



SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Regional Clean Air Incentives Market Trading Credits (RTCs)

Report of Forward Contract

Form 2007-4B (Two-sided Form)

Rule 2007 (e)(2)(I) requires that all agreements for a forward contract be reported by either the contracting parties, or by the agent, broker, or other intermediary representing the contracting parties. If the buyer and/or seller requests confidentiality, the District will keep the identity of the buyer and/or seller confidential to the extent allowed by law until the contract has been exercised as a transfer of RTCs. This report is required to be submitted to the AQMD within five (5) business days of the agreement. This form is for reporting a forward contract only. For a contingent right to purchase, use Form 2007-4A.

If claiming confidentiality of identity, check the appropriate box and complete the front and reverse sides of this form:
 Buyer† Seller† Both Buyer† and Seller†

Buyer Name† Berry Petroleum Account ID# 119907
(Do not fill-out this line if claiming confidentiality of Buyer – see reverse side of form)

Seller Name† Element Markets Partners LP Account ID# 700147
(Do not fill-out this line if claiming confidentiality of Seller – see reverse side of form)

If Intermediary:
Intermediary Name NONE Account ID# _____

| | |
|---|---|
| Forward Contract to: <input type="checkbox"/> Purchase <input checked="" type="checkbox"/> Sell <input type="checkbox"/> Swap | Premium paid for this contract: \$0 |
| Reason for this report: <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Extension <input type="checkbox"/> Modification (Circle items modified) | |
| (If not initial, provide initial agreement date): / / | |
| Date when this agreement was reached: January 7, 2008 | Date when the RTCs are to be delivered: January 22, 2008 |

→ Attach agreement for contingent right to purchase

Pollutant: NOx or SOx (Identify one pollutant only)

Is this an Infinite-Year-Block RTCs transaction: Yes [Total Value of Transaction \$ _____]† or No
(Attach a separate form if more spaces are needed)

| Terms of RTC Transferred | | | Original Zone (Coastal or Inland) | Maximum Quantity (Pounds/Year) | Price † (\$/Pound) | Origin of Credits |
|--------------------------|-------------------------|-----------------------|--------------------------------------|-----------------------------------|-----------------------|--------------------------|
| Cycle | From Compliance Year(*) | To Compliance Year(*) | | | | |
| 1 | 12/31/2007 | Single Year | Coastal | 50,000 | \$3.20 | Rule No. : Regulation XX |
| | / / | / / | | | | Rule No. : |
| | / / | / / | | | | Rule No. : |
| | / / | / / | | | | Rule No. : |

† For Infinite-Year-Block transaction, report total value of transaction. For each transaction line enter "N/A" under the Price (\$/Pound) column.

* In the "From Compliance Year" Column, fill in the expiration date of the first compliance year RTCs. The "To Compliance Year" Column is used to enter (1) single year transaction, (2) perpetual stream transaction, or (3) multiple year transaction of RTCs of same zone, quantity, and price in a single line. For a single year transaction, mark this column "Single Year Trade". For a perpetual stream transaction, mark this column "All Years After". For a multiple year transaction, fill in the expiration date of the last compliance year. Use separate lines for transactions of different RTCs, quantities or prices.

I understand that this is only a report to the AQMD of the agreement of a forward contract for purchase, sale, or swap of RTCs. I further understand that this report does not act as or replace the RTC Transaction Registration. I also understand that a separate RTC Transaction Registration and associated forms are required in accordance with Rule 2007 within five (5) business days of the exercise of a forward contract. I certify that the statements are true, accurate, and complete to the best of my knowledge.

Reported By: Randall N. Lack Signature: _____
(Print name)

Company Name & Title: Element Markets Partners LP, Managing Director Date and Place: 1/4/2008, Houston, TX

SCAQMD Disclaimer: This report will be made available to the public for informational purposes only. The SCAQMD does not verify the content of this report.

Submit this form to
SCAQMD, RECLAIM Administration - RTC Transfers, P.O. 4830, Diamond Bar, CA 91765-0830

PN 11/3/08