

SUBSURFACE EASEMENT

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF KENEDY §

THAT, for and in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, Dunn-McCampbell Royalty Interests, Inc., whose address is P.O. Box 3841, Corpus Christi, Texas 78463-3841 and Dunn Padre Corporation, whose address is 1010 Frost Bank Tower, Corpus Christi, Texas 78470 ("Grantor") does hereby GRANT, SELL, and CONVEY unto BNP Oil & Gas Properties Ltd. ("Grantee"), whose address is 2800 Post Oak Blvd., Suite 5300, Houston, Texas 77056, its successors and assigns, a Subsurface Easement in, through and under the following described lands for Grantee's State Tract 1008- S No. 1 well only (the "Well"), to be directionally drilled from a surface location as hereafter described, through the subsurface of said lands to a bottom hole location under other lands in search for oil, gas and associated hydrocarbons, together with the right to complete, operate, produce, test, repair, maintain, redrill, deepen, plug back, recompleat, rework, sidetrack, inject gas or other substances, and to conduct such other operations as may be prudent or necessary on or with respect to the Well, to wit:

Situated west of State Tract 1000 -S in the Nicholas & Juan Jose Balli Survey, A-4, approximately 26.7 miles northeast of Sarita, on Padre Island in Kenedy County, Texas

For the purposes hereof, the above described land shall hereinafter be referred to as the "Subject Property."

TO HAVE AND TO HOLD the herein conveyed Subsurface Easement and rights unto Grantee, its successors and assigns, subject to the following terms, conditions, limitations and reservations, if any:

1. Scope of the Grant. This grant shall include the right to subsurface easement for the Well drilled from a surface location situated on the above described land in Kenedy County, Texas, into, under, or through the Subject Property to a bottom hole location in State Tract 1008 -S all as shown on the plat attached hereto as Exhibit "A," together with the right to complete, operate, produce, test, repair, maintain, redrill, deepen, plug back, recompleat, rework, sidetrack, inject gas or other substances, and conduct such other operations on the Well as may be prudent or necessary therefor.

2. Term. This Subsurface Easement shall be for a term of one (1) year from the effective date hereof and so long thereafter as any oil and gas is being produced from the Well with no cessation of more than one consecutive year.
3. Information. BNP Oil & Gas Properties, Ltd. will provide Dunn-McCampbell/Dunn Padre with all logs from the base of the surface casing to total depth, as well as all other well information associated with the drilling operations to total depth of the Well.
4. No Surface Access. This Subsurface Easement is not intended to grant unto Grantee any rights to use or occupy the surface of the Subject Property, and nothing contained herein shall be construed as granting unto Grantee the right to use or occupy any portion of the surface of the Subject Property for the purpose of conducting operations or for any other purpose. Further, this Subsurface Easement does not grant unto Grantee the right to dispose of any saltwater or other liquid or gaseous substances in, on or under the Subject Property.
5. Reserved Rights. This Subsurface Easement is not intended to grant unto Grantee any rights or interests in the oil, gas and other minerals in, on and under the Subject Property, and nothing contained herein shall be construed as granting unto Grantee any rights or interests in the oil, gas and other minerals in, on and under the Subject Property.
6. Compliance with Applicable Law; Indemnification. Grantee agrees to conduct all of its operations in, through and under the Subject Property in accordance with all applicable governmental rules, orders, laws, regulations, ordinances and permits. Grantee shall not use, or permit the use of, the Subsurface Easement herein granted for any illegal purposes. Grantee further agrees to indemnify, defend and hold harmless Grantor from and against any and all liens, claims, damages and liabilities arising out of work, act or operations done on or conducted by Grantee. Grantee shall indemnify and hold Grantor harmless from all damages as a result of its operations hereunder, regardless of when such occur or when such damages are actually discovered, such damages including, but not limited to, damages resulting from breaches of this Subsurface Easement and damages asserted by third parties as a result of operations hereunder, such indemnity to include payment of all reasonable attorneys fees and costs of defense incurred by Grantor as a result of any third party claim brought against Grantor as a result of Grantee's operations. This obligation of indemnity shall survive the termination of this Subsurface Easement and shall exist regardless of when such damages may be discovered or when any such claim may be brought against Grantor.

7. Right to Remove Subsurface Equipment; Release. Upon termination of this Subsurface Easement, Grantee shall have the right to remove all pipe, casing and other subsurface equipment as may be situated in and under the Subject Property, and shall conduct such plugging and abandonment operations as may be required by applicable law. In addition, upon termination hereof, Grantee shall promptly furnish Grantor with a recordable release of the Subsurface Easement.
8. Taxes. Grantee agrees to promptly pay and discharge all taxes, general and special assessments, and any other charges which during the term hereof may be levied or assessed against the Subsurface Easement herein granted.
9. Successors and Assigns; Assignments. The terms and provisions of this Subsurface Easement shall extend to and be binding upon the parties, their respective heirs, successors, legal representatives and assigns. This Subsurface Easement shall not be assigned without the written consent of Grantor, and such consent shall not be unreasonably withheld.
10. Headings. Headings herein are intended as an aid to the reader only and shall not be construed to amend or restrict the meaning of the terms and provisions in this Subsurface Easement in any way.
11. Entire Agreement. This Subsurface Easement shall constitute the entire agreement and understanding between the parties and supercede any and all prior agreements, understandings and negotiations relating to the subject matter hereof.
12. No Warranty. This Subsurface Easement is granted without warranty of any kind or nature, express, implied, or statutory.
13. Counterparts. This Subsurface Easement may be executed in any number of counterparts, each of which shall constitute an original hereof and all of which when taken together shall constitute a single subsurface easement. For the purposes of recording, the signature and acknowledgment pages of the various counterparts may be removed and attached to one (1) or more of the other counterparts.

IN WITNESS WHEREOF, this instrument is executed as of the dates set out in the respective acknowledgments.

GRANTOR:

DUNN-MCCAMPBELL ROYALTY
INTERESTS, INC.

By: Caroline Davy Altheide
Name: CAROLINE DAVY ALTHEIDE
Title: PRESIDENT

DUNN/PADRE CORPORATION

By: [Signature]
Name: Jim King
Title: Pres.

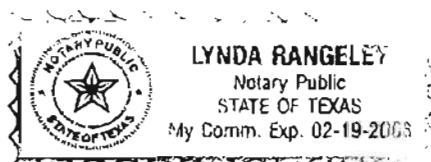
GRANTEE:

BNP OIL & GAS PROPERTIES, LTD.

By: [Signature]
Name: PAUL BLACK
Title: PRESIDENT

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

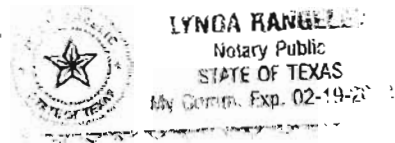
This instrument was acknowledged before me on the 13th day of November, 2007, by Caroline Davy Altheide, President of Dunn-McCampbell Royalty Interests, Inc.



Lynda Rangeley
Notary Public in and for the State of
Texas

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

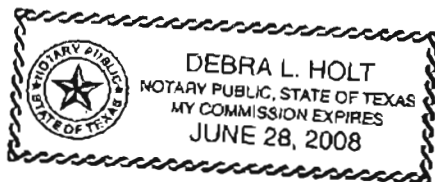
This instrument was acknowledged before me on the 13th day of November, 2007, by Jim King, President of Dunn Padre Corporation.



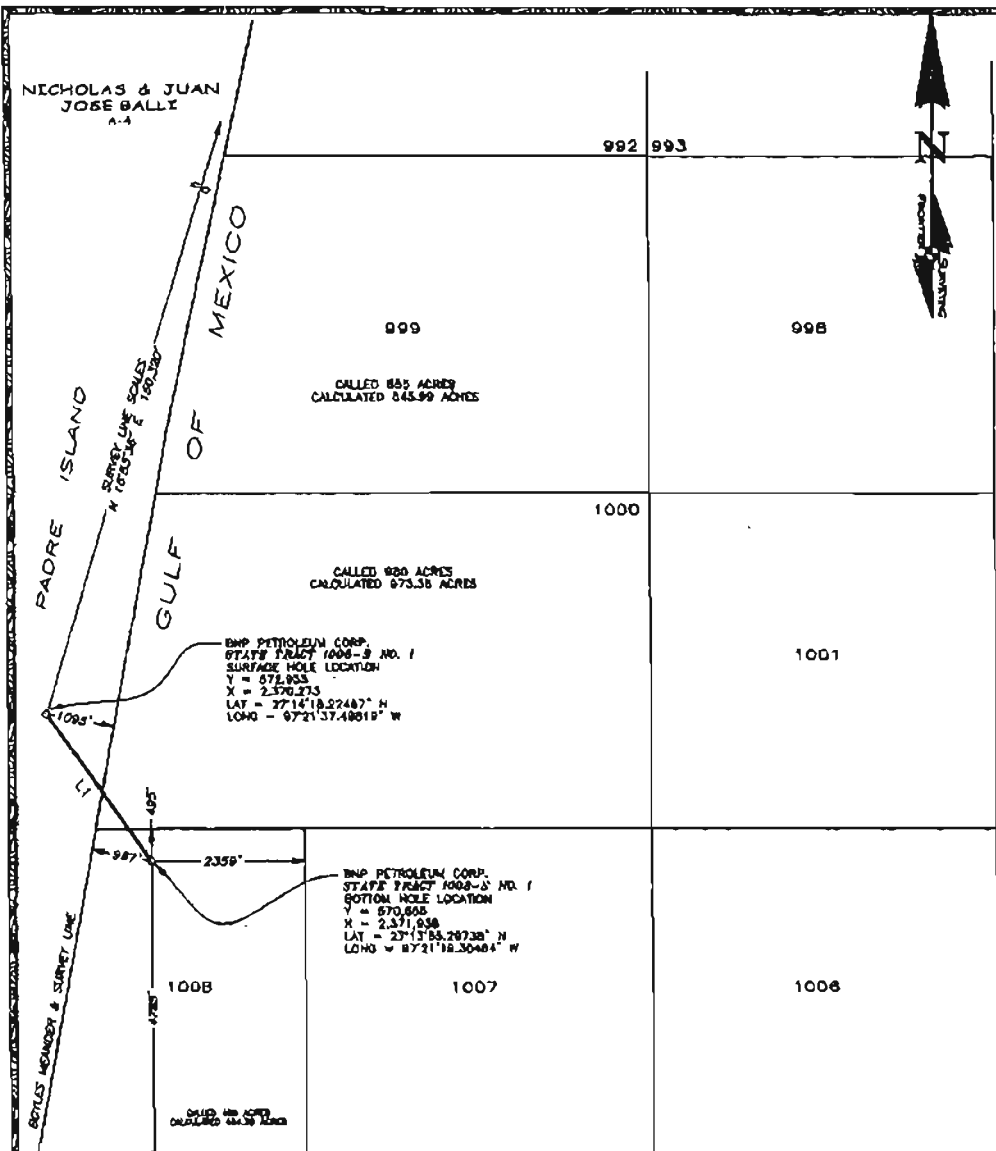
Lynda Rangel
Notary Public in and for the State of
Texas

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 26th day of November, 2007, by Paul Black, President of BNP Oil & Gas Properties, Ltd.



Debra L. Holt
Notary Public in and for the State of
Texas



PLOT DATE: 09-13-07 11:03 AM

I HEREBY CERTIFY THAT THIS PLAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND SHOWS THE SUBJECT LOCATION AS STAKED ON THE GROUND SEPTEMBER, 2007.

JARREL L. MOORE
REGISTERED PROFESSIONAL LAND SURVEYOR
LICENSE NO. 4854

STATE OF TEXAS
REGISTERED
JARREL L. MOORE
4854
PROFESSIONAL
LAND SURVEYOR

FRONTIER SURVEYING COMPANY
SURVEYING, LAND SURVEYING, LOCATION, PROPERTY, ALTIMETRY, GPS/RTK
714 NORTH STATE STREET, SUITE 700, DALLAS, TEXAS 75201
PHONE: (214) 887-6024 FAX: (214) 887-9346
www.frontiersurveying.com
Copyright © 2007 All Rights Reserved

PLAT OF:
A WELL LOCATION FOR:
BNP PETROLEUM CORP.
STATE TRACT 1008-S NO. 1

SITUATED IN THE NICHOLAS & JUAN JOSE BALLI SURVEY, A - 4, APPROXIMATELY 26.7 MILES NORTHEAST OF SARITA, ON PADRE ISLAND IN KENEDY COUNTY, TEXAS

Completion Date: 09/13/07 File Name: 0709022.DWG

Scale: 1" = 2000' Surveyed by: TR/JAG

Drawn by: SZC Checked by: JLM

08 # 0709022

MEMORANDUM OF LEASE
DUNN-MCCAMPBELL PADRE L

STATE OF TEXAS }

KNOW ALL MEN BY THESE PRESENTS THAT:

COUNTY OF KENEDY }

REFERENCE is here made to that certain Oil and Gas Lease dated the 14th day of November, 2007 (the "lease execution date"), by and between DUNN-McCAMPBELL ROYALTY INTEREST, INC., a Texas corporation, whose address is P. O. Box 3841, Corpus Christi, Texas 78463-3841 and DUNN PADRE CORPORATION, a Texas corporation whose address is c/o Jim King, 1010 Frost Bank Plaza, Corpus Christi, Texas 78470 (herein called "Lessor") and BNP OIL & GAS PROPERTIES, LTD., whose address is 2800 Post Oak Blvd., Suite 5300, Houston, Texas 77056 (herein called Lessee" whether one or more), under the terms of which Lessee was granted an oil and gas lease with respect to those certain lands comprising 854 acres of land situated in Kenedy County, Texas, which lands are more particularly described in Exhibit "A" attached hereto.

The lease provides for a primary term of three (3) years from the lease execution date and provides for the drilling of certain wells on the lands covered thereby and other terms and conditions customarily contained in oil and gas leases.

This Memorandum of Lease is executed by the Lessor and Lessee for the purpose of acknowledging in the public records the existence of such lease and may be executed in multiple counterparts, each of which shall be deemed an original for all purposes.

IN WITNESS WHEREOF, this Memorandum of Lease is executed as of the 14th day of November, 2007.

LESSOR:

DUNN-McCAMPBELL ROYALTY INTEREST, INC.

BY: Caroline Davy Altheide
Caroline Davy Altheide, President

DUNN PADRE CORPORATION

BY: James S. King Jr.
James S. King, President

LESSEE:

BNP OIL & GAS PROPERTIES, LTD.

BY: Paul Black
Paul Black, President

FIELD NOTES DESCRIPTION

854.0 acre tract of land, more or less, situated in the Nicholas & Juan Jose Balli Survey, A-10 on Padre Island, Kenedy County, Texas.

Being more fully described by metes and bounds as follows:

BEGINNING: at a point (Y = 563,243 and X = 2,365,744) for the Southwest corner of this herein described tract.

THENCE: NORTH - 8128.0 feet to a point (Y = 571,371 and X = 2,365,744), for the Northwest corner of this herein described tract.

THENCE: EAST - 5174.73 feet to a point (Y = 571,371 and X = 2,371,088), for the Northeast corner of this herein described tract.

THENCE: S 10° 42' 35" W - 7530.49 feet to a point (Y = 563,972 and X = 2,369,688) for the Southeast corner of this herein described tract.

THENCE: S 08° 39' 35" W - 737.09 feet to a point (Y = 563,243 and X = 2,369,577) for the Southeast corner of this herein described tract.

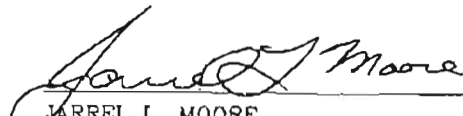
THENCE: WEST - 3664.33 feet to the **PLACE OF BEGINNING** and containing within these metes and bounds, an 854.0 acre tract of land, more or less.

All bearings and coordinates refer to the Texas Coordinate System of 1927, Texas South Zone

This Field Notes Description constitutes a legal document, and, unless it appears in its entirety, in its original form, including preamble, seal and signature, surveyor assumes no responsibility or liability for its correctness. It is strongly recommended, for the continuity of future surveys, that this document be incorporated in *all* future conveyances, *without any revisions or deletions*. These herein described field notes are based on client and deed record information only and were prepared in the offices of Frontier Surveying Company.

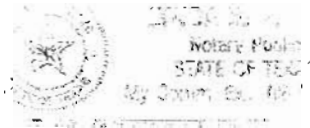
November 13, 2007
0711024.DOC
szc




JARREL L. MOORE
REGISTERED PROFESSIONAL LAND SURVEYOR
LICENSE NO 4854

THE STATE OF TEXAS }
COUNTY OF NUECES }

This instrument was acknowledged before me on this 14th day of November, 2007
by Caroline Davy Altheide, as President, on behalf of DUNN-McCAMPBELL
ROYALTY INTEREST, INC., as Lessor.



Lynda Rangel
Notary Public, State of Texas

THE STATE OF TEXAS }
COUNTY OF NUECES }

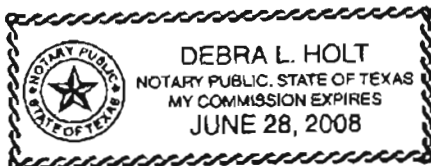
This instrument was acknowledged before me on this 14th day of November, 2007,
by Jim King, as President, on behalf of DUNN-PADRE CORPORATION, Lessor.



Lynda Rangel
Notary Public, State of Texas

THE STATE OF TEXAS }
COUNTY OF HARRIS }

This instrument was acknowledged before me on this 26th day of Nov., 2007,
by Paul Black as President on behalf of BNP OIL & GAS PROPERTIES, LTD.



Debra L. Holt
Notary Public, State of Texas

NICHOLAS & JUAN JOSE BALLI

A-10

PADRE ISLAND

Y = 571,371
X = 2,365,744

Y = 571,371
X = 2,371,088



EAST 5344.19'

1000

1008

1007

854.0 ACRES

NORTH 8128.00'

S 10°42'35" W 7530.49'

MEXICO

1009

1010

Y = 563,972
X = 2,369,688

Y = 563,243
X = 2,369,577

WEST 3833.79'

POINT OF BEGINNING

Y = 563,243
X = 2,365,744

LINE	BEARING	DISTANCE
L1	S 08°39'35" W	737.09'

Yorborough
Pass

BOYLES MEANDER LINE

1000 0 1000 2000 3000 4000 5000 6000

SCALE: 1" = 2000 FEET

THIS PLAT WAS COMPILED FROM A COMBINATION OF
A GROUND SURVEY AND AN OFFICE SURVEY, WITH
THE MOST RECENT DESCRIPTIONS AVAILABLE. THIS
PLAT IS FOR UNIT DESIGNATION PURPOSES ONLY.

JARREL L. MOORE
REGISTERED PROFESSIONAL LAND SURVEYOR
LICENSE NO. 4854



FRONTIER SURVEYING COMPANY
SERVICES: LAND SURVEYING/LOCATIONS/PIPELINES/MAPPING/GPS/GIS
710 BUFFALO STREET, SUITE 401, CORPUS CHRISTI, TEXAS 78401
PHONE: (361) 881-9044 FAX: (361) 881-8340
www.frontiersurveying.com

Copyright © 2006 All Rights Reserved

NOTE:
1. COORDINATES SHOWN ARE BASED ON TEXAS STATE
PLANE COORDINATE SYSTEM OF 1927, TEXAS SOUTH
2. ALL LEASE & TRACT INFORMATION SHOWN HEREON
IS DONE SO BY DEED RECORD INFORMATION ONLY
AND THE UNDERSIGNED SURVEYOR DOES NOT
WARRANT TO THE ACCURACY THEREOF.



PLAT OF:

854.0 ACRES FOR

BNP PETROLEUM CORP.
DUNN McCAMPBELL PADRE L LEASE

SITUATED IN THE NICHOLAS & JUAN
JOSE BALLI SURVEY, A-10
ON PADRE ISLAND
IN KENEDY COUNTY, TEXAS

Completion Date: File Name: 0711024.DWG
Scale: 1" = 2000' Surveyed by: OFFICE
Drawn by: SZC Checked by: JLM

PLOT DATE: 11-15-07 10:06 AM

JOB #: 0711024