UPDATE

8-92

** CCC-1F for Farm Products)	4505
This FINANCING STATEMENT is presented for filing pursuant to CP pter o of	The Louisiana Commercial Laws 200
Freeport-McMcRe Inc.	3-3 51048
TO MAPIN ADDRES	
1615 Poydra St. rat, New Orleans, La 70112	
24. ADE/HONAL DEBT: CO (LASC NAME, FIRST - IF AN INDIVIDUAL)	211. SS = OK : 407/94, R 1.D. SQ.
X GAILING ADDRESS	
3A. ADDITIONAL DEBTC& OR ARBTOR'S TRADE NAMES OF STYLES (IF ASS)	JR SS# OR FMPIC', #175. NO.
X. MAILING ADDRESS	
200 Jericho Quadrangle, Sericho, p. 1/5	No.: 13-4994650
SA. ASSIGNEE OF SECURED PARTY (IF ANY)	* ************************************
5B MAILING ADDRESS	
6A. This FINANCING STATEMENT covers the following 15 pris or it:ms of property.	
See Exhibit A attached hereto and incorporated hereir by th	nis reference.
7A. Creek if applicable and attach legal description of	of -, conner of record in 7B)
BA. This statement is filled a non-trace debtor's signature to perfect a new interest in collateral (check and solved a large of a solved in the state of debtor's local and changed to this state of debtor's local and the new interest in an object of the original collateral described above in the constitution of the original collateral described above in the filling has laps a acquired after a change of achieves name, identify or overporate strik or NNI social security employer is the second or solver.	SR Debtor is a Tratemitting Criticy. Filing is e feetive until terminated pursuant to R.S. \$\$10.9-40.581.
9. SIGNATURE(S) O. DEBIOR(J)	12. THIS SPACE FOR USE OF ING OFFICER STATE, TIME ENTRY # AND ELSES OFFICERS
- RMWalle	RECEI
18	92 5 R
10 siGNATURE(S) OF NECURED PARTYHESHIF applicable)	9 CF
· Mary Jo des Los	2 -
Se '	\$7.197
11. Return capp to:	NO SOL
Crava'h, Swaine & Moore	
ADDRESS 825 Eighth Avenue	
New York, NY 10019	
Attn: Michael S. Weiss	
	44
	13 Number of additional sheets presented 20

EXHIBIT A UCC-1 Financing Statement

PREAMBLE TO EXHIBIT A

This Exhibit A sets forth the description of the Hydrocarbon Least, the Mineral Interests and other interests subject to this UCC-1 Financing States int (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 "Farish, State" or "County, State" of this Ewithit A, and (ii) in federal waters in the Outer Continental Shift, offshore the State of Louisiana (the "Federal OCS"), and it entified 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. <u>Subheadings</u>. Each of the Hydrocarbons Leases, the Mineral Interests or other interests located within a particular parish or county and state is descried by reference to the Subheadings LEASE NUMBER, LESSOR, PROSPECT, LESSEE, PARISH/STATE or COUNTY/STATE, LSE DTE, GROSS LOCATES, EXPIRIT 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 Hydrographon Leave or the name of the grantume 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 Loase, the Mineral Interest or other interest is located.

LSE DTE:

The date (month/day/year) of the Hydrocarbon Lease or the instrument creaving 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 'imit 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. <u>Subheadings for Federal OCS</u>: 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 hait or restrict the descriptions in any manner.

Lease

The number following the letters "OF" for the Hydrocarbon Leases in the Federal ONS 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") to lated 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 may 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.

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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 lescribed 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

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:

FEDERAL TAX IDENTIFICATION NUMBER: 13-3051048

- (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;

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 cr 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 Moragaged 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;
- (1) 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;

FEDERAL TAX IDENTIFICATION NUMBER: 13-3051048

- (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.

175453TF@ 56250.436 PROSPICE HUMBER Parish, State FARMELEDN - FOUL - FAMA

LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	ISF DIE EXPIRE DIE GROSS ACRES RECORDED
1 A0466 0001/008	LOUISIANA FURS CORPURTION	AMERADA PETROLEUM CORPORATION	06/03/1957 06/03/1962
	LAC BLANC	VERMILION/LA	4545.080 COB 342 NO 135457
I A04060002/000	VEAZEY, GEORGE LAC BLANC	STONE DIL CORPORATION VERMILION/LA	12/31/1973 12/31/1999 18.900 COB 766 NO 220638
LA04060003/000	BROUSSARD, FRANCIS R. ET AL	STONE OIL CORPORATION	01/14/1974 01/14/1999
	LAC BLANC	VERMILION/LA	.000 COB 766 0220637
LA04060004/000	VEAZEY, GEORGE LAC BLANC	THE STONE DIL CORPORATION VERMILION/LA	01/09/1976 01/09/1999 1.000 COB 811 NO 233258
LA04060005/001	PELTO DIL COMPANY, ET AL	CHARLES DEGRAVELLES	#2/22/1988 01/14/1983
	LAC BLANC	VERMILION/LA	169.150 COB 924 NO 263329
LA04060005/882	S/L 8537	CHARLES C. DEGRAVELLES	01/14/1980 01/14/1985
	LAC BLANC	VERMILIONALA	169.150 COB 922 NO 262816
[A04060016/001	AVRICO, INC.	THE SUPERIOR OIL COMPANY	09/27/1956 09/27/1959
	LAC BLANC	VERMILION/LA	62.620 COB 325 NO 132035
LA04060016/002	S/L 3052 LAC BLANC	THE SUPERIOR OIL COMPANY VERMILION/LA	09/27/1956 09/27/1959 62.620 COB 325 NO 132028
LA04060017/001	AVRICO, INC.	THE SUPERIOR GIL COMPANY	09/27/1956 09/27/1959
	LAC BLANC	VERMILION/LA	39.040 COB 325 NO 132034
LA04060017/002	S/L 3051 LAC BLANC	THE SUPERIOR OIL COMPANY VERMILION/LA	09/27/1956 09/27/1959 39.040 COB 325 HO 132027
I A04060019/001	STATE R/H NO 2310	FMP OPERATING COMPANY	06/05/1985 06/05/2005
	LAC BLANC	VERMILION/LA	.000 NO 8507452
LA04060019/00?	AVRICO, INC.	FMP OPERATING COMPANY	06/21/1985 06/21/2005
	LAC BLANC	VERMILION/LA	.000 NO 8508440
LA04060019/003	CONTRAK CORPORATION	FMP OPERATING COMPANY	05/28/1985 05/28/2005
	LAC BLANC	VERMILION/IA	.000 NO 8507451

PROSPECT NUMBER PARISH, STATE	LAGADA LAC BLANC VERMILION/LOVISIANA			
LEASE NUMBER	LESSOR PROSPECT	LESSEE PARLOMATA	ist Brit	EXPERT BIT ACRES RECORDED A
A04060020/000	FXXUN CORPORATION LAC BLANC	INF DPERATING COMPA		000 WD 8513034
LA04060022/000	EXXON CORPORATION LAC BLANC	FMP OPERATING COMPAN VERMITTON		12/85/1999 000 HQ 8700321
LA04060023/000	EXXON CORPORATION. ET AL LAC BLANC	FREEPORT MCMORAN OT		08/01/1995 5 739 HQ 9009710
L A04060024/000	EXTON CORPORATION. ET AL LAC BLANC	FMP OPERATING CONTAIN VERNELION		09/11/2007 000 NO 8789496
		SCHEDULE	"A"	-
CONTRAC" NUMBER	IGREEMENT TYPE		BATE	PARTIES
LA0406-0289 -#5	CONSERVATION OR	OCR.	84/84/1985	STATE OF LOUISTANA
L 40406 - 60°	TERVATION OR	DER	11/01/1946	STATE OF LOUISIANA
1 A0406 - G	- CHSERVATION OR	DER	10/31/1900	STATE OF EQUISIANA
LA0406-0093 -ar	CONSERVATION DE	DER 1	10/51/1980	STATE OF LOUISIANA
LA0406-0094 -88	CONSERVATION OR	DER 1	11/01/1988	STATE: OF LOUISIANA
LA0406-0001 -74	EXPLURATION AGE	ECHENT	11/19/19/4	STONE DIE CORPORATION 1974 ARTICIPATING PROGRAM AND E.R. CARPENTER CO., INC.
LA0406-0386 -80	FARMIN AGREEMEN	,	12/02/1960	AMERABA HESS CORPORATION AMB STONE GIL CORPORATION, ET AL
LA0406-0387 -80	FARMIN AGREEMEN	•	N/14/1986	SUPERIOR OIL COMPANY AND STONE OIL CORFORATION, ET A
ANDODO5 -86	FARMIN AGREEMEN	, ,	12/11/1986	AMERADA HESS CORPORATION AND EMP OPERATING COMPANY
A0406-0004 -86	FARMIN AGREEMEN	' '	11/01/1984	MOBIL OIL EXPLORATION & PRODUCING SOUTHEAST. INC. AND FMP OPERATING COMPAN
A0406-0006 -86	FARMOUT AGREEME	w7 1	17/17/1986	FMP OPERATING COMPANY AND CARPENTER OIL & GAS, INC.
A0406-5001 -80	GAS PURCHASE CO AS AMENDED	HIRACI. 6	17/81/1984	TEMMESSEE GAS PIPELINE COMPANY AND

1 ..

Ludica	I NUMBER	AGREEMENT TYPE	DATE	PARTIES	
	(A0406 5701 -88	AUXIILIARY GAS PURCHA	ASE ::ONTRACT 11:01:1988	TENNESSEE GAS PIPELINE COM TMP OPERATING COMPANY, ET	
	LA0406 0145 -74	JOINT VENTURE AGREEM	ENT 01/01/1974	STONE OIL CORPORATION AND CORPORATION '974 PARTICIPAL	
	LA0406-0292 -85	LETTER AGREEMENT	07/26/1985	AMERADA HESS CORPORATION AN	ND
	t A0406 - 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 CORPORAT	ION
	LA0406-0001 -83	OPERATING AGREEMENT	09/01/1983	STONE OIL CORPORATION AND SUPERIOR OIL COMPANY, FF A	ι
	LA0406-5140 -82	OIL SALE AGREEMENT, AS AMENDED	12/01/1982	KOC: OIL COMPANY AND STONE GIL CORPORATION	
	LA0406-0001 -75	SUBLEASE AGREEMENT	08/31/1975	SUPERIOR C'L COMPANY, ET AL STONE DIL CORPORATION	L AND
	LA0406-5606 -88	SETTLEMENT AGREEMENT	10/13/1988	FMP OPERATING COMPANY, ET A	
	LA0406-0293 -85	GAS SCHEDULING AGREEP AS AMENDED	MENT. 12/01/1985	FMP OPERATING COMPANY, ET	AL
	LA0406-0060 -89	SALT MATER DISPOSAL A	GREEMENT 03/30/1989	FMP OPERATING COMPANY, ET	AL
	LAND0076 -89	FARMIN AGREEMENT	05/10/1989	AMERADA HESS CORPORATION AN	ND
	PR0152-04	PROCESSING AGREEMENT	09/25/1990	EXXON COMPANY, U.S.A. AND FREEPORT-MCMORAN OIL & GAS DIVISION OF FREEPORT-MCMORAN	
A					

VERMILION/LA

VERMILION/LA

THE SUPERIOR OIL COMPANY

THE SUPERIL' DIL COMPANY

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2 338

03/02/1973 01/17/1979

01/17/1974 01/17/1979

NO 214774

NO 214773

ALL PROSPECTS PROSPECT NUMBER SEQUENCE PROSPECT NUMBER LA1065 KAPLAN PARISH. STATE VERMILION/LOUISIANA LE'SE NUMBER LESSOR LESSEE LSE OTE EXPIRE DIE PRUSPECT PARISH/STATE RECORDED GROSS ACRE'S DARTEZ, FELICIEN (A106 '000' - - . 7 THE SUPERIOR OIL COMPANY 12/24/1968 12/24/1973 KAPI AN VERMILION/LA 53.61.8 MQ 192060 07/12/1971 07/12/1981 LA1065007 3/000 TRAHAN, AMBROIS HENRY T. DUSON VERMIL!ON/LA KAPLAN 106.400 NO 201435 LA10650005/000 TRAHAN, LAUREST J., ET AL THE SUPERIOR OIL COMPANY 02/13/1972 42/13/1975 VERMILION/LA KAPLAN 31.072 MO 207548 PELTO DIL COMPANY THE SUPERIOR OIL COMPANY 02/03/1972 02/03/1977 LA10650007/001 KAPLAN VERMIL! ON/LA 53 470 NO 2101 14 THE SUPERIOR OIL COMPANY LA10650007/002 AVRICO, INC. 02/21/1972 02/23/1977 KAPLAN VERMILION/LA 53.470 NO 219139 LA10650011/000 HEBERT, EDDIE J. THE SUPERIOR OIL COMPAY" 11/30/1977 04/22/1978 KAPLAN VERMILION/IP 06.810 MJ 213628 LA10650012/000 DARTEZ, WILMER L. THE SUPERIOR OIL CO MY 02/21/1973 12/26/1978 KAPLAN VERMIL TOW A 64.704 NO 214634 LA10650013/000 CLARK, FERAY THE SUPERIOR OIL . L TANY 02/19/1973 12/19/1978 KAPLAN VERMILIONAL .. NO 214635 .770 LA10650014/001 BROUSSARD, BELLA T., ET AL THE SUPERIUR OIL COMPANY 02/16/1973 12/20/1978 KAPLAN VERMILIUM/LA 1.651 NO 214636 LA10650015/000 MEBERT, LOUISE V. THE SUPERIOR OIL COMPANY 02/22/1973 12/19/1978 KAPLAN VERMILION/LA NO 214631 40.145 LA10650016/000 GREEN, MARREN J. THE SUPERIOR OIL COMPANY 02/15/19/3 12/19 KAPLAN VERMILION/LA NO 214632 11.914 LA10650017/006 KOMERO, HARRY HENRY THE SUPERIOR OIL COMPANY 02/71/1973 12/19/1983 KAPLAN VERMILION/LA NO. 214637 1.141 LA10650018/000 BROUSSARD, LUA SUPERIOR GIL CO 02/26/1973 01/15/1979 KAPLAN VERMILION/LA NO 214660 12.866 THE SUPERIOR DIL COMPANY LA10650020/000 TRAHAN, AMBFOISE 02/26/1973 01/11/1979 RAPLAN VERMILION/LA 160.000 NO 214662 LA10650021/000 DARTEZ, EMANUEL THE SUPERIOR DIL COMPANY 12/24/1973 12/24/1983

KAPLAN

KAPLAN

BROUSSARD, POLYCARPE

LA10650022/000

LA10650025/000 SIMON. AMY

ALL PROSPECTS PROSPECT NUMBER PARTON. STATE

PROSPECT NUMBER SEQUENCE RAPLAN VERMILLISMS JUDISTANA

LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	LSE DIE EXPIRE DIE GROSS ACRES RECORDED
	KAPLAN	VERMILION/LA	11.447 NO 215014
LA10650032/000	BROUSSARD, OTTO, ET AL KAPLAN	THE SUPERIOR OIL COMPAN VERMILION/LA	03/16/1973 12/19/1978 100.806 NO 215350
(A10650035/000	TRAHAN, AMBROIS KAPLAN	THE SUPERIOR OIL COMPANY VERMILIONALA	24/02/1974 04/21/1984 80.000 NO 221887
LA10650045/000	TRAHAN, JOHN D., 1 AL	J.P. HESTERLY VERMILION/LA	01/29/1960 01/29/1965 .700 ENT NO 149112
(A10650112/000	SIMON, RODHFY J., E. AL	EARL P. BURKE, JR. VERMILION/LA	07/01/1980 06/30/1995 8.000 COD 935 NO 265050
LA10650115/000	ROMAINE, ALFRED RAY, ET AL	THE SUPERIOR OIL COMPANY VERMILION/LA	04/01/1981 04/01/1996 .000 ENT 08106221
LA10650116/000	PRIMEAUX, ANVEY, ET UX	THE SUPERIOR OIL COMPANY VERMILIONALA	09/01/1983 09/01/2013 1.200 ENT 08307481
LA10650120/001	CHATAGNIER, CECILE HEBERT ETAL	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 12/16/1993 27.200 NO. 8800553
(A10650120/003	KENNETH P. ROMERO, ET AL KAPLAN	MOBIL EXPL.& PRODUCING M.A.INC VERMILION/LA	01/12/1988 01/12/1992 186.640 ENT 08800775
LA10650120/004	CECILE HEBERT CHATAGNIER, ETAL	MOBIL EXPL.S PRODUCING N.A.INC VERMILION/LA	01/12/1988 01/12/1997 159.440 ENT 08800776
LA10650120/005	DAVID ROMFRO, JR. KAPLAN	MOBIL EXPL.& PRODUCING N.A.INC VERMILION/LA	01/12/1988 01/12/1992 159.440 ENT 88880777
1A10653121/000	ALTON J. HEBERT, ET AL KAPLAN	MOBIL EXPL. APRODUCING N.A.INC. VERMILION/LA	01/13/1988 01/13/1991 4.396 ENT 08800778
LA10650122/000	ISABELLE SIMON BROUSSARD, ETAL	MOBIL EXPL.8 PRODUCING N.A.INC VERMILION/LA	01/20/1988 01/20/1993 16.350 ENT 08800779
LA10650123/000	HADINE DICKERSON ROMAINE, ETAL KAPLAN	MOBIL EXPL.8 PRODUCING N.A.INC VERMILION/LA	01/13/1988 01/13/1994 193.670 ENT 08860800
LA10650124/001	ALFRED RAY ROMAINE, JR ET AL	MOBIL EXPL & PRODUCING N A INC VERMILION/LA	01/21/1988 01/21/1994 39.580 ENT 08801046
LA10650124/002	MARY EHILY ROMATHE	HOBIL EXPL & PRODUCING N A INC	01/21/1988 01/21/1994

ALL PROSPECTS PROSPECT NUMBER PARISH, STATE	PROSPECT EA1065 KAPLAN VERMILTONZEOUTSTANA	NUMBER SEQUENCE	
LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	USE DIE EXPIRE DIE GROSS ACRES RECORDED
	KAPLAN	VERMILION/LA	39 580 ENT 08801231
1 A 1 0 6 5 0 1 2 6 / 0 0 0	ADVEY PRIMEAUX. ET AL KAPLAN	MOBIL EXPL. & PROD. N. A. INC. VERMILION/LA	92/19/1988 02/19/1994 39.600 ENT 08801639
LA10650129/001	HEBERT, HAROLD P.	FMP OPERATING COMPANY	10/17/1988 10/17/1991
	KAPLAN	VERMILION/LA	.495 HD 8900490
[A10650129'002	HEBERT. JUDE THADDEUS	FMP OPERATING COMPANY	12/20/1988 12/20/1993
	KAPLAN	VERMILION/LA	17.190 NO 8900491
LA10650129/003	HEBERT, HAROLD P.	FREEPOPT-HCHORAN INC.	10/18/1991 10/18/1994
	KAPLAN	VERMILION/LA	17.190 NO. 9111753
LA10650129/004	RICHE, SAM S., ET UX	FREEPORT-MCKORAN INC.	01/30/1992 01/30/1994
	KAPLAN	VERMILIOP-LA	17.190 HO. 9403737
LA10650130/002	HEBERT, EFFIE TRAHAN, ET AL KAPLAH	MOBIL EXPL & PRODUCING 4.A. VERMILIT PIA	731/1988 05/21/1992 56:000 NO 8809023
LA1065G130/003	ROMERO, ELGIN HEBERT, ET AL	MOSIL EXPL & PROD H.A., INC.	08/21/1989 08/21/1992
	KAPLAN	VERMILION/LA	50.300 NO. 8904815
LA10650132/000	DARTEZ, EMANUEL KAPLAN	MOBIL EXPL & PROBUCING N.A. VERMIL! ON/LA	08/26/1988 N7/02/1992 18.005 MO 8806643
LA19650133/000	BROUSSARD, LOU ELLA LANDRY KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	08/7 /1988 05/16/1992 34.710 NO 8808644
(A10650134/001	RAPLAN, LIBBY BLUM	MGBIL EXPL & PRODUCING N.A.	08/31/1988 05/28/1992
	KAPLAN	VERM.LION/LA	21.280 HO 8804024
IA10650134/002	KAPLAN, LIBBY BLUM, TRUSTEE KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	08/31/1988 07/10/1992 21.280 HD 8809025
LA10650134/003	TARTAK, MARVIN HOWARD	MOBIL EXPL & PRODUCING N.A.	09/19/1988 05/16/1992
	KAPLAN	VERMILIONZLA	21.280 HO 6809750
LA10650135/000	DARTEZ, HILMER	MOBIL EXP. & PROD. N.A., INC.	07/06/1988 05/16/1992
	KAPLAN	VERMILION/LA	43.541 WO 8809026
1410650136/000	BROUSSARD, LUA, ET UX	MOBIL EXP. & PROD. N.A., INC.	08/30/1988 02/09/1992
	Kaplan	VERMILION/LA	80.000 NO 8809027
1410650137/000	BROUSSARD, LUA, ET UX	MOBIL EXP. & PROD. N.A., INC.	08/30/1988 05/16/1992
	KAPLAN	VERMILION/LA	84.464 NO 8809028
IA10650138/001	KAPLAN, LIBBY BLUM, TRUSTEE	MOBIL EXPL & PRODUCING N.A.	08/31/1988 02/18/1992

ALL PROSPECTS PROSPICE NUMBER PARISH, " ATE

PROSPECT NUMBER SEQUENCE RAPEAN VIRMILION/LOUISIANA

, , , , , , , , , , , , , , , , , , , ,	ALMANT LON- COOL STANA		
LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	GROSS ACRES RECORDED
	KAPLAN	VERMILION/LA	80.000 NO 8807027
1A10650138/002	TARTAK, MARVIN HOMARD KAPLAN	MOBIL EXP. & PROD. M.A., INC. VERMILION/LA	09/19/1988 02/18/1992 80.000 NO 8809751
[A10650139/000	RICHARD, BRENDA J. P., ET VIR KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	09/14/1988 02/25/1992 28.060 NO 8809351
LA10650140/000	LEMAIRE, CARL L., ET UX KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	09/15/1988 02/25/1992 2.500 NO 8809352
(A10650142/000	LEMAIRE, JOSEPH L., ET UX KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	89/15/1988 82/25/1992 2.835 NO 8889652
LA10650143/000	HEBERT, BONALD R., ET UX KAPLAN	MOBIL EXPL & PROBUCING N.A. VERMILION/LA	09/26/1988 09/26/1994 28.000 NO 8809653
(A10658146/000	CLARK, FERAY, ET AL KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	10/05/1988 10/05/1991 3.519 NO 8809848
IAIO. 50147/000	CLAPR, FERAY, ET AL RAPLAN	MOPIL EXPL. & PROD. M.A., INC. VERMILION/LA	19/05/1988 10/05/1991 65.523 NO 8899841
(A18650148/888	CLARK, JAMES KENNETH, ET AL KAPLAN	MOBIL EXPL. 8 PROS. W.A., INC. VERMILION/LA	10/05/1988 10/05/1991 52.112 NO 8809842
LA18650149/888	CLARK, FERAY, ET AL KAPLAN	MOBIL EXPL. & PROD. M.A., INC. VERMILION/LA	09/23/1988 04/13/1992 25.030 NO 8809843
LA10650150/000	TRAHAM, LAUREST J., ET UX KAPLAM	PODI' TYPL. A PROD. N.A., INC. VERMILION/LA	08/31/1988 05/16/1992 20.670 NO 5810099
LA10650151/000	TRAHAN, LAUREST J., ET AL KAPLAN	MOBIL EXPL. & PROD. M.A., INC. VERMILION/LA	88/31/1988 08/31/1994 29.000 NO 8810100
LA10450152/000	TRAHAM, LA'REST J., ET AL RAPLAM	MOBIL EXPL. & PROB. N.A., INC. VERMILION/LA	08/31/1908 05/16/1992 84.678 NO 8810101
LA10450153/000	ROMERO, MAGGIE DARTEZ, ET AL	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	10/12/1988 05/16/1992 10.879 NO 8810147
IA10650154/001	PELTO UIL COMPANY RAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	11/03/1988 06/19/1992 14.104 NO 8811351
IA10650154/00Z	AVRICO, INC KAPLAN	MOBIL EXPL & PROD N A., INC. VERMILION/LA	09/07/1989 09/07/1992 14.104 NO. 8911498
LA19450155/000	HERPIH. MARGUERITE MARIE ET AL	MOBIL EXPL. & PROD. N.A., INC.	12/01/1988 12/01/1991

FREEPORT HCHORAN OIL & GAS CO. 03/28/1990 07/09/1993

ALL PROSPECTS PROSPECT NUMBER PARTSH, STATE

LAINSSOIGS/000 DUNCH MARIE HERPIN

PROSPECT NUMBER SEQUENCE

LATUS KAPLAN

LEASE NUMBER	LESSU? PROSPICE	LESSEE PARISH/STATE	LSE DIE EXPIRE DIE GROSS ACRES RECORDED
	KEZ! AN	VERMILION/LA	-63.000 NO 8900358
(A10659156/000	CHEXNEIDER, SHIRLEY BOUDREAUX	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	09/13/1988 05/16/1992 19.900 NO 8900223
LA10650157/900	KA'LAN	MOBIL EXPL 3 PRODUCING N.A. VERMILION/LA	09/29/1988 02/25/1992 18.845 NO 8900224
LA10650158/000	JCH/ XNEIDER. EVANS JOSEPH ETUX KA?LAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	09/19/1988 05/16/1992 .840 NO 8900225
(A)0650159/000	FAULK, FIJIX HEBERT KAPLAN	FMP OPERATING COMPANY VERMILION/LA	03/30/1989 03/30/1994 121.500 NO 8903404
LA10650160/000	TEDLUX, 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	ROMAIN', ALFRED RAY, JR., ETAL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILIUN/LA	02/01/1989 06/11/1992 118.070 NO. 8902296
LA10650161/002	POMAINE MARY EMILY KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	02/01/1989 06/11/1992 118.070 NO. 8962664
LA10650162/000	GUIDRY, PAUL A., ET UX KAFLAN	MOBIL EXPL & 'MO' 3 N.A., VERMILLION	04/20/1989 04/20/1992 10.040 NO. 8904856
LA10650145/003	PARLER, JOHN ET UX KAPLAN	MOBIL EXPLORATION & PRODUCING VERHILION/LA	05/04/1989 05/04/1992 1.024 HO 8904860
LA19650163/09 i	LEVEUX, MARYIN JOSEPH, ET UX	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	04/26/1989 04/26/1992 1.030 NO. 8784859
1210650163/005	TELEUX, AL' PAUL, ET UX	MOBIL EXPLORATION & PRODUCING VERMILION/L.	04/26/1989 04/26/1992 1.029 NO. 8904858
LA10650163/906	LULFUX, KEVIN P., ET U	MOBIL EXPLORATION & PRODUCING VERMILION/LA	04/26/1989 U4/26/1992 1.137 NO. 8904857
LA10650163/00/	SINON, EMERY, JR., ET UX KAPLAN	MOBIL EXPL. & PRODUCT'NG N.A., VERMILION/LA	05/09/1989 05/09/1992 1.025 NO. 8905397
LA10650163'008	BOURNUE, MAURICE, JR., ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	05/09/1989 05/09/1992 1.014 NO. 8905396
(A10656163/009	CORMING, MICHAEL, ET UX KAPLAN	MOBIL EXPL & PROD N.A., INC. VERMILION/LA	08/21/1989 08/21/1992 1.019 NO. 8908816

ALL PROSPECTS PROSPECT NUMBER

LA10650178/000 GUIDRY, ELIAS, ET AL

LA10650179/002 ROMAINE, MARY LOSLY

KAPLAN

LA106501-9/001 ROMAINE, ALFRED RAY, JR., ETAL MOBIL EXPL. 8 PRODUCING N.A., KAPLAN VERMILION/LA

PROSPECT NUMBER SEQUENCE

IA1065 KAPLAN

PARISH, STATE	VERMILION/LOUISIANA		
LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	LSE DIE EXPIRE DIE GROSS ACRES RECORDED
	KAPLAN	VERMILION/LA	33.000 NO. 9004584
LA10650166/000	DUHON, 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. PEVERLY, ET UX KAPLAN	FREEPORT MCMORAN OIL & GAS CO. VERMILION/LA	03/28/1990 07/09/1993 21.000 NO. 9004586
LA10650168/000	CLOTEAUX, IILETTE CLOSTIO KAPLAN	FREEPORT MCMORAN DIL & GAS CO. VERMILION/LA	03/28/1990 67/09/1993 33.000 NO. 9004587
LA10650169/000	DOUCET, VONDA KAY BROUSSARD KAPLAN	FREEPORT MCMORAN DIL 8 GAS CO. VERMILION/LA	03/28/1990 69/12/1993 48.000 NO. 9004588
LA10650170/000	DARTEZ, HILMER KAPLAN	MOBIL EXPL. & PROD. E.A., INC. VERMILION/LA	10/15/1987 16:15/1992 7.000 NO. 8712408
LA10650171/000	LAPOINT, AMY SIMON KAPLAN	MOBIL EXP. 8 PROD. N.A., INC. VERMILION/LA	03/01/1990 03/01/1993 6.553 NO. 2005292
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
LA10630173/001	BEOUSSARD, POLYCARPE, ET UX KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/IA	04/11/1990 04/11/1993 76.652 NO. 9005289
LA10658173/002	BROUSSARØ, LOU ANN KAPLAN	MOBIL EXP & PROD H.A., INC. VERMINION/LA	04/11/1990 04/1:/1993 16.662 N3. 9005290
1410650174/000	GREENE/BROUSSARD PLAN., ET AL KAPLAN	MOBIL EXP. & PROD. N.A., SHC. VERMILION/LA	04/16/1990 04/16/1993 67.086 NO. 9005293
1A10650175/000	GREENE/BROUSSARD PLAN. INC ETAI KAPI AN	MOBIL EXP & PROD M.A. INC. VERMILID */LA	04/16/1990 04/16/1993 26.000 NO. 9008683
LA10650176/030	GREENE, ROSE BROUSSARD, ET AL KAPLAN	MOBIL EXP. 8 PRGD 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. 9015294

MOBIL EXP & PROD N.A., INC. VERMILION/LA

MOBIL EXPL. & PRODUCING N.A., 04/20/1990 04/20/1993

04/26/1990 04/26/1993

04/20/1990 04/20/1993 54.120 NO

2.000

NO. 9005299

NO. 9005296

EXHIBIT "A"

ALL PROSPECTS
EMOSPICE NUMBER
PARESHA STATE

PROSPECT NUMBER SEQUENCE

VERMILLONGLOUISTANA

PARISH, STATE	VERMIL TON/LOUISTANA		
LEASE MUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	USE DIE EXPIRE DIE GROSS ACRES RECORDED
	KAPLAN	VERMILION/LA	54.120 NO. 9005297
LA10650180/000	SIMON, RODNEY J., ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/ A	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 01/25/1993 3.010 NO. 9005288
LA10650182/000	MEAUX, LOVELACE PAUL, ET AL KAPLAN	MOBIL EXPL. & PRODUCING M.A., VERMILION/LA	05/02/1990 05/02/1993 25.900 NO. 9005300
LA10650183/001	FAULK, CLARA BOURQUE, ET AL KAPLAN	MOBIL EXPL. 8 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., VERMILIUN/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. 9805370
LA10650186/000	BROUSSARD, LIFTON PAUL, ET UX KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	05/16/1990 05/36/1993 1.12 NO 9005368
(A10650187/000	DARTEZ, HILMER KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	06/21/1990 06/21/1993 20.995 NO. 9006417
(A10650188/001	AVRICO, INC. KAPLAN	MOBIL EXP! & PROD N.A., INC. VERMILION/LA	07/18/1990 07/18/1993 19 652 NO. 9006586
LA10650189/609	SIMON, STARLING P. KAPLAN	PHILLIP D. J. SIMON VERMILIGH LA	C8/12/1990 08/12/1993 26.520 NO. 9008419
LA10650190/000	SIMU4. STARLING P. KAPLAN	PHILLIP J. D. SIMON YERMILION/LA	08/09/19/0 02/39/1994 21.550 NO. 9008418
1410650191/001	KAPLAN, LIBBY BLUM KAPLAN	MOBIL E & P N. AMERICA INC. VERMILION/LA	01/05/1990 02/21/1993 58.720 NO. 9000774
LA106501917402	KAPLAN, LIBBY BLUM. TRUSTEE KAPLAN	MOBIL E & P N. AMERICA INC. VERMILLONALA	08/21/1990 68/21/1933 58.720 NO. 9008681
LA10650191/003	TARTAK, MARVIN HOWARD	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. 8 PROD. N.A., INC. 02/23/1990 02/23/1993

ALL PROSPICTS PROSPICE NUMBER CARLSH. STATE

PROSPECT NUMBER SEQUENCE

LA1865 KAPLAN VIRMILION/LOUISIANA

LLASE	NUMBER	LESSOR
		PRO:

LESSEE SPECT

PARISH/STATE

LSE DIE EXPIRE DIE ROSS ACRES RECORDED

KAPLAN

VERMILIUN/LA

NO. 9005366 18.130

1410650193/000 HEBERT, ALTON J., ET AL KAPLAN

MOBIL CXP. & PROD. N.A., INC. VERMILION/LA

07/14/1990 01/14/1994 159.190 NO. 9007524

1A10650194/000 HEBERT, JOHN FARRELL, ET AL KAPLAN

LEWIS 3. BERNARD, INC. VERMILION/LA

05/30/1991 10/14/1994 90.000 NO 9105874

IA10650195/000 MEAUX, LOVELACE PAUL, ET AL KAPI AN

VERMILION/LA

MOBIL EXPL. 8 PROD. N.A., INC. 06/06/1990 06/06/1993 17.200 NO. 9006416

LA10650196/600 BROUSSARD, LUA, ET UX KAPLAN

VERMILION/LA

MOBIL EXPL. 8 PROD. N.A., INC. 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

LA10650197/002 HEBERT, WILTON L., TUTOR

NO 9105875 31.567

KAPI AN

LEHIS B. BERNARD VERMILION/LA 85/24/1991 11/10/1994 31.667 NO 9105876

1A10650198/000 BROUSSARD, LOUELLA LANDRY KAPLAN

MOBIL EXPL. & PROD. N.A., INC. 01/09/1990 02/20/1993 VERMILION/LA

NO. 9000772 5.290

TRAHAN, ALTON J., ET AL LA10650199/000 KAPLAN

MOBIL EXPLORATION AND PROD. VERMILION/LA

08/29/1991 _8/29/1994 34.710 NO 9109908

LA10650200/000 KIDDER, LOU ANN DRONET, ET AL

MOBIL EXPLORATION AND PROD.

09/16/1991 09/16/1994 80.000 NO. 9109906

KAPLAN

VERMIL TONZIA

09/10/1991 09/20/1994

Un10630201/000 CAPPS, MARY ADELE ROMAINE ET KAPLAN

MOBIL EXPLOPATION AND PROD. VERMIL ION/LA

NO. 9109907 11.000 10/17/1991 10/17/1994

1A1065020Z/000 MEBERT, FREDDIE, ET UX KAPLAN 1410650205/000 GUILLORY, DELTA JOSEPH, ET UX

MOBIL EXPLORATION AND PROD. VERMILIONALA MOBIL EXPLORATION AND PROD.

NO. 9109910 2.000 10/16/1991 10/16/1994 3.820

NO. 9109909

KAPLAN 'A.0650204/001 LANDRY, DELFRED L ., ET UX KAPLAN

VERMILION/LA MOBIL EXPLORATION AND PROD. VERMILION/LA

10/18/1991 05/03/1995 NO. 9110528 2.473

HERPIN, GORDON E., ET JX 1410650204/002 KAPLAN

MOBIL EXPLORATION AND PROD. VERMILION/LA

10/22/1991 10/22/1994 1.363 NO. 9110529

1410650204/003 SIMON, WARREN J. KAPLAN

MOBIL EXPLORATION AND PROD. VERMILION/LA

11/12/1991 04/21/1995 2.473 NO. 9111266 THE STATE OF THE SECOND

		CONGRES SESSION 435	
ENDSELL NUMBER ENRISH, STATE	VERMITTON TO L'STANA		
ONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
A1065 0374 80	CONSTRVATION ORDER	06/26/1980	STATE OF LOUISIANA
A1065 0204 85	CONSERVATION ORDER	05/16/1983	STATE OF LOUISIAMA
A1065 0205 83	CONSTRVATION ORDER	05/16/1983	STATE OF LOUISIANA
A1065 0042 91	CONSERVATION ORDER	07/17/1991	STATE OF LOUISIANA
A1065 0056 91	CONSTRVATION ORDER	01/03/1991	STATE OF LOUISIANA
A1065 0057 91	CONSERVATION ORDER	01/03/1491	STATE OF LOUISIANA
A1065 0240 76	DESIGNATION OF UNIT	02/26/1976	SUPERIOR DIL COMPANY AND BURMONT COMPANY, ET AL
AND0204 72	LIMITED PARTNERSHIP	07/28/1972	
A1065 0148 -73	LETTER AGREEMENT	67/16/1973	BURMONT COMPANY AND KENNETH G. MCCANN, JR.
A1065 0121 -73	OPERATING AGREEMENT	03/01/1973	SUPERIOR DIL COMPANY AND BURMONI COMPANY
A1065 0262 17	CTEATING AGREEMENT	02/01/1977	BURMONT COMPANY AND SURMONT EXPLORAT: 3N 1972-A. ET AL
A1065 0371 80	CHENTER GAS PLANT	05/20/1980	CHENIER DIL COMPANY, INC., ET AL
A1065 0083 86	RESTATED CONVEYANCE OF PRODUCTION PAYMENT	01/01/15-6	EARL P. BURKE, JR., ET AL AND UCAR INTERAM, INC.
A1065 0055 -91	PURCHASE AGREEMENT	11/19/1991	AMAX PETROLEUM CORP. AND FREEPORT-MCMORAH INC.
R0182 04 91	GAS PROCESSING AGREEMENT	11/01/1991	FREEPORT-MCMORAN OIL & GAS COMPAN- LIG LIQUIDS CORPORATION
A0183 01	RESTATED GAS PURCHASE AND SALES AGREEMENT, AS AMENDED	91/01/1986	UCAR INTERAM, INC. AND FMP OFTRATING COMPANY, ET AL
A1065 0064 91	PURCHASE AGREEMENT	10/29/1991	LIG CHEMICAL CORPORATION AND FREEPORT-MCMORAN OIL & GAS COMPAN
81045 0045 01			

11/14/1991

04/18/1991

FREEPORT-MCMORAN OIL & GAS COMPAN CHARELS A. MILLER, JR., ET AL

FREEPORT-MCHORAN INC. AND GREENBRIER AQUISITION ITD., ET AL

A1065 0065 91

A1065 0066 91

LETTER AGREEMENT

LETTER AGREEMENT

EXHIBIT "A"

VERNILION BLOCK 161 OCS GULF OF NEXICO OFFSHORE LOUISIANA

An undivided 1.95557% overriding royalty interest in and to the following described lesse, 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 which the submerged lands of the Outer Continental Shelf Lease States of Shelf Lease Shelf Leas

Block 161 Vermilion Area, as shown on officia ay map La.
No. 3, Outer Continental Shelf Leasing Map, Louisiona Offshore
Operation, containing approximately 4,868.21 acres.

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
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.

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ACCORDING NAMES OF

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OCS-G ILI7

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- B. The M/sm/sm/(" Mark 184, Perellion from being the Openeding Rights, includ. the Riffern rights, the "A" Platform and inc equipment located therein, but not any oil and per posts therein.

BUMBOULS "A"

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LAMD0090-87	Perticipation Appropriate manufact 1967 or jugano Acquisition and the proti-	01/GL/ 4 7	TO Operating Compley, a Limited Surtained Line of Continuents Line & Day On the Continuents Line & Day On the Line of Continuents Line of Continue
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Any and all other contracts, agreements, burdens,and exemplicapees senceraling or affecting the above described interest which are of record.

- 47

EXHIBIT "A"

VERNILION 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 3/2; SM/4; M/2SE/4; SM/4SE/4; NM/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 Status 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 submergrad 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, cortaining approximately 4,868.21 acres.

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
OF0507-0178-75	Farmout Agreement, as amended	17/24/75	Forest Gil Corporation, et al and C&K Offshore Company
OF '507-0144-75	Operating Agreement, as amended	12/31/75	CEK 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 Comminental Land 6 Pur Co., Inc., et al
	Co-Development Agreement	:2/01/91	Freeport-McMoRan Inc. and Coargy Development Corposition, et al
	Overriding Royalty Assignment	Fending	# resport-McMoRan Inc. and CLK Company, et 4.

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

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SERIBIT 'A.

MISSISSIPPI CANTON BLOCKS 320, 321, 322, 323 AMD 365 OCS QULP OF MEXICO OFFESORE, LOUISIAMA

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 Leaser, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lease, dated effective June 1, 1984 and identified in the Office of the Minerale 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, MH 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 Minerale 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, 1981 and identified in the Office of the Minerale Management Service, Department of the Interior, as Outer Continental Shelf Lease Number OCS-G 5835 covering the submerged Indianal

All of Block 323, Mississippi Canyon, OCS Official Protraction Diagram, MH 16-10, containing approximately 5.760.00 acres.

OCS-G 5841 OF: 171-0001-000 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 Hanagement Service, Department of the Interior, as Outer Continental Shelf Lease Bumber OCS-3 5841 covering the submerged lands of the Outer Continental Shelf described as follows:

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

SCHEDULE "A"

OP1171-0115-67 Unit Operating 07/01/87 Hobil Oil Emploration 6 Producing Southeast Inc. and Tenneco Oil Company, et al

BEST AVAILABLE COPY

Page 2 Smhibit "A" Nississippi Canyon Blocks 320, 321, 322, 323 and 365

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
OP1171-0116-87	Unit Agreement	07/01/87	Mobil Oil Emploration & Producing Southeast Inc., Tenneco Oil Company, et al
XXMC00-0007-89	Participation Agreement McMoRan 1989-90 Exploration Program, as amended	01/01/89	PMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc. et al
OF1171-0022-89	Parmout Agreemenu	06/15/89	PMP Operating Company, a Limited Partnership and Mobil Gil Exploration & Producing Southeast Inc., et al
OF1171-0048-89	Area of Mutual Interest	08/07/89	PMP Operating Company, a Limited Partnership and Continental Land 6 Fur Co., Inc., et al
	Assignment Effecti	ve 08/15/89	Chevron U.S.A. Inc. and Freeport-McNoRan Inc.
	Assignment Effecti	07/10/91 .ve 08/15/89	Mobil Oil Emploration & Producing Southeast Inc. and Presport-McMoRan Inc.
	Assignment Effect:	11/20/91 Lve 08/15/89	Kerr-HoGee Corporation, et al and Presport- HoMoRan Inc.
	Discount Letter	10/21/91	Texas Eastern Transmission Corporation and FNI Hydrocarbon Company
	Liquid Hydrocarbons Transportation Agreement	09/01/91	Texas Easts a Transmission Corporation and Freeport- HcHoRan Inc.
	Gas Processing Agreement	01/14/92	Warren Petroleum Company and Presport-McHoRan Inc.
OF1171-0004-92	Gas Dehydration Agreement	02/04/92	Marathon Oil Company and Presport-McMoRan Oil & Gas Company
	Assignment	Pending	Presport-HcHoRan 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.

CONIBIT "A"

SOUTH PAGE BLOCK 74 OCS GULF OF MEXICO OFFENDRE, LOUISIAMA

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 depins from the surface of the earth down to and including 100' below the stratigraphic equivalent of a depth of 13.311' subsec (16,500' MD), as seen in the Freeport-McHoRan Inc. OCS-G 6801 Mell No. A-12 (ST-1).

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
LAMD0021-87	HcHoRen 1967-88 Exploration Program	01/01/67	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 FMF Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FHP Operating Company, a Limited Partnership, et al
OF1088-0101-88	Area of Mutual Interest	08/31/88	PMP 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 Presport- HcHoRan Inc.
	Assignment of Overriding Royalty Interest	Pending	Freeport-HcHoRan !- and CLK Company, e' il

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

"A" TIGINGS

SOUTH PASS BLOCK 83 OCS GULF OF HERICO OFFENDRE, LOVISIANA

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

OCS-G 5052 OF10880001-000 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 OCB-G 5052 covering the *ubmerged lands of the Outer Continental Shelf described as follows:

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

SCHEDULE "A"

CONTRACT NUMBER	ACREDIENT TYPE	DATE	TANTYE
LAMD0021-87	McKoRan 1987-88 Exploration Frogram	01/01/87	and Uz: investment
OF1088-0015-87	Participation Agreement, as amended	05/29/8	Apacia Corporation and AMP Operating Company, fimited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Componetion and PMP 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	PMP 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-McMcRan Inc. and Apache Corporation, et al
	Crude Oil Purchase/ Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport- Hillohan Inc.

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

EMMIRIT "A"

SOUTH PASS BLOCK 82 OCS GULF OF HERICO OFFINORS, LOUISIAMA

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

OCS-G 5685 OF10880002-000 O l and Gas Lease from the United States of America as Leisor, to Exmon Corporation as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerals Winagament Service, Department of the Interior, as Outer Continental Shelf Lease Mumber 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 fest, as identified on the electric log of the PMP Operating Company OCS-6 5485 sell No. 3, plus 100 feet and containing approximately 5,000.00 acres.

SCHEDULE "A"

CONTRACT MUNICIPAL	AGREDICAT TYPE	DATE	PHRTIES
LAMD0021-87	HcMoRan 1967-86 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Co., et al
OF1088-0015-87	Participation Agreement, as amended	05/29/37	Apache Corporation and PMP Operating Company, a Limited Partnership
OF1088-0920-67	Operating Agreement	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership, et al
OF1088-0034-88	Farmin Agreement	08/19/68	Eugeon Corporation and FMP Operating Company. a Limited Partnership
OF1088-0101-88	Ares of Mutual Interest	08/31/86	PMP Operating Company, a Limited Partnership and Continental Land 6 Par Co., Inc., et al
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Presport-McMoRan Inc. and Apacha Corporation, et al
	Crude Oil Purchase/ Sale Contract	12/01/91	Arco Cil and Gas Company and Presport- NcWolken Inc.

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

EXHIBIT "A"

CAST 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 OF1096-0002-000 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"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
LANDOO21-87	Participation Agreement McMoRan 1987-88 Exploration Program	01/01/87	PMP 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, agreement*, burdens, and encumbrances concerning or affecting the above described interest which are of record.

ZIGHIBIT "A"

PAST CAMERON BLOCK 148 OCS GULP OF NEXICO OFFSHORE, LOUISIANA

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

OCS-G 5370 OF1096-0001-000 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"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
LAND0021-87	Participation Agreement McMoRan 1987-88 Exploration Program	01/01/87	PMP 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	PMP 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 Agressent	07/23/91	Shell Oil Company and Freeport-McMoRan Inc.

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

CULLEN R. LISKOW (1893-1971) AUSTIN W. LEWIS (1810-19_4)

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AUSTIN W LEWIS 1890-18_N
GENE W LAPITTE
SILT IN INNES
JAMES L PELLETIER
THOMAS D MARDEMAN
JOHN M KING
EDWARD J GAY III
RENNETH E GONDON, JR
ECHNOTH E GONDON, JR
DON-LO R ABAUNZA
JOHN M WILSON
LAWBENCE P SIMON, JR
DON-LO R ABAUNZA
JCHN M WILSON
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DON-LO R ABAUNZA
JCHN M WILSON
JCHN M GRADLEY
KERRY M MASSARI
S GEN TENCLER
THOMAS F OCTTEN,
GEORGE J DOMAS
JOSEPH C GIGLIO, JR
BRUCE J ORECE
JOSEPH E MOLDEN
JOE B NO TMAN
JOE NO TMAN
JOE NO TMAN
JOE NO TMAN
JOEN MANSFIELD III
BILLY J DOMINGUE
LAMBERT M LAPEROUSE
LAMBERT M MANSFIELD III
JULIE E SCHWARTZ
CHARLES B GRIFFIS
MICHARD W REVELS, JR
JOSEPH P MESERT
MARGUERITE A NOONAN

DAVID W LEEPE JAMES D. McMICHAEL RICHARD E ANDERSON

LISKOW & LEWIS

A PROFESSIONAL LAW CORPORATION

ATTORNEYS AT LAW

NEW ORLEANS, LA. 70139-5001

ONE SHELL SQUARE
FIFTIETH FLOOR
TELEPHONE (SOA) 581-7979
TELEX 588203 (LISKOW NLN)
FACSIMILE (SOA) 582-5038 - LICAL 582-5039

LAFAYETTE, LA. 70505-2008

822 HARDING STREET
P O BOX S2008
TELEPHONE (3H8) 232-7424
TWX SIO 600-3464 (LISKOW LAF)
FACSIMILE (3H8) 267-2399

New Orleans, LA 70139-5001 June 15, 1992 WM BLAKE BENNET
MARK A LOWE
RATHLEEN L. DEDRUML
GEORGE DENEGRE JR
DON R. MAYCRAFT
EDWIN W DENNARD
WI CRAID WYMAN
LAMES A BROWN
R KEITH JARRETT
CHERTLY CUNNINGHAM
STEVIA M WALTHER
ROBERTS L. THERIOT
DEMA L. OLIVIER
GENTEL THERIOT
DEMA L. OLIVIER
GENTEL STROUD
JONATHAK A. MUNTER
DANIEL E. LAGRONE
THOMAS P. GUAZ
JOHN P. GUILLORY
MARY S. JOHNSON
RATHLEEN FRIEL KETCHUM
INGER M. SJONSTON
KATHLEEN FRIEL KETCHUM
INGER M. SJONSTON
KATHLEEN FRIEL KETCHUM
SCOTT C. BEILER
CHERTLEY BATEMAN
CHERTL MOLLERE ROTRICK
MARK D. LATMAM
SHAHNON SKELTON HOLTEMAN
JOHN C. AMJER
JANE J. BOLEWARE
G. SLAWSON, JR
KARRN KALER WHITFIELD
BERNARD F. MERONEY
CATHY MANO SMITH
CATHY MOL DONNE
LEFFERN D. MO'JOAN
CHRISTOPHER G MAYES*

"ADMITTED IN MO'JOAN
CHRISTOPHER G MAYES"

"ADMITTED IN GOLGAN
CHRISTOPHER G MAYES"

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 "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, Louis 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.

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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 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 Please evidence that the foregoing has been accomplished by signing a copy of this letter in the space provided below.

Very truly yours,

thoras F. Gitta

Thomas F. Getten

TFG/mn Enclosures

FILING ACCOMPLISHED AS REQUESTED

DATE: JUN 1 5 1992

MINERALS MANAGEMENT SERVICE Butine

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 WELL-EAD(S) OF THE WELL(S) LOCATED ON THE LANDS DESCRIBED OR TO WHICH REFERENCE IS MADE IN THIS INSTRUMENT.

JUN 15 THE LA 192

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

THIS MORTGAGE, DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF PRODUCTION AND PROCEEDS AND LEASES AND REN'S, FIXTURE FIRING AND FINANCING STATEMENT (the "Mortgage" dated as of June 11, 1992, by Freeport-McMoRap Inc., a Delaware corporation (the "Mortgagor" or "FTX"), having an address at 1615 Poydras Street, New Orleans, Louisiana 7011? 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 it the Credit Agreement dated as of June 11, 1992, as it may be amended and in effect "from time to time (the "PM Credit Agreement"), among the Mortgagor, EM Properties Operating Co., the bunks named therein (the "PM 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 creditbasis 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 data 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., Chesier Oil Company. nc., Burke and Pel-Tex Oil Company, Inc., doing business as .rmont Company, Barl 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 Mor ge, pursuant to both the FM Credit Agreement and the Fe Tix 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.

WITNESSETH:

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, itted from or not described in Exhibit A hereto) in, to and under:

(a) those certain oil, gas and mineral leases including sublerses 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 Leasus 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 Mortgago under the Hydrocarbon Leases or the Mineral Interests, .) the right to give consents and to receive money payable to the lessess 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 and (the term "Leased Land" as used herein includes without limits on the land specifically described in Exhibit A and all 1 d described in or covered by the oil and gas leases and or or 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 pool∈ units and the properties covered and the units create 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 porcion 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, cleining 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;
- (1) all tenements, hereditaments and appurtenances belonging or in any way appropriate 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;

- 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 a 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 Mortgegor further covenants and agrees with, and represents and warrants to, the Trustee and the Collateral Agent as follows:

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

(a) The Mortgagor will promotly 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 commetent 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 Mor r as lessee unde. The Hydrocarbon Leases, according to 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.
- 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 or the mailing thereof to the lessor as required by the applicable Hydrocarbon Lease; provided, however, that this paragraph (1) 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 terminati of any Hydrocarbon Leases or of any default on the pathelessee thereunder which has not been cured or waive 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 title; 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 intexfere 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 hereco 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

Fortgagor, as a nonoperating party to such agreements, represents that, to the extent that such agreements (i) grant the operator and 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 reimburgement 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 andition, financial or otherwise, of the Mortgagor is not

- (g) The Mortga represents that the Mortgagor has and will as needed obta 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 and carrout 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 contaction 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 Mort for 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.
- (1) 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 fortgagor 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 the employment of counsel, the prosecution and defense or litigation and the compremise 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. <u>Environmental Provisions</u>. 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 or 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.

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 ervironmental 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 emitted 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

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 incorred 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 Truscee'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 hemeunder, 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 shill 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 toon 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.

- 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 irculation 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 shal! 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 said 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. 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 Collaterai, or portion thereof, will first be offered for sale at such board Any such public sale shall be held at such time or exchange. 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 beer 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. 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 tree 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 <u>First</u> 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.
- (i) 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 a 1 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 Euch 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 cr 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 easonable exercise of their discretion in the execution of is Mortgage, and pay for such services out of the proceeds 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 thereo:

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 ary part thereof (excluding, however, the production of the Hydrocanon 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 Moregagor spreas to keep the Mortgaged Property free from all statutory limb int to pay before any penalty for nonpayment attackes all car s, 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 leved against the Mortgaged Property, or any part thereof (hereinait - the "Taxes"). in cases of default in the payment thereof, the "o lateral 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 Fate, 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 A.FICLE 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 incurance 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 papperty; 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 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 certif ates evidencing such insurance to the Co.lateral Agent. Not later than ten (10) days price to the experation 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 hereu der is in force and effect, the Collateral Agent shal! have the right upon written notice to the Mortgagor to take at the 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 heeping it in effect shall he paid by the Mortgagor to the Collateral Agent upon written demand. The Martgage, shall at all times comply with and small cause the Morraiged Property and the use, occupancy, operation, maintenage, alteration, repair and restoration thereof to comply with the terms, conditions, stipulations and requirements of the Policies.
- (b) In 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 Mortgager shall have the right to collect, adjust and compromise thy resses under any of the insurance aforesaid and to ret in, use and employ same.

PRTICLE 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 emirent 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 Mortgagot to receive and give acquittance for such award or loasideration or any judgment therefor or thereon whether it be joint of goveral. Notwithstanding any taking by any public or quasipus to thority through eminent domain or otherwise, the Mortgagor size: continue to pay the Indebtedness at the time and in the manner provided for its payment in the Credit Documents (including, without 'imitation, this Morroage), 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 Credi: 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 sough, recovered or denied, to receive such award or payment, or a portion thereof sufficient co 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 Collate: al 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 chaims. Although it is hereby expressi, agreed that the

following shall not be necessary for the Collateral Agent to receive such awards or payments, the Mortgager shall, upon demand 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. A gignment of Hydrocarbon Res ,es and Proceeds of Hydrocarbon Reserves.

As further security for payment of the Indebtedness, the Mortgagor hereby cransfers, assigns, warrants, hypothecates and conveys to the Collateral Agent, its successore and ansigns, 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 Reserver 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 provis' and of this ARTICLE 14, are authorized and directed to treat and regard the Collateral Agent as the assignee and t ansieree of the Mortgagor and entitled in the Mortgagor's place and stead to receive such Hydrocarbon Reserves and proceeds "herefrom; and said parties and each of them shall Le 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 arecute any release, receipt, division order, transfer order and relinquishment or other instrument that may be require ! ct 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 possestion any Hydrocarbon Reserves or the proceeds therefrom, to pay and deliver to the Colliteral Agent all such Hydrocarbon Peserves or proceeds therefrom

The Mortg gor a mees 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. representatives and assigns. The Monagagor agrees to execute and deliver all necessary, convenient and appropriate instruments, including transfer and civis on orders, which may be required by the Collateral Agent in connection with the receipt by the Collateral Agent of such Hydrocarbon keser as or the proceeds therefrom. The Collaieral Agent is fully authorized to receive and receipt for said remember and proceeds, to endorse and cash any and all checks and drafts payable to the order of the Mortgagor or the Collatera 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 Lefault 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 her der.
- (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 cover provisions of this ARTICLE 14, the Collateral Agent of the receiver appointed in judicial proceedings for the environment 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 feed 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 befc or after the syment 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 defer against any such claims, employing attorneys therefor, and if the Mortgagor has refused to furnish : reasonable indemnity, they or any of them shall have the right to pay or compromise and adjust all such 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 The obligation of the Mortgagor as hereinabove such claims. 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 ARTITLE 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 Proporty. 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 addicion 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 expens, 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) <u>Keeper</u>. 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) <u>Confession of Judgment</u>. 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 dua. 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 i 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) <u>Resolutions</u>. 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 conveyance to the Trustee is intended and the construed in Montana as words of morto favor of the Collateral Agent and the regular continuous 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 Annuicy 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 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. <u>Notices</u>. 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, Naw 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 market 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 raferred 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 Agrzement, Assignment of Production and Leases and Rents and This instrument shall be deemed to be, and Financing Statement. may be enforced from time to time as, a contract, security agreement, assignment, mortgage or deed of tust, and from time to time as any one or more thereof. This Mort wage, 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) rhall 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 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. <u>Waiver</u>. 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.

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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. <u>Counterparts</u>. 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:

State County or Parish

California Kern
Colorado Yuma
Louisiana Plaquemines

Montana

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

Phillips

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. <u>Credit Documents Controls</u>. 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.

\, \(\)\\ \\ \\

Glenn A. Kleinert

Senior Vice President Freeport-McMoRan Oil & Gas

Company Division of

FreeDort-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 centily that, on June 11, 1992, there personally appeared before the compression set opposite his name, and such corporation being a party to the foregoing instrument:

Glenn A. Kleinert the Senice 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 or 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.

Colcrado

The foregoing instrumen: was acknowledge! before me on this date by the aforementioned person, the above designated officer of said corporation.

Louistana

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.

Montara

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

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

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. <u>Subheadings</u>. 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. <u>Subheadings for Federal OCS</u>: 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.

Hydrocarbon Lease in question.

4. <u>Schedule A</u>. 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 Mortgaga. 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. <u>Defined Terms</u>. 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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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 OF10880C02-000 Oil and Gas Lease from the United States of Arerica 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 Cuter Continental Shelf Lease Number OCS-G 5685 covering the submerged lands of the Outer Continental Shelf described as follows:

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

SCHEDULE "A"

CONTRACT NUTBER	GR EMENT TYPE	DATE	PARTIES
LAND0021-87	4c3Ran 1987-88 Oxploration Program	01.	FNP Operating Company, a Limited Partnership and Crescent Inverset Co., et al
OF1088-0015-87	Participation Agreement, as amended	05/29,	Apache Corporation and PMP Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FMP Operating Company, a Limited Pactnership, et al
OF1088-0C34-88	Farmin Agreement	08/19/88	Emon Corporation and FMP Operating Company, a Limited Partners sip
OF1088-0101-88	Area of Mutual Interest	08/31/88	PMP 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.

SOUTH PASS BLOCK 83 OCS GULF OF MEXICO OFFSHORE, LOUISLAWA

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

OCS-G 5052 OF10880001-C00 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"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
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 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 Operatin, 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	Pietform 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.

1.

SOUTH PASS BLOCK 74 OCS GULF OF MEXICO OFFSHORE, LOUISIANA

undivided 60.57570% operating rights interest in and to the following scribed 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 Sheif 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"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
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.
OF:1088-C092-89	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	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.

Interest

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STRIBLE .V.

MISSISSIPPI CANTON BLOCKS 320, 321, 322, 323 AND 365 OCS GULF OF MEXICO OPPSEORE, LOUISIAMA

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 Leaser, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Lease, 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 Motil Oil Exploration 6 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 submarged 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 Jiagram, NH 16-10, containing approximately 5,760.00 ac.es.

OCS-G 5841 CF1171-0001-000 Cil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration 6 Producing Southeast Inc., et al. 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 submarged lands of the Outer Continental Shelf described as follows:

All of Blot 1 365, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5.760.00 acres.

SCHEDULE "A"

CONTRACT NUMBER AGREEMENT TYPE DATE PARTIES

OP1171-0115-87 Unit Operating Agreement 07/01/87

Mobil Oil Exploration 6 Producing Southeast Inc. and Tenneco Oil Company, et al

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

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
XXMC00-0007-89	Participation Agreement McMcRan 1989-90 Emploration Program, as amended	01/01/89	PMP Operating Company, a Limited Partnership and Continental Land & Pur Co., Inc., et al
CF1171-0022-89	Farmout Agreement	06/15/89	PMP Operating Company, a Limited Partnership and Hobil Oil Exploration & Producing Southeast Inc., et al
OF1171-0048-89	Area of Mutual Interest	08/07/89	PMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
	Assignment Effect	ve 08/15/89	Chevron U.S.A. Inc. and Presport-McHoRen Inc.
	Assignment Effect:	07/10/91 tve 08/15/89	Nobil Oil Exploration 4 Producing Southeast Inc. and Presport-HeNoRan Inc.
	Assignment Effect	11/20/91 tve 08/15/89	Rerr-NoGee Corporation, et al and Freeport- NoMoRan Inc.
	Discount letter	10/21/91	Texas Eastern Transmission Corporation and PHI Hydrocarbon Company
	Liquid Hydrocarbone Transportation Agreement	09/01/91	Texas Eastern Transmission Corporation and Freeport- McMoRan Inc.
	Gas Processing Agreement	01/14/92	Warren Petroleum Company and Preeport-HcHoRan Inc.
OF1171-0004-92	Gas Dehydration Agreement	02/04/92	Marathon Oil Company and Freeport-McMoRan Oil 6 Gas Company
	Assignment	Pending	Presport-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.

VE"...ILION BLOCK 161 OCC CHLP OF MERICO OFFENORE LOUISIANA

An undivided 1.955576 overriding royalty interest in and to the following described lesse, LESS AND EXCEPT the NM/4 NM/4 SE/4 and the NM/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"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
LANDC090-87	Participation Agreement McMoRan 1987 OCS Lease Acquisition and Exploration Program	01/01/87	FMP Operating Company, a Limited Partnerwhip, 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.

VERNILION 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"

NUMBER	AGREEMENT TYPE	DATE	PARTIES
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 Lard & 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.

VERNILION 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; SM/4; N/2SE/4; SM/4SE/4; NM/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 lends 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
OF0507-0178-75	Farmout Agreement, as amended	07/24/75	Forest Oil Corporation, et al and CEK Offshore Company
OF0507-0144-75	Operating Agreement, as amended	12/31/75	CER Marine Production Company and Bethlehem Steel Corporation, et al
LAND:090-67	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
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 encorances concerning or affecting the above described interest which are of record.

ZOHIBIT "A"

PAST 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 OF1096-0001-000 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"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
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 Pertnership, 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.

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 OF1096-0002-000 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"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
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.F nc. and Freeport-McMosan 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 fir ancing 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

Men H. Oto

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 rorce 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 sumption Agreement by the Partnership in "Partnership") a Mortgai 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

45052

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

GENE W LEWIS (INC.)

SENE'S L'APELLETIEP

HOMAS D HARDEMAN

JOHN M RING

EDWARD J GAY III

RENNETH E GORDON, JR

LEON J REYMOND, JR

J SERRY ST JOHN JR

DONALD R ASAUNZA

JOHN M WILSON

FREDERICH W BRADLEY

RETRY M MASSARI

S GENE FENDLER

HOMAS F GETTEN

GEORGE H ROBINSON, JR

GEORGE H ROBINSON, JR

GEORGE H ROBINSON, JR

JOSE'H C JIGHOLY

BRUCE J DOMAS

MARILYN C MALONEY

ROBERT E HOLDEN

JOSE'H C JIGHOLY

BRUCE J ORECR

ROBERT E HOLDEN

JOES N GORNAN

HOMAS M MCNAMARA

JAMES N MANSFIELD III

BILLY J DOMINGUE

LAMBERT M LAFEFOUSE

FRANK E MASSENGALE

JULIE E SCHWART'S

RICHARD W REVELS, JR

JOSEPH P HEBERT

MARGUERITE A NOONAN

DAVID W LEEFE

JAMES D MCMICHAEL

JAMES D MCMICHAEL

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JENCHARD W REVELS, JR

JOSEPH P HEBERT

MARGUERITE A NOONAN

DAVID W LEEFE

JAMES D MCMICHAEL

JENCHARD W REVELS, JR

JOSEPH P HEBERT

MARGUERITE A NOONAN

DAVID W LEEFE

JAMES D MCMICHAEL

JENCHARD W REVELS, JR

JOSEPH P HEBERT

LISKOW & LEWIS

A PROFESSIONAL LAW CORPORATION

ATTORNEYS AT LAW

NEW ORLEANS, LA. 70139-5001

ONE SHELL SQUARE

TELEPHONE (7.04) 581-7979 TELEX 5882' 3 (LISKOW NLN)

FELEX 5882' 3 (LISKOW NLN) FACSIMILE (504) L92-5108 - (504) 592-5109

LAFAYETTE, LA 70505-2008

BEZ HARDING STREET

P 0 BOX 82008

TELEPHONE (318) 232-7474
TWX 510 800-3464 (LIBROW LAF)

FACSIMILE (318) 267-2399

New Orleans, LA 70139-5001 June 15, 1992 WM BLAKE BEINETT
HARK A LOWE
KATHLEEN L DEBRUML
EORGE DENEGRE JR
DN F KAYCRAFT
I SWENDARD
I "ITM JARRETT
M WALTHER
ROA T S ANGELICO
ROSL T L THERIOT
DEC ARCENEAUX III
HARL BREAUX STROUD
JONATHAN A MUNTER
DANIEL E LAGRONE
THOMAS P DIAZ
JOHN P GUILLORY
MARY S JOHNSON
KATHLEEN FRIEL KETCHUM
INGER M SJOHNSON
ECOTT C SEILER
CECIL'F ELIZEY BATEMAK
CHERTL MOLLERE HORNICK
MARK D LATHAM
SHANNON SKELTON HOLTZMAN
JOHN C ANJER
LANE J BOLEYARE
AN ELER WH. FIELD
BERNARD F MERONEY
CAROL L WELBORN
CATHY MANG SMITH
CAROL L DUNNIE
LEFFERY D MORGAN
CHISTOPHER B MAYES

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"ADMITS IN COLORADO GNIT

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 1 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.

PAGE

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

Thomas F. Detter

TFG/mn Enclosures

DATE:

FILING ACCOMPLISHED AS REQUESTED

JUN 1 5 1992

MINERALS MANAGEMENT SERVICE

BY: Kily & Backen

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 JT 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 COMMEPCIAL 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."

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.

WITNESSETH:

NOW, THERFFORE, 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 Estates" 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 lasses 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 the continuing, such Hydrocarbon Reserves may be sold by the Mortgagor in the ordinary course of its business, free or 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 Hydro arbon 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, s orage yards and equipment stored therein, buildings and camps, telegraph, telephone and other communication systems, coads, 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 leaning apparatus), telephones, communication system. cluding 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;

- (1) 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 racifications 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 arisi. or swant to the Credit Documents (as hereinafter delined) (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 trias 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 jurposes 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, inscruments, 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. <u>Covenants, Warranties and Agreements</u>. 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 a default in any other particular under a Hydrocarpon

- (b) Except to the extent that perator in this business would do so, the Moutgate the modify, extend (except for the repown rights see the erein), or in any way alter the material terms of the excuse, condone, or in any way release or disconditions, covenants, conditions and agreements to be performed by such lessor, without the prior written consent of FTX.
- (c) The Mortgager will not subordinate or consent to the subordination of a Hydroca on Lease to any mortgage, security deed, deed of trust, the perfect of the property covered by such Hydrocarbon Lease, but the prior written consent of FTX, or unless the me shall be expressly required by mandatory provisions of applicable law or by the express terms and provisions of such Hydrocarbon Lease.
- 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 an 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 lesse

of the property covered by such Lease, the Mortgagor shall have no right, title or interest in cr 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 Loasehold Estates created under the Hydrocarbon Leases to which it is a party for the entire remainder of the terms set loth 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 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 interfee 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 is 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 free from all encumbrances or liens whatsoever, except (x) is 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 Froperty.

- (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.

- (y) 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 limitatio, 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 tares, 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: (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.
- (1) 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 the eto 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 a such address as the Mortgagor shall from time to time give notice of to FTX.

ARTICLE 5. <u>Environmental Provisions</u>. 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 Salety 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.

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 abrence 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 prop rty. 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 elegraphic 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.

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, coverant, condition, or obligation of the Mortgagor shall bear interest at the Default Rate, and shall be secured hereby as a further charge and limit 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 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 Dufault 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 Tru tee, in any action to foreclose this Mortgage or upon the occur ance of any Event of Default (as hereinafter defined), shat 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 exparte 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.

- Upon the failure of the Mortgagor to pay che 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 3 advertise the sale 'n such additional newspapers as it deems appropriate in its If, prior to or at the time of the sale, FTX or discretion. 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.
- To the extent any part of the Morigaged 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 'iniform 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

percons ho will represent and agree that they are purchasing the Collateral for their own account for investment and not 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 notic. (if any) of such sale. At any such sale, the Co. lateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as FTX may (in ts 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 fac that notice of sale of such Collateral shall have been oiven. 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 afjourned. 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 'n 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 the Mortgagor (all said rights being also hereby waived and released to the fullest extent pennitted 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 ortgagor 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 FTK or the Trustee in connection with this Mortgage, including, without limitation, auctioneer's fee, reasonable trustees' commission on the gross proceed; 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 takes live, and assessments, with cores and interest if they have priority over the lien or this Mortgage, including the due pro lata thereof for the current year;

Third, the balance, if any, to FTX for the paymen: 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 ontitled 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 <u>First</u> of (c) above and such costs and expenses are to be reimbursed by the Mortgagor.
- (e) It is understood and agreed that in the went that the Mortgaged Property is advertised for sale as herein

provided, but not rold plusuant to such advertisement, e 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 at ribed foreclosure proceedings or proceed by a suit of suits in equity or at law, whether for a foreclosure hereinder, 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 he final amount bid by the successful bidder.
- (g) The Montgagor agrees that FTX shall have the right to become the purchaser it 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 pay ble out of the net proceeds of such sale to it.
- (h) Upon any sale pursuant to this ARTICLE 9, the receipt of FTK or the Trustee, or of the officer making sale under judicial proceedings, hall be sufficient discharge to the purchaser or purchaser at any sale for his or their purchase money, and such presentatives, shall not, liter paying such purchase money and receiving such receipt of FTK or the Trustee or of such officer therefor, be obliged to see to the application of such purchase money, the 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 fold from, through or under the Mortgagor, or the Mortgagor's incessors 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 in. Pix or the Tristee may employ such watchmer, managers, real estate prokers, appraisers, maintenance personnel, and other age ts 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 Tritte or any court having jurisdiction to foreclose such lien may sell the Mortgage 1 Property as an entirety or in parcels or portions thereof.

The Mortgagor agrees (i) that, ARTICLE 10. Main gnance. except as otherwise provided in the Credit Documents, no huilding 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 morequie1; (ii) that it will permit, cormit 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 noncomplian with which will have a materially adverse effect on the Mortgagor as determined by FTX :n 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), rivileges, franchises and corressions which are applicable to the Morugaged Property or which have been granted to or contracted for by the Mortgagor in connection with any existing or presently contemplated us. of the Mortgaged Property.

ARTICIZ 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, sower rents and other governmental, public or municipal charges, dues, fines or impositions and any prior liens now or he cafter 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 nct.ce 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 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 wich 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. 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 svidencing 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 restration 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 thercof. 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.

The Mortgagor, immediately upon Condemnation. ARTICLE 13. 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 Lime 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.

As further security for payment of 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 Mortyagor 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. 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 Notwithstanding anything to the said revenues or proceeds. 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 I: betedness 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 E.ant 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). 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. 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 Froperty 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 liabili, 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 whats ever 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

lesses shall have been thereby terminated. Prior to actual entry into and taking possession of any portion of the Mortgaged Property by FTK, this assignment shall not operate to place upon FTK 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 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) <u>Keeper</u>. 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 ot seq. and 9:5136 et seq.
- (iii) <u>Confessing of Judgment</u>. 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 wairing 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 The Collateral Agent shall be granted all direct. rights and remodies 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 Cavil 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 cf 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) <u>Resolutions</u>. 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 take laws of the State of Montana.
- (iv) The Interests of the Mortgag r 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 these 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.

Instrument a Mortgage, Deed of Trust, Security ARTICLE 22. Agreement, Assignment of Production and Leases and Rents and This instrument shall be deemed to be, and Financing Statement. may be enforced from time to time as, a contract, security agreement, assignment, mortgage or deed of trust, and from time to This Mortgage, in addition to time as any one or more thereof. 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 remed'es 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. <u>Counterparts</u>. 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:

State

County or Parish

California Colorado Louisiana Montana Kern Yuma Plaquemines 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.

ARTICLS 27. Miscellaneous. The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, legal and personal representatives, accurators, administrators, successors and assigns of the parties he mo. 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. <u>Credit Locuments Controls</u>. 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 Leas 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 hercunder 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 voidance, FTX and the Trustee, as appropriate, shall at the time of such release, discharge and voidance, 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 voidance (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

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

174925TFGD 56250.436

EXHIBIT A

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 (tr "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. <u>Subheadings</u>. 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 likted 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 Louisian lease or right of way number assigned 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/Lay/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. <u>Subheadings for Federal OCS</u>: 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 Mortgago. 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. <u>Defined Terms</u>. 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.

1753941F@

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:

OCR-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 Mell No. 3, plus 100 feet and containing approximately 5,000.00 acres.

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
LAND0021-87	McMoRen 1967-88 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 PMP 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	Excess Corporation and PMP Operating Company, a Limited Partnership
OF1088-0101-88	Area of Mutual Interest	08/31/88	PMP Operating Company, a Limited Partnership and Conti ental 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 Presport- McMoRan Inc.

SOUTH PASS BLOCK 63 OCS GULF OF HEXICO OFFSHORE, LOUISIANA

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

OCS-G 5052 OF10880001-000 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:

Fll 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"

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
OF1088-0009-87	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	PMP 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.

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 Leesing 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' subsec (16,500' MD), as seen in the Freeport-McMoRan Inc. OCS-G 6801 Well No. A-12 (ST-1).

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	STAD	PARTIES
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	PMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1068-0014-91	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

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BIRIBIT -A-

MISSISSIPPI CAMPION BLOCKS 320, 321, 322, 323 AMD 365 OCS GULF OF MEXICO OPPSBORE, LOUISIAMA

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 Lesse, dated effective June 1, 1884 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, Riseiseippi 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 222, 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 Minerale Management Service, Department of the Interior, as Outer Continental Shelf Lease Mumber 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, Gas Leaser, to Mobil Oil Exploration & Producing Southeast Inc., et al, as Leasee, 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 MARKEMENT TYPE DATE PARTIES

OF1171-0115-87 Unit Operating 07/01/87 Agreement Mobil Oil Exploration 6 Producing Southeast Inc. and Tenneco Oil Company, et al

BEST AVAILABLE COPY

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

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

VERNILION BLOCK 161 OCS GULF OF MEXICO OFFSHORE LOCISTANA

An undivided 1.95557% overriding royalty interest an 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 Quar 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 Dap La.
No. 3, Outer Continental Shelf Leasing Map, Louisiana Offshore
Operation, containing approximately 4,868.21 acres.

SCHEDITE "A"

CONTRACT NUMBER	AGREDIENT TYPE	DATE	PARTIES
LAND0090-87	Participation Agreement McNoRan 1987 OCS Lease Acquisition and Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership, and Continental Land 5 Pur Co., Inc., et al

VERMILION BLOCK 161 OCS GULF OF MEXICO OFFSHORE LOUISIANA

An undivided 49.60055% operating rights interest in and to the NM/4NM/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 subserged 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 Woll 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"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
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	PMP 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

VERNILION BLOCK 161 OCS GULF OF MEXICO OFFSHORE LOUISIANA

An undivided 39.89360% record title interest in and to the NE/48E/48E/4 of the following described lease; and

An undivided 34.66677% record title interest in and to the N/2; SM/4; H/2SE/4; SM/4SE/4; NM/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 inited 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 NUICEFR	AGREEMENT TYPE	DATE	PARTIES
OP0507-0178-75	Farmout Agreement, as amended	07/24/75	Forest Oil Corporation, et al and CEK Offshore Company
OF0507-0144-75	Operating Agreement, as amended	12/31/75	CSK Marine Production Company and Bethlehem Steel Corporation, et al
LAND0090-87	Participation Agreem McMoRan 1987 OCS Lr. Acquisition and Explorational 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

"A" TIGINOCS

RAST 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 OF1096-0001-000 Oil and Gas Lease from the United States of America, at 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 Arcs, OCS Leasing Map, Louisiana Map No. 2 containing approximately 5,000 acres.

SCHEDULE "A"

CONTRACT NUMBER	ACREEMENT 1/PE	DATE	PARTIES
LAND0021-87	Particia Communication Agreement McMoRan 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limit of Partnership and Crescent Investment Company, et al
OF1096-0083-87	Farmout Agreement	12/10/67	Tenneco Oil Company and FMP Operating Company, a Limited Partnership
OF1096 · 0015-88	Offshore Operating Agreement	03/07/88	Tenneco Oil Company and FTP Operating Company, a Limited Partnersh.p, et al
OF1096-0029-88	Ares 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-McHoRan Inc.
010540-03	Crude Oil Exchange Agreement	07/23/91	Shell Oil Company and Freeport-McMcPan Inc

"A" FIGHOUS

CAST CAMERCH BLOCK 1 . OCS GULF OF MEXICO OFFERORE, LOUISIANA.

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

OCS-G 5369 OF1096-0002-000 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, Duisiana Map No. 2 controling approximately 5,000 acres.

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
LAND0021-87	Participation Agreement McMoRan 1987-88 Emploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Company, et al
OF1096-0021-88	Farmout -greenent, as amended	05/05/80	CMG Producing Company and TMP 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	. cility Use Agreement	01/17/91	Chevron U.S.A. Inc. and Freeport-HcHoRan Inc.
01.0540-03	Crude Oil Exchange Agreement	07/23/91	Shell Oil Company and Freeport-HotoRan Inc.

SCHEDULE 1

to
Mortage, 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 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 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

TO REORDER: APPERSON BUSINESS FORMS F-60350 1-600-436-0162

STATE OF LOUISIANA

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

H5052

Use UCC-1F for Farm Products)	
This FINANCING STATEMENT is presented for filing pursuant to Chapter 9 of the Louis	iana Commercial Laws
TA DEBTOR (LAST NAME, FIRST, MIDDLE—IF AN INDIVIDUAL)	72-1211593
FM PROPERTIES OPERATING CO.	1.0 1011070
1615 POYDEAS STREET NEW (IRLEANS LA 70112	
2A. ADDITIONAL DEBTOR (IF ANY) (LAST NAME, FIRST, MIDDLE"-IF AN INDIVIDUAL)	28 SS# OR EMPLOYER LD NO
R: MAILING ADDRESS	
3A ADDITIONAL DEBTOR OF DEBTOR'S TRADE NAMES OR STYLES (IF ANY)	38 SS# OR EMPLOYER LD NO.
SC MAILING ADDRESS	
SECURED PARTY INFORMATION	
FREEPORT-MCMORAN INC.	48 SSP OR EMPLOYER ED. NO. 13-3051048
1615 POYDRAS STREET, NEW ORLEANS, LA 70112	
SA. ASSIGNEE OF SECURED PARTY (IF ANY)	SB SS# OR EMPLOYER LD NO
SC MAILING ADDRESS	
PROPERTY INFORMATION	
6A. This FINANCING STATEMENT covers the following types or items of property	

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

68 Products of collateral are also covered.			
7A. Check if applicable and attach legal description of real property			
Fixture flung under R.S. 104-513			
Minerals or the like (including oil and gar) or accounts subject to R.S. \$6 109-103(5) will be financed at the wellhead or minehead of	of the well or mane		
The deburts) do not have an interest of record in the real property (Enter name and social security/employer Ld. # of an owner of			
TB. OWNER OF REAL PROPERTY (E' other than normed debior) (Enter name and accual security employer ad # of an ewner of record)		TO SS# EMPLOYER ID NO	
BA. This statement is filed without the dichtor's signature to perfect a security interest in collateral (check 1) of in-)	BR Diettor is until term	s a Transmitting Utility Filing is e minuted pursuant to R.S. 66 10-9-	ffective 40 3(E)
already subject to a security interest in another puredictives when it was brought into this start or debtor's location changed to this state.			
which is proceeds of the original collateral described above in which a security interest - a perfected.	1		
as to which the filing has larged.	1		
acquired after a change of debtor's name, identity or composite structure AHD social security employer id. #	1		
9 SIGNATURE(S) OF DEBTC 3(S)	12 THIS SPACE TIME, ENTR	FOR USE OF FILING OFFICER)	R (DATE.
FM PROPERTIES OPERATING CO.		z = = = = = = = = = = = = = = = = = = =	
By: Non () Charles		5 R	
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IC SIGNATURE(S) OF SECURED PARTY(SES) (of applicable)	27	3 5	
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		1 1 99 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
		N 20 29	
THOMAS F. GETTEN	1		
NAME.			
ADDRESS LISKOW & LEWIS			
50th FLOOR, ONE SHELL SQUARE			
PRODE NEW ORLEANS LA 70139-5001			30
	1.s. Number of ac	dditional shrets presented	70
LOUISIANA APPROVED FORM LCC-1. SECRETARY OF STATE W FOX MIKETHEN IREV 1/921			

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. <u>Subheadings</u>. 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 lesser 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 f.le number of the oil and gas recorded to the county conveyance records of recorded applicable public records for the parish or county and state shown under the heading "PARISH/STATE" or "COUNTY/STATE".

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.

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.

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DEBTOR'S NAME: PM 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;
- all accounts now or hereafter resulting from the second and all other accounts, contract rights, operating general intangibles, chattel paper, documents and training principles of the Hydrocarbon results.
- (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 created thereby (including all units formed under creaters, 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.

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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 shope, 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;
- 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 MAME: FM PROPERTIES OPERATING CO.

PEDERAL TAX IDENTIFICATION NUMBER: 72-1211593

- (r) all proceeds of the conversion, whether voluntary or invituatary, of any of the teased Land, the Mineral Interests or the Lease old 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, a'l 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 procedas; and
- (o) the proceeds and products of the foregoing, together with any additions thereto, substitutions therefore and proceeds and products thereof which may be subjected to the lien of this instrument by means of supplements hareto, and all corrections or amendments to, or renewals, extensions or ratifications of, any of the same, or of any instruments relating thereto.

175608TF@ 56250.436 PROSPICE NUMBER PARISH, STATE LABSBS LAC BLANC VERMILLION/LOUISTANA

LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	LSL DTE EXPIRE DTE GROSS ACRES RECORDED
LA04069091/000	LOUISIANA FURS CORPORATION LAC BLANC	AMERADA PETROLEUM CORPORATION VERMILLION/LA	06/03/1957 06/03/1962 4545.080 COB 342 NU 135457
L A04060002/000	VEAZEY, GEOPGE LAC BLANC	STONE OIL CORPORATION VERMILION/LA	12/31/1973 12/31/1999 18.000 CPB 766 ND 220638
(A04060003/000	BROUSSARD, FRANCIS R. ET AL LAC BLANC	STONE DIL CORPORATION VERMILION/LA	01/14/1974 01/14/1999 .000 COB 766 0220637
L A04060084/000	VEAZEY, GEORGE LAC BLANC	THE STONE OIL CORPORATION VERMILION/LA	01/09/1976 01/09/1999 1.000 COB 811 NO 233258
LA04060005/001	PELTO DIL COMPA ET NE	CHARLES DEGRAVELLES VERMILION/LA	02/22/1980 01/14/1983 169.150 COB 924 NO 263329
LA04060005/002	SAL 8537 LAC BLAMS	CHARLF: C. DEGRAVELLES VEPMILION/LA	01/14/1980 01/14/1985 169.150 COB 922 NO 262816
LA04060016/001	AVRICO, INC. LAC BLANC	HE SUPERIOR WIL COMPANY VERMILIONALA	09/27/1956 09/27/1959 62.629 COB 325 NO 132035
L V046600191005	SZL 3052 LAC BLANC	THE SUPERIOR OIL COMPANY VERMILXON/LA	09/27/1956 09/27/1959 62.620 CCB 325 NO 132026
A04060017/001	AVFICO, INC. LAC BLANC	THE SUFFICE OIL COMPANY YERMILION/LA	09/27/1936 09/27/1959 39.040 COB 325 NO 132034
LA04060017/002	SZI 3051 LAC BLANC	THE SUPERIOR TIL COMPANY VURNILION/LA	09/27/1956 09/27/1959 39.040 COB 325 NO 132027
LA94060019/001	STATE R/M NO 2310 LAC BLANC	THE OFERATING COMPANY VERMILLIONALA	06/05/1985 06/05/2005 .000 NO 8507~52
LA04060019/002	AVRICG INC. LAC BLANC	FM" UPERATING COMPANY VERMILION/LA	06/21/1985 06/21/2005 .800 NO 8508440
LA04060019/003	CONTRAN CURPORATION LAC BLANC	FMP OPERATING COMPANY VERMILION/LA	05/28/1985 05/28/2005 000 NO 8507451

PROSPECT NUMBER PARISH, STATE	LACADA LAC BLANC VERMILION/LOUISIANA			
LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	LSE DIE EXPIRE DEE GROSS ACRES RECORDED	
LA04060020/000	EXXON CORPORATION LAC BLANC	FMP OPERATING COMPANY VERMILION/LA	09/03/1985 09/03/1999 .000 W0 8513034	
I A04060022/000	EXXON CORPORATION LAC BLANC	FMP OPERATING COMPANY VERMILION/LA	12/05/1986 12/05/1999 .000 NO 8700321	
LA04060923/000	A CORPORATION. ET AL LAC BLANC	FREEPORT-MCMORAN OIL & GAS CO VERMILION/LA	09/27/1990 08/01/1995 5.739 NO 9009710	
L A0466 0024/000	FXXON 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	
LAG406-0289 -85	CONSERVATION ORD	ER, 08/06/1985	STATE OF LOUISIANA	
LA2406-8091 -88	CONSERVATION ORD	ER 11/01/1988	STATE OF LOUISIANA	
LA0406-0092 -38	COMSERVATION ORD	ER 10/31/1988	STATE OF LOUISIANA	
LAG406-0097 -88	CONSERVATION ORD	ER 10/31/1988	STATE OF LOUISIANA	
LA0406 - u094 -88	CONSERVATION ORD	ER 11/01/1988	STATE OF LOUISIANA	
LAC406-0001 -74	EXPLORATION AGRE	EMENT 01/19/1974	STONE OIL CORPORATION 1974 PARTICIPATIN PROGRAM AND E.R. CARPENTER CO., INC.	IG
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	
L ANDOOO5 -86	FARMIN AGREEMENT	12/11/1986	AMERADA HESS CORPORATION AND FMP OPERATING COMPANY	
LA0406-0004 86	FARMIN AGREEMENT	11/01/1986	MOBIL TIL EXPLORATION & PRODUCING SCUTHEAST, INC. AND FMP OPERATING COMPA	MY
LA0406-0006 -86	FARMOUT AGREEMEN	12/17/1986	FMP OPERATING COMPANY AND CARPENTER OIL & GAS, INC.	
LA0406-5001 -80	GAS PURCHASE CONT AS AMENDED	TRACT, 09/01/1980	TENNESSEE GAS PIPELINE COMPANY AND STONE OIL CORPORATION	

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES	
1 A 0 4 0 6 5 7 0 1 8 8	AUXILLIARY GAS PURCHA	SE CONTRACT 11/01/1988	TENNESSEE GAS PIPELINE COMPANY FMP OPERATING COMPANY, ET AL	AND
180406 0145 -74	JOINT VENTURE AGREEME	NT 01/01/1974	STONE OIL CORPORATION AND STON CORPORATION 1974 PARTICIPATING	
LA0406-0292 -85	LETTER AGREEMENT	07/26/1985	AMERADA HESS CORPORATION AND FMP OPERATING COMPANY	
I A0406 - 0383 - 89	LETTER AGREEMENT	05/30/1989	FAP OPERATING COMPANY AND CXY ENERGY, INC.	
LA0406-0021 -59	OPERATING AGREEMENT	09/18/1959	SUPERIOR OIL COMPANY AND AMERADA PETROLEUM CORPORATION	
LAD406-0091 -83	OPERATING AGREEMENT	09/01/1983	STONE OIL CORPORATION AND SUPERIOR OIL COMPANY. ET AL	
LAD406-5140 -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 CIL COMPANY, ET AL AN STONE CIL CORPORATION	10
LA0406-5606 -88	SETTLEMENT AGREEMENT	10/13/1988	FMP OPERATING COMPANY, ET AL A TENNESSEE GAS PIPELINE COMPANY	ND
LAR466-6293 -85	GAS SCHEDULING AGREEM AS AMENDED	ENT, 12/01/1985	FMP OPERATING COMPANY, ET AL	
LA0406 0060 -89	SALT MATER DISPOSAL A	GREEMENT 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 COM DIVISION OF FREEPORT-MCMORAN I	PANY, NC.
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ALL PROSPECTS PROSPECT NUMBER PARISH, STATE		NUMBER SEQUENCE	
LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISHA STATE	LSE DIE EXPIRE DIE GROSS ACRES RECORDED
LA10650001/000	DARTEZ, FELICIEN KAPLAN	THE SUPFRIOR 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 DIL 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	0. /23/1975 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
LA10650612/000	DARTEZ, WILMER L. KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/21/1973 12/26/1978 64.704 NO 219634
LA10650013/000	CLARK, FERAY KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	92/19/1973 12/19/1978 .770 NO 214635
LA10650014/001	BE DUSSARD, BELLA T., ET AL KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/16/1973 12/20/1978 1.651 NO 214636
LA10650015/000	KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/22/1973 12/19/1978 40.145 NO 214631
LA10650016/000	GREEN, HARREN J. KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/15/1973 12/19/1978 90.914 NO 214632
LA10650G17/000	ROMERO, HARRY HENRY KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/21/1973 12/19/1983 1.141 HD. 214637
LA10650018/000	BROUSSARD, LUA KAPLAN	SUPERIOR OIL CO VERMILIONALA	02/26/1973 01/15/1979 12.866 NO 2:4660
LA10650020/000	TRAHAN, AMBPOISE KAPLAN	THE SUPERIOR OIL COMPANY VERMILION/LA	02/26/1973 01/11/1979 160.000 HO 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 219773
LA10650025 - G08	SIMON, AMY	THE SUPERIOR OIL COMPANY	01/17/1974 01/17/1979

ALL PROSPECTS PROSPICE NUMBER PARISH, STATE

FROSPECT NUMBER SECUENCE

LA1065 KALLAN VERMILION/LOUISIANA

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LESSOR PROSPI - I

LESSEE

PARISH/STATE

I SE DIE

EXPIRE DIE

GROSS ACRES RECORDED

KAPLAN

VERMILION/LA

11.447 NO 215014

03/16/1973 12/19/1978

1A10650032/000

BROUSSARD, DITO, ET AL KAPLAN

THE SUPERIOR OIL COMPANY VERMILION/LA

100.806

LA10650035/000 TRAHAN, AMBROIS KAPLAN

TRAHAN, JOHN D., ET AL

THE SUPERIOR OIL COMPANY VERMILION/LA J.P. HESTERLY

THE SUPERIOR OIL COMPANY

04/02/1974 04/21/1984 89.000

NO 221887

NO 215350

LA10650045/000

KAPLAN

VERMILION/LA

01/29/1960 01/29/1965 700

ENT NO 149112

LA10650112/000 SIMON, RODNEY J., FT AL KAPLAN

EARL P. BURKE, JR.

VERMILION/LA

07/01/1980 06/30/1995 04/01/1981

COB 935 NO 265850 8.000 04/01/1996

ENT 08106221

LA10659115/000 LA10650116/000

ROMAINE, ALFRED RAY, ET AL KAPLAN

VERMILION/LA THE SUPERIOR DIL COMPANY

VERMILION/LA

09/01/1983 09/01/2013 1.200

ENT 08307481

LA10650120/001

KAPLAN ROMERO DAVID. JR.

KAPLAN

PRIMEAUX, ADVEY, ET UX

KAPLAN

CHATAGNIER, CECILE HEBERT ETAL FMP OPERATING COMPANY VERMILION/LA

11/02/1987 11/02/1995 27.200

000

NO. 8712141

LA10650120/002 KAPL AN FMP OPERATING COMPANY VERMILION/LA 12/10/1907 12/10/1993 27.209 NO. 8809553 186.640

159.440

KENNETH P. ROMERU, ET AL LA10650120/003

MOBIL EXPL.8 PRODUCING N.A.INC 01/12/1988 01/12/1992 VERMILION/LA

ENT 88800775

ENT 08800777

ENT 68800800

ENT 08801046

CECILE HEBERT CHATAGNIER, ETAL MOBIL EXPL. 8 PRODUCING H.A.INC 01/12/1988 01/12/1997 1410550120/004 KAPLAN

VERMILION/LA 159.440 INT 68803776 MOBIL EXPL.8 PRODUCING N.A.INC 01/12/1980 01/12/1992

DAVID ROMERO, JR. 1A10650120/005 CAPLAN ALTON J. HEBERT, ET AL LA10650121/000

VERMILIONALA

KAPLAN

VERMILION/LA

MOBIL EXPL. APRODUCING N.A. INC. 01/13/1988 01/13/1991 ENT 02800778 4.395

1410650122/000 ISABELLE SIMON BROUSSARD, ETAL MOBIL EXPL.8 PRODUCING N.A.INC 01/20/1988 01/20/1993 KAPLAN LA10650123/000

VERMILION/LA 16.350 ENT 88800779 NADINE DICKERSON ROMAINE, ETAL MOBIL EXPL.8 PRODUCING N.A.INC 01/13/1988 01/13/1994

KAPLAN LA10650124-001 ALFRED RAY ROMAINE, JR ET AL KAPLAN

LA10650124/002 MARY EMILY ROMAINE

VERMILION/LA 193.670 MOBIL EXPL & PRODUCING N A INC 01/21/1988 01/21/1994 VERMILION/LA 39.580

MOBIL EXPL & PRODUCING N A INC 01/21/1988 01/21/1994

MOBIL EXP. 8 PROD. N.A., INC. 08/50/1988 05/16/1992 VERMILION/LA 84.464 NO 8809928

08/31/1988 02/18/1992

ALL PROSPECTS PROSPECT NUMBER PARISH, STATE		NUMBER SEQUENCE	
LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	I SE DIE EXPIRE DIE GROSS ACRES RECORDED
	RAPI AN	VERMILION/LA	39.580 ENT 08801231
IA10650126/000	ADVEY PRIMEAUX, ET AL KAPLAN	MOBIL EXPL. & PROD. N. A. INC. VERMILION/LA	02/19/1988 02/19/1994 39.600 ENT 08801639
1410650129/001	MEBERT, HAROLD P. KAPLAN	FMP OPERATING COMPANY VERMILION/LA	10/17/1988 10/17/1991 .495 HO 8900490
LA10650129/002	HEBERT, JUDE THADDEUS KAPLAN	FMP OPERATING COMPANY VERMILION/LA	12/20/1988 12/20/1993 17.190 NO 8980491
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. YERMILION/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	08/26/1928 05/16/1992 34.710 NO 8808644
1A10650134/001	KAPLAN, LIBBY BIUM KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	68/31/1988 05/28/1992 21.280 HO 8809024
!A10650134/002	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. 8 PROD. N.A., INC. VERMILION/LA	09/U6/1988 05/16/1992 43.541 NO 8809026
1A10650136/000	BROUSSARD, LUA, ET UX KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	08/30/1988 02/09/1992 80.000 NO 8809027

MOBIL EXPL & PRODUCING N.A.

LA10650137/000 BROUSSARD, LUA, ET UX KAPLAN

IA10650138/001 KAPLAN, LIBBY BLUM, TRUSTEE

ALL PROSPECTS PROSPECT NUMBER SEQUENCE PROSPICE NUMBER 141065 K VI.I VII PARISH, STAFE VIRMITION COULTINATIV LEASE NUMBER LESSOR EXPIRE DIE LESSEE ISE DIE PROSPECT PARISH/STATE GROSS ACRES RECORDED KAPLAN VERMILION/LA 80.000 NO 8809029 MOBIL EXP. 8 PROD. N.A., INC. 1410650138/002 TARTAR, MARVIN HOMARD 09/19/1988 02/18/1992 KAPLAN VERMILION/LA 80.000 NO 8809751 IA10650137/000 RICHARD, BRENDA J. P., ET VIR MOBIL EXPL & PRODUCING N.A. 09/14/1988 02/25/1992 KAPLAN VERMILION/LA NO 8809351 28.060 LA10650140/000 LEMAIRE, CARL L., ET UX MOBIL EXPL & PRODUCING N.A. 69/15/1988 02/25/1992 KAPLAN VERMILION/LA NO 8809352 2.560 LAIO650142/000 LEMAIRE, JOSEPH L., ET UX HOBIL EXPL & PRODUCING N.A. 09/15/1988 02/25/1992 KAPL AM VERMILION/LA 2.835 NO 5509652 LA10650143/000 HEBERT, DONALD R., ET UX MOBIL SXPL & PRODUCING N.A. 09/26/1988 09/26/1994 KAPLAN VERMILION/LA 28.000 NO 8889653 LA10650146-0CG CLARK, FERAY, ET AL MOBIL EXPL & PRODUCING N.A. 10/05/1988 10/05/1991 KAPI AN VERMILION/LA 3.519 NO 8809840 1A10650147/000 CLARK, FERAY, ET AL MOBIL EXPL. & PROD. N.A., INC. 10/05/1988 10/05/1991 KAPLAN VERMILION/LA 65.523 NO 8809841 LA10650148.'000 CLARK, JAMES KENNETH, ET A! MOBIL EXPL. 8 PHOD. N.A., INC. 10/05/1988 10/05/1991 KAPLAN VERMILION/LA 32.112 NO 8809842 1A10650149/000 CLARK, FERAY, ET AL MOBIL EXPL. 8 PROD. N.A., INC. 09/23/1988 06/13/1992 KAPLAN VERMILION/LA 25.000 NO 8809843 TRAHAN, LAUREST J., ET UX 1A10650150/000 MOBIL EXPL. 8 PROD. N.A., INC. 08/31/1988 05/16/1992 KAPLAN VERMILION/LA 20.670 HO 8810099 LA10650151/000 TRAHAN, LAUREST J., ET AL MOBIL EXPL. & PROD. N.A., INC. 08/31/1988 08/31/1994 SAPLAN VERMILICH/LA 29.000 NO 88101C .. LA10650152/000 TRAHAN, LAUREST J., ET AL MOBIL EXPL. & PRGD. N.A., INC. 08/31/1908 05/16/1992 KAF'L AN VERMILION/LA 84.678 NO 8810101 1A10650153/900 ROMERO, MACGIE DARTEZ, ET AL MOBIL EXPL. 8 PROD. N.A., INC. 10/12/1988 05/16/1992 KAPLAN VERMILION/LA NO 8810147 10.879 LA10650154/801 PELTO OIL COMPANY MOBIL EXPL. & PROD. N.A., INC. 11/03/1988 06/19/1992 KAPLAN VERMILION/LA 14.104 NO 8411351

MOBIL EXPL & PROD N.A., INC.

1410650155/000 HERPIN, MARGUERITE MARIE ET AL MOBIL EXPL. 8 PROD. N.A., INC. 12/01/1988 12/01/1991

VERMILION/LA

09/07/1989 09/07/1992

14.104

NO. 8911498

LA10650154/002

AVRICO, INC.

KAPI AN

ALL PROSPECTS PROSPECT NUMBER PARISH, STATE		NUMBER SEQUENCE	
LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	USE DIE EXPIRE DIE GROSS ACRES RECORDED
	KAPLAN	VERMILION/LA	463.000 NO 8 00358
(A10650156/000	SCHEYNEIDER, SHIRLEY BOUDREAU KAPLAN	X MODIL EXPL & PRODUCING N.A. VERMILION/LA	09/13/1988 05/16/1992 19.900 NO 8980223
LA10650157/000	LEMAIKE, GAIL, ET UX KAPLAN	MOBIL EXPL A PRODUCING N.A. VERMILION/LA	09/29/1988 92/25/1992 18.845 NO 8900224
LA10650158/000	SCHEXNEIDER, EVANS JOSEPH ETU KAPLAN	X MODIL EXPL. & PROD. N.A., INC. VEPMILION/LA	09/19/1988 05/16/1992 .840 NO 8900225
LA10650159/000	FAULK. ENIX HEBERT KAPLAN	FMP OPERATING COMPANY VERMILION/LA	03/30/1989
LA10650160/600	LEDOUX, MARY E.G., ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	02/06/1989 02/06/1992 3.000 Hn. 8903052
LA10650161/001	ROMAINE, ALFRED RAY, JR., ETA KAPLAN	L MOBIL EXPL. & PRODUCING N.A., VERMILION/LE	02/01/1989 06/11/1992 118.070 NO. 8902286
LA10650161/002	ROMAINE, MARY EMILY KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	02/01/1959 06/11/1992 118.070 NO. 8902664
LA10650162/000	GUIDRY, PAUL A., ET UX KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILIGN/LA	04/20/1989 04/20/1992 10.040 NO. 8904856
LA10650163/003	PARKER, JOHN W , ET UX KAPLAN	MOBIL EXPLORATION & PRODUCING VERMILION/LA	15/04/1989 05/04/1992 1.024 NN 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
1410650163/005	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
LA10650163/907	SIMON, EMERY, JR., ET UX KAPLAN	MOBIL EXPL. A PRODUCING N.A., VERMILION/LA	05/09/1989 05/09/1992 1.025 NO. 8905397
1410650163/008	BOURQUE, MAURICE, JR., ET UX KAPLAN	MOBIL EXPL. & PROBUCING N.A., VERMILION/LA	05/09/1989 05/09/1992 1.014 NO. 8905396
IA10650163/009	CORMIER, MICHAEL, ET DX KAPLAN	MOBIL EXPL & PRGD N.A., INC. VERMILIDN/LA	08/21/1989 08/21/1992 1.019 HO. 8988816
1A10650165/000	DUHON, MARIE HERPIN	FREEPORT MCMORAN OIL & GAS CO.	03/28/1990 07/09/1993

ALL PROSPECTS
PLOSPELT NUMBER

PROSPECT NUMBER SEQUENCE

LA1965 KAPLAN

PARISH, STATE	VERMILION/LOUISIANA							
LEASE NUMBER	LESSOR PROSPECT	LESSEE	PARISH/STATE	LSE		EXPIRE I		ORDED
	KAPLAN		VERMILION/LA			33.000	NO.	9004584
LA10450166/000	DUHON, ROBERT E., ET UX KAPLAN	FREEPORT	MCMORAN OIL & GAS CO. VERMILION/LA	03/2	8/1990	07/09/19 12.000		9004585
(A10650167/000	BROUSSARD, J. PEVERLY, ET UX KAPLAN	FREEPORT	MCMORAN 011 & GAS CO. VERM!LION/LA	03/2	8/1990	07/09/19 21.000		9004586
LA10650168/000	CLOTEAUX, ILLETTE CLOSTIC KAPLAN	FREEPORT	MCMORAN OIL 8 GAS CO. VERMILION/LA	03/2	8/1990	07/09/19 33:000		9004587
1A19650169/000	DOUCET, VONDA KAY BROUSSARD KAPLAN	FREEPORT	MCMORAN DIL 8 GAS CO. VERMILION/LA	03/2	8/1990	09/12/19 48.000		9004588
LA10650170/000	DARTEZ, WILMER KAPLAN	MOBIL EX	PL. & PROD. N.A., INC. VERHILION/LA	10/1	5/1987	7.000		8712408
LA10650171/000	LAPOINT, AMY SIMON KAPLAN	MOBIL EX	P. & PROD. N.A., INC. VERMILION/LA	03/0	1/1990	03/01/19 6.553		9065292
LA10650172/000	PRIMEAUX, ADVEY, ET AL KAPLAN	MOBIL EX	P. & PROD. N.A., INC. VERMILION/LA	03/0	11/1996	78.749		9005291
LA10650173/901	BROUSSARD, POLYCARPE, ET UX KAPLAN	MOBIL EX	P. 8 PROD. N.A., INC. VERMILION/LA	04/1	1/1990	04/11/1º 16.662		9005289
LA10650173/002	BROUSSARD, LOU ANN KAPLAN	MOBIL EX	P & PROD N.A., INC. VERMILION/LA	04/1	1/1990	04/11/19 16.662		9005290
LA10650174/000	GREENE/BROUSSARD PLAN., ET AL KAPLAN	HOBIL EX	P. & PROD. N.A., INC. VERMILION/LA	04/1	6/1990	04/16/19 60.086		9005293
1A10650175/000	GREENE/BROUSSARD PLAN.INC ETAL KAPLAN	MOBIL EX	P 8 PROD N.A., INC. YERMILION/LA	04/1	6/1990	04/16/19 26:000		9008683
LA10650176/000	GREENE ROSE BROUSSARD, ET AL KAPLAN	MOBIL EX	P. & PROD. N.A., INC. VERMILION/LA	04/1	6/1990	7.000		9005295
1819650177/000	GREENE, DONALD J., ET UX KAPLAN	MOBIL EX	P & PROD N.A., INC. VERMILION/LA	04/1	6/1990	2.000		9005294
LA10650178/000	GUIDRY, ELIAS, ET AL KAPLAN	MOBIL EX	P & PROD N.A., INC. VERMILION/LA	04/2	26/1990	2.000		9005299
LA10650179/001	ROMAINE, ALFRED RAY, JR., ETAL KAPLAN	MOBIL EX	PL. & PRODUCING N.A., VERMILION/LA	04/2	20/1990	04/20/19 54.120		9005296
LA10650179/002	ROMAINE, MARY EMILY	MOBIL EX	PL. & PRODUCING N.A.,	04/2	20/1990	04/20/1	993	

ALL PROSPECTS
PROSPECT NUMBER
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PROSPECT NUMBER SEQUENCE

LAID65 KAPLAN

PARISH, STATE	VERMIETONZI OUTSTANA		
LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	LSE DIE EXPIRE DIE GROSS ACRES RECORDED
	KAPLAN	VERMILION/LA	54.120 NO. 9005297
[A106 261 80 > 000	SIMON, RODNEY J., ET AL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	04/25/1990 04/25/1993 100.420 NO. 9005278
1A10650181/000	SIMON, RODNEY J., ET UX KAPLAN	MOBIL EXPL. 4 PRODUCING N.A., VERMILION/LA	04/25/1990 04/25/1593 3.010 NO. 9005288
LA10650182/000	MEAUX, LOVELACE PAUL, ET AL	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	05/02/1990 05/02/1993 25.900 NO. 9005300
LA19650183/001	FAULK, CLARA BOURQUE, E; AL KAPLAN	MOBIL EXPL. A PRODUCING H.A., VERMILION/LA	05/02/1990 05/02/1993 86.920 NO 9005367
1A10650183/002	SIMMONS, MARY ROSE FAULK, ETAI KAPLAN	MOBIL EXPL. A PRODUCING N.A., VERMILION/LA	05/02/1990 05/02/1993 86.920 NO. 9806415
Lh10650184/000	DARTEZ, EMANUEL KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	05/04/1990 05/04/1993 20.740 NO. 9095369
LA10650185/000	TRAHAN, LAUREST J., ET AL	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	05/11/1990 05/11/1993 3.550 NO. 9005370
LA10650186/00C	BROUSSARD, LIFTON PAUL, ET UX	MOBIL EXFL. & PROD. N.A., INC. VERMILION/LA	05/16/1990 05/16/1993 1.120 NO. 9005368
LA10650187/000	DARTEZ, MILMER KAPLAN	MOBIL EXPL. & PRODUCING N.A., VERMILION/LA	06/21/1993 06/21/1993 26.095 NO. 9006417
(4)0650188/001	AVRICO, INC. KAPLAN	MOBIL TXPL & PROD N.A., INC. VERMILION/LA	07/18/1990 07/18/1993 19.052 NO. 9J08586
LA10650189/000	SIMON, STARLING P. KAPLAN	PHILLIP D. J. SIMON VERMILION/LA	08/12/1990 08/12/1993 26.520 NG. 9008419
LA10656190/000	SIMUN, STARLING P. KAPLAN	PHILLIP J. D. SIMON VERMILION/LA	08/C9/1990 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	MOBIL E & P N. AMERICA INC. VERMILION/LA	08/21/1990 08/21/1993 58.720 NO. 9008681
LA10650191/033	TARTAK, MARVIN HOMARD KAPLAN	MOBIL E. & P. N. AMERICA INC. VERMILION/LA	08/15/1990 08/15/1993 58.720 NO. 9408682

LA10650192/000 SOUTHERN PACIFIC TRANS CUMPANY MOBIL EXPL. 8 PROD. N.A., INC. 02/23/1990 02 23/1993

CYMIRI! "A"

			[XHIB]: "A"	
	ALL PROSPECTS PROSPECT NUMBER PARISH, STATE		NUMBER SEQUENCE	
	LIASE NUMBER	LESSOR PROSPECT	LESSEE FARISH/STATE	LSE DIE EXPIRE DIE GROSS ACRES RECORDED
		KAPLAN	VERMILION/LA	18.180 NO. 9005366
	1A10650193/000	HEBERT. ALTON J., CT AL KAPLAN	MOBIL EXP. 8 PROD. N.A., INC. VERMILION/LA	07/14/1990 01/14/1994 159.190 NO. 9007524
	1A10650194/000	HEBERT, JOHN FARRELL, ET AL KAPLAN	LEMIS B. BERNARD, INC. VERMILION/LA	05/30/1991 10/14/1994 90.000 NO 9105874
	(A)0653195/Gad	MEAUX, LOVELACE PAUL, ET AL KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	06/36/1990 06/06/1993 17.290 NO. 9006416
	(A)9650196/000	BROUSSARD, LUA, ET UX Kaplan	MOBIL EXPL. & PROD. N.A., 1NC. VERMILION/LA	01/10/1990 02/21/1993 22.670 NO. 9000773
	(A10650197/001	MEBERT, DANA ANGELLE Kaplan	LEMIS B. SERNARD VERMILION/LA	05/24/1991 11/10/1994 31.667 HO 9105875
	LA10650197/002	MEDERT, MILTON L., TUTOR KAPLAN	LEMIS B. BERNARD VERMILION/LA	05/24/1991 11/10/1994 31.667 MO 9105876
	LA10650198 -000	BROUSSARD, LOUELLA LANDRY KAPLAN	NOBIL EXPL. & PROD. N.A., INC. VERMILION 4	01/09/1990 02/20/1993 5.290 MO. 9000772
	LA10650199/000	TRAHAN, ALTON J., ET AL KAPLAN	MOBIL EXPLORATION AND PROD. YERMILTON/LA	08/29/1991 08/29/1994 34.710 NO 9109908
W.	LA10650200/000	KIDDER, LOU ANN DRONET, ET AL Kaplan	MOBIL EXPLORATION AND PROD. VERMILION/LA	09/16/1991 09/16/1994 80.000 NO. 9109906
	LA10650201/000	CAPPS, MARY ADELE ROMAINE ET KAPLAN	MOBIL EXPLORATION AND PROD. VERMILION/LA	09/10/1991 09/20/1994 11.000 NO. 9109907
	1410650202/000	MEBERT, FREDDIE, ET UX Kaplan	MOBIL EXPLORATION AND PROD. VERMILION/LA	10/17/1991 10/17/1994 2.000 NO. 9109910
	LA10650205/000	GUILLORY, DELTA JOSEPH, ET UX KAPLAN	C MOBIL EXPLORATION AND PROD. VERMILION/LA	10/16/1991 10/16/1994 3.820 NO. 9109909
	1410650204/001	ANDRY, DELVRED L., ET UX	MOBIL EXPLORATION AND PROD. VERMILION/LA	10/18/1991 05/03/1995 2.473 NO 9110528
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MOBIL EXPLORATION AND PROD. VERMILION/LA

MOBIL EXPLORATION AND PROD VERMILION/LA 10/22/1991 10/22/1994 1.363 NO. 9110529

11/12/1991 64/21/1995 2.473 HO. 9111266

LA10650204/002 HERPIN, GORDON E., ET UX

LA10650204/003 SIMON, HARREN J.

KAP, AN

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ALPRELLION LUMBELLIVAN

PROPERTY I NUMBER

PAPTOH, STATE

IA1065 0066 -91

EVILVE

LETTER AGREEMENT

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES	
1A1065 03/4 80	CONSTRVATION ORDER	06/26/1980	JEATE OF LOUISIANA	
1A1065 0704 85	CONSERVATION ORDER	05/16/1983	STATE OF LOUISIANA	
LA1065-0205 8.	CONSTRUCTION ORDER	05/16/1983	STATE OF LOUISTANA	
1A1065 PP42 -91	CONSTRUCTION CROER	07/17/1991	STATE OF LOUISIANA	
LA1065-0056 -91	CONSERVATION ORDER	01/03/1991	STATE OF LOUISTAMA	
[A1065 0057 -91	CONSERVATION ORDER	01/03/1971	STATE OF LOUISTAWA	
IA1065-0240 -76	DESIGNATION OF UNIT	02/26/1976	SUPFRIOR OIL COMPAN SHD SURMONT COMPANY, ET AL	
i AND0204 -72	LIMITED PARTNERSKIP	07/28/1972		
LA1065-0148 -73	LETTER AGREEMENT	87/16/1973	BURMONT COMPANY AND RENNETH G. MCCAN ⁴⁴ , JR.	
LA1065 0121 -73	OPERATING AGREEMENT	03/01/1973	SUPERIOR OIL COMPANY AND BURMONI COMPANY	
LA1065 0267 11	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	
IA1065 0083 86	RESTATED CONVEYANCE OF PRODUCTION PAYMENT	01/01/1986	EARL P. BURKE, JR., ET AL AND UCAK INTERAM, INC.	
LA1065-0055 -91	PURCHASE AGRITHENT	11/19/1991	AMAX PETROLEUM CORP. AND FREEPORT-MCMORAN INC.	
PR0162 04 91	GAS PROCESSING AGREEMENT	11/01/1991	FREFPORT-MCMORAN OIL & GAS COMPANY AN	10
I A0185-01	RESTATED GAS PURCHASE AND SALES AGREEMENT, AS AMENDED	01/01/1986	UCAR INTERAM, INC. AND FMP OPERATING COMPANY, ET AL	
IA1065-0064 -93	PURCHASE AGVERNENT	10/29/1991	LIG CHEMICAL CORPORATION AND FREEPORT-MCMORAN OIL & GAS COMPANY	
IA1065 0065 91	LETTER AGREEMENT	11/14/1991	FREEPORT-MCMORAN GIL & GAS COMPANY AN	D

04/18/1991

FREEPORT-HCMORAN (NC. AND GREENBRIER AQUISITION LTD., ET A.)

PRIBIT "A"

VERNILION BLOCK 161 OCS GULF OF MERICO OFFSHORE LOUISTANA

CCF-3 1127 2)*0507-0001-000

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 Humber OCS-G 1127, Swaring the submerged lands of the Outer Continental Shelf described as follows:

Block [51 Vermilion Area, as shown on official leasing map La. No. 3, Octor Confidental Shelf Leasing Map, Louisiana Offshore Operation, activalning approximately 4,868.21 acres.

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
13/ D0090-67	Participation Agreement McMoRaw 1987 OCS Lease Acquisition and Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership, and Continental Lund & Fur Co., Inc., et al

Any and all other contracts, agreement, burdent, and encumbrances concern. ϵ_3 of offsetting the above described interest which are Df record.

4:\VE361 CDL.F18

VERRILION BLOCK 161 OCS GULF OF MEEICO OFFSHORE LOUISIANA

In undivided 49.60055% operating rights interest in and to the NM/4NM/4SE/4; $8e/\sqrt{3}$ 045M/4 and the well located thereon, known and designated as Well No. 3 in the fc.lowing executed lease, to wit:

0C3-G 1127 0F0507-0001-000

Oil and Gas Lease from the United States of America as Lessor, to Forest Oil Corporation, at relies dated offective as of June 1 1962, and identified in the Office of the Minerals Management Service, lepartment 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 16: Vermilium Area, as shown on official leasing Mar La No.
3. Outer Continental Shelf Leasing Map, Louisiana Offshore, Operations, containing approximately 4,868.21 acres.

The app., described interest entitles the owner thereof to the following:

- A. The Nin/488/4 of Block 161, Vermilion Area, being the Operating Pights in and to cil and gas produced therefrom, and the OCS-G 1127 Well No. 3;
- B. The SE/4NE/4SM/4 of Block half, Vermilion Area, being the Operating Rights, including the surface rights, the "A" Pictform and the equipment located thereon, but not any oil and gas rights therein.

SCHEDULE 'A"

CONTRACT NUMBER	AGPEMENT TYPE	METE	PARTIES
OF0507-0144-75	Operating Agreement, as amended	: 2/31/75	CEK Marine Prod ction Company and Bethlehem Steel Corporation, et al
LAND0090-87	Paylicipatics Agreement NoMomai, 1907 OLS Lease Acquisition and Emploration Program	01/01/67	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al
LAND0030-88	Area of Mutual Interest	05/05/85	FMP Operating Company, a Gimited Partnership, a De Continental Land & Fur Co., Inc., et al
	Co-Development Agreement	12/01/91	Freepo.t-McMoRan Inc. and Encig: Development Comporation, et al
	Overriding Royalty Assignment	Pending	Freepart-McMowan Inc. and CLK Company, et al

OFFEROR LANDIANT

An undivided 39.89360% record titls interes in and to the NE/ASE/4SE/4 of the following described lease; and

An undivided 34.66677% record title interest in and to the M/2; SW/4; M/2SE/4; SW/4SZ/4; NM/4SE/4SE/4; S/2SZ/4SE/4 of the following described leave, to Wat:

OCS-G 1127 OF7.507-0001-000

Oil and Gus Lease from the United States of Aurica 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 Leas: Number OCS-G 1127, covering the submerged lands of the Outer Continental Shelf described at follows:

Block 161 Vermilion Area, ... shown on official lessing man-La. No. 3, Outer Contann al Shalf Lessing Map, Louisians. Offshore Operations, containing approximately 4,868.21 acres.

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DA E	PARTIES
Off 307-0178-75	Farmout Agreemen*, as amended	277:4/75	Forest Oil Corporation, et al and CEK Offshore Company
OFC507-0144-75	Operating Agreement, as amended	12/ 1/75	CER Aur.r.) Prog. tion Compa y and bethlenam Steel Torporation, et al
LAND0090-67	Participation Agreement McMcRen 1987 OCS Lease Acquisition and Exploration Program	01/01/	FMP Operating Compiny, a Limited Farthership, and Continental Land 6 Fur co., Inc., et al
LAND0030-88	Area of Mutual Interest	05/05/88	PMP Operating Company a Limited Partnership and Continental Land & Pur Co., Inc., et al
	Co-Development Agreement	12/01/91	Freeport McAuRam Inc. and Energy Development Corporation, et al
	Overriding Royalty Assignment	Pending	Freeport-McMoRen Inc. and CLK Company, et al

BEST AVALLABLE COPY

SISIBIT A-

MISSISSIPPI CLIFTON BLOCKS 320, 321, 322, 323 AND 365 3CS GULP OF MELICO OFFENDRE, LOUISIANA

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

OCS-G 6946 OF1171-0002-000 Cal and Gas Louse from the United States of America, as Lessor, to Hobil Gil Exploration 6 Projecting Southeast Inc., et al. se Lessov, dated effective June 1, 1984 and identifies in the Office of the Milerale Management Service, Department of the Interior, as Nuter Continental Shelf Lease Number CCS-G 6940 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 320 and 321, Mississippi Canyon, 115 Official Protection Disgram, NH 16-10 Containing approximately 5,131.08 (creat.

OCS-G 5834 OF1171-0003-000 Oil and Gas Lease from the United ftates of America, as Lessor, to Mobil Oil Emploration & Producing Southeast Inc., to all 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 Muniter OCS-G 5834 comming the submerged lands of the Outer Continental Shelf described at follows:

All of Block 722. Mississippi Canyon, OCS Official Protraction Diagram, MH 16-10, containing approximately 5.760.00 acres.

OCS-G 58%5 OF 171-F/004-000 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 Minerale Punagement service, Department of the Interior, as Outer continental Whelf Lease Number OCS-G 1935 covering the submerged and of the Outer Continental Shelf described as follows:

All of Slock 323, 'estasipp: Can; on, OCS (Mificial Protraction Diagram 16-10, containin; approximately 5,760,00 acres.

OCS-6 5841 OF1171-0001-000 Oil and Ses Leases I'om the United States of America, as Lessor, to Mobil Oil Employation & Producing Southwise. Inc., et al, as Lessoe, is as effective I'nly 1. 1983 and identified in the Office of the Mineral damagement Service Repartment of the Interior, as Outer Continental Shelf Lease Number Office 5841 covering the submerged lands of the Uniter Continental Shelf described as follows:

ALA of Block 165, Mississippi Canyon, OCS Official Statestion Disgram, NH 16-10, containing approximately 5.750.00 arres.

SCHEDULE 'A"

CONTRACT NUMBER AGREEMENT TYPE DATE LASTIES

OP1171-0115-57

Unit Operating Agreement

07/01/87

Hobil Oil E.p'Zeation & Producing Southerst Inc. and Tenneco Oil Company, et a: Page 2 Exhibit "A" Mississippi Canyon Clocks 320, 321, 322, 323 and 365

3

CONTRACT_NU PAG	AGREEMENT TYPE	DATE	PARTIES
OF1171-0116-45	Unit Agraement	07/01/87	Mobil Oil Emploration & Producing Southeast Inc., Tenneco Oil Company, et al
XXMC00-0007-89	Participation Agreement AcMoRan 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	Parwout Agreement	06/15/89	FMP Operating Company, a Limited Partnership and Mobil Oil Exploration & Producing Southeast Inc., et al
OF1171-0048-89	Area of Nutuel Interest	08/07/89	FNP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
	Assignment Effecti	we 08/15/89	Chevron U.S.A. Inc. and Freeport-HcHoRan Inc.
	Accignment Effects	07/10/91 98/15/89	Mobil Oil Exploration & Producing Souther& Inc. and Presport-McMsRan Inc.
	Assignment Effecti	11/20/91 ve 08/15/89	Rerr-Mouve Corporation, et al and Freeports McMoRan Inc.
	Discount Letter	10/21/91	Texas Eastern Transmission Corporation and FMI Hydrocarbon Company
	Liquid Hydrocarbons Transpurtation Agreement	09/01/92	Toxas Eastern Transmission Corporation and Presport- McMoRan Inc.
	Gas Processing Agreement	01/14/92	Warren Petroleus Company and Freeport-McNoRan Inc.
OF1171-0004-92	Gas Dehydration Agreement	02/04/92	Marathon Oil Company and Freepost-McMoRan Oil & Gas Company
	Assignment	Pending	Presport-McMoRan Inc. and Continental Land & Fur Co., Inc., et al

BEST AVAILABLE COPY

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 Leare 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. 3A 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"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
LAND0021-87	McMoRan 1987-88 Exploration Program	01/01/87	PMP 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	Pending	Freeport-McMoRan Inc. and CLK Company, et il

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

Interest

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 OF10880001-000 Oil and Gas Lease from the United States of America as Lessor, to Shwll Offshore Inc., et al as Lessee, dated affective 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"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
LAND0021-87	McMoRan 1987-88 Exploration Program	01/01/87	PMP 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 Parmin Agreement	06/01/87	Shell Offshore Inc., et al and FMP Operating Company
OF1088-0101-88	Area of Mutual Interest	08/31/88	PMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et ai
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Preeport-McMuRan Inc. and Apache Corporation, et al
	Crude Oil Purchase/ Sale Contract	12/01/91	Arco Oil and Gas Company and Preeport- McMoRan Inc.

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 Elock 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 PMP 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	PMP 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	Exmon Corporation and FMP Operating Company, a Limited Partnership
OF1088-0101-88	Area of Mutual Interest	08/31/88	PMP Operating Company, a Limited Partnership and Continental Land & Fur Cn., Inc., et al
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Preeport-McMoRan Inc. and Apache Corporation, et al
	Crude Oil Purchase/ Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport- McMoRan Inc.

"A" TIGIHKS

CAST CAMERON BLACK 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 OF1096-0002-000 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"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PAPTIES
LANDOO21-87	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	Parmout 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	PMP Operating Company, a Limited Partnership and Continental Land & "ur Co., Inc., et al
OF1096-0041-91	Facility Use Agreement	01/17/91	Chevron U.S.A. Inc. and Freeport-McMoRan Inc.
OL0540-03	Cride Oil Exchange Agreement	07/23/91	Shell Oil Company and Freeport-McMoRan Inc.

PAST CAMERON BLOCK 148 OCS GULF OF MEXICO OFFSHORE, LOJISIANA

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

OCS-G 5370 OF1096-0001-000 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"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
LAND0021-G7	Participation Agreement McMoRan 1987-88 Emploration Program	01/01/87	PMP 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	PMP 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-McMcRan Inc.
OLO540-03	Crude Oil Exchange Agreement	07/23/91	Shell Cil Company and Freeport-McMoRan Inc.

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

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AUSTIN W LEWIS 19910-19741
GENE W LAPITITE
SILLY H MINES
JAMES L PELLETIER
THOMAS D HARDEMAN
JOHN M RING
EDWARD J GAV III
RENNETH E GORDON JR
LENNETH E GORDON JR
LENNETH E GORDON JR
JOHN M WILBON
LAWRENCE P SIMON, JR
DONALD R ASAUNIA
JOHN M WILBON
LAWRENCE P SIMON, JR
PREDERICK W BRADLEY
RERRY M MASSARI
S GENE PENDICR
THOMAS P GETTEN
GEORGE J DOMAS
MARGHE M ROSINSON. JR
GEORGE J DOMAS
MARGHE M ROSINSON. JR
GEORGE J COMAS
MARGHE M ROSINSON. JR
BRUCE J ORECH, JR
BRUCE S GORDON
JOE S NORMAN
JAMES N MANAFIELD III
BILLY J DOMINGUE
LAMBERT M LAPERGUESE
THANKE S GRIFFIS
WILLIAM W PUGH
JULIE E SCHWARTZ
CHARLES S GRIFFIS
RICHARD W REVELS. JR
JOSEPH P MESERT
MARGUERITE A NOOMAN

LISKOW & LEWIS

A PROFESSIONAL LAW CORPORATION

ATTORNEYS AT LAW

NEW ORLEANS, LA. 70139-5001

ONE SHELL SQUARE

FIFTIETH F',OOR

TELEX 588203 (LISKOW NLN)
PACSIMILE (504' 582-5108 - (504) 582-5119

LAFAYETTE, LA. 70805-2008

P O BOX SZOOS

TELEPHONE (318) 232-7424 TWX 8IO 800-3484 (LISKOW LAP)

FACSIMILE (318) 267-2399

New Orleans, LA 70139-5001 June 15, 1992 WM BLARE SENNETT
MARK A. LOWE
MARK A. LOWE
BANMA
LOWE CORNEGAE
JR
JON K. HAVCRAFT
JON K. HAVCRAFT
JON W. DENNARD
WM. CRAIG WYMAN
JAMES A BROWN
R. KEITH JARRETT
CHERYL V. CUNN. NGHAM
STEVIA M. WALTHER
ROSERT S. ANGELICO
ROSERT L. THERIOT
DENA L. OLIVIER
GEORGE ARCENEAUX III
MARKE SREAJX STROUD
MARK SREAJX STROUD
MARK SREAJX STROUD
TO SHALE S. LIGHONE
THOMAS P. DIAZ
JOHN P. GUILLORY
MARY S. JOHNSON
KA**LEEN PRIEL RETCHUM
HN.LR M. SJOSTROM
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ROSENWARE
O. C. SLAWSON, JR.
KAREN KALER WHITFIELD
SERNARD P. MERONEY
CAROL L. WELBORN
CATHY MANG SMITH
CAROL L. DUN'. "."
JEFFERY D. MORGAN
CHRISTOPHER G. MAYES"
'ADMITTO MORGAN
CHRISTOPHER G. MAYES'
'ADMITTO MORGAN
C

OF COUNSEL WILLIAM M. MEYERS ROSERT 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 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 Mortgage is: Chemical Bank, as Collateral Agent, 270 Park Avenue, New York, NY 10017, Attention: Energy and Minerals Dept.

June 15, 1992

PAGE

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 oeen accomplished by signing a copy of this letter in the space provided below.

Yours very truly,

Thomas F. Getten

TFG/kh Enclosures

FILING ACCOMPLISHED AS REQUESTED

JUN 1 5 1992

MINERALS MANAGEMENT SERVICE

BY: Su

JOH STATE OF THE S

MORTGAGE ASSUMPTION AGREFMENT (this "Agreement") dated as of June 11, 1992, among FM Properties Operating Co. a Pelaware 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 Bark, 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 is 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 . 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

Party rship (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 cases the Credit Agreement and the related documents, by executing simultaneously herewith the Assumption Agreement as of even 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, THEREFOR. 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. 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 inte ists 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 of any 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. <u>Binding Agreement: Assignments</u>. 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. <u>Conditions to Effectiveness of Assumption</u>

 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:

- (4) 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 i 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. <u>Counterparts</u>. 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. <u>Special State Law Provisions</u>. (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 lartnership 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 Part. Train 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 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 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 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 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:

Eui Melarter

FREEPORT-MCMORAN INC.

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

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,

hv

Name: Mary Jo Woodford Title: Vice President

STATE OF NEW YORK,)
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.

Notary Public

[Notarial Seal]

OLIVE M. HIBBERT
Notary Public, State of New York
No. 41-4233567
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

Matthew N. K. plan

STATE OF NEW YORK,)
COUNTY OF NEW YORK,)

On the tenth day of June 1992 before me personally came MAPY 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.

M. Fuble
Notary Public

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[Notarial Seal]

OLIVE M. HUBBERT Notary Public, State of New York No. 41-4838567 Qualified in Queens County Certificate Filed in New York County Communican Feature June 20, 1802 STATE OF LOUISIANA)

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:

Gleun 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

175546TFGD

EXHIBIT A

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Recording Jurisdiction

Recording Records

California:

Kern County

Mortgage Records

Colorado:

Yuma County

Bureau of Land Management, Colorado State Land Office

Board of La Commissione Department of Natural Resources, State of Colorado Real Estate Records

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

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

Louisiana State Mineral Board

Minerals Management Service, Department of the Interior, OCS Gulf of Mexico Region Mortgage and Conveyance Records Mortgage and Conveyance Records Mortgage and Conveyance Records

Present Mortgage for approval

File Mortgage in the lease record files for each OCS Lease

Montana:

Phillips County Clerk & Recorder

Valley County Clerk & Recorder

Fort Belknap Agency

Mortgage Records

Mortgage Records

File Mortgage with Bureau of Indian Affairs Fort Belknap Agency Office

EXHIBIT A (Continued)

A photo-opy 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 KENTS, 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 Woodf d, 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 thoreof 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.

WITNESSETH:

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:

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, oversaing 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 a ace or subsurface machinery, equipment, fixtures f mili les or other property of whatsoever kind or nature hereafter located on or under any of the Leased L ... the Mineral Interests, which are used or useful fo he production, treatment, storage or of Hydrocarbons, or attached to, or contained in connection with the operation or ownership of Lands or the Mineral Interests, including, but the 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, 'ester 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;
- (1) 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;

- 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 lcans 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 C'llateral 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. <u>Covenants</u>. <u>Warranties and Agreements</u>. 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 he 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 nereunder.
- (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 the remitted and will deliver to the Collateral Agent a continuous continuous 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 Mc igagor is the owner a. 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 ficient to support the lien of this Mortgage and to enable subsequent purchaser or mortgagee to identify and

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

- 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 he 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 a 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.
- (1) 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.

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- 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. <u>Environmental Provisions</u>. 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 Harardon Materials), which in the case of (A) or (B) reasonably could be expected to result in the imposition of a fability individually or in the aggregate, in excess of 3,000,000

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 accion 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 Trustae.

- (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

istee shall be entitled to rely upon any Mortgagor. notice, cons rtificate, affidavit, letter, telegram, document believed by him to be genuine statement, page 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 c'un 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 penses 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 con ing 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 ortgage or to collect the Indebtedness, the costs is extent permitted by law), with interest as provided areas ph, shall be paid by the Mortgagor to the Coll that front a on demand. All such costs and expenses incu. Collateral Agent in remedying such default of aring in, defending, or bringing any such action or programming 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 Mortgage's 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 imoper for any reason to postnone 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 Froperty 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. 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 Each such purchaser at any such sale shall hold the so sold. 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 Mortyagor 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 Coli eral Agent may, without notice or pub'ication, adjourn any public or reivate 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, bu 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 po ession 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 Mortgager or such other person(s) as are entitled there.

- (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 <u>First</u> 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 a equity, of the Mortgagor of, in and to the premises and an exproperty 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 terially 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.

Taxes and Liens. The Mortgagor agrees to keep ARTICLE 11. 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. 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 lers. 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 he 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.

As further security for payment of 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, 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 Mcrtgagor 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

defar int 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 ixed at \$500,000,000, and (iii) each and every right d remedy granted the Trustee hereunder shall also be 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) <u>Keeper</u>. The Collateral igent 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) <u>Confession of Judgment</u>. For purposes of executory process the Mortgagor acknowledges the indebtedness secured hereby, whether now existing or to

arise hereafter, and confesses " Ligment thereon if not paid when due. Upon the occarence of ar 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 fortgagor hereby waives:

- (a) The benefit of appraisement provided for in articles 2332, 2336, 2723 and 2734 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 2029 and 2721 of the Louisiana 1000 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) Reso'utions. 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 "ortgagor authorizing the execution and delivery of this Mortgage.

(b) Special Montana Provisions.

- (i) For purposes of the Inlebtedness 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 final cing statement, the debtor is:

Freeport-McMoRan Inc.
1615 Poydras Street
New Orleans, Lou siana 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; recorded Ci the Clerk and Recorder of Phillips County, Montana and March 14, 1988 in Book 75 feases 394-441, records of the Clerk and Recorder of Valley County, Montana The Production Payment was filed August 21, 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 Cas 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. 442-442, 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 Jaruary 1, 1988 and Amendment No. 3.

The Nortgago hereby confirms, and by a ceptance of this Mortgage the Collateral Agent and the Trustee acknowledge that the mortgage lien cheated herein is subordinate and inferior to the Production Payment as cheaned 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 Rente, 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 clude the Trustee to execute and deliver, to the Mortgagor, instable as effective to evidence the termination of the assignments of the reassignments to the Mortgagor of the rights, power and authority granted herein.

ARTICLE 18. Noticed All notices, requests, demands and other communications required or permitted to be given hereunder shall be effective upon accipt and deemed duly given if is writing and delivered personally, or mailed, poscage prepaid, registered or certified, as follows.

If to the Mortgagor:

Freeport-McMoRan Inc. 1615 Poydras Street New Orleans, Louisiana 70112 If to the Collater: 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 holigagor, the Trustee and the Collateral Agent may change the andresses to which communications are to be directed to them by giving written notice to the other parties in the manner provided in this ARTICLE 14.

ARTICLE 13. 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 accomic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

APTICLE 20. Javry Laws. This Mortgage and the Notes are subject to the express condition that at no time shall Mortgagor be obligated a 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 when of 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 11. Fixture Z(ling. Certain of the Mortgaged Property is on 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 boing 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 fixing in accordance with the applicable provisions of the Uniform Commercial Code upon such of the Mortgaged Property which is or may become fixtures.

Instrument & Mortgag . Deed of Trust, Security ARTICLE 22. Agreement, Assignment of Production and Leases and Rente and Financing Statement. This instrument hall be desmed to be, and may be enforced from time to time an, 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 recurity agreement and shall support any financing statement showing the Collateral Agent as secured party, which description contained in any such financing statement in hereby incorporated by reference into this Mortgage with the some force and effect as if the description were fully set out herein, (b) shall be a financing meatement 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, cower 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 to often and in such order as may be dremed 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 of 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 of operate as a waiver "erect or of any other right, power or remedy then or thereafter existing.

ARTICLE 24. Waiver. Any and all covenance in this Mortrage relating to the Mortgaged Property may from time to time by instrument in writing signed by the Trustee and the Collatoral 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 for numers 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:

State County or Parish

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.

ALTICLE 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 thall include the other genders, and the term the "Lenders" shall include any successor payee of the Indebtedness hereby secured or any transferce thereof whether by operation of law or otherwise.

ARTICLE 28. <u>Credit Documents Controls</u>. 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.

 \cap

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 CRLEANS) 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

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EXHIBIT A

Mortgage, Deed of Trust, Security Agreement, Assignment of Froduction 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. <u>Subheadings</u>. 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:

(/ Und

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 "CCUNTY/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. <u>Subheadings for Federal OCS</u>: The Hydrocarbon Leases in the Federal OCS include the following subheadings:

Caption:

The reference to a particular offshore area and block in the neading is for informational purposes only and a management of intended to limit or restrict any manner.

Lease Number:

The number following the letters "OF" for the Hydrocarbon Leases in the "ederal 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 ... 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 thell 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. <u>Defined Terms</u>. 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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SOUTH PASS BLOCK 82 OCS GULP OF MEXICO OFFSHORE, LOUISIAMA

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 su'm mied lands of the Outer Continental Shelf described as follows:

All of Block 82, South Pass Area, South and East Addition, OCS Leasing Map, Louisiara Map No. 5A 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	PMP 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	Operatir ** ** ** ** ** ** *** **************	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership, et al
OF1088-0034-88	Farmin Agreement	08/19/88	Excon 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 5 Fur Co., Inc., et al
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/39	Freeport-McMoRan Inc. and Apache Corporation. et al
	Crude Oil Purchase/ Sale Contract	1?/01/91	Arco Oil and Gas Company and Freeport-

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 OF10880001-000 Oil and Gas Leage from the United States of America as Lessor, to Shell Oilehote 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. 3A 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
OF1058-0020-87	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	PMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al.
OF1088-0092-89	Platform Sharing and Operating Agreement	01/01/89	Preeport-McMoRan Inc. and Apache Corporation, et al
	Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport- McMoRan Inc.

"A" TIBIT "A"

SOUTH SASS 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 6201 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-! MoRan Inc. OCS-G 6801 Well No. A-12 (ST-1).

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
LAND0021-87	McMcRan 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 PMP Operating Compuny, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apache Corporation and FMP Operating Company. a Limited Partnership et al
0"1088-0101-88	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-C092-89	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

EIRIBIT .A.

MISSISSIPPI CANTON BLOCKS 320, 321, 322, 323 AMD 365 OCS GULF OF MEXICO OFFSBORE, LOUISIAMA

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, Riseiseippi 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 6 Producing Southeast Inc., et al, as Lessee, dated effective July 1, 1983 and identified in the Office of the Minerale 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.

O'S-G 5835 OF1171-0704-000 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 Minerale Management Service, Department of the Interior, as Outer Continental Shelf Lease Number 1985—6 5835 covering the submerged lands of the Outer Continental Shelf described as

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

OCS-G 5841 OF1171-2001-000 Oil and Gas Lease from the United States of America, as Lessor, to Mobil Oil Exploration 6 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 Lesse Number OCS-G 5841 covering the submerged lands of the Outer Continental Shelf described as follows:

All of Block 365, Niesiesippi 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 Gil Exploration 6 Producing Southeast Inc. and Tenneco Gil Company, et al

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Page 2 Sahibit "A" Mississippi Canyon Slocks 320, 321, 322, 323 and 365

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
OF1171-0116-87	Unit Agreer st	07/01/87	Mobil Oil Exploration 6 Producing Southeast Inc., Tenneco Oil Company, et al
XXXC00-9007-69	Participation Agreement Noteman U-s9-10 Emploration: Program, as amended	31/01/89	PMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
OF1171-0022-89	Farmout Sqreement	06/15/89	PMP Operating Company, a Limited Partnership and Mobil Oil Exploration & Producing Southeast Inc., et al
OF1171-0048-89	Area of Mutuel	08/01/89	PMP Operating Company, a Limited Partnership and Continental Land & Fur Co., Inc., et al
	Assignment 8:fecti	ve 08/15/89	Chevron U.S.A. Inc. and Freeport-McMoFan I:
	\meig.aenr Effec:i	07/10/91 >4 08/15/89	Mobil Oil Exploration 6 Produc. 7 Southeast Inc. and Presport-McMoRan Inc.
	Aselgnment Effecti	11/20/91 ve 08/15/89	Herr-HcGee Corporation, et al and Presport- HcMoRan Inc.
	Discount letter	10/21/91	Texas Eastern Transmission Corporation and FMI Hydrocarbon Company
	Liquid Eydrocarbone Transportation Agreement	09/01/91	Texas Eastern Transmission Corporation and Presport- McMoRan Inc.
	Cas Processing Agreement	01/14/92	Warren Putroleum Company and Freeport-HcHoRan Inc.
OF 171-7004-92	Gas Dehydration Agreement	02/04/92	Marathon Oil Company and Freeport-McMoRan Oil 6 Gas Company
	Assignment	Pending	Freeport-McNoRan Inc. and Continental Land 6 Pur Co.,

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

VERNILION 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 NM/6 NM/6 SE/6 and the NE/6 SE/6 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"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PAR/IES
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.

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VERNILION BLOCK 161 OCS GULF OF HEXICO OFFSHORE LOUISIANA

An undivided 49.60055% operating rights interest in and to the NM/4NM/4SE/4; SE/4NE/4SW/4 and the well located thereon, known and designated as Mell 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 untitles the owner thereof to the following:

- A. The NM/4NM/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"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES	
0:0507-0144-75 Operating Agreement, as amended		12/31/75	CSK Marine Production Company and Bethlehem Steel Curporation, et al	
.MD0090-87	Participation Agreement McMoRan 1987 OCS Lease Acquisition and Emploration Program	01/01/87	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et a)	
LANDOO30-88	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	

VERNILION 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 leads 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 cres.

SCHEDULE "A"

NUMBER	AGREEMENT TYPE	DATE	PARTIES
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
LAND009C-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

PAST CAMERON BLOCK 148 CCS GULF OF HEXICO OFFSHORE, LOUISIANA

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

OCS-G 5370 OF1096-0001-000 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"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
LAND0021-87	Participation Agreement McMoRan 1987-88 Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Company, et al
CF1096-0093-87	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-McMcRan Inc.

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 OF1096-0002-000 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"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
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.

SCHEDULE 1

Mortgage, Deed of Trust,
Security Agreement, Assignment of
Production and Proceecis 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 the Transaction Committee (the "Transaction Committee") which was duly appointed by the Board of Directors of the Corporation by means of an unanimous written cons 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 Sc or Vice President of Freeport-McMoRan Oil & Gas Company Divisor 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 appraisances, 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 exe 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 Collsteral 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. Cots

Mark G. Otts Assistant Secretary

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FM Properties Operating Co.		72-1211573
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Chemical Bank, as Collateral Agent Employer I.D	No.:	13-4994650
200 Joya che Ourdrenele Joseph NV 11752		
200 Jericho Quadrangle, Jericho, NY 11753		
R MAILING ADDRESS		
PROPERTY INFORMATION S		•
A. Psis FINANCING STATEMENT covers the following types or items of property.		
See Exhibit A attached hereto and incorporated herein by t	hie ro	favance
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EXNIBIT 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 off one, Louisiana" of this Exhibit A. The prospect name at interpret number as well as the reference to an area and in the Federal OCS is for informational purposes only and in the federal OCS is for informational purposes only and in the cended to limit or restrict the descriptions in any manner.
- 2. Subheadings. Each of the Hymon Leases, the Mineral Interests or other interests located who a particular parish or county and state is described by reserved to the Subheadings LEASE NUMBER, LESSOR, PROSTFCT, JESSEE, PARISH/STATE or COUNTY/STATE, LSE DTE, GROSS ACRES, TAPIRE DTE, and RECORDED. These subheadings shall have the lowing 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 lesuee 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. 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. <u>Subheadings for Federal OCS</u>: 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 Lcuisiana 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.

175394TFGD

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

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 low 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; trovided, 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 accouncs 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;

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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;

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;
- (1) 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;

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- 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 conrection 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.

175465TF@ 56250.436 PROSPECT NUMBER PARISH, STATE VERMILLON LOUISIANA

LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	LSE DIE EXPIRE DIE GROSS ACRES RECORUFD
LA04060001/000	LOUISIANA FURS CORPORATION LAC BLANC	AMERADA PETROLIUM CORPORATION VERMILION/LA	06/03/1957 06/03/1962 4545 080 COB 342 NO 135457
L A84868002/000	VEAZEY, GEORGF LAC BLANC	STONE OIL CORPORATION VERMILION/LA	12/51/1975 12/51/1999 18.000 COB 766 NO 220638
LA04060003/009	BROUSSARD, FRANCIS R. ET AL LAC BLANC	STONE OIL CORPORATION VERMILION/LA	01/14/1974 01/14/1999 .000 COB 766 0220637
LA94060004/000	VEAZEY, GEORGE LAC BLANC	THE STONE OIL CORPO. ON VERMILION.	0:/09/1976 01/09/1999 1.000 COB 811 NO 235258
LA04069005/001	PELTO OIL COMPANY, ET AL LAC BLANC	CHARLES DEGRAVELLES VERMILION/LA	02/22/1980 01/14/1983 169.150 COB 924 NO 263329
LA04060005/002	S/L 8537 LAC BLANC	CHARLES C. DEGRAVELLES VERMILION/LA	01/14/1980 01/14/1985 169.150 COB 922 NO 262816
[A94060016/G0]	AVRICO, INC. LAC BLANC	THE SUPERIOR OIL COMPANY VERMILION/LA	09/27/1956 09/27/1959 62.620 COB 325 NO 132035
LA0-060016/002	S/L 3052 LAC BLANC	THE SUPERIOR OIL OMPANY VERMILION/LA	09/27/1956 09/27/1959 62.620 COB 325 NO 132028
LA04060017/001	AVRICO, INC.	THE SUPERIOR OIL COMPANY VERMILION/LA	09/27/1956 09/27/1959 39.040 COB 325 NO 132034
LA04060017/002	S/L 3051 LAC BLANC	THE SUPERIOR OIL COMPANY VERMILION/LA	09/27/1956 09/27/1959 39.040 COB 325 NO 132027
LA04060019/001	STATE R/M NO 2310 LAC BL/NC	FMP OPERATING COMPANY VERMILION/LA	06/05/1985 06/05/2005 .000 NO 8507452
LA04060019/002	AVRICO. INC.	FMP DPERATING COMPANY VERMILION/LA	06/21/1985 06/21/2005 .000 KO 8508440
LA0406001 003	CONTRAN CORPORATION LAC BLANC	FMP OPERATING COMPANY VERMILION/LA	05/28/1985 05/28/2005 .000 NO 8507451

PROSPECT NUMBER

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PARISH, STATE	VERMIL ION	LOUISTANA			
LEASE NUMBER	LESSOR FRANCEC	I LES!	PARISH/STATE	LSE DIE GROSS	EXPIRE DTE ACRES RECORDED
LA04060020/000	FX1 PPOKET		PERATING COMPANY VERMILION/LA	09/03/1985	09/03/1999 .000 NO 8513034
LA04060022/000	EFFON .	FMP OF	PERATING COMPANY VERMILION/LA	12/05/1986	12/05/1999 .000 NO _/00321
LA04060023/000	EXXON CORP.	FREEPO	DRT-MCMORAN GIL & GAS CO VERMILION/LA	09/27/1990	08/01/1995 5.739 NO 9009710
LA04060024/000	EXXON LUNI	FMP OF	PERATING COMPANY VERMILION/LA	09/11/1967	09/11/2007 .900 NO 8709490
			SCHEDULE "A"		
CONTRACT NUMBER	A	GREEMENT TYPE	DATE		PARTIES
LA0406-0289 -85		ONSERVATION ORDER. S AMENDED	08/06/1985		STATE OF LOUISIANA
LA0406-0091 -88	C	ONSERVATION ORDER	11/01/1988		STATE OF LOUISIANA
LA0406-0092 -88	c	ONSERVATION ORDER	10/31/1988		STATE OF LOUISIANA
LA0406-0095 -88	C	ONSERVATION ORDER	10/31/1988		STATE OF LOUISIANA
LA0406-0094 -A8	C	OMSERVATION ORDE:	11/01/1988		STATE OF LOUISIANA
LA0406-0001 -74	E	XPLORATION AGREEMENT	01/19/1974		STONE DIL CORPORATION 1974 PARTICIPATING PROGRAM AND L.R. CARPENTER CO., INC.
LA0406-0386 -80	F	ARMIN ACREEMENT	12/02/1980		AMERADA HESS CORPORATION AND STONE OIL CORPORATION, ET AL
LA0406-0387 -80	F	ARMIN AGREEMENT	06/16/1980		SUPERIOR OIL COMPANY AND STONE OIL CORPORATION, ET AL
1 ANDOOOS -56	F.	ARMIN AGREEMENT	12/11/1986		AMERADA HESS CORPORATION AND FMP OPERATING COMPANY
LA040e-0004 -86	F	ARMIN AGREEMENT	11/01/1986		MOBIL OIL EXPLORATION & PRODUCING SOUTHEAST, II . AND FMP OPERATING COMPANY
LA0466-0006 -86	F	ARMOUT AGREEMENT	12/17/1986		FMP OPERATING COMPANY AND CARPENTER OIL & GAS, INC.
LA8406-5001 -80		AS PURCHASE CONTRACT, S AMENDED	09/01/1980		TENNESSEE GAS PIPELINE COMPANY AND STONE OIL COR"ORATION

CONTRAC	T NUMBER	AGREEME	NI TYPE	DA:E		PARTIES	6
	LA0406-5701	8.8	AUXILLIARY GAS PURCHASE O	CONTRACT	11/01/1988		TENNESSEE GAS PIPELINE COMPANY AND FMP OPERATING COMPANY, ET AL
	LA0406-0145 -	74	JOINT VENTURE AGREEMENT		01/01/1974		STONE DI! CORPORATION AND STONE DIL CORPORATION 1974 PARTICIPATING PROGRAM
	LA0406 0292 -	85	LETTER AGREEMENT		07/26/1985		AMERADA HESS CORPORATION AND FMP OPERATING COMPANY
	LA0406-0083 -	89	LETTER AGREEMENT		05/39/1989		FMP OPERATING COMPANY AND CXY EMERGY, 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 -	62	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
	1A0406-5606 -	88	SETTLEMENT AGREEMENT		10/13/1988		FMP OPERATING COMPANY, ET AL AND TENNESSEE GAS PIPELINE COMPANY
	LA0406-0293 -	85	GAS SCHEDULING AGREEMENT, AS AMENDED		12/91/1985		FMP OPERATING COMPANY, ET AL
	LA0406-0060 -	89	SALT MATER DISPOSAL AGREE	EMENT	03/30/1989		FMP OPERATING COMPANY, ET AL
C 0	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 8 GAS COMPANY, DIVISION OF FREEPORT-MCMORAN INC.
*							

ALL PROSPECTS PROSPECT NUMBER SEQUENCE PROSPECT NUMBER LA1065 KAPLAN PARISH, STATE VERMILION/LOUISIANA LEASE NUMBER LESSOR LESSEE LSE DIE EXPIRE DIE PROSPECT PARISH/STATE GROSS ACRES RECORDED SA10650001/000 DARTEZ, FELICIEN THE SUPERIOR OIL COMPANY 12/24/1968 12/24/1973 KAPLAN VERMILION/LA 53.618 NO 192060 LA10650003/000 TRAHAN, AMBROIS HENRY T. DUSON 07/12/1971 07/12/1981 VERMILION/LA KAPLAN 106.000 NO 206435 LA10650005/000 TRAHAN, LAUREST J., ET AL THE SUPERIOR OIL COMPANY 02/13/1972 02/13/1975 KAPLAN VERMILION/LA 31.072 NO 207540 LA10650007/001 PELTO OIL COMPANY 02/03/1972 02/03/1977 THE SUPERIOR OIL COMPANY KAPLAN VERMILION/LA 53.470 NO 210138 LA10650007/002 AVRICO, INC. THE SUPERIOR OIL COMPANY 02/23/1972 02/23/1977 KAPLAN VERMILION/LA 53.470 NO 210139 LAIO650011/000 HEBERT, EDDIE J. THE SUPERIOR OIL COMPANY 11/30/1972 04/22 1978 KAPLAN VERMILION/LA 106.810 NO 213620 LA10650012/000 DARTEZ, WILMER 1. THE SUPERIOR OIL COMPANY 02/21/1973 12/25/1978 KALLAN VERMILION/LA 64.704 NO 214634 LA10650013/006 CLARK, FERAY THE SUPERIOR OIL COMPANY 02/19/1973 12/19/1978 KAPLAN VERMILION/LA .776 NO 214635 LA10650014/001 BROUSSARD, BELLA T., ET AL THE SUPERIOR OIL COMPANY 02/16/1973 12/20/1978 KAPLAN VERMILION/LA 1.651 NO 214636 LA10650015/000 HEBERT, LOUISE V. THE SUPERIOR OIL COMPANY 02/22/1973 12/19/1978 KAPLAN VERMILION/LA 60.145 NO 214631 LA10650016/000 GREEN, WARREN J. THE SUPERIOR DIL COMPANY 02/15/1973 12/19/1978 KAPLAN VERMILION/LA NO 214632 90.914 LA10650017/000 ROMERO, HARRY HENRY THE SUPERIOR OIL COMPANY 02/21/1973 12/19/1983 KAPLAN YERMILION/LA NO. 214637 1.141 LA10650018/000 BROUSSARD, LUA SUPERIOR OIL CO 02/26/1973 01/15/1979 KAPLAN VERMILION/LA NO 214660 12.866 LA10650020/000 TRAHAN, AMBROISE THE SUPERIOR OIL COMPANY 02/26/1973 01/11/1979 KAPLAN VERMILION/LA 160.000 NO 214662 LA10650021/000 DARTEZ, EMANUEL THE SUPERIOR OU COMPANY 12/24/1973 12/24/1983 KAP! AN VERMILION/LA 45.255 NO 214774

THE SUPERIOR OIL COMPANY

THE SUPERIOR OIL COMPANY

VERMILION/LA

03/02/1973 01/17/1979

01/17/1974 01/17/1979

2.338

30 214.73

LA10650022/000 BROUSSARD, POLYCARPE

LA:0650025/900 SIMON, AMY

KAPLAN

IXHIBII "A"

ALL PROSPECTS PROSPECT NUMBER SEQUENCE PROSPECT NUMBER 1 A1965 KAPLAN PARISH. STATE VERMILION LOUISTANA LEASE NUMBER LESSOR LESSEE LSE DIE EXPIRE DIE PROSPECT PARISH/STATE GROSS ACRES RECORDED KAPLAN VERMILIONALA 11.447 NO 215014 LA10650032/000 BROUSSARD, OTTO, ET AL THE SUPERIOR OIL COMPANY 03/16/1973 12/19/1978 KAPLAN VERMILION/LA 100 806 NO 215350 LA10650035/000 TRAHAN, AMBROIS THE SUPERIOR OIL COMPANY 04/02/1974 04/21/1984 KAPLAN VERMILION/LA 80.000 NO 221887 LA10650045/000 TRAHAN, JOHN D., ET AL J.P. HESTERLY 01/29/1960 01/29/1965 KAPLAN VERMILION/LA ENT NO 149112 .700 LA10650112/000 SIMON, RODNEY J., ET AL EARL P. BURKE, JR. 07.'01.'1980 06/30/1995 KAPLAN VERMILION/LA COB 935 NO 265850 000 LA10650115/000 ROMAINE, ALFRED RAY, ET AL THE SUPERIOR OIL COMPANY 04/01/1981 04/01/1996 KAPLAN VERMILION/LA .000 ENT 08106221 LA10650116/000 PRIMEAUX, ADVEY, ET UX THE SUPERIOR OIL COMPANY 09/01/1983 09/01/2013 KAPLAN VERMILION/LA 1.200 ENT 88307481 CHATAGNIER. CECILE HEBERT ETA. FMP OPERATING COMPANY LA10650120. 001 11/02/1987 11/02/1995 KAPLAN VERMILION/LA 2 .200 NO. 8712141 ROMERO, DAVID, JR. LA10650120/002 FMP OPERATING COMPANY 12/10/1987 12/10/1993 KAPI AN VERMILION/LA 27.200 NO. 8800553 LA10650120/003 KENNETH P. ROMERO. IT AL MOBIL EXPL.& PRUDUCING N.A.INC 81/12/1988 01/12/1992 KAPLAN VERMILION/LA ENT 08800775 186.640 1410650120/004 CECILE HEJERT CHAVAGNIER, ETAL MOBIL EXPL. & PRODUCING N. A. INC 01/12/1988 01/12/1997 KAPLAN VERMILION/LA ENT 98800776 159.440 DAVID ROMERO. JR. LA10650120/005 MOBIL EXPL.& PRODUCING N.A.INC 01/12/1988 01/12/1992 KAPLAN VERMILION/LA 159.440 ENT 08800777 LA10650121/000 ALTON J. HEBERT, ET AL MOBIL EXPL. SPRODUCING N.A. INC. 01/13/1988 01/13/1991 KAPLAN VERMILION/LA ENT #8800778 4.396 LA10650122/050 ISABELLE SIMON BROUSSARD, ETAL MOBIL EXPL.8 PRODUCING N.A.INC 01/20/1988 01/20/1993 KAPLAN VERMILION/LA EUT 88800779 16.350 LA10650123/000 MADINE DICKERSON ROMAINE, ETAL MOBIL EXPL.8 PRODUCING N.A.INC 01/13/1988 01/11/1994 KAPLAN VERMILION/LA 193.670 ENT 08800800 LA10650124/001 ALFRED RAY ROMAINE, JR ET AL MOBIL EXPL & PRODUCING N A INC 01/21/1988 01/21/1994

VERMILION/LA

MOBIL EXPL & PRODUCING N A INC 01/21/1988 01/21/1994

39 580

ENT 88801046

KAPLAN

LAIG650124/002 MARY EMILY ROMAINE

		EXHIBIT "A"	
ALL PROSPECTS PROSPECT NUMBER FARISH, STATE		NUMBER SEQUENCE	
LEASE NUMBER	LESSOR PROSPLCT	LESSEE PARTSH/STATE	LSE DIE EXPIRE DIE GROSS ACRES RECORDED
	KAPLAN	VERMILION/LA	39.580 ENT 08801231
LA10650126/000	ADVEY PRIMEAUX. ET AL KAPLAN	MCFIL EXPL. & PROD. N. A. INC. VERMILION/LA	02/19/1988 02/19/1994 59.600 ENT 08801639
(A10650129/001	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
(A10650129/003	MEBERT, HAROLD P. KAPLAN	FREEPORT-MCMGRAN 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
[A10650130/002	HEBERT, EFFIE TRAHAN, ET AL KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILIONALA	09/01/1988 05/21/1992 50.000 NO 8809023
FW18620130\002	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 6308644
LA10650134/001	MUJE YEELS KAJEAN	MGBIL EXPL & PRODUCING N.A. VERMILION/LA	08/31/1988 05/28/1992 21.280 NO 8809024
LA10650134/002	KAPLAN, LIBBY BLUM. TRUSTEE	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	08/31/1988 07/10/1992 21.280 NO 8809025

MOBIL EXPL & PRODUCING N.A.

VERMILION/LA

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VERMILION/LA

MOBIL EXP. & PROD N.A., INC.

MOBIL EXPL & PRODUCING N.A.

VERMILION LA

MOBIL EXP. & PROD. N.A., INC.

MOBIL EXP. & PROD. N.A., INC.

09/19/1988 05/16/1992

09/06/1988 05/16/1992

04/ 1:1988 02/09/1992

08/30/1988 05/16/1992

08/31/1988 02/18/1992

21.280

43.54.

80.000

84.464

NO 8809750

NO 8809026

NO 8809027

NO 8809028

LA10650134/003 TARTAK, MARVIN HOWARD

LA10650137/000 BROUSSARD, LUA, ET UX

1410650138/091 KAPLAN, LIBBY BLUM, TRUSTEE

LA10650135/000 DARTEZ, WILMER

1A10650136/000

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BROUSSARD, LUA, ET UX

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ALL PROSPECTS PROSPECT NUMBER PARISH, STATE	PROSPECT N UJ 1065 KAPLAN VERMILLONZLOUISTANA	NUMBER SEQUENCE	
LIASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	GROSS ACRES RECORDED
	KAPLAN	VERMILION/LA	80.000 NO 8809029
LA10650138/002	TARTAK, MARVIN HOMARD KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	09/19/1988 02/18/1992 80.000 NO 8809751
LA10650139/000	RICHARD, BRENDA J. P., ET VIR KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	09/14/1988 02/25/1992 28.000 NO 8809351
LA10650140/000	LEMAIRE, CARL L., ET UX KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	09/15/1988 02/25/15/92 2.500 40 8809352
LA10650142/0/00	LEMAIRE, JOSEPH L., ET UX KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	09/15/1988 02/25/1992 2.835 NO 8809652
LA10650143/000	HEBERT, DONALD R., ET UX KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	09/26/1988 09/26/1994 28.000 ND 8809653
(A10650146/00C	CLARK, FERAY, ET AL KAPIAN	MOSIL EXPL & PRODUCING N.A. VERMILION/LA	10/05/1988 10/05/1991 3.519 NO 8899840
LA10650147/000	CLARK, FERAY, ET AL KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	10/05/1988 10/05/1991 65.523 NO 8809841
LA10650148/000	CLARK, JAMES KENNETH, ET AL KAPLAN	MOBIL EXPL. 8 PROD. N.A., INC. VERMILION/LA	10/05/1988 10/05/1991 32.112 NO 8809842
LA10650149/000	CLARK, FERAY, ET AL KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	09/23/1988 06/13/1992 25.000 NO 8809843
1A10650150/000	TRAHAN, LAUREST J., ET UX KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	08/31/1988 05/16/1992 20.670 NO 0810099
LL10650151/000	TRAHAN, LAUREST J., ET AL KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	08/31/1988 08/31/1994 29.000 NO 8810100
LA10650152/000	TRAHAN, LAUREST J., ET AL KAPLAH	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	08/31/1988 05/16/1992 84.678 NO 8810101
LA10650153/000	ROMERO, MAGGIE DARTEZ, ET AL KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	10/12/1988 05/16/1992 10.879 NO 8810147
LA10650154/001	PELTO DIL CGMPANY KAPLAN	MOBIL EXPL. 8 PROD. N.A., INC. VERMILION/LA	11/03/1988 06/19/1992 14.104 NO 8811351
LA106'00154/002	AVRICO, INC. KAPLAN	MOBIL EXPL & PROD N.A., INC. VERMILION/LA	09/07/1989 09/07/1992 14.104 NO. 8911498
LA1065P155/000	MERPIN, MARGUERITE MARIE ET AL	L MOBIL EXPL. & PROD. N.A., INC.	12/01/1988 12/01/199i

ALL PROSPECTS PROSPECT NUMBER

PROSPECT NUMBER SEQUENCE

LAID65 KAPLAN

LA10650163/009 CORMIER, MICHAEL, ET UX KAPLAN

LA10650165/000 DUHON, MARIE HERPIN

PARISH, STATE	VERMILION/LOUISIANA		
LEASE NUMBER	LESSOR PROSPECT	LESSE" PARISH/STATE	CROSS ACRES RECORDED
	KAPLAN	VERMILION/LA	463.000 NO 8900358
(A10650156/000	SCHEXNEIDER, SHIRLEY BOUDREAUX KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	09/13/1988 05/16/1992 19.900 NO 89002/3
LA10650157/000	LEMAIRE, GAIL, EY UX KAPLAN	MOBIL EXPL & PRODUCING N.A. VERMILION/LA	09/29/1988 02/25/1992 18.845 NO 8900224
LA10650158/000	SCHEXNEIDER. EVAMS JOSEPH ETUX	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 CGMPANY VERMILION/LA	03/30/1989 03/30/1994 121.500 NO 8903404
LA10650160/00C	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 & FRODUCING VERMILION/LA	05/04/1989 05/04/1992 1.024 NO 8904860
LA10650183/004	LELEUX, MARVIN JOSEPH. FT 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
(A10650163/00)	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 R., ET UX	MOBIL EXPL. 8 PRODUCING N.A., VERMILION/LA	05/09/1989 05/09/1992 1.014 NO. 8905396
	0.000.000		

MOBIL EXPL & PROD N.A., INC. VERMILION/LA

FREEPORT MCMORAN OIL & GAS CO. 03/28/1990 07/09/1993

08/21/1989 08/21/1992

1.019

NO. 8908816

ALL PROSPECTS
PROSPECT NUMBER LAIGES
PARISH, STATE VERMILL

PROSPECT NUMBER SEQUENCE

VERMILIONALOUISIANA

PARISH, STATE	VERMIL ION LOUISIANA		
LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	LSE DIE EXPIRE DIE GROSS ACRES RECORDED
	KAPLAN	VERMITION/LA	33.000 NO. 9004584
LA106501:6/000	DUHON, ROBERT E., ET UX KAPLAN	FREEPORT MCMORAN OIL 8 GAS CO. VERMILION/LA	03/28/1990 07/09/1993 12.000 NO. 9004585
LA10650167/00G	BROUSSARD, J PEVER'Y, ET UX KAPLAN	FREEPORT MCMORAN OIL 8 GAS CO. VERMILION/LA	35/28/1990 07/09/1993 21.000 NO. 9004586
LA10650168/000	CLOTEAUX, ILLETTE CLOSTIO KAPLAN	FREEPORT MCMORAN OIL & GAS CO. VERMILION/LA	05/28/1990 07/09/1993 33.000 NO. 9004587
LA10650169/090	DOUCET, VONDA KAY BROUSSARD KAPLAN	FREEPORT MCMORAN DIL 8 GAS CO. VERMILION/LA	03/28/1990 09/12/1993 48.000 NO. 9004588
LA1065C170/000	DARTEZ, HILMER KAPLAN	MOBIL EXPL. & PROD. H.A., INC. VERMILION/LA	10/15/1987 19/15/1992 7.000 HO. 8712408
LA10650171/000	LAPOINT, 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. VERBILLION/LA	05/01/1990 05/01/1993 70.749 NO. 9005291
1A10650173/001	BROUSSARD, POLYCARPE, ET UX KAPLAN	MOBIL EXP. & PROD. N.A., INC. VERMILION/LA	04/71/1590 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 NG. 9005290
LA10650174/000	GREENE/BROUSSARD PLAN., ET AL KAPLAN	MOBIL EXP. 8 PROD. N.A., INC. VERMILION/LA	04/16/1990 04/16/1993 60.086 NO. 9005293
LA10650175/000	GREENE/BROUSSARD PLAN. 14C STAL 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 84/16/1993 7.000 HO. 9005295
LA10650177/000	GREENE, DONALD J , ET UX KAPLAN	MOBIL EXP 8 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. & PRUDUCING N.A., 04/20/1996 04/20/1993

ALL PROSPICES PROSPICE NUMBER PARISH, STATE

FROSPICE NUMBER SEQUENCE

LAIDES KAPLAN

PARISH. STATE	VERMILION / LOUISIANA		
LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	LSE DIF EXPIRE DIE GROSS ACRES 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 KAPLA'	MOBIL EXPL. 8 PRODUCING N.A., VERMILION/LA	04/25/1990 04/25/1993 3.010 NO. 9005288
LA10659182/000	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
1410650183/002	SIMMONS, MARY ROSE FAULK, ETAI KAPLAN	MOBIL EXPL. 8 PRODUCING N.A., VERMILION/LA	05/02/1990 05/02/1 3 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., VERFILION/LA	05/11/1990 05/11/1993 3.550 NO. 9005370
LA10650186/009	BROUSSARD, LIFTON PAUL, ET UX	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 & PROB 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, LIBBI BLUM, TRUSTEE KAPLAN	MOBIL E & P N. AMERICA INC. VERMILION/LA	08/21/1990 08/21/1993 58.720 NO. 9008681
LA10650192/003	TARTAK, MARVIN HOMARD KAPLAN	MOBIL E. & P. N. AMERICA INC. VERMILION/LA	08/15/1990 08/15/1993 58.720 NO008682

LA10650192/000 SOUTHERN PACIFIC TRANS COMPANY MOBIL EXPL. 8 PROB. N.A., INC. 02/23/1990 02/23/1993

ALL PROSPECTS PROSPECT NUMBER

LA10650204/003 SIMON, HARREN J.

KAPLAH

PROSPECT NUMBER SEQUENCE

LAID65 KAPLAN

PARISH. STATE	VERMIL LONZE OUTSTANA		
LEASE NUMBER	LESSOR PROSPECT	LESSEE PARISH/STATE	LSE DIE EXPIRE DIE Gross Acres 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 159.190 NO. 9007524
LA10650194/000	HEBERT, JOHN FARRELL, ET AL KAPLAN	LEHIS B. BERNARD, INC. VERMILION/LA	05/30/1991 \0/14/1994 90.900 NO 9105874
LA10650195/000	MEAUX, LOVELACE PAUL, ET AL KAPLAN	MOBIL EXPL. & PROD. N.A., INC. VERMILION/LA	06/06/1990 06/06/1993 17.200 NO. 9006416
LA10650196/000	BROUSSARD, LUA, ET UX KAPLAN	MOBIL EXPL. & PRGD. N.A., INC. VERMILION/LA	01/10/1990 02/21/1993 22.670 NO. 9000773
LA10650197/001	HEBERT, DANA ANGELLE Kaplan	LEHIS B BERNARD VERMILION/LA	05/24/1991 11/10/1994 31.667 NO 9105875
LA10650197/002	HEBERT, WILTON L., TUTOR KAPLAN	LEHIS B. BERNARD VERMILION/LA	05/24/1991 11/10/1994 31.667 NO 9105876
LA10650198/000	BROUSSARD, LOUELLA LANDRY KAPLAN	MOBIL EXPL. 8 PROD. N.A., INC. VERMILION/LA	01/09/1990 02/20/1993 5.290 NO. 9000772
LA10650199/000	TRAHAN, ALTON J., ET AL KAPLAN	MOBIL EXPLORATION AND PROD. VERMILION/LA	08/29/1991 08/29/1994 34.710 NO 9109908
LA10650200/000	KIDDER, LOU ANN DRONET, ET AL KAPLAN	MOBIL EXPLORATION AND PROD. VERMILION/LA	09/16/1991 09/16/1994 80.000 NO. 9109906
LA10650201/000	CAPPS, MARY ADELE ROMAINE ET KAPLAN	MOBIL EXPLORATION AND PROD. VERMILION/LA	09/10/1991 09/20/1994 11.000 NO. 9109907
LA10650202/000	HEBERT, FREDDIE, ET UX KAPLAN	MOBIL EXPLORATION AND PROD. VERMILION/LA	10/17/1991 10/17/1994 2.000 NO. 9109910
LA10650203/000	GUILLORY, DEL'A JOSEPH, ET UX KAPLAN	MOBIL EXPLORATION AND PROD. VERMILION/LA	10/16/1991 10/16/1994 3.820 NO. 9109909
LA10650204/001	LANDRY, DELFRED L., ET UX KAPLAN	MOBIL EXPLORATION AND PROD. VERMILION/LA	20/18/1991 05/03/1995 2.473 NO. 9110528
1410650204/002	HERPIN, GORDON E., ET UX KAPLAN	MOBIL EXPLORATION AND PROD. VERMILION/LA	10/22/1991 10/22/1994 1.363 NO. 9110529

MOBIL EXPLORATION AND PROD. VERMILION/LA

11/12/1991 04/21/1995

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NO. 9111266

PROTECT NUMBER

PARISH. STATE

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CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES.	
1A1065 05/4 -80	CONSERVATION ORDER	06/26/1980	STATE OF LIGUISTANA	
IA1065 0204 -83	CONSERVATION ORDER	05/16/1983	STATE OF LOUISTANA	
IA1065 0205 -83	CONSERVATION ORDER	05/16/1985	STATE OF LOUISIANA	
IA1065 0047 -91	CONSCRVATION ORDER	07/12/1291	STATE OF LOUISI." 1	
	CONSERVATION ORDER	01/03/1994	STOTE OF FOUISTANA	
1A1065-0056 -91		01/03/1991	STAT OF LOUISIANA	
tA1065 0057 -91	CONSERVATION ORDER	02/26/1976	: OR OIL COMPANY AND	
LA1065-0240 -76	DESIGNATION OF UNIT	02.26,1414	RML COMPANY, ET AL	
LAND0204 -72	LISTIED PARTHERSHIP	07/28/1972		
LA1065-0148 -73	LETTER AGRICMENT	07/16/1973	BURMONT COMPANY AND KENNETH G. MCCA ^{THS} , JR.	
LA1065 0121 -73	OPERATING AGREEMENT	03/01/1975	SUPERIOR OIL COMPANY AND BURMONT COMPANY	
LA1065 0267 77	OPERATING AGREEMENT	02/01/1977	BURMONT COMPANY AND BURMONT EXPLORATION 1972-A, ET AL	
1A1065 0371 80	CHENTER GAS PLANT	05/20/1930	CHENIER OIL COMPANY, INC., ET AL	
TA1065-0085 -86	RESTATED CONVEYANCE OF PRODUCTION PAYMENT	01/01/1986	EARL P. BURKE, JR., E: AL AND UCAR INTERAM, INC.	
LA1065-0055 -91	PURCHASE AGREEMENT	11/19/1981	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	D
LA0183-01	RESTATED GAS PURCHASE AAD SALES AGREEMENT, AS AMENDED	01/01/1986	UCAR INTERAM, INC. AND FMP OPERATING COMPANY, ET AL	
1.11065-6864 -91	PURCHASE AGREEMENT	10/29/1991	LIG CHEMICAL CORPORATION AND FREEPORT-MCMORAN DIL & GAS COMPANY	
IA1065-0065 91	LETTER AGREEMENT	11/14/1991	FREEPORT-MCMORAN OIL & GAS COMPANY AND CHARELS A. MILLER, JR., ET AL	D
IA1065 0066 -91	LETTER AGREEMENT	04/18/1991	FREEPORT-MCMORAN INC. AND	

FREEPORT-MCMORAN INC. AND GREENBRIER AQUISITION LTD., ET AL

VERNILION 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 NB/4 AB/4 ME/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 Lossee, 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 GCS-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.

SCHOOL LE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
LAM 3090-87	Participation Agreement NcMoRan 1987 OCS Lease Acquisition and Exploration Program	01/01/87	FMP Operating Company, a Limited Partnership, and Continental Land & Fur Co., Inc., et al

VERNILION BLOCK 161 OCS GULF OF NEEICO OFFSHORE LOUISIANA

An undivided 49.60055% operating rights interest in and to the NM/4NM/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

44.

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, Louisiane Offshore Operations, containing approximately 4,868.21 acres.

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

- A. The <u>HW/4HW/4SE/4</u> of <u>Block 161</u>, <u>Vermilion Area</u>, being the Operating Rights in and to oil and gas produced therefrom, and the OCS-G 1127 Well No. 3;
- B. The SE/4NE/45M/4 of Block 161, Versilion 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"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
OF0507-0144-75	Operating Agreement, as amenced	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
иыD0030-88	Area of Mutual Interest	05/05/88	PMP 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
	Cverriding Royalty Assignment	Pending	Freeport-McMoRan Inc. and CLK Company, et al

CONTRIP "A"

VIRWILION BLOCK 161
CCS 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 Ghelf Leasing Map, Louisiana Offshore Operations, containing approximately 4,868.21 acres.

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
OF0507-0176-75	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	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-NcMoRan Inc. and CLK Company, et al

BIRIBIT 'A'

MISSISSIPPI CANTON BLOCKS 320, 321, 322, 323 AMD 365 OCS GULP OF MEXICO OFFSBORE, LOUISIAMA

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 Emploration & Producing Southeast Inc., et al, as Lesse, 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 Stares of America, as Lessor, to Mobil Oil Exploration 6 Producing Southeast Inc., et al, as Lessee, dated effective July 1, 1993 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 Nobil Oil Emploration & 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 Hinerale Haragement 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, Niceteeippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760.00 acres.

SCHEDULE "A"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
OP1171-0115-87	Unit Operating Agreement	07/01/87	Hobil Gil Emploration & Producing Southeast Inc. and Tenneco Gil Company. et al

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

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
ххисоо-0007-89	Participation Agreement McMoRan 1989-90 Exploration Program, as amended	01/01/89	PMP Operating Company, a Limited Part scanip and Continental Land & Pur Co., Inc., et al
OF1171-0022-89	Parmout Agreement	06/15/89	PMP Operating Company, a Limited Partnership and Mobil Oil Emploration 6 Producing Southeast Inc., et al
OF1171-0048-89	Area of Mutunl Interest	08/07/89	PMP Operating Company, a Limited Partnership and Continental Land & Pur Co., Inc., et al
	Assignment Effect	ive 08/15/89	Chevron U.S.A. Inc. and Freeport-HcHoRan Inc.
	Assignment Effect	07/10/91 ive 08/15/89	Nobil Oil Emploration & Producing Southeast Inc. and Freeport-McMoRan Inc.
	Assignment Effect	11/20/91 ive 08/15/89	Kerr-HcGee Corporation, et al and Presport- McHoRan Inc.
	Discount Letter	10/21/91	Texas Eastern Transmission Corporation and FMI Hydrocarbon Company
	Liquid Hydrocarbons Transportation Agreement	09/01/91	Texac Eastern Transmission Corporation and Presport- HcHoRan Inc.
	Gas Processing Agreement	01/14/92	Warren Petroleum Company and Freeport-HcHoRan Inc.
OP1171-0004-92	Gas Dehydration Agreement	02/04/92	Marathon Oil Company and Presport-McMoRan Oil & Gas Company
	Assignment	Pending	Presport-NewsRan Inc. and Continental Land & Fur Co., Inc., et al

SOUTH PA'AS BLOCK 74 OCS (RULY OF HEXICO OFFENORE, LOUISIAMA

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 Lessur, 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 $\mathcal{E}/2$ 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"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
LAND0021-87	McMoRan 1987-88 Exploration Prog .n	01/01/87	FMP Operating Company, a Limited Partnership and Crescent Investment Co., et &l
OF1068-0015-67	Participation Agreement, as amended	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnurship
OF1088-9020-87	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 Lim.ted 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 Apithe Corporation, et al
	Crude Oil Purchase/ Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport- McMoRan Inc.
	Assignment of Overriding Poyalty	Pending	Freeport-McMoRan Inc. and CLK Company, et al

SOUTH PASS BLOCK 93 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 OF10880001-000 Oil and Gas Lease from the United States of America as Lessor, to Shell Offshore Inc., et al as Les:ee, 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 Cont)Lental 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"

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
OF1088-0009-87	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	Preeport-McMoRan Inc. and Apache Corporation, et al
	Crude Oil Purchase/ Sale Contract	12/01/91	Arco Oil and Gas Company and Freeport- McMoRan Inc.

SOUTH PASS BLOCK 82 OCS GULP OF MEXICO OFFSHORE, LOUISIANA

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

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 Agreeme.t, as amended	05/29/87	Apache Corporation and FMP Operating Company, a Limited Partnership
OF1088-0020-87	Operating Agreement	05/29/87	Apacho Corporation and FMP Operating Company, a Limited Partnership, et al
OF1088-0034-8A	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.

EAST CAMERON BLOCK 143 OCS GULF OF MEXICO OFFSHORE, LOUISIAMA

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

OCS-G 5369 OF1096-0002-000 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"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
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 PMP Operating Company, a Limited Partnership
0F1096-0029-88	Area of Mutual Interest	02/24/88	PMP Operating Company, a Limited Partnership and Continental Land & Fur Co., I.c., et al
OF:096-0041-91	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.

PAST CAMERON BLOCK 148 OCS GULF OF MEXICO OFFSHORE, LOTISIANA

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

OCS-G 5370 OF1096-0C01-000 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"

CONTRACT NUMBER	AGREEMENT TYPE	DATE	PARTIES
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 Gil Company and FMP Operating Company, a Limited Partnership
OF1096-0015-88	Offshore Operating Agreement	03/07/88	Tenneco Oil Company and FMP Twerating 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.

END

UPDATE