



April 5, 2007

Sent via Certified RR Mail:
7003 1010 0002 6670 7323

National Park Service
Padre Island National Seashore
P.O. Box 181300
Corpus Christi, Texas 78480-1300
Attention: Betty W. Frantum
Acting Superintendent

RE: Notification of Suspension of Approval for Lemon / Lemon Seed Plan of Operations "L3025 (PAIS)"

Dear Ms Frantum:

This letter shall serve as BNP's response to lease status of the Lemon and Lemon Seed prospect. The associated state leases in question and their new expiration dates are as follows:

M102099	10/5/2007
M102100	10/5/2007
M102101	10/5/2007
M102102	10/5/2007
M102103	10/5/2007
M102104	10/5/2007
M102105	10/5/2007
M102106	10/5/2007
M102168	12/28/2007
M102169	12/28/2007
M102170	12/28/2007

The Texas General Land Office support for these extended lease termination dates are attached in the form of three letters dated: September 19, 2003, November 21, 2003 and November 19, 2004. Upon NPS review BNP request that the suspension of the "Plan of Operation" be lifted. Should you have any questions concerning the information provided or if I can be of further assistance please feel free to contact me by phone at 713-572-6400 or by e-mail at kwestmoreland@bnpcorporation.com.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Knox Westmoreland", written over a white background.

R. Knox Westmoreland
BNP Petroleum Corporation
Manager Gas Marketing

cc: Paul Black BNP
Darrell Echols NPS



United States Department of the Interior

NATIONAL PARK SERVICE
Padre Island National Seashore
P. O. Box 181300
Corpus Christi, Texas 78480-1300



IN REPLY REFER TO:
L3025 (PAIS)

VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED

March 19, 2007

Mr. Paul Black
BNP Petroleum Corporation
2800 Post Oak Blvd., Suite 5320
Houston, TX 77056

Re: Notification of Suspension of Approval for Lemon/Lemon Seed Plan of Operations

Dear Mr. Black:

Based on our records, we understand that the leases used to demonstrate your right to conduct operations under the Lemon/Lemon Seed plan of operations expired on July 10, 2006. Because our approval of the operation was predicated on the existence and proof of such a right, this letter is notification that approval of the Lemon/Lemon Seed plan of operations is suspended pending BNP's submission of documentation that it still possesses the right to conduct the referenced operations, as required by 36 CFR §9.36(a)(2). As a suspended operation, no on the ground activities may occur at the Lemon/Lemon Seed site.

Without the needed documentation from BNP that the company still possesses the aforementioned right, the NPS will be required to revoke approval of the Lemon/Lemon Seed plan of operations. To avoid such an outcome, please provide me with written notification of the status of your leases, including the updated lease documents if applicable, within ten (10) days of receipt of this letter.

Upon receipt and review of such documentation and a finding that it is adequate, the NPS will lift the suspension. Conversely, if BNP notifies the NPS that it no longer holds the lease rights or fails to proffer the necessary documentation, the NPS will revoke the approval of the Lemon/Lemon Seed plan of operations.

If you have any questions regarding this matter, please contact Darrell Echols, of my staff, at (361) 949-8173 ext. 223.

Sincerely,

Betty W. Frantum
Acting Superintendent

cc: Linda Dansby, NPS, IMSF-RMO
Carol McCoy, NPS, WASO-GRD
Rob Eaton, DOI



TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

September 19, 2003

Mr. H. Scott Taylor
BNP Oil & Gas Properties, Ltd.
500 N. Water Street, Suite 412
Corpus Christi, Texas 78471

Re: Suspension of State Leases
State Tracts 998-S (M-102099, M-102168), 999-S (M-102100), 1000-S (M-102101, M-102102, M-102103), 1001-S (M-102169, M-102170), 1007-S (M-102104, M-102105), and 1008-S (M-102106), Gulf of Mexico
Kenedy County, Texas

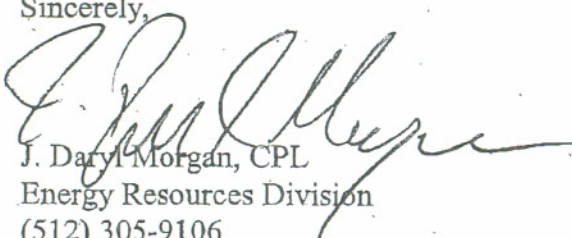
Dear Mr. Taylor:

At its regular meeting on September 16, 2003, the School Land Board approved your request to suspend the primary terms of the referenced leases. The suspension was granted effective from November 8, 2002 until August 27, 2003, the date the United State Court of Appeals for the Fifth Circuit affirmed the District court ruling in the suite styled *Sierra Club vs. Gale Norton, et al, Cause No. C-02-163, United States District Court, Southern District of Texas*) validating BNP's drilling permit.

The primary terms of the leases were suspended for 293 days this time. Adding 293 days to the terms of these leases, coupled with the previous suspension, makes the new first year anniversary dates October 5, 2003 for the leases M-102099 through M-102106 and December 28, 2003 for the leases M-102168 through M-102170.

Please let me know if you have any questions, or need any additional information.

Sincerely,


J. Daryl Morgan, CPL
Energy Resources Division
(512) 305-9106

Stephen F. Austin Building • 1700 North Congress Avenue • Austin, Texas 78701-1495

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

November 21, 2003

Mr. Jay Heltzel
BNP Petroleum Corporation
Two Allen Center
1200 Smith Street, 16th Floor
Houston, Texas 77002

Re: First Year Rental Payments

State Leases M-102099, M-102100, M-102101, M-102102, M-102103, M-102104, M-102105, M-102106, M-102168, M-102169 and M-102170
Gulf of Mexico
Kenedy County, Texas

Dear Mr. Heltzel:

We hereby acknowledge receipt of your letter of November 20, 2003, requesting that the General Land Office confirm that the first year delay rentals for the referenced leases have been paid and the due date for the next delay rental payments.

According to the records of the General Land Office the delay rentals for the first anniversary dates of the leases have been paid as provided in §52.0301(d) of the Natural Resources Code. The next delay rental payments will be on or before October 5, 2004 for State Leases M-102099 through M-102106 and on or before December 28, 2004 for the State Leases M-102168 through M-102170.

Please let me know if you have any questions, or need any additional information.

Sincerely,

J. Daryl Morgan, CPL
Energy Resources Division
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TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

November 19, 2004

Ms. Shirley Rooney
Novus Oil & Gas Texas, LLC.
10375 Richmond Ave.
Houston, Texas 77042

Re: State Leases

State Tracts 998-S (M-102099, M-102168), 999-S (M-102100), 1000-S (M-102101, M-102102, M-102103), 1001-S (M-102169, M-102170), 1007-S (M-102104, M-102105), and 1008-S (M-102106), Gulf of Mexico
Kenedy County, Texas

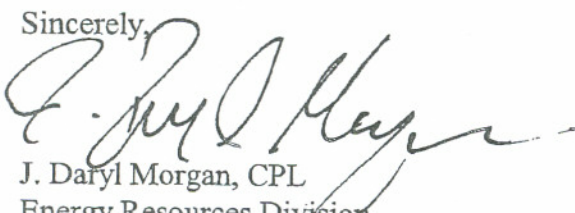
Dear Ms. Rooney:

We hereby acknowledge receipt of your letter of November 17, 2004, requesting verification of the anniversary dates and end of primary terms for the referenced State Leases. These leases had their primary terms suspended on two separate occasions.

The first year anniversary date for leases M-102099 through M-102106 was on October 5, 2003, and for leases M-102168 through M-102170 was on December 28, 2003. I have enclosed copies of letters that were sent to BNP with similar information. With the suspensions the new rental due dates are October 5th and December 28th respectively and the expiration of the primary terms will be on these dates in the year 2007.

Please let me know if you have any questions, or need any additional information.

Sincerely,



J. Daryl Morgan, CPL
Energy Resources Division
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