

Exhibit B

STATE OF CALIFORNIA STATE LANDS COMMISSION

LEASE TERMINATION AGREEMENT

LEASES PRC 3150.1 AND PRC 7911.1

WHEREAS, the State of California, acting by and through the State Lands Commission, (the "Commission"), as lessor ~~(the "State")~~, and Chevron U.S.A. Inc., a Pennsylvania corporation ("Chevron"), and Atlantic Richfield Company, a Delaware corporation ("ARCO"), as lessee (collectively "Lessee"), entered into that certain Oil and Gas Lease dated July 28, 1964, designated lease PRC 3150.1 ("Original Lease 3150.1"), covering certain tide and submerged lands situated in the County of Santa Barbara, State of California as more particularly described in Exhibit A attached hereto (the "Original 3150.1 Leased Land"); and

WHEREAS, the Original 3150.1 Leased Land was used for specific purposes, namely, oil and gas production operations, for which certain offshore platforms referred to as Heidi and Hope were erected on the Original 3150.1 Leased Land; and

WHEREAS, pursuant to paragraph 14 of Original Lease 3150.1, the State Commission may request that Lessee remove all structures and fixtures that have been put on the Original 3150.1 Leased Land by the Lessee at the expiration or sooner termination of the Lease, at the sole expense of the Lessee; and

WHEREAS, in 1994, the State Commission adopted a Mitigated Negative Declaration (MND) and approved Lessee's 4H Platform Removal Project; and

WHEREAS, in 1996, Platforms Heidi and Hope were removed by Lessee, but certain mounds comprised of discharged drill fluids and cuttings, naturally-deposited sediments, and shells and organic debris that had fallen from the platforms and accumulated at their bases remained in place (the "Heidi and Hope Shell Mounds", and in reference to one or both shell mounds, the "Heidi and/or Hope Shell Mounds"); and

WHEREAS, when it approved the 4H Platform Removal Project, the State Commission did not specify removal of the Heidi and Hope Shell Mounds. The adopted MND for the Platform Removal Project stated: “[C]uttings mounds accumulated at the base of the platforms will likely remain largely intact.... Overall bottom topography near the former platform areas will remain as low-lying mounds”; and

WHEREAS, a stipulation of the State's Commission's approval of the 4H Platform Removal Project was that Lessee submit a trawl plan, perform test trawls over the debris clearance area at each platform location, and notify the State Commission upon the successful conclusion of the trawls; and

WHEREAS, effective November 1, 1996, Lessee assigned its interest in a portion of Original 3150.1 Leased Land as more particularly described on Exhibit B attached hereto (the “7911.1 Leased Land”) to Carone Petroleum Corporation (“Carone”), and such 7911.1 Leased Land was designated as lease PRC 7911.1 (“Lease 7911.1”) and the remainder of the Original 3150.1 Leased Land (referred to herein as the “Amended 3150.1 Leased Land”) continued to be designated as lease PRC 3150.1 (referred to herein as “Amended Lease 3150.1”); and

WHEREAS, pursuant to the State's Commission's “Approval of Assignments of State Oil and Gas Lease PRC 4000.1 and PRC 3150.1” dated November 14, 1996 (“Approval of Assignments”), Lessee is not released from any obligation to the State Commission under Original Lease 3150.1 incurred by Lessee prior to the effective date of the assignment of Lease 7911.1; and

WHEREAS, effective February 1, 1999, Chevron U.S.A., Inc. assigned its 50 percent interest in Amended Lease 3150.1 to Venoco, Inc. (“Venoco”); and

WHEREAS, by an Assignment of Oil and Gas Lease (PRC 3150) dated November 4, 2002 (the “2002 Assignment”), ARCO assigned its 50 percent interest in Amended Lease 3150.1 to Venoco, but to ARCO's knowledge, such Assignment was never formally approved by the State Commission; and

WHEREAS, on November 14, 2017, Venoco quitclaimed its interest in

Amended Lease 3150.1 to the [State Commission](#); and

WHEREAS, on June 28, 2018, the [State Commission](#) found Carone in default and terminated Lease 7911.1; and

WHEREAS, to the extent that the 2002 Assignment is deemed not to be effective, ARCO remains the lessee with respect to its 50 percent interest in Amended Lease 3150.1; and

WHEREAS, the Heidi and Hope Shell Mounds are located on the 7911.1 Leased Land; and

WHEREAS, following unsuccessful trawl tests, in 2013 and 2014, Lessee executed Trawler Compensation Agreements (“Trawler Agreements”) with and made payments to commercial trawl fishermen for the purpose of purchasing, or reimbursement for prior purchase of, upgraded navigational equipment enabling them to avoid an unreasonable risk of snagging trawl nets on the shell mounds; and

WHEREAS, Lessee and [State Commission](#) now desire to confirm the final disposition of the Heidi and Hope Shell Mounds, as detailed in the MND, and of the shell mounds located on that certain Oil and Gas Lease designated lease PRC 1824.1 (the “Hazel and Hilda Shell Mounds” and, collectively with the Heidi and Hope Shell Mounds, the “4H Shell Mounds”); and

WHEREAS, based upon the Review of Lease Obligations and Assessment of Impacts to Public Trust Resources and Values associated with State Oil and Gas Leases PRC 1824 and PRC 3150 Terminations and 4H Shell Mounds Disposition, a draft of which was completed by the [State Commission](#) in coordination with Dudek in October 2022, peer reviewed by the Ocean Science Trust in January 2023, and a final version released for public review in March 2025, (the “Report”), the [State Commission](#) and Lessee have negotiated safeguards to monitor the 4H Shell Mounds; and

WHEREAS, the [State Commission](#) and Lessee agree to the termination of ARCO’s 50 percent interest in Amended Lease 3150.1, the release of ARCO from all obligations accruing under Amended Lease 3150.1, the release of Chevron from all obligations accruing under Amended Lease 3150.1, and the release of Lessee from all obligations

accruing under Lease 7911.1 and Original Lease 3150.1, in each case both prior to and after the assignments of Lease 7911.1 and Amended Lease 3150.1, and abandonment in place of the Heidi and Hope Shell Mounds as herein described; and

WHEREAS, the Commission and Lessee agree that the scope of this Agreement is limited to resolving matters within the jurisdiction of the Commission and that other governmental agencies, including but not limited to the California Coastal Commission, retain their existing authority with respect to the 4H Shell Mounds; and

WHEREAS, in consideration of the obligations herein, Lessee now wishes to enter into this Agreement, and Chevron U.S.A. Inc. and Exxon Mobil Corporation wish to enter into that certain Lease Termination Agreement dated _____ ~~February 9, 2026,~~ regarding the Hazel and Hilda Shell Mounds.

NOW THEREFORE, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. ARCO agrees to, and ~~State~~the Commission agrees to accept, the release, surrender and quitclaim unto the ~~State~~Commission of any and all right, title or interest arising by virtue of said Amended Lease PRC 3150.1 effective ~~February 9, 2026,~~ _____, 20____ (the "Effective Date") and Amended Lease PRC 3150.1 shall terminate as of the Effective Date. The ~~State~~Commission agrees to release ARCO from all obligations arising by virtue of said Amended Lease 3150.1 effective on the Effective Date.
2. The ~~State~~Commission agrees to release Chevron from all obligations arising by virtue of said Amended Lease 3150.1, and to release Lessee from all obligations arising by virtue of said Lease 7911.1 and Original Lease 3150.1 effective on the Effective Date, in each case whether accruing prior to or after assignment of such leases, as provided in Section 7 below.
3. The Heidi and Hope Shell Mounds presently occupying the 7911.1 Leased Land shall be abandoned in place, consistent with the MND, and, except as provided herein, no removal,

remediation, restoration, or any other response or obligation with respect to the Original ~~Lease~~ 3150.1 Leased Land, the Amended 3150.1 Leased Land, or the 7911.1 Leased Land will be required by the Commission; provided however, if another governmental agency requires any additional or different actions than those described in this Agreement, Lessee shall not be relieved from complying with applicable requirements of other state or other governmental agencies under applicable law by virtue of this Agreement.

4. Lessee agrees that for 30 years from the Effective Date, Lessee shall provide seismic monitoring and response as follows:
Within one week of a strong earthquake event (as defined below), Lessee shall submit a presurvey notification pursuant to State's Commission's Offshore Geophysical Permit Program, commence within five business days following the notice period, and diligently complete high-resolution bathymetric surveys supplemented by a high-definition camera survey of the Heidi and Hope Shell Mounds to ascertain the extent of damage (if any) to the Heidi and/or Hope Shell Mounds. In the event that it is infeasible to complete bathymetric surveys during this time period due to limited resource availability or other circumstances following a strong earthquake event, Lessee shall notify the State Commission and shall complete surveys as soon as feasible.

A "strong earthquake event" is defined as an earthquake event with the following parameters, measured from any portion of the Heidi and Hope Shell Mounds to the hypocenter of the earthquake event: (a) an event of magnitude 6-6.5 within 10 km of any portion of either of the Heidi and Hope Shell Mounds; (b) an event of magnitude 6.6 to 7.0 within 25 km of any portion of either of the Heidi and Hope Shell Mounds; (c) an event of magnitude greater than 7.0 within 40 km of any portion of either of the Heidi and Hope Shell Mounds. Preliminary findings of surveys shall be presented promptly to the State Lands Commission, and, upon request, to other regulatory agencies.

In the event the bathymetric surveys demonstrate a potential

loss of integrity of the shell hash layer due to shifting or movement of the Heidi and/or Hope Shell Mounds, or a change of 5 percent or more in the Heidi and/or Hope Shell Mound profile (except for a change demonstrating accretion from sediment deposition), Lessee will perform a mussel bag study of contaminants present in the Heidi and/or Hope Shell Mounds.

For purposes of the mussel bag studies, a "significant difference" means that analysis of variance (ANOVA) statistical tests of laboratory analytic results, utilizing the methodology of Tenera Environmental, "2023 Caged Mussel Bioassay Study: 4H Shell Mounds, Santa Barbara Channel" ("Mussel Study"), indicate a pattern of increased contaminants emanating from the Heidi and/or Hope Shell Mounds in the tissues of mussels recovered from the Heidi and/or Hope Shell Mounds when compared to mussels from reference sites located far enough away from the Heidi and Hope Shell Mounds to remain unaffected by any contaminants potentially leaching from the Heidi and/or Hope Shell Mounds.

To ensure that the data analysis utilizes appropriate environmental baselines, within 90 days of the Effective Date, Chevron shall submit proposed locations for two additional reference sites in shallow and deep water ("alternate reference sites") as alternatives to the two reference sites identified in the Mussel Study ("primary reference sites"). Upon approval by the Commission, which shall not be unreasonably withheld or delayed, Chevron shall conduct mussel bag studies at the alternate reference sites and primary reference sites utilizing the methodology of the Mussel Study at intervals of five, ten, and twenty years after the Effective Date. The results of these studies shall be submitted to the Commission within 30 days of each study's completion. If the Commission and Chevron jointly determine that the data collected at a primary reference site demonstrate anomalous results indicating that the site is not viable for use as a reference, the appropriate alternate reference site shall be utilized for comparison in the analysis of mussel bag data from the Shell Mound sites in the event of a "strong earthquake event." If the Commission and Chevron jointly determine that the data collected at an alternate

reference site demonstrate anomalous results indicating that the site is not viable for use as a reference, Chevron shall coordinate with the Commission to find an appropriate replacement alternate reference site, subject to the approval of the Commission's Executive Officer which shall not be unreasonably withheld or delayed. Once approved, the replacement alternate reference site will be tested using the methodology of the Mussel Study at the next testing interval and testing at the prior alternate reference site shall cease.

In the event that the mussel bag study conducted in response to a "Strong Earthquake Event" demonstrates that shifting or movement of the Heidi and/or Hope Shell Mounds has resulted in a significant difference between levels of those contaminants in mussels deployed at the Heidi and/or Hope Shell Mounds and in mussels deployed at reference sites, indicating that a release of hydrocarbons or other contaminants contained within one or both of the Heidi and Hope Shell Mounds (a "Release") has occurred, Chevron shall develop a 4H Shell Mound Contaminant Release Containment and Cleanup Plan (SMCRCP) no later than 60 days after completing the mussel bag study. The purpose of the SMCRCP will be to contain and prevent release of drilling fluids, cutting, or materials and sediment containing contaminants from the Heidi and/or Hope Shell Mounds, including but not limited to hydrocarbons, metals, or Polychlorinated Biphenyls (PCB) that exist within the Heidi and Hope Shell Mounds, as confirmed by a subsequent mussel bag study demonstrating no significant difference between contaminant levels in mussels deployed at the Heidi and/or Hope Shell Mounds and reference sites. The SMCRCP shall include the following:

- a. Cleanup procedures for breaches and contaminant release scenarios.
- b. The types of equipment required, staffing needs, and mobilization times.
- c. Estimated duration of a cleanup event.
- d. Management criteria and actions for fisheries and recreational

uses during a spill.

- e. Reporting requirements and coordination with local and emergency agencies.
- f. Potential mound repair procedures, equipment, and personnel.
- g. Ongoing monitoring for efficacy.
- h. The range of estimated direct and indirect costs of such events.

As provided in the SMCRCPP, following detection of a Release resulting from shifting or movement of the Heidi and/or Hope Shell Mounds following a seismic event during the 30-year monitoring period, as described above, Lessee shall be obligated to address and halt any contaminant release, as confirmed by a subsequent mussel bag study demonstrating no significant difference between contaminant levels in mussels deployed at the Heidi and/or Hope Shell Mounds and reference sites. Lessee shall not be obligated to remove the Heidi and/or Hope Shell Mounds in response to any seismic event.

- 5. Within one year of the Effective Date of this Agreement, Lessee shall conduct detailed Remotely Operated Vehicle (ROV) and/or diver surveys of the Heidi and Hope Shell Mounds and a 200-foot (61-meter) buffer area around each mound, identifying remnant debris from 4H platform operations and subsequent Lessee activities (e.g., the anchor chains left after removing the marker buoys previously installed on the Leased Land). Debris identified during those surveys will be evaluated for feasibility of removal, and removed by Lessee using typical methods as feasible (e.g., lift bags) following a removal plan approved in advance by ~~State~~the Commission. If removal of any debris items potentially could disturb the integrity of the Heidi and/or Hope Shell Mound structure, those items shall remain in place, and debris removal methods that could disturb the integrity of the Heidi and/or Hope Shell Mound structure shall not be used.
- 6. The ~~State~~Commission shall not be liable and Lessee shall indemnify, hold harmless and, at the option of the ~~State~~Commission, defend the ~~State~~Commission and its officers, agents, and employees against and for any and all liability, claims, damages or injuries of any kind arising from a Release or

from the Lessee being allowed to abandon the Heidi and Hope Shell Mounds in place, provided that the claim is made within 30 years from the date hereof. This provision shall not be deemed to be a waiver of any sovereign immunity or notice of claim of defense that may be available to the StateCommission in any causes of action. Notwithstanding anything to the contrary contained herein, in no event shall the foregoing indemnification obligation cover any liability, claims, damages or injuries of any kind to the extent caused or contributed to by the acts or omissions of any third party including, without limitation, trawlers or any employees, agents, contractors, licensees or invitees of the StateCommission.

7. Except as otherwise provided in this agreementAgreement, and notwithstanding any provision of Original Lease 3150.1, Amended Lease 3150.1, Lease 7911.1 or the Approval of Assignments, as of the Effective Date, Lessee, its past and present agents, officers and employees, and its successors and assigns, shall be released and forever discharged from any and all claims, liens, demands, causes of action, obligations, damages and liabilities, known or unknown, arising directly or indirectly out of, or in any way connected with or based upon, or related in any way to Lease 7911.1, Original Lease 3150.1 and Amended Lease 3150.1, the 7911.1 Leased Land, or the Amended 3150.1 Leased Land including, without limitation, any obligation to remove, repair or (except to the extent expressly provided in Section 4 above) remediate the Heidi and Hope Shell Mounds and any claim for damages, reimbursement or compensation arising out of the presence or abandonment in place of the Heidi and Hope Shell Mounds. In connection with the release contained in this paragraph, the StateCommission hereby specifically waives any and all rights and benefits that may be conferred upon it by virtue of the provisions of Section 1542 of the Civil Code of the State of California (or any other statute or common law principle of similar effect), which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

~~The Lessee acknowledges that this~~

~~The release in this provision is between Lessee and Commission and does not apply to or affect the authorities or jurisdictions of other state or other government agencies (including but not limited to the California Coastal Commission) under applicable law.~~

8. ~~This~~ agreement is limited in scope to the express terms of this Agreement and does not alter any obligations arising in statute from the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act, any obligations ~~required by~~ the California Coastal Commission (including ~~but not limited to~~ CDP E-94-006~~),~~ ~~or arising under the California Coastal Act,~~ any lawful orders of the California Department of Conservation, or other applicable sources of state or federal law.
9. The terms of this ~~agreement~~Agreement shall extend to and be binding upon and inure to the heirs, executors, administrators, successors and assigns of the respective parties hereto.
10. All notices pertaining to this Agreement shall be sent as follows:
 - a) Jean Thibodeaux
Chevron Americas Exploration and Production Company_
1400 Smith Street

~~1400 Smith Street~~
Houston, TX 77002

With a copy to:

Legal Department
Chevron Americas Exploration and Production Company
1400 Smith Street
Houston, TX 77002
 - b) David Wandor
Parsons Corp.
3620 Park 42 Drive
Sharonville, OH 45241

With a copy to:

Lisa Emmet
BP Remediation Management Services Co.
201 Helios Way
Houston, TX 77079

- c) State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825

Or such other addresses as may be designated by Lessee or the StateCommission from time to time.

This Agreement will become binding on the StateCommission only when duly executed on behalf of the State Lands Commission of the State of California.

This Agreement may be executed in counterparts, each of which shall be an original, but all of which shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date hereinafter affixed.

CHEVRON U.S.A. INC.,

By:

Title:

ATLANTIC RICHFIELD COMPANY

By:

Title:

STATE OF CALIFORNIA
STATE LANDS COMMISSION

By:

Title: Chief, Division of Land
Management

Date:

Execution of this Agreement was
authorized by the State Lands
Commission at its meeting on-

_____.

EXHIBIT A

Legal Description of Original 3150.1 Leased Land

That certain tract of tide and submerged land, situate in the County of Santa Barbara, State of California, described as follows:

[To be added]

EXHIBIT B

Legal Description of the 7911.1 Leased Land

That certain tract of tide and submerged land, situate in the County of Santa Barbara, State of California, described as follows:

[To be added]