TRANQUILLON RIDGE OIL & GAS PROJECT
AND
LAND CONSERVATION AGREEMENT

This Tranquillon Ridge Oil & Gas Project and Land Conservation Agreement ("Agreement") is entered into at Santa Barbara, California, this 9th day of April 2008, by and between Plains Exploration & Production Company, a Delaware corporation ("PXP"), and Citizens Planning Association of Santa Barbara County ("CPA"), and Get Oil Out! ("GOO!") (CPA and GOO! will hereafter be collectively referred to as the "Environmental Parties"). The parties hereto will hereafter be collectively referred to as the "Parties."

Recitals

A. PXP has applications pending for the Tranquillon Ridge Oil & Gas Development Project. The objective of the project is to develop oil and gas reserves in portions of the Tranquillon Ridge Field located within state lands, offshore Lompoc, California.

B. The Environmental Parties are public interest organizations whose missions include the preservation and enhancement of the environment. CPA is a non-profit corporation formed in 1960 dedicated to defending the County’s natural resources and upholding the County’s planning policies and objectives. GOO! is a non-profit corporation whose mission is to protect the natural environment and beauty of the Santa Barbara Channel from the adverse effects of oil development.

C. PXP and the Environmental Parties have discussed terms by which the Environmental Parties can support the Tranquillon Ridge Project, in accordance with an agreement that includes a pre-determined and absolute end-date for oil and gas production operations in several producing fields, including the Tranquillon Ridge Field, full mitigation and/or offset of the Project’s greenhouse gas emissions, and the clean-up and preservation in perpetuity of substantial land holdings in the Lompoc and Gaviota Coast areas. These lands have considerable conservation value to the citizens of
Santa Barbara County and people of the State of California. The purpose of this Agreement is to help make this become a reality.

**Agreement**

Subject to the terms and conditions hereinafter set forth, PXP and the Environmental Parties agree as follows:

**Definitions**

As used herein:

"Charitable Donation Agreement" means a contract entered into between PXP and a Grantee, such as The Trust for Public Land, which will provide the mechanisms for conveyance of the Subject Lands pursuant to this Agreement.

"Gaviota Lands" means the lands described in Exhibit "A" hereto. The Gaviota Lands consist of three separate parcels: "Smith Fee" (A/P # 081-140-024); "Sunburst Fee" (A/P # 081-130-076); and "Gaviota Processing Plant Site" (A/P # 081-130-070).

"Grantee" means an entity, such as The Trust for Public Land, which is a "qualified organization" under I.R.C. Regs. § 1.170 A-14(c), including a local, state or federal agency, or a charitable organization described in I.R.C. § 501(c)(3). There may be more than one Grantee of the Subject Lands. Each proposed Grantee shall be subject to the prior written approval of the Parties hereto, which approval shall not be unreasonably withheld or delayed.

"Initial Production" means when all of the following have occurred: i) PXP has received and accepted all discretionary and ministerial entitlements and approvals of every kind necessary to develop the Tranquillon Ridge Project; ii) there is no administrative, judicial or referendum challenge thereto pending, and all time periods within which to bring any such challenges have expired; and iii) PXP has produced
commercial quantities of oil and/or gas for thirty (30) consecutive days from a new well
drilled as part of the Tranquillon Ridge Project.

"LOGP Lands" means the lands described in Exhibit "C" hereto.

"Lompoc End Date" means the earlier of i) Permanent Cessation of Production of
all the following projects: the Pt. Pedemales Project, Tranquillon Ridge Project and
Lompoc Oil Field Project; or ii) December 31, 2022. After Initial Production is achieved,
should all production of the Tranquillon Ridge state leases cease for a period of ninety
(90) consecutive days or more due to circumstances beyond PXP's reasonable control,
the date certain component of the Lompoc End Date shall automatically be extended by
a like period of time. PXP shall provide written notice to the Environmental Parties
within thirty (30) days of any extension pursuant to this provision, along with a statement
of the reasons therefor.

"Lompoc Lands" means the lands described in Exhibit "B" hereto, which includes
the LOGP Lands.

"Lompoc Oil Field Project" means the onshore oil and gas production operations
conducted by PXP on the Lompoc Lands.

"Permanent Cessation of Production" means the permanent cessation of oil and
gas production operations of an entire project without the intent on the part of the
project operator to resume production at a later date.

"Pt. Arguello End Date" means the earlier of i) Permanent Cessation of
Production of the Pt. Arguello Project; or ii) a date certain which does not exceed nine
(9) years after the State Lands Commission's final approval and PXP's written
acceptance of all leases necessary for the Tranquillon Ridge Project.

"Pt. Arguello Project" means the oil and gas project located in federal waters of
the Outer Continental Shelf ("OCS"), offshore Santa Barbara County, including
Platforms Hermosa, Harvest and Hidalgo, together with the associated pipelines, and
onshore facilities. This project is more particularly described in Santa Barbara County's Pt. Arguello FDP No.85-DP-32cz.

"Pt. Pedernales Project" means the oil and gas project located in federal waters of the OCS, offshore Lompoc, Santa Barbara County, together with Platform Irene and the associated pipelines, and onshore processing and handling facilities, including the Lompoc Oil and Gas Plant ("LOGP"). This project is more particularly described in Santa Barbara County's Pt. Pedernales FDP No. 94-DP-027.

"Purisima Hills Project" means PXP's proposed 804 acre residential housing project further described in the City of Lompoc's Planning Division File Annexation No. 75.

"Subject Lands" means the Lompoc Lands and the Gaviota Lands.

"Subject Projects" means the Pt. Pedernales Project, the Tranquillon Ridge Project, the Lompoc Oil Field Project, and the Pt. Arguello Project.

"Tranquillon Ridge Project" means PXP's proposed oil and gas development project as described in Section 2.0 (Project Description) of Final EIR 06-EIR-000000-00005 as released to the public on March 26, 2008 ("FEIR"), including the proposed mitigation measures for the project's Class I, II and III environmental impacts as summarized in the FEIR and as set forth in this Agreement.

1.0 **Covenants of PXP.**

1.1 **End Dates.** In accordance with section 3.1 below, PXP shall apply for and, if approved, accept a Lompoc End Date for all oil and gas production operations of the Pt. Pedernales Project, Tranquillon Ridge Project, and Lompoc Oil Field Project, and a Pt. Arguello End Date for all oil and gas production operations of the Pt. Arguello Project (collectively, "End Dates"). The End Dates shall be irrevocable and non-modifiable without the express written consent of the Parties. PXP shall tender

[Signatures]

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quitclaims of the Tranquillon Ridge leases to the State immediately following abandonment of the Tranquillon Ridge Project.

1.2 Purisima Hills Project. Upon the execution of this Agreement by the Environmental Parties, PXP shall suspend its pursuit of entitlements for the Purisima Hills Project, including its application for annexation to the City of Lompoc, and provide the Environmental Parties with written confirmation within thirty (30) days thereafter. Upon the State Lands Commission’s final approval and PXP’s written acceptance of all of the leases necessary for the Tranquillon Ridge Project, PXP shall withdraw, without prejudice, its applications for these entitlements and provide the Environmental Parties with written confirmation within thirty (30) days thereafter. PXP shall convey fee title to the Purisima Hills Project lands to a Grantee as part of the conveyance of the Lompoc Lands as provided in section 1.3 below. If this Agreement is terminated, PXP shall be entitled to resubmit its applications for and resume its pursuit of entitlements for the Purisima Hills Project.

1.3 Conveyance of Subject Lands in Separate Phases. In accordance with section 3.0 below, and subject to the terms and conditions of this Agreement and the Charitable Donation Agreement, PXP shall convey to a Grantee all of PXP’s right, title and interest in and to the Subject Lands in phases which have been defined in the Charitable Donation Agreement with Grantee as follows.

(A) Phase One shall consist of the following: all of PXP’s right, title and interest in and to those portions of the Gaviota Lands identified as the "Smith Fee" and the "Sunburst Fee," and conveyance of fee title to or a conservation easement on approximately 1,000 acres of the Lompoc Lands.
(B) Phase Two shall consist of all of PXP's right, title and interest in and to the Gaviota Processing Plant Site.

(C) Phase Three shall consist of all of PXP's right, title and interest in and to the balance of the Lompoc Lands not conveyed in fee to Grantee under Phase One.

It is the desire of the Parties hereto, but not a condition of this Agreement, that the Smith Fee be conveyed to or for the benefit of the California Department of Fish & Game, and that the Sunburst Fee and Gaviota Processing Plant Site be conveyed to or for the benefit of the California Department of Parks and Recreation.

It is the desire of the Parties hereto, but not a condition of this Agreement, that the Lompoc Lands be conveyed to the State of California, added to the Burton Mesa Ecological Reserve, and managed and administered by the Department of Fish & Game.

1.4 Pt. Arguello Project and Gaviota Lands.

1.4.1. PXP represents that it has obtained Pt. Arguello partnership approval of a plan for the abandonment of the Pt. Arguello offshore wells and the associated facilities for which PXP and the Pt. Arguello partners have abandonment responsibility (the "Pt. Arguello Plan"). These facilities do not include any of the three Pt. Arguello platforms, subsea and onshore pipelines, or other associated facilities, the abandonment responsibility for which rests with third parties. The Pt. Arguello Plan provides for the Permanent Cessation of Production of the Pt. Arguello Project on or before the Pt. Arguello End Date. PXP agrees not to vote to make any change that would
extend the Pt. Arguello End Date. PXP also agrees that during the term of this Agreement, PXP shall not transfer any of its federal oil and gas leasehold interests in the Pt. Arguello Project unless PXP obtains and furnishes Environmental Parties with a copy of a written agreement by the transferee to be bound by the provisions of this section 1.4.1 to the same extent as PXP.

1.4.2 PXP agrees to vote to convey fee title to the Gaviota Processing Plant Site to a Grantee in accordance with Section 3.2.1 below.

1.4.3 If another Pt. Arguello partner, affiliate or any other entity proposes to use of any of the Pt. Arguello Project platforms, pipelines or processing facilities for any offshore oil or gas production operations that may be proposed to be conducted after the Pt. Arguello End Date, PXP shall express to the proponent PXP’s opposition thereto and PXP shall vote against such proposal.

1.5 Greenhouse Gas Emissions. Santa Barbara County estimates that the total peak annual greenhouse gas ("GHG") emissions from Tranquillon Ridge Project operations will be 14,925.35 tons per year of CO₂ and methane. PXP does not believe that this volume necessarily constitutes an actual net emission increase in GHG emissions, or a significant environmental effect within the meaning of CEQA. The Environmental Parties believe that the emissions constitute a significant effect under CEQA. To resolve this disagreement, upon achieving Initial Production, PXP agrees to do each of the following:

1.5.1 PXP shall arrange for a facility-wide GHG emissions audit of Platform Irene and the LOGP, to be
completed within six months following Initial Production. The audit shall be conducted by an independent consultant, approved by the Parties, in order to identify measures that would help improve energy efficiency, reduce energy consumption and otherwise reduce GHG emissions. Such measures may include, but are not limited to, consideration of the following: reductions in the heater treater emissions, reductions in vehicle and vessel emissions, extension of fugitive hydrocarbon inspection and maintenance programs to components that are in methane and ethane service, and assessment of CO₂ capture and liquefaction. The independent consultant shall quantify the reduction in emissions that can be achieved by such measures, and the cost of such measures. PXP shall implement any of those measures that can be implemented at a cost not to exceed $20 per ton on a one-time basis, i.e. not to exceed a total cost to PXP of $298,507. Such measures shall be initiated within six months following the completion of the audit and properly maintained thereafter.

1.5.2 On or before March 1 following PXP's implementation of the measures described in section 1.5.1 above, and on or before each March 1 thereafter until the Lompoc End Date, PXP shall calculate the actual amount, if any, of net emissions that remain after implementation of measures identified in section 1.5.1. PXP shall report the annual net GHG emissions to the Santa Barbara County Air Pollution Control District (SBCAPCD) as part of PXP's annual reporting requirements. SBCAPCD shall verify the emissions accounting and make any necessary corrections. Based on the final accounting by SBCAPCD, PXP shall
offset any actual net GHG emissions from Tranquillon Ridge Project operations on a 1:1 basis by providing funding to an entity(ies) identified by the Environmental Parties. This funding, which shall be calculated at the rate of $10 per ton (December 2008 dollars, to be adjusted annually by CPI-LA) per year for any such actual net emissions, shall be used for GHG mitigation projects. Possible recipients include California Wildfire ReLeaf and/or the Climate Trust.

1.5.3 PXP will partially offset non-direct emissions as set forth in this section. PXP does not believe that these emissions constitute an actual net emission increase in GHG emissions, or a significant environmental effect within the meaning of CEQA. The Environmental Parties believe that these emissions represent a significant indirect effect of the Project, and that at least a portion of this volume should be mitigated by PXP. To resolve this disagreement, upon achieving Initial Production, PXP agrees to pay a total of $1,500,000, payable in annual installments of $107,143 each year for 14 years to the SBCAPCD to administer a transit bus technology program within Santa Barbara County to reduce GHG emissions. The Environmental Parties will execute a Memorandum of Understanding with the SBCAPCD regarding the implementation of this program.

1.5.4 PXP may apply for offset and/or credit status for reductions in emissions of any and all contaminants achieved through the projects and activities funded pursuant to this Agreement to the extent allowed under AB 32 (the California “Global Warming Solutions Act of 2006”) or any applicable local district, state or federal statute or regulation. The Parties agree that PXP’s contractual obligations under
this Section 1.5 do not change the character of any such emission reductions that otherwise qualify as "Surplus" within the meaning of the Rules and Regulations of the SBCAPCD.

1.6 Reimbursement of Expenses of Environmental Parties. Upon all Parties' execution of this Agreement, PXP shall pay $50,000, and upon the State Lands Commission's approval and PXP's written acceptance of all of the leases necessary for the Tranquillon Ridge Project, PXP shall pay an additional $50,000, for a total of $100,000, to the Environmental Defense Center ("EDC") as reasonable compensation for work performed by EDC on behalf of GOO! and CPA pertaining to the environmental and permitting review for the Tranquillon Ridge Project, and the negotiations leading up to and implementation of this Agreement.

2.0 Covenants of Environmental Parties.

2.1 The Environmental Parties shall in a timely manner communicate to the governmental agencies identified below and to other interested public interest organizations the Environmental Parties' support for the granting of all approvals required for the Tranquillon Ridge Project pursuant to the Agreement. These communications shall be in writing (with copies contemporaneously delivered to PXP), and shall include oral testimony at public hearings of Santa Barbara County, the State Lands Commission, and California Coastal Commission. EDC shall be entitled to provide oral testimony on behalf of the other Environmental Parties at any public hearings held outside of the tri-counties. In the event PXP requests the Environmental Parties to communicate their support for the Tranquillon Ridge Project to any other governmental agencies with entitlement jurisdiction, EDC shall do so on behalf of the Environmental Parties, in which event PXP shall pay EDC's reasonable fees, together with
reimbursement for any of EDC's reasonable and actual out-of-pocket costs incurred.

2.2 The Environmental Parties shall not take any action, directly or indirectly, either alone or in concert with any other person or organization, to oppose approval of the Tranquillon Ridge Project or the commencement of project operations. This covenant does not preclude any of the Environmental Parties or any of their members from taking any lawful action to ensure that, as approved and implemented, the Tranquillon Ridge Project is consistent with the terms of this Agreement.

2.3 The Environmental Parties shall, if and as requested, assist PXP in identifying and pursuing authority for the Grantee(s) to accept title to the Subject Lands.

3.0 Procedures.

3.1 Establishing the End Dates. Upon the Parties' execution of this Agreement, or as soon as practicable thereafter, PXP shall apply for and, if approved by the agency(ies), shall accept an appropriately worded End Date condition in each of the major non-federal governmental entitlements for the Subject Projects. These entitlements include, without limitation, each of the Santa Barbara County Final Development Plans, Santa Barbara County APCD Permits to Operate, California Coastal Commission coastal development permit(s), and the State Lands Commission leases for the Tranquillon Ridge Project. None of the End Date conditions for the Subject Projects shall become effective unless and until PXP achieves Initial Production. The failure of a governmental agency to approve inclusion of an End Date, as defined herein, in an entitlement for any of the Subject Projects shall not otherwise affect the rights or obligations of the Parties under this Agreement, and this Agreement shall nevertheless remain in full force and effect, and the End
Date shall still be enforceable by the Environmental Parties. PXP shall
tender quitclaims of the Tranquillon Ridge leases to the State immediately
following abandonment of the Tranquillon Ridge Project.

3.2  Subject Lands.

3.2.1 PXP has entered into a Charitable Donation
Agreement with respect to the Subject Lands, including the
Purisima Hills Project lands. Among other things, the
Charitable Donation Agreement provides for the conveyance
of the Subject Lands as follows:

Phase One shall consist of the following: all of PXP's right,
title and interest in and to the Sunburst Fee and the Smith
Fee, and approximately 1,000 acres of the Lompoc Lands.
The actual portion of the Lompoc Lands to be included in
Phase One shall be as designated by PXP and agreed to by
a Grantee upon PXP's determination, in PXP's sole
discretion, which of the legal parcels of the Lompoc Lands
are not needed in connection with foreseeable oil and gas
related operations, including transportation and
abandonment. In the event it is not feasible to convey fee
title to all or part of the Phase One portion of the Lompoc
Lands during Phase One, for example due to Subdivision
Map Act impediment, the Grantee shall have the right to
elect to receive instead donation of a conservation easement
covering such portion of the Lompoc Lands. Any such
conservation easement shall restrict the use of said lands to
uses consistent with open space preservation, management
and restoration of the natural resources located thereon, as
well as passive recreation, education and research. The
provisions of the conservation easement shall be subject to

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the reasonable approval of PXP, the Grantee and the Environmental Parties. In the event the Grantee elects to receive such a conservation easement during Phase One, fee title to the lands covered thereby shall be conveyed to the Grantee, along with the balance of the Lompoc Lands, as part of Phase Three.

Phase One shall be conveyed to a Grantee after all contingencies for this phase stipulated in the Charitable Donation Agreement and in this Agreement have been met, including but not limited to the condition that PXP has achieved "Initial Production." With respect to the Smith Fee, it is understood that a third party, Chevron, currently holds record title to the Smith Fee and has an obligation to convey a portion thereof to the California Department of Fish & Game ("DF&G") for a Tar Plant Reserve. Chevron holds record title to the balance of the Smith Fee for the benefit of PXP. PXP agrees to work with Chevron and DF&G in an effort to achieve the Parties' intent that, ultimately, the entire Smith Fee will be conveyed to or for the benefit of DF&G consistent with the land conservation purposes of this Agreement and the Charitable Donation Agreement.

Phase Two shall, if feasible, consist of the conveyance of the Gaviota Processing Plant Site, subject to all of the terms and conditions of this Agreement and the Charitable Donation Agreement. In an effort to make this conveyance, PXP shall prior to the Pt. Arguello End Date seek approval of the Pt. Arguello partnerships that own the property (Pt. Arguello Pipeline Company and Gaviota Gas Plant Company) to convey the Gaviota Processing Plant Site to a Grantee. PXP agrees to vote in favor thereof. The Environmental
Parties understand that despite PXP's vote, such partnership approval may not be obtained. If such approval is obtained, the conveyance shall occur after the Pt. Arguello End Date, once the Pt. Arguello Project facilities that are located on the Gaviota Processing Plant Site have been abandoned and any necessary assessment and remediation work has been completed in accordance with the requirements of the governmental entities with jurisdiction. PXP also agrees not to vote to approve the use of the Gaviota Processing Plant Site for any offshore oil or gas production operations that may be proposed to be conducted after the Pt. Arguello End Date. PXP further agrees not to vote to approve the conveyance of the Gaviota Processing Plant Site other than to a Grantee for purposes consistent with the land conservation goals of this Agreement and the Charitable Donation Agreement. PXP also covenants that during the term of this Agreement, PXP shall not sell or otherwise transfer any of PXP's interests in said Pt. Arguello partnerships unless PXP obtains and furnishes Environmental Parties with a copy of a written agreement by the transferee to be bound by the provisions of this section 3.2.1 to the same extent as PXP. In addition, subject to the provisions of the immediately preceding sentence, PXP covenants that during the term of this Agreement, PXP shall not vote to take any action that will result in the dilution of PXP's approximate 70% interest in either of said partnerships.

Phase Three shall consist of the conveyance of the balance of the Lompoc Lands not previously conveyed under Phase One, or approximately 2,700 acres, plus fee title to any of
the Lompoc Lands subject to a conservation easement as part of Phase One above. Phase Three is to be conveyed to a Grantee after all contingencies for this phase stipulated in the Charitable Donation Agreement and in this Agreement have been met, including but not limited to occurrence of the "Lompoc End Date," and once the Pt. Pedemales, Tranquillon Ridge, and Lompoc Oil Field Projects have been abandoned and any necessary assessment and remediation work has been completed in accordance with the requirements of the governmental entities with jurisdiction.

3.2.2 At the election of the Grantee, the Lompoc Oil Field Project's fresh water facilities and any other facilities or structures then existing shall be included as part of the conveyance of Phase Three. Such conveyance shall be on an "AS IS" basis, without any warranty, express or implied. Environmental Parties shall have no responsibility for any fees associated with the Charitable Donation Agreement.

3.2.3 The deeds transferring the Subject Lands shall identify the purposes of the transfer as the open space preservation, management and restoration of the natural resources located on such lands, as well as passive recreation, education and research.

3.4. Conveyancing. It is understood that PXP's obligations to convey the Subject Lands are subject to the willingness of the Grantee(s) to accept title thereto in accordance with the terms and conditions of this Agreement and the Charitable Donation Agreement. It is also understood that for purposes of corporate convenience, the various conveyances of the Subject Lands under this Agreement may be made directly from PXP,
from an affiliate of PXP, from another third party, or from a combination of the foregoing.

3.5 Abandonment.

3.5.1 Promptly after the Lompoc End Date, PXP shall commence and diligently pursue compliance with applicable governmental agency requirements for abandonment and restoration of the Lompoc Oil Field Project, the Pt. Pedernales Project, including the Tranquillon Ridge Project, Platform Irene, the LOGP and associated pipelines and onshore facilities. PXP agrees to commence and diligently pursue implementation of the Pt. Arguello Plan and compliance with applicable governmental agency requirements for abandonment of the Pt. Arguello project facilities for which PXP and the Pt. Arguello partners have abandonment responsibility. These facilities do not include the three Pt. Arguello platforms, the subsea and onshore pipelines, or other associated facilities, the abandonment responsibility for which rests with third parties.

3.5.2 In general, decisions concerning the timing and details of the decommissioning and removal of OCS platforms are the responsibility of operating companies and various governmental agencies. PXP operates and is responsible for the abandonment of Platform Irene. Third parties are responsible for the abandonment of the three Pt. Arguello platforms. PXP agrees to apply for and in good faith pursue authority for the complete removal of Platform Irene in accordance with the terms of this Agreement. PXP also agrees not to take any action to oppose the complete
and timely removal of any of the Pt. Arguello platforms in accordance with the terms of this Agreement.

3.6 Contamination. PXP shall indemnify and hold harmless the Grantee(s) and PXP shall be responsible for the assessment and remediation of any surface or subsurface contamination which is present on the Lompoc Lands or the Gaviota Lands when title is transferred pursuant to this Agreement and the Charitable Donation Agreement, but only to the extent that such contamination violates governmental standards applicable to lands used for open space in Santa Barbara County in effect on the date that title is transferred (“Remediation Standard”). PXP’s obligation under this section shall be deemed fully discharged when any such required remediation has been completed to the Remediation Standard. Nothing in this Agreement is intended to relieve or discharge any third party from its obligations for abandonment or assessment and remediation of any facilities or lands referred to in this Agreement.

3.7 PXP’s Termination of Agreement. If the Environmental Parties fail to perform any of their obligations under this Agreement, or if PXP fails to achieve Initial Production on or before June 30, 2009, PXP shall have the right thereafter to terminate this Agreement by delivering written notice thereof to the Environmental Parties. Said notice shall provide an opportunity for the Parties to meet and confer prior to actual termination of the Agreement. The termination of this Agreement shall terminate all of the rights and obligations of Parties under this Agreement. If PXP elects to terminate this Agreement pursuant to this section 3.7 other than due to the breach of this Agreement by the Environmental Parties, PXP shall apply to the agencies with permit authority over the Pt. Pedernales Project to modify such permits so as to exclude authorization for the Tranquillon Ridge Project, and PXP shall tender quitclaims of the
Tranquillon Ridge leases to the State. PXP shall be entitled to continue with Pt. Pedernales Project operations without the Tranquillon Ridge Project.

3.8 **Grantee Breach.** The Environmental Parties have designated the Trust for Public Land (TPL) to be the initial Grantee under this Agreement. In the event that TPL or other mutually approved Grantee breaches its obligations under a Charitable Donation Agreement, PXP shall not be deemed to be in default under this Agreement, provided that PXP is otherwise in compliance with its obligations under this Agreement.

4.0 **Conditions Precedent.**

4.1 PXP shall have no obligation under this Agreement unless the Environmental Parties perform their obligations under the Agreement.

4.2 The Environmental Parties shall have no obligation under this Agreement unless PXP performs its obligations under the Agreement.

5.0 **Enforcement.** Money damages are inadequate to remedy a breach of this Agreement; accordingly, the terms and provisions of this Agreement shall be specifically enforceable. Any judicial action taken to enforce this Agreement shall be brought in Santa Barbara County Superior Court.

6.0 **Notice of Breach.** Either party hereto shall give the other written notice stating with reasonable particularity any alleged breach of this Agreement before commencing any judicial proceedings to enforce this Agreement. The recipient of the notice shall have thirty (30) days after receipt within which to cure without being deemed to be in breach of this Agreement. If the nature of the alleged breach reasonably takes longer than thirty (30) days to cure, the recipient of the notice shall not be deemed to be
in breach of this Agreement if it commences to cure within said thirty (30) day period and thereafter diligently pursues the same to completion.

7.0 **Other Provisions.**

7.1 **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto, their successors and permitted assigns, and each of their respective directors, officers, agents, employees, beneficiaries, and persons that they represent.

7.2 **Notices, Consents and Approvals.** All notices shall be in writing and delivered as follows:

**To PXP:**
Plains Exploration & Production, Inc.
700 Milam, Suite 3100
Houston, TX 77002-2815
Attention: General Counsel

**To Environmental Parties:**
Environmental Defense Center
906 Garden St.
Santa Barbara, CA 93101
Attention: Chief Counsel

A notice shall be deemed received when delivered by any lawful means accompanied by written proof of delivery. Delivery to EDC constitutes delivery to all of the Environmental Parties.

Whenever the consent or approval of the Environmental Parties is required under this Agreement, the consent or approval of EDC shall constitute the consent or approval, as the case may be, of all of the Environmental Parties.

7.3 **Attorney's Fees and Certain Damages.** In the event that any party hereto commences legal proceedings to enforce this Agreement, the prevailing party shall also be entitled to recover its reasonable attorney's
fees. The Parties shall not be entitled to seek or recover any special, incidental, consequential or punitive damages in any such proceedings.

7.4 **Time is of the Essence.** Time is of the essence of this Agreement.

7.5 **Memorandum of Agreement.** Upon execution of this Agreement, a short form Memorandum of Agreement shall be executed by PXP and by EDC on behalf of the Environmental Parties and recorded in the Official Records of Santa Barbara County to serve as constructive notice of this Agreement to any purchaser of the Lompoc Lands or the Gaviota Lands. PXP shall also deliver a copy of this Agreement to any prospective purchaser, encumbrancer or transferee of any or all of the Lompoc Lands or of PXP’s interest in the Pt. Pedernales, Tranquillon Ridge, Lompoc Oil Field or Pt. Arguello Projects, so that any such purchaser, encumbrancer or transferee will be made fully aware of the obligations of this Agreement. In the event that this Agreement is terminated, either pursuant to its express provisions or as a result of a breach of this Agreement by a party, PXP and EDC on behalf of the Environmental Parties shall promptly execute and record an instrument sufficient to expunge the Memorandum of Agreement and remove any cloud on the title to the Lompoc Lands or the Gaviota Lands created thereby.

7.6 **Applicable Law.** California law applies to this Agreement.

7.7 **Entireties.** This Agreement contains the entire agreement between the Parties concerning its subject matter. This Agreement may be amended only by a writing signed by the party to be charged.

7.8 **Counterparts.** This Agreement may be signed in counterparts.

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7.9 **No Partnership or Agency.** Nothing contained herein shall be construed as creating the relationship of principal and agent, partnership, joint venture, or any other form of legal association which would impose liability upon one party for the act or failure to act of another party.

7.10 **Interpretation.** Each party has reviewed and participated in the drafting of this Agreement. Any question of interpretation shall not be resolved by any rule of interpretation providing for interpretation against the drafting party.

7.11 **Waiver.** No waiver of any provision of this Agreement shall be binding unless executed in writing by the party being charged with the waiver. No waiver shall be deemed to include a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver.

7.12 **Severability.** In case any one or more of the provisions of this Agreement is invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

7.13 **No Third Party Beneficiaries.** Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the Parties to it and their respective successors and permitted assigns, if any, nor shall any provision give any third parties any right of subrogation or action against any party to this Agreement.

7.14 **Authority to Enter Agreement.** Each of the signatories represents and warrants that he or she has the right, power, legal capacity
and authority to execute this Agreement and to bind the entity on whose behalf he or she executes this Agreement.

7.15 Further Assurances. The Parties hereto agree promptly upon request to execute such other instruments and perform such other acts as may be reasonably necessary or useful in carrying out the purposes and intent of this Agreement.

7.16 Indemnify and Hold Harmless. Provided that the Environmental Parties have complied with their obligations under this Agreement, PXP shall indemnify and hold the Environmental Parties harmless from any third party claims for damages for personal injury or property damage arising out of Environmental Parties' good faith performance of their obligations under this Agreement.

8.0 Alternative Dispute Resolution.

8.1 Matters Covered. With the exception of PXP's right of termination pursuant to section 3.7 above, any controversy between the Parties arising out of this Agreement, or breach thereof, shall be subject to the procedure described below.

8.2 Notice of Breach. Notice of any alleged breach shall be handled in accordance with the provisions set forth in section 6.0 above.

8.3 Meeting Between Parties. If a dispute remains after the Notice of Breach, a meeting shall be held promptly between the Parties, attended by individuals with decision-making authority to attempt in good faith to negotiate a final resolution of the dispute.

8.4 Dispute Resolution Process. If within sixty (60) days after the issuance of a notice under section 6.0 and 8.2 the Parties have not
succeeded in resolving the dispute, they may submit the dispute to a mutually acceptable third party mediator for non-binding mediation, in which case the Parties shall participate in good faith in the mediation and the mediation process.

This Agreement is executed and made effective the date first appearing above.

PXP:
Plains Exploration & Production Company
By [Signature]
Its EXECUTIVE VICE PRESIDENT-EXPLORATION & PRODUCTION

Environmental Parties:
Citizens Planning Association
By [Signature]
Its PRESIDENT
STEVE W. DUNN

Get Oil Out!
By [Signature]
Its BOARD PRESIDENT
J.A. POWELL

Environmental Defense Center
As to form.
By [Signature]
Its CHIEF COUNSEL
LINDA KROP