

CAP MEETING

5/13/10

Agenda

Minutes

Draft CAP Minutes 3/25/10

Handouts

1st Quarter Complaint Log

Well Concentration

Special Status Species Habitat Protection Plan

City Project request for Equity Analysis for the Health Study

Insurance

Performance Bond

Indemnification

REVISED DRAFT AGENDA

MEETING OF THE BALDWIN HILLS COMMUNITY ADVISORY PANEL (CSD)

**Kenneth Hahn Recreation Area Community Center
4100 South La Cienega Blvd
Los Angeles, CA 90056
Thursday, May 13th, 7:00PM**

- | | |
|---------|---|
| 7:00 PM | A. Call to Order |
| 7:01 PM | B. Roll Call |
| 7:03 PM | C. Approval of Agenda |
| 7:04 PM | D. Approval of Minutes |
| 7:05 PM | E. PXP Update |
| 7:10 PM | F. Regional Planning Update |
| 7:20 PM | G. CAP Discussion <ul style="list-style-type: none">- Well Concentration- Special Status Species and Habitat Protection Program- City Project proposal for equity analysis to be included in Health Study- Insurance- Performance Bond- Indemnification |
| 7:40 PM | H. Open Discussion |
| 7:50 PM | I. Public Comment |
| 8:00 PM | J. Announcements |
| 8:05 PM | K. Adjourn |

**Baldwin Hills Community Standards District (CSD)
Community Advisory Panel (CAP)
Minutes: 3/25/10 - DRAFT**

A. CALL TO ORDER - 7:10 PM

B. ROLL CALL

*In attendance: (*absent)*

1	West Los Angeles College	Dr. Mark W. Rocha*
2	Los Angeles Unified	Glenn Striegler*
3	Culver City Unified	Scott Zeidman*
4	City of Culver City	Andrew Weissman*
5	County of Los Angeles	Leon Freeman

Homeowners Associations

6	Windsor Hills	Gary Gless
7	United (View Park)	Theodore Irving
8	Blair Hills	Mary Ann Greene*
9	Ladera Heights Civic Assoc.	Carmen Spiva*
10	Culver Crest	John Kuechle
11	Baldwin Hills Estates	Ronda Jones*
12	Raintree	Ian Cousineau

Oil Field Landowners

13	Vickers Group Landowners	Jeff Dritley*
14	Cone Trust Landowners	Liz K. Gosnell

Property Owners who do not belong to an HOA

15	Homeowner (Non HOA)	George L. Mallory
16	Homeowner (Non HOA)	Irma Munoz*

Operator

17	Ombudsperson	Lisa Paillet
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Community Organizations

18	Baldwin Hills Conservancy	David McNeill
19	The City Project	Robert Garcia (Elise Meerkatz)
20	Community Health Councils	Gwendolyn Flynn
21	Windsor Hills Block Club	Toni McDonald-Tabor*

Luis Perez – MRS

C. APPROVAL OF AGENDA – Approved

D. APPROVAL OF MINUTES – Minutes for 2/25/10 were accepted

E. PXP OPERATIONS UPDATE

The 2009 Annual EQAP report was submitted and has been posted online. This document details how compliance with the ordinance was achieved and maintained throughout 2009. The 2010 Annual Drilling Plan is pending approval. The newsletter was emailed to the CAP and has been posted on the website. Hardcopies will be mailed to addresses within a 1000' radius of the field as well as to residents who have requested to receive it within the next week. The annual community meeting will be held April 21st at the Junior Blind of America. Currently there are 6 workover rigs operating on

the field. PXP has a new website that will be going online shortly. The address is www.inglewoodoilfield.com and it will replace www.baldwinhillscsd.org which will soon redirect viewers to the new website. SCAQMD conducted a follow up inspection related to the Blue Sky inspection earlier this month and found no compliance issues.

F. REGIONAL PLANNING UPDATE – None at this time.

G. IMPLEMENTATION GUIDELINES

MRS reiterated that the implementation guidelines were originally intended to provide further guidance to the County and PXP. During the drafting of the CSD, it was decided that the details from the EIR were not appropriate for inclusion in the wording of the CSD and that it would be more appropriate to include that information in the implementation guidelines. MRS was working closely with the County prior to distribution of the guidelines on 8/4/09 and no plans included in the implementation guidelines were approved prior to that time. As the preparers of the EIR with extensive experience in oil and gas projects, MRS has a keen familiarity with requirements. The impression that there has been insufficient guidance is incorrect.

The EIR provides an analysis of a specific project and identifies mitigation monitoring measures that apply to that particular area. The mitigation measures specified in the EIR were incorporated into the CSD. Even some Class III impacts, for which CEQA does not require mitigation, were included in this CSD as requirements. There are too many specific details to include all of them in the implementation guidelines. MRS is reviewing comment letters received and is incorporating some of the comments into a revision. The guidelines will be a living document and will continue to be updated as warranted.

The Quiet Mode Drilling Plan identifies various opportunities throughout the drilling process where certain practices can be implemented to reduce noise during drilling activities. Specific decibel levels were not necessary in the approval of that plan because it addresses noise reduction activities and not specific measurements. The baseline noise level has yet to be determined by the Department of Public Health who is in the process of hiring a qualified acoustical engineer.

John Kuechle indicated that he wanted the implementation guidelines to lay out how the County is considering information to identify whether there could be another way to evaluate that information. Well consolidation was cited as an example where the implementation guidelines should include a discussion of the steps being taken to avoid over-concentration.

The desire is for a clear and definitive answer where there isn't one. There are too many considerations and options involved in these decisions that are subjective in nature. A number that defines "over-concentration" can't be provided because it's just not that simple. A variety of factors goes into each individual consideration and what affects one may affect all, some or none of the others depending on the circumstances. Mitigation Monitoring measures are developed to be measurable so that compliance with them can be achieved.

MRS suggests that the CAP take a different approach by soliciting their homeowners association or other groups for topics they are questioning and then coming back to the CAP for a discussion of those topics. It's important to understand that all of the requirements of the CSD work together and that there isn't one that is going to provide all the answers.

H. OPEN DISCUSSION

Update on CAP membership requests from Ferrazzi, Kutcher and Galloway-Gilliam was requested.

I. PUBLIC COMMENT

None.

J. ANNOUNCEMENTS

The next meeting will be Thursday, May 13, 2010 at 7PM

K. ADJOURNED 8:45PM

COMMUNITY STANDARD DISTRICT
COMPLAINT LOG

First Quarter 2010

REFERENCE NUMBER	DATE/ TIME	NAME (LAST, FIRST)	PHONE NUMBER	TYPE OF COMPLAINT	PXP ACTION	CALLER RESPONSE	CSD REPORTING	DATE/ TIME REPORTED	COMMENTS
0110	01/07/10 0539	[REDACTED]	[REDACTED]	Odor Ladera Crest	Returned [REDACTED] call at 0539 where [REDACTED] reported smelling either an oil or skunk smell and asked if we would investigate. A PXP operator investigated the field and detected no odor; however [REDACTED] did sight three skunks in the area.	0639 spoke to [REDACTED] and reported the outcome of the investigation	Emailed: Adamo (Mhennandez)	01/07/10 1459	
0210	01/12/10 1100	Aviles, Christian (Adamo Inspec)	909 396.2370	Odor Widdson Hills	Ad Adamo Inspec. notified PXP of an odor complaint from a resident located east of Labrea. Adamo drove around the perimeter of the field and detected no odors. (PC)		emailed: Adamo (Mhennandez)	01/12/10 1648	PXP employees arriving to work between 0530 and 0700 reported strong skunk odors.
0310	01/12/10 2055	[REDACTED]	[REDACTED]	Odor Widdson Hills	The caller did not identify [REDACTED] location and requested a return call the following day. During the day, during the	PXP Onbuds- person placed a return call to the [REDACTED] who stated [REDACTED]	emailed: Adamo (Mhennandez)	01/13/10 1426	After ex- olcining that everything was in order last night

COMPLAINT LOG

First Quarter 2010

REFERENCE NUMBER	DATE/ TIME	NAME (LAST, FIRST)	PHONE NUMBER	TYPE OF COMPLAINT	PXP ACTION	CALLER RESPONSE	CSD REPORTING	DATE/ TIME REPORTED	COMMENTS
					Inspection of the field that night by PXP operators, nothing out of the ordinary was detected. (B3)	was a resident of Windward Hills. [redacted] stated [redacted] was on car- train of the source but it could have been a SKUNK. (LP)			and there have been problems with Skunks in the field.
0410	02/08/10 2316	[redacted]	[redacted]	odon Ladera Heights	PXP operators began an investigation of the field to locate the source of the odor and were unable to detect the source. [redacted] also sent an email directly to PXP's ombudsman where a response was made at 0540. The ombudsman spoke to [redacted] to report the status and outcome of the investigation. (P)		emailed: ORP (lfreenman) Verbal: Qamond R. Ray 1059 emailed: Qamond (mccormack)	02/04/10 1620 02/04/10 1300 02/04/10 1620	

COMPLAINT LOG

First Quarter 2010

REFERENCE NUMBER	DATE/ TIME	NAME (LAST, FIRST)	PHONE NUMBER	TYPE OF COMPLAINT	PXP ACTION	CALLER RESPONSE	CSD REPORTING	DATE/ TIME REPORTED	COMMENTS
OS10	03/17/10 0848	[REDACTED]	[REDACTED]	Vibration Ladera Crest	[REDACTED]'s Call was returned at 0858. After the investigation [REDACTED] was notified at 0906 that the flare was operating as a necessary safety device and the vibration would be eased as much as possible.	During a return call to [REDACTED] stated the vibration was greatly reduced.	emailed: OAR (lfreeman) emailed: Rob. Heath (Clandowski)	03/17/2010 1423	
0610	03/31/10 1030	Adam Inspectors	800 288.7664	Odor Windsor Mills	Two Adam Insp. arrived at the field to investigate an odor complaint received to their 800 number. The inspectors drove the field and were unable to confirm any odors.	PXP operators drove the field with the Adam Inspectors in the vicinity of the field where the complaint originated	email: OAR (lfreeman) email: Adam (mhasandez)	04/01/10 1107 04/01/10 1107	
					(g)				

WELL CONCENTRATION

(From the Annual Drilling, Redrilling, Well Abandonment, and Well Pad Restoration Plan)

- *Minimize the development of new well pads by assuring that existing well pads are used to the maximum extent feasible.*
- *Assure that new wells are consolidated on existing pads and away from developed areas to the maximum extent feasible.*
- *Maximized the use of redrilled wells.*
- *Avoids and over-concentration of drilling activities near developed areas.*
- *Not more than 3 drilling or redrilling rigs present at any one time*

SPECIAL STATUS SPECIES AND HABITAT PROTECTION PLAN

Ensure that native plant communities and wildlife habitats currently present on the site are preserved and are not degraded by either oil and gas production activities or the spread of invasive plant species that are present on the project site.

Documents the areas of the oil field that contain, or could contain, special status species and their associated habitat. Habitat areas would include riparian areas, California sagebrush scrub, coyote brush scrub, oak woodland, or any area identified as having the potential to support sensitive plant or animal species.

Prevents the introduction of non-native invasive species and the encroachment of existing invasive plant species into sensitive areas.

Provides monitoring of sensitive resource areas at least every three years.

Should disturbance of identified sensitive habitat be unavoidable - prior to vegetation removal:

- Rare plant survey conducted by approved biologist
- Bird surveys, coast horned lizard surveys
- Any removal to be done outside of nesting season
- Recommend buffer areas

Replacement ratios for sensitive habitat lost to further oil development:

- Coastal Sagebrush or Coyote Brush Scrub – 1:1
- Riparian Scrub or Oak Woodland – 2:1

Biologist oversight in the process and monitoring to ensure success for 3 to 5 years



1055 Wilshire Blvd., Suite 1660 Los Angeles, CA 90017-2499

T: (213)977-1035

F: (213)977-5457

www.cityprojectca.org

March 18, 2010 UPDATED

Ms. Carrie Nagy
Toxics Epidemiology Program
695 S. Vermont Avenue
South Tower, 14th Floor
Los Angeles, CA 90005
cnagy@ph.lacounty.gov

Mr. Leon Freeman
Ms. Iris Chi
County of Los Angeles
Department of Regional Planning
Zoning Enforcement
320 West Temple Street
Los Angeles CA 90012
ichi@planning.lacounty.gov
lfreeman@planning.lacounty.gov

Re: Baldwin Hills Health Study

Dear Ms. Nagy, Mr. Freeman and Ms. Chi:

We submit this letter as a member of the Community Advisory Panel (CAP) regarding the Baldwin Hills Health Study. We also serve on the Health Study Workgroup. We represent Concerned Citizens of Southcentral Los Angeles seeking access to justice through the courts regarding the Baldwin Hills oil field zoning regulations (community standards district or CSD) and environmental impact report. The City Project has a long standing commitment to equal justice, democracy and livability for all in the Baldwin Hills and South Los Angeles.

We recommend that the health study include an analysis of health concerns in the Baldwin Hills area including any disparities in health based on race, color, national origin, income and poverty, as discussed below.

People of color in the Baldwin Hills area disproportionately bear environmental burdens. They are disproportionately denied environmental benefits such as parks, and economic benefits such as oil company profits.

A disproportionate percentage of people of color (70%) live in the Baldwin Hills area compared to the County as a whole (51.3%). Fifty percent of the residents in the area are African American, compared to only ten percent in the County. Economically, over 18% live in poverty.

Within 1½ miles of the Baldwin Hills Oil Field, the morbidity/mortality rate is already higher due to breast cancer, colorectal cancer, lung cancer, prostate cancer, emphysema, coronary heart

Equal Justice, Democracy, and Livability for All
Board of Advisors: Chris Burrows Lydia Camarillo Tom Hayden Virginia Keeny Robbie LaBelle Lyndon Parker
The City Project is a project of Community Partners

Ms. Carrie Nagy
Mr. Leon Freeman
Ms. Iris Chi
March 18, 2010
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disease, stroke, and diabetes, as compared to the County. African Americans suffer disproportionately from higher disease and mortality rates. Baldwin Hills residents have over twice the rate of chronic respiratory conditions compared to the County as a whole.

The area surrounding the Baldwin Hills is one of the most park-poor areas in California, with less than 1 acre of park space per 1,000 people, far below the nationally recommended standard of 6 to 10 acres per 1,000 people. Lack of parks has a profound effect on the quality of life of the citizens of the affected areas. Availability of parks and recreational opportunities have a direct effect on health, youth development, education, positive alternatives for at risk youth, public safety, conservation values and economic values, among others.

The health study must include an Environmental Justice analysis of the impacts of the following on public health and the community: urban decay and deterioration; park access and recreation; obesity and diabetes; air quality; air toxics; risk of upset; noise; vibration; significant irreversible environmental changes; secondary impacts from mitigation measures; living, worshipping, learning and doing business in the natural environment in region, and cumulative impacts on quality of life. "Aesthetic and environmental well-being, like economic well-being, are important ingredients of the quality of life in our society." *Sierra Club v. Morton*, 405 U.S. 727, 734 (1972).

The Health Study Report must reflect an equity analysis that includes (1) a clear description of what is planned or implemented; (2) an analysis of the impact on all populations, including minority and low income populations; (3) an analysis of available alternatives; (4) the inclusion of minority and low income populations in the study and decision-making process; and (5) an implementation plan to address any concerns identified in the equity analysis.

This is consistent with the equity analysis that the Federal Transit Administration (FTA) has required the Metropolitan Transportation Commission (MTC) and the Bay Area Rapid Transit District (BART) to conduct as a condition of receiving federal funds under Title VI of the Civil Rights Act and its regulations. See attached letters from FTA to MTC and BART dated January 20, 2010, and February 12, 2010.

Title VI and its regulations, along with California Government Code section 11135 and its regulations, impose similar requirements on the County as a recipient of federal and state funding.

These matters are also discussed in petitioners' opening brief at pages 4-5, 26-27, 31, 36, 41, 43-46, 56. The brief is available on the web here: www.cityprojectca.org/blog/archives/2895.

Ms. Carrie Nagy
Mr. Leon Freeman
Ms. Iris Chi
March 18, 2010
Page 3 of 3

We look forward to working with the County and the community through the health study and Environmental Justice study to seek equal justice, democracy and livability for all in the Baldwin Hills region.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert García", is placed over a rectangular, textured grey background.

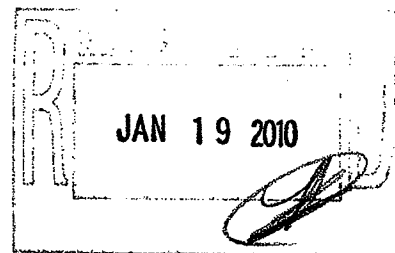
Robert García
President and Counsel

Elise Meerkatz
Staff Attorney

Enclosures

-
Insurance

PXP



BALDWIN HILLS COMMUNITY STANDARDS DISTRICT ("CSD") TRANSMITTAL SHEET

Date: January 18, 2010

Via Federal Express
(Tuesday Delivery)

To: Leon Freeman
Los Angeles County
Department of Regional Planning
320 Temple Street, Room 1360
Los Angeles, CA 90012

From: Candace Salway
5640 S. Fairfax Avenue
Los Angeles, CA 90056

Subject: CSD Section 22.11.142, subsection G.4
Baldwin Hills CSD Insurance Requirements

For:

<input checked="" type="checkbox"/>	APPROVAL:
<input type="checkbox"/>	EXTENSION:
<input type="checkbox"/>	MODIFICATION:
<input type="checkbox"/>	RECEIVED:
<input type="checkbox"/>	REVIEW:
<input checked="" type="checkbox"/>	SUBMITTAL: Re-submit following County requirements
<input type="checkbox"/>	OTHER:

Message:

Should you have any questions I can be reached at 323.298.2266.

Please acknowledge receipt by signing below and returning to Candace Salway at above address; faxing to 323.296.9375; or via email to csalway@pxp.com. Thank you,

Acknowledge/ Received:

Date: _____

Name/Title

PXP

BALDWIN HILLS COMMUNITY STANDARDS DISTRICT ("CSD") TRANSMITTAL SHEET

Date: January 18, 2010

Via Federal Express
(Tuesday Delivery)

To: Leon Freeman
Los Angeles County
Department of Regional Planning
320 Temple Street, Room 1360
Los Angeles, CA 90012

From: Candace Salway
5640 S. Fairfax Avenue
Los Angeles, CA 90056

Subject: CSD Section 22.11.142, subsection G.4
Baldwin Hills CSD Insurance Requirements

For:

<input checked="" type="checkbox"/>	APPROVAL:
<input type="checkbox"/>	EXTENSION:
<input type="checkbox"/>	MODIFICATION:
<input type="checkbox"/>	RECEIVED:
<input type="checkbox"/>	REVIEW:
<input checked="" type="checkbox"/>	SUBMITTAL: Re-submit following County requirements
<input type="checkbox"/>	OTHER:

Message:

Should you have any questions I can be reached at 323.298.2266.

Please acknowledge receipt by signing below and returning to Candace Salway at above address; faxing to 323.296.9375; or via email to csalway@pxp.com. Thank you,

Acknowledge/ Received:

Date: _____

Name/Title

PXP

Plains Exploration & Production Company

January 14, 2009

County of Los Angeles
CEO Office, Real Estate Division
3rd Floor, Do Not Mail
222 South Hill Street
Los Angeles CA 90012

To Whom It May Concern:

Plains Exploration & Production Company ("PXP") agrees to provide, for the purpose set forth below, self-insurance for Environmental / Pollution Liability insurance covering liability arising from the release, discharge, escape, dispersal or emission of pollutants from PXP's operations, whether gradual or sudden, and including coverage for the costs and expenses associated with the voluntary clean-up or with the testing, monitoring or treatment of such discharged pollutants in compliance with a governmental mandate or request. Such insurance shall include coverage for any pollution cleanup costs or expenses resulting from operator pollution removal activities, including any motor vehicle accidents related thereto, and provide limits of not less than \$25 million for each occurrence and \$50 million in the aggregate.

This self-insurance is for the purposes of any environmental / pollution event in relation to the Baldwin Hills Community Standards District for the unincorporated portion of the Inglewood Oil Field located in the Baldwin Hills Zoned District in the county of Los Angeles.

Contact information for PXP is as follows:

Assistant Treasurer / Risk Management
Lynne Roberts
700 Milam, Suite 3100
Houston, TX 77002
713-579-6465

Assistant General Counsel
Gregg Maynard
700 Milam, Suite 3100
Houston, TX 77002
713-579-6057

Regards,



Winston M. Talbert *WMT*
Executive Vice President and Chief Financial Officer



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

12/8/2009

PRODUCER John L. Wortham & Son, L.P. 2727 Allen Parkway Houston, TX 77019 713-526-3366	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
INSURED Plains Exploration & Production Company 700 Milam Street, Suite 3100 Houston TX 77002	INSURER A: Lexington Insurance Company	19437
	INSURER B: Liberty Mutual Fire Insurance Co.	23035
	INSURER C: Gotham Insurance Company	25569
	INSURER D: London Markets	14580
	INSURER E: Navigators Special Risk, Inc.	36056

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR	ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
A	✓		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Retention - \$100,00 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC	049159130	6/1/2009	6/1/2010	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000 \$ 50,000
							MED EXP (Any one person)	\$
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ 2,000,000
B	✓		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	AS2641005170039	6/1/2009	6/1/2010	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
			GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
							OTHER THAN EA ACC	\$
							AUTO ONLY: AGG	\$
A E			EXCESS / UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$	052456270 09L240101	6/1/2009 6/1/2009	6/1/2010 6/1/2010	EACH OCCURRENCE AGGREGATE	\$ 24,000,000 \$ 24,000,000
								\$
								\$
								\$
			WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below				WC STATUTORY LIMITS	OTH-ER
							E.L. EACH ACCIDENT	\$
							E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$
C D			OTHER Control of Well	JLWCTF3359 JLWCTF3360	6/1/2009 6/1/2009	6/1/2010 6/1/2010	\$3,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

** See Attached Addendum

CERTIFICATE HOLDER

County of Los Angeles
CEO Office, Real Estate Division
3rd Floor, Do Not Mail
222 South Hill Street
Los Angeles CA 90012

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

John L. Wortham & Son, L

John L. Wortham & Son, L

ACORD 25 (2009/01)

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IMPORTANT

If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing Insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend, or alter the coverage afforded by the policies listed thereon.

CANCELLATION NOTICE

The **CANCELLATION NOTICE** on the **CERTIFICATE OF INSURANCE** is amended to include the following wording: The Insurance Companies may cancel the described policy(ies) by mailing or delivering ten (10) days written notice of cancellation to the Named Insured for: (1) Non Payment of premium or (2) any other circumstance permitted by state law or policy conditions.

ADDITIONAL INSURED DISCLAIMER

Coverage for Additional Insureds can vary significantly from policy to policy and thus Additional Insured status does not guarantee protection for all losses. Coverage is subject to actual policy terms and conditions.

CERTIFICATE - ADDENDUM

Named Insured:

Plains Exploration & Production Company
700 Milam Street, Suite 3100
Houston TX 77002

Certificate Holder:**Issue Date: 12/8/2009**

County of Los Angeles
CEO Office, Real Estate Division
3rd Floor, Do Not Mail
222 South Hill Street
Los Angeles CA 90012

Los Angeles County, its officers, agents & employees are named as Additional Insureds as their interests appear regarding franchise Ordinance No. 2008-0057 for Commercial General Liability and Automobile Liability, when required by written contract, but are limited to liability arising out of the operations of the Named Insured under said contract, and always subject to the policy terms, conditions and exclusions.

Waiver of Subrogation is granted in favor of Los Angeles County, its officers, agents & employees as their interests appear regarding franchise Ordinance No. 2008-0057, when required by written contract but limited to the operations of the Named Insured under said contract, and always subject to the policy terms, conditions and exclusions.

Insurance is primary and non-contributory for Commercial General Liability and Automobile Liability as regards the Additional Insure coverage extended to Los Angeles County, its officers, agents & employees as their interests appear regarding franchise Ordinance No. 2008-0057, when required by written contract, but is limited to liability arising out of the operations of the Named Insured under said contract, and always subject to the policy terms, conditions and exclusions.

An ordinance amending Title 22 - Planning and Zoning of Los Angeles County Code, to establish the Baldwin Hills Community Standards District ("CSD") for the unincorporated portion of the Inglewood Oil Field located in the Baldwin Hills Zoned District. The CSD establishes new development standards and operating procedures for oil and gas production operations to ensure that oil field operations are conducted in a safe manner and are compatible with the surrounding uses.

Interoffice Memorandum

To: Candace Salway
From: Edgar G. Salazar
Date: April 13, 2009
Subject: CSD Insurance Requirements

Reference is made to the insurance requirement handout provided by County to PXP, please see attached copy. Lynne Roberts, PXP's in-house insurance expert can be contacted at (713) 579-6465 should you have further questions. Her comments are addressed below.

Insurance Coverage Requirements:

- A. General Liability: This liability insurance reflects "landfill" operations, not typical oil & gas operations. County asks for \$50MM each occurrence, \$100MM aggregate. PXP proposes a more suitable \$1MM base policy, with excess policy of \$24MM, or \$25MM total each occurrence, no aggregate limit.
- B. Automobile Liability: County proposes a limit of liability of not less than \$20MM for each accident. PXP proposes a more suitable \$1MM base, with excess policy of \$4MM, or \$5MM each occurrence, no aggregate limit.
- C. Environmental/Pollution Liability: PXP proposes limits of \$25MM each occurrence and \$50MM aggregate. PXP is regulated under strict pollution liability oversight by a variety of governmental agencies and perceives the \$50MM each occurrence, \$100MM aggregate sought by the County as extremely excessive. PXP would like to self insure this environmental/pollution liability and accordingly requests the necessary information required for self insurance.
- D. Operators Extra Expense: Initial comment is that "abandoned wells" would be covered under Environmental/Pollution Liability coverage, and not under this particular coverage. This section is intended to cover sudden and accidental occurrences. As drilling operations conducted at the Inglewood Oil Field represent secondary and tertiary production recovery under water injection, thus not representing high pressure reservoirs and sudden and accidental well incidents, PXP proposes \$3MM coverage each occurrence.

Insurer Financial Ratings: Insurance is to be provided by an insurance company with an A.M. Best rating of not less than A:VII, unless otherwise approved by County.

Compensation for County Costs: In the event that Operator fails to comply with any of the indemnification or insurance requirements herein, and such failure to comply results in any costs to Indemnified Parties, the Operator shall pay full compensation for all costs incurred by the Indemnified Parties.

Insurance Coverage Requirements:

- A. **General Liability** insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less \$50 million each occurrence, \$100 million policy aggregate, and \$100 million products/completed operations aggregate.
- B. **Automobile Liability** insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$20 million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto", covering vehicles used in the Operator's activities.
- C. **Environmental/Pollution Liability** insurance covering liability arising from the release, discharge, escape, dispersal or emission of pollutants, whether gradual or sudden, and including coverage for the costs and expenses associated with voluntary clean-up or with the testing, monitoring or treatment of pollutants in compliance with a governmental mandate or request. Such insurance shall include motor vehicle pollution liability coverage for any Operator pollutant removal activities, and provide limits not less than \$50 million each occurrence and \$100 million aggregate.
- D. **Operators Extra Expense** insurance covering extra expense incurred in respect of drilling or non-drilling wells (i.e. producing, suspended or abandoned), when control of well is lost, and shall include cleanup and containment of seepage and pollution from the well, cost of well control above and below the surface or water bottom, making wells safe, and removal of wreck/debris, with limits of at least \$10 million each occurrence.

Performance Bond

PXP

September 29, 2009

Los Angeles County Department of Regional Planning
320 Temple Street, Room 1360
Los Angeles, CA 90012

Attention: Mr. Larry Jaramillo

**Performance Bond
Ordinance #2008-0057, Community Standards District
Inglewood Oil Field, Los Angeles County**

Ladies and Gentlemen:

Pursuant to Section G 5 a. of the referenced CSD, enclosed is Performance Bond No. 22 021 967, Plains Exploration & Production Company (PXP), Principal, Liberty Mutual Insurance Company, Surety, and Baldwin Hills Community Standards District of the County of Los Angeles, Obligee, in the amount of \$5,000,000. The bond is submitted by PXP to comply with the CSD requirements in anticipation of the commencement of 2009 drilling operations.

PXP is aware of no other County bond requirements for oil field operations within its jurisdiction, therefore we reviewed similar bonds in place relating to extensive land fill projects on acreage owned by LA County entities and determined that due to the following factors a bond of no more than \$5,000,000 should afford the County adequate protection:

- County (and Conservation Authority) owned lands, including reversionary acreage within the CSD boundary, involve significantly less acreage than acreage relating to the land fill bonds.
- PXP's current operations have ongoing bioremediation units that clean up non-hazardous hydrocarbon-impacted soils onsite subject to RWQCB oversight. In addition to further oversight pursuant to the CSD, multiple other jurisdictional layers from Federal, State and Local levels exist to further govern oil field activities. All of this leads to risk and exposure being reduced over time, unlike that of landfill liability that continues in perpetuity.
- PXP has developed an action plan to plug and abandon all wells which cease to represent a future economic potential. The plan ensures that all wells are properly abandoned in accordance to strict plugging guidelines under DOGGR oversight. An additional well abandonment blanket bond in the amount of \$1,000,000 is in place with the State of California. Furthermore, DOGGR oversees an idle well abandonment program to fund

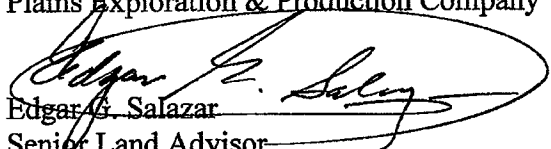
Plains Exploration & Production Company

5640 South Fairfax Ave. ■ Los Angeles, CA 90056 ■ 323-298-2200 ■ Fax 323-293-2941

the proper plugging of any unclaimed wells. Collectively, these measures lead to reduced liability as to any remaining un-abandoned wells at the end of field life.

As acceptance of this bond requirement by the County is a pre-condition for PXP to conduct the 2009 drilling plan, we respectfully request your review and acceptance of this bond at your earliest possible convenience. Should you have any questions regarding this matter, please contact Candace Salway, 323.298.2266, csalway@pxp.com, or the undersigned, at 323.298.2449, esalazar@pxp.com.

Sincerely,
Plains Exploration & Production Company



Edgar G. Salazar
Senior Land Advisor

Attachment: (1)

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: THAT

PLAINS EXPLORATION & PRODUCTION COMPANY, a Delaware corporation, as **Principal**, with offices located at 5640 Fairfax Avenue, Los Angeles, California 90056, and **LIBERTY MUTUAL INSURANCE COMPANY**, a Massachusetts corporation, duly authorized to conduct business as a surety in the State of California, as **Surety**, with offices located at Boston, Massachusetts, are held and firmly bound to **BALDWIN HILLS COMMUNITY STANDARDS DISTRICT OF THE COUNTY OF LOS ANGELES**, as **Obligee**, C/O the Chief Executive Officer, with offices located at Kenneth Hahn Hall, 500 West Temple Street, Los Angeles, California 90012, or such other address(s) as Obligee may inform Principal and Surety of in writing, in the penal sum of **Five Million and 00/100 Dollars (\$5,000,000.00)**, in lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

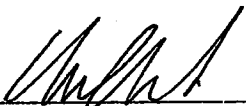
WHEREAS, by Ordinance No. 2008-0057 amending Title 22 - Planning and Zoning of the Los Angeles County Code to establish the Baldwin Hills Community Standards District, as may hereafter be amended, hereinafter referred to as the CSD Ordinance, Obligee granted Principal the right and privilege to conduct oil and gas production and field operations.

AND WHEREAS, the Principal is required to provide this bond to fulfill its obligations as required under Section 2, G, 5(a) of the CSD Ordinance.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH THAT if the Principal shall faithfully perform, well and truly observe and fulfill all the terms and conditions of the Ordinance, as may hereafter be amended, then the obligation shall be null and void; otherwise, it shall remain in full force and effect until terminated or canceled. This Bond may be terminated or canceled by the Surety by giving one-hundred twenty (120) days prior notice in writing to the Principal and the Oblige, such notice to be given by certified mail or overnight carrier, said notice becoming effective upon receipt by Oblige. Such termination or cancellation shall not affect any liability incurred or accrued under this Bond prior to the effective date of such termination or cancellation.

IN WITNESS HEREOF, the seals and signatures of the Principal and the Surety are hereto affixed, this **16th** day of **September, 2009**, this Bond being effective on this date.

PLAINS EXPLORATION &
PRODUCTION COMPANY, as
Principal

By: 

Winston M. Talbert

(Printed Name)

Executive VP & CFO

(Printed Title)

PLAINS EXPLORATION &
PRODUCTION COMPANY, as
Principal

By: 

Doss R. Bourgeois

(Printed Name)

Executive VP E&P

(Printed Title)

LBK
bl

LIBERTY MUTUAL INSURANCE
COMPANY, as Surety

By: 

Philip N. Bair Attorney-in-Fact

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

LIBERTY MUTUAL INSURANCE COMPANY
BOSTON, MASSACHUSETTS
POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS: That Liberty Mutual Insurance Company (the "Company"), a Massachusetts stock insurance company, pursuant to and by authority of the By-law and Authorization hereinafter set forth, does hereby name, constitute and appoint

PHILIP N. BAIR, JIMMYE LANGFORD, PHYLLIS RAMIREZ, ERIC S. FEIGHL, JANIE CERMENO, JOYCE A. JOHNSON,
ALL OF THE CITY OF HOUSTON, STATE OF TEXAS.

, each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations in the penal sum not exceeding **FORTY MILLION AND 00/100***** DOLLARS (\$ 40,000,000.00*****)** each, and the execution of such undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents, shall be as binding upon the Company as if they had been duly signed by the president and attested by the secretary of the Company in their own proper persons.

That this power is made and executed pursuant to and by authority of the following By-law and Authorization:

ARTICLE XIII - Execution of Contracts: Section 5. Surety Bonds and Undertakings.

Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

By the following instrument the chairman or the president has authorized the officer or other official named therein to appoint attorneys-in-fact:

Pursuant to Article XIII, Section 5 of the By-Laws, Garnet W. Elliott, Assistant Secretary of Liberty Mutual Insurance Company, is hereby authorized to appoint such attorneys-in-fact as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

That the By-law and the Authorization set forth above are true copies thereof and are now in full force and effect.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Company and the corporate seal of Liberty Mutual Insurance Company has been affixed thereto in Plymouth Meeting, Pennsylvania this 9th day of March, 2009.

LIBERTY MUTUAL INSURANCE COMPANY

By Garnet W. Elliott
Garnet W. Elliott, Assistant Secretary



COMMONWEALTH OF PENNSYLVANIA ss.
COUNTY OF MONTGOMERY

On this 9th day of March, 2009, before me, a Notary Public, personally came Garnet W. Elliott, to me known, and acknowledged that he is an Assistant Secretary of Liberty Mutual Insurance Company; that he knows the seal of said corporation; and that he executed the above Power of Attorney and affixed the corporate seal of Liberty Mutual Insurance Company thereto with the authority and at the direction of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Teresa Pastella, Notary Public
Plymouth Twp., Montgomery County
My Commission Expires Mar. 28, 2009
Member, Pennsylvania Association of Notaries

By Teresa Pastella
Teresa Pastella, Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of Liberty Mutual Insurance Company, do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this certificate; and I do further certify that the officer or official who executed the said power of attorney is an Assistant Secretary specially authorized by the chairman or the president to appoint attorneys-in-fact as provided in Article XIII, Section 5 of the By-laws of Liberty Mutual Insurance Company.

This certificate and the above power of attorney may be signed by facsimile or mechanically reproduced signatures under and by authority of the following vote of the board of directors of Liberty Mutual Insurance Company at a meeting duly called and held on the 12th day of March, 1980.

VOTED that the facsimile or mechanically reproduced signature of any assistant secretary of the company, wherever appearing upon a certified copy of any power of attorney issued by the company in connection with surety bonds, shall be valid and binding upon the company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said company, this 16th day of September, 2009.



By David M. Carey
David M. Carey, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, bank deposit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

SURETY ACKNOWLEDGMENT

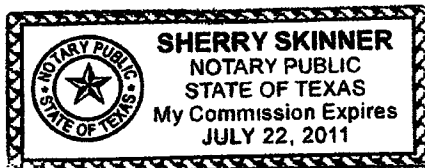
STATE OF TEXAS

COUNTY OF HARRIS

Before me, the undersigned authority, a Notary Public in and for said State and County, on this day personally appeared Philip N. Bair, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the foregoing instrument, as the Attorney-in-Fact for LIBERTY MUTUAL INSURANCE COMPANY acknowledged to me that he subscribed the name of LIBERTY MUTUAL INSURANCE COMPANY hereto as Surety and his own name as Attorney-in-Fact, and executed the same for the purposes and consideration therein expressed, and in the capacity therein set forth.

Given under my hand and seal of office this the 16th day of September, 2009.

My Commission Expires: July 22, 2011



A handwritten signature in cursive script, appearing to read "Sherry Skinner", written over a horizontal line.

Sherry Skinner

Notary Public

in and for STATE OF TEXAS

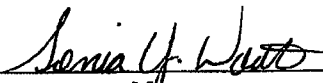
SEAL

CORPORATE FORM OF ACKNOWLEDGMENT

STATE OF TEXAS)
 :SS
COUNTY OF HARRIS)

On the 16th day of September, 2009, before me personally came
Winston M. Talbert to me known, who being by me duly sworn, did
depose and say that (s)he resides at- in Harris County, Texas and that (s)he
is the Exec. VP & CFO of Plains Exploration & Production Company, the
corporation described in and who executed the above (attached) instrument; that (s)he
knows the seal of said corporation; that the seal affixed to said instrument is such
corporate seal; and that it was so affixed by order of the Board of Directors of said
corporation and that (s)he signed his/her name thereto by like order.



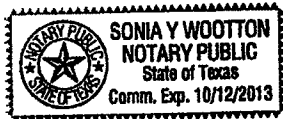


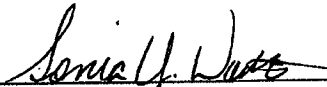
Notary

CORPORATE FORM OF ACKNOWLEDGMENT

STATE OF TEXAS)
 :SS
COUNTY OF HARRIS)

On the 16th day of September, 2009, before me personally came
Doss R. Bourgeois to me known, who being by me duly sworn, did
depose and say that (s)he resides at in Harris County, Texas and that (s)he
is the Executive VP E&P of Plains Exploration & Production Company, the
corporation described in and who executed the above (attached) instrument; that (s)he
knows the seal of said corporation; that the seal affixed to said instrument is such
corporate seal; and that it was so affixed by order of the Board of Directors of said
corporation and that (s)he signed his/her name thereto by like order.





Notary

Chi, Iris

From: Freeman, Leon
Sent: Monday, May 10, 2010 2:28 PM
To: Chi, Iris
Subject: FW: Inglewood Oil Field Bond Requirements

This is the email from John Peirson regarding the Performance Bond. - Leon

Section 22.44.142.G.5.a of the Los Angeles County Code requires that the Operator of the Inglewood Oil Field provide a performance bond. The provision requires that such bond shall be conditioned upon the faithful performance by the operator of duties related to well abandonment, site restoration, and environmental cleanup. In developing an estimate of the value of the bond, MRS used data that was collected in Santa Barbara County for oil and gas facilities related to removal of equipment and clean up and restoration of sites.

For the Inglewood Oil Field, the operator is required to have a bond in place with DOGGR that covers well abandonment (Division 3, Section 3202, 3204, 3205 of the California Public Resource Code). PXP has a blanket Bond in the amount of \$1,000,000 that covers all wells within the Inglewood Oil Field. The purpose of this DOGGR bond is to secure the State of California (State) against losses, charges, and expenses incurred to obtain compliance by operators. Generally, bonds are forfeited when an operator fails to plug and abandon a well(s); but they can also be forfeited for other reasons, such as failure to clean up a spill or screen a sump associated with a well (see attached document).

Since the abandonment of wells is all ready covered under a DOGGR bond, the focus of this analysis was on removal of non-well related surface facilities, clean-up of site contamination, and site restoration. Each of these areas are discussed below.

Removal of Surface Facilities (non-well related)

Based upon the Santa Barbara data, the removal of the surface facilities (non-well related) was estimated to cost about 2.1 to 2.7 million dollars. This was estimated based upon a total capital value of the surface facilities of approximately 30 million dollars, and that removal of these facilities typically runs 7 to 9 percent of the total capital value.

Clean-up of Site Contamination

As discussed in the EIR, soil contamination was found at the oil field; however, the great majority of the soil contamination was found to contain non-hazardous hydrocarbons and low levels of heavy metals and other contaminants, which were below the prescribed action levels prescribed by the regulatory agencies. As a result, PXP embarked on a soil remediation program that has treated approximately 17,000 cubic yards of non-hazardous hydrocarbon-impacted soil per year at three different bio-remediation land treatment units located within the oil field. The land treatment units are operated under Waste Discharge Requirements from the Regional Water Quality Control Board order No. 01-054. After approximately 10 years of operating the bioremediation units, 220,000 cubic yards of non-hazardous hydrocarbon impacted soil have been treated. It is estimated that it would take another 20 years to complete the bioremediation of all the non-hazardous hydrocarbon impacted soil found at the site. This is an ongoing program that when completed will have cleaned-up the vast majority of the past contamination at the oil field. However, it is possible that when the facilities are removed, and site assessments are conducted, that additional oil contaminated material will be found that would require remediation. It has been estimated that 100,000 cubic yards of additional contaminated material would need to be cleaned up once the surface facilities are removed. The cost of cleanup of non-hazardous hydrocarbon impacted soil using biofarms

cost approximately \$15 to \$20 per cubic yard for a total estimated costs of 1.5 to 2.0 million dollars. The industry average, calculated using the RS Mean Environmental Remediation Estimating Methods Handbook for Environmental Remediation Cost Estimates for land treatment is \$19.10 per cubic yard.

Site Restoration

The requirements for site restoration are difficult to estimate, since it depends upon what the future land use of the site will be after the oil field, and the fact that the majority of the land is privately owned, and the landowners would have a major say in what if any restoration occurs. For example, if the Baldwin Hills Park Master Plan is implemented after the oil field equipment is removed, there would be limited need for restoration since the majority of the land would be modified to accommodate the Park Master Plan. For this analysis it has been assumed that limited restoration may have to be done on a number of equipment pads to control erosion, until such time as the future land use for the site is determined. It was estimated that about 200 acres of land may need some level of restoration at a cost of about \$3,000 per acre for a total cost of about 0.6 million.

Conclusions

The cost for abandonment and removal of the facilities, cleanup of site contamination, and site restoration has been estimated at approximately 4.2 to 5.3 million dollars. Therefore, a 5.0 million dollar bond is adequate to meet the requirements of Section 22.44.142.G.5.a of the Los Angeles County Code.

Should you have any questions about these numbers or the analysis give me a call.

Best Regards,
John F. Peirson, Jr.
Principal

MRS
3140 Telegraph Road, Suite A
Ventura, California
93003-3233

john.peirson@mrsenv.com
805.289.3923 Direct
805.289.3935 Fax

**** This is intended for the addressee only and may contain confidential business information. It may not be copied without our permission. If you are not the intended recipient, please contact the sender as soon as possible and delete the material from any computer.****

Indemnification

PXP

BALDWIN HILLS COMMUNITY STANDARDS DISTRICT ("CSD") TRANSMITTAL SHEET

Date: November 12, 2009

Via Hand Delivery (Hachiya)

To: Pat Hachiya
Los Angeles County
Department of Regional Planning
320 Temple Street, Room 1360
Los Angeles, CA 90012

From: Candace Salway
5640 S. Fairfax Avenue
Los Angeles, CA 90056

CS

Subject: CSD Section 22.11.142, G.3.
Indemnification

For:

	APPROVAL:
	EXTENSION:
	MODIFICATION:
	RECEIVED:
	REVIEW:
X	SUBMITTAL: Indemnification Agreement per County Request
	OTHER:

Message:

Should you have any questions I can be reached at 323.298.2266.

Please acknowledge receipt by signing below and returning to Candace Salway at above address; faxing to 323.296.9375; or via email to csalway@pxp.com. Thank you,

Acknowledge/ Received:

Date:

11/12/09

Iris Chi / RPA II
Name/Title

PXP

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT, is made and entered into this 12th day of November, 2009, by and between the County of Los Angeles ("County") and Plains Exploration & Production Company.

RECITALS

1. This Agreement is entered into pursuant to, and in compliance with, section 22.44.142.G.3 of Title 22 of the Los Angeles County Code ("County Code") which requires the operator of oil and gas extraction operations within the boundaries of the Baldwin Hills Community Standards District ("CSD") to indemnify the County and hold it harmless for damages arising from said operations.
2. Plains Exploration & Production Company ("PXP") is the current operator of said oil and gas extraction operations.
3. Section 22.44.142 et seq. of the County Code allows oil and gas extraction activities within the boundaries of the CSD subject to regulations and controls set forth in said code sections.
4. Now, therefore, for good and valuable consideration, the parties agree as follows:

TERMS

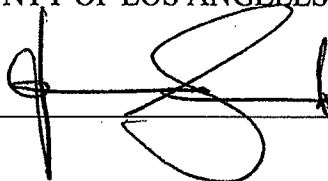
5. To the maximum extent permitted by law, PXP agrees to indemnify, hold harmless, and defend the County, its elected and appointed officials, agents, officers, and employees ("Indemnified Parties") from and against any and all liability and expense, of any nature whatsoever, including, but not limited to, claims, demands, actions fees, costs, expenses, fees and lawsuits for injuries, damages, or losses (alleged or actual and regardless of when made), which may directly or indirectly arise from, relate to, or be connected with: (1) acts or omissions of PXP, its employees, agents, servants, receivers, contractors, subcontractors, successors, or assigns in the conduct of PXP's operations, including but not limited to PXP's performance of its oil and gas operations which include, without limitation, drilling, extraction, well abandonment, post-abandonment activities, and PXP's compliance with the requirements of Title 22.44.142—Baldwin Hills Community Standards District; and/or (2) any and all pollution liability, contamination, or environmental degradation liability, arising from or relating to any threatened, actual or alleged discharge, dispersal, release, or escape of any substance into or upon any person, thing, or place including the land, soil, atmosphere, man-made structure, and/or any above or below ground watercourse or body of water, in connection with PXP's operations.
6. PXP shall immediately notify the Indemnified Parties of any reportable discharge, release, or escape of any liquid hydrocarbon products, water, waste water, mud, or other substances from PXP's premises. All actions to investigate, remove, or remediate any substance reasonably demonstrated to be discharged, dispersed, released or escaped from

PXP's premises and arising from or relating to PXP's operations thereon, and to repair or restore PXP's premises, including but not limited to real property and any appurtenances necessary and appropriate to the site operations, shall be the sole responsibility of PXP and shall be conducted by PXP and/or its employees and/or contractors in conformance with any laws, ordinances, rules, regulations, requirements, and orders whatsoever, present or future, of the federal, state, County, or other applicable local government and at PXP's sole cost and expense. If PXP fails to take any action required pursuant to this section, the Indemnified Parties may, but shall not be obligated to, take all actions they deem appropriate with respect to the released substance at PXP's expense. In such event, upon written demand by the Indemnified Parties, PXP shall reimburse the Indemnified Parties for all expenses reasonably incurred in connection with their above-described actions including, but not limited to, all direct and indirect costs related to investigation, remediation, and removal.

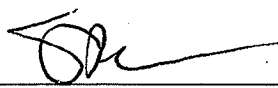
7. PXP also agrees it shall not seek contribution or compensation of any nature from the Indemnified Parties, nor shall it make any claims against or assert any interest in the Draw Down Account maintained by the Department of Regional Planning in order to cover its liabilities pursuant to this Indemnification Agreement.
8. This Indemnification Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of California without giving effect to the principles of conflict of laws of the State of California.
9. In the event any provision of this Indemnification Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision.
10. This Indemnification Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
11. The signatories below confirm and acknowledge that they have the authority to bind the respective entity on whose behalf they have signed this agreement.

IN WITNESS WHEREOF, the parties have executed this Indemnification Agreement as of the date written first above.

Jon Sanabria, Acting Director
Department of Regional Planning
COUNTY OF LOS ANGELES



PLAINS EXPLORATION & PRODUCTION COMPANY



Steven P. Rusch, Vice President

