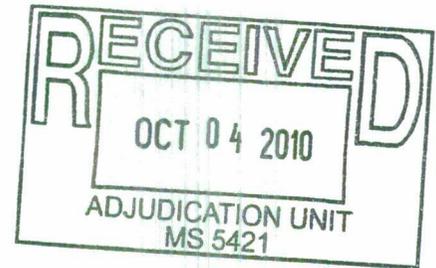


Locke Lord Bissell & Liddell^{LLP}

Attorneys & Counselors

October 4, 2010



VIA HAND DELIVERY

Bureau of Ocean Energy Management,
Regulation and Enforcement
Attn: Regional Director
1201 Elmwood Park, Blvd.
New Orleans, Louisiana 70123-2394

Re: ***Non-Required Filings Submitted for Record Purposes Pursuant to 30 C.F.R. § 256.64(7)***

Dear Sir/Madam:

Please find the enclosed Non-Required Filing ("NRF") submitted for records purposes pursuant to 30 C.F.R. § 256.64(7), together with receipts for Pay.gov Tracking ID Nos. 251JU36C and 251JU20B evidencing payment of the required filing fees with Pay.gov. The NRF submitted herewith include:

1. That certain Conveyance of Overriding Royalty Interest ("Conveyance") by and between BP Exploration & Production, Inc. to Verano Collateral Holdings, LLC on September 30, 2010, but to be effective as of January 1, 2011 and affecting those forty-eight (48) leases identified in Schedule 1 attached to this letter. This NRF should be filed under Category 5 (Overriding Royalty, Production Payment, Net Profit); and
2. That certain Deed of Trust, Mortgage, Multiple Indebtedness Mortgage, Fixture Filing, Assignment of As-Extracted Collateral, Security Agreement and Financing Statement ("Mortgage") granted by Verano Collateral Holdings LLC unto Kent D. Syverud, as Trustee, for the benefit of John S. Martin, Jr., and Kent D. Syverud, in their capacities as Individual Trustees of the Deepwater Horizon Oil Spill Trust, as Beneficiary and to John S. Martin, Jr., and Kent D. Syverud, in their capacities as Individual Trustees of the Deepwater Horizon Oil Spill Trust, as Mortgagee, executed on September 30, 2010 and affecting those forty-eight (48) leases identified in Schedule 1 attached to this letter. This NRF should be filed under Category 5 (Overriding Royalty, Production Payment, Net Profit).

Atlanta, Austin, Chicago, Dallas, Houston, London, Los Angeles,
New Orleans, New York, Sacramento, San Francisco, Washington DC

NO:0017383/00107:143865v1

October 4, 2010

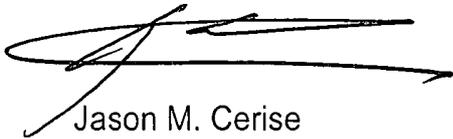
Page 2

In the event that you have any questions about this filing, please contact:

Kenneth M. Anderson
Locke Lord Bissell & Liddell LLP
600 Travis Street, Suite 2800
Houston, Texas 77002

Also enclosed herewith are duplicate copies of each of the foregoing NRF.
Please date stamp and return one copy of each NRF.

Sincerely yours,



Jason M. Cerise

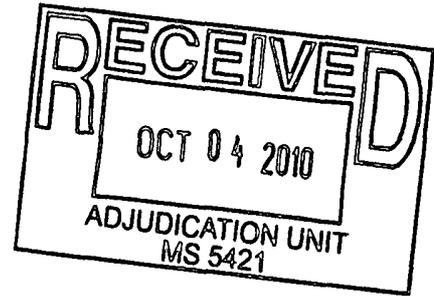
JMC:cf
Encl.

Schedule 1 – List of Affected Leases

1. OCS-G-5868	25. OCS-G-9881
2. OCS-G-5871	26. OCS-G-9882
3. OCS-G-6981	27. OCS-G-9883
4. OCS-G-7937	28. OCS-G-9896
5. OCS-G-7938	29. OCS-G-12166
6. OCS-G-7944	30. OCS-G-14653
7. OCS-G-7957	31. OCS-G-14657
8. OCS-G-7958	32. OCS-G-14658
9. OCS-G-7962	33. OCS-G-15604
10. OCS-G-7963	34. OCS-G-15605
11. OCS-G-7969	35. OCS-G-15606
12. OCS-G-7975	36. OCS-G-15607
13. OCS-G-7976	37. OCS-G-15608
14. OCS-G-8823	38. OCS-G-17561
15. OCS-G-8831	39. OCS-G-17565
16. OCS-G-8852	40. OCS-G-17570
17. OCS-G-9808	41. OCS-G-17571
18. OCS-G-9821	42. OCS-G-19966
19. OCS-G-9837	43. OCS-G-19997
20. OCS-G-9838	44. OCS-G-20862

21. OCS-G-9866	45. OCS-G-20870
22. OCS-G-9867	46. OCS-G-21176
23. OCS-G-9868	47. OCS-G-24593
24. OCS-G-9873	48. OCS-G-27278

PREPARED BY AND WHEN
RECORDED OR FILED,
PLEASE RETURN TO:
Locke Lord Bissell & Liddell LLP
600 Travis Street, Suite 2800
Houston, Texas 77002
Attention: Kenneth M. Anderson



STATE OF LOUISIANA))

COUNTY OF JEFFERSON))

Space above for County or Parish Recorder's Use

(AL, LA, MS, TX)

**DEED OF TRUST, MORTGAGE, MULTIPLE INDEBTEDNESS MORTGAGE,
FIXTURE FILING, ASSIGNMENT OF AS-EXTRACTED COLLATERAL,
SECURITY AGREEMENT AND FINANCING STATEMENT**

by

**VERANO COLLATERAL HOLDINGS LLC
as Trustor,**

to

**Kent D. Syverud,
as Trustee,**

for the benefit of

**JOHN S. MARTIN, JR. and KENT D. SYVERUD,
in their capacities as Individual Trustees of The Deepwater Horizon Oil Spill Trust,
as Beneficiary**

and to

**JOHN S. MARTIN, JR. and KENT D. SYVERUD,
in their capacities as Individual Trustees of The Deepwater Horizon Oil Spill Trust,
as Mortgagee**

A CARBON, PHOTOGRAPHIC, OR OTHER REPRODUCTION OF THIS INSTRUMENT IS
SUFFICIENT AS A FINANCING STATEMENT.

THIS INSTRUMENT COVERS MORTGAGE PROPERTY LOCATED ON THE OUTER CONTINENTAL SHELF AND OFFSHORE OF THE STATE OF ALABAMA AND WITHOUT THE THREE MILE OFFSHORE ALABAMA WATER JURISDICTION; THEREFORE, NO MORTGAGE TAX IS DUE UPON THE RECORDING OF THE SAME IN COUNTIES OF THE STATE OF ALABAMA.

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

TO THE EXTENT ALLOWED BY LAW, A POWER OF SALE HAS BEEN GRANTED IN THIS INSTRUMENT. IN CERTAIN STATES, A POWER OF SALE MAY ALLOW THE TRUSTEE OR BENEFICIARY TO TAKE SOME OR ALL OF THE MORTGAGED PROPERTY AND SELL IT WITHOUT GOING TO COURT IN A FORECLOSURE ACTION UPON DEFAULT BY THE TRUSTOR UNDER THIS INSTRUMENT.

THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS.

THIS INSTRUMENT COVERS PROCEEDS OF MORTGAGED PROPERTY.

THIS INSTRUMENT COVERS MINERALS, AS-EXTRACTED COLLATERAL AND OTHER SUBSTANCES OF VALUE WHICH MAY BE EXTRACTED FROM THE EARTH (INCLUDING WITHOUT LIMITATION OIL AND GAS) AND THE ACCOUNTS RELATED THERETO. THIS INSTRUMENT IS TO BE FILED FOR RECORD OR RECORDED (INCLUDING AS A FIXTURE FILING) AMONG OTHER PLACES, IN THE REAL PROPERTY RECORDS OR SIMILAR RECORDS OF THE COUNTY RECORDERS OF THE COUNTIES OR RECORDS OF THE PARISH CLERK OF THE PARISH LISTED ON THE EXHIBIT HERETO. TRUSTOR HAS AN INTEREST OF RECORD IN THE REAL ESTATE/IMMOVABLE PROPERTY CONCERNED, WHICH INTEREST IS DESCRIBED IN THE EXHIBIT ATTACHED HERETO.

THIS FINANCING STATEMENT IS TO BE FILED FOR RECORD OR RECORDED, AMONG OTHER PLACES, IN THE IN THE REAL PROPERTY RECORDS OR SIMILAR RECORDS OF THE COUNTY RECORDERS OF THE COUNTIES AND THE RECORDS OF ANY LOUISIANA PARISH FOR FILING IN THE CENTRAL REGISTRY OF LOUISIANA. TRUSTOR IS THE OWNER OF RECORD INTEREST IN THE PROPERTY CONCERNED. THIS INSTRUMENT IS ALSO TO BE INDEXED IN THE INDEX OF FINANCING STATEMENTS.

THE ADDRESSES OF TRUSTOR AND BENEFICIARY ARE CONTAINED IN THIS INSTRUMENT. THE FINAL MATURITY DATE OF THE INDEBTEDNESS SECURED HEREBY IS TERMINATION DATE (AS HEREINAFTER DEFINED).

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	2
Section 1.01 <u>Terms Defined Above.</u>	2
Section 1.02 <u>Terms Defined in the Trust Agreement.</u>	2
Section 1.03 <u>Terms Defined in the UCC.</u>	2
Section 1.04 <u>Certain Defined Terms.</u>	2
ARTICLE II GRANT OF LIEN AND SECURED OBLIGATIONS	5
Section 2.01 <u>Grant of Liens.</u>	5
Section 2.02 <u>Grant of Security Interest.</u>	7
Section 2.03 <u>Secured Obligations.</u>	8
Section 2.04 <u>Fixture Filing, Etc.</u>	8
Section 2.05 <u>Substitution of Collateral.</u>	8
ARTICLE III ASSIGNMENT OF AS-EXTRACTED COLLATERAL	8
Section 3.01 <u>Assignment.</u>	8
Section 3.02 <u>No Modification of Payment Obligations.</u>	9
Section 3.03 <u>Rights of Producers.</u>	10
ARTICLE IV REPRESENTATIONS, WARRANTIES AND COVENANTS	10
Section 4.01 <u>Title.</u>	10
Section 4.02 <u>Defend Title.</u>	10
Section 4.03 <u>Not a Foreign Person.</u>	10
Section 4.04 <u>Power to Create Lien and Security.</u>	11
Section 4.05 <u>Revenue.</u>	11
Section 4.06 <u>Failure to Perform.</u>	12
Section 4.07 <u>Distributions.</u>	12
ARTICLE V RIGHTS AND REMEDIES	12
Section 5.01 <u>Event of Default.</u>	12
Section 5.02 <u>Foreclosure and Sale.</u>	12
Section 5.03 <u>Substitute Trustee, Beneficiary and Agents.</u>	16
Section 5.04 <u>Judicial Foreclosure; Receivership.</u>	16
Section 5.05 <u>Foreclosure for Installments.</u>	16
Section 5.06 <u>Separate Sales.</u>	17
Section 5.07 <u>Possession of Collateral.</u>	17
Section 5.08 <u>Keeper.</u>	17
Section 5.09 <u>In-Kind Election.</u>	18
Section 5.10 <u>Remedies Cumulative, Concurrent and Nonexclusive.</u>	18
Section 5.11 <u>Discontinuance of Proceedings.</u>	18
Section 5.12 <u>No Release of Obligations.</u>	18
Section 5.13 <u>Release of and Resort to Collateral.</u>	19
Section 5.14 <u>Sales Acknowledgement.</u>	19
Section 5.15 <u>Waiver of Redemption, Notice and Marshalling of Assets, Etc.</u>	19

Section 5.16	<u>Other Waivers.</u>	20
Section 5.17	<u>Application of Proceeds.</u>	20
Section 5.18	<u>Beneficiary Not “Beneficiary-In-Possession”.</u>	20
ARTICLE VI TRUSTEE		21
Section 6.01	<u>Duties, Rights, and Powers of Trustee.</u>	21
Section 6.02	<u>Successor Trustee.</u>	21
Section 6.03	<u>Retention of Moneys.</u>	22
Section 6.04	<u>Beneficiary Attorney-In-Fact.</u>	22
ARTICLE VII MISCELLANEOUS		22
Section 7.01	<u>Instrument Construed.</u>	22
Section 7.02	<u>Releases.</u>	22
Section 7.03	<u>Severability.</u>	23
Section 7.04	<u>Successors and Assigns.</u>	23
Section 7.05	<u>References.</u>	23
Section 7.06	<u>Application of Payments to Certain Obligations.</u>	23
Section 7.07	<u>Subrogation of Trustee.</u>	23
Section 7.08	<u>Nature of Covenants.</u>	23
Section 7.09	<u>Notices.</u>	24
Section 7.10	<u>Counterparts.</u>	24
Section 7.11	<u>Governing Law.</u>	24
Section 7.12	<u>Financing Statement; Fixture Filing.</u>	24
Section 7.13	<u>Execution of Financing Statements.</u>	24
Section 7.14	<u>Exculpation Provisions.</u>	25
Section 7.15	<u>Notary Public.</u>	26
Section 7.16	<u>No Paraph.</u>	26
Section 7.17	<u>Acceptance by Agent.</u>	26
Section 7.18	<u>Multiple Indebtedness Mortgage.</u>	26

Exhibit A – Leases (Hydrocarbon Interests)

**DEED OF TRUST, MORTGAGE, MULTIPLE
INDEBTEDNESS MORTGAGE, FIXTURE
FILING, ASSIGNMENT OF AS-EXTRACTED
COLLATERAL, SECURITY AGREEMENT AND
FINANCING STATEMENT**

* **UNITED STATES OF AMERICA**
*
*
* **STATE OF TEXAS**
*
*
* **COUNTY OF HARRIS**

BY

VERANO COLLATERAL HOLDINGS LLC

TO

**JOHN S. MARTIN, JR. and KENT D. SYVERUD,
IN THEIR CAPACITIES AS TRUSTEES OF THE
DEEPWATER HORIZON OIL SPILL TRUST**

BE IT KNOWN, that on this 30th day of September, 2010,

BEFORE ME, the undersigned Notary Public, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared:

VERANO COLLATERAL HOLDINGS LLC, a Delaware limited liability company, whose principal place of business is 501 WestLake Park Boulevard, Houston, Texas 77079, Attention: Mark Holstein, appearing herein by and through Peter A. Zwart, its Vice President, duly authorized pursuant to the resolutions attached to the OFFICER'S CERTIFICATE attached hereto (for Louisiana filings only);

who, declared as follows:

THIS DEED OF TRUST, MORTGAGE, MULTIPLE INDEBTEDNESS MORTGAGE, FIXTURE FILING, ASSIGNMENT OF AS-EXTRACTED COLLATERAL, SECURITY AGREEMENT AND FINANCING STATEMENT (as the same may from time to time be amended, modified, supplemented or replaced, this "Mortgage") is entered into as of September 30, 2010 (the "Effective Date") by VERANO COLLATERAL HOLDINGS LLC, a Delaware limited liability company (the "Trustor"), (i) in the case of the Mortgaged Property (as hereinafter defined) located in or adjacent to the Deed of Trust States (as hereinafter defined), in favor of KENT D. SYVERUD, as trustee, whose address for notice hereunder is set forth in Section 20 hereof ("Trustee"), for the benefit of JOHN S. MARTIN, JR. and KENT D. SYVERUD, in their capacities as Trustees of the Trust (as hereinafter defined) and (ii) in the case of the Mortgaged Property located in or adjacent to the Mortgage States (as hereinafter defined), in favor of JOHN S. MARTIN, JR. and KENT D. SYVERUD, in their capacities as Trustees of the Trust (in their capacities under each of (i) and (ii) above, JOHN S. MARTIN, JR. and KENT D. SYVERUD, together with their successors and assigns in such capacity, being herein referred to as "Beneficiary").

RECITALS

A. On August 6, 2010, BP Exploration & Production Inc., a Delaware corporation ("BPEP"), as grantor, the Beneficiary, as individual trustees, and CitiGroup Trust-Delaware, N.A., as corporate trustee, executed that certain trust agreement titled "Deepwater Horizon Oil Spill Trust" (such agreement, as may from time to time be amended, supplemented or otherwise modified in accordance with its terms, the "Trust Agreement"), pursuant to which, upon the terms and conditions stated therein, BPEP has agreed to make contributions to the Trust in order to provide funds to satisfy resolved damage claims.

B. In the Trust Agreement, BPEP agreed to provide collateral to secure its agreement to make cash contributions in the remaining aggregate amount of SEVENTEEN BILLION DOLLARS pursuant thereto. The liens and security interests herein granted are done so at the direction of BPEP in accordance with the terms of the Trust Agreement.

C. Therefore, in order to comply with the terms and conditions of the Trust Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 Terms Defined Above. As used in this Agreement, each term defined above has the meaning indicated above.

Section 1.02 Terms Defined in the Trust Agreement. Unless otherwise defined herein, each term defined in the Trust Agreement and used herein has the meaning given to it in the Trust Agreement.

Section 1.03 Terms Defined in the UCC. Unless otherwise defined herein or in the Trust Agreement, each capitalized term defined in the Applicable UCC and used herein has the meaning given to it in the Applicable UCC.

Section 1.04 Certain Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"Applicable UCC" means the provisions of the Uniform Commercial Code presently in effect in the jurisdiction in which the relevant UCC Collateral is situated or which otherwise is applicable to the creation, perfection, the effect of perfection or non-perfection, or the priority of the Liens described herein or the rights and remedies of Beneficiary under this Mortgage.

"Available Cash" means cash which is available in the accounts of the Trustor less such amounts as Trustor reasonably deems necessary to retain for payment of current and future expenses.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City, New York or Houston, Texas are authorized or required by law to remain closed.

“Collateral” means, collectively, all the Mortgaged Property and all the UCC Collateral.

“Contribution Obligation” means the obligation of BPEP to make contributions to the Trust in the amounts and on the dates provided in the Trust Agreement, such amounts totaling in the aggregate \$17,000,000,000.

“Conveyance” means the Conveyance of Overriding Royalty Interest of even date herewith from BPEP as grantor to the Trustor as grantee.

“Default” means an event or circumstance which would, with the giving of notice and/or the passage of time, constitute an Event of Default.

“Event of Default” has the meaning assigned to such term in the Pledge Agreement.

“Excepted Liens” means: (a) Liens for Taxes, assessments or other governmental charges or levies which are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP; (b) Liens in connection with workers’ compensation, unemployment insurance or other social security, old age pension or public liability obligations which are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP; (c) statutory landlord’s liens, operators’, vendors’, carriers’, warehousemen’s, repairmen’s, mechanics’, suppliers’, workers’, materialmen’s, construction or other like Liens arising by operation of law in the ordinary course of business or incident to the exploration, development, operation and maintenance of Hydrocarbon Interests each of which is in respect of obligations that are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP; (d) contractual Liens and obligations which arise in the ordinary course of business under operating agreements, unit operating agreements, joint venture agreements, oil and gas partnership agreements, oil and gas leases, farm-out agreements, division orders, contracts for the sale, transportation or exchange of oil and natural gas, unitization and pooling declarations and agreements, area of mutual interest agreements, overriding royalty agreements, production handling agreements, marketing agreements, processing agreements, net profits agreements, development agreements, gas balancing or deferred production agreements, injection, repressuring and recycling agreements, salt water or other disposal agreements, seismic or other geophysical permits or agreements, and other agreements which are usual and customary in the oil and gas business and are for claims which are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP, provided that any such Lien referred to in this clause does not materially impair the use of any material Property covered by such Lien for the purposes for which such Property is held by the Trustor, or materially impair the value of any material Property subject thereto; (e) Liens arising solely by virtue of any statutory or common law provision relating to banker’s liens, rights of set-off or similar rights and remedies and burdening only deposit accounts or other funds maintained with a creditor depository institution, provided that no such deposit account is a dedicated cash collateral account or is subject to restrictions against access by the depositor in excess of those set forth by regulations promulgated by the Board and no such deposit account is intended by Trustor to provide collateral to the depository institution; (f) easements, restrictions, servitudes, permits, conditions,

covenants, exceptions or reservations in any Property of the Trustor for the purpose of pipelines, transmission lines, transportation lines, distribution lines for the removal of gas, oil or other minerals and other like purposes, or for the joint or common use of real estate, rights of way, facilities and equipment, that do not secure any monetary obligations and which in the aggregate do not materially impair the use of such Property for the purposes of which such Property is held by the Trustor or materially impair the value of any material Property subject thereto; (g) Liens on cash or securities pledged to secure performance of tenders, surety and appeal bonds, government contracts, performance and return of money bonds, bids, trade contracts, leases, statutory obligations, regulatory obligations and other obligations of a like nature incurred in the ordinary course of business; (h) judgment and attachment Liens not giving rise to an Event of Default; and (i) Liens arising from Applicable UCC financing statement filings regarding operating leases entered into by the Trustor in the ordinary course of business covering only the Property under lease; provided, further that Liens described in clauses (a) through (e) shall remain "Excepted Liens" only for so long as no action to enforce such Lien has been commenced (and not stayed) and no intention to subordinate the first priority Lien granted in favor of the Beneficiary is to be hereby implied or expressed by the permitted existence of such Excepted Liens.

"GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time and includes international accounting standards to the extent that such standards supplant such generally accepted accounting principles.

"Hydrocarbon Interests" means all rights, titles, interests and estates now owned or hereafter acquired by the Trustor in and to the Production Payment, including the overriding royalty interests granted to the Trustor pursuant to the Conveyance, which are described on Exhibit A and are calculated by multiplying the percentage in the column titled Net Revenue Interest of BPEP by the corresponding percentage in the column titled Overriding Royalty Percentage of Trustor.

"Hydrocarbons" means all oil, gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all products refined or separated therefrom and all other minerals which may be produced and saved from the Hydrocarbon Interests, including all oil in tanks, and all rents, issues, profits, proceeds, products, revenues and other incomes dedicated or attributable to the Hydrocarbon Interests.

"Hydrocarbons Sale Agreement" means the Hydrocarbon Sales Agreement of even date herewith between BPEP and the Trustor.

"In-Kind Election" has the meaning assigned to such term in Section 5.09.

"LLC Agreement" means the Limited Liability Company Agreement of Verano Collateral Holdings LLC dated as of September 30, 2010.

"Lien" means any interest in Property securing an obligation owed to, or a claim by, a Person other than the owner of the Property, whether such interest is based on the common law, statute or contract, and whether such obligation or claim is fixed or contingent, and including but not limited to (a) the lien or security interest arising from a mortgage, encumbrance, pledge, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes or (b) production payments and the like payable out of Hydrocarbon Interests. The term "Lien" shall include easements, restrictions, servitudes, permits, conditions, covenants, exceptions or reservations.

“Mortgaged Property” has the meaning assigned to such term in Section 2.01.

“OCS” means the outer continental shelf of the United States of America.

“Paid In Full In Cash” means the payment in full in cash of the Contribution Obligations.

“Permitted Encumbrances” means all (a) Liens in favor of the Beneficiary; (b) Excepted Liens; (c) title defects that exist with respect to Mortgaged Property and with respect to which the existence of such defects has been expressly consented to in writing by Beneficiary; and (d) Liens arising from judgments, decrees or attachments.

“Person” means an individual, corporation, partnership, joint venture, trust, unincorporated organization, government, sovereign state or any agency, authority or political subdivision thereof, international organization, agency or authority (in each case, whether or not having separate legal personality or any two or more of the foregoing).

“Pledge Agreement” means the Pledge Agreement of even date herewith between BPEP as pledgor and the Beneficiary as pledgee.

“Production Payment” means, at any time and from time to time, all overriding royalty interests granted by BPEP to the Trustor and owned by the Trustor at such time.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including, without limitation, cash, securities, accounts and contract rights.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other Property) with respect to any membership interests in the Trustor, or any payment (whether in cash, securities or other Property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such member interests in the Trustor or any option, warrant or other right to acquire any such member interests in the Trustor.

“Secured Obligations” has the meaning assigned to such term in Section 2.03.

“Transaction Documents” means this Mortgage, the Trust Agreement, the Pledge Agreement and any other agreement or instrument executed and delivered in connection with the Contribution Obligations.

“Trust” means the trust created under the Trust Agreement for the benefit of the holders of resolved damage claims as more fully provided therein.

“UCC Collateral” has the meaning assigned to such term in Section 2.02.

ARTICLE II GRANT OF LIEN AND SECURED OBLIGATIONS

Section 2.01 Grant of Liens. To secure payment of the Secured Obligations and the performance of the covenants and obligations herein contained, the Trustor does by these presents hereby (i) GRANT, BARGAIN, SELL, CONVEY, TRANSFER, ASSIGN and SET OVER to Trustee, and grant to Trustee a POWER OF SALE (pursuant to this Mortgage and applicable law) with respect to, the

following described real and personal properties, rights, titles, interests and estates described in the following paragraphs (a) through (c) which are located in (or cover or relate to properties located in) the State of Texas or in the State of Mississippi (collectively, the "Deed of Trust States"), or which are located within (or cover or relate to properties located within) the OCS or other offshore area adjacent to such Deed of Trust State over which the United States of America asserts jurisdiction and to which the laws of such Deed of Trust State are applicable with respect to this Mortgage and/or the liens or security interests created hereby; and (ii) GRANT, BARGAIN, SELL, WARRANT, MORTGAGE, ASSIGN, TRANSFER, PLEDGE, HYPOTHECATE and CONVEY to the Beneficiary, for the benefit of the Trust and the beneficiaries of the Trust, with mortgage covenants, and upon the statutory mortgage condition for the breach of which this Mortgage may be subject to foreclosure as provided by applicable law, and grant to the Beneficiary a POWER OF SALE (pursuant to this Mortgage and applicable law) with respect to, those of the following described real and personal properties, rights, and interests which are not granted to Trustee in clause (i) above, including, without limitation, those of the following properties, rights, titles, interests and estates described in the following paragraphs (a) through (c) which are located in (or cover or relate to properties located in) the States of Alabama and Louisiana (collectively, the "Mortgage States") or which are located within (or cover or relate to properties located within) the OCS or other offshore area adjacent to such Mortgage State over which the United States of America asserts jurisdiction and to which the laws of any such Mortgage State are applicable in combination with federal laws, with respect to this Mortgage and/or the liens or security interests created hereby (collectively called the "Mortgaged Property"):

(a) All rights, titles, interests and estates now owned or hereafter acquired by Trustor in and to the Hydrocarbon Interests;

(b) Any Property that may from time to time hereafter, by delivery or by writing of any kind, be subjected to the Liens hereof by Trustor or by anyone on Trustor's behalf; and Trustee is hereby authorized to receive the same at any time as additional security hereunder; and

(c) All of the rights, titles and interests of every nature whatsoever now owned or hereafter acquired by Trustor in and to the Hydrocarbon Interests and all other rights, titles, interests and estates and every part and parcel thereof, including, without limitation, any rights, titles, interests and estates as the same may be enlarged by the discharge of any payments out of production or by the removal of any charges or Permitted Encumbrances to which any of such Hydrocarbon Interests or other rights, titles, interests or estates are subject or otherwise; all rights of the Trustor to Liens securing payment of proceeds from the sale of production dedicated to such Hydrocarbon Interests, together with any and all renewals and extensions of any of such related rights, titles, interests or estates; all contracts and agreements supplemental to or amendatory of or in substitution for the contracts and agreements described or mentioned above; and any and all additional interests of any kind hereafter acquired by the Trustor in and to the such related rights, titles, interests or estates.

Any fractions or percentages specified on Exhibit A in referring to Trustor's interests are solely for purposes of the warranties made by Trustor pursuant to Section 4.01 and Section 4.05 and shall in no manner limit the quantum of interest affected by this Section 2.01 with respect to any of the Hydrocarbon Interests.

TO HAVE AND TO HOLD (a) the Mortgaged Property located in the State of Texas and the Mortgaged Property located in the State of Mississippi unto the Trustee, and its successors or substitutes in this trust, and to its or theirs successors and assigns, in trust, however, upon the terms, provisions and

conditions herein set forth, and (b) the other Mortgaged Property unto Beneficiary, and Beneficiary's successors and assigns, upon the terms, provisions and conditions herein set forth, to secure the payment of the Secured Obligations and to secure the performance of the covenants, agreements, and obligations of the Trustor herein contained.

Section 2.02 Grant of Security Interest. Trustor hereby grants to Beneficiary, for the benefit of the Trust, a security interest in and to all of Trustor's rights, titles and interests in and to the following Property of Trustor now owned or at any time hereafter acquired by Trustor or in which Trustor now has or at any time in the future may acquire any right, title or interest and whether now existing or hereafter coming into existence (collectively, the "UCC Collateral") as collateral security for the prompt and complete payment and performance when due (whether at the stated due date or otherwise) of the Secured Obligations:

- (a) all Accounts;
- (b) all Chattel Paper (whether Tangible Chattel Paper or Electronic Chattel Paper);
- (c) all Commercial Tort Claims;
- (d) all Deposit Accounts (other than payroll, withholding tax and other fiduciary Deposit Accounts), all Commodities Accounts and all Securities Accounts;
- (e) all Documents;
- (f) all General Intangibles (including, without limitation, rights in and under any Payment Intangible or any Commodity Contract) and all rights under insurance contracts and rights to insurance proceeds;
- (g) all Instruments;
- (h) all Goods (including, without limitation, all Inventory, all Equipment and all Fixtures);
- (i) all Letters-of-Credit and Letter-of-Credit Rights;
- (j) all As-Extracted Collateral from the Hydrocarbon Interests;
- (k) all books and records pertaining to the Collateral;
- (l) all Fixtures;
- (m) all Hydrocarbons;
- (n) to the extent not otherwise included in the Collateral, the Conveyance and any other property insofar as it consists of personal property of any kind or character defined in and subject to the Applicable UCC; and

(o) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security, guarantees and other Supporting Obligations given with respect to any of the foregoing.

Section 2.03 Secured Obligations. This Mortgage is executed and delivered by Trustor at the direction of BPEP to secure the Contribution Obligation (the "Secured Obligations").

Section 2.04 Fixture Filing, Etc. Without in any manner limiting the generality of any of the other provisions of this Mortgage (if and to the extent applicable): (a) some portions of the goods described or to which reference is made herein are or are to become Fixtures on the land described or to which reference is made herein or on Exhibit A; (b) the security interests created hereby under applicable provisions of the Applicable UCC will attach to all As-Extracted Collateral (all minerals, including oil and gas) and the Accounts resulting from the sale of such As-Extracted Collateral; and (c) this Mortgage is to be filed of record in the real estate records of the county in which the Mortgaged Property is located as a financing statement.

Section 2.05 Maximum Secured Amount. 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, the maximum amount of the Secured Obligations that may be outstanding at any time and from time to time that this Mortgage secures is fixed at Seventeen Billion and No/100 United States Dollars (US \$17,000,000,000.00).

Section 2.06 Substitution of Collateral. So long as no Event of Default has occurred and is continuing, collateral may be substituted hereunder as provided in and subject to Section 16(d) of the Pledge Agreement.

ARTICLE III ASSIGNMENT OF AS-EXTRACTED COLLATERAL

Section 3.01 Assignment.

(a) Trustor has absolutely and unconditionally assigned, transferred, conveyed and granted a security interest, and does hereby absolutely and unconditionally assign, transfer, convey and grant a security interest, unto the Beneficiary, its successors and assigns, in and to:

(i) all of its As-Extracted Collateral located in or relating to the Mortgaged Properties located in the county or parish where this Mortgage is filed, including without limitation, all As-Extracted Collateral relating to the Hydrocarbon Interests, the Hydrocarbons and all products obtained or processed therefrom;

(ii) the revenues and proceeds now and hereafter attributable to such Mortgaged Properties, including the Hydrocarbons, and said products and all payments in lieu thereof, such as "take or pay" payments or settlements; and

(iii) all amounts and proceeds hereafter payable to or to become payable to Trustor or now or hereafter relating to any part of such Mortgaged Properties and all amounts, sums, monies, revenues and income which become payable to Trustor from, or with respect to, any of

the Mortgaged Properties, present or future, now or hereafter constituting a part of the Hydrocarbon Interests.

(b) The Hydrocarbons and products are to be delivered into pipe lines or to the purchaser thereof, to the credit of Beneficiary, for the benefit of the Trust, free and clear of all taxes, charges, costs and expenses; and all such revenues and proceeds shall be paid directly to Beneficiary with no duty or obligation of any party paying the same to inquire into the rights of Beneficiary to receive the same, what application is made thereof, or as to any other matter. Trustor agrees to perform all such acts, and to execute all such further assignments, transfers and division orders and other instruments as may be required or desired by Beneficiary or any party in order to have said proceeds and revenues so paid to Beneficiary. In addition to any and all rights of a secured party under sections 9-607 and 9-609 of the Applicable UCC, Beneficiary is fully authorized to receive and receipt for said proceeds and revenues; to endorse and cash any and all checks and drafts payable to the order of Trustor or Beneficiary for the account of Trustor received from or in connection with said revenues or proceeds and to hold the proceeds thereof in a deposit account designated by Beneficiary as additional collateral securing the Secured Obligations; and to execute transfer and division orders in the name of Trustor, or otherwise, with warranties binding Trustor. All proceeds received by the Trustee or Beneficiary pursuant to this grant and assignment shall be applied as provided in Section 5.17.

(c) Beneficiary shall not be liable for any delay, neglect or failure to effect collection of any proceeds or to take any other action in connection therewith or hereunder; but Beneficiary shall have the right, at its election, in the name of Trustor or otherwise, to prosecute and defend any and all actions or legal proceedings deemed advisable by Beneficiary in order to collect such funds and to protect the interests of Beneficiary and/or Trustor, with all reasonable costs, expenses and attorneys' fees incurred in connection therewith being paid by Trustor.

(d) Trustor hereby appoints Beneficiary as its attorney-in-fact to pursue any and all rights of Trustor to Liens in the Hydrocarbons securing payment of proceeds of runs attributable to the Hydrocarbons. In addition to the Liens granted to Trustee and/or Beneficiary in Section 2.01, Trustor hereby further transfers and assigns to Beneficiary any and all such Liens, security interests, financing statements or similar interests of Trustor attributable to its interest in the As-Extracted Collateral, any Hydrocarbons and proceeds of runs therefrom arising under or created by any statutory provision, judicial decision or otherwise. The power of attorney granted to Beneficiary in this Section 3.01(d), being coupled with an interest, shall be irrevocable until the Secured Obligations have been Paid In Full In Cash.

(e) Until such time as an Event of Default has occurred and is continuing and the Beneficiary has delivered an In-Kind Election to BPEP and the Trustor, Trustee hereby grants to the Trustor a license to sell, receive and receipt for proceeds from the sale of Hydrocarbons (pursuant to the Hydrocarbons Sale Agreement or otherwise), which license shall automatically terminate upon such delivery of an In-Kind Election and for so long as such In-Kind Election has not been revoked in writing by the Beneficiary. The delivery of In-Kind Election shall be deemed effective on the first day of the second month following the month in which BPEP receives written notice of an election to make an In-Kind Election..

Section 3.02 No Modification of Payment Obligations. Nothing herein contained shall modify or otherwise alter the obligation of BPEP to make prompt payment of all amounts constituting Secured Obligations when and as the same become due regardless of whether the proceeds of the As-Extracted

Collateral and Hydrocarbons are sufficient to pay the same and the rights provided in accordance with the foregoing assignment provision shall be cumulative of all other security of any and every character now or hereafter existing to secure payment of the Secured Obligations. Nothing in this Article III is intended to be an acceptance of collateral in satisfaction of the Secured Obligations.

Section 3.03 Rights of Producers. Trustor hereby grants, sells, assigns, sets over and mortgages unto Trustee during the term hereof, all of Trustor's rights and interests pursuant to any provision of applicable law granting producers of oil and gas a Lien on the oil and gas produced by them and on the resulting accounts receivable, including, without limitation, the provisions of Section 9.343 of the Applicable UCC as enacted in the State of Texas and in the correlative provisions of the Applicable UCC as enacted in the other states in which Mortgaged Property is located, hereby vesting in Trustee all of Trustor's rights as an interest owner to the continuing security interest in and Lien upon the Mortgaged Property.

ARTICLE IV REPRESENTATIONS, WARRANTIES AND COVENANTS

Trustor hereby represents, warrants and covenants as follows:

Section 4.01 Title. To the extent of the undivided interests specified on Exhibit A, Trustor has good and defensible title to and is possessed of the Mortgaged Property and has good title to the UCC Collateral. The Collateral is free of all Liens except Permitted Encumbrances.

Section 4.02 Perfected Liens; Defend Title. This Mortgage is, and always will be kept, a direct first priority Lien upon the Collateral; provided that Permitted Encumbrances may exist as provided herein. Upon the filing of financing statements in the appropriate offices in the appropriate jurisdictions (which filings have been delivered to Beneficiary in completed form), the security interests granted in the Collateral that can be perfected by filing a UCC-1 financing statement pursuant to this Mortgage will constitute a valid perfected security interest in all such Collateral in favor of Beneficiary as collateral security for the Secured Obligations, enforceable in accordance with the terms hereof and are prior to all other Liens on the Collateral in existence on the date hereof except for Liens that have priority by operation of law. The Trustor will not create or suffer to be created or permit to exist any Lien, security interest or charge prior or junior to or on a parity with the Lien of this Mortgage upon the Collateral or any part thereof other than Liens constituting Permitted Encumbrances. Trustor will warrant and defend the title to the Collateral, subject to the Permitted Encumbrances, against the claims and demands of all other Persons whomsoever and will maintain and preserve the Lien created hereby (and its priority) until the Secured Obligations shall be Paid In Full In Cash. If (i) an adverse claim be made against or a cloud develop upon the title to any part of the Collateral other than a Permitted Encumbrance or (ii) any Person, including the holder of a Permitted Encumbrance, shall challenge the priority or validity of the Liens created by this Mortgage, then Trustor agrees to promptly defend against such adverse claim, take appropriate action to remove such cloud or subordinate such Permitted Encumbrance, in each case, at Trustor's sole cost and expense. Trustor further agrees that Trustee and/or Beneficiary may take such other action as they reasonably deems advisable to protect and preserve their interests in the Collateral, and in such event Trustor will indemnify the Trustee and Beneficiary against any and all cost, reasonable attorneys' fees and other expenses which they may incur in defending against any such adverse claim or taking action to remove any such cloud.

Section 4.03 Further Assurances.

(a) At any time and from time to time, upon the request of the Trustee or Beneficiary, and at the sole expense of Trustor, Trustor will promptly and duly give, execute, deliver, indorse, file or record any and all financing statements, continuation statements, amendments, notices (including, without limitation, notifications to financial institutions and any other Person), contracts, agreements, assignments, certificates, stock powers or other instruments, obtain any and all governmental approvals and consents and take or cause to be taken any and all steps or acts that may be necessary or advisable or as the Trustee and/or Beneficiary may request to create, perfect, establish the priority of, or to preserve the validity, perfection or priority of the Liens granted by this Mortgage or to enable Beneficiary to enforce its rights, remedies, powers and privileges under this Mortgage and any other Transaction Document with respect to such Liens or to otherwise obtain or preserve the full benefits of this Mortgage and the other Transaction Documents and the rights, powers and privileges herein and therein granted.

(b) Without limiting the obligations of Trustor under Section 4.03(a) or under any other provision of this Mortgage, upon the request of Trustee or Beneficiary, Trustor shall take or cause to be taken all actions (other than any actions required to be taken by Trustee or Beneficiary) requested by Trustee or Beneficiary to cause the Trustee or Beneficiary to (A) have "control" (within the meaning of Sections 9.104, 9.105, 9.106 and 9.107 of the Applicable UCC) over any Collateral constituting Deposit Accounts, Electronic Chattel Paper, Investment Property or Letter-of-Credit Rights, including, without limitation, executing and delivering any agreements, in form and substance satisfactory to Beneficiary, with securities intermediaries, issuers or other Persons in order to establish "control", and Trustor shall promptly notify Beneficiary of the Trustor's acquisition of any such Collateral, and (B) be a "protected purchaser" (as defined in Section 8.303 of the Applicable UCC). With respect to Collateral other than Goods covered by a Document in the possession of a Person other than Trustor or Beneficiary, Trustor shall obtain written acknowledgment that such Person holds possession for Beneficiary's benefit, and with respect to any Collateral constituting Goods that are in the possession of a bailee, Trustor shall provide prompt notice to Beneficiary of any such Collateral then in the possession of such bailee, and Trustor shall take or cause to be taken all actions (other than any actions required to be taken by Trustee or Beneficiary) necessary or requested by Beneficiary to cause Beneficiary to have a perfected security interest in such Collateral under applicable law.

(c) This Section 4.03 and the obligations imposed on Trustor by this Section 4.03 shall be interpreted as broadly as possible in favor of Trustee or Beneficiary in order to effectuate the purpose and intent of this Mortgage.

Section 4.04 Not a Foreign Person. Trustor is not a "foreign person" within the meaning of the Code, sections 1445 and 7701 (i.e., Trustor is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined in the Code and any regulations promulgated thereunder).

Section 4.05 Power to Create Lien and Security. Trustor has full power and lawful authority to grant, bargain, sell, assign, transfer, mortgage and convey a security interest in all of the Collateral in the manner and form herein provided and without obtaining the authorization, approval, consent or waiver of any lessor, sublessor, governmental authority or other party or parties whomsoever.

Section 4.06 Revenue. Trustor's ownership of the Hydrocarbon Interests and the undivided interests therein as specified on Exhibit A will, after giving full effect to all Permitted Encumbrances, afford Trustor not less than those net overriding royalty interests (expressed as a fraction, percentage or

decimal) in the production from or which is allocated to such Hydrocarbon Interest specified as Overriding Royalty Interest on Exhibit A.

Section 4.07 Abandonment, Sales. Trustor will not sell, lease, assign, transfer or otherwise dispose of or abandon any of the Hydrocarbon Interests or the Collateral except as permitted by this Mortgage.

Section 4.08 Further Identification of Collateral. Trustor will furnish to the Beneficiary from time to time, at the Trustor's sole cost and expense, statements and schedules further identifying and describing the Hydrocarbon Interests and the Collateral as Beneficiary may reasonably request, all in reasonable detail.

Section 4.09 Failure to Perform. Trustor agrees that if it fails to perform any act or to take any action which it is required to perform or take hereunder or pay any money which Trustor is required to pay hereunder, each of Beneficiary and Trustee in Trustor's name or its or their own name, may, but shall not be obligated to, perform or cause to perform such act or take such action or pay such money, and any expenses so incurred by either of them and any money so paid by either of them shall be a demand obligation owing by Trustor to Beneficiary or Trustee, as the case may be, and each of Beneficiary and Trustee, upon making such payment, shall be subrogated to all of the rights of the Person receiving such payment.

Section 4.10 Distributions. Trustor will not declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, return any capital to its sole member or make any distribution of its Property to its sole member, except that so long as no Default or Event of Default has occurred and is continuing, or would exist after giving effect thereto, Trustor may declare and pay cash distributions to its sole member to the extent of Available Cash.

ARTICLE V RIGHTS AND REMEDIES

Section 5.01 Event of Default. It shall be an "Event of Default" under this Mortgage if BPEP shall fail to pay any Contribution Obligation when due, and such failure shall continue unremedied for a period of ten (10) Business Days or any "Event of Default" shall occur and be continuing under and as defined in the Pledge Agreement.

Section 5.02 Foreclosure and Sale.

If an Event of Default shall occur and be continuing, to the extent provided by applicable law, Beneficiary shall have the right and option to proceed with foreclosure by: (i) with respect to that portion of the Mortgaged Property located in or adjacent to any Deed of Trust State directing the Trustee to proceed by power of sale, and (ii) with respect to that portion of the Mortgaged Property located in or adjacent to any Mortgage State, (A) judicial action or proceeding, or (B) if permitted in the Mortgage State by power of sale to sell all or any portion of such Mortgaged Property. Trustee may sell said Mortgaged Property either as a whole or in separate parcels, and in such order as it may determine. The purchase price shall be payable in lawful money of the United States at the time of the sale. Beneficiary may credit bid at any such sale, and if Beneficiary is the successful purchaser, it may apply any of the outstanding Secured Obligations in settlement of the purchase price (in the order of priority set forth in Section 5.17). In exercising the power of sale contained herein, Trustee may hold one or more sales of all or any portion of

the Mortgaged Property by public announcement at the time and place of sale set forth in the notice thereof, as may be required by law, or, in the absence of such requirement, as the Trustee and/or Beneficiary may deem appropriate, and from time to time thereafter may postpone such sale or sales of all or any portion of the Mortgaged Property to the same or separate days by public announcement at such time fixed by the preceding postponement. Where the Mortgaged Property is situated in more than one jurisdiction, notice as above provided shall be posted and filed in all such jurisdictions (if such notices are required by law), and all such Mortgaged Property may be sold in any such jurisdiction and any such notice shall designate the jurisdiction where such Mortgaged Property is to be sold. Nothing contained in this Section 5.02 shall be construed so as to limit in any way any rights to sell the Mortgaged Property or any portion thereof by private sale if and to the extent that such private sale is permitted under the laws of the applicable jurisdiction or by public or private sale after entry of a judgment by any court of competent jurisdiction so ordering. Trustor hereby irrevocably appoints Trustee, with full power of substitution, to be the Trustor's attorney-in-fact and in the name and on behalf of Trustor, at any time after the occurrence and during the continuance of an Event of Default, to execute and deliver any deeds, transfers, conveyances, assignments, assurances and notices which Trustor ought to execute and deliver and do and perform any and all such acts and things which Trustor ought to do and perform under the covenants herein contained and generally, to use the name of Trustor in the exercise of all or any of the powers hereby conferred on Trustee. At any such sale: whether made under the power herein contained or any other legal enactment, or by virtue of any judicial proceedings or any other legal right, remedy or recourse, it shall not be necessary for Trustee to have physically present, or to have constructive possession of, the Mortgaged Property (Trustor hereby covenanting and agreeing to deliver to Trustee any portion of the Mortgaged Property not actually or constructively possessed by Trustee promptly upon demand by Trustee) and the title to and right of possession of any such property shall pass to the purchaser thereof as completely as if the same had been actually present and delivered to purchaser at such sale, each instrument of conveyance executed by Trustee shall contain a general warranty of title, binding upon Trustor and its successors and assigns, each and every recital contained in any instrument of conveyance made by Trustee shall conclusively establish (except as between Trustor and Trustee) the truth and accuracy of the matters recited therein, including, without limitation, nonpayment of the Secured Obligations and the existence of any other Event of Default, advertisement and conduct of such sale in the manner provided herein and otherwise by law and appointment of any successor Trustee hereunder, and any and all prerequisites to the validity thereof shall be conclusively presumed to have been performed, the receipt of Trustee or of such other party or officer making the sale shall be a sufficient discharge to the purchaser or purchasers for its purchase money and no such purchaser or purchasers, or its assigns or personal representatives, shall thereafter be obligated to see to the application of such purchase money, or be in any way answerable for any loss, misapplication or nonapplication thereof, to the fullest extent permitted by law, and Trustor shall be completely and irrevocably divested of all of its right, title, interest, claim and demand whatsoever, either at law or in equity, in and to the property sold and such sale shall be a perpetual bar both at law and in equity against Trustor, and against any and all other Persons claiming or to claim the property sold or any part thereof, by, through or under Trustor, and to the extent and under such circumstances as are permitted by law, Beneficiary may be a purchaser at any such sale, and shall have the right, after paying or accounting for all costs of said sale or sales, to credit the amount of the bid upon the amount of the Secured Obligations (in the order of priority set forth in Section 5.17) in lieu of cash payment.

(a) If an Event of Default shall occur and be continuing, then Beneficiary shall be entitled to all of the rights, powers and remedies afforded a secured party by the Applicable UCC with reference to the UCC Collateral, or Trustee or Beneficiary may proceed as to any UCC Collateral in accordance with the rights and remedies granted under this Mortgage or applicable law in respect of the

UCC Collateral. Such rights, powers and remedies shall be cumulative and in addition to those granted to the Trustee or Beneficiary under any other provision of this Mortgage or under any other Transaction Document. Written notice mailed to the Trustor as provided herein at least ten (10) days prior to the date of public sale of any part of the UCC Collateral which is personal property subject to the provisions of the Applicable UCC, or prior to the date after which private sale of any such part of the UCC Collateral will be made, shall constitute reasonable notice.

(b) Upon the occurrence of an Event of Default, this Mortgage may be foreclosed as to the Mortgaged Property, or any part thereof, in any manner permitted by applicable law. Cumulative of the foregoing and the other provisions of this Section 5.02 of this Mortgage:

(i) As to the Mortgaged Property located in the State of Texas (or within the offshore area over which the United States of America asserts jurisdiction and to which the laws of such state are applicable with respect to this Mortgage and/or the liens or security interests created hereby), Beneficiary may sell the Mortgaged Property at a public sale at auction held between 10 A.M. and 4 P.M. of the first Tuesday of a month. The sale shall take place at the county courthouse in the county in which the Mortgaged Property is located, or if it is located in more than one county, the sale will be made at the courthouse in one of those counties. The sale shall occur at the area at that courthouse which the commissioners' court of that county has designated as the place where such sales are to take place by designation recorded in the real property records of that county, or if no area is so designated, then the notice of sale shall designate the area at the courthouse where the sale covered by that notice is to take place, and the sale shall occur in that area. Notice of the sale shall include a statement of the earliest time at which the sale will occur and shall be given at least twenty-one (21) days before the date of the sale (1) by posting at the courthouse door of each county in which the Mortgaged Property is located a written notice designating the county in which the Mortgaged Property will be sold, (2) by filing in the Office of the County Clerk of each county in which the Mortgaged Property is located a copy of the notice posted under subsection (1) above and (3) by the holder of the Secured Obligations to which the power of sale is related serving written notice of the sale by certified mail on each debtor who, according to the records of a holder of the Secured Obligations, is obligated to pay the Secured Obligations. The sale shall begin at the time stated in the notice of sale or not later than three (3) hours after that time. Service of any notice hereunder by certified mail is complete when the notice is deposited in the United States mail, postage prepaid and addressed to the debtor entitled to it at that debtor's last known address as shown by the records of the holder of the Secured Obligations. The provisions of this Mortgage with respect to posting and giving notices of sale are intended to comply with the provisions of Section 51.002 of the Texas Property Code as in force and effect on the date hereof. and in the event the requirement for any notice under such Section 51.002 shall be eliminated or the prescribed manner of giving it shall be modified by future amendment to, or adoption of any statute superseding, such Section 51.002, the requirement for such particular notice shall be deemed stricken from or modified in of this Mortgage in conformity with such amendment or superseding statute, effective as of its effective date.

(ii) As to the Mortgaged Property now or hereafter located in, or otherwise subject to the laws of, the State of Louisiana (or within the offshore area over which the United States of America asserts jurisdiction and to which the laws of such state are applicable with respect to this Mortgage and/or the liens or security interests created hereby), Beneficiary may foreclose this Mortgage by executory process, or any other process, at Beneficiary's option, subject to, and on the terms and conditions required or permitted by, applicable law, and shall have the right to appoint a keeper of such Mortgaged Property. Any and all declarations of fact made by authentic act before a Notary Public in the presence of two witnesses by a person declaring that such facts lie within his or her knowledge shall

constitute authentic evidence of such facts for the purposes of executory process. Trustor specifically agrees that such an affidavit by a representative of Beneficiary as to the existence, amounts, terms and expiration or termination of the Trust Agreement and of a default thereunder shall constitute authentic evidence of such facts for purposes of executory process. For purposes of executory process, Trustor hereby acknowledges the Secured Obligations, whether now existing or to arise hereafter, and for Trustor, Trustor's successors and assigns, hereby 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 to Beneficiary hereunder, it shall be lawful for and Trustor hereby authorizes Beneficiary without making a demand or putting Trustor 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, Trustor waiving the benefit of any and all laws or parts of laws relative to appraisal of Mortgaged Property seized and sold under executory process or other legal process, and consenting that all or any part of the Mortgaged Property be sold without appraisal, either in its entirety or in lots or parcels, as Beneficiary may determine, to the highest bidder for cash or on such other terms as the plaintiff in such proceedings may direct. Beneficiary shall have all rights and remedies granted it hereunder as well as all rights and remedies granted to Beneficiary under Louisiana law including the Applicable UCC then in effect in Louisiana.

(iii) As to the Mortgaged Property located in the State of Mississippi (or within the offshore area over which the United States of America asserts jurisdiction and to which the laws of such state are applicable with respect to this Mortgage and/or the liens or security interests created hereby), Beneficiary may, at its election, proceed by suit or suits, at law or in equity, to enforce the payment of the Secured Obligations in accordance with the terms hereof and of the Transaction Documents or cause the Trustee to sell the Mortgaged Property to satisfy the Secured Obligations at public outcry to the highest bidder for cash on such other terms as Trustee may elect. The sale of the Mortgaged Property shall be advertised for three consecutive weeks preceding the sale in a newspaper published in the county where the Mortgaged Property is situated, or if none is so published, then in some newspaper having a general circulation therein, and by posting notice of sale for the same time at the courthouse of the same county. The notice and advertisement shall disclose the names of the original Trustor in this Mortgage. Trustor waives the provisions of Section 111 of the Constitution of the state of Mississippi and Section 89-1-55 of the Miss. Code of 1972, as far as such provisions restrict the right of the Trustee to offer at sale more than 160 acres at a time, and Trustee may offer the Mortgaged Property herein conveyed as a whole, regardless of how it is described. If the Mortgaged Property is situated in two or more counties, or in two judicial districts of the same county, Trustee shall have full powers to select which county, judicial district, the sale the Mortgaged Property is to be made, newspaper advertisement published and notice of sale posted, and Trustee's selection shall be binding upon Trustor and Beneficiary. Any officer of the Beneficiary may declare Trustor to be in default and request Trustee to sell the Mortgaged Property. Beneficiary shall have the same right to purchase the Mortgaged Property at the foreclosure sale as would a purchaser who is not a party to this Mortgage. At any sale hereunder, Trustee may, from time to time, adjourn said sale to such later date without readvertising the sale by giving notice of same in the time and place such sale is continued at the time Trustee shall make said adjournment.

(iv) As to the Mortgaged Property located in the State of Alabama (or within the offshore area over which the United States of America asserts jurisdiction and to which the laws of such state are applicable with respect to this Mortgage and/or the liens or security interests created hereby), if an Event of Default shall have occurred, Beneficiary may sell the Mortgaged Property to the highest bidder at public auction in front of the courthouse door in the county or counties, as may be

required, where the Mortgaged Property is located or in the county or counties adjacent to the Mortgaged Property located on the OCS, either in person or by auctioneer, after having first given notice of the time, place and terms of sale, together with a description of the property to be sold, by publication once a week for three (3) successive weeks prior to said sale in some newspaper published in said county or counties, as may be required, and, upon payment of the purchase money, Beneficiary or any person conducting the sale for Beneficiary is authorized to execute to the purchaser at said sale a deed to the Mortgaged Property so purchased. Beneficiary, or person conducting sale for Beneficiary may bid at said sale and purchase the Mortgaged Property, or any part thereof, if the highest bidder therefor. Beneficiary may, at its election, proceed by suit or suits, at law or in equity, to enforce the payment of the Secured Obligations in accordance with the terms hereof and of the Transaction Documents or sell the Mortgaged Property to satisfy the Secured Obligations in accord with Section 35-10-1, et seq, Alabama Code. At any sale hereunder, Beneficiary may, from time to time, adjourn said sale to such later date without readvertising the sale by giving notice of same in the time and place such sale is continued at the time Beneficiary shall make said adjournment.

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

Section 5.03 Substitute Trustee, Beneficiary and Agents. Each of Trustee and Beneficiary or its successor or substitute may appoint or delegate any one or more Persons as agent to perform any act or acts necessary or incident to any sale held by Trustee or Beneficiary, including, without limitation, the posting of notices and the conduct of sale, but in the name and on behalf of Trustee or Beneficiary or its successor or substitute, as applicable. If Trustee or Beneficiary or its successor or substitute shall have given notice of sale hereunder, any successor or substitute thereafter appointed may complete the sale and the conveyance of the Property pursuant thereto as if such notice had been given by the successor or substitute conducting the sale.

Section 5.04 Judicial Foreclosure; Receivership. If any of the Secured Obligations shall become due and payable and shall not be promptly paid, Trustee or Beneficiary shall have the right and power to proceed by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, or for any foreclosure hereunder or for the sale of the Collateral under the judgment or decree of any court or courts of competent jurisdiction, or for the appointment of a receiver pending any foreclosure hereunder or the sale of the Collateral under the order of a court or courts of competent jurisdiction or under executory or other legal process, or for the enforcement of any other appropriate legal or equitable remedy. Any money advanced by Trustee or Beneficiary in connection with any such receivership shall be a demand obligation (which obligation Trustor hereby expressly promises to pay) owing by Trustor to Trustee or Beneficiary.

Section 5.05 Foreclosure for Installments. Beneficiary shall also have the option to proceed with foreclosure in satisfaction of any installments of the Secured Obligations which have not been paid when due through the courts or by directing Trustee or his successors in trust to proceed with foreclosure in satisfaction of the matured but unpaid portion of the Secured Obligations as if under a full foreclosure, conducting the sale as herein provided and without declaring the entire principal balance and accrued interest and other Secured Obligations then due; such sale may be made subject to the unmatured portion of the Secured Obligations, and any such sale shall not in any manner affect the unmatured portion of the Secured Obligations, but as to such unmatured portion of the Secured Obligations this Mortgage shall

remain in full force and effect just as though no sale had been made hereunder. It is further agreed that several sales may be made hereunder without exhausting the right of sale for any unmatured part of the Secured Obligations, it being the purpose hereof to provide for a foreclosure and sale of the security for any matured portion of the Secured Obligations without exhausting the power to foreclose and sell the Collateral for any subsequently maturing portion of the Secured Obligations.

Section 5.06 Separate Sales. The Collateral may be sold in one or more parcels and to the extent permitted by applicable law in such manner and order as Beneficiary, in its sole discretion, may elect, it being expressly understood and agreed that the right of sale arising out of any Event of Default shall not be exhausted by any one or more sales.

Section 5.07 Possession of Collateral. If an Event of Default shall have occurred and be continuing, then, to the extent permitted by applicable law, Trustee or Beneficiary shall have the right and power to enter into and upon and take possession of all or any part of the Collateral in the possession of Trustor, its successors or assigns, or its or their agents or servants, and may exclude Trustor, its successors or assigns, and all persons claiming under Trustor, and its or their agents or servants wholly or partly therefrom; and, holding the same, Trustee may use, administer, manage, operate and control the Collateral and conduct the business thereof to the same extent as Trustor, its successors or assigns, might at the time do and may exercise all rights and powers of Trustor, in the name, place and stead of Trustor, or otherwise as Trustee shall deem best.

Section 5.08 Keeper. Beneficiary is hereby granted the right to name a keeper, without bond, of the Property at the time any seizure of the Property is effected, all in accordance with Louisiana Revised Statutes 9:5136, et seq. If the Mortgaged Property or any part thereof is seized as an incident to any action for the recognition or enforcement of this Mortgage, whether by executory process, writ of fieri facias, sequestration, or otherwise, the court issuing the order under which the seizure is to be effected shall, if such order is petitioned for by Beneficiary, direct the sheriff or other officer making the seizure to appoint as keeper and receiver of the Mortgaged Property such person as Beneficiary has designated as herein provided. The designation of a keeper and receiver of the Mortgaged Property in accordance with the provisions of Louisiana Revised Statutes 9:5136, et seq., is for the benefit of Beneficiary, but such designation shall not be deemed to require Beneficiary to provoke the appointment of any such keeper or receiver. The keeper or receiver shall perform its duties as a prudent administrator, and neither the keeper and receiver nor Beneficiary shall be liable to Trustor or any tenants or the Mortgaged Property or any other person for any financial or pecuniary loss or damage claimed to have been suffered by Trustor or any other person by reason of the administration of the Mortgaged Property and may operate the Mortgaged Property seized, whether immovable, movable or both, in the ordinary course of business. All revenues or other amounts received by the keeper and receiver during its administration shall be applied to the costs and expenses incurred by the keeper and receiver in the administration or preservation of the Mortgaged Property, and any balance shall be applied to the Note. The keeper and receiver shall render an accounting of its administration only at such time or times as the court before whom the proceedings are pending may direct, and all costs and expenses necessarily incurred by the keeper and receiver in the course of its administration shall be taxed as part of the court costs of the proceedings to the extent that they have not been satisfied out of the revenue previously received by the keeper and receiver. The compensation of a keeper is hereby fixed at 2% of the amount due or sued for, or claimed or sought to be protected or preserved, and shall be secured by the lien of the Mortgage. If the keeper and receiver or Trustor or Beneficiary is of the opinion that some actions beyond the ordinary course of administration and management of the Mortgaged Property is required to preserve or protect the Mortgaged Property, or if Trustor or Beneficiary believes the keeper and receiver is acting beyond its authority or is failing to act

in accordance with its authority, such party may apply to the court before whom the proceedings are pending, in summary proceeding with notice to Trustor and Beneficiary if they are not a party to such application, for instructions as to the proper course that should be taken by the keeper and receiver. The court may issue orders and instructions as to the proper course that should be taken by the keeper and receiver. The court may issue orders or instructions deemed necessary or appropriate for the protection of the Mortgaged Property and interests of the parties therein. An order of the proper court issued pursuant to such an application shall be full authority for the keeper and receiver to act in accordance therewith, and the keeper and receiver shall be fully protected from all claims of any person as a result thereof.

Section 5.09 In-Kind Election. If an Event of Default shall have occurred and be continuing, then, Beneficiary shall have the right to cause Trustor to receive the Hydrocarbons in-kind as provided in Section 1.6 of the Conveyance by delivering to BPEP and Beneficiary notice (an "In-Kind Election") of its election to do so. No In-Kind Election shall be deemed effective until the first day of the second month following the month in which BPEP receives written notice of an election from Beneficiary to make an In-Kind Election. If after the date of such election, such Event of Default is cured, Beneficiary shall deliver to BPEP and Trustor a written revocation thereof.

Section 5.10 Remedies Cumulative, Concurrent and Nonexclusive. Every right, power, privilege and remedy herein granted to Trustee or Beneficiary shall be cumulative and in addition to every other right, power and remedy herein specifically given or now or hereafter existing in equity, at law or by statute (including specifically those granted by the Applicable UCC in effect and applicable to the Collateral or any portion thereof). Each and every right, power, privilege 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 Trustee or Beneficiary, and the exercise, or the beginning of the exercise, or the abandonment, of any such right, power, privilege or remedy shall not be deemed a waiver of the right to exercise, at the same time or thereafter any other right, power, privilege or remedy. No delay or omission by Trustee or Beneficiary in the exercise of any right, power or remedy shall impair any such right, power, privilege or remedy or operate as a waiver thereof or of any other right, power, privilege or remedy then or thereafter existing.

Section 5.11 Discontinuance of Proceedings. If Trustee or Beneficiary shall have proceeded to invoke any right, remedy or recourse permitted hereunder or under any Transaction Document or available at law and shall thereafter elect to discontinue or abandon same for any reason, then it shall have the unqualified right so to do and, in such an event, the parties shall be restored to their former positions with respect to the Secured Obligations, this Mortgage, the Trust Agreement, the Collateral and otherwise, and the rights, remedies, recourses and powers of Trustee or Beneficiary, as applicable, shall continue as if same had never been invoked.

Section 5.12 No Release of Obligations. Neither Trustor nor any other Person hereafter obligated for payment or performance of all or any part of the Secured Obligations shall be relieved of such obligation by reason of: the failure of any Person so obligated to pay or perform the Secured Obligations as and when due; the failure of Trustee or Beneficiary to foreclose the Lien of this Mortgage or to enforce any provision hereunder or under the Trust Agreement or any other Transaction Document; the release, regardless of consideration, of the Collateral or any portion thereof or interest therein or the addition of any other property to the Collateral; any agreement or stipulation between any subsequent owner of the Collateral and Beneficiary extending, renewing, rearranging or in any other way modifying the terms of this Mortgage without first having obtained the consent of, given notice to or paid any consideration to Trustor or such other Person, and in such event Trustor and all such other persons shall

continue to be liable to make payment according to the terms of any such extension or modification agreement unless expressly released and discharged in writing by Beneficiary; or by any other act or occurrence save and except if the Secured Obligations are Paid In Full In Cash and any other obligations hereunder or under the Trust Agreement are completely fulfilled.

Section 5.13 Release of and Resort to Collateral. Beneficiary may release, regardless of consideration, any part of the Collateral without, as to the remainder, in any way impairing, affecting, subordinating or releasing the Lien created in or evidenced by this Mortgage or its stature as a first and prior Lien in and to the Collateral, and without in any way releasing or diminishing the liability of any Person liable for the repayment of the Secured Obligations. For payment of the Secured Obligations, Beneficiary may resort to any other security therefor held by Beneficiary or Trustee in such order and manner as Beneficiary may elect.

Section 5.14 Sales Acknowledgement. Any and all statements of fact or other recitals made in any deed or deeds, or other instruments of transfer, given in connection with a sale as to nonpayment of the Secured Obligations or as to the occurrence of any Event of Default, or as to Trustee or Beneficiary having declared all of the Secured Obligations to be due and payable, or as to the request to sell, or as to notice of time, place and terms of sale and the Mortgaged Property to be sold having been duly given, or as to any other act or thing having been duly done, shall be taken as prima facie evidence of the truth of the facts so stated and recited. With respect to any sale held in foreclosure of the liens and/or security interests covered hereby, it shall not be necessary for Trustee, Beneficiary, or any public officer acting under execution or order of the court or any other party, to have physically present or constructively in his/her or its possession either at the time of or prior to such sale, the Mortgaged Property or any part thereof.

Section 5.15 Waiver of Redemption, Notice and Marshalling of Assets, Etc. To the fullest extent permitted by law, Trustor hereby irrevocably and unconditionally waives and releases all benefits that might accrue to Trustor by virtue of any present or future moratorium law or other law exempting the Collateral from attachment, levy or sale on execution or providing for any appraisal, valuation, stay of execution, exemption from civil process, redemption or extension of time for payment; all notices of any Event of Default or of any election to exercise or any actual exercise of any right, remedy or recourse provided for hereunder or under any Transaction Document or available at law; and any right to a marshalling of assets or a sale in inverse order of alienation. Each successor and assign of Trustor, including without limitation, a holder of a Lien subordinate to the Lien created hereby (without implying that Trustor has, except as expressly provided herein, a right to grant an interest in, or a subordinate Lien on, the Mortgaged Property or the Collateral), by acceptance of its interest or Lien agrees that it shall be bound by the above waiver, as if it gave the waiver itself. The right to plead any and all statutes of limitation as a defense to any demand secured by or made pursuant to this Mortgage is hereby waived to the full extent permitted by law. If any law referred to in this Mortgage and now in force, of which Trustor or its successor or successors might take advantage despite the provisions hereof, shall hereafter be repealed or cease to be in force, such law shall thereafter be deemed not to constitute any part of the contract herein contained or to preclude the operation or application of the provisions hereof. Trustee and Beneficiary may enforce its rights hereunder without prior judicial process or judicial hearing to the extent permitted by law, and to the extent permitted by law, Trustor expressly waives any and all legal rights which might otherwise require Trustee or Beneficiary to enforce its rights by judicial process. If the laws of any state which provides for a redemption period do not permit the redemption period to be waived, the redemption period shall be specifically reduced to the minimum amount of time allowable by statute. Trustor waives and agrees not to assert any rights or privileges which it may acquire under the Applicable

UCC or any other applicable law. Trustor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Mortgaged Property or the Collateral are insufficient to pay its Secured Obligations and the fees and disbursements of any attorneys employed by Trustee or Beneficiary to collect such deficiency.

Section 5.16 Other Waivers. The Trustor hereby waives:

(a) The benefit of appraisal provided for in articles 2332, 2336, 2723 and 2724 of the Louisiana Code of Civil Procedure and all other laws conferring the same;

(b) The demand and three (3) days notice of demand as provided in article 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;

(d) The three (3) days delay provided for in articles 2331 and 2722 of the Louisiana Code of Civil Procedure;

(e) **All rights, remedies, claims and defenses based upon or related to Sections 51.003, 51.004 and 51.005 of the Texas Property Code, to the extent the same pertain or may pertain to any enforcement of this Mortgage; and**

(f) All other laws providing rights of notice, demand, appraisal, or delay.

Section 5.17 Application of Proceeds. The proceeds of any sale of the Collateral or any part thereof and all other monies received in any proceedings for the enforcement hereof or otherwise, whose application has not elsewhere herein been specifically provided for, shall be applied:

(a) First, to the payment of all reasonable expenses incurred by Trustee or Beneficiary incident to the enforcement of this Mortgage, the Trust Agreement or any Transaction Document to collect any portion of the Secured Obligations (including, without limiting the generality of the foregoing, expenses of any entry or taking of possession, of any sale, of advertisement thereof, and of conveyances, and court costs, compensation of agents and employees, legal fees, and a reasonable commission to Trustee acting, if applicable), and to the payment of all other reasonable charges, expenses, liabilities and advances incurred or made by Trustee or Beneficiary under this Mortgage or in executing any trust or power hereunder;

(b) Second, as set forth in Article II(C) of the Trust Agreement, including to the payment of any Contributions declared to be then due and payable pursuant to Article II(C)(4); and

(c) Third, to Trustor or as a court of competent jurisdiction may direct.

Section 5.18 Beneficiary Not "Beneficiary-In-Possession". It is understood and agreed that neither the assignment of Hydrocarbons, products therefrom, revenues and proceeds to Beneficiary pursuant to Section 3.01 nor the exercise by Beneficiary of any of its rights or remedies hereunder shall be deemed to make Beneficiary a "beneficiary-in-possession" or otherwise responsible or liable in any manner with respect to the Mortgaged Property or the use, occupancy, enjoyment or operation of all or

any portion thereof, nor shall appointment of a receiver for the Mortgaged Property by any court at the request of Beneficiary or by agreement with Trustor or the entering into possession of the Mortgaged Property or any part thereof by such receiver be deemed to make Beneficiary a "beneficiary-in-possession" or otherwise responsible or liable in any manner with respect to the Mortgaged Property or the use, occupancy, enjoyment or operation of all or any portion thereof.

Section 5.19 Indemnity. TRUSTEE, BENEFICIARY, THE TRUST AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, ATTORNEYS, ACCOUNTANTS AND EXPERTS (THE "INDEMNIFIED PARTIES") SHALL NOT BE LIABLE, IN CONNECTION WITH ANY ACTION TAKEN OR OMITTED, FOR ANY LOSS SUSTAINED BY TRUSTOR RESULTING FROM AN ASSERTION THAT THE MORTGAGEE HAS RECEIVED FUNDS FROM THE PRODUCTION OF HYDROCARBONS CLAIMED BY THIRD PERSONS OR ANY ACT OR OMISSION OF ANY INDEMNIFIED PARTY IN ADMINISTERING, MANAGING, OPERATING OR CONTROLLING THE MORTGAGED PROPERTY INCLUDING SUCH LOSS WHICH, PRIOR TO THE DATE AN INDEMNIFIED PARTY BECOMES THE OWNER OR OPERATOR OF THE COLLATERAL, RESULTS FROM THE ORDINARY NEGLIGENCE OF AN INDEMNIFIED PARTY UNLESS SUCH LOSS IS CAUSED BY THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF THE INDEMNIFIED PARTY SEEKING INDEMNITY. NO INDEMNIFIED PARTY WILL BE OBLIGATED TO PERFORM OR DISCHARGE ANY OBLIGATION, DUTY OR LIABILITY OF TRUSTOR. IF ANY INDEMNIFIED PARTY SHALL MAKE ANY EXPENDITURE ON ACCOUNT OF ANY SUCH LIABILITY, LOSS OR DAMAGE, THE AMOUNT THEREOF, INCLUDING COSTS, EXPENSES AND REASONABLE ATTORNEYS' FEES, SHALL BE PAYABLE TEN DAYS AFTER DEMAND. TRUSTOR HEREBY ASSENTS TO, RATIFIES AND CONFIRMS ANY AND ALL ACTIONS OF EACH INDEMNIFIED PARTY WITH RESPECT TO THE MORTGAGED PROPERTY TAKEN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS MORTGAGE. THE LIABILITIES OF TRUSTOR AS SET FORTH IN THIS SECTION 5.19 SHALL SURVIVE THE TERMINATION OF THIS MORTGAGE.

ARTICLE VI TRUSTEE

Section 6.01 Duties, Rights, and Powers of Trustee. It shall be no part of the duty of Trustee to see to any recording, filing or registration of this Mortgage or any other instrument in addition or supplemental thereto, or to give any notice thereof, or to see to the payment of or be under any duty in respect of any tax or assessment or other governmental charge which may be levied or assessed on the Mortgaged Property, or any part thereof, or against Trustor, or to see to the performance or observance by Trustor of any of the covenants and agreements contained herein. Trustee shall not be responsible for the execution, acknowledgment or validity of this Mortgage or of any instrument in addition or supplemental hereto or for the sufficiency of the security purported to be created hereby, and makes no representation in respect thereof or in respect of the rights of Beneficiary. Trustee shall have the right to advise with counsel upon any matters arising hereunder and shall be fully protected in relying as to legal matters on the advice of counsel. Trustee shall not incur any personal liability hereunder except for Trustee's own willful misconduct; and Trustee shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by him hereunder, believed by him in good faith to be genuine.

Section 6.02 Successor Trustee. Trustee may resign by written notice addressed to Beneficiary or be removed at any time with or without cause by an instrument in writing duly executed on behalf of Beneficiary. In case of the death, resignation or removal of Trustee, a successor Trustee may be appointed by Beneficiary by instrument of substitution complying with any applicable requirements of law, or, in the absence of any such requirement, without other formality than appointment and designation

in writing. Written notice of such appointment and designation shall be given by Beneficiary to Trustor, but the validity of any such appointment shall not be impaired or affected by failure to give such notice or by any defect therein. Such appointment and designation shall be full evidence of the right and authority to make the same and of all the facts therein recited, and, upon the making of any such appointment and designation, this Mortgage shall vest in the successor Trustee all the estate and title in and to all of the Mortgaged Property in or adjacent to any Deed of Trust State, and the successor Trustee shall thereupon succeed to all of the rights, powers, privileges, immunities and duties hereby conferred upon Trustee named herein, and one such appointment and designation shall not exhaust the right to appoint and designate a successor Trustee hereunder but such right may be exercised repeatedly as long as any Secured Obligations remains unpaid hereunder. To facilitate the administration of the duties hereunder, Beneficiary may appoint multiple Trustees to serve in such capacity or in such jurisdictions as Beneficiary may designate.

Section 6.03 Retention of Moneys. All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by law), and Trustee shall be under no liability for interest on any moneys received by him hereunder.

Section 6.04 Beneficiary Attorney-In-Fact. Trustor hereby irrevocably constitutes and appoints Beneficiary the attorney-in-fact of Trustor, and in such capacity, Beneficiary, its counsel or its representative, may from time to time, execute, deliver and file with the appropriate filing officer or office such security agreements, financing statements, continuation statements, amendments, other filing or recording documents or instruments as Beneficiary may request or require, in such form as Beneficiary reasonably determines appropriate, in order to impose, perfect, protect, preserve the priority of, or enforce, the Liens on the Collateral.

ARTICLE VII MISCELLANEOUS

Section 7.01 Instrument Construed. With respect to any portions of the Mortgaged Property located in any state or other jurisdiction the laws of which do not provide for the use or enforcement of a deed of trust or the office, rights and authority of Trustee as herein provided, the general language of conveyance hereof to Trustee is intended and the same shall be construed as words of mortgage unto and in favor of Beneficiary and the rights and authority granted to Trustee herein may be enforced and asserted by Beneficiary in accordance with the laws of the jurisdiction in which such portion of the Mortgaged Property is located and/or the jurisdiction which is adjacent to the Mortgaged Property located on the OCS and the same may be foreclosed at the option of Beneficiary as to any or all such portions of the Mortgaged Property in any manner permitted by the laws of the jurisdiction in which such portions of the Mortgaged Property is situated and/or the jurisdiction which is adjacent to the Mortgaged Property located on the OCS. This Mortgage may be construed as a mortgage, deed of trust, chattel mortgage, conveyance, assignment, security agreement, fixture filing, pledge, financing statement, hypothecation or contract, or any one or more of them, in order fully to effectuate the Lien hereof and the purposes and agreements herein set forth.

Section 7.02 Releases.

(a) Full Release. If all Secured Obligations shall be Paid In Full In Cash, Beneficiary shall forthwith cause satisfaction and discharge of this Mortgage to be entered upon the

record at the expense of Trustor and shall execute and deliver or cause to be executed and delivered such instruments of reconveyance, satisfaction and reassignment as may be appropriate. Otherwise, this Mortgage shall remain and continue in full force and effect.

(b) Partial Release. If new collateral is substituted for existing Collateral as provided in and subject to Section 16(d) of the Pledge Agreement, then Beneficiary, at the request and sole expense of Trustor, shall promptly execute and deliver to Trustor all releases, re-conveyances or other documents reasonably necessary or desirable for the release of the Liens created hereby on such existing Collateral to be released.

Section 7.03 Severability. If any provision hereof is invalid or unenforceable in any jurisdiction, the other provisions hereof shall remain in full force and effect in such jurisdiction and the remaining provisions hereof shall be liberally construed in favor of Trustee and Beneficiary in order to effectuate the provisions hereof. The invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of any such provision in any other jurisdiction.

Section 7.04 Successors and Assigns. The terms used to designate any party or group of Persons shall be deemed to include the respective heirs, legal representatives, successors and assigns of such Persons.

Section 7.05 References. The words "herein," "hereof," "hereunder" and other words of similar import when used in this Mortgage refer to this Mortgage as a whole, and not to any particular article, section or subsection. Any reference herein to a Section shall be deemed to refer to the applicable Section of this Mortgage unless otherwise stated herein. Any reference herein to an exhibit or schedule shall be deemed to refer to the applicable exhibit or schedule attached hereto unless otherwise stated herein. The words "include", "includes" and "including" as used in this Mortgage shall be deemed to be followed by the phrase "without limitation". Unless the context requires otherwise any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth in the Transaction Documents). Any reference herein to any law shall be construed as referring to such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time.

Section 7.06 Application of Payments to Certain Obligations. If any part of the Secured Obligations cannot be lawfully secured by this Mortgage or if any part of the Collateral cannot be lawfully subject to the Lien hereof to the full extent of the Secured Obligations, then all payments made shall be applied on said Secured Obligations first in discharge of that portion thereof which is not secured by this Mortgage.

Section 7.07 Subrogation of Trustee. This Mortgage is made with full substitution and subrogation of Trustee and his successors in this trust and his and their assigns in and to all covenants and warranties by others heretofore given or made in respect of the Mortgaged Property or any part thereof.

Section 7.08 Nature of Covenants. The covenants and agreements herein contained shall constitute covenants running with the land and interests covered or affected hereby and shall be binding upon the heirs, legal representatives, successors and assigns of the parties hereto.

Section 7.09 Notices. All notices, requests, consents, demands and other communications required or permitted hereunder shall be in writing and shall be deemed sufficiently given or furnished if delivered by registered or certified United States mail, postage prepaid, or by personal service (including express or courier service) at the addresses specified in Section 7.13 (unless changed by similar notice in writing given by the particular party whose address is to be changed). Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of delivery at the address and in the manner provided herein, upon receipt; provided that, service of notice as required by the laws of any state in which portions of the Mortgaged Property may be situated shall for all purposes be deemed appropriate and sufficient with the giving of such notice.

Section 7.10 Counterparts. This Mortgage is being executed in several counterparts, all of which are identical, except that to facilitate recordation, if the Mortgaged Property is situated in or on the OCS adjacent to more than one county or parish, descriptions of only those portions of the Mortgaged Property located in or on the OCS adjacent to the county or parish in which a particular counterpart is recorded shall be attached as Exhibit A to such counterpart, and if the Mortgaged Property is located in more than one county or parish, the filing party may choose to attach as Exhibit A descriptions of only those portions of the Mortgaged Property located in the county or parish in which a particular counterpart is recorded. Each of such counterparts shall for all purposes be deemed to be an original and all such counterparts shall together constitute but one and the same instrument. Complete copies of this Mortgage containing the entire Exhibit A have been retained by Beneficiary.

Section 7.11 Governing Law. Insofar as permitted by otherwise applicable law, this Mortgage shall be construed under and governed by the laws of the State of Texas; provided, however, that, with respect to any portion of the Mortgaged Property located outside of the State of Texas, the laws of the place in which such property is located in, or offshore area adjacent to (and State law made applicable as a matter of Federal law), shall apply to the extent of procedural and substantive matters relating only to the creation, perfection, foreclosure of Liens and enforcement of rights and remedies against the Mortgaged Property.

Section 7.12 Financing Statement; Fixture Filing. This Mortgage shall be effective as a financing statement filed as a fixture filing with respect to all Fixtures included within the Mortgaged Property and is to be filed or filed for record in the real estate records, mortgage records or other appropriate records of the county in which the Mortgaged Property is located or the county or counties adjacent to the Mortgaged Property located on the OCS and of any Louisiana parish for filing in the central registry. This Mortgage shall also be effective as a financing statement covering As-Extracted Collateral (including oil and gas and all other substances of value which may be extracted from the ground) and accounts financed at the wellhead or minehead of wells or mines located on the properties subject to the Applicable UCC and is to be filed for record in the real estate records, UCC records or other appropriate records of the county in which the Mortgaged Property is located or the county which is adjacent to the Mortgaged Property located on the OCS and of any Louisiana parish for filing in the central registry.

Section 7.13 Authorization of Financing Statements. Pursuant to the Applicable UCC, the Trustor authorizes Beneficiary, its counsel or its representative, at any time and from time to time, to file or record financing statements, continuation statements, amendments thereto and other filing or recording documents or instruments with respect to the Collateral without the signature of Beneficiary in such form and in such offices as Beneficiary reasonably determines appropriate to perfect the security interests of Beneficiary under this Mortgage. Trustor also authorizes Beneficiary, its counsel or its representative, at

any time and from time to time, to file or record such financing statements that describe the collateral covered thereby as "all assets of the Trustor", "all personal property of the Trustor" or words of similar effect. Trustor shall pay all costs associated with the filing of such instruments.

In that regard, the following information is provided:

Address of Trustor: Verano Collateral Holdings LLC
501 WestLake Park Boulevard
Houston, Texas 77079
Attn.: Mark Holstein
Telecopy: (281) 366-5901

Address of Beneficiary: John S. Martin, Jr.,
a Trustee of The Deepwater Horizon Oil Spill Trust
c/o Martin & Obermaier, LLC
565 Fifth Avenue
New York, NY 10017
Fax No.: 212-883-7688

Kent D. Syverud,
a Trustee of The Deepwater Horizon Oil Spill Trust
One Brookings Drive
Anheuser Busch Hall
Campus Box 1120
St. Louis, MO 63130
Fax No.: 314-935-6493

with a copy (which shall not constitute notice) to:

James L. Rice, III
1111 Louisiana St., 44th Floor
Houston, TX 77002
Fax No.: 713-236-0832

Owner of Record of
Mortgaged Property: Verano Collateral Holdings LLC

Section 7.14 Exculpation Provisions. EACH OF THE PARTIES HERETO SPECIFICALLY AGREES THAT IT HAS A DUTY TO READ THIS MORTGAGE; AND AGREES THAT IT IS CHARGED WITH NOTICE AND KNOWLEDGE OF THE TERMS OF THIS MORTGAGE; THAT IT HAS IN FACT READ THIS MORTGAGE AND IS FULLY INFORMED AND HAS FULL NOTICE AND KNOWLEDGE OF THE TERMS, CONDITIONS AND EFFECTS OF THIS MORTGAGE; THAT IT HAS BEEN REPRESENTED BY INDEPENDENT LEGAL COUNSEL OF ITS CHOICE THROUGHOUT THE NEGOTIATIONS PRECEDING ITS EXECUTION OF THIS MORTGAGE; AND HAS RECEIVED THE ADVICE OF ITS ATTORNEY IN ENTERING INTO THIS

MORTGAGE; AND THAT IT RECOGNIZES THAT CERTAIN OF THE TERMS OF THIS MORTGAGE RESULT IN ONE PARTY ASSUMING THE LIABILITY INHERENT IN SOME ASPECTS OF THE TRANSACTION AND RELIEVING THE OTHER PARTY OF ITS RESPONSIBILITY FOR SUCH LIABILITY. EACH PARTY HERETO AGREES AND COVENANTS THAT IT WILL NOT CONTEST THE VALIDITY OR ENFORCEABILITY OF ANY EXCULPATORY PROVISION OF THIS MORTGAGE ON THE BASIS THAT THE PARTY HAD NO NOTICE OR KNOWLEDGE OF SUCH PROVISION OR THAT THE PROVISION IS NOT "CONSPICUOUS."

Section 7.15 Notary Public. The parties relieve and release the undersigned notary public of any duty to produce and attach mortgage or conveyance certificates.

Section 7.16 No Paraph. The Trustor acknowledges that no instrument has been presented to the undersigned Notary Public(s) to be paraphed for identification herewith.

Section 7.17 Acceptance by Agent. In accordance with the provisions of Louisiana Civil Code article 3289, Beneficiary has accepted the benefits of the Mortgage without the necessity of execution by Beneficiary.

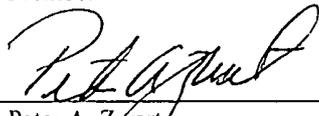
Section 7.18 Multiple Indebtedness Mortgage. This Mortgage has been executed by Trustor pursuant to article 3298 of the Louisiana Civil Code for the purpose of securing the Secured Obligations, whether now existing or arising hereafter, with the preferences and priorities provided under applicable Louisiana law. However, nothing under this Mortgage shall be construed as limiting the duration of this Mortgage or the purpose or purposes for which the Secured Obligations can be requested or extended.

[SIGNATURES BEGIN NEXT PAGE]

THUS DONE AND PASSED on this 30 day of September, 2010, to be effective as of the Effective Date, under seal before the undersigned Notary Public and competent witnesses.

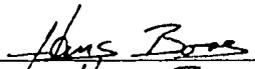
VERANO COLLATERAL HOLDINGS
LLC, a Delaware limited liability company

By: BP Exploration & Production Inc.,
Its Sole Member

By: 
Peter A. Zwart,
Vice President

WITNESSES:

By: 
Name: Steven L. Gray

By: 
Name: HANS BOAS


NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

Notary's Full Name and Identification No. Brenda Pennington
My Commission Expires: 09-24-2013

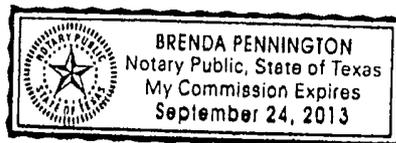


EXHIBIT A

to

DEED OF TRUST, MORTGAGE, MULTIPLE INDEBTEDNESS MORTGAGE,
FIXTURE FILING, ASSIGNMENT OF AS-EXTRACTED COLLATERAL, SECURITY
AGREEMENT AND FINANCING STATEMENT

Introduction

The capitalized terms used but not defined in this Exhibit A are used as defined in the Mortgage. For recording purposes, in regards to each county or parish portion to this Exhibit A, this Introduction may be attached to an original executed copy of the Deed of Trust, Mortgage, Multiple Indebtedness Mortgage, Fixture Filing, Assignment of As-Extracted Collateral, Security Agreement and Financing Statement to be separately filed of record in each such county or parish.

EXHIBIT A
LEASES (HYDROCARBON INTERESTS)

Field	Overriding Royalty Percentage of Trustor	Net Revenue Interest of BPEP	MMS OCS Lease Serial Number	Lease Effective Date	Original Lessee(s)	Lease Acres	Legal Description
Atlantis	90% of NRI	33.3102%	USA OCS-G 15604	7/1/1995	BHP Petroleum (Americas) Inc. & BP Exploration & Oil Inc.	5760	All of Block 699, Green Canyon, OCS Official Protraction Diagram, NG15-03
Atlantis	90% of NRI	33.3102%	USA OCS-G 15605	7/1/1995	BHP Petroleum (Americas) Inc. & BP Exploration & Oil Inc.	5760	All of Block 700, Green Canyon, OCS Official Protraction Diagram, NG15-03
Atlantis	90% of NRI	33.3102%	USA OCS-G 15606	7/1/1995	BHP Petroleum (Americas) Inc. & BP Exploration & Oil Inc.	5760	All of Block 742, Green Canyon, OCS Official Protraction Diagram, NG15-03
Atlantis	90% of NRI	33.3102%	USA OCS-G 15607	7/1/1995	BHP Petroleum (Americas) Inc. & BP Exploration & Oil Inc.	5760	All of Block 743, Green Canyon, OCS Official Protraction Diagram, NG15-03
Atlantis	90% of NRI	33.3102%	USA OCS-G 15608	7/1/1995	BHP Petroleum (Americas) Inc. & BP Exploration & Oil Inc.	5760	All of Block 744, Green Canyon, OCS Official Protraction Diagram, NG15-03

EXHIBIT A
LEASES (HYDROCARBON INTERESTS)

Field	Overriding Royalty Percentage of Trustor	Net Revenue Interest of BPEP	MMS OCS Lease Serial Number	Lease Effective Date	Original Lessee(s)	Lease Acres	Legal Description
Mars	90% of NRI	24.9375%	USA OCS-G 7957	7/1/1985	Shell Offshore Inc.	5760	All of Block 762, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Mars	90% of NRI	24.9375%	USA OCS-G 7958	7/1/1985	Shell Offshore Inc.	5760	All of Block 763, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Mars	90% of NRI	24.9375%	USA OCS-G 8852	6/1/1987	Atlantic Richfield Company	5760	All of Block 764, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Mars	90% of NRI	24.9375%	USA OCS-G 7962	7/1/1985	Shell Offshore Inc.	5760	All of Block 806, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Mars	90% of NRI	24.9375%	USA OCS-G 7963	7/1/1985	Shell Offshore Inc.	5760	All of Block 807, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Mars	90% of NRI	24.9375%	USA OCS-G 9881	5/1/1988	Shell Offshore Inc.	5760	All of Block 850, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Mars	90% of NRI	24.9375%	USA OCS-G 9882	5/1/1988	Shell Offshore Inc.	5760	All of Block 851, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10

EXHIBIT A
LEASES (HYDROCARBON INTERESTS)

Field	Overriding Royalty Percentage of Trustor	Net Revenue Interest of BPEP	MMS OCS Lease Serial Number	Lease Effective Date	Original Lessee(s)	Lease Acres	Legal Description
Europa	90% of NRI	29.1637%	USA OCS-G 7969	7/1/1985	Conoco Inc.	5760	All of Block 890, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Europa	90% of NRI	29.1637%	USA OCS-G 7975	7/1/1985	Shell Offshore Inc.	5760	All of Block 934, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Europa	90% of NRI	29.1637%	USA OCS-G 7976	7/1/1985	Shell Offshore Inc.	5760	All of Block 935, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10

EXHIBIT A
LEASES (HYDROCARBON INTERESTS)

Field	Overriding Royalty Percentage of Trustor	Net Revenue Interest of BPEP	MMS OCS Lease Serial Number	Lease Effective Date	Original Lessee(s)	Lease Acres	Legal Description
Ursa	90% of NRI	19.8551%	USA OCS-G 12166	5/1/1990	Shell Offshore Inc.	5760	All of Block 765, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Ursa	90% of NRI	19.8551%	USA OCS-G 14653	5/1/1994	Shell Offshore Inc.	5760	All of Block 766, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Ursa	90% of NRI	19.8551%	USA OCS-G 6981	6/1/1984	Exxon Corporation Conoco Inc., Exxon Corporation, Getty Oil Company	5760	All of Block 808, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Ursa	90% of NRI	19.8551%	USA OCS-G 5868	7/1/1983	Shell Offshore Inc.	5760	All of Block 809, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Ursa	90% of NR	19.8551%	USA OCS-G 9873	5/1/1988	Shell Offshore Inc.	5760	All of Block 810, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Ursa	90% of NRI	19.8551%	USA OCS-G 5871	7/1/1983	Getty Oil Company, Exxon Corporation, Conoco Inc.	5760	All of Block 853, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10

EXHIBIT A
LEASES (HYDROCARBON INTERESTS)

Field	Overriding Royalty Percentage of Trustor	Net Revenue Interest of BPEP	MMS OCS Lease Serial Number	Lease Effective Date	Original Lessee(s)	Lease Acres	Legal Description
Ursa	90% of NRI	19.8551%	USA OCS-G 9883	5/1/1988	Shell Offshore Inc.	5760	All of Block 854, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Crosby	90% of NRI	43.7500%	USA OCS-G 9896	5/1/1988	Shell Offshore Inc.	5760	All of Block 899, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10

EXHIBIT A
LEASES (HYDROCARBON INTERESTS)

Field	Overriding Royalty Percentage of Trustor	Net Revenue Interest of BPEP	MMS OCS Lease Serial Number	Lease Effective Date	Original Lessee(s)	Lease Acres	Legal Description
Thunder Horse	90% of NRI	58.4063%	USA OCS-G 19997	8/1/1998	BP Exploration & Oil Inc.	5760	All of Block 775, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Thunder Horse	90% of NRI	58.4063%	USA OCS-G 09866	5/1/1988	Conoco Inc.	5760	All of Block 776, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Thunder Horse	90% of NRI	58.4063%	USA OCS-G 09867	5/1/1988	Conoco Inc.	5760	All of Block 777, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Thunder Horse	90% of NRI	58.4063%	USA OCS-G 09868	5/1/1988	Conoco Inc.	5760	All of Block 778, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Thunder Horse	90% of NRI	58.4063%	USA OCS-G 14657	5/1/1994	BP Exploration & Oil Inc.	5760	All of Block 821, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Thunder Horse	90% of NRI	58.4063%	USA OCS-G 14658	5/1/1994	BP Exploration & Oil Inc.	5760	All of Block 822, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10

EXHIBIT A
LEASES (HYDROCARBON INTERESTS)

Field	Overriding Royalty Percentage of Trustor	Net Revenue Interest of BPEP	MMS OCS Lease Serial Number	Lease ^{2a} Effective Date	Original Lessee(s)	Lease Acres	Legal Description
Horn Mountain	90% of NRI	58.3333%	USA OCS-G 18194	7/1/1997	Vastar Resources, Inc.	5760	All of Block 126, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Horn Mountain	90% of NRI	58.3333%	USA OCS-G 19925	7/1/1998	OXY USA Inc. & Vastar Resources, Inc.	5760	All of Block 127, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10

EXHIBIT A
LEASES (HYDROCARBON INTERESTS)

* Sliding Scale on ORRI is .25% - 6.00%, depending on gross production

Field	Overriding Royalty Percentage of Trustor	Net Revenue Interest of BPEP	MMS OCS Lease Serial Number	Lease Effective Date	Original Lessee(s)	Lease Acres	Legal Description
Great White	90% of NRI	23.3509%- 21.8120% * Sliding scale	USA OCS- G 24593	12/1/2002	Shell Offshore Inc.	5760	All of Block 812, Alaminos Canyon, OCS Official Protraction Diagram NG15-04
Great White	90% of NRI	23.3509%- 21.8120% * Sliding scale	USA OCS- G 17561	1/1/1997	Shell Offshore Inc.	5760	All of Block 813, Alaminos Canyon, OCS Official Protraction Diagram NG15-04
Great White	90% of NRI	23.3509%- 21.8120% * Sliding scale	USA OCS- G 20862	12/1/1998	Texaco Exploration and Production Inc. & Shell Deepwater Development Inc.	5760	All of Block 814, Alaminos Canyon, OCS Official Protraction Diagram NG15-04
Great White	90% of NRI	23.3509%- 21.8120% * Sliding scale	USA OCS- G 20870	11/1/1998	CXY Energy Offshore Inc., Petrofina Delaware, Incorporated, Elf Exploration, Inc.	5760	All of Block 856, Alaminos Canyon, OCS Official Protraction Diagram NG15-04
Great White	90% of NRI	23.3509%- 21.8120% * Sliding scale	USA OCS- G 17565	1/1/1997	Shell Offshore Inc.	5760	All of Block 857, Alaminos Canyon, OCS Official Protraction Diagram NG15-04

EXHIBIT A
LEASES (HYDROCARBON INTERESTS)

Field	Overriding Royalty Percentage of Trustor	Net Revenue Interest of BPEP	MMS OCS Lease Serial Number	Lease Effective Date	Original Lessee(s)	Lease Acres	Legal Description
Great White	90% of NRI	23.3509%- 21.8120% * Sliding scale	USA OCS-G 17570	1/1/1997	Shell Offshore Inc.	5760	All of Block 900, Alaminos Canyon, OCS Official Protraction Diagram NG15-04
Great White	90% of NRI	23.3509%- 21.8120% * Sliding scale	USA OCS-G 17571	1/1/1997	Shell Offshore Inc., Texaco Exploration and Production Inc, Amoco Production Company	5760	All of Block 901, Alaminos Canyon, OCS Official Protraction Diagram NG15-04

* Sliding Scale on ORRI is .25% - 6.00%, depending on gross production

EXHIBIT A
LEASES (HYDROCARBON INTERESTS)

Field	Overriding Royalty Percentage of Trustor	Net Revenue Interest of BPEP	MMS OCS Lease Serial Number	Lease Effective Date	Original Lessee(s)	Lease Acres	Legal Description
Na Kika (Ariel)	90% of NRI	43.7500%	USA OCS-G 07938	7/1/1985	Mobil Oil Exploration & Producing Southeast Inc.	5760	All of Block 385, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Na Kika (Ariel)	90% of NRI	43.7500%	USA OCS-G 07944	7/1/1985	Shell Offshore Inc.	5760	All of Block 429, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Na Kika (Ariel)	90% of NRI	43.7500%	USA OCS-G 09808	5/1/1988	Shell Offshore Inc.	5760	All of Block 429, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Na Kika (Herschel-Fourier)	90% of NRI	43.7500%	USA OCS-G 09821	5/1/1988	Shell Offshore Inc.	5760	All of Block 520, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Na Kika (Herschel-Fourier)	90% of NRI	43.7500%	USA OCS-G 08823	6/1/1987	Shell Offshore Inc.	5760	All of Block 522, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Na Kika (Herschel-Fourier)	90% of NRI	43.7500%	USA OCS-G 08831	6/1/1987	Shell Offshore Inc.	5760	All of Block 566, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Na Kika (Kepler)	90% of NRI	43.7500%	USA OCS-G 07937	8/1/1985	Shell Offshore Inc.	5760	All of Block 383, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10

**EXHIBIT A
LEASES (HYDROCARBON INTERESTS)**

Field	Overriding Royalty Percentage of Trustor	Net Revenue Interest of BPEP	MMS OCS Lease Serial Number	Lease Effective Date	Original Lessee(s)	Lease Acres	Legal Description
Na Kika (East Anstey)	90% of NRI	43.7500%	USA OCS-G 09837	5/1/1988	Shell Offshore Inc.	5760	All of Block 607, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Na Kika (East Anstey)	90% of NRI	43.7500%	USA OCS-G 09838	5/1/1988	Shell Offshore Inc.	5760	All of Block 608, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Galapagos (Isabela)	90% of NRI	58.3334%	USA OCS-G 19966	7/1/1998	Union Oil Company of California	5760	All of Block 562, Mississippi Canyon, OCS Official Protraction Diagram, NH16-10
Galapagos (Santa Cruz)	90% of NRI	38.8275%	USA OCS-G 27278	7/1/2005	Houston Energy, LLP, Red Willow Offshore, LLC, Helis Oil & Gas Company, L.L.C.	5040	All of Block 519, Mississippi Canyon, OCS Official Protraction Diagram NH16-10, excluding S2/SW/4
Galapagos (Santa Cruz)	90% of NRI	37.6650%	USA OCS-G 27278	7/1/2005	Houston Energy, LLP, Red Willow Offshore, LLC, Helis Oil & Gas Company, L.L.C.	720	S/2SW/4 of Block 519, Mississippi Canyon, OCS Official Protraction Diagram NH16-10

EXHIBIT A
LEASES (HYDROCARBON INTERESTS)

Field	Overriding Royalty Percentage of Trustor	Net Revenue Interest of BPEP	MMS OCS Lease Serial Number	Lease Effective Date	Original Lessee(s)	Lease Acres	Legal Description
Galapagos (Santa Cruz)	90% of NRI	36.9675%	USA OCS-G 21176	7/1/1999	TotalFinaElf E&P USA, Inc.	5760	All of Block 563, Mississippi Canyon, OCS Official Protraction Diagram NH16-10, excluding N2NW4 as to depths from 0' to 19000' TVD
Galapagos (Santa Cruz)	90% of NRI	37.6650%	USA OCS-G 21176	7/1/1999	TotalFinaElf E&P USA, Inc.	0	N2NW4 as to depths from 0' to 19000' TVD of Block 563, Mississippi Canyon, OCS Official Protraction Diagram NH16-10

EXHIBIT A
LEASES (HYDROCARBON INTERESTS)

Field	Overriding Royalty Percentage of Trustor	Net Revenue Interest of BPEP	MMS OCS Lease Serial Number	Lease Effective Date	Original Lessee(s)	Lease Acres	Legal Description
Marlin	90% of NRI	61.2500%	USA OCS- G 08469	6/1/1986	Shell Offshore Inc.	2880	S/2 of Block 871, Viosca Knoll, OCS Official Protraction Diagram NH16-07
Marlin	90% of NRI	61.2500%	USA OCS- G 06894	6/1/1984	Amoco Production Company	2880	N/2 of Block 915, Viosca Knoll, OCS Official Protraction Diagram NH16-07
Marlin	90% of NRI	71.0937%					
		71.0937%					
		64.0937%					
Dorado	90% of NRI	58.9750%	USA OCS- G 06894	6/1/1984	Amoco Production Company	2880	S/2 of Block 915, Viosca Knoll, OCS Official Protraction Diagram NH16-07
King Unit	90% of NRI	87.5000%	USA OCS- G 08484	6/1/1986	Amoco Production Company	5760	All of Block 84, Mississippi Canyon, OCS Official Protraction Diagram NH16-10

EXHIBIT A
LEASES (HYDROCARBON INTERESTS)

Field	Overriding Royalty Percentage of Trustor	Net Revenue Interest of BPEP	MMS OCS Lease Serial Number	Lease Effective Date	Original Lessee(s)	Lease Acres	Legal Description
King Unit	90% of NRI	87.5000%	USA OCS-G 08797	6/1/1987	Conoco Inc. & Exxon Corporation	5760	All of Block 85, Mississippi Canyon, OCS Official Protraction Diagram NH16-10
King Unit	90% of NRI	85.5000%	USA OCS-G 10977	5/1/1989	Amoco Production Company	5760	All of Block 129, Mississippi Canyon, OCS Official Protraction Diagram NH16-10

EXHIBIT A
LEASES (HYDROCARBON INTERESTS)

Field	Overriding Royalty Percentage of Trustor	Net Revenue Interest of BPEP	MMS OCS Lease Serial Number	Lease Effective Date	Original Lessee(s)	Lease Acres	Legal Description
Mad Dog	90% of NRI	41.0848%	USA OCS-G 16786	7/1/1995	BHP Petroleum (Americas) Inc. & BP Exploration & Oil Inc.	5760	All of Block 738, Green Canyon, OCS Official Protraction Diagram, NG15-03
Mad Dog	90% of NRI	41.0848%	USA OCS-G 15609	7/1/1995	BHP Petroleum (Americas) Inc. & BP Exploration & Oil Inc.	5760	All of Block 781, Green Canyon, OCS Official Protraction Diagram, NG15-03
Mad Dog	90% of NRI	41.0848%	USA OCS-G 15610	7/1/1995	BHP Petroleum (Americas) Inc. & BP Exploration & Oil Inc.	5760	All of Block 782, Green Canyon, OCS Official Protraction Diagram, NG15-03
Mad Dog	90% of NRI	41.0848%	USA OCS-G 09981	5/1/1988	Shell Offshore Inc.	5760	All of Block 825, Green Canyon, OCS Official Protraction Diagram, NG15-03
Mad Dog	90% of NRI	41.0848%	USA OCS-G 09982	5/1/1988	Shell Offshore Inc.	5760	All of Block 826, Green Canyon, OCS Official Protraction Diagram, NG15-03