

MEMORANDUM OF OPERATING AGREEMENT AND NOTICE OF LIEN AND MORTGAGE -- FINANCING STATEMENT

Attached to and made a part of that certain operating agreement dated August 1, 1991, by and between Anadarko Petroleum Corporation, EP Operating Company and Berry Petroleum Company

State of Nevada  
County of Eureka

Anadarko Petroleum Corporation ("Operator") and the undersigned ("Non-Operator") have entered into an Operating Agreement providing for the development and production of crude oil, natural gas and associated substances, dated August 1, 1991, covering the following described lands:

T17N-R50E, M.D.M.  
Sections 1-36

T17N-R51E, M.D.M.  
Sections 1-36

T18N-R50E, M.D.M.  
Sections 7-10, 15-22, 25-36

T18N-R51E, M.D.M.  
Sections 25-36

Eureka County, Nevada

The Operating Agreement provides for mutual liens and security interests to secure payment by the parties of their respective share of costs under the Operating Agreement.

Without limiting or superseding the liens and security interests provided for in the Operating Agreement and in order to further secure payment by the Non-Operator of amounts due Operator from time to time under the terms of the Operating Agreement as its share of expense, Non-operator has granted and does hereby grant to Operator, its successor and assigns, the following:

1. A lien and mortgage covering all of Non-Operator's leasehold, unleased mineral or other working interest in and under the above referenced lands which are of record as of the date hereof or hereafter acquired by Non-Operator.
2. A lien and mortgage covering, and a security interest in, the undivided portion of the equipment located on the above referenced land, including fixtures, which is employed in the production of oil, and/or gas therefrom and is owned as of the date hereof or hereafter acquired by Non-Operator.
3. A security interest in Non-Operator's undivided portion of the oil and/or gas when extracted from the above referenced lands and in the accounts arising from the sale by Non-Operator of such oil and gas, and in rights under any gas balancing agreement.
4. A lien and security interest covering all contract rights, general intangibles, interests in partnerships or other associations, and any other interests arising from the development of the above described lands for oil and gas purposes.

RETURN TO: JERRY J. JONES  
ANADARKO PETROLEUM CORPORATION  
P.O. BOX 1330  
HOUSTON, TEXAS 77251-1330

5. A lien and security interest covering the proceeds of the sale of any of the collateral referenced in 1-4 above, together with a lien and security interest attaching to the collateral to the extent required to reimburse for any interest, court costs, and attorneys' fees to which a party may be entitled by reason of exercise of any lien or security rights hereunder.

In order to secure payment by Operator from time to time of its share of expense under the above referenced Operating Agreement, Operator has granted and does hereby grant to Non-Operator and the other parties to said Operating Agreement who execute this instrument a lien and mortgage and a security interest of the same nature and effect as those described in the preceding paragraph.

The minerals or the like (including oil and gas) or accounts described in the preceding paragraphs will be financed at the well head or well heads located on the lands described above. This instrument shall be filed for record in the real estate records of the county or counties named on the land description shown above. The secured party is not seller or purchase money lender of the collateral described in items 1-5 above.

Furthermore, this Memorandum of Operating Agreement and Notice of Lien and Mortgage--Financing Statement incorporates by reference all other terms and conditions of said Operating Agreement. Said Operating Agreement specifically provides as follows:

1. That a party's ability to freely sell, assign, or transfer interest in land committed to the agreement is restricted or encumbered. These restrictions or encumbrances may include a preferential right to purchase the interest of any party desiring to sell its interest under the agreement, restrictions on the surrender of leases, a maintenance of uniform interest provision, provisions applicable to renewal or extension of leases, provisions applicable to acreage or cash contributions, non-consent provision, and gas storage and balancing provisions, among others.

2. That each party to the agreement has the right to take-in-kind or separately dispose of its proportionate share of oil and gas produced.

3. That the liability of the parties to the agreement is several, and not joint and collective, with each party being liable only for its proportionate share of costs of developing and operating the contract area.

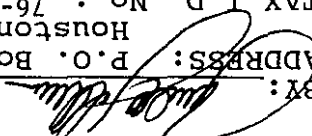
In the event the description of the land covered by the above referenced Operating Agreement is revised in any manner by the parties thereto, then each party to said Operating Agreement is authorized to execute and file for record an appropriate amendment to this instrument setting forth the revised land description and stating that the same terms and provisions contained in this instrument shall apply to such revised land description. Said amendment need not be executed by more than one party to said Operating Agreement. That party which executed and files of record said amendment shall promptly mail to all other parties to said Operating Agreement a copy of said amendment showing the recording reference.

Should any person or firm desire additional information regarding the Operating Agreement or wish to inspect a copy of same, said person or firm should contact the Operator by writing to: Anadarko Petroleum Corporation, P.O. Box 4499, Houston, Texas, 77210-4499.

Each party to said Operating Agreement may execute as a Non-Operator a counterpart of this instrument which contains a signature page for such party. Operator may combine the signature pages executed by such parties with the first two pages identical to the first two pages hereof and file and/or record such aggregated instrument.

EXECUTED as of this 9th day of December, 1991.

ANADARKO PETROLEUM CORPORATION, OPERATOR

BY:   
ADDRESS: P.O. Box 4499  
Houston, Texas 77210-4499  
TAX I.D. No.: 76-0146568

EP OPERATING COMPANY, NON-OPERATOR

BY: \_\_\_\_\_  
ADDRESS: 4849 Greenville Avenue, Suite 1200  
Dallas, Texas 75206-4186  
TAX I.D. No: \_\_\_\_\_

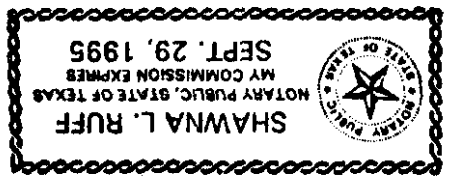
BERRY PETROLEUM COMPANY, NON-OPERATOR

BY: \_\_\_\_\_  
ADDRESS: P.O. BIN X  
Taft, California 93268  
TAX I.D. No.: \_\_\_\_\_

STATE OF TEXAS  
COUNTY OF HARRIS

The foregoing instrument was acknowledged before me this 9th day of December, 1991, by Paul E. Feldman, as Division Landman of Anadarko Petroleum Corporation, a Delaware corporation, on behalf of said corporation.

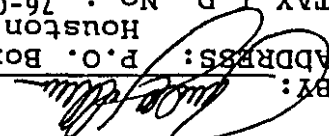
*Shawna L. Ruff*  
Notary Public, State of Texas  
Commission Expires: 9-29-95



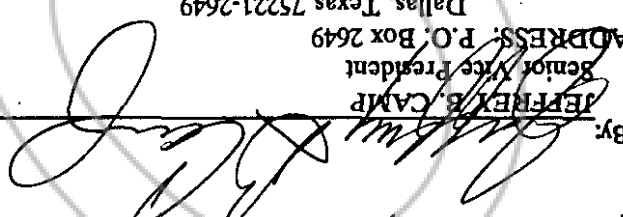
Each party to said operating Agreement may execute as a Non-Operator a counterpart of this instrument which contains a signature page for such party. Operator may combine the signature pages executed by such parties with the first two pages identical to the first two pages hereof and file and/or record such aggregated instrument.

EXECUTED as of this 9th day of December, 1991.

ANADARKO PETROLEUM CORPORATION, OPERATOR

BY:   
ADDRESS: P.O. Box 4499  
Houston, Texas 77210-4499  
TAX I.D. No.: 76-0146568

EP OPERATING COMPANY, a Texas limited partnership, by  
Euserech Exploration, Inc., Managing General Partner  
(NON-OPERATOR)

BY:   
JEFFREY B. CAMP  
Senior Vice President  
ADDRESS: P.O. Box 2649  
Dallas, Texas 75221-2649  
TAX I.D. No.: 75-2017587

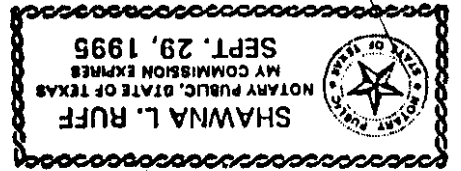
BERRY PETROLEUM COMPANY, NON-OPERATOR

BY: \_\_\_\_\_  
ADDRESS: P.O. BIN X  
Tate, California 93268  
TAX I.D. No.: \_\_\_\_\_

STATE OF TEXAS  
COUNTY OF HARRIS

The foregoing instrument was acknowledged before me this 9th day of December, 1991, by Paul E. Feldman, as Division Landman of Anadarko Petroleum Corporation, a Delaware corporation, on behalf of said corporation.

*Shawna L. Ruff*  
Notary Public, State of Texas  
Commission Expires: 9-29-95



Each party to said Operating Agreement may execute as a Non-operator a counterpart of this instrument which contains a signature page for such party. Operator may combine the signature pages executed by such parties with the first two pages identical to the first two pages hereof and file and/or record such aggregated instrument.

EXECUTED as of this 9th day of December, 1991.

ANADARKO PETROLEUM CORPORATION, OPERATOR

By: [Signature]  
Address: P.O. Box 4499  
Houston, Texas 77210-4499  
TAX I.D. No.: 76-0146568

EP OPERATING COMPANY, a Texas limited partnership, by  
Enserch Exploration, Inc., Managing General Partner  
(NON-OPERATOR)

By: [Signature]  
JERRY B. CAMP  
Senior Vice President  
ADDRESS: P.O. Box 2649  
Dallas, Texas 75221-2649  
TAX I.D. No.: 75-2017587

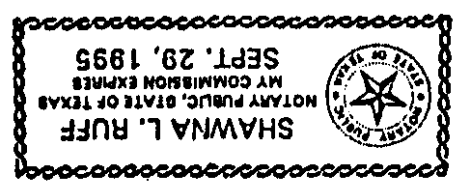
BERRY PETROLEUM COMPANY, NON-OPERATOR

By: [Signature]  
ADDRESS: P.O. BIN X  
Taft, California 93268  
TAX I.D. No.: 77-6079387

STATE OF TEXAS  
COUNTY OF HARRIS

The foregoing instrument was acknowledged before me this 9th day of December, 1991, by Paul E. Feldman, as Division Landman of Anadarko Petroleum Corporation, a Delaware corporation, on behalf of said corporation.

Shawna L. Ruff  
Notary Public, State of Texas  
Commission Expires: 9-29-95

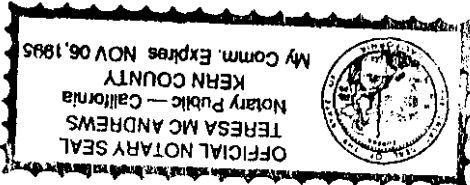




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EUREKA COUNTY, NEVADA  
M.N. REBALCATTI, RECORDER  
FILE NO. \_\_\_\_\_  
FEE \$ 10

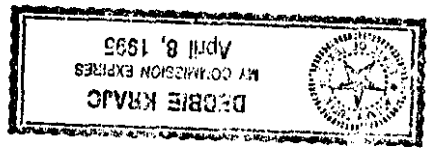
BOOK 242 PAGE 072  
OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF  
*Anadarko*  
92 NOV 23 P4:03



Signature \_\_\_\_\_  
WITNESS my hand and official seal.

On 3/13/92 before me, Teresa McAndrews,  
Ray Penwell, Exploration Manager,  
personally appeared to me (or proved to me on the basis of  
satisfactory evidence) to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that  
he/she/they executed the same in his/her/their authorized  
capacity(ies), and that by his/her/their signature(s) on the  
instrument the person(s), or the entity upon behalf of which the  
person(s) acted, executed the instrument.

STATE OF CALIFORNIA  
COUNTY OF Kern



Debbie Kraus  
Notary Public

My commission expires:

On this 27th day of February, 1992, personally appeared before me, a notary  
public in and for Dallas County, Texas, JEFFREY B. CAMP, known to me to be the person  
whose name is subscribed to the within instrument as the Senior Vice President of  
ENSERCH EXPLORATION, INC., a Delaware corporation, as Managing General Partner  
of EP OPERATING COMPANY, a Texas limited partnership, and acknowledged to me  
that he executed the above instrument on behalf of ENSERCH EXPLORATION, INC., a  
Delaware corporation, as Managing General Partner of EP OPERATING COMPANY, a  
Texas limited partnership, freely and voluntarily and for the uses and purposes therein  
mentioned.

STATE OF TEXAS  
COUNTY OF DALLAS

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