

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

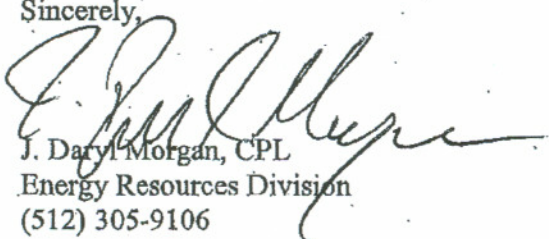
Dear Mr. Taylor:

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
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