

EXHIBIT C

PRC 735.1
PRC 3314.1

AMENDMENT OF BONDING PROVISIONS OF STATE OIL AND GAS LEASES PRC 735.1 AND PRC 3314.1

Whereas the State of California by and through the State Lands Commission did lease certain lands known as PRC 735.1 in Ventura County to Standard Oil Company of California on June 30, 1952, and through successive assignments to Venoco, Inc. effective on November 1, 2007; and

Whereas the State of California by and through the State Lands Commission did lease certain lands known as PRC 3314.1 in Ventura County to Shell Oil Company on July 2, 1965, and through successive assignments to Venoco, Inc. effective on November 1, 2007; and

Whereas the amount of the performance bond required pursuant to the terms of Paragraph 13 of PRC 735.1, as previously amended, is \$900,000; and

Whereas the amount of the performance bond required pursuant to the terms of Paragraph 14 of PRC 3314.1, as previously amended, is \$300,000; and

Whereas it has been determined to be in the State's best interest to make certain modifications in the security requirements for faithful performance by the lessee under the above referenced leases, Commission staff and Venoco propose to combine the performance bonds into a single \$2,000,000 blanket bond or other security acceptable to the state to guarantee performance by the Lessee of all the terms and conditions of the leases.

NOW THEREFORE, Venoco, Inc. and the State Lands Commission mutually agree as follows:

1. The Lessee shall furnish and maintain a good and sufficient bond or other security acceptable to the State in favor of the State of California in the sum of \$2,000,000 to guarantee the faithful performance by the Lessee of the terms, covenants, and conditions of the leases as amended now and hereafter and of the provisions of Division 6 of the Public Resources Code, Statutes of California, and the rules and regulations promulgated thereunder.
2. The amount of the bond shall be subject to review and modification every five years.
3. As long as the bond referenced in Paragraph 1 of this Amendment is maintained and in effect, Lessee shall be deemed to be in compliance with Section 13 of PRC 735.1 as subsequently amended and Section 14 of PRC 3314.1 as subsequently amended; failure to maintain the bond as specified in Paragraph 1

of this Amendment shall be considered a violation of those respective sections of PRC 735.1 and 3314.1, as amended.

4. All terms and conditions of the leases, as amended, shall otherwise remain in full force and effect.
5. The effective date of these amendments shall be May 1, 2011.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment of Bonding Provisions of State Oil and Gas Leases PRC735.1 and PRC 3314.1.

LESSEE
Venoco, Inc.

STATE OF CALIFORNIA
STATE LANDS COMMISSION

By _____

By _____

Title _____

Title _____

Dated _____

Dated _____