

Project: Ellwood Pipeline, Inc.
Assignment to Chevron
Folio No.: 003657

**CONSENT TO ASSIGNMENT, ASSUMPTION OF PERFORMANCE, AND
FOURTH AMENDMENT TO LEASE AGREEMENT**

**THIS CONSENT TO ASSIGNMENT, ASSUMPTION OF PERFORMANCE, AND
FOURTH AMENDMENT TO LEASE AGREEMENT** (hereinafter "Fourth Amendment") is
made by and between the

COUNTY OF SANTA BARBARA, a
political subdivision of the State of California,
hereinafter referred to as "COUNTY,"

and

CHEVRON U.S.A. INC., a Pennsylvania
Corporation, hereinafter referred to as
"LESSEE,"

with reference to the following:

WHEREAS, COUNTY is Lessor in that certain fifty (50) year Lease (hereinafter
"Lease") dated September 27, 1965 with Standard Oil Company of California, as Lessee; and

WHEREAS, LESSEE was the successor in interest to the Standard Oil Company of
California under said Lease; and

WHEREAS, on December 4, 2012, the COUNTY approved the Consent to Assignment,
Assumption of Performance, and First Amendment (hereinafter "First Amendment"), to assign
said Lease from LESSEE to Ellwood Pipeline, Inc.; and

WHEREAS, on September 15, 2015, the COUNTY approved the Second Amendment to
Lease Agreement (hereinafter "Second Amendment"), and on March 21, 2017, the COUNTY
approved the Third Amendment to Lease Agreement (hereinafter "Third Amendment") to
temporarily extend the term of the Lease and determine the feasibility of a new long-term Lease
Agreement, or longer extension of the current Lease; and

WHEREAS, COUNTY is willing to consent to the assignment of said Lease from Ellwood
Pipeline, Inc. to LESSEE for the purpose of LESSEE performing the decommissioning and
abandonment of associated oil and gas platforms, wells, pipelines and appurtenant facilities, subject
to the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the promises, covenants, and conditions
contained herein, the parties agree as follows:

1. **RECITALS:** The above stated recitals are true and correct and are incorporated into the terms and conditions of this Fourth Amendment to Lease Agreement as set forth in full herein. A copy of the Third Amendment, which includes copies of the Lease, the First Amendment, and Second Amendment is attached hereto and incorporated herein by reference as amended.

2. **CONSENT TO ASSIGNMENT:** COUNTY hereby consents to the assignment of the Lease from Ellwood Pipeline, Inc., to LESSEE. LESSEE hereby agrees that there shall be no further assignment, or subletting, without the written consent of COUNTY.

3. **ASSUMPTION OF PERFORMANCE OF ASSIGNEE:** Effective upon the closing, as that term is defined in Section 3.01 of the "Purchase and Sale Agreement for the Carpinteria Station Segment and Certain Pipeline Segments by and among Venoco LLC Ellwood Pipeline, Inc., as Sellers, and Chevron U.S.A. Inc. as Purchaser, and LESSEE's acquisition of the Lease, LESSEE hereby assumes said Lease and subsequent Amendments attached hereto as Exhibit "A" and incorporated herein as amended, and shall faithfully perform, and shall agree to be bound by all of the terms, conditions, and covenants thereof, with the same force and effect as its predecessor in interest, Ellwood Pipeline, Inc. LESSEE expressly assumes liability for use of the pipelines described in Section 4 of the Lease, as amended, the contents transported through the pipelines, and the decommissioning and proper abandonment of the pipelines in accordance with all applicable laws and regulations and the Lease.

4. **PROCESS FEE:** Concurrently with the execution of this Agreement, LESSEE shall pay to COUNTY a nonrefundable fee of Six Thousand Dollars (\$6,000.00) to reimburse COUNTY for its staff cost in preparing and processing this Fourth Amendment. LESSEE acknowledges that the fee is not applicable against rent or any other charge or fee under the Lease. LESSEE acknowledges that COUNTY will bill LESSEE separately for staff time or costs that exceed that amount.

5. **AMENDMENT OF LEASE:** Effective upon the closing as defined above and LESSEE's acquisition of the Lease, the Lease shall be amended as follows:

- (a) Section 1 of the Lease, as amended, shall be deleted in its entirety and replaced with the following:

"1. That the term of this Agreement shall commence on September 27, 1965, and shall continue thereafter (unless sooner terminated as hereinafter provided) until September 26, 2023, after which LESSEE may seek COUNTY's consent for an extension if necessary due to federal requirements to conclude activities described in amended Section 4 below."

- (b) Section 4 of the Lease shall be deleted in its entirety and replaced with the following:

"4. The purpose of the Lease is to allow LESSEE the right to use the gas pipeline described in Subsection 4.1 below to continue to supply natural gas from shore to fuel electric power generators on Platform Grace and Platform Gail in the federal Santa Clara Unit and to use the oil pipeline described in Subsection 4.2 below to facilitate

decommissioning activities including plugging and abandonment (“P&A”) of offshore wells and facilities associated with Platforms Gail and Grace by transporting water mixed with hydrocarbons and mud (waste water) resulting from decommissioning and P&A operations to an onshore tank for proper disposal. LESSEE’s use of the pipelines will cease once decommissioning and P&A activities conclude, and LESSEE will thereafter decommission the pipelines in accordance with all applicable laws and regulations and the Lease. The pipelines are described as follows:

4.1 One (1) ten inch (10”) diameter steel pipeline, extending approximately six thousand one hundred twenty four lineal feet (6,124’), together with all appurtenances necessary to properly operate and maintain the pipeline, for the transportation of dry natural gas, and which lies in a fifty foot (50’) wide corridor in, under, along or across the COUNTY’S submerged lands as described and shown in Exhibit “B” attached hereto and incorporated hereof.

4.2 One (1) ten inch (10”) diameter steel pipeline, extending approximately six thousand one hundred twenty four lineal feet (6,124’), together with all appurtenances necessary to properly operate and maintain the pipeline, for the collection, transportation or distribution of water mixed with hydrocarbons and mud (waste water) resulting from decommissioning and P&A operations, and which lies in a fifty foot (50’) wide corridor in, under, along or across the COUNTY’S submerged lands as described and more particularly shown in Exhibit “B” attached hereto and by this reference incorporated herein.

It is understood that all oil and gas production for which the pipelines have previously been in service has ceased, and that integrity tests will be conducted on both the oil and natural gas pipelines prior to LESSEE commencing P&A operations. In the event LESSEE desires to transport a different product than permitted herein, or to expand or modify the pipelines, LESSEE shall notify the COUNTY of its intention a minimum of sixty (60) days in advance of any such change. Upon such notice, COUNTY may re-evaluate the terms and conditions of this Lease.”

- (c) Section 14 of the Lease shall be amended to replace LESSEE’s contact information as follows:

“To the LESSEE:
ATTN: Land Manager
Chevron U.S.A. Inc.
9525 Camino Media
Bakersfield, CA 93311
(661) 654-7000

6. Pursuant to Section 5 of the First Amendment; this Consent to Assignment, Assumption of Performance, and Fourth Amendment shall not be effective until LESSEE files with

the COUNTY a bond of the type COUNTY approves and in the amount of ONE HUNDRED THOUSAND and 00/100 Dollars (\$100,000.00) and provides evidence of satisfaction of the insurance requirements as set forth in the Third Amendment. LESSEE shall file the bond and provide the evidence of satisfaction of the insurance requirements on or before the closing as defined above.

7. In all other respects, the terms and conditions of the Lease dated September 27, 1965, as amended, shall remain in full force and effect.

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IN WITNESS WHEREOF, COUNTY and LESSEE have executed this Consent to Assignment, Assumption of Performance, and Fourth Amendment by the respective authorized officers as set forth below to be effective as of the date executed by COUNTY.

CHEVRON U.S.A. INC. SIGNATURE PAGE

"LESSEE"
CHEVRON U.S.A. INC.

K.R. McNally

K.R. McNally
Name

Attorney-in-Fact
Title