



Compensation Committee Charter

CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS OF BERRY PETROLEUM COMPANY

The Compensation Committee (the “**Committee**”) is a standing committee of the Board of Directors (the “**Board**”), established to assist the Board in determining the compensation strategies for Berry Petroleum Company (the “**Company**”), recommending the forms and amounts of compensation for officers, directors and other employees and assessing the performance of the officers of the Company in fulfilling their responsibilities and meeting corporate objectives.

I. Purposes, Duties and Responsibilities of the Berry Petroleum Company Compensation Committee.

A. Purposes.

The purposes of the Committee are to:

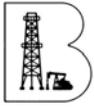
1. Discharge the Board’s responsibilities relating to compensation of the Company’s executives, including reviewing such compensation and making recommendations to the Board with respect thereto;
2. Assist the Board in establishing appropriate incentive compensation and equity-based plans (the “Plans”);
3. Administer the Plans in accordance with their terms;
4. Produce a report on executive compensation as required by the Securities and Exchange Commission (the “SEC”) to be included in the Company’s annual proxy statement or annual report on Form 10-K filed with the SEC (the “SEC Annual Report”); and
5. Perform all other duties and responsibilities set forth in this Charter in accordance with its terms and provisions.

B. Duties and Responsibilities

The duties and responsibilities of the Committee are set forth below. These duties and responsibilities do not limit the generality of the Committee’s purposes or authority provided for elsewhere in this Charter.

The Committee shall:

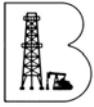
1. Annually review and approve the Company’s corporate goals and objectives relevant to the compensation of the Chief Executive Officer (the “CEO”);
2. At least annually, at a Board meeting to which all independent directors of the entire Board then in office have been invited, evaluate the CEO’s performance in light of the



Compensation Committee Charter: cont.

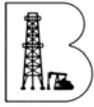
Company's goals and objectives. As part of the Committee's assessment of the performance of the CEO, the Committee shall also, through the CEO, assess the performances of the other officers of the Company;

3. In determining the long-term incentive component of the CEO's compensation, consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given to the CEO in past years;
4. Annually review and make recommendations to the Board and determine and approve with the other independent directors of the entire Board then in office the CEO's cash and equity compensation based on such evaluation, including annual salary, bonuses, incentive compensation (such as stock options), long-term compensation and other direct and indirect benefits;
5. Annually review and make recommendations to the Board regarding the cash and equity compensation of the other executive officers of the Company, including annual salary, bonuses, incentive compensation (such as stock options), long-term compensation and other direct and indirect benefits;
6. Review the overall parameters of the Company's stock option program and recommend option allocations for the CEO, directors and, through the CEO, officers and other employees;
7. Review the overall parameters of the Company's cash bonus program and recommend cash bonus allocations for the CEO and, through the CEO, officers and other employees;
8. Review the overall compensation costs of the Company and recommend, through the CEO, overall adjustment to total salary compensation for the officers and other employees;
9. Review, periodically, the Company's 401(k) Plan and other benefits plans to ensure the appropriateness thereof and approve profit levels for additional monthly 401(k) Company incentive match;
10. By contract or otherwise, establish and modify the terms and conditions of employment of executive officers of the Company and review periodically, as the Committee deems appropriate, the prerequisites and benefits provided to the executive officers of the Company and the employment agreements, severance arrangements and change in control agreements and provisions relating to the executive officers of the Company;
11. Make recommendations to the Board regarding the Company's general compensation philosophy;



Compensation Committee Charter: cont.

12. Make recommendations to the Board regarding the Plans and discharge the responsibilities imposed on the Committee by the Plans;
13. Maintain sole discretionary authority to interpret the terms and provisions of the Plans;
14. Interpret the Plans, including with respect to eligibility for participation, persons to receive awards and the amounts, form and other conditions of awards;
15. As deemed necessary or desirable by the Committee, establish rules for implementing, executing and administering the Plans;
16. Monitor executive compensation programs to determine whether they are achieving their intended purposes;
17. Review and act upon proposed terms of new compensation plans, programs and arrangements for the benefit of employees of the Company;
18. Review proposed terms of any new executive incentive program and any material amendment of an existing incentive program and make such recommendations to the Board with respect thereto as the Committee deems advisable;
19. Establish and modify from time to time (as the Committee deems necessary or desirable) policies for the administration of executive compensation programs;
20. Modify from time to time (as the Committee deems necessary or desirable) any executive compensation program generating payments or other direct or indirect benefits that are not reasonably related to executive or corporate performance;
21. Review executive officer compensation for compliance with Section 16 of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 162(m) of the Internal Revenue Code, each as in effect from time to time, and all other applicable laws, rules and regulations;
22. In consultation with and based on the advice of legal counsel, monitor the disclosure of compensation matters in the Company's annual proxy statement;
23. Obtain such advice and assistance as the Committee deems necessary or desirable from internal or external legal, accounting, search firms, compensation consultants or other advisers;
24. Periodically discuss with management such matters and issues as the Committee deems necessary or desirable, including reports from management regarding the development, implementation and effectiveness of the Company's policies and strategies relating to managing the Company's human resources and including reports from management regarding the Company's regulatory compliance with respect to compensation matters;



Compensation Committee Charter: cont.

25. At least annually, review matters relating to management succession, including compensation and professional development planning for the officers of the Company;
26. Annually and timely produce and provide to the Board the SEC Annual Report;
27. Annually evaluate the Committee's own performance, periodically assess the adequacy of this Charter and recommend to the Board modifications to this Charter as the Committee deems necessary or appropriate; and
28. Discharge all other duties and responsibilities imposed on the Committee by the Board from time to time.

II. Organization of the Compensation Committee

A. Committee Members

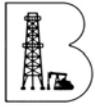
The Committee shall consist of at least three members of the Board, each of whom shall have been determined by the Board to be "independent" under the rules of the New York Stock Exchange. The actual number of members of the Committee shall be established from time to time by resolution of the Board. Each member of the Committee must qualify as an "outside director" for the purposes of Section 162(m) of the Internal Revenue Code, as in effect from time to time. Each member of the Committee must qualify as a "non-employee director" for the purposes of Rule 16b-3 under the Exchange Act, as in effect from time to time. No member of the Committee may be part of a compensation committee interlock within the meaning of Regulation S-K of the SEC. The Board shall appoint each member of the Committee based on the recommendations of the Corporate Governance and Nominating Committee. The members of the Committee shall serve as such until their resignation, retirement or removal or until their successors are appointed. Any member of the Committee individually or all members of the Committee collectively may be removed from office without cause by the affirmative vote of a majority of the Board.

B. Committee Structure and Operations

The Board shall designate one member of the Committee as its Chair. The Committee shall meet at least twice a year. The Committee may hold additional meetings or take actions by unanimous written consent when the Committee or its chairperson deems doing so to be necessary or desirable. The Chair of the Committee or any member of the Committee or the Chairman of the Board may call a special meeting of the Committee at any time using any reasonable means of communication (including telephone and email) subject to required notice. Formal notice of any such meeting shall not be required.

Two members of the Committee shall constitute a quorum of the Committee at any Committee meeting. The Committee may take action only by the affirmative vote of a majority of the members of the Committee at a Committee meeting at which a quorum is present or by the unanimous written consent of the members of the Committee.

The Committee may invite such members of management and other persons to any Committee meeting as the Committee deems necessary or desirable. The Chair of the Committee may establish



Compensation Committee Charter: cont.

such other rules for the conduct of business of the Committee as the Chair from time to time deems necessary or desirable. The Chair may appoint a secretary to make and maintain records of the proceedings of the Committee and otherwise to perform such other duties as the Chair from time to time deems necessary or desirable. Any such secretary need not be a member of the Committee. Minutes will be prepared and subsequently approved for each meeting. Copies of such minutes will be filed with the Secretary of the Company and circulated to all directors.

The Committee may establish one or more subcommittees, each of which shall consist of one or more members of the Committee. Each such subcommittee shall make and maintain records of its proceedings and shall report to the Committee as the Committee may require.

C. Resources and Authority of the Committee; Consultants

The Committee shall have the resources and authority appropriate to discharge the Committee's duties and responsibilities, including the authority to obtain advice and assistance from internal and external legal, accounting, human resource and other advisers. Without limiting the generality of the foregoing, the Committee is authorized, in its sole and absolute discretion, at any time and from time to time to appoint, retain, compensate, oversee and terminate any compensation consultant or compensation consulting firm to provide assistance to the Committee in evaluating the Company's compensation of its CEO, other senior executives of the Company and the directors of the Company. The foregoing authority includes the Committee's sole authority to approve every such consultant's or consulting firm's fees and other retention terms.

III. Reporting

A. Regular Committee Reporting to the Board

The Committee shall report regularly to the Board regarding the Committee's actions and matters or issues that the Committee is considering in addition to providing the minutes of Committee meetings.

B. Annual Performance Evaluation Report

The Committee shall produce and provide to the Board (concurrently with the Committee's provision to the Board of the SEC Annual Report) an annual written report (the "**Annual Performance Evaluation Report**") containing the Committee's evaluation of its own performance of its duties and responsibilities under this Charter during the year covered by the SEC Annual Report. The Committee shall conduct the evaluation of its performance hereunder in such manner as the Committee deems appropriate. The Committee may include in any Annual Performance Evaluation Report a recommendation to the Board that this Charter be modified in any respect deemed by the Committee to be necessary or desirable.

C. Amendment

Only the Board may modify, amend or repeal this Charter or any term or provision hereof.

End