

STATE OF LOUISIANA

PARISH OF ST. MARY

SEP 10 1996

OPTION TO PURCHASE IMMOVABLE PROPERTY FROM BETTY D. BLANCHARD TO ATLANTIC RICHFIELD COMPANY, TEXACO INC., TEXACO EXPLORATION AND PRODUCTION, INC., TXO PRODUCTION CORPORATION, BLANCHARD 1986, LTD., TORTUGA OPERATING CO., TORTUGA INTERESTS, INC., JOHN E. HINE AND PETER L. TURBETT

BE IT KNOWN, That on this 1<sup>st</sup> day of March, in the year of our Lord nineteen hundred ninety-six before the undersigned Notaries Public in and for the hereinbelow Parishes and States, duly commissioned and qualified as such, personally came and appeared:

BETTY D. BLANCHARD, a person of the full age of majority, widow of Joseph A. Blanchard, a resident of the Parish of St. Mary, State of Louisiana, whose mailing address is 301 Main Street, Franklin, Louisiana, hereinafter sometimes referred to as "GRANTOR",

who declared that for the consideration hereinafter set forth she does by these presents grant unto:

ATLANTIC RICHFIELD COMPANY, TEXACO INC., TEXACO EXPLORATION AND PRODUCTION INC., BLANCHARD 1986, LTD., TXO PRODUCTION CORPORATION, TORTUGA OPERATING CO., TORTUGA INTERESTS, INC., JOHN E. HINE and PETER L. TURBETT, collectively referred to herein all and singular as "GRANTEES",

here present and accepting same, the exclusive right, privilege, or option, subject to the terms and conditions set forth herein, to purchase in whole or in part, the following described property:

A tract of land containing 150 acres, more or less, depicted as the "Property Subject to Option" on a Work Drawing dated February 16, 1996, prepared by Miller Engineers & Associates, Inc., said drawing being attached hereto and made a part hereof, said tract being a portion of a larger tract of land containing 547.59 acres, more or less, commonly called "Park Plantation", situated in Sections 35 and 37, Township 13 South, Range 9 East, Sections 55 and 56, Township 14 South, Range 9 East, Section 70, Township 13 South, Range 8 East, and Section 1, Township 14 South, Range 8 East, Southwestern Land District of Louisiana, and being the same property acquired by Mrs. Agnes R. Pender from William Ernest Gray, et al, by Sheriff's Sale dated August 6, 1921 and recorded in Conveyance Book 3-Z, at Folio 652, Entry No. 47793, St. Mary Parish Records, reference to which is hereby made.



1. CONSIDERATION. Consideration for this option to purchase is TWENTY-FIVE THOUSAND AND NO/100 (\$25,000.00) DOLLARS cash receipt of which is hereby acknowledged by Grantor and the mutual benefits to be derived from the settlement of that certain litigation captioned, "Betty D. Blanchard v. The Atlantic Richfield Company, Texaco Inc., TXO Production Corporation, Tortuga Operating Co., Tortuga Interests, Inc., Blanchard 1986, Ltd., John E. Hine and Peter L. Turbett," Docket No. 77,796 "E", Sixteenth Judicial District Court, St. Mary Parish, Louisiana, as set forth in that certain Receipt, Release and Settlement Agreement entered into by and between Betty D. Blanchard and The Atlantic Richfield Company, Texaco Inc., TXO Production Corporation, Tortuga Operating Co., Tortuga Interests, Inc., Blanchard 1986, Ltd., John E. Hine, and Peter L. Turbett, on March 1, 1996, and the Amendment and Ratification of Oil, Gas and Mineral Lease entered into by and between Betty D. Blanchard and The Atlantic Richfield Company, Texaco Inc., TXO Production Corporation, Tortuga Operating Co., Tortuga Interests, Inc., Blanchard 1986, Ltd., John E. Hine, and Peter L. Turbett dated March 1, 1996. Grantor and Grantees recognize that this Option is granted in connection with the aforesaid Receipt, Release, and Settlement Agreement and the aforesaid Amendment and Ratification of Oil, Gas, and Mineral Lease.

2. TERM. The term of this Option to Purchase is a period of ten (10) years after the cessation of all oil and gas operations and production by any of the Defendants on and affecting the subject property.

3. PURCHASE PRICE. In the event said Option to Purchase is exercised, consideration for the purchase of the Property Subject to Option is to be made at a rate of \$800.00 per acre for however many acres are purchased.

4. CONDITIONS PRECEDENT. The Option to Purchase is exercisable by any one or all of the Grantees upon the occurrence of either or both of the following:

a) Notice by Grantor or her heirs, successors, or assigns of an intention to sell, exchange, lease, transfer, mortgage, hypothecate or otherwise encumber the Property Subject to Option described herein. Grantor, her heirs, successors, and assigns shall not sell, exchange, lease, transfer, mortgage, hypothecate or otherwise encumber the Property Subject to Option without first providing written notice through certified mail, return receipt requested, to Grantees, of her intention to do so and allowing Grantees the opportunity to exercise the Option granted herein.

b) The assertion of any claim by Grantor, her heirs, successors, and/or assigns, by any governmental agency or regulatory body, or by any other third person against any or all of the Grantees alleging environmental or other damages to the surface or sub-surface of the Property Subject to Option or seeking remediation, restoration, clean up, decontamination or other repair to the surface or sub-surface of the Property Subject to Option. If any of the claims asserted against Grantees are subject to the Receipt, Release and Settlement Agreement and the settlement of the above-captioned litigation, Grantees shall be entitled to enforce all rights of Grantees under the Receipt, Release and Settlement Agreement and the settlement of the above-captioned litigation. It is the intention of the parties that this Option to Purchase shall operate as additional protection for Grantees against claims of the type and nature described herein. In the event that Grantees exercise the Option to Purchase granted herein, Grantor, her heirs, successors and/or assigns shall sell the Property Subject to Option to Grantees as set forth herein. The Act of Sale shall include a full and complete assignment by Grantor, her heirs, successors, and/or assigns of all claims which have been asserted or may be asserted by them against Grantees and said claim shall be dismissed and/or withdrawn.

5. EXERCISE OF OPTION. In the event that any or all of the Grantees decide to exercise this option, such Grantee or Grantees shall so notify Grantor by registered or certified mail, return receipt requested, mailed within thirty (30) days after receipt of

the notice of intention to sell or assign the property or the assertion of a claim for damages described above from Grantor. Should any or all of the Grantees exercise the Option to Purchase, the act of sale and any other documents necessary shall be passed before a notary of Grantor's choice at Grantee's expense at such time as Grantee desires within thirty (30) days of the date the Grantee has posted his notice that he is exercising the Option to Purchase.

6. SURVIVAL OF OPTION. This option to purchase shall remain in force and effect for all or a portion of the Property Subject to Option, as the case may be, under the following conditions:

a) In the event that Grantees exercise their Option to Purchase on only a portion of the Property Subject to Option, this Option to Purchase shall remain in force and effect on the unpurchased portion of the Property Subject to Option for the remainder of the term of the option;

b) In the event that Grantor does not consummate a sale or assignment or other conveyance of the property to a third party after notice of intention to make such sale or assignment, this Option to Purchase shall remain in force and effect for the remainder of the term of the option;

c) In the event that Grantor, her heirs and/or successors, or a third party withdraws a notice of a claim for damages as described above before Grantees exercise their Option to Purchase, this Option to Purchase shall remain in force and effect for the remainder of the term of the option. In the event that Grantor gives notice of a claim for damages as described above, but said claim has been the subject of the aforementioned Receipt, Release, and Settlement Agreement and has been compromised, settled, and released as a result thereof, this Option to Purchase shall remain in force and effect for the remainder of the term of the option, it being the clear intention of the parties hereto that only claims for damages not released in the settlement of the above-referenced lawsuit will trigger Grantees right to exercise this Option to Purchase.

STATE OF LOUISIANA

PARISH OF ST. MARY

THUS DONE AND SIGNED as to Betty D. Blanchard on the 21st day of March, 1996, in Morgan City, Louisiana, in the presence of the undersigned competent witnesses, who sign with appearer and the undersigned Notary, after due reading of the whole.

WITNESSES:

GRANTOR:

Denise Coxam  
Jessie A. Ratcliff

Betty D. Blanchard  
BETTY D. BLANCHARD

Donis J. Daniels  
NOTARY PUBLIC

GRANTEES:

STATE OF TEXAS

~~PARISH OF~~ COUNTY OF COLLIN

THUS DONE AND SIGNED as to The Atlantic Richfield Company on the \_\_\_ day of May, 1996, in Plano, Texas, ~~headquarters~~, in the presence of the undersigned competent witnesses, who sign with appearer and the undersigned Notary, after due reading of the whole.

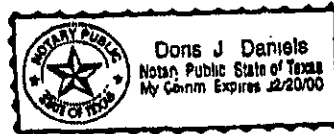
WITNESSES:

ATLANTIC RICHFIELD COMPANY

Ronnda A. Smith  
Chilla Anne Bristen

By: Robert E. Robertson

Donis J. Daniels  
NOTARY PUBLIC



STATE OF LOUISIANA

PARISH OF ORLEANS

THUS DONE AND SIGNED as to on Texaco Inc. on the 6th day of May, 1996, in New Orleans, Louisiana, in the presence of the undersigned competent witnesses, who sign with appearer and the undersigned Notary, after due reading of the whole.

**WITNESSES:**

Jay Bengt  
Jay W. Smith

TEXACO INC.

By: D. P. [Signature]  
Attorney-in-Fact

William J. Dwyer  
NOTARY PUBLIC  
WILLIAM J. DWYER  
Notary Public  
DULY COMMISSIONED IN JEFFERSON PARISH, LA.  
COMMISSION EXPIRES IN THE STATE OF LA. AT LARGE  
BY THE POWER DELEGATED FOR LIFE.

STATE OF LOUISIANA

PARISH OF ORLEANS

THUS DONE AND SIGNED as to Texaco Exploration and Production Inc. on the 6th day of May, 1996, in New Orleans, Louisiana, in the presence of the undersigned competent witnesses, who sign with appearer and the undersigned Notary, after due reading of the whole.

**WITNESSES:**

Jay Bengt  
Jay W. Smith

TEXACO EXPLORATION AND PRODUCTION INC.

By: D. P. [Signature]  
Attorney-in-Fact

William J. Dwyer  
NOTARY PUBLIC  
WILLIAM J. DWYER  
Notary Public  
DULY COMMISSIONED IN JEFFERSON PARISH, LA.  
COMMISSION EXPIRES IN THE STATE OF LA. AT LARGE  
BY THE POWER DELEGATED FOR LIFE.

STATE OF TEXAS  
~~County~~ ~~PARISH~~ OF Harris

THUS DONE AND SIGNED as to TXO Production Corporation on the 27 day of August, 1996, in HARRIS County, ~~Louisiana~~ TEXAS, in the presence of the undersigned competent witnesses, who sign with appearer and the undersigned Notary, after due reading of the whole.

WITNESSES:

TXO PRODUCTION CORPORATION  
By MARATHON Oil COMPANY  
~~successor-in-interest~~  
By: Michael [Signature]

[Signature]  
[Signature]

[Signature]  
NOTARY PUBLIC

STATE OF TEXAS  
COUNTY OF HARRIS

THUS DONE AND SIGNED as to Tortuga Operating Co. on the 3rd day of September, 1996, in Harris County, Texas, in the presence of the undersigned competent witnesses, who sign with appearer and the undersigned Notary, after due reading of the whole.

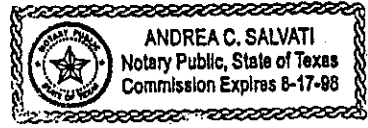
WITNESSES:

TORTUGA OPERATING CO.

Margaret A. West  
Ada Brown

By: Pete [Signature]

[Signature]  
NOTARY PUBLIC



STATE OF TEXAS  
COUNTY OF HARRIS

THUS DONE AND SIGNED as to Tortuga Interests, Inc. on the 3rd  
day of September, 1996, in Harris County, Texas, in  
the presence of the undersigned competent witnesses, who sign with  
appearer and the undersigned Notary, after due reading of the  
whole.

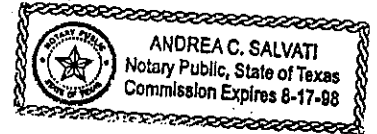
WITNESSES:

TORTUGA INTERESTS, INC.

Margaret A. West  
Hinda Brown

By: John E. Shine

Andrea C. Salvati  
NOTARY PUBLIC



STATE OF TEXAS  
COUNTY OF HARRIS

THUS DONE AND SIGNED as to Blanchard 1986, Ltd. on the 3rd  
day of September, 1996, in Harris County, Texas, in  
the presence of the undersigned competent witnesses, who sign with  
appearer and the undersigned Notary, after due reading of the  
whole.

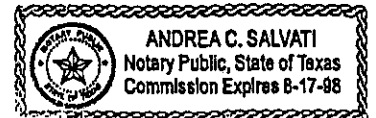
WITNESSES:

BLANCHARD 1986, LTD.

Margaret A. West  
Hinda Brown

By: John E. Shine

Andrea C. Salvati  
NOTARY PUBLIC





STATE OF TEXAS

COUNTY OF HARRIS

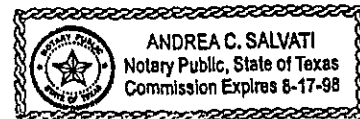
THUS DONE AND SIGNED as to John E. Hine on the 3rd day of September, 1996, in Harris County, Texas, in the presence of the undersigned competent witnesses, who sign with appearer and the undersigned Notary, after due reading of the whole.

WITNESSES:

Margaret A. West  
Dinda Brown

John E. Hine  
JOHN E. HINE

Andrea C. Salvati  
NOTARY PUBLIC



STATE OF TEXAS

COUNTY OF HARRIS

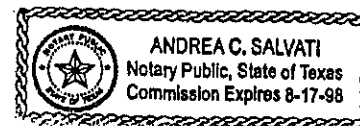
THUS DONE AND SIGNED as to Peter L. Turbett on the 3rd day of September, 1996, in Harris County, Texas, in the presence of the undersigned competent witnesses, who sign with appearer and the undersigned Notary, after due reading of the whole.

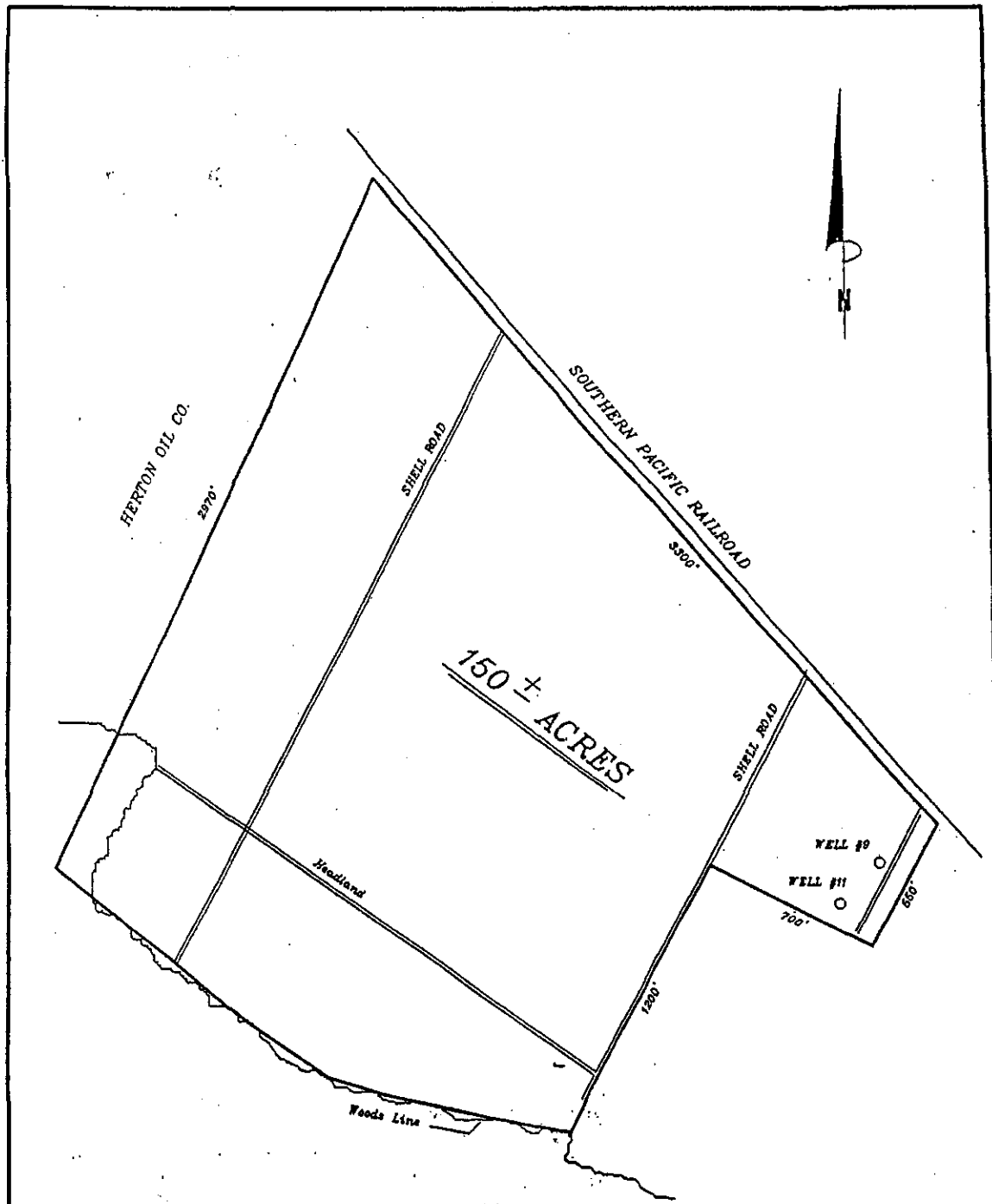
WITNESSES:

Margaret A. West  
Dinda Brown

Peter L. Turbett  
PETER L. TURBETT

Andrea C. Salvati  
NOTARY PUBLIC





# WORK DRAWING

FOR

## TORTUGA

Miller Engineers & Associates, Inc.  
 700 Main Street  
 Franklin, Louisiana 70538

Date: FEB. 16, 1998 Scale: 1" = 500'

Drawing No. 9318

Revised:

*Showing a portion of property known as Park Plantation depicting "Property Subject to Option" and attached to Option to Purchase Immovable Property.*