



Roger Tucker, Jr.
Manager, GOM Shorebases
and Marine Transportation

Operations - GOM
North America Upstream
100 Northpark Blvd.
Covington, LA 70433
Tel 985 773 7142
Fax 985 773 6796
RCTU@chevron.com

May 26, 2010

BP America, Inc.
501 Westlake Park Blvd.
Houston, TX 77079-2604

**Re: Hold Harmless and Indemnity
Storage of Equipment at Chevron Ivanhoe Shorebase**

Gentlemen:

BP Exploration & Production Inc. ("BP") has proposed to use Chevron U.S.A. Inc.'s ("Chevron") Ivanhoe shorebase for activity necessary in connection with its ongoing oil spill and well control activities in the Gulf of Mexico. Chevron has agreed to allow BP to use the Ivanhoe shorebase for all purposes incidental to the operation of a shorebase. This may include storage of equipment and supplies and loading and unloading of vessels, any and all activities will be subject to the following terms and conditions:

- 1. Commencement and Termination.** This Letter Agreement shall commence on the date of execution. Chevron has the right to terminate this Letter Agreement by either fax or email at anytime, with or without cause. BP shall commence removing any and all stored equipment and materials from the shorebase immediately upon receipt of a notice termination. All equipment and materials shall be removed as expeditiously as possible from the date the termination notice is issued by Chevron. If BP terminates this Letter Agreement, the termination shall not be effective until BP has removed any and all equipment and materials from the Ivanhoe shorebase. Further, paragraphs 4, 5, and 6 of this Letter Agreement shall survive termination by either party.
- 2. BP Storage Area.** Chevron does hereby grant to BP the right to use its Ivanhoe shorebase located southwest of the intersection of Highway 83 and Ivanhoe Texaco Lane near Franklin, Louisiana. A vicinity map showing the location of the site is included as Figure 1.
- 3. Compensation.** For use of the shorebase, BP shall pay the sum of US\$1.00 and other good and valuable consideration, the receipt and sufficiency of such consideration is acknowledged by Chevron.
- 4. No Warranty.** Chevron makes no warranty or representation, express or implied, with respect to the condition of the shorebase or the suitability or fitness of the shorebase for the storage of BP's materials.

5. **Hold Harmless and Indemnity.** BP agrees to release, defend, indemnify and hold harmless Chevron, Chevron's Affiliates, parent, and the directors, officers, agents, representatives, insurers, contractors and subcontractors and employees of all of them ("Indemnitees") from and against any and all liability for damages, costs, fees, assessments, penalties, fines, judgments, interest and award (including recoverable legal counsel fees and costs of litigation) relating to this Agreement and the use of the shorebase by BP, its Affiliates, or any of their contractors and subcontractors, or the operation or condition of the shorebase whether arising by law, contract, tort or otherwise for:
- a. **Personal injury, illness or death of any person, whether asserted by an Indemnitee, any employee, agent, invitee, contractor or subcontractor of BP or any of its Affiliates; or any third party;**
 - b. **Loss or damage to property of BP or any employee, agent, invitee, contractor or subcontractor of BP or any of its Affiliates, Indemnitees; or any third parties.**
 - c. **Any and all costs, expense or liability associated with clean up, contamination, claims for exposure, pollution, environmental damage or any fines, or penalties imposed by any federal, state or local government or agency.**

For the purpose of this Agreement, Affiliates shall mean any legal entity which controls, is controlled by, or is under common control with, another legal entity. An entity is deemed to "control" another if it owns directly or indirectly at least fifty percent of either of the following:

- a. **The shares entitled to vote at a general election of directors of such other entity.**
- b. **The voting interest in such other entity if such entity does not have either shares or directors.**

Affiliates of Chevron expressly include Chevron Corporation.

THESE RELEASE, DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATIONS SHALL APPLY REGARDLESS OF: (i) THE ACTIVE, PASSIVE, CONTRIBUTORY, CONCURRENT, SOLE, OR NEGLIGENCE OF ANY INDEMNITEE; AND (ii) WHETHER LIABILITY OF ANY KIND, INCLUDING LIABILITY WITHOUT FAULT AND BREACH OF DUTY (STATUTORY OR OTHERWISE), IS IMPOSED OR SOUGHT TO BE IMPOSED ON ANY INDEMNITEE.

6. **Conflict of Interest.** Neither BP nor its Affiliates may engage in any of the following activities without Chevron's prior written consent:
- a. Give to or receive from any director, employee or agent of Company or any Affiliate of Company in connection with the Services, either of the following:
 1. Any gift, entertainment or other benefit of significant cost or value.
 2. Any commission, fee or rebate.
 3. Enter into any business arrangement with any director, employee or agent of Company or any Affiliate of Company (other than as a representative of Company or its Affiliate).
 - b. BP shall immediately notify Chevron of any violation of this Section 6 or of the occurrence of any event prior to the Effective Date which, if it had occurred after the Effective Date, would constitute a violation of Section 6. In addition to any other remedies to which Chevron may be legally entitled, BP shall reimburse Chevron the value of the benefit received by or given to the director, employee or agent of Chevron or any Affiliate of Chevron as a consequence of that violation or event.

7. **General Provisions**

- a. The Parties agree that all disputes arising out of this Agreement shall be handled in accordance with the Dispute Resolution Procedure set forth in Exhibit "A".
- b. BP agrees that their employees, contractors and subcontractors will comply with all Chevron safety rules and all rules, regulations and standards issued pursuant to the applicable state and federal laws while on Chevron's premises, including the use of required protective equipment such as hard hats, steel tipped shoes, safety glasses and any other personal protective equipment deemed necessary. The safety of BP's employees, contractors and subcontractors shall be BP's sole responsibility. Any safety information provided by Chevron is intended to supplement, not replace, BP's safety program.
- c. The Ivanhoe shorebase is currently an unmanned facility. Chevron requires that BP provide the proper security for the facility while this Agreement is in effect and have a proper health, environmental and safety plan in place to be administered by dedicated personnel.
- d. Any violation of the terms and conditions listed above gives Chevron the right to terminate this Agreement with immediate effect requiring BP to remove all equipment on the Chevron shorebase.

- e. This Letter Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. BP expressly grants Chevron the right to assign this Letter Agreement to Gulfport Energy Corporation.
- f. The terms and conditions herein shall apply only to those services provided at the Ivanhoe shorebase.

Please signify your acceptance of these terms and conditions by executing two originals of this Agreement in the space provided and then return it to me for execution by Chevron. I will return a fully executed original to you for your records.

Sincerely,

Ray T. Tucker Jr.
by *DLD*

Accepted by BP America, Inc. this 29 day of MAY 2010

By: *Brent Tillyman*

Title: *OPS. Section Chief*

Accepted by Chevron U.S.A. Inc. this ___ day of _____ 2010

By: _____

Title: _____

EXHIBIT A

1. GOVERNING LAW AND RESOLUTION OF DISPUTES

- 1.1 **Governing Law.** This Contract is governed by, and interpreted under the laws of the State of Louisiana, without regard to its choice of law rules, except that the substantive and procedural rules of the Federal Arbitration Act, 9 U.S.C. §§ 1 – 16 (“the Act”) shall govern Section 2.
- 1.2 **Resolution of Disputes.** If any Dispute arises out of or in relation to this Contract and if the Dispute cannot be settled by direct negotiations, either Party may initiate mediation. If the Parties fail to settle the Dispute within thirty days of notice of mediation, either Party may initiate binding arbitration.
- 1.3 The following provisions shall apply to arbitration proceedings pursuant to Section 2.2:
 - (a) The place of arbitration will be Houston, Texas.
 - (b) One arbitrator will conduct the arbitral proceedings in accordance with The International Institute for Conflict Prevention & Resolution (“CPR”) Rules and CPR is the appointing authority.
 - (c) The arbitrator does not have the power to award, nor shall the arbitrator award, any punitive, indirect or consequential damages (however denominated). Each Party will bear its own costs of legal representation and witness expenses.
 - (d) The arbitrator must render a reasoned award in writing. This award shall be based upon a decision which must detail the finding of fact and conclusions of law on which it rests. The award is final and binding.
 - (e) The Dispute will be resolved as quickly as possible. The arbitration award must be issued within three months from completion of the hearing, or as soon as possible thereafter.