

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

VENOCO, LLC,

Liquidating Debtor.<sup>1</sup>

Chapter 11

Case No. 17-10828 (JTD)

**LIQUIDATING TRUSTEE'S NOTICE OF FILING OF  
SETTLEMENT AGREEMENT WITH PLAINS ALL AMERICAN PIPELINE, L.P.**

**PLEASE TAKE NOTICE OF THE FOLLOWING:**

1. On September 16, 2024, Eugene Davis, solely in his capacity as the trustee (the "Liquidating Trustee") of the Venoco Liquidating Trust (the "Liquidating Trust"), entered into a Settlement Agreement and Release of Claims (the "Settlement Agreement") with Plains All American Pipeline, L.P. ("Plains" and, together with the Liquidating Trustee, the "Parties").

2. On September 24, 2024, the Liquidating Trustee filed the *Liquidating Trustee's Notice of Settlement of Litigation Claims Against Plains All American Pipeline, L.P.* [Dkt. No. 1371] (the "Notice"). As provided in the Notice, pursuant to the terms of the Settlement Agreement, the Liquidating Trustee was authorized to make a public disclosure regarding the terms of the Confidential Settlement Agreement and the settlement payment included therein in his Post-Confirmation Report for the quarter ending September 30, 2024 (the "Q3'24 Report").<sup>2</sup>

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<sup>1</sup> The Liquidating Debtor in this chapter 11 case, along with the last four digits of its federal tax identification number, is Venoco, LLC (3555) ("Venoco"). By order dated January 7, 2022 (D.I. 1279), the remaining debtors' chapter 11 cases were closed: TexCal Energy (LP) LLC (0806); Whittier Pipeline Corporation (1560); TexCal Energy (GP) LLC (0808); Ellwood Pipeline, Inc. (5631); and TexCal Energy South Texas, L.P. (0812) (collectively, the "Debtors"). The mailing address for the Liquidating Trust is: c/o Mannon Consulting LLC, PO Box 1564, West Chester, OH 45071.

<sup>2</sup> In that regard, the Liquidating Trustee agreed he will use best efforts to obtain an extension to November 15, 2024 to file the Post-Confirmation Report for the quarter ending September 30, 2024.

3. On November 15, 2024, the Liquidating Trustee filed the Q3'24 Report [Dkt. No. 1374].

4. The Settlement Agreement is attached hereto as **Exhibit A**.

5. Pursuant to the terms of the Settlement Agreement, the Parties agreed to settle the Liquidating Trust's litigation claims against Plains All American Pipeline, L.P. (the "Plains Litigation") for a gross settlement amount of \$100 million.

6. The Liquidating Trustee was represented in the Plains Litigation by Paul Yetter, Tim McConn, Tracy LeRoy, Wynn McCloskey, Audrey Hendricks, Chris Ward, Jane Ray, Luke Schamel, Bonnie Fraase, and Alishan Alibhai of Yetter Coleman LLP in Houston, Texas. The Settlement Agreement was the result of a yearslong effort by the Yetter Coleman and the Liquidating Trustee.

7. The dispute arose in 2015 when an oil pipeline owned and operated by Plains ("Line 901") ruptured and spilled crude oil onto the Santa Barbara, California coast. After the rupture and spill, federal regulators ordered that Line 901 be shut down and that it could not restart without government approval. The federal government ultimately found Plains responsible for the rupture and spill, and Line 901 never reopened.

8. Venoco relied on Line 901 to move oil from its nearby offshore platform to its buyers. Its production from that offshore field – with reserves of a billion barrels of oil – accounted for the lion's share of the company's revenue. After the rupture and shut down, Venoco had no way to get oil from its core asset to market. Venoco's success ended with the rupture, spill, and shutdown of Line 901.

9. Venoco filed suit in Santa Barbara Superior Court in 2015, seeking its damages from Plains resulting from the rupture, spill, and shutdown of the pipeline. Plains subsequently removed the case to federal court in Los Angeles.

10. After two years of limited production from other operations and no revenue from the affected field off the coast of Santa Barbara, and with no end in sight to the shutdown of Line 901, the company was forced to file bankruptcy for a second time in two years and to liquidate. When the Liquidating Trustee was appointed, he hired Yetter Coleman to step in as lead counsel in the Plains Litigation to seek recovery of Venoco's damages for the benefit of its creditors. The lawsuit faced and eventually overcame significant legal hurdles, including an early complete dismissal that was affirmed by the U.S. Ninth Circuit Court of Appeals.

11. The Yetter Coleman team moved to reopen the case based on a new California appellate decision and lost. The firm won reinstatement on appeal, and the case was remanded to state court in Santa Barbara. Yetter Coleman subsequently defeated additional dispositive motions and other legal and evidentiary attacks. As a result, the case proceeded to trial in Santa Barbara County Superior Court in July 2024.

12. The trial lasted eight weeks. After the Yetter Coleman team presented the Liquidating Trustee's case, based on Plains' negligence in maintaining Line 901 that caused the pipeline to rupture and spill oil, which caused Venoco's substantial damages, the parties reached a settlement.

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Dated: November 15, 2024  
Wilmington, Delaware

**MORRIS, NICHOLS, ARSHT & TUNNELL LLP**

*/s/ Matthew O. Talmo*

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