, ATTN Mark Staff, Legacy Asset Team 22777 Springwoods Village Pkwy Wellness 4.2A.416 Spring, TX 77389
	Murvale – Exxon Easement	4/18/69	Exxon and Murvale	CUSA	15’ easement for pipelines and electrical lines.	ExxonMobil Production, ATTN Mark Staff, Legacy Asset Team 22777 Springwoods Village Pkwy Wellness 4.2A.416 Spring, TX 77389
CA016.S00001	So. Pacific Co. #150244 R/W 1442-**E** ROW	9/23/65	Southern Pacific Company	CUSA	Covers license to install 4 casings to contain 16 KVA and 60 KVA power cables, telephone cable, 2-10” gas lines, 6” diesel line, 10” oil	Union Pacific Railroad Company 1400 Douglas Street

Exhibit C-1

SCU/CARPINTERIA PLANT RELATED-EASEMENTS

					line and 6” water line near Carpinteria. (QLS# 003810) Audit #S150244 Folder #177300	Omaha, NE 68179
CA016.S00001	So. Pacific Co. #S202715 R/W 1442-**I** ROW	1/30/85	Southern Pacific Company	CUSA	Covers 16KV underground power line crossing. Audit #S150244 Folder #177300	Union Pacific Railroad Company 1400 Douglas Street Omaha, NE 68179
CA016.S00001	So. Pacific Co. #SPCL013702 R/W 1442-**D** ROW	9/23/65	Southern Pacific Company	CUSA	Covers 3 non-hazardous underground pipeline crossings. Audit #S150244 Folder #177300	Union Pacific Railroad Company 1400 Douglas Street Omaha, NE 68179
CA016.S00001	So. Pacific Co. #SPCL013708 R/W 1442-**B** ROW	7/10/65	Southern Pacific Company	CUSA	Covers 1-16KV power wireline crossing 2-24” underground pipeline crossing 1-10” pipeline crossing. Audit #S150244	Union Pacific Railroad Company 1400 Douglas Street Omaha, NE 68179

Exhibit C-1

SCU/CARPINTERIA PLANT RELATED-EASEMENTS

					Folder #177300	
CA016.S00001	So. Pacific Co. #SPCL013720 R/W 1442 ROW	7/10/59	Southern Pacific Company	CUSA	Covers 20" underground pipeline crossing. Audit #S150244 Folder #177300	Union Pacific Railroad Company 1400 Douglas Street Omaha, NE 68179
CA016.S00013	So. Pacific Co. #118091 R/W 1442-**A** ROW	9/28/59	Southern Pacific Company	CUSA	Covers 20" underground pipeline crossing. Audit #S118091 Folder #183610	Union Pacific Railroad Company 1400 Douglas Street Omaha, NE 68179
CA016.S00012	So. Pacific Co. #148531 R/W 1442-**C** ROW Non pipeline	10/4/65	Southern Pacific Company	CUSA	Covers private road crossing over railroad R/W near Carpinteria. (QLS# 005120) Audit #S148531 Folder #183815	Union Pacific Railroad Company 1400 Douglas Street Omaha, NE 68179

EXHIBIT C-2

CARPINTERIA STATION SEGMENT
EASEMENTS AND STATE PIPELINE SEGMENTS EASEMENTS

Exhibit C-2

CARPINTERIA STATION PSA EASEMENTS

Part 1 – Carpinteria Station Segment Easements

Venoco File No.	Lease/ Agreement	Effective Date	Grantor/ Lessor	Grantee/Lessee	Description	Counterparty Address
	Murvale – Exxon Easement	4/18/1969	Exxon and Murvale	CUSA	15' easement for pipelines and electrical lines.	ExxonMobil Production, ATTN Mark Staff, Legacy Asset Team 22777 Springwoods Village Pkwy Wellness 4.2A.416 Spring, TX 77389
CA016.S00001	So. Pacific Co. #S202715 R/W 1442-**I** ROW	1/30/1985	Southern Pacific Company	CUSA	Covers 16KV underground power line crossing. Audit #S150244 Folder #177300	Union Pacific Railroad Company 1400 Douglas Street Omaha, NE 68179
CA016.S00001	So. Pacific Co. #150244 R/W 1442-**E** ROW	9/23/1965	Southern Pacific Company	CUSA	Covers license to install 4 casings to contain 16 KVA and 60 KVA power cables, telephone cable, 2-10" gas	Union Pacific Railroad Company 1400 Douglas Street Omaha, NE 68179

					lines, 6" diesel line, 10" oil line and 6" water line near Carpinteria. (LIS# 003810) Audit #S150244 Folder #177300	
CA016.S00001	So. Pacific Co. #SPCL013702 R/W 1442-**D** ROW	9/23/1965	Southern Pacific Company	CUSA	Covers 3 non-hazardous underground pipeline crossing. Audit #S150244 Folder #177300	Union Pacific Railroad Company 1400 Douglas Street Omaha, NE 68179
CA016.S00001	So. Pacific Co. #SPCL013708 R/W 1442-**B** ROW	7/10/1965	Southern Pacific Company	CUSA	Covers 1-16KV power wireline crossing 2-24" underground pipeline crossing 1-10" pipeline crossing. Audit #S150244	Union Pacific Railroad Company 1400 Douglas Street Omaha, NE 68179

					Folder #177300	
CA016.S00001	So. Pacific Co. #SPCL013720 R/W 1442 ROW	7/10/1959	Southern Pacific Company	CUSA	Covers 20" underground pipeline crossing. Audit #S150244 Folder #177300	Union Pacific Railroad Company 1400 Douglas Street Omaha, NE 68179
CA016.S00013	So. Pacific Co. #118091 R/W 1442-**A** ROW	9/28/1959	Southern Pacific Company	CUSA	Covers 20" underground pipeline crossing. Audit #S118091 Folder #183610	Union Pacific Railroad Company 1400 Douglas Street Omaha, NE 68179
CA016.S00012	So. Pacific Co. #148531 R/W 1442-**C** ROW Non pipeline	10/4/1965	Southern Pacific Company	CUSA	Covers private road crossing over railroad R/W near Carpinteria. (QLS# 005120) Audit #S148531 Folder #183815	Union Pacific Railroad Company 1400 Douglas Street Omaha, NE 68179

Part 2 – State Pipeline Segments Easements

Venoco File No.	Lease/Agreement	Effective Date	Grantor/Lessor	Grantee/Lessee	Description
CA132.S00021	City of Carpinteria LEASE	9/27/1995	City of Carpinteria	CUSA	Lease of submerged tidelands with the City of Carpinteria for the portion of the Grace-to-Shore Gas Pipeline that is within the City of Carpinteria's jurisdiction in City tidelands waters that is located between shore and 2 nautical miles offshore This Lease expires on Sept. 26, 2018.
CA132.S00022	County of Santa Barbara LEASE	9/27/1965	County of Santa Barbara	CUSA	Lease of submerged tidelands from 2 nautical miles offshore to 3 nautical miles offshore for pipelines that were formerly used for Platform Hope production and subsequently Platforms Grace and Gail Production. (Chevron LIS # 006190). This Lease expires on Sept. 26, 2018.
	Consent to Assignment, Assumption of Performance, and First Amendment to Lease Agreement	12/4/1912	County of Santa Barbara	Ellwood Pipeline, Inc	One (10-inch) pipeline extending (6,124') feet in length One (10-inch) pipeline extending (6,124') feet in length
	Second Amendment to Lease Agreement	9/15/2015	County of Santa Barbara	Ellwood Pipeline, Inc	This second amendment extended the 1965 lease for an additional 18 months

	Consent to Assignment of Pipeline Lease and Amendment Thereto	1/30/2002	City of Carpinteria	Ellwood Pipeline, Inc	Ellwood assumes all the responsibilities of the 1965 lease
	Second Amendment to Lease	9/10/2015	City of Carpinteria	Ellwood Pipeline, Inc.	This amendment extended the 1965 lease for an additional 18 months.
	Third Amendment Lease	3/13/2017	The City of Carpinteria	Ellwood Pipeline, Inc.	This amendment extended the term of the 1965 Lease. The new expiration date is 9/26/2018.
	Settlement Agreement And Mutual Limited Release	1/30/2002	City of Carpinteria, Venoco, Inc., Ellwood Pipeline, Inc. and State of California, State Lands Commission	City of Carpinteria, Venoco, Inc., Ellwood Pipeline, Inc., State of California, State Lands Commission	This agreement provides approval for Consent to the Assignment of Pipeline Lease and First Amendment Thereto and Consent to Assignment of Casitas Pier Lease and Third Amendment Thereto.
	Right-of-Way and Easement	9/18/1979	Exxon U.S.A. Foundation	Chevron U.S.A., Inc. and Standard Gasoline Company	ROW covering Exxon's former partial interest in the "Murvale-Exxon Carpinteria Plant Surface Fee" (APN 001-170-021).

Part 3 – Federal Pipeline Segments Easements

Venoco File No.	Lease/Agreement	Effective Date	Grantor/Lessor	Grantee/Lessee	Description
CA132.00020	Federal R/O/W OCS-P 0549	8/28/1998	USA - Minerals Management Service	CUSA	Federal right of way for a 10” oil pipeline from Grace to 3-mile state line.
CA132.S00019	Federal R/O/W OCS-P-0550	8/28/1998	USA - Minerals Management Service	CUSA	Federal right of way for a 12” gas pipeline from Grace to 3-mile state line.

EXHIBIT D-1

SCU/CARPINTERIA PLANT-RELATED PERMITS

Conditional Use Permit (land use) City of Carpinteria

Permit Name (or #)	Date of Issuance	Facility or Property
Land Use Permit	1957	Carpinteria Oil and Gas Plant (all parcels)
Conditional Use Permit C-9-778	8/06/79	Minor modifications to the existing onshore piping and compressor facilities at the Carpinteria Plant, re: installation of a 10" diameter crude oil pipeline for the Carpinteria-Rincon Oil Pipeline within City Limits

Conditional Use Permit (land use) County of Santa Barbara

Permit Name (or #)	Date of Issuance	Facility or Property
Conditional Use Permit 79-CP-31	8/08/79	Construction of a 10" diameter crude oil pipeline for the Carpinteria-Rincon Oil Pipeline from the City of Carpinteria City Limits to Rincon-ROSF; Assessor Parcel Nos. 1-210-24, 1-010-24, 1-220-54 and the City of Carpinteria, the State of California (CALTRANS), and the South Pacific Land Company.

Santa Barbara County Air Pollution Control District

Permit Name (or #)	Date of Issuance	Facility or Property
Title V PTO 7996	8/28/98	Carpinteria Gas Plant (Permit renewal appl. Submitted 10/25/17)
Title V PTO 7995	8/28/98	Carpinteria Pipeline Station

Ventura County Air Pollution Control District

Permit Name (or #)	Date of Issuance	Facility or Property
Title V PTO 1493	4/01/98	Platform Grace
Title V PTO 7995	1/01/98	Platform Gale

California Coastal Commission

Permit Name (or #)	Date of Issuance	Facility or Property
Consistency Certification	11/04/86	Platform Gail
Coastal Development Permit 205-27	6/1/79	Undersea pipeline to Platform Hope; modifications to platforms Hope and Heidi; modifications to the Carpinteria plant; and an underground 10" crude oil pipeline from Chevron's Carpinteria Plant to the Mobil Rincon facility

Infrustructure	Name	Permit	Authorizing Agency
Platform	Gail	Title 5 Air - Permit to Operate	Ventura Air Pollution Control District (APCD)
Platform	Grace	Title 5 Air - Permit to Operate	Ventura Air Pollution Control District (APCD)
Gas Plant	Carpinteria	Title 5 Air - Permit to Operate	Santa Barbara County
Platform	Gail	NPDES	EPA
Platform	Grace	NPDES	EPA
Gas Plant	Carpinteria	Spill Prevention Containment Counter Measure SPCC Plan	EPA
Gas Plant	Carpinteria	Storm Water Plan	City of Carpinteria Water Quality Control Board
Platform	Gail	Oil Spill Response Plan	BSEE & California Oil Spill Response
Platform	Grace	Oil Spill Response Plan	BSEE & California Oil Spill Response
Offshore Lease-term Pipeline Oil	Pipeline connecting Gail and Grace	Oil Spill Response Plan	BSEE & California Oil Spill Response (OSPRA), DOT and PHMSA
Offshore Lease-term Pipeline Gas	Pipeline connecting Gail and Grace	Oil Spill Response Plan	BSEE & California Oil Spill Response (OSPRA), DOT and PHMSA
Offshore Lease-term Pipeline Fuel	Pipeline connecting Gail and Grace	Oil Spill Response Plan	BSEE & California Oil Spill Response (OSPRA), DOT and PHMSA
Platform	Gail	Hazardous Waste Permit	California Department Toxic Control Substances (CADTCS)
Platform	Grace	Hazardous Waste Permit	California Department Toxic Control Substances (CADTCS)
Gas Plant	Carpinteria	Hazardous Waste Permit	California Department Toxic Control Substances (CADTCS)
Gas Plant	Carpinteria	Hazardous Material Business Plan	Santa Barbara County
Gas Plant	Carpinteria	Land Use Permit	City of Carpinteria Oil and Gas Industrial

Infrustructure	Name	Permit	Authorizing Agency
Gas Plant	Carpinteria	Railroad Crossing Sothern Pacific	Southern Pacific Railway (Fee)
ROW Pipeline	DOT Oil Pipeline (Grace to Carpinteria Plant)	Pipeline Integrity Management Plan	PHMSA
ROW Pipeline	DOT Gas Pipeline (Grace to Carpinteria Plant)	Pipeline Integrity Management Plan	PHMSA
ROW Pipeline	DOT Oil Pipeline (Grace to Carpinteria Plant)	Control Room Mangement Plan	PHMSA
ROW Pipeline	DOT Gas Pipeline (Grace to Carpinteria Plant)	Control Room Mangement Plan	PHMSA
Federal ROW	BSEE ROW Oil	BSEE ROW	BSEE
Federal ROW	BSEE ROW Gas	BSEE ROW	BSEE
City ROW	City ROW Oil	DOT State Waters ROW City	City of Carpinteria
City ROW	City ROW Gas	DOT State Waters ROW City	City of Carpinteria
County ROW	County ROW Oil	DOT State Waters ROW County	Santa Barbara County
County ROW	County ROW Gas	DOT State Waters ROW County	Santa Barbara County

EXHIBIT D-2

STATE PIPELINE SEGMENTS ACQUIRED PERMITS

Exhibit D-2

CARPINTERIA STATION PSA PERMITS

Conditional Use Permit (land use) County of Santa Barbara

Permit Name (or #)	**Date of Issuance**	**Facility or Property**
Conditional Use Permit C-9-778	8/06/79	Minor modifications to the existing onshore piping and compressor facilities at the Carpinteria Plant, re: installation of a 10" diameter crude oil pipeline for the Carpinteria-Rincon Oil Pipeline within City Limits

Santa Barbara County Air Pollution Control District

Title V PTO 7995	8/28/98	Carpinteria Pipeline Station

California Coastal Commission

Permit Name (or #)	Date of Issuance	**Facility or Property**
Coastal Development Permit 205-27	6/1/79	Undersea pipeline to Platform Hope; modifications to platforms Hope and Heidi; modifications to the Carpinteria plant; and an underground 10" crude oil pipeline from Chevron's Carpinteria Plant to the Mobil

Exhibit D-2

CARPINTERIA STATION PSA PERMITS

		Rincon facility.

Infrustructure	Name	Permit	Authorizing Agency
Platform	Gail	Title 5 Air - Permit to Operate	Ventura Air Pollution Control District (APCD)
Platform	Grace	Title 5 Air - Permit to Operate	Ventura Air Pollution Control District (APCD)
Gas Plant	Carpinteria	Title 5 Air - Permit to Operate	Santa Barbara County
Platform	Gail	NPDES	EPA
Platform	Grace	NPDES	EPA
Gas Plant	Carpinteria	Spill Prevention Containment Counter Measure SPCC Plan	EPA
Gas Plant	Carpinteria	Storm Water Plan	City of Carpinteria Water Quality Control Board
Platform	Gail	Oil Spill Response Plan	BSEE & California Oil Spill Response
Platform	Grace	Oil Spill Response Plan	BSEE & California Oil Spill Response
Offshore Lease-term Pipeline Oil	Pipeline connecting Gail and Grace	Oil Spill Response Plan	BSEE & California Oil Spill Response (OSPRA), DOT and PHMSA
Offshore Lease-term Pipeline Gas	Pipeline connecting Gail and Grace	Oil Spill Response Plan	BSEE & California Oil Spill Response (OSPRA), DOT and PHMSA
Offshore Lease-term Pipeline Fuel	Pipeline connecting Gail and Grace	Oil Spill Response Plan	BSEE & California Oil Spill Response (OSPRA), DOT and PHMSA
Platform	Gail	Hazardous Waste Permit	California Department Toxic Control Substances (CADTCS)
Platform	Grace	Hazardous Waste Permit	California Department Toxic Control Substances (CADTCS)
Gas Plant	Carpinteria	Hazardous Waste Permit	California Department Toxic Control Substances (CADTCS)
Gas Plant	Carpinteria	Hazardous Material Business Plan	Santa Barbara County
Gas Plant	Carpinteria	Land Use Permit	City of Carpinteria Oil and Gas Industrial

Infrustructure	Name	Permit	Authorizing Agency
Gas Plant	Carpinteria	Railroad Crossing Sothern Pacific	Southern Pacific Railway (Fee)
ROW Pipeline	DOT Oil Pipeline (Grace to Carpinteria Plant)	Pipeline Integrity Management Plan	PHMSA
ROW Pipeline	DOT Gas Pipeline (Grace to Carpinteria Plant)	Pipeline Integrity Management Plan	PHMSA
ROW Pipeline	DOT Oil Pipeline (Grace to Carpinteria Plant)	Control Room Mangement Plan	PHMSA
ROW Pipeline	DOT Gas Pipeline (Grace to Carpinteria Plant)	Control Room Mangement Plan	PHMSA
Federal ROW	BSEE ROW Oil	BSEE ROW	BSEE
Federal ROW	BSEE ROW Gas	BSEE ROW	BSEE
City ROW	City ROW Oil	DOT State Waters ROW City	City of Carpinteria
City ROW	City ROW Gas	DOT State Waters ROW City	City of Carpinteria
County ROW	County ROW Oil	DOT State Waters ROW County	Santa Barbara County
County ROW	County ROW Gas	DOT State Waters ROW County	Santa Barbara County