IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re Venoco, Inc., *et al*, Debtors.[1]	Chapter 11 Case No. 16-10655 (KG) (Jointly Administered) **Re: D.I. 113, 209, 216, 220, 277, 347, 349, 359, 361, 362, 363**

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER CONFIRMING THE FIRST AMENDED JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE (WITH TECHNICAL AND CONFIRMATION MODIFICATIONS)

Venoco, Inc. ("Venoco") and its affiliated debtors and debtors in possession (collectively, the "Debtors"), having:

a. commenced, on March 18, 2016 (the "Petition Date"), these chapter 11 cases (the "Chapter 11 Cases") by filing voluntary petitions in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code");

b. continued to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code;

c. filed, on April 11, 2016, the *Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [D.I. 113] and the *Disclosure Statement for the Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [D.I. 114];

d. filed, on May 9, 2016, the *Notice of Filing of Exhibits to the Disclosure Statement for the Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [D.I. 198];

e. filed, on May 15, 2016, the *First Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [D.I. 209] (as may be amended, modified or

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Venoco, Inc. (5555); Denver Parent Corporation (1005); 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, Inc., 370 17th Street, Suite 3900, Denver, CO 80202-1370.

supplemented from time to time and attached hereto as **Exhibit 1**, the "Plan")[2] and the *Disclosure Statement for the First Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [D.I. 211] (as may be amended, modified or supplemented from time to time, the "Disclosure Statement");

f. obtained approval of (i) the Ballots for voting on the Plan transmitted to holders of Claims in Class D3, Class D4, Class V3, Class V4, Class V5 and Class V6, and (ii) the Election Form transmitted to holders of Claims in Class V5, in accordance with that certain *Order (A) Approving the Disclosure Statement, (B) Approving the Solicitation Procedures, (C) Approving the Form of Ballots, Election Forms and Notices in Connection Therewith, (D) Establishing the Plan Confirmation Schedule and (E) Granting Related Relief*, dated May 16, 2016 [D.I. 216] (the "Disclosure Statement Order");

g. filed, on May 17, 2016, the solicitation versions of the Plan [D.I. 220] and Disclosure Statement [D.I. 221];

h. filed, on May 17, 2016, notice of the Confirmation Hearing [D.I. 223], which was published in *USA Today* [D.I. 279], the *Pacific Coast Business Times* [D.I. 280], and *The Denver Post* [D.I. 281];

i. caused, beginning on May 20, 2016 (the "Solicitation Date"), solicitation materials and notice of the deadline for objecting to Confirmation of the Plan to be distributed consistent with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Local Rules for the United States Bankruptcy Court for the District of Delaware (the "Local Rules") and the Disclosure Statement Order, as evidenced by, among other things, the *Affidavit of Service re: Solicitation Package* of BMC Group, Inc. dated June 3, 2016 [D.I. 272] (the "Solicitation Affidavit");

j. filed, on June 10, 2016, the *Supplement to First Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [D.I. 277] (as amended, modified or supplemented from time to time, the "Plan Supplement");

k. received, on June 22, 2016, the *United States Trustee's Objection to Confirmation of Debtors' First Amended Joint Plan of Reorganization Under Chapter 11 (D.I. 220)* [D.I. 290];

l. received, on June 23, 2016, the *Objection of Seitel Data, Ltd. to Debtors' Notice to Counterparties to Executory Contracts and Unexpired Leases Being Assumed Under the Plan* [D.I. 297];

[2] All capitalized terms used and not otherwise defined in this Confirmation Order shall have the meanings ascribed to them in the Plan.

m. received, on June 23, 2016, the *Objection of Sierentz North America, LLC and Pentwater Capital Management LP to Confirmation of First Amended Joint Plan of Reorganization* [D.I. 304];

n. received, on June 24, 2016, the *Joinder by Delaware Trust Company to Objection of Sierentz North America, LLC and Pentwater Capital Management LP to Confirmation of First Amended Joint Plan of Reorganization* [D.I. 311] and Exhibit A thereto [D.I. 314];

o. received, on June 28, 2016, the *Objection of Seismic Exchange, Inc. and its Affiliates to Debtors' Notice to Counterparties to Executory Contracts and Unexpired Leases Being Assumed Under the First Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [D.I. 317];

p. received, on July 8, 2016, *Candlewood Investment Group, LP's Statement in Support of Confirmation of First Amended Joint Plan of Reorganization* [D.I. 344];

q. received, on July 8, 2016, the *Omnibus Reply of Consenting Secured Noteholders in Support of Confirmation of Debtors First Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [D.I. 345];

r. filed, on July 8, 2016 the *Debtors' Memorandum of Law in Support of Confirmation of the Debtors' First Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [D.I. 349] (the "Confirmation Brief");

s. filed, on July 8, 2016 the *Declaration of Voting Agent Regarding Solicitation and Tabulation of Votes in Connection with First Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [D.I. 347] (including any supplements, the "Voting Declaration");

t. filed, on July 12, 2016, the *First Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (with Technical and Confirmation Modifications)* [D.I. 359];

u. filed, on July 13, 2016, the *Supplemental Declaration of Voting Agent Regarding Solicitation and Tabulation of Votes in Connection with First Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [D.I. 363];

v. filed, on July 12, 2016, the *Declaration of Scott M. Pinsonnault, Chief Financial Officer and Chief Restructuring Officer of Venoco, Inc. , in Support of Confirmation of the Debtors' First Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [D.I. 361] (the "Pinsonnault Declaration");

w. filed, on July 12, 2016, the *Declaration of Adam Pilchman in Support of Confirmation of the Debtors' First Amended Joint Plan of Reorganization Under*

Chapter 11 of the Bankruptcy Code [D.I. 362] (the "Pilchman Declaration" and, collectively with the Pinsonnault Declaration and the Voting Declaration, the "Declarations"); and

x. filed, on July 13, 2016, the *Notice Of Filing Of Second Plan Supplement To First Amended Joint Plan Of Reorganization Under Chapter 11 Of The Bankruptcy Code (with Technical and Confirmation Modifications)* [D.I. 366].

And the Bankruptcy Court having:

a. set July 13, 2016 at 9:30 a. m. (prevailing Eastern Time) as the date and time for the commencement of the Confirmation Hearing;

b. reviewed the Plan, the Disclosure Statement, the Confirmation Brief, the Declarations, and all pleadings, exhibits, statements, responses, and comments regarding Confirmation, including all objections, statements, and reservations of rights filed by parties in interest on the docket of these Chapter 11 Cases;

c. held the Confirmation Hearing;

d. heard the statements, arguments, and objections made by counsel in respect of Confirmation;

e. considered all oral representations, testimony, documents, filings, and other evidence regarding Confirmation;

f. overruled any and all objections to the Plan and to Confirmation and all statements and reservations of rights not consensually resolved or withdrawn unless otherwise indicated; and

g. taken judicial notice of all papers and pleadings filed in these Chapter 11 Cases and all evidence proffered or adduced and all arguments made at the hearings held before the Bankruptcy Court during the pendency of these Chapter 11 Cases.

NOW, THEREFORE, the Bankruptcy Court having found that notice of the Confirmation Hearing and the opportunity for any party in interest to object to Confirmation having been adequate and appropriate as to all parties affected or to be affected by the Plan and the transactions contemplated thereby; and the record of these Chapter 11 Cases and the legal and factual bases set forth in the documents filed in support of Confirmation and presented at the Confirmation Hearing, establish just cause for the relief granted in this Confirmation Order; and

after due deliberation thereon and good cause appearing therefor, the Bankruptcy Court hereby makes and issues the following findings of fact, conclusions of law and order:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

IT IS HEREBY DETERMINED, FOUND, ADJUDGED, DECREED AND ORDERED THAT:

A. Findings and Conclusions. The findings and conclusions set forth in this Confirmation Order and in the record of the Confirmation Hearing constitute the Bankruptcy Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. 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.

Jurisdiction and Venue

B. Exclusive Jurisdiction; Venue; Core Proceeding. The Bankruptcy Court has jurisdiction over these Chapter 11 Cases 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 February 29, 2012. The Bankruptcy Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed. Venue in the Bankruptcy Court is proper under 28 U. S. C. §§ 1408 and 1409. Confirmation of the Plan is a core proceeding under 28 U. S. C. § 157(b)(2).

C. Judicial Notice. The Bankruptcy Court takes judicial notice of the docket in these Chapter 11 Cases maintained by the clerk of the Bankruptcy Court, including, without limitation, all pleadings and other documents filed, all orders entered, and evidence and arguments made, proffered, and adduced at the hearings held before the Bankruptcy Court during the pendency of

these Chapter 11 Cases. Any resolutions of objections to Confirmation explained on the record at the Confirmation Hearing are incorporated herein by reference. All unresolved objections, statements, and reservations of rights are overruled on the merits.

D. Retention of Jurisdiction. The Bankruptcy Court finds and concludes that the Bankruptcy Court's retention of jurisdiction as set forth in Article XIII of the Plan is consistent with 28 U. S. C. §§ 157 and 1334.

Notice, Solicitation and Acceptance

E. Adequate Notice of Confirmation Hearing. The Bankruptcy Court finds and concludes that (a) proper, timely and adequate notice of the time for filing objections to the Plan was provided, and (b) proper, timely and adequate notice of the Confirmation Hearing was provided to all holders of Claims and Equity Interests. No other or further notice of the Confirmation Hearing is necessary or required.

F. Adequate Information. The Bankruptcy Court finds and concludes that the solicitation of acceptances of the Plan was conducted after disclosure of "adequate information" as defined in Bankruptcy Code § 1125(a) and in accordance with the Disclosure Statement Order.

G. Good Faith Solicitation (11 U.S.C. § 1125(e)). The Bankruptcy Court finds and concludes that the Debtors have solicited acceptances of the Plan and of the beneficial holders of the 8. 875% Senior Notes Claims in respect of the Reallocation Procedures in good faith and in compliance with the Bankruptcy Code. The Disclosure Statement, the Plan, the Ballots, the Election Form, the Disclosure Statement Order, and the notice of the Confirmation Hearing were transmitted and served in compliance with the Disclosure Statement Order, the Bankruptcy Rules, and the Local Rules. Such transmittal and service were adequate and sufficient and no

other or further notice shall be required. The Debtors and each of their agents, directors, officers, employees, financial advisors, attorneys, and other professionals are deemed to have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the solicitation of the Plan, and, therefore, are not and shall not, on account of such issuance or solicitation, be liable at any time for the violation of any law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or the distribution or dissemination of any information contained in the Plan, the Disclosure Statement, and any and all related documents. The Debtors have complied with the Disclosure Statement Order in all respects.

H. Voting. As evidenced by the Voting Declaration, votes to accept or reject the Plan have been solicited and tabulated fairly, in good faith, and in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and the Disclosure Statement Order.

I. Plan Supplement. On June 10, 2016, the Debtors filed the Plan Supplement, which included, among other things, substantially final forms of the (1) Employment Agreement; (2) Amended and Restated Limited Liability Company Agreement of Venoco, LLC; (3)(a) Series A Warrant Agreement and (b) Series B Warrant Agreement; (4) description of conversion of Venoco, Inc. from a Delaware corporation to a Delaware limited liability company on the Effective Date; (5) Assumed Contract Schedule; (6) Rejected Contract Schedule; (7) Causes of Action to be retained by the Debtors pursuant to the Plan and pursued by the Debtors or Reorganized Debtors, as applicable; and (8) identification of the Noteholder HoldCo, which shall hold the Unsecured LLA Override. For the avoidance of doubt, the term "Plan Supplement" as used herein shall include all documents included in any amended Plan Supplement. All such materials comply with the Plan, and the filing and notice of such documents is good and proper

in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and all other applicable rules, laws and regulations, and no other or further notice is or shall be required.

J. Bankruptcy Rule 3016(a). In accordance with Bankruptcy Rule 3016(a), the Plan is dated and identifies the Debtors as the proponents of the Plan.

Compliance with Bankruptcy Code § 1129

K. Plan Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(1)). In accordance with Bankruptcy Code § 1129(a)(1), the Bankruptcy Court finds and concludes that the Plan complies with the applicable provisions of the Bankruptcy Code:

(a) Compliance with 11 U.S.C. §§ 1122, 1123(a). In accordance with Bankruptcy Code §§ 1122(a) and 1123(a), the Bankruptcy Court finds and concludes that the Plan, in addition to Administrative Claims, DIP Facility Claims, DIP Backstop Fee Claims and Priority Tax Claims that need not be classified, classifies 15 Classes of Claims and Equity Interests for the Debtors. The Claims and Equity Interests allocated to each Class are substantially similar to other Claims and Equity Interests, as applicable, in each such Class, and such Classes do not unfairly discriminate among holders of Claims and Equity Interests. Valid business, factual and legal reasons exist for separately classifying the various Classes of Claims and Equity Interests under the Plan.

(i) Specified Unimpaired Classes – 11 U.S.C. § 1123(a)(2). Article III of the Plan specifies that Class D1 (Other Priority Claims), Class D2 (Other Secured Claims), Class V1 (Other Priority Claims), Class V2 (Other Secured Claims) and Class V9 (Equity Interests in Each Venoco Sub) are Unimpaired under the Plan, thereby satisfying Bankruptcy Code § 1123(a)(2).

(ii) Specified Treatment of Impaired Classes – 11 U.S.C. § 1123(a)(3). Article III of the Plan designates Class D3 (Senior PIK Toggle Notes Claims), Class D4 (General Unsecured Claims), Class D5 (Subordinated Securities Claims), Class D6 (Equity Interests), Class V3 (First Lien Notes Claims), Class V4 (Second Lien Notes Claims), Class V5 (8. 875% Senior Notes Claims), Class V6 (General Unsecured Claims), Class V7 (Subordinated Securities Claims) and Class V8 (Equity Interests in Venoco) as Impaired, and specifies the treatment of Claims in such Classes, thereby satisfying Bankruptcy Code § 1123(a)(3).

(iii) No Discrimination – 11 U.S.C. §1123(a)(4). The Plan provides the same treatment for each Claim or Equity Interest of a particular Class, unless the holder of a particular Claim or Equity Interest agreed to less favorable treatment of its respective Claim or Equity Interest, thereby satisfying Bankruptcy Code § 1123(a)(4).

(iv) Implementation of the Plan – 11 U.S.C. § 1123(a)(5). The Plan and the various documents and agreements referred to therein or set forth in the Plan Supplement

provide adequate and proper means for the Plan's implementation, including, without limitation: (a) the issuance of New Common Stock, New Warrants and Unsecured LLA Override Shares; (b) the cancellation of certain of indebtedness, agreements and existing securities; (c) the dissolution of DPC as soon as possible following the Effective Date; (d) the continued corporate existence of the Reorganized Debtors, and the vesting of all property of each Debtor's Estate and any property acquired by each Debtor or Reorganized Debtor under the Plan, after the Effective Date; (e) the retention of certain Causes of Action; and (f) the appointment of a new board of directors and officers of Reorganized Venoco, thereby satisfying Bankruptcy Code § 1123(a)(5).

(v) Nonvoting Equity Securities – 11 U.S.C. § 1123(a)(6). The Organizational Documents of the Reorganized Debtors shall prohibit the issuance of nonvoting equity securities, thereby satisfying Bankruptcy Code § 1123(a)(6), and shall authorize the issuance of Reorganized Venoco New Common Stock. The New Warrants shall not be considered nonvoting equity securities. The Organizational Documents of the Reorganized Debtors satisfy the provisions of the Bankruptcy Code.

(vi) Selection of Officers and Directors – 11 U.S.C. § 1123(a)(7). The Amended and Restated Limited Liability Company Agreement of Venoco, LLC, provided in the Plan Supplement, contains provisions with respect to the selection of a board of directors and officers of the Reorganized Venoco that is consistent with the interests of creditors, equity security holders, and public policy, thereby satisfying Bankruptcy Code § 1123(a)(7).

(b) Compliance with 11 U.S.C. § 1123(b). As permitted by Bankruptcy Code § 1123(b), the Plan: (a) impairs the rights of the holders of Classes of Claims and Equity Interests; (b) provides procedures for the assumption or rejection of Executory Contracts and Unexpired Leases pursuant to Bankruptcy Code § 365(b); (c) provides for the settlement or adjustment of Claims or Equity Interests belonging to the Debtors or their Estates; (d) incorporates procedures for resolving Disputed, contingent and unliquidated Claims; (e) contains procedures for making distributions to Allowed Claims; (f) releases certain Claims and Causes of Action against the Released Parties; (g) exculpates the Released Parties from certain Claims and Causes of Action; (h) enjoins certain acts by holders of Claims or Equity Interests; (i) provides for Reorganized Venoco's issuance of securities; and (j) includes other appropriate provisions not inconsistent with the applicable provisions of the Bankruptcy Code. The failure to specifically address a provision of the Bankruptcy Code in this Confirmation Order shall not diminish or impair the effectiveness of this Confirmation Order.

(c) The Debtors Are Not Individuals – 11 U.S.C. §1123(c). The Debtors are not individuals and, accordingly, Bankruptcy Code § 1123(c) is inapplicable to these Chapter 11 Cases.

(d) Cure of Defaults – 11 U.S.C. §1123(d). Section 7.02 of the Plan provides for the satisfaction of Cure Costs associated with each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan in accordance with Bankruptcy Code § 365(b)(1). All Cure Costs will be determined in accordance with the underlying agreements and applicable bankruptcy and nonbankruptcy law. Thus, the Plan complies with Bankruptcy Code § 1123(d).

L. Debtors' Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(2)). In accordance with Bankruptcy Code § 1129(a)(2), the Bankruptcy Court finds and concludes that the Debtors have complied with the applicable provisions of the Bankruptcy Code, thereby satisfying Bankruptcy Code § 1129(a)(2). Specifically:

(a) The Debtors are proper debtors under Bankruptcy Code § 109;

(b) The Debtors have complied with applicable provisions of the Bankruptcy Code, except as otherwise provided or permitted by orders of this Court; and

(c) The Debtors have complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and the Disclosure Statement Order in transmitting the Plan, the Disclosure Statement, the Ballots and all related documents and notices, and in soliciting and tabulating votes on the Plan.

M. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). In accordance with Bankruptcy Code § 1129(a)(3), the Debtors have proposed the Plan (including the RSA and all other agreements, documents and instruments necessary to effectuate the Plan) in good faith and not by any means forbidden by law, and the Debtors have acted, and are presently acting, in good faith in conjunction with all aspects of the Plan. All transactions contemplated by the Plan were negotiated and consummated at arm's length, without collusion, and in good faith and represent the culmination of months of extensive negotiations and discussions among the Debtors, their creditor constituencies and other parties in interest. In determining that the Plan has been proposed in good faith, the Bankruptcy Court has examined the facts and records of these Chapter 11 Cases and the totality of the circumstances surrounding the formulation of the Plan and the solicitation of the Plan, the Disclosure Statement and the hearing thereon and the record of the Confirmation Hearing and other proceedings held in these Chapter 11 Cases. The Debtors filed these Chapter 11 Cases and proposed the Plan with legitimate and honest purposes including, among other things, (1) facilitating the successful balance sheet restructuring of the Debtors; (2) maximizing recoveries to holders of Allowed Claims; and (3) aiding the

reorganization of the Debtors and their Estates through the issuance of new securities pursuant to Bankruptcy Code § 1145. Furthermore, the Plan's classification, indemnification, exculpation, release, settlement and injunction provisions, including without limitation Sections 11. 01, 11. 02, 11. 03, 11. 04 and 11. 05 of the Plan, have been negotiated in good faith and at arm's length, consistent with Bankruptcy Code §§ 105, 1123(b)(3)(A), 1123(b)(6), 1129, and 1142.

N. Payment for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). In accordance with Bankruptcy Code § 1129(a)(4), the Bankruptcy Court finds and concludes that all payments made or to be made by the Debtors or by a Person acquiring property under the Plan, for services or for costs and expenses in, or in connection with, these Chapter 11 Cases, or in connection with the Plan and incident to these Chapter 11 Cases, have been approved by, or are subject to approval of, the Bankruptcy Court as reasonable, unless otherwise ordered by the Bankruptcy Court. The Bankruptcy Court retains jurisdiction to hear and determine all applications for Professional fees and Professional Claims incurred on or before the Effective Date.

O. Directors, Officers and Insiders (11 U. S. C. § 1129(a)(5)). To the extent not disclosed in the Plan Supplement, the identities of the members of the board of directors of Reorganized Venoco shall be determined in accordance with the Organizational Documents. The appointment of such individuals to such positions is consistent with the interests of holders of Claims and Equity Interests and public policy, thereby satisfying Bankruptcy Code § 1129(a)(5).

P. No Rate Changes (11 U.S.C. § 1129(a)(6)). The Plan does not provide for any rate change that requires regulatory approval. Thus, Bankruptcy Code § 1129(a)(6) is not applicable to this Case.

Q. Best Interests of Creditors (11 U.S.C. § 1129(a)(7)). In accordance with Bankruptcy Code § 1129(a)(7), the Bankruptcy Court finds and concludes that with respect to Impaired Classes of Claims or Equity Interests (i. e., Classes D3, D4, D5, D6, V3, V4, V5, V6, V7 and V8), each holder of a Claim or Equity Interest has accepted the Plan or will receive or retain under the Plan, on account of such Claim or Equity Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder would so receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

R. Acceptance or Rejection of Certain Classes (11 U.S.C. § 1129(a)(8)). In accordance with Bankruptcy Code § 1129(a)(8), the Bankruptcy Court finds and concludes that: (1) Class D1 (Other Priority Claims), Class D2 (Other Secured Claims), Class V1 (Other Priority Claims), Class V2 (Other Secured Claims) and Class V9 (Equity Interests in Each Venoco Sub) are Unimpaired under the Plan, and pursuant to Bankruptcy Code § 1126(f), are conclusively presumed to have accepted the Plan; (2) Class D3 (Senior PIK Toggle Notes Claims), Class V3 (First Lien Notes Claims), Class V4 (Second Lien Notes Claims), Class V5 (8. 875% Senior Notes Claims) and Class V6 (General Unsecured Claims) are Impaired Classes that have accepted the Plan in accordance with Bankruptcy Code § 1126(c) and (d); (3) Class D6 (Equity Interests) and Class V8 (Equity Interests in Venoco) are Impaired Classes that are deemed to have rejected the Plan; and Class D4 (General Unsecured Claims), Class D5 (Subordinated Securities Claims), and Class V7 (Subordinated Securities Claims) were not populated as of the commencement of the Confirmation Hearing by an Allowed Claim or Equity Interest, or a Claim or Equity Interest that is temporarily allowed under Bankruptcy Rule 3018, and pursuant to Section 14. 04 of the Plan these Classes are deemed eliminated from the Plan for purposes of: (a) voting to accept or reject the Plan; and (b) determining the acceptance or rejection of the Plan

by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code. Although Bankruptcy Code § 1129(a)(8) has not been satisfied with respect to Class D6 (Equity Interests) and Class V8 (Equity Interests in Venoco), the Plan is nevertheless confirmable because the Plan satisfies Bankruptcy Code § 1129(b) with respect to such Classes.

S. Treatment of Administrative and Priority Claims (11 § U.S.C. § 1129(a)(9)). The Bankruptcy Court finds and concludes that the Plan's treatment of Administrative Claims, DIP Facility Claims, DIP Backstop Fee Claims, and Priority Tax Claims pursuant to Article II of the Plan, satisfies the requirements set forth in Bankruptcy Code § 1129(a)(9)(A), (C), and (D) of the Bankruptcy Code, as applicable. The treatment of Other Priority Claims pursuant to Sections 3.02(a) and 3.03(a) of the Plan satisfies the requirements of Bankruptcy Code § 1129(a)(9)(B). The Debtors have sufficient Cash to pay Allowed Administrative Claims, Allowed DIP Facility Claims, Allowed Priority Tax Claims and Allowed Other Priority Claims.

T. Acceptance by Impaired Class (11 U.S.C. § 1129(a)(10)). In accordance with Bankruptcy Code § 1129(a)(10), the Bankruptcy Court finds and concludes that Class D3 (Senior PIK Toggle Notes Claims), Class V3 (First Lien Notes Claims), Class V4 (Second Lien Notes Claims), Class V5 (8.875% Senior Notes Claims) and Class V6 (General Unsecured Claims) voted to accept the Plan by the requisite majorities, determined without including acceptances of the Plan by any insider. Accordingly, the requirements of Bankruptcy Code § 1129(a)(10) have been satisfied.

U. Feasibility (11 U.S.C. § 1129(a)(11)). The Disclosure Statement and the other evidence proffered or adduced at the Confirmation Hearing with respect to feasibility is persuasive and credible, has not been controverted by other evidence, and establishes that the Plan is feasible and that there is a reasonable prospect of the Reorganized Debtors being able to

meet their financial obligations in the ordinary course and that Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Reorganized Debtors, thereby satisfying the requirements of Bankruptcy Code § 1129(a)(11).

V. Payment of Statutory Fees (11 U.S.C. § 1129(a)(12)). In accordance with Bankruptcy Code § 1129(a)(12), the Bankruptcy Court finds and concludes that, to the extent that fees payable to the United States Trustee under 28 U. S. C. § 1930 have not been paid, the Plan provides for the payment of all such fees on the Effective Date and thereafter as may be required.

W. Continuation of Retiree Benefits (11 U.S.C. § 1129(a)(13)). The Plan provides for the continuation after the Effective Date of payment of all "retiree benefits," as defined in Bankruptcy Code § 1114, in accordance with Bankruptcy Code § 1129(a)(13).

X. Domestic Support Obligations (11 U.S.C. § 1129(a)(14)). The Debtors are not required to pay any domestic support obligations. Thus, Bankruptcy Code § 1129(a)(14) is not applicable.

Y. Individual Cases Subject to Objection by Unsecured Creditor (11 U.S.C. § 1129(a)(15)). The Debtors are not individuals. Thus, Bankruptcy Code § 1129(a)(15) is not applicable.

Z. Transfers of Property Pursuant to Non-Bankruptcy Law (11 U.S.C. § 1129(a)(16)). The Debtors are moneyed businesses or commercial corporations. Thus, Bankruptcy Code § 1129(a)(16) is not applicable.

AA. Unfair Discrimination; Fair and Equitable (11 U.S.C. § 1129(b)). Class D6 (Equity Interests) and Class V8 (Equity Interests in Venoco) are deemed to have rejected the Plan. The Plan satisfies the requirements of section 1129(b) of the Bankruptcy Code. Based on

the Disclosure Statement and the evidence adduced or presented at the Confirmation Hearing, the Plan does not discriminate unfairly and is fair and equitable with respect to Classes D6 and V8, as required by Bankruptcy Code § 1129(b), because there is no Class of equal priority receiving more favorable treatment than Classes D6 and V8, and no Class that is junior to Classes D6 and V8 is receiving or retaining any property on account of their Equity Interests. In addition, no Class that is senior in priority to Classes D6 and V8 is receiving more than one hundred percent (100%) of the Allowed amount of their Claims. The Plan may therefore be confirmed even though not all Impaired Classes have voted to accept the Plan. Upon Confirmation of the Plan and the occurrence of the Effective Date, the Plan shall be binding upon the holders of Equity Interests in Classes D6 and V8.

BB. Only One Plan (11 U.S.C. § 1129(c)). The Plan is the only plan filed in these Chapter 11 Cases, and accordingly, Bankruptcy Code § 1129(c) is inapplicable to these Chapter 11 Cases.

CC. Principal Purpose of the Plan (11 U. S. C. § 1129(d)). The Bankruptcy Court finds and concludes that the principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of 1933, and there has been no objection filed by any governmental unit asserting such avoidance.

DD. Small Business Case – 11 U.S.C. § 1129(e). These Chapter 11 Cases are not a "small business case" as that term is defined in the Bankruptcy Code, and, accordingly, Bankruptcy Code § 1129(e) is inapplicable.

EE. Good Faith Solicitation – 11 U.S.C. § 1125(e). Based on the record before the Bankruptcy Court in these Chapter 11 Cases, the Debtors, and their respective officers, directors, members, managers, employees, equity holders, partners, Affiliates, advisors, attorneys,

consultants, agents, professionals, representatives, or any of their successors or assigns have acted in "good faith" within the meaning of Bankruptcy Code § 1125(e) in compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and the Disclosure Statement Order in connection with all their respective activities relating to the solicitation of acceptances or rejections of the Plan and their participation in the activities described in Bankruptcy Code § 1125 and are entitled to the protections afforded by Bankruptcy Code § 1125(e) and the exculpation provisions set forth in Section 11.04 of the Plan.

FF. Based on the foregoing, the Debtors, as proponents of the Plan, have met their burden of proving the elements of Bankruptcy Code § 1129.

Modifications to the Plan

GG. The Bankruptcy Court finds and concludes that all modifications made to the Plan after solicitation of votes on the Plan had commenced, as reflected in this Confirmation Order, as set forth on the record at the Confirmation Hearing, or as reflected in the Plan, satisfy the requirements of Bankruptcy Code § 1127(a) and Bankruptcy Rule 3019, are not material or do not adversely affect the treatment and rights of the holders of any Claims or Equity Interests under the Plan who have not otherwise accepted such modifications. Accordingly, the Debtors have satisfied Bankruptcy Code § 1127(c) and Bankruptcy Rule 3019 with respect to the Plan, as modified; and holders of Claims or Equity Interests that have accepted or rejected the Plan (or are deemed to have accepted or rejected the Plan) are deemed to have accepted or rejected, as the case may be, the Plan as modified on the date of this Confirmation Order, pursuant to Bankruptcy Code § 1127(d) and Bankruptcy Rule 3019.

Transactions Pursuant to the Plan

HH. Bankruptcy Rule 9019 Settlements. The Bankruptcy Court finds and concludes that pursuant to Bankruptcy Rule 9019 and in consideration of the distributions and other

benefits provided under the Plan, the provisions of the Plan constitute a good faith compromise and settlement of all Impaired Claims against and Equity Interests in the Debtors. Such compromises and settlements are made in exchange for consideration and are in the best interests of the holders of Impaired Claims and Equity Interests, are within the range of possible litigation outcomes, are fair, equitable, reasonable, and are integral elements of the restructuring and resolution of these Chapter 11 Cases in accordance with the Plan. The settlements provided in the Plan are approved and shall be implemented pursuant to the Plan.

II. Releases, Exculpation and Injunction. The Bankruptcy Court has jurisdiction under sections 1334 (a) and (b) of title 28 of the United States Code to approve the injunctions or stays, injunctions against interference with the Plan, releases and exculpations set forth in the Plan, including but not limited to those set forth in Sections 11.01, 11.02, 11.03, 11.04 and 11.05 of the Plan. Bankruptcy Code § 105(a) permits issuance of the injunction and approval of the releases set forth in the Plan, including those set forth in Article XI of the Plan if, as has been established here based upon the record in the Chapter 11 Cases and the evidence presented at the Confirmation Hearing, such provisions (1) were given in exchange for good and valuable consideration; (2) were integral to the Restructuring Support Parties agreeing to enter into the RSA and essential to the formulation and implementation of the Plan and the agreements among the various parties in interests set forth therein, all as provided in Bankruptcy Code § 1123; (3) confer substantial benefits on the Debtors and their Estates; (4) are fair, equitable and reasonable; (5) are essential consideration for the substantial concessions and contributions made by the Released Parties throughout the Chapter 11 Cases; and (6) are in the best interests of the Debtors, their Estates and parties in interest. The failure to effect the release provisions of the Plan would impair the Debtors' ability to confirm the Plan. Pursuant to Bankruptcy Code §

1123(b)(3) and Bankruptcy Rule 9019(a), the injunctions, releases and exculpations set forth in the Plan, including in Article XI of the Plan, and implemented by this Confirmation Order are fair, equitable, reasonable, and in the best interests of the Debtors, Reorganized Debtors, their Estates, creditors and equity holders. The releases of the Released Parties under the Plan are fair to holders of Claims and Equity Interests, are necessary to the proposed reorganization, and are given in exchange for, and supported by, fair, sufficient and adequate consideration provided by each and all of the parties receiving such release. Further, the releases in the Plan do not relieve any Released Party from any claim or Cause of Action (other than with respect to the negotiation and issuance of the First Lien Notes and the Second Lien Notes and any act or omission, transaction, agreement, event or other occurrence taking place in connection therewith) determined by a Final Order to have resulted from fraud, gross negligence or willful misconduct of a Released Party. The exculpation granted under the Plan is reasonable in scope as the exculpation provision does not relieve any party from any Exculpated Claim or any obligation, Cause of Action or liability for any Exculpated Claim, to the extent determined in a Final Order to have resulted from actual fraud, gross negligence or willful misconduct of such Exculpated Party. The record at the Confirmation Hearing and these Chapter 11 Cases is sufficient to support the injunctions, releases and exculpations provided for in the Plan and the failure to implement the injunctions, exculpations and releases would seriously impair the Debtors' ability to confirm the Plan. Accordingly, based upon the record of the Chapter 11 Cases and the representations of the parties, the Bankruptcy Court finds that the injunctions, exculpations and releases set forth in the Plan are consistent with the Bankruptcy Code and applicable law.

JJ. Restructuring Transactions. The Restructuring Transactions and all other transactions described in Article VI of the Plan necessary to implement the Plan are the result of

extensive negotiations between the Debtors and certain of their primary stakeholder constituencies and have been proposed in good faith. The Restructuring Transactions are critical to the success and feasibility for the Plan and are necessary and appropriate for the consummation of the Plan, and such transactions are in the best interests of the Debtors, the Reorganized Debtors, their estates and creditors.

KK. Valuation. The valuation of the Reorganized Debtors set forth in the Disclosure Statement was prepared in accordance with standard and customary valuation principles and practices and is a fair and reasonable estimate of the value of the Reorganized Debtors' business as a going concern.

LL. Plan Provisions Valid and Binding. The Bankruptcy Court finds and concludes that, upon entry of this Confirmation Order, each term and provision of the Plan is valid, binding, and enforceable pursuant to its terms.

MM. Plan Documents Valid and Binding. The Bankruptcy Court finds and concludes that any and all documents necessary to implement the Plan, including those contained in the Plan Supplement, or otherwise necessary to implement the Plan (including the Unsecured Notes Divestment Letter Agreement attached hereto as **Exhibit 3** and the Form of Assignment of Overriding Royalty Interest attached thereto, in each case, in the form included in the Plan Supplement, and the Venoco Holdco Royalty Trust Agreement concerning the Delaware statutory trust to be formed as the Noteholder Holdco referenced in the Plan on terms consistent with the description thereof in the Plan Supplement (collectively referred to herein as the "Unsecured LLA Override Documents")) have been negotiated in good faith and at arm's length, and shall be, upon completion of documentation and execution, valid, binding, and enforceable agreements and not be in conflict with any federal or state law.

NN. Executory Contracts and Unexpired Leases. The Debtors have exercised their reasonable business judgment in determining whether to assume or reject Executory Contracts and Unexpired Leases pursuant to Section 7.01 of the Plan. Each assumption of an Executory Contract or Unexpired Lease pursuant to Section 7.01 of the Plan shall be legal, valid and binding, all to the same extent as if such assumption had been effectuated pursuant to an order of the Bankruptcy Court under Bankruptcy Code § 365 entered before entry of this Confirmation Order. Moreover, the Debtors shall cure, or provide adequate assurances that the Reorganized Debtors will cure, defaults (if any) under or relating to each of the executory contracts and unexpired leases that are being assumed by the Reorganized Debtors pursuant to the Plan.

OO. Good Faith. The Debtors, Reorganized Debtors, Restructuring Support Parties, DIP Agent, Indenture Trustees and all of their respective members, officers, directors, agents, financial advisors, attorneys, employees, equity holders, partners, affiliates, and representatives will be acting in good faith if they proceed to (1) consummate the Plan and the agreements, settlements, transactions, and transfers contemplated thereby and (2) take the actions authorized and directed by this Confirmation Order.

PP. Conditions Precedent to Effective Date. The conditions precedent to the Effective Date set forth in Section 10.02 of the Plan may be waived by the Debtors with the written consent of the DIP Lenders and the Consenting Secured Noteholders, without notice or order of the Bankruptcy Court.

QQ. Objections. All parties have had a full and fair opportunity to litigate all issues raised, or which might have been raised, in the objections to the Plan and the objections have been fully and fairly litigated.

RR. Compliance with Bankruptcy Rule 3016. In accordance with Bankruptcy Rule 3016, the Bankruptcy Court finds and concludes that the Plan and Disclosure Statement adequately describe in specific and conspicuous language all acts to be enjoined and identify the Persons that will be subject to the injunction.

Miscellaneous Provisions

SS. All documents and agreements necessary to implement the Plan, including those contained in the Plan Supplement and including the Unsecured LLA Override Documents, and all other relevant and necessary documents have been negotiated in good faith and at arm's-length, are in the best interests of the Debtors, and shall, upon completion of documentation and execution, be valid, binding, and enforceable documents and agreements not in conflict with any federal, state, or local law.

TT. The Bankruptcy Court finds that Confirmation of the Plan is in the best interests of the Debtors, their Estates, holders of Claims and Equity Interests, and all other parties in interest.

ORDER

Based on the foregoing Findings of Fact and Conclusions of Law, it is hereby **ORDERED, ADJUDGED AND DECREED AS FOLLOWS:**

1. Notice of the Confirmation Hearing. Notice of the Confirmation Hearing complied with the terms of the Disclosure Statement Order, was appropriate and satisfactory based upon the circumstances of these Chapter 11 Cases, and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

2. Solicitation. The solicitation of votes and of the beneficial holders of 8.875% Senior Notes Claims in respect of the Reallocation Procedures described in Article IV of the Plan

were done in good faith, complied with the Disclosure Statement Order, was appropriate and satisfactory based upon the circumstances of these Chapter 11 Cases, and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Disclosure Statement Order, and applicable non-bankruptcy law. The Debtors and each of their respective directors, officers, employees, agents, advisors, professionals, and attorneys have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer and issuance of any securities under the Plan, and therefore are not, and on account of such offer, issuance and solicitation will not be, liable at any time for any violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections of the Plan or the offer and issuance of any securities under the Plan.

3. Ballots. The forms of Ballots are in compliance with Bankruptcy Rule 3018(c).

4. Confirmation. The Plan, as attached to this Confirmation Order, and each of its provisions, as modified pursuant to Bankruptcy Code § 1127, **IS HEREBY APPROVED AND CONFIRMED** under Bankruptcy Code § 1129. The terms of the Plan, Plan Supplement and Plan Documents each as may be modified, are incorporated by reference into, and are an integral part of, the Plan and this Confirmation Order. The Plan complies with all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules relating to and regarding Confirmation.

5. Modifications to the Plan. The modifications to the Plan constitute technical changes and do not materially adversely affect or change the treatment of any Claims or Equity Interests. Accordingly, pursuant to Bankruptcy Rule 3019 and in accordance with the Disclosure Statement Order, such modifications do not require additional disclosure under Bankruptcy Code § 1125 or re-solicitation of votes under Bankruptcy Code § 1126, nor do they require that holders

of Claims or Equity Interests be afforded an opportunity to change previously cast acceptances or rejections of the Plan. Holders of Claims or Equity Interests who voted to accept the solicitation version of the Plan are deemed to accept the Plan as modified. Prior to the Effective Date, the Debtors may make additional appropriate technical adjustments and modifications to the Plan and the documents contained in the Plan Supplement without further order or approval of the Bankruptcy Court.

6. Plan Supplement and Other Plan Documents. The documents contained in the Plan Supplement or otherwise necessary to implement the Plan (including the Unsecured LLA Override Documents) and any amendments, modifications and supplements thereto, and the execution, delivery and performance thereof by the Debtors, are authorized and approved.

7. Objections. All objections that have not been withdrawn, waived or settled, and all reservations of rights pertaining to Confirmation of the Plan included therein, are overruled on the merits for the reasons set forth herein and stated on the record of the Confirmation Hearing.

8. Binding Effect. The Plan, its provisions and this Confirmation Order shall be, and hereby are, binding upon and inure to the benefit of the Debtors, the Restructuring Support Parties, and all present and former holders of Claims against or Equity Interests in the Debtors, together with their respective successors and assigns, whether or not the Claims or Equity Interests of such holders are Impaired under the Plan and whether or not such holders, as applicable, have accepted the Plan.

9. Omission of Reference to Particular Plan Provisions. The failure to specifically describe or include any particular provision of the Plan in this Confirmation Order shall not

diminish or impair the effectiveness of such provision, it being the intent of this Court that the Plan be approved and confirmed in its entirety.

10. Dissolution of DPC. As soon as practicable following the Effective Date, the Equity Interests of DPC shall be deemed cancelled and of no further force and effect, and deemed extinguished without any further corporate action. Any officers and directors of DPC shall be deemed to have been removed. DPC shall have no assets or operations, and shall liquidate as soon as practicable, following the Effective Date, without any further corporate action.

11. Continued Existence and Vesting of Property. With the exception of DPC, which will be dissolved as soon as possible following the Effective Date pursuant to Section 6.07 of the Plan, except as otherwise provided in the Plan or this Confirmation Order: (a) each Debtor will, as a Reorganized Debtor, continue to exist after the Effective Date as a separate legal entity, with all of the powers of such a legal entity under applicable law and without prejudice to any right to alter or terminate such existence (whether by merger, dissolution or otherwise) under applicable law; and (b) on the Effective Date, all property of each Debtor's Estate, and any property acquired by each Debtor or Reorganized Debtor under the Plan, will vest in such Reorganized Debtor free and clear of all Claims, Liens, charges and other encumbrances. On and after the Effective Date, each Reorganized Debtor may operate its business and may use, acquire, and dispose of property and compromise or settle any claims without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, subject only to those restrictions expressly imposed by the Plan or this Confirmation Order as well as the documents and instruments executed and delivered in connection therewith, including the documents, exhibits, instruments, and other materials comprising the Plan Supplement.

Without limiting the foregoing, the Reorganized Debtors may pay the charges that they incur from and after the Effective Date for professional fees, disbursements, expenses, or related support services (including fees relating to the preparation of Professional fee applications) without application to, or the approval of, the Bankruptcy Court.

12. Plan Classification Controlling. The terms of the Plan shall solely govern the classification of Claims and Equity Interests for purposes of distributions to be made thereunder. The classifications set forth on the Ballots tendered to or returned by the holders of Claims or Equity Interests in connection with voting on the Plan: (a) were set forth on the Ballots solely for purposes of voting to accept or reject the Plan; (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims and Equity Interests under the Plan for distribution purposes; (c) may not be relied upon by any holder of a Claim or Equity Interest as representing the actual classification of such Claim or Equity Interest under the Plan for distribution purposes; and (d) shall not be binding on the Debtors.

13. DIP Facility Claims. On the Effective Date, the holders of the Allowed DIP Facility Claims shall receive, in full and final satisfaction of such Claims, an amount of Cash equal to the amount of such Claims (including, without limitation, all outstanding principal and accrued but unpaid interest, costs, fees and expenses owing as of the Effective Date, or any other amounts due and owing under the DIP Facility) to the extent not previously paid during the Chapter 11 Cases.

14. DIP Backstop Fee Claims. On the Effective Date, each holder of an Allowed DIP Backstop Fee Claim shall receive, in full and final satisfaction of such Claim, its Pro Rata share of the DIP Backstop Fee.

15. Restructuring Transactions. On or before the Effective Date or as soon as reasonably practicable thereafter and with the consent of the Requisite Majority Consenting Secured Noteholders, the Debtors or the Reorganized Debtors (as applicable) are authorized, without further order of the Bankruptcy Court, to take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by or necessary to effectuate the Restructuring Transactions under and in connection with the Plan, including, without limitation: (a) the execution and delivery of all appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of the Plan, and that satisfy the requirements of applicable law and any other terms to which the applicable Entities may agree; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (c) rejection or assumption, as applicable, of Executory Contracts and Unexpired Leases; (d) selection of the board of directors (or equivalent) of the Reorganized Debtors; (e) the filing or execution of appropriate limited liability company agreements, certificates or articles of incorporation or organization, reincorporation, merger, consolidation, conversion or dissolution pursuant to applicable state law; (f) the conversion of Venoco into a limited liability company for corporate purposes; provided that, for the avoidance of doubt, such limited liability company shall elect to be treated as a corporation for U. S. federal, state and local tax purposes; (g) the consummation of the transactions contemplated by any post-effective date financing and the execution thereof; (h) the issuance of the New Common Stock and the New Warrants, and the execution (or deemed execution) of all documents related thereto, including, but not limited to, the New

Shareholders Agreement; and (i) all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law.

16. Authorization and Issuance of Plan Securities. The issuance by Reorganized Venoco of the New Common Stock and the New Warrants, the issuance of shares pursuant to the exercise of the New Warrants, and the issuance to the Noteholder HoldCo of the Unsecured LLA Override Shares is authorized without the need for any further corporate action and without any further action by any holder of a Claim or Equity Interest.

17. Each Person or Entity that receives shares of New Common Stock pursuant to the Plan shall automatically be deemed a party to the Amended and Restated Limited Liability Company Agreement of Venoco, Inc. (the "New Shareholders Agreement"), in accordance with its terms, whether it receives shares on or after the Effective Date and regardless of whether it executes a signature page to the New Shareholders Agreement.

18. Exemption from Registration. The offering, issuance, and distribution of the New Common Stock, New Warrants and Unsecured LLA Override Shares shall be exempt from the registration requirements of section 5 of the Securities Act under section 1145(a) of the Bankruptcy Code.

19. Compromise of Controversies and Settlement of Claims and Equity Interests. Pursuant to Bankruptcy Code §§ 363 and 1123(b)(3) and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Equity Interests and controversies relating to the contractual, legal and subordination rights that a holder of a Claim or Equity Interest may have with respect to any Allowed Claim or Equity Interest or any

distribution to be made on account of such Allowed Claim or Equity Interest. The entry of this Confirmation Order constitutes this Court's approval of the compromise or settlement of all such Claims, Equity Interests and controversies, as well as a finding by this Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and holders of Claims and Equity Interests and is fair, equitable and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Code §§ 363 and 1123(b)(3) and Bankruptcy Rule 9019(a), without any further notice to or action, order or approval of the Bankruptcy Court, prior to the Effective Date, the Debtors and, after the Effective Date, the Reorganized Debtors, may compromise and settle Claims against the Debtors or Reorganized Debtors.

20. Plan Distributions. The provisions of Article VIII of the Plan, including, without limitation, the provisions governing distributions, are fair and reasonable and are approved. The Reorganized Debtors or, in their sole discretion, a third party Distribution Agent, shall make distributions pursuant to the procedures established by Article VIII of the Plan.

21. Any obligation of the Reorganized Debtors to make a distribution pursuant to the Plan shall be fulfilled and the distribution deemed made upon distribution to the applicable Distribution Agent.

22. Contemporaneously with the execution, acknowledgement and delivery of the LLA Override, each of TMM and the grantee under the Conveyance of Production Payment attached hereto as **Exhibit 2** (the "Conveyance") shall execute, acknowledge and deliver the Conveyance and TMM will record the executed and acknowledged Conveyance immediately after recording the LLA Override.

23. Neither the Grantor, Operator or Grantee (each as defined in the Conveyance) shall be responsible for any federal or state/local transfer, stamp or similar tax arising from the

any payments made to the Grantee under, or in accordance with, the Plan, in accordance with section 1146 of the Bankruptcy Code.

24. Cancellation of Existing Securities and Agreements. Subject to Section 11.08 of the Plan and Article III of the Plan, each of (i) the DIP Loan Documents; (ii) the First Lien Senior Notes; (iii) the Second Lien Senior Notes; (iv) the 8.875% Senior Notes; (v) the PIK Toggle Notes; (vi) the Equity Interests in the Debtors; and (vii) any other notes, bonds, indentures, certificates or other instruments or documents evidencing or creating any Claims or Equity Interests that are Impaired by the Plan, shall be cancelled and deemed terminated and satisfied and discharged without any need for further action or approval of the Bankruptcy Court solely with respect to the Debtors, and the holders thereof shall have no further rights or entitlements in respect thereof against the Debtors or the Reorganized Debtors, except the rights to receive the distributions, if any, as provided in the Plan.

25. Reorganized Debtors Board of Directors. On the Effective Date, the terms of the current members of the Debtors' board of directors shall expire without further action by any Person. All of the members of the new board of directors shall be selected as provided in the Organizational Documents.

26. Officers of the Reorganized Debtors. From and after the Effective Date, the officers of Reorganized Venoco shall have the power to enter into or execute any documents or agreements that they deem reasonable and appropriate to effectuate the terms of the Plan.

27. Release of Liens. Except as otherwise provided in the Plan or this Confirmation Order, or in any contract, instrument, release or other agreement or document created pursuant to or as contemplated under the Plan, on the Effective Date all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Debtors' Estates shall be fully

released, settled and discharged, and all of the rights, title and interest of any holder of such mortgages, deeds of trust, Liens, pledges or other security interests shall revert to the Debtors or the Reorganized Debtors, as applicable.

28. Exemption from Certain Transfer Taxes. Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property under the Plan shall not be subject to any stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment. Upon entry of this Confirmation Order, the appropriate state or local governmental officials or agents shall forego the collection of any such tax.

29. Assumption/Rejection of Executory Contracts and Unexpired Leases. Pursuant to Article VII of the Plan, all Executory Contracts and Unexpired Leases not expressly rejected, including those identified on the Assumed Contract Schedule (as may be altered, amended, modified or supplemented in the Plan Supplement) are deemed to be assumed pursuant to the Plan. The Executory Contracts and Unexpired Leases included on the Rejected Contract Schedule are deemed rejected as of the Effective Date as set forth in Article VII of the Plan.

30. Payments Related to Assumption of Executory Contracts and Unexpired Leases. The Cure Costs identified on the Assumed Contract Schedule (as may be altered, amended, modified or supplemented in the Plan Supplement) shall be satisfied under Bankruptcy Code § 365(b)(1), by the Reorganized Debtors from Cash upon assumption thereof unless is otherwise ordered by the Bankruptcy Court. Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any claims or defaults, subject to satisfaction of the Cure Costs, whether monetary or nonmonetary, including defaults of provisions restricting the change of control or ownership interest composition or other

bankruptcy-related defaults, arising under any assumed executory contract or unexpired lease at any time before the effective date of assumption. Any Proofs of Claim filed with respect to any executory contract or unexpired lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order or approval of the Bankruptcy Court or any other entity.

31. Claims Based on Rejection of Executory Contracts and Unexpired Leases. Unless otherwise provided by a Bankruptcy Court order, any Proofs of Claim asserting Claims arising from the rejection of the Debtors' executory contracts and unexpired leases pursuant to the Plan or otherwise must be filed no later than fourteen (14) days after this Confirmation Order is entered granting the rejection. Any Proofs of Claim arising from the rejection of the Debtors' executory contracts or unexpired leases that are not timely filed shall be disallowed automatically, forever barred from assertion, and shall not be enforceable against the Debtors or the Reorganized Debtors without the need for any objection by any Person or further notice to or action, order, or approval of the Bankruptcy Court, and any Claim arising out of the rejection of the executory contract or unexpired lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Bankruptcy Schedules or a Proof of Claim to the contrary. All Allowed Claims arising from the rejection of the Debtors' executory contracts and unexpired leases shall be classified as General Unsecured Claims and shall be treated in accordance with the particular provisions of the Plan for such Claims; provided, however, that if the holder of an Allowed Claim for rejection damages has an unavoidable security interest in any Collateral to secure obligations under such rejected executory contract or unexpired lease, the Allowed Claim for rejection damages shall be treated as an Other Secured Claim to the extent of

the value of such holder's interest in the Collateral, with the deficiency, if any, treated as a General Unsecured Claim.

32. Disputed, Contingent and Unliquidated Claims. Any Disputed, contingent or unliquidated Claim shall be resolved in accordance with the procedures set forth in Article IX of the Plan. The Reorganized Debtors shall file objections to any Disputed Claims in accordance with the Bankruptcy Rules on or before the Claims Objection Deadline, as the same may be extended pursuant to the terms of the Plan or order of the Bankruptcy Court. After the Effective Date, the Reorganized Debtors shall have and shall retain any and all rights and defenses they may have with respect to any Claim, and shall have the authority to file objections and to settle, compromise, withdraw or litigate to judgment objections to Claims (except those Allowed by, or released by, the Plan, or by the Final DIP Order, this Confirmation Order, or other Final Order). All of the objection, estimation and resolution procedures contained in Article IX of the Plan are cumulative and are not necessarily exclusive of one another.

33. Management Incentive Plan. The board of directors of the Reorganized Debtors is authorized to implement and determine (but shall not be deemed to have implemented and determined) the terms and conditions of the Management Incentive Plan in accordance with Section 6. 11 of the Plan. In no instance shall the implementation of the Management Incentive Plan create or be deemed to give rise to an Allowed Administrative Claim, or any other Claim in these Chapter 11 Cases. Any payments made on account of the Management Incentive Plan may be made only by the Reorganized Debtors after the Effective Date and from post-Effective Date funds and in the sole discretion of the board of directors of the Reorganized Debtors.

34. Automatic Reduction of Claims. Notwithstanding the contents of the Schedules, Claims listed therein as undisputed, liquidated and not contingent shall be reduced by the

amount, if any, that was paid by the Debtors before the Effective Date, including pursuant to orders of the Bankruptcy Court. To the extent such payments are not reflected in the Bankruptcy Schedules, such Bankruptcy Schedules will be deemed amended and reduced to reflect that such payments were made. Nothing in the Plan shall preclude the Debtors from paying Claims that the Debtors were authorized to pay pursuant to any Final Order entered by the Bankruptcy Court before the Effective Date.

35. Automatic Disallowance of Late Proofs of Claim. All Proofs of Claim that were filed after the applicable Bar Date will automatically be treated as not Allowed without the need for any further order of the Bankruptcy Court.

36. Discharge of Claims Against and Equity Interests in the Debtors. Except as otherwise provided for in the Plan or in this Confirmation Order and effective as of the Effective Date: (a) the rights afforded in the Plan and the treatment of all Claims against and Equity Interests in the Debtors shall be in exchange for and in complete satisfaction, discharge, and release of all Claims against and Equity Interests in, their property and Estates of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date; (b) the Plan shall bind all holders of Claims against and Equity Interests in the Debtors, notwithstanding whether any such holders failed to vote to accept or reject the Plan or voted to reject the Plan; (c) the Debtors shall be deemed discharged and released under and to the fullest extent provided under the Bankruptcy Code from any and all Claims against and Equity Interests in the Debtors, of any kind or nature whatsoever, and all Claims against and Equity Interests in the Debtors, their property and Estates shall be deemed satisfied, discharged, and released in full, and the Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under section 502(g) of the Bankruptcy Code; and (d) all Entities

shall be precluded from asserting against the Debtors or the Reorganized Debtors, as applicable, their Estates, their successors and assigns and their assets and properties any and all Claims, Equity Interests, damages, debts, and other liabilities based upon any documents, instruments, or any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date.

37. Releases, Exculpation, Injunction and Related Provisions. The releases, Exculpation, injunction, discharge and related provisions embodied in the Plan, including but not limited to those contained in Article XI of the Plan, are approved and shall be effective and binding on all Persons, to the extent provided in the Plan and this Confirmation Order.

38. Term of Injunctions or Stays. Unless otherwise provided in the Plan or in this Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases (pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court) and existing on the Confirmation Date (excluding any injunctions or stays contained in the Plan or this Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or this Confirmation Order shall remain in full force and effect in accordance with their terms.

39. Setoffs. Except as otherwise provided in the Plan (including Section 11. 02 of the Plan), a Final Order of the Bankruptcy Court, or as agreed to by the holder of a Claim and the Debtors or Reorganized Debtors, as applicable, each Debtor or a Reorganized Debtor, as applicable, or a Distribution Agent may, pursuant to section 553 of the Bankruptcy Code and applicable non-bankruptcy law, set off against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Claim (before any distribution is made on account of such Claim), the claims, rights and Causes of Action of any nature that the Debtors or the

Reorganized Debtors, as applicable, may hold against the holder of such Allowed Claim; provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release of any such claims, rights and Causes of Action that the Debtors or the Reorganized Debtors may possess against such holder.

40. Preservation of Causes of Action Not Expressly Released. Pursuant to Section 14. 02 of the Plan, the Debtors or the Reorganized Debtors, as applicable, retain all rights to commence and pursue, as appropriate, any and all claims or Causes of Action of the Debtors or the Reorganized Debtors, as applicable, whether arising before or after the Petition Date, in any court or other tribunal including, without limitation, in an adversary proceeding filed in one or more of the Chapter 11 Cases, other than Avoidance Actions or any Causes of Action released under the Plan. The failure to list any potential or existing claims or Causes of Action in the Plan, the Plan Supplement or this Confirmation Order is not intended to limit the rights of the Debtors or the Reorganized Debtors, as applicable, to pursue any claims or Causes of Action not listed or identified.

41. Plan Modifications and Clarifications. The Plan, as originally filed and distributed for solicitation, was modified by certain changes, none of which adversely affected the treatment and rights of the holders of any Claim or Equity Interest under the Plan.

42. Governmental Approvals Not Required. Except as set forth in the Plan, this Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules or regulations of any state or any other governmental authority with respect to (i) the implementation or Consummation of the Plan and (ii) any related documents, instruments or agreements, and any amendments or modifications thereto, and any other acts referred to in or

contemplated by the Plan, the Disclosure Statement, any related documents, instruments or agreements related thereto, and any amendments or modifications to any of the foregoing.

43. Order Effective and Enforceable Immediately. Notwithstanding Bankruptcy Rules 3020(e), 6004(h), 6006(d) and 7062, this Confirmation Order shall be effective and enforceable immediately upon entry. Pursuant to Bankruptcy Code § 1141 and the other applicable provisions of the Bankruptcy Code, on or after entry of this Confirmation Order and subject to the occurrence of the Effective Date, the terms of the Plan (including all documents and agreements executed pursuant thereto and in connection therewith), the Plan Supplement, and this Confirmation Order shall be immediately effective and enforceable and shall bind the Debtors, the Released Parties, all holders of Claims or Equity Interests of the Debtors (irrespective of whether such Claims or Equity Interests are Impaired under the Plan or whether the holders of such Claims or Equity Interests accepted or are deemed to have accepted the Plan), any other person giving, acquiring or receiving property under the Plan, any and all non-Debtor parties to executory contracts and unexpired leases with the Debtors, any other party in interest in the Chapter 11 Case, and the respective heirs, executors, administrators, successors, or assigns, if any, of any of the foregoing. On the Effective Date, all settlements, compromises and releases (including, without limitation, the releases set forth in Article XI of the Plan), waivers, discharges, exculpations and injunctions set forth in the Plan shall be effective and binding on Persons who may have had standing to assert any settled, compromised, released, waived, discharged, exculpated or enjoined Causes of Action after the Effective Date. The Debtors are authorized to consummate the Plan and the transactions contemplated thereby immediately upon, or concurrently with, satisfaction of the conditions set forth in the Plan.

44. Substantial Consummation. The Plan shall be deemed to be substantially consummated on the Effective Date.

45. Insurance. On the Effective Date and subject to the consent of the Requisite Majority Consenting Secured Noteholders, the Debtors shall assume all insurance policies and any agreements, documents, and instruments related thereto, except to the extent insurance policies and any agreements, documents, and instruments related thereto have previously been rejected pursuant to section 365 of the Bankruptcy Code. Entry of this Confirmation constitutes the Bankruptcy Court's approval of the Reorganized Debtors' assumption of each such insurance policy. Nothing in the Plan, the Plan Documents, the Plan Supplement or this Confirmation Order, (a) alters, modifies or otherwise amends the terms and conditions of (or the coverage provided by) any of the insurance policies or agreements, (b) limits the Reorganized Debtors from asserting a right or claim to the proceeds of any insurance policy or agreement that insures any Debtor, was issued to any Debtor or was assumed by the Reorganized Debtors by operation of the Plan or (c) impairs, alters, waives, releases, modifies or amends any of the Debtors' or Reorganized Debtors' legal, equitable or contractual rights, remedies, claims, counterclaims, defenses or Causes of Action in connection with any of such insurance policies or agreements.

46. Order as Recording Instrument. Notice of entry of this Confirmation Order (i) shall have the effect of an order of the Bankruptcy Court, (ii) shall constitute sufficient notice of the entry of this Confirmation Order to filing and recording officers, and (iii) shall be a recordable instrument notwithstanding any contrary provision of nonbankruptcy law. The Bankruptcy Court specifically retains jurisdiction to enforce the foregoing direction, by contempt or otherwise.

47. Authorized to Consummate. The Debtors are authorized to consummate the Plan

at any time after entry of this Confirmation Order subject to the satisfaction or waiver (by the required parties) of the conditions precedent to Consummation set forth in Section 10.02 of the Plan.

48. Non-Occurrence of Effective Date and Failure to Consummate the Plan. Pursuant to Section 10.03 of the Plan, if the conditions in Section 10.01 and Section 10.02 of the Plan are not satisfied, or if this Confirmation Order is vacated, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (a) constitute a waiver or release of any Claims by or against, or any Equity Interests in, the Debtors; (b) prejudice in any manner the rights of the Debtors, or any other Person or Entity; or (c) constitute an admission, acknowledgment, offer or undertaking by the Debtors or any other Person or Entity in any respects.

49. Distribution Record Date. The Distribution Record Date provided in the Plan shall be July 20, 2016, or such other date as fixed by the Debtors or the Bankruptcy Court.

Resolutions

50. At the Confirmation Hearing, the Debtors, Objecting Noteholders and Candlewood Investment Group, LP on behalf of certain funds or accounts it manages or advises ("Candlewood"), represented to the Court that, as an inducement to the Objecting Noteholders' agreeing to enter into the Objecting Noteholder Settlement, Candlewood and the Objecting Noteholders have agreed that, on the Effective Date, Candlewood or its designee shall acquire the New Common Stock and Unsecured LLA Override Units which would otherwise be distributed to the Objecting Noteholders in a Default Distribution (the, "Objecting Noteholder New Common Stock and LLA Units") in respect to the 8.875% Senior Note Claims they beneficially hold for the same Cash consideration and otherwise on the same terms that would

have applied if the Objecting Noteholders had made an election to receive an all cash distribution by the deadline established by the Reallocation Procedures; provided, however, that Candlewood shall not be obligated to acquire Objecting Noteholder New Common Stock and LLA Units in excess of the number of such units to which they are entitled based on the principal amount of the 8. 875% Senior Notes which the Objecting Noteholders represented they beneficially held in their *Verified Statement Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure* [D.I. 303], filed with the Court on June 23, 2016. The cash consideration for the foregoing acquistion of the Objecting Noteholders Common Stock and LLA Units by Candlewood shall be paid to the Objecting Noteholders on the Effective Date by reallocating a portion of the Cash which would otherwise be distributed to Candlewood in a Default Distribution equal to the product of (x) the number of New Common Stock and Unsecured LLA Units Candlewood is acquiring from the Objecting Noteholders, times (y) the New Common Stock and the Unsecured LLA Override Unit Price to the Objecting Noteholders.

51. Department of the Interior of the United States/Office of Natural Resources Revenue. The Department of the Interior of the United States ("Interior") consents to the proposed assumption of the federal mineral leases and other agreements related thereto (collectively, the "Federal Leases(s)"), subject to on the Effective Date; or the date of assumption of the Federal Lease for any Federal Lease(s) assumed following the Effective Date (a) the full payment to the Office of Natural Resources Revenue ("ONRR") of any and all monies asserted by Interior to be owed by the Debtor(s) as determined by ONRR, and (b) the assumption of any decommissioning obligations and financial assurance requirements under the Federal Leases(s) being assumed. Moreover, Interior will retain, and have the right to audit and/or perform any compliance review, and if appropriate, collect from the Debtor(s) and/or its successor(s) and

assign(s) (including the Reorganized Debtor(s)), in full any additional monies owed by the Debtor(s) prior to the assumption of the Federal Lease(s), including any amounts determined by ONRR to be owed by the Debtor(s) for pre- and post-petition royalties, including interest accrual through the date(s) of receipt by ONRR of payment on account of any such amount(s) without those rights being adversely affected by these Chapter 11 Cases. The Debtor(s), and its successor(s) and assign(s) (including the Reorganized Debtor(s)) will retain all defenses and/or rights, other than defenses and/or rights arising from these Chapter 11 Cases, to challenge any such determination; *provided*, however, that any such challenge, including any challenge associated with these Chapter 11 Cases, must be raised in the United States' administrative review process leading to a final agency determination by the ONRR. 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. § 1702, *et seq.*). Additionally, the Debtor(s) agrees to assume decommissioning obligations for all wells located on Federal Lease(s) to be assumed by the Debtor(s). Nothing herein shall affect Interior's right to assert, against the Debtor(s) and its estate, any decommissioning liability and/or claim arising from the Debtor(s)'s interest in any Federal Lease(s) not assumed by the Debtor(s). The assignment of any interest in any Federal Lease(s) shall be filed in the proper Bureau of Land Management or Bureau of Ocean Energy Management office and will be ineffective unless the United States consents to the assignment.

52. Nothing in this Confirmation Order or the Plan shall affect any valid setoff or recoupment rights of any Governmental Unit. Furthermore, nothing in this Confirmation Order or the Plan discharges, releases, precludes, or enjoins any act or action or proceeding relating to: (a) any environmental liability to any Governmental Unit that is not a Claim; (b) any

environmental Claim of any Governmental Unit arising on or after the Effective Date; (c) any environmental liability to any Governmental Unit on the part of any entity as the owner or operator of property after the Effective Date; or (d) any liability to any Governmental Unit on the part of any Person or entity other than the Debtor(s) or Reorganized Debtor(s). Finally, nothing in this Confirmation Order or the Plan divests any tribunal of any jurisdiction it may have under environmental law to interpret the Plan or this Confirmation Order or any matter relating thereto.

53. United States Department of Justice Environmental and Natural Resources Division/California Department of Justice. Nothing in the Plan or this Confirmation Order shall be interpreted as releasing or compromising, and no Governmental Unit releases or compromises, (i) any claims arising under criminal law; (ii) any criminal, civil, or administrative claims (other than Priority Tax Claims), rights or defenses arising under Title 26, United States Code (Internal Revenue Code); or (iii) any statutory or common law cause of action any Governmental Units may have for fraud against the Debtor(s). No suit or action brought to enforce the claims and causes of action described in this paragraph shall be enjoined by the Plan or this Confirmation Order.

54. Citibank, N. A. All Claims of Citibank, N. A. ("Citibank") arising under (i) that certain Agreement for Standby Letter of Credit, dated as of April 2, 2015, by and among Venoco and Citibank, pertaining to that certain Letter of Credit Number 6366262 issued by Citibank for the benefit of Southern California Edison Company; (ii) that certain Agreement for Standby Letter of Credit, dated as of April 2, 2015, by and among Venoco and Citibank pertaining to that certain Letter of Credit Number 6366260 issued by Citibank for the benefit of American Contractors Indemnity Company and/or U. S. Specialty Insurance Company and (iii) that certain Pledge, Assignment and Control Agreement, dated as of April 2, 2015, by and among Venoco,

Citibank, as Secured Party and Citibank, as Collateral Agent (collectively, the "Citi LC Claims") shall be Allowed Other Secured Claims under Class V2 (subclass a) of the Plan and shall receive treatment in the form of Reinstatement as provided in Section 3. 03(b)(i)b. of the Plan. Without limiting the Reorganized Debtors' obligations under the Plan, on the Effective Date, the Reorganized Debtors shall pay Citibank all accrued and unpaid interest, reasonable fees and expenses for which Citibank has provided the Debtors invoices in respect of Citi LC Claims within 5 business days prior to the Effective Date.

55. US Specialty Insurance Company. Any liens or claims of US Specialty Insurance Company ("US Specialty") on collateral pursuant to such agreements or related agreements, including but not limited to any letters of credit, shall not be released pursuant to Section 11. 07 of the Plan, nor shall any person be released from any obligations under such letters of credit, which letters of credit shall remain in effect and still be enforceable. Further, to the extent that US Specialty pays any Claim of a third-party on account of its obligations as surety and subrogates to such Claim, such Claim shall not be disallowed pursuant to Section 8. 12 of the Plan.

56. Seismic Exchange, Inc. All copies of Seismic Exchange, Inc. ("SEI") owned or controlled geophysical data and derivatives ("SEI Data") and any physical manifestations thereof, including field and processed tapes, support data, films, prints, and other electronic, film, paper, or other embodiments of such SEI Data or reprocessings or reformattings thereof, previously licensed to Debtors or its subsidiaries, shall be returned to SEI, destroyed or made unusable, including removal of such Data and Derivative products from Licensee's storage and archival systems, workstations, and geologic and geophysical prospect files, within 30 days from the Effective Date unless extended by agreement of SEI and the Debtors. Debtors shall retain no

copies of any SEI Data or related products. Additionally, all licenses from SEI to the Debtors are terminated effective immediately.

Miscellaneous

57. Order Nonseverable. The provisions of this Confirmation Order are nonseverable and mutually dependent. This Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted is (i) valid and enforceable pursuant to its terms; (ii) integral to the Plan; and (iii) non-severable and mutually dependent.

58. Effectiveness of All Actions. All actions authorized to be taken pursuant to the Plan shall be effective on, prior to, or after the Effective Date, pursuant to this Confirmation Order, without further application to, or order of the Bankruptcy Court, or further action by the respective officers, directors, managers, members, or holders of equity interests of the Debtors or Reorganized Debtors and with the effect that such actions had been taken by unanimous action of such officers, directors, managers, members or holders of equity interests.

59. Conflicts between Confirmation Order and Plan. To the extent any inconsistency between the provisions of the Plan and this Confirmation Order exists, the terms and provisions contained in this Confirmation Order shall govern.

60. Captions and Headings. Captions and headings herein are inserted for convenience of reference only and are not intended to be a part of, or to affect the interpretation of, this Confirmation Order.

61. Governing Law. Except to the extent the Bankruptcy Code or Bankruptcy Rules apply, and subject to the provisions of any contract, lease, instrument, release, indenture, or other agreement or document entered into expressly in connection herewith, the rights and obligations

arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to conflict-of-laws principles; provided that the corporate, limited or general partnership, or limited liability company governance matters shall be governed by the laws of the state of incorporation or formation of the applicable Entity.

62. Final Order. This Confirmation Order is a Final Order and the period in which an appeal must be filed shall commence upon the entry hereof.

Dated: July 14, 2016
Wilmington, Delaware

THE HONORABLE KEVIN GROSS
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

FIRST AMENDED JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE (WITH TECHNICAL AND CONFIRMATION MODIFICATIONS)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
Venoco, Inc., *et al.*,	Case No. 16-10655 (KG)
Debtors.[1]	(Jointly Administered)

FIRST AMENDED JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE (WITH TECHNICAL AND CONFIRMATION MODIFICATIONS)

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Counsel for Debtors and Debtors in Possession

Dated: July 14, 2016

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtors' federal tax identification number, are: Venoco, Inc. (5555); Denver Parent Corporation (1005); 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, Inc., 370 17th Street, Suite 3900, Denver, CO 80202-1370.

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Venoco, Inc., Denver Parent Corporation, TexCal Energy (LP) LLC, Whittier Pipeline Corporation, TexCal Energy (GP) LLC, Ellwood Pipeline, Inc., and TexCal Energy South Texas, L.P. (each a "Debtor" and collectively, the "Debtors") hereby respectfully propose the following joint plan of reorganization. Reference is made to the Disclosure Statement for a discussion of the Debtors' history, business, properties and operations, projections, risk factors, a summary and analysis of this Plan, and certain related matters. There are other agreements and documents, which have been or will be filed with the Bankruptcy Court that are referenced in this Plan or the Disclosure Statement as exhibits, the Plan Supplement or otherwise. All such agreements, documents, exhibits and the Plan Supplement are incorporated into and are made a part herein as if fully set forth herein.

ALL HOLDERS OF CLAIMS ARE ENCOURAGED TO READ THIS PLAN AND THE DISCLOSURE STATEMENT CAREFULLY AND IN THEIR ENTIRETY BEFORE VOTING ON THIS PLAN.

ARTICLE I
DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, GOVERNING LAW AND OTHER REFERENCES

Section 1.01. Defined Terms

Unless the context otherwise requires, the following terms shall have the following meanings when used in capitalized form in this Plan:

"8.875% Senior Notes" or "8.875% Senior Notes Claims" means those 8.875% senior unsecured notes due in February 2019 issued by Venoco under the 8.875% Senior Notes Indenture and all Claims related thereto, which Claims shall be deemed Allowed for purposes of the Plan in the amount specified in Section 3.03(e) of this Plan.

"8.875% Senior Notes Indenture" means the Indenture dated as of February 5, 2011 among Venoco, the Guarantors and the 8.875% Senior Notes Trustee pursuant to which the 8.875% Senior Notes were issued.

"8.875% Senior Notes Trustee" means Wilmington Savings Fund Society, FSB, as successor indenture trustee under the 8.875% Senior Notes Indenture or any duly appointed successor thereto.

"Administrative Claim" means a Claim under section 503(b) of the Bankruptcy Code, and referred to in section 507(a)(2) of the Bankruptcy Code, including, without limitation, (a) Claim(s) under section 503(b)(9) of the Bankruptcy Code, (b) any actual and necessary costs and expenses of preserving the Estate(s), (c) any actual and necessary costs and expenses of operating the Debtors' businesses after the Petition Date, (d) all Professional Claims, (e) any fees or charges assessed against the Estates under section 1930 of chapter 123 of title 28 of the United States Code, (f) all postpetition taxes of the Debtors, (g) the DIP Facility Claims, (h) the DIP Backstop Fee Claims and (i) all other Claim(s) entitled to administrative expense status pursuant to a Final Order of the Bankruptcy Court, including any claims under section 507(b) of the Bankruptcy Code, in each case relating to the period from the Petition Date through and

including the Effective Date but not beyond (but excluding any Intercompany Claims); provided, however, that the DIP Facility Claims and the DIP Backstop Fee Claims are superpriority administrative claims under the Final DIP Order pursuant to section 364(c)(1) of the Bankruptcy Code.

"Administrative Claims Bar Date" means the first Business Day that is thirty (30) days after the Effective Date (or such date(s) otherwise ordered by the Bankruptcy Court) for Administrative Claims arising on the Petition Date through and including the Effective Date. For the avoidance of doubt, holders of the DIP Facility Claims, DIP Backstop Fee Claims and Professional Claims shall not be subject to the Administrative Claims Bar Date.

"Affiliate" (and, with a correlative meaning "affiliated") means, with respect to any Person, any Person who would be an "affiliate" pursuant to section 101(2) of the Bankruptcy Code, as well as any direct or indirect subsidiary of such Person, and any other Person that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with such first Person. As used in this definition, "control" (including with correlative meanings, "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

"Allowed" means, a Claim or Equity Interest, or applicable portion thereof, (a) that has been listed in the Schedules (and thereafter continues to be listed in any subsequently filed amended versions of such Schedules) as liquidated in amount and not Disputed or contingent and for which no contrary Proof of Claim or proof of Equity Interest has been filed, (b) where a Proof of Claim or proof of Equity Interest was timely and properly filed by the applicable deadline under the Bar Date Order as to which (i) such Claim or Equity Interest is not Disputed, or (ii) an objection has been interposed and such Claim or Equity Interest has been allowed, in whole or in part, by a Final Order or by the agreement of the holder of such Claim or Equity Interest, on the one hand, and the Debtors or the Reorganized Debtors, as applicable, on the other, or (c) that has been allowed under the Final DIP Order, any other Final Order, or the Plan whether or not such Claim or Equity Interest was scheduled or is the subject of a filed Proof of Claim or proof of Equity Interest; provided, however, that any Claims allowed solely for the purpose of voting to accept or reject this Plan pursuant to an order of the Bankruptcy Court shall not be considered "Allowed" hereunder. Unless otherwise specified herein or pursuant to a Final Order of the Bankruptcy Court, "Allowed" shall not include interest, fees, or charges for the period on and after the Petition Date. When used in this Plan or Disclosure Statement with respect to the timing of distributions, "Allowed" means on the date a Claim or Equity Interest has been allowed or as soon as reasonably practicable thereafter.

"Assets" means all tangible and intangible assets of every kind and nature of the Debtors and their respective Estates, including, without limitation, all Causes of Action (except those released by this Plan, the Final DIP Order, the Confirmation Order or other Final Order) and all proceeds thereof, existing as of the Effective Date.

"Assumed Contract Schedule" is defined in Section 7.01 of this Plan.

"Assumption Dispute" is defined in Section 7.02 of this Plan.

"Avoidance Actions" means any and all Causes of Action that may be brought by or on behalf of the Debtors or their Estates or other authorized parties in interest under Chapter 5 of the Bankruptcy Code, including under sections 502, 510, 542, 544, 545, and 547 through and including 553 of the Bankruptcy Code, or similar avoidance or fraudulent transfer actions under applicable non-bankruptcy law.

"Backstoppers" means those certain DIP Lenders that have agreed to backstop the loans available to the Debtors pursuant to, and in accordance with, the DIP Credit Agreement up to their respective commitment amounts. For the avoidance of doubt, unless expressly specified otherwise, the term "DIP Lenders" shall include the Backstoppers.

"Ballot" means each of the ballots distributed to each holder of an Impaired Claim that is entitled to vote to accept or reject Plan and on which such holder is to indicate, among other things, acceptance or rejection of the Plan.

"Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as codified in title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as in effect on the Petition Date, together with all amendments and modifications thereto that are subsequently made applicable to the Chapter 11 Cases.

"Bankruptcy Court" means the United States Bankruptcy Court for the District of Delaware or such other court having jurisdiction over the Chapter 11 Cases.

"Bankruptcy Rules" means: (a) the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended and promulgated under section 2075 of title 28 of the United States Code; (b) the applicable Local Rules of Bankruptcy Practice and Procedure of the Bankruptcy Court; and (c) any general or specific chamber rules or procedures, or standing orders governing practice and procedure issued by the Bankruptcy Court, each as in effect on the Petition Date, and each of the foregoing together with all amendments and modifications thereto that are subsequently made and as applicable to the Chapter 11 Cases or proceedings therein, as the case may be.

"Bar Date(s)" means the applicable date(s) designated by the Bankruptcy Court as the last date for filing Proofs of Claims in these Chapter 11 Cases

"Bar Date Order" means the *Order (I) Establishing Bar Dates for Filing Proofs of Claim (II) Approving Proof of Claim Form, Bar Date Notices, and Mailing and Publication Procedures (III) Implementing Uniform Procedures Regarding 503(b)(9) Claims and (IV) Providing Certain Supplemental Relief*, entered by the Bankruptcy Court on April 20, 2016 [D.I. 177], setting the applicable Bar Dates for: (a) Claims that arose against the Debtors prior to the Petition Date; (b) Claims of governmental units that arose against the Debtors prior to the Petition Date; (c) Claims related to orders rejecting certain Executory Contracts and Unexpired Leases; and (d) Claims arising from amendments (if any) to the Debtors' Schedules.

"BOEPD" means barrels of oil equivalent per day.

"Business Day" means any day, other than a Saturday, Sunday, or a legal holiday, as defined in Bankruptcy Rule 9006(a).

"Cash" means the legal tender of the U.S. or the equivalent thereof, including bank deposits and checks.

"Causes of Action" means any and all claims, actions, causes of action, suits, debts, damages, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, judgments, remedies, rights of set-off, third-party claims, subrogation claims, contribution claims, reimbursement claims, indemnity claims, counterclaims, and crossclaims of the Debtors and their Estates, whether known or unknown, liquidated or unliquidated, fixed or contingent, matured or unmatured, Disputed or undisputed, against any Entity, based in law or equity, including under the Bankruptcy Code, whether direct, indirect, derivative, or otherwise and whether asserted or unasserted as of the date of entry of the Confirmation Order, unless otherwise waived or released pursuant to this Plan, the Confirmation Order, the Final DIP Order, any other Final Order or by the Debtors. For the avoidance of doubt, on the Effective Date of the Plan any and all Avoidance Actions relating to the Debtors shall be deemed waived and released pursuant to Section 6.13 of this Plan.

"Certificate" means any instrument evidencing a Claim or an Equity Interest.

"Chapter 11 Case(s)" means the chapter 11 cases of the Debtors pending before the Bankruptcy Court as Case Nos. 16-10655-KG, 16-10656-KG, 16-10657-KG, 16-10658-KG, 16-10659-KG, 16-10660-KG and 16-10661-KG, jointly administered for procedural purposes only under the lead Case No. 16-10655-KG.

"Claim" means any "claim" against the Debtors as set forth in section 101(5) of the Bankruptcy Code.

"Claims and Solicitation Agent" means BMC Group.

"Claims Objection Deadline" means the last day for filing objections to Claims, other than Administrative Claims and Professional Claims, which day shall be: (a) the later of (i) ninety (90) days after the Effective Date or (ii) ninety (90) days after the filing of a Proof of Claim for, or request for payment of, such Claim; or (b) such other date as the Bankruptcy Court may order. The filing of a motion to extend the Claims Objection Deadline shall automatically extend the Claims Objection Deadline until a Final Order is entered on such motion. In the event that such motion to extend the Claims Objection Deadline is denied, the Claims Objection Deadline shall be the later of the then-current Claims Objection Deadline (as previously extended, if applicable) or thirty (30) days after the Bankruptcy Court's entry of an order denying the motion to extend the Claims Objection Deadline.

"Claims Register" means the official register of Claims maintained by the Claims and Solicitation Agent.

"Class" means a category of holders of Claims or Equity Interests under section 1122(a) of the Bankruptcy Code.

"Collateral" means any property or interest in property of the Estate subject to a Lien, not otherwise subject to avoidance under the Bankruptcy Code, to secure the payment or performance of a Claim.

"Confirmation" or "Confirmation Date" means the date on which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

"Confirmation Hearing" means the hearing(s) before the Bankruptcy Court, regarding the Confirmation of this Plan, under section 1128 of the Bankruptcy Code, as it may be adjourned or continued from time to time.

"Confirmation Order" means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code in form and substance acceptable to the Requisite Majority Consenting Secured Noteholders.

"Consenting Secured Noteholders" means the beneficial holders of First Lien Notes and Second Lien Notes identified on the signature pages of the RSA, or that become a party to the RSA by executing and delivering a Joinder (as defined in the RSA) thereto.

"Consenting Unsecured Noteholders" means Candlewood Investment Group, LP, on behalf of certain funds it manages or advises, and any other beneficial holders of the 8.875% Senior Notes Claims that become party to the RSA by executing and delivering a Joinder (as defined in the RSA) thereto.

"Consummation" means the occurrence of the Effective Date.

"Creditor" has the meaning set forth in section 101(10) of the Bankruptcy Code.

"Cure Cost Objection Deadline" is defined in Section 7.02 of this Plan.

"Cure Costs" means any and all amounts, costs or expenses that must be paid or actions that must be performed pursuant to sections 365 and 1123 of the Bankruptcy Code in connection with the assumption or assumption and assignment of each of the Executory Contracts and Unexpired Leases pursuant to the Confirmation Order.

"Debtors" is defined in the introductory paragraph of this Plan.

"Default Distribution" has the meaning set forth in Section 4.01 of this Plan.

"Delaware Litigation" means all claims alleged in the matter "*In re Venoco, Inc. Shareholder Litigation*" Consolidated Case C.A. 6825-VCG, currently pending before the Court of Chancery for the State of Delaware.

"Delaware Litigation Settlement Agreement" means the Settlement Agreement dated March 16, 2016 between the parties to the Delaware Litigation.

"DIP Agent" means Wilmington Trust, National Association.

"DIP Backstop Fee" means the irrevocable fee granted to the Backstoppers under the DIP Loan Documents and the DIP Orders in the aggregate amount of 10% of the New Common Stock issued on the Effective Date. The DIP Backstop Fee is an Allowed Administrative Claim.

"DIP Backstop Fee Claims" means the Allowed Administrative Claims held by each Backstopper arising under or related to the DIP Credit Agreement on account of the DIP Backstop Fee.

"DIP Credit Agreement" means that certain $35,000,000 Superpriority Secured Debtor-in-Possession Credit Agreement dated as of March 22, 2016 by and among Venoco, the guarantors party thereto, the DIP Lenders and the DIP Agent.

"DIP Facility" means that certain $35.0 million postpetition debtor in possession loan facility provided pursuant to the DIP Loan Documents and the DIP Orders.

"DIP Facility Claims" means any and all of the first-priority senior secured, superpriority Administrative Claims, pursuant to sections 364(c) and (d) of the Bankruptcy Code, held by the DIP Agent and the DIP Lenders arising under or in connection with the DIP Facility, but excluding the DIP Backstop Fee Claims.

"DIP Guaranty Agreement" means that certain Guaranty Agreement dated as of March 22, 2016 by and among Whittier Pipeline Corporation, TexCal Energy (LP) LLC, TexCal Energy (GP) LLC and TexCal Energy South Texas L.P.

"DIP Lenders" means the lenders under the DIP Facility.

"DIP Loan Documents" means the (a) DIP Credit Agreement, (b) DIP Security Agreement and (c) DIP Guaranty Agreement (such agreements, collectively, together with such ancillary documents contemplated thereunder), as may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms therein or the DIP Orders.

"DIP Orders" means, together, the Interim DIP Order and the Final DIP Order.

"DIP Security Agreement" means that certain Security Agreement dated as of March 22, 2016 by and among Venoco, the DIP Agent and each grantor party thereto.

"Disclosure Statement" means the *Disclosure Statement for the First Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code*, dated May 16, 2016 [D.I. 221], including all exhibits and schedules thereto, as the same may be altered, amended, modified or supplemented from time to time, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

"Disclosure Statement Order" means the *Order (A) Approving the Disclosure Statement, (B) Approving the Solicitation Procedures, (C) Approving the Form of Ballots and Notices in Connection Therewith, (D) Establishing the Plan Confirmation Schedule and (E) Granting Related Relief*, entered by the Bankruptcy Court on May 16, 2016 [D.I. 216].

"Disputed" means any Claim, or any portion thereof, that: (a) is listed on the Schedules as unliquidated, Disputed, or contingent, which dispute has not been withdrawn, resolved or overruled by a Final Order; (b) is the subject of an objection or request for estimation filed in the Bankruptcy Court and which objection or request for estimation has not been withdrawn, resolved or overruled by a Final Order of the Bankruptcy Court; or (c) is otherwise Disputed by the Debtors or the Reorganized Debtors, as applicable, in accordance with applicable law; provided, however, that for purposes of determining the status (i.e., Allowed or Disputed) of a particular Claim prior to the Claims Objection Deadline, any such Claim that has not been previously allowed or disallowed by Final Order of the Bankruptcy Court or the Plan shall be deemed a Disputed Claim unless such Claim is specifically identified by the Debtors or the Reorganized Debtors, as applicable, as being an Allowed Claim.

"Distribution Agent" means the Reorganized Debtors, as applicable, or any Entity(ies) chosen by the Reorganized Debtors, as applicable, which Entity(ies) may include Indenture Trustees or the Claims and Solicitation Agent, to make or to facilitate distributions required by the Plan.

"Distribution Record Date" means the record date for purposes of making distributions under this Plan on account of Allowed Claims, which date shall be the Confirmation Date or such other date designated in the Confirmation Order.

"Divestment Letter Agreements" means, together, the Management Divestment Letter Agreement and the Unsecured Notes Divestment Letter Agreement.

"DPC" means Denver Parent Corporation, a Delaware corporation.

"DPC Anniversary Payment" means Cash in the amount of $500,000, which shall be paid on June 30, 2017 by the Reorganized Debtors to holders of Allowed Senior PIK Toggle Notes Claims on a Pro Rata basis. The Senior PIK Toggle Notes Trustee shall establish the mechanism through DTC to make such DPC Anniversary Payment. The Reorganized Debtors shall remit the DPC Anniversary Payment to the Senior PIK Toggle Notes Trustee, who shall in turn distribute such payment to holders of Allowed Senior PIK Toggle Notes Claims on a Pro Rata basis.

"DPC Effective Date Payment" means Cash in the amount of $400,000 less the amount of Cash paid to WilmerHale for the WilmerHale Fees. The DPC Effective Date Payment shall be paid on the Effective Date by the Reorganized Debtors to holders of Allowed Senior PIK Toggle Note Claims on a Pro Rata basis.

"DPC First Installment Production Condition Payment" means Cash in the amount of $700,000, which, if the Production Condition occurs, shall be paid by the Reorganized Debtors within five (5) Business Days of the occurrence of the Production Condition to holders of Allowed Senior PIK Toggle Notes Claim on a Pro Rata basis.

"DPC Production Condition Payments" means, collectively, the DPC First Installment Production Condition Payment and the DPC Second Installment Production Condition Payment.

"DPC Residual Value" means the value of any assets of DPC that were not subject to valid, perfected and non-avoidable Liens in favor of the Prepetition Secured Parties or any

holders of Other Secured Claims immediately prior to the Effective Date, after satisfaction of all Allowed DIP Facility Claims, Allowed Administrative Claims, Allowed Priority Tax Claims, DIP Backstop Fee Claims and all Allowed Claims in classes D1 and D2 against DPC in the manner provided for the treatment of such Claims under this Plan.

"DPC Second Installment Production Condition Payment" means Cash in the amount of $2,300,000, which, if the Production Condition occurs, shall be paid by TMM to holders of Allowed Senior PIK Toggle Notes Claims on a Pro Rata basis; provided that (1) TMM may instruct the Reorganized Debtors to make such payments on TMM's behalf and the Reorganized Debtors may accept such instructions solely as a convenience and (2) the Reorganized Debtors shall not be liable to holders of Allowed Senior PIK Toggle Notes Claims in any way relating to the DPC Second Installment Production Condition Payment. The DPC Second Installment Production Condition Payment shall be paid in monthly installments equal to 50% of the amount that would otherwise be payable to TMM under the LLA Override for that month, beginning with the first month following the month the DPC First Installment Production Condition Payment is made and continuing until the $2,300,000 has been paid in full.

"DPC Settlement Payments" means, collectively, the DPC Anniversary Payment, the DPC Effective Date Payment and the DPC Production Condition Payments.

"DTC" means The Depository Trust Company.

"Effective Date" means the date on which all conditions precedent to the occurrence of the Effective Date set forth in Section 10.02 of this Plan have been satisfied or waived in accordance with Section 10.03 of this Plan. When used in this Plan or Disclosure Statement with respect to the timing of distributions, "Effective Date" means "on the Effective Date or as soon as reasonably practicable thereafter."

"Electing Cash Recipient" has the meaning set forth in Section 4.01 of this Plan.

"Electing Cash Recipient Election" has the meaning set forth in Section 4.01 of this Plan.

"Electing New Common Stock and Unsecured LLA Override Recipient" has the meaning set forth in Section 4.01 of this Plan.

"Electing New Common Stock and Unsecured LLA Override Recipient Election" has the meaning set forth in Section 4.01 of this Plan.

"Electing Recipient" means an Electing New Common Stock and Unsecured LLA Override Recipient or an Electing Cash Recipient, as applicable.

"Election Form" means each of the election forms distributed to each holder of an 8.875% Senior Notes Claim on which such holder is to indicate, among other things, its Electing Cash Recipient Election or Electing New Common Stock and Unsecured LLA Override Recipient Election.

"Ellwood Pipeline" means Ellwood Pipeline, Inc., a Delaware corporation.

"Employee Stock Ownership Plan" means the employee stock ownership plan adopted by Venoco and DPC on December 31, 2012.

"Employment Agreement" means the contract between the Reorganized Debtors and TMM governing the terms and conditions of employment, which shall be in form and substance acceptable to the Requisite Majority Consenting Secured Noteholders, substantially in the form included in the Plan Supplement.

"Entity" means a natural person, corporation, limited liability company, association, partnership (whether general or limited), joint venture, proprietorship, estate, trust, Governmental Unit or any other individual or entity, whether acting in an individual, fiduciary, representative or other capacity, including the U.S. Trustee, within the meaning of section 101(15) of the Bankruptcy Code.

"Equity Interest" means all issued, unissued, authorized, or outstanding shares of stock, membership interests, and other ownership interests of an Entity, together with any warrants, options, or contract rights to purchase or acquire such interests at any time.

"Estate(s)" means the bankruptcy estate(s) of the Debtors created under sections 301 and 541 of the Bankruptcy Code on the Petition Date.

"Exculpated Claim" means a Claim arising out of or related to any act or omission in connection with or relating to: (a) the formulation, preparation, solicitation, dissemination, negotiation, or filing of this Plan, the Plan Supplement, the Disclosure Statement, the New Warrants, the New Common Stock, or any contract, instrument, release, or other agreement or document created or entered into in connection with any of the foregoing; (b) the Chapter 11 Cases; (c) the pursuit of Confirmation of a Plan; (d) the pursuit of Consummation of a Plan; (e) the administration and implementation of a Plan; (f) the distribution of property under a Plan; or (g) any other prepetition or postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtors.

"Exculpated Parties" means the Released Parties.

"Executory Contract" means a contract to which one or more of the Debtors are party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

"Existing Benefits Agreement" means with the exception of the existing employment agreement with TMM, all employment, retirement, severance, indemnification, and similar or related agreements, and policies with the members of the Debtors' management team or directors as of the Petition Date.

"Final Decree" means the decree contemplated under Bankruptcy Rule 3022.

"Final DIP Order" means the *Final Order (I) Authorizing Debtors (A) to Obtain Postpetition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 363(b), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e) and (B) to Utilize Cash Collateral Pursuant to 11 U.S.C. § 363, and (II) Granting Adequate Protection to Prepetition Secured Parties Pursuant to 11 U.S.C. §§ 361, 362, 363, 364 and 507(b)*, entered by the Bankruptcy Court on April 20, 2016 [D.I. 178],

and any amendment, modification or supplement of such order in form and substance acceptable to the Debtors, the DIP Lenders and the Consenting Secured Noteholders and approved by the Bankruptcy Court.

"Final Order" means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, which has been entered on the docket, and that has not been stayed, reversed, modified or amended and as to which the time to file an appeal, a motion for re-hearing, re-argument or reconsideration or a petition for writ of certiorari has expired or been waived by the Debtors or the Reorganized Debtors, as applicable, and as to which no appeal, petition for certiorari, or other proceedings for re-argument, reconsideration or re-hearing are then pending or as to which an appeal, petition for certiorari, or a motion for re-argument, reconsideration or rehearing has been filed or sought and such order shall not have been stayed; provided, however, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or analogous rule under the Bankruptcy Rules, may be filed with respect to such order shall not preclude such order from being or becoming a Final Order."

"First Lien Notes" or "First Lien Notes Claim" means those 12.00% first lien senior secured notes issued by Venoco pursuant to the First Lien Notes Indenture, and all Claims related thereto, including, without limitation, all principal, accrued but unpaid interest and all prepayment premium and make-whole amounts, which Claims shall be deemed Allowed for purposes of the Plan in the amount set forth in Section 3.03(c) of this Plan.

"First Lien Notes Indenture" means the indenture dated as of April 2, 2015, as amended from time to time, among Venoco, the Guarantors and the First Lien Notes Trustee.

"First Lien Notes Trustee" means U.S. Bank National Association, in its capacity as indenture trustee under the First Lien Notes Indenture, and any duly appointed successor indenture trustee.

"General Unsecured Claim" means a Claim that is not an Administrative Claim, Other Priority Claim, Priority Tax Claim, Secured Claim, Senior PIK Toggle Notes Claim, Subordinated Securities Claim or 8.875% Senior Notes Claims. For the avoidance of doubt, General Unsecured Claims include any deficiency claims of the Prepetition Secured Parties.

"Governmental Unit" has the meaning set forth in section 101(27) of the Bankruptcy Code.

"Guarantors" means TexCal Energy (LP) LLC; Whittier Pipeline Corporation; TexCal Energy (GP) LLC; and TexCal Energy South Texas, L.P.

"Impaired" means, with respect to any Class of Claims or Equity Interests, a Claim or an Equity Interest that is "impaired" within the meaning of section 1124 of the Bankruptcy Code.

"Indenture Trustees" means any two or more of the First Lien Notes Trustee, the Second Lien Notes Trustee, the 8.875% Senior Notes Trustee and the Senior PIK Toggle Notes Trustee in their respective capacities as indenture trustee.

"Intercompany Claim" means any Claim(s) held by a Debtor against any other Debtor.

"Intercompany Equity Interests" means the Equity Interests of the Debtors, other than the Equity Interests of DPC.

"Interim DIP Order" means the *Interim Order (I) Authorizing Debtors (A) to Obtain Postpetition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 363(b), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e) and (B) to Utilize Cash Collateral Pursuant to 11 U.S.C. § 363, (II) Granting Adequate Protection to Prepetition Secured Parties Pursuant to 11 U.S.C. §§ 361, 362, 363, 364 and 507(b) and (III) Scheduling Final Hearing Pursuant to Bankruptcy Rules 4001(b) and (c)*, entered by the Bankruptcy Court on March 21, 2016 [D.I. 64], and any amendment, modification or supplement of such order in form and substance acceptable to the Debtors, DIP Lenders and the Consenting Secured Noteholders and approved by the Bankruptcy Court.

"Lien" has the meaning set forth in section 101(37) of the Bankruptcy Code.

"LLA" means the portion of California State Lease PRC 3242.1, which is to be expanded as described in Venoco's submission to the California State Lands Commission on June 30, 2014.

"LLA Approval Date" means the date on which the LLA is approved by the California State Lands Commission.

"LLA Override" means an overriding royalty interest in and to the oil, gas and other minerals produced and saved from the LLA, the amount of which and other attributes, limitations, terms and conditions of which are more particularly described in the Form of Assignment of Overriding Royalty Interest attached as an exhibit to the Management Divestment Letter Agreement, and which Assignment of Overriding Royalty Interest shall be substantially in the form of such exhibit.

"Management Divestment Letter Agreement" means the divestment letter agreement, including all exhibits, substantially in the form attached as Exhibit B to the RSA.

"Management Incentive Plan" means the management incentive plan to be adopted by Reorganized Venoco pursuant to Section 6.11 of this Plan on or after the Effective Date of the Plan.

"New Common Stock" means the shares of common stock or other ownership interests in Reorganized Venoco authorized and issued pursuant to this Plan and Reorganized Venoco's Organizational Documents (subject to dilution by any shares or other ownership interests issuable upon exercise of the New Warrants).

"New Common Stock and Unsecured LLA Override Unit" means, solely for purposes of the Reallocation Procedures, the number of shares of New Common Stock and number of Unsecured LLA Override Shares (or fractional portions thereof) to which a holder of an 8.875% Senior Notes Claim of $1,000 in principal amount would be entitled pursuant to Section 3.03(e) of this Plan in a Default Distribution.

"New Common Stock and Unsecured LLA Override Unit Price" means $10.30 per each New Common Stock and Unsecured LLA Override Unit.

"New Shareholders Agreement" means the shareholder agreement or other agreement governing the terms of the New Common Stock, which shall be substantially the form included in the Plan Supplement, which agreement may be incorporated into the provisions of the Organizational Documents of Reorganized Venoco

"New DPC Warrants" means the 2% warrants at a strike price of $691,411,000 on the terms and conditions set forth in the New Warrant Agreement.

"New MIP Warrants" means the 5% warrants on the terms and conditions set forth in the Management Incentive Plan.

"New Second Lien Warrants" means 10% warrants at a strike price of $195,183,000 on the terms and conditions set forth in the New Warrant Agreement.

"New Warrants" means, collectively, the New DPC Warrants, the New MIP Warrants and the New Second Lien Warrants.

"New Warrant Agreement" means the warrant agreement governing the terms of the New Warrants, which shall be in substantially the form included in the Plan Supplement.

"Noteholder HoldCo" means a corporation, limited liability company, association, partnership (whether general or limited), joint venture, proprietorship, estate, trust, or any other entity to be formed on the Effective Date to hold the Unsecured LLA Override. The Noteholder Holdco shall be identified in the Plan Supplement and shall be in form and substance acceptable to the Debtors and the Requisite Majority Consenting Unsecured Noteholders.

"Number of Reallocated Units" means the difference (expressed as a positive number) between (x) the number of New Common Stock and Unsecured LLA Override Units which an Electing Recipient would be entitled to receive in a Default Distribution if it had not made an Electing Recipient Election and (b) the number of such units such Electing Recipient receives after giving effect to the Reallocation Procedures. For the avoidance of doubt, in the case of an Electing Cash Recipient, the Number of Reallocated Units will represent the number by which the New Common Stock and Unsecured LLA Override Units which an Electing Cash Recipient receives following application of the Reallocation Procedures is fewer than the number of such units such Electing Cash Recipient would have received in a Default Distribution and, in the case of an Electing New Common Stock and Unsecured LLA Override Recipient, the Number of Reallocated Units will represent the number of additional New Common Stock and Unsecured LLA Override Units such Electing New Common Stock and Unsecured LLA Override Recipient receives as a result of operation of the Reallocation Procedures.

"Objecting Noteholders" means Sierentz North America, LLC and Pentwater Capital Management LP, holders of 8.875% Senior Notes and Senior PIK Toggle Notes as reflected in the *Verified Statement Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure*, filed on June 23, 2016 [D.I. 303], as may be amended or modified.

"Objecting Noteholders Settlement" is defined in Section 6.19 of this Plan.

"Organizational Documents" means the new company governance documents related to the Reorganized Debtors, including, but not limited to, articles of organization, limited liability company agreements, operating agreements, shareholder agreements (including the New Shareholders Agreement), or other organizational documents, which shall be consistent with the provisions of this Plan, the RSA and the Bankruptcy Code, and shall include, among other things (and only to the extent required by section 1123(a)(6) of the Bankruptcy Code), provisions prohibiting the issuance of non-voting equity securities. The Organizational Documents shall be in substantially the form included in the Plan Supplement and shall be in form and substance acceptable to the Requisite Majority Consenting Secured Noteholders.

"Other Priority Claim" means a Claim entitled to priority in right of payment under section 507(a) of the Bankruptcy Code (other than an Administrative Claim or a Priority Tax Claim).

"Other Secured Claim" means a Secured Claim other than a DIP Facility Claim, First Lien Notes Claim or Second Lien Notes Claim.

"Person" has the meaning set forth in section 101(41) of the Bankruptcy Code.

"Petition Date" means March 18, 2016.

"Plan" means this *First Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (with Technical and Confirmation Modifications)* (as it may be altered, amended, modified or supplemented from time to time with the consent of the Requisite Majority Consenting Secured Noteholders and, to the extent required under the RSA, the Requisite Majority Consenting Unsecured Noteholders).

"Plan Supplement" means the compilation of documents and forms of documents, agreements (including, but not limited to, the New Shareholders Agreement), schedules, and exhibits to this Plan, which shall be in form and substance acceptable to the Debtors and the Requisite Majority Consenting Secured Noteholders, and which shall be filed in the Chapter 11 Cases no later than ten (10) days prior to the Voting Deadline or such later date as may be approved by the Bankruptcy Court on notice to parties in interest, as may be amended or supplemented by additional documents filed in the Chapter 11 Cases prior to the Effective Date as amendments to the Plan Supplement.

"Prepetition Secured Parties" means, collectively, the First Lien Notes Trustee, the holders of the First Lien Notes, the Second Lien Notes Trustee and the holders of the Second Lien Notes, and additionally any successor-in-interest to either of the foregoing.

"Priority Tax Claim" means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

"Pro Rata" means, unless indicated otherwise, the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that respective Class, or the proportion that Allowed Claims in a particular Class bear to the aggregate amount of Allowed

Claims in a particular Class and other Classes entitled to share in the same recovery as such Allowed Claim under the Plan. The definition of Pro Rata shall apply to Allowed DIP Backstop Fee Claims to the same extent and in the same manner as if DIP Backstop Fee Claims were classified in a Class under the Plan.

"Production Condition" means the occurrence of both (a) the LLA Approval Date and (b) the date on which the oil, gas and other hydrocarbons produced, saved and sold from the LLA (excluding any oil, gas and other hydrocarbon produced, saved and sold therefrom attributable to any lessor's royalty) exceeds 8,000 BOEPD for 20 consecutive days.

"Professional" means a professional Person, as that term is used in sections 327 and 1103 of the Bankruptcy Code.

"Professional Claim" means a Claim by a Professional seeking an award by the Bankruptcy Court of compensation and reimbursement of expenses incurred from the Petition Date through and including the Effective Date, under sections 327, 328, 330, 331, 503(b) (other than 503(b)(4)), 1103 or 1129(a)(4) of the Bankruptcy Code.

"Proof of Claim" means a proof of Claim filed in the Chapter 11 Cases in a manner consistent with the Bar Date Order.

"Reallocation Liquidity Pool" means the pool composed of the Cash, New Common Stock and Unsecured LLA Override reallocated by Electing Cash Recipients, Electing New Common Stock Recipients and Electing Unsecured LLA Override Recipients pursuant to Section 4.01 of this Plan.

"Reallocation Procedures" means the reallocation procedures set forth in Section 4.01 of this Plan.

"Reinstatement" means, with respect to an Allowed Claim, (a) in accordance with section 1124(1) of the Bankruptcy Code, being treated such that the legal, equitable, and contractual rights to which such Claim entitles its holder are left unaltered, or (b) if applicable under section 1124 of the Bankruptcy Code: (i) having all prepetition and postpetition defaults with respect thereto other than defaults relating to the insolvency or financial condition of the Debtors or their status as debtors under the Bankruptcy Code cured, (ii) having its maturity date reinstated, (iii) compensating the holder of such Claim for damages incurred as a result of its reasonable reliance on a provision allowing the Claim's acceleration, and (iv) not otherwise altering the legal, equitable and contractual rights to which the Claim entitles the holder thereof.

"Rejected Contract Schedule" is defined in Section 7.01 of this Plan.

"Rejection Damages Claim" means a Claim for damages arising from the rejection by any Debtor of any Executory Contract or Unexpired Lease pursuant to sections 365 or 1123 of the Bankruptcy Code.

"Released Parties" means each of: (a) the Debtors and Reorganized Debtors; (b) the DIP Agent; (c) the DIP Lenders; (d) the Restructuring Support Parties; (e) the Prepetition Secured Parties; (f) the 8.875% Senior Notes Trustee; (g) the Senior PIK Toggle Notes Trustee; (h) with

respect to each of the foregoing Entities in clauses (a) through (e), such Entity's predecessors, successors and assigns, affiliates, subsidiaries, funds, portfolio companies, management companies, and (i) with respect to each of the foregoing Entities in clauses (a) through (g) each of their respective current and former directors, officers, members, employees, partners, managers, independent contractors, agents, representatives, principals, Professionals, consultants, financial advisors, attorneys, accountants, investment bankers, and other professional advisors (with respect to clause (h), each solely in their capacity as such). For purposes of Section 11.02 of the Plan, "Released Parties" also means the Objecting Noteholders and their predecessors, successors and assigns, affiliates, subsidiaries, funds, portfolio companies, management companies, current and former directors, officers, members, employees, partners, managers, independent contractors, agents, representatives, principals, Professionals, consultants, financial advisors, attorneys, accountants, investment bankers, and other professional advisors.

"Releasing Parties" means (a) each holder of a Claim against or Equity Interest in the Debtors that is Unimpaired pursuant to the Plan and therefore is deemed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code, (b) holders of the Subordinated Securities Claims who provide a written consensual release in favor of the Released Parties that is identical in substance to the releases set forth herein, or (c) any Person that receives and returns a Ballot indicating that such Person elects not to opt out of the Plan releases provided in in Section 11.03 of this Plan.

"Reorganized Debtors" means, on and after the Effective Date, collectively, all of the Debtors that are reorganized under and pursuant to the Plan.

"Reorganized Venoco" means Venoco or any successor thereto by merger, consolidation, or otherwise, on and after the Effective Date.

"Requisite Majority Consenting Secured Noteholders" has the meaning set forth in the RSA.

"Restructuring Support Parties" means the Consenting Secured Noteholders and the Consenting Unsecured Noteholders.

"Restructuring Transactions" means one or more transactions pursuant to section 1123(a)(5)(D) of the Bankruptcy Code to occur on or before the Effective Date or as soon as reasonably practicable thereafter, that may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate this Plan, as further described in Section 6.14 of this Plan.

"Royalty and Working Interests" means the undisputed interests in the mineral estate or the oil and gas leasehold estate and related rights and interests in lands and leases where the Debtors have been granted the right to exploit oil and gas or the right to receive a portion of the oil and gas produced and saved, or a portion of the proceeds from the sale thereof, including but not limited to, undisputed (a) landowner's royalty interests, (b) overriding royalty interests, (c) net profit interests, (d) non-participating royalty interests, (e) production payments, and all (f) other undisputed rights to payment or production arising from such interests, in each case in

accordance with the terms and conditions of the agreements and instruments giving rise to such interests.

"RSA" means the Amended and Restated Restructuring Support Agreement dated April 8, 2016, between the Restructuring Support Parties and the Debtors, which incorporates by reference this Plan and certain related agreements among the Debtors and the Restructuring Support Parties.

"RSA Approval Order" means the *Order Authorizing the Debtors to Assume the Restructuring Support Agreement*, entered by the Bankruptcy Court on April 20, 2016 [D.I. 170].

"Schedules" means, collectively, the schedules of assets and liabilities, the list of holders of Equity Interests and the statements of financial affairs and such other documents filed by the Debtors under section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, and all amendments pursuant to Bankruptcy Rule 1009 and modifications thereto through the Confirmation Date.

"Second Lien Notes" or "Second Lien Notes Claim" means those 8.875% second lien senior secured notes issued by Venoco pursuant to the Second Lien Notes Indenture, and all Claims related thereto, including, without limitation, all principal, accrued but unpaid interest and all prepayment premium and make-whole amounts, which Claims shall be deemed Allowed for purposes of the Plan in the amount specified in Section 3.03(d) of this Plan.

"Second Lien Notes Indenture" means the indenture dated as of April 2, 2015, as amended from time to time, among Venoco, the Guarantors and U.S. Bank National Association as trustee.

"Second Lien Notes Trustee" means U.S. Bank National Association, in its capacity as indenture trustee under the Second Lien Notes Indenture, and any duly appointed successor indenture trustee.

"Secured Claim" means a Claim: (a) secured by a Lien on property of an Estate to the extent of the value of such property; or (b) subject to a valid right of setoff to the extent of the amount subject to valid setoff pursuant to section 553 of the Bankruptcy Code.

"Securities Act" means the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, as amended, or any similar federal, state or local law.

"Securities Exchange Act" means the Securities Exchange Act of 1934, 15 U.S.C. §§ 78a–78nn, as amended.

"Senior PIK Toggle Notes" or "Senior PIK Toggle Notes Claims" means those 12.25%/13.00% senior unsecured PIK toggle notes due in August 2018 issued by DPC under the Senior PIK Toggle Notes Indenture, and all Claims related thereto.

"Senior PIK Toggle Notes Indenture" means the Indenture dated as of August 15, 2013 between DPC and the Senior PIK Toggle Notes Trustee pursuant to which the Senior PIK Toggle Notes were issued.

"Senior PIK Toggle Notes Trustee" means Delaware Trust Company as successor indenture trustee under the Senior PIK Toggle Notes Indenture or any duly appointed successor thereto.

"Senior PIK Toggle Notes Trustee Joinder" means the *Joinder by Delaware Trust Company to Objection of Sierentz North America, LLC and Pentwater Capital Management LP to Confirmation of First Amended Joint Plan of Reorganization*, filed by the Senior PIK Toggle Notes Trustee on June 24, 2016 [D.I. 311].

"Subordinated Securities Claims" means any claims or causes of action, whether asserted or not, against any Debtor subordinated pursuant to section 510(b) of the Bankruptcy Code, arising from the purchase or sale of any equity security or damages arising from the purchase or sale of an equity security. Subordinated Securities Claims includes but is not limited to claims brought in the Delaware Litigation.

"TMM" means Timothy M. Marquez.

"U.S." means the United States of America.

"U.S. Trustee" means the United States Trustee for the District of Delaware.

"Undeliverable Distribution" means any distribution under this Plan on account of an Allowed Claim to a holder that has not: (a) accepted a particular distribution or, in the case of distributions made by check, negotiated such check; (b) given notice to the Distribution Agent of an intent to accept a particular distribution; (c) responded to the Distribution Agent's requests for information necessary to facilitate a particular distribution; or (d) taken any other action necessary to facilitate such distribution.

"Unexpired Lease" means an unexpired lease to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

"Unsecured Notes Divestment Letter Agreement" means the divestment letter agreement, including all exhibits, substantially in the form attached as Exhibit C to the RSA.

"Unimpaired" means a Class of Claims or Equity Interests in a Debtor that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

"Unsecured LLA Override" means an overriding royalty interest in and to the oil, gas and other minerals produced and saved from the LLA, the amount of which and other attributes, limitations, terms and conditions of which are more particularly described in the Form of Assignment of Overriding Royalty Interest attached to the Unsecured Notes Divestment Letter Agreement, and shall be substantially in the form attached as Exhibit C to the RSA.

"Unsecured LLA Override Shares" means shares or other Equity Interests in Noteholder Holdco issued to correspond with the Applicable ORRI % (as defined in the Unsecured Notes Divestment Letter Agreement) in the Unsecured LLA Override.

"V6 Cash" means Cash equal to the lesser amount of (a) $1,000,000 or (b) an amount sufficient to satisfy all Allowed Class V6 General Unsecured Claims in full.

"Venoco" means Venoco, Inc., a Delaware corporation.

"Venoco Residual Value" means the value of any assets of Venoco or each Venoco Sub, as applicable, that were not subject to valid, perfected and non-avoidable Liens in favor of the Prepetition Secured Parties or any holders of Other Secured Claims immediately prior to the Effective Date, after satisfaction of all Allowed DIP Facility Claims, Allowed Administrative Claims, Allowed Priority Tax Claims, DIP Backstop Fee Claims, and Allowed Claims in classes V1, V2, V3, V4, and V5 against Venoco or each Venoco Sub, as applicable in the manner provided for the treatment of such Claims under this Plan.

"Venoco Subs" means TexCal Energy (LP) LLC; Whittier Pipeline Corporation; TexCal Energy (GP) LLC; Ellwood Pipeline; and TexCal Energy South Texas, L.P.

"Voting Deadline" means June 24, 2016 at 4:00 p.m. ET, or such other date approved by the Bankruptcy Court.

"WilmerHale" means Wilmer Cutler Pickering Hale and Dorr LLP, as counsel to the Objecting Noteholders.

"WilmerHale Fees" means the fees and expenses of WilmerHale incurred in connection with these Chapter 11 Cases, in an aggregate amount not to exceed $400,000, as reflected in the invoice(s) submitted to the Debtors no later than five (5) days prior to the Effective Date.

Section 1.02. Rules of Interpretation

For purposes herein, the following rules of interpretation apply: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter gender; (b) unless otherwise specified, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (c) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit, shall mean such document, schedule, or exhibit, as it may have been or may be amended, modified, or supplemented; (d) unless otherwise specified, all references herein to "Articles" and "Sections" are references to Articles and Sections herein or hereto; (e) the words "herein" and "hereto" refer to this Plan in its entirety rather than to any particular portion of this Plan; (f) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of, or to affect, the interpretation herein; (g) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; and (h) any term used in capitalized form herein that is not otherwise defined but that is defined in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

Section 1.03. Computation of Time

Bankruptcy Rule 9006(a) applies in computing any period of time prescribed or allowed herein. If the date on which a transaction may occur, or be required to be done, shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

Section 1.04. Governing Law

Except to the extent the Bankruptcy Code or Bankruptcy Rules apply, and subject to the provisions of any contract, lease, instrument, release, indenture, or other agreement or document entered into expressly in connection herewith, the rights and obligations arising hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to conflict-of-laws principles; provided that the corporate, limited or general partnership, or limited liability company governance matters shall be governed by the laws of the state of incorporation or formation of the applicable Entity.

Section 1.05. Reference to Monetary Figures

All references in this Plan to monetary figures refer to currency of the U.S., unless otherwise expressly provided.

Section 1.06. Severability of Plan Provisions

Although styled as a "joint" plan, this Plan consists of separate plans for each of the Debtors, and each Debtor is a proponent herein within the meaning of section 1129 of the Bankruptcy Code in its respective Chapter 11 Case. If any plan is not confirmed, then the Debtors reserve the right to either (a) request that the other plans be confirmed or (b) withdraw one or more of the plans. The Debtors' inability to confirm, or election to withdraw, any plan shall not impair the Confirmation of the other plans.

Section 1.07. No Substantive Consolidation

The Estates of the Debtors have not been substantively consolidated for administrative purposes. Nothing in this Plan shall constitute or be deemed to constitute an admission that one Debtor is subject to or liable for any Claim against any other Debtor. Claims against the Debtors will be treated as separate Claims with respect to each applicable Debtor's Estate for all purposes (including, but not limited to, distributions and voting), and such Claims shall be administered as provided in this Plan; provided, however, that no Creditor shall be entitled to recover more than 100% of the value of its Allowed Claim.

ARTICLE II
TREATMENT OF UNCLASSIFIED CLAIMS

In accordance with section 1123(a)(l) of the Bankruptcy Code, DIP Facility Claims, DIP Backstop Fee Claims, Administrative Claims (including Professional Claims) and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims set forth in

ARTICLE III of this Plan. The following designation and treatment of unclassified Claims applies:

Section 2.01. Administrative Claims

(a) Administrative Claims Other than DIP Facility Claims, DIP Backstop Fee Claims, Professional Claims or U.S. Trustee Fees

Each holder of an Administrative Claim must file with the Bankruptcy Court and serve on the Debtors or Reorganized Debtors (as the case may be), the Claims and Noticing Agent, and the U.S. Trustee proof of such Administrative Claims, except for the following Administrative Claims (if any): (i) a DIP Facility Claim; (ii) a DIP Backstop Fee Claim; (iii) a Professional Fee Claim; (iv) any Claims for fees payable to the clerk of the Bankruptcy Court; (v) any fees payable to the U.S. Trustee under 28 U.S.C. § 1930(a)(6) or accrued interest thereon arising under 31 U.S.C. § 3717; (vi) an Administrative Claim that has been Allowed on or before the Effective Date; (vii) an Administrative Claim of a governmental unit (as defined in section 101(27) of the Bankruptcy Code) not required to be filed pursuant to section 503(b)(1)(D) of the Bankruptcy Code; (viii) an Administrative Claim on account of fees and expenses incurred on or after the Petition Date by ordinary course professionals retained by the Debtors pursuant to an order of the Bankruptcy Court; (ix) an Administrative Claim arising, in the ordinary course of business, out of the employment by one or more Debtors of an individual from and after the Petition Date, but only to the extent that such Administrative Claim is solely for outstanding wages, commissions, or reimbursement of business expenses; (x) an Administrative Claim that (x) has been previously paid by any Debtor in the ordinary course of business or otherwise, or (y) have otherwise been satisfied; or (xi) an Administrative Claim previously filed with the Claims and Solicitation Agent or the Bankruptcy Court. Such proof of Administrative Claim must include at a minimum: (A) the name of the applicable Debtor that is purported to be liable for the Administrative Claim and if the Administrative Claim is asserted against more than one Debtor, the exact amount asserted to be owed by each such Debtor; (B) the name of the holder of the Administrative Claim; (C) the amount of the Administrative Claim; (D) the basis of the Administrative Claim; and (E) supporting documentation for the Administrative Claim. FAILURE TO FILE AND SERVE SUCH PROOF OF ADMINISTRATIVE CLAIM TIMELY AND PROPERLY SHALL RESULT IN THE ADMINISTRATIVE CLAIM BEING FOREVER BARRED AND DISCHARGED WITHOUT THE NEED FOR FURTHER ACTION, ORDER OR APPROVAL OF, OR NOTICE TO, THE BANKRUPTCY COURT.

Each holder of an Allowed Administrative Claim (other than an Administrative Claim that is a DIP Facility Claim, DIP Backstop Fee Claim or Professional Fee Claim) as of the Effective Date shall receive, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, such Administrative Claim, (i) Cash in an amount equal to the amount of such Allowed Administrative Claim as soon as reasonably practicable after either (a) the Effective Date, if such Administrative Claim is Allowed as of the Effective Date, (b) thirty days after the date such Administrative Claim becomes an Allowed Administrative Claim, if such Administrative Claim is Disputed as of, or following, the Effective Date, or (c) the date such Allowed Administrative Claim becomes due and payable in the ordinary course of business in accordance with the terms, and subject to the conditions, of any agreements governing, instruments evidencing, or other documents relating to, the applicable transaction giving rise to

such Allowed Administrative Claim, if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business; or (ii) such other treatment as the Debtors or the Reorganized Debtors and such holder shall have agreed in writing.

(b) DIP Facility Claims and DIP Backstop Fee Claims

Consistent with the DIP Orders, all DIP Facility Claims are and shall be deemed Allowed Claims against each Debtor. On the Effective Date, the holders of the Allowed DIP Facility Claims shall receive, in full and final satisfaction of such Claims, an amount of Cash equal to the amount of such Claims (including, without limitation, all outstanding principal and accrued but unpaid interest, costs, fees and expenses owing as of the Effective Date, or any other amounts due and owing under the DIP Facility) to the extent not previously paid during the Chapter 11 Cases.

Consistent with the DIP Orders, all DIP Backstop Fee Claims are and shall be deemed Allowed against each Debtor. On the Effective Date, each holder of an Allowed DIP Backstop Fee Claim shall receive, in full and final satisfaction of such Claim, its Pro Rata share of the DIP Backstop Fee.

(c) Professional Claims

The Bankruptcy Court shall determine the Allowed amounts of Professional Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Code. The Reorganized Debtors shall pay Professional Claims in Cash in the amount Allowed by the Bankruptcy Court. Holders of Professional Claims shall file and serve on the Reorganized Debtors any request for allowance and payment of such Professional Claims no later than forty-five (45) days after the Effective Date, unless otherwise agreed by the Reorganized Debtors, or otherwise be forever barred, estopped, and enjoined from asserting such Claims against the Debtors or the Reorganized Debtors (as applicable), their respective Estates and property, a Distribution Agent, or otherwise, and such Professional Claims shall be deemed discharged as of the Effective Date. Objections to any Professional Claims must be filed and served on the Reorganized Debtors, counsel to the Reorganized Debtors, and the requesting party no later than thirty (30) days after the filing of the final applications for compensation or reimbursement (unless otherwise agreed by the party requesting compensation of a Professional Claim). If no objections are timely filed and properly served as to a given request, or all timely objections are subsequently resolved, such Professionals shall submit to the Bankruptcy Court for consideration a proposed order approving the Professional Claim as an Allowed Administrative Claim in the amount requested (or otherwise agreed), and the order may be entered without a hearing or further notice to any party. The Allowed amounts of any Professional Claims subject to unresolved timely objections shall be determined by the Bankruptcy Court at a hearing to be held no later than thirty (30) days after the objection deadline. Distributions on account of Allowed Professional Claims shall be made as soon as reasonably practicable after such Professional Claims become Allowed or in accordance with any other Order.

From and after the Effective Date, the Reorganized Debtors shall pay in Cash the legal fees and expenses incurred by the Reorganized Debtors' professionals incurred in the ordinary course of business and without any further notice to or action, order or approval of, the

Bankruptcy Court. For the avoidance of doubt, following the Effective Date any requirement that a professional comply with sections 327 through 331 of the Bankruptcy Code in seeking compensation for services rendered after such date shall terminate.

(d) U.S. Trustee Fees

All fees payable pursuant to 28 U.S.C. § 1930(a) shall be paid by the applicable Debtor or Reorganized Debtor, as applicable, for each quarter (including any fraction therein) until the Chapter 11 Cases are converted, dismissed, or a Final Decree is issued, whichever occurs first.

(e) WilmerHale Fees

On the Effective Date, the Debtors shall wire to WilmerHale Cash in the amount of the WilmerHale Fees.

Section 2.02. Priority Tax Claims

To the extent not previously paid during the Chapter 11 Cases, each holder of an Allowed Priority Tax Claim, on or as soon as practicable after the Effective Date, shall receive from their respective Debtor, in full satisfaction, release, and discharge thereof, (i) payment in full in Cash, (ii) other treatment consistent with sections 1129(a)(9)(C) or 1129(a)(9)(D) of the Bankruptcy Code, or (iii) such other terms as agreed to among the Debtors and the holders thereof.

ARTICLE III
CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

Notwithstanding any other provision of this Plan, for obligations on which the Debtors are jointly and severally liable, a distribution on account of any Allowed Claim by a Debtor shall not operate as a discharge, release or satisfaction of such Allowed Claim asserted against any other Debtor(s) unless and until such time that such Allowed Claim is paid in full. In the event no holder of a Claim with respect to a specific Class for a particular Debtor timely submits a Ballot that complies with the Disclosure Statement Order indicating acceptance or rejection of this Plan, such Class will be deemed to have accepted this Plan (including for purposes of satisfying section 1129(a)(10) of the Bankruptcy Code).

Section 3.01. Classification

This Plan constitutes a separate plan with respect to each Debtor. The categories of Claims and Equity Interests listed below classify Claims and Equity Interests for all purposes, including voting, confirmation and distribution pursuant to each plan and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or Equity Interest shall be deemed classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Equity Interest qualifies within the description of such different Class. A Claim or Equity Interest is in a particular Class only to the extent that such Claim or Equity Interest is Allowed in that Class and has not been paid or otherwise settled prior to the Effective Date.

Claims (other than those listed in ARTICLE II of this Plan, which are not required to be classified pursuant to section 1123(a)(1) of the Bankruptcy Code) and Equity Interests in each of the Debtors are classified as follows:

(a) DPC

Class	Claim or Equity Interest	Status	Voting Rights
D1	Other Priority Claims	Unimpaired	Deemed to Accept
D2	Other Secured Claims	Unimpaired	Deemed to Accept
D3	Senior PIK Toggle Notes Claims	Impaired	Entitled to Vote
D4	General Unsecured Claims	Impaired	Entitled to Vote
D5	Subordinated Securities Claims	Impaired	Deemed to Reject
D6	Equity Interests	Impaired	Deemed to Reject

(b) Venoco and Venoco Subs

Class	Claim or Equity Interest	Status	Voting Rights
V1	Other Priority Claims	Unimpaired	Deemed to Accept
V2	Other Secured Claims	Unimpaired	Deemed to Accept
V3	First Lien Notes Claims	Impaired	Entitled to Vote
V4	Second Lien Notes Claims	Impaired	Entitled to Vote
V5	8.875% Senior Notes Claims	Impaired	Entitled to Vote
V6	General Unsecured Claims	Impaired	Entitled to Vote
V7	Subordinated Securities Claims	Impaired	Deemed to Reject
V8	Equity Interests in Venoco	Impaired	Deemed to Reject
V9	Equity Interests in Each Venoco Sub	Unimpaired	Deemed to Accept

All Claims against Venoco and each Venoco Sub are placed in classes (as designated by subclasses for Venoco and each Venoco Sub, as applicable), as follows: Venoco (subclass a), TexCal Energy (LP) LLC (subclass b); Whittier Pipeline Corporation (subclass c); TexCal Energy (GP) LLC (subclass d); Ellwood Pipeline (subclass e); and TexCal Energy South Texas, L.P. (subclass f).

Section 3.02. Claims Against and Equity Interests in DPC

(a) Class D1—Other Priority Claims

(i) *Treatment*: Unless the holder agrees to a different treatment, each holder of an Allowed Class D1 Other Priority Claim against DPC shall receive, in full and final satisfaction, release, settlement and discharge of, and in exchange for, its Allowed Claim, Cash equal to the amount of such Allowed Claim plus interest thereon, on or as soon as practicable after the later of: (x) the Effective Date; or (y) the date such Claim becomes due and Allowed or as otherwise ordered by the Bankruptcy Court.

(ii) *Voting*: Class D1 is Unimpaired. The holders of Class D1 Other Priority Claims against DPC are conclusively deemed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code, and are not entitled to vote to accept or reject the Plan.

(b) Class D2—Other Secured Claims

(i) *Treatment*: Unless the holder agrees to a different treatment, each holder of an Allowed Class D2 Other Secured Claim shall receive, in DPC's sole discretion and in full and final satisfaction, release, settlement and discharge of, and in exchange for, such holder's Allowed Other Secured Claim against DPC, on or as soon as practicable after the later of: (x) the Effective Date; or (y) the date such Claim becomes due and Allowed or as otherwise ordered by the Bankruptcy Court:

a. Cash equal to the amount of such Allowed Other Secured Claim plus interest required to be paid under section 506(b) of the Bankruptcy Code (if any);

b. Reinstatement of the legal, equitable and contractual rights of the holder of such Allowed Other Secured Claim, subject to the provisions of this Plan; or

c. such other treatment as necessary to satisfy the requirements of section 1124(2) of the Bankruptcy Code for such Allowed Other Secured Claim to be rendered Unimpaired.

(ii) *Voting*: Class D2 is Unimpaired. The holders of Class D2 Other Secured Claims against DPC are conclusively deemed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code, and are not entitled to vote to accept or reject the Plan.

(c) Class D3—Senior PIK Toggle Notes Claims

(i) *Treatment*:

a. If the holders of Class D3 Senior PIK Toggle Notes Claims vote as a Class to accept the Plan, unless the holder agrees to a different treatment, each holder of an Allowed Class D3 Senior PIK Toggle Notes Claim against DPC as of the Distribution Record Date shall receive, in full and final satisfaction, release, settlement and discharge of, and in exchange for, its Allowed Claim its Pro Rata share of (i) the New DPC Warrants, (ii) the DPC Residual Value and (iii) the DPC Settlement Payments.

b. If the holders of Class D3 Senior PIK Toggle Notes Claims vote as a Class to reject the Plan, each holder of an Allowed Class D3 Senior

PIK Toggle Notes Claim against DPC shall receive its Pro Rata share of the DPC Residual Value.

(ii) *Voting*: Class D3 is Impaired. The holders of Class D3 Claims against DPC are entitled to vote to accept or reject the Plan.

(d) Class D4—General Unsecured Claims

(i) *Treatment*: Unless the holder agrees to a different treatment, each holder of an Allowed Class D4 General Unsecured Claim against DPC shall receive, in full and final satisfaction, release, settlement and discharge of, and in exchange for, its Allowed Claim, its Pro Rata share of (i) the New DPC Warrants and (ii) the DPC Residual Value.

(ii) *Voting*: Class D4 is Impaired. The holders of Class D4 Claims against DPC are entitled to vote to accept or reject the Plan.

(e) Class D5—Subordinated Securities Claims

(i) *Treatment*: On the Effective Date, all Subordinated Securities Claims against DPC shall be subordinated in payment to all other Allowed General Unsecured Claims under section 510(b) of the Bankruptcy Code, and each holder of an Allowed Class D5 Subordinated Securities Claim against DPC: (x) shall be enjoined from pursuing any Class D5 Subordinated Securities Claim against any of the Debtors; and (y) shall not receive or retain any distribution on account of its Class D5 Subordinated Securities Claim against DPC.

(ii) *Voting*: Class D5 is Impaired. The holders of Class D5 Subordinated Securities Claims against DPC are conclusively deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code, and are not entitled to vote to accept or reject the Plan.

(f) Class D6—Equity Interests

(i) *Treatment*: On the Effective Date, all existing Equity Interests of DPC shall be cancelled, extinguished and discharged, and the owners thereof shall receive no distribution on account of such Equity Interests.

(ii) *Voting*: Class D6 is Impaired. The holders of Class D6 Equity Interests in DPC are conclusively deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code, and are not entitled to vote to accept or reject the Plan.

Section 3.03. Claims Against and Equity Interests in Venoco and Venoco Subs

(a) Class V1—Other Priority Claims

(i) *Treatment*: Unless the holder agrees to a different treatment, each holder of an Allowed Class V1 Other Priority Claim against Venoco and each Venoco Sub shall receive, in full and final satisfaction, release, settlement and discharge of, and in exchange for, its Allowed Claim, Cash equal to the amount of such Allowed Claim plus interest thereon, on or as soon as practicable after the later of: (x) the Effective Date; or (y) the date such Claim becomes due and Allowed or as otherwise ordered by the Bankruptcy Court.

(ii) *Voting*: Class V1 is Unimpaired. The holders of Class V1 Other Priority Claims against Venoco and each Venoco Sub are conclusively deemed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code, and are not entitled to vote to accept or reject the Plan.

(b) Class V2—Other Secured Claims

(i) *Treatment*: Unless the holder agrees to a different treatment, each holder of an Allowed Class V2 Other Secured Claim shall receive, in Venoco's and each Venoco Sub's sole discretion and in full and final satisfaction, release, settlement and discharge of, and in exchange for, such holder's Allowed Other Secured Claim against Venoco and each Venoco Sub, on or as soon as practicable after the later of: (x) the Effective Date; or (y) the date such Claim becomes due and Allowed or as otherwise ordered by the Bankruptcy Court:

a. Cash equal to the amount of such Allowed Other Secured Claim plus interest required to be paid under section 506(b) of the Bankruptcy Code (if any);

b. Reinstatement of the legal, equitable and contractual rights of the holder of such Allowed Other Secured Claim, subject to the provisions of this Plan; or

c. such other treatment as necessary to satisfy the requirements of section 1124(2) of the Bankruptcy Code for such Allowed Other Secured Claim to be rendered Unimpaired.

(ii) *Voting*: Class V2 is Unimpaired. The holders of Class V2 Other Secured Claims against Venoco and each Venoco Sub are conclusively deemed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code, and are not entitled to vote to accept or reject the Plan.

(c) Class V3—First Lien Notes Claims

(i) *Allowance*: The First Lien Notes Claims against Venoco and each Guarantor shall be deemed Allowed in the amount of $195,183,333.33 under the First Lien Notes Indenture.

(ii) *Treatment*: Unless the holder agrees to a different treatment, each holder of an Allowed Class V3 First Lien Notes Claim against Venoco and each Guarantor as of the Distribution Record Date shall receive, in full and final satisfaction, release, settlement and discharge of, and in exchange for, its Allowed First Lien Notes Claim, its Pro Rata share of 90% of New Common Stock issued on the Effective Date.

(iii) *Voting*: Class V3 is Impaired. The holders of First Lien Notes Claims in Class V3 are entitled to vote to accept or reject the Plan.

(d) Class V4—Second Lien Notes Claims

(i) *Allowance*: The Second Lien Notes Claims against Venoco and each Guarantor shall be deemed Allowed in the amount of $171,897,136.56 due under the Second Lien Notes Indenture.

(ii) *Treatment*: Unless the holder agrees to a different treatment, each holder of an Allowed Second Lien Secured Claim in Class V4 as of the Distribution Record Date shall receive, in full and final satisfaction, release, settlement and discharge of, and in exchange for, its Allowed Claim, its Pro Rata share of the New Second Lien Warrants.

(iii) *Voting*: Class V4 is Impaired. The holders of Second Lien Notes Claims in Class V4 are entitled to vote to accept or reject the Plan.

(e) Class V5—8.875% Senior Notes Claims

(i) *Allowance*: The 8.875% Senior Notes Claims against Venoco and each Guarantor thereof shall be deemed Allowed in the amount of $324,406,865.65 due under the 8.875% Senior Notes Indenture.

(ii) *Treatment*: Subject to the Reallocation Procedures, in full and final satisfaction, release, settlement, and discharge of, and in exchange for all Allowed 8.875% Senior Notes Claims as of the Distribution Record Date, the following property shall be distributed Pro Rata to or on behalf of the holders of Allowed 8.875% Senior Notes Claims: (i) $6,500,000 in Cash; (ii) 2.6% of the New Common Stock to be effectuated as a transfer by the Backstoppers out of the DIP Backstop Fee; and (iii) the Unsecured LLA Override Shares issued to the Noteholder HoldCo.

(iii) *Voting*: Class V5 is Impaired. The holders of Allowed 8.875% Claims in Class V5 are entitled to vote to accept or reject the Plan.

(f) Class V6—General Unsecured Claims

(i) *Treatment*:

a. If the holders of Class V6 General Unsecured Claims vote as a Class to accept the Plan, unless the holder agrees to a different treatment, each holder of an Allowed Class V6 General Unsecured Claim against Venoco or any Venoco Sub shall receive, in full and final satisfaction, release, settlement and discharge of, and in exchange for, its Allowed Claim, its Pro Rata share of the V6 Cash.

b. If the holders of Class V6 General Unsecured Claims vote as a Class to reject the Plan, each holder of an Allowed Class V6 General Unsecured Claim against Venoco or any Venoco Sub shall receive its Pro Rata share of Venoco Residual Value, if any.

c. The Prepetition Secured Parties shall be entitled to vote in Class V6 to the extent of their deficiency claims, but shall not be entitled to any distribution under this Section 3.03 on account of such claims.

(ii) *Voting*: Class V6 is Impaired. The holders of Class V6 Claims against Venoco or any Venoco Sub are entitled to vote to accept or reject the Plan.

(g) Class V7—Subordinated Securities Claims

(i) *Treatment*: On the Effective Date, all Subordinated Securities Claims against Venoco and each Venoco Sub shall be subordinated in payment to all other Allowed General Unsecured Claims under section 510(b) of the Bankruptcy Code, and each holder of an Class V7 Subordinated Securities Claim against Venoco and each Venoco Sub: (x) shall be enjoined from pursuing any Class V7 Subordinated Securities Claim against any of the Debtors; and (y) shall not receive or retain any distribution on account of its Class V7 Subordinated Securities Claim against Venoco and each Venoco Sub.

(ii) *Voting*: Class V7 is Impaired. The holders of Class V7 Subordinated Securities Claims against Venoco and each Venoco Sub are conclusively deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code, and are not entitled to vote to accept or reject the Plan.

(h) Class V8—Equity Interests in Venoco

(i) *Treatment*: On the Effective Date, all existing Equity Interests of Venoco shall be cancelled, extinguished and discharged, and the owners thereof shall receive no distribution on account of such Equity Interests.

(ii) *Voting*: Class V8 is Impaired. The holders of Class V8 Equity Interests in Venoco are conclusively deemed to reject the Plan pursuant to section

1126(g) of the Bankruptcy Code, and are not entitled to vote to accept or reject the Plan.

(i) Class V9—Equity Interests in each Venoco Sub

(i) *Treatment*: On the Effective Date, all existing Equity Interests in each Venoco Sub shall be reinstated and rendered Unimpaired in accordance with section 1124 of the Bankruptcy Code.

(ii) *Voting*: Class V9 is Unimpaired. The holders of Class V9 Equity Interests in each Venoco Sub are conclusively deemed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code, and are not entitled to vote to accept or reject the Plan.

ARTICLE IV
REALLOCATION PROCEDURES

Section 4.01. Reallocation Procedures

(a) Each beneficial holder of 8.875% Senior Notes Claims will have the option of electing prior to the Effective Date to be (i) an Electing New Common Stock and Unsecured LLA Override Recipient, or (ii) an Electing Cash Recipient. Such election may be made irrespective of whether such holder has voted in favor of the Plan. If a beneficial holder of 8.875% Senior Notes Claims does not make an election, then the Reallocation Procedures in this Section 4.01 will not apply, and such holder shall be entitled to receive the Pro Rata distributions it is entitled to receive in respect of its Allowed Claims in Class V5 under Section 3.03(e) of this Plan (such distribution, the "Default Distribution").

(b) Electing New Common Stock and Unsecured LLA Override Recipient Election.[2] Each beneficial holder of 8.875% Senior Notes Claims may make an election (an "Electing New Common Stock and Unsecured LLA Override Recipient Election") on its Election Form to receive additional New Common Stock and Unsecured LLA Override Units in exchange for all or a portion of the Cash that such holder would otherwise receive under its Default Distribution. Such electing holder (an "Electing New Common Stock and Unsecured LLA Override Recipient") thereby agrees to reduce its initial allocation of Cash by an amount (not to exceed such initial Cash allocation) equal to the product of (x) the additional Number of Reallocated Units it receives pursuant to these Reallocation Procedures, times (y) the New Common Stock and Unsecured LLA Override Unit Price.

(c) Electing Cash Recipient Election. Each beneficial holder of 8.875% Senior Notes Claims may make an election (an "Electing Cash Recipient Election") on its Election Form to receive additional Cash in exchange for all or a portion of the New Common Stock and Unsecured LLA Override Units that such holder would otherwise receive under the Default

[2] The Reallocation Procedures relating to the Electing New Common Stock and Unsecured LLA Override Recipient Election are subject, in their entirety, to the ultimate equity holders being qualified institutional buyers (QIBs) or accredited investors, as defined in SEC Rule 501 of Regulation D, as well as Reorganized Venoco not losing its status as a private company that is not subject to registration with the SEC.

Distribution. Such electing holder (an "Electing Cash Recipient") thereby agrees to reduce its initial allocation of New Common Stock and Unsecured LLA Override Units in accordance with these Reallocation Procedures and increase its initial allocation of Cash by an amount equal to the product of (x) the Number of Reallocated Units it forgoes receipt of pursuant to these Reallocation Procedures, times (y) the New Common Stock and Unsecured LLA Override Unit Price below its initial allocation.

(d) Reallocation Administration. The Debtors will administer the reallocation as follows:

(i) Each participating Electing New Common Stock and Unsecured LLA Override Recipient shall declare on its Election Form its desire to receive its pro rata share of the maximum number of additional New Common Stock and Unsecured LLA Override Units available to it in accordance with these Reallocation Procedures from participating Electing Cash Recipients in lieu of a corresponding portion of the Cash to which it would otherwise be entitled in a Default Distribution

(ii) Each participating Electing Cash Recipient shall declare on its Election Form its desire to receive the maximum amount of additional Cash it can receive by virtue of these Reallocation Procedures in exchange for foregoing its right to receive a corresponding number of New Common Stock and Unsecured LLA Override Units

(iii) By so electing, each participating Electing New Common Stock and Unsecured LLA Override Recipient agrees to receive the maximum number of New Common Stock and Unsecured LLA Override Units which can be reallocated to it under these Reallocation Procedures and to reduce the amount of Cash it receives by an amount equal to the product of (x) the additional Number of Reallocated Units it receives pursuant to these Reallocation Procedures and (y) the New Common Stock and Unsecured LLA Override Unit Price.

(iv) By so electing, each participating Electing Cash Recipient agrees to forego receipt of the maximum number of New Common Stock and Unsecured LLA Override Units which can be reallocated away from it under these Reallocation Procedures and to receive additional Cash in an amount equal to the product of (x) the Number of Reallocated Units (below its initial Reallocation it foregoes receipt of pursuant to these Reallocation Procedures) and (y) the New Common Stock and Unsecured LLA Override Unit Price.

(v) An Electing New Common Stock and Unsecured LLA Override Recipient must elect to receive up to all of its distribution on account of its 8.875% Senior Note Claims in such Units and an Electing Cash Recipient must elect to receive up to all of its distribution in Cash, in each case subject to having the number of such units or the amount of Cash it actually receives

reduced in accordance with these Reallocation Procedures if either such election is oversubscribed. An Electing Recipient may not elect to receive specified percentages of its distribution on account of its 8.875% Senior Note Claims in both Cash and New Common Stock and Unsecured LLA Override Units.

(vi) The Electing New Common Stock and Unsecured LLA Override Recipients, and the Electing Cash Recipients shall each be deemed to have reallocated the specified additional amounts of New Common Stock and Unsecured LLA Override Shares or Cash, as applicable, to the Reallocation Liquidity Pool.

(vii) The holders of the 8.875% Senior Notes Claims who elect to take part in the Reallocation Procedures shall receive their distributions, subject to the provisions of subparagraph (e) hereof:

a. For the Electing New Common Stock and Unsecured LLA Override Recipients, the recovery is the Default Distribution, *minus* the Cash they reallocated to the Reallocation Liquidity Pool, *plus* the additional New Common Stock and Unsecured LLA Override Units which they are entitled to receive from the Reallocation Liquidity Pool pursuant to these Reallocation Procedures.

b. For the Electing Cash Recipients, the recovery is the Default Distribution, *minus* the Unsecured LLA Override Shares and New Common Stock Units they reallocated to the Reallocation Liquidity Pool, *plus* the Cash each Electing Cash Recipient is entitled to receive from the Reallocation Liquidity Pool pursuant to these Reallocation Procedures.

c. For the avoidance of doubt, the Electing New Common Stock and Unsecured LLA Override Recipients or the Electing Cash Recipients may not receive any, or the full, reallocation they elect if there is insufficient New Common Stock and Unsecured LLA Override Units or Cash, as applicable, in the Reallocation Liquidity Pool.

d. The Debtors shall be authorized to adopt such additional detailed procedures, not inconsistent with the foregoing, to efficiently administer the reallocation, after consultation with the Consenting Unsecured Noteholders.

(e) Voluntary Participation. The Reallocation Procedures set forth above are completely voluntary, and no holder of 8.875% Senior Notes Claims can be required or compelled to take part in the Reallocation Procedures. Holders who do not make any such election on their Ballot will not participate in the Reallocation Procedures, and will receive the Default Distribution to which they are otherwise entitled pursuant to the distribution provisions of the Plan. The Reallocation Procedures will not have any impact or effect on the distribution

made to holders of Allowed Claims who do not take part in the Reallocation Procedures. In addition, the following apply to the Reallocation Procedures:

(i) The Reallocation Procedures are set up so that the maximum number of New Common Stock and Unsecured LLA Override Units and the maximum amount of Cash will be reallocated to the Reallocation Liquidity Pool and reallocated amongst Electing New Common Stock and Unsecured LLA Override Recipients and Electing Cash Recipients based on the New Common Stock and Unsecured LLA Override Unit Price.

(ii) To the extent that there are fewer Electing Cash Recipients or Electing New Common Stock and Unsecured LLA Override Recipients than needed to allow all Electing Recipients to reallocate all of their respective New Common Stock and Unsecured LLA Override Units or Cash, and as a result the Reallocation Liquidity Pool contains less of a specific form of Plan consideration than there are Electing Recipients who desire to receive additional amounts of such consideration, the Electing Recipients who desire to receive the form of Plan consideration which is over-subscribed shall receive a pro rata allocation of such form of Plan consideration from the Reallocation Liquidity Pool based on their respective beneficial holdings of the 8.875% Senior Notes.

(iii) The reallocation elections will occur simultaneously with the solicitation.

(iv) The elections will not be made public.

(v) Except as otherwise expressly provided under Sections 8.03 and 11.08 in respect to the Cash, all of the Unsecured LLA Override Shares, New Common Stock and Cash to be distributed to the 8.875% Senior Notes Trustee pursuant to Section 3.03(e) of this Plan will be distributed on the Effective Date.

ARTICLE V
ACCEPTANCE OR REJECTION OF THE PLAN

Section 5.01. Acceptance by an Impaired Class

(a) In accordance with section 1126(c) of the Bankruptcy Code and except as provided in section 1126(e) of the Bankruptcy Code, Impaired Classes entitled to vote under this Plan shall have accepted the Plan if it is accepted by the holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims that have timely and properly voted to accept or reject the Plan or if no holder of a Claim with respect to a specific Class for a particular Debtor timely submits a Ballot that complies with the Disclosure Statement Order indicating acceptance or rejection of this Plan.

(b) Except for holders of Claims in Classes that are deemed or presumed to have accepted or rejected this Plan pursuant to the terms of this Plan other than this Section 5.01(b), if

holders of Claims in a particular Impaired Class of Claims were given the opportunity to vote to accept or reject this Plan and notified that a failure of any holders of Claims in such Impaired Class of Claims to vote to accept or reject this Plan would result in such Impaired Class of Claims being deemed to have accepted this Plan, but no holders of Claims in such Impaired Class of Claims voted to accept or reject this Plan, then such Class of Claims shall be deemed to have accepted this Plan.

Section 5.02. Nonconsensual Confirmation

The Debtors may request confirmation under section 1129(b) of the Bankruptcy Code with respect to (a) any Impaired Class of Claims and Equity Interests that have not accepted the Plan in accordance with sections 1126 and 1129(a)(8) of the Bankruptcy Code and (b) any Class that is deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code or the terms of the Plan or otherwise. The Debtors reserve the right to amend or modify the Plan in accordance with Section 12.01 of this Plan to the extent, if any, that Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code requires such amendment or modification.

ARTICLE VI
IMPLEMENTATION OF THE PLAN

The transactions required to implement the Plan shall be implemented in accordance with this ARTICLE VI.

Section 6.01. Operations between Confirmation Date and Effective Date

During the period from the Confirmation Date through and until the Effective Date, the Debtors may continue to operate their businesses as debtors in possession, subject to all applicable orders of the Bankruptcy Court, the Bankruptcy Code, and any limitations set forth herein, in the RSA or in the Confirmation Order.

Section 6.02. LLA Override

Reorganized Venoco will, upon LLA approval, transfer the LLA Override and the Unsecured LLA Override pursuant to the Divestment Letter Agreements.

Section 6.03. Sources of Cash for Plan Distributions

Except as otherwise specifically provided herein or in the Confirmation Order, all Cash required for the payments to be made hereunder shall be obtained from the Reorganized Debtors. For the avoidance of doubt, all of the Debtors' Cash was subject to valid, perfected and unavoidable Liens in favor of the Prepetition Secured Parties as of the Petition Date.

Section 6.04. Issuance of New Common Stock, New Warrants and Unsecured LLA Override Shares

(a) Issuance of Securities. On the Effective Date: (i) the existing Equity Interests in DPC and Venoco will be cancelled, extinguished and discharged; (ii) the New Common Stock and New Warrants will be issued and, as soon as practicable thereafter, distributed, as provided

for in ARTICLE II and ARTICLE III of this Plan, as provided in the Reorganized Venoco Organizational Documents; and (iii) the Unsecured LLA Override Shares will be issued and, as soon as practicable thereafter, distributed, as provided for in Section 3.03(e) of this Plan. The issuance by Reorganized Venoco of the New Common Stock and the New Warrants, the issuance of shares pursuant to the exercise of the New Warrants, and the issuance to the Noteholder HoldCo of the Unsecured LLA Override is authorized without the need for any further corporate action and without any further action by any holder of a Claim or Equity Interest.

(b) Exemption from Registration. The offering, issuance, and distribution of the New Common Stock, New Warrants and Unsecured LLA Override Shares shall be exempt from the registration requirements of section 5 of the Securities Act under section 1145(a) of the Bankruptcy Code.

(c) SEC Reporting Requirements. On the Effective Date, none of the New Common Stock or the New Warrants will be listed on a national securities exchange, the Reorganized Debtors will not be reporting companies under the Securities Exchange Act, the Reorganized Debtors shall not be required to and will not file reports with the Securities and Exchange Commission or any other entity or party, and the Reorganized Debtors shall not be required to file monthly operating reports, or any other type of report, with the Bankruptcy Court after the Effective Date. In order to prevent the Reorganized Debtors from becoming subject to the reporting requirements of the Securities Exchange Act, except in connection with a public offering, the Organizational Documents may impose certain trading restrictions, and the New Common Stock and the New Warrants will be subject to certain transfer and other restrictions, as described in clause (ii) of Section 6.17 of this Plan designed to maintain the Reorganized Debtors as private, non-reporting companies.

(d) Restrictions on New Common Stock Distributed on Account of Claims and Interests. Notwithstanding any Electing New Common Stock and Unsecured LLA Override Recipient election by a holder of Class V5 8.875% Senior Note Claims, to the extent determined by the Debtors or the Reorganized Debtors, as applicable, to be necessary to ensure that the total number of recipients of New Common Stock or New Warrants pursuant to the Plan does not cause the Reorganized Debtors to become subject to the reporting requirements of the Securities Exchange Act, the Debtors or the Reorganized Debtors, as applicable, shall be permitted to make distributions (i) from the $6,500,000 in Cash to be distributed on account of the Class V5 8.875% Allowed Senior Notes Claims to holders of Class V5 8.875% Senior Notes Claims and (ii) in Cash to holders of Class D3 Senior PIK Toggle Notes Claims or Class D4 General Unsecured Claims, in each case in an amount equal to the value of the New Common Stock or New Warrants, as applicable, that would otherwise be distributed under the Plan on account of such Claims, to the extent necessary to ensure that the Reorganized Debtors do not become subject to the reporting requirements of the Securities Exchange Act, which distribution shall start with the smallest Allowed Claim in any such Class and will proceed in ascending size of Allowed Claims in any such Class as necessary to ensure that the Reorganized Debtors do not become subject to the reporting requirements of the Securities Exchange Act.

Section 6.05. Organizational Documents

On the Effective Date, the Organizational Documents of the Debtors shall be deemed amended and restated in substantially the form set forth in the Plan Supplement, without any further action by the managers, directors, or equity holders of the Debtors or the Reorganized Debtors. The amended and restated Organizational Documents will, among other things, contain appropriate provisions prohibiting the issuance of nonvoting equity securities to the extent required by section 1123(a)(6) of the Bankruptcy Code. On the Effective Date, or as soon as practicable thereafter, the Debtors or the Reorganized Debtors will, if required by applicable state law, file with the Secretary of State of the appropriate jurisdiction the amended and restated Organizational Documents.

Section 6.06. Intercompany Equity Interests

In order to preserve corporate structure, the Intercompany Equity Interests shall be retained and the legal, equitable, and contractual rights to which the holder of such Intercompany Equity Interests is entitled shall remain unaltered.

Section 6.07. Dissolution of DPC

As soon as practicable following the Effective Date, the Equity Interests of DPC shall be deemed cancelled and of no further force and effect, and deemed extinguished without any further corporate action. Any officers and directors of DPC shall be deemed to have been removed. DPC shall have no assets or operations, and shall liquidate as soon as practicable, following the Effective Date, without any further corporate action.

Section 6.08. Continued Corporate Existence and Vesting of Assets

With the exception of DPC, which will be dissolved as soon as possible following the Effective Date pursuant to Section 6.07 of this Plan: (i) each Debtor will, as a Reorganized

Debtor, continue to exist after the Effective Date as a separate legal entity, with all of the powers of such a legal entity under applicable law and without prejudice to any right to alter or terminate such existence (whether by merger, dissolution or otherwise) under applicable law; and (ii) on the Effective Date, all property of each Debtor's Estate, and any property acquired by each Debtor or Reorganized Debtor under the Plan, will vest in such Reorganized Debtor free and clear of all Claims, Liens, charges and other encumbrances. On and after the Effective Date, each Reorganized Debtor may operate its business and may use, acquire, and dispose of property and compromise or settle any claims without supervision or approval by the Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, subject only to those restrictions expressly imposed by the Plan or the Confirmation Order as well as the documents and instruments executed and delivered in connection therewith, including the documents, exhibits, instruments, and other materials comprising the Plan Supplement. Without limiting the foregoing, the Reorganized Debtors may pay the charges that they incur from and after the Effective Date for professional fees, disbursements, expenses, or related support services (including fees relating to the preparation of Professional fee applications) without application to, or the approval of, the Bankruptcy Court.

Section 6.09. Management of the Reorganized Debtors

As of the Effective Date, the term of current members of the boards of directors for Venoco shall expire without further action by any Person. The initial directors of the board of Reorganized Venoco nominated by the Requisite Majority Consenting Secured Noteholders shall be identified in the Plan Supplement.

From and after the Effective Date, the officers identified in the Plan Supplement shall manage Reorganized Venoco. The officers of Reorganized Venoco shall have the power to enter into or execute any documents or agreements that they deem reasonable and appropriate to effectuate the terms of the Plan.

Section 6.10. Existing Benefits Agreements and Retiree Benefits

(a) Except as such benefits may be otherwise terminated by the Debtors in a manner permissible under applicable law, the Existing Benefits Agreements shall be deemed assumed as of the Effective Date, subject to the consent of the Requisite Majority Consenting Secured Noteholders. Notwithstanding anything to the contrary contained herein, pursuant to section 1129(a)(13) of the Bankruptcy Code, on and after the Effective Date, all retiree benefits (as such term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

(b) On the Effective Date, the Employee Stock Ownership Plan shall be terminated. Reorganized Venoco shall take all actions necessary or appropriate to terminate the Employee Stock Ownership Plan in accordance with the provisions of applicable law.

Section 6.11. Management Incentive Plan

On or after the Effective Date, Reorganized Venoco shall adopt the Management Incentive Plan, which shall provide for the distribution, and the reservation for future issuance, as applicable, of the New MIP Warrants to participating officers, directors and employees of the

Reorganized Debtors as determined by the newly appointed board of directors of Reorganized Venoco. For the avoidance of doubt, the Management Incentive Plan is an entirely post-Effective Date compensation plan and awards thereunder, to the extent earned, shall be paid by the Reorganized Debtors, and the Bankruptcy Court's confirmation of the Plan shall not be deemed to be an approval or authorization of the specific terms of the Management Incentive Plan or any other management incentive program.

Section 6.12. Employment Agreements

On or after the Effective Date, Reorganized Venoco shall enter into the Employment Agreement, which shall provide for the ongoing employment of TMM. The Employment Agreement provides for the assignment of the LLA Override to TMM and the payment of the salary and benefits set forth therein. For the avoidance of doubt, the Employment Agreement is an entirely post-Effective Date employment agreement and the compensation thereunder shall be paid by the Reorganized Debtors, and the Bankruptcy Court's confirmation of the Plan shall not be deemed to be an approval or authorization of the specific terms of the Employment Agreement.

Section 6.13. Causes of Action

(a) Preservation of Causes of Action Other Than Avoidance Actions

In accordance with section 1123(b) of the Bankruptcy Code or any corresponding provision of federal or state laws, and except as expressly released by this Plan, Final DIP Order, Confirmation Order or other Final Order: (i) on the Effective Date, all Causes of Action of the Debtors shall be transferred to and vest in the Reorganized Debtors; and (ii) on and after the Effective Date, all such Causes of Action for the Debtors shall be retained by the Reorganized Debtors, which may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) any or all of such Causes of Action on behalf of the Debtors; provided, however, that as of the Effective Date, all Avoidance Actions of the Debtors shall be deemed to be waived and released. For the avoidance of doubt, the Debtors and the Reorganized Debtors, as applicable, shall not retain any Causes of Action against the Released Parties.

(b) No Waiver

Except as otherwise provided in Section 6.13(a) or Section 11.02 of this Plan, or as released by the Final DIP Order, the Confirmation Order or other Final Order, nothing in this Plan shall be deemed to be a waiver or relinquishment of any Claim, Cause of Action, account receivable, right of setoff, or other legal or equitable right or defense that the Reorganized Debtors may have or choose to assert on behalf of the Debtors or their respective Estates under any provision of the Bankruptcy Code or any applicable non-bankruptcy law. No Entity may rely on the absence of a specific reference in this Plan to any Cause of Action or account receivable against it as an indication that the Reorganized Debtors will not pursue any and all available Causes of Action or accounts receivable against it, and all such rights to prosecute or pursue any and all Causes of Action or accounts receivable against any Entity are expressly reserved for later adjudication and, therefore, no preclusion doctrine, including, without limitation, the doctrines of *res judicata*, collateral estoppel, estoppel (judicial, equitable or otherwise) or laches,

shall apply to such Causes of Action or accounts receivable upon or after the Confirmation or Consummation of the Plan.

Section 6.14. Restructuring Transactions

On or before the Effective Date or as soon as reasonably practicable thereafter and with the consent of the Requisite Majority Consenting Secured Noteholders, the Debtors or the Reorganized Debtors (as applicable) are authorized, without further order of the Bankruptcy Court, to take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by or necessary to effectuate the Restructuring Transactions under and in connection with this Plan, including, without limitation: (a) the execution and delivery of all appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of this Plan, and that satisfy the requirements of applicable law and any other terms to which the applicable Entities may agree; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of this Plan and having other terms for which the applicable parties agree; (c) rejection or assumption, as applicable, of Executory Contracts and Unexpired Leases; (d) selection of the board of directors (or equivalent) of the Reorganized Debtors; (e) the filing or execution of appropriate limited liability company agreements, certificates or articles of incorporation or organization, reincorporation, merger, consolidation, conversion or dissolution pursuant to applicable state law; (f) the conversion of Venoco into a limited liability company for corporate purposes; provided that, for the avoidance of doubt, such limited liability company shall elect to be treated as a corporation for U.S. federal, state and local tax purposes; (g) the consummation of the transactions contemplated by any post-effective date financing and the execution thereof; (h) the issuance of the New Common Stock and the New Warrants, and the execution (or deemed execution) of all documents related thereto, including, but not limited to, the New Shareholders Agreement; and (i) all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law.

Section 6.15. Determination of Tax Filings and Taxes of the DPC Group

For all taxable periods ending on or prior to, or including, the Effective Date, Venoco shall prepare and file (or cause to be prepared and filed) all tax returns, reports, certificates, forms or similar statements or documents (collectively, "Group Tax Returns") on behalf of the consolidated, unitary, combined or any similar tax group the parent of which is DPC that includes Venoco or any subsidiary thereof (the "DPC Group") as well as all separate tax returns of DPC required to be filed or that Venoco otherwise deems appropriate, including the filing of amended Group Tax Returns or requests for refunds. DPC shall not file or amend any tax returns for DPC itself or the DPC Group for any taxable periods (or portions thereof) without Venoco's prior written consent.

Accordingly, Venoco is hereby appointed pursuant to section 1123(b)(3)(B) of the Bankruptcy Code to handle tax matters, including without limitation, the filing of all tax returns, and the handling of tax audits and proceedings, of the DPC Group. Without limiting the generality of the foregoing, if requested by Venoco, DPC shall promptly execute or cause to be

executed and filed any tax returns or other tax filings of DPC or the DPC Group submitted by Venoco to DPC for execution or filing. Moreover, DPC shall execute on or prior to the Effective Date a power of attorney authorizing Venoco to correspond, sign, collect, negotiate, settle and administer tax payments and Group Tax Returns.

Each of the Debtors shall cooperate fully with each other regarding the implementation of this Section 6.15 (including the execution of appropriate powers of attorney) and shall make available to the other as reasonably requested all information, records and documents relating to taxes governed by this Section 6.15 until the expiration of the applicable statute of limitations or extension thereof or at the conclusion of all audits, appeals or litigation with respect to such taxes.

Venoco shall have the right to request an expedited determination of the tax liability, if any, of the Reorganized Debtors (including Venoco or DPC) under section 505(b) of the Bankruptcy Code with respect to any tax returns filed, or to be filed, for any and all taxable periods ending after the Commencement Date through the Effective Date.

If DPC receives written notice from a taxing authority of any pending examination, claim, settlement, proposed adjustment or related matters with respect to taxes, it shall promptly notify Venoco in writing. Venoco shall have the sole right, at its expense, to control, conduct, compromise and settle any tax contest, audit or administrative or court proceeding relating to any liability for taxes of DPC and the DPC Group. With respect to any such proceeding and with respect to the preparation and filing of any tax returns of DPC or the DPC Group, Venoco may act in its own self-interest and in the interest of its subsidiaries and affiliates, without regard to any adverse consequences to DPC.

To the extent permitted by law, DPC shall designate Venoco as the "agent" or "substitute agent" (within the meaning of Treasury Regulation sections 1.1502-77 and 1.1502-77B, respectively) for the Venoco Group in accordance with Treasury Regulation sections 1.1502-77 and 1.1502-77B, as amended or supplemented, and any comparable provision under state or local law, with respect to all taxable periods ending on or before, or including, the Effective Date.

Venoco shall be entitled to the entire amount of any refunds and credits (including interest thereon) with respect to or otherwise relating to any taxes of the DPC Group, including for any taxable period ending on or prior to, or including, the Effective Date. DPC shall promptly notify Venoco of the receipt of any such refunds or credits and shall transfer any such refunds to Venoco by wire transfer or otherwise in accordance with written instructions provided by Venoco.

Section 6.16. New Shareholders Agreement

On the Effective Date, the holders of Allowed First Lien Note Claims, the Backstoppers and the holders of Allowed 8.875% Senior Notes Claims, in each case, who receive New Common Stock shall enter into, and be deemed to have entered into, and become subject to the following terms which will be incorporated into a New Shareholders Agreement or Organizational Documents. The New Shareholders Agreement or Organizational Documents

will, *inter alia*, provide the following rights to holders of New Common Stock issued pursuant to the Plan:

(i) Monthly financial information in customary form to be provided to all holders of New Common Stock who own more than 1% of the New Common Stock and are bound by customary confidentiality obligations reasonably acceptable to the Reorganized Debtors. Such monthly financial information may be provided by such holders to prospective bona fide transferees of such holders' New Common Stock who have executed a customary confidentiality agreement reasonably acceptable to the Reorganized Debtors.

(ii) No restrictions on the ability of holders of shares of the New Common Stock to transfer such shares subject to (i) all transferees being qualified institutional buyers or accredited investors (in each case, as defined under the U.S. securities laws, rules and regulations), (ii) a prohibition against transfer to specified competitors of the Reorganized Debtors, (iii) a prohibition against transfers that could reasonably be expected to cause the Reorganized Debtors to have more than five hundred shareholders who are not accredited investors or two thousand shareholders who are accredited investors, or become a reporting company under applicable securities law, (iv) a prohibition against transfers requiring registration (whether of the Reorganized Debtors, such transfer or such shares of New Common Stock) pursuant to applicable securities law, (v) compliance with applicable law (including applicable securities laws), (vi) execution of a joinder to the New Shareholders Agreement, if applicable, (vii) compliance with all applicable terms of the New Shareholders Agreement, and (viii) such transfer not being a non-exempt "prohibited transaction" under ERISA or the U.S. federal tax code and not causing all or any portion of the assets of the Reorganized Debtor to constitute "plan assets" under ERISA or Section 4975 of the U.S. federal tax code.

(iii) Pro rata preemptive rights for issuances of equity securities with customary carve-outs.

(iv) Customary pro rata tag-along rights for all holders of New Common Stock in connection with transfers of shares of New Common Stock by one or more holders thereof comprising a percentage equity interest in Reorganized Venoco above a threshold to be agreed upon by the parties at a later time.

(v) Customary drag-along rights for holders of a majority of New Common Stock in connection with a sale of all or substantially all of the equity or assets of the Reorganized Debtors (whether by way of a merger, share purchase, reorganization, consolidation or other business combination transaction).

Section 6.17. Preservation of Royalty and Working Interests

Notwithstanding any other provision in the Plan, on and after the Effective Date, all Royalty and Working Interests shall be fully preserved and remain in full force and effect in accordance with the terms of the granting instruments or other governing documents applicable to such Royalty and Working Interests, which granting instruments and governing documents shall equally remain in full force and effect, and no Royalty and Working Interests shall be compromised or discharged by the Plan.

Section 6.18. Payment of Fees and Expenses Under DIP Orders or RSA

On the later of (a) the Effective Date and (b) the date on which such fees, expenses or disbursements would be required to be paid under the terms of the applicable DIP Order or the RSA, the Debtors or Reorganized Debtors (as applicable) shall pay all fees, expenses and disbursements of (i) the First Lien Notes Trustee, (ii) the Second Lien Notes Trustee and (iii) the Restructuring Support Parties, in each case, that have accrued and are unpaid as of the Effective Date and are required to be paid under or pursuant to the applicable DIP Order or the RSA. All payments of fees, expenses or disbursements pursuant to this Section 6.18 shall be subject in all respects to the terms of the applicable DIP Orders and the RSA.

Section 6.19. Objecting Noteholders Settlement

Pursuant to Section 14.01 of this Plan, and in consideration of the DPC Settlement Payments, the Objecting Noteholders shall: (a) cast Ballots for the entire amount of Senior PIK Toggle Notes held by the Objecting Noteholders in favor of the Plan in Class D3 (Senior PIK Toggle Notes Claims), and not opt out of the releases with respect to such Ballots; (b) cast Ballots for the entire amount of 8.875% Senior Notes held by the Objecting Noteholders in favor of the Plan in Class V5 (8.875% Senior Notes Claims), and not opt out of the releases with respect to such Ballots; (c) withdraw the Objecting Noteholders' objection to confirmation of the Plan [D.I. 304]; (d) take reasonable best efforts to effect the withdrawal of the Senior PIK Toggle Notes Trustee Joinder and facilitate support of the Objecting Noteholders Settlement from the Senior PIK Toggle Notes Trustee; and (e) take reasonable best efforts to facilitate support of the Objecting Noteholders Settlement from other holders of Senior PIK Toggle Notes (collectively, the "Objecting Noteholders Settlement").

ARTICLE VII
TREATMENT OF EXECUTORY CONTRACTS AND LEASES

Section 7.01. Treatment of Executory Contracts and Unexpired Leases

All Executory Contracts and Unexpired Leases not expressly rejected shall be deemed assumed pursuant to the Plan. The Plan Supplement shall contain (a) a schedule of Executory Contracts and Unexpired Leases to be assumed by the Debtors, including proposed Cure Costs (the "Assumed Contract Schedule"); and (b) a schedule of Executory Contracts and Unexpired Leases to be rejected by the Debtors as of the Effective Date (the "Rejected Contract Schedule"), determined by the Debtors in consultation with the Requisite Majority Consenting Secured Noteholders. On the fourteenth (14th) day after the Effective Date, and to the extent permitted by

applicable law, all of the Debtors' Executory Contracts and Unexpired Leases that are not listed on the Rejected Contract Schedule will be assumed irrespective of whether they are listed on the Assumed Contract Schedule. All Executory Contracts and Unexpired Leases identified on the Rejected Contract Schedule shall be deemed rejected as of the Effective Date.

The Debtors shall notify all counterparties to contracts on the Assumed Contract Schedule and the Rejected Contract Schedule of the filing of such Schedules and shall provide notice of such Schedules on the Debtors' restructuring website available at http://www.bmcgroup.com/venoco, and such notice shall be deemed good and sufficient notice for the purposes of section 365 of the Bankruptcy Code and otherwise.

Notwithstanding the foregoing, the Debtors may, with the consent of the Requisite Majority Consenting Secured Noteholders, alter, amend, modify or supplement the list of Executory Contracts or Unexpired Leases identified in the Assumed Contract Schedule or the Rejected Contract Schedule at any time prior to the Effective Date by filing a revised Assumed Contract Schedule or Rejected Contract Schedule with the Bankruptcy Court.

Section 7.02. Cure Costs

The monetary amounts by each of the Executory Contracts and Unexpired Leases is in default and shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, shall be the Cure Costs identified on the Assumed Contract Schedule; *provided, however*, if a counterparty to any of the Executory Contracts or Unexpired Leases identified on the Assumed Contract Schedule files with the Bankruptcy Court, and serves on the Debtors and their counsel, a written objection to the proposed Cure Cost prior to the Cure Cost Objection Deadline (as defined below), then the Cure Cost associated with such Executory Contract or Unexpired Lease will be determined as set forth below.

Counterparties to the contracts on the Assumed Contract Schedule shall have until the later of the fourteenth (14th) day after (a) service of the Assumed Contract Schedule and (b) amendment of the Assumed Contract Schedule (the "Cure Cost Objection Deadline") to file an objection with the Bankruptcy Court with respect to the proposed Cure Costs or be forever barred from seeking any amounts exceeding the proposed Cure Costs on the Assumed Contract Schedule from the Debtors or the Reorganized Debtors and from filing any statutory lien against the Reorganized Debtors or their properties for such amounts. Unless there is a dispute as to Cure Costs, on the fourteenth (14th) day after the Cure Cost Objection Deadline, the Executory Contracts and Unexpired Leases identified in the Assumed Contract Schedule shall be assumed by the Debtors and vest in and be fully enforceable by the Reorganized Debtors or an Affiliate of the Reorganized Debtors, as designated by the Reorganized Debtors.

If an objection to a Cure Cost is timely filed with the Bankruptcy Court, then the Debtors or the Reorganized Debtors shall in good faith attempt to resolve the Cure Cost dispute. If the parties are unable to agree on a Cure Cost within ten (10) days after the filing of an objection, then the Debtors or the Reorganized Debtors, as applicable, may request that the Bankruptcy Court establish the applicable Cure Cost.

The Debtors shall satisfy the Cure Costs of assumed Executory Contracts and Unexpired Leases in Cash by the latest of (i) the Effective Date (or as soon thereafter as is practicable), (ii) in the event of a dispute regarding the Cure Cost, within thirty (30) days of the entry of an order of the Bankruptcy Court establishing such Cure Cost, or (iii) on such other terms as the parties to such Executory Contracts and Unexpired Leases and the Requisite Majority Consenting Secured Noteholders may otherwise agree.

Notwithstanding the foregoing, in the event of a dispute regarding: (1) the ability of the Reorganized Debtors to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed or (2) any other matter pertaining to assumption (each, an "Assumption Dispute"), the Cure Costs required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order resolving the Assumption Dispute and approving the assumption; provided, however, that in the event the Debtors or the Reorganized Debtors and the applicable non-Debtor party involved in any Assumption Dispute or any dispute regarding Cure Costs cannot otherwise consensually resolve such dispute, the Debtors or the Reorganized Debtors, as applicable, may reject the Executory Contract at issue pursuant to section 365 of the Bankruptcy Code rather than paying the disputed Cure Cost, by presenting a proposed order to the Bankruptcy Court for such rejection, without any other or further notice. In the event any Executory Contract is so rejected, the non-Debtor party thereto shall be entitled to file a Proof of Claim in accordance with the Bar Date Order, which Claim shall be classified pursuant to the Plan, but shall not be entitled to any other or further Claim or relief from either the Debtors or the Reorganized Debtors.

Section 7.03. Assumed Executory Contracts and Unexpired Leases

Each Executory Contract and Unexpired Lease that is assumed will include (a) all amendments, modifications, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affect such Executory Contract or Unexpired Lease; and (b) all Executory Contracts or Unexpired Leases and other rights appurtenant to the property, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, reciprocal easement agreements, vaults, tunnel or bridge agreements or franchises, and any other interests in real estate or rights in rem related to such premises, unless any of the foregoing agreements have been rejected pursuant to an order of the Bankruptcy Court or are the subject of a motion to reject filed on or before the Confirmation Date.

Amendments, modifications, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during these Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

Section 7.04. Insurance Policies

Notwithstanding anything in this Plan to the contrary, all of the Debtors' insurance policies and any agreements, documents or instruments relating thereto, are treated as and deemed to be Executory Contracts under the Plan. On the Effective Date and subject to the consent of the Requisite Majority Consenting Secured Noteholders, the Debtors shall assume all

insurance policies and any agreements, documents, and instruments related thereto, except to the extent insurance policies and any agreements, documents, and instruments related thereto have previously been rejected pursuant to section 365 of the Bankruptcy Code. Unless otherwise determined by the Bankruptcy Court prior to the Effective Date, or agreed to by the parties thereto prior to the Effective Date, no payments shall be required to cure any defaults (if any) of the Debtors existing as of the Effective Date with respect to each such insurance policy or agreement, and to the extent that the Bankruptcy Court determines otherwise as to any such insurance policy or agreement, the Debtors' right to seek the rejection of such insurance policy or agreement or other available relief within thirty (30) days of such determination are fully reserved; provided, however, that the rights of any party that issues an insurance policy or agreement to object to such proposed rejection on any and all grounds are fully reserved. Nothing in the Plan, the Plan Documents, the Plan Supplement or the Confirmation Order, (a) alters, modifies or otherwise amends the terms and conditions of (or the coverage provided by) any of the insurance policies or agreements, (b) limits the Reorganized Debtors from asserting a right or claim to the proceeds of any insurance policy or agreement that insures any Debtor, was issued to any Debtor or was assumed by the Reorganized Debtors by operation of the Plan or (c) impairs, alters, waives, releases, modifies or amends any of the Debtors' or Reorganized Debtors' legal, equitable or contractual rights, remedies, claims, counterclaims, defenses or Causes of Action in connection with any of such insurance policies or agreements.

Section 7.05. Officers' and Directors' Indemnification Rights

On the Effective Date and subject to the consent of the Requisite Majority Consenting Secured Noteholders, the Debtors shall assume each indemnification obligation to a director, officer, manager or employee who was employed by any of the Debtors on the Effective Date in such capacity shall be deemed assumed effective as of the Effective Date. Each indemnification obligation that is deemed assumed pursuant to the Plan shall (i) remain in full force and effect, (ii) not be modified, reduced, discharged, impaired or otherwise affected in any way, (iii) be deemed and treated as an Executory Contract pursuant to sections 365 and 1123 of the Bankruptcy Code regardless of whether or not Proofs of Claim have been filed with respect to such obligations and (iv) survive Unimpaired and unaffected irrespective of whether such indemnification is owed for an act or event occurring before or after the Petition Date.

Section 7.06. Claims Based on Rejection of Executory Contracts and Unexpired Leases

Unless otherwise provided by a Bankruptcy Court order, any Proofs of Claim asserting Claims arising from the rejection of the Debtors' Executory Contracts and Unexpired Leases pursuant to this Plan or otherwise must be filed no later than fourteen (14) days after the Confirmation Order is entered granting the rejection. Any Proofs of Claim arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases that are not timely filed shall be disallowed automatically, forever barred from assertion, and shall not be enforceable against the Debtors or the Reorganized Debtors without the need for any objection by any Person or further notice to or action, order, or approval of the Bankruptcy Court, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Bankruptcy Schedules or a Proof of Claim to the contrary. All Allowed Claims arising from the rejection of the Debtors' Executory Contracts and Unexpired Leases shall be classified as General Unsecured Claims and shall be

treated in accordance with the particular provisions of this Plan for such Claims; provided, however, that if the Holder of an Allowed Claim for rejection damages has an unavoidable security interest in any Collateral to secure obligations under such rejected Executory Contract or Unexpired Lease, theAllowed Claim for rejection damages shall be treated as an Other Secured Claim to the extent of the value of such Holder's interest in the Collateral, with the deficiency, if any, treated as a General Unsecured Claim.

Section 7.07. Reservation of Rights

Nothing contained in this Plan shall constitute an admission by the Debtors that any particular contract is in fact an Executory Contract or Unexpired Lease or that the Debtors have any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors or the Reorganized Debtors, as applicable, shall have thirty (30) days following entry of a Final Order resolving such dispute to alter and to provide appropriate treatment of such contract or lease.

Section 7.08. Assignment

Any Executory Contract or Unexpired Lease to be held by any of the Debtors or the Reorganized Debtors and assumed hereunder or otherwise in these Chapter 11 Cases, if not expressly assigned to a third party previously in these Chapter 11 Cases, will be deemed assigned to the applicable Reorganized Debtor pursuant to section 365 of the Bankruptcy Code. If an objection to a proposed assumption, assumption and assignment, or Cure Claim is not resolved in favor of the Debtors before the Effective Date, the applicable Executory Contract may be designated by the Debtors (with the consent of the Requisite Majority Consenting Secured Lenders) or the Reorganized Debtors for rejection within five (5) days of the entry of the order of the Court resolving the matter against the Debtors. Such rejection shall be deemed effective as of the Effective Date.

Section 7.09. Nonoccurrence of the Effective Date

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request by the Debtors to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code.

ARTICLE VIII
PROVISIONS GOVERNING DISTRIBUTIONS

Section 8.01. Amount of Distributions

Notwithstanding anything to the contrary herein, no holder of an Allowed Claim shall, on account of such Allowed Claim, receive a distribution in excess of the Allowed amount of such Claim to the extent payable in accordance with this Plan.

Section 8.02. Method of Distributions

The Reorganized Debtors shall have the authority, in their sole discretion, to enter into agreements with a third-party Distribution Agent to facilitate the distributions required hereunder. To the extent the Reorganized Debtors do determine to utilize a third-party Distribution Agent to facilitate the distributions under the Plan to holders of Allowed Claims, any such Distribution Agent would first be required to: (a) affirm its obligation to facilitate the prompt distribution of any documents; (b) affirm its obligation to facilitate the prompt distribution of any recoveries or distributions required under the Plan; (c) waive any right or ability to setoff, deduct from or assert any lien or encumbrance against the distributions required under the Plan to be distributed by such Distribution Agent; and (d) post a bond, obtain or surety or provide some other form of security for the performance of its duties, the costs and expenses of procuring which shall be borne by the Reorganized Debtors. In no case shall the Reorganized Debtors, acting as the Distribution Agent, be required to post a bond or other form of security for the performance of their duties.

The Debtors or the Reorganized Debtors, as applicable, shall be authorized, but not directed, to pay to any third-party Distribution Agent all reasonable and documented fees and expenses of such Distribution Agent without the need for any approvals, authorizations, actions, or consents. The Distribution Agent shall be authorized, but not directed, to submit detailed invoices to the Debtors or the Reorganized Debtors, as applicable, for all fees and expenses for which the Distribution Agent seeks reimbursement and the Debtors or the Reorganized Debtors, as applicable, shall pay those amounts that they, in their sole discretion, deem reasonable, and shall object in writing to those fees and expenses, if any, that the Debtors or the Reorganized Debtors, as applicable, deem to be unreasonable. In the event that the Debtors or the Reorganized Debtors, as applicable, object to all or any portion of the amounts requested to be reimbursed in a Distribution Agent's invoice, the Debtors or the Reorganized Debtors, as applicable, and such Distribution Agent shall endeavor, in good faith, to reach mutual agreement on the amount of the appropriate payment of such Disputed fees or expenses. In the event that the Debtors or the Reorganized Debtors, as applicable, and a Distribution Agent are unable to resolve any differences regarding Disputed fees or expenses, either party shall be authorized to move to have such dispute heard by the Bankruptcy Court.

Section 8.03. Delivery of Distributions

Except as provided herein, distributions to holders of Allowed Claims shall be made at the address of the holder of such Claim as indicated in the Claims Register as of the Distribution Record Date. A Distribution Agent shall have no obligation to recognize the transfer of or sale of any Claim that occurs after the close of business on the Distribution Record Date, and will be entitled for all purposes herein to recognize and distribute only to those holders of Allowed Claims who are holders as of the close of business on the Distribution Record Date.

Pursuant to Section 3.03(e) of this Plan, the Distribution of the Cash on account of the Class V5 8.875% Senior Notes Claims shall be made to the 8.875% Senior Notes Trustee, which shall distribute such Cash Pro Rata to the holders of Class V5 8.875% Senior Notes Claims; provided, however, that the 8.875% Senior Notes Trustee may, prior to any such distribution to the holders of Class V5 8.875% Senior Notes Claims, deduct from such Cash distributions (i)

any amounts due to the 8.875% Senior Notes Trustee for fees, expenses, and indemnities (including the fees and expenses of its attorneys and other professionals) due and owing to it under the 8.875% Senior Notes Indenture, and (ii) reasonable amounts required to be used to pay for anticipated future administrative expenses related to the Noteholder Holdco as determined in good faith by a majority in amount of the Consenting Unsecured Noteholders. The Reorganized Debtors shall be solely responsible for the distribution of the New Common Stock Pro Rata to holders of Class V5 8.875% Senior Notes Claims. The distribution of the Unsecured LLA Override on account of the Class V5 8.875% Senior Notes Claims shall be made to Noteholder HoldCo on account of the Class V5 8.875% Senior Notes Claims who shall in turn distribute the Unsecured LLA Override Shares Pro Rata only to the holders of Class V5 8.875% Senior Notes Claims who timely submit the administrative questionnaire and tax form relating to the Unsecured LLA Override Shares. Unsecured LLA Override Shares shall not be issued to any holder of a Class V5 8.875% Senior Notes Claims that fails to timely submit the administrative questionnaire and tax form.

Pursuant to Section 3.02(c) of this Plan, the Distribution of the New DPC Warrants and DPC Settlement Payments (if the conditions in Section 3.02(c)(i)a of this Plan are met), and the DPC Residual Value, on account of the Class D3 Senior PIK Toggle Notes Claims shall be made to the Senior PIK Toggle Notes Trustee, which shall distribute such New DPC Warrants, DPC Residual Value and DPC Settlement Payments Pro Rata, as applicable, to the holders of Class D3 Senior PIK Toggle Notes Claims; provided, however, that the Senior PIK Toggle Notes Trustee may, prior to any such distribution to the holders of Class D3 Senior PIK Toggle Notes Claims, deduct from such distributions any amounts due to the Senior PIK Toggle Notes Trustee for fees, expenses, and indemnities (including the fees and expenses of its attorneys and other professionals) due and owing to it under the Senior PIK Toggle Notes Indenture.

Section 8.04. No Fractional or De Minimis Distributions

Notwithstanding anything contained herein to the contrary, payments of fractional dollars will not be made. Whenever any payment of a fraction of a dollar under the Plan would otherwise be called for, the actual payment made will reflect a rounding down of such fractions. A Debtor or a Reorganized Debtor, as applicable, or a Distribution Agent shall not be required to make any payment of less than $20.00 on any distribution.

Section 8.05. Undeliverable Distributions

(a) Holding of Undeliverable Distributions

If any distribution to a holder of an Allowed Claim is returned to a Debtor or a Reorganized Debtor, as applicable, or a Distribution Agent as undeliverable, no further distributions shall be made to such holder unless and until such Debtor or Reorganized Debtor, as applicable, or Distribution Agent is notified in writing of such holder's then-current address or other necessary information for delivery, at which time all currently due missed distributions shall be made to such holder as soon as practicable. Undeliverable Distributions shall remain in the possession of a Debtor or a Reorganized Debtor, as applicable, or a Distribution Agent until such time as a distribution becomes deliverable, and shall not be supplemented with any interest, dividends or other accruals of any kind.

(b) Failure to Claim Undeliverable Distributions

Except as otherwise provided in the New Shareholders Agreement, New Warrant Agreement or an agreement governing the distribution of Unsecured LLA Override Shares, any holder of an Allowed Claim that does not assert a Claim pursuant to this Plan for an Undeliverable Distribution within one hundred eighty (180) days after the distribution is distributed shall be deemed to have waived its Claim for such Undeliverable Distribution and shall be forever barred from asserting any such Claim against the Reorganized Debtors or their property. In such cases, notwithstanding any applicable federal or state escheat, abandoned or unclaimed property laws to the contrary, such Undeliverable Distribution shall be property of the relevant Reorganized Debtor, free of any restrictions thereon. Nothing contained in this Plan shall require the Debtors, the Reorganized Debtors, or a Distribution Agent to attempt to locate any holder of an Allowed Claim.

Section 8.06. Tax Withholding From Distributions

A Debtor or a Reorganized Debtor, as applicable, or a Distribution Agent shall withhold all amounts required by law to be withheld from payments made under this Plan. Any amounts so withheld from any payment made under the Plan shall be deemed paid to the holder of the Allowed Claim subject to withholding. Notwithstanding the above, each holder of an Allowed Claim that is to receive a distribution under this Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any taxes imposed on such holder by any Governmental Unit on account of such distribution, except for taxes withheld from payments made under the Plan. A Debtor or a Reorganized Debtor, as applicable, or a Distribution Agent has the right, but not the obligation, not to make a distribution until such holder has made arrangements satisfactory to a Debtor or a Reorganized Debtor, as applicable, or a Distribution Agent for payment of any withholding tax obligations. If a Debtor or a Reorganized Debtor, as applicable, or a Distribution Agent fails to withhold with respect to any such holder's distribution, and is later held liable for the amount of such withholding, the holder shall reimburse the relevant Debtor, Reorganized Debtor or any Distribution Agent, as applicable. Notwithstanding any provision in this Plan to the contrary, the Debtors, Reorganized Debtors or any Distribution Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under this Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms it believes are reasonable and appropriate. The Debtors, Reorganized Debtors or any Distribution Agent may require, as a condition to the receipt of a distribution, that the holder complete the appropriate Form W-8 or Form W-9, as applicable to each holder. If the holder fails to comply with such a request within six (6) months, such distribution shall be deemed an Undeliverable Distribution. Finally, a Debtor or a Reorganized Debtor, as applicable, or a Distribution Agent reserves the right to allocate all distributions made under this Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, Liens, and encumbrances.

Section 8.07. Allocations

Unless otherwise provided in this Plan, distributions in respect of Allowed Claims shall be allocated first to the principal amount (as determined for U.S. federal income tax purposes) of such Allowed Claims, and then, to the extent the consideration exceeds the principal amount of such Allowed Claims, to any portion of such Allowed Claims for accrued but unpaid interest.

Section 8.08. Time Bar to Cash Payments

Checks issued on account of Allowed Claims shall be null and void if not negotiated within ninety (90) days after the date of issuance therein. Requests for reissuance of any check shall be made in writing directly to the appropriate Debtor or Reorganized Debtor, or any Distribution Agent by the holder of the Allowed Claim with respect to which such check originally was issued. Any Claim in respect of such a voided check shall be made in writing on or before the later of one hundred eighty (180) days after the Effective Date or ninety (90) days after the date of issuance of such check. After such date, all Claims in respect of void checks shall be discharged and forever barred and the distribution on account of such Claims shall be treated in accordance with Section 8.05 of this Plan.

Section 8.09. Means of Cash Payments

Any Cash payment to be made pursuant to this Plan will be made in U.S. dollars by checks drawn on or by wire transfer from a domestic bank selected by a Debtor or a Reorganized Debtor, as applicable, or a Distribution Agent. No post-Effective Date interest shall be paid on Cash distributions hereunder.

Section 8.10. Foreign Currency Exchange Rates

As of the Effective Date, any Claim asserted in currency(ies) other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the mid-range spot rate of exchange for the applicable currency as published in *The Wall Street Journal*, National Edition, the day after the Petition Date.

Section 8.11. Setoffs

Except as otherwise provided herein (including Section 11.02 of this Plan), a Final Order of the Bankruptcy Court, or as agreed to by the holder of a Claim and the Debtors or Reorganized Debtors, as applicable, each Debtor or a Reorganized Debtor, as applicable, or a Distribution Agent may, pursuant to section 553 of the Bankruptcy Code and applicable non-bankruptcy law, set off against any Allowed Claim and the distributions to be made pursuant to this Plan on account of such Claim (before any distribution is made on account of such Claim), the claims, rights and Causes of Action of any nature that the Debtors or the Reorganized Debtors, as applicable, may hold against the holder of such Allowed Claim; provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release of any such claims, rights and Causes of Action that the Debtors or the Reorganized Debtors may possess against such holder.

Section 8.12. Claims Paid or Payable by Third Parties

A Claim shall be reduced in full and such Claim shall be disallowed without a Claims objection having to be filed and without any further notice to, or action, order or approval of, the Bankruptcy Court, to the extent that the holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor, Reorganized Debtor or a Distribution Agent. To the extent a holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor, a Reorganized Debtor or a Distribution Agent, such holder shall repay, return or deliver any distribution held by or transferred to the holder to the applicable Debtor or Reorganized Debtor, as applicable, to the extent the holder's total recovery on account of such Claim from the third party and under this Plan exceeds the total amount of such Claim.

ARTICLE IX
PROCEDURES FOR RESOLVING DISPUTED CLAIMS

Section 9.01. Prosecution of Objections to Claims

After the Effective Date, the Reorganized Debtors shall have and shall retain any and all rights and defenses they may have with respect to any Claim, and shall have the authority to file objections and to settle, compromise, withdraw or litigate to judgment objections to Claims (except those Allowed by, or released by, this Plan, or by the Final DIP Order, the Confirmation Order or other Final Order). The Reorganized Debtors shall file objections to any Disputed Claims in accordance with the Bankruptcy Rules on or before the Claims Objection Deadline, as the same may be extended pursuant to the terms of this Plan or order of the Bankruptcy Court.

Section 9.02. Estimation of Claims

The Debtors or the Reorganized Debtors, as applicable, may at any time request that the Bankruptcy Court estimate any contingent or unliquidated Claim, pursuant to section 502(c) of the Bankruptcy Code, regardless of whether the Debtors or the Reorganized Debtors, as applicable, previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time, including during litigation concerning any objection to any Claim, and during the pendency of any appeal relating to any such objection. If the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the applicable Debtor or Reorganized Debtor may elect to pursue any supplemental proceedings to object to the allowance and any ultimate payment on such Claim. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

Section 9.03. No Distributions on Disputed Claims

Notwithstanding any provision in this Plan to the contrary, no distributions, partial or otherwise, shall be made with respect to a Disputed Claim until all disputes with respect to such

Claim are resolved by Final Order. Subject to the provisions of this Plan, after a Disputed Claim becomes an Allowed Claim, the holder of such an Allowed Claim will receive all distributions to which such holder is then entitled under this Plan. No post-Effective Date interest shall be paid on distributions hereunder. If a Creditor incorporates more than one Claim in a Proof of Claim then: (a) such Claims will be considered one Claim for purposes of this Plan, and (b) no such Claim will be bifurcated into an Allowed portion and a Disputed portion.

ARTICLE X
CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THIS PLAN

Section 10.01. Conditions Precedent to Confirmation

It shall be a condition to Confirmation of the Plan that the Disclosure Statement Order shall have been entered by the Bankruptcy Court on the docket of the Chapter 11 Cases, in form and substance acceptable to the Debtors, the DIP Lenders and the Restructuring Support Parties (except that the consent of Consenting Unsecured Noteholders shall only be required to the extent provided for under the RSA), and such order shall not be subject to a stay.

Section 10.02. Conditions Precedent to the Effective Date

It shall be a condition to occurrence of the Effective Date of the Plan that the following conditions shall have been satisfied or waived pursuant to Section 10.03 of this Plan:

(i) all conditions precedent to Confirmation have been satisfied;

(ii) the RSA shall have been approved pursuant to a Final Order of the Bankruptcy Court and shall not have been terminated in accordance with its terms;

(iii) the Confirmation Order shall have been entered by the Bankruptcy Court on the docket of the Chapter 11 Cases, in form and substance acceptable to the Debtors, the DIP Lenders and the Restructuring Support Parties (except that the consent of Consenting Unsecured Noteholders shall only be required to the extent provided for under the RSA), and such order shall not be subject to a stay;

(iv) the Plan, the Plan Supplement, and all other documents related to the Restructuring Transactions shall each be in form and substance consistent with the RSA and this Plan and otherwise acceptable to the Debtors and Restructuring Support Parties (except that the consent of Consenting Unsecured Noteholders shall only be required to the extent provided for under the RSA);

(v) all other actions and documents necessary to implement the provisions of this Plan to be effectuated on or before the Effective Date (including but not limited to the Plan Supplement) shall be satisfactory to the Debtors, the

DIP Lenders, the Restructuring Support Parties (except that the consent of Consenting Unsecured Noteholders shall only be required to the extent provided for under the RSA); and

(vi) the Debtors shall have received all authorizations, consents, approvals, regulatory approvals, rulings, letters, opinions or documents, if any, necessary to implement this Plan.

Section 10.03. Effect of Non-Occurrence of Conditions to Confirmation or Conditions Precedent to the Effective Date

If the conditions in Section 10.01 and Section 10.02 of this Plan are not satisfied, or if the Confirmation Order is vacated, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (a) constitute a waiver or release of any Claims by or against, or any Equity Interests in, the Debtors; (b) prejudice in any manner the rights of the Debtors, or any other Person or Entity; or (c) constitute an admission, acknowledgment, offer or undertaking by the Debtors or any other Person or Entity in any respects.

Section 10.04. Waiver of Conditions Precedent

The Debtors may waive any of the conditions precedent set forth in Section 10.01 and Section 10.02 of this Plan in whole or in part at any time with the written consent of the DIP Lenders and the Consenting Secured Noteholders.

ARTICLE XI
EFFECT OF CONFIRMATION OF THIS PLAN

Section 11.01. Discharge of Claims Against and Equity Interests in the Debtors

Except as otherwise provided for herein or in the Confirmation Order and effective as of the Effective Date: (a) the rights afforded in this Plan and the treatment of all Claims against and Equity Interests in the Debtors shall be in exchange for and in complete satisfaction, discharge, and release of all Claims against and Equity Interests in, their property and Estates of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date; (b) this Plan shall bind all holders of Claims against and Equity Interests in the Debtors, notwithstanding whether any such holders failed to vote to accept or reject this Plan or voted to reject this Plan; (c) the Debtors shall be deemed discharged and released under and to the fullest extent provided under the Bankruptcy Code from any and all Claims against and Equity Interests in the Debtors, of any kind or nature whatsoever, and all Claims against and Equity Interests in the Debtors, their property and Estates shall be deemed satisfied, discharged, and released in full, and the Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under section 502(g) of the Bankruptcy Code; and (d) all Entities shall be precluded from asserting against the Debtors or the Reorganized Debtors, as applicable, their Estates, their successors and assigns and their assets and properties any and all Claims, Equity Interests, damages, debts, and other liabilities based upon any

documents, instruments, or any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date.

Section 11.02. Certain Releases by the Debtors

Notwithstanding anything contained herein to the contrary, on the Confirmation Date and effective as of the Effective Date, and to the fullest extent authorized by applicable law, for good and valuable consideration, the adequacy of which is hereby confirmed, the Released Parties are deemed conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by the Debtors, the Reorganized Debtors, their Estates and any Person or Entity seeking to exercise the rights of the Debtors, the Reorganized Debtors or their Estates from any and all claims, obligations, suits, judgments, damages, demands, debts, remedies, Causes of Action, rights of setoff, other rights, and liabilities whatsoever, whether for tort, contract, violations of federal or state securities laws, Avoidance Actions, including any derivative claims, asserted or that could possibly have been asserted directly or indirectly on behalf of the Debtors, the Reorganized Debtors, their Estates or their Affiliates, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, and any and all Causes of Action asserted or that could possibly have been asserted on behalf of the Debtors, the Reorganized Debtors, the Estates or their Affiliates (whether individually or collectively) or on behalf of the holder of any Claim or Equity Interest or other Entity, based on or in any way relating to, or in any manner arising from, in whole or in part, the Debtors, the Reorganized Debtors, their Estates or their Affiliates, the conduct of the Debtors' businesses, the negotiation and issuance of the First Lien Notes and the Second Lien Notes and any act or omission, transaction, agreement, event or other occurrence taking place in connection therewith, the formulation, preparation, solicitation, dissemination, negotiation, or filing of the Disclosure Statement or Plan or any contract, instrument, release, or other agreement or document created or entered into in connection with or pursuant to the Disclosure Statement, or the Plan, the filing and prosecution of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors, the formulation, preparation, negotiation, implementation or pricing of the Reallocation Procedures, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in the Plan, the business or contractual arrangements between the Debtors, their Estates or their Affiliates, on the one hand, and any Released Party, on the other hand, prepetition contracts and agreements with one or both Debtors, or any other act or omission, transaction, agreement, event, or other occurrence taking place before the Effective Date; provided that to the extent that a claim or Cause of Action (other than with respect to the negotiation and issuance of the First Lien Notes and the Second Lien Notes and any act or omission, transaction, agreement, event or other occurrence taking place in connection therewith) is determined by a Final Order to have resulted from fraud, gross negligence or willful misconduct of a Released Party, such claim or Cause of Action shall not be so released against such Released Party; provided further, that the foregoing "Release by the Debtors" shall be deemed to include any and all pre-Effective Date claims and Causes of Action which may be asserted against any Released Party and their respective predecessors, successors and assigns, and current and former shareholders, affiliates, subsidiaries, principals,

employees, agents, officers, directors, managers, trustees, partners, members, professionals, representatives, advisors, attorneys, financial advisors, accountants, investment bankers, and consultants, in each case in their capacity as such, at any time including (without limitation) arising from, related to, or in connection with any prepetition debt purchases or exchanges by Prepetition Secured Parties. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release any obligations arising on or after the Effective Date of any party under the Plan, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the release set forth in this Section 11.02, which includes by reference each of the related provisions and definitions contained herein, and further, shall constitute the Bankruptcy Court's finding that such release is: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the claims released by this Section 11.02; (c) in the best interests of the Debtors, their Estates and all holders of Claims and Equity Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any Entity asserting any claim or Cause of Action released by this Section 11.02.

Section 11.03. Certain Voluntary Releases by Holders of Claims and Equity Interests

Notwithstanding anything contained herein to the contrary, on the Confirmation Date and effective as of the Effective Date, and to the fullest extent authorized by applicable law, the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged the Released Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, remedies, Causes of Action, rights of setoff, other rights, and liabilities whatsoever, whether for tort, contract, violations of federal or state securities laws, Avoidance Actions, including any derivative claims, asserted or that could possibly have been asserted directly or indirectly on behalf of the Releasing Parties or their Affiliates, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, and any and all Causes of Action asserted or that could possibly have been asserted on behalf of the Releasing Parties or their Affiliates (whether individually or collectively) or on behalf of the holder of any Claim or Equity Interest or other Entity, based on or in any way relating to, or in any manner arising from, in whole or in part, the Debtors, their Estates or their Affiliates, the conduct of the Debtors' businesses, the negotiation and issuance of the First Lien Notes and the Second Lien Notes and any act or omission, transaction, agreement, event or other occurrence taking place in connection therewith, the formulation, preparation, solicitation, dissemination, negotiation, or filing of the Disclosure Statement or Plan or any contract, instrument, release, or other agreement or document created or entered into in connection with or pursuant to the Disclosure Statement, or the Plan; the filing and prosecution of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors, the formulation, preparation, negotiation, implementation or pricing of the Reallocation

Procedures, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in the Plan, the business or contractual arrangements between the Debtors, their Estates or their Affiliates, on the one hand, and any Released Party, on the other hand, prepetition contracts and agreements with one or both Debtors, or any other act or omission, transaction, agreement, event, or other occurrence taking place before the Effective Date; provided that to the extent that a claim or Cause of Action (other than with respect to the negotiation and issuance of the First Lien Notes and the Second Lien Notes and any act or omission, transaction, agreement, event or other occurrence taking place in connection therewith) is determined by a Final Order to have resulted from fraud, gross negligence or willful misconduct of a Released Party, such claim or Cause of Action shall not be so released against such Released Party; provided further, that the foregoing "Release by Holders of Claims and Equity Interests" shall be deemed to include any and all pre-Effective Date claims and Causes of Action which may be asserted against any Released Party and their respective predecessors, successors and assigns, and current and former shareholders, affiliates, subsidiaries, principals, employees, agents, officers, directors, managers, trustees, partners, members, professionals, representatives, advisors, attorneys, financial advisors, accountants, investment bankers, and consultants, in each case in their capacity as such, at any time, including (without limitation) arising from, related to, or in connection with any prepetition debt purchases or exchanges by Prepetition Secured Parties. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release any obligations arising on or after the Effective Date of any party under the Plan, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan. Notwithstanding anything to the contrary in the Plan or Confirmation Order, the Indenture Trustees shall be Releasing Parties only in their respective representative capacities, and not individually, and an Affiliate of an Indenture Trustee shall not be deemed to be a Releasing Party solely by reason of its relationship to an Indenture Trustee.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the release set forth in this Section 11.03, which includes by reference each of the related provisions and definitions contained herein, and further, shall constitute the Bankruptcy Court's finding that such release is: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the claims released by this Section 11.03; (c) in the best interests of the Debtors, their Estates and all holders of Claims and Equity Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any Entity granting a release under this Section 11.03 from asserting any claim or Cause of Action released by this Section 11.03.

Section 11.04. Exculpation

Effective as of the Effective Date and to the fullest extent authorized by applicable law, no Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from, any Exculpated Claim or any obligation, Cause of Action, or liability for any Exculpated Claim; provided that each Exculpated Party shall be entitled to rely upon the advice of counsel concerning his, her or its duties pursuant to, or in connection with, the Plan or any other related document, instrument, or agreement; provided, further,

that the foregoing "Exculpation" shall have no effect on the liability of any Exculpated Party to the extent determined in a Final Order to have resulted from actual fraud, gross negligence or willful misconduct of such Exculpated Party; provided, further, that the foregoing "Exculpation" shall be deemed to include any and all claims and Causes of Action arising before the Effective Date which may be asserted against any Exculpated Party or their respective predecessors, successors and assigns, and current and former shareholders, affiliates, subsidiaries, principals, employees, agents, officers, directors, managers, trustees, partners, members, professionals, representatives, advisors, attorneys, financial advisors, accountants, investment bankers, and consultants, in each case in their capacity as such, at any time, including (without limitation) arising from, related to, or in connection with any prepetition debt purchases or exchanges by the Prepetition Secured Parties. The Exculpated Parties have, and upon Confirmation shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the solicitation of acceptances and rejections of the Plan and the making of distributions pursuant to the Plan and, therefore, are not and shall not be liable at any time for the violation of any applicable, law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

Section 11.05. Injunction

Except as otherwise provided herein or in the Confirmation Order, from and after the Effective Date and to the fullest extent authorized by applicable law, all Entities are, to the fullest extent provided under section 524 and other applicable provisions of the Bankruptcy Code, permanently enjoined and forever barred from taking any of the following actions against, as applicable, the Released Parties, the Debtors, the Reorganized Debtors, or the Exculpated Parties and their respective properties and Assets: (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any Claims or Equity Interests; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order on account of or in connection with or with respect to any such Claims or Equity Interests; (c) creating, perfecting, or enforcing any encumbrance of any kind on account of or in connection with or with respect to any such Claims or Equity Interests; (d) asserting any right of setoff, subrogation, or recoupment of any kind on account of or in connection with or with respect to any such Claims or Equity Interests unless such holder has filed a motion requesting the right to perform such setoff on or before the Confirmation Date; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Equity Interests released, exculpated or settled pursuant to the Plan.

Section 11.06. Protection Against Discriminatory Treatment

In accordance with section 525 of the Bankruptcy Code, and consistent with paragraph 2 of Article VI of the United States Constitution, no Governmental Unit shall discriminate against any Debtor or Reorganized Debtor, as applicable, or any Entity with which a Debtor or Reorganized Debtor has been or is associated, solely because such Debtor or Reorganized Debtor was a debtor under chapter 11, may have been insolvent before the commencement of the

Chapter 11 Cases (or during the Chapter 11 Cases but before such Debtor or Reorganized Debtor was granted a discharge) or has not paid a debt that is dischargeable in the Chapter 11 Cases.

Section 11.07. Release of Liens

Except as otherwise provided herein, in the Confirmation Order, or in any contract, instrument, release or other agreement or document created pursuant to or as contemplated under this Plan, on the Effective Date all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Debtors' Estates shall be fully released, settled and discharged, and all of the rights, title and interest of any holder of such mortgages, deeds of trust, Liens, pledges or other security interests shall revert to the Debtors or the Reorganized Debtors, as applicable.

Section 11.08. Cancellation of Securities and Notes Against the Debtors

(a) Subject to this Section 11.08 and ARTICLE III, on the Effective Date, each of (a) the DIP Loan Documents; (b) the First Lien Senior Notes; (c) the Second Lien Senior Notes; (d) the 8.875% Senior Notes; (e) the Senior PIK Toggle Notes; (f) the Equity Interests in the Debtors; and (g) any other notes, bonds, indentures, certificates or other instruments or documents evidencing or creating any Claims or Equity Interests that are Impaired by this Plan, shall be cancelled and deemed terminated and satisfied and discharged without any need for further action or approval of the Bankruptcy Court solely with respect to the Debtors, and the holders thereof shall have no further rights or entitlements in respect thereof against the Debtors or the Reorganized Debtors, except the rights to receive the distributions, if any, as provided in this Plan. Subject to the occurrence of the Effective Date and the distributions in Section 3.02(c), Section 3.03(c), Section 3.03(d) and Section 3.03(e) of this Plan, each of the Indenture Trustees shall be discharged of all obligations under the 8.875% Senior Notes Indentures, First Lien Notes Indenture, Second Lien Notes Indenture and Senior PIK Toggle Notes Indentures, as applicable. The Reorganized Debtors shall be solely responsible for the distribution of the New Common Stock and New Warrants and shall be required to pay the fees and expenses of the First Lien Notes Trustee and Second Lien Notes Trustee as a condition to the direct distribution of the New Common Stock and New Warrants. The rights of the holders of 8.875% Senior Notes Claims, First Lien Notes Claims, Second Lien Notes Claims and Senior PIK Toggle Notes Claims to distributions is conditioned upon the cancellation of such notes upon the records of DTC, and the Reorganized Debtors shall cooperate with each of the Indenture Trustees in causing such cancellation on or as soon as practicable after the Effective Date, except to the extent necessary to (i) ensure the rights of such holders to receive the distributions, if any, as provided in this Plan and (ii) to permit the Indenture Trustees to make such distributions, if any, as provided in this by the Plan.

(b) The 8.875% Senior Notes Trustee shall be released from all duties under the 8.875% Senior Notes Indenture; provided, however, that notwithstanding Confirmation or Consummation of the Plan or subsection (a) of this Section 11.08, the 8.875% Senior Notes Indenture shall remain in effect solely for the purposes of:

(i) preserving any rights of the 8.875% Senior Notes Trustee to payment of fees, expenses, indemnification obligations and liens securing such right to

payment from or on any money or property distributed in respect to the 8.875% Senior Notes Claims under this Plan or from the holders of Allowed 8.875% Senior Notes Claims;

(ii) allowing the 8.875% Senior Notes Trustee to make the distributions in accordance with the Plan;

(iii) allowing the holders of Allowed 8.875% Senior Notes Claims to receive distributions under the Plan from the 8.875% Senior Notes Trustee or from any other source, to the extent provided for under the Plan;

(iv) allowing the holders of Allowed 8.875% Senior Notes Claims to enforce any obligations owed to them under the Plan; and

(v) allowing the 8.875% Senior Notes Trustee to enforce any obligations owed to it under the Plan.

For the further avoidance of doubt, prior to making any distribution thereof to the holders of such claims, the 8.875% Senior Notes Trustee shall be entitled to apply the $6,500,000 in Cash to be distributed on account of the Allowed 8.875% Senior Notes Claims as necessary to provide for (i) the payment of the 8.875% Senior Notes Trustee's own fees and expenses and the fees and expenses of its attorneys and other professionals due and owing under the 8.875% Senior Notes Indenture, and (ii) reasonable amounts required to be used to pay for anticipated future administrative expenses related to the Noteholder Holdco as determined in good faith by a majority of the Consenting Unsecured Noteholders.

(c) The Senior PIK Toggle Notes Trustee shall be released from all duties under the Senior PIK Toggle Notes Indenture; provided, however, that notwithstanding Confirmation or Consummation of the Plan or subsection (a) of this Section 11.08, the Senior PIK Toggle Notes Indenture shall remain in effect solely for the purposes of:

(i) preserving any rights of the Senior PIK Toggle Notes Trustee to payment of fees, expenses, indemnification obligations and liens securing such right to payment from or on any money or property distributed in respect to the Senior PIK Toggle Notes Claims under this Plan or from the holders of Allowed Senior PIK Toggle Notes Claims;

(ii) allowing the Senior PIK Toggle Notes Trustee to make the distributions in accordance with the Plan;

(iii) allowing the holders of Allowed Senior PIK Toggle Notes Claims to receive distributions under the Plan from the Senior PIK Toggle Notes Trustee or from any other source, to the extent provided for under the Plan;

(iv) allowing the holders of Allowed Senior PIK Toggle Notes Claims to enforce any obligations owed to them under the Plan;

(v) allowing the Senior PIK Toggle Notes Trustee to enforce any obligations owed to it under the Plan; and

(vi) allowing the Senior PIK Toggle Notes Trustee to enter into, and take any action under, the Conveyance of Production Payment in the form attached as Exhibit 2 to the Confirmation Order.

For the further avoidance of doubt, prior to making any distribution thereof to the holders of such claims, the Senior PIK Toggle Notes Trustee shall be entitled to apply the distributions to be distributed on account of the Allowed Senior PIK Toggle Notes Claims, as necessary to provide for the payment of the Senior PIK Toggle Notes Trustee's own fees and expenses and the fees and expenses of its attorneys and other professionals due and owing under the Senior PIK Toggle Notes Indenture.

ARTICLE XII
MODIFICATION, REVOCATION OR WITHDRAWAL OF THIS PLAN

Section 12.01. Modification of the Plan

The Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules and with the consent of the DIP Lenders and the Restructuring Support Parties (except that the consent of Consenting Unsecured Noteholders shall only be required to the extent provided for under the RSA), to amend or modify this Plan before the entry of the Confirmation Order. After entry of the Confirmation Order, the Debtor(s) may, with the consent of the DIP Lenders and the Restructuring Support Parties (except that the consent of Consenting Unsecured Noteholders shall only be required to the extent provided for under the RSA), amend or modify the Plan in accordance with section 1127(b) of the Bankruptcy Code, remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan.

Entry of a Confirmation Order shall mean that all modifications or amendments to this Plan occurring after the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

Section 12.02. Revocation or Withdrawal of the Plan

The Debtors reserve the right, with the consent of the DIP Lenders and the Restructuring Support Parties (except that the consent of Consenting Unsecured Noteholders shall only be required to the extent provided for under the RSA), to revoke or withdraw this Plan before the Confirmation Date and to file subsequent chapter 11 plans. If the Debtors revoke or withdraw the Plan, or if Confirmation or Consummation does not occur with respect to the Plan, then: (a) the Plan will be null and void in all respects; (b) any settlement or compromise embodied in the Plan, assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant hereto shall be null and void in all respects; and (c) nothing contained in the Plan or the Disclosure Statement shall: (i) constitute a waiver or release of any Claims by or against, or any Equity Interests in, the Debtors; (ii) prejudice in any

manner the rights of the Debtors or any other Entity; or (iii) constitute an admission, acknowledgment, offer or undertaking by the Debtors or any other Entity in any respects.

ARTICLE XIII
RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date for the Plan, the Bankruptcy Court shall retain such jurisdiction over the Chapter 11 Cases after the Effective Date as legally permissible, including jurisdiction to:

(i) allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the allowance or priority of Claims;

(ii) grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or this Plan, for periods ending on or before the Effective Date;

(iii) resolve any matters related to the assumption, assumption and assignment or rejection of any Executory Contract or Unexpired Lease (including Cure Costs);

(iv) ensure that payments or distributions to holders of Allowed Claims are accomplished pursuant to the provisions of this Plan, including, without limitation, the DPC Settlement Payments, whether such payments or distributions are to be made by the Debtors, the Reorganized Debtors, or any other Entity;

(v) decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving the Debtors that may be pending on the Effective Date;

(vi) enter such orders as may be necessary or appropriate to implement or consummate the provisions of this Plan and all contracts, instruments, releases, indentures and other agreements or documents created in connection with this Plan and the Disclosure Statement;

(vii) enter and enforce any order related to or otherwise in connection with any sale of property by the Debtors pursuant to sections 363 or 1123 of the Bankruptcy Code;

(viii) decide or resolve any Causes of Action arising under the Bankruptcy Code, including, without limitation, Avoidance Actions and Claims under sections 362, 510, 542 and 543 of the Bankruptcy Code;

(ix) resolve any cases, controversies, suits or disputes that may arise in connection with the Consummation, interpretation or enforcement of this Plan, or any Person's or Entity's obligations incurred in connection with this Plan;

(x) issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with Consummation or enforcement of this Plan, except as otherwise provided herein;

(xi) resolve any cases, controversies, suits or disputes with respect to the releases, injunction and other provisions contained in ARTICLE XI of this Plan and enter such orders as may be necessary or appropriate to implement such releases, injunction and other provisions;

(xii) enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;

(xiii) determine any other matters that may arise in connection with or relate to this Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture or other agreement or document created in connection with this Plan or the Disclosure Statement;

(xiv) enter order(s) or Final Decree(s) concluding the Chapter 11 Cases;

(xv) hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;

(xvi) consider any modifications of this Plan, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order; and

(xvii) hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 14.01. General Settlement of Claims

Unless otherwise set forth in this Plan, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under this Plan, on the Effective Date, the provisions of this Plan constitute a good-faith compromise and settlement of all Claims against and Equity Interests in the Debtors.

Section 14.02. Preservation of Causes of Action Not Expressly Released

The Debtors or the Reorganized Debtors, as applicable, retain all rights to commence and pursue, as appropriate, any and all claims or Causes of Action of the Debtors or the Reorganized Debtors, as applicable, whether arising before or after the Petition Date, in any court or other tribunal including, without limitation, in an adversary proceeding filed in one or more of the Chapter 11 Cases, other than Avoidance Actions or any Causes of Action released under this Plan. The failure to list any potential or existing claims or Causes of Action is not intended to limit the rights of the Debtors or the Reorganized Debtors, as applicable, to pursue any claims or Causes of Action not listed or identified.

Unless a claim or Cause of Action against a Creditor or other Person or Entity is expressly waived, relinquished, released, compromised or settled in this Plan or any Final Order, the Debtors or the Reorganized Debtors, as applicable, expressly reserve such claim or Cause of Action for later adjudication for and on behalf of the Debtors or the Reorganized Debtors, as applicable (including, without limitation, claims and Causes of Action not specifically identified or which Debtors may presently be unaware or which may arise or exist by reason of additional facts or circumstances unknown to the Debtors at this time or facts or circumstances which may change or be different from those which the Debtors now believe to exist). No preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches shall apply to such claims or Causes of Action upon or after the Confirmation or Consummation of this Plan based on the Disclosure Statement, this Plan or the Confirmation Order, except where such claims or Causes of Action have been released in this Plan or other Final Order. In addition, the Debtors or the Reorganized Debtors, as applicable, and their successor entities under this Plan expressly reserve the right to pursue or adopt any claims alleged in any lawsuit in which the Debtors or the Reorganized Debtors, as applicable, are a defendant or an interested party, against any Person or Entity, including, without limitation, the plaintiffs or co-defendants in such lawsuits.

Except as otherwise provided in this Plan or in any contract, instrument, release, indenture or other agreement entered into in connection with this Plan, in accordance with section 1123(b)(3) of the Bankruptcy Code, any claims, rights, and Causes of Action that the Debtors or the Reorganized Debtors, as applicable, may hold against any Person, shall vest as of the Effective Date in the Reorganized Debtors, and the Reorganized Debtors, through their authorized agents or representatives, shall retain and may exclusively enforce any and all such claims, rights or Causes of Action without the consent or approval of any third party and without any further order of court.

Delivery (by any means) of this Plan or Disclosure Statement to any Person to whom the Debtors or the Reorganized Debtors, as applicable, have incurred an obligation (whether on account of services, purchase or sale of goods or otherwise), or who has received services from the Debtors or the Reorganized Debtors, as applicable, or a transfer of money or property of the Debtors or the Reorganized Debtors, as applicable, or who has transacted business with the Debtors or the Reorganized Debtors, as applicable, or leased equipment or property from the Debtors or the Reorganized Debtors, as applicable, shall constitute actual notice that such obligation, transfer, or transaction may be reviewed by the Debtors or the Reorganized Debtors,

as applicable subsequent to the Effective Date and may, if appropriate, be the subject of an action after the Effective Date, whether or not: (a) such Person has filed a Proof of Claim in these Chapter 11 Cases; (b) such Person's Proof of Claim has been objected to by the Debtors or the Reorganized Debtors, as applicable; (c) such Person's Claim was included in Debtors' Schedules; (d) such Person's scheduled Claim has been objected to by the Debtors or the Reorganized Debtors, as applicable, or has been identified by the Debtors or the Reorganized Debtors, as applicable, as a Disputed Claim; or (e) such action falls within the list of affirmative Causes of Action in the Plan Supplement.

Section 14.03. Section 1146(a) Exemption

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property under this Plan shall not be subject to any stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment. Upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forego the collection of any such tax.

Section 14.04. Elimination of Vacant Classes

Any Class of Claims or Equity Interests that is not populated as of the commencement of the Confirmation Hearing by an Allowed Claim or Equity Interest, or a Claim or Equity Interest that is temporarily allowed under Bankruptcy Rule 3018, shall be deemed eliminated from the Plan for purposes of: (a) voting to accept or reject the Plan; and (b) determining the acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

Section 14.05. Intercompany Claims

On the Effective Date, or as soon as practicable thereafter, all Intercompany Claims between and among the Debtors shall be reinstated or compromised by the Reorganized Debtors, as applicable, consistent with the Reorganized Debtors' business plan, and subject to the consent of the DIP Lenders and the Consenting Secured Noteholders.

Section 14.06. Additional Documents

On or before the Effective Date, the Debtors may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors or the Reorganized Debtors, as applicable, and all holders of Claims and Equity Interests receiving distributions pursuant to the Plan, and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of this Plan.

Section 14.07. Successors and Assigns

The rights, benefits and obligations of any Entity named or referred to in this Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, Affiliate, officer, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

Section 14.08. Reservation of Rights

Except as expressly set forth in this Plan, this Plan shall have no force or effect unless the Bankruptcy Court has entered the Confirmation Order. Neither this Plan, any statement or provision contained in this Plan, nor any action taken or not taken by any Debtor or Reorganized Debtors, as applicable, with respect to this Plan, the Disclosure Statement, the Confirmation Order or the Plan Supplement, shall be or shall be deemed to be an admission or waiver of any rights of the Debtors or the Reorganized Debtors, as applicable, with respect to the holders of Claims or Equity Interests prior to the Effective Date.

Section 14.09. Notices

Except as otherwise set forth in this Plan, all notices or requests in connection with this Plan shall be in writing and will be deemed to have been given when received by personal delivery, facsimile, e-mail, overnight courier or first class mail and addressed to:

If to the Debtors:	Bracewell LLP Attn: Robert G. Burns, Robin J. Miles 1251 Avenue of Americas, 49th Floor New York, New York 10020 Facsimile: (800) 404-3970 Robert.Burns@bracewelllaw.com Robin.Miles@bracewelllaw.com
If to the DIP Lenders or the Consenting Secured Noteholders	Davis Polk & Wardwell LLP Attn: Damian S. Schaible, Darren S. Klein 450 Lexington Avenue New York, NY 10017 Fax: (212) 701-5580 damian.schaible@davispolk.com darren.klein@davispolk.com

Section 14.10. Term of Injunctions or Stay

Unless otherwise provided in this Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases (pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court) and existing on the Confirmation Date (excluding any injunctions or stays contained in this Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in this Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

Section 14.11. Entire Agreement

Except as otherwise indicated, on the Effective Date, this Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and

representations on such subjects, all of which will have become merged and integrated into this Plan on the Effective Date. To the extent the Confirmation Order is inconsistent with this Plan, the Confirmation Order shall control for all purposes.

Section 14.12. Plan Supplement Exhibits

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of this Plan as if set forth in full in this Plan. After the exhibits and documents are filed, copies of such exhibits and documents shall be made available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the Claims and Solicitation Agent's website at http://www.bmcgroup.com/venoco or the Bankruptcy Court's website at www.deb.uscourts.gov.

Section 14.13. Severability

If, prior to the entry of the Confirmation Order, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, at the request of the Debtors, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is (a) valid and enforceable pursuant to its terms; (b) integral to this Plan; and (c) non-severable and mutually dependent.

Section 14.14. Substantial Consummation

On the Effective Date, this Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

Dated: July 14, 2016
Wilmington, Delaware

VENOCO, INC.
DENVER PARENT CORPORATION
ELLWOOD PIPELINE, INC.
WHITTIER PIPELINE CORPORATION
TEXCAL ENERGY (GP) LLC

By: _____
Name: Scott M. Pinsonnault
Title: Chief Financial Officer and Chief Restructuring Officer of Venoco, Inc.

TEXCAL ENERGY (LP) LLC

By: VENOCO, INC., its Manager

By: _____
Name: Scott M. Pinsonnault
Title: Chief Financial Officer and Chief Restructuring Officer of Venoco, Inc.

TEXCAL ENERGY SOUTH TEXAS, L.P.

By: TEXCAL ENERGY (GP) LLC, as general partner

By: _____
Name: Scott M. Pinsonnault
Title: Chief Financial Officer and Chief Restructuring Officer of Venoco, Inc.

EXHIBIT 2

CONVEYANCE OF PRODUCTION PAYMENT

Form of Conveyance of Production Payment

CONVEYANCE OF PRODUCTION PAYMENT

This CONVEYANCE OF PRODUCTION PAYMENT (this "***Conveyance***") is from Timothy M. Marquez, an individual, with an address of 1133 14th Street, Unit 4450, Denver, Colorado 80202 ("***Grantor***") to Delaware Trust Company, as successor indenture trustee for the 12.25%/13.00% senior unsecured PIK toggle notes due August 2018 issued by Denver Parent Corporation under the indenture dated as of August 15, 2013 (the "***Indenture***"), or any duly appointed successor indenture trustee ("***Grantee***") and is effective as of 7:00 a.m. (Central Time on _____, 201__ (the "***Effective Date***")[1]. Grantor and Grantee are each a "***Party***," and collectively the "***Parties***."

RECITALS

A. By Assignment of Overriding Royalty Interest ("***Overriding Royalty Assignment***") dated _____, and recorded in _____, of the real property records of _____County, California, Venoco, Inc. assigned to Timothy M. Marquez, an overriding royalty interest in the Subject Lease (as hereinafter defined) **INSOFAR, AND ONLY INSOFAR AS THE SUBJECT LEASE COVERS THE PRC 3242.1 EXPANSION AREA** (as hereinafter defined) as and when Gross LLA Volumes are produced, saved and sold (the "***Overriding Royalty Interest***").

ARTICLE I
CONVEYANCE OF PRODUCTION PAYMENT

For and in consideration of the sum of Ten Dollars ($10) cash and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1.1 Conveyance. Subject to the terms and conditions of this Conveyance, Grantor does hereby TRANSFER, GRANT, BARGAIN, SELL, AND CONVEY to Grantee, and by these presents has TRANSFERRED, GRANTED, BARGAINED, SOLD, AND CONVEYED unto Grantee a production payment in an amount equal to fifty percent (50%) of the Royalty Payment due Grantor under the Overriding Royalty Assignment, for a term commencing upon satisfaction of the Production Condition and terminating at such time as the sum of all payments received by Grantee hereunder equals, in the aggregate, two million three hundred thousand dollars ($2,300,000) (the "***Production Payment***"). Upon termination of the Production Payment, all rights, titles and interests of Grantee in the Hydrocarbons produced from Expansion Area Wells and the Subject Lease conveyed herein shall automatically terminate, revert to and vest in Grantor and, upon request by Grantor, Grantee shall execute and deliver such instrument or instruments as may be necessary to evidence of record the termination of the Production Payment.

TO HAVE AND TO HOLD the Production Payment unto the Grantee, its successors and assigns, for the term, subject, however, to the terms and conditions of this Conveyance.

[1] NTD: Effective Date to be the LLA Approval Date.

1.2 ***Certain Definitions.*** The following terms, as used herein, have the meanings set forth below:

"***Barrel***" means forty-two (42) U.S. gallons.

"***BOE***" means barrel of Oil equivalent, using a natural gas-to-Oil conversion ratio of 5.8 MMBtu of gas to one (1) barrel of Oil.

"***Business Day***" means any day other than a Saturday, a Sunday, or a day on which banks are closed for business in New York, New York, United States of America.

"***Chapter 11 Cases***" means the jointly-administered cases of Venoco Inc. and its affiliated debtors under chapter 11 of Title 11 of the United States Code, 11 U.S.C. § 101, *et seq.* pending in the United States Bankruptcy Court for the District of Delaware under the lead Case No. 16-10655.

"***Complete,***" "***Completed***" or "***Completion***" means any operations commenced within the wellbore of a well that are required for the stimulation of the wellbore and for the production of Hydrocarbons, including but not limited to fracking, perforating, re-fracking, and re-perforating.

"***Correlative Interval***" shall mean with respect to any well, the Zone or Zones in which such well has been Completed.

"***Drainhole***" means the portion of the lateral within a well that is drilled in the Correlative Interval between the Penetration Point and the first to occur of the Terminus or the point at which the lateral exits the Correlative Interval.

"***Ellwood LLA***" means the expansion of the boundary of the Subject Lease applied for by Operator with the SLC as reflected in the Ellwood Lease Adjustment to Existing Easterly Boundary of PRC 3242.1 described in Operator's submission to the SLC on June 30, 2014 (as amended by Operator's subsequent submissions with respect thereto).

"***Ellwood Onshore Processing Facility***" means Operator's processing facility located at the address commonly known as 7979 Hollister Avenue, Goleta, CA 93117.

"***Expansion Area Well***" means any directional well drilled to a bottom hole location in the PRC 3242.1 Expansion Area and any horizontal well with any portion of its Productive Drainhole Length traversing the PRC 3242.1 Expansion Area.

"***Gas***" means all natural gas that arrives at the surface in the gaseous phase, including all Hydrocarbon and non-Hydrocarbon components, casinghead gas produced from oil wells, gas well gas, and stock tank vapors, in each case after excluding any LPGs/NGLs.

"***Governmental Authority***" means any federal, state, local, municipal, tribal or other government; any governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, regulatory or taxing authority or power; and any court or governmental tribunal, including any tribal authority having or asserting jurisdiction.

"***Gross LLA Volumes***" means, all Hydrocarbons produced from any Expansion Area Wells.

"***Hydrocarbons***" means oil and gas and other hydrocarbons (including condensate) produced or processed in association therewith (whether or not such item is in liquid or gaseous form), or any combination thereof, and any minerals produced in association therewith.

"***Law***" means any applicable statute, law, rule, regulation, ordinance, order, code, ruling, writ, injunction, decree or other official act of or by any Governmental Authority.

"***LPGs/NGLs***" means all Hydrocarbons, other than Oil, that are trucked and sold separately from the Ellwood Onshore Processing Facility.

"***Oil***" means all Hydrocarbons delivered through the Ellwood Onshore Processing Facility oil Lease Account Custody Transfer unit.

"***Operator***" means Venoco, Inc. and its successors and assigns.

"***Penetration Point***" means the point where the wellbore of a well intersects the top of the Correlative Interval.

"***Person***" means any individual, corporation, company, partnership, limited partnership, limited liability company, trust, estate, Governmental Authority or any other entity.

"***PRC 3242.1 Expansion Area***" means the geographical area covering the additional lands added to the Subject Lease pursuant to the Elwood LLA as more particularly described on Schedule 1.1 attached hereto and made a part hereof.

"***Production Condition***" The production and sale from Expansion Area Wells of eight thousand (8,000) BOE per day for twenty (20) consecutive days, net of SLC's royalty share of Hydrocarbons, whether or not such royalty Hydrocarbons are taken in kind.

"***Productive Drainhole Length***" means the length of the Drainhole that begins at the first Take Point of a well and runs along the actual surveyed wellbore path to the last Take Point of such well.

"***Subject Lease***" means certain State Lands Commission, State of California Oil and Gas Lease, W.O. 5424 (Parcel 24), P.R.C. 3242.1 dated the 8th day of April, 1965 by and between the State of California, acting by and through the SLC and RICHFIELD OIL CORPORATION, a Delaware corporation and SOCONY MOBIL OIL COMPANY, INC., a New York Corporation (as such Oil and Gas Lease has been, and may hereafter be, amended from time to time).

"***SLC***" means the California State Lands Commission.

"***Take Point***" means any point along the portion of the Drainhole of a well where oil, gas and condensate can enter the wellbore from the Correlative Interval and be produced.

"***Terminus***" means the farthest point along the Drainhole from the Penetration Point and within the Correlative Interval.

1.3 ***Overriding Royalty Assignment.*** This Conveyance is subject to all terms, provisions, Permitted Encumbrances, limitations, and conditions of the Overriding Royalty Assignment.

1.4 ***Payments.***

(a) The Production Payment is a burden on the Overriding Royalty Interest, and is payable to Grantee.

(b) Grantor hereby irrevocably instructs Operator to transfer the Production Payment amounts by wire transfer directly to the Grantee in accordance with this Conveyance and such wire transfer instructions as are from time to time provided by Grantee that will enable Operator to transfer Production Payment amounts by wire transfer to Grantee's bank account in a bank in the United States of America ("***Grantee's Bank***"). Grantee's wire transfer instructions shall continue in effect until changed by Grantee by written notice to or the receipt by Operator of written notice from Grantee's Bank that such instructions are no longer valid or that such account has been closed.

1.5 ***Satisfaction Exclusively from Royalty Payments.*** Grantor shall not be personally liable for the payment and discharge of the Production Payment. To the extent Operator makes any distribution in accordance with Grantor's instructions as described in Section 1.4 above, Operator is providing such service as a convenience and shall not be liable to Grantee for any claim or loss relating to or otherwise in connection with the Production Payment except to the extent of its gross negligence or willful misconduct. The Production Payment granted by Grantor hereunder shall not increase the obligations or decrease the rights of Operator under the Overriding Royalty Assignment.

1.6 ***Termination of the Subject Lease.*** If all or any portion of the Subject Lease that covers the PRC 3242.1 Expansion Area should terminate then the Production Payment shall no longer apply to or encumber the portion of the PRC 3242.1 Expansion Area for which the Subject Lease has terminated, but the Production Payment shall remain in full force and effect as to any remaining portion of the Subject Lease that does not terminate.

1.7 ***Transfer.*** Any transfer by Grantee of the Production Payment, either of all or an undivided part thereof, shall not (a) increase the obligations or decrease the rights of Operator under the Subject Lease or (b) increase the obligations or decrease the rights of Grantor under the Overriding Royalty Assignment, and shall not be binding on the Operator or Grantor, as applicable, until thirty (30) days after certified copies of recorded instruments, properly evidencing such transfer, are furnished to Grantor and Operator, their respective successors or assigns. Any transfer by Grantor of the Overriding Royalty Assignment, either of all or an undivided part thereof, shall not increase the obligations or decrease the rights of Grantee under this Conveyance, and shall not be binding on the Grantee until thirty (30) days after certified copies of recorded instruments, properly evidencing such transfer, are furnished to Grantee or its respective successors or assigns.

ARTICLE II
SPECIAL WARRANTY; DISCLAIMERS; CERTAIN DEFINITIONS

Disclaimers of Representations and Warranties. **GRANTOR MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS, STATUTORY, IMPLIED OR OTHERWISE, AND GRANTOR HEREBY EXPRESSLY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO GRANTEE OR ANY OF ITS AFFILIATES, EMPLOYEES, AGENTS, CONSULTANTS OR REPRESENTATIVES (INCLUDING ANY OPINION, INFORMATION, PROJECTION OR ADVICE THAT MAY HAVE BEEN PROVIDED).**

ARTICLE III
MISCELLANEOUS

3.1 Notices. All notices that are required or may be given pursuant to this Conveyance shall be sufficient in all respects if given in writing, in English and by personal delivery (if signed for receipt), by certified or registered United States mail (postage prepaid, return receipt requested), by a nationally recognized overnight delivery service for next day delivery, transmitted via facsimile transmission or transmitted via electronic mail (following appropriate confirmation of receipt by return email, but excluding an automated confirmation of receipt) and shall be deemed to have been made and the receiving Party charged with notice, when received except that if received after 5:00 p.m. (in the recipient's time zone) on a Business Day or if received on a day that is not a Business Day, such notice, request or communication will not be effective until the next succeeding Business Day. All notices shall be addressed as follows:

If to Grantor:

Timothy M. Marquez
1133 14th Street, Unit 4450
Denver, CO 80202
Telephone: (303) 263-9183
Email: TMarquez@venocoinc.com

With a copy to:

Janet N. Harris
Holland & Hart LLP
555 17th Street, Suite 3200
Denver, CO 80202
Telephone: 303-295-8302
Facsimile: 303-291-9127
Email: JNHarris@hollandhart.com

If to Grantee:

[Need info for Delaware Trust Company]

With a copy to:

Christy L. Rivera
Marian Baldwin Fuerst
Chadbourne & Parke LLP
1301 Avenue of the Americas
New York, NY 10019
Telephone: 212-408-5100
Facsimile: 212-541-5369
Email: crivera@chadbourne.com
mbaldwin@chadbourne.com

and

Andrew Goldman
Wilmer Cutler Pickering Hale and Dorr LLP
7 World Trade Center
250 Greenwich Street
New York, NY 10007
Telephone: 212-230-8800
Facsimile: 212-230-8888
Email: Andrew.Goldman@wilmerhale.com

Each Party may change its address for notice by notice to the other Party in the manner set forth above. All notices shall be deemed to have been duly given at the time of receipt by each Party to which such notice is addressed.

3.2 ***Governing Law; Jurisdiction; Venue; Jury Waiver.*** This Conveyance and the transactions contemplated hereby shall be construed in accordance with, and governed by, the Laws of the State of California without regard to principles of conflicts of law that would refer construction of such provisions to the laws of another jurisdiction. Each of the Parties agrees that any action instituted by it against the other with respect to any dispute, controversy or claim controversy arising out of or in relation to or in connection with this Conveyance will be instituted exclusively in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). Each Party (a) irrevocably submits to the exclusive jurisdiction of the Bankruptcy Court, (b) waives any objection to laying venue in any such action or proceeding in the Bankruptcy Court, (c) waives any objection that the Bankruptcy Court is an inconvenient forum or does not have jurisdiction over it, and (d) agrees that service of process upon it may be effected by mailing a copy thereof by registered mail (or any substantially similar form of mail), postage prepaid, to it at its address specified in Section 3.1. The Parties hereby waive trial by jury in any action, proceeding or counterclaim brought by any Party against another in any matter whatsoever arising out of or in relation to or in connection with this Conveyance.

3.3 ***Limitation on Damages.*** Notwithstanding anything to the contrary contained herein, no Party or any of its Affiliates, or its and their respective officers, directors, managers, partners, employees, and agents shall be entitled to consequential, special, punitive, indirect, exemplary, remote or speculative damages, or damages for lost profits or loss of business opportunity of any kind arising under or in connection with this Conveyance or the transactions contemplated hereby, except to the extent any such party suffers such damages (including costs of defense and reasonable attorneys' fees incurred in connection with defending of such damages) to a third party, which damages (including costs of defense and reasonable attorneys' fees incurred in connection with defending against such damages) shall not be excluded by this provision as to recovery hereunder, and each Party, for itself and on behalf of its Affiliates, and its and their respective officers, directors, managers, partners, employees, and agents, hereby, subject to the immediately preceding sentence, expressly waives any right to consequential, special, punitive, indirect, exemplary, remote or speculative damages, or damages for lost profits or loss of business opportunity of any kind arising under or in connection with this Conveyance or the transactions contemplated hereby.

3.4 ***Successors and Assigns.*** This Conveyance shall run with the land and bind and inure to the benefit of the Parties and each of their respective successors and permitted assigns.

3.5 ***No Third Person Beneficiaries; No Partnership.*** Nothing contained in this Conveyance shall entitle any other Person not a Party to this Conveyance (other than the Parties' respective successors and permitted assigns), to any claim, cause of action, remedy or right of any kind whatsoever; provided however that Operator shall be deemed a third party beneficiary of this Conveyance with respect to Sections 1.4(b), 1.5 and 1.7. This Conveyance is not intended to create, nor shall it be construed as creating, any joint venture, partnership or association, and the Parties are not authorized to act as agent or principal for each other with respect to any matter related hereto by virtue of this Conveyance.

3.6 ***Further Assurances; Construction.*** The Parties shall execute and deliver, and shall otherwise cause to be executed and delivered, from time to time, such further instruments, notices and other documents, and do such other and further acts and things as may be reasonably necessary to finalize the transactions contemplated herein. The headings set forth in this Conveyance are for information purposes only. "Including" as used in this Conveyance means "including without limitation" for all purposes.

3.7 ***Exclusive Remedy.*** Notwithstanding anything contained in this Conveyance to the contrary, each Party's sole and exclusive remedy against each other with respect to this Conveyance or the transactions contemplated hereunder shall be pursuant to the express provisions of this Conveyance.

3.8 ***Entire Instrument.*** This Conveyance, including the Recitals, Exhibits and Schedules attached hereto, all of which are incorporated herein for all purposes, contain the entire agreement between the Parties and supersede all previous agreements or communications between the Parties, verbal or written, with regard to the subject matter hereof.

3.9 ***Waivers.*** Any failure by any Party to comply with any of its obligations, agreements or conditions herein contained may be waived by the Party to whom such

compliance is owed by an instrument signed by the Party to whom compliance is owed and expressly identified as a waiver, but not in any other manner. No waiver of, or consent to a change in, any of the provisions of this Conveyance shall be deemed to be or shall constitute a waiver of, or consent to change in, other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

3.10 ***Amendments and Severability.*** No amendments or other modifications to this Conveyance shall be effective or binding on either of the Parties unless the same are in writing, designated as an amendment or modification, and signed by each of the Parties; provided that any such amendment or modification shall require the approval of Operator if such amendment or modification would affect any of Operator's rights, interests, duties, or obligations under this Conveyance. If any provision of this Conveyance, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law, this Conveyance shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and, to the extent such provision cannot be so reformed, then such provision (or the invalid, illegal, or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Conveyance, as the case may be, and the validity, legality, and enforceability of the remaining provisions contained herein (and any other application of such provision) shall not in any way be affected or impaired thereby.

3.11 ***Counterparts.*** This Conveyance may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all of such counterparts shall constitute for all purposes one instrument.

[*Signature and acknowledgment pages follow*]

This Conveyance has been executed by the Parties hereto as of the dates of their respective acknowledgements below, but is effective for all purposes as of the Effective Date.

GRANTOR:

TIMOTHY M. MARQUEZ

_____

GRANTEE:

DELAWARE TRUST COMPANY, AS SUCCESSOR INDENTURE TRUSTEE

By: _____
Title: _____

ACKNOWLEDGMENTS

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____
COUNTY OF _____

On _____ ___, 2016, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

.

_____
Notary Public

My commission expires: _____.
(Notarial Seal)

ACKNOWLEDGMENTS

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____
COUNTY OF _____

On _____ ___, 2016, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

.

_____
Notary Public

My commission expires: _____.
(Notarial Seal)

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EXHIBIT 3

UNSECURED NOTES DIVESTMENT LETTER AGREEMENT

DIVESTMENT LETTER AGREEMENT

This Divestment Letter Agreement (this "Agreement") is dated as of June __, 2016 (the "Execution Date"), by and between Venoco, Inc., a Delaware Corporation ("Venoco"), and [_____], a [_____] [_____] with an address of [_____] ("Noteholder HoldCo"). Venoco and Noteholder HoldCo may sometimes be referred to herein together as the "Parties" and individually as a "Party".

RECITALS:

WHEREAS, reference is made to that certain Restructuring Support Agreement dated as of March 17, 2016, by and among:

(i) Venoco, Denver Parent Corporation, Ellwood Pipeline, Inc., TexCal Energy (LP) LLC, Whittier Pipeline Corporation, TexCal Energy (GP) LLC and TexCal Energy South Texas, L.P.;

(ii) each of the beneficial holders identified on the signature pages to the Restructuring Support Agreement or that becomes a party to the Restructuring Support Agreement by executing and delivering a Transferee Joinder (as defined therein) of outstanding notes issued pursuant to the Indenture, dated as of April 2, 2015, for the issuance of 12.00% Senior Notes due 2019 among Venoco, as issuer, the other Guarantors (as defined in such Indenture) party thereto, and U.S. Bank National Association, as indenture trustee under such Indenture; and

(iii) each of the beneficial holders identified on the signature pages to the Restructuring Support Agreement or that becomes a party to the Restructuring Support Agreement by executing and delivering a Transferee Joinder of outstanding notes issued pursuant to the Indenture, dated as of April 2, 2015, for the issuance of 8.875% Senior Notes due 2019 among Venoco, as issuer, the other Guarantors (as defined in such Indenture) party thereto, and U.S. Bank, as indenture trustee under such Indenture (such Restructuring Support Agreement, as amended from time to time, shall be referred to herein as the "RSA").

WHEREAS, prior to the date hereof Venoco has applied with the California State Lands Commission (the "SLC") to expand the boundary of the Subject Lease as reflected in the Ellwood Lease Adjustment to Existing Easterly Boundary of PRC 3242.1, as described in Venoco's submission to the SLC on June 30, 2014 (as amended by its subsequent submissions with respect thereto) (the "Elwood LLA").

WHEREAS, pursuant to the RSA, Venoco has agreed that upon the occurrence of the LLA Approval Date (as hereinafter defined), it shall assign to Timothy M. Marquez, an individual with an address of 1133 14th Street, Unit 4450, Denver, Colorado 80202 ("Management") a certain overriding royalty interest in the portion of Venoco's leasehold interest covering the PRC 3242.1 Expansion Area (as hereinafter defined), as more particularly set forth in that certain Divestment Letter Agreement, dated as of March 17, 2016, by and between Venoco and Management (the "Management Divestment Letter Agreement") and the

documents to be executed pursuant thereto (such overriding royalty interest granted thereunder, the "Management LLA Override").

WHEREAS, pursuant to the RSA, Venoco has agreed that upon the occurrence of the LLA Approval Date (as hereinafter defined) and concurrent with the closing of the Management Divestment Letter Agreement, it shall assign to Noteholder HoldCo a certain overriding royalty interest in the portion of Venoco's leasehold interest covering the PRC 3242.1 Expansion Area (as hereinafter defined), as more particularly set forth in this Agreement and the documents to be executed pursuant hereto.

AGREEMENT

NOW, THEREFORE, in consideration of the aforementioned, of the mutual promises and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1

AGREEMENTS CONCERNING THE TRANSACTION

Section 1.1 Definitions. For purposes of this Agreement, capitalized terms have the meanings provided in this Section 1.1, unless defined elsewhere in this Agreement.

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

(b) "Control" (including the terms "Controlling," "Controlled by" and "under common Control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting shares, by contract or otherwise.

(c) "Governmental Authority" means any federal, state, local, municipal, tribal or other government; any governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, regulatory or taxing authority or power; and any court or governmental tribunal, including any tribal authority having or asserting jurisdiction.

(d) "Law" means any applicable statute, law, rule, regulation, ordinance, order, code, ruling, writ, injunction, decree or other official act of or by any Governmental Authority.

(e) "LLA Approval Date" means the first day after the occurrence of all of the following:

(i) all required Environmental Impact Reports for the Ellwood LLA, as required by the SLC, have been completed;

(ii) the SLC Public Comment Periods for the draft Environmental Impact Reports for the Ellwood LLA has passed; and

(iii) Venoco has received final regulatory approval for the Ellwood LLA, which approval may include reasonable mitigation requirements, and pursuant to which Venoco may pursue a drilling permit with respect to the Ellwood LLA.

(f) "Noteholder LLA Override" means an overriding royalty interest in and to the oil, gas and other hydrocarbons produced, saved and sold from the portion of the Subject Lease included in the PRC 3242.1 Expansion Area, and the amount of which and other attributes, limitations, terms and conditions of which are more particularly described in the Form of Assignment of Overriding Royalty Interest attached hereto as Exhibit A.

(g) "Person" means any individual, corporation, company, partnership, limited partnership, limited liability company, trust, estate, Governmental Authority or any other entity.

(h) "PRC 3242.1 Expansion Area" means the geographical area covering the additional lands added to the Subject Lease pursuant to the Elwood LLA as more particularly described on Schedule 1.1.

(i) "Subject Lease" means that certain State Lands Commission, State of California Oil and Gas Lease, W.O. 5424 (Parcel 24), P.R.C. 3242.1 dated the 8th day of April, 1965 by and between the State of California, acting by and through the State Lands Commission and Richfield Oil Corporation, a Delaware corporation and SOCONY MOBIL OIL COMPANY, Inc., a New York Corporation (as such Oil and Gas Lease has been, and may hereafter be, amended from time to time).

Section 1.2 Conditions to Closing. The obligations of each of the Parties to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction on or prior to the Closing of each of the following conditions:

(a) the LLA Approval Date shall have occurred;

(b) the representations and warranties of the other Parties set forth in Article 2 shall be true and correct in all material respects (i) as of the Execution Date and (ii) as of the Closing Date as though made on and as of the Closing Date.

Section 1.3 Closing.

(a) If the conditions set forth in Section 1.2 are met, the Parties shall consummate the transactions contemplated by this Agreement (the "Closing") on or before the fifteenth (15th) day following the LLA Approval Date, unless the Parties agree in writing as to another date (the day on which the Closing actually occurs shall be referred to herein as the "Closing Date").

(b) At Closing, each of Venoco and Noteholder HoldCo shall execute, acknowledge and deliver an Assignment of Overriding Royalty Interest in a form substantially

identical to Exhibit A attached hereto (the "Noteholder LLA Override Assignment") to transfer the Noteholder LLA Override to Noteholder HoldCo;.

Section 1.4 Further Assurances. Each of the Parties hereby agrees to take such further actions and to execute, acknowledge and deliver all such further documents as are reasonably requested by the other Party, or which are reasonably necessary to successfully consummate the transactions contemplated by this Agreement.

Section 1.5 Termination.

(a) This Agreement and the transactions contemplated hereby may be completely terminated at any time at or prior to the Closing:

(i) by mutual written consent of the Parties; or

(ii) automatically, if the Closing has not occurred by December 18, 2018 (the "Automatic Termination Date") provided, if Venoco withdraws the Elwood LLA application from the review or approval process or delays or suspends the review or approval process, (each a "Suspension"), the Automatic Termination Date shall be extended by adding thereto the same number of days as the number of days in any such Suspension.

(b) In the event that the Closing does not occur as a result of this Agreement being terminated pursuant to this Section 1.5, then, except for the provisions of Section 1.1, this Section 1.5, Article 3, Article 4 and Article 5 (other than Section 5.12), this Agreement shall thereafter be null and void, and the Parties shall be mutually released from any further obligation or liability under this Agreement except for any obligation or liability accrued prior to the date of such termination.

ARTICLE 2
REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of Venoco. Venoco represents and warrants to Noteholder HoldCo, as of the Execution Date and as of the Closing Date, the following:

(a) Venoco is a corporation duly organized, validly existing, and in good standing under the laws of the state of Delaware.

(b) Venoco has the power to enter into and perform this Agreement (and all documents required to be executed and delivered by Venoco at Closing) and to consummate the transactions contemplated by this Agreement (and such documents).

(c) The execution, delivery, and performance of this Agreement (and all documents required to be executed and delivered by Venoco at Closing), and the consummation of the transactions contemplated hereby and thereby, have been duly and validly authorized by all necessary action on the part of Venoco. This Agreement has been duly executed and delivered by Venoco (and all documents required to be executed and delivered by Venoco at

Closing shall be duly executed and delivered by Venoco), and this Agreement constitutes, and at the Closing such documents shall constitute, the valid and binding obligations of Venoco, enforceable in accordance with their terms except as such enforceability may be limited by applicable bankruptcy or other similar Laws affecting the rights and remedies of creditors generally as well as to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(d) The execution, delivery and performance of this Agreement by Venoco, and the consummation of the transactions contemplated by this Agreement shall not (i) violate any provision of the certificate of incorporation or bylaws, as applicable, of Venoco, (ii) result in a default (with due notice or lapse of time or both) or the creation of any lien or encumbrance or give rise to any right of termination, cancellation, or acceleration under any material note, bond, mortgage, indenture, or other financing instrument to which Venoco is a party or by which it is bound, (iii) violate any judgment, order, ruling, or decree applicable to Venoco as a party in interest, or (iv) violate any Laws applicable to Venoco, except any matters described in clauses (ii), (iii), or (iv) above which would not have a material adverse effect on Venoco or its properties.

(e) Noteholder HoldCo shall not, directly or indirectly, have any responsibility, liability, or expense as a result of the undertakings or agreements of Venoco prior to Closing for brokerage fees, finder's fees, agent's commissions, or other similar forms of compensation to an intermediary in connection with the negotiation, execution or delivery of this Agreement or any agreement or transaction contemplated hereby.

Section 2.2 Representations and Warranties of Noteholder HoldCo. Noteholder HoldCo represents and warrants to Venoco, as of the Execution Date and as of the Closing Date, the following:

(a) Noteholder HoldCo is a [_____] duly organized, validly existing, and in good standing under the laws of the state of [_____].

(b) Noteholder HoldCo has the power to enter into and perform this Agreement (and all documents required to be executed and delivered by Noteholder HoldCo at Closing) and to consummate the transactions contemplated by this Agreement (and such documents).

(c) The execution, delivery, and performance of this Agreement (and all documents required to be executed and delivered by Noteholder HoldCo at Closing), and the consummation of the transactions contemplated hereby and thereby, have been duly and validly authorized by all necessary action on the part of Noteholder HoldCo. This Agreement has been duly executed and delivered by Noteholder HoldCo (and all documents required to be executed and delivered by Noteholder HoldCo at Closing shall be duly executed and delivered by Noteholder HoldCo), and this Agreement constitutes, and at the Closing such documents shall constitute, the valid and binding obligations of Noteholder HoldCo, enforceable in accordance with their terms except as such enforceability may be limited by applicable bankruptcy or other similar Laws affecting the rights and remedies of creditors generally as well as to general

principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(d) The execution, delivery and performance of this Agreement by Noteholder HoldCo, and the consummation of the transactions contemplated by this Agreement shall not (i) violate any provision of the certificate of incorporation or formation or the limited liability company agreement, partnership agreement or bylaws, as applicable, of Noteholder HoldCo, (ii) result in a default (with due notice or lapse of time or both) or the creation of any lien or encumbrance or give rise to any right of termination, cancellation, or acceleration under any material note, bond, mortgage, indenture, or other financing instrument to which Noteholder HoldCo is a party or by which it is bound, (iii) violate any judgment, order, ruling, or decree applicable to Noteholder HoldCo as a party in interest, or (iv) violate any Laws applicable to Noteholder HoldCo, except any matters described in clauses (ii), (iii), or (iv) above which would not have a material adverse effect on Noteholder HoldCo or its properties.

(e) Venoco shall not, directly or indirectly, have any responsibility, liability, or expense as a result of the undertakings or agreements of Noteholder HoldCo prior to Closing for brokerage fees, finder's fees, agent's commissions, or other similar forms of compensation to an intermediary in connection with the negotiation, execution or delivery of this Agreement or any agreement or transaction contemplated hereby.

Section 2.3 **Disclaimer. EXCEPT AS AND TO THE EXTENT SET FORTH IN THIS ARTICLE 2, IN THE RSA, OR IN ANY DOCUMENTS TO BE EXECUTED PURSUANT HERETO OR THERETO, (I) VENOCO MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS, STATUTORY OR IMPLIED AND (II) VENOCO EXPRESSLY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO NOTEHOLDER HOLDCO (INCLUDING, WITHOUT LIMITATION, ANY OPINION, INFORMATION, PROJECTION OR ADVICE THAT MAY HAVE BEEN PROVIDED TO NOTEHOLDER HOLDCO BY ANY OFFICER, DIRECTOR, SUPERVISOR, EMPLOYEE, AGENT, CONSULTANT, REPRESENTATIVE OR ADVISOR OF VENOCO OR ANY OF ITS AFFILIATES). WITHOUT LIMITING THE FOREGOING, EXCEPT AS AND TO THE EXTENT SET FORTH IN THIS ARTICLE 2, IN THE RSA, OR IN ANY DOCUMENTS TO BE EXECUTED PURSUANT HERETO OR THERETO, EACH PARTY EXPRESSLY DISCLAIMS, ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, OR STATUTORY, AS TO (I) TITLE TO THE SUBJECT LEASE, (II) THE CONTENTS, CHARACTER OR NATURE OF ANY DESCRIPTIVE MEMORANDUM, OR ANY REPORT OR OTHER INFORMATION MADE AVAILABLE TO THE OTHER PARTIES RELATED TO THIS AGREEMENT, THE RSA OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, (III) THE QUANTITY, QUALITY OR RECOVERABILITY OF PETROLEUM SUBSTANCES IN OR FROM THE SUBJECT LEASE, (IV) THE RIGHTS OF ANY PARTY TO MAINTAIN FACILITIES ON OR WITH RESPECT TO THE SUBJECT LEASE FOR ANY PERIOD OF TIME; (V) THE ABILITY OF THE SUBJECT LEASE TO PRODUCE HYDROCARBONS, INCLUDING PRODUCTION RATES, DECLINE RATES, AND RECOMPLETION OPPORTUNITIES; (VI) ANY ESTIMATES OF THE**

VALUE OF THE SUBJECT LEASE OR FUTURE REVENUES GENERATED BY ANY INTEREST IN THE SUBJECT LEASE, (VII) INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHT, (VIII) ANY OTHER MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE OR COMMUNICATED TO THE OTHER PARTIES OR, IF APPLICABLE, THEIR AFFILIATES, OR ITS OR THEIR EMPLOYEES, AGENTS, CONSULTANTS, REPRESENTATIVES OR ADVISORS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR THE RSA OR ANY DISCUSSION OR PRESENTATION RELATING THERETO, AND FURTHER DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, OR STATUTORY, OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS OR ANY EQUIPMENT, IT BEING EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES THAT, EXCEPT AS AND TO THE EXTENT SET FORTH IN ARTICLE 2, IN THE RSA, OR IN ANY DOCUMENTS TO BE EXECUTED PURSUANT HERETO OR THERETO, THE INTERESTS IN THE SUBJECT LEASE BEING TRANSFERRED BY VENOCO ARE BEING TRANSFERRED "AS IS, WHERE IS," WITH ALL FAULTS AND DEFECTS.

ARTICLE 3
INDEMNITY OBLIGATIONS

Section 3.1 Venoco's Indemnity Obligation. From and after the date hereof, Venoco shall indemnify, defend and hold Noteholder HoldCo, any of its Affiliates and its and their respective officers, directors, managers, partners, employees, and agents harmless from any and all damages, liabilities, claims and causes of action of every kind or character (including reasonable expenses and attorney's fees) arising out of or in connection with a breach of any of Venoco's representations and warranties, contained in Section 2.1 of this Agreement, **EVEN IF SUCH EXPENSES, ATTORNEY'S FEES, DAMAGES, LIABILITIES, CLAIMS, OR CAUSES OF ACTION ARE CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE (WHETHER SOLE, JOINT OR CONCURRENT), STRICT LIABILITY OR OTHER LEGAL FAULT OF THE PERSON INDEMNIFIED HEREUNDER, AN INVITEE, OR A THIRD PERSON, AND WHETHER OR NOT CAUSED BY A PRE-EXISTING CONDITION, BUT EXCLUDING THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY PERSON INDEMNIFIED HEREUNDER,** excluding, however, in each case any and all expenses, attorney's fees, damages, liabilities, claims and causes of action of every kind or character for which Noteholder HoldCo would be required to indemnify Venoco under Section 3.2.

Section 3.2 Noteholder HoldCo's Indemnity Obligation. From and after the date hereof, Noteholder HoldCo shall indemnify, defend and hold Venoco, any of its Affiliates and its and their respective officers, directors, managers, partners, employees, and agents harmless from any and all damages, liabilities, claims and causes of action of every kind or character (including reasonable expenses and attorney's fees) arising out of or in connection with a breach of any of Noteholder HoldCo's representations and warranties, contained in Section 2.2 of this Agreement, **EVEN IF SUCH EXPENSES, ATTORNEY'S FEES, DAMAGES, LIABILITIES, CLAIMS, OR CAUSES OF ACTION ARE CAUSED IN WHOLE OR IN PART BY THE**

NEGLIGENCE (WHETHER SOLE, JOINT OR CONCURRENT), STRICT LIABILITY OR OTHER LEGAL FAULT OF THE PERSON INDEMNIFIED HEREUNDER, AN INVITEE, OR A THIRD PERSON, AND WHETHER OR NOT CAUSED BY A PRE-EXISTING CONDITION, BUT EXCLUDING THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY PERSON INDEMNIFIED HEREUNDER.

ARTICLE 4
CLAIMS AND DISPUTES

Section 4.1 Governing Law; Jurisdiction; Venue; Jury Waiver. This Agreement and the transactions contemplated hereby shall be construed in accordance with, and governed by, the Laws of the State of California without regard to principles of conflicts of law that would refer construction of such provisions to the laws of another jurisdiction. Each Party consents to personal jurisdiction in any action brought in the United States federal courts located in the State of California or California state courts located in Santa Barbara County, California with respect to any dispute, claim or controversy arising out of or in relation to or in connection with this Agreement, and each of the Parties agrees that any action instituted by it against the other with respect to any such dispute, controversy or claim will be instituted exclusively in the United States District Court for the Western Division of the Central District of California or if such jurisdiction is not available, California state courts located in Santa Barbara County, California. Each Party (a) irrevocably submits to the exclusive jurisdiction of such courts, (b) waives any objection to laying venue in any such action or proceeding in such courts, (c) waives any objection that such courts are an inconvenient forum or do not have jurisdiction over it, and (d) agrees that service of process upon it may be effected by mailing a copy thereof by registered mail (or any substantially similar form of mail), postage prepaid, to it at its address specified in Section 5.2. The foregoing consents to jurisdiction and service of process shall not constitute general consents to service of process in the State of California for any purpose except as provided herein and shall not be deemed to confer any rights on any Person other than the Parties to this Agreement. The Parties hereby waive trial by jury in any action, proceeding or counterclaim brought by any Party against another in any matter whatsoever arising out of or in relation to or in connection with this Agreement.

ARTICLE 5

MISCELLANEOUS

Section 5.1 Counterparts; Electronic Execution. This Agreement may be executed in counterparts, each of which shall be deemed to be an original instrument, but all such counterparts together shall constitute but one Agreement. The execution and delivery of this Agreement by any Party may be evidenced by facsimile or other electronic transmission of an executed signature page to this Agreement (including scanned documents delivered by email), which shall be binding upon all Parties the same as an original hand executed signature page.

Section 5.2 Notices. All notices that are required or may be given pursuant to this Agreement shall be sufficient in all respects if given in writing, in English and by personal delivery (if signed for receipt), by certified or registered United States mail (postage prepaid, return receipt requested), by a nationally recognized overnight delivery service for next day

delivery, transmitted via facsimile transmission or transmitted via electronic mail (following appropriate confirmation of receipt by return email, but excluding an automated confirmation of receipt) and shall be deemed to have been made and the receiving Party charged with notice, when received except that if received after 5:00 p.m. (in the recipient's time zone) on a Business Day or if received on a day that is not a Business Day, such notice, request or communication will not be effective until the next succeeding Business Day. All notices shall be addressed as follows:

If to Venoco:

Venoco, Inc.
370 17th Street, Suite 3900
Denver, CO 80202
Attention: Brian E. Donovan
Telephone: (303) 600-2911
Facsimile: (303) 626-8315
Email: be.donovan@venocoinc.com

If to Noteholder HoldCo:

[_____]

with a copy to:

Brown Rudnick LP
One Financial Center
Boston, MA 02111
Attention: Steven B. Levine
Telephone: (617) 856-8587
Facsimile: (617) 856-8201
Email: Slevine@brownrudnick.com

Each Party may change its address for notice by notice to the other Parties in the manner set forth above. All notices shall be deemed to have been duly given at the time of receipt by each Party to which such notice is addressed.

Section 5.3 Captions. The captions in this Agreement are for convenience only and shall not be considered to be a part of or affect the construction or interpretation of any provision of this Agreement.

Section 5.4 Waivers. Any failure by any Party to comply with any of its obligations, agreements or conditions herein contained may be waived by the Party to whom such compliance is owed by an instrument signed by the Party to whom compliance is owed and expressly identified as a waiver, but not in any other manner. No waiver of, or consent to a change in, any of the provisions of this Agreement shall be deemed to be or shall constitute a waiver of, or consent to change in, other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

Section 5.5 Assignment. No Party shall assign or otherwise transfer all or any part of this Agreement, nor shall any Party delegate any of its rights or duties hereunder, without the

prior written consent of the other Parties, and any transfer or delegation made without such consent shall be void. Subject to the foregoing, this Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors and assigns.

Section 5.6 Entire Agreement. This Agreement, the RSA, and the documents to be executed hereunder and thereunder, and the Exhibits and Schedules attached hereto and thereto constitute the entire agreement among the Parties pertaining to the subject matter hereof, and supersede all prior arrangements, understandings, negotiations and discussions, whether oral or written, of the Parties pertaining to the subject matter hereof.

Section 5.7 Limitation on Damages. Notwithstanding anything to the contrary contained herein, no Party or any of its Affiliates, or its and their respective officers, directors, managers, partners, employees, and agents shall be entitled to consequential, special, punitive, indirect, exemplary, remote or speculative damages, or damages for lost profits or loss of business opportunity of any kind arising under or in connection with this Agreement or the transactions contemplated hereby, except to the extent any such party suffers such damages (including costs of defense and reasonable attorneys' fees incurred in connection with defending of such damages) to a third party, which damages (including costs of defense and reasonable attorneys' fees incurred in connection with defending against such damages) shall not be excluded by this provision as to recovery hereunder, and each Party, for itself and on behalf of its Affiliates, and its and their respective officers, directors, managers, partners, employees, and agents, hereby, subject to the immediately preceding sentence, expressly waives any right to consequential, special, punitive, indirect, exemplary, remote or speculative damages, or damages for lost profits or loss of business opportunity of any kind arising under or in connection with this Agreement or the transactions contemplated hereby.

Section 5.8 Expenses. Except as otherwise provided in this Agreement, the RSA and the documents to be executed pursuant hereunder and thereunder, (i) all expenses incurred by Venoco in connection with or related to the authorization, preparation or execution of this Agreement, and the exhibits and schedules hereto and thereto, and all other matters related to the Closing, including all fees and expenses of counsel, accountants, brokers and financial advisers employed by Venoco, shall be borne solely and entirely by Venoco and (ii) all such expenses incurred by Noteholder HoldCo shall be borne solely and entirely by Noteholder HoldCo.

Section 5.9 Amendments and Severability. No amendments or other modifications to this Agreement shall be effective or binding on either of the Parties unless the same are in writing, expressly designated as an amendment or modification, and signed by each of the Parties. If any provision of this Agreement, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law, this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and, to the extent such provision cannot be so reformed, then such provision (or the invalid, illegal, or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality, and enforceability of the remaining provisions contained herein (and any other application of such provision) shall not in any way be affected or impaired thereby.

Section 5.10 Time of the Essence. Time is of the essence in this Agreement. If the date specified in this Agreement for giving any notice or taking any action is not a day other than a Saturday, a Sunday, or a day on which banks are closed for business in New York, New York, United States of America (a "Business Day") (or if the period during which any notice is required to be given or any action taken expires on a date which is not a Business Day), then the date for giving such notice or taking such action (and the expiration of such period during which notice is required to be given or action taken) shall be the next day which is a Business Day

Section 5.11 Exclusive Remedy. Notwithstanding anything to the contrary contained in this Agreement, from and after the Closing, the Parties' sole and exclusive remedy against each other with respect to the transactions contemplated by this Agreement, the RSA and the documents to be executed pursuant hereunder and thereunder shall be pursuant to the express provisions of this Agreement, the RSA and the documents to be executed pursuant hereunder and thereunder.

Section 5.12 Survival. If the Closing occurs, the provisions of this Agreement shall survive for the applicable statute of limitations.

IN WITNESS WHEREOF, this Agreement has been executed by each of the Parties as of the date first above written.

Venoco, Inc.

By:_____
Name: _____
Title: _____

[_____]

By:_____
Name: _____
Title: _____

Schedule 1.1

PRC 3242.1 Expansion Area

[See Attached]

Exhibit A

Form of Assignment of Overriding Royalty Interest for Noteholder LLA Override

[See Attached]

Exhibit A

Form of Assignment of Overriding Royalty Interest

ASSIGNMENT OF OVERRIDING ROYALTY INTEREST

This ASSIGNMENT OF OVERRIDING ROYALTY INTEREST (this "***Assignment***") is from Venoco, Inc., a Delaware Corporation, whose address is 370 17th Street, Suite 3900, Denver, Colorado 80202 ("***Assignor***"), to **[INSERT NOTEHOLDER ENTITY]**, a [_____ _____] with an address at [_____] ("***Assignee***"), and is effective as of 7:00 a.m. (Central Time) on _____, 201___ (the "***Effective Date***")[1]. Assignor and Assignee are each a "***Party***," and collectively the "***Parties***."

WHEREAS, Assignor and Assignee are parties to that certain Divestment Letter Agreement dated [June ___], 2016, by and between Assignor and Assignee (as amended from time to time, the "***Divestment Letter Agreement***").

WHEREAS, in conjunction with the Closing (as such term is defined in the Divestment Letter Agreement), Assignor is obligated to convey to Assignee the Overriding Royalty Interest (as hereinafter defined) on the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars ($10) cash and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I
ASSIGNMENT OF OVERRIDING ROYALTY INTERESTS

1.1 Assignment. Subject to the terms and conditions of this Assignment, Assignor does hereby TRANSFER, GRANT, BARGAIN, SELL AND CONVEY to Assignee, and by these presents has TRANSFERRED, GRANTED, BARGAINED, SOLD, AND CONVEYED unto Assignee an overriding royalty interest in, to and under the Subject Lease as to all depths described in the Subject Lease (the "***Overriding Royalty Interest***") equal to the Applicable ORRI % (as hereinafter defined) for each calendar month of the Gross LLA Volumes (as hereinafter defined) as and when produced, saved and sold from the Subject Lease, **INSOFAR, AND ONLY INSOFAR, AS THE SUBJECT LEASE COVERS THE PRC 3242.1 EXPANSION AREA** (as hereinafter defined).

TO HAVE AND TO HOLD the Overriding Royalty Interest unto Assignee, its successors and assigns, forever, subject, however, to the terms and conditions of this Assignment.

[1] NTD: Effective Date to be the LLA Approval Date.

1.2 ***Certain Definitions.*** The following terms, as used herein, have the meanings set forth below:

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

"***Applicable ORRI %***" shall mean, for each calendar month, the percentage of Gross LLA Volumes determined as set forth in Section 1.3.

"***Asset Taxes***" means all ad valorem, property, production, windfall profit, severance, gross production, excise, and other similar taxes, governmental charges, and assessments imposed on the Subject Lease, the Total Production, or the Overriding Royalty Interest, but excluding any and all income, franchise and similar taxes.

"***Assignee's Owners***" means the Person or Persons holding a direct ownership interest in the membership interest, partnership interest or other equity interest of the Assignee including, but not limited to, the holders of "Trust Units" in Assignee as such quoted term is defined in Assignee's Trust Agreement and any such Person's successors and assigns.

"***Assignee's Representative***" means an agent, appointed by the holders of more than fifty percent (50%) of the Overriding Royalty Interest, with the authority to issue an exception notice in accordance with Section 3.2(c).

"***barrel***" means forty-two (42) U.S. gallons.

"***BOE***" means barrel of Oil equivalent, using a natural gas-to-Oil conversion ratio of ten (10) MMBtu of gas to one (1) barrel of Oil.

"***Business Day***" means any day other than a Saturday, a Sunday, or a day on which banks are closed for business in New York, New York, United States of America.

"***Complete***", "***Completed***" or "***Completion***" means any operations commenced within the wellbore of a well that are required for the stimulation of the wellbore and for the production of Hydrocarbons, including but not limited to fracing, perforating, re-fracing, and re-perforating.

"***Control***" (including the terms "***Controlling***," "***Controlled by***" and "***under common Control with***") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting shares, by contract or otherwise.

"***Correlative Interval***" shall mean with respect to any well, the Zone or Zones in which such well has been Completed.

"***Drainhole***" means the portion of the lateral within a well that is drilled in the Correlative Interval between the Penetration Point and the first to occur of the Terminus or the point at which the lateral exits the Correlative Interval.

"***Ellwood LLA***" means the expansion of the boundary of the Subject Lease applied for by Assignor with the SLC as reflected in the Ellwood Lease Adjustment to Existing Easterly Boundary of PRC 3242.1 described in Assignor's submission to the SLC on June 30, 2014 (as amended by Assignor's subsequent submissions with respect thereto).

"***Ellwood Onshore Processing Facility***" means Assignor's processing facility located at the address commonly known as 7979 Hollister Avenue, Goleta, CA 93117.

"***Environmental Laws***" means all applicable federal, state and local Laws, including common law, relating to the protection of the public health, welfare and the environment, including those Laws relating to the storage, handling and use of chemicals and other Hazardous Substances and those relating to the generation, processing, treatment, storage, transportation, disposal or other management thereof.

"***Expansion Area Well***" means any directional well drilled to a bottom hole location in the PRC 3242.1 Expansion Area and any horizontal well with any portion of its Productive Drainhole Length traversing the PRC 3242.1 Expansion Area.

"***Gas***" means all natural gas that arrives at the surface in the gaseous phase, including all Hydrocarbon and non-Hydrocarbon components, casinghead gas produced from oil wells, gas well gas, and stock tank vapors, in each case after excluding any LPGs/NGLs.

"***Governmental Authority***" means any federal, state, local, municipal, tribal or other government; any governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, regulatory or taxing authority or power; and any court or governmental tribunal, including any tribal authority having or asserting jurisdiction.

"***Gross LLA Volumes***" means, all Hydrocarbons produced from any Expansion Area Wells.

"***Hazardous Substances***" means any pollutants, contaminants, toxic or hazardous or extremely hazardous substances, materials, wastes, constituents, compounds or chemicals that are regulated by, or may form the basis of liability under, any Environmental Laws, including naturally occurring radioactive materials and other substances.

"***Hydrocarbons***" means oil and gas and other hydrocarbons (including condensate) produced or processed in association therewith (whether or not such item is in liquid or gaseous form), or any combination thereof, and any minerals produced in association therewith.

"***Law***" means any applicable statute, law, rule, regulation, ordinance, order, code, ruling, writ, injunction, decree or other official act of or by any Governmental Authority.

"***Liabilities***" means any and all claims, causes of action, payments, charges, judgments, assessments, liabilities, losses, damages, penalties, fines and costs and expenses, including any attorneys' fees, legal or other expenses incurred in connection therewith and including liabilities, costs, losses and damages for personal injury or death or property damage or environmental damage or remediation or compliance with Environmental Laws.

"***LPGs/NGLs***" means all Hydrocarbons, other than Oil, that are trucked and sold separately from the Ellwood Onshore Processing Facility.

"***Management LLA Override***" means that certain overriding royalty interest in and to the oil, gas and other hydrocarbons produced, saved and sold from the portion of the Subject Lease included in the PRC 3242.1 Expansion Area conveyed by Assignor to Timothy M. Marquez ("***TMM***") pursuant that that certain Divestment Letter Agreement dated March 17, 2016 by and between Assignor and TMM (the "***Management Divestment Letter Agreement***").

"***Management LLA Override Assignment***" means the Assignment of Overriding Royalty Interest from Assignor to TMM executed pursuant to the Management Divestment Letter Agreement and by which the Management LLA Override was conveyed to TMM.

"***Monthly ORRI Volumes***" means, for a given calendar month, the product obtained by multiplying the Applicable ORRI % for such calendar month by the Gross LLA Volumes for such calendar month.

"***Oil***" means all Hydrocarbons delivered through the Ellwood Onshore Processing Facility oil Lease Account Custody Transfer unit.

"***ORRI Base Price***" means, as calculated separately for each calendar month, the following amounts:

(a) For Monthly ORRI Volumes of Oil – the ORRI Base Price shall be calculated on a per barrel basis as the Weighted Average Benchmark WTI Price for the applicable calendar month less a fixed differential of $14.18 per barrel (the "***Oil ORRI Base Price***").

(b) For Monthly ORRI Volumes of Gas – the ORRI Base Price shall be calculated on a per Mcf basis as the Weighted Average Benchmark Henry Hub Price for the applicable calendar month less a fixed differential of $0.50 per Mcf.

(c) For Monthly ORRI Volumes of LPGs/NGLs – the ORRI Base Price shall be calculated on a per BOE basis as an amount equal to fifty-five percent (55%) of the Oil ORRI Base Price.

"***Penetration Point***" means the point where the wellbore of a well intersects the top of the Correlative Interval.

"***Permitted Encumbrances***" means:

(a) the terms and conditions of the Subject Lease;

(b) liens for taxes not yet due or delinquent or, if delinquent, that are being contested in good faith;

(c) all Laws and all rights reserved to or vested in any Governmental Authority (i) to control or regulate the Subject Lease in any manner (including any applicable

consent rights); (ii) by the terms of any right, power, franchise, grant, license or permit, or by any provision of Law, to terminate such right, power, franchise, grant, license or permit or to purchase, condemn, expropriate or recapture or to designate a purchaser of any portion of the Subject Lease; (iii) to use such property in a manner which does not materially impair the use of such property for the purposes for which it is currently owned and operated; or (iv) to enforce any obligations or duties affecting the Subject Lease to any Governmental Authority with respect to any right, power, franchise, grant, license or permit;

(d) vendors, carriers, warehousemen's, repairmen's, mechanics', workmen's, materialmen's, construction or other like liens 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 or which are being contested in good faith by appropriate proceedings by or on behalf of Assignor;

(e) liens created under the Subject Lease or operating agreements or by operation of Law in respect of obligations that are not yet due or that are being contested in good faith by appropriate proceedings by or on behalf of Assignor; and

(f) the terms and conditions of all existing contracts and agreements if the net cumulative effect of such contracts and agreements does not operate to reduce the Royalty Payment.

"***Person***" means any individual, corporation, company, partnership, limited partnership, limited liability company, trust, estate, Governmental Authority or any other entity.

"***PRC 3242.1 Expansion Area***" means the geographical area covering the additional lands added to the Subject Lease pursuant to the Elwood LLA as more particularly described on Schedule 1.1 attached hereto and made a part hereof.

"***Productive Drainhole Length***" means the length of the Drainhole that begins at the first Take Point of a well and runs along the actual surveyed wellbore path to the last Take Point of such well.

"***Subject Lease***" means that certain State Lands Commission, State of California Oil and Gas Lease, W.O. 5424 (Parcel 24), P.R.C. 3242.1 dated the 8th day of April, 1965 by and between the State of California, acting by and through the SLC and RICHFIELD OIL CORPORATION, a Delaware corporation and SOCONY MOBIL OIL COMPANY, INC., a New York Corporation (as such Oil and Gas Lease has been, and may hereafter be, amended from time to time).

"***SLC***" means the California State Lands Commission.

"***Take Point***" means any point along the portion of the Drainhole of a well where oil, gas and condensate can enter the wellbore from the Correlative Interval and be produced.

"***Terminus***" means the farthest point along the Drainhole from the Penetration Point and within the Correlative Interval.

"***Total Production***" means, subject to Section 1.8, with respect to each applicable Hydrocarbon produced, the total amount of such Hydrocarbons produced from or attributable to the Subject Lease without regard to any Hydrocarbons attributable to lessor royalties, overriding royalties and/or other burdens against production.

"***Zone***" means a stratum of earth containing or thought to contain a common accumulation of Hydrocarbons separately producible from any other common accumulation of Hydrocarbons.

1.3 Percentage of Overriding Royalty Interest.

(a) The percentage of applicable Gross LLA Volumes on which the holder of the Overriding Royalty Interest shall be entitled to a Royalty Payment (the "***Applicable ORRI %***"), shall be determined as follows:

(i) For each day in the applicable calendar month, with respect to Oil, the Assignor shall calculate the product of the Gross LLA Volumes (in barrels) of Oil produced on such day *multiplied by* the benchmark price of West Texas Intermediate for such day as published by Bloomberg Business currently located at http://www.bloomberg.com/energy or any successor thereto (as such price may be corrected or revised from time to time) (the product of such calculation for a given day shall be referred to as the "***Daily Oil Production Value***" for such day).

(ii) For each calendar month, the Parties shall calculate the quotient of (A) the sum of the Daily Oil Production Values for all of the days in the applicable calendar month *divided by* (B) the Gross LLA Volumes (in barrels) of Oil for such calendar month (the quotient of such calculation for a given month shall be referred to as the "***Weighted Average Benchmark WTI Price***" for such calendar month).

(iii) The Applicable ORRI % for a given calendar month shall be the percentage corresponding to the applicable dollar value of the Weighted Average Benchmark WTI Price for the applicable calendar month set forth in the table below.

Weighted Average Benchmark WTI Price for a calendar month ($ means in U.S. Dollars)	**Applicable ORRI % (% based on 8/8^{ths} of Gross LLA Volumes)**
Less than $80.00	1% of Gross LLA Volumes
Equal to or Greater than $80.00 but Less than $100.00	3% of Gross LLA Volumes
Equal to or Greater than $100.00	5% of Gross LLA Volumes

(iv) For each day in the applicable calendar month, with respect to Gas, the Assignor shall calculate the product of the Gross LLA Volumes (in Mcf) of Gas produced on such day *multiplied by* the settlement price for the Henry Hub Natural Gas futures contract for such day, in each case, as published by New York Mercantile Exchange (NYMEX) on its website, currently located at www.nymex.com, or any successor thereto (as such price may be

corrected or revised from time to time by the NYMEX in accordance with its rules and regulations) (the product of such calculation for a given day shall be referred to as the "***Daily Gas Production Value***" for such day).

(v) For each calendar month, the Parties shall calculate the quotient of (A) the sum of the Daily Gas Production Values for all of the days in the applicable calendar month *divided by* (B) the Gross LLA Volumes (in Mcf) of Gas for such calendar month (the quotient of such calculation for a given month shall be referred to as the "***Weighted Average Benchmark Henry Hub Price***" for such calendar month).

1.4 ***No Rights to Take In-Kind.*** Assignee shall own its Applicable ORRI % Hydrocarbons in-kind at the wellhead and the proceeds therefrom. Notwithstanding anything contained herein to the contrary, Assignee shall not be entitled to physically take its Hydrocarbons in-kind, or separately dispose of, any Hydrocarbons accruing to, or for the account of, the Overriding Royalty Interest.

1.5 ***Royalty Payments.***

(a) For each calendar month, the respective Monthly ORRI Volumes for Oil, Gas and LPGs/NGLs shall be calculated. Each such Monthly ORRI Volume shall be *multiplied by* the applicable ORRI Base Price for the respective component (the product of each such calculation, a "***Component Royalty***"). Assignor shall pay to Assignee an amount for such calendar month equal to the sum of all of the Component Royalties (each such monthly payment a "***Royalty Payment***").

(b) Subject to the other provisions of this Assignment, Assignor shall pay to Assignee the Royalty Payment attributable to each calendar month in immediately available U.S. funds no later than the date provided in the Subject Lease for the payment of royalties therein reserved to the applicable lessor (the "***Royalty Payment Date***").

(c) All Royalty Payments payable by Assignor under this Assignment are payable in U.S. Dollars. Assignee shall, from time to time, furnish Assignor with appropriate wire transfer instructions which will enable Assignor to make payments of amounts owing by Assignor to Assignee hereunder by wire transfer to Assignee's bank account in a bank in the United States of America ("***Assignee's Bank***"). Assignee's wire transfer instructions shall continue in effect until changed by Assignee by written notice to Assignor, or the receipt by Assignor of written notice from Assignee's Bank that such instructions are no longer valid or that such account has been closed. If Assignor has not received such appropriate wire transfer instructions from Assignee at least five (5) Business Days prior to the due date for any payment owed by Assignor to Assignee hereunder, such due date shall be extended without interest or penalty to the next Business Day following the expiration of five (5) Business Days after Assignor receives such appropriate wire transfer instructions from Assignee.

1.6 ***Satisfaction Exclusively from Royalty Payments.*** Assignee shall look solely to the Royalty Payments for satisfaction and discharge of the Assignor's obligations with respect to the Overriding Royalty Interest. Assignor shall not be personally liable for the payment and

discharge of the Overriding Royalty Interest other than for the delivery and payment of Royalty Payments, if any, that accrue and become due and owing to Assignee under this Assignment.

*1.7 **Costs of Production**.* The Overriding Royalty Interest is a non-operating, non-expense-bearing overriding royalty interest in real property, free of all cost and expense of production, operations and delivery including all drilling, developing, operating, production, gathering, transportation, treating, compression or marketing costs and expenses, and free of all Asset Taxes (if any) assessed against, imposed upon, or chargeable with respect to the Overriding Royalty Interest, the portion of the Gross LLA Volumes attributable thereto, and the proceeds therefrom.

*1.8 **Lease Use Hydrocarbons**.* The Overriding Royalty Interest shall not be paid or accrued on, and Gross LLA Volumes shall not include, any Hydrocarbon substances (a) used for operating, development, or production purposes or unavoidably lost in production; or (b) used in re-pressuring or recycling operations or pressure maintenance operations benefiting the Subject Lease.

*1.9 **Operations; Pooling**.* Notwithstanding anything to the contrary in this Assignment, Assignor shall have full charge, management and control of the ownership and operation of the Subject Lease, including (a) the power to pool, unitize or combine the Subject Lease, or any portion thereof, with other lands or leasehold interests and/or enlarge, reduce, dissolve, reform, or otherwise amend any unit or pool in which the Subject Lease is included, which power shall be exercisable multiple times at the sole discretion of Assignor, (b) develop or not develop the Subject Lease, (c) relinquish all or any portion of the Subject Lease (subject to Assignee's rights under Section 1.10), (d) participate, or refuse or fail to participate in, any operation on or affecting the Subject Lease, (e) become overproduced or underproduced, (f) commit its interest and the Overriding Royalty Interest to any joint operating agreement, unit agreement, unit operating agreement, pooling agreement, or similar agreement, and (g) take such other actions with respect to the Subject Lease as Assignor may deem appropriate in its sole discretion. Nothing herein shall obligate Assignor or its Affiliates to conduct, or allow to be conducted, any drilling or other operations whatsoever upon the Subject Lease (even if required to protect such lands from drainage), or to continue to operate any well or to maintain in force the Subject Lease or any other interest, including by payment of delay rentals or shut-in royalties. If, and whenever, through the exercise of such right and power, or pursuant to any Law now existing or hereafter enacted the Subject Lease, or any portion thereof, is pooled or unitized in any manner, the Overriding Royalty Interest shall be pooled or unitized without further action by Assignor or Assignee.

*1.10 **Termination of the Subject Lease**.* If all or any portion of the Subject Lease that covers the PRC 3242.1 Expansion Area should terminate then the Overriding Royalty Interest shall no longer apply to or encumber the portion of the PRC 3242.1 Expansion Area for which the Subject Lease has terminated, but the Overriding Royalty Interest shall remain in full force and effect as to any remaining portion of the Subject Lease that does not terminate. Notwithstanding the foregoing, the Overriding Royalty Interest assigned hereunder shall apply to any extension, top lease, renewal or replacement of the Subject Lease taken by Assignor or its Affiliates or any of their respective successors or assigns and which, in either case, takes effect within the six (6) month period following the expiration, termination or release of the Subject

Lease. For purposes of the preceding sentence (and subject to the six (6) month limitation therein): (i) a renewal or replacement of a state lease is the taking of any state lease covering the PRC 3242.1 Expansion Area covered by the Subject Lease or any part thereof following the expiration, termination or release of the Subject Lease, and (ii) any renewal or replacement of the Subject Lease.

*1.11 **Transfer.*** Any transfer by Assignee of the Overriding Royalty Interest, either of all or an undivided part thereof, shall not increase the obligations or decrease the rights of Assignor under the Subject Lease or hereunder, and shall not be binding on Assignor until thirty (30) days after certified copies of recorded instruments, properly evidencing such transfer, are furnished to Assignor, its successors or assigns.

*1.12 **Required Deduction and Withholding.*** Assignor shall be entitled to deduct and withhold from any Royalty Payment or other amount payable to Assignee hereunder such amounts as may be required to be deducted or withheld therefrom under any applicable tax Law (other than any such amounts attributable to Asset Taxes). To the extent any such amounts are so deducted or withheld, such amounts shall be treated for all purposes as having been paid to Assignor. Assignor shall not deduct or withhold Asset Taxes from any Royalty Payment. Assignor shall be responsible for and pay, or cause to be paid, to the applicable taxing authority all Asset Taxes assessed with respect to the Overriding Royalty Interest and any penalties or interest levied on such Asset Taxes.

ARTICLE II
SPECIAL WARRANTY; DISCLAIMERS; CERTAIN DEFINITIONS

*2.1 **Special Warranty.*** Assignor warrants title to the Overriding Royalty Interest, subject to the terms and conditions of this Assignment, unto Assignee, its successors and assigns, against all Persons claiming or to claim the same or any part thereof by, through, or under Assignor, but not otherwise, subject, however, to the Permitted Encumbrances. EXCEPT AS PROVIDED IN THE PRECEDING SENTENCE, ASSIGNOR MAKES NO, AND EXPRESSLY DISCLAIMS AND NEGATES ANY, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, INCLUDING AS TO TITLE TO THE OVERRIDING ROYALTY INTEREST OR THE SUBJECT LEASE. Assignor hereby assigns to Assignee all rights, claims, and causes of action on title warranties given or made by Assignor's predecessors (other than Affiliates of Assignor) with respect to the interests constituting the Overriding Royalty Interest, and Assignee is specifically subrogated to all rights which Assignor may have against its predecessors (other than Affiliates of Assignor), to the extent that Assignor may legally transfer such rights and grant such subrogation.

*2.2 **Disclaimers of Other Representations and Warranties.*** **EXCEPT FOR THE SPECIAL WARRANTY OF TITLE SET FORTH IN SECTION 2.1 AND THE LIMITED REPRESENTATIONS AND WARRANTIES SET FORTH IN THE DIVESTMENT LETTER AGREEMENT, ASSIGNOR MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS, STATUTORY, IMPLIED OR OTHERWISE, AND ASSIGNOR (ON ITS OWN BEHALF AND ON BEHALF OF ITS AFFILIATES) HEREBY EXPRESSLY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE**

OR COMMUNICATED (ORALLY OR IN WRITING) TO ASSIGNEE OR ANY OF ITS AFFILIATES, EMPLOYEES, AGENTS, CONSULTANTS OR REPRESENTATIVES (INCLUDING ANY OPINION, INFORMATION, PROJECTION OR ADVICE THAT MAY HAVE BEEN PROVIDED).

ARTICLE III
STATEMENTS AND CONFIDENTIALITY

3.1 ***Monthly Statements.*** Subject to the remainder of this Section 3.1, on or before the Royalty Payment Date for the Royalty Payment for a particular calendar month, Assignor shall deliver to Assignee a reasonably itemized statement showing (a) the amounts taken into account in the calculation of the Royalty Payment, if any, due for the applicable calendar month, (b) the computation of the Royalty Payment, if any, for such calendar month and (c) its determinations of the Gross LLA Volumes, Applicable ORRI %, ORRI Base Prices, Weighted Average Benchmark WTI Price, and Weighted Average Benchmark Henry Hub Price applicable to such Royalty Payment.

3.2 ***Limited Rights to Exceptions and Adjustments.***

(a) Except as expressly set forth in Section 3.2(b) and Section 3.2(c), nothing in this Assignment shall entitle Assignee to, and Assignee hereby waives any and all rights it may have to, (a) access, receive, review, audit, inspect or copy any of Assignor's books and records or files or (b) absent manifest error or fraud, receive any adjustments to any Royalty Payment.

(b) Subject to Section 3.2(c), if and only if the owner of the Management LLA Override makes a claim with respect to any exception to a Royalty Payment (as such term is defined in the Management LLA Override Assignment) under the Management LLA Override Assignment (any such claim a "***Management Override Claim***"), then in that event Assignee shall be entitled to receive copies of the information provided to the owner of the Management LLA Override with respect to such Management Override Claim and, to the extent any Management Override Claim (or the information provided to the Assignee under this Section 3.2(b)) results in the discovery of any errors in the calculation or payment by Assignor of any Royalty Payments under this Assignment, then Assignee shall be entitled to proper adjustment and prompt payment with respect to such Royalty Payment; provided that any resolution of the calculation or payment with respect to any Management Override Claim shall be binding on Assignee and be applied, *mutatis mutandis.*

(c) Notwithstanding Section 3.2(b), if and only if Assignor or an Affiliate of Assignor (excluding TMM) repurchases the Management LLA Override, (i) Assignor shall promptly notify Assignee (and its successors and assigns, as applicable) of such repurchase, (ii) Assignee (and its successors and assigns, as applicable) shall promptly notify Assignor in writing of the identity of Assignee's Representative and (iii) the following provisions of this Section 3.2(c) shall apply. If Assignee's Representative takes exception to any item or items included in the monthly statements rendered by Assignor pursuant to Section 3.1, Assignee's Representative shall notify Assignor in writing on or before a date that is two years after December 31 of the calendar year during which the applicable Royalty Payments were made to Assignee, setting

forth in such notice the specific charges or debits complained of and to which exception is taken or the specific credits which should have been made and allowed; provided that Assignee's Representative may only submit one (1) notice during any twelve-month period. With respect to such complaints and exceptions as are (x) submitted by Assignee's Representative in accordance with the requirements of this Section 3.2(c) and (y) valid, adjustment and payment shall promptly be made. If Assignee's Representative fails to give to Assignor written notice of such complaints and exceptions prior to the expiration of the applicable two-year period, then the monthly statements for the relevant calendar year as originally rendered by Assignor shall be deemed to be correct as rendered, no adjustment shall be made, and Assignee's Representative shall no longer be entitled to inspect, copy, or audit Assignor's books and records with respect to such calendar year. Any complaints or exceptions as to which written notice is not given within such two-year period shall be waived. Notwithstanding anything in this Section 3.2(c) to the contrary, Assignee's Representative shall not have the right to access, receive, review, audit, inspect or copy any of Assignor's books and records that are not necessary for the calculation of the Royalty Payments required pursuant to this Assignment. For the avoidance of doubt, no Person other than the duly approved Assignee's Representative shall have the right to access, receive, review, audit, inspect or copy any of Assignor's books and records or files in accordance with this Section 3.2(c) and any action or inaction by Assignee's Representative in accordance with this Section 3.2(c) shall be binding on Assignee (and its successors and assigns, as applicable).

(d) If Assignor believes any overpayment has been made with respect to any calendar year, Assignor shall notify Assignee in writing, on or before a date that is two years after December 31 of the calendar year during which the applicable Royalty Payments were made to Assignee, setting forth in such notice the specific items complained of and to which exception is taken, and with respect to such complaints and exceptions as are valid, adjustment and payment shall promptly be made. If Assignor shall fail to give the Assignee written notice of such complaints and exceptions regarding any overpayment of a Royalty Payment hereunder prior to the expiration of the applicable two-year period noted above, then the monthly statements for the relevant calendar year as originally rendered by Assignor shall be deemed to be correct as rendered, and no adjustment shall be made. Any complaints or exceptions by Assignor as to which written notice is not given within such two-year period shall be waived.

3.3 Confidentiality.

(a) Assignee, Assignee's Owners and Assignee's Representative (if applicable) shall hold in confidence any information obtained from Assignor pursuant to this ARTICLE III using the same degree of care that each of Assignee, Assignee's Owners and Assignee's Representative (if applicable) uses in safeguarding its own confidential information; provided that disclosure thereof shall be permitted: (a) to the extent that such information (i) is or becomes available to the general public or the industry other than through a breach hereof, (ii) is independently received after the date of this Assignment by Assignee or Assignee's Representative (if applicable) from a third Person that is not breaching such third Person's own duty of confidentiality to Assignor or any other Person, or (iii) is independently developed by Assignee or Assignee's Representative (if applicable) without reliance on any information obtained from Assignor pursuant to this ARTICLE III; (b) to the lenders and insurers of Assignee or Assignee's Representative (if applicable) to the extent the foregoing Persons need to

know such information in connection with their respective dealings with or for Assignee or Assignee's Representative (if applicable); (c) to the officers, employees, agents, consultants, engineers, auditors, and attorneys of Assignee, Assignee's Owners, Assignee's Representative (if applicable) or any Person described in the preceding clause (b), in each case to the extent such Persons need to know such information in connection with their respective dealings with or for Assignee or Assignee's Representative (if applicable); (d) in the course of any trial or other legal proceeding between any of the Parties and/or Assignee's Owners or Assignee's Representative (if applicable); (e) as required by any applicable Law (including any subpoena, interrogatory, or other similar requirement for such information to be disclosed); and (f) in connection with any assignment or potential assignment of Assignee's rights or interests under this Assignment; provided that each such assignee or potential assignee is required to agree, for the benefit of Assignor, to keep such information confidential on the same basis as Assignee; provided that Assignee shall be responsible for any breach by the Persons described in clauses (b), (c) or (f) above and for any breach by Assignee's Representative (if applicable).

(b) It is agreed by the Parties that money damages alone would not be a sufficient remedy for any breach of this Section 3.3 by the Assignee, Assignee's Representative (if applicable) or any of their agents or representatives, and Assignor shall be entitled to specific performance and injunctive relief (without the posting of any bond and without proof of actual damages) as remedies for any such breach or to prevent breaches or threatened breaches of this Section 3.3. Such remedies shall not be deemed to be the exclusive remedies for a breach of this Section 3.3 by the Assignee, Assignee's Representative (if applicable) or any of its agents or representatives but shall be in addition to all other remedies available at law or in equity to Assignor. The Assignee hereby agrees, for itself and on behalf of Assignee's Representative (if applicable), to defend, release, indemnify and hold Assignor harmless from and against any and all damages, liabilities, losses, claims, proceedings, expenses, and costs (including, without limitation, reasonable attorneys' fees and court costs) of any nature whatsoever arising from, relating to, or associated with, in any manner, directly or indirectly, the Assignee's or Assignee's Representative's (if applicable) use of or reliance on the information obtained from Assignor pursuant to this ARTICLE III or any use or reliance by a Person who obtained such information through the Assignee or Assignee's Representative (if applicable).

ARTICLE IV
MISCELLANEOUS

4.1 Notices. All notices that are required or may be given pursuant to this Assignment shall be sufficient in all respects if given in writing, in English and by personal delivery (if signed for receipt), by certified or registered United States mail (postage prepaid, return receipt requested), by a nationally recognized overnight delivery service for next day delivery, transmitted via facsimile transmission or transmitted via electronic mail (following appropriate confirmation of receipt by return email, but excluding an automated confirmation of receipt) and shall be deemed to have been made and the receiving Party charged with notice, when received except that if received after 5:00 p.m. (in the recipient's time zone) on a Business Day or if received on a day that is not a Business Day, such notice, request or communication will not be effective until the next succeeding Business Day. All notices shall be addressed as follows:

If to Assignor:

Venoco, Inc.
370 17th Street, Suite 3900
Denver, CO 80202
Attention: Brian E. Donovan
Telephone: (303) 600-2911
Facsimile: (303) 626-8315
Email: be.donovan@venocoinc.com

If to Assignee:

[_____]
[_____]
[_____]
Telephone: [_____]
Facsimile: [_____]
Email: [_____]

With a copy to:

Brown Rudnick LP
One Financial Center
Boston, MA 02111
Attention: Steven B. Levine
Telephone: (617) 856-8587
Facsimile: (617) 856-8201
Email: Slevine@brownrudnick.com

Each Party may change its address for notice by notice to the other Party in the manner set forth above. All notices shall be deemed to have been duly given at the time of receipt by each Party to which such notice is addressed.

*4.2 **Governing Law; Jurisdiction; Venue; Jury Waiver.*** This Assignment and the transactions contemplated hereby shall be construed in accordance with, and governed by, the Laws of the State of California without regard to principles of conflicts of law that would refer construction of such provisions to the laws of another jurisdiction. Each Party consents to personal jurisdiction in any action brought in the United States federal courts located in the State of California or California state courts located in Santa Barbara County, California with respect to any dispute, claim or controversy arising out of or in relation to or in connection with this Assignment, and each of the Parties agrees that any action instituted by it against the other with respect to any such dispute, controversy or claim will be instituted exclusively in the United States District Court for the Western Division of the Central District of California or if such jurisdiction is not available, California state courts located in Santa Barbara County, California. Each Party (a) irrevocably submits to the exclusive jurisdiction of such courts, (b) waives any objection to laying venue in any such action or proceeding in such courts, (c) waives any

objection that such courts are an inconvenient forum or do not have jurisdiction over it, and (d) agrees that service of process upon it may be effected by mailing a copy thereof by registered mail (or any substantially similar form of mail), postage prepaid, to it at its address specified in Section 4.1. The foregoing consents to jurisdiction and service of process shall not constitute general consents to service of process in the State of California for any purpose except as provided herein and shall not be deemed to confer any rights on any Person other than the Parties to this Assignment. The Parties hereby waive trial by jury in any action, proceeding or counterclaim brought by any Party against another in any matter whatsoever arising out of or in relation to or in connection with this Assignment.

*4.3 **Limitation on Damages.*** Notwithstanding anything to the contrary contained herein, no Party or any of its Affiliates, or its and their respective officers, directors, managers, partners, employees, and agents shall be entitled to consequential, special, punitive, indirect, exemplary, remote or speculative damages, or damages for lost profits or loss of business opportunity of any kind arising under or in connection with this Assignment or the transactions contemplated hereby, except to the extent any such party suffers such damages (including costs of defense and reasonable attorneys' fees incurred in connection with defending of such damages) to a third party, which damages (including costs of defense and reasonable attorneys' fees incurred in connection with defending against such damages) shall not be excluded by this provision as to recovery hereunder, and each Party, for itself and on behalf of its Affiliates, and its and their respective officers, directors, managers, partners, employees, and agents, hereby, subject to the immediately preceding sentence, expressly waives any right to consequential, special, punitive, indirect, exemplary, remote or speculative damages, or damages for lost profits or loss of business opportunity of any kind arising under or in connection with this Assignment or the transactions contemplated hereby.

*4.4 **Successors and Assigns.*** This Assignment shall run with the land and bind and inure to the benefit of the Parties and each of their respective successors and permitted assigns.

*4.5 **No Third Person Beneficiaries; No Partnership.*** Nothing contained in this Assignment shall entitle any other Person not a Party to this Assignment (other than the Parties' respective successors and permitted assigns), to any claim, cause of action, remedy or right of any kind whatsoever. This Assignment is not intended to create, nor shall it be construed as creating, any joint venture, partnership or association, and the Parties are not authorized to act as agent or principal for each other with respect to any matter related hereto by virtue of this Assignment.

*4.6 **Further Assurances; Construction.*** The Parties shall execute and deliver, and shall otherwise cause to be executed and delivered, from time to time, such further instruments, notices and other documents, and do such other and further acts and things as may be reasonably necessary to finalize the transactions contemplated herein. The headings set forth in this Assignment are for information purposes only. "Including" as used in this Assignment means "including without limitation" for all purposes.

*4.7 **Divestment Letter Agreement.*** This Assignment is made subject to all of the terms and conditions of the Divestment Letter Agreement which are incorporated, and shall not merge, into this Assignment. Any capitalized terms used but not defined in this Assignment

shall have the meaning ascribed to such terms in the Divestment Letter Agreement. In the event of a conflict between the terms of this Assignment and the terms of the Divestment Letter Agreement, the terms of the Divestment Letter Agreement shall control.

*4.8 **Survival.*** The Overriding Royalty Interest granted herein shall remain in full force and effect with respect to any portion of the Subject Lease covering the PRC 3242.1 Expansion Area for as long as such portion of the Subject Lease remains in effect. From and after the termination of the Subject Lease as to any portion of the PRC 3242.1 Expansion Area, all rights, titles and interests herein conveyed to Assignee in the portion of the Subject Lease so terminated shall automatically terminate (subject to Assignee's rights and Assignor's obligations under Section 1.10), provided that, notwithstanding the foregoing or anything herein to the contrary, any obligations which any Person may have to indemnify, reimburse, or compensate Assignee, or to make Royalty Payments to Assignee on account of Gross LLA Volumes produced before such termination, shall survive any such termination. Except as expressly provided in this Section 4.8 or elsewhere in this Assignment, the terms and conditions of the Assignment shall survive execution hereof indefinitely.

*4.9 **Exclusive Remedy.*** Notwithstanding anything contained in this Assignment to the contrary, each Party's sole and exclusive remedy against each other with respect to this Assignment or the transactions contemplated hereunder shall be pursuant to the express provisions of this Assignment and the Divestment Letter Agreement.

*4.10 **Entire Agreement.*** This Assignment, including the Exhibits and Schedules attached hereto, all of which are incorporated herein for all purposes, and the Divestment Letter Agreement, contain the entire agreement between the Parties and supersede all previous agreements or communications between the Parties, verbal or written, with regard to the subject matter hereof.

*4.11 **Waivers.*** Any failure by any Party to comply with any of its obligations, agreements or conditions herein contained may be waived by the Party to whom such compliance is owed by an instrument signed by the Party to whom compliance is owed and expressly identified as a waiver, but not in any other manner. No waiver of, or consent to a change in, any of the provisions of this Assignment shall be deemed to be or shall constitute a waiver of, or consent to change in, other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

*4.12 **Amendments and Severability.*** No amendments or other modifications to this Assignment shall be effective or binding on either of the Parties unless the same are in writing, designated as an amendment or modification, and signed by each of the Parties. If any provision of this Assignment, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law, this Assignment shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and, to the extent such provision cannot be so reformed, then such provision (or the invalid, illegal, or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Assignment, as the case may be, and the validity, legality, and enforceability of the remaining provisions contained herein (and any other application of such provision) shall not in any way be affected or impaired thereby.

4.13 Certain Expenses. Assignee shall pay the recording costs for the Assignment delivered to it hereunder and all taxes (including sales taxes), duties, levies or other governmental charges imposed on the transfer of the Overriding Royalty Interest assigned to it hereunder.

4.14 Counterparts. This Assignment may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all of such counterparts shall constitute for all purposes one agreement.

[*Signature and acknowledgment pages follow*]

IN WITNESS WHEREOF, this Assignment has been executed by the Parties hereto as of the dates of their respective acknowledgements below, but is effective for all purposes as of the Effective Date.

ASSIGNOR:

VENOCO, INC.

By: _____
Name: _____
Title: _____

ASSIGNEE:

[INSERT NOTEHOLDER ENTITY]

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENTS

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____
COUNTY OF _____

On _____ ___, 2016, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

.

_____
Notary Public

My commission expires: _____.
(Notarial Seal)

ACKNOWLEDGMENTS

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____
COUNTY OF _____

On _____ ___, 2016, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

.

_____
Notary Public

My commission expires: _____.
(Notarial Seal)

SCHEDULE 1.1

PRC 3242.1 EXPANSION AREA

[See Attached]