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## BNP Petroleum Corporation

August 16, 2001

VIA FACSIMILE (949-8023) and U. S. MAIL

Arlene Wimer  
National Park Service  
P O Box 181300  
Corpus Christi, TX 78418

RE: BNP Petroleum Corporation  
Dunn-Murdock No. 1 Well  
Proposed Drill Site Location  
Padre Island National Seashore

Dear Arlene:

Pursuant to our conversation today, BNP Petroleum Corporation has informed you that its consultant, Belaire Environmental, Inc. has identified what appears to be petroleum contamination in the soil and/or subsoil in and around the Louis Dreyfus reclamation site. As we discussed, the presence of contaminants which are the responsibility of another operator creates great concerns to BNP Petroleum Corporation. Based upon our conversation this morning, BNP understands that the Park Service is in agreement with the following course of action:

1. BNP will proceed with finalizing its Plan of Operations as presented in draft form to the Park Service on Friday, August 10, 2001. This means both the drill site and production facilities will be located at BNP's originally selected location.
2. In the event all of the issues surrounding contamination and potential liabilities associated with the Louis Dreyfus reclamation site can be resolved to the satisfaction of all interested parties prior to the time when BNP completes its well and is ready to begin construction of the production facilities associated therewith, BNP and the Park Service will re-evaluate the Louis Dreyfus site as a proposed alternative for its production facilities.

Please let me know if BNP's understanding with regard to the referenced well is **INCORRECT**. Otherwise, BNP will proceed with finalizing its Plan of Operations in a manner consistent with this letter, while addressing the other issues that were raised in our August 10, 2001 meeting.

As always, BNP sincerely appreciates the continued cooperation of the Park Service. Should you have any questions regarding this correspondence, please do not hesitate to call.

Sincerely,

BNP PETROLEUM CORPORATION



H. Scott Taylor  
Vice President Land/Commercial Real Estate

cc: Jock Whitworth  
Ken McMullen  
Jim Woods  
Charlie Belaire  
John Deason