

EXHIBIT E

W 40807

MEMORANDUM OF AGREEMENT

ON

REGULATORY AND INSPECTION PROTOCOLS

BETWEEN

THE MINERALS MANAGEMENT SERVICE,

**THE STATE OF CALIFORNIA,
STATE LANDS COMMISSION**

AND

**THE STATE OF CALIFORNIA,
DEPARTMENT OF CONSERVATION,
DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES**

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is hereby executed by and among the California State Lands Commission (“CSLC”); the California Division of Oil, Gas, and Geothermal Resources (“DOGGR”); and the Minerals Management Service (“MMS”) and is made effective as of the _____ (the “Effective Date”).

RECITALS

WHEREAS, CSLC, DOGGR and MMS desire to outline a framework for a viable working relationship among CSLC, DOGGR and MMS for the enforcement of their respective regulations and inspection programs in a manner that will provide the highest level of protection available for the geologic and engineering conditions present at the site for the development of certain state acreage within the Tranquillon Ridge Field from Platform Irene;

WHEREAS, Platform Irene is physically located within federal waters and as such, comes under the jurisdiction and regulations of the MMS; and

WHEREAS, the parties to this MOU desire to establish that during the development and production of the Tranquillon Ridge Field when such development and production activities occurs on lands to be leased by the State of California that certain aspects of the CSLC and DOGGR regulations may also apply to Platform Irene.

UNDERSTANDINGS AND STIPULATIONS

NOW THEREFORE, CSLC, DOGGR and MMS agree to the greatest extent practicable to the exercise the enforcement of the applicable rules and regulations and to act in good faith when engaged in dealings with each agency and agree to coordinate all platform testing and equipment inspections that may be required by CSLC, DOGGR and MMS.

1. Contacts and Documents. Within 30 days following the issuance of the State lease(s), each agency will establish a primary contact and member of a joint committee to discuss and resolve specific regulatory compliance and operations related issues. Each party shall provide copies of documents requested by any party concerning such proposed plans.

2. Regulatory Protocols. All operations on Platform Irene associated with the development and production of the Tranquillon Ridge Field shall be in compliance with all applicable Federal and State requirements, including but not limited to: 30 Code of Federal Regulations (CFR) 250; 30 CFR 254; California Code of Regulations (CCR) Title 2, Division 3, Chapter 1, Article 3; and CCR Title 14, Division 2, Chapter 4, Subchapter 1.1.

3. Inspection Protocols. The MMS, SLC, and DOGGR will coordinate inspection activities to optimize the use of agency resources and to minimize any duplication by the agencies

4. Annual Performance Reviews. The MMS, CSLC, and DOGGR will coordinate annual performance reviews, seeking to ensure all three agencies are present to discuss with the operator of the full spectrum of performance-related issues.

5. Notices. All parties agree that any notices sent pursuant to this MOU from any party to any other party may be sent via certified; regular mail or facsimile to the particular parties at the addresses as listed hereinbelow.

Minerals Management Service
770 Paseo Camarillo, Camarillo CA 93010
Attn: Chief, Office of Reservoir Evaluation and Production
Phone:
Facsimile:
Email:

California State Lands Commission
200 Oceangate, 12th Floor
Long Beach, CA 90802
Attn: Chief, Mineral Resources Management Division
Phone:
Facsimile:
Email:

California Division of Oil, Gas, and Geothermal

_____, CA _____

Attn: _____
Phone:
Facsimile:
Email:

6. Amendments. Any Amendments to this MOU shall be executed in writing by all parties to this MOU and filed of record with the agencies, in order to take effect.

IN WITNESS WHEREOF, California State Lands Commission; the California Division of Oil, Gas, and Geothermal Resources and the Minerals Management Service has caused this MOU to be executed as of the date of hereof, but effective as of the Effective Date.

Minerals Management Service

Dated: _____

By: _____

Name: _____

Title: _____

State of California
California State Lands Commission

Dated: _____

By: _____

Name: _____

Title: _____

California Division of Oil, Gas and Geothermal
Resources

Dated: _____

By: _____

Name: _____

Title: _____