

1 Department of Conservation, Division of Oil, Gas, and Geothermal Resources  
2 STATE OIL AND GAS SUPERVISOR  
3 801 K Street, MS 24-03 (Legal Office)  
4 Sacramento, California 95814-3530  
5 Telephone (916) 323-6733  
6 Facsimile (916) 445-9916  
7

8 **STATE OF CALIFORNIA**  
9 **NATURAL RESOURCES AGENCY**  
10 **DEPARTMENT OF CONSERVATION**  
11 **DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES**  
12

13 **ORDER TO:**  
14 **PLUG AND ABANDON WELLS,**  
15 **DECOMMISSION ATTENDANT FACILITIES, AND**  
16 **RESTORE WELL SITES**  
17

18 **NO. 1117**

19 **Dated: May 15, 2017**

20 **Operator: Venoco, LLC [Venoco, Inc.] (V1150)**  
21

22 **BY**

23 **Kenneth A. Harris Jr.**

24 **STATE OIL AND GAS SUPERVISOR**  
25  
26  
27  
28

1 **I. Introduction**

2 The Division of Oil, Gas, and Geothermal Resources (Division) may order the plugging  
3 and abandonment of a well that it has determined, upon credible evidence, to be deserted  
4 whether or not any damage is occurring, or threatened, by reason of that deserted well. (**Pub.**  
5 **Resources Code, § 3237.**) Based on the Division’s records, **Venoco, LLC** (a.k.a. Venoco, Inc.;  
6 Division operator code V1150; Operator) is the current operator (as defined in **Public**  
7 **Resources Code [PRC] section 3237, subdivision (c)(1)**) responsible for the plugging and  
8 abandonment of wells (and all associated conductors) (**the Wells**), the decommissioning of the  
9 attendant production facilities (**the Facilities**), and restoration of the well site(s) located at, or  
10 near, 9865 W. Olympic Blvd., Beverly Hills, CA, 90212 (APN 4319-001-900). (See  
11 Attachment A, incorporated herein; **the Wells and Facilities**). And, herein, the State Oil and  
12 Gas Supervisor (Supervisor) is ordering Operator to do so. This is because the Division has  
13 determined, based on information and belief and the credible evidence detailed below, that  
14 Operator has deserted, or is about to desert, **the Wells and Facilities**.

15 Therefore, pursuant to **PRC sections 3106, 3224, 3226, and 3237**, and as set forth below,  
16 Supervisor is ordering Operator to plug and abandon **the Wells** and decommission **the Facilities**  
17 according to **PRC sections 3208, 3228, 3229, and 3230, California Code of Regulations, title**  
18 **14, (Regulations) sections 1722 through 1724.1, 1760, 1775, and 1776**, and the conditions  
19 included in any permit the Division may issue pursuant to **PRC section 3229** for **the Wells**.

20 **II. Definitions**

21 **PRC section 3008, subdivision (a)**, defines “Well” to mean “any oil or gas well or well  
22 for the discovery of oil or gas; any well on lands producing or reasonably presumed to contain  
23 oil or gas,” among others.

24 **PRC section 3009** defines “Operator” to mean “a person who, by virtue of ownership, or  
25 under the authority of a lease or any other agreement, has the right to drill, operate, maintain, or  
26 control a well or production facility.”

27 **Regulations section 1760, subdivision (k)**, defines “Production facility” to mean “any  
28 equipment attendant to oil and gas production . . . including, but not limited to, tanks, flowlines,

1 headers, gathering lines, wellheads, heater treaters, pumps, valves, compressors, injection  
2 equipment, production safety systems, separators, manifolds, and pipelines that are not under the  
3 jurisdiction of the State Fire Marshal pursuant to Section 51010 of the Government Code,  
4 excluding fire suppressant equipment.”

5 **III. State Oil and Gas Supervisor Authority**

6 **PRC section 3106** authorizes the Supervisor to supervise the drilling, operation,  
7 maintenance, and abandonment of oil and gas wells to “prevent, as far as possible, damage to  
8 life, health, property, and natural resources; damage to underground oil and gas deposits from  
9 infiltrating water and other causes; loss of oil, gas, or reservoir energy, and damage to  
10 underground and surface waters suitable for irrigation or domestic purposes by the infiltration  
11 of, or the addition of, detrimental substances.”

12 **PRC section 3224** mandates that the Supervisor “order such tests or remedial work as in  
13 his judgment are necessary to prevent damage to life, health, property, and natural resources; to  
14 protect oil and gas deposits from damage by underground water; or to prevent the escape of  
15 water into underground formations, or to prevent the infiltration of detrimental substances into  
16 underground or surface water suitable for irrigation or domestic purposes, to the best interests of  
17 the neighboring property owners and the public.”

18 **PRC section 3226** authorizes the Supervisor, based on the Supervisor’s final or affirmed  
19 order, to appoint agents who may enter the well premises and perform necessary remedial work  
20 if the operator did not complete the remedial work as ordered. Any amount the Supervisor  
21 expends to complete the necessary remedial work constitutes a lien against the operator’s real or  
22 personal property according to **PRC section 3423**.

23 **PRC section 3237** authorizes the Supervisor to “order the plugging and abandonment of  
24 a well that has been deserted whether or not any damage is occurring or threatened by reason of  
25 that deserted well.” The Supervisor or district deputy “shall determine from credible evidence  
26 whether a well is deserted.”

27 ///

28 ///

1 **IV. Credible Evidence of Desertion**

2 The Supervisor has determined that correspondence from, and about, Operator, from  
3 December 2016 to April 2017, concerning the termination of Operator's lease for the site is  
4 credible evidence of desertion. Moreover, the evidence indicates that Operator intends to leave  
5 **the Wells and Facilities** without plugging and abandoning, decommissioning, or otherwise  
6 restoring the well sites. (See Attachment B, collectively [13 pages], incorporated herein; **Pub.**  
7 **Resources Code, § 3237, subd. (a)(2).**)

8 **V. Operator's Required Actions**

9 For the reasons stated above, the Division has determined that **the Wells and Facilities**  
10 are deserted. Therefore, **IT IS HEREBY ORDERED**, that Operator plug and abandon **the**  
11 **Wells** and decommission **the Facilities** according to **PRC sections 3208, 3228, 3229, and 3230,**  
12 **Regulations sections 1722 through 1724.1, 1760, 1775, and 1776,** and the conditions included  
13 in any permit the Division may issue pursuant to **PRC section 3229 for the Wells.**

14 **VI. Operator's Appeal Rights**

15 **PRC section 3237, subdivision (b),** entitles an operator to appeal a Supervisor's order to  
16 plug and abandon wells. A notice of appeal must be timely made, in writing, and filed with the  
17 Director. (**See Public Resources Code beginning at PRC section 3350.**) To file an appeal, a  
18 written notice of appeal may be mailed to the following address:

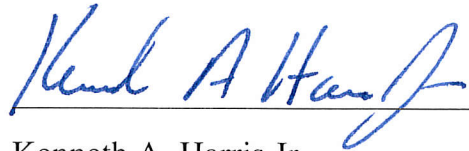
19 Department of Conservation  
20 Director's Office of Appeals  
21 801 K Street, MS 24-03 (Legal Office)  
22 Sacramento, California 95814-3530

23 If Operator does not submit a timely written notice of appeal, this Order will become a  
24 final order and the Division may contract for performance of the work, pursuant to **PRC section**  
25 **3226,** if, within 30 days of this Order, Operator has not, in good faith, commenced the work  
26 ordered. Any costs incurred by the Supervisor to obtain compliance with this Order will  
27 constitute a lien against Operator's real or personal property per **PRC section 3423.**

28 *///*

1 If Operator submits a timely written notice of appeal, it, and interested parties, will  
2 receive notice of the appeal hearing date, time, and place. Following the hearing, will receive a  
3 written decision that affirms, sets aside, or modifies the appealed order.

4  
5 DATED: May 15, 2017

6  
7 

8 Kenneth A. Harris Jr.  
9 State Oil and Gas Supervisor

10 Cert. mail rec. no.: 7015 0640 0001 8380 6416

API #	Lease Name	Well #	Well Type
037-25047		BH-15	OG
037-25036		BH-16	OG
037-22415	High School	1A	OG
037-22502	High School	2A	OG
037-22552	High School	3	OG
037-22287	O.S.	1	OG
037-22434	O.S.	2	OG
037-22481	O.S.	3	OG
037-22469	O.S.	4	OG
037-22506	O.S.	5	OG
037-22573	O.S.	6	WF
037-22644	O.S.	7	OG
037-22594	O.S.	8	OG
037-22692	O.S.	9	WF
037-22613	O.S.	10	WF
037-22671	O.S.	11	OG
037-22686	O.S.	12	OG
037-22763	O.S.	13	OG
037-22776	O.S.	14	WF

# ATTACHMENT A

**ATTACHMENT B**



VENOCO, INC.

December 10, 2016

*Via Email & US Mail*

Mr. Steve Kessler, [skessler@bhusd.org](mailto:skessler@bhusd.org)  
Superintendent  
Beverly Hills Unified School District  
255 South Lasky Drive  
Beverly Hills, CA 90212

Mr. Mahdi Aluzri, [maluzri@beverlyhills.org](mailto:maluzri@beverlyhills.org)  
City Manager  
City of Beverly Hills,  
455 N. Rexford Drive  
Beverly Hills, CA 90210

RE: **BEVERLY HILLS OILFIELD**  
**Los Angeles County, CA**  
Venoco, Inc. Oil Wellsite  
AIR EMISSIONS - Decommissioning and Abandonment

Mr. Kessler and Mr. Aluzri:

As the end of Venoco, LLC's ("Venoco") oil and gas lease term with the Beverly Hills Unified School District and City of Beverly Hills approaches I wanted to open a dialogue regarding the first steps of the decommissioning process for Venoco's Beverly Hills oil and gas wellsite ("Wellsite"). Venoco is committed to undertaking the decommissioning of our Beverly Hills Wellsite facilities in a responsible, transparent and timely manner that ensures compliance with all applicable laws and regulations and ensures the protection of the environment and the community. With this in mind, we wanted to use the time while we are waiting for the Governor's Office of Planning & Research to determine the appropriate lead agency, as productively as possible to seek your feedback on a critical decision that needs to be made at the outset of the decommissioning process: how to manage the increase in well pressure that will result from ceasing production at the end of the year.

As you know, pursuant to our existing lease terms Venoco continues to produce oil and gas but must cease oil and gas production on December 31<sup>st</sup>. One of the consequences of stopping production is that until such time as Venoco receives regulatory permits from the appropriate agency(ies), gas pressure will continue to build up in the wells. For the safety of all personnel, plus the environment, this pressure must be ameliorated. There are three (3) options to do this: (1) allow for temporary contained production during this limited time period to ensure the maintenance of safe pressure levels; (2) vent gas directly to the environment; or (3) attempt to incinerate the gas using an onsite rental device. As explained below, after consultation with the South Coast Air Quality Management District ("SCAQMD") and our environmental consultants, Venoco believes that the safest and



environmentally preferable alternative is to manage this pressure by allowing for temporary, limited production.

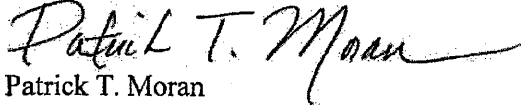
To be abundantly clear, our first and foremost concern is the health and safety of the residents of Beverly Hills and the protection of public health and the environment. Our goal in raising this issue with you is NOT an attempt to extend the term of the oil and gas lease, but rather to begin the decommissioning process in a collaborative manner that fosters open communication and ensures the City and the School District are aware of the risks of venting natural gas from the wells into the atmosphere before we move ahead with the project. As discussed in greater detail below, although existing SCAQMD rules allow venting of gas in connection with the abandonment of wells, we believe utilizing the existing gas, oil and water handling systems at the Beverly Hills wellsite is the safest and environmentally preferable alternative because it minimizes emissions of greenhouse and other gases into the local atmosphere. More specifically:

- Currently, while producing the oil and gas from the reservoir/Wellsite, all the natural gas is captured, stripped of its inerts/impurities, and transported to the nearby SoCal Gas meter for sales and public use. Until we receive final regulatory approvals to abandon the 19 wells, and the wells are actually plugged and abandoned, the continued (but temporary) flow of oil and gas will prevent any natural gas from being emitted into the atmosphere. If Venoco were to temporarily continue the flow of oil and gas, only until such time as regulatory approval is received, no venting of gas would be required, thus eliminating any “gas release” to the environment and community at large.
- To be clear, Venoco has approved permits in place with the SCAQMD wherein their rules allow venting gas for the purpose of well abandonment. So, effectively if and when the 19 wells stop producing and are shut-in, pressurized natural gas from the wells will need to be vented.
- Venoco is proud of its award-winning safety record. As a prudent oil and gas operator in the State of California, it is our policy to minimize and further avoid venting gas to the environment if at all possible.
- We want to emphasize that the purpose of this discussion is to ensure the City and School District are aware that without further action on your part, the consequence of ceasing production at the end of the year will be the ongoing emission of natural gas into the atmosphere until such time as Venoco receives its regulatory permits from the appropriate agency(ies). Given the environmental impacts of venting and likelihood of public concern from the local residential neighborhood, we believe it is incumbent on us to raise this issue with you now and get direction on how the City and the School District would like Venoco to proceed.

Venoco will continue to abide by the terms of our current lease agreement and is fully prepared to cease production and begin venting as appropriate following the end of the year. However, our hope is that following consideration of the impacts of venting described above, the City and the School District will come to the same conclusion as Venoco and determine that temporary, limited production is in the best interest of the community and the environment and is therefore the prudent path forward.

Should you have any comments or questions, my contact numbers are as follows, (805) 745-2145, (805) 701-5556. I look forward to discussing these issues with you further and moving our decommissioning forward as expeditiously as possible.

Sincerely,



Patrick T. Moran  
Sr. Land Negotiator

cc: William Ireland  
Haight, Brown & Bonesteel  
555 South Flower Street  
Forty-Fifth Floor  
Los Angeles, California 90071

Honorable Mayor John Mirisch  
City of Beverly Hills  
455 N. Rexford Drive  
Beverly Hills, CA 90210

Larry Weiner  
City Attorney  
City of Beverly Hills  
455 N. Rexford Drive  
Beverly Hills, CA 90210

Wayne Nastri  
Executive Director  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765

Cathi Slaminski  
CEQA Unit-Sr. Environmental Scientist  
Supervisor  
Division of Oil, Gas & Geothermal  
State of California  
801 "K" Street, MS 18-05  
Sacramento, CA 95814-3530

Scott Morgan  
Governor's Office of Planning and Research  
State of California  
1400 Tenth Street  
Sacramento, CA 95814

Polly Towill  
Sheppard, Mullin, Richter & Hampton  
48th Floor  
333 South Hope Street  
Los Angeles, CA 90071-1448

Cassie Gilson  
Sacramento Advocates  
1215 K Street, Suite 2030  
Sacramento, CA 95814



William E. Ireland  
direct: (213) 542-8035  
wireland@hbblaw.com

Haight Brown & Bonesteel LLP

555 South Flower Street  
Forty-Fifth Floor  
Los Angeles, California 90071  
213.542.8000  
213.542.8100 fax  
www.hbblaw.com

April 21, 2017

**VIA E-MAIL**

Jason B. Hutt  
Bracewell  
2001 M Street NW, Suite 900  
Washington, D.C. 20036-3310  
email: [jason.hutt@bracewelllaw.com](mailto:jason.hutt@bracewelllaw.com)

Robert G. Burns  
Bracewell  
1251 Avenue of the Americas, 49<sup>th</sup> Floor  
New York, New York 10020-1100  
email: [robert.burns@bracewelllaw.com](mailto:robert.burns@bracewelllaw.com)

Re: Venoco Oil Wells

Dear Gentlemen:

Thank you for meeting with us yesterday, April 20, 2017 to discuss Venoco's status and plans. As we presume you understand, the District's first priority is the safety of its students, its staff, and the residents of the communities around the Venoco oil well site. We are concerned that the safety of those persons is protected throughout the period of change that Venoco is currently undertaking.

I appreciate your clarifying the timetable that the District should not expect any changes in staffing or responsibilities at the Venoco oil well site before May 31, 2017. Hopefully we will have some common understanding before that date regarding future responsibilities.

We do have one area of disagreement that we wanted to clarify. We do not agree that Venoco's right to possession or its responsibility for operation, maintenance, abandonment and restoration of the oil well site has ended. Venoco continues to have responsibilities under the lease until the restoration is completed. We do not see any need or requirement for any sort of holdover agreement between Venoco, as the Debtor in possession, and the District, as you suggested.

Finally, please have Venoco provide to us all information regarding any and all bonds or sureties which are potentially available for Venoco's operations in Beverly Hills. Thank you.

Jason B. Hutt  
April 21, 2017  
Page 2

If you have any questions, please let us know. If I am unavailable, please communicate with Eric Monzo of Morris James, or my partner, Greg Rolan.

Very truly yours,

William E. Ireland  
Haight Brown & Bonesteel LLP

WEI  
cc: Polly Towill  
Greg Rolan  
Eric Monzo

# Haight

Jason B. Hutt  
April 21, 2017  
Page 3

bcc: Doug Candeub

BH15-000001  
12276928.1

Haight  
Los Angeles • Orange County • Riverside • Sacramento • San Diego • San Francisco

# BRACEWELL

April 21, 2017

**VIA EMAIL:** [wireland@hbblaw.com](mailto:wireland@hbblaw.com)

William Ireland, Esq.  
Haight Brown & Bonesteel LLP  
555 South Flower Street, 44<sup>th</sup> Floor  
Los Angeles, California 90071

RE: Surface and Subsurface Oil and Gas Lease dated June 2, 1959, between the Beverly Hills Unified School District (the "District") and Venoco LLC (as successor in interest to Alan Guiberson) ("Venoco") (such lease, as subsequently amended and modified, the "Lease")

Dear Mr. Ireland:

Thank you for meeting with Venoco and its representatives yesterday. While we regret the circumstances that necessitated the meeting, please be assured that Venoco remains committed to providing resources to assist with a smooth and orderly transition process in the time remaining before it formally winds up its business affairs through the pending bankruptcy process. This letter will serve as a follow up to several of the issues discussed at the meeting, particularly as it relates to support Venoco intends to provide the District in the coming weeks. It is Venoco's express desire that this ongoing support will give the District ample time to explore its options and execute a plan for moving forward.

## 1. Continued Access and Services

The above-defined Lease for the Beverly Hills West field expired by its terms on December 31, 2016 (the "Expiration Date"). Pursuant to the terms of the Lease, as of the Expiration Date, Venoco's right, title and interest in and to the property granted in the granting clauses of the Lease (the "Leased Premises") also terminated, and Venoco no longer has any possessory interest in the Leased Premises.

To allow a brief period for the transition process outlined in our meeting, both Venoco and the District have a mutual interest in Venoco's continued access to the Leased Premises to provide services related to the periodic monitoring and oversight of the shut-in wells and the provision of site security, consistent with past practice since the Expiration Date (the "Services").

This letter is to confirm Venoco's understanding that the District agrees to grant Venoco continued access to the Leased Premises until May 31, 2017 for the purpose of allowing Venoco to perform the Services. If Venoco's understanding regarding continued access is inconsistent with that of District, please notify me as soon as possible.

Robert G. Burns  
Partner

T: +1.212.508.6155 F: +1.800.404.3970  
.1251 Avenue of the Americas, 49th Floor, New York, New York 10020-1100  
[bob.burns@bracewell.com](mailto:bob.burns@bracewell.com) [bracewell.com](http://bracewell.com)

# BRACEWELL

William Ireland, Esq.

April 21, 2017

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## 2. Further Efforts

Venoco will agree to provide the Services at no cost to the District through May 31, 2017, provided that the District diligently pursues options for the ultimate transition of ongoing responsibility for the Leased Premises and pursues sources of funding that might be available to the District to help defray ongoing oversight costs, and ultimately the decommissioning of the Leased Premises. Potential sources of alternative funding would include the existing surety bonds or available funding from local or state programs.

### a. Transition of Responsibility

As discussed, Venoco will be winding down its affairs over the next several months. When that process is complete, Venoco will no longer have any employees to conduct ongoing activities at the Leased Premises. Accordingly, it is critical the District expeditiously seek a third party contractor to assume this role. Venoco is aware of several third parties that could provide the basic monitoring and oversight services. If you would like recommendations for a qualified third party contractor, please let me know and I will arrange for Venoco to provide referrals. Venoco will also make itself available to assist the District with the technical aspects of any RFP the District may require in connection with retaining a third party contractor, as well as assisting with the transition.

To the extent the District has any interest in contracting with Venoco to provide Services for a brief period after May 31, 2017, Venoco would be willing to enter into a mutually agreeable Transition Services Agreement, whereby it would continue to provide agreed upon services at the Leased Premises for a defined period, at the cost and expense of the District. Based on Venoco's current estimates, the actual expense of such services will be approximately \$90,000 per month. The concept is similar to the agreement Venoco entered into with the California State Lands Commission prior to entering bankruptcy on April 17, 2017.

### b. Alternative Funding Sources

The surety bond relating to the Lease and Leased Premises was issued by U.S. Specialty Insurance Company ("USSIC"). The contact information you requested for counsel for USSIC is as follows:

# BRACEWELL

William Ireland, Esq.  
April 21, 2017  
Page 3

David P. Primack, Esq.  
McElroy, Deutsch, Mulvaney & Carpenter, LLP  
300 Delaware Avenue, Suite 770  
Wilmington, DE 19801  
Phone: (302) 300-4515  
[dprimack@mdmc-law.com](mailto:dprimack@mdmc-law.com)

-and-

Gary D. Bressler, Esq.  
McElroy, Deutsch, Mulvaney & Carpenter, LLP  
300 Delaware Avenue, Suite 770  
Wilmington, DE 19801  
Phone: (302) 300-4515  
[gbressler@mdmc-law.com](mailto:gbressler@mdmc-law.com)

To the extent we can be helpful in any dialogue with counsel for the sureties, please let me know. Finally, as discussed, Venoco remains willing to work with the District to identify other funding sources that may be available from local or state governmental authorities.

### **3. Further Production of Beverly Hills West Field**

Venoco understands the District has previously indicated it has no interest in resuming production on the Leased Premises. However, given the significant change in circumstances, Venoco would encourage the District to reconsider its position. Restarting production could offer at least two benefits to the District, each of which is discussed below.

First, restarting production would allow the District to defer the decommissioning process. Venoco believes oil could be produced at a profit to the District based on recent oil prices. Based on daily production of 250 barrels of oil and low decline rates, Venoco estimates that production could continue for up to 10 years with an additional 300,000 to 500,000 barrels of recoverable oil. Moreover, the actual amounts realized from production could be significantly larger than the simple royalty payments the District received under the Lease.

A second benefit is that profits from further production could be used, in part, to create a sinking fund to be allocated to future decommissioning at a time of the District's choosing.



# BRACEWELL

William Ireland, Esq.

April 21, 2017

Page 4

In sum, restarting production at the Leased Premises could significantly mitigate the consequences of Venoco's bankruptcy at a relatively minimal cost.

Given that production on the Leased Premises has only recently ceased, Venoco believes the cost and expense to restart production would be minimal. If the District wishes to further explore restarting production, Venoco would be amenable to providing technical and engineering support to assist the District with the process. Venoco would also be willing to explore some level of prefunding of the actual out of pocket costs and expenses relating to a restart, subject to a mutually agreeable reimbursement structure. Venoco would also be amenable to assisting the District in identifying a qualified operator to conduct production activities.

We look forward to a continuing dialogue with the District relating to the matters currently under discussion.

Sincerely,

Robert G. Burns 

Robert G. Burns

cc: Brian Donovan  
Bret Fernandes  
Jason Hutt  
Eric J. Monzo  
Patrick Moran  
Polly Towill  
Michael Wracher

# BRACEWELL

April 28, 2017

**VIA EMAIL: wireland@hbblaw.com**

RE: Surface and Subsurface Oil and Gas Lease dated June 2, 1959, between the Beverly Hills Unified School District (the "District") and Venoco LLC (as successor in interest to Alan Gulberson) ("Venoco") (such lease, as subsequently amended and modified, the "Lease")

William Ireland, Esq.  
Haight Brown & Bonesteel LLP  
555 South Flower Street, 44<sup>th</sup> Floor  
Los Angeles, California 90071

Dear Mr. Ireland:

Shortly after transmitting our letter dated April 21, 2017, we received your letter of the same date. It is not clear to us whether your letter was in response to ours, or whether the correspondence was simply contemporaneous. Regardless, we appear to have reached sufficient agreement that Venoco has access to the premises described in the granting clause of the Lease (and, together with the related improvements, the "Leased Premises") to continue to perform services related to the periodic monitoring and oversight of the shut-in wells and the provision of site security, consistent with past practice since the Lease expired on December 31, 2016 and applicable law (the "Services") until May 31, 2017.

Venoco remains on target to wind down its affairs over the next several months. As discussed at the meeting and in my follow up correspondence dated April 21<sup>st</sup>, within a very short time, Venoco will no longer have any employees or contractors in Beverly Hills to conduct ongoing activities at the Leased Premises.

In order to assist the District with its effort to retain a third party independent contractor to conduct the various day-to-day services Venoco currently performs at the Leased Premises, we have gathered contact information for two contractors that Venoco believes have the requisite skills, experience and qualifications to replace Venoco.

Michelle Pasini  
Interact  
805-658-5600, ext. 229

**Robert G. Burns**  
Partner

T: +1.212.508.6155 F: +1.800.404.3970  
1251 Avenue of the Americas, 49th Floor, New York, New York 10020-1100  
bob.burns@bracewell.com bracewell.com

# BRACEWELL

William Ireland, Esq.

April 28, 2017

Page 2

Breitburn (a nearby operator)  
Corporate Office: 213-225-5900

Also, Venoco has received a request from Ms. Latham for the well files and related information. We are in the process of reviewing the request and assembling the information.

If Venoco can be of further assistance with the District's efforts to find a replacement contractor, please let me know and I can arrange to make the proper representatives of Venoco available. As a reminder, Venoco has agreed to remain on the Leased Premises to perform the Services through May 31, 2017. This should be more than sufficient time to locate a replacement contractor and arrange for a transition. Venoco will make representatives available to assist with the transition once a contractor has been identified and retained.

Sincerely,

Robert G. Burns  
Partner

*Robert G. Burns/HM*  
Attachments

cc: Brian Donovan  
Bret Fernandes  
Jason Hutt  
Eric J. Monzo  
Patrick Moran  
Polly Towill  
Michael Wracher

## PROOF OF SERVICE BY CERTIFIED U.S. MAIL

- 1) I am at least 18 years of age, not a party to this action, and I am a resident of or employed in the county where the mailing took place.
- 2) My business address is: Department of Conservation, Division of Oil, Gas, and Geothermal Resources, Headquarters, 801 K Street, MS 18-05, Sacramento, CA 95814-3530
- 3) I served a copy of the following documents:  
**ORDER TO: PLUG AND ABANDON WELLS, DECOMMISSION ATTENDANT FACILITIES, AND RESTORE WELL SITES**  
**ORDER NO. 1117**  
by enclosing them in an envelope and placing the envelope for collection and mailing by certified U.S. mail on the date and at the place shown in item 4 following our ordinary business practices. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service in a sealed envelope with postage fully prepaid.
- 4) The envelope was addressed and mailed as follows:
  - a. Name of person served:  
Mr. Larry Huskins, Agent  
Venoco, Inc.
  - b. Address:  
6267 Carpinteria Avenue, Suite 100  
Carpinteria, CA 93013-2802
  - c. Date mailed: MAY 15, 2017
  - d. Place of mailing: Sacramento, California
- 5) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: May 15, 2017

Name: RACHAEL TADLOCK

Signature: 