

**PHASE 1 AGREEMENT**

effective as of June 29, 2018

by and between

**California State Lands Commission**

and

**Exxon Mobil Corporation**

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## PHASE 1 AGREEMENT

This Phase 1 Agreement and Settlement of Claims (“Phase 1 Agreement”), effective as of June 29, 2018 (the “Effective Date”), is entered into by and between the California State Lands Commission (“CSLC”), an independent commission in the California Resources Agency, and Exxon Mobil Corporation (“ExxonMobil”), a New Jersey corporation, for services in connection with the Work as defined herein. As used herein, CSLC and ExxonMobil are referred to collectively as “Parties”, and each individually is referred to as a “Party.”

### RECITALS

WHEREAS,

A. CSLC is responsible for the management and protection of natural and cultural resources on certain of California’s publicly-owned land, including tracts of tide and submerged land located in the County of Santa Barbara which comprise the oil and gas fields known as the Ellwood Field and the South Ellwood Field, as more particularly defined herein (“the Ellwood and South Ellwood Fields.”)

B. The Ellwood and South Ellwood Fields include, but are not limited to, the following: thirty-two (32) deserted oil and gas Wells; the Ellwood Onshore Facility (“EOF”); a disused onshore pipeline, part of a pipeline known as “Line 96”; two Surfzone Oil Piers; Platform Holly (an offshore oil drilling and producing platform located 1.5 miles off the California coast); emulsion and sour gas pipelines; electric cables, oil, gas and utility, seep and storm water pipelines, including the Pipeline Bundle as defined herein; Seep Tents; and oil and gas field development and producing equipment.

C. The above described improvements and infrastructure located on California’s publicly owned lands were authorized subject to three (3) Oil and Gas Leases: PRC 3120.1; PRC 3242.1; and PRC 421.1 (collectively referred to hereafter as “the Leases.”)

D. Mobil Oil Company (“Mobil”), a predecessor entity to ExxonMobil, was the lessee under the Leases prior to Venoco, LLC, also referred to as Venoco, Inc. (“Venoco.”) As set forth below, ExxonMobil contends that Mobil was not the previous operator of a portion of seven (7) of the thirty-two (32) Wells (“Contested Wells”), which ExxonMobil contends were drilled and permitted after Venoco became the lessee under the Leases.

E. CSLC contends that Mobil, as the predecessor lessee to Venoco, was the previous operator of all thirty-two (32) Wells and reserves its rights to seek fulfillment of all obligations in the Leases.

F. CSLC approved Mobil’s assignment to Venoco on July 11, 1997 (per CSLC Calendar Item C76), on the condition that the assignment shall not release Mobil from any obligations to CSLC under the Leases, any conditions in the assignment agreement to the contrary notwithstanding.

G. Between 1997 and 2017, Venoco was the lessee and operator of the Ellwood and South Ellwood Fields, pursuant to the Leases.

H. On April 14, 2017, with knowledge of Venoco's impending bankruptcy, CSLC entered into an agreement with Venoco, titled Agreement for Reimbursement of Temporary Services, pursuant to which Venoco agreed to provide services, with the prior approval of CSLC, to secure, make safe and operate both Platform Holly and the Ellwood Onshore Facility.

I. On April 17, 2017, Venoco issued quitclaim deeds for each of the Leases to CSLC and, subsequently, Venoco commenced bankruptcy proceedings.

J. Also, on April 17, 2017, CSLC served Venoco with a notice of default and demand to cure its material breach of the obligations established by the Leases, based on Venoco's affirmation that it would not fulfill its obligations to decommission and remove the oil and gas production infrastructure from State-owned lands.

K. Under the terms and conditions of the Leases and applicable law, and pursuant to Order 1116 issued by the California Department of Conservation, Division of Oil, Gas, and Geothermal Resources ("DOGGR") to Venoco on May 15, 2017, Venoco is required, *inter alia*, to plug and abandon the thirty-two (32) deserted Wells in the Ellwood and South Ellwood Fields. Venoco has represented to all parties that it does not have sufficient resources to perform said plugging and abandonment obligations.

L. Given Venoco's inability to fulfill its lease, regulatory and statutory obligations to properly plug and abandon its wells and to decommission all associated infrastructure or to comply with DOGGR Order 1116, the Parties have voluntarily engaged in a cooperative agreement, contained herein, to facilitate the timely plugging and abandonment of the thirty-two (32) Wells listed below.

M. On August 21, 2017, ExxonMobil entered into a Letter of Intent to CSLC regarding negotiating and agreeing to this Phase 1 Agreement concerning the plugging and abandonment of the thirty-two (32) Wells located across the Leases.

N. As far as the Parties are aware, as of the Effective Date, DOGGR has not modified its May 15, 2017 Order and has not issued a similar order to any other person or entity, including ExxonMobil, to plug and abandon the Wells on the Ellwood and South Ellwood Fields.

O. However, on May 19, 2017, DOGGR sent a letter to ExxonMobil placing it on notice that, as the immediately preceding operator, ExxonMobil would be responsible for any remaining unpaid costs to plug and abandon the Wells if Venoco does not have the financial resources to fully cover that cost.

P. ExxonMobil acknowledges that, due to Venoco's quitclaim and insolvency, CSLC has undertaken responsibility for the safe execution of daily operations and the maintenance of Platform Holly and associated structures on the Ellwood and South Ellwood Fields, in accordance with applicable laws and regulations. On September 15, 2017, the Venoco Agreement ended and CSLC entered into an agreement with Beacon West Energy Group, LLC ("Beacon West"), pursuant to which Beacon West agreed to provide services, under the oversight of CSLC, to

continue the safe daily operations of Platform Holly and the EOF, as more particularly set forth therein.

Q. The Parties now wish to settle all respective claims and defenses with regards to any alleged obligations of ExxonMobil to plug and abandon the thirty-two (32) deserted Wells in the Ellwood and South Ellwood Fields, and any of them.

R. The Parties agree that it is in their best interests to have ExxonMobil operate as an independent contractor, upon the terms and conditions herein, to safely and expeditiously plug and abandon the thirty-two (32) deserted Wells on the Ellwood and South Ellwood Fields, in compliance with applicable California and federal law and regulations, as more particularly set forth herein (the "Work.")

S. ExxonMobil has experience and expertise in plugging and abandoning wells and is willing to undertake the Work, on the terms and conditions herein.

T. The Parties understand that the performance of the Work in accordance with this Phase 1 Agreement will not complete the permanent abandonment of all the Ellwood and South Ellwood Fields facilities or the restoration and permanent abandonment of the Leases, including Platform Holly. The Parties intend to hold further discussions regarding the performance of additional work at the Ellwood and South Ellwood Fields and, if agreed, to enter into a Phase 2 Agreement, or other agreements, at a later date.

NOW, THEREFORE, in consideration of the foregoing recitals, which are each agreed upon by the Parties and incorporated herein, and in consideration of the mutual covenants, obligations and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

#### Article I Definitions

In addition to the defined terms above, the following definitions shall apply to the terms used herein:

(a) "Beacon West" shall mean the Beacon West Energy Group, LLC.

(b) "Beacon West Agreement" shall mean the agreement dated September 1, 2017, between CSLC and Beacon West, pursuant to which Beacon West agreed to provide engineering, operations and administrative services and other required duties, as contractor to and under the oversight of CSLC or its designee, to conduct the safe operations of Platform Holly on behalf of CSLC; "Beacon West Agreement" shall include any amendments or successor agreements between CSLC and Beacon West.

(c) "Decommission" and "Decommissioning" shall mean to safely dismantle and remove a production facility and to restore the site where it was located, consistent with Title 14, California Code of Regulations section 1760(c).

(d) "Ellwood and South Ellwood Fields" shall mean all tracts of tide and submerged land located in the County of Santa Barbara as are covered by and described in Lease PRC 421.1, Lease PRC 3120.1 and Lease PRC 3242.1.

(e) "Ellwood Marine Terminal" shall mean the now-idle marine terminal facilities, including a partially decommissioned pipeline, "Old Line 96", located on lands in Santa Barbara County owned by the Regents of the University of California.

(f) "Ellwood Onshore Facility" ("EOF") shall mean the onshore oil and gas processing facility previously owned and operated by Venoco, together with its related equipment, oil, water and gas pipelines, and saltwater disposal well, which are located at 7979 Hollister Avenue, Goleta, California 93117.

(g) "Ellwood Pier" shall mean that certain pier located outside the Ellwood and South Ellwood Fields which is used for personnel and vessel traffic to access Platform Holly.

(h) "Governmental Authority" shall mean any local, state, or national government or government of any political subdivision thereof, including but not limited to the United States, the State of California, the County of Santa Barbara, the City of Goleta, and any county or city government, and department, court, commission, board, bureau, ministry, agency or other instrumentality thereof.

(i) "Laws and Regulations" shall mean any laws, statutes, rules, regulations, ordinances, orders, decrees, requirements, and judgments of any Governmental Authority.

(j) "Lease PRC 421.1" shall mean the lease dated October 22, 1949, entered into by the State of California, acting by and through CSLC, whereby the State of California leased to Bankline Oil Company a certain tract of tide and submerged land located in the County of Santa Barbara, as more particularly described therein.

(k) "Lease PRC 3120.1" shall mean the lease dated April 29, 1964, entered into by the State of California, acting by and through CSLC, whereby the State of California leased to Richfield Oil Corporation and Socony Mobil Oil Company, Inc. a certain tract of tide and submerged land located in the County of Santa Barbara, as more particularly described therein.

(l) "Lease PRC 3242.1" shall mean the lease dated April 8, 1965, entered into by the State of California, acting by and through CSLC, whereby the State of California leased to Richfield Oil Corporation and Socony Mobil Oil Company, Inc. a certain tract of tide and submerged land located in the County of Santa Barbara, as more particularly described therein.

(m) "Leases" shall mean Lease PRC 421.1, Lease PRC 3120.1 and Lease PRC 3242.1.

(n) "Line 96" shall mean the 8.98-mile oil pipeline that runs from the EOF to Line 901, owned and operated by Plains All American Pipeline L.P., at Los Flores Canyon, near Goleta, California.

(o) "Pipeline Bundle" shall mean the various pipelines, collectively, running from Platform Holly and the Seep Tents to the EOF.

(p) “Plug and Abandon” or “Plugging and Abandonment” shall mean the performance of all necessary work, including the provision of labor, services, transportation, equipment, materials, apparatus, machinery, tools, fuel, gas, electric energy, water, waste disposal, information, data and other means or items, as may be required to permanently decommission or plug an oil or gas well, by cement plugs or other means, including the isolation of all oil-bearing or gas-bearing strata encountered in the well, the protection of any underground or surface water suitable for irrigation or domestic purposes from the infiltration or addition of any detrimental substances, the sealing of the well, the uninstalling of the control equipment and the permanent abandonment of the well. The terms “Plug and Abandon” or “Plugging and Abandonment” shall include work meeting the requirements of Title 14, Division 2, Chapter 4 of the California Code of Regulations and shall also include the work required to re-abandon a well, if so required by DOGGR or any Governmental Authority.

(q) “Platform Holly” shall mean the offshore oil drilling and producing platform installed in 1965 and located approximately 1.5 miles off the California coast near the city of Goleta, within the South Ellwood Field, together with its drilling and production personnel quarter modules, a production office and related oil and gas field development and producing equipment, and pipelines. Platform Holly consists of a drilling deck, production deck and mezzanine deck which serve thirty (30) oil and gas Wells.

(r) “Production Facility” shall mean any equipment attendant to oil and gas production or injection operations, as more specifically provided by Title 14 California Code of Regulations section 1760(k).

(s) “Seep Tents” shall refer to two fifty (50) -foot high steel pyramids placed over an underwater seep located on PRC 3242.1, from which gas was transferred to the EOF.

(t) “Surety” and “Sureties” shall mean Aspen American Insurance Company or any other company providing a performance or other bond to ensure Venoco’s performance of its obligations under the Leases.

(u) “Surfzone Oil Piers” shall mean the two piers located within Lease 421.1, with the exception of the two oil and gas wells thereon.

(v) “Venoco Agreement” shall mean the agreement dated as of April 14, 2017, between CSLC and Venoco, titled the Agreement for Reimbursement of Temporary Services, pursuant to which Venoco agreed to provide services, with the prior approval of CSLC, to secure, make safe and operate the EOF and Line 96, as more particularly set forth therein.

(w) “Venoco Bankruptcy Proceedings” shall mean the Chapter 11 proceedings in the United States Bankruptcy Court of the District of Delaware titled *In re Venoco, LLC, et al.*, Case No. 17-10828 (KG).

(x) "Wells" shall mean the thirty-two (32) oil and gas wells on the Ellwood and South Ellwood Fields, specifically:

-- Two (2) wells located on the land covered by Lease 421.1, designated as follows:

1. API# 283-03489;
2. API# 283-03490.

-- Thirteen (13) wells located on the land covered by Lease 3120.1, designated as follows:

1. API# 283-20033;
2. API# 283-20045;
3. API# 283-20055;
4. API# 283-20060;
5. API# 283-20071;
6. API# 283-20270;
7. API# 283-20285;
8. API# 283-20268;
9. API# 283-20290;
10. API# 283-20278;
11. API# 283-20282;
12. API# 283-00008;
13. API# 283-20279.

-- Seventeen (17) wells located on the land covered by Lease 3242.1, designated as follows:

1. API# 283-00005;
2. API# 283-20002;
3. API# 283-20039;
4. API# 283-20065;
5. API# 283-20067;
6. API# 283-20036;
7. API# 283-20262;
8. API# 283-20265;
9. API# 283-20286;
10. API# 283-20071;
11. API# 283-20289;
12. API# 283-20273;
13. API# 283-20274;
14. API# 283-20275;
15. API# 283-20276;
16. API# 283-20271;
17. API# 283-20020.

(y) "Work" shall mean the Plugging and Abandoning of the Wells, as more particularly described in Article IV below.

**Article II**  
**Scope of Agreement**

1. **Scope of This Phase 1 Agreement.**

By this Phase 1 Agreement, and pursuant to applicable Laws and Regulations, CSLC and ExxonMobil hereby agree, subject to any order or requirement of any Governmental Authority required to issue a permit or give its approval, to Plug and Abandon each of the thirty-two (32) Wells located on the Ellwood and South Ellwood Fields (the "Phase 1 Plugging and Abandonment", or "Work", as defined and as described more particularly in Article IV herein), for the consideration and upon the terms and conditions as set forth herein (as defined more particularly in Article V herein.)

2. **Matters Outside Scope of This Phase 1 Agreement.**

This Phase 1 Agreement shall not cover any of the following:

(i) The manning, servicing, operation and maintenance in a safe and secure condition of the EOF, including the operating systems and safety equipment at the EOF.

(ii) The Decommissioning of the EOF, as may be required under any applicable Laws and Regulations, or agreements.

(iii) The inspection, servicing, operation and maintenance in a safe and secure condition of Line 96, and any repair, replacement or Decommissioning of Line 96, including the removal and disposal of its contents, which may be required under any applicable Laws and Regulations, or agreements.

(iv) The Decommissioning of the Ellwood Marine Terminal, including Old Line 96, as may be required under any applicable Laws and Regulations, or agreements.

(v) The manning, servicing, operation and maintenance in a safe and secure condition of the Ellwood Pier. The obligations for the Ellwood Pier are controlled by California State Lease PRC 5515.1.

(vi) The Decommissioning and removal of the Surfzone Oil Piers, as may be required under any applicable Laws and Regulations or agreements, except to the extent that such Decommissioning and removal is specifically agreed by the Parties as part of the Plugging and Abandonment of the two (2) Wells on the Ellwood Field, on the land covered by Lease 421.1.

(vii) The manning, servicing, operation and maintenance in a safe and secure condition of Platform Holly, including but not limited to the manning, servicing and maintenance in a safe condition of the operating systems and safety equipment, related oil and gas field development and producing equipment, pipelines and electric cables on Platform Holly.

(viii) The Decommissioning and removal of Platform Holly, including its related oil and gas field development and producing equipment, pipelines and electric cables, as may be required under any applicable Laws and Regulations, or agreements.

(ix) The Decommissioning and removal of the Pipeline Bundle, as may be required under any applicable Laws and Regulations, or agreements.

(x) The Decommissioning of the Seep Tents, as may be required under any applicable Laws and Regulations, or agreements.

3. Further Potential Agreements.

The Parties agree that they will cooperate and, if agreed, may discuss and negotiate in good faith future agreements that may address or cover any of the matters set forth in Section 2 of this Article II.

**Article III**  
**Term of Agreement**

1. Term.

This Phase 1 Agreement and all licenses granted hereunder shall begin on the Effective Date, as specified above, and shall expire upon the completion of the Work, as defined in Article IV hereof, or June 30, 2021, whichever is sooner ("Term.") The Term shall be subject to extension in the circumstances set forth in Article IV, Section 16.

2. Agreed Modifications to Term.

Notwithstanding the foregoing, CSLC and ExxonMobil may agree to extend or shorten the Term by executing a written amendment to this Phase 1 Agreement confirming such agreement, which amendment shall be incorporated herein by reference.

3. Termination Before End of Term.

Also, notwithstanding the foregoing, this Phase 1 Agreement may be terminated before the expiration of the Term under the circumstances set forth in Article VII below; or by the agreement of the Parties. In the event that this Phase 1 Agreement terminates prior to the completion of the Work, the Parties agree that all Plans and engineering assessments, which are completed up to the point of termination, will be transferred to CSLC. CSLC reserves the right to seek contribution toward the cost of completion of the Work if this Agreement terminates before the Work is completed.

## Article IV Work

### 1. License.

As the California State Commission responsible for the management and protection of natural and cultural resources on the Ellwood and South Ellwood Fields, CSLC hereby grants to ExxonMobil, its personnel and their agents, employees and contractors, a license to access the Ellwood and South Ellwood Fields for the purpose of performing the Work described herein. This license, which shall continue only for the Term of this Phase 1 Agreement, shall, if and as required, be in addition to and shall not affect any existing rights of entry onto or use of any property which ExxonMobil may have under any other leases or agreements to which it is a party.

### 2. Scope of Work.

ExxonMobil shall perform all services and provide all material, equipment, tools and labor, necessary to complete the Work, as described in this Article IV. Subject to CSLC obtaining the required permits and approval of DOGGR and any applicable Governmental Authority, ExxonMobil shall Plug and Abandon each of the thirty-two (32) Wells (the "Work") to the satisfaction of CSLC, DOGGR and any Governmental Authority with applicable jurisdiction over the Work and in accordance with this Article, including the identification of the Contested Wells and the Original Wells discussed in Section 4, below. The Parties shall cooperate to ensure that ExxonMobil is able to timely perform the Work. ExxonMobil, acting as an independent contractor, shall provide the Work. The Plugging and Abandonment work to be accomplished during the phase of the project covered by this Phase 1 Agreement is referred to as "Phase 1 Plugging and Abandonment."

### 3. Technical Committee and Technical Memorandum.

ExxonMobil and CSLC shall establish a Technical Committee with the full participation of representatives of ExxonMobil, CSLC and Beacon West. The purpose of the Technical Committee shall be to enable timely and effective decision-making among ExxonMobil, CSLC and Beacon West in relation to: (a) the current operation by Beacon West, under the terms of the Beacon West Agreement, of Platform Holly, the EOF and such other onshore facilities as are addressed by the terms of the Beacon West Agreement; and (b) the Phase 1 Plugging and Abandonment of the Wells by ExxonMobil, under this Phase 1 Agreement, including the content of the "Plan" defined in Section 5, below, and about any applications for permits required by DOGGR or any other applicable Governmental Authority. ExxonMobil and CSLC attach hereto and hereby incorporate into this Phase 1 Agreement the Technical Memorandum, Exhibit A hereto, and any written amendments thereto, which Technical Memorandum addresses the respective roles of Beacon West and ExxonMobil, including but not limited to the responsibilities of their respective Persons in Charge with respect to operations and safety, work management and planning, how Beacon West and ExxonMobil shall coordinate, communicate and cooperate, for shared or joint operations, and the responsibilities of Beacon West and ExxonMobil to provide reports and documentation to each other and to CSLC. Nothing in this paragraph shall be

construed to give any Party control over the discretion of the other in how either Party's representatives carry out their respective efforts as part of the Technical Committee.

4. Identification of Original and Contested Wells.

(a) ExxonMobil has conducted investigations, assessments and analyses to identify which of the thirty-two (32) Wells on the Ellwood and South Ellwood Fields were previously operated by Mobil ("Original Wells") and which of those thirty-two (32) Wells were drilled, installed, modified, sidetracked or permitted, in whole or in part, after the date of the purchase and sale agreement between Mobil and Venoco and after the Leases were assigned by Mobil to Venoco (such wells are referred to herein as "Contested Wells.")

(b) The Parties have identified, after significant investigations, and through this agreement, those wells deemed to be Original Wells and Contested Wells, for the purposes laid out in Article IV.

(c) The Parties agree that the following seven (7) wells are Contested wells:

1. API# 283-20002;
2. API# 283-20271;
3. API# 283-20279;
4. API# 283-20020;
5. API# 283-20273;
6. API# 283-20282;
7. API# 283-20288.

(d) The Parties agree that the following twenty-five (25) wells are Original Wells:

1. API# 283-03489;
2. API# 283-03490;
3. API# 283-20033;
4. API# 283-20045;
5. API# 283-20055;
6. API# 283-20060;
7. API# 283-20270;
8. API# 283-20285;
9. API# 283-20268;
10. API# 283-20290;
11. API# 283-20278;
12. API# 283-00008;
13. API# 283-00005;
14. API# 283-20039;
15. API# 283-20065;
16. API# 283-20067;
17. API# 283-20036;
18. API# 283-20262;

19. API# 283-20265;
20. API# 283-20286;
21. API# 283-20071;
22. API# 283-20289;
23. API# 283-20274;
24. API# 283-20275;
25. API# 283-20276.

5. Plan for the Work.

ExxonMobil shall either prepare a detailed written plan for the Phase 1 Plugging and Abandonment of the thirty-two (32) Wells or separate written plans for the Phase 1 Plugging and Abandonment of each of the thirty-two (32) Wells (unless otherwise indicated, herein, the term “the Plan” shall refer to both the single plan and each separate plan.) The Plan shall be in compliance with all applicable industry standards for Plugging and Abandonment, and shall include all technical information relating to the Phase 1 Plugging and Abandonment activities as required by, and shall comply with, all applicable Laws and Regulations, including all laws and regulations adopted by DOGGR and any other Governmental Authority relating to the Plugging and Abandonment of oil and gas wells, including but not limited to tests and remedial work, if ordered, and any Well site restoration as may be required under Title 14 California Code of Regulations section 1776(a), to the extent applicable. Unless otherwise specifically agreed by the Parties in a written amendment to this Phase 1 Agreement, the Phase 1 Plugging and Abandonment of the thirty-two (32) Wells located on the land covered by Lease PRC 421.1, Lease PRC 3120.1 and Lease PRC 3242.1 shall not include the removal of the Wells’ surface conductor piping, which additional removal work shall be the subject of further discussions between CSLC and ExxonMobil, as part of any Phase 2 agreement. ExxonMobil shall provide the Plan to CSLC for its concurrence. The Parties shall cooperate in resolving any request by either Party for information the other Party reasonably requires in order to facilitate such concurrence, and such information shall not be unreasonably withheld. The Plan (including any modification to the Plan under Section 8, below) shall not be implemented until the Parties concur in writing to its content. Neither Party shall unreasonably withhold its concurrence to the Plan’s content or to the content of any modification.

6. Project Coordinators.

If the Parties so agree, the Plan shall include the identification of a Project Coordinator for ExxonMobil and a Project Coordinator for CSLC, and a description of the responsibilities of the Project Coordinators. The Parties reserve the right to change the identification of their respective Project Coordinator at any time, with reasonable notice to the other party.

7. Applications for Permits and Approvals.

Once the Plan or any separate plan regarding any Well is agreed upon by the Parties, ExxonMobil shall prepare and provide to CSLC all required applications for such permits, including technical design permits, and approvals as are necessary, appropriate or required by DOGGR and any other applicable Governmental Authority to permit and approve the Plugging

and Abandonment of the Well or Wells covered by the Plan or any separate plan. As the State agency responsible for the management and protection of natural and cultural resources on the Ellwood and South Ellwood Fields, CSLC shall be the applicant for each and every such permit or approval. CSLC shall submit all such applications to DOGGR and any other applicable Governmental Authority and shall be responsible for coordinating with DOGGR and any such Governmental Authority during the process of review and consideration of the applications, including clarifying the applications or otherwise assisting DOGGR and any other applicable Governmental Authority in such process. If DOGGR or any other Governmental Authority requires any application for a permit or approval to be modified and resubmitted, CSLC and ExxonMobil shall coordinate, ExxonMobil shall make such modification, as appropriate, and CSLC shall resubmit the application. ExxonMobil shall not unreasonably withhold any information that DOGGR or any other Governmental Authority requires in order to render complete any permit application and/or approve any permit.

8. Modifications to Plan.

If DOGGR or any applicable Governmental Authority requires, as a condition of the granting of approval or permit for the Phase 1 Plugging and Abandonment of the Wells or any Well, that ExxonMobil makes changes to the Plan, including undertaking measures to mitigate the environmental impact of the Plugging and Abandonment operations, ExxonMobil, in coordination with CSLC, shall assess and analyze if such changes or measures are feasible and can reasonably be incorporated into an amended Plan. If such changes and measures can reasonably be so incorporated, ExxonMobil shall modify the Plan accordingly and, if agreed to by CSLC, CSLC shall take whatever steps as are necessary to secure or obtain the necessary permits or approvals from DOGGR or any applicable Governmental Authority based on conducting Plugging and Abandonment operations in accordance with such modified Plan. ExxonMobil shall not unreasonably withhold any information that DOGGR or any other Governmental Authority requires in order to render complete any application for such modification or approve any such modification. If such changes and measures cannot reasonably be so incorporated, ExxonMobil and CSLC shall enter into good faith discussions with DOGGR or any applicable Governmental Authority to find an alternative way to enable the Wells to be Plugged and Abandoned. If, after commencement of the Phase 1 Plugging and Abandonment, the Parties determine (through the Technical Committee) that, because of new circumstances material to the Plan's content, the Plan should be modified, as to a specific Well or group of Wells or otherwise, ExxonMobil shall coordinate with CSLC and the Parties shall cooperate in good faith to address and agree upon a modification to the Plan, and shall cooperate to obtain all permits and approvals, if any, as may be required from DOGGR and any other applicable Governmental Authority, to perform or continue performance of the Work in accordance with such modified Plan.

9. Phase 1 Plugging and Abandonment.

After the Plan, and any modifications thereto, is agreed upon and all the necessary permits and approvals are obtained from DOGGR and any applicable Governmental Authority, ExxonMobil shall perform the engineering, operations and administrative services and other required duties in order to conduct the Phase 1 Plugging and Abandonment of the thirty-two (32) Wells on the Ellwood and South Ellwood Fields or the Phase 1 Plugging and Abandonment of

such of the thirty-two (32) Wells as to which the Plan is agreed and all said necessary permits and approvals are obtained. Such Phase 1 Plugging and Abandonment operations shall be conducted according to the Plan, after modifications if any, and shall be carried out by ExxonMobil, its personnel and their agents, employees and contractors, under the direction and control of ExxonMobil, subject to coordination with CSLC and Beacon West.

10. Reporting.

ExxonMobil and CSLC shall agree upon a format and arrangement for ExxonMobil to provide reports to CSLC.

11. Conduct of Work/ Role of Beacon West

(a) Beacon West, as CSLC's agent, is responsible for coordinating all operations on Platform Holly and the EOF. ExxonMobil shall provide Beacon West with at least twenty-four (24) hours' notice, where feasible, in advance of all operations requiring access to Platform Holly or the EOF.

(b) As the Platform Operator, Beacon West shall have approval over all activities concerning work on Platform Holly which is subject to review and agreement of CSLC and may also order the temporary cessation of operations on the Platform, if required to preserve human health and safety.

12. Conduct of Work/ Role of ExxonMobil.

(a) ExxonMobil shall be solely responsible for the conduct and manner of the performance of the Work and shall have the sole right and obligation to supervise, manage, and direct all work to be performed by ExxonMobil personnel, employees, agents or contractors.

(b) ExxonMobil is an independent contractor and is not an agent, servant, employee, representative, partner of, or a part of a joint venture with, CSLC. Except as otherwise provided by this Phase 1 Agreement, CSLC shall not exercise any control whatsoever over the employment, discharge, compensation of, or services rendered by ExxonMobil, or the practices, procedures, and professional judgment employed by ExxonMobil in performing the Work.

(c) The Work shall be performed by ExxonMobil, its personnel, employees, agents and contractors: (1) in accordance with this Phase 1 Agreement; (2) in a professional manner and in accordance with industry best practices; (3) efficiently and cost-effectively; and (4) using qualified ExxonMobil personnel, employees and contractors who have all required permits, licenses, training, education, experience and skill to perform the Work.

(d) The Parties agree that, in connection with its performance of the Work, nothing in this Phase 1 Agreement shall be deemed to give ExxonMobil the right to drill, operate, maintain or control any Well. In performing the Work hereunder, ExxonMobil shall not be deemed to be an "Operator" of any Well, as that term is defined in section 3009 of the California Public Resources Code.

(e) ExxonMobil shall not operate Platform Holly and nothing in this Phase 1 Agreement shall impose upon to ExxonMobil any responsibility to operate, maintain or repair Platform Holly. At all times hereunder, CSLC shall be the sole operator of Platform Holly and shall be responsible for the operation, maintenance and repair of Platform Holly.

13. Compliance with Laws.

ExxonMobil shall comply with, and perform the Work in compliance with, all applicable Laws and Regulations, including but not limited to Laws and Regulations pertaining to: (1) occupational safety and health; (2) protection of persons and property; (3) the environment and the use, handling, storage, labelling and disposal of toxic or hazardous materials; (4) labor and employment, including equal employment opportunity; (5) tax; (6) workers' compensation and unemployment insurance; (7) anti-money laundering, anti-terrorism, trade embargoes, economic sanctions, anti-bribery, and anti-corruption; and (8) personal data, data privacy, data protection, and consumer privacy. ExxonMobil shall comply with any and all applicable directives issued by DOGGR and CSLC, or any other applicable Governmental Authority, regarding the Plugging and Abandonment of deserted wells. In accord with the provisions of Section 7, above, CSLC shall be responsible for applying for and obtaining each and every such permit or approval from DOGGR and any applicable Governmental Authority to permit the Phase 1 Plugging and Abandoning Work to proceed; notwithstanding the foregoing, ExxonMobil has or will obtain and will maintain any other permits, licenses and approvals as might be applicable to its business and the Work.

14. Accident Prevention.

In connection with the performance of the Work, ExxonMobil, its employees, agents and contractors shall at all times take all reasonable precautions for the protection of all persons and property. These precautions shall include, but not be limited to, the installation and use of adequate safety guards and protective devices for all equipment and machinery, whether used in performance of the Work or installed as part thereof.

15. Work Site Inspection.

ExxonMobil shall not interfere with representatives of CSLC, DOGGR or any authorized agent of the State of California accessing the site where any of the Work is being performed. Determinations of access and safety for such purposes will be made cooperatively with ExxonMobil, Beacon West and CSLC staff.

16. Performance and Delays.

All performance under this Phase 1 Agreement shall be completed on or before the expiration of the Term. Notwithstanding the foregoing, ExxonMobil shall not be responsible for any delays in performance caused by third parties or delays caused by CSLC, DOGGR or any other Governmental Authority, provided that such delays are not due to the fault of ExxonMobil or a violation of a Law or Regulation by ExxonMobil alleged by a Governmental Authority. In

the event of such delay, the Term of this Phase 1 Agreement shall be extended for the period of such delay.

17. Date for Completion of Phase 1 Plugging and Abandonment.

ExxonMobil shall commence the Work reasonably promptly after DOGGR or any applicable Governmental Authority issues the permits and approvals, if any, required for the Phase 1 Plugging and Abandonment of the Wells. ExxonMobil shall perform the Work with all reasonable diligence in accordance with safety, environmental concerns and industry best practices, and subject to the requirements of DOGGR and any applicable Governmental Authority relating to the Work. The Parties acknowledge and agree that, prior to the commencement of the Work and making substantial progress, the Parties may not be able to agree upon a specific date for the completion of the Work. Nevertheless, as requested by CSLC, ExxonMobil will endeavor to provide good faith estimates of the expected date for completion of the Work as part of its progress reports, as specified in Article IV, Section 10 hereof; such good faith estimates may be modified by ExxonMobil from time to time. The Parties anticipate that the Work will be completed within the Term of this Phase 1 Agreement.

18. Completion of Phase 1 Plugging and Abandonment of Any Well.

The Phase 1 Plugging and Abandonment of the thirty-two (32) Wells located on the land covered by Lease PRC 421.1, Lease PRC 3120.1 and Lease PRC 3242.1 shall not include the removal of the surface conductor piping. When the Parties determine that the Phase 1 Plugging and Abandonment of any Well is complete, in accordance with the requirements of the Plan, the Parties, through CSLC, shall so notify DOGGR in writing to facilitate inspection of the Well and the site where it is located, to assess and verify the completion of the Phase 1 Plugging and Abandonment. Once CSLC and DOGGR are satisfied that the Phase 1 Plugging and Abandonment of the Well is complete, CSLC shall request and obtain from DOGGR an acknowledgement, certification or other appropriate documentation, issued by DOGGR proving that the Phase 1 Plugging and Abandonment of the Well has been completed. CSLC shall provide such certification or other appropriate documentation to ExxonMobil and the Parties shall execute an agreed written confirmation that the Phase 1 Plugging and Abandonment has been completed as to the Well in question.

19. Completion of the Work.

The Work shall be completed when the Phase 1 Plugging and Abandonment all of the thirty-two (32) Wells have been completed.

20. Responsibility of CSLC Regarding Access to and Use of Other Property.

In order to perform the Work or any part of the Work, ExxonMobil, its employees, agents or contractors may, from time to time, need to access, enter upon, transit across or otherwise use property that is not part of the Ellwood and South Ellwood Fields, as defined herein ("Other Property.") Such use of Other Property by ExxonMobil, its employees, agents or contractors to perform the Work may include, but not be limited to, the placement on, or transit across, the Other

Property of equipment and materials and the performance of operations on the Other Property or operations that may affect the use or enjoyment of the Other Property. If requested by ExxonMobil, CSLC shall make all reasonable attempts as are necessary and appropriate, in CSLC's discretion, for ExxonMobil to be permitted to have access to, enter upon, transit across or use the Other Property. Such actions or steps shall include, but not be limited to, CSLC entering into a license, lease, easement or other appropriate arrangement or agreement with the owner of the Other Property to permit ExxonMobil to use the Other Property for performing the Work. If the owner or occupier of property adjacent to or near the Other Property or the Ellwood and South Ellwood Fields claims that ExxonMobil's use of the Other Property or the Ellwood and South Ellwood Fields to perform the Work constitutes a condition or nuisance that adversely affects such owner's or occupier's use or enjoyment of his, her or its property, CSLC shall take whatever steps are necessary to resolve such claim upon reasonable terms and conditions, including but not limited to the payment of compensation to such owner, if and to the extent that such claim is justified. The refusal of any owner or occupier of the Other Property to provide a license, lease, easement, or other access to the Other Property shall not excuse ExxonMobil's obligations under this Agreement.

21. Continued Operations of Platform Holly, EOF and Other Facilities.

At all times until the Work is completed, CSLC shall continue the safe operations of Platform Holly, the EOF and all other facilities on the Leases, including but not limited to all responsibilities, activities and services as are referred to in Article II, Section 2 above. CSLC shall comply with the terms and conditions of the Beacon West Agreement.

22. Designation of CSLC as Responsible Party.

As the California State agency responsible for the management and protection of natural and cultural resources on the Ellwood and South Ellwood Fields and as the operator of Platform Holly, the thirty-two (32) Wells and the Facilities on the said Leases, CSLC is the Responsible Party, pursuant to all applicable statutes, including but not limited to the Oil Pollution Act, 33 U.S.C. §2701, *et seq.*, and the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act, as codified in the California Government Code and Public Resources Code, in connection with the response to any discharge or spill, or any threat of discharge or spill, of oil or hazardous substance at, from or affecting any Facility, including but not limited to Platform Holly or any Well or pipeline, on the Ellwood and South Ellwood Fields. If any such discharge or spill, or threat thereof, occurs, CSLC shall, as Responsible Party, fully cooperate in all response activities and shall pay all response costs, in accordance with applicable law.

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**Article V**  
**Payment and Other Consideration for the Work**

1. **Payment: General.**

The payment and other consideration for the performance of the Work as defined herein shall be governed by the provisions of this Article V.

2. **Bond Proceeds.**

(a) The Parties understand that the Surety has provided a performance bond pursuant to which the Surety must pay the legal obligation of Venoco to Plug and Abandon the Wells and to maintain, operate and Decommission Platform Holly, EOF and all other Production Facilities on the Leases.

(b) The Parties further understand that, following the demand by CSLC for payment of the performance bond, the Surety has paid CSLC the full twenty-two million dollars (\$22,000,000) penal sum in settlement to satisfy its obligations under the performance bond or performance bonds ("the Surety Settlement Payment.")

(c) CSLC shall regularly keep ExxonMobil informed as to how much of the Surety Settlement Payment has been paid to the Venoco Estate as part of the Agreement for Reimbursement of Temporary Services (effective April 14, 2017), to Beacon West under the Beacon West Agreement and the balance remaining throughout the Phase 1 operations.

3. **ExxonMobil Invoices.**

(a) ExxonMobil shall itself bear the entire cost of performing the Work and shall waive any right to collect payment from CSLC for the Work conducted by ExxonMobil, subject to each of the following provisions:

(i) With respect to the Work performed by ExxonMobil in connection with and related to the Phase 1 Plugging and Abandonment of the Contested Wells that are identified in accordance with the provisions of Article IV, Section 4 herein, ExxonMobil shall assess the cost of Plugging and Abandoning the parts of those Contested Wells, including the sidetracked portions which were added by Venoco and/or permitted after the purchase and sale agreement between Mobil and Venoco, and shall submit to CSLC a final invoice covering only the reasonable and direct costs of the Plugging and Abandoning of such parts or portions, and designated as such (hereinafter, "Contested Installations Invoice.") It is agreed that CSLC shall pay the Contested Installations Invoice in full within sixty (60) days after the conclusion of the Work or receipt of the Contested Installations Invoice, whichever is later. ExxonMobil shall cooperate with the CSLC to validate and verify the costs related to the Contested Installations Invoice consistent with Article V, Section 5 below; and

(ii) CSLC shall pay to ExxonMobil the balance of the Surety Settlement Payment, if any, remaining after CSLC fulfills its obligations to operate and maintain Platform Holly and the EOF, through its agreement with Beacon West; and

(iii) ExxonMobil shall retain and does not waive its right, by right of contribution or otherwise, to recover from any entity or corporation other than CSLC payment, in whole or in part, of any of its Invoices for the Work, to the extent that they have not been paid by CSLC.

(b) The provisions of this Article V, Section 3 shall survive the expiration or sooner termination of this Agreement.

4. Payment by Venoco.

(a) Demand by CSLC.

CSLC shall demand from, and make or advance claims, including but not limited to making a claim in the Venoco Bankruptcy Proceedings, against Venoco for the recovery of the cost of performing Venoco's obligations under the Leases and all applicable Laws and regulations, including but not limited to the Plugging and Abandonment of the Wells pursuant to the Order of DOGGR dated May 15, 2017, and the Decommissioning of Platform Holly, the EOF, the Pipeline Bundle and all Production Facilities on the Leases. Likewise, ExxonMobil shall demand from, and make or advance claims, including but not limited to making a claim in the Venoco Bankruptcy Proceedings, against Venoco for the recovery of the cost of performing Venoco's obligations under the Leases and all applicable Laws and regulations, including but not limited to the Plugging and Abandonment of the Wells pursuant to the Order of DOGGR dated May 15, 2017, and the Decommissioning of Platform Holly, and any other such costs. The Parties shall cooperate to keep each other informed of the progress of all such demands and claims, and the response of Venoco and its Trustee or other equivalent in the Venoco Bankruptcy Proceedings.

(b) Allocation of Venoco Estate Payments.

The Parties agree that ExxonMobil and CSLC will equally incur costs in the performance of Venoco's obligations under the Leases and all applicable Laws and regulations, including but not limited to the Plugging and Abandonment of the Wells pursuant to the Order of DOGGR dated May 15, 2017. As such, the Parties agree to notify each other of any payments made by Venoco and to apportion any final payments made by the Venoco Estate on an equal basis, with each Party receiving a fifty percent (50%) share, to resolve the aggregate of all the claims arising from the operation of the Ellwood and South Ellwood Fields and the Plugging and Abandonment Operation. The fifty percent (50%) payment apportioned to CSLC represents the portion of monies that are due CSLC, consistent with its exposure to liability as a result of the Venoco Bankruptcy and are subject to the Aspen Settlement Agreement executed October 27, 2017.

5. Costs and Invoicing.

(a) With respect to the invoices that ExxonMobil shall submit to CSLC for payment pursuant to Article V, Section 3(a)(i) above:

(i) Included as part of its reporting process under Article IV, Section 10 above, ExxonMobil shall provide (once per monthly report) to CSLC an accounting of all the costs for the Work on the Contested Wells incurred by ExxonMobil, its employees, agents and contractors, and, where appropriate, shall include an allocation of such costs to particular operations, including costs incurred allocated to each Contested Well, and an aggregate of all costs of the Work on the Contested Wells performed in the prior month to the date of the applicable report.

(ii) The costs of performing the Work on the Contested Wells shall include the costs of performing any projects or work, if and as required by DOGGR or any applicable Governmental Authority, in addition to the Plugging and Abandonment as set forth in the Plan, after modification if any.

(iii) If requested by CSLC, in advance of the commencement of the Work on any Contested Well and prior to commencement of particular projects, ExxonMobil shall, to the extent possible, provide a cost estimate, in a format generally used as an industry standard, for the costs to be charged by ExxonMobil to perform the Work or project, which may include the cost of anticipated materials and equipment to be used in performance of the Work or project with regards to such Contested Well.

(iv) Following the completion of the Work on a particular Contested Well, ExxonMobil's costs of performing the Work shall be provided to CSLC in a format in accordance with industry standards and shall be the costs actually incurred by ExxonMobil and for which ExxonMobil has paid to or is liable to pay to third parties.

(v) ExxonMobil's costs of performing the Work on the Contested Wells shall not be subject to any cost caps or limitations of any kind with respect to the cost of personnel or otherwise.

(vi) CSLC shall be entitled to review all reasonably available costs and accounting data and information from which the report was derived, and ExxonMobil shall cooperate reasonably with CSLC in providing CSLC whatever records, data or information CSLC requires in order to evaluate and verify the reports provided, and ExxonMobil shall not unreasonably withhold its consent to such review.

(vii) Invoicing of final costs for the Contested Wells will be provided to CSLC to review in preparation for payment.

(viii) A final Contested Installations Invoice shall be on a form and format as agreed by the Parties. It is agreed that CSLC shall pay the said invoice in accordance with the provisions of Article V, Section 3(a)(i) above.

(b) ExxonMobil shall not be under any obligation to comply with the provisions of Article V, Section 5(a) above with respect to any Work for which ExxonMobil agrees to bear the costs itself.

6. Shared Costs Between the Parties.

The Parties anticipate that there may be costs relating to certain services and materials which CSLC, through Beacon West, and ExxonMobil agree to share. Upon the completion of the Plugging and Abandonment operations, or at any other time as mutually agreed upon, the Parties shall cooperate in performing an accounting of such costs and the Parties shall be responsible for their respective proportionate share of such costs. In fulfillment of these responsibilities, the Parties shall prepare detailed reports of costs incurred and the agreed apportionment for those costs through the completion of Phase 1 work, to ensure proper documentation over the term of this Phase 1 Agreement.

7. Releases from Potential Liability.

(a) Release Relating to Each Completed Well.

In consideration of ExxonMobil Plugging and Abandoning the Wells as required herein, with respect to each Well as to which ExxonMobil completes the Plugging and Abandonment in accordance with the provisions hereof, CSLC shall fully, finally, and forever release, acquit, and discharge ExxonMobil and, as applicable, all companies directly or indirectly controlled by ExxonMobil, its affiliates, parents, subsidiaries, and related companies, from any and all claims, demands, actions, causes of action, liabilities, obligations, damages of any kind, equitable or declaratory relief of any kind, and attorneys' fees, costs, or expenses of any kind, whether known or unknown, connected with, or arising from, any alleged liability, if any, of ExxonMobil to Plug and Abandon said Well. Furthermore, CSLC agrees that, upon ExxonMobil's completion of the Plugging and Abandonment of said Well in accordance with the provisions hereof, ExxonMobil shall fully satisfy all its Plugging and Abandonment obligations to CSLC with respect to said Well under this Phase 1 Agreement, under all applicable Leases and under all applicable Laws and Regulations.

(b) Release Relating to All Thirty-Two (32) Wells.

Further in consideration of ExxonMobil completing the Plugging and Abandoning all thirty-two (32) Wells in accordance with the provisions hereof, CSLC, upon completion of the Work, shall fully, finally, and forever release, acquit, and discharge ExxonMobil and, as applicable, all companies directly or indirectly controlled by ExxonMobil, its affiliates, parents, subsidiaries, and related companies, from any and all claims, demands, actions, causes of action, liabilities, obligations, damages of any kind, equitable or declaratory relief of any kind, and attorneys' fees, costs, or expenses of any kind, whether known or unknown, connected with, or arising from any alleged liability, if any, of ExxonMobil to Plug and Abandon any and all of said thirty-two (32) Wells. Furthermore, CSLC agrees that, upon ExxonMobil's completion of the Plugging and Abandonment of all of the said thirty-two (32) Wells in accordance with the provisions hereof, ExxonMobil shall fully satisfy all its Plugging and Abandonment obligations to CSLC with respect to all said thirty-two (32) Wells under this Phase 1 Agreement, under all applicable Leases and under all applicable Laws and Regulations.

**Article VI**  
**Disclaimer of Liability and No Waiver**

1. **Disclaimer and No Waiver by ExxonMobil.**

Notwithstanding any other provisions of this Phase 1 Agreement, ExxonMobil does not admit any liability to Plug or Abandon any of the thirty-two (32) Wells, except as required under this Phase 1 Agreement. Nothing in this Phase 1 Agreement shall constitute an admission by ExxonMobil that, apart from its obligations hereunder, ExxonMobil is liable, in whole or in part, to Plug and Abandon any of the thirty-two (32) Wells or Decommission Platform Holly, the EOF, the Pipeline Bundle or any Production Facilities located on the lands covered by the Leases. ExxonMobil fully reserves all its rights with respect to such liability. By entering into this Phase 1 Agreement, ExxonMobil does not waive, and hereby preserves and retains, all its rights to challenge, in whole or in part, any order issued to ExxonMobil by DOGGR regarding Plugging and Abandoning any of the thirty-two (32) Wells or any other wells on the lands covered by the Leases, or regarding the Decommissioning of Platform Holly, the EOF, the Pipeline Bundle and any Production Facilities on the Leases.

2. **No Waiver by CSLC.**

Nothing in this Phase 1 Agreement shall constitute a waiver by CSLC, on its own behalf or on behalf of the State of California or any other agency thereof, of any of its or their legal rights or claims under the Leases, their amendments or assignments, or applicable law, state or federal, or any other laws whose applicability is not permitted to be contractually waived.

**Article VII**  
**Termination**

1. **ExxonMobil's Right to Terminate.**

ExxonMobil shall be entitled to terminate this Phase 1 Agreement upon notice to CSLC on the occurrence of any of the following events:

(a) If CSLC is in material breach of any of its obligations hereunder and fails to remedy such breach within fourteen (14) business days' notice thereof;

(b) If CSLC fails to make any payments to ExxonMobil within the timeframes provided in this Phase 1 Agreement and more than fourteen (14) business days have passed after ExxonMobil notifies CSLC in writing that such payment is owing and unpaid;

(c) If DOGGR, or any Governmental Authority, issues an Order, or any Laws and Regulations are enacted, which has the effect of preventing ExxonMobil from commencing or completing the Plugging and Abandonment of any Well, or all of them, or has the effect of requiring that Plugging and Abandonment of any of the thirty-two (32) Wells be suspended, if such period of suspension lasts for more than six (6) months; or

(d) If ExxonMobil's performance of the Work is rendered impossible for a period of more than six (6) months because of an event of Force Majeure or the actions or any Laws and Regulations or the order of any applicable Governmental Authority.

2. CSLC's Right to Terminate.

CSLC shall be entitled to terminate this Phase 1 Agreement upon providing notice to ExxonMobil, if ExxonMobil is in material breach of any of its obligations hereunder and fails to remedy such breach within CSLC providing fourteen (14) business days' notice of breach thereof.

3. Material Breach.

For purposes of this Article VII, the failure of ExxonMobil to remedy, address, or appeal a notice of violation or enforcement order from a Governmental Authority that implicates human health and safety, or protection of the environment shall be considered a material breach.

**Article VIII**  
**Force Majeure**

Each Party shall not have any liability to the other Party for any failure or delay in fulfilling its obligations under this Phase 1 Agreement if and to the extent that fulfillment thereof is prevented or impeded due to, without limitation, acts of God or public enemy, acts of or threats of acts of terrorism, hijacking, civil war, insurrection, riot, strikes or labor disputes, fire, flood, adverse weather conditions, explosion, earthquake, serious accident, failure of equipment, epidemic, quarantine restriction, any sanction or prohibition imposed by any state, country, international governmental organization or other Government Authority, or any act of any government, to the extent that the consequences of such event are beyond either Party's reasonable control ("Force Majeure.") Each Party shall notify the other Party promptly after becoming aware of any Force Majeure. The performance of any Party's obligations under this Phase 1 Agreement shall be excused for so long as the Force Majeure continues.

**Article IX**  
**Applicable Law, Mutual Indemnity, Defense and Hold Harmless and Dispute Resolution**

1. Applicable Law.

The terms of this Phase 1 Agreement, and the rights of the Parties hereto associated with, arising out of or connected with this Phase 1 Agreement, shall be governed by and interpreted in accordance with the laws of the State of California, without regard to its conflicts of laws principles.

2. Liability Considerations.

(a) The Parties agree that, in accordance with California law, their respective liabilities to any third party and to each other, if any, shall be based on their own negligence, willful misconduct or strict liability under California law, and that in circumstances where the Parties are

alleged to be jointly or severally liable to any third party as tortfeasors, their respective liabilities to the third party and to each other shall be based on California principles of comparative fault, so that each Party shall be liable for damages based on its proportional share of the overall liability only, as determined by a competent trier of fact. Nothing in this subparagraph (a) shall be construed as an admission of liability by either of the Parties to any third party or to the other Party.

(b) Nothing in this Phase 1 Agreement shall affect the rights, obligations and liabilities of the Parties under California law, including but not limited to any rights to equitable indemnity or a right of contribution between the Parties.

(c) The Parties agree that for all purposes under this Agreement, CSLC is the sole owner and operator of Platform Holly and the Ellwood and South Ellwood Fields, including the thirty-two (32) Wells thereon, and is therefore responsible for ensuring permit compliance and for any permit violations, as well as for response to minor and major oil and/or hazardous material spills that may occur within the scope of the contemplated Work, including obligations arising under all state and federal spill response laws and regulations. The obligations as provided for in this Article IX, Section 2 shall survive the expiration or termination of this Phase 1 Agreement.

3. Settlement of Disputes.

In the event of a dispute between the Parties that cannot be resolved informally or through the Technical Committee, that is associated with, arising out of or connected with this Phase 1 Agreement, either party may submit a "Notice of Dispute" to the other. Within ten (10) days of such filing, the CSLC Executive Officer or designee shall meet, in person or remotely, with ExxonMobil and the Project Coordinators, if appointed, to attempt to resolve the dispute informally, in good faith, and in a manner acceptable to all Parties. If the informal meeting does not result in a mutually acceptable resolution, the CSLC Executive Officer shall render a final decision on behalf of CSLC. If ExxonMobil is not satisfied with the final decision of the CSLC Executive Officer, ExxonMobil may appeal the decision to the Department of General Services, Office of Risk Management, consistent with the California Tort Claims Act provisions established in sections 810-996.6 of the California Government Code. The decision following appeal shall be conclusive and binding unless ExxonMobil commences an action in a court to contest such decision within ninety (90) days following the date of the decision of the Department of General Services, Deputy Director, Procurement Division. Any such court action may be commenced in, and the Parties consent to the exclusive jurisdiction of, any court of competent jurisdiction in the State of California.

4. Attorneys' Fees.

In any action or legal proceeding brought under this Phase 1 Agreement, the Parties shall bear their own attorneys' fees and legal costs.

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**Article X**  
**Confidentiality**

Any reports, information, discoveries, or data assembled, developed or obtained by ExxonMobil or any of its agents or contractors pursuant to or in performance of the Work under this Phase 1 Agreement may be confidential. However, any data shared with the CSLC may constitute a record within the meaning of the California Public Records Act and could be subject to disclosure. If ExxonMobil is concerned about the potential confidentiality of data, then it shall evaluate, on a case by case basis, whether sharing that data is necessary to the fulfillment of this Phase 1 Agreement. CSLC will agree to use its best efforts to ensure that any data that is clearly labeled as confidential by ExxonMobil, and that may include trade secrets or other proprietary knowledge of ExxonMobil, will not be released to any person or used in any manner by CSLC without the prior written approval of ExxonMobil, such approval not to be unreasonably withheld. In the event CSLC receives a request for such information from a third party (including, but not limited to, by a civil subpoena or California Public Records Act request), CSLC shall notify ExxonMobil within five (5) days of receiving such request, so that ExxonMobil may take such action (at its own expense) as it deems necessary to protect its confidentiality claims as to the information so requested.

**Article XI**  
**Notices**

All notices, consents, requests, and other communications hereunder shall be in writing and shall be deemed delivered upon personal delivery, upon the expiration of three (3) days following mailing by first class U.S. mail, or upon the next business day following mailing by a nationally recognized overnight carrier, to the Parties at the addresses set forth below, or such other addresses as either party may designate by delivery of prior notice to the other Party:

CSLC:  
Jennifer Lucchesi  
Executive Officer  
California State Lands Commission  
100 Howe Avenue, Suite 100-S  
Sacramento, CA 95825

EXXONMOBIL:  
Keith M. Matocha  
USP Decommissioning Senior Project Manager  
Exxon Mobil Corporation  
22777 Springwoods Village Parkway  
Spring, Texas 77389

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**Article XII**  
**Successors and Assigns**

This Phase 1 Agreement shall be binding on the successors and assigns of the Parties hereto. Notwithstanding the foregoing, a Party may not assign, novate, deal with or transfer any of its rights or obligations under this Phase 1 Agreement without the prior written consent of the other Party, provided that ExxonMobil shall, in its sole discretion, delegate the performance of any part of the Work to appropriately qualified contractors or agents.

**Article XIII**  
**Miscellaneous**

1. **Entire Agreement.**

This Phase 1 Agreement contains the entire agreement between the Parties respecting the matters set forth herein and supersedes all prior agreements, whether written or oral, between the Parties regarding such matters, including but not limited to the Letter of Intent dated August 21, 2017. The doctrine that ambiguities shall be resolved against the drafter shall not apply to the interpretation of this Phase 1 Agreement.

2. **Amendments.**

Any variation, amendment or modification of this Phase 1 Agreement shall be effective only if it is agreed in writing by both Parties.

3. **No Other Representations.**

Any representation, statement, warranty or other undertaking whether made orally or written elsewhere which is not fully reflected in this Phase 1 Agreement is hereby excluded, including without limitation where such representations or statements were made negligently.

4. **Invalidity of Provisions.**

If any term or condition of this Phase 1 Agreement shall to any extent be invalid or unenforceable, the remainder of this Phase 1 Agreement shall not be affected thereby and each of the remaining terms and conditions shall be valid and enforceable to the fullest extent permitted by law.

5. **No Waiver.**

Any failure or delay by a Party in exercising any of its rights shall not operate, to any extent, as a waiver of such rights or preclude any further exercise of its rights.

6. Execution in Counterparts.

This Phase 1 Agreement may be executed in two or more counterparts and by the different Parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

7. No Partnership or Joint Venture.

This Phase 1 Agreement and the conduct of business between the Parties shall not be construed to create or constitute a relationship of partnership or joint venture between them.

8. Authority.

(a) CSLC hereby represents that it has all necessary right, power, capacity and authority to execute and deliver this Phase 1 Agreement, to consummate the transactions contemplated hereby and to perform its obligations hereunder.

(b) ExxonMobil hereby represents that it has all necessary corporate or other company right, power, capacity and authority to execute and deliver this Phase 1 Agreement, to consummate the transactions contemplated hereby and to perform its obligations hereunder, and no other limited liability company actions on the part of such Party or its affiliates are, or shall be, necessary to authorize the execution, delivery and performance of this Phase 1 Agreement or the consummation of the transactions contemplated hereby.

9. Execution.

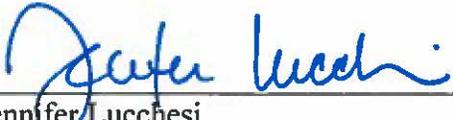
This Phase 1 Agreement has been duly executed and delivered by each Party and constitutes the valid and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally, and general equitable principles, whether considered in a proceeding in equity or at law.

10. No Conflict.

The execution, delivery and performance by each Party and all other documents and instruments contemplated hereby to which it is a party and the consummation by such Party of the transactions contemplated hereby and thereby will not: (i) violate, conflict with or result in a breach of any provisions of the operating agreement or other similar organizational documents of any corporate Party; (ii) violate any Law and Regulation applicable to such Party; or (iii) violate or conflict with, or constitute, with due notice or lapse of time or both, a default under any of a Party's material contracts or instruments, except, in the case of clauses (ii) and (iii), if and to the extent that any such violation could not reasonably be expected to have a material adverse effect on that Party's ability to perform its obligations under this Phase 1 Agreement.

IN WITNESS WHEREOF, CSLC and ExxonMobil, intending to be legally bound, have each executed this Phase 1 Agreement under seal as of the Effective Date set forth in the first paragraph hereof.

STATE OF CALIFORNIA  
California State Lands Commission

By   
Jennifer Lucchesi  
Executive Officer  
100 Howe Avenue, Suite 100 South  
Sacramento, California 95825-8202

Dated: June 29, 2018

EXXON MOBIL CORPORATION

By 

Dated: July 6, 2018

Keith M. Matocha  
USP Decommissioning Senior Project Manager  
Exxon Mobil Corporation  
22777 Springwoods Village Parkway  
Spring, Texas 77389

EXHIBIT A

Technical Memorandum

<b>ExxonMobil – Beacon West Energy Bridging Document</b>		
Document #: BD-001	Revision: Rev. 0	Date: 5/17/2018

# Beacon West Energy \ ExxonMobil

## Platform Holly Plug and Abandonment Operations

### Technical Memorandum

Beacon West Energy and ExxonMobil acknowledge the exchange and agreement of bridging information

Company	Approval Authorities	Signature	Date
Beacon-West			
ExxonMobil			

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**Effective Date**      May 17, 2018

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**Expires**              Upon completion of ExxonMobil Plug and Abandonment of wells on Platform Holly

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**Custodian**            ExxonMobil: Jake Kamps - Wellwork Operations Superintendent  
Beacon West: Larry Huskins – Operations Manager

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## **1.0 ELEMENT 1: GENERAL MANAGEMENT**

### **1.1 General**

This document applies to the plug and abandonment work ExxonMobil (ExxonMobil or EM) will perform on Platform Holly. The platform is owned by the State of California, through the California State Lands Commission (CSLC) and day-to-day operation is contracted to and managed by Beacon West Energy (Beacon West or BWE).

### **1.2 Purpose**

The intent of this document is to demonstrate that the interfaces between Beacon West Energy's and ExxonMobil's security, safety, health, environment (SSHE), and work management programs have been evaluated and reviewed by both parties.

This document identifies the boundary of responsibility and key interfaces of the SSHE and work management systems (WMS). The intent is for both organizations to have a clear demarcation of where SSHE and WMS guidelines of both companies' interfaces so that personnel have an understanding of their roles, responsibilities, organization, controlling documents, and reporting structure.

The document serves as a working reference of management and operations controls to be observed during the activities in preparation for and during the plugging and abandonment operations.

### **1.3 Validity**

The agreed-upon instructions in this document shall take precedence over individual Company management systems.

This bridging document is a guide for both EM and BWE in governing preparation work for plugging and abandonment (P&A) and activities during P&A work.

## **2.0 ELEMENT 2: OPERATIONS PHILOSOPHY**

The operations philosophies were discussed and agreed upon at the planning committee meetings conducted periodically between CSLC, EM and BWE.

- a. BWE is the current operator of the Platform and onshore facilities; therefore, BWE leads production operations activities on the Platform. EM's role is to conduct P&A operations; therefore, EM will lead activities directly related to P&A operations on the Platform.
- b. BWE's lead operator or supervisor on the Platform will be the person-in-charge (PIC) of the Platform and will be the liaison to the EM Wellwork Supervisor. The PIC will be responsible for managing production operations and personnel logistics activities. EM's Wellwork Supervisor will be responsible for managing the P&A activities.

- c. BWE personnel, in the role of PIC, will issue work permits in order to manage work and activities on the Platform. The EM well handover checklist will be executed prior to resuming rig-up activity on each individual well.
- d. Daily activity report from BWE and EM will be shared with CSLC and both parties.
- e. It is expected that BWE's PIC and EM's Wellwork Supervisor will communicate regularly. Besides shift meetings for each tour, other meetings can be established throughout the P&A campaign in order to enhance the coordination of activities.
- f. A Technical Committee will be assembled with representatives from CSLC, BWE and EM to enable timely and effective decision making. Technical committee members will comprise of the following personnel or their delegates:
  - CSLC Project Manager
  - CSLC Drilling Engineer
  - EM Wellwork Operations Superintendent
  - BWE Operations Manager
- g. Hazard assessment workshops will be conducted at least one month prior to the following activities. These assessments will cover the scope of work as it relates to the activities below and any other potential SIMOPS or interference with other ongoing operations on the Platform. Hazards identified during these assessments will be shared between EM and BWE with any follow-up actions managed by the party in charge of the affected work scope.
  - Slickline Phase
  - Construction and Rig Repair Phase
  - Bleed down and P&A Phase
- h. All waste generated on Platform Holly, including that generated from P&A activities, is the Lessee's (CSLC) responsibility. BWE will file and process all documentation related to waste management on behalf of CSLC.
- i. All spill events or incident will be reported to the Platform PIC for response coordination and proper reporting. BWE will be responsible for any required spill report notifications to the relevant federal, state, and local authorities. See Addendum L.

### **3.0 ELEMENT 3: SAFETY & ENVIRONMENTAL INFORMATION**

BWE safety, health and environmental manual will be adopted as the management system governing operations on Holly Platform, unless otherwise stated in this bridging agreement. EM's various SSHE plans, systems, and manuals provide requirements and guidance for ExxonMobil employees and contractors.

## **4.0 ELEMENT 4: HAZARDS ANALYSIS**

The facility specific health, safety and environmental risk assessment is developed and maintained by Beacon West as a key component of the risk management program.

BWE's lead operator will be the person-in-charge (PIC) and general work permit will be requested daily by EM's Wellwork Supervisor. In order to facilitate plans and anticipate permits, BWE's PIC will be kept abreast of ongoing and subsequent activities at the beginning of each tour and periodically as necessary. Permits will be reviewed (if extended) or reissued at the beginning of each 12 hour tour, this will ensure the new crew coming in at tour change are aware of permits status.

EM's Job Safety Analysis (JSA) Program will be followed for all work activity conducted by EM staff and/or their sub-contractors while working on Platform Holly and the two onshore wells.

Refer to the Permit to Work section of the addendum for more details on daily meetings. EM's SIMOPS Plan and Checklists will be used to coordinate operations between the EM Wellwork Supervisor and production operations on the platform.

All JSAs will be retained on site for 30 days.

## **5.0 ELEMENT 5: MANAGEMENT OF CHANGE**

BWE uses the Management of Change (MOC) process detailed in the Beacon West MOC Policy. The BWE MOC process will be utilized for all activities on all BWE operated facilities.

ExxonMobil will use their own MOC process on the equipment operated by EM employees or their contractors.

In the case, where both EM and BWE will be impacted by the MOC, the MOC process of the party initiating the change will govern and both BWE and EM representatives will be involved in the MOC process.

At a minimum, the MOC processes shall be used to manage permanent and temporary changes of the following types:

- Process (equipment, process control, and process condition)
- Safe Practices
- Organizational change (changes in critical role complement and/or roles and responsibilities)

Both companies will retain completed MOC's on site for the duration of the work.

## 6.0 ELEMENT 6: SAFE WORK PRACTICES

### 6.1 General Expectations and Arrangement

Consistent with the requirements of 30 CFR 250.1914, API RP75 and Cal OSHA Title 8 BWE has Safe Work Procedures covering the activities on the facility which are fully adopted as the minimum mandatory requirements for safe work on the facility.

Additionally, BWE requires EM and its sub-contractors to have safe work practices consistent with 30 CFR 250.1914 and API RP 75 Section 6, which are applicable to the operations conducted by the contractor.

To ensure clear understanding of the controlling Safe Work Procedures, Table 1 below lists applicable BWE Safe Work Procedures, and the associated agreed controlling requirements, be it either BWE's, EM's, or combination of both.

### 6.2 Safe Work Practice Interface

Table 1 will serve as the agreed Safe Work Procedures interface arrangements as managed on Beacon West operated facilities. Please refer to the addendum in element 18 for additional specifications on the work management requirements.

**Table 1**

EHS Management Activity	Beacon-West	ExxonMobil	Addendum	Comments/ Remedial Actions
HazID Process	X	X	X	BWE's HazID process applies to overall platform operations and areas. EM process applies to operations involving the rig and P&A activity. The HazID assessment will be collaborative whenever there is overlap in activities or impacted areas. Refer to addendum for additional specifications
Oil Spill Response Plan (OSRP)	X			BWE's plan. BWE will be responsible for making required notifications to any federal, state, or local agencies.
Emergency Medical Response/Evacuation	X	X		For non-evacuation related response that involves EM personnel or contractors, EM guidelines will be followed. For evacuation related response involving EM personnel or contractor, BWE emergency response policy will be followed.
Confined Space	X	X		EM process applies to operations on the rig and P&A activity areas. Beacon West process applies to confined space activities related to production areas.
Fall Protection/Working at Heights	X	X	X	EM policy applies to operations on the rig and P&A activity areas. Beacon West fall protection policy applies to activities related to production areas. Refer to addendum for additional specifications
Hazard Communication	X	X		BWE will provide Safety Data Sheets (SDS) for all facility supported products. ExxonMobil and its contractors will provide SDS's, for entry into BWE's MSDS online portal, for any products brought onto the facility. Access to BWE's MSDS online portal will be granted to EM personnel.

<b>EHS Management Activity</b>	<b>Beacon-West</b>	<b>ExxonMobil</b>	<b>Addendum</b>	<b>Comments/ Remedial Actions</b>
Job Safety Analysis		X		EM's JSA process applies to operations on the rig and P&A activity/responsibility areas. EM will incorporate BWE's PIC and informed of the JSA.. JSA's to be retained with the Wellwork Supervisor's work packs.
Personal Protective Equipment	X	X	X	EM's PPE policy applies to operations on the rig and P&A activity areas. BWE's PPE policy applies to activities related to production areas. Refer to the addendum for additional PPE requirements for all personnel
Short Service Employee		X		EM will notify BWE platform PIC of any short service employee
Hot Work	X	X	X	All hot work activities will fall under BWE authorization. EM and BWE hot work guidelines are generally identical, therefore utilize BWE policy in addition to information provided in the addendum. EM and BWE will reference EM SIMOPS matrix (see addendum) for all hot work activities and follow the JSA protocol. Refer to the addendum for specifications and additions to BWE hot work guidelines
Permit to Work	X	X	X	BWE permit to work process will be utilized for all work on the platform (production operations and P&A work). EM guidelines for SIMOPS will be incorporated and followed for activities that affect both Production Operations and P&A activities.
Energy Isolation	X		X	The energy isolation for BWE and EM are identical, therefore, follow the energy isolation/LOTO policy of BWE. EM will provide Well Handover Checklist that will be completed by BWE prior to rig up on each well
Fatigue Management		X	X	EM's Fatigue Management Policy will govern over all employees and contractors for work related to the P&A.
Hands Free/Clear Deck Policy		X	X	EM's Hands Free/Clear Deck Policy will be required for all EM P&A work and boat operations.
Crane		X	X	EM's crane policy will govern all P&A related crane activities on the platform; refer to addendum for specifications.
Waste Management	X			All waste will be managed, documented and reported as appropriate, by BWE in accordance with BWE's Waste Management Procedures. .

### 6.3 Facility Onboarding and Orientation

All personnel arriving on BWE-run facilities shall attend and participate in the platform onboarding and orientation. This shall include evacuation routes on the platform as well as locations of firefighting equipment, lifesaving equipment, and use of escape rafts. Prior to offshore travel, all EM and contract personnel directly related to P&A activity will be required to demonstrate swing rope competency per EM standards. This demonstration will be successfully demonstrated at a minimum interval not to exceed six (6) months. For testing requirements refer to EM USP Swing Rope Demonstration Requirements.

## 7.0 ELEMENT 7: TRAINING

BWE is responsible for making certain that its employees and contractors have the necessary knowledge and skills to perform their assigned tasks. Likewise, EM is responsible for ensuring that its personnel and any sub-contractors have the necessary knowledge and skills to perform their assigned tasks. EM will provide verification of training qualifications and certifications for

any individuals on site upon request by BWE. BWE will, likewise, provide verification of training qualifications and certifications for individuals on site at EM's request.

## **8.0 ELEMENT 8: MECHANICAL INTEGRITY**

BWE is accountable to demonstrate the overall mechanical integrity and functionality of all HSE critical equipment and systems on the facility at all times.

EM shall ensure any equipment brought onto a BWE run facility by EM or an EM subcontractor that is used to prevent or mitigate uncontrolled releases of hydrocarbon, toxic substances, or other materials that may cause environmental or safety consequences is fit for its purpose and EM is accountable to demonstrate the overall mechanical integrity and functionality for that equipment.

The placement and installation of contractor/subcontractor equipment will be coordinated with BWI's PIC to ensure equipment staging/placement will not severely infringe on BWE activities.

## **9.0 ELEMENT 9: PRE-STARTUP REVIEW**

Any equipment or procedure modified, replaced, or installed under an appropriate Management of Change and which impacts BWE or EM operations must undergo a Pre-startup review. Consistent with Element 5 – MOC, the company initiating the MOC should use their respective Pre-Startup Safety Review checklist or form. Punch items will be reviewed with the Technical Committee in order to decide which items are critical and must be closed out prior to start up.

## **10.0 ELEMENT 10: EMERGENCY RESPONSE AND CONTROL**

### **10.1 General**

BWE maintains the following emergency response information to provide for an orderly and systematic approach for managing an emergency. BWE will provide a copy of the OSRP and incident notification procedure upon EM request.

- USCG approved Emergency Evacuation Plans
- California Dept. of Fish and Wildlife approved OSRP
- Ellwood Emergency Action Plan

The plans are designed to:

- Ensure the appropriate notifications are made in an emergency
- Provide for prompt mobilization of resources needed to manage incidents
- Establish response organizations, processes and documentation based upon the Incident Command System (ICS)
- Meet appropriate legal and/or regulatory requirements

### **10.2 Emergency Response Arrangements**

#### **10.2.1 General**

BWE will initiate the appropriate emergency response protocol per the established procedures listed in Section 10.1. EM will support this response as assigned. Response to overboard spill clean-up and well control incidents will be coordinated by BWE. EM will be assigned as source control for any release from the drilling rig or abandonment operations.

EM personnel will ensure the BWE PIC is notified immediately in the event of any incident involving EM, EM contractors or equipment. The BWE PIC will follow the appropriate notification practice in accordance with its emergency response plan.

### **10.2.2 Emergency Evacuation Plan (USCG)**

BWE develops and maintains location specific Emergency Evacuation Plans (EEP) in accordance with requirements of the United States Coast Guard (USCG). The EEP is USCG approved and describes evacuation procedures for emergency incidents and communication requirements.

## **10.3 Emergency Response Command Structures and Control Centers**

### **10.3.1 General**

Section 3 of Beacon West Emergency Management System Elwood EAP defines the incident command structure to be used in the event of an incident or emergency. A key element of an Incident Command System is the ability to have a unified command structure. In the event of a release from the drilling rig or abandonment operations, the Unified Command Structure will be activated, in which BWE, EM, the State of California, and regulatory agencies can integrate into one command structure to effectively manage the response. BW or its designee will be responsible for serving as the Incident Commander for any incident.

### **10.3.2 Command Centers**

The Beacon West Emergency Operations Center is located at the MSRC Yard located on Dump Rd. Carpinteria, Ca. See map, Addendum M.

## **10.4 Drills and Exercises**

BWE conducts and documents training and drill exercises in accordance with the requirements of the State of California governing agencies and the USCG. Drills (or exercises) are conducted to ensure all members of the Incident Management or Spill Management Teams are prepared for their assigned roles in the event of an emergency. All emergency drills and exercises are coordinated and scheduled by the PIC or his designee. Improvement opportunities are noted at the conclusion of all drills and actions assigned to implement those enhancements.

EM personnel and their subcontractors will participate in all drills conducted by BWE.

BWE personnel and their subcontractors will participate in all drills conducted by EM and their subcontractors. All drills will be recorded on the facility records either electronically or manually in the designated time log sheets.

## **11.0 ELEMENT 11: REPORTING AND INVESTIGATION OF INCIDENTS**

### **11.1 General**

All incidents on the –BWE platform must be reported to the BWE’s PIC. Incidents include any unplanned event that results in actual or potential consequences to people, the environment, or asset that had or could have had a potential for personnel injury, environmental damage or could have an adverse effect on the facility or wells.

All EM contractors and service companies will be made aware of this requirement during their orientation upon arrival on the facility.

### **11.2 Responsibility for Regulatory Notification**

The Beacon West “*Ellwood Emergency Action Plan – Table 2.1E and Oil Spill Contingency Plan Table 2.2E – Initial Emergency Notification Procedures*” provides specific guidance for reporting to regulatory agencies on activities that directly impacts the platform, in accordance with their requirements for incident reporting.

### **11.3 Responsibility for Incident Investigation**

BWE is responsible to conduct incident investigations related to BWE operations per “*Incident Investigation Procedure – Incident Analysis Report*”; EM will be responsible on all investigations involving the plug and abandonment activity, personnel, contractor and equipment. In situations where the incident cuts across personnel, contractor, equipment, or operating areas of both companies, the investigation will be conducted collaboratively between BWE and EM.

Corrective actions that result from investigations shall be assigned to a responsible party and tracked to closure.

## **12.0 ELEMENT 12: SSHE PERFORMANCE EVALUATIONS**

BWE performs audits periodically, as outlined in “*Incident Prevention Plan- Facility Self Audit,*” to verify compliance with safety, health, and environmental requirements.

EM is not required to participate in these audits. However, in those instances where areas or services become of common use to EM and BWE (crane, boats, piers, platform buildings, etc.), EM will perform periodic evaluations (upon mutual agreement) of the effectiveness of BWE’s safety or operations integrity processes. If gaps are identified against EM expectations, BWE and EM will develop plans and evaluate criticality and priorities in order to close them in a timely fashion.

## **13.0 ELEMENT 13: RECORDS AND DOCUMENTATION**

### **13.1 General**

BWE maintains and provides appropriate records and documentations in accordance with its requirements. ExxonMobil will follow its guidelines for records management and retention.

The following are some of the records kept by BWE and EM:

- Management of Change (MOC) Provisions
- Injury/Illness and spill reports
- Incident Investigation Action Items
- Safety, health, environment, and work management Audits
- Training Records
- Emergency Drills/ Exercises

### **13.2 Revision of this Bridging Document**

This document is valid for the projects and operations conducted by EM on Platform Holly. The document shall be jointly reviewed prior to commencing operations and any necessary revisions completed. Revisions shall be carried out jointly by Beacon West and ExxonMobil representatives. Revision will be submitted to the appropriate authority for endorsement and re-issue.

## **14.0 ELEMENT 14: STOP WORK AUTHORITY**

BWE and EM agree all employees have the authority and obligation to stop any task or operation where concerns or questions regarding the control of SSHE risk may be identified.

- All employees are responsible for initiating a ‘Stop Work’ intervention when warranted.
- No work will resume until all stop work issues and concerns have been adequately addressed.
- Any form of retribution or intimidation directed at any individual or company for exercising their right to issue a stop work authority will not be tolerated by Beacon West or ExxonMobil leadership.
- When an unsafe condition is identified the Stop Work Intervention will be initiated, and coordinated through the supervisor, who will notify all affected personnel and supervision of the stop work issue, correct the issue, and resume work when safe to do so.
- After any ‘Stop Work’ has been initiated, the BWE PIC shall have the final determination for return to work.

All leaders and supervisors are responsible to create a culture where ‘Stop Work’ is exercised freely and without repercussion.

## **15.0 ELEMENT 15: SAFETY PLAN**

During the plug and abandonment work, EM and BWE agree to provide an environment that promotes participation by their employees and subcontractors in a safety observation program that eliminates or mitigates safety or environmental hazards.

In an effort to involve all employees and subcontractors in Safety, two main programs will be put in place:

### **15.1 Hazard Identification and Reporting Program**

- Objective: To prevent injuries and property damage by identifying and correcting hazards that may affect employees, contractors, facilities, the public, and the environment. A hazard is defined as an existing or potential condition that can result in an incident.
- Process:
  - Hazards are identified and reported by workers verbally or through other available site-specific methods (e.g., BWE-Safety Observation Report (SOR), Hazard Report form, Observation card, etc.) and communicated to their immediate supervisor.
  - Hazards are also identified through the weekly Hazard Hunt process. Information reported should include the location and description of the hazard and a recommendation to mitigate it.
  - The hazard is either corrected immediately if practical or flagged and secured until fully mitigated (e.g., work order issued and executed).
  - EM Wellwork Supervisors or BWE PIC's ensure that hazards are logged at the work area and corrective actions documented and addressed timely.
  - Open hazards are reviewed in each morning safety meeting to ensure workforce is aware and communicated to incoming personnel.

## **15.2 Behavior Based Safety Program (Near Misses, Observations, Hazard IDs)**

- Objective: To develop/sustain a culture of safety improvement through group identification, discussion, and resolution of safety issues and drive individual participation in safety improvement at all levels.
- Process:
  - EM ProSafe cards (BWE-SOR or contractor equivalent) are completed by workers to determine if the job is being done in accordance with the applicable work practices, procedures and/or standards. Workers could also identify and report hazards or near misses.
  - EM Wellwork Supervisors or BWE PIC's ensure that reported observations are reviewed to identify most common "at risk" behaviors
  - Cards are reviewed in each tour change meeting to ensure workforce is aware of hazards or near misses.

## **16.0 ELEMENT 16: OTHER ITEMS**

### **Contraband Searches**

Beacon West Energy PIC and ExxonMobil Wellwork Supervisor will periodically coordinate and conduct contraband search of all personnel and property associated with all platform activities on this State of California project and its associated project locations. Contraband searches include illegal drugs, alcohol, weapons, etc. and will be conducted in accordance with Beacon West and ExxonMobil policy and guidelines.

## 17.0 ELEMENT 17: ADDENDUM TO TABLE 1

### A. Hazard Identification (HazID)

- HazID workshop needs to take place just before starting a new project phase:
  - Slickline Phase – Workover activity for data gathering and diagnostics
  - Construction and Rig repair Phase – Construction work on building/trailer removals as full repairs take place on the rig (SIMOPS).
  - P&A Phase – Well plugging and abandonment operations
  - Bleed Down during P&A Phase (incremental) –SIMOPS

### B. Fall protection / Working at Heights

- Harnesses must be inspected daily, and stored properly (i.e., kept dry and clean).
- Scaffolding must be inspected by a certified inspector/assembler at the beginning of every shift and before its use. The scaffolding will include a tag with the record of inspection dates and time. For activities related to the rig and P&A activities, the harness needs to meet EM requirements.
- Anchor points for the purpose of working at height activity associated with EM personnel and contractors are to be limited to engineered points, I-beam greater than 3”, pipe greater than 4”, or purpose built beam clamps.
- For activities related to the rig and P&A activities, the following will not be accepted:
  - Use of pelican hooks for any activity
  - Walking on round surfaces, production piping, and tubulars
  - Work on platforms above 4’ without handrails or within 6’ of any unguarded edge without full body harness and 100% tie off.

### C. Personal Protection Equipment, PPE

- In addition to BWE PPE Policy, all wellwork activities will require the use of impact gloves and long sleeve Flame Retardant Clothing (FRC)
- BWE will provide personal flotation device (PFD) for all personnel on board at the Ellwood pier or platform Holly
- EM will follow its approved form of FIT testing, the FIT testing will be provided by EM contractor and will be consistent with quantitative FIT test procedures. As BWE utilizes the Survivair Panther 20/20 mask, this type of mask will be the standard for the platform and all FIT-testing conducted will be with the Survivair Panther 20/20 mask.
- All employees (BW & EM) and contractors will be required to have a personal H2S monitor on their body while on the platform, during the P&A phases.

### D. Hot Work

- Potential Hydrocarbon Sources: The following are examples of potential hydrocarbon sources that should be considered for hot work location, distance, and barrier requirements:

Production Operations	Workover / Drilling Operations
<ul style="list-style-type: none"> <li>▪ Wellheads and wellbays</li> <li>▪ Production areas and process areas</li> <li>▪ Separators and pressure vessels</li> <li>▪ Flammables and hydrocarbon tanks</li> <li>▪ Flammables and hydrocarbon vents</li> <li>▪ Header systems</li> <li>▪ Flanges</li> <li>▪ Valves</li> <li>▪ Controllers and instrumentation</li> <li>▪ Pig traps</li> <li>▪ Hydrocarbon sump systems</li> <li>▪ Enclosed or inadequately ventilated buildings (where there is a potential for an explosive atmosphere)</li> <li>▪ Coatings or painting operations</li> <li>▪ Chemical, waste transfer, and storage locations</li> <li>▪ Sewers and deck drains</li> <li>▪ Flammable dusts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Rig floor</li> <li>▪ Sub-rig floor area</li> <li>▪ Mud manifold</li> <li>▪ Mud tanks, ditch, or trench</li> <li>▪ Mud pump in enclosed location</li> <li>▪ Shale shaker</li> <li>▪ De-sander, de-silter, de-gasser, or vent</li> <li>▪ Diverter line vent opening</li> </ul>

- Hot Work Barrier Requirements

Potential hydrocarbon source on piping or equipment located...	THEN...
Within 10 ft (3 m) of the hot work location	<ul style="list-style-type: none"> <li>▪ Shut down and depressure the production/process area, wellhead/wellbay, and other equipment or effectively shield them from the hot work activity using a habitat (The type of habitat <b>must</b> be determined based on the risk).</li> <li>▪ Any potential hydrocarbon or flammable sources or materials within 35 ft (11 m) <b>must</b> be protected.</li> <li>▪ Other hot work controls and precautions identified in this section <b>must</b> be in place.</li> <li>! <b>IMPORTANT:</b> Hot work controls <b>must</b> address hazards located at higher and lower elevations.</li> </ul>
Between 10 ft (3 m) and 35 ft (11 m), or within 85 ft (26 m) for high vapor pressure liquids (such as, propane or butane) of the hot work location	<ul style="list-style-type: none"> <li>▪ A fire-resistant wall or barrier <b>must</b> be erected between the hot work and the piping, or equipment <b>must</b> be shut in.</li> <li>▪ Any potential hydrocarbon or flammable sources or materials within the applicable distances <b>must</b> be protected.</li> <li>▪ Other hot work controls and precautions identified in this section <b>must</b> be in place.</li> <li>! <b>IMPORTANT:</b> Hot work controls <b>must</b> address hazards located at higher and lower elevations.</li> </ul>
Beyond 35 ft (11 m) or 85 ft (26 m) for high vapor pressure liquids (such as, propane or butane) of the hot work location	Use of barriers or shutting down equipment is discretionary with reliance on the JSA to determine any controls and precautions required, taking into account the conditions of the day (for example, wind speed and direction, elevation, adjacent activities, exposures above or below the hot work site, and so forth).

- Temporary Defeat of Fire Protection Systems: For hot work outside the living quarters or an approved workshop. Temporary Defeat of the passive and active fire and gas protection

systems is not allowed where hot work is taking place unless adequate mitigating measures are initiated.

For example:

- Direct monitoring performed by the Operator or Standby Person in the affected area
  - Availability of direct communication with the Central Control Room (CCR) in the event of an incident
  - Availability of fire extinguishers or fire hoses
  - Approval for the temporary defeat is obtained
- Hot Work PPE: Personnel performing hot work **must** wear personal protective equipment (PPE) appropriate for the job they are performing. The PPE requirements should be specified on the Job Safety Analysis. Typical hot work PPE includes the following:
    - Protective clothing for protection from arc burns, sparks, slag, and hot surfaces such as face shields, hoods and gloves, and so forth
    - Hard hats (where there is potential for head injury)
- IMPORTANT:** Welding hoods do not provide sufficient head protection.
- Eye protection
  - Glare protection
  - Breathing apparatus in any of the following situations:
    - During welding, burning, or grinding on painted or coated surfaces or on pipes or vessels containing materials that may produce noxious gases
    - If there is no proper ventilation
    - Welding in narrow or poorly ventilated spaces

## E. Permit to Work

- Daily meetings – EM will run three daily meetings and all of these meetings will be attended by the BWE PIC.
- Shift Change Handover Meeting - a meeting at each change-over with the wellwork crews (twice daily). A Work Management meeting will be conducted in the afternoon, scheduled strictly to be forward looking and discussing work scope to be conducted the following day. The information from the Work Management Meeting will be shared with Contractor site leads.
- EM to use JSA's in conjunction with Work Permits. Contractors' JSA's could be used if they meet or exceed EM's standards.
- JSA's and checklists will be retained with Work Permits as work packs by BWE

## F. SIMOPS

All Simultaneous Operations will follow the attached SIMOPS Matrix. Prohibited and restricted work will require use of the 'Deviation Request and Approval' form and follow the associated deviation approval level requirements. Reference the associated restriction tables when utilizing the SIMOPS Matrix.

Simultaneous Operations Decision Matrix - Normal producing operations assumed -  <b>NOTE! Well Control Operations is non-routine SIMOPS</b>  <b>This Matrix must be used in conjunction with the SIMOPS Restriction Tables</b>																							
		Coating Operations	Confined Space Entry	Crane Activities	Engine-Driven Equipment/Vehicles	Fire Protection System Inoperable	Hot Work	Hydrocarbon Source Activity	Pigging Operations	Production Operations	Boat Operations	Derrick Barge	Diving Operations	Hull Inspection	ROV Operations	BOP Movement	Coiled Tubing Unit	Drilling or Workover	Electrical Fired Explosives Operations	Rig Skid	Well Stimulation	Wireline Operations	
Operations	Coating Operations	A	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
	Confined Space Entry	B	R	2												R	SIMOPS Restricted						
	Crane Activities	C	R	R	3											P	SIMOPS Prohibited						
	Engine-Driven Equipment and Vehicles	D	R	R	A	4										A	SIMOPS						
	Fire Protection System Inoperable	E	R	R	R	R	5									X	N/A						
	Hot Work	F	R	R	R	A	P	6															
	Hydrocarbon Source Activity	G	R	R	R	R	R	R	7														
	Pigging Operations	H	R	R	R	R	R	R	A	8													
	Production Operations	I	A	A	R	R	R	R	R	A	A	9											
Marine	Boat Operations	J	A	A	A	A	R	A	A	A	A	10											
	Derrick Barge	K	R	A	R	A	R	A	R	R	X	A	11										
	Diving Operations	L	R	R	P	R	R	R	R	R	R	R	R	12									
	Hull Maintenance	M	R	A	R	R	R	R	R	R	A	A	R	R	13								
	ROV Operations	N	A	R	R	A	A	A	A	A	A	A	A	R	R	14							
WellWork	BOP Movement	O	R	R	R	R	R	R	A	A	P	A	R	R	R	R	15						
	Coiled Tubing Unit	P	R	R	R	R	R	R	R	R	X	A	P	R	R	R	R	16					
	Drilling or Workover	Q	R	R	R	R	R	R	R	R	X	A	R	R	R	R	X	A	17				
	Electrically Fired Explosives Operations	R	R	P	P	R	P	P	P	P	P	P	P	P	R	P	P	P	R	18			
	Rig Skid	S	R	P	R	A	R	A	P	P	R	A	P	R	R	R	X	P	X	P	19		
	Well Stimulation	T	R	R	R	R	R	A	A	P	A	P	P	R	R	R	R	R	R	R	R	20	
Wireline Operations	U	R	R	R	R	P	R	R	R	A	A	R	P	R	R	R	R	R	R	R	R	21	
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21

**SIMOPS matrix classes**

The SIMOPS Matrix is a chart with predefined activities showing the class of the SIMOPS to which the combination of the two activities is assigned. These classes are:



Simultaneous activities are *prohibited*. They will *not* be performed. No deviations are allowed.



Simultaneous activities may be *restricted*. The restrictions in the SIMOPS Restrictions Tables **must** be met where applicable. Written authorization from the Site PIC (Level 1), Operations Superintendent (Level 2), or Operations Manager (Level 3) **must** be obtained to deviate from the restrictions.



Simultaneous activities are *allowed* using normal procedures and instructions.



Simultaneous activity combinations are not applicable.

## G. Pre-Startup Review Form

### Pre-Startup Safety Review (PSSR) Checklist

	<b>Area/Field</b> _____	<b>Facility</b> _____
<input type="checkbox"/> <b>New Facility</b>	<b>Project Name / Description</b> _____	_____
<input type="checkbox"/> <b>Facility Addition/Modification</b>	<b>Reference MOC #</b> (only required if not attached to MOC)	_____

#### Instructions

This form should be completed for any new facilities or facility additions/modifications that include **equipment changes** or **operational (process) changes**. These items must be addressed **before** the facility is started up. For facility additions/modifications, the completed checklist should be filed with the respective MOC form. For a facility covered by the PSM standard, the checklist must be completed and retained in the facility's files until the next formal PHA is completed (for example, five-year maximum).

Consideration	Yes	No	N/A
1. Does equipment and construction meet/include:			
– design standards and/or specifications?			
– pressure testing of piping, equipment, seals, gaskets, etc. (hydro-test and/or leak test if appropriate)?			
– flushing, cleaning, or pickling of piping and equipment?			
– full stroking of all automatic or remote control valves?			
– calibration and testing of instruments and confirmation of settings?			
– proof testing of electrical circuits and switches?			
– checking control logic, interlocks, and emergency shutdowns (ESD)?			
– operational test of any fire detection systems?			
2. Are commissioning and start-up plans and procedures in place?			
3. If reworked or new wells are involved, can facility (including safety systems) handle the new production characteristics (flow rates, pressures, fluid characteristics, etc.)?			
4. Have all safety devices (i.e. alarm, shutdown, pressure relief) been...			
– installed per specifications?			
– properly set and tested according to procedure?			
– tested and tagged within the last 12 months?			
– updated in the appropriate records?			
5. Has a Process Hazard Analysis (i.e., checklist, what-if checklist, or HAZOP) been performed and recommendations resolved or implemented?			
6. Have any revisions to Process Safety Information been redlined on copies of the appropriate drawings (P&IDs, accounting flow diagrams, etc.) and forwarded to drafting?			
7. Have Material Safety Data Sheets (MSDS) for new treating chemicals and/or catalysts been received and reviewed?			



## H. Energy Isolation

- BWE's isolation/LOTO policy will be utilized for production operations/facilities related equipment.
- BWE will provide training in their Energy Isolation requirements to all EM employees/contractors associated with P&A campaign.
- EM and its contractors will observe EM's policy for all equipment utilized for the plug and abandonment, unless the equipment is directly connected/tied to the production facility. In such case, BWE energy isolation addendum will govern.
- EM will provide Well Handover Checklist that will be completed by BWE prior to rig up on each well.

## I. Fatigue Management

### Typical Shifts

- A typical shift consists of one continuous work period of 12 hours.
- The typical travel time "from" and "to" worksite area should not exceed 3 hours round trip. Work hours do not start if the worker traveling to a location is using third-party transportation (basically not driving themselves).
- After any shift extension, worker shall be given 8 hours of undisturbed rest before reporting for his/her next shift.

### Typical Hitches

- Typical hitch consists of working 14 consecutive shifts (14 days). Workers working typical hitches should be provided with 36 to 48 hours off before starting another hitch.
- Personnel may work more than 14 consecutive shifts but this must be approved IN ADVANCE by the Wells Operations Superintendent who can approve up to 28 consecutive shifts. This exception is usually requested for workers where it is an industry or company standard to work more than 14 consecutive shifts in a single hitch.

## J. Clear Deck/Hands Free Policy

ExxonMobil's Hands Free/Clear Deck Policy will be required for all personnel for all P&A related activities. **All crane operations involving the lifting or lowering of loads shall be done utilizing the following methods:**

1. ALL crane operations shall be conducted via the "Clear Deck" method. That is, no intervention from the Rigger, the placement is 100% dependent on where the Crane Operator lands the load. The Riggers only duty is to connect/disconnect the rigging once load is landed on the deck and provide direction as needed.
2. On the occasions where precise staging is required, the "Hands Free Method" will be utilized. This involves the use of tag lines and push/pull sticks and must be agreed upon between Crane Ops and Rigger prior to the task. A task specific JSA shall be prepared and reviewed by the work team, and at no time does anyone place their hands on the load.

3. In rare instances where only a steady hand will do (e.g. installing valve between flanges, making up tool strings, installing lubricators, sub-assemblies, etc.), all persons involved including the EM Supervisor shall develop a JSA specific to the task with special consideration to hand and body placement in relation to Line of Fire. The task specific JSA must be signed by the EM Supervisor.

Deviations to points 1 and 2 above will require Wellwork Ops Supt approval.

#### **K. Crane**

- The Crane documents and certificates on maintenance, performance, services, etc. will be reviewed by the EM crane group. The crane will be also be inspected by the EM crane group or contractor; recommendations and repairs will be implemented prior to crane utilization for EM plugging and abandonment related activities
- During P&A activities, EM will require all Crane operators to meet EM standards.
- EM requires pull testing for cranes doing personnel lifts on whip line not to exceed 30 days. This will be required if Billy Pugh may be used as part of the emergency action plan. EM Critical lift, Clear deck, Hands free, manual and non-standard rigging guidance will apply.

#### **L. Well Handover Checklist**

**WellWork Execution  
WELL PREPARATION CHECKLIST**

<b>BLOCK 1 - GENERAL INFORMATION</b>			
FIELD/PLATFORM	<input style="width: 90%;" type="text"/>	WELLHEAD NUMBER	<input style="width: 90%;" type="text"/>
DATE SCHEDULED	<input style="width: 90%;" type="text"/>	BUNKS REQUIREMENT	<input style="width: 90%;" type="text"/>
APPROX. STARTING TIME	<input style="width: 90%;" type="text"/>	EST. COMPLETION DATE	<input style="width: 90%;" type="text"/>
WORKOVER TYPE:	<input type="checkbox"/> WLP <input type="checkbox"/> CONV <input type="checkbox"/> CONC <input type="checkbox"/> CTU RIG NAME/NO.: <input style="width: 150px;" type="text"/>		
SPECIAL INSTRUCTIONS: <input style="width: 95%;" type="text"/>			
WWE SUPERVISOR'S SIGNATURE: <input style="width: 150px;" type="text"/> DATE: <input style="width: 80px;" type="text"/>			
<b>BLOCK 2 - FIELD OPERATOR'S CHECKLIST</b>			
*WellWork Supervisor - Indicate with a ( ✓ ) those items you request the field to verify.	*	YES, NO, N/A, or enter value requested (1)	REMARKS (2)
1. All gauges are functioning properly.	<input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	<input style="width: 100%;" type="text"/>
2. Condition of gratings around well head checked.	<input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	<input style="width: 100%;" type="text"/>
3. Crown valve tested with no leaks.	<input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	<input style="width: 100%;" type="text"/>
4. Intermediate casing pressure (psi).	<input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	<input style="width: 100%;" type="text"/>
5. Surface casing pressure (psi).	<input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	<input style="width: 100%;" type="text"/>
6. Production casing pressure (psi).	<input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	<input style="width: 100%;" type="text"/>
7. Downstream production equipment functioning properly.	<input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	<input style="width: 100%;" type="text"/>
8. All tree and wellhead valves are functioning properly.	<input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	<input style="width: 100%;" type="text"/>
9. Gas lift system isolated and depressurized.	<input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	<input style="width: 100%;" type="text"/>
10. Flow/injection line isolated and depressurized.	<input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	<input style="width: 100%;" type="text"/>
11. Other well instrument lines isolated and disconnected.	<input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	<input style="width: 100%;" type="text"/>
12. Latest well entry and well test report supplied to WO Supervisor.	<input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	<input style="width: 100%;" type="text"/>
13. Is facility an EPA discharge facility?	<input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	<input style="width: 100%;" type="text"/>
14. Does facility have fire/utility SW pump?	<input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	<input style="width: 100%;" type="text"/>
15. What is platform crane boom length/capacity? (Offshore)	<input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	<input style="width: 100%;" type="text"/>
NOTE: SSV and SCSSV valve positions are set at the request of the WellWork Supervisor when well workover begins. The status of those valve positions is not included on this well preparation checklist.			
FIELD SUPERVISOR'S SIGNATURE*: <input style="width: 150px;" type="text"/>			DATE: <input style="width: 80px;" type="text"/>
* Field Supervisor - Verify and approve columns (1) and (2) above. Upon completion of Block 2, fax this form to the appropriate Wellwork Supervisor in your area.			

**WellWork Execution  
WELL PREPARATION CHECKLIST**

<b>BLOCK 3 – WELLWORK SUPERVISOR’S CHECKLIST</b>		
	YES, NO, or N/A	REMARKS
1. Measurements above wellhead sufficient to accommodate	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
2. Workover related equipment grounded (wireline, stimulation	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
3. Fusible cap/fusible releasable caps available?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
4. SIMOPS reviewed and any deviations approved?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
5. Verified Operations Section of checklist completed?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
6. Verified WO equipment connections are compatible with Production facilities? Temporary MOC made, if needed?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
7. Ensure approved procedure, WIO approval, and all required permits and funding for the work have been secured prior to	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
8. Check local well files to see if data on file matches what is showing in the procedure.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
9. Ensure Pre-Mobilization/SSE Forms are approved and on file for all contractors prior to them moving on site.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
10. Requisition & generate POs for the contractors to be utilized	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
11. Visually check location. Notify supervisor, land owner or land man of any signs of vandalism, damage or theft on site.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
12. Check overhead electric power lines for proper clearance.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
13. Check location for oil, gas, or water lines prior to grading location, setting anchors, or digging workover pits. (Inland)	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
14. Mow and back drag location (as required) to prevent tripping and fire hazard.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
15. Check rig anchors for last pull test date. Make One Call notification, have retested or replaced as necessary.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
16. Ensure all valves are in proper operating condition and no	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
17. Check pressures on all strings of the well.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
18. Perform visual inspection to ensure proper valving is installed on the wellhead for well control.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
19. Check well cellar to ensure proper grating is in place. Have cellar pumped out if standing full of fluids. (Inland)	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
20. Perform HEC and isolate power to pumping unit or cathodic box as necessary.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
21. Determine distance from county roads, public dwellings and major highways and ensure location sensitivity is addressed	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
22. Verify that the required support equipment and services are available and will be onsite when needed.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
23. Check soil condition, install matting as necessary to provide stable working surface for rig and for standing back tubing.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
24. Ensure that any engine exhausts or other sparking equipment are placed a safe distance from potential	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
25. Verify that any necessary inspections have been performed and any deficiencies have been corrected and documented.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
WELLWORK SUPERVISOR’S SIGNATURE: _____		DATE: _____
PIC APPROVAL: _____		DATE: _____

M. Ellwood EAP - Incident Notification Flow Chart

**TABLE 2-1E: INITIAL EMERGENCY NOTIFICATION PROCEDURES**

Responsible Person	Notification Made	Telephone Number
<b>Incident Observer</b>	1. Facility Supervisor or Person-In-Charge (PIC)	EOF, 961-2375 Holly, 961-2360
<b>IIRT IC (Facility Supervisor or Person-In-Charge)</b>  Gather the following information if known: <ul style="list-style-type: none"> <li>• Time of event</li> <li>• Location</li> <li>• Type of event</li> <li>• Release volume (est.)</li> <li>• Current isolate, contain, control measures</li> <li>• Name and phone number</li> </ul>	1. Activate IIRT and notify EMT IC based on assessment of situation	Table 2-3
	2. <b>(911)</b> – Santa Barbara County Emergency Response	<b>911</b> or (805) 683-2724 if using cell
	3. Adjacent Facility PIC	EOF, 961-2375 Holly, 961-2360
	4. EOF Area Residents ( <b>catastrophic leak of untreated gas</b> )	Community Siren
<b>Adjacent Facility PIC</b>  Do not delay calling MSRC and/or Patriot:	5. MSRC to respond or standby (if spill threatens ocean)  Patriot Environmental, and NRCES for onshore spill  If oil threatens or enters marine or State waters, or  Oil spill to land (≥1 bbl) outside secondary containment, significant gas release, hazmat release outside secondary containment, or oil spill (≥5 bbls) inside secondary containment.  National Response Center  California Emergency Management Agency (Cal-EMA)  California State Lands Commission	<b>(800) 259-6772</b>  <b>(800) 624-9136</b> <b>(800) 899-4672</b>    <b>(800) 424-8802</b>  <b>(800) 852-7550</b>  <b>(562) 590-5201</b>
Responsible Person	Notification Made	Telephone Number
<b>EMT IC</b>	EMT members	Table 2-3
	Witt O'Brien's	Table 2-3

Responsible Person	Notification Made	Telephone Number
<p><b>Note:</b>            Personnel safety and response considerations always take precedence over notification procedures.</p> <p><b>Notifications must be followed to completion.</b> If the responsible person is unable to notify a person noted, then the IC must make the notification (if any) for that person.</p> <p>Verbal notification of the public if affected may be necessary. Beacon West will call 9-1-1 for assistance.</p> <p>Each notification of Company personnel should be logged in the Telephone Log with the following information (See Appendix A)</p> <p><b>Other agency notifications may be required; EMT IC must review Table 2-2</b> and assign notifications to Liaison Officer or other appropriate person. (For agency phone numbers see Table 2-6).</p>		

N. Beacon West Emergency Command Post Location

## MAP & DIRECTIONS TO MSRC SUPPORT YARD

### FROM LOS ANGELES:

- 1) Take **US-101 Freeway NORTH**
- 2) Exit on **BAILARD ROAD**, turn **LEFT**
- 3) Turn **right** onto **CARPINTERIA AVE.**
- 4) Go approx. ¼ mile, turn **LEFT** at the **MSRC Sign (DUMP RD.)**
- 5) Go approx ¼ block, over the speed bump and turn **LEFT**

### FROM SANTA BARBARA:

- 1) Take **US-101 Freeway SOUTH**
- 2) Exit on **CASITAS PASS RD**, Turn **RIGHT**
- 3) Turn **LEFT** onto **CARPINTERIA AVE.**
- 4) Go approx. ¼ mile, turn **LEFT** at the **MSRC Sign (DUMP RD.)**
- 5) Go approx ¼ block, over the speed bump and turn **LEFT**

