

UPDATE

8-92

45052

1A. DEBTOR (LAST NAME, FIRST, IF AN INDIVIDUAL) **Freeport-McMoran, Inc.** 1B. SS# OR EMPLOYER I.D. NO. **13-3151048**

1C. MAILING ADDRESS **1615 Poydras Street, New Orleans, La 70112**

2A. ADDITIONAL DEBTOR (LAST NAME, FIRST, IF AN INDIVIDUAL) 2B. SS# OR EMPLOYER I.D. NO.

3A. MAILING ADDRESS

3A. ADDITIONAL DEBTOR'S TRADE NAMES OR STYLES (IF ANY) 3B. SS# OR EMPLOYER I.D. NO.

3C. MAILING ADDRESS

SECURED PARTY INFORMATION

4A. SECURED PARTY **Chemical Bank, as Collateral Agent** 4B. EMPLOYER I.D. NO. **13-4994650**

4C. MAILING ADDRESS **200 Jericho Quadrangle, Jericho, NY 11753**

5A. ASSIGNEE OF SECURED PARTY (IF ANY)

5B. MAILING ADDRESS

PROPERTY INFORMATION

6A. THIS FINANCING STATEMENT covers the following types of items of property:

See Exhibit A attached hereto and incorporated herein by this reference.

6B. ☒ Products of collateral are also covered

7A. Check if applicable and attach legal description of property:

- ☒ Fixture filing under R.S. 10:9-313
- ☒ Minerals or the like (including oil and gas) or accounts subject to R.S. 10:9-315 will be financed at the wellhead or in the head of the well or mine.
- ☐ The Debtor(s) do not have an interest of record in the real property (Enter name and social security/employer I.D. # of owner of record in 7B)

7B. OWNER OF REAL PROPERTY (If other than named debtor) (Enter name and social security/employer I.D. # of owner of record) 7C. SS#/EMPLOYER I.D. NO.

8A. This statement is filed with the debtor's signature to perfect a security interest in collateral (check ☐ if not) 8B. ☐ Debtor is a Transmitting Utility. Filing is effective until terminated pursuant to R.S. 10:9-46.1(8).

- ☐ already subject to security interest in another jurisdiction when it was brought into this state or debtor's location changed to this state.
- ☐ which is proceeds of the original collateral described above in which a security interest was perfected
- ☐ as to which the filing has lapsed
- ☐ acquired after a change of debtor's name, identity or corporate structure AND social security/employer I.D. #

9. SIGNATURE(S) OF DEBTOR(S) 12. THIS SPACE FOR USE OF FILING OFFICER (DATE, TIME, ENTRY # AND I.D. # OF OFFICER)

RM. McMoran
VP

10. SIGNATURE(S) OF SECURED PARTY (IF SHIP APPLICABLE)

Mary Jo Gray
VP

11. Return copy to:

NAME **Cravath, Swaine & Moore**
ADDRESS **825 Eighth Avenue**
CITY, STATE, ZIP CODE **New York, NY 10019**
Attn: Michael S. Weiss

RECEIVED
JUN 15 9 26 AM '92
MINNEAPOLIS
GULF OF MEXICO REGION
NEW ORLEANS, LOUISIANA

EXHIBIT A
UCC-1 Financing Statement

PREAMBLE TO EXHIBIT A

This Exhibit A sets forth the description of the Hydrocarbon Lease, the Mineral Interest and other interests subject to this UCC-1 Financing Statement (the "Financing Statement") to which this Exhibit A is attached.

1. **Headings.** Exhibit A consists of descriptions of the Hydrocarbon Leases, the Mineral Interests and other interests affecting lands (i) located within the county or parish and state next to the heading "Parish, State" or "County, State" of this Exhibit A, and (ii) in federal waters in the Outer Continental Shelf, offshore the State of Louisiana (the "Federal OCS"), and identified under the heading "OCS Gulf of Mexico Offshore, Louisiana" of this Exhibit A. The prospect name and prospect number as well as the reference to an area and block in the Federal OCS is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

2. **Subheadings.** Each of the Hydrocarbons Leases, the Mineral Interests or other interests located within a particular parish or county and state is described by reference to the Subheadings LEASE NUMBER, LESSOR, PROSPECT, LESSEE, PARISH/STATE or COUNTY/STATE, LSE DTE, GROSS REVENUE, EXPIRATION DTE, and RECORDED. These subheadings shall have the following meanings and significance:

LEASE
NUMBER:

This is an internal lease or instrument identification number, which is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

LESSOR:

The name listed under the heading "LESSOR" is the name of the lessor of the Hydrocarbon Lease or the name of the grantor of the instrument whereby the Mineral Interest or other interest is created. Where the lessor or grantor is the State of Louisiana, the lessor or grantor is recited as "S/L" or "State R/W" and includes the State of Louisiana lease or right of way number assigned to such oil and gas lease or right of way.

LESSEE: The name following under the heading "LESSEE" is the lessee of the Hydrocarbon Lease or the name of the grantor of the instrument creating the Mineral Interest or other interest.

PROSPECT: The name listed under the heading "PROSPECT" is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

**PARISH/
STATE or
COUNTY/
STATE:** Under the heading "PARISH/STATE" or "COUNTY/STATE" is the listing of the parish or county and state in which the Hydrocarbon Lease, the Mineral Interest or other interest is located.

LEASE DTE: The date (month/day/year) of the Hydrocarbon Lease or the instrument creating the Mineral Interest or other instrument.

**EXPIRE
DTE:** The date (month/day/year) cited under the heading "EXPIRE DTE" is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

**GROSS
ACRES:** The reference to "GROSS ACRES" is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

RECORDED: The recordation reference of the Hydrocarbon Lease or other instrument creating the Mineral Interest or other interest in the applicable public records of the county or parish shown under the heading "PARISH/STATE" or "COUNTY/STATE", as applicable. The recordation reference is to the volume or book and page or entry or file number of the oil and gas records, official public records of real property, conveyance records, or other applicable public records for the parish or county and state shown under the heading "PARISH/STATE" or "COUNTY/STATE".

3. Subheadings for Federal OCS: The Hydrocarbon Leases in the Federal OCS include the following subheadings:

Caption: The reference to a particular offshore area and block in the heading is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

Lease Number: The number following the letters "OF" for the Hydrocarbon Leases in the Federal OCS is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

Recordation: The Hydrocarbon Leases in the Federal OCS are filed with the Minerals Management Service, Department of the Interior, Gulf of Mexico OCS Region. Although not so indicated, the Hydrocarbon Lease may also be filed of record in the parish in the State of Louisiana located adjacent to the Hydrocarbon Lease in question.

4. Schedule A. Schedule A consists of the listing of all contracts, agreements, and instruments (collectively, the "Contracts") related to the Hydrocarbon Leases, the Mineral Interests or other interests subject to the Financing Statement. The recitation that the Debtor's interests in the Hydrocarbon Leases, the Mineral Interests or other interests described in Exhibit A is subject to the Contracts shall not operate to subject such interests to any such Contract except to the extent that such Contract is valid and presently subsisting with respect to such interest; nor shall the reference to a Contract be deemed a recognition by the Debtor that the Contract is valid except to the extent that such Contract is presently in force and effect. It is intended, however, that the rights of the Debtor under the Contracts shall be subject to the Financing Statement.

DEBTOR'S NAME: FREEPORT-MCMORAN INC.

FEDERAL TAX IDENTIFICATION NUMBER: 13-3051048

EXHIBIT A TO UCC-1 FINANCING STATEMENT

**Continued from Paragraph 6A of the
Financing Statement to which
this Exhibit A is attached**

This Financing Statement covers all of the Debtor's right, title and interest, whether now owned or hereafter acquired, and all of the hereinafter described properties, rights and interests, insofar as such properties, rights and interests consist of equipment, general intangibles, accounts, chattel paper, instruments, contract rights, inventory, fixtures, goods, proceeds, or products of collateral (as such terms are defined in the Uniform Commercial Code as in effect in the appropriate jurisdiction with respect to each of said properties, rights and interests) (the "UCC") or any other personal property of a kind or character subject to the applicable provisions of the UCC:

(a) those certain oil, gas and mineral leases including subleases and assignments of operating rights (the "Hydrocarbon Leases") identified in Exhibit A attached hereto and made a part hereof, and the leasehold interests created thereby (collectively the "Leasehold Estates" and individually a "Leasehold Estate") in the real property described in the Hydrocarbon Leases as being affected thereby (the "Leased Land"), and all other mineral rights, overriding royalties, production payments, net profits agreements, royalties and other mineral interests identified in Exhibit A (the "Mineral Interests"), together with (i) all real estate located on, or used in connection with, the Mineral Interests or the Leased Land, (ii) all amendments, modifications, extensions and renewals thereof, (iii) all rights, interests, powers, privileges, options and other benefits of the Mortgagor under the Hydrocarbon Leases or the Mineral Interests and any other agreement or instrument creating or containing any such other rights or interests with respect to the Leasehold Estates or the Mineral Interests, (iv) all credits, deposits, options, privileges and rights of the Debtor under the Hydrocarbon Leases or the Mineral Interests, (v) the right to give consents and to receive money payable to the lessees under the Hydrocarbon Leases, (vi) any options to renew or purchase and any rights of first refusal to lease or purchase with reference to the foregoing, and (vii) all

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FEDERAL TAX IDENTIFICATION NUMBER: 13-3051048

royalty interests, overriding royalty interests, production payment interests and net profits interests covering or relating to the Leased Land (the term "Leased Land" as used herein includes without limitation the land specifically described in Exhibit A and all land described in or covered by the oil and gas leases and other documents described in Exhibit A hereto whether or not such land is specifically described in Exhibit A hereto);

(b) the crude oil, condensate, natural gas, natural gas liquids, casinghead gas and petroleum products and other solid, liquid or gaseous hydrocarbons and other associated or related substances (the "Hydrocarbons") which are in, under, upon, attributable to, produced or to be produced from the Leased Land or the Mineral Interests, and owned or leased by the Debtor, subject to any matters listed in Exhibit A (the "Hydrocarbon Reserves");

(c) all inventory of the Hydrocarbon Reserves now or hereafter extracted, removed, or severed from or attributable to the Leased Land or the Mineral Interests, subject to any matters listed in Exhibit A; provided, however, that so long as no Event of Default under any of the Credit Documents shall have occurred and be continuing, such Hydrocarbon Reserves may be sold by the Debtor in the ordinary course of its business, free of any lien or security interest created by this Mortgage;

(d) all accounts now or hereafter resulting from the sale of the Hydrocarbon Reserves produced at the wellhead or minehead, and all other accounts, contract rights, operating rights, general intangibles, chattel paper, documents and instruments arising from the sale of the Hydrocarbon Reserves;

(e) all unitization, communitization, operating agreements, pooling agreements and declarations of pooled units and the properties covered and the units created thereby (including all units formed under orders, regulations, rules or other official acts of any federal, state or other governmental agency providing for pooling or unitization, spacing orders or other well permits and other instruments) now or hereafter entered into which relate to or affect all or any portion of the Leased Land or the Mineral Interests, including, without limitation, those units which may be specifically described or referred to in Exhibit A;

DEBTOR'S NAME: FREEPORT-MCMORAN INC.

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(f) all equipment leases, production sales, purchase, exchange or processing agreements, transportation agreements, farmout or farmin agreements, saltwater disposal agreements, area of mutual interest agreements and other contracts or agreements now or hereafter entered into that cover, affect, or otherwise relate to the Leased Land or the Mineral Interests, or to the operation of the Leased Land or the Mineral Interests, or to the treating, handling, storing, transporting or marketing of Hydrocarbons produced from or allocated or attributed to the Leased Land or the Mineral Interests, including, without limitation, those contracts and agreements listed in Exhibit A hereto, as the same may be amended or supplemented from time to time;

(g) all surface or subsurface machinery, equipment, fixtures, facilities or other property of whatsoever kind or nature now or hereafter located on or under any of the Leased Lands or the Mineral Interests, which are used or useful for the production, treatment, storage or transportation of Hydrocarbons, or attached to, or contained in or used in connection with the operation or ownership of the Leased Lands or the Mineral Interests, including, but not by way of limitation, (x) all oil wells, gas wells, water wells, injection wells, casing, tubing, rods, pumping units and engines, Christmas trees, derricks, separators, heater treaters, valves, gun barrels, flow lines, tanks, gas systems and compressors (for gathering, treating and compression), water systems (for treating, disposal and injection), pipelines (including gathering lines, laterals and trunklines, if any), power plants, poles, lines, transformers, starters and controllers, machine shops, tools, storage yards and equipment stored therein, buildings and camps, telegraph, telephone and other communication systems, roads, loading racks and shipping facilities, and (y) all screens, awnings, shades, blinds, curtains, draperies, artwork, carpets, rugs, storm doors and windows, furniture and furnishings, heating, electrical, and mechanical equipment, lighting, switchboards, plumbing, ventilating, air conditioning and air-cooling apparatus, refrigerating, and incinerating equipment, escalators, elevators, loading and unloading equipment and systems, stoves, ranges, laundry equipment, cleaning systems (including window cleaning apparatus), telephones, communication systems (including satellite dishes and antennae), televisions, computers, sprinkler systems and other fire prevention and extinguishing apparatus and materials, security systems, motors, engines, machinery, pipes, pumps, tanks, conduits, appliances, fittings and fixtures of every kind and description;

DEBTOR'S NAME: FREEPORT-MCMORAN INC.

FEDERAL TAX IDENTIFICATION NUMBER: 13-3051048

(h) all general intangibles, accounts and other rights to payment under any and all contracts, now or hereafter arising, under which the Debtor is entitled to share in the production from, or the proceeds of, the Leased Land or the Mineral Interests, or any oil and/or gas wells located thereon, whether operated by the Debtor or others, including, without limitation, operating agreements, revenue sharing agreements and other similar or dissimilar agreements;

(i) all minerals underlying the Leased Land or the Mineral Interests;

(j) all permits, licenses, easements, servitudes, rights-of-way, sewer and water rights, railroad sidings, and other interests and rights-of-way of every character in any way relating or appertaining to any of the Leased Land or the Mineral Interests;

(k) all permits, franchises, privileges, grants, consents, licenses, authorizations, certificates of public convenience and necessity, approvals and water rights with respect to the Mortgaged Property, as hereafter defined, hereafter granted to the Debtor, and in and to all amendments, supplements, modifications, extensions and renewals of any thereof (except the right, title and interest of the Debtor in and to any such permit, franchise, privilege, grant, consent, license, authorization, approval or water right which is not freely assignable by the Debtor or is assignable only upon the assumption of one or more obligations thereunder by the assignee), subject in each case to all the terms, conditions and provisions of each of such permits, franchises, privileges, grants, consents, licenses, authorizations, approvals and water rights, but only to the extent permitted by law and by the instrument, if any, by which they were granted;

(l) all tenements, hereditaments and appurtenances belonging or in any way appertaining to the aforementioned premises, property rights and franchises, and all the rents, issues and profits thereof;

(m) all right, title, interest, property, claim and demand of the Debtor, if any, in and to the land lying in the bed of any street, road, avenue, alley, in front of or adjoining the Leased Land and in and to gores and strips of land adjacent to or adjoining the Leased Land;

DEBTOR'S NAME: FREEPORT-MCMORAN INC.

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(n) all proceeds of the conversion, whether voluntary or involuntary, of any of the Leased Land, the Mineral Interests or the Leasehold Estates or any other of the property, real or personal, subjected to the lien hereof and the security interest granted hereby into cash or other liquid claims, including, without limitation, all awards, payments or proceeds, including interest thereon, and the right to receive the same, which may be made as the result of any casualty, any exercise of the right of eminent domain or deed in lieu thereof, the alteration of the grade of any street and any injury to or decrease in the value of the Leased Land, the Mineral Interests or the Leasehold Estates, together with attorney's fees, costs and disbursements incurred by the Trustee or the Collateral Agent in connection with the collection of such awards, payments and proceeds and the Debtor agrees to execute and deliver, from time to time, such further instruments as may be requested by the Trustee or the Collateral Agent to confirm such assignment of any such award, payment or proceeds; and

(o) the proceeds and products of the foregoing, together with any additions thereto, substitutions therefor and proceeds and products thereof which may be subjected to the lien of this instrument by means of supplements hereto, and all corrections or amendments to, or renewals, extensions or ratifications of, any of the same, or of any instruments relating thereto.

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EXHIBIT "A"

PROSPECT NUMBER
PARISH, STATELA0406 LAC BLANC
VERMILION/LOUISIANA

LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	LEASE DATE GROSS ACRES	EXPIRE DATE RECORDED
LA04060001/000	LOUISIANA FURS CORPORATION LAC BLANC	AMERADA PETROLEUM CORPORATION VERMILION/LA	06/03/1957 4545.000	06/03/1962 COB 342 NO 135457
LA04060002/000	VEAZEY, GEORGE LAC BLANC	STONE OIL CORPORATION VERMILION/LA	12/31/1973 18.000	12/31/1999 COB 766 NO 220638
LA04060003/000	BROUSSARD, FRANCIS R. ET AL LAC BLANC	STONE OIL CORPORATION VERMILION/LA	01/14/1974 .000	01/14/1999 COB 766 0220637
LA04060004/000	VEAZEY, GEORGE LAC BLANC	THE STONE OIL CORPORATION VERMILION/LA	01/09/1976 1.000	01/09/1999 COB 811 NO 233258
LA04060005/001	PELTO OIL COMPANY, ET AL LAC BLANC	CHARLES DEGRAVELLES VERMILION/LA	02/22/1980 169.150	01/14/1983 COB 924 NO 263329
LA04060005/002	S/L 8537 LAC BLANC	CHARLES C. DEGRAVELLES VERMILION/LA	01/14/1980 169.150	01/14/1985 COB 922 NO 262816
LA04060016/001	AVRICO, INC. LAC BLANC	THE SUPERIOR OIL COMPANY VERMILION/LA	09/27/1956 62.620	09/27/1959 COB 325 NO 132035
LA04060016/002	S/L 3052 LAC BLANC	THE SUPERIOR OIL COMPANY VERMILION/LA	09/27/1956 62.620	09/27/1959 COB 325 NO 132028
LA04060017/001	AVRICO, INC. LAC BLANC	THE SUPERIOR OIL COMPANY VERMILION/LA	09/27/1956 39.040	09/27/1959 COB 325 NO 132034
LA04060017/002	S/L 3051 LAC BLANC	THE SUPERIOR OIL COMPANY VERMILION/LA	09/27/1956 39.040	09/27/1959 COB 325 NO 132027
LA04060019/001	STATE R/W NO 2310 LAC BLANC	FMP OPERATING COMPANY VERMILION/LA	06/05/1985 .000	06/05/2005 NO 8507452
LA04060019/002	AVRICO, INC. LAC BLANC	FMP OPERATING COMPANY VERMILION/LA	06/21/1985 .000	06/21/2005 NO 8508440
LA04060019/003	CONTRAN CORPORATION LAC BLANC	FMP OPERATING COMPANY VERMILION/LA	05/28/1985 .000	05/28/2005 NO 8507451

PROSPECT NUMBER 1A0406 LAC BLANC
PARISH, STATE VERMILION/LOUISIANA

LEASE NUMBER	LESSOR	PROSPECT	LESSEE	PARISH/STATE	LEASE DATE	EXPIRE DATE	RECORDED
1A04060020/000	EXXON CORPORATION	LAC BLANC	FMP OPERATING COMPANY	VERMILION/LA	09/05/1985	09/05/1995	NO 2513034
1A04060022/000	EXXON CORPORATION	LAC BLANC	FMP OPERATING COMPANY	VERMILION/LA	12/05/1986	12/05/1999	NO 8700321
1A04060023/000	EXXON CORPORATION, ET AL	LAC BLANC	FREEPORT MEMORAN OIL & GAS CO	VERMILION/LA	09/27/1990	08/01/1995	5 739 NO 9009710
1A04060024/000	EXXON CORPORATION, ET AL	LAC BLANC	FMP OPERATING COMPANY	VERMILION/LA	09/11/1987	09/11/2007	NO 8709496

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
1A0406-0289 -85	CONSERVATION ORDER AS AMENDED	08/04/1985	STATE OF LOUISIANA
1A0406-60	CONSERVATION ORDER	11/01/1988	STATE OF LOUISIANA
1A0406-6	CONSERVATION ORDER	10/31/1988	STATE OF LOUISIANA
1A0406-0093 -87	CONSERVATION ORDER	10/31/1988	STATE OF LOUISIANA
1A0406-0094 -88	CONSERVATION ORDER	11/01/1988	STATE OF LOUISIANA
1A0406-0001 -74	EXPLORATION AGREEMENT	01/19/1974	STONE OIL CORPORATION 1974 PARTICIPATING PROGRAM AND E. R. CARPENTER CO., INC.
1A0406-0386 -80	FARMIN AGREEMENT	12/07/1980	AMERADA HESS CORPORATION AND STONE OIL CORPORATION, ET AL
1A0406-0387 -80	FARMIN AGREEMENT	06/16/1980	SUPERIOR OIL COMPANY AND STONE OIL CORPORATION, ET AL
1A040605 -86	FARMIN AGREEMENT	12/11/1986	AMERADA HESS CORPORATION AND FMP OPERATING COMPANY
1A0406-0004 -86	FARMIN AGREEMENT	11/01/1986	MOBIL OIL EXPLORATION & PRODUCING SOUTHEAST, INC. AND FMP OPERATING COMPANY
1A0406-0006 -86	FARMOUT AGREEMENT	12/17/1986	FMP OPERATING COMPANY AND CARPENTER OIL & GAS, INC.
1A0406-5001 -80	GAS PURCHASE CONTRACT, AS AMENDED	09/01/1980	TENNESSEE GAS PIPELINE COMPANY AND STONE OIL CORPORATION

LANDFILL NUMBER

AGREEMENT TYPE

DATE

PARTIES

LA0406-5701-88	AUXILIARY GAS PURCHASE CONTRACT	11/01/1988	TENNESSEE GAS PIPELINE COMPANY AND FMP OPERATING COMPANY, ET AL
LA0406-0145-74	JOINT VENTURE AGREEMENT	01/01/1974	STONE OIL CORPORATION AND STONE OIL CORPORATION '974 PARTICIPATING PROGRAM
LA0406-0292-85	LETTER AGREEMENT	07/26/1985	AMERADA HESS CORPORATION AND FMP OPERATING COMPANY
LA0406-0083-89	LETTER AGREEMENT	05/30/1989	FMP OPERATING COMPANY AND CXY ENERGY, INC.
LA0406-0021-59	OPERATING AGREEMENT	09/18/1959	SUPERIOR OIL COMPANY AND AMERADA PETROLEUM CORPORATION
LA0406-0001-83	OPERATING AGREEMENT	09/01/1983	STONE OIL CORPORATION AND SUPERIOR OIL COMPANY, ET AL
LA0406-5140-82	OIL SALE AGREEMENT, AS AMENDED	12/01/1982	KOCI OIL COMPANY AND STONE OIL CORPORATION
LA0406-0001-75	SUBLEASE AGREEMENT	08/31/1975	SUPERIOR OIL COMPANY, ET AL AND STONE OIL CORPORATION
LA0406-5606-88	SETTLEMENT AGREEMENT	10/13/1988	FMP OPERATING COMPANY, ET AL AND TENNESSEE GAS PIPELINE COMPANY
LA0406-0293-85	GAS SCHEDULING AGREEMENT, AS AMENDED	12/01/1985	FMP OPERATING COMPANY, ET AL
LA0406-0060-89	SALT WATER DISPOSAL AGREEMENT	03/30/1989	FMP OPERATING COMPANY, ET AL
LAND0076-89	FARMIN AGREEMENT	05/10/1989	AMERADA HESS CORPORATION AND FMP OPERATING COMPANY
PR0152-04	PROCESSING AGREEMENT	09/25/1990	EXXON COMPANY, U.S.A. AND FREEPORT-MCMORAN OIL & GAS COMPANY, DIVISION OF FREEPORT-MCMORAN INC.

ALL PROSPECTS
PROSPECT NUMBER
PARISH, STATE

LA1065 PROSPECT NUMBER SEQUENCE
KAPLAN
VERMILION/LOUISIANA

LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	LEASE DATE GROSS ACRES	EXPIRE DATE	DATE RECORDED
LA10650001/000	DARTEZ, FELICIE KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	12/24/1968	12/24/1973	53.618 NO 192060
LA10650073/000	TRAHAN, AMBROIS KAPLAN	HENRY T. DUSON VERMILION/LA	07/12/1971	07/12/1981	106.000 NO 205435
LA10650005/000	TRAHAN, LAUREST J., ET AL KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/13/1972	02/13/1975	31.072 NO 207540
LA10650007/001	PELTO OIL COMPANY KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/03/1972	02/03/1977	55.470 NO 210116
LA10650007/002	AVRICO, INC. KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/21/1972	02/23/1977	53.470 NO 210139
LA10650011/000	HEBERT, EDDIE J. KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	11/30/1972	04/22/1978	106.810 NO 213620
LA10650012/000	DARTEZ, WILMER L. KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/21/1973	12/26/1978	64.704 NO 214634
LA10650013/000	CLARK, FERAY KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/19/1973	12/19/1978	770 NO 214635
LA10650014/001	BROUSSARD, BELLA T., ET AL KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/16/1973	12/20/1978	1.651 NO 214636
LA10650015/000	HEBERT, LOUISE V. KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/22/1973	12/19/1978	40.145 NO 214631
LA10650016/000	GREEN, WARREN J. KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/15/1973	12/19/1978	50.914 NO 214632
LA10650017/000	ROMERO, HARRY HENRY KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/11/1973	12/19/1983	1.151 NO. 214637
LA10650018/000	BROUSSARD, LUA KAPLAN	SUPERIOR OIL CO VERMILION/LA	02/26/1973	01/15/1979	12.066 NO 214660
LA10650020/000	TRAHAN, AMBROISE KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/26/1973	01/11/1979	160.000 NO 214662
LA10650021/000	DARTEZ, EMANUEL KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	12/24/1973	12/24/1983	45.255 NO 214774
LA10650022/000	BROUSSARD, POLYCARPE KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	03/02/1973	01/17/1979	2.338 NO 214773
LA10650025/000	SIMON, AMY	THE SUPERIOR OIL COMPANY	01/17/1974	01/17/1979	

EXHIBIT "A"

ALL PROSPECTS
PROSPECT NUMBER
PARISH, STATELA 1065
VERMILION, LOUISIANA

PROSPECT NUMBER SEQUENCE

LEASE NUMBER	LESSOR	LESSEE	PARISH/STATE	LEASE DTE	EXP. DTE	RECORDED
	PROSPECT			GROSS ACRES		
	KAPLAN		VERMILION/LA	11.447		NO 215014
LA10650032/000	BROUSSARD, OTTO, ET AL KAPLAN	THE SUPERIOR OIL COMPANY	VERMILION/LA	03/16/1973	12/19/1978	NO 215350
LA10650035/000	TRAHAN, AMBROIS KAPLAN	THE SUPERIOR OIL COMPANY	VERMILION/LA	04/02/1974	04/21/1984	NO 221007
LA10650045/000	TRAHAN, JOHN D., ET AL KAPLAN	J.P. HESTERLY	VERMILION/LA	01/29/1960	01/29/1965	ENT NO 149112
LA10650112/000	SIMON, RODNEY J., ET AL KAPLAN	EARL P. BURKE, JR.	VERMILION/LA	07/01/1980	06/30/1995	COB 935 NO 265050
LA10650115/000	ROMAINE, ALFRED RAY, ET AL KAPLAN	THE SUPERIOR OIL COMPANY	VERMILION/LA	04/01/1981	04/01/1996	ENT 00106221
LA10650116/000	PRIMEAUX, ARVEY, ET UX KAPLAN	THE SUPERIOR OIL COMPANY	VERMILION/LA	09/01/1983	09/01/2013	ENT 00307401
LA10650120/001	CHATAIGNIER, CECILE HEBERT ETAL KAPLAN	FMP OPERATING COMPANY	VERMILION/LA	11/02/1987	11/02/1995	NO. 0712141
LA10650120/002	ROMERO, DAVID, JR. KAPLAN	FMP OPERATING COMPANY	VERMILION/LA	12/10/1987	12/10/1993	NO. 0000553
LA10650120/003	KENNETH P. ROMERO, ET AL KAPLAN	MOBIL EXPL & PRODUCING N.A. INC	VERMILION/LA	01/12/1988	01/12/1992	ENT 00000775
LA10650120/004	CECILE HEBERT CHATAIGNIER, ETAL KAPLAN	MOBIL EXPL & PRODUCING N.A. INC	VERMILION/LA	01/12/1988	01/12/1997	ENT 00000776
LA10650120/005	DAVID ROMERO, JR. KAPLAN	MOBIL EXPL & PRODUCING N.A. INC	VERMILION/LA	01/12/1988	01/12/1992	ENT 00000777
LA10650121/000	ALTON J. HEBERT, ET AL KAPLAN	MOBIL EXPL & PRODUCING N.A. INC	VERMILION/LA	01/13/1988	01/13/1991	ENT 00000778
LA10650122/000	ISABELLE SIMON BROUSSARD, ETAL KAPLAN	MOBIL EXPL & PRODUCING N.A. INC	VERMILION/LA	01/20/1988	01/20/1993	ENT 00000779
LA10650123/000	NADINE DICKERSON ROMAINE, ETAL KAPLAN	MOBIL EXPL & PRODUCING N.A. INC	VERMILION/LA	01/13/1988	01/13/1994	ENT 00000800
LA10650124/001	ALFRED RAY ROMAINE, JR ET AL KAPLAN	MOBIL EXPL & PRODUCING N.A. INC	VERMILION/LA	01/21/1988	01/21/1994	ENT 00001046
LA10650124/002	MARY EMILY ROMAINE	MOBIL EXPL & PRODUCING N.A. INC	VERMILION/LA	01/21/1988	01/21/1994	

EXHIBIT "A"

ALL PROSPECTS
PROSPECT NUMBER
PARISH/ STATE

LA1065
VERMILION/LOUISIANA

PROSPECT NUMBER SEQUENCE

KAPLAN

LEASE NUMBER	LESSOR	LESSEE	LEASE DATE	EXPIRE DATE	GROSS ACRES	RECORDED
	PROSPECT	PARISH/STATE				
	KAPLAN	VERMILION/LA			39.580	ENT 88801231
LA10650126/000	ADVEY PRIMEAUX, ET AL KAPLAN	MOBIL EXPL. & PROD. N. A. INC. VERMILION/LA	02/19/1988	02/19/1994	39.600	ENT 88801639
LA10650129/001	HEBERT, HAROLD P. KAPLAN	FMP OPERATING COMPANY VERMILION/LA	10/17/1988	10/17/1991	.495	NO 8908490
LA10650129/002	HEBERT, JUDE THADDEUS KAPLAN	FMP OPERATING COMPANY VERMILION/LA	12/20/1988	12/20/1993	17.190	NO 8908491
LA10650129/003	HEBERT, HAROLD P. KAPLAN	FREEPORT-MCMORAN INC. VERMILION/LA	10/18/1991	10/18/1994	17.190	NO. 9111733
LA10650129/004	RICHE, SAM S., ET UX KAPLAN	FREEPORT-MCMORAN INC. VERMILION/LA	01/30/1992	01/30/1994	17.190	NO. 9103737
LA10650130/002	HEBERT, EFFIE TRAHAN, ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A. VERMILION/LA	07/31/1988	05/21/1992	50.000	NO 8809023
LA10650130/003	ROMERO, ELOIN HEBERT, ET AL KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	08/21/1989	08/21/1992	50.000	NO. 8908815
LA10650132/000	DARTEZ, EMANUEL KAPLAN	MOBIL EXPL. & PRODUCING N.A. VERMILION/LA	08/26/1988	07/02/1992	18.005	NO 8806643
LA10650133/000	BROUSSARD, LOU ELLA LANDRY KAPLAN	MOBIL EXPL. & PRODUCING N.A. VERMILION/LA	08/7/1988	05/16/1992	34.710	NO 8808644
LA10650134/001	KAPLAN, LIBBY BLUM KAPLAN	MOBIL EXPL. & PRODUCING N.A. VERMILION/LA	08/31/1988	05/28/1992	21.280	NO 8809024
LA10650134/002	KAPLAN, LIBBY BLUM, TRUSTEE KAPLAN	MOBIL EXPL. & PRODUCING N.A. VERMILION/LA	08/31/1988	07/10/1992	21.280	NO 8809025
LA10650134/003	TARTAK, MARVIN HOWARD KAPLAN	MOBIL EXPL. & PRODUCING N.A. VERMILION/LA	09/19/1988	05/16/1992	21.280	NO 8809750
LA10650135/000	DARTEZ, WILMER KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	07/06/1988	05/16/1992	43.541	NO 8809026
LA10650136/000	BROUSSARD, LVA, ET UX KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	08/30/1988	02/09/1992	80.000	NO 8809027
LA10650137/000	BROUSSARD, LVA, ET UX KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	08/30/1988	05/16/1992	84.464	NO 8809028
LA10650138/001	KAPLAN, LIBBY BLUM, TRUSTEE	MOBIL EXPL. & PRODUCING N.A.	08/31/1988	02/12/1992		

EXHIBIT "A"

ALL PROSPECTS
PROSPECT NUMBER
PARISH, STATE

LA1065 PROSPECT NUMBER SEQUENCE
VERMILION/LOUISIANA KAPLAN

LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	USE DTE GROSS ACRES	EXPIRE DTE RECORDED
LA10650138/002	TARTAK, MARVIN HOWARD KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	09/19/1988 80.000	02/18/1992 NO 8809029
LA10650139/000	RICHARD, BRENDA J. P., ET VIR KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	09/14/1988 28.068	02/25/1992 NO 8809351
LA10650140/000	LEMAIRE, CARL L., ET UX KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	09/15/1988 2.500	02/25/1992 NO 8809352
LA10650142/000	LEMAIRE, JOSEPH L., ET UX KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	09/15/1988 2.835	02/25/1992 NO 8809652
LA10650143/000	HEBERT, DONALD R., ET UX KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	09/26/1988 28.000	09/26/1994 NO 8809653
LA10650144/000	CLARK, FERAY, ET AL KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	10/05/1988 3.519	10/05/1991 NO 8809840
LA10650147/000	CLARK, FERAY, ET AL KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	10/05/1988 65.523	10/05/1991 NO 8809841
LA10650148/000	CLARK, JAMES KENNETH, ET AL KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	10/05/1988 52.112	10/05/1991 NO 8809842
LA10650149/000	CLARK, FERAY, ET AL KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	09/23/1988 25.030	06/13/1992 NO 8809843
LA10650150/000	TRAHAN, LAUREST J., ET UX KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	08/31/1988 20.670	05/16/1992 NO 8810099
LA10650151/000	TRAHAN, LAUREST J., ET AL KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	08/31/1988 29.000	08/31/1994 NO 8810100
LA10650152/000	TRAHAN, LAUREST J., ET AL KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	08/31/1988 84.678	05/16/1992 NO 8810101
LA10650153/000	ROMERO, MAGGIE DARTEZ, ET AL KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	10/12/1988 10.879	05/16/1992 NO 8810147
LA10650154/001	PELTO OIL COMPANY KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	11/03/1988 14.104	06/19/1992 NO 8811351
LA10650154/002	AVRICO, INC KAPLAN	MOBIL EXPL & PROD N.A., INC. VERMILION/LA	09/07/1989 14.104	09/07/1992 NO. 8911498
LA10650155/000	MERPIN, MARGUERITE MARIE ET AL	MOBIL EXPL. & PROD. N.A., INC.	12/01/1988	12/01/1991

EXHIBIT "A"

ALL PROSPECTS
PROSPECT NUMBER
PARISH, STATELA1065
VERMILION/LOUISIANA

PROSPECT NUMBER SEQUENCE

LEASE NUMBER	LESSOR PROSPECT	LESSEE	PARISH/STATE	LEASE DTE GROSS ACRES	EXPIRE DTE ACRES	DTE RECORDED
LA10650156/000	KAPLAN		VERMILION/LA	463.000		NO 8900350
LA10650156/000	SCHNEIDER, SHIRLEY BOUDREAU	MOBIL EXPL. & PRODUCING N.A.	VERMILION/LA	09/13/1988	05/16/1992	NO 8900223
LA10650157/000	GAIL, ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A.	VERMILION/LA	09/29/1988	02/25/1992	NO 8900224
LA10650158/000	SCHNEIDER, EVANS JOSEPH ET UX	MOBIL EXPL. & PROD. N.A., INC.	VERMILION/LA	09/19/1988	05/16/1992	NO 8900225
LA10650159/000	FAULK, FRANK HERBERT KAPLAN	FMP OPERATING COMPANY	VERMILION/LA	03/30/1989	03/30/1994	NO 8903404
LA10650160/000	LEDUCX, MARY E.O., ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A.,	VERMILION/LA	02/06/1989	02/06/1992	NO. 8903052
LA10650161/001	ROMAIN, ALFRED RAY, JR., ETAL KAPLAN	MOBIL EXPL. & PRODUCING N.A.,	VERMILION/LA	02/01/1989	06/11/1992	NO. 8902276
LA10650161/002	POMAIN, MARY EMILY KAPLAN	MOBIL EXPL. & PRODUCING N.A.,	VERMILION/LA	02/01/1989	06/11/1992	NO. 8902664
LA10650162/000	GUIDRY, PAUL A., ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A.,	VERMILION/LA	04/20/1989	04/20/1992	NO. 8904056
LA10650163/003	PARKER, JOHN A., ET UX KAPLAN	MOBIL EXPLORATION & PRODUCING	VERMILION/LA	05/04/1989	05/04/1992	NO 8904060
LA10650163/004	LELEUX, MARTIN JOSEPH, ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A.,	VERMILION/LA	04/26/1989	04/26/1992	NO. 8904059
LA10650163/005	LELEUX, ALVIN PAUL, ET UX KAPLAN	MOBIL EXPLORATION & PRODUCING	VERMILION/LA	04/26/1989	04/26/1992	NO. 8904058
LA10650163/006	LELEUX, KEVIN P., ET UX KAPLAN	MOBIL EXPLORATION & PRODUCING	VERMILION/LA	04/26/1989	04/26/1992	NO. 8904057
LA10650163/007	SINON, EMILY, JR., ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A.,	VERMILION/LA	05/09/1989	05/09/1992	NO. 8905397
LA10650163/008	BOURQUE, MAURICE, JR., ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A.,	VERMILION/LA	05/09/1989	05/09/1992	NO. 8905396
LA10650163/009	CORMIER, MICHAEL, ET UX KAPLAN	MOBIL EXPL. & PROD. N.A., INC.	VERMILION/LA	08/21/1989	08/21/1992	NO. 8908016
LA10650165/000	DUNCAN MARIE HERPIN	FREEPORT MCMORAN OIL & GAS CO.		03/28/1990	07/09/1993	

EXHIBIT "A"

ALL PROSPECTS
PROSPECT NUMBER
PARISH, STATE1A1065
VERMILION/LOUISIANA

PROSPECT NUMBER SEQUENCE

LEASE NUMBER	LESSOR PROSPECT KAPLAN	LESSEE PARISH/STATE VERMILION/LA	LSE DTE GROSS ACRES	EXPIRE DTE ACRES	DTE RECORDED
1A10650166/000	DUMON, ROBERT E., ET UX KAPLAN	FREEPORT MCMORAN OIL & GAS CO. VERMILION/LA	03/28/1990	07/09/1993 12.000	NO. 9004584 NO. 9004585
1A10650167/000	BROUSSARD, J. PEVERLY, ET UX KAPLAN	FREEPORT MCMORAN OIL & GAS CO. VERMILION/LA	03/28/1990	07/09/1993 21.000	NO. 9004586
1A10650168/000	CLOTEAUX, IILETTE CLOSTIO KAPLAN	FREEPORT MCMORAN OIL & GAS CO. VERMILION/LA	03/28/1990	07/09/1993 33.000	NO. 9004587
1A10650169/000	DOUCET, VONDA KAY BROUSSARD KAPLAN	FREEPORT MCMORAN OIL & GAS CO. VERMILION/LA	03/28/1990	09/12/1993 48.000	NO. 9004588
1A10650170/000	DARTEZ, WILMER KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	10/15/1987	10/15/1992 7.000	NO. 8712408
1A10650171/000	LAPPOINT, AMY SIMON KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	03/01/1990	03/01/1993 6.553	NO. 9005292
1A10650172/000	PRIMEAUX, ADVEY, ET AL KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	03/01/1990	03/01/1993 78.749	NO. 9005291
1A10650173/001	BROUSSARD, POLYCARPE, ET UX KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/11/1990	04/11/1993 16.652	NO. 9005289
1A10650173/002	BROUSSARD, LOU ANN KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/11/1990	04/11/1993 16.662	NO. 9005290
1A10650174/000	GREENE/BROUSSARD PLAN., ET AL KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/16/1990	04/16/1993 62.086	NO. 9005293
1A10650175/000	GREENE/BROUSSARD PLAN. INC ET AL KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/16/1990	04/16/1993 26.900	NO. 9008683
1A10650176/000	GREENE, ROSE BROUSSARD, ET AL KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/16/1990	04/16/1993 7.000	NO. 9005295
1A10650177/000	GREENE, DONALD J., ET UX KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/16/1990	04/16/1993 2.000	NO. 9015294
1A10650178/000	GUIDRY, ELIAS, ET AL KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/26/1990	04/26/1993 2.000	NO. 9005299
1A10650179/001	ROMAINE, ALFRED RAY, JR., ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	04/20/1990	04/20/1993 54.120	NO. 9005296
1A10650179/002	ROMAINE, MARY EMILY	MOBIL EXPL. & PRODUCING N.A.,	04/20/1990	04/20/1993	

EXHIBIT "A"

ALL PROSPECTS
PROSPECT NUMBER
PARISH, STATEPROSPECT NUMBER SEQUENCE
1A1065 KAPLAN
VERMILION/LOUISIANA

LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	USE DTE GROSS ACRES	EXPIRE DTE RECORDED
	KAPLAN	VERMILION/LA	54.120	NO. 9005297
1A10650180/000	SIMON, RODNEY J., ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	04/25/1990 04/25/1993 100.420	NO. 9005298
1A10650181/000	SIMON, RODNEY J., ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	04/25/1990 04/25/1993 3.010	NO. 9005288
1A10650182/000	MEAUX, LOVELACE PAUL, ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	05/02/1990 05/02/1993 25.900	NO. 9005300
1A10650183/001	FAULK, CLARA BOURQUE, ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	05/02/1990 05/02/1993 86.920	NO. 9005367
1A10650183/002	SIMMONS, MARY ROSE FAULK, ETAL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	05/02/1990 05/02/1993 86.920	NO. 9006415
1A10650184/000	DARTEZ, EMANUEL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	05/04/1990 05/04/1993 20.740	NO. 9005369
1A10650185/000	TRAHAN, LAUREST J., ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	05/11/1990 05/11/1993 3.550	NO. 9005370
1A10650186/000	BROUSSARD, LIFTON PAUL, ET UX KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	05/16/1990 05/16/1993 1.12	NO. 9005368
1A10650187/000	DARTEZ, WILMER KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	06/21/1990 06/21/1993 20.995	NO. 9006417
1A10650188/001	AVRICO, INC. KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	07/18/1990 07/18/1993 19.652	NO. 9006586
1A10650189/000	SIMON, STARLING P. KAPLAN	PHILLIP D. J. SIMON VERMILION/LA	08/12/1990 08/12/1993 26.520	NO. 9008419
1A10650190/000	SIMON, STARLING P. KAPLAN	PHILLIP J. D. SIMON VERMILION/LA	08/09/1990 02/29/1994 21.550	NO. 9008418
1A10650191/001	KAPLAN, LIBBY BLUM KAPLAN	MOBIL E & P N. AMERICA INC. VERMILION/LA	01/05/1990 02/21/1993 58.720	NO. 9000774
1A10650191/002	KAPLAN, LIBBY BLUM, TRUSTEE KAPLAN	MOBIL E & P N. AMERICA INC. VERMILION/LA	08/21/1990 08/21/1993 58.720	NO. 9008681
1A10650191/003	TARTAK, MARVIN HOWARD KAPLAN	MOBIL E. & P. N. AMERICA INC. VERMILION/LA	08/15/1990 08/15/1993 58.720	NO. 9008682
1A10650192/000	SOUTHERN PACIFIC TRANS COMPANY	MOBIL EXPL. & PROD. N.A., INC.	02/23/1990 02/23/1993	

EXHIBIT "A"

ALL PROSPECTS
PROSPECT NUMBER
PARISH, STATE

LA1065
VERMILION/LOUISIANA
PROSPECT NUMBER SEQUENCE
KAPLAN

LEASE NUMBER	LESSOR PROSPECT KAPLAN	LESSEE PARISH/STATE VERMILION/LA	LEASE DTE PROSS ACRES	EXPIRE DTE RECORDED
LA10650193/000	HEBERT, ALTON J., ET AL KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	07/14/1990 18.130 159.190	01/14/1994 NO. 9005366 NO. 9007524
LA10650194/000	HEBERT, JOHN FARRELL, ET AL KAPLAN	LEWIS B. BERNARD, INC. VERMILION/LA	05/30/1991 90.000	10/14/1994 NO 9105874
LA10650195/000	MEAU, LOVELACE PAUL, ET AL KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	06/06/1990 17.200	06/06/1993 NO. 9006416
LA10650196/000	BROUSSARD, LVA, ET UX KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	01/10/1990 22.670	02/21/1993 NO. 9000773
LA10650197/001	HEBERT, DANA ANGELLE KAPLAN	LEWIS B. BERNARD VERMILION/LA	05/24/1991 31.667	11/10/1994 NO 9105875
LA10650197/002	HEBERT, WILTON L., TUTOR KAPLAN	LEWIS B. BERNARD VERMILION/LA	05/24/1991 31.667	11/10/1994 NO 9105876
LA10650198/000	BROUSSARD, LOUELLA LANDPY KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	01/09/1990 5.290	02/20/1993 NO. 9000772
LA10650199/000	TRAHAN, ALTON J., ET AL KAPLAN	MOBIL EXPLORATION AND PROD. VERMILION/LA	08/29/1991 34.710	08/29/1994 NO 9109908
LA10650200/000	KIDDER, LOU ANN DRONET, ET AL KAPLAN	MOBIL EXPLORATION AND PROD. VERMILION/LA	09/16/1991 80.000	09/16/1994 NO. 9109906
LA10650201/000	CAPPS, MARY ADELE ROMAINE ET KAPLAN	MOBIL EXPLORATION AND PROD. VERMILION/LA	09/10/1991 11.000	09/20/1994 NO. 9109907
LA10650202/000	HEBERT, FREDDIE, ET UX KAPLAN	MOBIL EXPLORATION AND PROD. VERMILION/LA	10/17/1991 2.000	10/17/1994 NO. 9109910
LA10650203/000	GUILLORY, DELTA JOSEPH, ET UX KAPLAN	MOBIL EXPLORATION AND PROD. VERMILION/LA	10/16/1991 3.820	10/16/1994 NO. 9109909
LA10650204/001	LANDRY, BELFRED L., ET UX KAPLAN	MOBIL EXPLORATION AND PROD. VERMILION/LA	10/18/1991 2.473	05/03/1995 NO. 9110528
LA10650204/002	HERPIN, GORDON E., ET JX KAPLAN	MOBIL EXPLORATION AND PROD. VERMILION/LA	10/22/1991 1.363	10/22/1994 NO. 9110529
LA10650204/003	SIMON, HARRIS J. KAPLAN	MOBIL EXPLORATION AND PROD. VERMILION/LA	11/12/1991 2.473	04/21/1995 NO. 9111266

EXHIBIT "A"

PROJECT NUMBER
PARISH, STATE

TABLE 1 KAPLAN
VERMILION, LOUISIANA

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
A1065 0374 80	CONSERVATION ORDER	06/26/1980	STATE OF LOUISIANA
A1065 0204 83	CONSERVATION ORDER	05/16/1983	STATE OF LOUISIANA
A1065 0205 83	CONSERVATION ORDER	05/16/1983	STATE OF LOUISIANA
A1065 0042 91	CONSERVATION ORDER	07/17/1991	STATE OF LOUISIANA
A1065 0056 91	CONSERVATION ORDER	01/03/1991	STATE OF LOUISIANA
A1065 0057 91	CONSERVATION ORDER	01/03/1991	STATE OF LOUISIANA
A1065 0240 76	DESIGNATION OF UNIT	02/26/1976	SUPERIOR OIL COMPANY AND BURMONT COMPANY, ET AL
AND0204 72	LIMITED PARTNERSHIP	07/28/1972	
A1065 0148 73	LETTER AGREEMENT	07/16/1973	BURMONT COMPANY AND KENNETH G. MCCANN, JR.
A1065 0121 73	OPERATING AGREEMENT	03/01/1973	SUPERIOR OIL COMPANY AND BURMONT COMPANY
A1065 0262 77	OPERATING AGREEMENT	02/01/1977	BURMONT COMPANY AND BURMONT EXPLORATION 1972-A, ET AL
A1065 0371 80	CHENIER GAS PLANT	05/20/1980	CHENIER OIL COMPANY, INC., ET AL
A1065 0083 86	RE-STATE CONVEYANCE OF PRODUCTION PAYMENT	01/01/1986	EARL P. BURKE, JR., ET AL AND UCAR INTERAM, INC.
A1065 0055 91	PURCHASE AGREEMENT	11/19/1991	AMAX PETROLEUM CORP. AND FREEPORT-MCMORAN INC.
RD182 04 91	GAS PROCESSING AGREEMENT	11/01/1991	FREEPORT-MCMORAN OIL & GAS COMPANY LIG LIQUIDS CORPORATION
AD183 01	RE-STATE GAS PURCHASE AND SALES AGREEMENT, AS AMENDED	01/01/1986	UCAR INTERAM, INC. AND FMP OPERATING COMPANY, ET AL
A1065 0064 91	PURCHASE AGREEMENT	10/29/1991	LIG CHEMICAL CORPORATION AND FREEPORT-MCMORAN OIL & GAS COMPANY
A1065 0065 91	LETTER AGREEMENT	11/14/1991	FREEPORT-MCMORAN OIL & GAS COMPANY CHARLES A. MILLER, JR., ET AL
A1065 0066 91	LETTER AGREEMENT	04/18/1991	FREEPORT-MCMORAN INC. AND GREENBRIER ACQUISITION LTD., ET AL

EXHIBIT "A"

VERMILION BLOCK 161
OCS GULF OF MEXICO
OFFSHORE LOUISIANA

An undivided 1.95557% overriding royalty interest in and to the following described lease, LESS AND EXCEPT the NW/4 NW/4 SE/4 and the NE/4 SE/4 SE/4 thereof, to wit:

OCS-G 1127

OP0507-0001-000

Oil and Gas Lease from the United States of America as Lessor, to Forest Oil Corporation, as Lessee, dated effective as of June 1, 1962, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 1127, covering the submerged lands of the Outer Continental Shelf, as labeled as follows:

Block 161 Vermilion Area, as shown on official map La. No. 3, Outer Continental Shelf Leasing Map, Louisiana Offshore Operation, containing approximately 4,866.21 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0090-87	Participation Agreement McMoran 1987 OCS Lease Acquisition and Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "B"

**VOLUME 161
OIL AND GAS LEASES
CONTINENTAL SHELF**

As provided, 49,600/49 acre-mining rights interest in and to the offshore oil and gas lease, known and designated as Well No. 3 in the following described lease, to wit:

OCG-G 1127

000001-0001-000

Oil and Gas Lease from the United States of America to the United States of America, as a lease dated effective as of June 1, 1969, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCG-G 1127, covering the submerged lands of the Outer Continental Shelf described as follows:

Block 161 Vermilion Area, as shown on official towing map in No. 1, Outer Continental Shelf Mapping Map, Louisiana Offshore Operations, containing approximately 4,000.0 acres.

The above described interest entitles the owner thereof to the following:

- A. The OCG-G 1127 of Block 161, Vermilion Area, being the Operating Rights in and to oil and gas produced therefrom, and the OCG-G 1127 Well No. 3;
- B. The OCG-G 1127 of Block 161, Vermilion Area, being the Operating Rights, including the surface rights, the "A" platform and the equipment located therein, but not any oil and gas rights therein.

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
OF0507-0144-75	Operating Agreement, as amended	12/31/75	CR Marine Production Company and Bethlehem Steel Corporation, et al
LAND0090-87	Participation Agreement between 1987 OCS Lease Acquisition and Exploration Program	01/01/87	FNB Operating Company, a Limited Partnership, and Continental Shelf & Per Co., Inc., et al
LAND0030-88	Area of Mutual Interest	01/01/88	FNB Operating Company, a Limited Partnership, and Continental Shelf & Per Co., Inc., et al
	Co-Development Agreement	12/01/91	Fracture-Matrix Inc. and Energy Development Corporation, et al
	Overriding Royalty Assignment	Pending	Fracture-Matrix Inc. and Energy Development Corporation, et al

Any and all other contracts, agreements, covenants, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

VERMILION BLOCK 161 OCS GULF OF MEXICO OFFSHORE LOUISIANA

An undivided 39.89360% record title interest in and to the NE/4SE/4SE/4 of the following described lease; and

An undivided 34.66677% record title interest in and to the W/2; SW/4; N/2SE/4; SW/4SE/4; NW/4SE/4SE/4; S/2SE/4SE/4 of the following described lease, to wit:

OCS-G 1127

OF0507-0001-000

Oil and Gas Lease from the United States of America as Lessor, to Forest Oil Corporation, as Lessee, dated effective as of June 1, 1962, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 1127, covering the submerged lands of the Outer Continental Shelf described as follows:

Block 161 Vermilion Area, as shown on official leasing map La. No. 3, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations, containing approximately 4,868.21 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
OF0507-0178-75	Farmout Agreement, as amended	07/24/75	Forest Oil Corporation, et al and C&K Offshore Company
OF 1507-0144-75	Operating Agreement, as amended	12/31/75	C&K Marine Production Company and Bethlehem Steel Corporation, et al
LAND0090-87	Participation Agreement McMoran 1987 OCS Lease Acquisition and Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al
LAND0030-88	Area of Mutual Interest	05/05/88	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al
	Co-Development Agreement	02/01/91	Freeport-McMoran Inc. and Energy Development Corporation, et al
	Overriding Royalty Assignment	Pending	Freeport-McMoran Inc. and C&K Company, et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

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EXHIBIT "A"

MISSISSIPPI CANYON BLOCKS 320, 321, 322, 323 AND 365 OCS GULF OF MEXICO OFFSHORE, LOUISIANA

An undivided 66.667% record title interest in and to the following described leases, to wit:

OCS-G 6946
OF1171-0002-000 Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective June 1, 1984 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 6946 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Blocks 320 and 321, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,131.08 acres.

OCS-G 5834
OF1171-0003-000 Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5834 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 322, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760.00 acres.

OCS-G 5835
OF1171-0004-000 Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5835 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 323, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760.00 acres.

OCS-G 5841
OF1171-0001-000 Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5841 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 365, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760.00 acres.

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
OF1171-0115-87	Unit Operating Agreement	07/01/87	Mobil Oil Exploration & Producing Southeast Inc. and Tennessee Oil Company, et al

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Page 2

Exhibit "A"

Mississippi Canyon Blocks 320, 321, 322, 323 and 369

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
OF1171-0116-87	Unit Agreement	07/01/87	Mobil Oil Exploration & Producing Southeast Inc., Tennessee Oil Company, et al
IXMCOO-0007-89	Participation Agreement McMoran 1989-90 Exploration Program, as amended	01/01/89	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc. et al
OF1171-0022-89	Farmout Agreement	06/15/89	FMP Operating Company, a Limited Partnership and Mobil Oil Exploration & Producing Southeast Inc., et al
OF1171-0048-89	Area of Mutual Interest	08/07/89	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
	Assignment	Effective 08/15/89	Chevron U.S.A. Inc. and Freeport-McMoran Inc.
	Assignment	07/10/91 Effective 08/15/89	Mobil Oil Exploration & Producing Southeast Inc. and Freeport-McMoran Inc.
	Assignment	11/20/91 Effective 08/15/89	Kerr-McGee Corporation, et al and Freeport-McMoran Inc.
	Discount Letter	10/21/91	Texas Eastern Transmission Corporation and FMI Hydrocarbon Company
	Liquid Hydrocarbons Transportation Agreement	09/01/91	Texas Eastern Transmission Corporation and Freeport-McMoran Inc.
	Gas Processing Agreement	01/14/92	Warren Petroleum Company and Freeport-McMoran Inc.
OF1171-0004-92	Gas Dehydration Agreement	02/04/92	Marathon Oil Company and Freeport-McMoran Oil & Gas Company
	Assignment	Pending	Freeport-McMoran Inc. and Continental Land & Fur Co., Inc., et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

**SOUTH PASS BLOCK 74
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA**

An undivided 60.57570% operating rights interest in and to the following described lease, to wit:

OCS-G 6801
OF10880003-000 Oil and Gas Lease from the United States of America as Lessor, to Conoco Inc., et al as Lessee, dated effective June 1, 1984 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 6801 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 74, South Pass Area, South and East Addition, OCS Leasing Map, Louisiana Map No. 9A containing approximately 5,000.00 acres.

Insofar and only insofar as said lease covers and pertains to the E/2 of Block 74 limited to those depths from the surface of the earth down to and including 100' below the stratigraphic equivalent of a depth of 13,311' subsea (16,500' MD), as seen in the Freeport-McMoRan Inc. OCS-G 6801 Well No. A-12 (ST-1).

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	McMoRan 1987-88 Exploration Program	01/01/87	FNP Operating Company, a Limited Partnership and Crescent Investment Co., et al
OF1088-0015-87	Participation Agreement, as amended	05/29/87	Apache Corporation and FNP Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FNP Operating Company, a Limited Partnership, et al
OF1088-0101-88	Area of Mutual Interest	08/31/88	FNP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1088-0014-91	Farmout Agreement	03/21/91	Conoco Inc., et al and Freeport-McMoRan Inc.
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Freeport-McMoRan Inc. and Apache Corporation, et al
	Crude Oil Purchase/Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport-McMoRan Inc.
	Assignment of Overriding Royalty Interest	Pending	Freeport-McMoRan Inc. and CLK Company, et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

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EXHIBIT "A"

SOUTH PASS BLOCK 83 OCS GULF OF MEXICO OFFSHORE, LOUISIANA

An undivided 60.57570% record title interest in and to the following described lease, to wit:

OCS-G 5052 Oil and Gas Lease from the United States of America as Lessor, to Shell Offshore Inc., et al as Lessee, dated effective April 1, 1982 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5052 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 83, South Pass Area, South and East Addition, as shown on OCS Leasing Map, Louisiana Map No. 9A containing approximately 5,000.00 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTY/VE</u>
LAND0021-87	McMoran 1987-88 Exploration Program	01/01/87	McMoran Inc., et al and FWP Operating Company, et al
OF1088-0015-87	Participation Agreement, as amended	05/29/87	Apache Corporation and FWP Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FWP Operating Company, a Limited Partnership, et al
OF1088-0009-87	Seismic Option and Farm-in Agreement	06/01/87	Shell Offshore Inc., et al and FWP Operating Company
OF1088-0101-88	Area of Mutual Interest	08/31/88	FWP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Freeport-McMoran Inc. and Apache Corporation, et al
	Crude Oil Purchase/Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport-McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

**SOUTH PASS BLOCK 82
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA**

An undivided 65.83400% operating rights interest in and to the following described lease, to wit:

OCS-G 5685
OF10880002-000 Oil and Gas Lease from the United States of America as Lessor, to Exxon Corporation as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5685 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 82, South Pass Area, South and East Addition, OCS Leasing Map, Louisiana Map No. 9A, from the surface of the earth down to the stratigraphic equivalent of 14,863 feet, as identified on the electric log of the FMP Operating Company OCS-G 5685 well No. 3, plus 100 feet and containing approximately 5,000.00 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAM00021-87	McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Co., et al
OF1088-0015-87	Participation Agreement, as amended	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership, et al
OF1088-0034-88	Farmin Agreement	08/19/88	Exxon Corporation and FMP Operating Company, a Limited Partnership
OF1088-0101-88	Area of Mutual Interest	08/31/88	FMP Operating Company, a Limited Partnership and Continental Land & Pur Co., Inc., et al
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Freeport-McMoran Inc. and Apache Corporation, et al
	Crude Oil Purchase/ Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport- McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

**EAST CAMERON BLOCK 143
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA**

An undivided 18.43352% record title interest in and to the following described lease, to wit:

OCS-G 5369 Oil and Gas Lease from the United States of America, as
OF1096-0002-000 Lessor, to CNG Producing Company, as Lessee, dated
 effective July 1, 1983, and identified in the Office of
 the Minerals Management Service, Department of the
 Interior, as Outer Continental Shelf Lease Number
 OCS-G 5369 covering the submerged lands of the Outer
 Continental Shelf described as follows:

All of Block 143, East Cameron Area, OCS Leasing Map,
Louisiana Map No. 2 containing approximately 5,000 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	Participation Agreement McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Company, et al
OF1096-0021-88	Farmout Agreement, as amended	05/05/88	CNG Producing Company and FMP Operating Company, a Limited Partnership
OF1096-0029-88	Area of Mutual Interest	02/24/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1096-0041-91	Facility Use Agreement	01/17/91	Chevron U.S.A. Inc. and Freeport-McMoran Inc.
OL0540-03	Crude Oil Exchange Agreement	07/23/91	Shell Oil Company and Freeport-McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interests which are of record.

EXHIBIT "A"

**EAST CAMERON BLOCK 148
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA**

An undivided 26.33360% record title interest in and to the following described lease, to wit:

OCS-G 5370 Oil and Gas Lease from the United States of America, as
OF1096-0001-000 Lessor, to Tenneco Oil Company, as Lessee, dated
 effective July 1, 1983, and identified in the Office of
 the Minerals Management Service, Department of the
 Interior, as Outer Continental Shelf Lease Number
 OCS-G 5370 covering the submerged lands of the Outer
 Continental Shelf described as follows:

All of Block 148, East Cameron Area, OCS Leasing Map,
Louisiana Map No. 2 containing approximately 5,000 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	Participation Agreement McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Company, et al
OF1096-0083-87	Farmout Agreement	12/10/87	Tenneco Oil Company and FMP Operating Company, a Limited Partnership
OF1096-0015-88	Offshore Operating Agreement	03/07/88	Tenneco Oil Company and FMP Operating Company, a Limited Partnership, et al
OF1096-0029-88	Area of Mutual Interest	02/24/88	FMP Operating Company, a Limited Partnership and Continental Land & Pur Co., Inc., et al
OF1096-0041-91	Facility Use Agreement	01/17/91	Chevron U.S.A. Inc. and Freeport-McMoran Inc.
OL0540-03	Crude Oil Exchange Agreement	07/23/91	Shell Oil Company and Freeport-McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

45052

CULLEN R. LISKOW (1989-1971)
AUSTIN W. LEWIS (1980-1964)

GENE W. LAFITTE
BILLY H. MINES
JAMES L. PELLETIER
THOMAS D. HARDENMAN
JOHN M. KING
EDWARD J. GAY III
KENNETH E. GORDON, JR.
LEON J. REYMOND, JR.
J. BERRY ST. JOHN, JR.
DONALD R. ABAUNZA
JOHN M. WILSON
LAWRENCE P. SIMON, JR.
FREDERICK W. BRADLEY
KERRY M. MASSARI
S. GENE FENCLE
THOMAS F. GETTEN
GEORGE H. ROBINSON, JR.
GEORGE J. DOMAS
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WILLIAM W. PUGH
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DAVID W. LEEFE
JAMES D. MICHAEL
RICHARD E. ANDERSON

LISKOW & LEWIS

A PROFESSIONAL LAW CORPORATION

ATTORNEYS AT LAW

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822 HARDING STREET
P O BOX 52008
TELEPHONE (337) 232-7484
TWX 510 600-3464 (LISKOW LAF)
FACSIMILE (337) 287-2389

New Orleans, LA 70139-5001
June 15, 1992

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MARK A. LOWE
KATHLEEN L. DEGRUHL
GEORGE DENEGRE JR.
DON R. HAYCRAFT
EDWIN W. DENHARD
WM. CRAIG WYMAN
JAMES A. BROWN
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JANE J. BOLEWARE
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JEFFERY D. MORGAN
CHRISTOPHER S. HAYES*

OF COUNSEL
WILLIAM M. MEYERS
ROBERT T. JORDEN
CHARLES C. GRENILLION

Minerals Management Service
U.S. Department of the Interior
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

RE: Lease Nos. OCS-G 5685, 5052, 6801, 6946,
5834, 5835, 5841, 1127, 5370, and 5369

Gentlemen:

Enclosed you will find ten (10) counterparts of
(i) a Mortgage Deed of Trust, Security Agreement, Assignment
of Production and Proceeds and Leases and Rents, Fixture
Filing and Financing Statement (the "Mortgage") dated as of
June 11, 1992 by Freeport-McMoRan Inc. ("Mortgagor") in
favor of Chemical Bank, as Collateral Agent ("Mortgagee"),
and (ii) UCC-1 Financing Statement of Mortgagor, as debtor,
and Mortgagee, as secured party (the "Financing Statement").
The enclosed Mortgage and Financing Statement affect
interests of Mortgagor in the captioned leases and other
properties described therein.

The name and address of Mortgagor is: Freeport-
McMoRan Inc., 1615 Poydras Street, New Orleans, Louisiana
70112.

The name and address of Mortgagee is: Chemical
Bank, as Collateral Agent, 270 Park Avenue, New York, NY
10017, Attention: Energy and Minerals Group.

RECEIVED
JUN 15 1992
10 19 AM '92
FBI - NEW ORLEANS
COMMUNICATIONS SECTION
JUN 15 1992

LISKOW & LEWIS

June 15, 1992

PAGE 2

In order that third persons will be put on notice as to the execution and efficacy of the enclosed Mortgage and Financing Statement, please file a counterpart of each of the enclosed Mortgage and Financing Statement, together with a copy of this letter, in the lease record files related to each of the captioned leases. Enclosed is our firm check in the amount of \$500.00 for payment of filing fees. Please evidence that the foregoing has been accomplished by signing a copy of this letter in the space provided below.

Very truly yours,

Thomas F. Getten

Thomas F. Getten

TFG/mn
Enclosures

FILING ACCOMPLISHED AS REQUESTED

DATE: JUN 15 1992

MINERALS MANAGEMENT SERVICE

BY: *Burley J. Barkman*

RECEIVED
JUN 15 9 19 AM '92
MINERALS MANAGEMENT SERVICE
GULF COAST REGION
NEW ORLEANS, LOUISIANA

MORTGAGE, DEED OF TRUST, SECURITY AGREEMENT,
ASSIGNMENT OF PRODUCTION AND PROCEEDS AND LEASES
AND RENTS, FIXTURE FILING AND FINANCING STATEMENT

FREEPORT-MCMORAN INC.

TO

Mary Jo Woodford, the Trustee,

and

CHEMICAL BANK, as the Collateral Agent

Dated June 11, 1992

"THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS."

"A POWER OF SALE HAS BEEN GRANTED IN THIS INSTRUMENT, A POWER OF SALE MAY ALLOW TRUSTEE TO TAKE THE MORTGAGED PROPERTY AND SELL IT WITHOUT GOING TO A COURT IN A FORECLOSURE ACTION UPON DEFAULT BY THE MORTGAGOR UNDER THIS INSTRUMENT."

"THIS INSTRUMENT SECURES PAYMENT OF FUTURE ADVANCES."

"THIS INSTRUMENT SHALL BE EFFECTIVE AS, AMONG OTHER THINGS, A SECURITY AGREEMENT AND FINANCING STATEMENT UNDER THE UNIFORM COMMERCIAL CODE. COLLATERAL INCLUDES, AMONG OTHER PROPERTY, FIXTURES AND OIL AND GAS AND ACCOUNTS ATTRIBUTABLE TO THE SALE THEREOF TO BE FINANCED AT THE WELLS/HEAD(S) OF THE WELL(S) LOCATED ON THE LANDS DESCRIBED OR TO WHICH REFERENCE IS MADE IN THIS INSTRUMENT.

RECORDED
JUN 15 3 19 PM '92
MINI
CULT
NEW ORLEANS
LOUISIANA

**MORTGAGE, DEED OF TRUST, SECURITY AGREEMENT,
ASSIGNMENT OF PRODUCTION AND PROCEEDS AND LEASES
AND RENTS, FIXTURE FILING AND FINANCING STATEMENT**

THIS MORTGAGE, DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF PRODUCTION AND PROCEEDS AND LEASES AND RENTS, FIXTURE FILING AND FINANCING STATEMENT (the "Mortgage"), dated as of June 11, 1992, by Freeport-McMoran Inc., a Delaware corporation (the "Mortgagor" or "FTX"), having an address at 1615 Poydras Street, New Orleans, Louisiana 70112, to Chemical Bank, a New York banking corporation having an address at 270 Park Avenue, New York, New York 10017, as agent (in such capacity, the "Collateral Agent") for the Lenders (as hereinafter defined) and Mary Jo Woodford, having an address at 270 Park Avenue, New York, New York 10017 (the "Trustee").

Recitals

The Mortgagor is giving this Mortgage pursuant to, and to secure obligations of the Mortgagor under (i) the Credit Agreement dated as of June 11, 1992, as it may be amended and in effect from time to time (the "FM Credit Agreement"), among the Mortgagor, FM Properties Operating Co., the banks named therein (the "FM Lenders") and Chemical Bank, as agent for the FM Lenders (the "FM Agent"), pursuant to which, upon the terms and conditions therein stated, the FM Lenders have agreed to extend credit to the Mortgagor in order to enable it to borrow on a revolving credit basis at any time and from time to time prior to May 31, 1996, not in excess of Four Hundred Ten Million Dollars (\$410,000,000.00) at any one time outstanding, convertible on such date into a three year term loan, and (ii) the Note Agreement dated as of December 31, 1985, among FMP Operating Company, a Limited Partnership, to which the Mortgagor succeeds in interest, as purchaser, and Pel-Tex Oil Company, Inc., Chenier Oil Company, Inc., Burke and Pel-Tex Oil Company, Inc., doing business as Armont Company, Earl P. Burke, Jr. and Fay Stouder Burke (collectively, the "Burke Parties"), as amended, and as it may be amended and in effect from time to time, and the subsequent assignment of the note under the Note Agreement as collateral security to certain banks (the "Pel-Tex Bank Lenders") (collectively the Note Agreement and the assignment thereof referred to as the "Pel-Tex Agreements").

In order to provide for the orderly distribution of the proceeds of the Mortgaged Property subject to this Mortgage, pursuant to both the FM Credit Agreement and the Pel-Tex Agreements, the FM Lenders, acting through the FM Agent, the Pel-Tex Bank Lenders, acting through Hibernia National Bank, as agent (the "Pel-Tex Agent") and the Burke Parties have entered into an

intercreditor agreement (the "FM Intercreditor Agreement"). Pursuant to the FM Intercreditor Agreement, the Collateral Agent is authorized, on behalf of the lenders party to the FM Intercreditor Agreement (as defined therein and hereinafter, the "Lenders"), to dispose of, and distribute the proceeds of, the assets of the Mortgagor pledged as collateral (the "Shared Collateral"), which includes the Mortgaged Property, on the terms and conditions as set forth in the FM Intercreditor Agreement.

W I T N E S S E T H :

NOW, THEREFORE, for and in consideration of the premises and as security for the payment and performance of the Indebtedness (as hereinafter defined), and upon and subject to the terms and conditions hereinafter set forth, the Mortgagor does hereby convey, assign, grant, bargain, sell, mortgage, transfer, hypothecate, grant a security interest in and convey unto the Trustee, for the use and benefit of the Collateral Agent, on behalf of the Lenders, all of the Mortgagor's right, title, interest, claim and demand, whether now owned or hereafter acquired by operation of law or otherwise (and even though the Mortgagor's interest therein may be incorrectly described in, omitted from or not described in Exhibit A hereto) in, to and under:

(a) those certain oil, gas and mineral leases including subleases and assignments of operating rights (the "Hydrocarbon Leases") identified in Exhibit A attached hereto and made a part hereof, and the leasehold interests created thereby (collectively the "Leasehold Estates" and individually a "Leasehold Estate") in the real property described in the Hydrocarbon Leases as being affected thereby (the "Leased Land"), and all other mineral rights, overriding royalties, production payments, net profits agreements, royalties and other mineral interests identified in Exhibit A (the "Mineral Interests"), together with (i) all real estate located on, or used in connection with, the Mineral Interests or the Leased Land, (ii) all amendments, modifications, extensions and renewals thereof, (iii) all rights, interests, powers, privileges, options and other benefits of the Mortgagor under the Hydrocarbon Leases or the Mineral Interests and any other agreement or instrument creating or containing any such other rights or interests with respect to the Leasehold Estates or the Mineral Interests, (iv) all credits, deposits, options, privileges and rights of the Mortgagor under the Hydrocarbon Leases or the Mineral Interests, (v) the right to give consents and to receive money payable to the lessees under the Hydrocarbon Leases, (vi) any options to renew or purchase and any rights of first refusal to lease or

purchase with reference to the foregoing, and (vii) all royalty interests, overriding royalty interests, production payment interests and net profits interests covering or relating to the Leased Land (the term "Leased Land" as used herein includes without limitation the land specifically described in Exhibit A and all land described in or covered by the oil and gas leases and other documents described in Exhibit A hereto whether or not such land is specifically described in Exhibit A hereto);

(b) the crude oil, condensate, natural gas, natural gas liquids, casinghead gas and petroleum products and other solid, liquid or gaseous hydrocarbons and other associated or related substances (the "Hydrocarbons") which are in, under, upon, attributable to, produced or to be produced from the Leased Land or the Mineral Interests, and owned or leased by the Mortgagor, subject to any matters listed in Exhibit A (the "Hydrocarbon Reserves");

(c) all inventory of the Hydrocarbon Reserves now or hereafter extracted, removed, or severed from or attributable to the Leased Land or the Mineral Interests, subject to any matters listed in Exhibit A; provided, however, that so long as no Event of Default under any of the Credit Documents shall have occurred and be continuing, such Hydrocarbon Reserves may be sold by the Mortgagor in the ordinary course of its business, free of any lien or security interest created by this Mortgage;

(d) all accounts now or hereafter resulting from the sale of the Hydrocarbon Reserves produced at the wellhead or minehead, and all other accounts, contract rights, operating rights, general intangibles, chattel paper, documents and instruments arising from the sale of the Hydrocarbon Reserves;

(e) all unitization, communitization, operating agreements, pooling agreements and declarations of pooled units and the properties covered and the units created thereby (including all units formed under orders, regulations, rules or other official acts of any federal, state or other governmental agency providing for pooling or unitization, spacing orders or other well permits and other instruments) now or hereafter entered into which relate to or affect all or any portion of the Leased Land or the Mineral Interests, including, without limitation, those units which may be specifically described or referred to in Exhibit A;

(f) all equipment leases, production sales, purchase, exchange or processing agreements, transportation agreements, farmout or farmin agreements, saltwater disposal agreements, area of mutual interest agreements and other contracts or agreements now or hereafter entered into that cover, affect, or otherwise relate to the Leased Land or the Mineral Interests, or to the operation of the Leased Land or the Mineral Interests, or to the treating, handling, storing, transporting or marketing of Hydrocarbons produced from or allocated or attributed to the Leased Land or the Mineral Interests, including, without limitation, those contracts and agreements listed in Exhibit A hereto, as the same may be amended or supplemented from time to time;

(g) all surface or subsurface machinery, equipment, fixtures, facilities or other property of whatsoever kind or nature now or hereafter located on or under any of the Leased Lands or the Mineral Interests, which are used or useful for the production, treatment, storage or transportation of Hydrocarbons, or attached to, or contained in or used in connection with the operation or ownership of the Leased Lands or the Mineral Interests, including, but not by way of limitation, (x) all oil wells, gas wells, water wells, injection wells, casing, tubing, rods, pumping units and engines, Christmas trees, derricks, separators, heater treaters, valves, gun barrels, flow lines, tanks, gas systems and compressors (for gathering, treating and compression), water systems (for treating, disposal and injection), pipelines (including gathering lines, laterals and trunklines, if any), power plants, poles, lines, transformers, starters and controllers, machine shops, tools, storage yards and equipment stored therein, buildings and camps, telegraph, telephone and other communication systems, roads, loading racks and shipping facilities, and (y) all screens, awnings, shades, blinds, curtains, draperies, artwork, carpets, rugs, storm doors and windows, furniture and furnishings, heating, electrical, and mechanical equipment, lighting, switchboards, plumbing, ventilating, air conditioning and air-cooling apparatus, refrigerating, and incinerating equipment, escalators, elevators, loading and unloading equipment and systems, stoves, ranges, laundry equipment, cleaning systems (including window cleaning apparatus), telephones, communication systems (including satellite dishes and antennae), televisions, computers, sprinkler systems and other fire prevention and extinguishing apparatus and materials, security systems, motors, engines, machinery, pipes, pumps, tanks, conduits, appliances, fittings and fixtures of every kind and description;

(h) all general intangibles, accounts and other rights to payment under any and all contracts, now or hereafter arising, under which the Mortgagor is entitled to share in the production from, or the proceeds of, the Leased Land or the Mineral Interests, or any oil and/or gas wells located thereon, whether operated by the Mortgagor or others, including, without limitation, operating agreements, revenue sharing agreements and other similar or dissimilar agreements;

(i) all minerals underlying the Leased Land or the Mineral Interests;

(j) all permits, licenses, easements, servitudes, rights-of-way, sewer and water rights, railroad sidings, and other interests and rights-of-way of every character in any way relating or appertaining to any of the Leased Land or the Mineral Interests;

(k) all permits, franchises, privileges, grants, consents, licenses, authorizations, certificates of public convenience and necessity, approvals and water rights with respect to the Mortgaged Property, as hereafter defined, hereafter granted to the Mortgagor, and in and to all amendments, supplements, modifications, extensions and renewals of any thereof (except the right, title and interest of the Mortgagor in and to any such permit, franchise, privilege, grant, consent, license, authorization, approval or water right which is not freely assignable by the Mortgagor or is assignable only upon the assumption of one or more obligations thereunder by the assignee), subject in each case to all the terms, conditions and provisions of each of such permits, franchises, privileges, grants, consents, licenses, authorizations, approvals and water rights, but only to the extent permitted by law and by the instrument, if any, by which they were granted;

(l) all tenements, hereditaments and appurtenances belonging or in any way appertaining to the aforementioned premises, property rights and franchises, and all the rents, issues and profits thereof;

(m) all right, title, interest, property, claim and demand of the Mortgagor, if any, in and to the land lying in the bed of any street, road, avenue, alley, in front of or adjoining the Leased Land and in and to gores and strips of land adjacent to or adjoining the Leased Land;

(n) all proceeds of the conversion, whether voluntary or involuntary, of any of the Leased Land, the Mineral Interests or the Leasehold Estates or any other of the property, real or personal, subjected to the lien hereof and the security interest granted hereby into cash or other liquid claims, including, without limitation, all awards, payments or proceeds, including interest thereon, and the right to receive the same, which may be made as the result of any casualty, any exercise of the right of eminent domain or deed in lieu thereof, the alteration of the grade of any street and any injury to or decrease in the value of the Leased Land, the Mineral Interests or the Leasehold Estates, together with attorney's fees, costs and disbursements incurred by the Trustee or the Collateral Agent in connection with the collection of such awards, payments and proceeds and the Mortgagor agrees to execute and deliver, from time to time, such further instruments as may be requested by the Trustee or the Collateral Agent to confirm such assignment of any such award, payment or proceeds; and

(o) the proceeds and products of the foregoing, together with any additions thereto, substitutions therefor and proceeds and products thereof which may be subjected to the lien of this instrument by means of supplements hereto, and all corrections or amendments to, or renewals, extensions or ratifications of, any of the same, or of any instruments relating thereto.

All of the Mortgagor's right, title, interest, claim and demand, whether now owned or hereafter acquired in, to and under (a) through (o) above are hereinafter collectively called the "Mortgaged Property", subject, however, to the condition that neither the Trustee nor the Collateral Agent shall be liable in any respect for the performance of any covenant or obligation of the Mortgagor in respect of its Mortgaged Property.

TO HAVE AND TO HOLD the Mortgaged Property unto the Trustee, its successor(s) and assigns, IN TRUST to secure the payment and performance of all indebtedness, obligations and liabilities of the Mortgagor now or hereafter arising under or pursuant to the Credit Documents (as hereinafter defined) (collectively, the "Indebtedness"), including, but not limited to (i) the aggregate principal amount of the loans at any one time outstanding under the Credit Documents, but not in excess of the aggregate principal sum of Four Hundred and Eighty-Four Million Dollars (\$484,000,000), including the principal amount of any loans and advances hereafter made under the Credit Documents and any and all additional indebtedness and other obligations and liabilities now existing and hereafter arising under the Credit Documents, as evidenced by notes (the "Notes") made by the Mortgagor, to the FM

Lenders and the Burke Parties, and payable to each of them at their respective addresses, (ii) FTX's guarantee of the Partnership Obligations to the FM Lenders and the FM Agent under FM Credit Agreement, (iii) FTX's guarantee of the Pel-Tex Obligations to the Pel-Tex Lenders in connection with the Pel-Tex Agreements, (iv) interest (which interest may vary from time to time in accordance with the terms of the Credit Documents) from the date any outstanding balance thereof remains from time to time unpaid, (v) all fees, indemnities and reimbursement of costs or expenses and other amounts as may be owed to the Collateral Agent or the Lenders under the Credit Documents, and (vi) any costs, expenses or other sums advanced by the Trustee or the Collateral Agent under the terms of the Credit Documents or this Mortgage. For purposes of this Mortgage, "Credit Documents" shall mean, as amended from time to time, the FM Credit Agreement, the Pel-Tex Agreements, any notes issued pursuant to any of the foregoing and any other documents heretofore or hereafter entered into pursuant to any of the foregoing, including, but not limited to, this Mortgage. All capitalized terms used herein but not defined herein shall have the meaning assigned such term in the FM Credit Agreement.

Insofar as such properties, rights and interests described in (a) through (o), inclusive, above consist of equipment, general intangibles, accounts, chattel paper, instruments, contract rights, inventory, fixtures, goods, proceeds or products of collateral (as such terms are defined in the Uniform Commercial Code as in effect in the appropriate jurisdiction with respect to each of said properties, rights and interests) (the "Uniform Commercial Code") or any other personal property of a kind or character subject to the applicable provisions of the Uniform Commercial Code, the Mortgagor hereby grants to the Collateral Agent for the benefit of the Lenders a security interest therein to secure the payment and performance of the Indebtedness.

If not sooner paid, the Indebtedness shall be due and payable on May 31, 1999.

And the Mortgagor further covenants and agrees with, and represents and warrants to, the Trustee and the Collateral Agent as follows:

ARTICLE 1. Covenants, Warranties and Agreements. The Mortgagor represents and warrants to the Trustee and the Collateral Agent as follows:

(a) The Mortgagor will promptly and at its expense, record, register, deposit and file this and every other instrument in addition or supplemental hereto, including, without limitation, continuation statements

(except to the extent the Uniform Commercial Code requires such statements to be filed by the secured party), in such offices and places and at such times and as often as may be necessary to preserve, protect and renew the lien and security interest hereof as a perfected lien and security interest on real or personal property as the case may be and the rights and remedies of the Trustee and the Collateral Agent hereunder, and otherwise will do and perform all reasonable things necessary to be done or observed by reason of any law or regulation of any state of the United States or of any other competent authority having jurisdiction over the Mortgaged Property for the purpose of effectively creating, maintaining and preserving the lien and security interest hereof on the Mortgaged Property.

(b) The Mortgagor will execute and deliver such other and further instruments and will do such other and further acts as in the opinion of the Trustee or the Collateral Agent may be reasonably necessary or desirable to carry out more effectually the purposes of this instrument, including, without limitation, prompt correction of any defect which may hereafter be discovered in the execution and acknowledgment of this instrument, the Credit Documents, any of the Notes, or any other document used in connection herewith.

(c) The Mortgagor will timely execute, deliver and properly record such supplemental deeds of trust or modification agreements as may be required under the laws of any state where the Mortgaged Property is located.

ARTICLE 2. Leasehold Estates. The Mortgagor covenants that:

(a) The Mortgagor will at all times promptly comply with and faithfully keep and perform, or cause to be kept and performed, in all material respects, all the covenants and provisions contained in the Hydrocarbon Leases and the Mortgagor will neither affirmatively do nor cause or suffer to be done anything which will impair or tend to impair the security hereof, or which will or could be grounds for declaring a forfeiture or termination of the Hydrocarbon Leases, except to the extent that a prudent operator in this business would do otherwise. The Mortgagor will notify the Collateral Agent promptly in writing after learning of any condition that with or without the passage of time or the giving of any notice might result in a default under or the termination of a Hydrocarbon Lease to which it is a party. The Mortgagor shall pay the rents, taxes, assessments and all

other sums payable by the Mortgagor as lessee under the Hydrocarbon Leases, according to the terms thereof, as the same shall become due and payable or prior to the time a penalty attaches for nonpayment thereof in the case of taxes, assessments and similar charges. The Mortgagor shall not default in any other particular under a Hydrocarbon Lease.

(b) Except to the extent that a prudent operator in this business would do so, the Mortgagor will not modify, extend (except for the renewal rights set forth therein), or in any way alter the material terms of a Hydrocarbon Lease or cancel or surrender a Hydrocarbon Lease, or waive, excuse, condone, or in any way release or discharge a lessor thereunder of or from any material obligations, covenants, conditions and agreements to be performed by such lessor, without the prior written consent of the Collateral Agent.

(c) The Mortgagor will not subordinate or consent to the subordination of a Hydrocarbon Lease to any mortgage, security deed, deed of trust, lease or other interest on or in the lessee's interest in all or any part of the property covered by such Hydrocarbon Lease, without the prior written consent of the Collateral Agent, or unless the same shall be expressly required by mandatory provisions of applicable law or by the express terms and provisions of such Hydrocarbon Lease.

(d) Without the prior written consent of the Collateral Agent, the Mortgagor will not permit the fee title to the Leased Land or any material part thereof to merge with the Leasehold Estates created by the Hydrocarbon Leases, but shall always keep such estates separate and distinct notwithstanding the union of such estates whether in the lessors under the Hydrocarbon Leases or in the Mortgagor or in a third party, by purchase or otherwise; and in case the Mortgagor acquires the fee title or any other additional estate, title or interest in the Leased Land, this Mortgage shall attach to, and be a lien upon, the fee title or such other estate so acquired, and such fee title or other estate shall, without further assignment, mortgage or conveyance, become and be subject to the lien of this Mortgage. The Mortgagor shall notify the Collateral Agent of any such acquisition by the Mortgagor and, on written request by the Collateral Agent, shall cause to be executed and recorded such other and further assurances or other instruments as may in the opinion of the Collateral Agent be required to carry out the intent and meaning hereof.

(e) If a Hydrocarbon Lease is for any reason terminated prior to the expiration of its term and the Mortgagor does

not contest such termination, and if pursuant to any provision of such Hydrocarbon Lease or otherwise, the Collateral Agent or its designee shall acquire from the lessor thereunder a new lease of the property covered by such Lease, the Mortgagor shall have no right, title or interest in or to such new lease or the leasehold estate created thereby.

(f) The Mortgagor will promptly give notice to the Collateral Agent of any notice, communication, or other instrument or document received or given by it in connection with, related to or affecting a claim or alleged claim of a material default by either lessor or lessee under a Hydrocarbon Lease to which it is a party.

(g) No release or forbearance of any of the Mortgagor's obligations under a Hydrocarbon Lease, pursuant to such Hydrocarbon Lease or otherwise, shall release the Mortgagor from any of its obligations hereunder.

(h) Except to the extent that a prudent operator in this business would not do so, the Mortgagor will defend the Leasehold Estates created under the Hydrocarbon Leases to which it is a party for the entire remainder of the terms set forth therein, against each and every person or persons lawfully claiming, or who may claim the same or any part thereof.

(i) Unless otherwise consented to by the Collateral Agent, not later than thirty (30) days before the last day thereunder on which the same may be performed, the Mortgagor will exercise its option, if any, to obtain from the applicable lessor a renewal of the term of each material Hydrocarbon Lease for the respective renewal terms permitted and will deliver to the Collateral Agent a copy of the notice of its exercise of said option, together with proof of the mailing thereof to the lessor as required by the applicable Hydrocarbon Lease; provided, however, that this paragraph (i) shall not apply to renewal terms which automatically renew without action by lessor or lessee.

ARTICLE 3. Representations and Warranties Regarding Hydrocarbon Leases. The Mortgagor represents and warrants that:

(a) on the date of the execution and delivery of this Mortgage it has not received notice of termination of any Hydrocarbon Leases or of any default on the part of the lessee thereunder which has not been cured or waived and to its knowledge, no such default has occurred and is continuing, other than immaterial defaults which are curable

at commercially acceptable costs and which do not give the lessor the right to cancel or terminate such Hydrocarbon Lease;

(b) subject to the provisions of ARTICLE 4 (c), each Hydrocarbon Lease (i) is a valid and subsisting lease of the Leased Land therein described and for the term therein set forth and is in full force and effect in accordance with the terms thereof and has not been modified in any material respect; and (ii) subject to the qualification set forth below as to the titles of lessors under the Hydrocarbon Leases, each Hydrocarbon Lease and each Leasehold Estate is free and clear of all encumbrances other than that created hereby, and that to the best of Mortgagor's knowledge there are not existing defaults by the lessors or lessees thereunder;

(c) The Mortgagor is the owner and holder of the Hydrocarbon Leases and of the Leasehold Estates created thereby as set forth in Exhibit A; and

(d) the Mortgagor has full and lawful power and authority to execute this Mortgage and this Mortgage has been duly authorized by the Mortgagor and lawfully executed and delivered in conformity with the Hydrocarbon Leases.

Notwithstanding the foregoing, Mortgagor makes no representations or warranty with respect to the lessor's title to any Leased Land held under any Hydrocarbon Lease, except that prior to acquiring each Hydrocarbon Lease, the Mortgagor obtained title information or representations with respect thereto sufficient in its opinion to justify such acquisition. The Mortgagor knows of no adverse claim or defect in any lessor's claim to any Leased Land which may materially interfere with the rights of the Mortgagor under the Hydrocarbon Leases.

ARTICLE 4. Additional Covenants, Representations, Warranties and Agreements. The Mortgagor represents and warrants to the Collateral Agent as follows:

(a) All of the representations, warranties and covenants of the Mortgagor contained in the Credit Documents are, and shall at all times provided for therein continue to be, true and correct in all material respects.

(b) Exhibit A contains, in all material respects, a complete and accurate description of the Mortgaged Property, legally sufficient to support the lien of this Mortgage and to enable a subsequent purchaser or mortgagee to identify and

establish the Mortgagor's title or other interest in and to the Mortgaged Property.

(c) The Mortgagor warrants that (i) except as set forth in ARTICLE 2 and Exhibit A, attached hereto and made a part hereof, it has good and defensible title to each property, right or interest constituting the Mortgaged Property, free from all encumbrances or liens whatsoever, except (x) as set forth in Schedule A, (y) liens for taxes, assessments or other governmental charges or levies not yet due and payable or which can be paid without penalty, and (z) such imperfections of title and encumbrances, if any, as do not detract from the value of, or interfere with the present or intended use of, such Mortgaged Property and which are not material to the Mortgagor; (ii) except as set forth on Schedule A hereto, it has done no act to encumber the Mortgaged Property; (iii) it has the legal right to grant and convey its Mortgaged Property to the Collateral Agent for the benefit of the Collateral Agent and the Lenders, and (iv) except as set forth in clause (i) above, and except for such portions of the Mortgaged Property as to which perfection requires noting the security interest on a certificate of title, upon recordation hereof in the appropriate offices, this instrument will create and grant to the Collateral Agent a valid and perfected first and prior lien on and security interest in the Mortgaged Property.

(d) The Mortgagor represents that (i) the portion of the Mortgaged Property consisting of goods which are or will become fixtures is and will be located on the real property described in this Mortgage, (ii) the portion of the Mortgaged Property which consists of oil or gas as to which the security interest created by this Mortgage is intended to attach upon extraction will be produced from wells located upon the real property described in this Mortgage, and (iii) the portion of the Mortgaged Property consisting of accounts resulting from the sale of oil or gas at the well head will relate only to oil or gas produced from wells located on said property.

(e) The Mortgagor represents that there are of record no liens, security interests, charges or encumbrances on the Mortgaged Property, except as listed on Schedule A.

(f) The Mortgagor represents that except as listed on Schedule A none of the Mortgaged Property consists of operating agreements under which other parties are operating portions of the Mortgaged Property for the joint account of all leasehold owners. To the extent that any portion of the Mortgaged Property does consist of operating agreements, the

Mortgagor, as a nonoperating party to such agreements, represents that, to the extent that such agreements (i) grant the operator any liens upon the interests of the Mortgagor, (ii) permit the operator to receive the Mortgagor's share of production proceeds, (iii) require the Mortgagor to share in the reimbursement of the operator for amounts not contributed by other parties to the agreements, (iv) contain non-consent provisions which can operate to increase or decrease the interests of parties thereto, (v) contain other provisions which could affect the rights of the parties under the Credit Documents, and (vi) in any other way impose any obligation or expense on the Mortgagor, the effect of the operating agreements on the condition, financial or otherwise, of the Mortgagor is not

(g) The Mortgagor represents that the Mortgagor has and will as needed obtain all necessary routine operating or other routine licenses or permits which may be required in the course of the Mortgagor's performance under this Mortgage.

(h) The Mortgagor will promptly and at its expense, record, register, deposit and file this and every other instrument in addition or supplemental hereto, including, without limitation, continuation statements (except to the extent the applicable Uniform Commercial Code requires such statements to be filed by the secured party), in such offices and places and at such times and as often as may be necessary to preserve, protect and renew the lien hereof as a first lien on real or personal property as the case may be (subject to the interests referred to in section (c)(i) of this ARTICLE 4) and the rights and remedies of the Collateral Agent, and otherwise will do and perform all reasonable things necessary to be done or observed by reason of any law or regulation of any state of the United States or of any other competent authority having jurisdiction over the Mortgaged Property for the purpose of effectively creating, maintaining and preserving the lien hereof on the Mortgaged Property.

(i) The Mortgagor will execute and deliver such other and further instruments and will do such other and further acts as in the reasonable opinion of the Collateral Agent may be reasonably necessary or desirable to carry out more effectually the purposes of this instrument, including without limitation prompt correction of any defect which may hereafter be discovered in the execution and acknowledgment of this instrument, the Credit Documents, any of the Notes, or any other document used in connection herewith. The Mortgagor will also execute, deliver and record such other

instruments and do such other acts as in the reasonable opinion of the Collateral Agent may be necessary or desirable to subject any after-acquired property to the lien of this Mortgage. For purposes of this section (i), "after-acquired property" shall mean that portion of the Mortgaged Property described in paragraphs (n) and (o) thereof.

(j) Except where prohibited by law, the Mortgagor will pay all taxes, assessments and governmental charges legally imposed by this instrument and every other instrument in addition or supplemental hereto or upon the Mortgaged Property or upon the interest of the Collateral Agent therein, or upon any royalties from the Mortgaged Property.

(k) So long as the Indebtedness, or any part thereof, remains unpaid, except to the extent a prudent operator in this business would not do so, the Mortgagor shall, at its own expense: (i) generally warrant and defend its interest in all and singular the Mortgaged Property in all material respects against every person whosoever now or at any time hereafter lawfully claiming or to claim the same or any part thereof; (ii) do all reasonable things necessary to keep unimpaired in any material respect its rights in the Mortgaged Property; and (iii) cause the Mortgaged Property to be kept free and clear of liens, charges and encumbrances of every character, except as otherwise permitted hereunder or by the provisions of the Credit Documents.

(l) The Mortgagor warrants that, to the best of its knowledge and belief, no approval or consent of any regulatory or administrative commission or authority, or of any other governmental body, is necessary to authorize the execution and delivery of this instrument, or to authorize the observance or performance by the Mortgagor of the covenants herein contained.

(m) The Mortgagor will permit the Trustee or the Collateral Agent, at any reasonable time, but at the risk and expense of the Trustee or the Collateral Agent, as the case may be, (i) to enter upon the Mortgaged Property, and all parts thereof, for the purpose of investigating and inspecting the condition and operation thereof, and (ii) upon the reasonable request of the Trustee or the Collateral Agent or the agents of any of them, to inspect and make excerpts from all the books and records of the Mortgagor relating to the Mortgaged Property.

(n) The Mortgagor will timely execute, deliver and properly record such supplemental deeds of trust or

modification agreements as may be required under the laws of the jurisdiction in which the property is located.

(o) The Mortgagor will promptly give written notice to the Collateral Agent if the title to the Mortgaged Property or any material part thereof or the security interest created hereby thereon shall be in danger of being forfeited, or shall be attached directly or indirectly, or if any material adverse claim or demand is made with respect thereto, or if any material adverse governmental action is taken with respect thereto or if any material legal proceedings are instituted against the Mortgagor or the Lenders with respect thereto, and exert itself diligently to cure any material defect that may be developed or claimed and take all necessary and proper steps for the protection and defense thereof and take such action as is reasonably appropriate to the defense of any such legal proceedings, including, but not limited to, the employment of counsel, the prosecution and defense of litigation and the compromise or release and discharge of any adverse claims made, all to the extent that a prudent operator in this business would take. If the Collateral Agent shall deem it necessary or expedient, the Mortgagor hereby authorizes the Collateral Agent, at the Mortgagor's expense, to take all additional steps deemed by the Collateral Agent, in the exercise of its reasonable judgment, as necessary or appropriate for the defense and protection of said title and security interests.

(p) The Mortgagor shall maintain its principal place of business and chief executive office, and the place where the Mortgagor keeps its books and records concerning the Mortgaged Property (including, without limitation, the records with respect to the proceeds of production from the other accounts and contract rights), at the address set forth in the introduction to this Mortgage or at such address as the Mortgagor shall from time to time give notice of to the Collateral Agent.

ARTICLE 5. Environmental Provisions. The Mortgagor represents, warrants, covenants and agrees that it will:

(a) Use due diligence not to permit (except in compliance with all laws, ordinances and administrative directives pertaining thereto), any toxic or hazardous materials or substances (including, without limitation, asbestos, chemicals, flammable explosives, radioactive materials, petroleum, and any by-products or derivatives thereof, and any substances defined as or included in the definitions of "hazardous substances", "hazardous waste", "hazardous materials", or "toxic substances" under any

Hazardous Materials Laws) ("Hazardous Materials") to be placed, held, located, released, transported, maintained in any manner so as to create a threat of release or disposed of on, under or at any of the Mortgaged Property if to do so could reasonably be expected to have material adverse effect on the value of the Mortgaged Property (a "Material Adverse Effect"). For purposes hereof the term "Hazardous Materials Laws" shall mean any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials or any directives, decrees, or administrative consent orders including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendment and Reauthorization Act of 1996, the Resource Conservation and Recovery Act, the Federal Clean Water Act, the Federal Clean Air Act, the Toxic Substances Control Act, the Solid Waste Disposal Act, the Safe Drinking Water Act, the Occupational Safety and Health Act, any so-called "Superfund" or "Superlien" laws, and any law governing the transfer of contaminated property.

(b) Remove, at the Mortgagor's sole cost and expense, any Hazardous Materials on, under or at any of the Mortgaged Property and remediate, including ongoing monitoring, in accordance with accepted engineering practices and all applicable environmental laws, any and all environmental, health or safety conditions, including, but not limited to, soil and groundwater contamination, arising from or caused by the presence of Hazardous Materials on or under the Mortgaged Property, or by the migration of Hazardous Materials or contamination of any sort onto or under the Mortgaged Property if, as and when (i) any of such conditions or Hazardous Materials reasonably could be expected to result in a claim, lawsuit or order for the imposition of liability, individually or in the aggregate, in excess of \$8,000,000, against the Mortgagor, the Collateral Agent or the Trustee or (ii) such removal and remediation is required by a governmental authority under any legal requirement.

(c) Provide the Collateral Agent with written notice, within thirty (30) business days, of any of the following: (i) upon the Mortgagor obtaining knowledge (A) of any of the Mortgaged Property not being in compliance with all applicable legal requirements or (B) of each and any environmental, health or safety condition affecting any of the Mortgaged Property (including, without limitation, the presence of any actual or threatened release of Hazardous Materials), which in the case of (A) or (B) reasonably could be expected to result in the imposition of a liability, individually or in the aggregate, in excess of \$8,000,000

pursuant to the Hazardous Materials Laws or would otherwise have a Material Adverse Effect on the value of the Mortgaged Property and (ii) upon the Mortgagor's obtaining knowledge of the incurrence of any material cost or expense by any federal, state or local governmental authority in connection with the assessment, containment or removal of any Hazardous Materials or contamination at or from any of the Mortgaged Property by any such governmental authority, irrespective of the source of such Hazardous Materials.

(d) Upon reasonable request of the Collateral Agent after consultation with the Mortgagor, provide the Collateral Agent with an environmental site assessment report concerning any real property (which term, for purposes hereof, includes, without limitation, all fee estates, leasehold interests, easements and rights of way) forming part of the Mortgaged Property, prepared by the environmental consulting firm approved by the Collateral Agent indicating the presence or absence of an adverse environmental, health or safety condition (including the presence, release or disposal of Hazardous Materials) and the potential cost of any corrective removal or remedial action in connection with any such condition on such real property. The Collateral Agent, in its reasonable judgment, may order and the Mortgagor shall grant and hereby grants the Collateral Agent and any all of its agents access to such real property and specifically grants the Collateral Agent an irrevocable, nonexclusive license, subject to the rights of tenants (other than Affiliates of the Mortgagor), to undertake such an assessment, all at the Mortgagor's expense.

ARTICLE 6. The Trustee.

(a) The Trustee may execute any of his duties hereunder by or through his agents and shall be entitled to retain counsel and to act in reliance upon the advice of counsel concerning all matters pertaining to his duties hereunder. The Trustee shall be entitled to take, and shall only be required to take, any action which the Trustee is permitted to take hereunder or under any related agreement at the written or telegraphic request of the Collateral Agent.

(b) Neither the Trustee nor his agents shall be liable for any action taken or omitted to be taken by him or them in good faith, nor responsible for the consequences of any oversight or error of judgment or answerable for any loss unless the loss shall happen through his or their gross negligence or wilful misconduct. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms of this Mortgage by the

Mortgagor. The Trustee shall be entitled to rely upon any notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by him to be genuine and correct and to have been signed or sent by the proper person or persons and, in respect of legal matters, upon the opinion of counsel retained by him, the Collateral Agent or the Mortgagor. The Trustee shall not be personally liable in case of entry by him, or anyone entering by virtue of powers herein granted him, upon the Mortgaged Property or for debts contracted or liability or damages incurred in the management or operation of the Mortgaged Property except where caused by the gross negligence or wilful misconduct of the Trustee. The Mortgagor agrees to indemnify and hold harmless the Trustee (to the fullest extent permitted by law) from and against any and all claims, demands, losses, judgments and liabilities (including liabilities for penalties) of whatsoever nature and all related costs and expenses, including legal fees and disbursements, growing out of or resulting from the Mortgaged Property, or any part thereof, this instrument, the administration and enforcement or exercise of any right or remedy granted to the Trustee hereunder or the Trustee's service as the Trustee, except any claim, demand, loss, judgment or liability resulting from the Trustee's own gross negligence or wilful misconduct. In case any claim shall be made or action brought against the Trustee in respect of which indemnity shall be sought, the Mortgagor shall be entitled to participate at its own expense in the defense of any such claim or action or, if it so elects, at its own expense to assume the defense of such claim. In the event the Mortgagor assumes the defense of any such claim, such defense shall be conducted by counsel chosen by it and satisfactory to the Trustee. In the event the Mortgagor assumes the defense of any such claim, the Trustee shall thereafter bear the fees and expenses of any additional counsel retained by the Trustee. If the Mortgagor shall fail to do any act or thing which it has covenanted to do hereunder, the Trustee may (but shall not be obligated to) do the same or cause it to be done and there shall be added to the Indebtedness the cost or expense incurred by the Trustee in so doing, and any and all amounts expended by the Trustee in taking any such action shall be repayable to the Trustee upon demand to the Mortgagor therefor and shall bear interest at the rate per annum which is two (2%) percent above the Alternative Base Rate (the "Default Rate") from the date advanced to the date of repayment.

(c) The Trustee shall be entitled to reimbursement for expenses incurred by the Trustee in the performance of the Trustee's duties hereunder and to reasonable compensation for such of his services hereunder as shall be rendered. The

Mortgagor shall, from time to time, pay the compensation due to the Trustee hereunder and reimburse the Trustee for any and all expenses which may be incurred by him in the performance of the Trustee's duties.

(d) All moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, and the Trustee shall be under no liability for interest on any moneys received by him hereunder.

(e) The Trustee may resign at any time by the giving of notice of such resignation in writing to the Collateral Agent. If the Trustee fails, refuses, or becomes unable to act, or should the Collateral Agent, in its absolute discretion, deem it advisable for any reason to have a substitute trustee or substitute trustees appointed, then the Collateral Agent is hereby authorized and empowered to appoint, at any time and from time to time, by an instrument duly executed and acknowledged and filed for recordation wherever this Mortgage is recorded, or in any other manner permitted by law, a substitute trustee or substitute trustees, in the place and stead of one or more of those initially named herein or subsequently appointed by the Collateral Agent; which trustee or trustees shall have all the rights, powers and authority and be charged with all the duties and responsibilities that are conferred or charged upon the Trustee initially named herein.

ARTICLE 7. Advances and Right to Cure Defaults.

(a) In the event of any default by the Mortgagor in the performance of any term, warranty, covenant, condition, or obligation hereunder, the Collateral Agent, at its option, may advance or disburse funds for the performance of such term, warranty, covenant, condition or obligation. The Collateral Agent shall give the Mortgagor prior notice of any such advances. All moneys advanced or disbursed by the Collateral Agent for performance of any defaulted term, warranty, covenant, condition, or obligation of the Mortgagor shall bear interest at the Default Rate, and shall be secured hereby as a further charge and lien upon the Mortgaged Property. No such action on the part of the Collateral Agent shall be deemed to relieve the Mortgagor from any default hereunder.

(b) In the event of any default by the Mortgagor in the performance of any term, warranty, covenant, condition, or obligation hereunder, the Collateral Agent may, at its discretion, remedy the same and for such purpose shall have

the right, but not the obligation, to enter upon the Mortgaged Property or any portion thereof either personally, or by its superintendents, managers, agents, servants, attorneys and receivers, and use, operate, manage and control the Mortgaged Property for any lawful purpose; and at the Mortgagor's sole cost and expense, maintain and restore the Mortgaged Property either by purchase, repairs or construction, make all payments for taxes, assessments and insurance, as the Collateral Agent deems necessary, and insure or reinsure the Mortgaged Property as provided in this Mortgage without any of the aforementioned instances thereby becoming liable to the Mortgagor or any person in possession thereof holding under the Mortgagor. The Collateral Agent shall be entitled to collect and receive all earnings, revenues, rents, issues, profits and income of the Mortgaged Property and every part thereof; and after deducting the expenses of conducting the business thereof and of all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements and all of the aforementioned payments which may be made for taxes, assessments and insurance and any other prior or other proper charges upon the Mortgaged Property or any part thereof, as well as just and reasonable compensation of the Collateral Agent for the services of the Collateral Agent and for all attorneys, counsel, agents, clerks, servants and other employees properly engaged and employed by it, the Collateral Agent shall apply the moneys arising as aforesaid, in accordance with ARTICLE 9. If the Collateral Agent shall remedy such a default or appear in, defend, or bring any action or proceeding to protect its interest in the Mortgaged Property or to foreclose this Mortgage or to collect the Indebtedness, the costs and expenses thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this paragraph, shall be paid by the Mortgagor to the Collateral Agent upon demand. All such costs and expenses incurred by the Collateral Agent in remedying such default or in appearing in, defending, or bringing any such action or proceeding shall be paid by the Mortgagor to the Collateral Agent upon demand, with interest at the Default Rate, for the period after notice from the Collateral Agent that such costs or expenses were incurred to the date of payment to the Collateral Agent. All such costs and expenses incurred by the Collateral Agent pursuant to the terms of this Mortgage, with such interest, shall be secured hereby as a further charge and lien upon the Mortgaged Property.

ARTICLE 8. Appointment of Receiver. The Collateral Agent or the Trustee, in any action to foreclose this Mortgage or upon the occurrence of any Event of Default (as hereinafter defined), shall

be at liberty, without notice, to apply for the appointment of a receiver for the Mortgaged Property, and shall be entitled to the appointment of such receiver as a matter of right, without regard to the value of the Mortgaged Property as security for the Indebtedness, or the solvency or insolvency of any person then liable for the payment of the Indebtedness; and such receiver may be appointed by any court of competent jurisdiction upon ex parte application and without notice, which is hereby expressly waived. Any such receiver shall have all powers conferred by the court appointing such receiver and as otherwise conferred by applicable law.

ARTICLE 9. Sale or Other Disposition of the Mortgaged Property.

(a) In the event of any "Event of Default" under the FM Credit Agreement or the Pel-Tex Agreements (collectively being referred to as an "Event of Default"), and during the continuance thereof, the Collateral Agent or the Trustee, as appropriate, may sell the Mortgaged Property, or, if the Mortgaged Property shall consist of more than one parcel, such parcel or parcels thereof as the Collateral Agent or the Trustee may select, for cash or upon such terms and conditions as it may deem expedient, and at such time and place as it may consider advisable, in its sole discretion, in any order or manner allowed under applicable law, including, but not limited to, at public auction, after having first given notice to the present owner of the Mortgaged Property as required by law and advertised the time, place, and terms of sale three (3) times, which may be on three (3) consecutive days, in a newspaper having general circulation in the county, parish or city where the Mortgaged Property or any portion thereof lies; provided, however, that the Collateral Agent or the Trustee is hereby authorized to advertise the sale in such additional newspapers as it deems appropriate in its discretion. If, prior to or at the time of the sale, the Collateral Agent or the Trustee shall deem it proper for any reason to postpone or continue said sale, it may do so from time to time by oral announcement at the time and place of sale, by advertisement of the postponed sale, or in such other manner as may be permitted or required by law.

(b) To the extent any part of the Mortgaged Property consists of personal property (the "Collateral"), upon the occurrence and during the continuance of an Event of Default, the Mortgagor agrees to deliver each item of Collateral to the Collateral Agent on demand, and it is agreed that the Collateral Agent shall have the right to take any or all of the following actions at the same or different times: with or

without legal process and with or without previous notice or demand for performance, to take possession of the Collateral and without liability for trespass to enter any premises where the Collateral may be located for the purpose of taking possession of or removing the Collateral and, generally, to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law. Without limiting the generality of the foregoing, the Mortgagor agrees that the Collateral Agent shall have the right, subject to the mandatory requirements of current law, to sell or otherwise dispose of all or any part of the Collateral, at public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Collateral Agent shall deem appropriate. The Collateral Agent shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of the Mortgagor, and the Mortgagor hereby waives (to the fullest extent permitted by applicable law) all rights of redemption, stay and appraisal which the Mortgagor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

The Collateral Agent shall give the Mortgagor ten (10) days' prior written notice (which the Mortgagor agrees is reasonable notice within the meaning of the Uniform Commercial Code) of the Collateral Agent's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral

shall have been given. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public sale made pursuant to this ARTICLE 9, the Collateral Agent or any secured party may bid for or purchase, free from any right of redemption, stay, valuation or appraisal on the part the Mortgagor (all said rights being also hereby waived and released to the fullest extent permitted by applicable law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to it from the Mortgagor as a credit against the purchase price, and it may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to the Mortgagor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement, and the Mortgagor shall not be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Indebtedness paid in full.

(c) The proceeds of any such sale or sales pursuant to this ARTICLE 9 shall be applied, as follows:

First, to the costs and expenses (including reasonable attorney fees) incurred by the Collateral Agent or the Trustee in connection with this Mortgage, including, without limitation, auctioneer's fee, reasonable trustees' commission on the gross proceeds of sale and other costs and expenses in effecting or attempting to effect the recovery or collection of any such sums or amounts or in enforcing or attempting to enforce any right or remedy in taking possession of, protecting, preserving or disposing of any item of the Mortgaged Property;

Second, the balance, if any, to the discharge of all taxes, levies and assessments, with costs and interest if they have priority over the lien of this Mortgage, including the due pro rata thereof for the current year;

Third, the balance, if any, to the Collateral Agent for distribution to the Lenders as provided in Section 2.02 of the FM Intercreditor Agreement for the payment in full satisfaction of the Indebtedness owed to the Lenders; and

Fourth, the balance, if any, to the Mortgagor or such other person(s) as are entitled thereto.

(d) To the extent that the sums and amounts subject to distribution under this ARTICLE 9 are not sufficient to pay the costs and expenses referred to in the clause First of (c) above and such costs and expenses are not otherwise reimbursed, the Lenders shall share and be responsible for such costs and expenses in the Applicable Proportion (as defined in the FM Intercreditor Agreement). The Lenders shall reimburse the Collateral Agent and the Trustee for such costs and expenses promptly following receipt of notice of amount thereof.

(e) It is understood and agreed that in the event that the Mortgaged Property is advertised for sale as herein provided, but not sold pursuant to such advertisement, the Trustee or the Collateral Agent shall be paid by the Mortgagor its actual expenses incurred, together with a reasonable commission.

(f) Upon the occurrence of an Event of Default, and as long as it continues, the Collateral Agent and the Trustee, if permitted by law, may institute the above-described foreclosure proceedings or proceed by a suit or suits in equity or at law, whether for a foreclosure hereunder, or for the sale of the Mortgaged Property, or for the specific performance of any covenant or agreement herein contained, or in aid of the execution of any power herein granted or for the appointment of a receiver pursuant to ARTICLE 8, pending any foreclosure hereunder or the sale of the Mortgaged Property, or for the enforcement of any other appropriate legal or equitable remedy. At any sale made under the terms of this Mortgage the Collateral Agent or the Trustee may require a cash deposit from the successful bidder of not more than ten (10%) percent of the final amount bid by the successful bidder.

(g) The Mortgagor agrees that any of the Lenders shall have the right to become the purchaser at any sale held by the Trustee or the Collateral Agent or by any court, receiver or public officer and the Lenders shall have the right to credit upon the amount of the bid made therefor, the amount payable out of the net proceeds of such sale to it.

(h) Upon any sale pursuant to this ARTICLE 9, the receipt of the Collateral Agent or the Trustee, or of the officer making sale under judicial proceedings, shall be sufficient discharge to the purchaser or purchasers at any sale for his or their purchase money, and such purchaser or purchasers, his or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of the Collateral Agent or the Trustee or of such officer therefor, be obliged to see to the application of such purchase money, or be in any way answerable for any loss, misapplication or nonapplication thereof.

(i) Any sale or sales of the Mortgaged Property pursuant to this ARTICLE 9 shall operate to divest all right, title, interest, claim or demand whatsoever either at law or in equity, of the Mortgagor of, in and to the premises and the property sold, and shall be a perpetual bar, both at law and in equity, against the Mortgagor, the Mortgagor's successors or assigns, and against any and all persons claiming or who shall thereafter claim all or any of the property sold from, through or under the Mortgagor, or the Mortgagor's successors or assigns; nevertheless, the Mortgagor, if requested by the Collateral Agent or the Trustee so to do, shall join in the execution and delivery of all proper conveyances, assignments and transfers of the properties so sold.

(j) Upon the occurrence of an Event of Default and during the continuance thereof, to the extent permitted by applicable state law, the Collateral Agent or the Trustee may employ such watchmen, managers, real estate brokers, appraisers, maintenance personnel, and other agents as may be necessary in the reasonable exercise of their discretion in the execution of this Mortgage, and pay for such services out of the proceeds of sale, should any be realized, and if no sale be made, then the Mortgagor hereby agrees to pay the cost of such services and that such cost of such services shall constitute a part of the Indebtedness secured hereby. The Mortgagor waives, to the extent that it may lawfully do so, any and all right to have the Mortgaged Property marshaled upon any foreclosure of the lien hereof, or sold in inverse order of alienation, and agrees that the Collateral Agent or the Trustee or any court having jurisdiction to

foreclose such lien may sell the Mortgaged Property as an entirety or in parcels or portions thereof.

ARTICLE 10. Maintenance. The Mortgagor agrees (i) that, except as otherwise provided in the Credit Documents, no building or other improvement on the Mortgaged Property shall be altered, removed, demolished or enlarged, nor shall any fixtures or personal property or appliances on, in or about said buildings or improvements be severed, removed, transferred, sold or mortgaged; (ii) that it will permit, commit or suffer no waste, impairment or deterioration of the Mortgaged Property or any part thereof (excluding, however, the production of the Hydrocarbon Reserves); (iii) that it will keep and maintain in good and effective repair the Mortgaged Property and every part thereof including all buildings, fixtures, machinery and appurtenances in accordance with the terms of the Credit Documents; and (iv) that it will comply with all statutes, orders, requirements or decrees relating to said Mortgaged Property by any Federal, state or municipal authority, the noncompliance with which will have a materially adverse effect on the Mortgagor, and will observe and comply with all conditions and requirements necessary to preserve and extend all rights, licenses, permits (including, but not limited to, zoning variances, special exceptions and nonconforming uses), privileges, franchises and concessions which are applicable to the Mortgaged Property or which have been granted to or contracted for by the Mortgagor in connection with any existing or presently contemplated use of the Mortgaged Property.

ARTICLE 11. Taxes and Liens. The Mortgagor agrees to keep the Mortgaged Property free from all statutory liens and to pay before any penalty for nonpayment attaches all taxes, assessments, water rates, sewer rents and other governmental, public or municipal charges, dues, fines or impositions and any prior liens now or hereafter assessed or liens on or levied against the Mortgaged Property, or any part thereof (hereinafter the "Taxes"). In cases of default in the payment thereof, the Collateral Agent, after prior written notice to the Mortgagor, may pay the same or any of them and the moneys so paid by the Collateral Agent shall be added to the amount of the Indebtedness and secured by this Mortgage, payable on demand with interest at the Default Rate, from the time of payment of the same. The Mortgagor shall deliver to the Trustee or the Collateral Agent, upon request, receipted bills, canceled checks and other evidence satisfactory to the Trustee or the Collateral Agent evidencing the payment of all items addressed in this ARTICLE 11 prior to the date upon which any fine, penalty, interest or cost may be added thereto or imposed by law for the nonpayment thereof.

ARTICLE 12. Insurance and Insurance Proceeds.

(a) The Mortgagor (i) will keep the Mortgaged Property insured in accordance with industry standards against loss or damage by fire, standard extended coverage perils and such other hazards as may be appropriate in accordance with industry standards, in amounts not be less than the outstanding principal balance of this Mortgage, (ii) will maintain business interruption insurance with respect to the Mortgaged Property and (iii) worker's compensation insurance and public liability insurance with respect to all activities in which the Mortgagor might incur personal liability for the death or injury of an employee or third person or damage to or destruction of another's property; provided, however, that the Mortgagor may self-insure all or part of such risks. All Policies shall be endorsed to name the Collateral Agent as a loss payee in the event of a total loss or constructive total loss. The Mortgagor shall pay the premiums for the Policies as the same become due and payable. At the request of the Collateral Agent, the Mortgagor will deliver certificates evidencing such insurance to the Collateral Agent. Not later than ten (10) days prior to the expiration date of each of the Policies, the Mortgagor will deliver to the Collateral Agent evidence of the renewal of such policy or policies. If at any time the Collateral Agent is not in receipt of written evidence that all insurance required hereunder is in force and effect, the Collateral Agent shall have the right upon written notice to the Mortgagor to take such action as the Collateral Agent deems necessary to protect its interest in the Mortgaged Property, including, without limitation, the obtaining of such insurance coverage as the Collateral Agent in its sole discretion deems appropriate, and all expenses incurred by the Collateral Agent in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by the Mortgagor to the Collateral Agent upon written demand. The Mortgagor shall at all times comply with and shall cause the Mortgaged Property and the use, occupancy, operation, maintenance, alteration, repair and restoration thereof to comply with the terms, conditions, stipulations and requirements of the Policies.

(b) If the Mortgaged Property or any part thereof shall be damaged by fire, flood, or any other hazard or casualty against which insurance is held, the Mortgagor shall immediately notify the Collateral Agent of the nature and extent thereof. Upon the occurrence and the continuance of an Event of Default hereunder, the Mortgagor hereby authorizes the Collateral Agent, at its option, to collect, adjust and compromise any losses under any of the insurance

aforesaid and after deducting costs of collection to apply the proceeds as aforesaid. Notwithstanding anything to the contrary contained herein, so long as no Event of Default shall have occurred or be continuing and subject to the terms of the FM Credit Agreement, the Mortgagor shall have the right to collect, adjust and compromise any losses under any of the insurance aforesaid and to retain, use and employ same.

ARTICLE 13. Condemnation. The Mortgagor, immediately upon obtaining knowledge of the initiation of any proceeding for the taking or damaging by or for any public improvement, condemnation proceeding or for the exercise of any power of eminent domain, or deed in lieu thereof, of the Mortgaged Property or any part thereof, shall notify the Collateral Agent of such proceedings, and shall deliver to the Collateral Agent copies of any and all papers served in connection with such proceedings. In the event the Mortgaged Property or any part thereof is taken or damaged by or for any public improvement, condemnation proceeding, or by the exercise of any power of eminent domain, the entire award or consideration given or paid therefor shall be paid to the Collateral Agent, and the Collateral Agent is hereby empowered in the name of the Mortgagor to receive and give acquittance for such award or consideration or any judgment therefor or thereon whether it be joint or several. Notwithstanding any taking by any public or quasipublic authority through eminent domain or otherwise, the Mortgagor shall continue to pay the Indebtedness at the time and in the manner provided for its payment in the Credit Documents (including, without limitation, this Mortgage), and the Indebtedness shall not be so reduced until any award or payment therefor shall have been actually received and applied by the Collateral Agent to the discharge of the Indebtedness. Subject to the terms of the Credit Documents, the Collateral Agent may apply the entire amount of any such award or payment to the discharge of the Indebtedness whether or not then due and payable in such order, priority and proportions as the Collateral Agent in its discretion shall deem proper. If the Mortgaged Property is sold through foreclosure or otherwise, prior to the receipt by the Collateral Agent of such award or payment, the Collateral Agent shall have the right, whether or not a deficiency judgment on the Credit Documents shall have been sought, recovered or denied, to receive such award or payment, or a portion thereof sufficient to pay the Indebtedness, whichever is less. The Mortgagor shall file and prosecute its claim or claims for any such award or payment in good faith and with due diligence and cause the same to be collected and paid over to the Collateral Agent. The Mortgagor hereby irrevocably authorizes and empowers the Collateral Agent, in the name of the Mortgagor or otherwise, to collect and receipt for any such award or payment and to file and prosecute such claim or claims. Although it is hereby expressly agreed that the

following shall not be necessary for the Collateral Agent to receive such awards or payments, the Mortgagor shall, upon demand of the Collateral Agent, make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning any such award or payment to the Collateral Agent, free and clear of any encumbrances of any kind or nature whatsoever. Notwithstanding anything to the contrary contained herein, so long as no Event of Default has occurred and be continuing and subject to the terms of the FM Credit Agreement, the Mortgagor shall have the right to receive and give acquittance to any award or consideration or any judgment therefor in connection with any condemnation proceedings and to retain, use and employ same.

ARTICLE 14. Assignment of Hydrocarbon Reserves and Proceeds of Hydrocarbon Reserves.

(a) As further security for payment of the Indebtedness, the Mortgagor hereby transfers, assigns, warrants, hypothecates and conveys to the Collateral Agent, its successors and assigns, and grants to the Collateral Agent a security interest in, effective as of the date hereof, at 7:00 o'clock a.m., local time, all Hydrocarbon Reserves which are now or hereafter produced, and all revenues and proceeds now or hereafter attributable to said Hydrocarbon Reserves and said products as well as any liens and security interests securing any sales of said Hydrocarbon Reserves. All parties producing, purchasing or receiving any such Hydrocarbon Reserves, or having such, or proceeds therefrom, in their possession for which they or others are accountable to the Collateral Agent by virtue of the provisions of this ARTICLE 14, are authorized and directed to treat and regard the Collateral Agent as the assignee and transferee of the Mortgagor and entitled in the Mortgagor's place and stead to receive such Hydrocarbon Reserves and proceeds therefrom; and said parties and each of them shall be fully protected in so treating and regarding the Collateral Agent, and shall be under no obligation to see to the application by the Collateral Agent of any such proceeds or payments received by it. The Mortgagor hereby authorizes and empowers the Collateral Agent to demand, collect and receive such Hydrocarbon Reserves and all proceeds therefrom and to execute any release, receipt, division order, transfer order and relinquishment or other instrument that may be required or necessary to collect and receive such Hydrocarbon Reserves or the proceeds therefrom and the Mortgagor hereby authorizes and directs all pipeline companies, gathering companies and others purchasing such Hydrocarbon Reserves or having in their possession any Hydrocarbon Reserves or the proceeds therefrom, to pay and deliver to the Collateral Agent all such Hydrocarbon Reserves or proceeds therefrom

accruing. The Mortgagor agrees that all division orders, transfer orders, receipts and other instruments which the Collateral Agent may from time to time execute and deliver for the purpose of collection or receipting for such Hydrocarbon Reserves or the proceeds therefrom may be relied upon in all respects, and that the same shall be binding upon the Mortgagor, and the Mortgagor's successors, legal representatives and assigns. The Mortgagor agrees to execute and deliver all necessary, convenient and appropriate instruments, including transfer and division orders, which may be required by the Collateral Agent in connection with the receipt by the Collateral Agent of such Hydrocarbon Reserves or the proceeds therefrom. The Collateral Agent is fully authorized to receive and receipt for said revenues and proceeds, to endorse and cash any and all checks and drafts payable to the order of the Mortgagor or the Collateral Agent for the account of the Mortgagor received from or in connection with said revenues or proceeds. Notwithstanding anything to the contrary contained herein, so long as no Event of Default has occurred and be continuing and subject to the provisions of the FM Credit Agreement, the Mortgagor shall have the right to collect all revenues and proceeds attributable to the Hydrocarbon Reserves or the products obtained or proceeded therefrom, as well as any liens securing any sales of Hydrocarbon Reserves and to retain, use and employ same.

(b) All payments received by the Collateral Agent pursuant to this ARTICLE 14 shall be promptly applied in accordance with ARTICLE 9(c).

(c) The Collateral Agent is hereby absolved from all liability for failure to enforce collection of any proceeds so assigned and from all other responsibility in connection therewith, except for the gross negligence or willful misconduct of the Collateral Agent and the responsibility to account to the Mortgagor for funds actually received. The Collateral Agent shall have the right, at its election, to prosecute and defend any and all actions or legal proceedings reasonably deemed advisable by the Collateral Agent in order to collect such funds and to protect the interests of the Lenders and/or the Mortgagor, with all reasonable costs, expenses and attorney's fees incurred in connection therewith being paid by the Mortgagor and shall be deemed a part of the Indebtedness secured hereunder.

(d) Nothing herein contained shall detract from or limit the absolute obligation of the Mortgagor to make payment of the Indebtedness in accordance with the terms of the Notes, any of the Credit Documents (including, without

limitation, this Mortgage), regardless of whether the proceeds assigned by this ARTICLE 14 are sufficient to pay the same, and the rights under this ARTICLE 14 shall be in addition to all other security now or hereafter existing to secure the payment of the Indebtedness.

(e) Notwithstanding the other provisions of this ARTICLE 14, the Collateral Agent or any receiver appointed in judicial proceedings for the enforcement of this Mortgage shall have the right to receive all of the Hydrocarbon Reserves herein assigned and the proceeds therefrom during the continuance of an Event of Default and to apply all of said proceeds as provided in ARTICLE 9(c) hereof. Upon any sale of the Mortgaged Property or any part thereof pursuant to ARTICLE 9, the Hydrocarbon Reserves thereafter produced from the property so sold, and the proceeds therefrom, shall be included in such sale and shall pass to the purchaser free and clear of the assignment contained in this ARTICLE 14.

(f) The Mortgagor hereby indemnifies the Collateral Agent and the Lenders and their officers, directors or employees (each of the foregoing is an "Indemnified Party") against all claims, actions, liabilities, judgments, costs, attorney's fees or other charges of whatsoever kind or nature (hereinafter in this paragraph (f) collectively called "claims") made against or incurred by them or any of them as a consequence of the assertion, either before or after the payment in full of the Indebtedness, that they or any of them received Hydrocarbon Reserves herein assigned or the proceeds thereof claimed by third persons (other than the Indemnified Parties). The Mortgagor will pay to the Indemnified Party any and all such amounts as may be successfully adjudged against such Indemnified Party. Each Indemnified Party shall have the right to defend against any such claims, employing attorneys therefor, and if the Mortgagor has refused to furnish a reasonable indemnity, they or any of them shall have the right to pay or compromise and adjust all such claims. Each Indemnified Party agrees to notify the Mortgagor of the existence of any such claims (of which such party has actual knowledge) immediately upon becoming aware thereof. Upon receipt of such notice, the Mortgagor shall be entitled at its own cost and expense to defend against any such claims. The obligation of the Mortgagor as hereinabove set forth in this paragraph (f) shall survive the release of this instrument.

(g) For purposes of more fully effecting the assignment made under this ARTICLE 14 and continuing the rights of the Collateral Agent hereunder, after an Event of Default has occurred and is continuing, the Mortgagor hereby appoints the

Collateral Agent as its attorney-in-fact to pursue any and all rights, remedies and payments, in respect to the Hydrocarbon Reserves and proceeds therefrom. The power of attorney granted to the Collateral Agent under this paragraph (g), being coupled with an interest, shall be irrevocable so long as such Event of Default is continuing and as long as the Indebtedness or any part thereof remains unpaid.

ARTICLE 15. Assignment of Leases and Rents.

(a) The Mortgagor hereby assigns, transfers and sets over to the Collateral Agent, as security for the payment of the Indebtedness, all the rights, title and interest of the Mortgagor, as lessor or sublessor, in and to all rents, issues, profits, revenues, royalties, overriding royalties, rights and benefits now due or hereafter to become due (collectively, the "Rents") from the Mortgaged Property. To that end, the Mortgagor assigns, transfers and sets over to the Collateral Agent, all its rights, title and interest, as lessor or sublessor, as the case may be, in all existing leases, farmouts and farmins of the Mortgaged Property, or any part thereof, whether written or verbal, including without limitation the leases, farmout and farmin agreements described in Schedule A attached hereto and made a part hereof (the "Leases"). The term "Leases" shall include all modifications, amendments, renewals and extensions thereof and all guarantees of lessees' performance thereunder.

(b) So long as no Event of Default shall have occurred and be continuing, the Mortgagor shall have a license to manage and operate the Mortgaged Property and collect, receive and apply for its own account all Rents arising from its Mortgaged Property as they become due.

(c) Upon the occurrence of an Event of Default and as long as such Event of Default continues, the license granted in paragraph (b) above shall cease and terminate. In any such event, the Collateral Agent is hereby irrevocably authorized, at its option, to enter and take possession of the Mortgaged Property, or any part thereof, by actual physical possession, or by written notice served personally upon or sent by registered or certified mail to the Mortgagor, as the Collateral Agent may elect, and no further authorization shall be required. Upon such entry and taking possession, the Collateral Agent, in its sole and absolute discretion, may:

(i) manage and operate the Mortgaged Property, or any part thereof, including the making of such repairs

and alterations to the Mortgaged Property as the Collateral Agent may deem necessary;

(ii) demand, collect, receive, sue for, attach, levy, recover, compromise and adjust, and give proper receipts and releases for all Rents that may then be due or may thereafter become due with respect to the Mortgaged Property, or any part thereof, from any present or future lessees, sublessees or occupants thereof;

(iii) lease the Mortgaged Property, or any part thereof, for such periods of time, and upon such terms and conditions as the Collateral Agent may deem proper;

(iv) enforce, cancel or modify any Lease, including the taking of any action necessary to enforce, enjoin or restrain the violation of any of the terms and conditions of any Lease;

(v) institute, prosecute to completion or compromise and settle, all summary proceedings, actions for rent or for removing any or all lessees, sublessees or occupants of the Mortgaged Property, or any part thereof;

(vi) pay out of the Rents, or out of any other funds in its discretion, any taxes, assessments, water rates, sewer rates, or other governmental charges levied, assessed, or imposed against the Mortgaged Property, or any part thereof, and also any and all other charges, costs and expenses which it may deem necessary or advisable to pay in the management or operation of the Mortgaged Property, including, without limitation, the costs of any repairs or alterations, commissions for renting the Mortgaged Property and legal expenses incurred in enforcing the rights of the Lenders under the Credit Documents (including, without limitation this Mortgage), the Notes, and any collateral security documents; and

(vii) generally do, execute and perform any other acts that ought to be done, in the Collateral Agent's discretion, in and about or with respect to the Mortgaged Property as fully as the Mortgagor might do.

(d) The Collateral Agent shall apply the net amount of any Rents received by it from the Mortgaged Property in accordance with ARTICLE 9(c). The Collateral Agent shall

account to the Mortgagor only for Rents actually received by the Collateral Agent.

(e) In addition to the rights and remedies set forth in ARTICLE 9 and in paragraphs (c) and (d) above and to the extent permitted by applicable law, the Collateral Agent may apply for the appointment of a receiver, pursuant to ARTICLE 8, to exercise the powers described in paragraphs (c) and (d) above pending any foreclosure hereunder or the sale of the Mortgaged Property.

(f) The Mortgagor hereby irrevocably directs any lessee under any Lease, upon demand and notice from the Collateral Agent of an Event of Default to pay to the Collateral Agent all Rents accruing or due under any Lease from and after the receipt of such demand and notice. In making such payments, such lessees shall be under no obligation to inquire into or determine the actual existence of any such default or breach claimed by the Collateral Agent.

(g) The Mortgagor agrees to indemnify and hold the Collateral Agent harmless from and against any and all liability, loss, damage or expense, including reasonable attorneys fees, which it may incur under any Lease or by reason of the assignment of Leases contained herein, or by reason of any action taken by the Collateral Agent hereunder, and from and against any and all claims and demands whatsoever which may be asserted against the Collateral Agent by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, conditions and covenants contained in any of the Leases, unless caused by the gross negligence or wilful misconduct of the Collateral Agent. Should the Collateral Agent incur any such liability, loss, damage or expense, the amount thereof together with interest thereon at the Default Rate from the time of payment of the same shall be payable by the Mortgagor to the Collateral Agent immediately upon demand therefor, or at the option of the Collateral Agent, the Collateral Agent may reimburse itself therefor out of any Rents collected by the Collateral Agent.

(h) Nothing contained herein shall operate or be construed to obligate the Collateral Agent to perform any of the terms, covenants and conditions contained in any Lease of, or relating to, the Mortgaged Property or otherwise to impose any obligation upon the Collateral Agent with respect to any Lease of the Mortgaged Property, including, but not limited to, any obligation arising out of any covenant of quiet enjoyment therein contained in the event the lessee under any such Lease shall have been joined as a party

defendant in any action to foreclose this Mortgage and the estate of such lessee shall have been thereby terminated. Prior to actual entry into and taking possession of any portion of the Mortgaged Property by the Collateral Agent, this assignment shall not operate to place upon the Collateral Agent any responsibility for the operation, control, care, management or repair of the Mortgaged Property, and the execution of this Mortgage by the Mortgagor shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property is and shall be that of the Mortgagor prior to such actual entry and taking possession.

(i) As against the Collateral Agent, at all times during which the assignment shall be in effect there shall be no merger of any Leases of the Mortgaged Property with the fee estate in the Mortgaged Property by reason of the fact that any such Leases or any interest therein may be held by or for the account of any person, firm, or corporation which may be or become the owner of such fee estate, unless the Collateral Agent shall consent in writing to such merger.

ARTICLE 16. Special State Law Provisions.

(a) Special Louisiana Provisions.

(i) Insofar as any portion of the Mortgaged Property situated in or offshore the State of Louisiana is concerned, or as to which the laws of the State of Louisiana would be applicable, (i) the general language of conveyance and hypothecation to the Trustee in this Mortgage is intended and shall be construed as words of hypothecation and the granting of a security interest in favor of the Collateral Agent; (ii) the maximum amount of the indebtedness that may be outstanding at any time and from time to time that this Mortgage secures is fixed at \$500,000,000, and (iii) each and every right and remedy granted the Trustee hereunder shall also be in favor of and may be exercised by the Collateral Agent. This instrument is being executed in authentic form by the Mortgagor in favor of the Collateral Agent.

(ii) Keeper. The Collateral Agent shall have the right to appoint a keeper of the Mortgaged Property pursuant to the terms and provisions of La. R.S. 9:5131 et seq. and 9:5136 et seq.

(iii) Confession of Judgment. For purposes of executory process the Mortgagor acknowledges the indebtedness secured hereby, whether now existing or to

arise hereafter, and confesses judgment thereon if not paid when due. Upon the occurrence of an Event of Default and any time thereafter so long as the same shall be continuing, and in addition to all other rights and remedies granted the Collateral Agent hereunder, it shall be lawful for and the Mortgagor hereby authorizes the Collateral Agent without making a demand or putting the Mortgagor in default, a putting in default being expressly waived, to cause all and singular the Mortgaged Property to be seized and sold after due process of law, the Mortgagor waiving the benefit of any and all laws or parts of laws relative to appraisement of property seized and sold under executory process or other legal process, and consenting that the Mortgaged Property be sold without appraisement, either in its entirety or in lots or parcels, as the Collateral Agent may determine, to the highest bidder for cash or on such other terms as the plaintiff in such proceedings may direct. The Collateral Agent shall be granted all rights and remedies granted it or the Trustee hereunder as well as all rights and remedies granted a secured party under Louisiana law including the Uniform Commercial Code then in effect in Louisiana.

(iv) Waivers. The Mortgagor hereby waives:

- (a) The benefit of appraisement provided for in articles 2332, 2336, 2723 and 2724 of the Louisiana Code of Civil Procedure and all other laws conferring the same;
- (b) The demand and three (3) days notice of demand as provided in articles 2629 and 2721 of the Louisiana Code of Civil Procedure;
- (c) The notice of seizure provided by articles 2293 and 2721 of the Louisiana Code of Civil Procedure; and
- (d) The three (3) days delay provided for in articles 2331 and 2722 of the Louisiana Code of Civil Procedure.

(v) Resolutions. The Mortgagor does declare that attached hereto as Schedule 1 and made a part hereof is a certified copy of the resolutions adopted by the transaction committee duly appointed by the board of directors of the Mortgagor authorizing the execution and delivery of this Mortgage.

(b) Special Montana Provisions.

(i) For purposes of the Indebtedness secured by Mortgaged Property located in Montana, all of the Indebtedness to be secured (exclusive of interest and the costs, expenses and other obligations arising or incurred by the Trustee, the Collateral Agent and the Lenders pursuant to the provisions of the Credit Documents which are not required to be stated in the Mortgage as part of the total principal amounts of obligation secured) shall not exceed at any one time the total principal indebtedness of \$500,000,000.

(ii) For the purposes of the Mortgage complying as a financing statement, the debtor is:

Freeport-McMoRan Inc.
1615 Poydras Street
New Orleans, Louisiana 70112
Parish of Residence, Orleans
Parish, Louisiana
Tax ID #: 13-051048

(iii) The general law of conveyance to the Trustee is intended and the law of Montana as words of mortgage construed in favor of the Collateral Agent and the right of foreclosure granted to the Trustee may be enforced and asserted by the Collateral Agent in accordance with the laws of Montana and the Mortgaged Property in Montana may be foreclosed at the option of the Collateral Agent in any manner permitted by the laws of the State of Montana.

(iv) The interests of the Mortgagor in the Mortgaged Property located in Montana are subject to and burdened by a 75% share of a Production Payment Conveyance (Production Payment) dated August 15, 1981 granted by Midlands Gas Corporation to Kansas-Nebraska Natural Gas Company, Inc. (now K-N Energy, Inc.), an abstract of which was recorded August 26, 1981 in Book 51 Misc. page 287, records of the Clerk and Recorder of Phillips County, Montana and March 14, 1988 in Book 73 Leases 394-441, records of the Clerk and Recorder of Valley County, Montana. The Production Payment was filed August 27, 1981 in the Montana State Office of the Bureau of Land Management of the U. S. Department of the Interior. By separate instruments of Production Payment Assignment and Conveyance dated as of August 15, 1981, Kansas-Nebraska Natural Gas Company,

Inc. assigned and conveyed to Teachers Insurance and Annuity Association of America, Connecticut General Life Insurance Company and Congen Five & Co. undivided interests in the Production Payment, abstracts of which were recorded on August 26, 1981 in Book 51 Misc, pp. 335, 337 and 339, records of the Clerk and Recorder of Phillips County, Montana and March 14, 1988 in Book 73, pp. 442-444, 445-447 and 448-450, records of the Clerk and Recorder of Valley County, Montana. The Production Payment has been amended by Amendment No. 1 dated as of May 1, 1988, Amendment No. 2 dated as of January 1, 1988 and Amendment No. 3.

The Mortgagor hereby confirms, and by acceptance of this Mortgage the Collateral Agent and the Trustee acknowledge that the mortgage lien created herein is subordinate and inferior to the Production Payment as amended to the full extent of the Production Payment owner rights in and to the Mortgaged Property located in Montana.

ARTICLE 17. Termination. Upon the full payment of all Indebtedness or in accordance with the terms and provisions of the Credit Documents, the Collateral Agent and the Trustee, as appropriate, shall release and reconvey the Mortgaged Property unto and at the cost of the Mortgagor. Upon such reconveyance, as evidenced by a recorded satisfaction or release of this Mortgage, the assignments of the proceeds of Hydrocarbon Reserves and the Assignment of Leases and Rents as set forth in ARTICLES 14 and 15 shall become and be void and of no effect and, in that event, upon the request of the Mortgagor, the Collateral Agent shall execute and deliver, or cause the Trustee to execute and deliver, to the Mortgagor, instruments effective to evidence the termination of the assignments or the reassignments to the Mortgagor of the rights, power and authority granted herein.

ARTICLE 18. Notices. All notices, requests, demands and other communications required or permitted to be given hereunder shall be effective upon receipt and deemed duly given if in writing and delivered personally, or mailed, postage prepaid, registered or certified, as follows:

If to the Mortgagor:

Freeport-McMoran Inc.
1615 Poydras Street
New Orleans, Louisiana 70112

If to the Collateral Agent:

Chemical Bank
270 Park Avenue
New York, New York 10017
Attn: Energy and Minerals Group

If to the Trustee:

Mary Jo Woodford
270 Park Avenue
New York, New York 10017

The Mortgagor, the Trustee and the Collateral Agent may change the addresses to which communications are to be directed to them by giving written notice to the other parties in the manner provided in this ARTICLE 18.

ARTICLE 19. Partial Invalidity. If any term or provision of this Mortgage, or any application thereof to any person or circumstance, shall be invalid or unenforceable to any extent, the remainder of this document, or the application of such term or provision to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this document shall be valid and enforceable to the fullest extent permitted by law. The parties shall endeavor in good-faith negotiations to replace any invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

ARTICLE 20. Usury Laws. This Mortgage and the Notes are subject to the express condition that at no time shall Mortgagor be obligated or required to pay interest on the principal balance due under the Notes at a rate which could subject the holder of the Notes to either civil or criminal liability as a result of being in excess of the maximum interest rate which Mortgagor is permitted by law to contract or agree to pay. If by the terms of this Mortgage or the Notes the Mortgagor is at any time required or obligated to pay interest on the principal balance due under the Notes at a rate in excess of such maximum rate, the rate of interest under the Notes shall be deemed to be immediately reduced to such maximum rate and the interest payable shall be computed at such maximum rate and all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of the principal balance of the Note.

ARTICLE 21. Fixture Filing. Certain of the Mortgaged Property is or will become "fixtures" (as that term is defined in

the Uniform Commercial Code in effect in the state in which the Leased Land or the Mineral Interests is located) on the Leased Land or the Mineral Interests described or referred to in this Mortgage, and this Mortgage upon being filed for record in the real estate records of the county wherein such fixtures are situated shall operate also as a financing statement filed as a fixture filing in accordance with the applicable provisions of the Uniform Commercial Code upon such of the Mortgaged Property which is or may become fixtures.

ARTICLE 22. Instrument a Mortgage, Deed of Trust, Security Agreement, Assignment of Production and Leases and Rents and Financing Statement. This instrument shall be deemed to be, and may be enforced from time to time as, a contract, security agreement, assignment, mortgage or deed of trust, and from time to time as any one or more thereof. This Mortgage, in addition to constituting a lien on real estate as a mortgage or deed of trust, (a) is a security agreement and shall support any financing statement showing the Collateral Agent as secured party, which description contained in any such financing statement is hereby incorporated by reference into this Mortgage with the same force and effect as if the description were fully set out herein, (b) shall be a financing statement under the applicable provisions of the Uniform Commercial Code, (c) is a fixture filing as described in ARTICLE 21, and (d) is an assignment as described in ARTICLES 14 and 15. Accordingly, the Collateral Agent, in addition to and not in lieu of or in diminution of its rights and remedies herein provided, shall have all of the rights and remedies of a secured party under the Uniform Commercial Code.

ARTICLE 23. Rights Cumulative. Each and every right, power and remedy herein given to the Trustee or the Collateral Agent shall be cumulative and not exclusive; and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and so often and in such order as may be deemed expedient by the Trustee or the Collateral Agent, as the case may be, and the exercise or the beginning of the exercise, of any such right, power or remedy shall not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power or remedy. No delay or omission by the Trustee or the Collateral Agent in the exercise of any right, power or remedy shall impair any such right, power or remedy or operate as a waiver thereof or of any other right, power or remedy then or thereafter existing.

ARTICLE 24. Waiver. Any and all covenants in this Mortgage relating to the Mortgaged Property may from time to time by instrument in writing signed by the Trustee and the Collateral Agent be waived to such extent and in such manner as such parties may desire, but no such waiver shall ever affect or impair the

Trustee's or the Collateral Agent's rights or liens hereunder except to the extent specifically stated in such written instrument.

ARTICLE 25. Article and Section Headings. The article and section headings in this instrument are inserted for convenience and shall not be considered a part of this instrument or used in its interpretation.

ARTICLE 26. Counterparts. This instrument may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and one of which (with all exhibits attached) shall be recorded in each of the following counties or parishes in the following states:

<u>State</u>	<u>County or Parish</u>
California	Kern
Colorado	Yuma
Louisiana	Plaquemines
Montana	Phillips

To facilitate filing and recording, there may be omitted from certain counterparts the parts of Exhibit A containing specific descriptions that relate to land located in counties or parishes other than the county or parish in which the particular counterpart is to be filed or recorded.

ARTICLE 27. Miscellaneous. The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, legal and personal representatives, executors, administrators, successors and assigns of the parties hereto. The provisions hereof shall likewise be covenants running with the land. Whenever used, the singular number shall include the plural, the use of any gender shall include the other genders, and the term the "Lenders" shall include any successor payee of the indebtedness hereby secured or any transferee thereof whether by operation of law or otherwise.

ARTICLE 28. Credit Documents Controls. To the extent that any term, condition, or obligation set forth in this Mortgage is inconsistent with any term, condition, or obligation set forth in the Credit Documents, the provisions of the Credit Documents shall control.

ARTICLE 29. The Collateral Agent. Chemical Bank has been designated as the Collateral Agent for the Lenders pursuant to separate agreements and, except as otherwise set forth herein, when acting as such Collateral Agent shall be deemed to be the

Collateral Agent hereunder in connection with the giving and receiving of notices hereunder and in connection with the exercise of any rights and remedies of the Collateral Agent hereunder. Any such action taken by the Collateral Agent shall be conclusive as to the Collateral Agent with respect to its dealings with the Mortgagor or any third party under this Mortgage.

ARTICLE 30. Release of Mortgaged Property; Amendments. Any Liens or other rights which any Lender or the Collateral Agent would otherwise have under this Mortgage may only be released or subordinated in accordance with the terms of the FM Intercreditor Agreement. This Mortgage may only be amended and the provisions hereof may only be waived in accordance with the terms of the FM Intercreditor Agreement.

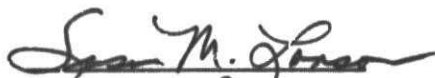
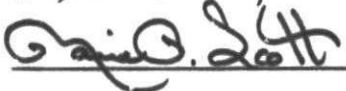
ARTICLE 31. Choice of Law. This Mortgage shall be construed and governed by the laws of the State of New York and the laws of the United States of America, except that the laws of the state in which a portion of the Mortgaged Property is located in, or offshore adjacent to, shall govern with respect to procedural and substantive matters related to the creation, perfection and enforcement of the liens, security interests and other rights and remedies of the Collateral Agent and the Trustee granted herein as to that portion of the Mortgaged Property located in or offshore adjacent to such state.

IN WITNESS WHEREOF, the Mortgagor has caused this Mortgage to be executed by its duly authorized officer, in the presence of the undersigned witnesses and Notary Public, all on the day, month and year first above-written pursuant to due authority.

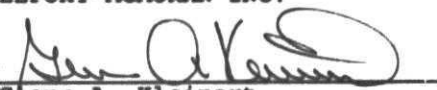
WITNESSES:

MORTGAGOR

FREEPORT-MCMORAN INC.

By


Glenn A. Kleinert
Senior Vice President
Freeport-McMoRan Oil & Gas
Company Division of
Freeport-McMoRan Inc.


Notary Public, State of Louisiana
My commission expires: at death

STATE OF LOUISIANA)
PARISH OF ORLEANS) ss.:

BE IT REMEMBERED that I, Thomas L. DeGenova, a Notary Public duly qualified, commissioned, sworn and acting in and for the parish aforesaid, hereby certify that, on June 11, 1992, there personally appeared before me the following person, being the designated officer of the corporation set opposite his name, and such corporation being a party to the foregoing instrument:

Glenn A. Kleinert, the Senior Vice President of Freeport-McMoran Oil & Gas Company Division of Freeport-McMoran Inc., a Delaware corporation, whose address is 1615 Poydras Street, New Orleans, Louisiana 70112,

California

Before me personally appeared such person, known to me to be the designated officer of the corporation set opposite his name, the corporation that executed the within instrument, and such person also known to me to be the person who executed the within instrument on behalf of the corporation set opposite his name, and such person acknowledged to me that the corporation set opposite his name executed the within instrument pursuant to its by-laws or resolution of its board of directors.

Colorado

The foregoing instrument was acknowledged before me on this date by the aforementioned person, the above designated officer of said corporation.

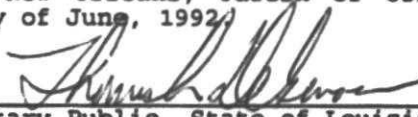
Louisiana

Who did say that he is the designated officer of said corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the free act and deed of said corporation.

Montana

Who acknowledged to me that such corporation did execute the foregoing instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official
notarial seal, in the City of New Orleans, Parish of Orleans,
State of Louisiana, this 11th day of June, 1992.



Notary Public, State of Louisiana

My Commission Expires: at death

174924TFGD
56250.436

EXHIBIT A
to
**Mortgage, Deed of Trust,
Security Agreement, Assignment of
Production and Proceeds and
Leases and Rents, Fixture
Filing and Financing Statement**

PREAMBLE TO EXHIBIT A

This Exhibit A sets forth the description of the Hydrocarbon Leases, the Mineral Interests and other interests covered by the Mortgage, Deed of Trust, Security Agreement, Assignment of Production and Proceeds and Leases and Rents, Fixture Filing and Financing Statement (the "Mortgage") to which this Exhibit A is attached.

1. **Headings.** Exhibit A consists of descriptions of the Hydrocarbon Leases, the Mineral Interests and other interests affecting lands (i) located within the county or parish and state next to the heading "Parish, State" or "County, State" of this Exhibit A, and (ii) in federal waters in the Outer Continental Shelf, offshore the State of Louisiana (the "Federal OCS"), and identified under the heading "OCS Gulf of Mexico Offshore, Louisiana" of this Exhibit A. The prospect name and prospect number as well as the reference to an area and block in the Federal OCS is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

2. **Subheadings.** Each of the Hydrocarbons Leases, the Mineral Interests or other interests located within a particular parish or county and state is described by reference to the Subheadings: LEASE NUMBER, LESSON, PROSPECT, LESSEE, PARISH/STATE or COUNTY/STATE, LSE DTE, GROSS ACRES, EXPIRE DTE, and RECORDED. These subheadings shall have the following meanings and significance:

**LEASE
NUMBER:**

This is an internal lease or instrument identification number, which is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

LESSOR: The name listed under the heading "LESSOR" is the name of the lessor of the Hydrocarbon Lease or the name of the grantor of the instrument whereby the Mineral Interest or other interest is created. Where the lessor or grantor is the State of Louisiana, the lessor or grantor is recited as "S/L" or "State R/W" and includes the State of Louisiana lease or right of way number assigned to such oil and gas lease or right of way.

LESSEE: The name following under the heading "LESSEE" is the lessee of the Hydrocarbon Lease or the name of the grantee of the instrument creating the Mineral Interest or other interest.

PROSPECT: The name listed under the heading "PROSPECT" is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

**PARISH/
STATE or
COUNTY/
STATE:** Under the heading "PARISH/STATE" or "COUNTY/STATE" is the listing of the parish or county and state in which the Hydrocarbon Lease, the Mineral Interest or other interest is located.

LSE DTE: The date (month/day/year) of the Hydrocarbon Lease or the instrument creating the Mineral Interest or other instrument.

**EXPIRE
DTE:** The date (month/day/year) cited under the heading "EXPIRE DTE" is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

**GROSS
ACRES:** The reference to "GROSS ACRES" is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

RECORDED: The recordation reference of the Hydrocarbon Lease or other instrument creating the Mineral Interest or other interest in the applicable public records of the county or parish shown under the heading "PARISH/STATE" or "COUNTY/STATE", as applicable. The recordation reference is to the volume or book and page or entry or file number of the oil and gas records, official public records of real property, conveyance records, or other applicable public records for the parish or county and state shown under the heading "PARISH/STATE" or "COUNTY/STATE".

3. **Subheadings for Federal OCS:** The Hydrocarbon Leases in the Federal OCS include the following subheadings:

Caption: The reference to a particular offshore area and block in the heading is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

Lease Number: The number following the letters "OF" for the Hydrocarbon Leases in the Federal OCS is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

Recordation: The Hydrocarbon Leases in the Federal OCS are filed with the Minerals Management Service, Department of the Interior, Gulf of Mexico OCS Region. Although not so indicated, the Hydrocarbon Lease may also be filed of record in the parish in the State of Louisiana located adjacent to the Hydrocarbon Lease in question.

4. **Schedule A.** Schedule A consists of the listing of all contracts, agreements, and instruments (collectively, the "Contracts") related to the Hydrocarbon Leases, the Mineral Interests or other interests affected by the Mortgage. The listing of the Contracts is made for purpose of giving effect to the warranties of the Mortgagor contained in the Mortgage. The

recitation that the Mortgagor's interests in the Hydrocarbon Leases, the Mineral Interests or other interests described in Exhibit A is subject to the Contracts shall not operate to subject such interests to any such Contract except to the extent that such Contract is valid and presently subsisting with respect to such interest; nor shall the reference to a Contract be deemed a recognition by the Mortgagor that the Contract is valid except to the extent that such Contract is presently in force and effect. It is intended, however, that the rights of the Mortgagor under the Contracts shall be encumbered by and subject to the liens and security interests created by the Mortgage.

5. Defined Terms. Capitalized terms used in this Preamble and not otherwise defined herein shall have the meanings ascribed thereto in the Mortgage to which this Preamble is attached.

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EXHIBIT "A"

**SOUTH PASS BLOCK 82
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA**

An undivided 65.83400% operating rights interest in and to the following described lease, to wit:

OCS-G 5685
OF10880002-000 Oil and Gas Lease from the United States of America as Lessor, to Exxon Corporation as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5685 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 82, South Pass Area, South and East Addition, OCS Leasing Map, Louisiana Map No. 9A, from the surface of the earth down to the stratigraphic equivalent of 14,863 feet, as identified on the electric log of the FMP Operating Company OCS-G 5685 Well No. 3, plus 100 feet and containing approximately 5,000.00 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>DOCUMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	McMoran 1987-88 Exploration Program	01/19/87	FMP Operating Company, a Limited Partnership and Crescent Investment Co., et al
OF1088-0015-87	Participation Agreement, as amended	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership, et al
OF1088-0034-88	Farmin Agreement	08/19/88	Exxon Corporation and FMP Operating Company, a Limited Partnership
OF1088-0101-88	Area of Mutual Interest	08/31/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Freeport-McMoran Inc. and Apache Corporation, et al
	Crude Oil Purchase/Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport-McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

**SOUTH PASS BLOCK 83
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA**

An undivided 60.57570% record title interest in and to the following described lease, to wit:

OCS-G 5052 Oil and Gas Lease from the United States of America as
OF10880001-C00 Lessor, to Shell Offshore Inc., et al as Lessee, dated
 effective April 1, 1982 and identified in the Office of
 the Minerals Management Service, Department of the
 Interior, as Outer Continental Shelf Lease Number
 OCS-G 5052 covering the submerged lands of the Outer
 Continental Shelf described as follows:

All of Block 83, South Pass Area, South and East
Addition, as shown on OCS Leasing Map, Louisiana Map No.
9A containing approximately 5,000.00 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Co., et al
OF1088-0015-87	Participation Agreement, as amended	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership, et al
OF1088-0009-87	Seismic Option and Farmin Agreement	06/01/87	Shell Offshore Inc., et al and FMP Operating Company
OF1088-0101-88	Area of Mutual Interest	08/31/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Freeport-McMoran Inc. and Apache Corporation, et al
	Crude Oil Purchase/ Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport- McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning
or affecting the above described interest which are of record.

EXHIBIT "A"

**SOUTH PASS BLOCK 74
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA**

undivided 60.57570% operating rights interest in and to the following described lease, to wit:

OCS-G 6801
OF10880003-000 Oil and Gas Lease from the United States of America as Lessor, to Conoco Inc., et al as Lessee, dated effective June 1, 1984 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 6801 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 74, South Pass Area, South and East Addition, OCS Leasing Map, Louisiana Map No. 9A containing approximately 5,000.00 acres.

Insofar and only insofar as said lease covers and pertains to the E/2 of Block 74 limited to those depths from the surface of the earth down to and including 100' below the stratigraphic equivalent of a depth of 13,311' subsea (16,500' MD), as seen in the Freeport-McMoRan Inc. OCS-G 6801 Well No. A-12 (ST-1).

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LANDG021-87	McMoRan 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Co., et al
OF1088-0015-87	Participation Agreement, as amended	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership, et al
OF1088-0101-88	Area of Mutual Interest	08/31/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1088-0014-91	Farmout Agreement	03/21/91	Conoco Inc., et al and Freeport-McMoRan Inc.
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Freeport-McMoRan Inc. and Apache Corporation, et al
	Crude Oil Purchase/ Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport- McMoRan Inc.
	Assignment of Overriding Royalty Interest	Pending	Freeport-McMoRan Inc. and CLK Company, et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

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EXHIBIT "A"

MISSISSIPPI CANYON BLOCKS 320, 321, 322, 323 AND 365 OCS GULF OF MEXICO OFFSHORE, LOUISIANA

An undivided 66.667% reversion title interest in and to the following described leases, to wit:

OCS-G 6946
OF1171-0002-000
Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective June 1, 1984 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 6946 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Blocks 320 and 321, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,131.08 acres.

OCS-G 5834
OF1171-0003-000
Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5834 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 322, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760.00 acres.

OCS-G 5835
OF1171-0004-000
Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5835 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 323, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760.00 acres.

OCS-G 5841
OF1171-0001-000
Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5841 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 365, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760.00 acres.

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
OF1171-0115-87	Unit Operating Agreement	07/01/87	Mobil Oil Exploration & Producing Southeast Inc. and Tenneco Oil Company, et al

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Page 3

Exhibit "A"

Mississippi Canyon Blocks 320, 321, 322, 323 and 369

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
OP1171-0116-87	Unit Agreement	07/01/87	Mobil Oil Exploration & Producing Southeast Inc., Tenneco Oil Company, et al
XENCOO-0007-89	Participation Agreement McMoran 1989-90 Exploration Program, as amended	01/01/89	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OP1171-0022-89	Farmout Agreement	06/15/89	FMP Operating Company, a Limited Partnership and Mobil Oil Exploration & Producing Southeast Inc., et al
OP1171-0048-89	Area of Mutual Interest	08/07/89	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
	Assignment	Effective 08/15/89	Chevron U.S.A. Inc. and Freeport-McMoran Inc.
	Assignment	07/10/91 Effective 08/15/89	Mobil Oil Exploration & Producing Southeast Inc. and Freeport-McMoran Inc.
	Assignment	11/20/91 Effective 08/15/89	Kerr-McGee Corporation, et al and Freeport-McMoran Inc.
	Discount Letter	10/21/91	Texas Eastern Transmission Corporation and FMI Hydrocarbon Company
	Liquid Hydrocarbons Transportation Agreement	09/01/91	Texas Eastern Transmission Corporation and Freeport-McMoran Inc.
	Gas Processing Agreement	01/14/92	Warren Petroleum Company and Freeport-McMoran Inc.
OP1171-0004-92	Gas Dehydration Agreement	02/04/92	Marathon Oil Company and Freeport-McMoran Oil & Gas Company
	Assignment	Pending	Freeport-McMoran Inc. and Continental Land & Fur Co., Inc., et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

**VERMILION BLOCK 161
OCS GULF OF MEXICO
OFFSHORE LOUISIANA**

An undivided 1.95557% overriding royalty interest in and to the following described lease, **LESS AND EXCEPT** the NW/4 NW/4 SE/4 and the NE/4 SE/4 SE/4 thereof, to wit:

OCS-G 1127

OF0507-0001-000

Oil and Gas Lease from the United States of America as Lessor, to Forest Oil Corporation, as Lessee, dated effective as of June 1, 1962, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 1127, covering the submerged lands of the Outer Continental Shelf described as follows:

Block 161 Vermilion Area, as shown on official leasing map Ls. No. 3, Outer Continental Shelf Leasing Map, Louisiana Offshore Operation, containing approximately 4,868.21 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LANDC090-87	Participation Agreement McMoran 1987 OCS Lease Acquisition and Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership, and Continental Land & Pur Co., Inc., et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

VERMILION BLOCK 161
OCS GULF OF MEXICO
OFFSHORE LOUISIANA

An undivided 49.60055% operating rights interest in and to the NW/4NW/4SE/4; SE/4NE/4SW/4 and the well located thereon, known and designated as Well No. 3 in the following described lease, to wit:

OCS-G 1127
OF0507-0001-000

Oil and Gas Lease from the United States of America as Lessor, to Forest Oil Corporation, as Lessee dated effective as of June 1, 1962, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 1127, covering the submerged lands of the Outer Continental Shelf described as follows:

Block 161 Vermilion Area, as shown on official leasing map La. No. 3, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations, containing approximately 4,868.21 acres.

The above described interest entitles the owner thereof to the following:

- A. The NW/4NW/4SE/4 of Block 161, Vermilion Area, being the Operating Rights in and to oil and gas produced therefrom, and the OCS-G 1127 Well No. 3;
- B. The SE/4NE/4SW/4 of Block 161, Vermilion Area, being the Operating Rights, including the surface rights, the "A" Platform and the equipment located thereon, but not any oil and gas rights therein.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
OF0507-0144-75	Operating Agreement, as amended	12/31/75	CSK Marine Production Company and Bethlehem Steel Corporation, et al
LAND0090-87	Participation Agreement McMoran 1987 OCS Lease Acquisition and Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al
LAND0030-88	Area of Mutual Interest	05/05/88	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al
	Co-Development Agreement	12/01/91	Freeport-McMoran Inc. and Energy Development Corporation, et al
	Overriding Royalty Assignment	Pending	Freeport-McMoran Inc. and CLK Company, et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

VERMILION BLOCK 161 OCS GULF OF MEXICO OFFSHORE LOUISIANA

An undivided 39.89360% record title interest in and to the NE/4SE/4SE/4 of the following described lease; and

An undivided 34.66677% record title interest in and to the N/2; SW/4; N/2SE/4; SW/4SE/4; NW/4SE/4SE/4; S/2SE/4SE/4 of the following described lease, to wit:

OCS-G 1127
OF0507-0001-000

Oil and Gas Lease from the United States of America as Lessor, to Forest Oil Corporation, as Lessee, dated effective as of June 1, 1962, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 1127, covering the submerged lands of the Outer Continental Shelf described as follows:

Block 161 Vermilion Area, as shown on official leasing map La. No. 3, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations, containing approximately 4,868.21 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
OF0507-0178-75	Farmout Agreement, as amended	07/24/75	Forest Oil Corporation, et al and C&K Offshore Company
OF0507-0144-75	Operating Agreement, as amended	12/31/75	C&K Marine Production Company and Bethlehem Steel Corporation, et al
LAND0090-87	Participation Agreement McMoran 1987 OCS Lease Acquisition and Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al
LAND0030-88	Area of Mutual Interest	05/05/88	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al
	Co-Development Agreement	12/01/91	Freeport-McMoran Inc. and Energy Development Corporation, et al
	Overriding Royalty Assignment	Pending	Freeport-McMoran Inc. and CLK Company, et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

EAST CAMERON BLOCK 148 OCS GULF OF MEXICO OFFSHORE, LOUISIANA

An undivided 26.33360% record title interest in and to the following described lease, to wit:

OCS-G 5370 Oil and Gas Lease from the United States of America, as Lessor, to Tenneco Oil Company, as Lessee, dated effective July 1, 1983, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5370 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 148, East Cameron Area, OCS Leasing Map, Louisiana Map No. 2 containing approximately 5,000 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	Participation Agreement McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Company, et al
OF1096-0083-87	Farmout Agreement	12/10/87	Tenneco Oil Company and FMP Operating Company, a Limited Partnership
OF1096-0015-88	Offshore Operating Agreement	03/07/88	Tenneco Oil Company and FMP Operating Company, a Limited Partnership, et al
OF1096-0029-88	Area of Mutual Interest	02/24/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1096-0041-91	Facility Use Agreement	01/17/91	Chevron U.S.A. Inc. and Freeport-McMoran Inc.
OL0540-03	Crude Oil Exchange Agreement	07/23/91	Shell Oil Company and Freeport-McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

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EXHIBIT "A"

EAST CAMERON BLOCK 143
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA

An undivided 18.43352% record title interest in and to the following described lease, to wit:

OCS-G 5369 Oil and Gas Lease from the United States of America, as Lessor, to CNG Producing Company, as Lessee, dated effective July 1, 1983, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5369 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 143, East Cameron Area, OCS Leasing Map, Louisiana Map No. 2 containing approximately 5,000 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	Participation Agreement McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Company, et al
OF1096-0021-88	Farmcut Agreement, as amended	05/05/88	CNG Producing Company and FMP Operating Company, a Limited Partnership
OF1096-0029-88	Area of Mutual Interest	02/24/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1096-0041-91	Facility Use Agreement	01/17/91	Chevron U.S.A. Inc. and Freeport-McMoran Inc.
OL0540-03	Crude Oil Exchange Agreement	07/23/91	Shell Oil Company and Freeport-McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

SCHEDULE 1
to
Mortgage, Deed of Trust,
Security Agreement, Assignment of
Production and Proceeds and
Leases and Rents, Fixture
Filing and Financing Statement
dated as of June 11, 1992
by
Freeport-McMoRan Inc.

Certified Resolutions

The undersigned, being the duly constituted Assistant Secretary of Freeport-McMoRan Inc. (the "Corporation") does hereby certify that the following is a full, true and correct copy of resolutions duly adopted by means of an unanimous written consent dated June 9, 1992 and signed by all members of the Transaction Committee (the "Transaction Committee") which was duly appointed by the Board of Directors of the Corporation by means of an unanimous written consent dated May 29, 1992 and signed by all members of said Board of Directors and (i) that said resolutions have continued in full force and effect and have not been rescinded, modified or amended through the date of this certificate; and (ii) that said resolutions are not in conflict with the articles of incorporation or by-laws of the Corporation:

RESOLVED, That Glenn A. Kleinert, the Senior Vice President of Freeport-McMoRan Oil & Gas Company Division of the Corporation, be and he hereby is authorized, empowered and directed to execute in the name of and behalf of the Corporation a Mortgage, Deed of Trust, Security Agreement, Assignment of Production and Proceeds and Leases and Rents, Fixture Filing and Financing Statement in favor of Chemical Bank as Collateral Agent (the "Mortgage") and affecting any properties, rights or interests owned by the Corporation, real or personal; the Mortgage to contain a confession of judgment, indemnifications, waiver of benefits of appraisalment, demand, notice and delay, and such further terms and conditions as the said officer in his sole discretion

deems necessary, appropriate or desirable; the Mortgage has been presented to and reviewed and approved by this Transaction Committee and may be changed or modified to contain such terms and conditions as the said officer in his sole discretion shall deem necessary, appropriate or desirable; the execution and delivery thereof by said officer to be conclusive evidence of the approval thereof by this Transaction Committee; and further

RESOLVED, That the said officer be and he is hereby authorized, directed and empowered to execute and deliver in the name of and on behalf of the Corporation any and all documents including any financing statements and to do or cause to be done all such further acts and things as such officer in his sole discretion shall deem necessary, appropriate or desirable in connection with these resolutions.

* * *

WITNESS MY SIGNATURE, this 11th day of June, 1992.



Mark G. Otts
Assistant Secretary

SCHEDULE 1
to
Mortgage Assumption Agreement
dated as of June 11, 1992
by
FM Properties Operating Co., et al

Certified Resolutions

The undersigned, being the duly constituted Assistant Secretary of Freeport-McMoRan Inc. (the "Corporation") does hereby certify that the following is a full, true and correct copy of resolutions duly adopted by means of an unanimous written consent dated June 9, 1992 and signed by all members of the Transaction Committee (the "Transaction Committee") which was duly appointed by the Board of Directors of the Corporation by means of an unanimous written consent dated May 29, 1992 and signed by all members of said Board of Directors and (i) that said resolutions have continued in full force and effect and have not been rescinded, modified or amended through the date of this certificate; and (ii) that said resolutions are not in conflict with the articles of incorporation or by-laws of the Corporation:

RESOLVED, That Glenn A. Kleinert, the Senior Vice President of Freeport-McMoRan Oil & Gas Company Division of the Corporation, be and he hereby is authorized, empowered and directed to execute in the name of and behalf of the Corporation as managing general partner of FM Properties Operating Co., a Delaware partnership (the "Partnership") a Mortgage Assumption Agreement by the Partnership in favor of Chemical Bank as Collateral Agent (the "Mortgage Assumption"); the Mortgage Assumption to contain a confession of judgment, indemnifications, waiver of benefits of appraisement, demand, notice and delay, and such further terms and conditions as the said officer in his sole discretion deems necessary, appropriate or desirable; the Mortgage Assumption has been presented to and reviewed and approved by this Transaction Committee and may be changed or modified to contain such terms and conditions as the said officer in his sole discretion shall deem necessary, appropriate or desirable; the execution and delivery

thereof by said officer to be conclusive evidence of the approval thereof by this Transaction Committee; and further

RESOLVED, That the said officer be and he is hereby authorized, directed and empowered to execute and deliver in the name of and on behalf of the Corporation in its capacity as managing general partner of the Partnership any and all documents including any financing statements and to do or cause to be done all such further acts and things as such officer in his sole discretion shall deem necessary, appropriate or desirable in connection with these resolutions.

* * *

WITNESS MY SIGNATURE, this 11th day of June, 1992.



Mark G. Otts
Assistant Secretary

CULLEN R LISKOW (1893-1971)
AUSTIN W LEWIS (1910-1974)

GENE W LAFITTE
BILLY H MINES
AMES L PELLETIER
THOMAS D HARDEMAN
JOHN M KING
EDWARD J GAY III
KENNETH E GORDON, JR
LEON J REYMOND, JR
J BERRY ST JOHN, JR
DONALD R ABAUNZA
JOHN M WILSON
LAWRENCE P SIMON, JR
FREDERICK W BRADLEY
KENNY M MASSARI
S GENE FENDLER
THOMAS F GETTEN
GEORGE H ROBINSON, JR
GEORGE J DOMAS
MARILYN C MALONEY
JOSEPH C SIGLIO, JR
BRUCE J ORECK
PATRICK W GRAY
DEBORAH BAHN PRICE
ROBERT E HOLDEN
JOE B NORMAN
THOMAS M MCNAMARA
JAMES N MANSFIELD III
BILLY J DOMINGUE
LAMBERT M LAFEROUSE
FRANK E MASSENGALE
PHILIP K JONES, JR
WILLIAM W BUGH
JULIE E SCHWARTZ
CHARLES B GRIFFIS
RICHARD W REVELS, JR
JOSEPH P HEBERT
MARGUERITE A NOONAN
DAVID W LEEFE
JAMES D MCMICHAEL
RICHARD E ANDERSON

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New Orleans, LA 70139-5001
June 15, 1992

45052
WM BLAKE BENNETT
KARR A LOWE
KATHLEEN L DEBRUHL
GEORGE DENEORE JR
DON R KATCRAFT
EDWIN W DENNARD
W F CRAIG WYMAN
JES A BROWN
R FITH JARRETT
C L V CUNNINGHAM
LT M WALTER
ROA T S ANGELICO
ROBT L THEROT
DE OLIVIER
DEC Z ARCENEAUX III
HARL BREAUX STROUD
JONATHAN A HUNTER
DANIEL E LAGRONE
THOMAS P DIAZ
JOHN P GUILLORY
MARY S JOHNSON
KATHLEEN FRIEL KETCHUM
INGER M SJOSTROM
SCOTT C SEILER
CECILY ELLZEY BATEMAN
CHERYL MOLLERE HORNICK
MARK D LATHAM
SHANNON SKELTON HOLTZMAN
JOHN C ANJIER
CRAIG A RYAN
JANE J BOLEYARE
O C SLAWSON JR
KAREN KALER WM FIELD
BERNARD F MERONEY
CAROL L WELBORN
CATHY MANG SMITH
CAROL L DUNNE
JEFFERY D MORGAN
CHRISTOPHER G HAYES
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OF COUNSEL
WILLIAM M MEYERS
ROBERT T JORDEN
CHARLES C GREMILLION

Minerals Management Service
U.S. Department of the Interior
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

RE: Lease Nos. OCS-G 5685, 5052, 6801, 6946,
5834, 5835, 5841, 1127, 5370, and 5369

Gentlemen:

Enclosed you will find ten (10) counterparts of
(i) a Mortgage Deed of Trust, Security Agreement, Assignment
of Production and Proceeds and Leases and Rents, Fixture
Filing and Financing Statement (the "Mortgag") dated as of
June 11, 1992 by FM Properties Operating Co. ("Mortgagor")
in favor of Freeport-McMoRan Inc. ("Mortgagee"), and (ii)
UCC-1 Financing Statement of Mortgagor, as debtor, and
Mortgagee, as secured party (the "Financing Statement").
The enclosed Mortgage and Financing Statement affect
interests of Mortgagor in the captioned leases described
therein. The Mortgage and Financing Statement is
subordinate to the liens and security interests described in
ARTICLE 29 of the Mortgage.

The name and address of Mortgagor is: FM
Properties Operating Co., 1615 Poydras Street, New Orleans,
Louisiana 70112.

The name and address of Mortgagee is: Freeport-
McMoRan Inc., 1615 Poydras Street, New Orleans, Louisiana
70112.

June 15, 1992

In order that third persons will be put on notice as to the execution and efficacy of the enclosed Mortgage and Financing Statement, please file a counterpart of each of the enclosed Mortgage and Financing Statement, together with a copy of this letter, in the lease record files related to each of the captioned leases. Enclosed is our firm check in the amount of \$500.00 for payment of filing fees. Please evidence that the foregoing has been accomplished by signing a copy of this letter in the space provided below.

Very truly yours,



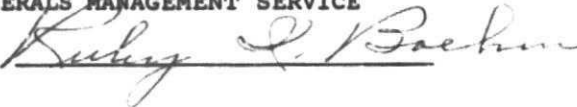
Thomas F. Getten

TFG/mn
Enclosures

FILING ACCOMPLISHED AS REQUESTED

DATE: JUN 15 1992

MINERALS MANAGEMENT SERVICE

BY: 

RECEIVED
JUN 15 1992
FBI - NEW YORK
COMMUNICATIONS SECTION

45052

**MORTGAGE, DEED OF TRUST, SECURITY AGREEMENT,
ASSIGNMENT OF PRODUCTION AND PROCEEDS AND
LEASES AND RENTS, FIXTURE FILING AND FINANCING STATEMENT**

FM PROPERTIES OPERATING CO.
(doing business in Montana as FM Properties Operating)

TO

Charles E. Holmes, the Trustee,

and

FREEPORT-MCMCRAN INC.

Dated June 11, 1992

"THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS."

"A POWER OF SALE HAS BEEN GRANTED IN THIS INSTRUMENT. A POWER OF SALE MAY ALLOW TRUSTEE TO TAKE THE MORTGAGED PROPERTY AND SELL IT WITHOUT GOING TO A COURT IN A FORECLOSURE ACTION UPON DEFAULT BY THE MORTGAGOR UNDER THIS INSTRUMENT."

"THIS INSTRUMENT SECURES PAYMENT OF FUTURE ADVANCES."

"THIS INSTRUMENT SHALL BE EFFECTIVE AS, AMONG OTHER THINGS, A SECURITY AGREEMENT AND FINANCING STATEMENT UNDER THE UNIFORM COMMERCIAL CODE. COLLATERAL INCLUDES, AMONG OTHER PROPERTY, FIXTURES AND OIL AND GAS AND ACCOUNTS ATTRIBUTABLE TO THE SALE THEREOF TO BE FINANCED AT THE WELLHEAD(S) OF THE WELL(S) LOCATED ON THE LANDS DESCRIBED OR TO WHICH REFERENCE IS MADE IN THIS INSTRUMENT."

RECORDED
JUN 15 1992
MONTANA
COUNTY OF DEWEE

**MORTGAGE, DEED OF TRUST, SECURITY AGREEMENT,
ASSIGNMENT OF PRODUCTION AND PROCEEDS AND
LEASES AND RENTS, FIXTURE FILING AND FINANCING STATEMENT**

THIS MORTGAGE, DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF PRODUCTION AND PROCEEDS AND PROCEEDS AND LEASES AND RENTS, FIXTURE FILING AND FINANCING STATEMENT (the "Mortgage"), dated as of June 11, 1992, by FM Properties Operating Co., a Delaware partnership (doing business in Montana as FM Properties Operating) (the "Mortgagor"), having an address at 1615 Poydras Street, New Orleans, Louisiana 70112, Freeport-McMoRan Inc., a Delaware corporation ("FTX"), having an address at 1615 Poydras Street, New Orleans, Louisiana 70112, and Charles E. Holmes, having an address at 1615 Poydras Street, New Orleans, Louisiana 70112 (the "Trustee").

Recitals

The Mortgagor is giving this Mortgage pursuant to, and to secure obligations of the Mortgagor to FTX under the Credit and Guarantee Agreement dated as of June 11, 1992, as it may be amended and in effect from time to time (the "Credit Agreement"), among the Mortgagor, FTX and FM Properties Inc.

W I T N E S S E E :

NOW, THEREFORE, for and in consideration of the premises and as security for the payment and performance of the indebtedness (as hereinafter defined), and upon and subject to the terms and conditions hereinafter set forth, the Mortgagor does hereby convey, assign, grant, bargain, sell, mortgage, transfer, hypothecate, grant a security interest in and convey unto the Trustee, for the use and benefit of FTX, all the Mortgagor's right, title, interest, claim and demand, whether now owned or hereafter acquired by operation of law or otherwise (and even though the Mortgagor's interest therein may be incorrectly described in, omitted from or not described in Exhibit A), in, to and under:

(a) those certain oil, gas and mineral leases including subleases and assignments of operating rights (the "Hydrocarbon Leases") identified in Exhibit A attached hereto and made a part hereof, and the leasehold interest created thereby (collectively the "Leasehold Estates" and individually a "Leasehold Estate") in the real property described in the Hydrocarbon Leases as being affected thereby (the "Leased Land"), and all other mineral rights, overriding royalties, production payments, net profits agreements, royalties and other mineral interests identified in Exhibit A

(the "Mineral Interests"), together with (i) all real estate located on, or used in connection with, the Mineral Interests or the Leased Land, (ii) all amendments, modifications, extensions and renewals thereof, (iii) all rights, interests, powers, privileges, options and other benefits of the Mortgagor under the Hydrocarbon Leases or the Mineral Interests and any other agreement or instrument creating or containing any such other rights or interests with respect to the Leasehold Estates or the Mineral Interests, (iv) all credits, deposits, options, privileges and rights of the Mortgagor under the Hydrocarbon Leases or the Mineral Interests, (v) the right to give consents and to receive money payable to the lessees under the Hydrocarbon Leases, (vi) any options to renew or purchase and any rights of first refusal to lease or purchase with reference to the foregoing; and (vii) all royalty interests, overriding royalty interests, production payment interests and net profits interests covering or relating to the Leased Land (the term "Leased Land" as used herein includes without limitation the land specifically described in Exhibit A and all land described in or covered by the oil and gas leases and other documents described in Exhibit A hereto whether or not such land is specifically described in Exhibit A hereto);

(b) the crude oil, condensate, natural gas, natural gas liquids, casinghead gas and petroleum products and other solid, liquid or gaseous hydrocarbons and other associated or related substances (the "Hydrocarbons") which are in, under, upon, attributable to, produced or to be produced from the Leased Land or the Mineral Interests, and owned or leased by the Mortgagor, subject to any matters listed in Exhibit A (the "Hydrocarbon Reserves");

(c) all inventory of the Hydrocarbon Reserves now or hereafter extracted, removed, or severed from or attributable to the Leased Land or the Mineral Interests, subject to any matters listed in Exhibit A; provided, however, that so long as no Event of Default under any of the Credit Documents shall have occurred and be continuing, such Hydrocarbon Reserves may be sold by the Mortgagor in the ordinary course of its business, free of any lien or security interest created by this Mortgage;

(d) all accounts now or hereafter resulting from the sale of the Hydrocarbon Reserves produced at the wellhead or minehead, and all other accounts, contract rights, operating rights, general intangibles, chattel paper, documents and instruments arising from the sale of the Hydrocarbon Reserves;

(e) all unitization, communitization, operating agreements, pooling agreements and declarations of pooled units and the properties covered and the units created thereby (including all units formed under orders, regulations, rules or other official acts of any federal, state or other governmental agency providing for pooling or unitization, spacing orders or other well permits and other instruments) now or hereafter entered into which relate to or affect all or any portion of the Leased Land or the Mineral Interests, including, without limitation, those units which may be specifically described or referred to in Exhibit A;

(f) all equipment leases, production sales, purchase, exchange or processing agreements, transportation agreements, farmout or farmin agreements, saltwater disposal agreements, area of mutual interest agreements and other contracts or agreements now or hereafter entered into that cover, affect, or otherwise relate to the Leased Land or the Mineral Interests, or to the operation of the Leased Land or the Mineral Interests, or to the treating, handling, storing, transporting or marketing of Hydrocarbons produced from or allocated or attributed to the Leased Land or the Mineral Interests, including, without limitation, those contracts and agreements listed in Exhibit A hereto, as the same may be amended or supplemented from time to time;

(g) all surface or subsurface machinery, equipment, fixtures, facilities or other property of whatsoever kind or nature now or hereafter located on or under any of the Leased Lands or the Mineral Interests, which are used or useful for the production, treatment, storage or transportation of Hydrocarbons, or attached to, or contained in or used in connection with the operation or ownership of the Leased Lands or the Mineral Interests, including, but not by way of limitation, (x) all oil wells, gas wells, water wells, injection wells, casing, tubing, rods, pumping units and engines, Christmas trees, derricks, separators, heater treaters, valves, gun barrels, flow lines, tanks, gas systems and compressors (for gathering, treating and compression), water systems (for treating, disposal and injection), pipelines (including gathering lines, laterals and trunklines, if any), power plants, poles, lines, transformers, starters and controllers, machine shops, tools, storage yards and equipment stored therein, buildings and camps, telegraph, telephone and other communication systems, roads, loading racks and shipping facilities, and (y) all screens, awnings, shades, blinds, curtains, draperies, artwork, carpets, rugs, storm doors and windows, furniture and furnishings, heating, electrical, and mechanical equipment, lighting, switchboards, plumbing, ventilating, air

conditioning and air-cooling apparatus, refrigerating, and incinerating equipment, escalators, elevators, loading and unloading equipment and systems, stoves, ranges, laundry equipment, cleaning systems (including wind cleaning apparatus), telephones, communication systems, including satellite dishes and antennae), televisions, computers, sprinkler systems and other fire prevention and extinguishing apparatus and material, security systems, motors, engines, machinery, pipes, pumps, tanks, conduits, appliances, fittings and fixtures of every kind and description;

(h) all general intangibles, accounts and other rights to payment under any and all contracts, now or hereafter arising, under which the Mortgagor is entitled to share in the production from, or the proceeds of, the Leased Land or the Mineral Interests, or any oil and/or gas wells located thereon, whether operated by the Mortgagor or others, including, without limitation, operating agreements, revenue sharing agreements and other similar or dissimilar agreements;

(i) all minerals underlying the Leased Land or the Mineral Interests;

(j) all permits, licenses, easements, servitudes, rights-of-way, sewer and water rights, railroad sidings, and other interests and rights-of-way of every character in any way relating or appertaining to any of the Leased Land or the Mineral Interests;

(k) all permits, franchises, privileges, grants, consents, licenses, authorizations, certificates of public convenience and necessity, approvals and water rights with respect to the Mortgaged Property, as hereafter defined, hereafter granted to the Mortgagor, and in and to all amendments, supplements, modifications, extensions and renewals of any thereof (except the right, title and interest of the Mortgagor in and to any such permit, franchise, privilege, grant, consent, license, authorization, approval or water right which is not freely assignable by the Mortgagor or is assignable only upon the assumption of one or more obligations thereunder by the assignee), subject in each case to all the terms, conditions and provisions of each of such permits, franchises, privileges, grants, consents, licenses, authorizations, approvals and water rights, but only to the extent permitted by law and by the instrument, if any, by which they were granted;

(l) all tenements, hereditaments and appurtenances belonging or in any way appertaining to the aforementioned premises, property rights and franchises, and all the rents, issues and profits thereof;

(m) all right, title, interest, property, claim and demand of the Mortgagor, if any, in and to the land lying in the bed of any street, road, avenue, alley, in front of or adjoining the Leased Land and in and to gores and strips of land adjacent to or adjoining the Leased Land;

(n) all proceeds of the conversion, whether voluntary or involuntary, of any of the Leased Land, the Mineral Interests or the Leasehold Estates or any other of the property, real or personal, subjected to the lien hereof and the security interest granted hereby into cash or other liquid claims, including, without limitation, all awards, payments or proceeds, including interest thereon, and the right to receive the same, which may be made as the result of any casualty, any exercise of the right of eminent domain or deed in lieu thereof, the alteration of the grade of any street and any injury to or decrease in the value of the Leased Land, the Mineral Interests or the Leasehold Estates, together with attorney's fees, costs and disbursements incurred by the Trustee or FTX in connection with the collection of such awards, payments and proceeds and the Mortgagor agrees to execute and deliver, from time to time, such further instruments as may be requested by the Trustee or FTX to confirm such assignment of any such award, payment or proceeds; and

(o) the proceeds and products of the foregoing, together with any additions thereto, substitutions therefor and proceeds and products thereof which may be subjected to the lien of this instrument by means of supplements hereto, and all corrections or amendments to, or renewals, extensions or ratifications of, any of the same, or of any instruments relating thereto.

All of the Mortgagor's right, title, interest, claim and demand, whether now owned or hereafter acquired in, to and under (a) through (o) above are hereinafter collectively called the "Mortgaged Property", subject, however, to the condition that neither the Trustee nor FTX shall be liable in any respect for the performance of any covenant or obligation of the Mortgagor in respect of its Mortgaged Property.

TO HAVE AND TO HOLD the Mortgaged Property unto the Trustee, its successor(s) and assigns, IN TRUST to secure the payment and performance of all indebtedness, obligations and liabilities of

the Mortgagor now or hereafter arise, or pursuant to the Credit Documents (as hereinafter defined) (collectively, the "Indebtedness"), including, but not limited to (i) the aggregate principal amount of the Loans at any one time outstanding under the Credit Documents, but not in excess of the aggregate principal sum of Four Hundred and Eighty-Four Million Dollars (\$484,000,000), including the principal amount of any Subordinated Loans and Guarantee Loans hereinafter made under the Credit Documents and any and all additional indebtedness and other obligations and liabilities now existing and hereafter arising under the Credit Documents, as evidenced by the Note (the "Note") made by the Mortgagor to FTX, (ii) interest (which interest may vary from time to time in accordance with the terms of the Credit Documents) from the date any outstanding balance thereof remains from time to time unpaid, (iii) all fees, indemnities and reimbursement of costs or expenses and other amounts as may be owed to FTX under the Credit Documents, and (iv) any costs, expenses or other sums advanced by the Trustee or FTX under the terms of the Credit Documents or this Mortgage. For purposes of this Mortgage, "Credit Documents" shall mean, as amended from time to time, the Credit Agreement, the Note issued pursuant to the Credit Agreement and any other documents heretofore or hereafter entered into pursuant to any of the foregoing, including, but not limited to, this Mortgage. All capitalized terms used herein but not defined herein shall have the meaning assigned such term in the Credit Agreement.

Insofar as such properties, rights and interests described in (a) through (o), inclusive, above consist of equipment, general intangibles, accounts, chattel paper, instruments, contract rights, inventory, fixtures, goods, proceeds or products of collateral (as such terms are defined in the Uniform Commercial Code as in effect in the appropriate jurisdiction with respect to each of said properties, rights and interests) (the "Uniform Commercial Code") or any other personal property of a kind or character subject to the applicable provisions of the Uniform Commercial Code, the Mortgagor hereby grants to FTX a security interest therein to secure the payment and performance of the Indebtedness.

If not sooner paid, the Indebtedness shall be due and payable on June 11, 2002.

And the Mortgagor further covenants and agrees with, and represents and warrants to, the Trustee and FTX as follows:

ARTICLE 1. Covenants, Warranties and Agreements. The Mortgagor represents and warrants to the Trustee and FTX as follows:

(a) The Mortgagor will promptly and at its expense, record, register, deposit and file this and every other instrument in addition or supplemental hereto, including, without limitation, continuation statements (except to the extent the Uniform Commercial Code requires such statements to be filed by the secured party), in such offices and places and at such times and as often as may be necessary to preserve, protect and renew the lien and security interest hereof as a perfected lien and security interest on real or personal property as the case may be and the rights and remedies of the Trustee and FTX hereunder, and otherwise will do and perform all reasonable things necessary to be done or observed by reason of any law or regulation of any state of the United States or of any other competent authority having jurisdiction over the Mortgaged Property for the purpose of effectively creating, maintaining and preserving the lien and security interest hereof on the Mortgaged Property.

(b) The Mortgagor will execute and deliver such other and further instruments and will do such other and further acts as in the opinion of the Trustee or FTX may be reasonably necessary or desirable to carry out more effectually the purposes of this instrument, including, without limitation, prompt correction of any defect which may hereafter be discovered in the execution and acknowledgment of this instrument, the Credit Documents, the Notes, or any other document used in connection herewith.

(c) The Mortgagor will timely execute, deliver and properly record such supplemental deeds of trust or modification agreements as may be required under the laws of any state where the Mortgaged Property is located.

ARTICLE 2. Leasehold Estates. The Mortgagor covenants that:

(a) The Mortgagor will at all times promptly comply with and faithfully keep and perform, or cause to be kept and performed, in all material respects, all the covenants and provisions contained in the Hydrocarbon Leases. The Mortgagor will neither affirmatively do nor cause or suffer to be done anything which will impair or tend to impair the security hereof, or which will or could be grounds for declaring a forfeiture or termination of the Hydrocarbon Leases. The Mortgagor will notify FTX promptly in writing after learning of any condition that with or without the passage of time or the giving of any notice might result in a default under or the termination of a Hydrocarbon Lease to which it is a party. The Mortgagor shall pay the rents, taxes, assessments and all other sums payable by the Mortgagor as lessee under the Hydrocarbon Leases, according

to the terms thereof, as the same shall become due and payable or prior to the time a penalty attaches for nonpayment thereof in the case of taxes, assessments and similar charges. The Mortgagor shall be in default in any other particular under a Hydrocarbon Lease.

(b) Except to the extent that the operator in this business would do so, the Mortgagor shall not modify, extend (except for the renewal rights set forth herein), or in any way alter the material terms of a Hydrocarbon Lease or cancel or surrender a Hydrocarbon Lease, nor shall the Mortgagor excuse, condone, or in any way release or discharge a lessor thereunder of or from any material obligations, covenants, conditions and agreements to be performed by such lessor, without the prior written consent of FTX.

(c) The Mortgagor will not subordinate or consent to the subordination of a Hydrocarbon Lease to any mortgage, security deed, deed of trust, or any other interest on or in the lessee's interest in all or any part of the property covered by such Hydrocarbon Lease, without the prior written consent of FTX, or unless the same shall be expressly required by mandatory provisions of applicable law or by the express terms and provisions of such Hydrocarbon Lease.

(d) Without the prior written consent of FTX, the Mortgagor will not permit the fee title to the Leased Land or any material part thereof to merge with the Leasehold Estates created by the Hydrocarbon Leases, but shall always keep such estates separate and distinct notwithstanding the union of such estates whether in the lessors under the Hydrocarbon Leases or in the Mortgagor or in a third party, by purchase or otherwise; and in case of the Mortgagor acquires the fee title or any other additional estate, title or interest in the Leased Land, this Mortgage shall attach to, and be a lien upon, the fee title or such other estate so acquired, and such fee title or other estate shall, without further assignment, mortgage or conveyance, become and be subject to the lien of this Mortgage. The Mortgagor shall notify FTX of any such acquisition by the Mortgagor and, on written request by FTX, shall cause to be executed and recorded such other and further assurances or other instruments as may in the opinion of FTX be required to carry out the intent and meaning hereof.

(e) If a Hydrocarbon Lease is for any reason terminated prior to the expiration of its term and the Mortgagor does not contest such termination, and if pursuant to any provision of such Hydrocarbon Lease or otherwise, FTX or its designee shall acquire from the lessor thereunder a new lease

of the property covered by such Lease, the Mortgagor shall have no right, title or interest in or to such new lease or the leasehold estate created thereby.

(f) The Mortgagor will promptly give notice to FTX of any notice, communication, or other instrument or document received or given by it in connection with, related to or affecting a claim or alleged claim of a material default by either lessor or lessee under a Hydrocarbon Lease to which it is a party.

(g) No release or forbearance of any of the Mortgagor's obligations under a Hydrocarbon Lease, pursuant to such Hydrocarbon Lease or otherwise, shall release the Mortgagor from any of its obligations hereunder.

(h) Except to the extent that a prudent operator in this business would not do so, the Mortgagor will defend the Leasehold Estates created under the Hydrocarbon Leases to which it is a party for the entire remainder of the terms set forth therein, against each and every person or persons lawfully claiming, or who may claim the same or any part thereof.

(i) Unless otherwise consented to by FTX, not later than thirty (30) days before the last day thereunder on which the same may be performed, the Mortgagor will exercise its option to obtain from the applicable lessor a renewal of the term of each material Hydrocarbon Lease for the respective renewal terms permitted and will deliver to FTX a copy of the notice of its exercise of said option, together with proof of the mailing thereof to the lessor as required by the applicable Hydrocarbon Lease; provided, however, that this paragraph (i) shall not apply to renewal terms which automatically renew without action by lessor or lessee.

ARTICLE 3. Representations and Warranties Regarding Hydrocarbon Leases. The Mortgagor represents and warrants that:

(a) on the date of the execution and delivery of this Mortgage it has not received notice of termination of any Hydrocarbon Leases or of any default on the part of the lessee thereunder which has not been cured or waived, and to its knowledge, no such default has occurred and is continuing, other than immaterial defaults which are curable at commercially acceptable costs and which do not give the lessor the right to cancel or terminate such Hydrocarbon Lease;

(b) subject to the provisions of ARTICLE 4(c), each Hydrocarbon Lease (i) is a valid and subsisting lease of the Leased Land therein described and for the term therein set forth and is in full force and effect in accordance with the terms thereof and has not been modified in any material respect; and (ii) subject to the qualification set forth below as to the titles of lessors under the Hydrocarbon Leases, each Hydrocarbon Lease and each Leasehold Estate is free and clear of all encumbrances other than that created hereby, and that to the best of the Mortgagor's knowledge there are not existing defaults by the lessors or lessees thereunder;

(c) The Mortgagor is the owner and holder of the Hydrocarbon Leases and of the Leasehold Estates created thereby as set forth in Exhibit A; and

(d) the Mortgagor has full and lawful power and authority to execute this Mortgage and this Mortgage has been duly authorized by the Mortgagor and lawfully executed and delivered in conformity with the Hydrocarbon Leases.

Notwithstanding the foregoing, Mortgagor makes no representations or warranty with respect to the lessor's title to any Leased Land held under any Hydrocarbon Lease, except that prior to acquiring each Hydrocarbon Lease, the Mortgagor obtained title information or representations with respect thereto sufficient in its opinion to justify such acquisition. The Mortgagor knows of no adverse claim or defect in any lessor's claim to any Leased Land which may materially interfere with the rights of the Mortgagor under the Hydrocarbon Leases.

ARTICLE 4. Additional Covenants, Warranties and Agreements.
The Mortgagor represents and warrants to FTX as follows:

(a) All of the representations, warranties and covenants of Mortgagor contained in the Credit Documents are, and shall at all times during the term hereof continue to be, true and correct in all material respects.

(b) Exhibit A contains, in all material respects, a complete and accurate description of the Mortgaged Property, legally sufficient to support the lien of this Mortgage and to enable a subsequent purchaser or mortgagee to identify and establish the Mortgage's title or other interest in and to the Mortgaged Property.

(c) The Mortgagor warrants that (i) except as set forth in ARTICLE 2 and Exhibit A attached hereto and made a part

hereof, it has good and defensible title to each property, right or interest constituting the Mortgaged Property, in fee simple with respect to any real estate forming part of the property, free from all encumbrances or liens whatsoever, except (x) as set forth in Schedule A, (y) liens for taxes, assessments or other governmental charges or levies not yet due and payable or which can be paid without penalty, and (z) such imperfections of title and encumbrances, if any, as do not detract from the value of, or interfere with the present or intended use of, such Mortgaged Property and which are not material to the Mortgagor; (ii) except as set forth on Schedule A hereto, it has done no act to encumber the Mortgaged Property; (iii) it has the legal right to grant and convey its Mortgaged Property to the Trustee or FTX for the benefit of the Trustee and FTX, and (iv) except as set forth in clause (i) above, and except for such portions of the Mortgaged Property as to which perfection requires noting the security interest on a certificate of title, upon recordation hereof in the appropriate offices, this instrument will create and grant to the Trustee or FTX a valid and perfected first and prior lien on and security interest in the Mortgaged Property.

(d) The Mortgagor represents that (i) the portion of the Mortgaged Property consisting of goods which are or will become fixtures is and will be located on the real property described in this Mortgage, (ii) the portion of the Mortgaged Property which consists of oil or gas as to which the security interest created by this Mortgage is intended to attach upon extraction will be produced from wells located upon the real property described in this Mortgage, and (iii) the portion of the Mortgaged Property consisting of accounts resulting from the sale of oil or gas at the well head will relate only to oil or gas produced from wells located on said property.

(e) The Mortgagor represents that there are of record no liens, security interests, charges or encumbrances on the Mortgaged Property, except as listed on Schedule A.

(f) The Mortgagor represents that except as listed on Schedule A none of the Mortgaged Property consists of operating agreements under which other parties are operating portions of the Mortgaged Property for the joint account of all leasehold owners. To the extent that any portion of the Mortgaged Property does consist of operating agreements, the Mortgagor, as a nonoperating party to such agreements, represents that, to the extent that such agreements (i) grant the operator any liens upon the interests of the Mortgagor, (ii) permit the operator to receive the Mortgagor's share of

production proceeds, (iii) require the Mortgagor to share in the reimbursement of the operator for amounts not contributed by other parties to the agreements, (iv) contain non-consent provisions which can operate to increase or decrease the interests of parties thereto, (v) contain other provisions which could affect the rights of the parties under the Credit Documents, and (vi) in any other way impose any obligation or expense on the Mortgagor, the effect of the operating agreements on the condition, financial or otherwise, of the Mortgagor is not material.

(g) The Mortgagor represents that the Mortgagor has and will as needed obtain all necessary routine operating or other routine licenses or permits which may be required in the course of the Mortgagor's performance under this Mortgage.

(h) The Mortgagor will promptly and at its expense, record, register, deposit and file this and every other instrument in addition or supplemental hereto, including, without limitation, continuation statements (except to the extent the applicable Uniform Commercial Code requires such statements to be filed by the secured party), in such offices and places and at such times and as often as may be necessary to preserve, protect and renew the lien hereof as a first lien on real or personal property as the case may be (subject to the interests referred to in section (c)(i) of this ARTICLE 4) and the rights and remedies of the Trustee or FTX, and otherwise will do and perform all reasonable things necessary to be done or observed by reason of any law or regulation of any state of the United States or of any other competent authority having jurisdiction over the Mortgaged Property for the purpose of effectively creating, maintaining and preserving the lien hereof on the Mortgaged Property.

(i) The Mortgagor will execute and deliver such other and further instruments and will do such other and further acts as in the reasonable opinion of FTX may be reasonably necessary or desirable to carry out more effectually the purposes of this instrument, including without limitation prompt correction of any defect which may hereafter be discovered in the execution and acknowledgment of this instrument, the Credit Documents, the Note, or any other document used in connection herewith. The Mortgagor will also execute, deliver and record such other instruments and do such other acts as in the reasonable opinion of FTX may be necessary or desirable to subject any after-acquired property to the lien of this Mortgage. For purposes of this section (i), "after-acquired property" shall mean that portion of the

Mortgaged Property described in paragraphs (n) and (o), thereof.

(j) Except where prohibited by law, the Mortgagor will pay all taxes, assessments and governmental charges legally imposed this instrument and every other instrument in addition or supplemental hereto or upon the Mortgaged Property or upon the interest of the Trustee or FTX therein, or upon any royalties from the Mortgaged Property.

(k) So long as the Indebtedness, or any part thereof, remains unpaid, except to the extent a prudent operator in this business would not do so, the Mortgagor shall, at its own expense: (i) generally warrant and defend its interest in all and singular the Mortgaged Property in all material respects against every person whosoever now or at any time hereafter lawfully claiming or to claim the same or any part thereof; (ii) do all reasonable things necessary to keep unimpaired in any material respect its rights in the Mortgaged Property; and (iii) cause the Mortgaged Property to be kept free and clear of liens, charges and encumbrances of every character, except as otherwise permitted hereunder or by the provisions of the Credit Documents.

(l) The Mortgagor warrants that, to the best of its knowledge and belief, no approval or consent of any regulatory or administrative commission or authority, or of any other governmental body, is necessary to authorize the execution and delivery of this instrument, or to authorize the observance or performance by the Mortgagor of the covenants herein contained.

(m) The Mortgagor will permit the Trustee or FTX, at any reasonable time, but at the risk and expense of the Trustee or FTX, as the case may be, (i) to enter upon the Mortgaged Property, and all parts thereof, for the purpose of investigating and inspecting the condition and operation thereof, and (ii) upon the reasonable request of the Trustee or FTX or the agents of any of them, to inspect and make excerpts from all the books and records of the Mortgagor relating to the Mortgaged Property.

(n) The Mortgagor will timely execute, deliver and properly record such supplemental deeds of trust or modification agreements as may be required under the laws of the jurisdiction in which the property is located.

(o) The Mortgagor will promptly give written notice to FTX if the title to the Mortgaged Property or any material part thereof or the security interest created hereby thereon

shall be in danger of being forfeited, or shall be attached directly or indirectly, or if any material adverse claim or demand is made with respect thereto, or if any material adverse governmental action is taken with respect thereto or if any material legal proceedings are instituted against the Mortgagor or FTX with respect thereto, and exert itself diligently to cure any material defect that may be developed or claimed and take all necessary and proper steps for the protection and defense thereof and take such action as is reasonably appropriate to the defense of any such legal proceedings, including, but not limited to, the employment of counsel, the prosecution and defense of litigation and the compromise or release and discharge of any adverse claims made, all to the extent that a prudent operator in this business would take. If FTX shall deem it necessary or expedient, the Mortgagor hereby authorizes FTX, at the Mortgagor's expense, to take all additional steps deemed by FTX, in the exercise of its reasonable judgment, as necessary or appropriate for the defense and protection of said title and security interests.

(p) The Mortgagor shall maintain its principal place of business and chief executive office, and the place where the Mortgagor keeps its books and records concerning the Mortgaged Property (including, without limitation, the records with respect to the proceeds of production from the other accounts and contract rights), at the address set forth in the introduction to this Mortgage or at such address as the Mortgagor shall from time to time give notice of to FTX.

ARTICLE 5. Environmental Provisions. The Mortgagor represents, warrants, covenants and agrees that it will:

(a) Use due diligence not to permit (except in compliance with all laws, ordinances and administrative directives pertaining thereto), any toxic or hazardous materials or substances (including, without limitation, asbestos, chemicals, flammable explosives, radioactive materials, petroleum, and any by-products or derivatives thereof, and any substances defined as or included in the definitions of "hazardous substances", "hazardous waste", "hazardous materials", or "toxic substances" under any Hazardous Materials Laws) ("Hazardous Materials") to be placed, held, located, released, transported, maintained in any manner so as to create a threat of release or disposed of on, under or at any of the Mortgaged Property if to do so could reasonably be expected to have material adverse effect on the value of the Mortgaged Property (a "Material Adverse Effect"). For purposes hereof the term "Hazardous Materials Laws" shall mean any applicable federal, state or local laws,

ordinances, or regulations relating to any Hazardous Materials or any directives, decrees, or administrative consent orders including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendment and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, the Federal Clean Water Act, the Federal Clean Air Act, the Toxic Substances Control Act, the Solid Waste Disposal Act, the Safe Drinking Water Act, the Occupational Safety and Health Act, any so-called "Superfund" or "Superlien" laws, and any law governing the transfer of contaminated property.

(b) Remove, at the Mortgagor's sole cost and expense, any Hazardous Materials on, under or at any of the Mortgaged Property and remediate, including ongoing monitoring, in accordance with accepted engineering practices and all applicable environmental laws, any and all environmental, health or safety conditions, including, but not limited to, soil and groundwater contamination, arising from or caused by the presence of Hazardous Materials on or under the Mortgaged Property, or by the migration of Hazardous Materials or contamination of any sort onto or under the Mortgaged Property if, as and when (i) any of such conditions or Hazardous Materials reasonably could be expected to result in a claim, lawsuit or order for the imposition of liability, individually or in the aggregate, in excess of \$8,000,000 against the Mortgagor, FTX or the Trustee, or (ii) such removal and remediation is required by a governmental authority under any legal requirement.

(c) Provide FTX with written notice, within thirty (30) business days, of any of the following: (i) upon the Mortgagor obtaining knowledge (A) of any of the Mortgaged Property not being in compliance with all applicable legal requirements or (B) of each and any environmental, health or safety condition affecting any of the Mortgaged Property (including, without limitation, the presence of any actual or threatened release of Hazardous Materials), which in the case of (A) or (B) reasonably could be expected to result in the imposition of a liability, individually or in the aggregate, in excess of \$8,000,000 pursuant to Hazardous Materials Laws or would otherwise have a Material Adverse Effect on the value of the Mortgaged Property and (ii) upon the Mortgagor's obtaining knowledge of the incurrence of any material cost or expense by any federal, state or local governmental authority in connection with the assessment, containment or removal of any Hazardous Materials or contamination at or from any of the Mortgaged Property by any such governmental authority, irrespective of the source of such Hazardous Materials.

(d) Provide FTX with an environmental site assessment report concerning any real property (which term, for purposes hereof, includes, without limitation, all fee estates, leasehold interests, easements and rights of way) forming part of the Mortgaged Property, prepared by the environmental consulting firm approved by FTX indicating the presence or absence of an adverse environmental, health or safety condition (including the presence, release or disposal of Hazardous Materials) and the potential cost of any corrective removal or remedial action in connection with any such condition on such real property. FTX, in its reasonable judgment, may order and the Mortgagor shall grant and hereby grants FTX and any all of its agents access to such real property and specifically grants FTX an irrevocable, nonexclusive license, subject to the rights of tenants (other than Affiliates of the Mortgagor), to undertake such an assessment, all at the Mortgagor's expense.

ARTICLE 6. The Trustee.

(a) The Trustee may execute any of his duties hereunder by or through his agents and shall be entitled to retain counsel and to act in reliance upon the advice of counsel concerning all matters pertaining to his duties hereunder. The Trustee shall be entitled to take, and shall only be required to take, any action which the Trustee is permitted to take hereunder or under any related agreement at the written or telegraphic request of FTX.

(b) Neither the Trustee nor his agents shall be liable for any action taken or omitted to be taken by him or them in good faith, nor responsible for the consequences of any oversight or error of judgment or answerable for any loss unless the loss shall happen through his or their gross negligence or wilful misconduct. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms of this Mortgage by the Mortgagor. The Trustee shall be entitled to rely upon any notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by him to be genuine and correct and to have been signed or sent by the proper person or persons and, in respect of legal matters, upon the opinion of counsel retained by him, FTX or the Mortgagor. The Trustee shall not be personally liable in case of entry by him, or anyone entering by virtue of powers herein granted him, upon the Mortgaged Property or for debts contracted or liability or damages incurred in the management or operation of the Mortgaged Property except where caused by the gross negligence or wilful misconduct of the Trustee. The

Mortgagor agrees to indemnify and hold harmless the Trustee (to the fullest extent permitted by law) from and against any and all claims, demands, losses, judgments and liabilities (including liabilities for penalties) of whatsoever nature and all related costs and expenses, including legal fees and disbursements, growing out of or resulting from the Mortgaged Property, or any part thereof, this instrument, the administration and enforcement or exercise of any right or remedy granted to the Trustee hereunder or the Trustee's service as the Trustee, except any claim, demand, loss, judgment or liability resulting from the Trustee's own gross negligence or wilful misconduct. In case any claim shall be made or action brought against the Trustee in respect of which indemnity shall be sought, the Mortgagor shall be entitled to participate at its own expense in the defense of any such claim or action or, if it so elects, at its own expense to assume the defense of such claim. In the event the Mortgagor assumes the defense of any such claim, such defense shall be conducted by counsel chosen by it and satisfactory to the Trustee. In the event the Mortgagor assumes the defense of any such claim, the Trustee shall thereafter bear the fees and expenses of any additional counsel retained by the Trustee. If the Mortgagor shall fail to do any act or thing which it has covenanted to do hereunder, the Trustee may (but shall not be obligated to) do the same or cause it to be done and there shall be added to the indebtedness the cost or expense incurred by the Trustee in so doing, and any and all amounts expended by the Trustee in taking any such action shall be repayable to the Trustee upon demand to the Mortgagor therefor and shall bear interest at the rate per annum equal to the rate of interest announced by Chemical Bank, as its prime rate in effect at its principal office in the City of New York, plus 2% (the "Default Rate") from the date advanced to the date of repayment.

(c) The Trustee shall be entitled to reimbursement for expenses incurred by the Trustee in the performance of the Trustee's duties hereunder and to reasonable compensation for such of his services hereunder as shall be rendered. The Mortgagor shall, from time to time, pay the compensation due to the Trustee hereunder and reimburse the Trustee for any and all expenses which may be incurred by him in the performance of the Trustee's duties.

(d) All moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, and the Trustee shall be under no liability for interest on any moneys received by him hereunder.

(e) The Trustee may resign at any time by the giving of notice of such resignation in writing to FTX. If the Trustee fails, refuses, or becomes unable to act, or should FTX, in its absolute discretion, deem it advisable for any reason to have a substitute trustee or substitute trustees appointed, then FTX is hereby authorized and empowered to appoint, at any time and from time to time, by an instrument duly executed and acknowledged and filed for recordation wherever this Mortgage is recorded, or in any other manner permitted by law, a substitute trustee or substitute trustees, in the place and stead of one or more of those initially named herein or subsequently appointed by FTX; which trustee or trustees shall have all the rights, powers and authority and be charged with all the duties and responsibilities that are conferred or charged upon the Trustee initially named herein.

ARTICLE 7. Advances and Right to Cure Defaults.

(a) In the event of any default by the Mortgagor in the performance of any term, warranty, covenant, condition, or obligation hereunder, the Trustee or FTX, at its option, may advance or disburse funds for the performance of such term, warranty, covenant, condition or obligation. The Trustee or FTX shall give the Mortgagor prior notice of any such advances. All moneys advanced or disbursed by the Trustee or FTX for performance of any defaulted term, warranty, covenant, condition, or obligation of the Mortgagor shall bear interest at the Default Rate, and shall be secured hereby as a further charge and lien upon the Mortgaged Property. No such action on the part of the Trustee or FTX shall be deemed to relieve the Mortgagor from any default hereunder.

(b) In the event of any default by the Mortgagor in the performance of any term, warranty, covenant, condition, or obligation hereunder, the Trustee or FTX may, at its discretion, remedy the same and for such purpose shall have the right, but not the obligation, to enter upon the Mortgaged Property or any portion thereof either personally, or by its superintendents, managers, agents, servants, attorneys and receivers, and use, operate, manage and control the Mortgaged Property for any lawful purpose; and at the Mortgagor's sole cost and expense, maintain and restore the Mortgaged Property either by purchase, repairs or construction, make all payments for taxes, assessments and insurance, as the Trustee or FTX deems necessary, and insure or reinsure the Mortgaged Property as provided in this Mortgage without any of the aforementioned instances thereby becoming liable to the Mortgagor or any person in possession thereof holding under the Mortgagor. The Trustee or FTX

shall be entitled to collect and receive all earnings, revenues, rents, issues, profits and income of the Mortgaged Property and every part thereof; and after deducting the expenses of conducting the business thereof and of all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements and all of the aforementioned payments which may be made for taxes, assessments and insurance and any other prior or other proper charges upon the Mortgaged Property or any part thereof, as well as just and reasonable compensation of the Trustee or FTX for the services of the Trustee or FTX and for all attorneys, counsel, agents, clerks, servants and other employees properly engaged and employed by it, the Trustee or FTX shall apply the moneys arising as aforesaid, in accordance with ARTICLE 9. If the Trustee or FTX shall remedy such a default or appear in, defend, or bring any action or proceeding to protect its interest in the Mortgaged Property or to foreclose this Mortgage or to collect the Indebtedness, the costs and expenses thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this paragraph, shall be paid by the Mortgagor to the Trustee or FTX upon demand. All such costs and expenses incurred by the Trustee or FTX in remedying such default or in appearing in, defending, or bringing any such action or proceeding shall be paid by the Mortgagor to the Trustee or FTX upon demand, with interest at the Default Rate, for the period after notice from the Trustee or FTX that such costs or expenses were incurred to the date of payment to the Trustee or FTX. All such costs and expenses incurred by the Trustee or FTX pursuant to the terms of this Mortgage, with such interest, shall be secured hereby as a further charge and lien upon the Mortgaged Property.

ARTICLE 8. Appointment of Receiver. FTX or the Trustee, in any action to foreclose this Mortgage or upon the occurrence of any Event of Default (as hereinafter defined), shall be at liberty, without notice, to apply for the appointment of a receiver for the Mortgaged Property, and shall be entitled to the appointment of such receiver as a matter of right, without regard to the value of the Mortgaged Property as security for the Indebtedness, or the solvency or insolvency of any person then liable for the payment of the Indebtedness; and such receiver may be appointed by any court of competent jurisdiction upon ex parte application and without notice, which is hereby expressly waived. Any such receiver shall have all powers conferred by the court appointing such receiver and as otherwise conferred by applicable law.

ARTICLE 9. Sale or Other Disposition of the Mortgaged Property.

(a) Upon the failure of the Mortgagor to pay the Note or any other Indebtedness when due (being referred to as an "Event of Default"), FTX or the Trustee, as appropriate, may sell the Mortgaged Property, or, if the Mortgaged Property shall consist of more than one parcel, such parcel or parcels thereof as FTX or the Trustee may select, for cash or upon such terms and conditions as it may deem expedient, and at such time and place as it may consider advisable, in its sole discretion, in any order or manner allowed under applicable law, including, but not limited to, at public auction, after having first given notice to the present owner of the Mortgaged Property as required by law and advertised the time, place, and terms of sale three (3) times, which may be on three (3) consecutive days, in a newspaper having general circulation in the county, parish or city where the Mortgaged Property or any portion thereof lies; provided, however, that FTX or the Trustee is hereby authorized to advertise the sale in such additional newspapers as it deems appropriate in its discretion. If, prior to or at the time of the sale, FTX or the Trustee shall deem it proper for any reason to postpone or continue said sale, it may do so from time to time by oral announcement at the time and place of sale, by advertisement of the postponed sale, or in such other manner as may be permitted or required by law.

(b) To the extent any part of the Mortgaged Property consists of personal property (the "Collateral"), upon the occurrence and during the continuance of an Event of Default, the Mortgagor agrees to deliver each item of Collateral to FTX on demand, and it is agreed that FTX shall have the right to take any or all of the following actions at the same or different times: with or without legal process and with or without previous notice or demand for performance, to take possession of the Collateral and without liability for trespass to enter any premises where the Collateral may be located for the purpose of taking possession of or removing the Collateral and, generally, to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law. Without limiting the generality of the foregoing, the Mortgagor agrees that FTX shall have the right, subject to the mandatory requirements of current law, to sell or otherwise dispose of all or any part of the Collateral, at public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as FTX shall deem appropriate. FTX shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to

persons he will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale FTX shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of the Mortgagor, and the Mortgagor hereby waives (to the fullest extent permitted by applicable law) all rights of redemption, stay and appraisal which the Mortgagor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

FTX shall give the Mortgagor ten (10) days' prior written notice (which the Mortgagor agrees is reasonable notice within the meaning of the Uniform Commercial Code) of FTX's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as FTX may fix and state in the notice (if any) of such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as FTX may (in its sole and absolute discretion) determine. FTX shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. FTX may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by FTX until the sale price is paid by the purchaser or purchasers thereof, but FTX shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public sale made pursuant to this ARTICLE 9, FTX or any secured party may bid for or purchase, free from any right of redemption, stay, valuation or appraisal on the part of the Mortgagor (all said rights being also hereby waived and released to the fullest extent permitted by applicable law),

the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to it from the Mortgagor as a credit against the purchase price, and it may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to the Mortgagor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; FTX shall be free to carry out such sale pursuant to such agreement, and the Mortgagor shall not be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after FTX shall have entered into such an agreement all Events of Default shall have been remedied and the Indebtedness paid in full.

(c) The proceeds of any such sale or sales pursuant to this ARTICLE 9, shall be applied, as follows:

First, to the costs and expenses (including reasonable attorney fees) incurred by FTX or the Trustee in connection with this Mortgage, including, without limitation, auctioneer's fee, reasonable trustees' commission on the gross proceeds of sale and other costs and expenses in effecting or attempting to effect the recovery or collection of any such sums or amounts or in enforcing or attempting to enforce any right or remedy in taking possession of, protecting, preserving or disposing of any item of the Mortgaged Property;

Second, the balance, if any, to the discharge of all taxes, levies and assessments, with interest and interest if they have priority over the lien of this Mortgage, including the due pro rata thereof for the current year;

Third, the balance, if any, to FTX for the payment in full satisfaction of the Indebtedness owed to FTX; and

Fourth, the balance, if any, to the Mortgagor or such other person(s) as are entitled thereto.

(d) To the extent that the sums and amounts subject to distribution under this ARTICLE 9 are not sufficient to pay the costs and expenses referred to in the clause First of (c) above and such costs and expenses are to be reimbursed by the Mortgagor.

(e) It is understood and agreed that in the event that the Mortgaged Property is advertised for sale as herein

provided, but not sold pursuant to such advertisement, the Trustee or FTX shall be paid by the Mortgagor its actual expenses incurred, together with a reasonable commission.

(f) Upon the occurrence of an Event of Default, and as long as it continues, FTX and the Trustee, if permitted by law, may institute the above-described foreclosure proceedings or proceed by a suit or suits in equity or at law, whether for a foreclosure hereunder, or for the sale of the Mortgaged Property, or for the specific performance of any covenant or agreement herein contained, or in aid of the execution of any power herein granted or for the appointment of a receiver pursuant to ARTICLE 8, pending any foreclosure hereunder or the sale of the Mortgaged Property or for the enforcement of any other appropriate legal or equitable remedy. At any sale made under the terms of this Mortgage FTX or the Trustee may require a cash deposit from the successful bidder of not more than ten (10%) percent of the final amount bid by the successful bidder.

(g) The Mortgagor agrees that FTX shall have the right to become the purchaser at any sale held by the Trustee or FTX or by any court, receiver or public officer and FTX shall have the right to credit upon the amount of the bid made therefor, the amount payable out of the net proceeds of such sale to it.

(h) Upon any sale pursuant to this ARTICLE 9, the receipt of FTX or the Trustee, or of the officer making sale under judicial proceedings, shall be sufficient discharge to the purchaser or purchaser at any sale for his or their purchase money, and such purchaser or purchasers, his or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of FTX or the Trustee or of such officer therefor, be obliged to see to the application of such purchase money, or be in any way answerable for any loss, misapplication or nonapplication thereof.

(i) Any sale or sales pursuant to this ARTICLE 9 of the Mortgaged Property shall operate to divest all right, title, interest, claim or demand whatsoever either at law or in equity, of the Mortgagor of, in and to the premises and the property sold, and shall be a perpetual bar, both at law and in equity, against the Mortgagor, the Mortgagor's successors or assigns, and against any and all persons claiming or who shall thereafter claim all or any of the property sold from, through or under the Mortgagor, or the Mortgagor's successors or assigns; nevertheless, the Mortgagor, if requested by FTX or the Trustee so to do, shall join in the execution and

delivery of all proper conveyances, assignments and transfers of the properties so sold.

(j) Upon the occurrence of an Event of Default and during the continuance thereof, to the extent permitted by applicable state law, FTX or the Trustee may employ such watchmen, managers, real estate brokers, appraisers, maintenance personnel, and other agents as may be necessary in the reasonable exercise of their discretion in the execution of this Mortgage, and pay for such services out of the proceeds of sale, should any be realized, and if no sale be made, then the Mortgagor hereby agrees to pay the cost of such services and that such cost of such services shall constitute a part of the indebtedness secured hereby. The Mortgagor waives, to the extent that it may lawfully do so, any and all right to have the Mortgaged Property marshaled upon any foreclosure of the lien hereof, or sold in inverse order of alienation, and agrees that FTX or the Trustee or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property as an entirety or in parcels or portions thereof.

ARTICLE 10. Maintenance. The Mortgagor agrees (i) that, except as otherwise provided in the Credit Documents, no building or other improvement on the Mortgaged Property shall be altered, removed, demolished or enlarged, nor shall any fixtures or personal property or appliances on, in or about said buildings or improvements be severed, removed, transferred, sold or mortgaged; (ii) that it will permit, commit or suffer no waste, impairment or deterioration of the Mortgaged Property or any part thereof (excluding, however, the mining of the Hydrocarbon Reserves); (iii) that it will keep and maintain in good and effective repair the Mortgaged Property and every part thereof including all buildings, fixtures, machinery and appurtenances, in accordance with the terms of the Credit Documents; and (iv) that it will comply with all statutes, orders, requirements or decrees relating to said Mortgaged Property by any Federal, state or municipal authority, the noncompliance with which will have a materially adverse effect on the Mortgagor as determined by FTX in its sole discretion, and will observe and comply with all conditions and requirements necessary to preserve and extend all rights, licenses, permits (including, but not limited to, zoning variances, special exceptions and nonconforming uses), privileges, franchises and concessions which are applicable to the Mortgaged Property or which have been granted to or contracted for by the Mortgagor in connection with any existing or presently contemplated use of the Mortgaged Property.

ARTICLE 11. Taxes and Liens. The Mortgagor agrees to keep the Mortgaged Property free from all statutory liens and to pay before any penalty for nonpayment attaches all taxes, assessments, water rates, sewer rents and other governmental, public or municipal charges, dues, fines or impositions and any prior liens now or hereafter assessed or liens on or levied against the Mortgaged Property, or any part thereof (hereinafter the "Taxes"). In cases of default in the payment thereof, FTX, after prior written notice to the Mortgagor, may pay the same or any of them and the moneys so paid by FTX shall be added to the amount of the Indebtedness and secured by this Mortgage, payable on demand with interest at the Default Rate, from the time of payment of the same. Mortgagor shall deliver to the Trustee or FTX, upon request, receipted bills, canceled checks and other evidence satisfactory to the Trustee or FTX evidencing the payment of all items addressed in this Article prior to the date upon which any fine, penalty, interest or cost may be added thereto or imposed by law for the nonpayment thereof.

ARTICLE 12. Insurance and Insurance Proceeds.

(a) The Mortgagor (i) will keep the Mortgaged Property insured in accordance with industry standards against loss or damage by fire, standard extended coverage perils and such other hazards as may be appropriate in accordance with industry standards, in amounts not less than the outstanding principal balance of this Mortgage, (ii) will maintain business interruption insurance with respect to the Mortgaged Property and (iii) worker's compensation insurance and public liability insurance with respect to all activities in which the Mortgagor might incur personal liability for the death or injury of an employee or third person or damage to or destruction of another's property; provided, however, that the Mortgagor may self-insure all or part of such risks. All Policies shall be endorsed to name FTX as a loss payee in the event of a total loss or constructive total loss. The Mortgagor shall pay the premiums for the Policies as the same become due and payable. At the request of FTX, the Mortgagor will deliver certificates evidencing such insurance to FTX. Not later than ten (10) days prior to the expiration date of each of the Policies, the Mortgagor will deliver to FTX evidence of the renewal policy or policies. If at any time FTX is not in receipt of written evidence that all insurance required hereunder is in force and effect, FTX shall have the right upon written notice to the Mortgagor to take such action as FTX deems necessary to protect its interest in the Mortgaged Property, including, without limitation, the obtaining of such insurance coverage as FTX in its sole discretion deems appropriate, and all expenses incurred by FTX in connection with such action or in obtaining such

insurance and keeping it in effect shall be paid by the Mortgagor to FTX upon written demand. The Mortgagor shall at all times comply with and shall cause the Mortgaged Property and the use, occupancy, operation, maintenance, alteration, repair and restoration thereof to comply with the terms, conditions, stipulations and requirements of the Policies.

(b) If the Mortgaged Property or any part thereof shall be damaged by fire, flood, or any other hazard or casualty against which insurance is held, the Mortgagor shall immediately notify FTX of the nature and extent thereof. Upon the occurrence and the continuance of an Event of Default hereunder, the Mortgagor hereby authorizes FTX, at its option, to collect, adjust and compromise any losses under any of the insurance aforesaid and after deducting costs of collection to apply the proceeds as aforesaid. Notwithstanding anything to the contrary contained herein, so long as no Event of Default shall have occurred or be continuing and subject to the terms of the Credit Agreement, the Mortgagor shall have the right to collect, adjust and compromise any losses under any of the insurance aforesaid and to retain, use and employ same.

ARTICLE 13. Condemnation. The Mortgagor, immediately upon obtaining knowledge of the initiation of any proceeding for the taking or damaging by or for any public improvement, condemnation proceeding or for the exercise of any power of eminent domain, or deed in lieu thereof, of the Mortgaged Property or any part thereof, shall notify FTX of such proceedings, and shall deliver to FTX copies of any and all papers served in connection with such proceedings. In the event the Mortgaged Property or any part thereof is taken or damaged by or for any public improvement, condemnation proceeding, or by the exercise of any power of eminent domain, the entire award or consideration given or paid therefor shall be paid to FTX, and FTX is hereby empowered in the name of the Mortgagor to receive and give acquittance for such award or consideration or any judgment therefor or thereon whether it be joint or several. Notwithstanding any taking by any public or quasipublic authority through eminent domain or otherwise, the Mortgagor shall continue to pay the Indebtedness at the time and in the manner provided for its payment in the Credit Documents (including, without limitation, this Mortgage), and the Indebtedness shall not be so reduced until any award or payment therefor shall have been actually received and applied by FTX to the discharge of the Indebtedness. Subject to the terms of the Credit Documents, FTX may apply the entire amount of any such award or payment to the discharge of the Indebtedness whether or not then due and payable in such order, priority and proportions as FTX in its discretion shall deem proper. If the Mortgaged

Property is sold, through foreclosure or otherwise, prior to the receipt by FTX of such award or payment, FTX shall have the right, whether or not a deficiency judgment on the Credit Documents shall have been sought, recovered or denied, to receive such award or payment, or a portion thereof sufficient to pay the Indebtedness, whichever is less. The Mortgagor shall file and prosecute its claim or claims for any such award or payment in good faith and with due diligence and cause the same to be collected and paid over to FTX. The Mortgagor hereby irrevocably authorizes and empowers FTX, in the name of the Mortgagor or otherwise, to collect and receipt for any such award or payment and to file and prosecute such claim or claims. Although it is hereby expressly agreed that the following shall not be necessary for FTX to receive such awards or payments, the Mortgagor shall, upon demand of Trustee or FTX, make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning any such award or payment to FTX, free and clear of any encumbrances of any kind or nature whatsoever. Notwithstanding anything to the contrary contained herein, so long as no Event of Default shall have occurred or be continuing and subject to the terms of the Credit Agreement, the Mortgagor shall have the right to receive and give acquittance to any award or consideration or any judgment therefor in connection with any condemnation proceedings and to retain, use and employ same.

ARTICLE 14. Assignment of Hydrocarbon Reserves and Proceeds of Hydrocarbon Reserves.

(a) As further security for payment of the Indebtedness, the Mortgagor hereby transfers, assigns, warrants, hypothecates and conveys to FTX, its successors and assigns, and grants to FTX a security interest in, effective as of the date hereof, at 7:00 o'clock a.m., local time, all Hydrocarbon Reserves which are now or hereafter produced, and all revenues and proceeds now or hereafter attributable to said Hydrocarbon Reserves and said products as well as any liens and security interests securing any sales of said Hydrocarbon Reserves. All parties producing, purchasing or receiving any such Hydrocarbon Reserves, or having such, or proceeds therefrom, in their possession for which they or others are accountable to FTX by virtue of the provisions of this ARTICLE 14, are authorized and directed to treat and regard FTX as the assignee and transferee of the Mortgagor and entitled in the Mortgagor's place and stead to receive such Hydrocarbon Reserves and proceeds therefrom; and said parties and each of them shall be fully protected in so treating and regarding FTX, and shall be under no obligation to see to the application by FTX of any such proceeds or payments received by it. The Mortgagor hereby authorizes and

empowers FTX to demand, collect and receive such Hydrocarbon Reserves and all proceeds therefrom and to execute any release, receipt, division order, transfer order and relinquishment or other instrument that may be required or necessary to collect and receive such Hydrocarbon Reserves or the proceeds therefrom and the Mortgagor hereby authorizes and directs all pipeline companies, gathering companies and others purchasing such Hydrocarbon Reserves or having in their possession any Hydrocarbon Reserves or the proceeds therefrom, to pay and deliver to FTX all such Hydrocarbon Reserves or proceeds therefrom accruing. The Mortgagor agrees that all division orders, transfer orders, receipts and other instruments which FTX may from time to time execute and deliver for the purpose of collection or receipting for such Hydrocarbon Reserves or the proceeds therefrom may be relied upon in all respects, and that the same shall be binding upon the Mortgagor, and the Mortgagor's successors, legal representatives and assigns. The Mortgagor agrees to execute and deliver all necessary, convenient and appropriate instruments, including transfer and division orders, which may be required by FTX in connection with the receipt by FTX of such Hydrocarbon Reserves or the proceeds therefrom. FTX is fully authorized to receive and receipt for said revenues and proceeds, to endorse and cash any and all checks and drafts payable to the order of the Mortgagor or FTX for the account of the Mortgagor received from or in connection with said revenues or proceeds. Notwithstanding anything to the contrary contained herein, so long as no Event of Default has occurred and be continuing and subject to the terms of the Credit Agreement, the Mortgagor shall have the right to collect all revenues and proceeds attributable to the Hydrocarbon Reserves or the products obtained or proceeded therefrom, as well as any liens securing any sales of Hydrocarbon Reserves and to retain, use and employ same.

(b) All payments received by FTX pursuant to this ARTICLE 14 shall be promptly applied in accordance with ARTICLE 9(c).

(c) FTX is hereby absolved from all liability for failure to enforce collection of any proceeds so assigned and from all other responsibility in connection therewith, except for the gross negligence or willful misconduct of FTX and the responsibility to account to the Mortgagor for funds actually received. FTX shall have the right, at its election, to prosecute and defend any and all actions or legal proceedings reasonably deemed advisable by FTX in order to collect such funds and to protect the interests of FTX and/or the Mortgagor, with all reasonable costs, expenses and attorney's fees incurred in connection therewith being paid by the

Mortgagor and shall be deemed a part of the Indebtedness secured hereunder.

(d) Nothing herein contained shall detract from or limit the absolute obligation of the Mortgagor to make payment of the Indebtedness in accordance with the terms of the Note, any of the Credit Documents (including, without limitation, this Mortgage), regardless of whether the proceeds assigned by this ARTICLE 14 are sufficient to pay the same, and the rights under this ARTICLE 14 shall be in addition to all other security now or hereafter existing to secure the payment of the Indebtedness.

(e) Notwithstanding the other provisions of this ARTICLE 14, FTX or any receiver appointed in judicial proceedings for the enforcement of this Mortgage shall have the right to receive all of the Hydrocarbon Reserves herein assigned and the proceeds therefrom during the continuance of an Event of Default and to apply all of said proceeds as provided in ARTICLE 9(c) hereof. Upon any sale of the Mortgaged Property or any part thereof pursuant to ARTICLE 9, the Hydrocarbon Reserves thereafter produced from the property so sold, and the proceeds therefrom, shall be included in such sale and shall pass to the purchaser free and clear of the assignment contained in this ARTICLE 14.

(f) The Mortgagor hereby indemnifies FTX and its officers, directors or employees (each of the foregoing is an "Indemnified Party") against all claims, actions, liabilities, judgments, costs, attorney's fees or other charges of whatsoever kind or nature (hereinafter in this paragraph (f) collectively called "claims") made against or incurred by them or any of them as a consequence of the assertion, either before or after the payment in full of the Indebtedness, that they or any of them received Hydrocarbon Reserves herein assigned or the proceeds thereof claimed by third persons (other than the Indemnified Parties). The Mortgagor will pay to the Indemnified Party any and all such amounts as may be successfully adjudged against such Indemnified Party. Each Indemnified Party shall have the right to defend against any such claims, employing attorneys therefor, and if Mortgagor has refused to furnish a reasonable indemnity, they or any of them shall have the right to pay or compromise and adjust all such claims. Each Indemnified Party agrees to notify the Mortgagor of the existence of any such claims (of which such party has actual knowledge) immediately upon becoming aware thereof. Upon receipt of such notice, the Mortgagor shall be entitled at its own cost and expense to defend against any such claims. The obligation of the Mortgagor as hereinabove set forth in

this paragraph (f) shall survive the release of this instrument.

(g) For purposes of more fully effecting the assignment made under this ARTICLE 14 and continuing the rights of FTX hereunder, after an Event of Default has occurred and is continuing, the Mortgagor hereby appoints FTX as its attorney-in-fact to pursue any and all rights, remedies and payments, in respect to the Hydrocarbon Reserves and proceeds therefrom. The power of attorney granted to FTX under this paragraph (g), being coupled with an interest, shall be irrevocable so long as such Event of Default is continuing and so long as the Indebtedness or any part thereof remains unpaid.

ARTICLE 15. Assignment of Leases and Rents.

(a) The Mortgagor hereby assigns, transfers and sets over to FTX, as security for the payment of the Indebtedness, all the rights, title and interest of the Mortgagor, as lessor or sublessor, in and to all rents, issues, profits, revenues, royalties, overriding royalties, rights and benefits now due or hereafter to become due (collectively, the "Rents") from the Mortgaged Property. To that end, the Mortgagor assigns, transfers and sets over to FTX, all its rights, title and interest, as lessor or sublessor, as the case may be, in all existing leases, farmouts and farmins of the Mortgaged Property, or any part thereof, whether written or verbal, including without limitation the leases, farmout and farmin agreements described in Schedule A attached hereto and made a part hereof (the "Leases"). The term "Leases" shall include all modifications, amendments, renewals and extensions thereof and all guarantees of lessees' performance thereunder.

(b) So long as no Event of Default shall have occurred and be continuing, the Mortgagor shall have a license to manage and operate the Mortgaged Property and collect, receive and apply for its own account all Rents arising from its Mortgaged Property as they become due.

(c) Upon the occurrence of an Event of Default and as long as such Event of Default continues, the license granted in paragraph (b) above shall cease and terminate. In any such event, FTX is hereby irrevocably authorized, at its option, to enter and take possession of the Mortgaged Property, or any part thereof, by actual physical possession, or by written notice served personally upon or sent by registered or certified mail to the Mortgagor, as FTX may elect, and no further authorization shall be required. Upon

such entry and taking possession, FTX, in its sole and absolute discretion, may:

(i) manage and operate the Mortgaged Property, or any part thereof, including the making of such repairs and alterations to the Mortgaged Property as FTX may deem necessary;

(ii) demand, collect, receive, sue for, attach, levy, recover, compromise and adjust, and give proper receipts and releases for all Rents that may then be due or may thereafter become due with respect to the Mortgaged Property, or any part thereof, from any present or future lessees, sublessees or occupants thereof;

(iii) lease the Mortgaged Property, or any part thereof, for such periods of time, and upon such terms and conditions as FTX may deem proper;

(iv) enforce, cancel or modify any Lease, including the taking of any action necessary to enforce, enjoin or restrain the violation of any of the terms and conditions of any Lease;

(v) institute, prosecute to completion or compromise and settle, all summary proceedings, actions for rent or for removing any or all lessees, sublessees or occupants of the Mortgaged Property, or any part thereof;

(vi) pay out of the Rents, or out of any other funds in its discretion, any taxes, assessments, water rates, sewer rates, or other governmental charges levied, assessed, or imposed against the Mortgaged Property, or any part thereof, and also any and all other charges, costs and expenses which it may deem necessary or advisable to pay in the management or operation of the Mortgaged Property, including, without limitation, the costs of any repairs or alterations, commissions for renting the Mortgaged Property and legal expenses incurred in enforcing the rights of the Lenders under the Credit Documents (including, without limitation this Mortgage), the Note, and any collateral security documents; and

(vii) generally do, execute and perform any other acts that ought to be done, in FTX's discretion, in and about or with respect to the Mortgaged Property as fully as the Mortgagor might do.

(d) FTX shall apply the net amount of any Rents received by it from the Mortgaged Property in accordance with ARTICLE 9(c). FTX shall account to the Mortgagor only for Rents actually received by FTX.

(e) In addition to the rights and remedies set forth in ARTICLE 9 and in paragraphs (c) and (d) above and to the extent permitted by applicable law, FTX may apply for the appointment of a receiver, pursuant to ARTICLE 8, to exercise the powers described in paragraphs (c) and (d) above pending any foreclosure hereunder or the sale of the Mortgaged Property.

(f) The Mortgagor hereby irrevocably directs any lessee under any Lease, upon demand and notice from FTX of an Event of Default to pay to FTX all Rents accruing or due under any Lease from and after the receipt of such demand and notice. In making such payments, such lessees shall be under no obligation to inquire into or determine the actual existence of any such default or breach claimed by FTX.

(g) The Mortgagor agrees to indemnify and hold FTX harmless from and against any and all liability, loss, damage or expense, including reasonable attorneys fees, which it may incur under any Lease or by reason of the assignment of Leases contained herein, or by reason of any action taken by FTX hereunder, and from and against any and all claims and demands whatsoever which may be asserted against FTX by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, conditions and covenants contained in any of the Leases, unless caused by the gross negligence or wilful misconduct of FTX. Should FTX incur any such liability, loss, damage or expense, the amount thereof together with interest thereon at the Default Rate from the time of payment of the same shall be payable by the Mortgagor to FTX immediately upon demand therefor, or at the option of FTX, FTX may reimburse itself therefor out of any Rents collected by FTX.

(h) Nothing contained herein shall operate or be construed to obligate FTX to perform any of the terms, covenants and conditions contained in any Lease of, or relating to, the Mortgaged Property or otherwise to impose any obligation upon FTX with respect to any Lease of the Mortgaged Property, including, but not limited to, any obligation arising out of any covenant of quiet enjoyment therein contained in the event the lessee under any such Lease shall have been joined as a party defendant in any action to foreclose this Mortgage and the estate of such

lessee shall have been thereby terminated. Prior to actual entry into and taking possession of any portion of the Mortgaged Property by FTX, this assignment shall not operate to place upon FTX any responsibility for the operation, control, care, management or repair of the Mortgaged Property, and the execution of this Mortgage by the Mortgagor shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property is and shall be that of the Mortgagor prior to such actual entry and taking possession.

(i) As against FTX, at all times during which the assignment shall be in effect there shall be no merger of any Leases of the Mortgaged Property with the fee estate in the Mortgaged Property by reason of the fact that any such Leases or any interest therein may be held by or for the account of any person, firm, or corporation which may be or become the owner of such fee estate, unless FTX shall consent in writing to such merger.

ARTICLE 16. Special State Law Provisions.

(a) Special Louisiana Provisions.

(i) Insofar as any portion of the Mortgaged Property situated in or offshore the State of Louisiana is concerned, or as to which the laws of the State of Louisiana would be applicable, (i) the general language of conveyance and hypothecation to the Trustee in this Mortgage is intended and shall be construed as words of hypothecation and the granting of a security interest in favor of the Collateral Agent; (ii) the maximum amount of the indebtedness that may be outstanding at any time and from time to time that this Mortgage secures is fixed at \$500,000,000, and (iii) each and every right and remedy granted the Trustee hereunder shall also be in favor of and may be exercised by the Collateral Agent. This instrument is being executed in authentic form by the Mortgagor in favor of the Collateral Agent.

(ii) Keeper. The Collateral Agent shall have the right to appoint a keeper of the Mortgaged Property pursuant to the terms and provisions of La. R.S. 9:5131 et seq. and 9:5136 et seq.

(iii) Confession of Judgment. For purposes of executory process the Mortgagor acknowledges the indebtedness secured hereby, whether now existing or to arise hereafter, and confesses judgment thereon if not paid when due. Upon the occurrence of an Event of

Default and any time thereafter so long as the same shall be continuing, and in addition to all other rights and remedies granted the Collateral Agent hereunder, it shall be lawful for and the Mortgagor hereby authorizes the Collateral Agent without making a demand or putting the Mortgagor in default, a putting in default being expressly waived, to cause all and singular the Mortgaged Property to be seized and sold after due process of law, the Mortgagor waiving the benefit of any and all laws or parts of laws relative to appraisement of property seized and sold under executory process or other legal process, and consenting that the Mortgaged Property be sold without appraisement, either in its entirety or in lots or parcels, as the Collateral Agent may determine, to the highest bidder for cash or on such other terms as the plaintiff in such proceedings may direct. The Collateral Agent shall be granted all rights and remedies granted it or the Trustee hereunder as well as all rights and remedies granted a secured party under Louisiana law including the Uniform Commercial Code then in effect in Louisiana.

(iv) Waivers. The Mortgagor hereby waives:

- (a) The benefit of appraisement provided for in articles 2332, 2336, 2723 and 2724 of the Louisiana Code of Civil Procedure and all other laws conferring the same;
- (b) The demand and three (3) days notice of demand as provided in articles 2629 and 2721 of the Louisiana Code of Civil Procedure;
- (c) The notice of seizure provided by articles 2293 and 2721 of the Louisiana Code of Civil Procedure; and
- (d) The three (3) days delay provided for in articles 2331 and 2722 of the Louisiana Code of Civil Procedure.

(v) Resolutions. The Mortgagor does declare that attached hereto as Schedule 1 and made a part hereof is a certified copy of the resolutions adopted by the transaction committee duly appointed by the board of directors of the corporate managing general partner of the Mortgagor authorizing the execution and delivery of this Mortgage.

(b) Special Montana Provisions.

(i) For purposes of the Indebtedness secured by Mortgaged Property located in Montana, all of the Indebtedness to be secured (exclusive of interest and the costs, expenses and other obligations arising or incurred by FTX pursuant to the provisions of the Credit Documents which are not required to be stated in the Mortgage as part of the total principal amounts of obligation secured) shall not exceed at any one time the total principal indebtedness of \$500,000,000.

(ii) For the purposes of the Mortgage complying as a financing statement, the debtor is:

FM Properties Operating Co.
(doing business in Montana as
FM Properties Operating)
1615 Poydras Street
New Orleans, LA 70112
Parish of Residence, Orleans Parish, LA
Tax ID #: 72-1211593

(iii) The general language of conveyance to the Trustee is intended and the same shall be construed in Montana as words of mortgage unto and in favor of FTX and the rights and authority granted to the Trustee may be enforced and asserted by FTX in accordance with the laws of Montana and the Mortgaged Property in Montana may be foreclosed at the option of FTX in any manner permitted by the laws of the State of Montana.

(iv) The interests of the Mortgagor in the Mortgaged Property located in Montana are subject to and burdened by a 75% share of a Production Payment Conveyance (Production Payment) dated August 15, 1981 granted by Midlands Gas Corporation to Kansas-Nebraska Natural Gas Company, Inc. (now K-N Energy, Inc.), an abstract of which was recorded August 26, 1981 in Book 51 Misc. page 287, records of the Clerk and Recorder of Phillips County, Montana and March 14, 1988 in Book 73 Leases 394-441, records of the Clerk and Recorder of Valley County, Montana. The Production Payment was filed August 27, 1981 in the Montana State Office of the Bureau of Land Management of the U. S. Department of the Interior. By separate instruments of Production Payment Assignment and Conveyance dated as of August 15, 1981, Kansas-Nebraska Natural Gas Company, Inc. assigned and conveyed to Teachers Insurance and Annuity Association of America, Connecticut General Life

Insurance Company and Congen Five & Co. undivided interests in the Production Payment, abstracts of which were recorded on August 26, 1981 in Book 51 Misc, pp. 335, 337 and 339, records of the Clerk and Recorder of Phillips County, Montana and March 14, 1988 in Book 73, pp. 442-444, 445-447 and 448-450, records of the Clerk and Recorder of Valley County, Montana. The Production Payment has been amended by Amendment No. 1 dated as of May 1, 1988, Amendment No. 2 dated as of January 1, 1988 and Amendment No. 3.

The Mortgagor hereby confirms, and by acceptance of this Mortgage, FTX acknowledges that the mortgage lien created herein is subordinate and inferior to the Production Payment as amended to the full extent of the Production Payment owner rights in and to the Mortgaged Property located in Montana.

ARTICLE 17. Termination. Upon the full payment of all Indebtedness or in accordance with the terms and provisions of the Credit Documents, FTX and the Trustee, as appropriate, shall release and reconvey the Mortgaged Property unto and at the cost of the Mortgagor. Upon such reconveyance, as evidenced by a recorded satisfaction or release of this Mortgage, the assignments of the proceeds of Hydrocarbon Reserves and the Assignment of Leases and Rents as set forth in ARTICLES 14 and 15 shall become and be void and of no effect and, in that event, upon the request of the Mortgagor, FTX shall execute and deliver, or cause the Trustee to execute and deliver, to the Mortgagor, instruments effective to evidence the termination of the assignments or the reassignments to the Mortgagor of the rights, power and authority granted herein.

ARTICLE 18. Notices. All notices, requests, demands and other communications required or permitted to be given hereunder shall be effective upon receipt and deemed duly given if in writing and delivered personally, or mailed, postage prepaid, registered or certified, as follows:

If to the Mortgagor:

FM Properties Operating Co. (doing business in
Montana as FM Properties Operating)
1615 Poydras Street
New Orleans, Louisiana 70112

If to FTX:

Freeport-McMoran Inc.
1615 Poydras Street
New Orleans, Louisiana 70112

If to the Trustee:

Charles E. Holmes
1615 Poydras Street
New Orleans, Louisiana 70112

The Mortgagor, the Trustee and FTX may change the addresses to which communications are to be directed to them by giving written notice to the other parties in the manner provided in this ARTICLE 18.

ARTICLE 19. Partial Invalidity. If any term or provision of this Mortgage, or any application thereof to any person or circumstance, shall be invalid or unenforceable to any extent, the remainder of this document, or the application of such term or provision to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this document shall be valid and enforceable to the fullest extent permitted by law. The parties shall endeavor in good-faith negotiations to replace any invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

ARTICLE 20. Usury Laws. This Mortgage and the Note is subject to the express condition that at no time shall Mortgagor be obligated or required to pay interest on the principal balance due under the Note at a rate which could subject the holder of the Note to either civil or criminal liability as a result of being in excess of the maximum interest rate which Mortgagor is permitted by law to contract or agree to pay. If by the terms of this Mortgage or the Note the Mortgagor is at any time required or obligated to pay interest on the principal balance due under the Note at a rate in excess of such maximum rate, the rate of interest under the Note shall be deemed to be immediately reduced to such maximum rate and the interest payable shall be computed at such maximum rate and all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of the principal balance of the Note.

ARTICLE 21. Fixture Filing. Certain of the Mortgaged Property is or will become "fixtures" (as that term is defined in the Uniform Commercial Code in effect in the state in which the Leased Land or the Mineral Interests is located) on the Leased Land or the Mineral Interests described or referred to in this Mortgage, and this Mortgage upon being filed for record in the real estate records of the county wherein such fixtures are situated shall operate also as a financing statement filed as a fixture filing in accordance with the applicable provisions of the Uniform Commercial Code upon such of the Mortgaged Property which is or may become fixtures.

ARTICLE 22. Instrument a Mortgage, Deed of Trust, Security Agreement, Assignment of Production and Leases and Rents and Financing Statement. This instrument shall be deemed to be, and may be enforced from time to time as, a contract, security agreement, assignment, mortgage or deed of trust, and from time to time as any one or more thereof. This Mortgage, in addition to constituting a lien on real estate as a mortgage or deed of trust, (a) is a security agreement and shall support any financing statement showing FTX as secured party, which description contained in any such financing statement is hereby incorporated by reference into this Mortgage with the same force and effect as if the description were fully set out herein, (b) shall be a financing statement under the applicable provisions of the Uniform Commercial Code, (c) is a fixture filing as described in ARTICLE 21, and (d) is an assignment as described in ARTICLES 14 and 15. Accordingly, FTX, in addition to and not in lieu of or in diminution of its rights and remedies herein provided, shall have all of the rights and remedies of a secured party under the Uniform Commercial Code.

ARTICLE 23. Rights Cumulative. Each and every right, power and remedy herein given to the Trustee or FTX shall be cumulative and not exclusive; and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and so often and in such order as may be deemed expedient by the Trustee or FTX, as the case may be, and the exercise or the beginning of the exercise, of any such right, power or remedy shall not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power or remedy. No delay or omission by the Trustee or FTX in the exercise of any right, power or remedy shall impair any such right, power or remedy or operate as a waiver thereof or of any other right, power or remedy then or thereafter existing.

ARTICLE 24. Waiver. Any and all covenants in this Mortgage relating to the Mortgaged Property may from time to time by instrument in writing signed by the Trustee and FTX be waived to such extent and in such manner as such parties may desire, but no

such waiver shall ever affect or impair the Trustee's or FTX's rights or liens hereunder except to the extent specifically stated in such written instrument.

ARTICLE 25. Article and Section Headings. The article and section headings in this instrument are inserted for convenience and shall not be considered a part of this instrument or used in its interpretation.

ARTICLE 26. Counterparts. This instrument may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and one of which (with all exhibits attached) shall be recorded in each of the following counties or parishes in the following states:

<u>State</u>	<u>County or Parish</u>
California	Kern
Colorado	Yuma
Louisiana	Plaquemines
Montana	Phillips

To facilitate filing and recording, there may be omitted from certain counterparts the parts of Exhibit A containing specific descriptions that relate to land located in counties or parishes other than the county or parish in which the particular counterpart is to be filed or recorded.

ARTICLE 27. Miscellaneous. The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, legal and personal representatives, executors, administrators, successors and assigns of the parties hereto. The provisions hereof shall likewise be covenants running with the land. Whenever used, the singular number shall include the plural, the use of any gender shall include the other genders, and the term "FTX" shall include any successor payee of Indebtedness hereby secured or any transferee thereof whether by operation of law or otherwise.

ARTICLE 28. Credit Documents Controls. To the extent that any term, condition, or obligation set forth in this Mortgage is inconsistent with any term, condition, or obligation set forth in the Credit Documents, the provisions of the Credit Documents shall control.

ARTICLE 29. Subordination. This Mortgage is made subject in all respects to the Intercreditor and Subordination Agreement (the

"Intercreditor Agreement") dated as of June 11, 1992, as amended and in effect from time to time, among FTX, the Mortgagor, Chenier Oil Company, Inc., Burke and Pel-Tex Oil Company, Inc., doing business as Burmont Company, Earl P. Burke, Jr., Fay Stouder Burke, Hibernia National Bank and Chemical Bank, and is also subject to the subordination contained in Article IV of the Credit Agreement. This Mortgage is subordinate and inferior to (i) the liens of the senior lenders in accordance with the Intercreditor Agreement, and (ii) that certain Mortgage, Deed of Trust, Security Agreement, Assignment of Production and Lease and Rents and Financing Statement dated as of June 11, 1992, by Freeport-McMoran Inc., as mortgagor, in favor of Mary Jo Woodford, as trustee and Chemical Bank, as the Collateral Agent. Upon the occurrence of any request or event under Sections 2.02 or 2.03 of the Intercreditor Agreement, the result of which would be the release and discharge of FTX's entire interest in the Mortgaged Property, then the Mortgaged Property shall be, and for all purposes shall be, deemed to be immediately released and discharged, without requiring any further action by FTX, the Mortgagor, the Trustee, Chemical Bank or any other person, and the Mortgage hereunder shall have no effect, and the assignments of the proceeds of Hydrocarbon Reserves and the assignment of Leases and Rents as set forth in ARTICLES 14 and 15 shall become and be void and of no effect. In order to further assure such release, discharge and avoidance, FTX and the Trustee, as appropriate, shall at the time of such release, discharge and avoidance, release and reconvey the Mortgaged Property unto and at the cost of FTX and, upon the request of the Mortgagor, FTX shall execute and deliver, or cause the Trustee to execute and deliver, to the Mortgagor, instruments effective to evidence the termination of the assignments or the reassignments to the Mortgagor of the rights, power and authority granted herein; provided, that none of the acts set forth in this sentence shall be a condition to giving full effect to such release, discharge and avoidance (which shall be fully effective irrespective of the taking of any such further acts).

ARTICLE 30. Choice of Law. This Mortgage shall be construed and governed by the laws of the State of Louisiana and the laws of the United States of America, except that the laws of the state in which a portion of the Mortgaged Property is located in, or offshore adjacent to, shall govern with respect to procedural and substantive matters related to the creation, perfection and enforcement of the liens, security interests and other rights and remedies of FTX and the Trustee granted herein as to that portion of the Mortgaged Property located in or offshore adjacent to such state.


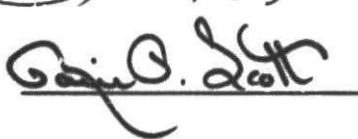
IN WITNESS WHEREOF, the Mortgagor has caused this Mortgage to be executed by its duly authorized officer, in the presence of the

undersigned witnesses and Notary Public, all on the day, month and year first above-written pursuant to due authority.


WITNESSES:


MORTGAGOR

FM PROPERTIES OPERATING CO.

By: Freeport-McMoRan Inc.
its Managing General Partner

By: 
Glenn A. Kleinert
Senior Vice President
Freeport-McMoRan Oil & Gas
Company Division of
Freeport-McMoRan Inc.



Notary Public, State of Louisiana
My commission expires: at death

STATE OF LOUISIANA)

) ss.:

PARISH OF ORLEANS)

BE IT REMEMBERED that I, Thomas L. DeGenova, a Notary Public duly qualified, commissioned, sworn and acting in and for the parish aforesaid, hereby certify that, on June 11, 1992, there personally appeared before me, the following person, being the designated officer of the partnership set opposite his name, and such partnership being a party to the foregoing instrument:

Glenn A. Kleinert, the Senior Vice President of Freeport-McMoRan Oil & Gas Company Division of Freeport-McMoRan Inc., the Managing General Partner of FM Properties Operating Co., a Delaware partnership, whose address is 1615 Poydras Street, New Orleans, Louisiana 70112,

California

Before me personally appeared such person, known to me to be the designated officer of the corporation set opposite his name, the corporation that executed the within instrument, and such person also known to me to be the person who executed the within instrument on behalf of the corporation set opposite his name in its capacity as managing general partner of said partnership, and such person acknowledged to me that the corporation set opposite his name executed the within instrument pursuant to the by-laws or resolution of the board of directors of said corporation and on behalf of said partnership pursuant to its articles of partnership.

Colorado

The foregoing instrument was acknowledged before me this day by the designated officer of said corporation in its capacity as the managing general partner of said partnership.

Louisiana

Who did declare that he is the designated officer of the corporation set opposite his name, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and

considerations therein expressed, in the capacity therein stated, and as the free act and deed of said corporate managing general partner on behalf of said partnership.

Montana

Who acknowledged to me that such corporation executed the foregoing instrument in its capacity on behalf of said partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and official notarial seal, in the City of New Orleans, Parish of Orleans, State of Louisiana, this 11th day of June, 1992.



Notary Public, State of Louisiana

My Commission Expires: at death

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EXHIBIT A
to
**Mortgage, Deed of Trust,
Security Agreement, Assignment of
Production and Proceeds and
Leases and Rents, Fixture
Filing and Financing Statement**

PREAMBLE TO EXHIBIT A

This Exhibit A sets forth the description of the Hydrocarbon Leases, the Mineral Interests and other interests covered by the Mortgage, Deed of Trust, Security Agreement, Assignment of Production and Proceeds and Leases and Rents, Fixture Filing and Financing Statement (the "Mortgage") to which this Exhibit A is attached.

1. **Headings.** Exhibit A consists of descriptions of the Hydrocarbon Leases, the Mineral Interests and other interests affecting lands (i) located within the county or parish and state next to the heading "Parish, State" or "County, State" of this Exhibit A, and (ii) in federal waters in the Outer Continental Shelf, offshore the State of Louisiana (the "Federal OCS"), and identified under the heading "OCS Gulf of Mexico Offshore, Louisiana" of this Exhibit A. The prospect name and prospect number as well as the reference to an area and block in the Federal OCS is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

2. **Subheadings.** Each of the Hydrocarbons Leases, the Mineral Interests or other interests located within a particular parish or county and state is described by reference to the Subheadings LEASE NUMBER, LESSOR, PROSPECT, LESSEE, PARISH/STATE or COUNTY/STATE, LSE DTE, GROSS ACRES, EXPIRE DTE, and RECORDED. These subheadings shall have the following meanings and significance:

**LEASE
NUMBER:**

This is an internal lease or instrument identification number, which is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

LESSOR: The name listed under the heading "LESSOR" is the name of the lessor of the Hydrocarbon Lease or the name of the grantor of the instrument whereby the Mineral Interest or other interest is created. Where the lessor or grantor is the State of Louisiana, the lessor or grantor is recited as "S/L" or "State R/W" and includes the State of Louisiana lease or right of way number assigned to such oil and gas lease or right of way.

LESSEE: The name following under the heading "LESSEE" is the lessee of the Hydrocarbon Lease or the name of the grantee of the instrument creating the Mineral Interest or other interest.

PROSPECT: The name listed under the heading "PROSPECT" is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

**PARISH/
STATE or
COUNTY/
STATE:** Under the heading "PARISH/STATE" or "COUNTY/STATE" is the listing of the parish or county and state in which the Hydrocarbon Lease, the Mineral Interest or other interest is located.

LSE DTE: The date (month/day/year) of the Hydrocarbon Lease or the instrument creating the Mineral Interest or other instrument.

**EXPIRE
DTE:** The date (month/day/year) cited under the heading "EXPIRE DTE" is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

**GROSS
ACRES:** The reference to "GROSS ACRES" is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

RECORDED: The recordation reference of the Hydrocarbon Lease or other instrument creating the Mineral Interest or other interest in the applicable public records of the county or parish shown under the heading "PARISH/STATE" or "COUNTY/STATE", as applicable. The recordation reference is to the volume or book and page or entry or file number of the oil and gas records, official public records of real property, conveyance records, or other applicable public records for the parish or county and state shown under the heading "PARISH/STATE" or "COUNTY/STATE".

3. **Subheadings for Federal OCS:** The Hydrocarbon Leases in the Federal OCS include the following subheadings:

Caption: The reference to a particular offshore area and block in the heading is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

Lease Number: The number following the letters "OF" for the Hydrocarbon Leases in the Federal OCS is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

Recordation: The Hydrocarbon Leases in the Federal OCS are filed with the Minerals Management Service, Department of the Interior, Gulf of Mexico OCS Region. Although not so indicated, the Hydrocarbon Lease may also be filed of record in the parish in the State of Louisiana located adjacent to the Hydrocarbon Lease in question.

4. **Schedule A.** Schedule A consists of the listing of all contracts, agreements, and instruments (collectively, the "Contracts") related to the Hydrocarbon Leases, the Mineral Interests or other interests affected by the Mortgage. The listing of the Contracts is made for purpose of giving effect to the warranties of the Mortgage contained in the Mortgage. The

recitation that the Mortgagor's interests in the Hydrocarbon Leases, the Mineral Interests or other interests described in Exhibit A is subject to the Contracts shall not operate to subject such interests to any such Contract except to the extent that such Contract is valid and presently subsisting with respect to such interest; nor shall the reference to a Contract be deemed a recognition by the Mortgagor that the Contract is valid except to the extent that such Contract is presently in force and effect. It is intended, however, that the rights of the Mortgagor under the Contracts shall be encumbered by and subject to the liens and security interests created by the Mortgage.

5. Defined Terms. Capitalized terms used in this Preamble and not otherwise defined herein shall have the meanings ascribed thereto in the Mortgage to which this Preamble is attached.

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EXHIBIT "A"

SOUTH PASS BLOCK 82 OCS GULF OF MEXICO OFFSHORE, LOUISIANA

An undivided 65.83400% operating rights interest in and to the following described lease, to wit:

OCS-G 5685
OF10880002-000 Oil and Gas Lease from the United States of America as Lessor, to Exxon Corporation as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5685 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 82, South Pass Area, South and East Addition, OCS Leasing Map, Louisiana Map No. 9A, from the surface of the earth down to the stratigraphic equivalent of 14,863 feet, as identified on the electric log of the FMP Operating Company OCS-G 5685 Well No. 3, plus 100 feet and containing approximately 5,000.00 acres.

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
LAND0021-87	McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Co., et al
OF1088-0015-87	Participation Agreement, as amended	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership, et al
OF1088-0034-88	Farmin Agreement	08/19/88	Exxon Corporation and FMP Operating Company, a Limited Partnership
OF1088-0101-88	Area of Mutual Interest	08/31/88	FMP Operating Company, a Limited Partnership and Continental Land & Pur Co., Inc., et al
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Freeport-McMoran Inc. and Apache Corporation, et al
	Crude Oil Purchase/ Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport- McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

**SOUTH PASS BLOCK 83
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA**

An undivided 60.57570% record title interest in and to the following described lease, to wit:

OCS-G 5052 Oil and Gas Lease from the United States of America as Lessor, to Shell Offshore Inc., et al as Lessee, dated effective April 1, 1982 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5052 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 83, South Pass Area, South and East Addition, as shown on OCS Leasing Map, Louisiana Map No. 9A containing approximately 5,000.00 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Co., et al
OF1088-0015-87	Participation Agreement, as amended	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership, et al
OF1088-0009-87	Seismic Option and Farmin Agreement	06/01/87	Shell Offshore Inc., et al and FMP Operating Company
OF1088-0101-88	Area of Mutual Interest	08/31/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Freeport-McMoran Inc. and Apache Corporation, et al
	Crude Oil Purchase/ Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport- McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

**SOUTH PASS BLOCK 74
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA**

An undivided 60.57570% operating rights interest in and to the following described lease, to wit:

OCS-G 6801 Oil and Gas Lease from the United States of America as Lessor, to Conoco Inc., et al as Lessee, dated effective June 1, 1984 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 6801 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 74, South Pass Area, South and East Addition, OCS Leasing Map, Louisiana Map No. 9A containing approximately 5,000.00 acres.

Insofar and only insofar as said lease covers and pertains to the E/2 of Block 74 limited to those depths from the surface of the earth down to and including 100' below the stratigraphic equivalent of a depth of 13,311' subsea (16,500' MD), as seen in the Freeport-McMoran Inc. OCS-G 6801 Well No. A-12 (ST-1).

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Co., et al
CF 8-0015-87	Participation Agreement, as amended	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership, et al
OF1088-0101-88	Area of Mutual Interest	08/31/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1088-0014-91	Farmout Agreement	03/21	Conoco Inc., et al and Freeport-McMoran Inc.
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Freeport-McMoran Inc. and Apache Corporation, et al
	Crude Oil Purchase/Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport-McMoran Inc.
	Assignment of Overriding Royalty Interest	Pending	Freeport-McMoran Inc. and CLK Company, et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

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EXHIBIT "A"

MISSISSIPPI CANYON BLOCKS 320, 321, 322, 323 AND 365 OCS GULF OF MEXICO OFFSHORE, LOUISIANA

An undivided 66.66% record title interest in and to the following described leases, to wit:

OCS-G 6946
OF1171-0002-000 Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective June 1, 1984 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 6946 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Blocks 320 and 321, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,131.08 acres.

OCS-G 5834
OF1171-0003-000 Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5834 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 322, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760.00 acres.

OCS-G 5835
OF1171-0004-000 Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5835 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 323, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760.00 acres.

OCS-G 5841
OF1171-0001-000 Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5841 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 365, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760.00 acres.

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
OF1171-0115-87	Unit Operating Agreement	07/01/87	Mobil Oil Exploration & Producing Southeast Inc. and Tenneco Oil Company, et al

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Page 2
Exhibit "A"
Mississippi Canyon Blocks 320, 321, 322, 323 and 365

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
OF1171-0116-87	Unit Agreement	07/01/87	Mobil Oil Exploration & Producing Southeast Inc., Tennect Oil Company, et al
XXMCOO-0007-89	Participation Agreement McMoran 1989-90 Exploration Program, as amended	01/01/89	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1171-0022-89	Farmout Agreement	06/15/89	FMP Operating Company, a Limited Partnership and Mobil Oil Exploration & Producing Southeast Inc., et al
OF1171-0048-89	Area of Mutual Interest	08/07/89	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
	Assignment	Effective 08/15/89	Chevron U.S.A. Inc. and Freeport-McMoran Inc.
	Assignment	07/10/91 Effective 08/15/89	Mobil Oil Exploration & Producing Southeast Inc. and Freeport-McMoran Inc.
	Assignment	11/20/91 Effective 08/15/89	Kerr-McGee Corporation, et al and Freeport-McMoran Inc.
	Discount Letter	10/21/91	Texas Eastern Transmission Corporation and FMI Hydrocarbon Company
	Liquid Hydrocarbons Transportation Agreement	09/01/91	Texas Eastern Transmission Corporation and Freeport-McMoran Inc.
	Gas Process. Agreement	01/14/92	Warren Petroleum Company and Freeport-McMoran Inc.
OF1171-0004-92	Gas Dehydration Agreement	02/04/92	Marathon Oil Company and Freeport-McMoran Oil & Gas Company
	Assignment	Pending	Freeport-McMoran Inc. and Continental Land & Fur Co., Inc., et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

VERMILION BLOCK 161
OCS GULF OF MEXICO
OFFSHORE LOUISIANA

An undivided 1.95557% overriding royalty interest in and to the following described lease, LESS AND EXCEPT the NW/4 NW/4 SE/4 and the NE/4 SE/4 SE/4 thereof, to wit:

OCS-G 1127

OF0507-0001-000

Oil and Gas Lease from the United States of America as Lessor, to Forest Oil Corporation, as Lessee, dated effective as of June 1, 1962, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 1127, covering the submerged lands of the Outer Continental Shelf described as follows:

Block 161 Vermilion Area, as shown on official leasing map Le. No. 3, Outer Continental Shelf Leasing Map, Louisiana Offshore Operation, containing approximately 4,868.21 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0090-87	Participation Agreement McMoran 1987 OCS Lease Acquisition and Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership, and Continental Land & Pur Co., Inc., et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

VERMILION BLOCK 161
OCS GULF OF MEXICO
OFFSHORE LOUISIANA

An undivided 49.60055% operating rights interest in and to the NW/4NW/4SE/4; SE/4NE/4SW/4 and the well located thereon, known and designated as Well No. 3 in the following described lease, to wit:

OCS-G 1127
OF0507-0001-000

Oil and Gas Lease from the United States of America as Lessor, to Forest Oil Corporation, as Lessee dated effective as of June 1, 1962, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 1127, covering the submerged lands of the Outer Continental Shelf described as follows:

Block 161 Vermilion Area, as shown on official leasing map La. No. 3, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations, containing approximately 4,868.21 acres.

The above described interest entitles the owner thereof to the following:

- A. The NW/4NW/4SE/4 of Block 161, Vermilion Area, being the Operating Rights in and to oil and gas produced therefrom, and the OCS-G 1127 Well No. 3;
- B. The SE/4NE/4SW/4 of Block 161, Vermilion Area, being the Operating Rights, including the surface rights, the "A" Platform and the equipment located thereon, but not any oil and gas rights therein.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
OF0507-0144-75	Operating Agreement, as amended	12/31/75	C&K Marine Production Company and Bethlehem Steel Corporation, et al
LAND0090-87	Participation Agreement McMoran 1987 OCS Lease Acquisition and Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al
LAND0030-88	Area of Mutual Interest	05/05/88	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al
	Co-Development Agreement	12/01/91	Freeport-McMoran Inc. and Energy Development Corporation, et al
	Overriding Royalty Assignment	Pending	Freeport-McMoran Inc. and CLK Company, et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

**VERMILION BLOCK 161
OCS GULF OF MEXICO
OFFSHORE LOUISIANA**

An undivided 39.89360% record title interest in and to the NE/4SE/4SE/4 of the following described lease; and

An undivided 34.66677% record title interest in and to the N/2; SW/4; N/2SE/4; SW/4SE/4; NW/4SE/4SE/4; S/2SE/4SE/4 of the following described lease, to wit:

OCS-G 1127

OF0507-0001-000

Oil and Gas Lease from the United States of America as Lessor, to Forest Oil Corporation, as Lessee, dated effective as of June 1, 1962, and identified in the Office of the Mineral Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 1127, covering the submerged lands of the Outer Continental Shelf described as follows:

Block 161 Vermilion Area, as shown on official leasing map La. No. 3, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations, containing approximately 4,868.21 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
OF0507-0178-75	Farmout Agreement, as amended	07/24/75	Forest Oil Corporation, et al and CLK Offshore Company
OF0507-0144-75	Operating Agreement, as amended	12/31/75	CLK Marine Production Company and Bethlehem Steel Corporation, et al
LAND0090-87	Participation Agreement McMoran 1987 OCS Lease Acquisition and Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al
LAND0030-88	Area of Mutual Interest	05/05/88	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al
	Co-Development Agreement	12/01/91	Freeport-McMoran Inc. and Energy Development Corporation, et al
	Overriding Royalty Assignment	Pending	Freeport-McMoran Inc. and CLK Company, et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

EAST CAMERON BLOCK 148 OCS GULF OF MEXICO OFFSHORE, LOUISIANA

An undivided 26.33360% record title interest in and to the following described lease, to wit:

OCS-G 5370 Oil and Gas Lease from the United States of America, as Lessor, to Tenneco Oil Company, as Lessee, dated effective July 1, 1983, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5370 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 148, East Cameron Area, OCS Leasing Map, Louisiana Map No. 2 containing approximately 5,000 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	Participation Agreement McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Company, et al
OF1096-0083-87	Farmout Agreement	12/10/87	Tenneco Oil Company and FMP Operating Company, a Limited Partnership
OF1096-0015-88	Offshore Operating Agreement	03/07/88	Tenneco Oil Company and FMP Operating Company, a Limited Partnership, et al
OF1096-0029-88	Area of Mutual Interest	02/24/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1096-0041-91	Facility Use Agreement	01/17/91	Chevron U.S.A. Inc. and Freeport-McMoran Inc.
OL0540-03	Crude Oil Exchange Agreement	07/23/91	Shell Oil Company and Freeport-McMoran Inc

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

**EAST CAMERON BLOCK ,
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA**

An undivided 18.43352% record title interest in and to the following described lease, to wit:

OCS-G 5369 Oil and Gas Lease from the United States of America, as
OF1096-0002-000 Lessor, to CNG Producing Company, as Lessee, dated
 effective July 1, 1983, and identified in the Office of
 the Minerals Management Service, Department of the
 Interior, as Outer Continental Shelf Lease Number
 OCS-G 5369 covering the submerged lands of the Outer
 Continental Shelf described as follows:

All of Block 143, East Cameron Area, OCS Leasing Map,
Louisiana Map No. 2 containing approximately 5,000 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	Participation Agreement McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Company, et al
OF1096-0021-88	Farmout Agreement, as amended	05/05/88	CNG Producing Company and FMP Operating Company, a Limited Partnership
OF1096-0029-88	Area of Mutual Interest	02/24/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1096-0041-91	Facility Use Agreement	01/17/91	Chevron U.S.A. Inc. and Freeport-McMoran Inc.
OL0543-03	Crude Oil Exchange Agreement	07/23/91	Shell Oil Company and Freeport-McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning
or affecting the above described interest which are of record.

SCHEDULE 1
to
**Mortgage, Deed of Trust,
Security Agreement, Assignment of
Production and Proceeds and
Leases and Rents, Fixture
Filing and Financing Statement
dated as of June 11, 1992**
by
FM Properties Operating Co.

Certified Resolutions

The undersigned, being the duly constituted Assistant Secretary of Freeport-McMoRan Inc. (the "Corporation") does hereby certify that the following is a full, true and correct copy of resolutions duly adopted by means of an unanimous written consent dated June 9, 1992 and signed by all members of the Transaction Committee (the "Transaction Committee") which was duly appointed by the Board of Directors of the Corporation by means of an unanimous written consent dated May 29, 1992 and signed by all members of said Board of Directors and (i) that said resolutions have continued in full force and effect and have not been rescinded, modified or amended through the date of this certificate; and (ii) that said resolutions are not in conflict with the articles of incorporation or by-laws of the Corporation:

RESOLVED, That Glenn A. Kleinert, the Senior Vice President of Freeport-McMoRan Oil & Gas Company Division of the Corporation, be and he hereby is authorized, empowered and directed to execute in the name of and behalf of the Corporation as managing general partner of FM Properties Operating Co., a Delaware partnership (the "Partnership") a Mortgage, Deed of Trust, Security Agreement, Assignment of Production and Proceeds and Leases and Rents, Fixture Filing and Financing Statement in favor of Freeport-McMoRan Inc. (the "Mortgage") and affecting any properties, rights or interests owned by the Partnership, real or personal; the Mortgage to contain a confession of judgment, indemnifications, waiver of benefits of appraisalment, demand, notice and

delay, and such further terms and conditions as the said officer in his sole discretion deems necessary, appropriate or desirable; the Mortgage has been presented to and reviewed and approved by this Transaction Committee and may be changed or modified to contain such terms and conditions as the said officer in his sole discretion shall deem necessary, appropriate or desirable; the execution and delivery thereof by said officer to be conclusive evidence of the approval thereof by this Transaction Committee; and further

RESOLVED, That the said officer be and he is hereby authorized, directed and empowered to execute and deliver in the name of and on behalf of the Corporation in its capacity as managing general partner of the Partnership any and all documents including any financing statements and to do or cause to be done all such further acts and things as such officer in his sole discretion shall deem necessary, appropriate or desirable in connection with these resolutions.

WITNESS MY SIGNATURE, this 11th day of June, 1992.



Mark G. Otts
Assistant Secretary

STATE OF LOUISIANA
UNIFORM COMMERCIAL CODE-FINANCING STATEMENT-UCC-1
IM: ORTANT - Read instructions on back before filling out form

45052

(Use UCC-1F for Farm Products)

This FINANCING STATEMENT is presented for filing pursuant to Chapter 9 of the Louisiana Commercial Laws

1A. DEBTOR (LAST NAME, FIRST, MIDDLE-IF AN INDIVIDUAL)		1B. SS# OR EMPLOYER ID NO.
FM PROPERTIES OPERATING CO.		72-1211593
1C. MAILING ADDRESS		
1615 POYDRAS STREET, NEW ORLEANS, LA 70112		
2A. ADDITIONAL DEBTOR (IF ANY) (LAST NAME, FIRST, MIDDLE-IF AN INDIVIDUAL)		2B. SS# OR EMPLOYER ID NO.
2C. MAILING ADDRESS		
3A. ADDITIONAL DEBTOR OR DEBTOR'S TRADE NAMES OR STYLES (IF ANY)		3B. SS# OR EMPLOYER ID NO.
3C. MAILING ADDRESS		
SECURED PARTY INFORMATION		
4A. SECURED PARTY		4B. SS# OR EMPLOYER ID NO.
FREEPORT-MCMORAN INC.		13-3051048
4C. MAILING ADDRESS		
1615 POYDRAS STREET, NEW ORLEANS, LA 70112		
5A. ASSIGNOR OF SECURED PARTY (IF ANY)		5B. SS# OR EMPLOYER ID NO.
5C. MAILING ADDRESS		
PROPERTY INFORMATION		
6A. This FINANCING STATEMENT covers the following types or items of property:		

**SEE EXHIBIT A ATTACHED HERETO FOR DESCRIPTION OF
PROPERTY COVERED BY THIS FINANCING STATEMENT**

6B. ☒ Products of collateral are also covered.

7A. Check if applicable and attach legal description of real property:

☒ Fixture filing under R.S. 109:213☒ Minerals or the like (including oil and gas) or accounts subject to R.S. 96:109-10(x) will be financed as the wellhead or minehead of the well or mine☐ The debtor(s) do not have an interest of record in the real property (Enter name and social security/employer id # of an owner of record in 7B & 7C)

7B. OWNER OF REAL PROPERTY (If other than named debtor) (Enter name and social security/employer id # of an owner of record)

7C. SS# EMPLOYER ID NO.

8A. This statement is filed without the debtor's signature to perfect a security interest in collateral (check ☒ if *no*):

- ☐ already subject to a security interest in another jurisdiction when it was brought into this state or debtor's location changed to this state
- ☐ which is proceeds of the original collateral described above in which a security interest was perfected
- ☐ as to which the filing has lapsed
- ☐ acquired after a change of debtor's name, identity or corporate structure AND social security/employer id #

8B. ☐ which is a Transmitting Utility Filing as effective until terminated pursuant to R.S. 96:109-40(x)

9. SIGNATURE(S) OF DEBTOR(S)

FM PROPERTIES OPERATING CO.

By: 

10. SIGNATURE(S) OF SECURED PARTY(IES) (if applicable)

11. Return copy to:

NAME ☐ THOMAS F. GETTEN

ADDRESS ☐ LISKOW & LEWIS

CITY, STATE ☐ 50th FLOOR, ONE SHELL SQUARE

ZIP CODE ☐ NEW ORLEANS, LA 70139-5001

12. THIS SPACE FOR USE OF FILING OFFICER (DATE, TIME, ENTRY AND FILING OFFICER)

RECEIVED
JUN 15 9 36 AM '92
MINISTER
OF
RECORDS
NEW ORLEANS, LOUISIANA

13. Number of additional sheets presented

EXHIBIT A
UCC-1 Financing Statement

PREAMBLE TO EXHIBIT A

This Exhibit A sets forth the description of the Hydrocarbon Leases, the Mineral Interests and other interests subject to this UCC-1 Financing Statement (the "Financing Statement") to which this Exhibit A is attached.

1. **Headings.** Exhibit A consists of descriptions of the Hydrocarbon Leases, the Mineral Interests and other interests affecting lands (i) located within the county or parish and state next to the heading "Parish, State" or "County, State" of this Exhibit A, and (ii) in federal waters in the Outer Continental Shelf, offshore the State of Louisiana (the "Federal OCS"), and identified under the heading "OCS Gulf of Mexico Offshore, Louisiana" of this Exhibit A. The prospect name and prospect number as well as the reference to an area and block in the Federal OCS is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

2. **Subheadings.** Each of the Hydrocarbons Leases, the Mineral Interests or other interests located within a particular parish or county and state is described by reference to the Subheadings LEASE NUMBER, LESSOR, PROSPECT, LESSEE, PARISH/STATE or COUNTY/STATE, LSE DTE, GROSS ACRES, EXPIRE DTE, and RECORDED. These subheadings shall have the following meanings and significance:

LEASE
NUMBER:

This is an internal lease or instrument identification number, which is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

LESSOR:

The name listed under the heading "LESSOR" is the name of the lessor of the Hydrocarbon Lease or the name of the grantor of the instrument whereby the Mineral Interest or other interest is created. Where the lessor or grantor is the State of Louisiana, the lessor or grantor is recited as "S/L" or "State R/W" and includes the State of Louisiana lease or right of way number assigned to such oil and gas lease or right of way.

LESSEE: The name following under the heading "LESSEE" is the lessee of the Hydrocarbon Lease or the name of the grantee of the instrument creating the Mineral Interest or other interest.

PROSPECT: The name listed under the heading "PROSPECT" is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

**PARISH/
STATE or
COUNTY/
STATE:** Under the heading "PARISH/STATE" or "COUNTY/STATE" is the listing of the parish or county and state in which the Hydrocarbon Lease, the Mineral Interest or other interest is located.

LSE DTE: The date (month/day/year) of the Hydrocarbon Lease or the instrument creating the Mineral Interest or other instrument.

**EXPIRE
DTE:** The date (month/day/year) cited under the heading "EXPIRE DTE" is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

**GROSS
ACRES:** The reference to "GROSS ACRES" is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

RECORDED: The recordation reference of the Hydrocarbon Lease or other instrument creating the Mineral Interest or other interest in the applicable public records of the county or parish shown under the heading "PARISH/STATE" or "COUNTY/STATE", as applicable. The recordation reference is to the volume or book and page or entry or file number of the oil and gas record, official public records of real property, conveyance records, or other applicable public records for the parish or county and state shown under the heading "PARISH/STATE" or "COUNTY/STATE".

3. Subheadings for Federal OCS: The Hydrocarbon Leases in the Federal OCS include the following subheadings:

Caption: The reference to a particular offshore area and block in the heading is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

Lease Number: The number following the letters "OF" for the Hydrocarbon Leases in the Federal OCS is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

Recordation: The Hydrocarbon Leases in the Federal OCS are filed with the Minerals Management Service, Department of the Interior, Gulf of Mexico OCS Region. Although not so indicated, the Hydrocarbon Lease may also be filed of record in the parish in the State of Louisiana located adjacent to the Hydrocarbon Lease in question.

4. Schedule A. Schedule A consists of the listing of all contracts, agreements, and instruments (collectively, the "Contracts") related to the Hydrocarbon Leases, the Mineral Interests or other interests subject to the Financing Statement. The recitation that the Debtor's interests in the Hydrocarbon Leases, the Mineral Interests or other interests described in Exhibit A is subject to the Contracts shall not operate to subject such interests to any such Contract except to the extent that such Contract is valid and presently subsisting with respect to such interest; nor shall the reference to a Contract be deemed a recognition by the Debtor that the Contract is valid except to the extent that such Contract is presently in force and effect. It is intended, however, that the rights of the Debtor under the Contracts shall be subject to the Financing Statement.

DEBTOR'S NAME: FM PROPERTIES OPERATING CO.

FEDERAL TAX IDENTIFICATION NUMBER: 72-1211593

EXHIBIT A TO UCC-1 FINANCING STATEMENT

Continued from Paragraph 6A of the
Financing Statement to which
this Exhibit A is attached

This Financing Statement covers all of the Debtor's right, title and interest, whether now owned or hereafter acquired, and all of the hereinafter described properties, rights and interests, insofar as such properties, rights and interests consist of equipment, general intangibles, accounts, chattel paper, instruments, contract rights, inventory, fixtures, goods, proceeds, or products of collateral (as such terms are defined in the Uniform Commercial Code as in effect in the appropriate jurisdiction with respect to each of said properties, rights and interests) (the "UCC") or any other personal property of a kind or character subject to the applicable provisions of the UCC:

(a) those certain oil, gas and mineral leases including subleases and assignments of operating rights (the "Hydrocarbon Leases") identified in Exhibit A attached hereto and made a part hereof, and the leasehold interests created thereby (collectively the "Leasehold Estates" and individually a "Leasehold Estate") in the real property described in the Hydrocarbon Leases as being affected thereby (the "Leased Land"), and all other mineral rights, overriding royalties, production payments, net profits agreements, royalties and other mineral interests identified in Exhibit A (the "Mineral Interests"), together with (i) all real estate located on, or used in connection with, the Mineral Interests or the Leased Land, (ii) all amendments, modifications, extensions and renewals thereof, (iii) all rights, interests, powers, privileges, options and other benefits of the Mortgagor under the Hydrocarbon Leases or the Mineral Interests and any other agreement or instrument creating or containing any such other rights or interests with respect to the Leasehold Estates or the Mineral Interests, (iv) all credits, deposits, options, privileges and rights of the Debtor under the Hydrocarbon Leases or the Mineral Interests, (v) the right to give consents and to receive money payable to the lessees under the Hydrocarbon Leases, (vi) any options to renew or purchase and any rights of first refusal to lease or purchase with reference to the foregoing, and (vii) all

DEBTOR'S NAME: FM PROPERTIES OPERATING CO.

FEDERAL TAX IDENTIFICATION NUMBER: 72-1211593

royalty interests, overriding royalty interests, production payment interests and net profits interests covering or relating to the Leased Land (the term "Leased Land" as used herein includes without limitation the land specifically described in Exhibit A and all land described in or covered by the oil and gas leases and other documents described in Exhibit A hereto whether or not such land is specifically described in Exhibit A hereto);

(b) the crude oil, condensate, natural gas, natural gas liquids, casinghead gas and petroleum products and other solid, liquid or gaseous hydrocarbons and other associated or related substances (the "Hydrocarbons") which are in, under, upon, attributable to, produced or to be produced from the Leased Land or the Mineral Interests, and owned or leased by the Debtor, subject to any matters listed in Exhibit A (the "Hydrocarbon Reserves");

(c) all inventory of the Hydrocarbon Reserves now or hereafter extracted, removed, or severed from or attributable to the Leased Land or the Mineral Interests, subject to any matters listed in Exhibit A; provided, however, that so long as no Event of Default under any of the Credit Documents shall have occurred and be continuing, such Hydrocarbon Reserves may be sold by the Debtor in the ordinary course of its business, free of any lien or security interest created by this Mortgage;

(d) all accounts now or hereafter resulting from the sale of the Hydrocarbon Reserves produced at the wellhead or elsewhere, and all other accounts, contract rights, operating agreements, general intangibles, chattel paper, documents and instruments arising from the sale of the Hydrocarbon Reserves;

(e) all unitization, communitization, operating agreements, pooling agreements and declarations of pooled units and the properties covered and the units created thereby (including all units formed under orders, regulations, rules or other official acts of any federal, state or other governmental agency providing for pooling or unitization, spacing orders or other well permits and other instruments) now or hereafter entered into which relate to or affect all or any portion of the Leased Land or the Mineral Interests, including, without limitation, those units which may be specifically described or referred to in Exhibit A;

DEBTOR'S NAME: FM PROPERTIES OPERATING CO.

FEDERAL TAX IDENTIFICATION NUMBER: 72-1211593

(f) all equipment leases, production sales, purchase, exchange or processing agreements, transportation agreements, farmout or farmin agreements, saltwater disposal agreements, area of mutual interest agreements and other contracts or agreements now or hereafter entered into that cover, affect, or otherwise relate to the Leased Land or the Mineral Interests, or to the operation of the Leased Land or the Mineral Interests, or to the treating, handling, storing, transporting or marketing of Hydrocarbons produced from or allocated or attributed to the Leased Land or the Mineral Interests, including, without limitation, those contracts and agreements listed in Exhibit A hereto, as the same may be amended or supplemented from time to time;

(g) all surface or subsurface machinery, equipment, fixtures, facilities or other property of whatsoever kind or nature now or hereafter located on or under any of the Leased Lands or the Mineral Interests, which are used or useful for the production, treatment, storage or transportation of Hydrocarbons, or attached to, or contained in or used in connection with the operation or ownership of the Leased Lands or the Mineral Interests, including, but not by way of limitation, (x) all oil wells, gas wells, water wells, injection wells, casing, tubing, rods, pumping units and engines, Christmas trees, derricks, separators, heater treaters, valves, gun barrels, flow lines, tanks, gas systems and compressors (for gathering, treating and compression), water systems (for treating, disposal and injection), pipelines (including gathering lines, laterals and trunklines, if any), power plants, poles, lines, transformers, starters and controllers, machine shops, tools, storage yards and equipment stored therein, buildings and camps, telegraph, telephone and other communication systems, roads, loading racks and shipping facilities, and (y) all screens, awnings, shades, blinds, curtains, draperies, artwork, carpets, rugs, storm doors and windows, furniture and furnishings, heating, electrical, and mechanical equipment, lighting, switchboards, plumbing, ventilating, air conditioning and air-cooling apparatus, refrigerating, and incinerating equipment, escalators, elevators, loading and unloading equipment and systems, stoves, ranges, laundry equipment, cleaning systems (including window cleaning apparatus), telephones, communication systems (including satellite dishes and antennae), televisions, computers, sprinkler systems and other fire prevention and extinguishing apparatus and materials, security systems, motors, engines, machinery, pipes, pumps, tanks, conduits, appliances, fittings and fixtures of every kind and description;

DEBTOR'S NAME: FM PROPERTIES OPERATING CO.

FEDERAL TAX IDENTIFICATION NUMBER: 72-1211593

(h) all general intangibles, accounts and other rights to payment under any and all contracts, now or hereafter arising, under which the Debtor is entitled to share in the production from, or the proceeds of, the Leased Land or the Mineral Interests, or any oil and/or gas wells located thereon, whether operated by the Debtor or others, including, without limitation, operating agreements, revenue sharing agreements and other similar or dissimilar agreements;

(i) all minerals underlying the Leased Land or the Mineral Interests;

(j) all permits, licenses, easements, servitudes, rights-of-way, sewer and water rights, railroad sidings, and other interests and rights-of-way of every character in any way relating or appertaining to any of the Leased Land or the Mineral Interests;

(k) all permits, franchises, privileges, grants, consents, licenses, authorizations, certificates of public convenience and necessity, approvals and water rights with respect to the Mortgaged Property, as hereafter defined, hereafter granted to the Debtor, and in and to all amendments, supplements, modifications, extensions and renewals of any thereof (except the right, title and interest of the Debtor in and to any such permit, franchise, privilege, grant, consent, license, authorization, approval or water right which is not freely assignable by the Debtor or is assignable only upon the assumption of one or more obligations thereunder by the assignee), subject in each case to all the terms, conditions and provisions of each of such permits, franchises, privileges, grants, consents, licenses, authorizations, approvals and water rights, but only to the extent permitted by law and by the instrument, if any, by which they were granted;

(l) all tenements, hereditaments and appurtenances belonging or in any way appertaining to the aforementioned premises, property rights and franchises, and all the rents, issues and profits thereof;

(m) all right, title, interest, property, claim and demand of the Debtor, if any, in and to the land lying in the bed of any street, road, avenue, alley, in front of or adjoining the Leased Land and in and to gores and strips of land adjacent to or adjoining the Leased Land;

DEBTOR'S NAME: FM PROPERTIES OPERATING CO.

FEDERAL TAX IDENTIFICATION NUMBER: 72-1211593

(f) all proceeds of the conversion, whether voluntary or involuntary, of any of the Leased Land, the Mineral Interests or the Leasehold Estates or any other of the property, real or personal, subjected to the lien hereof and the security interest granted hereby into cash or other liquid claims, including, without limitation, all awards, payments or proceeds, including interest thereon, and the right to receive the same, which may be made as the result of any casualty, any exercise of the right of eminent domain or deed in lieu thereof, the alteration of the grade of any street and any injury to or decrease in the value of the Leased Land, the Mineral Interests or the Leasehold Estates, together with attorney's fees, costs and disbursements incurred by the Trustee or FTX in connection with the collection of such awards, payments and proceeds and the Debtor agrees to execute and deliver, from time to time, such further instruments as may be requested by the Trustee or FTX to confirm such assignment of any such award, payment or proceeds; and

(g) the proceeds and products of the foregoing, together with any additions thereto, substitutions therefor and proceeds and products thereof which may be subjected to the lien of this instrument by means of supplements hereto, and all corrections or amendments to, or renewals, extensions or ratifications of, any of the same, or of any instruments relating thereto.

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56250.436

EXHIBIT "A"

PROSPECT NUMBER
PARISH, STATELA0406 LAC BLANC
VERMILION/LOUISIANA

LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	LSI DTE GROSS ACRES	EXPIRE DTE RECORDED
LA04060001/000	LOUISIANA FURS CORPORATION LAC BLANC	AMERADA PETROLEUM CORPORATION VERMILION/LA	06/03/1957 4545.000	06/03/1962 COB 342 NO 135457
LA04060002/000	VEAZEY, GEORGE LAC BLANC	STONE OIL CORPORATION VERMILION/LA	12/31/1973 18.000	12/31/1999 COB 766 NO 220638
LA04060003/000	BROUSSARD, FRANCIS R. ET AL LAC BLANC	STONE OIL CORPORATION VERMILION/LA	01/14/1974 .000	01/14/1999 COB 766 0220637
LA04060004/000	VEAZEY, GEORGE LAC BLANC	THE STONE OIL CORPORATION VERMILION/LA	01/09/1976 1.000	01/09/1999 COB 811 NO 233258
LA04060005/001	PELTO OIL COMPANY, ET AL LAC BLANC	CHARLES DEGRAVELLES VERMILION/LA	02/22/1980 169.150	01/14/1983 COB 924 NO 263329
LA04060005/002	S/L 8537 LAC BLANC	CHARLES C. DEGRAVELLES VERMILION/LA	01/14/1980 169.150	01/14/1985 COB 922 NO 262816
LA04060016/001	AVRICO, INC. LAC BLANC	THE SUPERIOR OIL COMPANY VERMILION/LA	09/27/1956 62.620	09/27/1959 COB 325 NO 132035
LA04060016/002	S/L 3052 LAC BLANC	THE SUPERIOR OIL COMPANY VERMILION/LA	09/27/1956 62.620	09/27/1959 COB 325 NO 132028
LA04060017/001	AVRICO, INC. LAC BLANC	THE SUPERIOR OIL COMPANY VERMILION/LA	09/27/1956 39.040	09/27/1959 COB 325 NO 132034
LA04060017/002	S/L 3051 LAC BLANC	THE SUPERIOR OIL COMPANY VERMILION/LA	09/27/1956 39.040	09/27/1959 COB 325 NO 132027
LA04060019/001	STATE R/W NO 2310 LAC BLANC	FMP OPERATING COMPANY VERMILION/LA	06/05/1985 .000	06/05/2005 NO 8507-52
LA04060019/002	AVRICO, INC. LAC BLANC	FMP OPERATING COMPANY VERMILION/LA	06/21/1985 .000	06/21/2005 NO 8508440
LA04060019/003	CONTRAN CORPORATION LAC BLANC	FMP OPERATING COMPANY VERMILION/LA	05/28/1985 .000	05/28/2005 NO 8507451

PROSPECT NUMBER
PARISH, STATE

LA0406 LAC BLANC
VERMILION/LOUISIANA

LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	LSF DTE GROSS ACRES	EXPIRE DTE RECORDED
LA04060020/000	EXXON CORPORATION LAC BLANC	FMP OPERATING COMPANY VERMILION/LA	09/03/1985	09/03/1999 .000 NO 8513034
LA04060022/000	EXXON CORPORATION LAC BLANC	FMP OPERATING COMPANY VERMILION/LA	12/05/1986	12/05/1999 .000 NO 8700321
LA04060023/000	H CORPORATION, ET AL LAC BLANC	FREEMONT-MCMORAN OIL & GAS CO VERMILION/LA	09/27/1990	08/01/1995 5.739 NO 9009710
LA04060024/000	EXXON CORPORATION, ET AL LAC BLANC	FMP OPERATING COMPANY VERMILION/LA	09/11/1987	09/11/2007 .000 NO 8709490

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
LA0406-0289 -85	CONSERVATION ORDER, AS AMENDED	08/06/1985	STATE OF LOUISIANA
LA0406-0091 -88	CONSERVATION ORDER	11/01/1988	STATE OF LOUISIANA
LA0406-0092 -88	CONSERVATION ORDER	10/31/1988	STATE OF LOUISIANA
LA0406-0093 -88	CONSERVATION ORDER	10/31/1988	STATE OF LOUISIANA
LA0406-0094 -88	CONSERVATION ORDER	11/01/1988	STATE OF LOUISIANA
LA0406-0001 -74	EXPLORATION AGREEMENT	01/19/1974	STONE OIL CORPORATION 1974 PARTICIPATING PROGRAM AND E.R. CARPENTER CO., INC.
LA0406-0386 -80	FARMIN AGREEMENT	12/02/1980	AMERADA HESS CORPORATION AND STONE OIL CORPORATION, ET AL
LA0406-0387 -80	FARMIN AGREEMENT	06/16/1980	SUPERIOR OIL COMPANY AND STONE OIL CORPORATION, ET AL
LA0406-0005 -86	FARMIN AGREEMENT	12/11/1986	AMERADA HESS CORPORATION AND FMP OPERATING COMPANY
LA0406-0004 -86	FARMIN AGREEMENT	11/01/1986	MOBIL OIL EXPLORATION & PRODUCING SOUTHEAST, INC. AND FMP OPERATING COMPANY
LA0406-0006 -86	FARMOUT AGREEMENT	12/17/1986	FMP OPERATING COMPANY AND CARPENTER OIL & GAS, INC.
LA0406-5001 -80	GAS PURCHASE CONTRACT, AS AMENDED	09/01/1980	TENNESSEE GAS PIPELINE COMPANY AND STONE OIL CORPORATION

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
LA0406-5701-88	AUXILIARY GAS PURCHASE CONTRACT	11/01/1988	TENNESSEE GAS PIPELINE COMPANY AND FMP OPERATING COMPANY, ET AL
LA0406-0145-74	JOINT VENTURE AGREEMENT	01/01/1974	STONE OIL CORPORATION AND STONE OIL CORPORATION 1974 PARTICIPATING PROGRAM
LA0406-0292-85	LETTER AGREEMENT	07/26/1985	AMERADA HESS CORPORATION AND FMP OPERATING COMPANY
LA0406-0383-89	LETTER AGREEMENT	05/30/1989	FMP OPERATING COMPANY AND CXY ENERGY, INC.
LA0406-0021-59	OPERATING AGREEMENT	09/18/1959	SUPERIOR OIL COMPANY AND AMERADA PETROLEUM CORPORATION
LA0406-0091-83	OPERATING AGREEMENT	09/01/1983	STONE OIL CORPORATION AND SUPERIOR OIL COMPANY, ET AL
LA0406-5140-82	OIL SALE AGREEMENT, AS AMENDED	12/01/1982	KOCH OIL COMPANY AND STONE OIL CORPORATION
LA0406-0001-75	SUBLEASE AGREEMENT	08/31/1975	SUPERIOR OIL COMPANY, ET AL AND STONE OIL CORPORATION
LA0406-5606-88	SETTLEMENT AGREEMENT	10/13/1988	FMP OPERATING COMPANY, ET AL AND TENNESSEE GAS PIPELINE COMPANY
LA0406-0293-85	GAS SCHEDULING AGREEMENT, AS AMENDED	12/01/1985	FMP OPERATING COMPANY, ET AL
LA0406-0060-89	SALT WATER DISPOSAL AGREEMENT	03/30/1989	FMP OPERATING COMPANY, ET AL
LA0406-0076-89	FARMING AGREEMENT	05/10/1989	AMERADA HESS CORPORATION AND FMP OPERATING COMPANY
PR0152-04	PROCESSING AGREEMENT	09/25/1990	EXXON COMPANY, U.S.A. AND FREEPORT-MCMORAN OIL & GAS COMPANY, DIVISION OF FREEPORT-MCMORAN INC.

EXHIBIT "A"

ALL PROSPECTS
PROSPECT NUMBER
PARISH, STATELA1065
VERMILION/LOUISIANA
PROSPECT NUMBER SEQUENCE
KAPLAN

LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/ STATE	LSE DTE GROSS ACRES	EXPIRE DTE ACRES	DTE RECORDED
LA10650001/000	DARTEZ, FELICIE KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	12/24/1968	12/24/1973 53.618	NO 192060
LA10650003/000	TRAHAN, AMBROIS KAPLAN	HENRY T. DUSON VERMILION/LA	07/12/1971	07/12/1981 106.000	NO 206435
LA10650005/000	TRAHAN, LAUREST J., ET AL KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/13/1972	02/13/1975 31.072	NO 207540
LA10650007/001	PELTO OIL COMPANY KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/03/1972	02/03/1977 53.470	NO 210138
LA10650007/002	AVRICO, INC. KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/23/1972	02/23/1977 53.470	NO 210139
LA10650011/000	HEBERT, EDDIE J. KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	11/30/1972	04/22/1978 106.610	NO 213620
LA10650012/000	DARTEZ, WILMER L. KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/21/1973	12/26/1978 64.704	NO 214634
LA10650013/000	CLARK, FERAY KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/19/1973	12/19/1978 .770	NO 214635
LA10650014/001	BROUSSARD, BELLA T., ET AL KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/16/1973	12/20/1978 1.651	NO 214636
LA10650015/000	HEBERT, LOUISE V. KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/22/1973	12/19/1978 40.145	NO 214631
LA10650016/000	GREEN, WARREN J. KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/15/1973	12/19/1978 90.914	NO 214632
LA10650017/000	ROMERO, HARRY HENRY KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/21/1973	12/19/1983 1.141	NO. 214637
LA10650018/000	BROUSSARD, LVA KAPLAN	SUPERIOR OIL CO VERMILION/LA	02/26/1973	01/15/1979 12.866	NO 214660
LA10650020/000	TRAHAN, AMBROISE KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/26/1973	01/11/1979 160.000	NO 214662
LA10650021/000	DARTEZ, EMANUEL KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	12/24/1973	12/24/1983 45.255	NO 214774
LA10650022/000	BROUSSARD, POLYCARPE KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	03/02/1973	01/17/1979 2.338	NO 214775
LA10650025/000	SIMON, AMY	THE SUPERIOR OIL COMPANY	01/17/1974	01/17/1979	

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LEASE NUMBER	LESSOR PROSPECT	LESSEE	PARISH/STATE	LEASE DATE GROSS ACRES	EXPIRE DATE ACRES	DATE RECORDED
	KAPLAN		VERMILION/LA		11.447	NO 215014
LA10650032/000	BROUSSARD, OTTO, ET AL KAPLAN	THE SUPERIOR OIL COMPANY	VERMILION/LA	03/16/1973	12/19/1978	NO 215350
LA10650035/000	TRAHAN, AMBROIS KAPLAN	THE SUPERIOR OIL COMPANY	VERMILION/LA	04/02/1974	04/21/1984	NO 221887
LA10650045/000	TRAHAN, JOHN D., ET AL KAPLAN	J.P. HESTERLY	VERMILION/LA	01/29/1960	01/29/1965	ENT NO 149112
LA10650112/000	SIMON, RODNEY J., ET AL KAPLAN	EARL P. BURKE, JR.	VERMILION/LA	07/01/1980	06/30/1995	COB 935 NO 265890
LA10650115/000	ROMAINE, ALFRED RAY, ET AL KAPLAN	THE SUPERIOR OIL COMPANY	VERMILION/LA	04/01/1981	04/01/1996	ENT 08106221
LA10650116/000	PRIMEAUX, ADVEY, ET UX KAPLAN	THE SUPERIOR OIL COMPANY	VERMILION/LA	09/01/1983	09/01/2013	ENT 08307481
LA10650120/001	CHATAGNIER, CECILE HEBERT ETAL KAPLAN	FMP OPERATING COMPANY	VERMILION/LA	11/02/1987	11/02/1995	NO. 8712141
LA10650120/002	ROMERO DAVID, JR. KAPLAN	FMP OPERATING COMPANY	VERMILION/LA	12/10/1987	12/10/1993	NO. 8809553
LA10650120/003	KENNETH P. ROMERO, ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A. INC	VERMILION/LA	01/12/1988	01/12/1992	ENT 08800775
LA10650120/004	CECILE HEBERT CHATAGNIER, ETAL KAPLAN	MOBIL EXPL. & PRODUCING N.A. INC	VERMILION/LA	01/12/1988	01/12/1997	ENT 08803776
LA10650120/005	DAVID ROMERO, JR. KAPLAN	MOBIL EXPL. & PRODUCING N.A. INC	VERMILION/LA	01/12/1988	01/12/1992	ENT 08800777
LA10650121/000	ALTON J. HEBERT, ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A. INC.	VERMILION/LA	01/13/1988	01/13/1991	ENT 08800778
LA10650122/000	ISABELLE SIMON BROUSSARD, ETAL KAPLAN	MOBIL EXPL. & PRODUCING N.A. INC	VERMILION/LA	01/20/1988	01/20/1993	ENT 08800779
LA10650123/000	NADINE DICKERSON ROMAINE, ETAL KAPLAN	MOBIL EXPL. & PRODUCING N.A. INC	VERMILION/LA	01/13/1988	01/13/1994	ENT 08800800
LA10650124/001	ALFRED RAY ROMAINE, JR ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A. INC	VERMILION/LA	01/21/1988	01/21/1994	ENT 08801046
LA10650124/002	MARY EMILY ROMAINE	MOBIL EXPL. & PRODUCING N.A. INC		01/21/1988	01/21/1994	

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LA10650126/000	ADVEY PRIMEAUX, ET AL KAPLAN	MOBIL EXPL. & PROD. N. A. INC. VERMILION/LA	02/19/1988	02/19/1994 39.580	ENT 88801231
LA10650129/001	HEBERT, HAROLD P. KAPLAN	FMP OPERATING COMPANY VERMILION/LA	10/17/1988	10/17/1991 .495	NO 8900490
LA10650129/002	HEBERT, JUDE THADDEUS KAPLAN	FMP OPERATING COMPANY VERMILION/LA	12/20/1988	12/20/1993 17.190	NO 8900491
LA10650129/003	HEBERT, HAROLD P. KAPLAN	FREEPORT-MCMORAN INC. VERMILION/LA	10/18/1991	10/18/1994 17.190	NO. 9111733
LA10650129/004	RICHE, SAM S., ET UX KAPLAN	FREEPORT-MCMORAN INC. VERMILION/LA	01/30/1992	01/30/1994 17.190	NO. 9203737
LA10650130/002	HEBERT, EFFIE TRAHAN, ET AL KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	09/01/1988	05/21/1992 50.000	NO 8809023
LA10650130/003	ROMERO, ELGIN HEBERT, ET AL KAPLAN	MOBIL EXPL & PROD N.A., INC. VERMILION/LA	08/21/1989	08/21/1992 50.000	NO. 8908815
LA10650132/000	DARTEZ, EMANUEL KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	08/26/1988	07/02/1992 18.005	NO 8808643
LA10650133/000	BROUSSARD, LOU ELLA LANDRY KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	08/26/1988	05/16/1992 34.710	NO 8808644
LA10650134/001	KAPLAN, LIBBY BLUM KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	08/31/1988	05/28/1992 21.280	NO 8809024
LA10650134/002	KAPLAN, LIBBY BLUM, TRUSTEE KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	08/31/1988	07/10/1992 21.280	NO 8809025
LA10650134/003	TARTAK, MARVIN HOWARD KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	09/19/1988	05/16/1992 21.280	NO 8809750
LA10650135/000	DARTEZ, WILMER KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	09/06/1988	05/16/1992 43.541	NO 8809026
LA10650136/000	BROUSSARD, LVA, ET UX KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	08/30/1988	02/09/1992 80.000	NO 8809027
LA10650137/000	BROUSSARD, LVA, ET UX KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	08/30/1988	05/16/1992 84.464	NO 8809028
LA10650138/001	KAPLAN, LIBBY BLUM, TRUSTEE	MOBIL EXPL & PRODUCING N.A.	08/31/1988	02/18/1992	

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LA10650138/002	TARTAR, MARVIN HOWARD KAPLAN	MOBIL EXP. & PROD. N.A., INC.	VERMILION/LA	09/19/1988 80.000	02/18/1992 NO 8809029
LA10650137/000	RICHARD, BRENDA J. P., ET VIR KAPLAN	MOBIL EXPL. & PRODUCING N.A.	VERMILION/LA	09/14/1988 28.060	02/25/1992 NO 8809351
LA10650140/000	LEMAIRE, CARL L., ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A.	VERMILION/LA	09/15/1988 2.500	02/25/1992 NO 8809352
LA10650142/000	LEMAIRE, JOSEPH L., ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A.	VERMILION/LA	09/15/1988 2.835	02/25/1992 NO 8809652
LA10650143/000	HEBERT, DONALD R., ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A.	VERMILION/LA	09/26/1988 28.000	09/26/1994 NO 8809653
LA10650146/000	CLARK, FERAY, ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A.	VERMILION/LA	10/05/1988 3.519	10/05/1991 NO 8809840
LA10650147/000	CLARK, FERAY, ET AL KAPLAN	MOBIL EXPL. & PROD. N.A., INC.	VERMILION/LA	10/05/1988 65.523	10/05/1991 NO 8809841
LA10650148/000	CLARK, JAMES KENNETH, ET AL KAPLAN	MOBIL EXPL. & PROD. N.A., INC.	VERMILION/LA	10/05/1988 32.112	10/05/1991 NO 8809842
LA10650149/000	CLARK, FERAY, ET AL KAPLAN	MOBIL EXPL. & PROD. N.A., INC.	VERMILION/LA	09/23/1988 25.000	06/13/1992 NO 8809843
LA10650150/000	TRAHAN, LAUREST J., ET UX KAPLAN	MOBIL EXPL. & PROD. N.A., INC.	VERMILION/LA	08/31/1988 20.679	05/16/1992 NO 8810099
LA10650151/000	TRAHAN, LAUREST J., ET AL KAPLAN	MOBIL EXPL. & PROD. N.A., INC.	VERMILION/LA	08/31/1988 29.000	08/31/1994 NO 8810100
LA10650152/000	TRAHAN, LAUREST J., ET AL KAPLAN	MOBIL EXPL. & PROD. N.A., INC.	VERMILION/LA	08/31/1988 84.678	05/16/1992 NO 8810101
LA10650153/000	ROMERO, MAGGIE DARTEZ, ET AL KAPLAN	MOBIL EXPL. & PROD. N.A., INC.	VERMILION/LA	10/12/1988 10.879	05/16/1992 NO 8810147
LA10650154/001	PELTO OIL COMPANY KAPLAN	MOBIL EXPL. & PROD. N.A., INC.	VERMILION/LA	11/03/1988 14.104	06/19/1992 NO 8811351
LA10650154/002	AVRICO, INC. KAPLAN	MOBIL EXPL. & PROD. N.A., INC.	VERMILION/LA	09/07/1989 14.104	09/07/1992 NO 8911498
LA10650155/000	HERPIN, MARGUERITE MARIE ET AL	MOBIL EXPL. & PROD. N.A., INC.		12/01/1988	12/01/1991

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	KAPLAN		VERMILION/LA		463.000	NO 8900358
LA10650156/000	SCHWEYNEIDER, SHIRLEY BOUDREAUX KAPLAN	MOBIL EXPL & PRODUCING N.A.	VERMILION/LA	09/13/1988	05/16/1992	NO 8900223
LA10650157/000	LEMAIRE, GAIL, ET UX KAPLAN	MOBIL EXPL & PRODUCING N.A.	VERMILION/LA	09/29/1988	02/25/1992	NO 8900224
LA10650158/000	SCHWEYNEIDER, EVANS JOSEPH ET UX KAPLAN	MOBIL EXPL. & PROD. N.A., INC.	VERMILION/LA	09/19/1988	05/16/1992	NO 8900225
LA10650159/000	FAULK, ENIX NEBERT KAPLAN	FMP OPERATING COMPANY	VERMILION/LA	03/30/1989	03/30/1994	NO 8903404
LA10650160/000	LEDOUX, MARY E.O., ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A.	VERMILION/LA	02/06/1989	02/06/1992	NO. 8903052
LA10650161/001	ROMAINE, ALFRED RAY, JR., ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A.	VERMILION/LA	02/01/1989	06/11/1992	NO. 8902286
LA10650161/002	ROMAINE, MARY EMILY KAPLAN	MOBIL EXPL. & PRODUCING N.A.	VERMILION/LA	02/01/1989	06/11/1992	NO. 8902664
LA10650162/000	GUIDRY, PAUL A., ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A.	VERMILION/LA	04/20/1989	04/20/1992	NO. 8904856
LA10650163/003	PARKER, JOHN W., ET UX KAPLAN	MOBIL EXPLORATION & PRODUCING	VERMILION/LA	15/04/1989	05/04/1992	NO 8904860
LA10650163/004	LELEUX, MARVIN JOSEPH, ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A.	VERMILION/LA	04/26/1989	04/26/1992	NO. 8904859
LA10650163/005	LELEUX, ALVIN PAUL, ET UX KAPLAN	MOBIL EXPLORATION & PRODUCING	VERMILION/LA	04/26/1989	04/26/1992	NO. 8904858
LA10650163/006	LELEUX, KEVIN P., ET UX KAPLAN	MOBIL EXPLORATION & PRODUCING	VERMILION/LA	04/26/1989	04/26/1992	NO. 8904857
LA10650163/007	SIMON, EMERY, JR., ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A.	VERMILION/LA	05/09/1989	05/09/1992	NO. 8905397
LA10650163/008	BOURQUE, MAURICE, JR., ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A.	VERMILION/LA	05/09/1989	05/09/1992	NO. 8905396
LA10650163/009	COMMIER, MICHAEL, ET UX KAPLAN	MOBIL EXPL & PRGD N.A., INC.	VERMILION/LA	08/21/1989	08/21/1992	NO. 8908816
LA10650165/000	DUMON, MARIE HERPIN	FREEPORT MCMORAN OIL & GAS CO.		03/28/1990	07/09/1993	

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IA10650166/000	DUHON, ROBERT E., ET UX KAPLAN	FREEPORT MCMORAN OIL & GAS CO. VERMILION/LA	03/28/1990	33.000	NO. 9004584
IA10650167/000	BROUSSARD, J. PEVERLY, ET UX KAPLAN	FREEPORT MCMORAN OIL & GAS CO. VERMILION/LA	03/28/1990	12.000	NO. 9004585
IA10650168/000	CLOTEAUX, ILETTTE CLOSTIC KAPLAN	FREEPORT MCMORAN OIL & GAS CO. VERMILION/LA	03/28/1990	21.000	NO. 9004586
IA10650169/000	DOUCET, VONDA KAY BROUSSARD KAPLAN	FREEPORT MCMORAN OIL & GAS CO. VERMILION/LA	03/28/1990	33.000	NO. 9004587
IA10650170/000	DARTEZ, WILMER KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	03/28/1990	48.000	NO. 9004588
IA10650171/000	LAPPOINT, AMY SIMON KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	10/15/1987	10/15/1992	NO. 8712408
IA10650172/000	PRIMEAUX, ADVEY, ET AL KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	03/01/1990	6.553	NO. 9005292
IA10650173/001	BROUSSARD, POLYCARPE, ET UX KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	03/01/1990	78.749	NO. 9005291
IA10650173/002	BROUSSARD, LOU ANN KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/11/1990	16.662	NO. 9005289
IA10650174/000	BROUSSARD, POLYCARPE, ET UX KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/11/1990	16.662	NO. 9005290
IA10650175/000	GREENE/BROUSSARD PLAN., ET AL KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/16/1990	60.086	NO. 9005293
IA10650175/001	GREENE/BROUSSARD PLAN. INC ET AL KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/16/1990	26.000	NO. 9008683
IA10650176/000	GREENE ROSE BROUSSARD, ET AL KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/16/1990	7.000	NO. 9005295
IA10650177/000	GREENE, DONALD J., ET UX KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/16/1990	2.000	NO. 9005294
IA10650178/000	GUIDRY, ELIAS, ET AL KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/26/1990	2.000	NO. 9005299
IA10650179/001	ROMAINE, ALFRED RAY, JR., ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	04/20/1990	54.120	NO. 9005296
IA10650179/002	ROMAINE, MARY EMILY	MOBIL EXPL. & PRODUCING N.A.,	04/20/1990	04/20/1993	

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LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	LEASE DATE GROSS ACRES	EXPIRE DATE ACRES	DATE RECORDED
	KAPLAN	VERMILION/LA		54.120	NO. 9005297
LA10656180/000	SIMON, RODNEY J., ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	04/25/1990	04/25/1993 100.420	NO. 9005278
LA10650181/000	SIMON, RODNEY J., ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	04/25/1990	04/25/1993 3.010	NO. 9005288
LA10650182/000	MEUX, LOVEACE PAUL, ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	05/02/1990	05/02/1993 25.900	NO. 9005300
LA10650183/001	FAULK, CLARA BOURQUE, ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	05/02/1990	05/02/1993 86.920	NO. 9005367
LA10650183/002	SIMMONS, MARY ROSE FAULK, ETAL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	05/02/1990	05/02/1993 86.920	NO. 9006415
LA10650184/000	DARTEZ, EMANUEL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	05/04/1990	05/04/1993 20.740	NO. 9005369
LA10650185/000	TRAHAN, LAUREST J., ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	05/11/1990	05/11/1993 3.550	NO. 9005370
LA10650186/000	BROUSSAND, LIFTON PAUL, ET UX KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	05/16/1990	05/16/1993 1.120	NO. 9005368
LA10650187/000	DARTEZ, WILMER KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	06/21/1990	06/21/1993 26.095	NO. 9006417
LA10650188/001	AVRICO, INC. KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	07/18/1990	07/18/1993 19.052	NO. 9008586
LA10650189/000	SIMON, STARLING P. KAPLAN	PHILLIP D. J. SIMON VERMILION/LA	08/12/1990	08/12/1993 26.520	NO. 9008419
LA10650190/000	SIMON, STARLING P. KAPLAN	PHILLIP J. D. SIMON VERMILION/LA	08/09/1990	02/09/1994 21.550	NO. 9008478
LA10650191/001	KAPLAN, LIBBY BLUM KAPLAN	MOBIL E & P N. AMERICA INC. VERMILION/LA	01/05/1990	02/21/1993 58.720	NO. 9000774
LA10650191/002	KAPLAN, LIBBY BLUM, TRUSTEE KAPLAN	MOBIL E & P N. AMERICA INC. VERMILION/LA	08/21/1990	08/21/1993 58.720	NO. 9008681
LA10650191/003	TARTAK, MARVIN HOWARD KAPLAN	MOBIL E. & P. N. AMERICA INC. VERMILION/LA	08/15/1990	08/15/1993 58.720	NO. 9008682
LA10650192/000	SOUTHERN PACIFIC TRANS COMPANY	MOBIL EXPL. & PROD. N.A., INC.	02/23/1990	02/23/1993	

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	KAPLAN			VERMILION/LA		18.180	NO. 9005366
LA10650193/000	HEBERT, ALTON J., ET AL	KAPLAN	MOBIL EXP. & PROD. N.A., INC.	VERMILION/LA	07/14/1990	01/14/1994	NO. 9007524
LA10650194/000	HEBERT, JOHN FARRELL, ET AL	KAPLAN	LEWIS B. BERNARD, INC.	VERMILION/LA	05/30/1991	10/14/1994	NO 9105874
LA10650195/000	MEUX, LOVEACE PAUL, ET AL	KAPLAN	MOBIL EXPL. & PROD. N.A., INC.	VERMILION/LA	06/06/1990	06/06/1993	NO. 9006416
LA10650196/000	BROUSSARD, LVA, ET UX	KAPLAN	MOBIL EXPL. & PROD. N.A., INC.	VERMILION/LA	01/10/1990	02/21/1993	NO. 9000773
LA10650197/001	HEBERT, DANA ANGELLE	KAPLAN	LEWIS B. BERNARD	VERMILION/LA	05/24/1991	11/10/1994	NO 9105875
LA10650197/002	HEBERT, MILTON L., TUTOR	KAPLAN	LEWIS B. BERNARD	VERMILION/LA	05/24/1991	11/10/1994	NO 9105876
LA10650198/000	BROUSSARD, LOUELLA LANDRY	KAPLAN	MOBIL EXPL. & PROD. N.A., INC.	VERMILION/LA	01/09/1990	02/20/1993	NO. 9000772
LA10650199/000	TRAHAN, ALTON J., ET AL	KAPLAN	MOBIL EXPLORATION AND PROD.	VERMILION/LA	08/29/1991	08/29/1994	NO 9109908
LA10650200/000	KIDDER, LOU ANN DRONET, ET AL	KAPLAN	MOBIL EXPLORATION AND PROD.	VERMILION/LA	09/16/1991	09/16/1994	NO. 9109906
LA10650201/000	CAPPS, MARY ADELE ROMAINE ET	KAPLAN	MOBIL EXPLORATION AND PROD.	VERMILION/LA	09/10/1991	09/20/1994	NO. 9109907
LA10650202/000	HEBERT, FREDDIE, ET UX	KAPLAN	MOBIL EXPLORATION AND PROD.	VERMILION/LA	10/17/1991	10/17/1994	NO. 9109910
LA10650203/000	GUILLORY, DELTA JOSEPH, ET UX	KAPLAN	MOBIL EXPLORATION AND PROD.	VERMILION/LA	10/16/1991	10/16/1994	NO. 9109909
LA10650204/001	LANDRY, DELVED L., ET UX	KAPLAN	MOBIL EXPLORATION AND PROD.	VERMILION/LA	10/18/1991	05/03/1995	NO 9110528
LA10650204/002	HERPIN, GORDON E., ET UX	KAPLAN	MOBIL EXPLORATION AND PROD.	VERMILION/LA	10/22/1991	10/22/1994	NO. 9110529
LA10650204/003	SIMON, HARRIS J.	KAPLAN	MOBIL EXPLORATION AND PROD.	VERMILION/LA	11/12/1991	04/21/1995	NO. 9111266

PROJECT NUMBER
PARTIAL STATE

LA1065
VERMONT, LOUISIANA

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
LA1065 0374 -80	CONSERVATION ORDER	06/26/1980	STATE OF LOUISIANA
LA1065 0204 -83	CONSERVATION ORDER	05/16/1983	STATE OF LOUISIANA
LA1065 0205 -81	CONSERVATION ORDER	05/16/1983	STATE OF LOUISIANA
LA1065 0042 -91	CONSERVATION ORDER	07/17/1991	STATE OF LOUISIANA
LA1065 0056 -91	CONSERVATION ORDER	01/03/1991	STATE OF LOUISIANA
LA1065 0057 -91	CONSERVATION ORDER	01/03/1991	STATE OF LOUISIANA
LA1065-0240 -76	DESIGNATION OF UNIT	02/26/1976	SUPERIOR OIL COMPANY AND BURMONT COMPANY, ET AL
LA1065 0148 -73	LIMITED PARTNERSHIP	07/28/1972	BURMONT COMPANY AND KENNETH G. MCCANN, JR.
LA1065 0121 -73	LETTER AGREEMENT	07/16/1973	BURMONT COMPANY AND KENNETH G. MCCANN, JR.
LA1065 0121 -73	OPERATING AGREEMENT	03/01/1973	SUPERIOR OIL COMPANY AND BURMONT COMPANY
LA1065 0267 -77	OPERATING AGREEMENT	02/01/1977	BURMONT COMPANY AND BURMONT EXPLORATION 1972-A, ET AL
LA1065 0371 -80	CHENIER GAS PLANT	05/20/1980	CHENIER OIL COMPANY, INC., ET AL
LA1065 0083 -86	RESTATE CONVEYANCE OF PRODUCTION PAYMENT	01/01/1986	EARL P. BURKE, JR., ET AL AND UCAR INTERAM, INC.
LA1065 0055 -91	PURCHASE AGREEMENT	11/19/1991	AMAX PETROLEUM CORP. AND FREEPORT-MCMORAN INC.
PR0162 04 91	GAS PROCESSING AGREEMENT	11/01/1991	FREEPORT-MCMORAN OIL & GAS COMPANY AND LIG LIQUIDS CORPORATION
LA1065 01	RESTATE GAS PURCHASE AND SALES AGREEMENT, AS AMENDED	01/01/1986	UCAR INTERAM, INC. AND FMP OPERATING COMPANY, ET AL
LA1065 0064 -93	PURCHASE AGREEMENT	10/29/1991	LIG CHEMICAL CORPORATION AND FREEPORT-MCMORAN OIL & GAS COMPANY
LA1065 0065 -91	LETTER AGREEMENT	11/14/1991	FREEPORT-MCMORAN OIL & GAS COMPANY AND CHARLES A. MILLER, JR., ET AL
LA1065 0066 -91	LETTER AGREEMENT	04/18/1991	FREEPORT-MCMORAN INC. AND GREENBRIER ACQUISITION LTD., ET AL

EXHIBIT "A"

**VERMILION BLOCK 161
OCS GULF OF MEXICO
OFFSHORE LOUISIANA**

An undivided 1.95557% overriding royalty interest in and to the following described lease, LESS AND EXCEPT the NW/4 NW/4 SE/4 and the NE/4 SE/4 SE/4 thereof, to wit:

OCS-G 1127
070507-0001-000

Oil and Gas Lease from the United States of America as Lessor, to Forest Oil Corporation, as Lessee, dated effective as of June 1, 1962, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 1127, covering the submerged lands of the Outer Continental Shelf described as follows:

Block 161 Vermilion Area, as shown on official leasing map La. No. 3, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations, containing approximately 4,868.21 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
17-00090-67	Participation Agreement McMoran 1987 OCS Lease Acquisition and Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

A:\VERMILION\17-00090-67

EXHIBIT "A"

**VERMILION BLOCK 161
OCS GULF OF MEXICO
OFFSHORE LOUISIANA**

An undivided 49.60055% operating rights interest in and to the NW/4NW/4SE/4; SE/4NE/4SW/4 and the well located thereon, known and designated as Well No. 3 in the following described lease, to wit:

OCS-G 1127
OF0507-0001-000

Oil and Gas Lease from the United States of America as Lessor, to Forest Oil Corporation, as Lessee dated effective as of June 1, 1962, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 1127, covering the submerged lands of the Outer Continental Shelf described as follows:

Block 161 Vermilion Area, as shown on official leasing map La. No. 3, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations, containing approximately 4,868.21 acres.

The above described interest entitles the owner thereof to the following:

- A. The NW/4NW/4SE/4 of Block 161, Vermilion Area, being the Operating Rights in and to oil and gas produced therefrom, and the OCS-G 1127 Well No. 3;
- B. The SE/4NE/4SW/4 of Block 161, Vermilion Area, being the Operating Rights, including the surface rights, the "A" Platform and the equipment located thereon, but not any oil and gas rights therein.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
OF0507-0144-75	Operating Agreement, as amended	12/31/75	CSK Marine Production Company and Bethlehem Steel Corporation, et al
LAND0090-87	Participation Agreement McMoran 1957 OCS Lease Acquisition and Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership, and Continental Land & Pur Co., Inc., et al
LAND0030-88	Area of Mutual Interest	05/05/88	FMP Operating Company, a Limited Partnership, and Continental Land & Pur Co., Inc., et al
	Co-Development Agreement	12/01/91	Freeport-McMoran Inc. and Energy Development Corporation, et al
	Overriding Royalty Assignment	Pending	Freeport-McMoran Inc. and CSK Company, et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

VERMILION BLOCK 161
OCS GULF OF MEXICO
OFFSHORE OPERATIONS

An undivided 39.89360% record title interest in and to the NE/4SE/4SE/4 of the following described lease; and

An undivided 34.66677% record title interest in and to the N/2; SW/4; N/2SE/4; SW/4SE/4; NW/4SE/4SE/4; S/2SE/4SE/4 of the following described lease, to wit:

OCS-G 1127

OFF507-0001-000

Oil and Gas Lease from the United States of America as Lessor, to Forest Oil Corporation, as Lessee, dated effective as of June 1, 1962, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 1127, covering the submerged lands of the Outer Continental Shelf described as follows:

Block 161 Vermilion Area, as shown on official leasing map, La. No. 3, Outer Continental Shelf Leasing Map, Louisiana, Offshore Operations, containing approximately 4,868.21 acres.

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
OFF507-0178-75	Farmout Agreement, as amended	07/04/75	Forest Oil Corporation, et al and C&K Offshore Company
OFF507-0144-75	Operating Agreement, as amended	12/1/75	C&K American Production Company and Bethlehem Steel Corporation, et al
LAND0090-87	Participation Agreement McMoran 1967 OCS Lease Acquisition and Exploration Program	01/01/	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al
LAND0030-88	Area of Mutual Interest	05/05/88	FMP Operating Company a Limited Partnership and Continental Land & Fur Co., Inc., et al
	Co-Development Agreement	12/01/91	Freeport-McMoran Inc. and Energy Development Corporation, et al
	Overriding Royalty Assignment	Pending	Freeport-McMoran Inc. and CLK Company, et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

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EXHIBIT "A"

MISSISSIPPI CANYON BLOCKS 320, 321, 322, 323 AND 365
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA

An undivided 66.667% record title in and to the following described leases, to wit:

OCS-G 6946
OF1171-0002-000
Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective June 1, 1984 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 6946 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 320 and 321, Mississippi Canyon, OCS Official Protection Diagram, NH 16-10 containing approximately 5,311.00 acres.

OCS-G 5834
OF1171-0003-000
Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5834 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 322, Mississippi Canyon, OCS Official Protection Diagram, NH 16-10, containing approximately 5,760.00 acres.

OCS-G 5835
OF1171-0004-000
Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5835 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 323, Mississippi Canyon, OCS Official Protection Diagram 16-10, containing approximately 5,760.00 acres.

OCS-G 5841
OF1171-0001-000
Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5841 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 365, Mississippi Canyon, OCS Official Protection Diagram, NH 16-10, containing approximately 5,760.00 acres.

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
OF1171-0115-27	Unit Operating Agreement	07/01/87	Mobil Oil Exploration & Producing Southeast Inc. and Tenneco Oil Company, et al.

Page 2
 Exhibit "A"
 Mississippi Canyon Blocks 320, 321, 322, 323 and 325

<u>CONTRACT NO. AND</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
OF1171-0116-87	Unit Agreement	07/01/87	Mobil Oil Exploration & Producing Southeast Inc., Tenneco Oil Company, et al
XIMCOO-0007-89	Participation Agreement McMoran 1989-90 Exploration Program, as amended	01/01/89	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1171-0012-89	Far-out Agreement	06/15/89	FMP Operating Company, a Limited Partnership and Mobil Oil Exploration & Producing Southeast Inc., et al
OF1171-0048-89	Area of Mutual Interest	08/07/89	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
	Assignment	Effective 08/15/89	Chevron U.S.A. Inc. and Freeport-McMoran Inc.
	Assignment	07/10/91 Effective 08/15/89	Mobil Oil Exploration & Producing Southeast Inc. and Freeport-McMoran Inc.
	Assignment	11/20/91 Effective 03/15/89	Kerr-McCree Corporation, et al and Freeport-McMoran Inc.
	Discount Letter	10/21/91	Texas Eastern Transmission Corporation and FMI Hydrocarbon Company
	Liquid Hydrocarbons Transportation Agreement	09/01/91	Texas Eastern Transmission Corporation and Freeport-McMoran Inc.
	Gas Processing Agreement	01/14/92	Warren Petroleum Company and Freeport-McMoran Inc.
OF1171-0004-92	Gas Dehydration Agreement	02/04/92	Marathon Oil Company and Freeport-McMoran Oil & Gas Company
	Assignment	Pending	Freeport-McMoran Inc. and Continental Land & Fur Co., Inc., et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

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EXHIBIT "A"

SOUTH PASS BLOCK 74
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA

An undivided 60.57570% operating rights interest in and to the following described lease, to wit:

OCS-G 6801 Oil and Gas Lease from the United States of America as Lessor, to Conoco Inc., et al as Lessee, dated effective June 1, 1984 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 6801 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 74, South Pass Area, South and East Addition, OCS Leasing Map, Louisiana Map No. 9A containing approximately 5,000.00 acres.

Insofar and only insofar as said lease covers and pertains to the E/2 of Block 74 limited to those depths from the surface of the earth down to and including 100' below the stratigraphic equivalent of a depth of 13,311' subsea (16,500' MD), as seen in the Freeport-McMoran Inc. OCS-G 6801 Well No. A-12 (ST-1).

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Co., et al
OF1088-0015-87	Participation Agreement, as amended	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership, et al
OF1088-0101-88	Area of Mutual Interest	08/31/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1088-0014-91	Farmout Agreement	03/21/91	Conoco Inc., et al and Freeport-McMoran Inc.
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Freeport-McMoran Inc. and Apache Corporation, et al
	Crude Oil Purchase/Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport-McMoran Inc.
	Assignment of Overriding Royalty Interest	Pending	Freeport-McMoran Inc. and CLK Company, et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

**SOUTH PASS BLOCK 83
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA**

Ar. undivided 60.57570% record title interest in and to the following described lease, to wit:

OCS-G 5052 Oil and Gas Lease from the United States of America as Lessor, to Shull Offshore Inc., et al as Lessee, dated effective April 1, 1982 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5052 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 83, South Pass Area, South and East Addition, as shown on OCS Leasing Map, Louisiana Map No. 9A containing approximately 5,000.00 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Co., et al
OF1088-0015-87	Participation Agreement, as amended	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership, et al
OF1088-0009-87	Seismic Option and Farmin Agreement	06/01/87	Shell Offshore Inc., et al and FMP Operating Company
OF1088-0101-88	Area of Mutual Interest	08/31/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Freeport-McMoran Inc. and Apache Corporation, et al
	Crude Oil Purchase/Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport-McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

SOUTH PASS BLOCK 82 OCS GULF OF MEXICO OFFSHORE, LOUISIANA

An undivided 65.83400% operating rights interest in and to the following described lease, to wit:

OCS-G 5685 Oil and Gas Lease from the United States of America as Lessor, to Exxon Corporation as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5685 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 82, South Pass Area, South and East Addition, OCS Leasing Map, Louisiana Map No. 9A, from the surface of the earth down to the stratigraphic equivalent of 14,863 feet, as identified on the electric log of the FMP Operating Company OCS-G 5685 Well No. 3, plus 100 feet and containing approximately 5,000.00 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Co., et al
OF1088-0015-87	Participation Agreement, as amended	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership, et al
OF1088-0034-88	Farmin Agreement	08/19/88	Exxon Corporation and FMP Operating Company, a Limited Partnership
OF1088-0101-88	Area of Mutual Interest	08/31/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Freeport-McMoran Inc. and Apache Corporation, et al
	Crude Oil Purchase/Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport-McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

**EAST CAMERON BLOCK 143
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA**

An undivided 18.43352% record title interest in and to the following described lease, to wit:

OCS-G 5369 Oil and Gas Lease from the United States of America, as
OF1096-0002-000 Lessor, to CNG Producing Company, as Lessee, dated
 effective July 1, 1983, and identified in the Office of
 the Minerals Management Service, Department of the
 Interior, as Outer Continental Shelf Lease Number
 OCS-G 5369 covering the submerged lands of the Outer
 Continental Shelf described as follows:

All of Block 143, East Cameron Area, OCS Leasing Map,
Louisiana Map No. 2 containing approximately 5,000 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	Participation Agreement McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Company, et al
OF1096-0021-88	Farmout Agreement, as amended	05/05/88	CNG Producing Company and FMP Operating Company, a Limited Partnership
OF1096-0029-88	Area of Mutual Interest	02/24/88	FMP Operating Company, a Limited Partnership and Continental Land & Tur Co., Inc., et al
OF1096-0041-91	Facility Use Agreement	01/17/91	Chevron U.S.A. Inc. and Freeport-McMoran Inc.
OL0540-03	Crude Oil Exchange Agreement	07/23/91	Shell Oil Company and Freeport-McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

EAST CAMERON BLOCK 148 OCS GULF OF MEXICO OFFSHORE, LOUISIANA

An undivided 26.33360% record title interest in and to the following described lease, to wit:

OCS-G 5370 Oil and Gas Lease from the United States of America, as Lessor, to Tenneco Oil Company, as Lessee, dated effective July 1, 1983, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5370 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 148, East Cameron Area, OCS Leasing Map, Louisiana Map No. 2 containing approximately 5,000 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	Participation Agreement McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Company, et al
OF1096-0083-87	Farmout Agreement	12/10/87	Tenneco Oil Company and FMP Operating Company, a Limited Partnership
OF1096-0015-88	Offshore Operating Agreement	03/07/88	Tenneco Oil Company and FMP Operating Company, a Limited Partnership, et al
OF1096-0029-88	Area of Mutual Interest	02/24/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1096-0041-91	Facility Use Agreement	01/17/91	Chevron U.S.A. Inc. and Freeport-McMoran Inc.
OL0540-03	Crude Oil Exchange Agreement	07/23/91	Shell Oil Company and Freeport-McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

45052

CULLEN R. LISKOW (1993-1971)
AUSTIN W. LEWIS (1910-1974)

GENE W. LAFITTE
BILLY M. MINES
JAMES L. PELLETIER
THOMAS D. HARDEMAN
JOHN M. KING
EDWARD J. GAY III
KENNETH E. GORDON JR.
LEON J. REYMOND, JR.
J. BERRY ST. JOHN, JR.
DONALD R. ASANUNZA
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New Orleans, LA 70139-5001

June 15, 1992

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Minerals Management Service
U.S. Department of the Interior
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

RE: Lease Nos. OCS-G 5685, 5052, 6801, 6946,
5834, 5835, 5841, 1127, 5370, and 5369

Gentlemen:

Enclosed you will find ten (10) counterparts of
(i) a Mortgage Assumption Agreement dated as of June 11,
1992 by FM Properties Operating Co. ("Mortgagor"), Freeport-
McMoRan Inc. and Chemical Bank, as Collateral Agent
("Mortgagee") (the "Mortgage Assumption"), and (ii) a UCC-1
Financing Statement by Mortgagor as debtor, and Mortgagee,
as secured party. The Mortgage Assumption and Financing
Statement relate to the assumption by Mortgagor of the
liability and obligations of Freeport-McMoRan Inc. under the
Mortgage described in and attached to the Mortgage
Assumption. The enclosed Mortgage Assumption and Financing
Statement affect interests of Mortgagor in the captioned
leases and other properties described therein.

The name and address of Mortgagor is: FM
Properties Operating Co., 1615 Poydras Street, New Orleans,
LA 70112.

The name and address of Mortgagee is: Chemical
Bank, as Collateral Agent, 270 Park Avenue, New York, NY
10017, Attention: Energy and Minerals Dept.

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June 15, 1992

In order that third persons will be put on notice as to the execution and efficacy of the enclosed Mortgage Assumption and Financing Statement, please file a counterpart of each of the enclosed Mortgage Assumption and Financing Statement, together with a copy of this letter, in the lease record files related to each of the captioned leases. Enclosed is our firm check in the amount of \$500.00 for payment of filing fees. Please evidence that the foregoing has been accomplished by signing a copy of this letter in the space provided below.

Yours very truly,



Thomas F. Getten

TFG/LL
Enclosures

FILING ACCOMPLISHED AS REQUESTED

DATE: JUN 15 1992

MINERALS MANAGEMENT SERVICE

BY:



RECEIVED
JUN 15 1992
FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE
WASHINGTON, D.C. 20535

45052

MORTGAGE ASSUMPTION AGREEMENT (this "Agreement") dated as of June 11, 1992, among FM Properties Operating Co., a Delaware general partnership (the "Partnership") having an address at 1615 Poydras Street, New Orleans, Louisiana 70112, Freeport-McMoran Inc., a Delaware corporation ("FTX") having an address at 1615 Poydras Street, New Orleans, Louisiana 70112, and Chemical Bank, a New York banking corporation ("Chemical") having an address at 270 Park Avenue, New York, New York 10017, as collateral agent (in such capacity the "Collateral Agent") for the Lenders (as defined in the Mortgage hereinafter described).

WHEREAS a certain credit agreement dated as of June 11, 1992 (as it may be amended and in effect from time to time, the "Credit Agreement") has been entered into by FTX, the Partnership, the banks (the "Banks") party to the Credit Agreement and Chemical, as collateral agent and agent for the Banks, such Credit Agreement providing for, among other things, the making of certain loans ("Loans") by the Banks to FTX as therein described, and, concurrent with the execution thereof, FTX has executed and delivered to the Banks notes (the "FTX Notes") representing in the aggregate up to \$410 million of Loans and as security for the same and as security for debt owing to the Pel-Tex Lenders, as well as FTX's guarantee of the Partnership Obligations to the Banks and the FM Agent and FTX's guarantee of the Pel-Tex Obligations to the Pel-Tex Lenders, FTX, in its capacity as owner of the oil and gas interests and other properties (collectively the "Mortgaged Property") described in the Mortgage as hereinafter defined), has mortgaged, granted and conveyed to the Collateral Agent and the trustee named therein (the "Trustee"), for the use and benefit of the Collateral Agent on behalf of the Lenders, a lien and security interest in the Mortgaged Property by executing and delivering to the Trustee and the Collateral Agent the certain Mortgage, Deed of Trust, Security Agreement, Assignment of Production and Proceeds and Leases and Rents, Fixture Filing and Financing Statement dated as of June 11, 1992 (the "Mortgage"), which Mortgage will be recorded prior to the recordation of the instruments evidencing the "Transfer" (as hereinafter defined) and prior to the recordation of this Agreement, and the Mortgage will be recorded in the recording jurisdictions and the records as more particularly set forth in Exhibit A attached hereto; and

WHEREAS subsequent to the execution and delivery of the Credit Agreement and the execution and delivery by FTX to the Banks of the FTX Notes and the Mortgage and prior to the execution and delivery of this Agreement, FTX has granted, conveyed and assigned the Mortgaged Property, subject to the Mortgage and to other security interests contemplated by the Mortgage, to the

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FBI - NEW ORLEANS

Partnership (the "Transfer"), and the parties hereto desire to provide for the following:

(i) the assumption, effective as of the Assumption Date, but subject to the conditions set forth in Section 6, by the Partnership of the liability and obligations of FTX as Mortgagor under the Mortgage (the Partnership is also assuming liability for the Loans and other obligations under the Credit Agreement and the related documents, by executing simultaneously herewith the Assumption Agreement as of a date herewith, and by executing replacements notes in substitution for the FTX Notes); and

(ii) the release, effective as of the Release Date, but subject to the conditions set forth in Section 7, of FTX from all liabilities and obligations under the Mortgage incurred by reason of FTX having executed the Mortgage as Mortgagor.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows (capitalized terms used and not defined herein shall have the meanings assigned to them in the Mortgage):

SECTION 1. Assumption by the Partnership. The Partnership hereby assumes, effective as of the Assumption Date, but subject to the conditions set forth in Section 6, all liability and obligations of FTX under the Mortgage with the same force and effect as if the Partnership had executed the Mortgage as a Mortgagor thereunder including, without limitation, the assumption of all obligations with respect to the liens and security interests created by the Mortgage in real and personal property. For all purposes under the Mortgage (i) on and after the Assumption Date, but subject to the conditions set forth in Section 6, until the Release Date, every reference to "Mortgagor" under the Mortgage shall be deemed to also be a reference to the Partnership, as the assuming Mortgagor pursuant to this Agreement, and (ii) on and after the Release Date, but subject to the conditions set forth in Section 7, every reference to "Mortgagor" under the Mortgage shall be deemed to be a reference to the Partnership, as the assuming Mortgagor pursuant to this Agreement.

SECTION 2. Release of FTX. On the Release Date, but subject to the conditions set forth in Section 7, FTX shall be released from all liability and obligations under the Mortgage incurred by reason of FTX having executed the Mortgage as Mortgagor.

Section 3. Further Assurances. Each of the Partnership and FTX agrees, at its expense, to execute, acknowledge, deliver

and cause to be duly filed all such further instruments and documents and take all such actions as the Collateral Agent may from time to time reasonably request for better assuring and preserving the effectiveness of the assumption of the Mortgage pursuant to this Agreement including, without limitation, the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the assumption by the Partnership of the Mortgage and the execution by the Partnership and FTX of any financing statements (including fixture filings) and the filing of such financing statements. Each of FTX and the Partnership agrees to promptly notify the Collateral Agent of any change which may affect the perfection of the Mortgage or security interests assumed and/or assigned pursuant to this Agreement, including without limitation, any change in (a) its corporate name, (b) its employer identification number, (c) the location of its principal executive office, (d) its principal place of business, (e) the office or offices where it keeps its records relating to the Mortgaged Property or (f) the location of any Mortgaged Property.

SECTION 4. Amendment, Modification, Waiver. (a) No failure on the part of the Collateral Agent, the Trustee or any Lender to exercise, and no delay in exercising, any right, power or remedy under any of the Credit Documents shall operate as a waiver of any of the Collateral Agent's or the Trustee's rights pursuant to this Agreement, nor shall any single or partial exercise of any such right, power or remedy by the Collateral Agent or the Trustee or any Lender preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies under the Credit Documents are cumulative and are not exclusive of any other remedies provided by law.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to a written agreement entered into between and among the parties hereto with the prior written consent of the Required Lenders (as defined in the FM Intercreditor Agreement).

SECTION 5. Binding Agreement; Assignments. This Agreement, and the terms, covenants and conditions hereof, shall be binding upon and inure to the benefit of the parties hereto, the Lenders and each of their respective successors and assigns (including any future Lenders), except that neither the Partnership nor FTX shall be permitted to assign this Agreement or any interest herein or in the Mortgaged Property, or any part thereof, except in accordance with and as permitted by the Credit Agreement.

SECTION 6. Conditions to Effectiveness of Assumption
Date: Partial Release. The assumption by the Partnership of all

liability and obligations of FTX under the Mortgage shall become effective on and as of the date (the "Assumption Date") when all of the following conditions have been satisfied, and not before:

(a) the Transfer shall have occurred; and

(b) This Agreement (or counterparts thereof) shall have been executed by FTX, the Partnership and the Collateral Agent.

Notwithstanding that the foregoing conditions shall have been met, the Mortgage shall continue to secure the obligations of FTX (i) as guarantor of the Partnership Obligations under the Credit Agreement, and no longer as primary obligor under the FTX Notes, such FTX Notes having been exchanged for replacement notes of the Partnership, and (ii) as guarantor of the Pel-Tex Obligations in accordance with the Pel-Tex Agreements.

SECTION 7. Conditions to Effectiveness of Release Date. The release of FTX from all liability and obligations under the Mortgage incurred by reason of FTX having executed the Mortgage as Mortgagor shall be effective on and as of the date (the "Release Date") when all of the following conditions have been satisfied, and not before:

(a) the Mortgage shall have been duly recorded in each of the recording jurisdictions described in Exhibit A;

(b) The Assumption Date shall have occurred; and

(c) All approvals of any Governmental Authority necessary to make the Transfer valid or effective shall have been obtained.

Effective upon the Release Date, FTX shall be released from all liability and obligations under the Mortgage incurred by reason of FTX having executed the Mortgage as Mortgagor, and the Mortgage shall no longer secure any liability or obligations of FTX as Mortgagor to the Trustee, the Collateral Agent or the Lenders; provided however, notwithstanding the foregoing, FTX shall continue to have liability to the Lenders (i) as guarantor of the Partnership Obligations under the Credit Agreement and (ii) as guarantor of the Pel-Tex Obligations in accordance with the Pel-Tex Agreements.

SECTION 8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, except that the laws of the state in which a portion of the Mortgaged Property is located in, or offshore adjacent to, shall govern with respect to the procedural and substantive matters related to the creation, perfection and enforcement of the

liens, security interests and other rights and remedies of the Collateral Agent and the Trustee granted under the Mortgage as to that portion of the Mortgaged Property located in or offshore adjacent to such state.

SECTION 9. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which when taken together shall constitute but one instrument. This Agreement shall be effective with respect to FTX or the Partnership when a counterpart which bears its signature shall have been delivered to the Collateral Agent and the Trustee.

SECTION 10. Special State Law Provisions. (a) Special Louisiana Provisions.

(i) Insofar as any portion of the Mortgaged Property situated in or offshore the State of Louisiana is concerned, or as to which the laws of the State of Louisiana will be applicable, all rights, remedies and benefits granted to the Trustee under the Mortgage and this Agreement are intended and shall be construed as rights, remedies and benefits in favor of the Collateral Agent. This Agreement is being executed in authentic form by the Partnership and FTX in the presence of a notary public and two witnesses, and by the Collateral Agent in the presence of a notary public and two witnesses.

(ii) For purposes of executory process, the Partnership acknowledges the Indebtedness secured by the Mortgage, whether now existing or to arise hereafter, and confesses judgment thereon if not paid when due. Upon the occurrence of an Event of Default and any time thereafter so long as the same shall be continuing and in addition to all other rights and remedies granted the Collateral Agent under the Mortgage, it should be lawful for and the Partnership hereby authorizes the Collateral Agent without making a demand or putting the Partnership in default, a putting in default being expressly waived, to cause all and singular the Mortgaged Property to be seized and sold after due process of law, the Partnership waiving the benefit of any and all laws or parts of law relative to the appraisalment of property seized and sold under executory process or other legal process, and consenting that the Mortgaged Property be sold without appraisalment, either in its entirety or in lots or parcels, as the Collateral Agent may determine, to the highest bidder for cash or on such other terms as the plaintiff in such proceedings may direct. The Collateral Agent shall be granted all of the rights and remedies granted it or the Trustee under the Mortgage as well as all rights and remedies



granted a secured party under Louisiana law including the Uniform Commercial Code then in effect in Louisiana.

(iii) The Partnership hereby waives (A) the benefit of appraisal provided for in Articles 2332, 2336, 2723 and 2724 of the Louisiana Code of Civil Procedure and all other laws conferring the same; (B) the demand and three days notice of demand as provided in Articles 2629 and 2721 of the Louisiana Code of Civil Procedure; (C) the notice of seizure provided by Articles 2293 and 2721 of the Louisiana Code of Civil Procedure; and (D) the three days delay provided for in Articles 2331 and 2722 of the Louisiana Code of Civil Procedure.


(iv) The Partnership does declare that attached hereto as Schedule 1 and made a part hereof is a certified copy of resolutions adopted by the transaction committee duly appointed by the Board of Directors of the corporate managing general partner of the Partnership authorizing the execution and delivery of this Agreement.

IN WITNESS WHEREOF, the Partnership and FTX have caused this Agreement to be executed by their duly authorized officers, in the presence of the undersigned witnesses and Notary Public, on this 11th day of June, 1992, pursuant to due authority, but effective June 11, 1992.

WITNESSES:

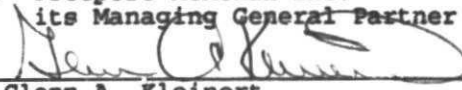



FREEPORT-MCMORAN INC.

By 
Glenn A. Kleinert
Senior Vice President
Freeport-McMoRan Oil & Gas Company
Division of Freeport-McMoRan Inc.

FM PROPERTIES OPERATING CO.

By: Freeport-McMoRan Inc.
its Managing General Partner

By 
Glenn A. Kleinert
Senior Vice President
Freeport-McMoRan Oil & Gas Company
Division of Freeport-McMoRan Inc.



NOTARY PUBLIC

IN WITNESS WHEREOF, the Collateral Agent has caused this Agreement to be executed by its duly authorized officer, in the presence of the undersigned witnesses and Notary Public, on this tenth day of June, 1992, pursuant to due authority, but effective the eleventh day of June, 1992.

WITNESSES:

CHEMICAL BANK, as Mortgagee
and Collateral Agent,

Matthew N. Kaplan
[Signature]

by

Mary Jo Woodford
Name: Mary Jo Woodford
Title: Vice President

STATE OF NEW YORK,)
) ss.:
COUNTY OF NEW YORK,)

On the tenth day of June 1992 before me personally came MARY JO WOODFORD, to me known, who, being by me duly sworn did depose and say that she resides at 270 Park Avenue, New York, NY 10017; that she is a Vice President of Chemical Bank, the corporation described in and which executed the above instrument; that she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed pursuant to the authority of the Board of Directors of the above corporation; and that she signed her name thereto pursuant to like authority.

[Notarial Seal]

Olive M. Hubbard
Notary Public

OLIVE M. HUBBERT
Notary Public, State of New York
No. 41-483867
Qualified in Queens County
Certificate Filed in New York County
Commission Expires June 30, 1993

IN WITNESS WHEREOF, the Trustee has executed this Agreement, in the presence of the undersigned witnesses and Notary Public, on this tenth day of June, 1992, pursuant to due authority, but effective the eleventh day of June, 1992.

WITNESSES:

MARY JO WOODFORD, as Trustee,

by

J. DeMunberg
Matthew N. Kaplan

Mary Jo Woodford

STATE OF NEW YORK,)
) ss.:
COUNTY OF NEW YORK,)

On the tenth day of June 1992 before me personally came MARY JO WOODFORD, to me known, who, being by me duly sworn did depose and say that she resides at 270 Park Avenue, New York, New York 10017; that she is a Vice President of Chemical Bank, the corporation described in and which executed the above instrument; and that she signed her name thereto pursuant to like authority.

Olive M. Libbert
Notary Public

[Notarial Seal]

OLIVE M. LIBBERT
Notary Public, State of New York
No. 41-4838567
Qualified in Queens County
Certificate Filed in New York County
Commission Expires June 30, 1993

STATE OF LOUISIANA)

) ss.:

PARISH OF ORLEANS)

BE IT REMEMBERED that I, Thomas L. DeGenova, a Notary Public, duly qualified, commissioned, sworn and acting in and for the parish aforesaid, hereby certify that, on June 11, 1992, there personally appeared before me, the following person, being the designated officer of the corporation and partnership set opposite his name, and such corporation and partnership each being a party to the foregoing instrument:

Glenn A. Kleinert, the Senior Vice President of Freeport-McMoRan Oil & Gas Company Division of Freeport-McMoRan Inc., the Managing General Partner of FM Properties Operating Co., a Delaware partnership, whose address is 1615 Poydras Street, New Orleans, Louisiana 70112; and

Glenn A. Kleinert, the Senior Vice President of Freeport-McMoRan Oil & Gas Company Division of Freeport-McMoRan Inc., a Delaware corporation, whose address is 1615 Poydras Street, New Orleans, Louisiana 70112.

California

Before me personally appeared such person, known to me to be the designated officer of the corporation set opposite his name, the corporation that executed the within instrument, and such person also known to me to be the person who executed the within instrument on behalf of the corporation set opposite his name in its corporate capacity and in its capacity as managing general partner of said partnership, and such person acknowledged to me that the corporation set opposite his name executed the within instrument pursuant to the by-laws or resolution of the board of directors of said corporation and on behalf of said partnership pursuant to its articles of partnership.

Colorado

The foregoing instrument was acknowledged before me this day by the designated officer of said corporation in its corporate capacity and in its capacity as the managing general partner of said partnership.

Louisiana

Who did declare that he is the designated officer of the corporation set opposite his name, known to me to be the person whose name is subscribed to the foregoing instrument, and

acknowledged to me that he executed the same for the purposes and considerations therein expressed, in the capacities therein stated, and as the free act and deed of said corporation and said partnership.

Montana

Who acknowledged to me that such corporation executed the foregoing instrument in its corporate capacity and in its capacity on behalf of said partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and official notarial seal, in the City of New Orleans, Parish of Orleans, State of Louisiana, this 11th day of June, 1992.



Notary Public, State of Louisiana

My Commission Expires: at death

EXHIBIT A

Recording Jurisdiction

Recording Records

California:

Kern County

Mortgage Records

Colorado:

Yuma County

Real Estate Records

**Bureau of Land
Management, Colorado
State Land Office**

**Photocopy first page of
Mortgage and portion of Exhibit A
for each federal Hydrocarbon Lease
to be filed in the lease file for
each such Hydrocarbon Lease**

**Board of La
Commissioners
Department of Natural
Resources, State of
Colorado**

**Copy of Mortgage and portion of
Exhibit A for each state
Hydrocarbon Lease to be filed
in the lease file for each
such Hydrocarbon Lease**

Louisiana:

**Cameron Parish
Plaquemines Parish
Vermilion Parish**

**Mortgage and Conveyance Records
Mortgage and Conveyance Records
Mortgage and Conveyance Records**

**Louisiana State Mineral
Board**

Present Mortgage for approval

**Minerals Management
Service, Department of
the Interior, OCS Gulf
of Mexico Region**

**File Mortgage in the lease record
files for each OCS Lease**

Montana:

**Phillips County
Clerk & Recorder**

Mortgage Records

**Valley County
Clerk & Recorder**

Mortgage Records

Fort Belknap Agency

**File Mortgage with Bureau of
Indian Affairs Fort
Belknap Agency Office**

EXHIBIT A (Continued)

A photocopy of the Mortgage is annexed and included within this Exhibit A.

**MORTGAGE, DEED OF TRUST, SECURITY AGREEMENT,
ASSIGNMENT OF PRODUCTION AND PROCEEDS AND LEASES
AND RENTS, FIXTURE FILING AND FINANCING STATEMENT**

FREEPORT-MCMORAN INC.

TO

Mary Jo Woodford, the Trustee,

and

CHEMICAL BANK, as the Collateral Agent

Dated June 11, 1992

"THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS."

"A POWER OF SALE HAS BEEN GRANTED IN THIS INSTRUMENT, A POWER OF SALE MAY ALLOW TRUSTEE TO TAKE THE MORTGAGED PROPERTY AND SELL IT WITHOUT GOING TO A COURT IN A FORECLOSURE ACTION UPON DEFAULT BY THE MORTGAGOR UNDER THIS INSTRUMENT."

"THIS INSTRUMENT SECURES PAYMENT OF FUTURE ADVANCES."

"THIS INSTRUMENT SHALL BE EFFECTIVE AS, AMONG OTHER THINGS, A SECURITY AGREEMENT AND FINANCING STATEMENT UNDER THE UNIFORM COMMERCIAL CODE. COLLATERAL INCLUDES, AMONG OTHER PROPERTY, FIXTURES AND OIL AND GAS AND ACCOUNTS ATTRIBUTABLE TO THE SALE THEREOF TO BE FINANCED AT THE WELLHEAD(S) OF THE WELL() LOCATED ON THE LANDS DESCRIBED OR TO WHICH REFERENCE IS MADE IN THIS INSTRUMENT."

**MORTGAGE, DEED OF TRUST, SECURITY AGREEMENT,
ASSIGNMENT OF PRODUCTION AND PROCEEDS AND LEASES
AND RENTS, FIXTURE FILING AND FINANCING STATEMENT**

THIS MORTGAGE, DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF PRODUCTION AND PROCEEDS AND LEASES AND RENTS, FIXTURE FILING AND FINANCING STATEMENT (the "Mortgage"), dated as of June 11, 1992, by Freeport-McMoRan Inc., a Delaware corporation (the "Mortgagor" or "FTX"), having an address at 1615 Poydras Street, New Orleans, Louisiana 70112, to Chemical Bank, a New York banking corporation having an address at 270 Park Avenue, New York, New York 10017, as agent (in such capacity, the "Collateral Agent") for the Lenders (as hereinafter defined) and Mary Jo Woodford, having an address at 270 Park Avenue, New York, New York 10017 (the "Trustee").

Recitals

The Mortgagor is giving this Mortgage pursuant to, and to secure obligations of the Mortgagor under (i) the Credit Agreement dated as of June 11, 1992, as it may be amended and in effect from time to time (the "FM Credit Agreement"), among the Mortgagor, FM Properties Operating Co., the banks named therein (the "FM Lenders") and Chemical Bank, as agent for the FM Lenders (the "FM Agent"), pursuant to which, upon the terms and conditions therein stated, the FM Lenders have agreed to extend credit to the Mortgagor in order to enable it to borrow on a revolving credit basis at any time and from time to time prior to May 31, 1996, not in excess of Four Hundred Ten Million Dollars (\$410,000,000.00) at any one time outstanding, convertible on such date into a three year term loan, and (ii) the Note Agreement dated as of December 31, 1985, among FMP Operating Company, a Limited Partnership, to which the Mortgagor succeeds in interest, as purchaser, and Pel-Tex Oil Company, Inc., Chenier Oil Company, Inc., Burke and Pel-Tex Oil Company, Inc., doing business as Burmont Company, Earl P. Burke, Jr. and Fay Stouder Burke (collectively, the "Burke Parties"), as amended, and as it may be amended and in effect from time to time, and the subsequent assignment of the note under the Note Agreement as collateral security to certain banks (the "Pel-Tex Bank Lenders") (collectively the Note Agreement and the assignment thereof referred to as the "Pel-Tex Agreements").

In order to provide for the orderly distribution of the proceeds of the Mortgaged Property subject to this Mortgage, pursuant to both the FM Credit Agreement and the Pel-Tex Agreements, the FM Lenders, acting through the FM Agent, the Pel-Tex Bank Lenders, acting through Hibernia National Bank, as agent (the "Pel-Tex Agent") and the Burke Parties have entered into an

intercreditor agreement (the "FM Intercreditor Agreement"). Pursuant to the FM Intercreditor Agreement, the Collateral Agent is authorized, on behalf of the lenders party to the FM Intercreditor Agreement (as defined therein and herein, the "Lenders"), to dispose of, and distribute the proceeds of, the assets of the Mortgagor pledged as collateral (the "Shared Collateral"), which includes the Mortgaged Property, on the terms and conditions as set forth in the FM Intercreditor Agreement.

W I T N E S S E T H :

NOW, THEREFORE, for and in consideration of the premises and as security for the payment and performance of the Indebtedness (as hereinafter defined), and upon and subject to the terms and conditions hereinafter set forth, the Mortgagor does hereby convey, assign, grant, bargain, sell, mortgage, transfer, hypothecate, grant a security interest in and convey unto the Trustee, for the use and benefit of the Collateral Agent, on behalf of the Lenders, all of the Mortgagor's right, title, interest, claim and demand, whether now owned or hereafter acquired by operation of law or otherwise (and even though the Mortgagor's interest therein may be incorrectly described in, omitted from or not described in Exhibit A hereto) in, to and under:

(a) those certain oil, gas and mineral leases including subleases and assignments of operating rights (the "Hydrocarbon Leases") identified in Exhibit A attached hereto and made a part hereof, and the leasehold interests created thereby (collectively the "Leasehold Estates" and individually a "Leasehold Estate") in the real property described in the Hydrocarbon Leases as being affected thereby (the "Leased Land"), and all other mineral rights, overriding royalties, production payments, net profits agreements, royalties and other mineral interests identified in Exhibit A (the "Mineral Interests"), together with (i) all real estate located on, or used in connection with, the Mineral Interests or the Leased Land, (ii) all amendments, modifications, extensions and renewals thereof, (iii) all rights, interests, powers, privileges, options and other benefits of the Mortgagor under the Hydrocarbon Leases or the Mineral Interests and any other agreement or instrument creating or containing any such other rights or interests with respect to the Leasehold Estates or the Mineral Interests, (iv) all credits, deposits, options, privileges and rights of the Mortgagor under the Hydrocarbon Leases or the Mineral Interests, (v) the right to give consents and to receive money payable to the lessees under the Hydrocarbon Leases, (vi) any options to renew or purchase and any rights of first refusal to lease or

purchase with reference to the foregoing, and (vii) all royalty interests, overriding royalty interests, production payment interests and net profits interests covering or relating to the Leased Land (the term "Leased Land" as used herein includes without limitation the land specifically described in Exhibit A and all land described in or covered by the oil and gas leases and other documents described in Exhibit A hereto whether or not such land is specifically described in Exhibit A hereto);

(b) the crude oil, condensate, natural gas, natural gas liquids, casinghead gas and petroleum products and other solid, liquid or gaseous hydrocarbons and other associated or related substances (the "Hydrocarbons") which are in, under, upon, attributable to, produced or to be produced from the Leased Land or the Mineral Interests, and owned or leased by the Mortgagor, subject to any matters listed in Exhibit A (the "Hydrocarbon Reserves");

(c) all inventory of the Hydrocarbon Reserves now or hereafter extracted, removed, or severed from or attributable to the Leased Land or the Mineral Interests, subject to any matters listed in Exhibit A; provided, however, that so long as no Event of Default under any of the Credit Documents shall have occurred and be continuing, such Hydrocarbon Reserves may be sold by the Mortgagor in the ordinary course of its business, free of any lien or security interest created by this Mortgage;

(d) all accounts now or hereafter resulting from the sale of the Hydrocarbon Reserves produced at the wellhead or minehead, and all other accounts, contract rights, operating rights, general intangibles, chattel paper, documents and instruments arising from the sale of the Hydrocarbon Reserves;

(e) all unitization, communitization, operating agreements, pooling agreements and declarations of pooled units and the properties covered and the units created thereby (including all units formed under orders, regulations, rules or other official acts of any federal, state or other governmental agency providing for pooling or unitization, spacing orders or other well permits and other instruments) now or hereafter entered into which relate to or affect all or any portion of the Leased Land or the Mineral Interests, including, without limitation, those units which may be specifically described or referred to in Exhibit A;

(f) all equipment leases, production sales, purchase, exchange or processing agreements, transportation agreements, farmout or farmin agreements, saltwater disposal agreements, area of mutual interest agreements and other contracts or agreements now or hereafter entered into that cover, affect, or otherwise relate to the Leased Land or the Mineral Interests, or to the operation of the Leased Land or the Mineral Interests, or to the treating, handling, storing, transporting or marketing of Hydrocarbons produced from or allocated or attributed to the Leased Land or the Mineral Interests, including, without limitation, those contracts and agreements listed in Exhibit A hereto, as the same may be amended or supplemented from time to time;

(g) all surface or subsurface machinery, equipment, fixtures, improvements or other property of whatsoever kind or nature hereafter located on or under any of the Leased Land or the Mineral Interests, which are used or useful for the production, treatment, storage or transportation of Hydrocarbons, or attached to, or contained in connection with the operation or ownership of the Leased Land or the Mineral Interests, including, but not by way of limitation, (x) all oil wells, gas wells, water wells, injection wells, casing, tubing, rods, pumping units and engines, Christmas trees, derricks, separators, heater treaters, valves, gun barrels, flow lines, tanks, gas systems and compressors (for gathering, treating and compression), water systems (for treating, disposal and injection), pipelines (including gathering lines, laterals and trunklines, if any), power plants, poles, lines, transformers, starters and controllers, machine shops, tools, storage yards and equipment stored therein, buildings and camps, telegraph, telephone and other communication systems, roads, loading racks and shipping facilities, and (y) all screens, awnings, shades, blinds, curtains, draperies, artwork, carpets, rugs, storm doors and windows, furniture and furnishings, heating, electrical, and mechanical equipment, lighting, switchboards, plumbing, ventilating, air conditioning and air-cooling apparatus, refrigerating, and incinerating equipment, escalators, elevators, loading and unloading equipment and systems, stoves, ranges, laundry equipment, cleaning systems (including window cleaning apparatus), telephones, communication systems (including satellite dishes and antennae), televisions, computers, sprinkler systems and other fire prevention and extinguishing apparatus and materials, security systems, motors, engines, machinery, pipes, pumps, tanks, conduits, appliances, fittings and fixtures of every kind and description;

(h) all general intangibles, accounts and other rights to payment under any and all contracts, now or hereafter arising, under which the Mortgagor is entitled to share in the production from, or the proceeds of, the Leased Land or the Mineral Interests, or any oil and/or gas wells located thereon, whether operated by the Mortgagor or others, including, without limitation, operating agreements, revenue sharing agreements and other similar or dissimilar agreements;

(i) all minerals underlying the Leased Land or the Mineral Interests;

(j) all permits, licenses, easements, servitudes, rights-of-way, sewer and water rights, railroad sidings, and other interests and rights-of-way of every character in any way relating or appertaining to any of the Leased Land or the Mineral Interests;

(k) all permits, franchises, privileges, grants, consents, licenses, authorizations, certificates of public convenience and necessity, approvals and water rights with respect to the Mortgaged Property, as hereafter defined, hereafter granted to the Mortgagor, and in and to all amendments, supplements, modifications, extensions and renewals of any thereof (except the right, title and interest of the Mortgagor in and to any such permit, franchise, privilege, grant, consent, license, authorization, approval or water right which is not freely assignable by the Mortgagor or is assignable only upon the assumption of one or more obligations thereunder by the assignee), subject in each case to all the terms, conditions and provisions of each of such permits, franchises, privileges, grants, consents, licenses, authorizations, approvals and water rights, but only to the extent permitted by law and by the instrument, if any, by which they were granted;

(l) all tenements, hereditaments and appurtenances belonging or in any way appertaining to the aforementioned premises, property rights and franchises, and all the rents, issues and profits thereof;

(m) all right, title, interest, property, claim and demand of the Mortgagor, if any, in and to the land lying in the bed of any street, road, avenue, alley, in front of or adjoining the Leased Land and in and to gores and strips of land adjacent to or adjoining the Leased Land;

(n) all proceeds of the conversion, whether voluntary or involuntary, of any of the Leased Land, the Mineral Interests or the Leasehold Estates or any other of the property, real or personal, subjected to the lien hereof and the security interest granted hereby into cash or other liquid claims, including, without limitation, all awards, payments or proceeds, including interest thereon, and the right to receive the same, which may be made as the result of any casualty, any exercise of the right of eminent domain or deed in lieu thereof, the alteration of the grade of any street and any injury to or decrease in the value of the Leased Land, the Mineral Interests or the Leasehold Estates, together with attorney's fees, costs and disbursements incurred by the Trustee or the Collateral Agent in connection with the collection of such awards, payments and proceeds and the Mortgagor agrees to execute and deliver, from time to time, such further instruments as may be requested by the Trustee or the Collateral Agent to confirm such assignment of any such award, payment or proceeds; and

(o) the proceeds and products of the foregoing, together with any additions thereto, substitutions therefor and proceeds and products thereof which may be subjected to the lien of this instrument by means of supplements hereto, and all corrections or amendments to, or renewals, extensions or ratifications of, any of the same, or of any instruments relating thereto.

All of the Mortgagor's right, title, interest, claim and demand, whether now owned or hereafter acquired in, to and under (a) through (o) above are hereinafter collectively called the "Mortgaged Property", subject, however, to the condition that neither the Trustee nor the Collateral Agent shall be liable in any respect for the performance of any covenant or obligation of the Mortgagor in respect of its Mortgaged Property.

TO HAVE AND TO HOLD the Mortgaged Property unto the Trustee, its successor(s) and assigns, IN TRUST to secure the payment and performance of all indebtedness, obligations and liabilities of the Mortgagor now or hereafter arising under or pursuant to the Credit Documents (as hereinafter defined) (collectively, the "Indebtedness"), including, but not limited to (i) the aggregate principal amount of the loans at any one time outstanding under the Credit Documents, but not in excess of the aggregate principal sum of Four Hundred and Eighty-Four Million Dollars (\$484,000,000), including the principal amount of any loans and advances hereafter made under the Credit Documents and any and all additional indebtedness and other obligations and liabilities now existing and hereafter arising under the Credit Documents, as evidenced by notes (the "Notes") made by the Mortgagor, to the FM

Lenders and the Burke Parties, and payable to each of them at their respective addresses, (ii) FTX's guarantee of the Partnership Obligations to the FM Lenders and the FM Agent under FM Credit Agreement, (iii) FTX's guarantee of the Pel-Tex Obligations to the Pel-Tex Lenders in connection with the Pel-Tex Agreements, (iv) interest (which interest may vary from time to time in accordance with the terms of the Credit Documents) from the date any outstanding balance thereof remains from time to time unpaid, (v) all fees, indemnities and reimbursement of costs or expenses and other amounts as may be owed to the Collateral Agent or the Lenders under the Credit Documents, and (i) any costs, expenses or other sums advanced by the Trustee or the Collateral Agent under the terms of the Credit Documents or this Mortgage. For purposes of this Mortgage, "Credit Documents" shall mean, as amended from time to time, the FM Credit Agreement, the Pel-Tex Agreements, any notes issued pursuant to any of the foregoing and any other documents heretofore or hereafter entered into pursuant to any of the foregoing, including, but not limited to, this Mortgage. All capitalized terms used herein but not defined herein shall have the meaning assigned such term in the FM Credit Agreement.

Insofar as such properties, rights and interests described in (a) through (o), inclusive, above consist of equipment, general intangibles, accounts, chattel paper, instruments, contract rights, inventory, fixtures, goods, proceeds or products of collateral (as such terms are defined in the Uniform Commercial Code as in effect in the appropriate jurisdiction with respect to each of said properties, rights and interests) (the "Uniform Commercial Code") or any other personal property of a kind or character subject to the applicable provisions of the Uniform Commercial Code, the Mortgagor hereby grants to the Collateral Agent for the benefit of the Lenders a security interest therein to secure the payment and performance of the Indebtedness.

If not sooner paid, the Indebtedness shall be due and payable on May 31, 1999.

And the Mortgagor further covenants and agrees with, and represents and warrants to, the Trustee and the Collateral Agent as follows:

ARTICLE 1. Covenants, Warranties and Agreements. The Mortgagor represents and warrants to the Trustee and the Collateral Agent as follows:

(a) The Mortgagor will promptly and at its expense, record, register, deposit and file this and every other instrument in addition or supplemental hereto, including, without limitation, continuation statements

(except to the extent the Uniform Commercial Code requires such statements to be filed by the secured party), in such offices and places and at such times and as often as may be necessary to preserve, protect and renew the lien and security interest hereof as a perfected lien and security interest on real or personal property as the case may be and the rights and remedies of the Trustee and the Collateral Agent hereunder, and otherwise will do and perform all reasonable things necessary to be done or observed by reason of any law or regulation of any state of the United States or of any other competent authority having jurisdiction over the Mortgaged Property for the purpose of effectively creating, maintaining and preserving the lien and security interest hereof on the Mortgaged Property.

(b) The Mortgagor will execute and deliver such other and further instruments and will do such other and further acts as in the opinion of the Trustee or the Collateral Agent may be reasonably necessary or desirable to carry out more effectually the purposes of this instrument, including, without limitation, prompt correction of any defect which may hereafter be discovered in the execution and acknowledgment of this instrument, the Credit Documents, any of the Notes, or any other document used in connection herewith.

(c) The Mortgagor will timely execute, deliver and properly record such supplemental deeds of trust or modification agreements as may be required under the laws of any state where the Mortgaged Property is located.

ARTICLE 2. Leasehold Estates. The Mortgagor covenants that:

(a) The Mortgagor will at all times promptly comply with and faithfully keep and perform, or cause to be kept and performed, in all material respects, all the covenants and provisions contained in the Hydrocarbon Leases and the Mortgagor will neither affirmatively do nor cause or suffer to be done anything which will impair or tend to impair the security hereof, or which will or could be grounds for declaring a forfeiture or termination of the Hydrocarbon Leases, except to the extent that a prudent operator in this business would do otherwise. The Mortgagor will notify the Collateral Agent promptly in writing after learning of any condition that with or without the passage of time or the giving of any notice might result in a default under or the termination of a Hydrocarbon Lease to which it is a party. The Mortgagor shall pay the rents, taxes, assessments and all

other sums payable by the Mortgagor as lessee under the Hydrocarbon Leases, according to the terms thereof, as the same shall become due and payable or prior to the time a penalty attaches for nonpayment thereof in the case of taxes, assessments and similar charges. The Mortgagor shall not default in any other particular under a Hydrocarbon Lease.

(b) Except to the extent that a prudent operator in this business would do so, the Mortgagor will not modify, extend (except for the renewal rights set forth therein), or in any way alter the material terms of a Hydrocarbon Lease or cancel or surrender a Hydrocarbon Lease, or waive, excuse, condone, or in any way release or discharge a lessor thereunder of or from any material obligations, covenants, conditions and agreements to be performed by such lessor, without the prior written consent of the Collateral Agent.

(c) The Mortgagor will not subordinate or consent to the subordination of a Hydrocarbon Lease to any mortgage, security deed, deed of trust, lease or other interest on or in the lessee's interest in all or any part of the property covered by such Hydrocarbon Lease, without the prior written consent of the Collateral Agent, or unless the same shall be expressly required by mandatory provisions of applicable law or by the express terms and provisions of such Hydrocarbon Lease.

(d) Without the prior written consent of the Collateral Agent, the Mortgagor will not permit the fee title to the Leased Land or any material part thereof to merge with the Leasehold Estates created by the Hydrocarbon Leases, but shall always keep such estates separate and distinct notwithstanding the union of such estates whether in the lessors under the Hydrocarbon Leases or in the Mortgagor or in a third party, by purchase or otherwise; and in case the Mortgagor acquires the fee title or any other additional estate, title or interest in the Leased Land, this Mortgage shall attach to, and be a lien upon, the fee title or such other estate so acquired, and such fee title or other estate shall, without further assignment, mortgage or conveyance, become and be subject to the lien of this Mortgage. The Mortgagor shall notify the Collateral Agent of any such acquisition by the Mortgagor and, on written request by the Collateral Agent, shall cause to be executed and recorded such other and further assurances or other instruments as may in the opinion of the Collateral Agent be required to carry out the intent and meaning hereof.

(e) If a Hydrocarbon Lease is for any reason terminated prior to the expiration of its term and the Mortgagor does

not contest such termination, and if pursuant to any provision of such Hydrocarbon Lease or otherwise, the Collateral Agent or its designee shall acquire from the lessor thereunder a new lease of the property covered by such Lease, the Mortgagor shall have no right, title or interest in or to such new lease or the leasehold estate created thereby.

(f) The Mortgagor will promptly give notice to the Collateral Agent of any notice, communication, or other instrument or document received or given by it in connection with, related to or affecting a claim or alleged claim of a material default by either lessor or lessee under a Hydrocarbon Lease to which it is a party.

(g) No release or forbearance of any of the Mortgagor's obligations under a Hydrocarbon Lease, pursuant to such Hydrocarbon Lease or otherwise, shall release the Mortgagor from any of its obligations hereunder.

(h) Except to the extent that a prudent operator in this business would not do so, the Mortgagor will defend the Leasehold Estates created under the Hydrocarbon Leases to which it is a party for the entire remainder of the terms set forth therein, against each and every person or persons lawfully claiming, or who may claim the same or any part thereof.

(i) Unless otherwise consented to by the Collateral Agent, not later than thirty (30) days before the last day thereunder on which the same may be performed, the Mortgagor will exercise its option, if any, to obtain from the applicable lessor a renewal of the term of each material Hydrocarbon Lease for the respective renewal term permitted and will deliver to the Collateral Agent a copy of the notice of its exercise of said option, together with proof of the mailing thereof to the lessor as required by the applicable Hydrocarbon Lease; provided, however, that this paragraph (i) shall not apply to renewal terms which automatically renew without action by lessor or lessee.

ARTICLE 3. Representations and Warranties Regarding Hydrocarbon Leases. The Mortgagor represents and warrants that:

(a) on the date of the execution and delivery of this Mortgage it has not received notice of termination of any Hydrocarbon Leases or of any default on the part of the lessee thereunder which has not been cured or waived, and to its knowledge, no such default has occurred and is continuing, other than immaterial defaults which are curable

at commercially acceptable costs and which do not give the lessor the right to cancel or terminate such Hydrocarbon Lease;

(b) subject to the provisions of ARTICLE 4 (c), each Hydrocarbon Lease (i) is a valid and subsisting lease of the Leased Land therein described and for the term therein set forth and is in full force and effect in accordance with the terms thereof and has not been modified in any material respect; and (ii) subject to the qualification set forth below as to the titles of lessors under the Hydrocarbon Leases, each Hydrocarbon Lease and each Leasehold Estate is free and clear of all encumbrances other than that created hereby, and that to the best of Mortgagor's knowledge there are not existing defaults by the lessors or lessees thereunder;

(c) The Mortgagor is the owner and holder of the Hydrocarbon Leases and of the Leasehold Estates created thereby as set forth in Exhibit A; and

(d) the Mortgagor has full and lawful power and authority to execute this Mortgage and this Mortgage has been duly authorized by the Mortgagor and lawfully executed and delivered in conformity with the Hydrocarbon Leases.

Notwithstanding the foregoing, Mortgagor makes no representations or warranty with respect to the lessor's title to any Leased Land held under any Hydrocarbon Lease, except that prior to acquiring each Hydrocarbon Lease, the Mortgagor obtained title information or representations with respect thereto sufficient in its opinion to justify such acquisition. The Mortgagor knows of no adverse claim or defect in any lessor's claim to any Leased Land which may materially interfere with the rights of the Mortgagor under the Hydrocarbon Leases.

ARTICLE 4. Additional Covenants, Representations, Warranties and Agreements. The Mortgagor represents and warrants to the Collateral Agent as follows:

(a) All of the representations, warranties and covenants of the Mortgagor contained in the Credit Documents are, and shall at all times provided for therein continue to be, true and correct in all material respects.

(b) Exhibit A contains, in all material respects, a complete and accurate description of the Mortgaged Property, legally sufficient to support the lien of this Mortgage and to enable subsequent purchaser or mortgagee to identify and

establish the Mortgagor's title or other interest in and to the Mortgaged Property.

(c) The Mortgagor warrants that (i) except as set forth in ARTICLE 2 and Exhibit A, attached hereto and made a part hereof, it has good and defensible title to each property, right or interest constituting the Mortgaged Property, free from all encumbrances or liens whatsoever, except (x) as set forth in Schedule A, (y) liens for taxes, assessments or other governmental charges or levies not yet due and payable or which can be paid without penalty, and (z) such imperfections of title and encumbrances, if any, as do not detract from the value of, or interfere with the present or intended use of, such Mortgaged Property and which are not material to the Mortgagor; (ii) except as set forth on Schedule A hereto, it has done no act to encumber the Mortgaged Property; (iii) it has the legal right to grant and convey its Mortgaged Property to the Collateral Agent for the benefit of the Collateral Agent and the Lenders, and (iv) except as set forth in clause (i) above, and except for such portions of the Mortgaged Property as to which perfection requires noting the security interest on a certificate of title, upon recordation hereof in the appropriate offices, this instrument will create and grant to the Collateral Agent a valid and perfected first and prior lien on and security interest in the Mortgaged Property.

(d) The Mortgagor represents that (i) the portion of the Mortgaged Property consisting of goods which are or will become fixtures is and will be located on the real property described in this Mortgage, (ii) the portion of the Mortgaged Property which consists of oil or gas as to which the security interest created by this Mortgage is intended to attach upon extraction will be produced from wells located upon the real property described in this Mortgage, and (iii) the portion of the Mortgaged Property consisting of accounts resulting from the sale of oil or gas at the well head will relate only to oil or gas produced from wells located on said property.

(e) The Mortgagor represents that there are of record no liens, security interests, charges or encumbrances on the Mortgaged Property, except as listed on Schedule A.

(f) The Mortgagor represents that except as listed on Schedule A none of the Mortgaged Property consists of operating agreements under which other parties are operating portions of the Mortgaged Property for the joint account of all leasehold owners. To the extent that any portion of the Mortgaged Property does consist of operating agreements, the

Mortgagor, as a nonoperating party to such agreements, represents that, to the extent that such agreements (i) grant the operator any liens upon the interests of the Mortgagor, (ii) permit the operator to receive the Mortgagor's share of production proceeds, (iii) require the Mortgagor to share in the reimbursement of the operator for amounts not contributed by other parties to the agreements, (iv) contain non-consent provisions which can operate to increase or decrease the interests of parties thereto, (v) contain other provisions which could affect the rights of the parties under the Credit Documents, and (vi) in any other way impose any obligation or expense on the Mortgagor, the effect of the operating agreements on the condition, financial or otherwise, of the Mortgagor is not material.

(g) The Mortgagor represents that the Mortgagor has and will as needed obtain all necessary routine operating or other routine licenses or permits which may be required in the course of the Mortgagor's performance under this Mortgage.

(h) The Mortgagor will promptly and at its expense, record, register, deposit and file this and every other instrument in addition or supplemental hereto, including, without limitation, continuation statements (except to the extent the applicable Uniform Commercial Code requires such statements to be filed by the secured party), in such offices and places and at such times and as often as may be necessary to preserve, protect and renew the lien hereof as a first lien on real or personal property as the case may be (subject to the interests referred to in section (c)(i) of this ARTICLE 4) and the rights and remedies of the Collateral Agent, and otherwise will do and perform all reasonable things necessary to be done or observed by reason of any law or regulation of any state of the United States or of any other competent authority having jurisdiction over the Mortgaged Property for the purpose of effectively creating, maintaining and preserving the lien hereof on the Mortgaged Property.

(i) The Mortgagor will execute and deliver such other and further instruments and will do such other and further acts as in the reasonable opinion of the Collateral Agent may be reasonably necessary or desirable to carry out more effectually the purposes of this instrument, including without limitation prompt correction of any defect which may hereafter be discovered in the execution and acknowledgment of this instrument, the Credit Documents, any of the Notes, or any other document used in connection herewith. The Mortgagor will also execute, deliver and record such other

instruments and do such other acts as in the reasonable opinion of the Collateral Agent may be necessary or desirable to subject any after-acquired property to the lien of this Mortgage. For purposes of this section (i), "after-acquired property" shall mean that portion of the Mortgaged Property described in paragraphs (n) and (o) thereof.

(j) Except where prohibited by law, the Mortgagor will pay all taxes, assessments and governmental charges legally imposed by this instrument and every other instrument in addition or supplemental hereto or upon the Mortgaged Property or upon the interest of the Collateral Agent therein, or upon any royalties from the Mortgaged Property.

(k) So long as the Indebtedness, or any part thereof, remains unpaid, except to the extent a prudent operator in this business would not do so, the Mortgagor shall, at its own expense: (1) generally warrant and defend its interest in all and singular the Mortgaged Property in all material respects against every person whosoever now or at any time hereafter lawfully claiming or to claim the same or any part thereof; (ii) do all reasonable things necessary to keep unimpaired in any material respect its rights in the Mortgaged Property; and (iii) cause the Mortgaged Property to be kept free and clear of liens, charges and encumbrances of every character, except as otherwise permitted hereunder or by the provisions of the Credit Documents.

(l) The Mortgagor warrants that, to the best of its knowledge and belief, no approval or consent of any regulatory or administrative commission or authority, or of any other governmental body, is necessary to authorize the execution and delivery of this instrument, or to authorize the observance or performance by the Mortgagor of the covenants herein contained.

(m) The Mortgagor will permit the Trustee or the Collateral Agent, at any reasonable time, but at the risk and expense of the Trustee or the Collateral Agent, as the case may be, (i) to enter upon the Mortgaged Property, and all parts thereof, for the purpose of investigating and inspecting the condition and operation thereof, and (ii) upon the reasonable request of the Trustee or the Collateral Agent or the agents of any of them, to inspect and make excerpts from all the books and records of the Mortgagor relating to the Mortgaged Property.

(n) The Mortgagor will timely execute, deliver and properly record such supplemental deeds of trust or

modification agreements as may be required under the laws of the jurisdiction in which the property is located.

(o) The Mortgagor will promptly give written notice to the Collateral Agent if the title to the Mortgaged Property or any material part thereof or the security interest created hereby thereon shall be in danger of being forfeited, or shall be attached directly or indirectly, or if any material adverse claim or demand is made with respect thereto, or if any material adverse governmental action is taken with respect thereto or if any material legal proceedings are instituted against the Mortgagor or the Lenders with respect thereto, and exert itself diligently to cure any material defect that may be developed or claimed and take all necessary and proper steps for the protection and defense thereof and take such action as is reasonably appropriate to the defense of any such legal proceedings, including, but not limited to the employment of counsel, the prosecution and defense of litigation and the compromise or release and discharge of any adverse claims made, all to the extent that a prudent operator in this business would take. If the Collateral Agent shall deem it necessary or expedient, the Mortgagor hereby authorizes the Collateral Agent, at the Mortgagor's expense, to take all additional steps deemed by the Collateral Agent, in the exercise of its reasonable judgment, as necessary or appropriate for the defense and protection of said title and security interests.

(p) The Mortgagor shall maintain its principal place of business and chief executive office, and the place where the Mortgagor keeps its books and records concerning the Mortgaged Property (including, without limitation, the records with respect to the proceeds of production from the other accounts and contract rights), at the address set forth in the introduction to this Mortgage or at such address as the Mortgagor shall from time to time give notice of to the Collateral Agent.

ARTICLE 5. Environmental Provisions. The Mortgagor represents, warrants, covenants and agrees that it will:

(a) Use due diligence not to permit (except in compliance with all laws, ordinances and administrative directives pertaining thereto), any toxic or hazardous materials or substances (including, without limitation, asbestos, chemicals, flammable explosives, radioactive materials, petroleum, and any by-products or derivatives thereof, and any substances defined as or included in the definitions of "hazardous substances", "hazardous waste", "hazardous materials", or "toxic substances" under any

Hazardous Materials Laws) ("Hazardous Materials") to be placed, held, located, released, transported, maintained in any manner so as to create a threat of release or disposed of on, under or at any of the Mortgaged Property if to do so could reasonably be expected to have material adverse effect on the value of the Mortgaged Property (a "Material Adverse Effect"). For purposes hereof the term "Hazardous Materials Laws" shall mean any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials or any directives, decrees, or administrative consent orders including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendment and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, the Federal Clean Water Act, the Federal Clean Air Act, the Toxic Substances Control Act, the Solid Waste Disposal Act, the Safe Drinking Water Act, the Occupational Safety and Health Act, any so-called "Superfund" or "Superlien" laws, and any law governing the transfer of contaminated property.

(b) Remove, at the Mortgagor's sole cost and expense, any Hazardous Materials on, under or at any of the Mortgaged Property and remediate, including ongoing monitoring, in accordance with accepted engineering practices and all applicable environmental laws, any and all environmental, health or safety conditions, including, but not limited to, soil and groundwater contamination, arising from or caused by the presence of Hazardous Materials on or under the Mortgaged Property, or by the migration of Hazardous Materials or contamination of any sort onto or under the Mortgaged Property if, as and when (i) any of such conditions or Hazardous Materials reasonably could be expected to result in a claim, lawsuit or order for the imposition of liability, individually or in the aggregate, in excess of \$8,000,000, against the Mortgagor, the Collateral Agent or the Trustee or (ii) such removal and remediation is required by a governmental authority under any legal requirement.

(c) Provide the Collateral Agent with written notice, within thirty (30) business days, of any of the following: (i) upon the Mortgagor obtaining knowledge (A) of any of the Mortgaged Property not being in compliance with all applicable legal requirements or (B) of each and any environmental, health or safety condition affecting any of the Mortgaged Property (including, without limitation, the presence of any actual or threatened release of Hazardous Materials), which in the case of (A) or (B) reasonably could be expected to result in the imposition of a liability, individually or in the aggregate, in excess of \$8,000,000

pursuant to the Hazardous Materials Laws or would otherwise have a Material Adverse Effect on the value of the Mortgaged Property and (ii) upon the Mortgagor's obtaining knowledge of the incurrence of any material cost or expense by any federal, state or local governmental authority in connection with the assessment, containment or removal of any Hazardous Materials or contamination at or from any of the Mortgaged Property by any such governmental authority, irrespective of the source of such Hazardous Materials.

(d) Upon reasonable request of the Collateral Agent after consultation with the Mortgagor, provide the Collateral Agent with an environmental site assessment report concerning any real property (which term, for purposes hereof, includes, without limitation, all fee estates, leasehold interests, easements and rights of way) forming part of the Mortgaged Property, prepared by the environmental consulting firm approved by the Collateral Agent indicating the presence or absence of an adverse environmental, health or safety condition (including the presence, release or disposal of Hazardous Materials) and the potential cost of any corrective removal or remedial action in connection with any such condition on such real property. The Collateral Agent, in its reasonable judgment, may order and the Mortgagor shall grant and hereby grants the Collateral Agent and any all of its agents access to such real property and specifically grants the Collateral Agent an irrevocable, nonexclusive license, subject to the rights of tenants (other than Affiliates of the Mortgagor), to undertake such an assessment, all at the Mortgagor's expense.

ARTICLE 6. The Trustee.

(a) The Trustee may execute any of his duties hereunder by or through his agents and shall be entitled to retain counsel and to act in reliance upon the advice of counsel concerning all matters pertaining to his duties hereunder. The Trustee shall be entitled to take, and shall only be required to take, any action which the Trustee is permitted to take hereunder or under any related agreement at the written or telegraphic request of the Collateral Agent.

(b) Neither the Trustee nor his agents shall be liable for any action taken or omitted to be taken by him or them in good faith, nor responsible for the consequences of any oversight or error of judgment or answerable for any loss unless the loss shall happen through his or their gross negligence or wilful misconduct. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms of this Mortgage by the

Mortgagor. The Trustee shall be entitled to rely upon any notice, consignment certificate, affidavit, letter, telegram, statement, paper or other document believed by him to be genuine and correct and to have been signed or sent by the proper person or persons and, in respect of legal matters, upon the opinion of counsel retained by him, the Collateral Agent or the Mortgagor. The Trustee shall not be personally liable in case of entry by him, or anyone entering by virtue of powers herein granted him, upon the Mortgaged Property or for debts contracted or liability or damages incurred in the management or operation of the Mortgaged Property except where caused by the gross negligence or wilful misconduct of the Trustee. The Mortgagor agrees to indemnify and hold harmless the Trustee (to the fullest extent permitted by law) from and against any and all claims, demands, losses, judgments and liabilities (including liabilities for penalties) of whatsoever nature and all related costs and expenses, including legal fees and disbursements, growing out of or resulting from the Mortgaged Property, or any part thereof, this instrument, the administration and enforcement or exercise of any right or remedy granted to the Trustee hereunder or the Trustee's service as the Trustee, except any claim, demand, loss, judgment or liability resulting from the Trustee's own gross negligence or wilful misconduct. In case any claim shall be made or action brought against the Trustee in respect of which indemnity shall be sought, the Mortgagor shall be entitled to participate at its own expense in the defense of any such claim or action or, if it so elects, at its own expense to assume the defense of such claim. In the event the Mortgagor assumes the defense of any such claim, such defense shall be conducted by counsel chosen by it and satisfactory to the Trustee. In the event the Mortgagor assumes the defense of any such claim, the Trustee shall thereafter bear the fees and expenses of any additional counsel retained by the Trustee. If the Mortgagor shall fail to do any act or thing which it has covenanted to do hereunder, the Trustee may (but shall not be obligated to) do the same or cause it to be done and there shall be added to the Indebtedness the cost or expense incurred by the Trustee in so doing, and any and all amounts expended by the Trustee in taking any such action shall be repayable to the Trustee upon demand to the Mortgagor therefor and shall bear interest at the rate per annum which is two (2%) percent above the Alternative Base Rate (the "Default Rate") from the date advanced to the date of repayment.

(c) The Trustee shall be entitled to reimbursement for expenses incurred by the Trustee in the performance of the Trustee's duties hereunder and to reasonable compensation for such of his services hereunder as shall be rendered. The

Mortgagor shall, from time to time, pay the compensation due to the Trustee hereunder and reimburse the Trustee for any and all expenses which may be incurred by him in the performance of the Trustee's duties.

(d) All moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, and the Trustee shall be under no liability for interest on any moneys received by him hereunder.

(e) The Trustee may resign at any time by the giving of notice of such resignation in writing to the Collateral Agent. If the Trustee fails, refuses, or becomes unable to act, or should the Collateral Agent, in its absolute discretion, deem it advisable for any reason to have a substitute trustee or substitute trustees appointed, then the Collateral Agent is hereby authorized and empowered to appoint, at any time and from time to time, by an instrument duly executed and acknowledged and filed for recordation wherever this Mortgage is recorded, or in any other manner permitted by law, a substitute trustee or substitute trustees, in the place and stead of one or more of those initially named herein or subsequently appointed by the Collateral Agent; which trustee or trustees shall have all the rights, powers and authority and be charged with all the duties and responsibilities that are conferred or charged upon the Trustee initially named herein.

ARTICLE 7. Advances and Right to Cure Defaults.

(a) In the event of any default by the Mortgagor in the performance of any term, warranty, covenant, condition, or obligation hereunder, the Collateral Agent, at its option, may advance or disburse funds for the performance of such term, warranty, covenant, condition or obligation. The Collateral Agent shall give the Mortgagor prior notice of any such advances. All moneys advanced or disbursed by the Collateral Agent for performance of any defaulted term, warranty, covenant, condition, or obligation of the Mortgagor shall bear interest at the Default Rate, and shall be secured hereby as a further charge and lien upon the Mortgaged Property. No such action on the part of the Collateral Agent shall be deemed to relieve the Mortgagor from any default hereunder.

(b) In the event of any default by the Mortgagor in the performance of any term, warranty, covenant, condition, or obligation hereunder, the Collateral Agent may, at its discretion, remedy the same and for such purpose shall have

the right, but not the obligation, to enter upon the Mortgaged Property or any portion thereof either personally, or by its superintendents, managers, agents, servants, attorneys and receivers, and use, operate, manage and control the Mortgaged Property for any lawful purpose; and at the Mortgagor's sole cost and expense, maintain and restore the Mortgaged Property either by purchase, repairs or construction, make all payments for taxes, assessments and insurance, as the Collateral Agent deems necessary, and insure or reinsure the Mortgaged Property as provided in this Mortgage without any of the aforementioned instances thereby becoming liable to the Mortgagor or any person in possession thereof holding under the Mortgagor. The Collateral Agent shall be entitled to collect and receive all earnings, revenues, rents, issues, profits and income of the Mortgaged Property and every part thereof; and after deducting the expenses of conducting the business thereof and of all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements and all of the aforementioned payments which may be made for taxes, assessments and insurance and any other prior or other proper charges upon the Mortgaged Property or any part thereof, as well as just and reasonable compensation of the Collateral Agent for the services of the Collateral Agent and for all attorneys, counsel, agents, clerks, servants and other employees properly engaged and employed by it, the Collateral Agent shall apply the moneys arising as aforesaid, in accordance with ARTICLE 9. If the Collateral Agent shall remedy such a default or appear in, defend, or bring any action or proceeding to protect its interest in the Mortgaged Property or to foreclose this Mortgage or to collect the Indebtedness, the costs and expenses thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in paragraph 10, shall be paid by the Mortgagor to the Collateral Agent upon demand. All such costs and expenses incurred by the Collateral Agent in remedying such default or appearing in, defending, or bringing any such action or proceeding shall be paid by the Mortgagor to the Collateral Agent upon demand, with interest at the Default Rate, for the period after notice from the Collateral Agent that such costs or expenses were incurred to the date of payment to the Collateral Agent. All such costs and expenses incurred by the Collateral Agent pursuant to the terms of this Mortgage, with such interest, shall be secured hereby as a further charge and lien upon the Mortgaged Property.

ARTICLE 8. Appointment of Receiver. The Collateral Agent or the Trustee, in any action to foreclose this Mortgage or upon the occurrence of any Event of Default (as hereinafter defined), shall

be at liberty, without notice, to apply for the appointment of a receiver for the Mortgaged Property, and shall be entitled to the appointment of such receiver as a matter of right, without regard to the value of the Mortgaged Property as security for the Indebtedness, or the solvency or insolvency of any person then liable for the payment of the Indebtedness; and such receiver may be appointed by any court of competent jurisdiction upon ex parte application and without notice, which is hereby expressly waived. Any such receiver shall have all powers conferred by the court appointing such receiver and as otherwise conferred by applicable law.

ARTICLE 9. Sale or Other Disposition of the Mortgaged Property.

(a) In the event of any "Event of Default" under the FM Credit Agreement or the Pel-Tex Agreements (collectively being referred to as an "Event of Default"), and during the continuance thereof, the Collateral Agent or the Trustee, as appropriate, may sell the Mortgaged Property, or, if the Mortgaged Property shall consist of more than one parcel, such parcel or parcels thereof as the Collateral Agent or the Trustee may select, for cash or upon such terms and conditions as it may deem expedient, and at such time and place as it may consider advisable, in its sole discretion, in any order or manner allowed under applicable law, including, but not limited to, at public auction, after having first given notice to the present owner of the Mortgaged Property as required by law and advertised the time, place, and terms of sale three (3) times, which may be on three (3) consecutive days, in a newspaper having general circulation in the county, parish or city where the Mortgaged Property or any portion thereof lies; provided, however, that the Collateral Agent or the Trustee is hereby authorized to advertise the sale in such additional newspapers as it deems appropriate in its discretion. If, prior to or at the time of the sale, the Collateral Agent or the Trustee shall deem it proper for any reason to postpone or continue said sale, it may do so from time to time by oral announcement at the time and place of sale, by advertisement of the postponed sale, or in such other manner as may be permitted or required by law.

(b) To the extent any part of the Mortgaged Property consists of personal property (the "Collateral"), upon the occurrence and during the continuance of an Event of Default, the Mortgagor agrees to deliver each item of Collateral to the Collateral Agent on demand, and it is agreed that the Collateral Agent shall have the right to take any or all of the following actions at the same or different times: with or

without legal process and with or without previous notice or demand for performance, to take possession of the Collateral and without liability for trespass to enter any premises where the Collateral may be located for the purpose of taking possession of or removing the Collateral and, generally, to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law. Without limiting the generality of the foregoing, the Mortgagor agrees that the Collateral Agent shall have the right, subject to the mandatory requirements of current law, to sell or otherwise dispose of all or any part of the Collateral, at public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Collateral Agent shall deem appropriate. The Collateral Agent shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of the Mortgagor, and the Mortgagor hereby waives (to the fullest extent permitted by applicable law) all rights of redemption, stay and appraisal which the Mortgagor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

The Collateral Agent shall give the Mortgagor ten (10) days' prior written notice (which the Mortgagor agrees is reasonable notice within the meaning of the Uniform Commercial Code) of the Collateral Agent's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral

shall have been given. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public sale made pursuant to this ARTICLE 9, the Collateral Agent or any secured party may bid for or purchase, free from any right of redemption, stay, valuation or appraisal on the part the Mortgagor (all said rights being also hereby waived and released to the fullest extent permitted by applicable law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to it from the Mortgagor as a credit against the purchase price, and it may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to the Mortgagor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement, and the Mortgagor shall not be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Indebtedness paid in full.

(c) The proceeds of any such sale or sales pursuant to this ARTICLE 9 shall be applied, as follows:

First, to the costs and expenses (including reasonable attorney fees) incurred by the Collateral Agent or the Trustee in connection with this Mortgage, including, without limitation, auctioneer's fee, reasonable trustees' commission on the gross proceeds of sale and other costs and expenses in effecting or attempting to effect the recovery or collection of any such sums or amounts or in enforcing or attempting to enforce any right or remedy in taking possession of, protecting, preserving or disposing of any item of the Mortgaged Property;

Second, the balance, if any, to the discharge of all taxes, levies and assessments, with costs and interest if they have priority over the lien of this Mortgage, including the due pro rata thereof for the current year;

Third, the balance, if any, to the Collateral Agent for distribution to the Lenders as provided in Section 2.02 of the FM Intercreditor Agreement for the payment in full satisfaction of the Indebtedness owed to the Lenders; and

Fourth, the balance, if any, the Mortgagor or such other person(s) as are entitled thereto.

(d) To the extent that the sums and amounts subject to distribution under this ARTICLE 9 are not sufficient to pay the costs and expenses referred to in the clause First of (c) above and such costs and expenses are not otherwise reimbursed, the Lenders shall share and be responsible for such costs and expenses in the Applicable Proportion (as defined in the FM Intercreditor Agreement). The Lenders shall reimburse the Collateral Agent and the Trustee for such costs and expenses promptly following receipt of notice of amount thereof.

(e) It is understood and agreed that in the event that the Mortgaged Property is advertised for sale as herein provided, but not sold pursuant to such advertisement, the Trustee or the Collateral Agent shall be paid by the Mortgagor its actual expenses incurred, together with a reasonable commission.

(f) Upon the occurrence of an Event of Default, and as long as it continues, the Collateral Agent and the Trustee, if permitted by law, may institute the above-described foreclosure proceedings or proceed by a suit or suits in equity or at law, whether for a foreclosure hereunder, or for the sale of the Mortgaged Property, or for the specific performance of any covenant or agreement herein contained, or in aid of the execution of any power herein granted or for the appointment of a receiver pursuant to ARTICLE 8, pending any foreclosure hereunder or the sale of the Mortgaged Property, or for the enforcement of any other appropriate legal or equitable remedy. At any sale made under the terms of this Mortgage the Collateral Agent or the Trustee may require a cash deposit from the successful bidder of not more than ten (10%) percent of the final amount bid by the successful bidder.

(g) The Mortgagor agrees that any of the Lenders shall have the right to become the purchaser at any sale held by the Trustee or the Collateral Agent or by any court, receiver or public officer and the Lenders shall have the right to credit upon the amount of the bid made therefor, the amount payable out of the net proceeds of such sale to it.

(h) Upon any sale pursuant to this ARTICLE 9, the receipt of the Collateral Agent or the Trustee, or of the officer making sale under judicial proceedings, shall be sufficient discharge to the purchaser or purchasers at any sale for his or their purchase money. and such purchaser or purchasers, his or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of the Collateral Agent or the Trustee or of such officer therefor, be obliged to see to the application of such purchase money, or be in any way answerable for any loss, misapplication or nonapplication thereof.

(i) Any sale or sales of the Mortgaged Property pursuant to this ARTICLE 9 shall operate to divest all right, title, interest, claim or demand whatsoever either at law or in equity, of the Mortgagor of, in and to the premises and the property sold, and shall be a perpetual bar, both at law and in equity, against the Mortgagor, the Mortgagor's successors or assigns, and against any and all persons claiming or who shall thereafter claim all or any of the property sold from, through or under the Mortgagor, or the Mortgagor's successors or assigns; nevertheless, the Mortgagor, if requested by the Collateral Agent or the Trustee so to do, shall join in the execution and delivery of all proper conveyances, assignments and transfers of the properties so sold.

(j) Upon the occurrence of an Event of Default and during the continuance thereof, to the extent permitted by applicable state law, the Collateral Agent or the Trustee may employ such watchmen, managers, real estate brokers, appraisers, maintenance personnel, and other agents as may be necessary in the reasonable exercise of their discretion in the execution of this Mortgage, and pay for such services out of the proceeds of sale, should any be realized, and if no sale be made, then the Mortgagor hereby agrees to pay the cost of such services and that such cost of such services shall constitute a part of the Indebtedness secured hereby. The Mortgagor waives, to the extent that it may lawfully do so, any and all right to have the Mortgaged Property marshaled upon any foreclosure of the lien hereof, or sold in inverse order of alienation, and agrees that the Collateral Agent or the Trustee or any court having jurisdiction to

foreclose such lien may sell the Mortgaged Property as an entirety or in parcels or portions thereof.

ARTICLE 10. Maintenance. The Mortgagor agrees (i) that, except as otherwise provided in the Credit Documents, no building or other improvement on the Mortgaged Property shall be altered, removed, demolished or enlarged, nor shall any fixtures or personal property or appliances on, in or about said buildings or improvements be severed, removed, transferred, sold or mortgaged; (ii) that it will permit, commit or suffer no waste, impairment or deterioration of the Mortgaged Property or any part thereof (excluding, however, the production of the Hydrocarbon Reserves); (iii) that it will keep and maintain in good and effective repair the Mortgaged Property and every part thereof including all buildings, fixtures, machinery and appurtenances, in accordance with the terms of the Credit Documents; and (iv) that it will comply with all statutes, orders, requirements or decrees relating to said Mortgaged Property by any Federal, state or municipal authority, the noncompliance with which will have a materially adverse effect on the Mortgagor, and will observe and comply with all conditions and requirements necessary to preserve and extend all rights, licenses, permits (including, but not limited to, zoning variances, special exceptions and nonconforming uses), privileges, franchises and concessions which are applicable to the Mortgaged Property or which have been granted to or contracted for by the Mortgagor in connection with any existing or presently contemplated use of the Mortgaged Property.

ARTICLE 11. Taxes and Liens. The Mortgagor agrees to keep the Mortgaged Property free from all statutory liens and to pay before any penalty for nonpayment attaches all taxes, assessments, water rates, sewer rents and other governmental, public or municipal charges, dues, fines or impositions and any prior liens now or hereafter assessed or liens on or levied against the Mortgaged Property, or any part thereof (hereinafter the "Taxes"). In cases of default in the payment thereof, the Collateral Agent, after prior written notice to the Mortgagor, may pay the same or any of them and the moneys so paid by the Collateral Agent shall be added to the amount of the Indebtedness and secured by this Mortgage, payable on demand with interest at the Default Rate, from the time of payment of the same. The Mortgagor shall deliver to the Trustee or the Collateral Agent, upon request, receipted bills, canceled checks and other evidence satisfactory to the Trustee or the Collateral Agent evidencing the payment of all items addressed in this ARTICLE 11 prior to the date upon which any fine, penalty, interest or cost may be added thereto or imposed by law for the nonpayment thereof.

ARTICLE 12. Insurance and Insurance Proceeds.

(a) The Mortgagor (i) will keep the Mortgaged Property insured in accordance with industry standards against loss or damage by fire, standard extended coverage perils and such other hazards as may be appropriate in accordance with industry standards, in amounts not be less than the outstanding principal balance of this Mortgage, (ii) will maintain business interruption insurance with respect to the Mortgaged Property and (iii) worker's compensation insurance and public liability insurance with respect to all activities in which the Mortgagor might incur personal liability for the death or injury of an employee or third person or damage to or destruction of another's property; provided, however, that the Mortgagor may self-insure all or part of such risks. All Policies shall be endorsed to name the Collateral Agent as a loss payee in the event of a total loss or constructive total loss. The Mortgagor shall pay the premiums for the Policies as the same become due and payable. At the request of the Collateral Agent, the Mortgagor will deliver certificates evidencing such insurance to the Collateral Agent. Not later than ten (10) days prior to the expiration date of each of the Policies, the Mortgagor will deliver to the Collateral Agent evidence of the renewal of such policy or policies. If at any time the Collateral Agent is not in receipt of written evidence that all insurance required hereunder is in force and effect, the Collateral Agent shall have the right upon written notice to the Mortgagor to take such action as the Collateral Agent deems necessary to protect its interest in the Mortgaged Property, including, without limitation, the obtaining of such insurance coverage as the Collateral Agent in its sole discretion deems appropriate, and all expenses incurred by the Collateral Agent in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by the Mortgagor to the Collateral Agent upon written demand. The Mortgagor shall at all times comply with and shall cause the Mortgaged Property and the use, occupancy, operation, maintenance, alteration, repair and restoration thereof to comply with the terms, conditions, stipulations and requirements of the Policies.

(b) If the Mortgaged Property or any part thereof shall be damaged by fire, flood, or any other hazard or casualty against which insurance is held, the Mortgagor shall immediately notify the Collateral Agent of the nature and extent thereof. Upon the occurrence and the continuance of an Event of Default hereunder, the Mortgagor hereby authorizes the Collateral Agent, at its option, to collect, adjust and compromise any losses under any of the insurance

aforesaid and after deducting costs of collection to apply the proceeds as aforesaid. Notwithstanding anything to the contrary contained herein, so long as no Event of Default shall have occurred or be continuing and subject to the terms of the FM Credit Agreement, the Mortgagor shall have the right to collect, adjust and compromise any losses under any of the insurance aforesaid and to retain, use and employ same.

ARTICLE 13. Condemnation. The Mortgagor, immediately upon obtaining knowledge of the initiation of any proceeding for the taking or damaging by or for any public improvement, condemnation proceeding or for the exercise of any power of eminent domain, or deed in lieu thereof, of the Mortgaged Property or any part thereof, shall notify the Collateral Agent of such proceedings, and shall deliver to the Collateral Agent copies of any and all papers served in connection with such proceedings. In the event the Mortgaged Property or any part thereof is taken or damaged by or for any public improvement, condemnation proceeding, or by the exercise of any power of eminent domain, the entire award or consideration given or paid therefor shall be paid to the Collateral Agent, and the Collateral Agent is hereby empowered in the name of the Mortgagor to receive and give acquittance for such award or consideration or any judgment therefor or thereon whether it be joint or several. Notwithstanding any taking by any public or quasipublic authority through eminent domain or otherwise, the Mortgagor shall continue to pay the Indebtedness at the time and in the manner provided for its payment in the Credit Documents (including, without limitation, this Mortgage), and the Indebtedness shall not be so reduced until any award or payment therefor shall have been actually received and applied by the Collateral Agent to the discharge of the Indebtedness. Subject to the terms of the Credit Documents, the Collateral Agent may apply the entire amount of any such award or payment to the discharge of the Indebtedness whether or not then due and payable in such order, priority and proportions as the Collateral Agent in its discretion shall deem proper. If the Mortgaged Property is sold, through foreclosure or otherwise, prior to the receipt by the Collateral Agent of such award or payment, the Collateral Agent shall have the right, whether or not a deficiency judgment on the Credit Documents shall have been sought, recovered or denied, to receive such award or payment, or a portion thereof sufficient to pay the Indebtedness, whichever is less. The Mortgagor shall file and prosecute its claim or claims for any such award or payment in good faith and with due diligence and cause the same to be collected and paid over to the Collateral Agent. The Mortgagor hereby irrevocably authorizes and empowers the Collateral Agent, in the name of the Mortgagor or otherwise, to collect and receipt for any such award or payment and to file and prosecute such claim or claims. Although it is hereby expressly agreed that the

following shall not be necessary for the Collateral Agent to receive such awards or payments, the Mortgagor shall, upon demand of the Collateral Agent, make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning any such award or payment to the Collateral Agent, free and clear of any encumbrances of any kind or nature whatsoever. Notwithstanding anything to the contrary contained herein, so long as no Event of Default has occurred and be continuing and subject to the terms of the FM Credit Agreement, the Mortgagor shall have the right to receive and give acquittance to any award or consideration or any judgment therefor in connection with any condemnation proceedings and to retain, use and employ same.

ARTICLE 14. Assignment of Hydrocarbon Reserves and Proceeds of Hydrocarbon Reserves.

(a) As further security for payment of the Indebtedness, the Mortgagor hereby transfers, assigns, warrants, hypothecates and conveys to the Collateral Agent, its successors and assigns, and grants to the Collateral Agent a security interest in, effective as of the date hereof, at 7:00 o'clock a.m., local time, all Hydrocarbon Reserves which are now or hereafter produced, and all revenues and proceeds now or hereafter attributable to said Hydrocarbon Reserves and said products as well as any liens and security interests securing any sales of said Hydrocarbon Reserves. All parties producing, purchasing or receiving any such Hydrocarbon Reserves, or having such, or proceeds therefrom, in their possession for which they or others are accountable to the Collateral Agent by virtue of the provisions of this ARTICLE 14, are authorized and directed to treat and regard the Collateral Agent as the assignee and transferee of the Mortgagor and entitled in the Mortgagor's place and stead to receive such Hydrocarbon Reserves and proceeds therefrom; and said parties and each of them shall be fully protected in so treating and regarding the Collateral Agent, and shall be under no obligation to see to the application by the Collateral Agent of any such proceeds or payments received by it. The Mortgagor hereby authorizes and empowers the Collateral Agent to demand, collect and receive such Hydrocarbon Reserves and all proceeds therefrom and to execute any release, receipt, division order, transfer order and relinquishment or other instrument that may be required or necessary to collect and receive such Hydrocarbon Reserves or the proceeds therefrom and the Mortgagor hereby authorizes and directs all pipeline companies, gathering companies and others purchasing such Hydrocarbon Reserves or having in their possession any Hydrocarbon Reserves or the proceeds therefrom, to pay and deliver to the Collateral Agent all such Hydrocarbon Reserves or proceeds therefrom

accruing. The Mortgagor agrees that all division orders, transfer orders, receipts and other instruments which the Collateral Agent may from time to time execute and deliver for the purpose of collection or receipting for such Hydrocarbon Reserves or the proceeds therefrom may be relied upon in all respects, and that the same shall be binding upon the Mortgagor, and the Mortgagor's successors, legal representatives and assigns. The Mortgagor agrees to execute and deliver all necessary, convenient and appropriate instruments, including transfer and division orders, which may be required by the Collateral Agent in connection with the receipt by the Collateral Agent of such Hydrocarbon Reserves or the proceeds therefrom. The Collateral Agent is fully authorized to receive and receipt for said revenues and proceeds, to endorse and cash any and all checks and drafts payable to the order of the Mortgagor or the Collateral Agent for the account of the Mortgagor received from or in connection with said revenues or proceeds. Notwithstanding anything to the contrary contained herein, so long as no Event of Default has occurred and be continuing and subject to the provisions of the FM Credit Agreement, the Mortgagor shall have the right to collect all revenues and proceeds attributable to the Hydrocarbon Reserves or the products obtained or proceeded therefrom, as well as any liens securing any sales of Hydrocarbon Reserves and to retain, use and employ same.

(b) All payments received by the Collateral Agent pursuant to this ARTICLE 14 shall be promptly applied in accordance with ARTICLE 9(c).

(c) The Collateral Agent is hereby absolved from all liability for failure to enforce collection of any proceeds so assigned and from all other responsibility in connection therewith, except for the gross negligence or willful misconduct of the Collateral Agent and the responsibility to account to the Mortgagor for funds actually received. The Collateral Agent shall have the right, at its election, to prosecute and defend any and all actions or legal proceedings reasonably deemed advisable by the Collateral Agent in order to collect such funds and to protect the interests of the Lender and/or the Mortgagor, with all reasonable costs, expenses and attorney's fees incurred in connection therewith being paid by the Mortgagor and shall be deemed a part of the Indebtedness secured hereunder.

(d) Nothing herein contained shall detract from or limit the absolute obligation of the Mortgagor to make payment of the Indebtedness in accordance with the terms of the Notes, any of the Credit Documents (including, without

limitation, this Mortgage), regardless of whether the proceeds assigned by this ARTICLE 14 are sufficient to pay the same, and the rights under this ARTICLE 14 shall be in addition to all other security now or hereafter existing to secure the payment of the Indebtedness.

(e) Notwithstanding the other provisions of this ARTICLE 14, the Collateral Agent or any receiver appointed in judicial proceedings for the enforcement of this Mortgage shall have the right to receive all of the Hydrocarbon Reserves herein assigned and the proceeds therefrom during the continuance of an Event of Default and to apply all of said proceeds as provided in ARTICLE 9(c) hereof. Upon any sale of the Mortgaged Property or any part thereof pursuant to ARTICLE 9, the Hydrocarbon Reserves thereafter produced from the property so sold, and the proceeds therefrom, shall be included in such sale and shall pass to the purchaser free and clear of the assignment contained in this ARTICLE 14.

(f) The Mortgagor hereby indemnifies the Collateral Agent and the Lenders and their officers, directors or employees (each of the foregoing is an "Indemnified Party") against all claims, actions, liabilities, judgments, costs, attorney's fees or other charges of whatsoever kind or nature (hereinafter in this paragraph (f) collectively called "claims") made against or incurred by them or any of them as a consequence of the assertion, either before or after the payment in full of the Indebtedness, that they or any of them received Hydrocarbon Reserves herein assigned or the proceeds thereof claimed by third persons (other than the Indemnified Parties). The Mortgagor will pay to the Indemnified Party any and all such amounts as may be successfully adjudged against such Indemnified Party. Each Indemnified Party shall have the right to defend against any such claims, employing attorneys therefor, and if the Mortgagor has refused to furnish a reasonable indemnity, they or any of them shall have the right to pay or compromise and adjust all such claims. Each Indemnified Party agrees to notify the Mortgagor of the existence of any such claims (of which such party has actual knowledge) immediately upon becoming aware thereof. Upon receipt of such notice, the Mortgagor shall be entitled at its own cost and expense to defend against any such claims. The obligation of the Mortgagor as hereinabove set forth in this paragraph (f) shall survive the release of this instrument.

(g) For purposes of more fully effecting the assignment made under this ARTICLE 14 and continuing the rights of the Collateral Agent hereunder, after an Event of Default has occurred and is continuing, the Mortgagor hereby appoints the

Collateral Agent as its attorney-in-fact to pursue any and all rights, remedies and payments, in respect to the Hydrocarbon Reserves and proceeds therefrom. The power of attorney granted to the Collateral Agent under this paragraph (g), being coupled with an interest, shall be irrevocable so long as such Event of Default is continuing and as long as the Indebtedness or any part thereof remains unpaid.

ARTICLE 15. Assignment of Leases and Rents.

(a) The Mortgagor hereby assigns, transfers and sets over to the Collateral Agent, as security for the payment of the Indebtedness, all the rights, title and interest of the Mortgagor, as lessor or sublessor, in and to all rents, issues, profits, revenues, royalties, overriding royalties, rights and benefits now due or hereafter to become due (collectively, the "Rents") from the Mortgaged Property. To that end, the Mortgagor assigns, transfers and sets over to the Collateral Agent, all its rights, title and interest, as lessor or sublessor, as the case may be, in all existing leases, farmouts and farmins of the Mortgaged Property, or any part thereof, whether written or verbal, including without limitation the leases, farmout and farmin agreements described in Schedule A attached hereto and made a part hereof (the "Leases"). The term "Leases" shall include all modifications, amendments, renewals and extensions thereof and all guarantees of lessees' performance thereunder.

(b) So long as no Event of Default shall have occurred and be continuing, the Mortgagor shall have a license to manage and operate the Mortgaged Property and collect, receive and apply for its own account all Rents arising from its Mortgaged Property as they become due.

(c) Upon the occurrence of an Event of Default and as long as such Event of Default continues, the license granted in paragraph (b) above shall cease and terminate. In any such event, the Collateral Agent is hereby irrevocably authorized, at its option, to enter and take possession of the Mortgaged Property, or any part thereof, by actual physical possession, or by written notice served personally upon or sent by registered or certified mail to the Mortgagor, as the Collateral Agent may elect, and no further authorization shall be required. Upon such entry and taking possession, the Collateral Agent, in its sole and absolute discretion, may:

(i) manage and operate the Mortgaged Property, or any part thereof, including the making of such repairs

and alterations to the Mortgaged Property as the Collateral Agent may deem necessary;

(ii) demand, collect, receive, sue for, attach, levy, recover, compromise and adjust, and give proper receipts and releases for all Rents that may then be due or may thereafter become due with respect to the Mortgaged Property, or any part thereof, from any present or future lessees, sublessees or occupants thereof;

(iii) lease the Mortgaged Property, or any part thereof, for such periods of time, and upon such terms and conditions as the Collateral Agent may deem proper;

(iv) enforce, cancel or modify any Lease, including the taking of any action necessary to enforce, enjoin or restrain the violation of any of the terms and conditions of any Lease;

(v) institute, prosecute to completion or compromise and settle, all summary proceedings, actions for rent or for removing any or all lessees, sublessees or occupants of the Mortgaged Property, or any part thereof;

(vi) pay out of the Rents, or out of any other funds in its discretion, any taxes, assessments, water rates, sewer rates, or other governmental charges levied, assessed, or imposed against the Mortgaged Property, or any part thereof, and also any and all other charges, costs and expenses which it may deem necessary or advisable to pay in the management or operation of the Mortgaged Property, including, without limitation, the costs of any repairs or alterations, commissions for renting the Mortgaged Property and legal expenses incurred in enforcing the rights of the Lenders under the Credit Documents (including, without limitation this Mortgage), the Notes, and any collateral security documents; and

(vii) generally do, execute and perform any other acts that ought to be done, in the Collateral Agent's discretion, in and about or with respect to the Mortgaged Property as fully as the Mortgagor might do.

(d) The Collateral Agent shall apply the net amount of any Rents received by it from the Mortgaged Property in accordance with ARTICLE 9(c). The Collateral Agent shall

account to the Mortgagor only for Rents actually received by the Collateral Agent.

(e) In addition to the rights and remedies set forth in ARTICLE 9 and in paragraphs (c) and (d) above and to the extent permitted by applicable law, the Collateral Agent may apply for the appointment of a receiver, pursuant to ARTICLE 8, to exercise the powers described in paragraphs (c) and (d) above pending any foreclosure hereunder or the sale of the Mortgaged Property.

(f) The Mortgagor hereby irrevocably directs any lessee under any Lease, upon demand and notice from the Collateral Agent of an Event of Default to pay to the Collateral Agent all Rents accruing or due under any Lease from and after the receipt of such demand and notice. In making such payments, such lessees shall be under no obligation to inquire into or determine the actual existence of any such default or breach claimed by the Collateral Agent.

(g) The Mortgagor agrees to indemnify and hold the Collateral Agent harmless from and against any and all liability, loss, damage or expense, including reasonable attorneys fees, which it may incur under any Lease or by reason of the assignment of Leases contained herein, or by reason of any action taken by the Collateral Agent hereunder, and from and against any and all claims and demands whatsoever which may be asserted against the Collateral Agent by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, conditions and covenants contained in any of the Leases, unless caused by the gross negligence or wilful misconduct of the Collateral Agent. Should the Collateral Agent incur any such liability, loss, damage or expense, the amount thereof together with interest thereon at the Default Rate from the time of payment of the same shall be payable by the Mortgagor to the Collateral Agent immediately upon demand therefor, or at the option of the Collateral Agent, the Collateral Agent may reimburse itself therefor out of any Rents collected by the Collateral Agent.

(h) Nothing contained herein shall operate or be construed to obligate the Collateral Agent to perform any of the terms, covenants and conditions contained in any Lease of, or relating to, the Mortgaged Property or otherwise to impose any obligation upon the Collateral Agent with respect to any Lease of the Mortgaged Property, including, but not limited to, any obligation arising out of any covenant of quiet enjoyment therein contained in the event the lessee under any such Lease shall have been joined as a party

defendant in any action to foreclose this Mortgage and the estate of such lessee shall have been thereby terminated. Prior to actual entry into and taking possession of any portion of the Mortgaged Property by the Collateral Agent, this assignment shall not operate to place upon the Collateral Agent any responsibility for the operation, control, care, management or repair of the Mortgaged Property, and the execution of this Mortgage by the Mortgagor shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property is and shall be that of the Mortgagor prior to such actual entry and taking possession.

(i) As against the Collateral Agent, at all times during which the assignment shall be in effect there shall be no merger of any Leases of the Mortgaged Property with the fee estate in the Mortgaged Property by reason of the fact that any such Leases or any interest therein may be held by or for the account of any person, firm, or corporation which may be or become the owner of such fee estate, unless the Collateral Agent shall consent in writing to such merger.

ARTICLE 16. Special State Law Provisions.

(a) Special Louisiana Provisions.

(i) Insofar as any portion of the Mortgaged Property situated in or offshore the State of Louisiana is concerned, or as to which the laws of the State of Louisiana would be applicable, (i) the general language of conveyance and hypothecation to the Trustee in this Mortgage is intended and shall be construed as words of hypothecation and the granting of a security interest in favor of the Collateral Agent; (ii) the maximum amount of the indebtedness that may be outstanding at any time and from time to time that this Mortgage secures is fixed at \$500,000,000, and (iii) each and every right and remedy granted the Trustee hereunder shall also be in favor of and may be exercised by the Collateral Agent. This instrument is being executed in authentic form by the Mortgagor in favor of the Collateral Agent.

(ii) Keeper. The Collateral Agent shall have the right to appoint a keeper of the Mortgaged Property pursuant to the terms and provisions of La. R.S. 9:5131 et seq. and 9:5136 et seq.

(iii) Confession of Judgment. For purposes of executory process the Mortgagor acknowledges the indebtedness secured hereby, whether now existing or to

arise hereafter, and confesses judgment thereon if not paid when due. Upon the occurrence of an Event of Default and any time thereafter so long as the same shall be continuing, and in addition to all other rights and remedies granted the Collateral Agent hereunder, it shall be lawful for and the Mortgagor hereby authorizes the Collateral Agent without making a demand or putting the Mortgagor in default, a putting in default being expressly waived, to cause all and singular the Mortgaged Property to be seized and sold after due process of law, the Mortgagor waiving the benefit of any and all laws or parts of laws relative to appraisement of property seized and sold under executory process or other legal process, and consenting that the Mortgaged Property be sold without appraisement, either in its entirety or in lots or parcels, as the Collateral Agent may determine, to the highest bidder for cash or on such other terms as the plaintiff in such proceedings may direct. The Collateral Agent shall be granted all rights and remedies granted it or the Trustee hereunder as well as all rights and remedies granted a secured party under Louisiana law including the Uniform Commercial Code then in effect in Louisiana.

(iv) Waivers. The Mortgagor hereby waives:

- (a) The benefit of appraisement provided for in articles 2332, 2336, 2723 and 2724 of the Louisiana Code of Civil Procedure and all other laws conferring the same;
- (b) The demand and three (3) days notice of demand as provided in articles 2629 and 2721 of the Louisiana Code of Civil Procedure;
- (c) The notice of seizure provided by articles 2293 and 2721 of the Louisiana Code of Civil Procedure, and
- (d) The three (3) days delay provided for in articles 2331 and 2722 of the Louisiana Code of Civil Procedure.

(v) Resolutions. The Mortgagor does declare that attached hereto as Schedule 1 and made a part hereof is a certified copy of the resolutions adopted by the transaction committee duly appointed by the board of directors of the Mortgagor authorizing the execution and delivery of this Mortgage.

(b) Special Montana Provisions.

(i) For purposes of the Indebtedness secured by Mortgaged Property located in Montana, all of the Indebtedness to be secured (exclusive of interest and the costs, expenses and other obligations arising or incurred by the Trustee, the Collateral Agent and the Lenders pursuant to the provisions of the Credit Documents which are not required to be stated in the Mortgage as part of the total principal amounts of obligation secured) shall not exceed at any one time the total principal indebtedness of \$500,000,000.

(ii) For the purposes of the Mortgage complying as a financing statement, the debtor is:

Freeport-McMoRan Inc.
1615 Poydras Street
New Orleans, Louisiana 70112
Parish of Residence, Orleans
Parish, Louisiana
Tax ID #: 13-3051048

(iii) The general language of conveyance to the Trustee is intended and the same shall be construed in Montana as words of mortgage unto and in favor of the Collateral Agent and the rights and authority granted to the Trustee may be enforced and asserted by the Collateral Agent in accordance with the laws of Montana and the Mortgaged Property in Montana may be foreclosed at the option of the Collateral Agent in any manner permitted by the laws of the State of Montana.

(iv) The interests of the Mortgagor in the Mortgaged Property located in Montana are subject to and burdened by a 75% share of a Production Payment Conveyance (Production Payment) dated August 15, 1981 granted by Midlands Gas Corporation to Kansas-Nebraska Natural Gas Company, Inc. (now K-N Energy, Inc.), an abstract of which was recorded August 26, 1981 in Book 51 Misc. page 287, records of the Clerk and Recorder of Phillips County, Montana and March 14, 1988 in Book 73 Leases 394-441, records of the Clerk and Recorder of Valley County, Montana. The Production Payment was filed August 26, 1981 in the Montana State Office of the Bureau of Land Management of the U. S. Department of the Interior. By separate instruments of Production Payment Assignment and Conveyance dated as of August 15, 1981, Kansas-Nebraska Natural Gas Company,

Inc. assigned and conveyed to Teachers Insurance and Annuity Association of America, Connecticut General Life Insurance Company and Congen Five & Co. undivided interests in the Production Payment, abstracts of which were recorded on August 26, 1981 in Book 51 Misc, pp. 335, 337 and 339, records of the Clerk and Recorder of Phillips County, Montana and March 14, 1988 in Book 73, pp. 442-444, 445-447 and 448-450, records of the Clerk and Recorder of Valley County, Montana. The Production Payment has been amended by Amendment No. 1 dated as of May 1, 1988, Amendment No. 2 dated as of January 1, 1988 and Amendment No. 3.

The Mortgagor hereby confirms, and by acceptance of this Mortgage the Collateral Agent and the Trustee acknowledge that the mortgage lien created herein is subordinate and inferior to the Production Payment as amended to the full extent of the Production Payment owner rights in and to the Mortgaged Property located in Montana.

ARTICLE 17. Termination. Upon the full payment of all indebtedness or in accordance with the terms and provisions of the Credit Documents, the Collateral Agent and the Trustee, as appropriate, shall release and reconvey the Mortgaged Property unto and at the cost of the Mortgagor. Upon such reconveyance, as evidenced by a recorded satisfaction or release of this Mortgage, the assignments of the proceeds of Hydrocarbon Reserves and the Assignment of Leases and Rents as set forth in ARTICLES 14 and 15 shall become and be void and of no effect and, in that event, upon the request of the Mortgagor, the Collateral Agent shall execute and deliver, or cause the Trustee to execute and deliver, to the Mortgagor, instruments effective to evidence the termination of the assignments or the reassignments to the Mortgagor of the rights, power and authority granted herein.

ARTICLE 18. Notices. All notices, requests, demands and other communications required or permitted to be given hereunder shall be effective upon receipt and deemed duly given if in writing and delivered personally, or mailed, postage prepaid, registered or certified, as follows.

If to the Mortgagor:

Freeport-McMoran Inc.
1615 Poydras Street
New Orleans, Louisiana 70112

If to the Collateral Agent:

Chemical Bank
270 Park Avenue
New York, New York 10017
Attn: Energy and Minerals Group

If to the Trustee:

Mary Jo Woodford
270 Park Avenue
New York, New York 10017

The Mortgagor, the Trustee and the Collateral Agent may change the addresses to which communications are to be directed to them by giving written notice to the other parties in the manner provided in this ARTICLE 19.

ARTICLE 19. Partial Invalidity. If any term or provision of this Mortgage, or any application thereof to any person or circumstance, shall be invalid or unenforceable to any extent, the remainder of this document, or the application of such term or provision to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this document shall be valid and enforceable to the fullest extent permitted by law. The parties shall endeavor in good-faith negotiations to replace any invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

ARTICLE 20. Usury Laws. This Mortgage and the Notes are subject to the express condition that at no time shall Mortgagor be obligated or required to pay interest on the principal balance due under the Notes at a rate which could subject the holder of the Note to either civil or criminal liability as a result of being in excess of the maximum interest rate which Mortgagor is permitted by law to contract or agree to pay. If by the terms of this Mortgage or the Notes the Mortgagor is at any time required or obligated to pay interest on the principal balance due under the Notes at a rate in excess of such maximum rate, the rate of interest under the Notes shall be deemed to be immediately reduced to such maximum rate and the interest payable shall be computed at such maximum rate and all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of the principal balance of the Note.

ARTICLE 21. Fixture Filing. Certain of the Mortgaged Property is or will become "fixtures" (as that term is defined in

the Uniform Commercial Code in effect in the state in which the Leased Land or the Mineral Interests is located) on the Leased Land or the Mineral Interests described or referred to in this Mortgage, and this Mortgage upon being filed for record in the real estate records of the county wherein such fixtures are situated shall operate also as a financing statement filed as a fixture filing in accordance with the applicable provisions of the Uniform Commercial Code upon such of the Mortgaged Property which is or may become fixtures.

ARTICLE 22. Instrument a Mortgage, Deed of Trust, Security Agreement, Assignment of Production and Leases and Rents and Financing Statement. This instrument shall be deemed to be, and may be enforced from time to time as, a contract, security agreement, assignment, mortgage or deed of trust, and from time to time as any one or more thereof. This Mortgage in addition to constituting a lien on real estate as a mortgage or deed of trust, (a) is a security agreement and shall support any financing statement showing the Collateral Agent as secured party, which description contained in any such financing statement is hereby incorporated by reference into this Mortgage with the same force and effect as if the description were fully set out herein, (b) shall be a financing statement under the applicable provisions of the Uniform Commercial Code, (c) is a fixture filing as described in ARTICLE 21, and (d) is an assignment as described in ARTICLES 14 and 15. Accordingly, the Collateral Agent, in addition to and not in lieu of or in diminution of its rights and remedies herein provided, shall have all of the rights and remedies of a secured party under the Uniform Commercial Code.

ARTICLE 23. Rights Cumulative. Each and every right, power and remedy herein given to the Trustee or the Collateral Agent shall be cumulative and not exclusive; and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and so often and in such order as may be deemed expedient by the Trustee or the Collateral Agent, as the case may be, and the exercise or the beginning of the exercise, of any such right, power or remedy shall not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power or remedy. No delay or omission by the Trustee or the Collateral Agent in the exercise of any right, power or remedy shall impair any such right, power or remedy or operate as a waiver thereof or of any other right, power or remedy then or thereafter existing.

ARTICLE 24. Waiver. Any and all covenants in this Mortgage relating to the Mortgaged Property may from time to time by instrument in writing signed by the Trustee and the Collateral Agent be waived to such extent and in such manner as such parties may desire, but no such waiver shall ever affect or impair the

Trustee's or the Collateral Agent's rights or liens hereunder except to the extent specifically stated in such written instrument.

ARTICLE 25. Article and Section Headings. The article and section headings in this instrument are inserted for convenience and shall not be considered a part of this instrument or used in its interpretation.

ARTICLE 26. Counterparts. This instrument may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and one of which (with all exhibits attached) shall be recorded in each of the following counties or parishes in the following states:

<u>State</u>	<u>County or Parish</u>
California	Kern
Colorado	Yuma
Louisiana	Plaquemines
Montana	Phillips

To facilitate filing and recording, there may be omitted from certain counterparts the parts of Exhibit A containing specific descriptions that relate to land located in counties or parishes other than the county or parish in which the particular counterpart is to be filed or recorded.

ARTICLE 27. Miscellaneous. The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, legal and personal representatives, executors, administrators, successors and assigns of the parties hereto. The provisions hereof shall likewise be covenants running with the land. Whenever used, the singular number shall include the plural, the use of any gender shall include the other genders, and the term the "Lenders" shall include any successor payee of the Indebtedness hereby secured or any transferee thereof whether by operation of law or otherwise.

ARTICLE 28. Credit Documents Control. To the extent that any term, condition, or obligation set forth in this Mortgage is inconsistent with any term, condition, or obligation set forth in the Credit Documents, the provisions of the Credit Documents shall control.

ARTICLE 29. The Collateral Agent. Chemical Bank has been designated as the Collateral Agent for the Lenders pursuant to separate agreements and, except as otherwise set forth herein, when acting as such Collateral Agent shall be deemed to be the

Collateral Agent hereunder in connection with the giving and receiving of notices hereunder and in connection with the exercise of any rights and remedies of the Collateral Agent hereunder. Any such action taken by the Collateral Agent shall be conclusive as to the Collateral Agent with respect to its dealings with the Mortgagor or any third party under this Mortgage.

ARTICLE 30. Release of Mortgaged Property; Amendments. Any Liens or other rights which any Lender or the Collateral Agent would otherwise have under this Mortgage may only be released or subordinated in accordance with the terms of the FM Intercreditor Agreement. This Mortgage may only be amended and the provisions hereof may only be waived in accordance with the terms of the FM Intercreditor Agreement.


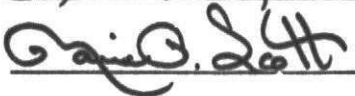
ARTICLE 31. Choice of Law. This Mortgage shall be construed and governed by the laws of the State of New York and the laws of the United States of America, except that the laws of the state in which a portion of the Mortgaged Property is located in, or offshore adjacent to, shall govern with respect to procedural and substantive matters related to the creation, perfection and enforcement of the liens, security interests and other rights and remedies of the Collateral Agent and the Trustee granted herein as to that portion of the Mortgaged Property located in or offshore adjacent to such state.

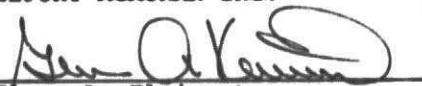
IN WITNESS WHEREOF, the Mortgagor has caused this Mortgage to be executed by its duly authorized officer, in the presence of the undersigned witnesses and Notary Public, all on the day, month and year first above-written pursuant to due authority.

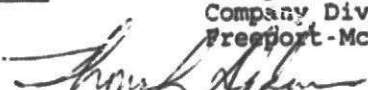
WITNESSES:

MORTGAGOR

FREEPORT-MCMORAN INC.

By 
Glenn A. Kleinert
Senior Vice President
Freeport-McMoran Oil & Gas
Company Division of
Freeport-McMoran Inc.



Notary Public, State of Louisiana
My commission expires: at death

STATE OF LOUISIANA)
PARISH OF ORLEANS) ss.:

BE IT REMEMEBERED that I, Thomas L. DeGenova, a Notary Public duly qualified, commissioned, sworn and acting in and for the parish aforesaid, hereby certify that, on June 11, 1992, there personally appeared before me, the following person, being the designated officer of the corporation set opposite his name, and such corporation being a party to the foregoing instrument:

Glenn A. Kleinert, the Senior Vice President of Freeport-McMoRan Oil & Gas Company Division of Freeport-McMoRan Inc., a Delaware corporation, whose address is 1615 Poydras Street, New Orleans, Louisiana 70112,

California

Before me personally appeared such person, known to me to be the designated officer of the corporation set opposite his name, the corporation that executed the within instrument, and such person also known to me to be the person who executed the within instrument on behalf of the corporation set opposite his name, and such person acknowledged to me that the corporation set opposite his name executed the within instrument pursuant to its by-laws or resolution of its board of directors.

Colorado

The foregoing instrument was acknowledged before me on this date by the aforementioned person, the above designated officer of said corporation.

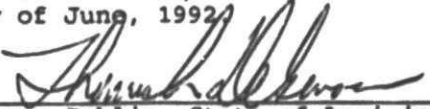
Louisiana

Who did say that he is the designated officer of said corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the free act and deed of said corporation.

Montana

Who acknowledged to me that such corporation did execute the foregoing instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official
notarial seal, in the City of New Orleans, Parish of Orleans,
State of Louisiana, this 11th day of June, 1992



Notary Public, State of Louisiana

My Commission Expires: at death

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EXHIBIT A
to
**Mortgage, Deed of Trust,
Security Agreement, Assignment of
Production and Proceeds and
Leases and Rents, Fixture
Filing and Financing Statement**

PREAMBLE TO EXHIBIT A

This Exhibit A sets forth the description of the Hydrocarbon Leases, the Mineral Interests and other interests covered by the Mortgage, Deed of Trust, Security Agreement, Assignment of Production and Proceeds and Leases and Rents, Fixture Filing and Financing Statement (the "Mortgage") to which this Exhibit A is attached.

1. **Headings.** Exhibit A consists of descriptions of the Hydrocarbon Leases, the Mineral Interests and other interests affecting lands (i) located within the county or parish and state next to the heading "Parish, State" or "County, State" of this Exhibit A, and (ii) in federal waters in the Outer Continental Shelf, offshore the State of Louisiana (the "Federal OCS"), and identified under the heading "OCS Gulf of Mexico Offshore, Louisiana" of this Exhibit A. The prospect name and prospect number as well as the reference to an area and block in the Federal OCS is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

2. **Subheadings.** Each of the Hydrocarbons Leases, the Mineral Interests or other interests located within a particular parish or county and state is described by reference to the Subheadings LEASE NUMBER, LESSOR, PROSPECT, LESSEE, PARISH/STATE or COUNTY/STATE, LSE DTE, GROSS ACRES, EXPIRE DTE, and RECORDED. These subheadings shall have the following meanings and significance:

**LEASE
NUMBER:**

This is an internal lease or instrument identification number, which is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

LESSOR: The name listed under the heading "LESSOR" is the name of the lessor of the Hydrocarbon Lease or the name of the grantor of the instrument whereby the Mineral Interest or other interest is created. Where the lessor or grantor is in the State of Louisiana, the lessor or grantor is recited as "S/L" or "State R/W" and includes the State of Louisiana lease or right of way number assigned to such oil and gas lease or right of way.

LESSEE: The name following under the heading "LESSEE" is the lessee of the Hydrocarbon Lease or the name of the grantee of the instrument creating the Mineral Interest or other interest.

PROSPECT: The name listed under the heading "PROSPECT" is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

**PARISH/
STATE or
COUNTY/
STATE:**

Under the heading "PARISH/STATE" or "COUNTY/STATE" is the listing of the parish or county and state in which the Hydrocarbon Lease, the Mineral Interest or other interest is located.

LEASE DTE: The date (month/day/year) of the Hydrocarbon Lease or the instrument creating the Mineral Interest or other instrument.

**EXPIRE
DTE:**

The date (month/day/year) cited under the heading "EXPIRE DTE" is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

**GROSS
ACRES:**

The reference to "GROSS ACRES" is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

RECORDED: The recordation reference of the Hydrocarbon Lease or other instrument creating the Mineral Interest or other interest in the applicable public records of the county or parish shown under the heading "PARISH/STATE" or "COUNTY/STATE", as applicable. The recordation reference is to the volume or book and page or entry or file number of the oil and gas records, official public records of real property, conveyance records, or other applicable public records for the parish or county and state shown under the heading "PARISH/STATE" or "COUNTY/STATE".

3. **Subheadings for Federal OCS:** The Hydrocarbon Leases in the Federal OCS include the following subheadings:

Caption: The reference to a particular offshore area and block in the heading is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

Lease Number: The number following the letters "OF" for the Hydrocarbon Leases in the Federal OCS is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

Recordation: The Hydrocarbon Leases in the Federal OCS are filed with the Minerals Management Service, Department of the Interior, Gulf of Mexico OCS Region. Although not so indicated, the Hydrocarbon Lease may also be filed of record in the parish in the State of Louisiana located adjacent to the Hydrocarbon Lease in question.

4. **Schedule A.** Schedule A consists of the listing of all contracts, agreements, and instruments (collectively, the "Contracts") related to the Hydrocarbon Leases, the Mineral Interests or other interests affected by the Mortgage. The listing of the Contracts is made for purpose of giving effect to the warranties of the Mortgagor contained in the Mortgage. The

recitation that the Mortgagor's interests in the Hydrocarbon Leases, the Mineral Interests or other interests described in Exhibit A is subject to the Contracts shall not operate to subject such interests to any such Contract except to the extent that such Contract is valid and presently subsisting with respect to such interest; nor shall the reference to a Contract be deemed a recognition by the Mortgagor that the Contract is valid except to the extent that such Contract is presently in force and effect. It is intended, however, that the rights of the Mortgagor under the Contracts shall be encumbered by and subject to the liens and security interests created by the Mortgage.

5. Defined Terms. Capitalized terms used in this Preamble and not otherwise defined herein shall have the meanings ascribed thereto in the Mortgage to which this Preamble is attached.

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EXHIBIT "A"

SOUTH PASS BLOCK 82 OCS GULF OF MEXICO OFFSHORE, LOUISIANA

An undivided 65.83400% operating rights interest in and to the following described lease, to wit:

OCS-G 5685 Oil and Gas Lease from the United States of America as Lessor, to Exxon Corporation as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5685 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 82, South Pass Area, South and East Addition, OCS Leasing Map, Louisiana Map No. 9A from the surface of the earth down to the stratigraphic equivalent of 14,863 feet, as identified on the electric log of the FMP Operating Company OCS-G 5685 Well No. 3, plus 100 feet and containing approximately 5,000.00 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Co., et al
OF1088-0015-87	Participation Agreement, as amended	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership, et al
OF1088-0034-88	Farmin Agreement	08/19/88	Exxon Corporation and FMP Operating Company, a Limited Partnership
OF1088-0101-88	Area of Mutual Interest	08/31/88	FMP Operating Company, a Limited Partnership and Continental Land & Pur Co., Inc., et al
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Freeport-McMoran Inc. and Apache Corporation, et al
	Crude Oil Purchase/ Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport- McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

**SOUTH PASS BLOCK 83
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA**

An undivided 60.57570% record title interest in and to the following described lease, to wit:

OCS-G 5052 Oil and Gas Lease from the United States of America as Lessor, to Shell Offshore Inc., et al as Lessee, dated effective April 1, 1982 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5052 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 83, South Pass Area, South and East Addition, as shown on OCS Leasing Map, Louisiana Map No. 7A containing approximately 5,000.00 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Co., et al
OF1088-0015-87	Participation Agreement, as amended	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership, et al
OF1088-0009-87	Seismic Option and Farmin Agreement	06/01/87	Shell Offshore Inc., et al and FMP Operating Company
OF1088-0101-88	Area of Mutual Interest	08/31/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Freeport-McMoran Inc. and Apache Corporation, et al
	Crude Oil Purchase/Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport-McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

**SOUTH PASS BLOCK 74
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA**

An undivided 60.57570% operating rights interest in and to the following described lease, to wit:

OCS-G 6801
OF10880003-000 Oil and Gas Lease from the United States of America as Lessor, to Conoco Inc., et al as Lessee, dated effective June 1, 1984 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 6801 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 74, South Pass Area, South and East Addition, OCS Leasing Map, Louisiana Map No. 9A containing approximately 5,000.00 acres.

Insofar and only insofar as said lease covers and pertains to the E/2 of Block 74 limited to those depths from the surface of the earth down to and including 100' below the stratigraphic equivalent of a depth of 13,311' subsea (16,500' MD), as seen in the Freeport-McMoran Inc. OCS-G 6801 Well No. A-12 (ST-1).

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Co., et al
OF1088-0015-87	Participation Agreement, as amended	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership et al
OF1088-0101-88	Area of Mutual Interest	08/31/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1088-0014-91	Farmout Agreement	03/21/91	Conoco Inc., et al and Freeport-McMoran Inc.
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Freeport-McMoran Inc. and Apache Corporation, et al
	Crude Oil Purchase/ Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport- McMoran Inc.
	Assignment of Overriding Royalty Interest	Pending	Freeport-McMoran Inc. and CLK Company, et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

BEST AVAILABLE COPY

EXHIBIT "A"

MISSISSIPPI CANYON BLOCKS 320, 321, 322, 323 AND 365
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA

An undivided 66.66% record title interest in and to the following described leases, to wit:

OCS-G 6946
OF1171-0002-000 Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective June 1, 1984 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 6946 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Blocks 320 and 321, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,131.08 acres.

OCS-G 5834
OF1171-0003-000 Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5834 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 322, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760.00 acres.

OCS-G 5835
OF1171-0004-000 Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5835 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 323, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760.00 acres.

OCS-G 5841
OF1171-0001-000 Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5841 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 365, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760.00 acres.

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
OF1171-0115-87	Unit Operating Agreement	07/01/87	Mobil Oil Exploration & Producing Southeast Inc. and Tenneco Oil Company, et al

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Page 3
 Exhibit "A"
 Mississippi Canyon Blocks 320, 321, 322, 323 and 340

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
OF1171-0116-87	Unit Agreement	07/01/87	Mobil Oil Exploration & Producing Southeast Inc., Tenneco Oil Company, et al
XXMCOO-0007-89	Participation Agreement McMoran Unit-NO Exploration Program, as amended	01/01/89	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1171-0022-89	Farmout Agreement	06/15/89	FMP Operating Company, a Limited Partnership and Mobil Oil Exploration & Producing Southeast Inc., et al
OF1171-0048-89	Area of Mutual Interest	08/07/89	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
	Assignment	Effective 08/15/89	Chevron U.S.A. Inc. and Freeport-McMoran Inc.
	Assignment	Effective 07/10/91 Effective 08/15/89	Mobil Oil Exploration & Producing Southeast Inc. and Freeport-McMoran Inc.
	Assignment	Effective 11/20/91 Effective 08/15/89	Kerr-McGee Corporation, et al and Freeport-McMoran Inc.
	Discount letter	10/21/91	Texas Eastern Transmission Corporation and FMI Hydrocarbon Company
	Liquid Hydrocarbons Transportation Agreement	09/01/91	Texas Eastern Transmission Corporation and Freeport-McMoran Inc.
	Gas Processing Agreement	01/14/92	Warren Petroleum Company and Freeport-McMoran Inc.
OF 1171-0004-92	Gas Dehydration Agreement	02/04/92	Marathon Oil Company and Freeport-McMoran Oil & Gas Company
	Assignment	Pending	Freeport-McMoran Inc. and Continental Land & Fur Co., Inc., et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

VERMILION BLOCK 161
OCS GULF OF MEXICO
OFFSHORE LOUISIANA

An undivided 1.95557% overriding royalty interest in and to the following described lease, LESS AND EXCEPT the NW/4 NW/4 SE/4 and the NE/4 SE/4 SE/4 thereof, to wit:

OCS-G 1127

OF0507-0001-000

Oil and Gas Lease from the United States of America as Lessor, to Forest Oil Corporation, as Lessee, dated effective as of June 1, 1962, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 1127, covering the submerged lands of the Outer Continental Shelf described as follows:

Block 161 Vermilion Area, as shown on official leasing map La. No. 3, Outer Continental Shelf Leasing Map, Louisiana Offshore Operation, containing approximately 4,868.21 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0090-87	Participation Agreement McMoran 1987 OCS Lease Acquisition and Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership, and Continental Land & Pur Co., Inc., et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

VERMILION BLOCK 161 OCS GULF OF MEXICO OFFSHORE LOUISIANA

An undivided 49.60055% operating rights interest in and to the NW/4NW/4SE/4; SE/4NE/4SW/4 and the well located thereon, known and designated as Well No. 3 in the following described lease, to wit:

OCS-G 1127
OF0507-0001-000

Oil and Gas Lease from the United States of America as Lessor, to Forest Oil Corporation, as Lessee dated effective as of June 1, 1962, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 1127, covering the submerged lands of the Outer Continental Shelf described as follows:

Block 161 Vermilion Area, as shown on official leasing map La. No. 3, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations, containing approximately 4,868.21 acres.

The above described interest entitles the owner thereof to the following:

- A. The NW/4NW/4SE/4 of Block 161, Vermilion Area, being the Operating Rights in and to oil and gas produced therefrom, and the OCS-G 1127 Well No. 3;
- B. The SE/4NE/4SW/4 of Block 161, Vermilion Area, being the Operating Rights, including the surface rights, the "A" Platform and the equipment located thereon, but not any oil and gas rights therein.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
OF0507-0144-75	Operating Agreement, as amended	12/31/75	C&K Marine Production Company and Bethlehem Steel Corporation, et al
LAND0090-87	Participation Agreement McMoran 1987 OCS Lease Acquisition and Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership, and Continental Land & Pur Co., Inc., et al
LAND0030-88	Area of Mutual Interest	05/05/88	FMP Operating Company, a Limited Partnership, and Continental Land & Pur Co., Inc., et al
	Co-Development Agreement	12/01/91	Freeport-McMoran Inc. and Energy Development Corporation, et al
	Overriding Royalty Assignment	Pending	Freeport-McMoran Inc. and CLK Company, et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

VERMILION BLOCK 161
OCS GULF OF MEXICO
OFFSHORE LOUISIANA

An undivided 39.89360% record title interest in and to the NE/4SE/4SE/4 of the following described lease; and

An undivided 34.66677% record title interest in and to the N/2; SW/4; N/2SE/4; SW/4SE/4; NW/4SE/4SE/4; S/2SE/4SE/4 of the following described lease, to wit:

OCS-G 1127

OF0507-0001-000

Oil and Gas Lease from the United States of America as Lessor, to Forest Oil Corporation, as Lessee, dated effective as of June 1, 1962, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 1127, covering the submerged lands of the Outer Continental Shelf described as follows:

Block 161 Vermilion Area, as shown on official leasing map La. No. 3, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations, containing approximately 4,868.21 Acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
OF0507-0178-75	Farmout Agreement, as amended	07/24/75	Forest Oil Corporation, et al and C&K Offshore Company
OF0507-0144-75	Operating Agreement, as amended	12/31/75	C&K Marine Production Company and Bethlehem Steel Corporation, et al
LAND0090-87	Participation Agreement McMoran 1987 OCS Lease Acquisition and Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al
LAND0030-88	Area of Mutual Interest	05/05/88	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al
	Co-Development Agreement	12/01/91	Freeport-McMoran Inc. and Energy Development Corporation, et al
	Overriding Royalty Assignment	Pending	Freeport-McMoran Inc. and CLK Company, et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

EAST CAMERON BLOCK 148 OCS GULF OF MEXICO OFFSHORE, LOUISIANA

An undivided 26.33360% record title interest in and to the following described lease, to wit:

OCS-G 5370 Oil and Gas Lease from the United States of America, as Lessor, to Tenneco Oil Company, as Lessee, dated effective July 1, 1983, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5370 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 148, East Cameron Area, OCS Leasing Map, Louisiana Map No. 2 containing approximately 5,000 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	Participation Agreement McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Company, et al
OF1096-0093-87	Farmout Agreement	12/10/87	Tenneco Oil Company and FMP Operating Company, a Limited Partnership
OF1096-0015-88	Offshore Operating Agreement	03/07/88	Tenneco Oil Company and FMP Operating Company, a Limited Partnership, et al
OF1096-0029-88	Area of Mutual Interest	02/24/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1096-0041-91	Facility Use Agreement	01/17/91	Chevron U.S.A. Inc. and Freeport-McMoran Inc.
OL0540-03	Crude Oil Exchange Agreement	07/23/91	Shell Oil Company and Freeport-McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

**EAST CAMERON BLOCK 143
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA**

An undivided 18.43352% record title interest in and to the following described lease, to wit:

OCS-G 5369 Oil and Gas Lease from the United States of America, as Lessor, to CNG Producing Company, as Lessee, dated effective July 1, 1983, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5369 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 143, East Cameron Area, OCS Leasing Map, Louisiana Map No. 2 containing approximately 5,000 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	Participation Agreement McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Company, et al
OF1096-0021-88	Farmout Agreement, as amended	05/05/88	CNG Producing Company and FMP Operating Company, a Limited Partnership
OF1096-0029-88	Area of Mutual Interest	02/24/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1096-0041-91	Facility Use Agreement	01/17/91	Chevron U.S.A. Inc. and Freeport-McMoran Inc.
OL0540-03	Crude Oil Exchange Agreement	07/23/91	Shell Oil Company and Freeport-McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

SCHEDULE 1
to
Mortgage, Deed of Trust,
Security Agreement, Assignment of
Production and Proceeds and
Leases and Rents, Fixture
Filing and Financing Statement
dated as of June 11, 1992
by
Freeport-McMoRan Inc.

Certified Resolutions

The undersigned, being the duly constituted Assistant Secretary of Freeport-McMoRan Inc. (the "Corporation") does hereby certify that the following is a full, true and correct copy of resolutions duly adopted by means of an unanimous written consent dated June 9, 1992 and signed by all members of the Transaction Committee (the "Transaction Committee") which was duly appointed by the Board of Directors of the Corporation by means of an unanimous written consent dated May 29, 1992 and signed by all members of said Board of Directors and (i) that said resolutions have continued in full force and effect and have not been rescinded, modified or amended through the date of this certificate; and (ii) that said resolutions are not in conflict with the articles of incorporation or by-laws of the Corporation:

RESOLVED, That Glenn A. Kleinert, the Senior Vice President of Freeport-McMoRan Oil & Gas Company Division of the Corporation, be and he hereby is authorized, empowered and directed to execute in the name of and behalf of the Corporation a Mortgage, Deed of Trust, Security Agreement, Assignment of Production and Proceeds and Leases and Rents, Fixture Filing and Financing Statement in favor of Chemical Bank as Collateral Agent (the "Mortgage") and affecting any properties, rights or interests owned by the Corporation, real or personal; the Mortgage to contain a confession of judgment, indemnifications, waiver of benefits of appraisement, demand, notice and delay, and such further terms and conditions as the said officer in his sole discretion

deems necessary, appropriate or desirable; the Mortgage has been presented to and reviewed and approved by this Transaction Committee and may be changed or modified to contain such terms and conditions as the said officer in his sole discretion shall deem necessary, appropriate or desirable; the execution and delivery thereof by said officer to be conclusive evidence of the approval thereof by this Transaction Committee; and further

RESOLVED, That the said officer be and he is hereby authorized, directed and empowered to execute and deliver in the name of and on behalf of the Corporation any and all documents including any financing statements and to do or cause to be done all such further acts and things as such officer in his sole discretion shall deem necessary, appropriate or desirable in connection with these resolutions.

* * *

WITNESS MY SIGNATURE, this 11th day of June, 1992.



Mark G. Otts
Assistant Secretary

SCHEDULE 1
to
Mortgage Assumption Agreement
dated as of June 11, 1992
by
FM Properties Operating Co., et al

Certified Resolutions

The undersigned, being the duly constituted Assistant Secretary of Freeport-McMoRan Inc. (the "Corporation") does hereby certify that the following is a full, true and correct copy of resolutions duly adopted by means of an unanimous written consent dated June 9, 1992 and signed by all members of the Transaction Committee (the "Transaction Committee") which was duly appointed by the Board of Directors of the Corporation by means of an unanimous written consent dated May 29, 1992 and signed by all members of said Board of Directors and (i) that said resolutions have continued in full force and effect and have not been rescinded, modified or amended through the date of this certificate; and (ii) that said resolutions are not in conflict with the articles of incorporation or by-laws of the Corporation:

RESOLVED, That Glenn A. Kleinert, the Senior Vice President of Freeport-McMoRan Oil & Gas Company Division of the Corporation, be and he hereby is authorized, empowered and directed to execute in the name of and behalf of the Corporation as managing general partner of FM Properties Operating Co., a Delaware partnership (the "Partnership") a Mortgage Assumption Agreement by the Partnership in favor of Chemical Bank as Collateral Agent (the "Mortgage Assumption"); the Mortgage Assumption to contain a confession of judgment, indemnifications, waiver of benefits of appraisal, demand, notice and delay, and such further terms and conditions as the said officer in his sole discretion deems necessary, appropriate or desirable; the Mortgage Assumption has been presented to and reviewed and approved by this Transaction Committee and may be changed or modified to contain such terms and conditions as the said officer in his sole discretion shall deem necessary, appropriate or desirable; the execution and delivery

thereof by said officer to be conclusive evidence of the approval thereof by this Transaction Committee; and further

RESOLVED, That the said officer be and he is hereby authorized, directed and empowered to execute and deliver in the name of and on behalf of the Corporation in its capacity as managing general partner of the Partnership any and all documents including any financing statements and to do or cause to be done all such further acts and things as such officer in his sole discretion shall deem necessary, appropriate or desirable in connection with these resolutions.

* * *

WITNESS MY SIGNATURE, this 11th day of June, 1992.



Mark G. Otts
Assistant Secretary

(Use UCC-1F for Farm Products)

This FINANCING STATEMENT is presented in filing pursuant to Chapter 7 of the Louisiana Commercial Laws.

4.5052

1A. DEBTOR (LAST NAME, FIRST OR AN INDIVIDUAL)

1B. SS# OR EMPLOYER I.D. NO.

FM Properties Operating Co.

72-1211573

1C. MAILING ADDRESS

1615 Poydras Street, New Orleans, LA 70112

2A. ADDITIONAL DEBTOR (IF ANY) (LAST NAME, FIRST OR AN INDIVIDUAL)

2B. SS# OR EMPLOYER I.D. NO.

2C. MAILING ADDRESS

3A. ADDITIONAL DEBTOR OR DEBTOR'S TRADE NAMES OR STATES (IF ANY)

3B. SS# OR EMPLOYER I.D. NO.

3C. MAILING ADDRESS

SECURED PARTY INFORMATION

4A. SECURED PARTY

Chemical Bank, as Collateral Agent

Employer I.D. No.: 13-4994650

4B. MAILING ADDRESS

200 Jericho Quadrangle, Jericho, NY 11753

5A. ASSIGNEE OF SECURED PARTY (IF ANY)

5B. MAILING ADDRESS

PROPERTY INFORMATION

6A. This FINANCING STATEMENT covers the following types or items of property:

See Exhibit A attached hereto and incorporated herein by this reference.

6B. ☒ Products of collateral are also covered.

7A. Check if applicable and attach legal description of real property:

☒ Fixture filing under R.S. 10:9-113

☒ Minerals or the like (including oil and gas) or accounts subject to R.S. 10:9-1015 will be financed at the wellhead or minehead of the well or mine

☐ The debtor(s) do not have an interest of record in the real property (Enter name and social security/employer I.D. # of an owner of record in 7B)

7B. OWNER OF REAL PROPERTY (if other than named debtor) (Enter name and social security/employer I.D. # of an owner of record)

7C. SS#/EMPLOYER I.D. NO.

8A. This statement is filed without the debtor's signature to perfect a security interest in collateral (check ☐ if not)

☐ already subject to a security interest in another jurisdiction when it was brought into this state or debtor's location changed to this state.

☐ which is proceeds of the original collateral described above in which a security interest was perfected

☐ as to which the filing has lapsed.

☐ acquired after a change of debtor's name, identity or corporate structure AND social security/employer I.D. #

8B. ☐ Debtor is a transmitting utility. Filing is effective until terminated pursuant to R.S. 10:9-403(B).

9. SIGNATURE(S) OF DEBTOR(S)

→ *RMW*
IP

10. SIGNATURE(S) OF SECURED PARTY(IES) (if applicable)

→ *May S. Weiss*
VP

11. Return copy to:

NAME: Cravath, Swaine & Moore
ADDRESS: 825 Eighth Avenue
CITY, STATE, ZIP CODE: New York, NY 10019
ATTN: Michael S. Weiss

12. THIS SPACE FOR USE OF FILING OFFICER (DATE, TIME, ENTRY # AND FILING OFFICER)

RECEIVED
JUN 15 9 27 AM '92
MINERAL & PETROLEUM SERVICE
GULF OF MEXICO DIVISION
NEW ORLEANS, LOUISIANA

13. Number of additional sheets presented 30

EXHIBIT A
UCC-1 Financing Statement

PREAMBLE TO EXHIBIT A

This Exhibit A sets forth the description of the Hydrocarbon Leases, the Mineral Interests and other interests subject to this UCC-1 Financing Statement (the "Financing Statement") to which this Exhibit A is attached.

1. **Headings.** Exhibit A consists of descriptions of the Hydrocarbon Leases, the Mineral Interests and other interests affecting lands (i) located within the county or parish and state next to the heading "Parish, State" or "County, State" of this Exhibit A, and (ii) in federal waters in the Outer Continental Shelf, offshore the State of Louisiana (the "Federal OCS"), and identified under the heading "OCS Gulf of Mexico Offshore, Louisiana" of this Exhibit A. The prospect name and prospect number as well as the reference to an area and in the Federal OCS is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

2. **Subheadings.** Each of the Hydrocarbon Leases, the Mineral Interests or other interests located within a particular parish or county and state is described by reference to the Subheadings LEASE NUMBER, LESSOR, PROSPECT, LESSEE, PARISH/STATE or COUNTY/STATE, LSE DTE, GROSS ACRES, EXPIRE DTE, and RECORDED. These subheadings shall have the following meanings and significance:

LEASE

NUMBER:

This is an internal lease or instrument identification number, which is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

LESSOR:

The name listed under the heading "LESSOR" is the name of the lessor of the Hydrocarbon Lease or the name of the grantor of the instrument whereby the Mineral Interest or other interest is created. Where the lessor or grantor is the State of Louisiana, the lessor or grantor is recited as "S/L" or "State R/W" and includes the State of Louisiana lease or right of way number assigned to such oil and gas lease or right of way.

LESSEE: The name following under the heading "LESSEE" is the lessee of the Hydrocarbon Lease or the name of the grantee of the instrument creating the Mineral Interest or other interest.

PROSPECT: The name listed under the heading "PROSPECT" is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

**PARISH/
STATE or
COUNTY/
STATE:** Under the heading "PARISH/STATE" or "COUNTY/STATE" is the listing of the parish or county and state in which the Hydrocarbon Lease, the Mineral Interest or other interest is located.

LSE DTE: The date (month/day/year) of the Hydrocarbon Lease or the instrument creating the Mineral Interest or other instrument.

**EXPIRE
DTE:** The date (month/day/year) cited under the heading "EXPIRE DTE" is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

**GROSS
ACRES:** The reference to "GROSS ACRES" is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

RECORDED: The recordation reference of the Hydrocarbon Lease or other instrument creating the Mineral Interest or other interest in the applicable public records of the county or parish shown under the heading "PARISH/STATE" or "COUNTY/STATE", as applicable. The recordation reference is to the volume or book and page or entry or file number of the oil and gas records, official public records of real property, conveyance records, or other applicable public records for the parish or county and state shown under the heading "PARISH/STATE" or "COUNTY/STATE".

3. Subheadings for Federal OCS: The Hydrocarbon Leases in the Federal OCS include the following subheadings:

Caption: The reference to a particular offshore area and block in the heading is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

Lease Number: The number following the letters "OF" for the Hydrocarbon Leases in the Federal OCS is for informational purposes only and is not intended to limit or restrict the descriptions in any manner.

Recordation: The Hydrocarbon Leases in the Federal OCS are filed with the Minerals Management Service, Department of the Interior, Gulf of Mexico OCS Region. Although not so indicated, the Hydrocarbon Lease may also be filed of record in the parish in the State of Louisiana located adjacent to the Hydrocarbon Lease in question.

4. Schedule A. Schedule A consists of the listing of all contracts, agreements, and instruments (collectively, the "Contracts") related to the Hydrocarbon Leases, the Mineral Interests or other interests subject to the Financing Statement. The recitation that the Debtor's interests in the Hydrocarbon Leases, the Mineral Interests or other interests described in Exhibit A is subject to the Contracts shall not operate to subject such interests to any such Contract except to the extent that such Contract is valid and presently subsisting with respect to such interest; nor shall the reference to a Contract be deemed a recognition by the Debtor that the Contract is valid except to the extent that such Contract is presently in force and effect. It is intended, however, that the rights of the Debtor under the Contracts shall be subject to the Financing Statement.

DEBTOR'S NAME: FM PROPERTIES OPERATING CO.

FEDERAL TAX IDENTIFICATION NUMBER: 72-1211593

EXHIBIT A TO UCC-1 FINANCING STATEMENT
Continued from Paragraph 6A of the
Financing Statement to which
this Exhibit A is attached

This Financing Statement covers all of the Debtor's right, title and interest, whether now owned or hereafter acquired, and all of the hereinafter described properties, rights and interests, insofar as such properties, rights and interests consist of equipment, general intangibles, accounts, chattel paper, instruments, contract rights, inventory, fixtures, goods, proceeds, or products of collateral (as such terms are defined in the Uniform Commercial Code as in effect in the appropriate jurisdiction with respect to each of said properties, rights and interests) (the "UCC") or any other personal property of a kind or character subject to the applicable provisions of the UCC:

(a) those certain oil, gas and mineral leases including subleases and assignments of operating rights (the "Hydrocarbon Leases") identified in Exhibit A attached hereto and made a part hereof, and the leasehold interests created thereby (collectively the "Leasehold Estates" and individually a "Leasehold Estate") in the real property described in the Hydrocarbon Leases as being affected thereby (the "Leased Land"), and all other mineral rights, overriding royalties, production payments, net profits agreements, royalties and other mineral interests identified in Exhibit A (the "Mineral Interests"), together with (i) all real estate located on, or used in connection with, the Mineral Interests or the Leased Land, (ii) all amendments, modifications, extensions and renewals thereof, (iii) all rights, interests, powers, privileges, options and other benefits of the Mortgagor under the Hydrocarbon Leases or the Mineral Interests and any other agreement or instrument creating or containing any such other rights or interests with respect to the Leasehold Estates or the Mineral Interests, (iv) all credits, deposits, options, privileges and rights of the Debtor under the Hydrocarbon Leases or the Mineral Interests, (v) the right to give consents and to receive money payable to the lessees under the Hydrocarbon Leases, (vi) any options to renew or purchase and any rights of first refusal to lease or purchase with reference to the foregoing, and (vii) all

DEBTOR'S NAME: FM PROPERTIES OPERATING CO.

FEDERAL TAX IDENTIFICATION NUMBER: 72-1211593

royalty interests, overriding royalty interests, production payment interests and net profits interests covering or relating to the Leased Land (the term "Leased Land" as used herein includes without limitation the land specifically described in Exhibit A and all land described in or covered by the oil and gas leases and other documents described in Exhibit A hereto whether or not such land is specifically described in Exhibit A hereto);

(b) the crude oil, condensate, natural gas, natural gas liquids, casinghead gas and petroleum products and other solid, liquid or gaseous hydrocarbons and other associated or related substances (the "Hydrocarbons") which are in, under, upon, attributable to, produced or to be produced from the Leased Land or the Mineral Interests, and owned or leased by the Debtor, subject to any matters listed in Exhibit A (the "Hydrocarbon Reserves");

(c) all inventory of the Hydrocarbon Reserves now or hereafter extracted, removed, or severed from or attributable to the Leased Land or the Mineral Interests, subject to any matters listed in Exhibit A; provided, however, that so long as no Event of Default under any of the Credit Documents shall have occurred and be continuing, such Hydrocarbon Reserves may be sold by the Debtor in the ordinary course of its business, free of any lien or security interest created by this Mortgage;

(d) all accounts now or hereafter resulting from the sale of the Hydrocarbon Reserves produced at the wellhead or minehead, and all other accounts, contract rights, operating rights, general intangibles, chattel paper, documents and instruments arising from the sale of the Hydrocarbon Reserves;

(e) all unitization, communitization, operating agreements, pooling agreements and declarations of pooled units and the properties covered and the units created thereby (including all units formed under orders, regulations, rules or other official acts of any federal, state or other governmental agency providing for pooling or unitization, spacing orders or other well permits and other instruments) now or hereafter entered into which relate to or affect all or any portion of the Leased Land or the Mineral Interests, including, without limitation, those units which may be specifically described or referred to in Exhibit A;

DEBTOR'S NAME: FM PROPERTIES OPERATING CO.

FEDERAL TAX IDENTIFICATION NUMBER: 72-1211593

(f) all equipment leases, production sales, purchase, exchange or processing agreements, transportation agreements, farmout or farmin agreements, saltwater disposal agreements, area of mutual interest agreements and other contracts or agreements now or hereafter entered into that cover, affect, or otherwise relate to the Leased Land or the Mineral Interests, or to the operation of the Leased Land or the Mineral Interests, or to the treating, handling, storing, transporting or marketing of Hydrocarbons produced from or allocated or attributed to the Leased Land or the Mineral Interests, including, without limitation, those contracts and agreements listed in Exhibit A hereto, as the same may be amended or supplemented from time to time;

(g) all surface or subsurface machinery, equipment, fixtures, facilities or other property of whatsoever kind or nature now or hereafter located on or under any of the Leased Lands or the Mineral Interests, which are used or useful for the production, treatment, storage or transportation of Hydrocarbons, or attached to, or contained in or used in connection with the operation or ownership of the Leased Lands or the Mineral Interests, including, but not by way of limitation, (x) all oil wells, gas wells, water wells, injection wells, casing, tubing, rods, pumping units and engines, Christmas trees, derricks, separators, heater treaters, valves, gun barrels, flow lines, tanks, gas systems and compressors (for gathering, treating and compression), water systems (for treating, disposal and injection), pipelines (including gathering lines, laterals and trunklines, if any), power plants, poles, lines, transformers, starters and controllers, machine shops, tools, storage yards and equipment stored therein, buildings and camps, telegraph, telephone and other communication systems, roads, loading racks and shipping facilities, and (y) all screens, awnings, shades, blinds, curtains, draperies, artwork, carpets, rugs, storm doors and windows, furniture and furnishings, heating, electrical, and mechanical equipment, lighting, switchboards, plumbing, ventilating, air conditioning and air-cooling apparatus, refrigerating, and incinerating equipment, escalators, elevators, loading and unloading equipment and systems, stoves, ranges, laundry equipment, cleaning systems (including window cleaning apparatus), telephones, communication systems (including satellite dishes and antennae), televisions, computers, sprinkler systems and other fire prevention and extinguishing apparatus and materials, security systems, motors, engines, machinery, pipes, pumps, tanks, conduits, appliances, fittings and fixtures of every kind and description;

DEBTOR'S NAME: FM PROPERTIES OPERATING CO.

FEDERAL TAX IDENTIFICATION NUMBER: 72-1211593

(h) all general intangibles, accounts and other rights to payment under any and all contracts, now or hereafter arising, under which the Debtor is entitled to share in the production from, or the proceeds of, the Leased Land or the Mineral Interests, or any oil and/or gas wells located thereon, whether operated by the Debtor or others, including, without limitation, operating agreements, revenue sharing agreements and other similar or dissimilar agreements;

(i) all minerals underlying the Leased Land or the Mineral Interests;

(j) all permits, licenses, easements, servitudes, rights-of-way, sewer and water rights, railroad sidings, and other interests and rights-of-way of every character in any way relating or appertaining to any of the Leased Land or the Mineral Interests;

(k) all permits, franchises, privileges, grants, consents, licenses, authorizations, certificates of public convenience and necessity, approvals and water rights with respect to the Mortgaged Property, as hereafter defined, hereafter granted to the Debtor, and in and to all amendments, supplements, modifications, extensions and renewals of any thereof (except the right, title and interest of the Debtor in and to any such permit, franchise, privilege, grant, consent, license, authorization, approval or water right which is not freely assignable by the Debtor or is assignable only upon the assumption of one or more obligations thereunder by the assignee), subject in each case to all the terms, conditions and provisions of each of such permits, franchises, privileges, grants, consents, licenses, authorizations, approvals and water rights, but only to the extent permitted by law and by the instrument, if any, by which they were granted;

(l) all tenements, hereditaments and appurtenances belonging or in any way appertaining to the aforementioned premises, property rights and franchises, and all the rents, issues and profits thereof;

(m) all right, title, interest, property, claim and demand of the Debtor, if any, in and to the land lying in the bed of any street, road, avenue, alley, in front of or adjoining the Leased Land and in and to gores and strips of land adjacent to or adjoining the Leased Land;

DEBTOR'S NAME: FM PROPERTIES OPERATING CO.

FEDERAL TAX IDENTIFICATION NUMBER: 72-1211593

(n) all proceeds of the conversion, whether voluntary or involuntary, of any of the Leased Land, the Mineral Interests or the Leasehold Estates or any other of the property, real or personal, subjected to the lien hereof and the security interest granted hereby into cash or other liquid claims, including, without limitation, all awards, payments or proceeds, including interest thereon, and the right to receive the same, which may be made as the result of any casualty, any exercise of the right of eminent domain or deed in lieu thereof, the alteration of the grade of any street and any injury to or decrease in the value of the Leased Land, the Mineral Interests or the Leasehold Estates, together with attorney's fees, costs and disbursements incurred by the Trustee or the Collateral Agent in connection with the collection of such awards, payments and proceeds and the Debtor agrees to execute and deliver, from time to time, such further instruments as may be requested by the Trustee or the Collateral Agent to confirm such assignment of any such award, payment or proceeds; and

(o) the proceeds and products of the foregoing, together with any additions thereto, substitutions therefor and proceeds and products thereof which may be subjected to the lien of this instrument by means of supplements hereto, and all corrections or amendments to, or renewals, extensions or ratifications of, any of the same, or of any instruments relating thereto.

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EXHIBIT "A"

PROSPECT NUMBER
PARISH, STATELA0406 LAC BLANC
VERMILION, LOUISIANA

LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	USE DTE GROSS ACRES	EXPIRE DTE ACRES	RECORDED
LA04060001/000	LOUISIANA FURS CORPORATION LAC BLANC	AMERADA PETROLEUM CORPORATION VERMILION/LA	06/03/1957 4545.080	06/03/1962 COB 342 NO 135457	
LA04060002/000	VEAZEY, GEORGE LAC BLANC	STONE OIL CORPORATION VERMILION/LA	12/31/1973 18.000	12/31/1999 COB 766 NO 220638	
LA04060003/000	BROUSSARD, FRANCIS R. ET AL LAC BLANC	STONE OIL CORPORATION VERMILION/LA	01/14/1974 .000	01/14/1999 COB 766 0220637	
LA04060004/000	VEAZEY, GEORGE LAC BLANC	THE STONE OIL CORP. ON VERMILION, LA	01/09/1976 1.000	01/09/1999 COB 811 NO 233258	
LA04060005/001	PELTO OIL COMPANY, ET AL LAC BLANC	CHARLES DEGRAVELLES VERMILION/LA	02/22/1980 169.150	01/14/1983 COB 924 NO 263329	
LA04060005/002	S/L 8537 LAC BLANC	CHARLES C. DEGRAVELLES VERMILION/LA	01/14/1980 169.150	01/14/1985 COB 922 NO 262816	
LA04060016/001	AVRICO, INC. LAC BLANC	THE SUPERIOR OIL COMPANY VERMILION/LA	09/27/1956 62.620	09/27/1959 COB 325 NO 132035	
LA04060016/002	S/L 3052 LAC BLANC	THE SUPERIOR OIL COMPANY VERMILION/LA	09/27/1956 62.620	09/27/1959 COB 325 NO 132028	
LA04060017/001	AVRICO, INC. LAC BLANC	THE SUPERIOR OIL COMPANY VERMILION/LA	09/27/1956 39.040	09/27/1959 COB 325 NO 132034	
LA04060017/002	S/L 3051 LAC BLANC	THE SUPERIOR OIL COMPANY VERMILION/LA	09/27/1956 39.040	09/27/1959 COB 325 NO 132027	
LA04060019/001	STATE R/W NO 2310 LAC BLANC	FMP OPERATING COMPANY VERMILION/LA	06/05/1985 .000	06/05/2005 NO 8507452	
LA04060019/002	AVRICO, INC. LAC BLANC	FMP OPERATING COMPANY VERMILION/LA	06/21/1985 .000	06/21/2005 NO 8508440	
LA0406001 003	CONTRAN CORPORATION LAC BLANC	FMP OPERATING COMPANY VERMILION/LA	05/28/1985 .000	05/28/2005 NO 8507451	

EXHIBIT "A"

PROSPECT NUMBER LA0406 IAC BLANC
PARISH, STATE VERMILION/LOUISIANA

LEASE NUMBER	LESSOR	PROSPECT	LESSEE	PARISH/STATE	LEASE DATE	GROSS ACRES	EXPIRE DATE	RECORDED
LA04060020/000	EXXON	SPORADIC AC LEASE	FMP OPERATING COMPANY	VERMILION/LA	09/03/1985	0.000	09/03/1999	NO 8513034
LA04060022/000	EXXON	SPORADIC AC LEASE	FMP OPERATING COMPANY	VERMILION/LA	12/03/1986	0.000	12/03/1999	NO 700321
LA04060023/000	EXXON CORP.	SPORADIC AC LEASE	FREEPORT-MCMORAN OIL & GAS CO	VERMILION/LA	09/27/1990	5.739	08/01/1995	NO 9009710
LA04060024/000	EXXON CORP.	SPORADIC AC LEASE	FMP OPERATING COMPANY	VERMILION/LA	09/11/1987	0.000	09/11/2007	NO 8709490

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
LA0406-0289 -85	CONSERVATION ORDER, AS AMENDED	08/06/1985	STATE OF LOUISIANA
LA0406-0091 -88	CONSERVATION ORDER	11/01/1988	STATE OF LOUISIANA
LA0406-0092 -88	CONSERVATION ORDER	10/31/1988	STATE OF LOUISIANA
LA0406-0093 -88	CONSERVATION ORDER	10/31/1988	STATE OF LOUISIANA
LA0406-0094 -88	CONSERVATION ORDER	11/01/1988	STATE OF LOUISIANA
LA0406-0001 -74	EXPLORATION AGREEMENT	01/19/1974	STONE OIL CORPORATION 1974 PARTICIPATING PROGRAM AND E.R. CARPENTER CO., INC.
LA0406-0386 -80	FARMIN AGREEMENT	12/02/1980	AMERADA HESS CORPORATION AND STONE OIL CORPORATION, ET AL
LA0406-0387 -80	FARMIN AGREEMENT	06/16/1980	SUPERIOR OIL COMPANY AND STONE OIL CORPORATION, ET AL
LA0406-0005 -86	FARMIN AGREEMENT	12/11/1986	AMERADA HESS CORPORATION AND FMP OPERATING COMPANY
LA0406-0004 -86	FARMIN AGREEMENT	11/01/1986	MOBIL OIL EXPLORATION & PRODUCING SOUTHEAST, II AND FMP OPERATING COMPANY
LA0406-0006 -86	FARMOUT AGREEMENT	12/17/1986	FMP OPERATING COMPANY AND CARPENTER OIL & GAS, INC.
LA0406-5001 -80	GAS PURCHASE CONTRACT, AS AMENDED	09/01/1980	TENNESSEE GAS PIPELINE COMPANY AND STONE OIL CORPORATION

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
LA0406-5701 -88	AUXILIARY GAS PURCHASE CONTRACT	11/01/1988	TENNESSEE GAS PIPELINE COMPANY AND FMP OPERATING COMPANY, ET AL
LA0406-0145 -74	JOINT VENTURE AGREEMENT	01/01/1974	STONE OIL CORPORATION AND STONE OIL CORPORATION 1974 PARTICIPATING PROGRAM
LA0406-0292 -85	LETTER AGREEMENT	07/26/1985	AMERADA HESS CORPORATION AND FMP OPERATING COMPANY
LA0406-0083 -89	LETTER AGREEMENT	05/30/1989	FMP OPERATING COMPANY AND CXY ENERGY, INC.
LA0406-0021 -59	OPERATING AGREEMENT	09/18/1959	SUPERIOR OIL COMPANY AND AMERADA PETROLEUM CORPORATION
LA0406-0001 -83	OPERATING AGREEMENT	09/01/1983	STONE OIL CORPORATION AND SUPERIOR OIL COMPANY, ET AL
LA0406-5140 -82	OIL SALE AGREEMENT, AS AMENDED	12/01/1982	KOCH OIL COMPANY AND STONE OIL CORPORATION
LA0406-0001 -75	SUBLEASE AGREEMENT	08/31/1975	SUPERIOR OIL COMPANY, ET AL AND STONE OIL CORPORATION
LA0406-5606 -88	SETTLEMENT AGREEMENT	10/13/1988	FMP OPERATING COMPANY, ET AL AND TENNESSEE GAS PIPELINE COMPANY
LA0406-0293 -85	GAS SCHEDULING AGREEMENT, AS AMENDED	12/31/1985	FMP OPERATING COMPANY, ET AL
LA0406-0060 -89	SALT WATER DISPOSAL AGREEMENT	03/30/1989	FMP OPERATING COMPANY, ET AL
LAND0076 -89	FARMIN AGREEMENT	05/10/1989	AMERADA HESS CORPORATION AND FMP OPERATING COMPANY
PR0152-04	PROCESSING AGREEMENT	09/25/1990	EXXON COMPANY, U.S.A. AND FREEPORT-MCMORAN OIL & GAS COMPANY, DIVISION OF FREEPORT-MCMORAN INC.

EXHIBIT "A"

ALL PROSPECTS
PROSPECT NUMBER
PARISH, STATE

LA1065
VERMILION/LOUISIANA
KAPLAN

PROSPECT NUMBER SEQUENCE

LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	USE DATE GROSS ACRES	EXPIRE DATE RECORDED
LA10650001/000	DARTEZ, FELICIE KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	12/24/1968 53.618	12/24/1973 NO 192060
LA10650003/000	TRAHAN, AMBROIS KAPLAN	HENRY T. DUSON VERMILION/LA	07/12/1971 106.000	07/12/1981 NO 204435
LA10650005/000	TRAHAN, LAUREST J., ET AL KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/13/1972 31.072	02/13/1975 NO 207540
LA10650007/001	PELTO OIL COMPANY KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/03/1972 53.470	02/03/1977 NO 210138
LA10650007/002	AVRICO, INC. KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/23/1972 53.470	02/23/1977 NO 210139
LA10650011/000	HEBERT, EDDIE J. KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	11/30/1972 106.810	04/22/1978 NO 213620
LA10650012/000	DARTEZ, WILMER L. KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/21/1973 64.704	12/25/1978 NO 214634
LA10650013/000	CLARK, FERAY KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/19/1973 .770	12/19/1978 NO 214635
LA10650014/001	BROUSSARD, BELLA T., ET AL KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/16/1973 1.651	12/20/1978 NO 214636
LA10650015/000	HEBERT, LOUISE V. KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/22/1973 40.145	12/19/1978 NO 214631
LA10650016/000	GREEN, WARREN J. KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/15/1973 90.914	12/19/1978 NO 214632
LA10650017/000	ROMERO, HARRY HENRY KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/21/1973 1.141	12/19/1983 NO. 214637
LA10650018/000	BROUSSARD, LVA KAPLAN	SUPERIOR OIL CO VERMILION/LA	02/26/1973 12.866	01/15/1979 NO 214660
LA10650020/000	TRAHAN, AMBROISE KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/26/1973 160.000	01/11/1979 NO 214662
LA10650021/000	DARTEZ, EMANUEL KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	12/24/1973 45.255	12/24/1983 NO 214774
LA10650022/000	BROUSSARD, POLYCARPE KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	03/02/1973 2.338	01/17/1979 NO 214773
LA10650025/000	SIMON, AMY	THE SUPERIOR OIL COMPANY	01/17/1974	01/17/1979

EXHIBIT "A"

ALL PROSPECTS
PROSPECT NUMBER
PARISH, STATELA1975
VERMILION/LOUISIANA
PROSPECT NUMBER SEQUENCE
KAPLAN

LEASE NUMBER	LESSOR PROSPECT KAPLAN	LESSEE PARISH/STATE VERMILION/LA	LEASE DTE GROSS ACRES	EXPIRE DTE RECORDED
			11.447	NO 215014
LA10650032/000	BROUSSARD, OTTO, ET AL KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	03/16/1973 12/19/1978 100.806	NO 215350
LA10650035/000	TRAHAN, AMBROIS KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	04/02/1974 04/21/1984 80.000	NO 221887
LA10650045/000	TRAHAN, JOHN D., ET AL KAPLAN	J.P. HESTERLY VERMILION/LA	01/29/1960 01/29/1965 .700	ENT NO 149112
LA10650112/000	SIMON, RODNEY J., ET AL KAPLAN	EARL P. BURKE, JR. VERMILION/LA	07/01/1980 06/30/1995 6.000	COB 935 NO 265850
LA10650115/000	ROMAINE, ALFRED RAY, ET AL KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	04/01/1981 04/01/1996 .000	ENT 88106221
LA10650116/000	PRIMFAUX, ADVEY, ET UX KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	09/01/1983 09/01/2013 1.200	ENT 88307481
LA10650120.001	CHATAGNIER, CECILE HEBERT ETAL KAPLAN	FMP OPERATING COMPANY VERMILION/LA	11/02/1987 11/02/1995 27.200	NO. 8712141
LA10650120/002	ROMERO, DAVID, JR. KAPLAN	FMP OPERATING COMPANY VERMILION/LA	12/10/1987 12/10/1993 27.200	NO. 8800553
LA10650120/003	KENNETH P. ROMERO, ET AL KAPLAN	MOBIL EXPL & PRODUCING N.A. INC VERMILION/LA	01/12/1988 01/12/1992 186.640	ENT 88800775
LA10650120/004	CECILE HEBERT CHATAGNIER, ETAL KAPLAN	MOBIL EXPL & PRODUCING N.A. INC VERMILION/LA	01/12/1988 01/12/1997 159.440	ENT 88800776
LA10650120/005	DAVID ROMERO, JR. KAPLAN	MOBIL EXPL & PRODUCING N.A. INC VERMILION/LA	01/12/1988 01/12/1992 159.440	ENT 88800777
LA10650121/000	ALTON J. HEBERT, ET AL KAPLAN	MOBIL EXPL & PRODUCING N.A. INC VERMILION/LA	01/13/1988 01/13/1991 4.396	ENT 88800778
LA10650122/000	ISABELLE SIMON BROUSSARD, ETAL KAPLAN	MOBIL EXPL & PRODUCING N.A. INC VERMILION/LA	01/20/1988 01/20/1993 16.350	ENT 88800779
LA10650123/000	NADINE DICKERSON ROMAINE, ETAL KAPLAN	MOBIL EXPL & PRODUCING N.A. INC VERMILION/LA	01/13/1988 01/13/1994 193.670	ENT 88800800
LA10650124/001	ALFRED RAY ROMAINE, JR ET AL KAPLAN	MOBIL EXPL & PRODUCING N A INC VERMILION/LA	01/21/1988 01/21/1994 39.580	ENT 88801046
LA10650124/002	MARY EMILY ROMAINE	MOBIL EXPL & PRODUCING N A INC	01/21/1988 01/21/1994	

EXHIBIT "A"

ALL PROSPECTS
PROSPECT NUMBER
PARISH, STATELA1065
VERMILION/LOUISIANAPROSPECT NUMBER SEQUENCE
KAPLAN
VERMILION/LOUISIANA

LEASE NUMBER	LESSOR PROSPECT KAPLAN	LESSEE PARISH/STATE VERMILION/LA	LEASE DATE GROSS ACRES	EXPIRE DATE ACRES	DATE RECORDED
LA10650126/000	ADVEY PRIMEAUX, ET AL KAPLAN	MOBIL EXPL. & PROD. N.A. INC. VERMILION/LA	02/19/1988 39.600	02/19/1994 39.600	ENT 88801231 ENT 88801639
LA10650129/001	HEBERT, HAROLD P. KAPLAN	FMP OPERATING COMPANY VERMILION/LA	10/17/1988	10/17/1991 .495	NO 8700490
LA10650129/002	HEBERT, JUDE THADDEUS KAPLAN	FMP OPERATING COMPANY VERMILION/LA	12/20/1988	12/20/1993 17.190	NO 8900491
LA10650129/003	HEBERT, HAROLD P. KAPLAN	FREEPORT-MCMORAN INC. VERMILION/LA	10/18/1991	10/18/1994 17.190	NO. 9111733
LA10650129/004	RICHE, SAM S., ET UX KAPLAN	FREEPORT-MCMORAN INC. VERMILION/LA	01/30/1992	01/30/1994 17.190	NO. 9203737
LA10650130/002	HEBERT, EFFIE TRAHAN, ET AL KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	09/01/1988	05/21/1992 50.000	NO 8809023
LA10650130/003	ROMERO, ELGIN HEBERT, ET AL KAPLAN	MOBIL EXPL & PROD N.A., INC. VERMILION/LA	08/21/1989	08/21/1992 50.000	NO. 8908815
LA10650132/000	DARTEZ, EMANUEL KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	08/26/1988	07/02/1992 18.005	NO 8808643
LA10650133/000	BROUSSARD, LOU ELLA LANDRY KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	08/26/1988	05/16/1992 34.710	NO 8808644
LA10650134/001	KAPLAN, LIBBY BLUM KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	08/31/1988	05/28/1992 21.280	NO 8809024
LA10650134/002	KAPLAN, LIBBY BLUM, TRUSTEE KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	08/31/1988	07/10/1992 21.280	NO 8809025
LA10650134/003	TARTAK, MARVIN HOWARD KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	09/19/1988	05/16/1992 21.280	NO 8809750
LA10650135/000	DARTEZ, WILMER KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	09/06/1988	05/16/1992 43.54	NO 8809026
LA10650136/000	BROUSSARD, LVA, ET UX KAPLAN	MOBIL EXP & PROD. N.A., INC. VERMILION/LA	08/30/1988	02/09/1992 80.000	NO 8809027
LA10650137/000	BROUSSARD, LVA, ET UX KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	08/30/1988	05/16/1992 84.464	NO 8809028
LA10650138/001	KAPLAN, LIBBY BLUM, TRUSTEE	MOBIL EXPL & PRODUCING N.A.	08/31/1988	02/18/1992	

EXHIBIT "A"

ALL PROSPECTS
PROSPECT NUMBER
PARISH, STATE

1A1065
VERMILION/LOUISIANA
PROSPECT NUMBER SEQUENCE
KAPLAN

LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	LEASE DATE GROSS ACRES	EXPIRE DATE ACRES	DATE RECORDED
1A10650138/002	KAPLAN TARTAK, MARVIN HOWARD KAPLAN	VERMILION/LA MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	09/19/1988 80.000	02/18/1992 80.000	NO 8809029 NO 8809751
1A10650139/000	RICHARD, BRENDA J. P., ET VIR KAPLAN	VERMILION/LA MOBIL EXPL. & PRODUCING N.A. VERMILION/LA	09/14/1988 28.660	02/25/1992 28.660	NO 8809351
1A10650140/000	LEMAIRE, CARL L., ET UX KAPLAN	VERMILION/LA MOBIL EXPL. & PRODUCING N.A. VERMILION/LA	09/15/1988 2.500	02/25/1992 2.500	NO 8809352
1A10650142/010	LEMAIRE, JOSEPH L., ET UX KAPLAN	VERMILION/LA MOBIL EXPL. & PRODUCING N.A. VERMILION/LA	09/15/1988 2.835	02/25/1992 2.835	NO 8809652
1A10650143/000	HEBERT, DONALD R., ET UX KAPLAN	VERMILION/LA MOBIL EXPL. & PRODUCING N.A. VERMILION/LA	09/26/1988 28.000	09/26/1994 28.000	NO 8809653
1A10650146/000	CLARK, FERAY, ET AL KAPLAN	VERMILION/LA MOBIL EXPL. & PRODUCING N.A. VERMILION/LA	10/05/1988 3.519	10/05/1991 3.519	NO 8809840
1A10650147/000	CLARK, FERAY, ET AL KAPLAN	VERMILION/LA MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	10/05/1988 65.523	10/05/1991 65.523	NO 8809841
1A10650148/000	CLARK, JAMES KENNETH, ET AL KAPLAN	VERMILION/LA MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	10/05/1988 32.112	10/05/1991 32.112	NO 8809842
1A10650149/000	CLARK, FERAY, ET AL KAPLAN	VERMILION/LA MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	09/23/1988 25.000	06/13/1992 25.000	NO 8809843
1A10650150/000	TRAHAN, LAUREST J., ET UX KAPLAN	VERMILION/LA MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	08/31/1988 20.670	05/16/1992 20.670	NO 8810099
1A10650151/000	TRAHAN, LAUREST J., ET AL KAPLAN	VERMILION/LA MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	08/31/1988 29.000	08/31/1994 29.000	NO 8810100
1A10650152/000	TRAHAN, LAUREST J., ET AL KAPLAN	VERMILION/LA MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	08/31/1988 84.678	05/16/1992 84.678	NO 8810101
1A10650153/000	ROMERO, MAGGIE DARTEZ, ET AL KAPLAN	VERMILION/LA MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	10/12/1988 10.879	05/16/1992 10.879	NO 8810147
1A10650154/001	PELTO OIL COMPANY KAPLAN	VERMILION/LA MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	11/03/1988 14.104	06/19/1992 14.104	NO 8811351
1A10650154/002	AVRICO, INC. KAPLAN	VERMILION/LA MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	09/07/1989 14.104	09/07/1992 14.104	NO. 8911498
1A10650155/000	HERPIN, MARGUERITE MARIE ET AL	VERMILION/LA MOBIL EXPL. & PROD. N.A., INC.	12/01/1988	12/01/1991	

EXHIBIT "A"

ALL PROSPECTS
PROSPECT NUMBER
PARISH, STATELA1065
VERMILION/LOUISIANAPROSPECT NUMBER SEQUENCE
KAPLAN
VERMILION/LOUISIANA

LEASE NUMBER	LESSOR PROSPECT KAPLAN	LESSEE PARISH/STATE VERMILION/LA	LEASE DATE GROSS ACRES	EXPIRE DATE ACRES	DATE RECORDED
LA10650156/000	SCHEXNEIDER, SHIRLEY BOUDREAUX KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	09/13/1988	05/16/1992 19.900	NO 8900358 NO 8900273
LA10650157/000	LEMAIRE, GAIL, ET UX KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	09/29/1988	02/25/1992 18.845	NO 8900224
LA10650158/000	SCHEXNEIDER, EVANS JOSEPH ETUX KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	09/19/1988	05/16/1992 .840	NO 8900225
LA10650159/000	FAULK, ENIX HEBERT KAPLAN	FMP OPERATING COMPANY VERMILION/LA	03/30/1989	03/30/1994 121.500	NO 8903404
LA10650160/000	LEDOUX, MARY E.G., ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	02/06/1989	02/06/1992 3.000	NO. 8903052
LA10650161/001	ROMAINE, ALFRED RAY, JR., ETAL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	02/01/1989	06/11/1992 118.070	NO. 8902286
LA10650161/002	ROMAINE, MARY EMILY KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	02/01/1989	06/11/1992 118.070	NO. 8902664
LA10650162/000	GUIDRY, PAUL A., ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	04/20/1989	04/20/1992 10.040	NO. 8904856
LA10650163/003	PARKER, JOHN W., ET UX KAPLAN	MOBIL EXPLORATION & PRODUCING VERMILION/LA	05/04/1989	05/04/1992 1.024	NO 8904860
LA10650163/004	LELEUX, MARVIN JOSEPH, ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	04/26/1989	04/26/1992 1.030	NO. 8904859
LA10650163/005	LELEUX, ALVIN PAUL, ET UX KAPLAN	MOBIL EXPLORATION & PRODUCING VERMILION/LA	04/26/1989	04/26/1992 1.029	NO. 8904858
LA10650163/006	LELEUX, KEVIN P., ET UX KAPLAN	MOBIL EXPLORATION & PRODUCING VERMILION/LA	04/26/1989	04/26/1992 1.137	NO. 8904857
LA10650163/007	SIMON, EMERY, JR., ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	05/09/1989	05/09/1992 1.025	NO. 8905397
LA10650163/008	BOURQUE, MAURICE JR., ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	05/09/1989	05/09/1992 1.014	NO. 8905396
LA10650163/009	CORMIER, MICHAEL, ET UX KAPLAN	MOBIL EXPL & PROD N.A., INC. VERMILION/LA	08/21/1989	08/21/1992 1.019	NO. 8908816
LA10650165/000	DUNON, MARIE HERPIN	FREEMONT MCMORAN OIL & GAS CO.	03/28/1990	07/09/1993	

EXHIBIT "A"

ALL PROSPECTS
PROSPECT NUMBER
PARISH, STATE

PROSPECT NUMBER SEQUENCE
LA1065 KAPLAN
VERMILION/LOUISIANA

LEASE NUMBER	LESSOR PROSPECT KAPLAN	LESSEE PARISH/STATE VERMILION/LA	LSE DTE GROSS ACRES	EXPIRE DTE RECORDED
			33.000	NO. 9004584
LA10650166/000	DUMON, ROBERT E., ET UX KAPLAN	FREEPORT MCMORAN OIL & GAS CO. VERMILION/LA	03/28/1990 07/09/1993 12.000	NO. 9004585
LA10650167/000	BROUSSARD, J. PEVERY, ET UX KAPLAN	FREEPORT MCMORAN OIL & GAS CO. VERMILION/LA	03/28/1990 07/09/1993 21.000	NO. 9004586
LA10650168/000	CLOTEAUX, ILETTE CLOSTIO KAPLAN	FREEPORT MCMORAN OIL & GAS CO. VERMILION/LA	03/28/1990 07/09/1993 33.000	NO. 9004587
LA10650169/090	DOUCET, VONDA KAY BROUSSARD KAPLAN	FREEPORT MCMORAN OIL & GAS CO. VERMILION/LA	03/28/1990 09/12/1993 48.000	NO. 9004588
LA10650170/000	DARTEZ, WILMER KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	10/15/1987 10/15/1992 7.000	NO. 8712408
LA10650171/000	LAPPOINT, AMY SIMON KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	03/01/1990 03/01/1993 6.553	NO. 9005292
LA10650172/000	PRIMEAUX, ADVEY, ET AL KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	03/01/1990 03/01/1993 70.749	NO. 9005291
LA10650173/001	BROUSSARD, POLYCARPE, ET UX KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/11/1990 04/11/1993 16.662	NO. 9005289
LA10650173/002	BROUSSARD, LOU ANN KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/11/1990 04/11/1993 16.662	NO. 9005290
LA10650174/000	GREENE/BROUSSARD PLAN., ET AL KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/16/1990 04/16/1993 60.086	NO. 9005293
LA10650175/000	GREENE/BROUSSARD PLAN. INC ET AL KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/16/1990 04/16/1993 26.000	NO. 9008683
LA10650176/000	GREENE, ROSE BROUSSARD, ET AL KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/16/1990 04/16/1993 7.000	NO. 9005295
LA10650177/000	GREENE, DONALD J., ET UX KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/16/1990 04/16/1993 2.000	NO. 9005294
LA10650178/000	GUIDRY, ELIAS, ET AL KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/26/1990 04/26/1993 2.000	NO. 9005299
LA10650179/001	ROMAINE, ALFRED RAY, JR., ETAL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	04/20/1990 04/20/1993 54.120	NO. 9005296
LA10650179/002	ROMAINE, MARY EMILY	MOBIL EXPL. & PRODUCING N.A.,	04/20/1996 04/20/1993	

EXHIBIT "A"

ALL PROSPECTS
PROSPECT NUMBER
PARISH, STATELA1065
VERMILION/LOUISIANA
PROSPECT NUMBER SEQUENCE
KAPLAN

LEASE NUMBER	LESSOR PROSPECT	LESSEE	PARISH/STATE	1 SE DTE GROSS	EXPIRE DTE ACRES	DIE RECORDED
	KAPLAN		VERMILION/LA		54.120	NO. 9005297
LA10650180/000	SIMON, RODNEY J., ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA		04/25/1990	04/25/1993 100.420	NO. 9005298
LA10650181/000	SIMON, RODNEY J., ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA		04/25/1990	04/25/1993 3.010	NO. 9005288
LA10650182/000	MEAUX, LOVELACE PAUL, ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA		05/02/1990	05/02/1993 25.900	NO. 9005300
LA10650183/001	FAULK, CLARA BOUKQUE, ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA		05/02/1990	05/02/1993 86.920	NO. 9005367
LA10650183/002	SIMMONS, MARY ROSE FAULK, ETAL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA		05/02/1990	05/02/1993 86.920	NO. 9006419
LA10650184/000	DARTEZ, EMANUEL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA		05/04/1990	05/04/1993 20.740	NO. 9005369
LA10650185/000	TRAHAN, LAUREST J., ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA		05/11/1990	05/11/1993 3.550	NO. 9005370
LA10650186/009	BROUSSARD, LIFTON PAUL, ET UX KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA		05/16/1990	05/16/1993 1.120	NO. 9005368
LA10650187/000	DARTEZ, WILMER KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA		06/21/1990	06/21/1993 20.095	NO. 9006417
LA10650188/001	AVRICO, INC. KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA		07/13/1990	07/18/1993 19.052	NO. 9008586
LA10650189/000	SIMON, STARLING P. KAPLAN	PHILLIP D. J. SIMON VERMILION/LA		08/12/1990	08/12/1993 26.520	NO. 9008419
LA10650190/000	SIMON, STARLING P. KAPLAN	PHILLIP J. D. SIMON VERMILION/LA		08/09/1990	02/09/1994 21.550	NO. 9008418
LA10650191/001	KAPLAN, LIBBY BLUM KAPLAN	MOBIL E & P. N. AMERICA INC. VERMILION/LA		01/05/1990	02/21/1993 58.720	NO. 9000774
LA10650191/002	KAPLAN, LIBBY BLUM, TRUSTEE KAPLAN	MOBIL E & P. N. AMERICA INC. VERMILION/LA		08/21/1990	08/21/1993 58.720	NO. 9008681
LA10650191/003	TARTAK, MARVIN HOWARD KAPLAN	MOBIL E. & P. N. AMERICA INC. VERMILION/LA		08/15/1990	08/15/1993 58.720	NO. 9008682
LA10650192/000	SOUTHERN PACIFIC TRANS COMPANY	MOBIL EXPL. & PROD. N.A., INC.		02/23/1990	02/23/1993	

EXHIBIT "A"

ALL PROSPECTS
PROSPECT NUMBER
PARISH, STATE

LA1065 PROSPECT NUMBER SEQUENCE
KAPLAN
VERMILION/LOUISIANA

LEASE NUMBER	LESSOR	PROSPECT	LESSEE	PARISH/STATE	USE DTE GROSS	ACRES	EXPIRE DTE	RECORDED
		KAPLAN		VERMILION/LA		18.180		NO. 9005366
LA10650193/000	HEBERT, ALTON J., ET AL	KAPLAN	MOBIL EXP. & PROD. N.A., INC.	VERMILION/LA	07/14/1990	01/14/1994		NO. 9007524
						159.190		
LA10650194/000	HEBERT, JOHN FARRELL, ET AL	KAPLAN	LEWIS B. BERNARD, INC.	VERMILION/LA	05/30/1991	10/14/1994		NO 9105874
						90.900		
LA10650195/000	MEUX, LOVELACE PAUL, ET AL	KAPLAN	MOBIL EXPL. & PROD. N.A., INC.	VERMILION/LA	06/06/1990	06/06/1993		NO. 9006416
						17.200		
LA10650196/000	BROUSSARD, LVA, ET UX	KAPLAN	MOBIL EXPL. & PROD. N.A., INC.	VERMILION/LA	01/10/1990	02/21/1993		NO. 9000773
						22.670		
LA10650197/001	HEBERT, DANA ANGELLE	KAPLAN	LEWIS B. BERNARD	VERMILION/LA	05/24/1991	11/10/1994		NO 9105875
						31.667		
LA10650197/002	HEBERT, WILTON L., TUTOR	KAPLAN	LEWIS B. BERNARD	VERMILION/LA	05/24/1991	11/10/1994		NO 9105876
						31.667		
LA10650198/000	BROUSSARD, LOUELLA LANDRY	KAPLAN	MOBIL EXPL. & PROD. N.A., INC.	VERMILION/LA	01/09/1990	02/20/1993		NO. 9000772
						5.290		
LA10650199/000	TRAHAN, ALTON J., ET AL	KAPLAN	MOBIL EXPLORATION AND PROD.	VERMILION/LA	08/29/1991	08/29/1994		NO 9109908
						34.710		
LA10650200/000	KIDDER, LOU ANN DRONET, ET AL	KAPLAN	MOBIL EXPLORATION AND PROD.	VERMILION/LA	09/16/1991	09/16/1994		NO. 9109906
						80.000		
LA10650201/000	CAPPS, MARY ADELE ROMAINE ET	KAPLAN	MOBIL EXPLORATION AND PROD.	VERMILION/LA	09/10/1991	09/20/1994		NO. 9109907
						11.000		
LA10650202/000	HEBERT, FREDDIE, ET UX	KAPLAN	MOBIL EXPLORATION AND PROD.	VERMILION/LA	10/17/1991	10/17/1994		NO. 9109910
						2.000		
LA10650203/000	GUILLORY, DELTA JOSEPH, ET UX	KAPLAN	MOBIL EXPLORATION AND PROD.	VERMILION/LA	10/16/1991	10/16/1994		NO. 9109909
						3.820		
LA10650204/001	LANDRY, DELFRED L., ET UX	KAPLAN	MOBIL EXPLORATION AND PROD.	VERMILION/LA	10/18/1991	05/03/1995		NO. 9110528
						2.473		
LA10650204/002	HERPIN, GORDON E., ET UX	KAPLAN	MOBIL EXPLORATION AND PROD.	VERMILION/LA	10/22/1991	10/22/1994		NO. 9110529
						1.363		
LA10650204/003	SIMON, WARREN J.	KAPLAN	MOBIL EXPLORATION AND PROD.	VERMILION/LA	11/12/1991	04/21/1995		NO. 9111266
						2.473		

PROJECT NUMBER
PARISH, STATELA1065 KAPLAN
VERMILION, LOUISIANA

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
LA1065 0574 -80	CONSERVATION ORDER	06/26/1980	STATE OF LOUISIANA
LA1065 0204 -83	CONSERVATION ORDER	05/16/1983	STATE OF LOUISIANA
LA1065 0205 -83	CONSERVATION ORDER	05/16/1983	STATE OF LOUISIANA
LA1065 0042 -91	CONSERVATION ORDER	07/12/1991	STATE OF LOUISIANA
LA1065-0056 -91	CONSERVATION ORDER	07/03/1991	STATE OF LOUISIANA
LA1065 0057 -91	CONSERVATION ORDER	01/03/1991	STATE OF LOUISIANA
LA1065-0240 -76	DESIGNATION OF UNIT	02/26/1976	SUPERIOR OIL COMPANY AND BURMONT COMPANY, ET AL
LAND0204 -72	LIMITED PARTNERSHIP	07/28/1972	
LA1065-0148 -73	LETTER AGREEMENT	07/16/1973	BURMONT COMPANY AND KENNETH G. MCCARTHY, JR.
LA1065 0121 -73	OPERATING AGREEMENT	03/01/1973	SUPERIOR OIL COMPANY AND BURMONT COMPANY
LA1065 0262 -77	OPERATING AGREEMENT	02/01/1977	BURMONT COMPANY AND BURMONT EXPLORATION 1972-A, ET AL
LA1065 0371 -80	CHENIER GAS PLANT	05/20/1980	CHENIER OIL COMPANY, INC., ET AL
LA1065-0083 -86	RESTATE CONVEYANCE OF PRODUCTION PAYMENT	01/01/1986	EARL P. BURKE, JR., ET AL AND UCAR INTERAM, INC.
LA1065-0055 -91	PURCHASE AGREEMENT	11/19/1991	AMAX PETROLEUM CORP. AND FREEPORT-MCMORAN INC.
PR0182-04-91	GAS PROCESSING AGREEMENT	11/01/1991	FREEPORT-MCMORAN OIL & GAS COMPANY AND LIG LIQUIDS CORPORATION
LA0183-01	RESTATE GAS PURCHASE AND SALES AGREEMENT, AS AMENDED	01/01/1986	UCAR INTERAM, INC. AND FMP OPERATING COMPANY, ET AL
LA1065 6864 -91	PURCHASE AGREEMENT	10/29/1991	LIG CHEMICAL CORPORATION AND FREEPORT-MCMORAN OIL & GAS COMPANY
LA1065-0065 -91	LETTER AGREEMENT	11/14/1991	FREEPORT-MCMORAN OIL & GAS COMPANY AND CHARLES A. MILLER, JR., ET AL
LA1065 0066 -91	LETTER AGREEMENT	04/18/1991	FREEPORT-MCMORAN INC. AND GREENBRIER ACQUISITION LTD., ET AL

EXHIBIT "A"

**VERMILION BLOCK 161
OCS GULF OF MEXICO
OFFSHORE LOUISIANA**

An undivided 1.95557% overriding royalty interest in and to the following described lease, **LESS AND EXCEPT** the NW/4 SE/4 and the NE/4 SE/4 thereof, to wit:

OCS-G 1127

OF0507-0001-000

Oil and Gas Lease from the United States of America as Lessor, to Forest Oil Corporation, as Lessee, dated effective as of June 1, 1962, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 1127, covering the submerged lands of the Outer Continental Shelf described as follows:

Block 161 Vermilion Area, as shown on official leasing map La. No. 3, Outer Continental Shelf Leasing Map, Louisiana Offshore Operation, containing approximately 4,868.21 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAN# 0090-87	Participation Agreement McMoran 1987 OCS Lease Acquisition and Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

VERMILION BLOCK 161 OCS GULF OF MEXICO OFFSHORE LOUISIANA

An undivided 49.60055% operating rights interest in and to the NW/4NW/4SE/4; SE/4NE/4SW/4 and the well located thereon, known and designated as Well No. 3 in the following described lease, to wit:

OCS-G 1127
OF0507-0001-000

Oil and Gas Lease from the United States of America as Lessor, to Forest Oil Corporation, as Lessee dated effective as of June 1, 1962, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 1127, covering the submerged lands of the Outer Continental Shelf described as follows:

Block 161 Vermilion Area, as shown on official leasing map La. No. 3, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations, containing approximately 4,868.21 acres.

The above described interest entitles the owner thereof to the following:

- A. The NW/4NW/4SE/4 of Block 161, Vermilion Area, being the Operating Rights in and to oil and gas produced therefrom, and the OCS-G 1127 Well No. 3;
- B. The SE/4NE/4SW/4 of Block 161, Vermilion Area, being the Operating Rights, including the surface rights, the "A" Platform and the equipment located thereon, but not any oil and gas rights therein.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
OF0507-0144-75	Operating Agreement, as amended	12/31/75	C&K Marine Production Company and Bethlehem Steel Corporation, et al
LAND0090-87	Participation Agreement McMoran 1987 OCS Lease Acquisition and Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al
LAND0030-88	Area of Mutual Interest	05/05/88	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al
	Co-Development Agreement	12/01/91	Freeport-McMoran Inc. and Energy Development Corporation, et al
	Overriding Royalty Assignment	Pending	Freeport-McMoran Inc. and CLK Company, et al

Any and all other contracts, agreements, burdens and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

VERMILION BLOCK 161 OCS GULF OF MEXICO OFFSHORE LOUISIANA

An undivided 39.89360% record title interest in and to the NE/4SE/4SE/4 of the following described lease; and

An undivided 34.66677% record title interest in and to the N/2; SW/4; N/2SE/4; SW/4SE/4; NW/4SE/4SE/4; S/2SE/4SE/4 of the following described lease, to wit:

OCS-G 1127

OF0507-0001-009

Oil and Gas Lease from the United States of America as Lessor, to Forest Oil Corporation, as Lessee, dated effective as of June 1, 1962, and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 1127, covering the submerged lands of the Outer Continental Shelf described as follows:

Block 161 Vermilion Area, as shown on official leasing map La. No. 3, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations, containing approximately 4,868.21 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
OF0507-0178-75	Farmout Agreement, as amended	07/24/75	Forest Oil Corporation, et al and C&K Offshore Company
OF0507-0144-75	Operating Agreement, as amended	12/31/75	C&K Marine Production Company and Bethlehem Steel Corporation, et al
LAND0090-87	Participation Agreement McMoran 1987 OCS Lease Acquisition and Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al
LAND0030-88	Area of Mutual Interest	05/05/88	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al
	Co-Development Agreement	12/01/91	Freeport-McMoran Inc. and Energy Development Corporation, et al
	Overriding Royalty Assignment	Pending	Freeport-McMoran Inc. and CLK Company, et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

**MISSISSIPPI CANYON BLOCKS 320, 321, 322, 323 AND 365
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA**

An undivided 66.667% record title interest in and to the following described leases, to wit:

OCS-G 6946
OF1171-0002-000 Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective June 1, 1984 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 6946 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Blocks 320 and 321, Mississippi Canyon, OCS Official Protraction Diagram, NM 16-10, containing approximately 5,131.08 acres.

OCS-G 5834
OF1171-0003-000 Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5834 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 322, Mississippi Canyon, OCS Official Protraction Diagram, NM 16-10, containing approximately 5,760.00 acres.

OCS-G 5835
OF1171-0004-000 Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5835 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 323, Mississippi Canyon, OCS Official Protraction Diagram, NM 16-10, containing approximately 5,760.00 acres.

OCS-G 5841
OF1171-0001-000 Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5841 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 365, Mississippi Canyon, OCS Official Protraction Diagram, NM 16-10, containing approximately 5,760.00 acres.

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
OF1171-0115-87	Unit Operating Agreement	07/01/87	Mobil Oil Exploration & Producing Southeast Inc. and Tenneco Oil Company, et al

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 Exhibit "A"
 Mississippi Canyon Blocks 320, 321, 322, 323 and 365

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
OF1171-0116-87	Unit Agreement	07/01/87	Mobil Oil Exploration & Producing Southeast Inc., Tenneco Oil Company, et al
KXNCOO-0007-89	Participation Agreement McMoran 1989-90 Exploration Program, as amended	01/01/89	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1171-0022-89	Farmout Agreement	06/15/89	FMP Operating Company, a Limited Partnership and Mobil Oil Exploration & Producing Southeast Inc., et al
OF1171-0048-89	Area of Mutual Interest	08/07/89	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
	Assignment	Effective 08/15/89	Chevron U.S.A. Inc. and Freeport-McMoran Inc.
	Assignment	07/10/91 Effective 08/15/89	Mobil Oil Exploration & Producing Southeast Inc. and Freeport-McMoran Inc.
	Assignment	11/20/91 Effective 08/15/89	Kerr-McGee Corporation, et al and Freeport-McMoran Inc.
	Discount Letter	10/21/91	Texas Eastern Transmission Corporation and FMI Hydrocarbon Company
	Liquid Hydrocarbons Transportation Agreement	09/01/91	Texas Eastern Transmission Corporation and Freeport-McMoran Inc.
	Gas Processing Agreement	01/14/92	Warren Petroleum Company and Freeport-McMoran Inc.
OF1171-0004-92	Gas Dehydration Agreement	02/04/92	Marathon Oil Company and Freeport-McMoran Oil & Gas Company
	Assignment	Pending	Freeport-McMoran Inc. and Continental Land & Fur Co., Inc., et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

**SOUTH PASS BLOCK 74
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA**

An undivided 60.57570% operating rights interest in and to the following described lease, to wit:

OCS-G 6801 Oil and Gas Lease from the United States of America as
OF10880003-000 Lessor, to Conoco Inc., et al as Lessee, dated effective
June 1, 1984 and identified in the Office of the Minerals
Management Service, Department of the Interior, as Outer
Continental Shelf Lease Number OCS-G 6801 covering the
submerged lands of the Outer Continental Shelf described
as follows:

All of Block 74, South Pass Area, South and East
Addition, OCS Leasing Map, Louisiana Map No. 9A
containing approximately 5,000.00 acres.

Insofar and only insofar as said lease covers and
pertains to the E/2 of Block 74 limited to those depths
from the surface of the earth down to and including 100'
below the stratigraphic equivalent of a depth of 13,311'
subsea (16,500' MD), as seen in the Freeport-McMoran Inc.
OCS-G 6801 Well No. A-12 (ST-1).

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Co., et al
OF1088-0015-87	Participation Agreement, as amended	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership, et al
OF1088-0101-88	Area of Mutual Interest	06/31/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1088-0014-91	Farmout Agreement	03/21/91	Conoco Inc., et al and Freeport-McMoran Inc.
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Freeport-McMoran Inc. and Apache Corporation, et al
	Crude Oil Purchase/ Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport- McMoran Inc.
	Assignment of Overriding Royalty Interest	Pending	Freeport-McMoran Inc. and CLK Company, et al

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

**SOUTH PASS BLOCK 83
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA**

An undivided 60.57570% record title interest in and to the following described lease, to wit:

OCS-G 5052 Oil and Gas Lease from the United States of America as Lessor, to Shell Offshore Inc., et al as Lessee, dated effective April 1, 1982 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5052 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 83, South Pass Area, South and East Addition, as shown on OCS Leasing Map, Louisiana Map No. 9A containing approximately 5,000.00 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Co., et al
OF1088-0015-87	Participation Agreement, as amended	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership, et al
OF1088-0009-87	Seismic Option and Farmir Agreement	06/01/87	Shell Offshore Inc., et al and FMP Operating Company
OF1088-0101-88	Area of Mutual Interest	08/31/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Freeport-McMora Inc. and Apache Corporation, et al
	Crude Oil Purchase/Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport-McMora Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

**SOUTH PASS BLOCK 82
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA**

An undivided 65.83400% operating rights interest in and to the following described lease, to wit:

OCS-G 5685 Oil and Gas Lease from the United States of America as Lessor, to Exxon Corporation as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5685 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 82, South Pass Area, South and East Addition, OCS Leasing Map, Louisiana Map No. 9A, from the surface of the earth down to the stratigraphic equivalent of 14.863 feet, as identified on the electric log of the FMP Operating Company OCS-G 5685 Well No. 3, plus 100 feet and containing approximately 5,000.00 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Co., et al
OF1088-0015-87	Participation Agreement, as amended	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership, et al
OF1088-0034-88	Farmin Agreement	08/19/88	Exxon Corporation and FMP Operating Company, a Limited Partnership
OF1088-0101-88	Area of Mutual Interest	08/11/88	FMP Operating Company, a Limited Partnership and Continental Land & Pur Co., Inc., et al
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Freeport-McMoran Inc. and Apache Corporation, et al
	Crude Oil Purchase/ Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport- McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

EXHIBIT "A"

EAST CAMERON BLOCK 143
OCS GULF OF MEXICO
OFFSHORE, LOUISIANA

An undivided 18.43352% record title interest in and to the following described lease, to wit:

OCS-G 5369 Oil and Gas Lease from the United States of America, as
OF1096-0002-000 Lessor, to CNG Producing Company, as Lessee, dated
effective July 1, 1983, and identified in the Office of
the Minerals Management Service, Department of the
Interior, as Outer Continental Shelf Lease Number
OCS-G 5369 covering the submerged lands of the Outer
Continental Shelf described as follows:

All of Block 143, East Cameron Area, OCS Leasing Map,
Louisiana Map No. 2 containing approximately 5,000 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	Participation Agreement McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Company, et al
OF1096-0021-88	Farmout Agreement, as amended	05/05/88	CNG Producing Company and FMP Operating Company, a Limited Partnership
OF1096-0029-88	Area of Mutual Interest	02/24/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1096-0041-91	Facility Use Agreement	01/17/91	Chevron U.S.A. Inc. and Freeport-McMoran Inc.
OL0540-03	Crude Oil Exchange Agreement	07/23/91	Shell Oil Company and Freeport-McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning
or affecting the above described interest which are of record.

EXHIBIT "A"

EAST CAMERON BLOCK 148 OCS GULF OF MEXICO OFFSHORE, LOUISIANA

An undivided 26.33360% record title interest in and to the following described lease, to wit:

OCS-G 5370 Oil and Gas Lease from the United States of America, as
OF1096-0001-000 Lessor, to Tenneco Oil Company, as Lessee, dated
effective July 1, 1983, and identified in the Office of
the Minerals Management Service, Department of the
Interior, as Outer Continental Shelf Lease Number
OCS-G 5370 covering the submerged lands of the Outer
Continental Shelf described as follows:

All of Block 148, East Cameron Area, OCS Leasing Map,
Louisiana Map No. 2 containing approximately 5,000 acres.

SCHEDULE "A"

<u>CONTRACT NUMBER</u>	<u>AGREEMENT TYPE</u>	<u>DATE</u>	<u>PARTIES</u>
LAND0021-87	Participation Agreement McMoran 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Company, et al
OF1096-0083-87	Farmout Agreement	12/10/87	Tenneco Oil Company and FMP Operating Company, a Limited Partnership
OF1096-0015-88	Offshore Operating Agreement	03/07/88	Tenneco Oil Company and FMP Operating Company, a Limited Partnership, et al
OF1096-0029-88	Area of Mutual Interest	02/24/88	FMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1096-0041-91	Facility Use Agreement	01/17/91	Chevron U.S.A. Inc. and Freeport-McMoran Inc.
OL0540-03	Crude Oil Exchange Agreement	07/23/91	Shell Oil Company and Freeport-McMoran Inc.

Any and all other contracts, agreements, burdens, and encumbrances concerning or affecting the above described interest which are of record.

END

UPDATE