

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): **March 6, 2012**

BERRY PETROLEUM COMPANY

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

1-9735
(Commission File
Number)

77-0079387
(I.R.S. Employer Identification No.)

1999 Broadway, Suite 3700, Denver, Colorado
(Address of Principal Executive Offices)

80202
(Zip Code)

Registrant's telephone number, including area code: **(303) 999-4400**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On March 6, 2012, Berry Petroleum Company (the "Company") entered into an Underwriting Agreement (the "Underwriting Agreement") with Wells Fargo Securities, LLC, as representative of the underwriters named therein (collectively, the "Underwriters"), in connection with an underwritten public offering (the "Offering") of \$600 million aggregate principal amount of the Company's 6³/₈% senior notes due 2022 (the "Notes"). Pursuant to the Underwriting Agreement, the Company agreed, among other things, (i) that it would not offer or sell debt securities with a term of more than one year (other than the Notes) for a period of 90 days after March 6, 2012 without the prior consent of Wells Fargo Securities, LLC and (ii) to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or contribute to payments that the Underwriters may be required to make in respect of those liabilities. The Underwriting Agreement contains other terms and conditions that are generally customary for transactions of this nature.

A copy of the Underwriting Agreement is filed as Exhibit 1.1 to this report and is incorporated herein by reference. The foregoing description of the terms of the Underwriting Agreement is qualified in its entirety by the Underwriting Agreement.

ITEM 7.01. REGULATION FD DISCLOSURE

On March 6, 2012, the Company issued a press release announcing the Offering. A copy of the press release is furnished as Exhibit 99.1 hereto.

On March 6, 2012, the Company issued a press release announcing a modified Dutch auction tender offer for up to \$150 million aggregate principal amount of its 10¹/₄% senior notes due 2014. A copy of the press release is furnished as Exhibit 99.2 hereto.

On March 6, 2012, the Company issued a press release announcing pricing of the Offering. A copy of the press release is furnished as Exhibit 99.3 hereto.

The information contained in this Item 7.01 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

(d) Exhibits.

EXHIBIT NUMBER	—	DESCRIPTION
1.1	—	Underwriting Agreement, dated March 6, 2012, by and among Berry Petroleum Company and Wells Fargo Securities, LLC, as representative of the underwriters named therein.

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5.1	—	Opinion of Baker Botts L.L.P.
23.1	—	Consent of Baker Botts L.L.P. (included in Exhibit 5.1).
99.1	—	Press release dated March 6, 2012, announcing public offering of notes.
99.2	—	Press release dated March 6, 2012, announcing commencement of a modified Dutch auction tender offer for up to \$150 million aggregate principal amount of its 10¼% senior notes due 2014.
99.3	—	Press release dated March 6, 2012, announcing pricing of notes.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BERRY PETROLEUM COMPANY

By: /s/ Davis O. O'Connor
 Davis O. O'Connor
 Corporate Secretary

Date: March 9, 2012

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INDEX TO EXHIBITS

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BERRY PETROLEUM COMPANY

\$600,000,000 6³/₈% Senior Notes due 2022

Underwriting Agreement

March 6, 2012

Wells Fargo Securities, LLC
 BMO Capital Markets Corp.
 Credit Suisse Securities (USA) LLC
 J.P. Morgan Securities LLC
 RBS Securities Inc.
 SG Americas Securities, LLC
 c/o Wells Fargo Securities, LLC
 301 South College Street
 Charlotte, North Carolina 28202

Ladies and Gentlemen:

Berry Petroleum Company, a Delaware corporation (the "Company"), proposes to issue and sell to the several Underwriters listed in Schedule 1 hereto (the "Underwriters"), for whom Wells Fargo Securities, LLC is acting as representative (the "Representative"), \$600,000,000 principal amount of its 6³/₈% Senior Notes due 2022 (the "Securities"). The Securities will be issued pursuant to an Indenture dated as of June 15, 2006 (the "Indenture") between the Company and Wells Fargo Bank, National Association, as trustee (the "Trustee"). The term "Indenture," as used herein, includes the supplemental indenture establishing the forms and terms of the Securities pursuant to Section 901 of the Indenture.

The Company hereby confirms its agreement with the several Underwriters concerning the purchase and sale of the Securities, as follows:

1. Registration Statement. The Company has prepared and filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Securities Act"), a registration statement on Form S-3 (File No. 333-161243), including a prospectus, relating to the Securities. Such registration statement, as amended at the time it became effective, including the information, if any, deemed pursuant to Rule 430A, 430B or 430C under the Securities Act to be part of the registration statement at the time of its effectiveness ("Rule 430 Information"), is referred to herein as the "Registration Statement." The base prospectus included in the Registration Statement (the "Base Prospectus"), as supplemented by the preliminary prospectus supplement dated March 6, 2012 relating to the Securities and used prior to the filing of the Prospectus (as defined below) (the "Preliminary Prospectus Supplement"), is hereinafter referred to as the "Preliminary Prospectus." The Base Prospectus, as supplemented by the prospectus supplement dated March 6, 2012 relating to the Securities in the form first used (or made available upon request of purchasers pursuant to Rule 173 under the Securities Act) in connection with confirmation of sales of the Securities (the "Prospectus Supplement") is

hereinafter referred to as the "Prospectus". Any reference in this Agreement to the Registration Statement, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Securities Act, as of the effective date of the Registration Statement or the date of such Preliminary Prospectus or the Prospectus, as the case may be and any reference to "amend", "amendment" or "supplement" with respect to the Registration Statement, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed after such date under the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Exchange Act") that are deemed to be incorporated by reference therein. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Registration Statement and the Prospectus.

At or prior to 4:30 p.m. (Eastern time) on March 6, 2012 (the "Time of Sale"), the Company had prepared the following information (collectively, the "Time of Sale Information"): a Preliminary Prospectus dated March 6, 2012, and each "free-writing prospectus" (as defined pursuant to Rule 405 under the Securities Act) listed on Annex B hereto as constituting part of the Time of Sale Information.

2. Purchase of the Securities by the Underwriters. (a) The Company agrees to issue and sell the Securities to the several Underwriters as provided in this Agreement, and each Underwriter, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, agrees, severally and not jointly, to purchase from the Company the respective principal amount of Securities set forth opposite such Underwriter's name in Schedule 1 hereto at a price equal to 98.25% of the principal amount thereof plus accrued interest, if any, from March 6, 2012 to the Closing Date (as defined below). The yield of the Securities is no lower than the yield recommended by RBC Capital Markets, LLC, acting as a "qualified independent underwriter" within the meaning of Rule 5121 of the Financial Industry Regulatory Authority, Inc. ("FINRA"). The Company will not be obligated to deliver any of the Securities except upon payment for all the Securities to be purchased as provided herein.

The Company hereby confirms its engagement of RBC Capital Markets, LLC as, and RBC Capital Markets, LLC hereby confirms its agreement with the Company to render services as, a "qualified independent underwriter" within the meaning of FINRA Rule 5121 (the "QIU") with respect to the offering and sale of the Securities.

(b) The Company understands that the Underwriters intend to make a public offering of the Securities as soon after the effectiveness of this Agreement as in the judgment of the Representative is advisable, and initially to offer the Securities on the terms set forth in the Prospectus. The Company acknowledges and agrees that the Underwriters may offer and sell Securities to or through any affiliate of an Underwriter and that any such affiliate may offer and sell Securities purchased by it to or through any Underwriter.

(c) Payment for and delivery of the Securities will be made at the offices of Vinson & Elkins L.L.P., 1001 Fannin Street, Suite 2500, Houston, Texas 77002, at 9:00 A.M., local time, on March 9, 2012, or at such other time or place on the same or such other date, not later than the fifth business day

thereafter, as the Representative and the Company may agree upon in writing. The time and date of such payment and delivery is referred to herein as the "Closing Date."

(d) Payment for the Securities shall be made by wire transfer in immediately available funds to the account(s) specified by the Company to the Representative against delivery to the nominee of The Depository Trust Company, for the account of the Underwriters, of one or more global notes representing the Securities (collectively, the "Global Note"), with any transfer taxes payable in connection with the sale of the Securities duly paid by the Company. The Global Note will be made available for inspection by the Representative not later than 1:00 P.M., local time, on the business day prior to the Closing Date.

(e) The Company acknowledges and agrees that the Underwriters are acting solely in the capacity of an arm's length contractual counterparty to the Company with respect to the offering of Securities contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company or any other person. Additionally, neither the Representative nor any other Underwriter is advising the Company or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Underwriters shall have no responsibility or liability to the Company with respect thereto. Any review by the Underwriters of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Underwriters and shall not be on behalf of the Company.

3. Representations and Warranties of the Company. The Company represents and warrants to each Underwriter that:

(a) *Preliminary Prospectus.* No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus, at the time of filing thereof, complied in all material respects with the Securities Act and did not contain, at the time of filing thereof, any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representative expressly for use in any Preliminary Prospectus, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described in Section 7(b) hereof.

(b) *Time of Sale Information.* The Time of Sale Information, at the Time of Sale, did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representative expressly for use in such Time of Sale Information, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described in Section 7(b) hereof. No statement of material fact included in the Prospectus has been omitted from the Time of Sale Information and no statement of material fact included in the

Time of Sale Information that is required to be included in the Prospectus has been omitted therefrom.

(c) *Issuer Free Writing Prospectus.* The Company (including its agents and representatives, other than the Underwriters in their capacity as such) has not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any "written communication" (as defined in Rule 405 under the Securities Act) that constitutes an offer to sell or solicitation of an offer to buy the Securities (each such communication by the Company or its agents and representatives (other than a communication referred to in clauses (i) (ii) (iii) below) an "Issuer Free Writing Prospectus") other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Securities Act or Rule 134 under the Securities Act, (ii) the Preliminary Prospectus, (iii) the Prospectus, (iv) documents listed on Annex B hereto as constituting a part of the Time of Sale Information and (v) any electronic road show or other written communications, in each case approved in writing in advance by the Representative. Each such Issuer Free Writing Prospectus complied in all material respects with the Securities Act, and does not or will not conflict with information contained in the Registration Statement, any Preliminary Prospectus or the Prospectus, has been or will be (within the time period specified in Rule 433 under the Securities Act) filed in accordance with the Securities Act (to the extent required thereby) and, when taken together with the Time of Sale Information filed prior to first use of such Issuer Free Writing Prospectus, did not, as of the Time of Sale, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in each such Issuer Free Writing Prospectus in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representative expressly for use in any Issuer Free Writing Prospectus, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described in Section 7(b) hereof.

(d) *Registration Statement and Prospectus.* The Company meets the requirement for use of Form S-3 under the Securities Act. The Registration Statement is an "automatic shelf registration statement," as defined under Rule 405 of the Securities Act, that has been filed with the Commission not earlier than three years prior to the date hereof; the Company is eligible to use an "automatic shelf registration statement," as defined under Rule 405 of the Securities Act, and no notice of objection of the Commission to the use of such registration statement or any amendment thereto pursuant to Rule 401(g)(2) under the Securities Act has been received by the Company. No order suspending the effectiveness of the Registration Statement has been issued by the Commission and no proceeding for that purpose or pursuant to Section 8A of the Securities Act against the Company or related to the offering has been initiated or threatened by the Commission; as of the applicable effective date of the Registration Statement and any amendment thereto, the Registration Statement and any amendment thereto complied and will comply in all material respects with the Securities Act and the Trust Indenture Act of 1939, as amended (and the rules and regulations of the Commission thereunder, collectively, the "Trust Indenture Act"), and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading; and as of the date of the Prospectus and any amendment or supplement

thereto and as of the Closing Date, the Prospectus will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to (i) that part of the Registration Statement that constitutes the Statement of Eligibility and Qualification (Form T-1) of the Trustee under the Trust Indenture Act or (ii) any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representative expressly for use in the Registration Statement and the Prospectus and any amendment or supplement thereto, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 7(b) hereof.

(e) *Incorporated Documents.* The documents incorporated by reference in the Registration Statement, the Prospectus and the Time of Sale Information, when they became effective or were filed with the Commission, as the case may be, conformed in all material respects to the requirements of the Exchange Act, and none of such documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and any further documents so filed and incorporated by reference in the Registration Statement, the Prospectus or the Time of Sale Information, when such documents become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Securities Act or the Exchange Act, as applicable, and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) *Financial Statements.* The financial statements and the related notes thereto included or incorporated by reference in the Registration Statement, the Time of Sale Information and the Prospectus comply in all material respects with the applicable requirements of the Securities Act and the Exchange Act, as applicable, and present fairly in all material respects the financial position of the Company as of the dates indicated and the results of its operations and the changes in its cash flows for the periods specified; such financial statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods covered thereby; the other financial information included or incorporated by reference in the Registration Statement, the Time of Sale Information and the Prospectus has been derived from the accounting records of the Company and presents fairly the information shown thereby. All disclosures contained in the Registration Statement, the Time of Sale Information and the Prospectus regarding “non-GAAP financial measures” (as such term is defined by the rules and regulations of the Commission) comply with Item 10 of Regulation S-K under the Securities Act, as applicable.

(g) *No Material Adverse Change.* Since the date of the most recent financial statements of the Company included or incorporated by reference in the Registration Statement, the Time of Sale Information and the Prospectus, (i) there has not been any change in the capital stock (other than the issuance of Class A Common Stock, par value \$0.01 per share, of the Company (the “Class A Common Stock”), in the ordinary course, pursuant to grants, exercises or awards under employee or director benefit compensation plans or pursuant to the Company’s

stock repurchase program, which program and plans are described in the Registration Statement, the Time of Sale Information and the Prospectus, and the issuance of Class A Common Stock pursuant to the Company’s Dividend Reinvestment Plan, which plan is described in the Company’s registration statement on Form S-3, filed on December 15, 2009 (File No. 333-163743)), short-term debt or long-term debt of the Company (other than borrowings made in the ordinary course of business under the revolving credit facility provided for under the Second Amended and Restated Credit Agreement dated as of November 15, 2010 among the Company, Wells Fargo Bank, National Association and the other parties thereto, as amended, or the Company’s senior secured money market line of credit), or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company on any class of capital stock (other than regular quarterly dividends paid with respect to the Class A Common Stock and Class B Stock of the Company in the amount of \$0.080 per share and amounts paid or allocated pursuant to employee or director benefit or compensation plans, which plans are as described in the Registration Statement, the Time of Sale Information and the Prospectus), or any material adverse change, or any development involving a prospective material adverse change, in or affecting the business, properties, management, financial position, stockholders’ equity, results of operations or prospects of the Company; (ii) the Company has not entered into any transaction or agreement (whether or not in the ordinary course of business) that is material to the Company or incurred any liability or obligation, direct or contingent, that is material to the Company; and (iii) the Company has not sustained any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, except in the case of each of clauses (i), (ii) or (iii) as otherwise disclosed in the Registration Statement, the Time of Sale Information and the Prospectus.

(h) *Organization and Good Standing.* The Company has been duly organized and is validly existing and in good standing under the laws of its jurisdiction of organization, is duly qualified to do business and is in good standing in each jurisdiction in which its ownership or lease of property or the conduct of its businesses requires such qualification, and has all power and authority necessary to own or hold its properties and to conduct the businesses in which it is engaged, except where the failure to be so qualified, in good standing or have such power or authority would not, individually or in the aggregate, have a material adverse effect on the business, properties, management, financial position, stockholders’ equity, results of operations or prospects of the Company or on the performance by the Company of its obligations under the Securities (a “Material Adverse Effect”). The Company does not own or control, directly or indirectly, any corporation, limited liability company, partnership or other entity other than a 37.5% interest in Lake Canyon Transportation & Gathering LLC, a Utah limited liability company, a 48% interest in the NJNR-UTE Gas Pipeline System established pursuant to that certain Joint Venture Agreement dated April 1, 1992 and its role as trustee under that certain Declaration of Trust executed November 3, 1986 known as the B Group Victory Trust.

(i) *Capitalization.* The Company has an authorized capitalization as set forth in the Registration Statement, the Time of Sale Information and the Prospectus under the heading “Capitalization.”

(j) *Due Authorization.* The Company has full right, power and authority to execute and deliver this Agreement, the Securities and the Indenture (collectively, the “Transaction

Documents”) and to perform its obligations hereunder and thereunder; and all action required to be taken for the due and proper authorization, execution and delivery of each of the Transaction Documents and the consummation of the transactions contemplated thereby has been duly and validly taken.

(k) *The Indenture.* The Indenture has been duly authorized by the Company and upon effectiveness of the Registration Statement was duly qualified under the Trust Indenture Act and, when duly executed and delivered in accordance with its terms by each of the parties thereto, will constitute a

valid and legally binding agreement of the Company enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability (collectively, the "Enforceability Exceptions").

(l) *The Securities.* The Securities have been duly authorized by the Company and, when duly executed, authenticated, issued and delivered as provided in the Indenture and paid for as provided herein, will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture.

(m) *Underwriting Agreement.* This Agreement has been duly authorized, executed and delivered by the Company.

(n) *Descriptions of the Transaction Documents.* Each Transaction Document conforms in all material respects to the description thereof contained in the Registration Statement, the Time of Sale Information and the Prospectus.

(o) *No Violation or Default.* The Company is not (i) in violation of its charter or by-laws; (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company is a party or by which the Company is bound or to which any of the property or assets of the Company is subject; or (iii) in violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (ii) and (iii) above, for any such default or violation that would not, individually or in the aggregate, have a Material Adverse Effect.

(p) *No Conflicts.* The execution, delivery and performance by the Company of each of the Transaction Documents, the issuance and sale of the Securities and compliance by the Company with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company is a party or by which the Company is bound or to which any of the property or assets of the Company is subject, (ii) result in any violation of the provisions of the charter or by-laws of the Company or (iii) result in the violation of any law or statute or any judgment, order, rule

or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation, default, lien, charge or encumbrance that would not, individually or in the aggregate, have a Material Adverse Effect.

(q) *No Consents Required.* No consent, approval, authorization, order, registration or qualification of or with any court or arbitrator or governmental or regulatory authority (including without limitation the Federal Energy Regulatory Commission or the California Public Utilities Commission) is required for the execution, delivery and performance by the Company of each of the Transaction Documents, the issuance and sale of the Securities and compliance by the Company with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents, except for the registration of the Securities under the Securities Act, the qualification of the Indenture under the Trust Indenture Act and such consents, approvals, authorizations, orders and registrations or qualifications as may be required under applicable state securities laws in connection with the purchase and distribution of the Securities by the Underwriters.

(r) *Legal Proceedings.* Except as described in the Registration Statement, the Time of Sale Information and the Prospectus, (i) there are no legal, governmental or regulatory investigations, actions, suits or proceedings pending to which the Company is or may be a party or to which any property of the Company is or may be the subject that, individually or in the aggregate, if determined adversely to the Company, could reasonably be expected to have a Material Adverse Effect; (ii) to the knowledge of the Company, there are no legal, governmental or regulatory investigations, actions, suits or proceedings threatened or contemplated by any governmental or regulatory authority or threatened by others that, individually or in the aggregate, if determined adversely to the Company, could reasonably be expected to have a Material Adverse Effect; and (iii) (A) there are no current or pending legal, governmental or regulatory actions, suits or proceedings that are required under the Securities Act to be described in the Registration Statement or the Prospectus that are not so described in the Registration Statement, the Time of Sale Information and the Prospectus and (B) there are no statutes, regulations or contracts or other documents that are required under the Securities Act to be filed as exhibits to the Registration Statement or described in the Registration Statement and the Prospectus that are not so filed as exhibits to the Registration Statement or described in the Registration Statement, the Time of Sale Information and the Prospectus.

(s) *Independent Accountants.* PricewaterhouseCoopers LLP, who has certified certain financial statements of the Company, is an independent registered public accounting firm with respect to the Company within the applicable rules and regulations adopted by the Commission and the Public Company Accounting Oversight Board (United States) and as required by the Securities Act.

(t) *Title to Real and Personal Property.* Except as discussed in the Registration Statement, the Time of Sale Information and the Prospectus, the Company has good and marketable title to, or has valid rights to lease or otherwise use, all items of real and personal property and assets that are material to the businesses of the Company, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except those that (i) do not materially interfere with the use made and proposed to be made of such property by the

Company or (ii) could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(u) *Title to Intellectual Property.* (i) The Company owns or possesses adequate rights to use all patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, licenses and know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) necessary for the conduct of its businesses as disclosed in the Time of Sale Information; (ii) the conduct of its businesses as disclosed in the Time of Sale Information will not conflict in any respect with any such rights of others; and (iii) the Company has not received any notice of any claim of infringement or conflict with any such rights of others; except in the case of each of clauses (i) and (ii) as would not have, individually or in the aggregate, a Material Adverse Effect.

(v) *No Undisclosed Relationships.* No relationship, direct or indirect, exists between or among the Company, on the one hand, and the directors, officers, stockholders, customers or suppliers of the Company, on the other, that is required by the Securities Act to be described in the Registration Statement and the Prospectus and that is not so described in such documents and in the Time of Sale Information.

(w) *Investment Company Act.* The Company is not and, after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in the Registration Statement, the Time of Sale Information and the Prospectus, will not be required to register as an “investment company” or an entity “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder (collectively, “Investment Company Act”).

(x) *Taxes.* (i) The Company has paid all federal, state, local and foreign taxes and filed all tax returns required to be paid or filed through the date hereof, and (ii) except as otherwise disclosed in the Registration Statement, the Time of Sale Information and the Prospectus, there is no tax deficiency that has been, or could reasonably be expected to be, asserted against the Company or any of its properties or assets, except, in the case of each of clauses (i) and (ii) above, for any such failure to so pay or file or deficiency that would not, individually or in the aggregate, have a Material Adverse Effect.

(y) *Licenses and Permits.* The Company possesses all licenses, certificates, permits and other authorizations issued by, and has made all declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities that are necessary for the ownership or lease of its properties or the conduct of its businesses as described in the Registration Statement, the Time of Sale Information and the Prospectus, except where the failure to possess or make the same would not, individually or in the aggregate, have a Material Adverse Effect; and except as described in the Registration Statement, the Time of Sale Information and the Prospectus, the Company has not received notice of any revocation or modification of any such license, certificate, permit or authorization and has no reason to believe that any such license, certificate, permit or authorization will not be renewed in the ordinary course except where such renovation, modification, or non-renewal would not, individually or in the aggregate, have a Material Adverse Effect.

(z) *No Labor Disputes.* Except as could not reasonably be expected to have a Material Adverse Effect, no labor disturbance by or dispute with employees of the Company exists or, to the knowledge of the Company, is contemplated or threatened and the Company is not aware of any existing or imminent labor disturbance by, or dispute with, the employees of any of its principal suppliers, contractors or customers.

(aa) *Compliance with Environmental Laws.* (i) The Company (x) is in compliance with any and all applicable federal, state, local and foreign laws, rules, regulations, requirements, decisions and orders relating to the protection of human health or safety, the environment, natural resources, hazardous or toxic substances or wastes, pollutants or contaminants (collectively, “Environmental Laws”); (y) has received and is in compliance with all permits, licenses, certificates or other authorizations or approvals required of it under applicable Environmental Laws to conduct its businesses; and (z) has not received notice of any actual or potential liability under or relating to any Environmental Laws, including for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, and has no knowledge of any event or condition that would reasonably be expected to result in any such notice, and (ii) there are no costs or liabilities associated with Environmental Laws of or relating to the Company, except in the case of each of (i) and (ii) above, for any such failure to comply, or failure to receive required permits, licenses or approvals, or cost or liability, as would not, individually or in the aggregate, have a Material Adverse Effect; and (iii) except as described in each of the Time of Sale Information and the Prospectus, (x) there are no proceedings that are pending, or that are known to the Company to be contemplated, against the Company under any Environmental Laws in which a governmental entity is also a party, other than such proceedings regarding which it is reasonably believed no monetary sanctions of \$100,000 or more will be imposed and (y) the Company is not aware of any issues regarding compliance with Environmental Laws, or Liabilities or other obligations under Environmental Laws or concerning hazardous or toxic substances or wastes, pollutants or contaminants, that could reasonably be expected to have a Material Adverse Effect.

(bb) *Compliance with ERISA.* (i) Each employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), for which the Company or any member of its “controlled group” (defined as any organization which is a member of a controlled group of corporations within the meaning of Section 414 of the Internal Revenue Code of 1986, as amended (the “Code”)) would have any liability (each, a “Plan”) has been maintained in all material respects in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to ERISA and the Code; (ii) to the knowledge of the Company, no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan excluding transactions effected pursuant to a statutory or administrative exemption; and (iii) no Plan is subject to Title IV of ERISA.

(cc) *Disclosure Controls.* The Company maintains an effective system of “disclosure controls and procedures” (as defined in Rule 13a-15(e) of the Exchange Act) that has been designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission’s rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to the

Company’s management as appropriate to allow timely decisions regarding required disclosure. The Company has carried out evaluations of the effectiveness of their disclosure controls and procedures as required by Rule 13a-15 of the Exchange Act.

(dd) *Accounting Controls.* The Company maintains systems of “internal control over financial reporting” (as defined in Rule 13a-15(f) of the Exchange Act) that comply with the requirements of the Exchange Act and have been designed by, or under the supervision of, its principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, including, but not limited to internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management’s general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management’s general or specific authorization; and (iv) the recorded accounts for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as disclosed in the Registration Statement, the Time of Sale Information and the Prospectus, there are no material weaknesses in the Company’s internal controls.

(ee) *Insurance.* The Company has insurance covering its properties, operations, personnel and businesses, which insurance is in amounts and insures against such losses and risks as are commercially reasonable; and the Company has (i) not received notice from any insurer or agent of such insurer

that capital improvements or other expenditures are required or necessary to be made in order to continue such insurance or (ii) no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage at reasonable cost from similar insurers as may be necessary to continue its business.

(ff) *No Unlawful Payments.* Neither the Company nor, to the knowledge of the Company, any director, officer, agent, employee or other person associated with or acting on behalf of the Company, has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977; or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(gg) *Compliance with Money Laundering Laws.* The operations of the Company are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the “Money Laundering Laws”) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(hh) *Compliance with OFAC.* Neither the Company nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company, is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”); and the Company will not directly or indirectly use the proceeds of the offering of the Securities hereunder, or lend, contribute or otherwise make available such proceeds to any joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(ii) *Solvency.* On and immediately after the Closing Date, the Company (after giving effect to the issuance of the Securities and the other transactions related thereto as described in the Registration Statement, the Time of Sale Information and the Prospectus) will be Solvent. As used in this paragraph, the term “Solvent” means, with respect to a particular date, that on such date (i) the present fair market value (or present fair saleable value) of the assets of the Company is not less than the total amount required to pay the liabilities of the Company on its total existing debts and liabilities (including contingent liabilities) as they become absolute and matured; (ii) the Company is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and commitments as they mature and become due in the normal course of business; (iii) assuming consummation of the issuance of the Securities as contemplated by this Agreement, the Registration Statement, the Time of Sale Information and the Prospectus, the Company is not incurring debts or liabilities beyond its ability to pay as such debts and liabilities mature; (iv) the Company is not engaged in any business or transaction, and does not propose to engage in any business or transaction, for which its property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which the Company is engaged; and (v) the Company is not a defendant in any civil action that would result in a judgment that the Company is or would become unable to satisfy.

(jj) *No Broker’s Fees.* The Company is not a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against the Company or any Underwriter for a brokerage commission, finder’s fee or like payment in connection with the offering and sale of the Securities.

(kk) *No Registration Rights.* No person has the right to require the Company to register any securities for sale under the Securities Act by reason of the filing of the Registration Statement with the Commission or the issuance and sale of the Securities.

(ll) *No Stabilization.* The Company has not taken, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Securities.

(mm) *Margin Rules.* Neither the issuance, sale and delivery of the Securities nor the application of the proceeds thereof by the Company as described in the Registration Statement, the Time of Sale Information and the Prospectus will violate Regulation T, U or X of the Board of Governors of the Federal Reserve System or any other regulation of such Board of Governors.

(nn) *Forward-Looking Statements.* No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in the

Registration Statement, the Time of Sale Information and the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(oo) *Statistical and Market Data.* Nothing has come to the attention of the Company that has caused the Company to believe that the statistical and market-related data included in the Registration Statement, the Time of Sale Information and the Prospectus is not based on or derived from sources that are reliable and accurate in all material respects.

(pp) *Sarbanes-Oxley Act.* There is and has been no material failure on the part of the Company or, to the knowledge of the Company, any of the Company’s directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith (the “Sarbanes-Oxley Act”), including Section 402 related to loans and Sections 302 and 906 related to certifications.

(qq) *Status under the Securities Act.* At the time of filing of the Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that the Company or any offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) under the Securities Act) of the Securities and at the date hereof, the Company was not and is not an “ineligible issuer” as defined in Rule 405 under the Securities Act.

(rr) *Reserve Report Data.* The oil and gas reserve estimates of the Company for the fiscal years ended December 31, 2011, 2010 and 2009 contained in the Registration Statement, the Time of Sale Information and the Prospectus are derived from reports that have been prepared by the petroleum

consulting firm as set forth therein, such reserve estimates fairly reflect, in all material respects, the oil and gas reserves of the Company at the dates indicated therein and are in accordance with the Commission guidelines applicable thereto applied on a consistent basis throughout the periods involved.

(ss) *Independent Reserve Engineering Firm.* DeGolyer and MacNaughton, who has certified the oil and gas reserve estimates of the Company, has represented to the Company that it is, and the Company believes it to be, an independent reserve engineering firm with respect to the Company for the periods set forth in the Registration Statement, the Time of Sale Information and the Prospectus.

(tt) *Qualifying Facilities.* Each of the electric generation facilities that the Company owns, leases and/or operates is a “qualifying facility” (“QF”) as defined under the Public Utility Regulatory Policies Act of 1978, as amended, and the regulations promulgated thereunder (“PURPA”) that sells its electric output solely at wholesale. The Company has filed all notices of certification, recertification and otherwise complied with all requirements of PURPA necessary to maintain the QF status under PURPA of each of the electric generation facilities that the Company owns, leases and/or operates. The QF status of the electric generation facilities that the Company owns, leases and/or operates is not subject to any pending challenge, investigation or request for revocation, or appeal thereof.

(uu) *Federal Power Act.* Except for regulation applicable solely to QFs under PURPA, the Company is not subject to regulation as a “public utility”, “public service company”, “holding company” (or similar designation) by any governmental or regulatory

authority, including under the Federal Power Act, as amended (“FPA”) or any applicable state utility laws.

(vv) *Utility Filings.* The Company has filed or caused to be filed with, or obtained from, the applicable state or local utility commissions or regulatory bodies (including the California Independent System Operator), all forms, statements, reports, registrations and documents (including all exhibits, amendments and supplements thereto) required to be filed by it or obtained under California state utility laws and the respective rules and regulations thereunder, except as could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, all of which complied in all material respects with all applicable requirements of the appropriate act and the rules and regulations thereunder in effect on the date each such report was filed.

4. *Further Agreements of the Company.* The Company covenants and agrees with each Underwriter that:

(a) *Required Filings.* The Company will file the final Prospectus with the Commission within the time periods specified by Rule 424(b) and Rule 430A, 430B or 430C under the Securities Act, will file any Issuer Free Writing Prospectus (including the Term Sheet in the form of Annex C hereto) to the extent required by Rule 433 under the Securities Act; and will file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus is required in connection with the offering or sale of the Securities; and the Company will furnish copies of the Prospectus and each Issuer Free Writing Prospectus (to the extent not previously delivered) to the Underwriters in New York City prior to 10:00 A.M., New York City time, on the business day next succeeding the date of this Agreement in such quantities as the Representative may reasonably request. The Company will pay the registration fees for this offering within the time period required by Rule 456(b)(1)(i) under the Securities Act (without giving effect to the proviso therein) and in any event prior to the Closing Date.

(b) *Delivery of Copies.* The Company will deliver, without charge, (i) to the Representative, two signed copies of the Registration Statement as originally filed and each amendment thereto, in each case including all exhibits and consents filed therewith and documents incorporated by reference therein; and (ii) to each Underwriter (A) a conformed copy of the Registration Statement as originally filed and each amendment thereto, in each case including all exhibits and consents filed therewith and (B) during the Prospectus Delivery Period (as defined below), as many copies of the Prospectus (including all amendments and supplements thereto and documents incorporated by reference therein) and each Issuer Free Writing Prospectus as the Representative may reasonably request. As used herein, the term “Prospectus Delivery Period” means such period of time after the first date of the public offering of the Securities as in the opinion of counsel for the Underwriters a prospectus relating to the Securities is required by law to be delivered (or required to be delivered but for Rule 172 under the Securities Act) in connection with sales of the Securities by any Underwriter or dealer.

(c) *Amendments or Supplements; Issuer Free Writing Prospectuses.* Before making, preparing, using, authorizing, approving, referring to or filing any Issuer Free Writing

Prospectus, and before filing any amendment or supplement to the Registration Statement or the Prospectus, the Company will furnish to the Representative and counsel for the Underwriters a copy of the proposed Issuer Free Writing Prospectus, amendment or supplement for review and will not make, prepare, use, authorize, approve, refer to or file any such Issuer Free Writing Prospectus or file any such proposed amendment or supplement to which the Representative reasonably object.

(d) *Notice to the Representative.* The Company will advise the Representative promptly, and confirm such advice in writing, (i) when any amendment to the Registration Statement has been filed or becomes effective; (ii) when any supplement to the Prospectus or any amendment to the Prospectus or any Issuer Free Writing Prospectus has been filed; (iii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or the receipt of any comments from the Commission relating to the Registration Statement or any other request by the Commission for any additional information; (iv) of the issuance by the Commission of any order suspending the effectiveness of the Registration Statement or preventing or suspending the use of any Preliminary Prospectus or the Prospectus or the initiation or threatening of any proceeding for that purpose or pursuant to Section 8A of the Securities Act; (v) of the occurrence of any event within the Prospectus Delivery Period as a result of which the Prospectus, the Time of Sale Information or any Issuer Free Writing Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus, the Time of Sale Information or any such Issuer Free Writing Prospectus is delivered to a purchaser, not misleading; (vi) of the receipt by the Company of any notice of objection of the Commission to the use of any post-effective amendment to the Registration Statement pursuant to Rule 401(g)(2) under the Securities Act; and (vii) of the receipt by the Company of any notice with respect to any suspension of the qualification of the Securities for offer and sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and the Company will use its reasonable best efforts to prevent the issuance of any such order suspending the effectiveness of the Registration Statement, preventing or suspending the use of any

Preliminary Prospectus or the Prospectus or suspending any such qualification of the Securities and, if any such order is issued, will obtain as soon as possible the withdrawal thereof.

(e) *Time of Sale Information.* If at any time prior to the Closing Date (i) any event shall occur or condition shall exist as a result of which the Time of Sale Information as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances, not misleading or (ii) it is necessary to amend or supplement the Time of Sale Information to comply with law, the Company will immediately notify the Underwriters thereof and forthwith prepare and, subject to paragraph (c) above, file with the Commission (to the extent required) and furnish to the Underwriters and to such dealers as the Representative may designate, such amendments or supplements to the Time of Sale Information as may be necessary so that the statements in the Time of Sale Information as so amended or supplemented will not, in the light of the circumstances, be misleading or so that the Time of Sale Information will comply with law.

(f) *Ongoing Compliance.* If during the Prospectus Delivery Period (i) any event shall occur or condition shall exist as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, not misleading or (ii) it is necessary to amend or supplement the Prospectus to comply with law, the Company will immediately notify the Underwriters thereof and forthwith prepare and, subject to paragraph (c) above, file with the Commission and furnish to the Underwriters and to such dealers as the Representative may designate, such amendments or supplements to the Prospectus as may be necessary so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, be misleading or so that the Prospectus will comply with law.

(g) *Blue Sky Compliance.* The Company will qualify the Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Representative shall reasonably request and will continue such qualifications in effect so long as required for distribution of the Securities; provided that the Company shall not be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (ii) file any general consent to service of process in any such jurisdiction or (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject.

(h) *Earnings Statement.* The Company will make generally available to its security holders and the Representative as soon as practicable an earnings statement that satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 of the Commission promulgated thereunder covering a period of at least twelve months beginning with the first fiscal quarter of the Company occurring after the “effective date” (as defined in Rule 158) of the Registration Statement.

(i) *Clear Market.* During the period from the date hereof through and including the date that is 90 days after the date hereof, the Company will not, without the prior written consent of the Representative, offer, sell, contract to sell or otherwise dispose of any debt securities issued or guaranteed by the Company and having a term of more than one year.

(j) *Use of Proceeds.* The Company will apply the net proceeds from the sale of the Securities as described in the Registration Statement, the Time of Sale Information and the Prospectus under the heading “Use of Proceeds.”

(k) *No Stabilization.* The Company will not take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Securities.

(l) *Record Retention.* The Company will, pursuant to reasonable procedures developed in good faith, retain copies of each Issuer Free Writing Prospectus that is not filed with the Commission in accordance with Rule 433 under the Securities Act.

5. Certain Agreements of the Underwriters. Each Underwriter hereby represents and agrees that:

(a) It has not used, authorized use of, referred to or participated in the planning for use of, and will not use, authorize use of, refer to, or participate in the planning for use of, any “free writing prospectus”, as defined in Rule 405 under the Securities Act (which term includes use of any written information furnished to the Commission by the Company and not incorporated by reference into the Registration Statement and any press release issued by the Company) other than (i) a free writing prospectus that, solely as a result of use by such underwriter, would not trigger an obligation to file such free writing prospectus with the Commission pursuant to Rule 433, (ii) any Issuer Free Writing Prospectus listed on Annex B or prepared pursuant to Section 3(c) or Section 4(c) above (including any electronic road show), or (iii) any free writing prospectus prepared by such underwriter and approved by the Company in advance in writing (each such free writing prospectus referred to in clauses (i) or (iii), an “Underwriter Free Writing Prospectus”). Notwithstanding the foregoing, the Underwriters may use a term sheet substantially in the form of Annex C hereto without the consent of the Company.

(b) It is not subject to any pending proceeding under Section 8A of the Securities Act with respect to the offering (and will promptly notify the Company if any such proceeding against it is initiated during the Prospectus Delivery Period).

6. Conditions of Underwriters’ Obligations. The obligation of each Underwriter to purchase Securities on the Closing Date as provided herein is subject to the performance by the Company of its covenants and other obligations hereunder and to the following additional conditions:

(a) *Registration Compliance; No Stop Order.* No order suspending the effectiveness of the Registration Statement shall be in effect, and no proceeding for such purpose, pursuant to Rule 401(g)(2) or pursuant to Section 8A under the Securities Act shall be pending before or threatened by the Commission; the Prospectus and each Issuer Free Writing Prospectus shall have been timely filed with the Commission under the Securities Act (in the case of a Issuer Free Writing Prospectus, to the extent required by Rule 433 under the Securities Act) and in accordance with Section 4(a) hereof; and all requests by the Commission for additional information shall have been complied with to the reasonable satisfaction of the Representative.

(b) *Representations and Warranties.* The representations and warranties of the Company contained herein shall be true and correct on the date hereof and on and as of the Closing Date; and the statements of the Company and its officers made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date.

(c) *No Downgrade.* Subsequent to the earlier of (A) the Time of Sale and (B) the execution and delivery of this Agreement, (i) no downgrading shall have occurred in the rating accorded the Securities, the Company's 8¼% Senior Subordinated Notes due 2016, the Company's 10¼% Senior Notes due 2014, the Company's 6¾% Senior Notes due 2020 or any other debt securities or preferred stock of or guaranteed by the Company by any "nationally recognized statistical rating organization", as such term is defined under Section 3(a)(62) under the Exchange Act and (ii) no such organization shall have publicly announced that it has under surveillance or review, or has changed its outlook with respect to, its rating of the Securities, the Company's 8¼% Senior Subordinated Notes due 2016, the Company's 10¼% Senior Notes due

2014, the Company's 6¾% Senior Notes due 2020 or of any other debt securities or preferred stock of or guaranteed by the Company (other than an announcement with positive implications of a possible upgrading).

(d) *No Material Adverse Change.* No event or condition of a type described in Section 3(g) hereof shall have occurred or shall exist, which event or condition is not described in the Time of Sale Information (excluding any amendment or supplement thereto) and the Prospectus (excluding any amendment or supplement thereto) and the effect of which in the judgment of the Representative makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Prospectus.

(e) *Officers' Certificate.* The Representative shall have received on and as of the Closing Date a certificate of the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer of the Company (i) confirming that such officers have carefully reviewed the Registration Statement, the Time of Sale Information and the Prospectus and, to the best knowledge of such officers, the representations set forth in Sections 3(b) and 3(d) hereof are true and correct, (ii) confirming that the other representations and warranties of the Company in this Agreement are true and correct and that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date and (iii) to the effect set forth in paragraphs (a), (c) and (d) above.

(f) *Comfort Letters.* On the date of this Agreement and on the Closing Date, PricewaterhouseCoopers LLP shall have furnished to the Representative, at the request of the Company, letters, dated the respective dates of delivery thereof and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representative, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained or incorporated by reference in the Registration Statement, the Time of Sale Information and the Prospectus; provided that the letter delivered on the Closing Date shall use a "cut-off" date no more than three business days prior to the Closing Date.

(g) *Opinion and 10b-5 Statement of Counsel for the Company.* Each of (i) Baker Botts L.L.P., special counsel for the Company; (ii) Akin, Gump, Strauss, Hauer & Feld LLP, special indenture counsel for the Company, and (iii) Davis O. O'Connor, general counsel for the Company, shall have furnished to the Representative, at the request of the Company, their written opinion and/or 10b-5 Statement, dated the Closing Date and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representative, to the effect set forth in (i) Annex A-1 hereto, (ii) Annex A-2 hereto and (iii) Annex A-3 hereto, respectively.

(h) *Opinion and 10b-5 Statement of Counsel for the Underwriters.* The Representative shall have received on and as of the Closing Date an opinion and 10b-5 Statement of Vinson & Elkins L.L.P., counsel for the Underwriters, with respect to such matters as the Representative may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(i) *No Legal Impediment to Issuance.* No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date, prevent the issuance or sale of the Securities; and no injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date, prevent the issuance or sale of the Securities.

(j) *Good Standing.* The Representative shall have received on and as of the Closing Date satisfactory evidence of the good standing of the Company in its jurisdiction of organization and its good standing as a foreign entity in such other jurisdictions as the Representative may reasonably request, in each case in writing or any standard form of telecommunication from the appropriate governmental authorities of such jurisdictions.

(k) *Reserve Report Confirmation Letters.* On the date of this Agreement and on the Closing Date, DeGolyer and MacNaughton shall have furnished to the Representative, at the request of the Company, letters, dated the respective dates of delivery thereof and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representative, containing statements and information with respect to the estimated oil and gas reserves of the Company as reported in letters to the Company.

(l) *Additional Documents.* On or prior to the Closing Date, the Company shall have furnished to the Representative such further certificates and documents as the Representative may reasonably request.

All opinions, letters, certificates and evidence mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Underwriters.

7. Indemnification and Contribution.

(a) *Indemnification of the Underwriters.* The Company agrees to indemnify and hold harmless each Underwriter, its affiliates, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading, (ii) or any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Prospectus (or any amendment or supplement thereto), any Issuer Free Writing Prospectus, any Time of Sale Information or any "road show" not constituting an Issuer Free Writing Prospectus, or caused by any omission or

alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance

upon and in conformity with any information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representative expressly for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in subsection (b) below.

The Company also agrees to indemnify and hold harmless the QIU, its affiliates, directors and officers and each person, if any, who controls the QIU within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities incurred as a result of the QIU's acts or omissions to act in connection with its participation as a "qualified independent underwriter" within the meaning of FINRA Rule 5121 in connection with the offering of the Securities.

(b) *Indemnification of the Company.* Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Underwriter furnished to the Company in writing by such Underwriter through the Representative expressly for use in the Registration Statement, any Preliminary Prospectus, the Prospectus (or any amendment or supplement thereto), any Issuer Free Writing Prospectus or any Time of Sale Information, it being understood and agreed that the only such information consists of the following information in the Issuer Free Writing Prospectus dated March 6, 2012: the final sentence of the ultimate paragraph of such Issuer Free Writing Prospectus which sentence relates to the Underwriters' phone numbers; and the following information in the Preliminary Prospectus and the Prospectus: (i) the third paragraph under the caption "Underwriting", which paragraph relates to selling arrangements; (ii) third sentence of the eighth paragraph under the caption "Underwriting," which sentence relates to market-making; and (iii) the fifth and sixth paragraphs under the caption "Underwriting," which paragraphs relate to stabilizing transactions.

(c) *Notice and Procedures.* If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to either paragraph (a) or (b) above, such person (the "Indemnified Person") shall promptly notify the person against whom such indemnification may be sought (the "Indemnifying Person") in writing; provided that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under paragraph (a) or (b) of this Section 7 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under paragraph (a) or (b) of this Section 7. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person and any others entitled to indemnification pursuant to Section 7 that the Indemnifying Party may designate in such proceeding and shall pay the costs and expenses of such proceeding and shall

pay the fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interest between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be reimbursed as they are incurred; provided, however that if indemnity may be sought pursuant to the second paragraph of 7(a) above in respect of such proceeding, then in addition to such separate firm of the Underwriters, their affiliates and such control persons of the Underwriters the indemnifying party shall be liable for the fees and expenses of not more than one separate firm (in addition to any local counsel) for the QIU in its capacity as a "qualified independent underwriter", its affiliates and all persons, if any, who control the QIU within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act. Any such separate firm for any Underwriter, its affiliates, directors and officers and any control persons of such Underwriter shall be designated in writing by the Representative and any such separate firm for the Company, its directors, its officers who signed the Registration Statement and any control persons of the Company shall be designated in writing by the Company. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested that an Indemnifying Person reimburse the Indemnified Person for fees and expenses of counsel as contemplated by this paragraph, the Indemnifying Person shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by the Indemnifying Person of such request and (ii) the Indemnifying Person shall not have (A) reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement or (B) notified the Indemnified Person in writing that it is disputing in good faith all or any non-reimbursed portion of the fees and expenses included in such request stating in reasonable detail the basis for such dispute. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) *Contribution.* If the indemnification provided for in paragraphs (a) and (b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters or the QIU in its capacity as a “qualified independent underwriter,” as the case may be, on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company on the one hand and the Underwriters or the QIU in its capacity as a “qualified independent underwriter,” as the case may be, on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters or the QIU in its capacity as a “qualified independent underwriter,” as the case may be, on the other shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Company from the sale of the Securities and the total underwriting discounts and commissions received by the Underwriters in connection therewith, in each case as set forth in the table on the cover of the Prospectus, or the fee to be received by the QIU in its capacity as a “qualified independent underwriter”, as the case may be, bear to the aggregate offering price of the Securities. The relative fault of the Company on the one hand and the Underwriters or the QIU in its capacity as a “qualified independent underwriter,” as the case may be, on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters or the QIU in its capacity as a “qualified independent underwriter,” as the case may be, and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) *Limitation on Liability.* The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of this Section 7, in no event shall an Underwriter be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter with respect to the offering of the Securities exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters’ obligations to contribute pursuant to this Section 7 are several in proportion to their respective purchase obligations hereunder and not joint.

(f) *Non-Exclusive Remedies.* The remedies provided for in this Section 7 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Person at law or in equity.

8. Effectiveness of Agreement. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

9. Termination. This Agreement may be terminated in the absolute discretion of the Representative, by notice to the Company, if after the execution and delivery of this Agreement and prior to the Closing Date (a) trading generally shall have been suspended or materially limited on the New York Stock Exchange or the over-the-counter market; (b) trading of any securities issued or guaranteed by the Company shall have been suspended on any exchange or in any over-the-counter market; (c) a general moratorium on commercial banking activities shall have been declared by federal or New York State authorities; or (d) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Representative, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Prospectus.

10. Defaulting Underwriter. (a) If, on the Closing Date, any Underwriter defaults on its obligation to purchase the Securities that it has agreed to purchase hereunder, the non-defaulting Underwriters may in their discretion arrange for the purchase of such Securities by other persons satisfactory to the Company on the terms contained in this Agreement. If, within 36 hours after any such default by any Underwriter, the non-defaulting Underwriters do not arrange for the purchase of such Securities, then the Company shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to the non-defaulting Underwriters to purchase such Securities on such terms. If other persons become obligated or agree to purchase the Securities of a defaulting Underwriter, either the non-defaulting Underwriters or the Company may postpone the Closing Date for up to five full business days in order to effect any changes that in the opinion of counsel for the Company or counsel for the Underwriters may be necessary in the Registration Statement and the Prospectus or in any other document or arrangement, and the Company agrees to promptly prepare any amendment or supplement to the Registration Statement and the Prospectus that effects any such changes. As used in this Agreement, the term “Underwriter” includes, for all purposes of this Agreement unless the context otherwise requires, any person not listed in Schedule 1 hereto that, pursuant to this Section 10, purchases Securities that a defaulting Underwriter agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters and the Company as provided in paragraph (a) above, the aggregate principal amount of such Securities that remains unpurchased does not exceed one-eleventh of the aggregate principal amount of all the Securities, then the Company shall have the right to require each non-defaulting Underwriter to purchase the principal amount of Securities that such Underwriter agreed to purchase hereunder plus such Underwriter’s pro rata share (based on the principal amount of Securities that such Underwriter agreed to purchase hereunder) of the Securities of such defaulting Underwriter or Underwriters for which such arrangements have not been made.

(c) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters and the Company as provided in paragraph (a) above, the aggregate principal amount of such Securities that remains unpurchased exceeds one-eleventh of the aggregate principal amount of all the Securities, or if the Company shall not exercise the right described in paragraph (b) above, then this Agreement shall terminate without liability on the part of the non-defaulting Underwriters. Any termination of this Agreement pursuant to this Section 10 shall be without liability on the part of the Company, except that the Company will continue to be liable for the payment of expenses as set forth in Section 11 hereof and except that the provisions of Section 7 hereof shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Underwriter of any liability it may have to the Company or any non-defaulting Underwriter for damages caused by its default.

11. **Payment of Expenses.** (a) Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, the Company will pay or cause to be paid all costs and expenses incident to the performance of its obligations hereunder, including without limitation, (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Securities and any taxes payable in that connection; (ii) the costs incident to the preparation, printing and filing under the Securities Act of the Registration Statement, the Preliminary Prospectus, any Issuer Free Writing Prospectus, any Time of Sale Information and the Prospectus (including all exhibits, amendments and supplements thereto) and the distribution thereof; (iii) the costs of reproducing and distributing each of the Transaction Documents; (iv) the fees and expenses of the Company's counsel and independent accountants; (v) the fees and expenses incurred in connection with the registration or qualification and determination of eligibility for investment of the Securities under the laws of such jurisdictions as the Representative may designate and the preparation, printing and distribution of a Blue Sky Memorandum (including the related fees and expenses of counsel for the Underwriters); (vi) any fees charged by rating agencies for rating the Securities; (vii) the fees and expenses of the Trustee and any paying agent (including related fees and expenses of any counsel to such parties); (viii) all expenses and application fees incurred in connection with any filing with, and clearance of the offering by, FINRA (including the fees (of \$10,000) and expenses of the QIU acting as "qualified independent underwriter" within the meaning of the aforementioned FINRA Rule 5121); and (ix) all expenses incurred by the Company in connection with any "road show" presentation to potential investors (subject to the reimbursement by the Underwriters of one-half of the costs of using an airplane with respect to any such "road show" presentation).

(b) If (i) this Agreement is terminated pursuant to Section 9, (ii) the Company for any reason fails to tender the Securities for delivery to the Underwriters or (iii) the Underwriters decline to purchase the Securities for any reason permitted under this Agreement, the Company agrees to reimburse the Underwriters for all out-of-pocket costs and expenses (including the fees and expenses of their counsel) reasonably incurred by the Underwriters in connection with this Agreement and the offering contemplated hereby.

12. **Persons Entitled to Benefit of Agreement.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and any controlling persons referred to herein, and the affiliates of each

Underwriter referred to in Section 7 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Securities from any Underwriter shall be deemed to be a successor merely by reason of such purchase.

13. **Survival.** The respective indemnities, rights of contribution, representations, warranties and agreements of the Company and the Underwriters contained in this Agreement or made by or on behalf of the Company or the Underwriters pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Securities and shall remain in full force and effect, regardless of any termination of this Agreement or any investigation made by or on behalf of the Company or the Underwriters.

14. **Certain Defined Terms.** For purposes of this Agreement, (a) except where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the Securities Act; (b) the term "business day" means any day other than a day on which banks are permitted or required to be closed in New York City; (c) the term "subsidiary" has the meaning set forth in Rule 405 under the Securities Act and (d) the term "significant subsidiary" has the meaning set forth in Rule 1-02 of Regulation S-X under the Exchange Act.

15. **Miscellaneous.** (a) **Authority of the Representative.** Any action by the Underwriters hereunder may be taken by the Representative on behalf of the Underwriters, and any such action taken by the Representative shall be binding upon the Underwriters.

(b) **Notices.** All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of telecommunication. Notices to the Underwriters shall be given to the Representative, c/o Wells Fargo Securities, LLC, 301 South College Street, Charlotte, North Carolina 28288-0604, Attention: Jeff Gore, with a copy (which shall not constitute notice) to Vinson & Elkins, 1001 Fannin Street, Houston, Texas 77002, Attention: Jim Prince. Notices to the Company shall be given to it at 1999 Broadway, Suite 3700, Denver, Colorado 80202 (fax: (303) 999-4400); Attention: Kenneth A. Olson, Corporate Secretary.

(c) **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(d) **Counterparts.** This Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original and all of which together shall constitute one and the same instrument.

(e) **Amendments or Waivers.** No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

(f) **Headings.** The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

Very truly yours,

BERRY PETROLEUM COMPANY

By: /s/ David Wolf

Signature Page to Underwriting Agreement

Accepted as of the date hereof:

WELLS FARGO SECURITIES, LLC

By: /s/ Kevin Scotto
Kevin Scotto
Authorized Signatory
(Wells Fargo Securities, LLC)
on behalf of each of the Underwriters
listed on Schedule 1 hereto

Signature Page to Underwriting Agreement

Schedule 1

Underwriter	Principal Amount of Securities
Wells Fargo Securities, LLC	\$ 159,000,000
BMO Capital Markets Corp.	51,000,000
Credit Suisse Securities (USA) LLC	51,000,000
J.P. Morgan Securities LLC	51,000,000
RBS Securities Inc.	51,000,000
SG Americas Securities, LLC	51,000,000
RBC Capital Markets, LLC	42,000,000
Citigroup Global Markets Inc.	36,000,000
Mitsubishi UFJ Securities (USA), Inc.	36,000,000
U.S. Bancorp Investments, Inc.	36,000,000
BOSC, Inc.	6,000,000
KeyBanc Capital Markets Inc.	6,000,000
Lloyds Securities Inc.	6,000,000
Morgan Keegan & Company, Inc.	6,000,000
Natixis Securities Americas LLC	6,000,000
Scotia Capital (USA) Inc.	6,000,000
Total	\$ 600,000,000

Schedule 1

Annex A-1

[Form of Opinion of Baker Botts L.L.P.]

1. The Registration Statement is an “automatic shelf registration statement” as defined in Rule 405 under the Securities Act that has been filed with the Commission not earlier than three years prior to the date of the Underwriting Agreement; each of the Preliminary Prospectus and the Prospectus was filed with the Commission pursuant to Rule 424(b) under the Securities Act on the date specified therein within the time periods prescribed thereby; and, to our knowledge, no order suspending the effectiveness of the Registration Statement has been issued, no notice of objection of the Commission to the use of such registration statement or any amendment thereto pursuant to Rule 401(g)(2) under the Securities Act has been received by the Company and no proceeding for that purpose or pursuant to Section 8A of the Securities Act against the Company or in connection with the offering is pending or threatened by the Commission.

2. The Transaction Documents have been duly authorized by all necessary corporate action on behalf of the Company, and have been executed and delivered by the Company.

3. The statements in the Time of Sale Information and Prospectus under the captions “Description of Other Indebtedness,” insofar as they purport to constitute summaries of the documents described therein, accurately summarize the documents described therein in all material respects.

4. The statements set forth in the Time of Sale Information and Prospectus under the caption “United States Federal Tax Considerations”, insofar as they purport to constitute a summary of United States federal income tax law and regulations or legal conclusions with respect thereto, accurately summarize the matters described therein in all material respects subject to the qualifications set forth therein.

5. The execution, delivery and performance by the Company of each of the Transaction Documents, the issuance and sale of the Securities and compliance by the Company with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien,

charge or encumbrance upon any property or assets of the Company pursuant to any agreement that is filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011, (ii) result in any violation of the provisions of the charter or by-laws of the Company or (iii) result in the violation of any applicable law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority of the United States of America or the States of Delaware or Texas having jurisdiction over the Company of which such counsel has knowledge, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation or default that would not, individually or in the aggregate, have a Material Adverse Effect.

6. No consent, approval, authorization, order, registration or qualification of or with any federal, Texas or Delaware court or arbitrator or governmental or regulatory authority is

Annex A-1 - 1

required for the execution, delivery and performance by the Company of each of the Transaction Documents, the issuance and sale of the Securities and compliance by the Company with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents, except for the registration of the Securities under the Securities Act, the qualification of the Indenture under the Trust Indenture Act and such consents, approvals, authorizations, orders and registrations or qualifications as may be required under applicable state securities laws in connection with the purchase and distribution of the Securities by the Underwriters.

7. The Company is not and, after giving effect to the offering and sale of the Securities and the application of the net proceeds thereof as described in the Registration Statement, the Time of Sale Information and the Prospectus, the Company will not be required to register as an "investment company" as such term is defined in the Investment Company Act of 1940.

Such counsel shall also state as follows:

Such counsel has reviewed the Registration Statement, the Time of Sale Information and the Prospectus and has participated in conferences with officers and other representatives of the Company, with representatives of the Company's independent registered public accounting firm and independent petroleum engineer and with the Underwriters and the Underwriters' counsel, at which the contents of the Registration Statement, the Time of Sale Information, the Prospectus and related matters were discussed. The purpose of such counsel's professional engagement was not to establish or confirm factual matters set forth in the Registration Statement, the Time of Sale Information or the Prospectus, and such counsel has not undertaken to verify independently any of the factual matters in such documents. Moreover, many of the determinations required to be made in the preparation of the Registration Statement, the Time of Sale Information and the Prospectus involve matters of a non-legal nature. Accordingly, such counsel is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements contained or included in the Registration Statement, the Time of Sale Information and the Prospectus (except to the extent stated in paragraphs 3 and 4 above). Subject to the foregoing and on the basis of the information such counsel gained in the course of performing the services referred to above, such counsel advises you that:

(a) the Registration Statement, as of the latest effective time, the Preliminary Prospectus, as of the Time of Sale, and the Prospectus, as of its date and the date hereof, appear on their face to be appropriately responsive in all material respects to the requirements of the Securities Act; and

(b) nothing came to such counsel's attention that caused it to believe that:

(1) the Registration Statement, as of the latest effective time, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading,

(2) the Time of Sale Information, as of the Time of Sale, included an untrue statement of a material fact or omitted to state a material fact necessary in order to make

Annex A-1 - 2

the statements therein, in the light of the circumstances under which they were made, not misleading, or

(3) the Prospectus, as of its date or as of the date hereof, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

it being understood that in each case such counsel have not been asked to, and does not, express any belief with respect to (a) the financial statements and schedules or other financial or accounting information contained or included or incorporated by reference therein or omitted therefrom, (b) the summary reserve report of DeGolyer and MacNaughton and the reserve information contained or included or incorporated by reference therein or omitted therefrom, (c) representations and warranties and other statements of fact contained in the exhibits to the Registration Statement or documents incorporated by reference therein or (d) that part of the Registration Statement that constitutes the Form T-1.

Annex A-1 - 3

Annex A-2

[Form of Opinion of Akin, Gump, Strauss, Hauer & Feld LLP]

1. To the extent such issues are governed thereby, the Transaction Documents have been duly executed and delivered by the Company under the Laws of the State of New York.

2. The Indenture constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

3. When the Securities have been authenticated and delivered by the Trustee in accordance with the Indenture and payment therefor has been made by the Underwriters in accordance with the Underwriting Agreement, the Securities will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, and will be entitled to the benefits of the Indenture.
4. The Indenture and the Securities conform in all material respects to the description thereof contained in the Prospectus Supplement under the caption "Description of Notes."
5. The Indenture appears to be appropriately responsive in all material respects to the requirements of the Trust Indenture Act.

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Annex A-3

[Form of Opinion of Davis O. O'Connor]

1. The Company has been duly incorporated and is validly existing and in good standing under the laws of its jurisdiction of organization, is duly qualified to do business and is in good standing in each jurisdiction in which its ownership or lease of property or the conduct of its businesses requires such qualification, and has all corporate power and authority necessary to own or hold its properties and to conduct the businesses in which it is engaged, except where the failure to be so qualified or have such power or authority would not, individually or in the aggregate, have a Material Adverse Effect.
2. The Company has an authorized capitalization as set forth in the Registration Statement, the Time of Sale Information and the Prospectus under the heading "Capitalization."
3. The Transaction Documents have been duly authorized by all necessary corporate action on behalf of the Company, and have been executed and delivered by the Company, and the Company has the corporate power and authority to consummate the transactions contemplated thereby and perform its obligations thereunder.
4. To such counsel's knowledge, except as described in the Registration Statement, the Time of Sale Information and the Prospectus, there are no legal, governmental or regulatory investigations, actions, suits or proceedings pending, threatened or contemplated to which the Company is or may be a party or to which any property of the Company is or may be the subject required to be described in the Registration Statement, the Time of Sale Information or the Prospectus which are not described as required.

Such counsel shall also state as follows:

Such counsel has reviewed the Registration Statement, the Time of Sale Information and the Prospectus and has participated in conferences with officers and other representatives of the Company, with representatives of the Company's independent registered public accounting firm and independent petroleum engineer and with the Underwriters and the Underwriters' counsel, at which the contents of the Registration Statement, the Time of Sale Information, the Prospectus and related matters were discussed. The purpose of such counsel's professional engagement was not to establish or confirm factual matters set forth in the Registration Statement, the Time of Sale Information or the Prospectus, and such counsel has not undertaken to verify independently any of the factual matters in such documents. Moreover, many of the determinations required to be made in the preparation of the Registration Statement, the Time of Sale Information and the Prospectus involve matters of a non-legal nature. Accordingly, such counsel is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements contained or included in, the Registration Statement, the Time of Sale Information and the Prospectus (except to the extent stated in paragraph 2 above). Subject to the foregoing and on the basis of the information such counsel gained in the course of performing the services referred to above, such counsel advises you that nothing came to such counsel's attention that caused it to believe that:

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(1) the Registration Statement, as of the latest effective time, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading,

(2) the Time of Sale Information, as of the Time of Sale, included an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or

(3) the Prospectus, as of its date or as of the date hereof, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

it being understood that in each case such counsel have not been asked to, and does not, express any belief with respect to (a) the financial statements and schedules or other financial or accounting information contained or included or incorporated by reference therein or omitted therefrom, (b) the summary reserve report of DeGolyer and MacNaughton and the reserve information contained or included or incorporated by reference therein or omitted therefrom, (c) representations and warranties and other statements of fact contained in the exhibits to the Registration Statement or documents incorporated by reference therein or (d) that part of the Registration Statement that constitutes the Form T-1.

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Annex B

a. Time of Sale Information

BERRY PETROLEUM COMPANY
6³/₈% Senior Notes due 2022
Term Sheet
March 6, 2012

The following information supplements the preliminary prospectus supplement dated March 6, 2012 to the prospectus dated August 11, 2009.

Issuer:	Berry Petroleum Company
Security Description:	Senior Notes
Distribution:	SEC Registered
Face:	\$600,000,000
Net Proceeds to Issuer (before expenses):	\$589,500,000
Coupon:	6 ³ / ₈ %
Maturity:	September 15, 2022
Offering Price:	100.000%
Yield to Maturity:	6.375%
Spread to Treasury:	+443 bps
Benchmark:	2.000% due February 15, 2022
Interest Payment Dates:	March 15 and September 15, beginning on September 15, 2012
Optional Redemption Call Schedule:	

Year	Percentage
March 15, 2017	103.188%
March 15, 2018	102.125%
March 15, 2019	101.063%
March 15, 2020 and thereafter	100.000%

Make-Whole Amount:	Make-whole call prior to March 15, 2017, as described in the preliminary prospectus supplement, plus accrued and unpaid interest.
Equity Claw:	Up to 35% prior to March 15, 2015 at 106.375% of the principal amount of the Notes, plus accrued and unpaid interest.
Change of Control:	Put @ 101% of principal plus accrued interest
Trade Date:	March 6, 2012
Settlement Date:	March 9, 2012 (T+3)
CUSIP:	085789 AF2
ISIN:	US085789AF27
Joint Book-Running Managers:	Wells Fargo Securities, LLC BMO Capital Markets Corp. Credit Suisse Securities (USA) LLC J.P. Morgan Securities LLC RBS Securities Inc. SG Americas Securities, LLC
Senior Co-Managers:	RBC Capital Markets, LLC Citigroup Global Markets Inc. Mitsubishi UFJ Securities (USA), Inc. U.S. Bancorp Investments, Inc.
Co-Managers:	BOSC, Inc. KeyBanc Capital Markets Inc. Lloyds Securities Inc. Morgan Keegan & Company, Inc. Natixis Securities Americas LLC Scotia Capital (USA) Inc.

Annex C - 1

The issuer has filed a registration statement (including a prospectus) with the U.S. Securities and Exchange Commission (SEC) for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC web site at <http://www.sec.gov>. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Wells Fargo Securities, LLC toll-free at 1-800-326-5897, BMO Capital Markets Corp. at 1-212-702-1882, Credit Suisse Securities (USA) LLC at 1-800-221-1037, J.P. Morgan Securities LLC at 1-800-2445-8812, RBS Securities Inc. toll-free from inside the United States at 1-866-884-2071 or SG Americas Securities, LLC at 1-212-278-7128.

Annex C - 2



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WASHINGTON

March 9, 2012

078311.0109

Berry Petroleum Company
1999 Broadway, Suite 3700
Denver, Colorado 80202

Ladies and Gentlemen:

In connection with the issuance by Berry Petroleum Company, a Delaware corporation (the "Company"), of \$600,000,000 aggregate principal amount of its 6³/₈% Senior Notes due 2022 (the "Notes") pursuant to (a) the Registration Statement of the Company on Form S-3 (Registration No. 333-161243) (the "Registration Statement"), which was filed by the Company with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), and (b) the prospectus relating to the sale of the Notes dated March 6, 2012 (the "Prospectus"), as filed by the Company with the Commission pursuant to Rule 424(b) under the Securities Act, certain legal matters with respect to the Notes are being passed upon for you by us. At your request, this opinion is being furnished to you for filing as Exhibit 5.1 to the Current Report of the Company on Form 8-K to be filed with the Commission on the date hereof (the "Form 8-K").

The Notes are to be issued pursuant to the indenture dated as of June 15, 2006, between the Company and Wells Fargo Bank, National Association, as trustee (the "Base Indenture"), as amended and supplemented by the Third Supplemental Indenture thereto to be dated as of March 9, 2012 (the "Supplemental Indenture" and, together with the Base Indenture, the "Indenture").

In our capacity as your counsel in the connection referred to above, we have examined originals, or copies certified or otherwise identified, of (i) the Amended and Restated Certificate of Incorporation and Restated By-laws of the Company, each as amended to date; (ii) the Underwriting Agreement (the "Underwriting Agreement"), dated March 6, 2012, by and among Berry Petroleum Company and Wells Fargo Securities, LLC, as representative of the underwriters named therein (the "Underwriters"), relating to the issuance and sale of the Notes; (iii) the Registration Statement and the Prospectus; (iv) the Base Indenture and the form of Supplemental Indenture; and (v) the corporate records of the Company, including minute books of the Company, as furnished to us by the Company, certificates of public officials and of representatives of the Company, statutes and other instruments and documents as a basis for the opinions hereinafter expressed. In giving such opinions, we have relied upon certificates of officers of the Company and of public officials with respect to the accuracy of the material factual matters contained in such certificates. In giving the opinions below, we have assumed that the signatures on all documents examined by us are genuine, that all documents submitted to

us as originals are accurate and complete, that all documents submitted to us as copies are true and correct copies of the originals thereof and that all information submitted to us was accurate and complete. We also have assumed that the Notes will be issued and sold in the manner set forth in the Prospectus and the Underwriting Agreement.

On the basis of the foregoing, and subject to the assumptions, limitations and qualifications set forth herein, we are of the opinion that the Notes, when duly executed, issued and delivered by the Company and authenticated and delivered by the Trustee in accordance with the terms of the Indenture and duly purchased and paid for by the Underwriters in accordance with the terms of the Underwriting Agreement, and assuming the due authorization, execution and delivery of the Indenture by the Trustee, will constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, except as enforcement may be limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or conveyance and similar laws relating to or affecting the rights and remedies of creditors and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (b) public policy, applicable law relating to fiduciary duties and indemnification and contribution and an implied covenant of good faith and fair dealing.

The opinion set forth above is limited in all respects to matters of the contract law of the State of New York, the Delaware General Corporation Law and applicable federal law. We hereby consent to the filing of this opinion of counsel as Exhibit 5.1 to the Form 8-K. We also consent to the reference to our Firm under the headings "Legal Matters" in the Prospectus. In giving this consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Baker Botts L.L.P.



Berry Petroleum Company News Release

Berry Petroleum Announces an Offering of \$600 Million Aggregate Principal Amount of Senior Notes Due 2022

Denver — (BUSINESS WIRE) — March 6, 2012 — Berry Petroleum Company (NYSE:BRY) announced today that it intends to publicly offer, subject to market and other customary conditions, \$600 million aggregate principal amount of senior notes due 2022 (the “2022 Notes”) pursuant to its effective shelf registration statement previously filed with the Securities and Exchange Commission (the “SEC”).

Berry intends to use the net proceeds from the offering to redeem all \$200 million outstanding principal amount of its 8¼% Senior Subordinated Notes due 2016 (the “2016 Notes”), to finance a tender offer (the “Tender Offer”) for up to \$150 million aggregate principal amount of its 10¼% Senior Notes due 2014 (the “2014 Notes”) and to reduce outstanding borrowings under its senior secured revolving credit facility. To the extent that Berry purchases less than \$150 million of its 2014 Notes in the Tender Offer, it intends to use the net proceeds that otherwise would have been used to purchase the 2014 Notes to further reduce outstanding borrowings under its senior secured revolving credit facility. Pending the application of the net proceeds to redeem the 2016 Notes and finance the Tender Offer, Berry intends to reduce outstanding borrowings under its senior secured revolving credit facility, and it may temporarily invest the remaining net proceeds in cash equivalents or short-term investments. The offering of 2022 Notes is not conditioned upon the successful consummation of the Tender Offer.

Wells Fargo Securities, LLC, BMO Capital Markets Corp., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, RBS Securities Inc. and SG Americas Securities, LLC are acting as joint book-running managers. A preliminary prospectus supplement relating to the offering has been filed with the SEC and may be found on its website at www.sec.gov. Alternatively, the underwriters will arrange to send you the preliminary prospectus supplement and related base prospectus if you request them by contacting:

Wells Fargo Securities, LLC
Attn: Client Support
550 South Tryon Street
7th Floor MAC D1086-070
Charlotte, NC 28202
Telephone: (800) 326-5897
Email: cmclientsupport@wellsfargo.com

BMO Capital Markets Corp.
3 Times Square, 28th Floor
New York, NY 10036
Attention: High Yield Syndicate
Telephone: (212) 702-1882

Credit Suisse Securities (USA) LLC
Attention: Prospectus Department
One Madison Avenue
New York, New York 10010
Telephone (800) 221-1037

J.P. Morgan Securities LLC
383 Madison Avenue, 3rd Floor
New York, New York 10179
Attention: Syndicate Desk
Telephone: 800-245-8812

RBS Securities Inc.
600 Washington Boulevard
Stamford, Connecticut 06901
Attn: High Yield Debt Capital Markets Syndicate
Telephone: (866) 884-2071

SG Americas Securities, LLC
1221 Avenue of the Americas
New York, New York 10020
Attention: David C. Sharp, Managing Director Capital
Markets & Syndicate - Americas
E-mail: david-c.sharp@sgcib.com
Telephone: (212) 278-7128
Fax: (212) 278-2072

This press release does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any state. The notes will be offered only by means of a prospectus, including the prospectus supplement relating to the notes, meeting the requirements of Section 10 of the Securities Act of 1933, as amended. The Tender Offer is being made pursuant to the offer to purchase issued in connection with the Tender Offer, and this press release is not an offer to purchase with respect to any of the 2014 Notes.

About Berry Petroleum Company

Berry Petroleum Company is a publicly traded independent oil and gas production and exploitation company with operations in California, Colorado, Texas and Utah.

Safe harbor under the “Private Securities Litigation Reform Act of 1995”

Any statements in this news release that are not historical facts are forward-looking statements that involve risks and uncertainties. Words such as “estimate,” “expect,” “would,” “will,” “target,” “goal” and “intend” and forms of those words and others indicate forward-looking statements. These statements include but are not limited to forward-looking statements about the offering, the size of the offering, the use of the net proceeds from the offering and the planned Tender Offer, including whether the Tender Offer is consummated in whole or in part. These statements are based on certain assumptions made by the Company based on management’s experience and perception of historical trends, current conditions, anticipated future developments and other factors believed to be appropriate. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. Important factors which could affect actual results are discussed in Berry’s filings with the SEC, including its Annual Report on Form 10-K filed with the SEC on February 28, 2012.

Berry Petroleum Company
Investors and Media
David Wolf, 1-303-999-4400
or
Shawn Canaday, 1-303-999-4000


Berry Petroleum Company News Release
BERRY PETROLEUM COMPANY ANNOUNCES COMMENCEMENT OF MODIFIED DUTCH AUCTION TENDER OFFER FOR ITS 10¼% SENIOR NOTES DUE 2014

Denver — (BUSINESS WIRE) — March 6, 2012 — Berry Petroleum Company (NYSE:BRY), announced today that it has commenced a cash tender offer (the “Offer”) for up to \$150 million aggregate principal amount (the “Tender Cap”) of its outstanding 10¼% Senior Notes due 2014 (the “Notes”). The Offer is scheduled to expire at 11:59 p.m., New York City time, on April 2, 2012, unless extended or earlier terminated (the “Expiration Date”). As of March 1, 2012, \$355,256,000 principal amount of Notes were outstanding. Information related to the Notes and the Offer are listed in the table below.

CUSIP No.	Outstanding Principal Amount	Title of Security	Early Tender Date	Early Tender Payment(1)	Total Consideration (Acceptable Bid Price Range) (1)(2)
085789AD7	\$ 355,256,000	10¼% Senior Notes due 2014	March 19, 2012, 5:00 p.m., New York City time	\$ 30.00	\$1,155.00 - \$1,175.00

(1) Per \$1,000 principal amount of Notes that are accepted for purchase.

(2) Includes the Early Tender Payment.

The “Total Consideration” for each \$1,000 principal amount of Notes will be determined based on a modified “Dutch Auction” procedure. Each holder that tenders Notes in the Offer will specify a “Bid Price,” within a range specified in the table above, which represents the minimum consideration such holder is willing to receive for those Notes. Holders who tender Notes without specifying a Bid Price will be deemed to have specified \$1,155.00 per \$1,000 principal amount of Notes. The total consideration payable under the Offer, and the Bid Price specified by holders of Notes electing to participate, includes an “Early Tender Payment” of \$30.00 for each \$1,000 principal amount of Notes. Holders will only be eligible to receive the Early Tender Payment for Notes that such holders have validly tendered (and not withdrawn) prior to 5:00 p.m., New York City time, on March 19, 2012, unless extended. If the aggregate amount of Notes validly tendered (and not withdrawn) with a Bid Price equal to or below the Total Consideration exceeds the Tender Cap, then holders of Notes who tender Notes with a Bid Price equal to the Total Consideration will be subject to proration as described in the Offer to Purchase (defined below).

Holders whose Notes are purchased in the Offer will also receive accrued and unpaid interest from the most recent interest payment date for the Notes to, but not including, the settlement date. The Company currently anticipates that the settlement date will be April 3, 2012.

Tendered Notes may be withdrawn before 5:00 p.m., New York City time, on March 19, 2012, unless extended (the “Withdrawal Date”). Holders of Notes who tender their Notes after the Withdrawal Date, but prior to the Expiration Date, may not withdraw their Notes. The Company reserves the right, in its sole discretion, to increase the Tender Cap. If the Company increases the Tender Cap, it does not expect to extend the Withdrawal Date or otherwise reinstate withdrawal rights.

The Offer is subject to the satisfaction of certain conditions including: (1) consummation of a new capital markets debt offering resulting in net proceeds on terms satisfactory to the Company in an amount sufficient to fund the Offer and (2) certain other customary conditions.

The complete terms and conditions of the Offer are described in the Offer to Purchase dated March 6, 2012, copies of which may be obtained from D.F. King & Co., Inc., the tender agent and information agent for the Offer, at (800) 628-8536 (US toll free) or, for banks and brokers, (212) 269-5550.

The Company has retained Wells Fargo Securities, LLC to act as the exclusive dealer manager in connection with the Offer. Questions regarding the terms of the Offer may be directed to Wells Fargo Securities, LLC at (866) 309-6316 (toll-free) or (704) 715-8341 (collect).

This announcement is not an offer to purchase or a solicitation of an offer to purchase with respect to any securities. The Offer is being made solely by the Offer to Purchase dated March 6, 2012. The Offer is not being made to holders of Notes in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction.

About Berry Petroleum Company

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Any statements in this news release that are not historical facts are forward-looking statements that involve risks and uncertainties. Words such as “estimate,” “expect,” “would,” “will,” “target,” “goal” and “intend” and forms of those words and others indicate forward-looking statements. These statements include but are not limited to forward-looking statements about the consummation of a debt offering and the planned Tender Offer, including whether the Tender Offer is consummated in whole or in part. These statements are based on certain assumptions made by the Company based on management’s experience and perception of historical trends, current conditions, anticipated future developments and other factors believed to be appropriate. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. Important factors which could affect actual results are discussed in Berry’s filings with the SEC, including its Annual Report on Form 10-K filed with the SEC on February 28, 2012.

Source: Berry Petroleum Company

**Berry Petroleum Company
Investors and Media**

David Wolf, 1-303-999-4400

or

Shawn Canaday, 1-303-999-4000



Berry Petroleum Company News Release

Berry Petroleum Announces Pricing of \$600 Million of 6³/₈% Senior Notes Due 2022

Denver — (BUSINESS WIRE) — March 6, 2012 — Berry Petroleum Company (NYSE:BRY) announced today that it has priced an underwritten public offering of \$600 million aggregate principal amount of senior notes due 2022 (the “Notes”), which will bear interest at a rate of 6³/₈% per year. The Notes are being sold at par. Berry expects to close the sale of the notes on March 9, 2012, subject to the satisfaction of customary closing conditions. The offering is being made pursuant to Berry’s effective shelf registration statement previously filed with the Securities and Exchange Commission (the “SEC”).

Berry intends to use the net proceeds from the offering to redeem all \$200 million outstanding principal amount of its 8¹/₄% Senior Subordinated Notes due 2016 (the “2016 Notes”), to finance a tender offer (the “Tender Offer”) for up to \$150 million aggregate principal amount of its 10¹/₄% Senior Notes due 2014 (the “2014 Notes”) and to reduce outstanding borrowings under its senior secured revolving credit facility. To the extent that Berry purchases less than \$150 million of its 2014 Notes in the Tender Offer, it intends to use the net proceeds that otherwise would have been used to purchase the 2014 Notes to further reduce outstanding borrowings under its senior secured revolving credit facility. Pending the application of the net proceeds to redeem the 2016 Notes and finance the Tender Offer, Berry intends to reduce outstanding borrowings under its senior secured revolving credit facility, and it may temporarily invest the remaining net proceeds in cash equivalents or short-term investments.

Wells Fargo Securities, LLC, BMO Capital Markets Corp., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, RBS Securities Inc. and SG Americas Securities, LLC are acting as joint book-running managers. A prospectus supplement relating to the offering will be filed with the SEC and may be found on its website at www.sec.gov. Alternatively, the underwriters will arrange to send you the prospectus supplement and related base prospectus if you request them by contacting:

Wells Fargo Securities, LLC
Attn: Client Support
550 South Tryon Street
7th Floor MAC D1086-070
Charlotte, NC 28202
Telephone: (800) 326-5897
Email: cmclientsupport@wellsfargo.com

Credit Suisse Securities (USA) LLC
Attention: Prospectus Department
One Madison Avenue
New York, New York 10010
Telephone (800) 221-1037

RBS Securities Inc.
600 Washington Boulevard
Stamford, Connecticut 06901
Attn: High Yield Debt Capital Markets Syndicate
Telephone: (866) 884-2071

BMO Capital Markets Corp.
3 Times Square, 28th Floor
New York, NY 10036
Attention: High Yield Syndicate
Telephone: (212) 702-1882

J.P. Morgan Securities LLC
383 Madison Avenue, 3rd Floor
New York, New York 10179
Attention: Syndicate Desk
Telephone: 800-245-8812

SG Americas Securities, LLC
1221 Avenue of the Americas
New York, New York 10020
Attention: David C. Sharp, Managing Director
Capital Markets & Syndicate - Americas
E-mail: david-c.sharp@sgcib.com
Telephone: (212) 278-7128
Fax: (212) 278-2072

This press release does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any state. The Notes will be offered only by means of a prospectus, including the prospectus supplement relating to the Notes, meeting the requirements of Section 10 of the Securities Act of 1933, as amended. The Tender Offer is being made pursuant to the offer to purchase issued in connection with the Tender Offer, and this press release is not an offer to purchase with respect to any of the 2014 Notes.

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Source: Berry Petroleum Company

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