

GREENHILL NATURAL RESOURCE RESTORATION AGREEMENT

This agreement is made and entered into by and among:

1. The National Oceanic and Atmospheric Administration (NOAA), an agency of the United States Department of Commerce, and the United States Department of the Interior (DOI),
2. The Louisiana Oil Spill Coordinator's Office, Office of the Governor (LOSCO); Louisiana Department of Environmental Quality (LDEQ); Louisiana Department of Natural Resources, Office of Coastal Restoration and Management (LDNR/OCRM); and Louisiana Department of Wildlife and Fisheries (LDW&F); collectively referred to as the State, and
3. Greenhill Petroleum Corporation (Greenhill).

STATEMENT OF FACTS

1. At approximately 5:45 p.m. on September 29, 1992, natural gas and petroleum well no. 250, State Lease PP #192, Timbalier Bay, Louisiana, began discharging crude oil and natural gas as a result of loss of well control during well workover operations.
2. The well is owned and operated by Greenhill Petroleum Corporation, a Delaware corporation, and workover operations were being conducted by independent contractors of Greenhill.
3. The loss of well control resulted in a discharge of approximately 96,000 gallons of oil into the marine environment of Timbalier Bay, Louisiana, before the well was capped on October 9, 1992.
4. The oil discharged was a light crude oil, containing petroleum hydrocarbons and trace amounts of heavy metals.
5. The concentration and quantity of oil discharged was sufficient to actually or potentially cause injury to natural resources, which was assessed by the Trustees to have resulted in 43.43 lost acre years of marsh services, including visible oiling of sediments and marsh vegetation on certain shorelines in the area. Migratory birds and aquatic natural resources were actually or potentially affected by the discharge of oil.

6. NOAA, DOI and the State are designated Trustees for the natural resources actually or potentially affected by the discharge of oil from the well owned and operated by Greenhill.
7. Greenhill promptly initiated, conducted and participated in response actions to contain and remove spilled oil.
8. Response actions implemented by Greenhill and other parties provided no compensation for the value of natural resources or their services that were actually or potentially injured, destroyed or lost as a result of the discharge of oil.

STATEMENT OF OBLIGATIONS

1. The State of Louisiana, Department of the Interior and National Oceanic Atmospheric Administration collectively referred to as Trustees have expended considerable time, funds and resources in investigating the September-October, 1992 oil spill, and the natural resource injuries and losses that may have resulted from the incident. The Trustees will continue to incur administrative expenses in conjunction with implementation of this agreement. Therefore, Greenhill shall reimburse the Trustee parties within 30 days of execution of this agreement for their administrative expenses as follows:
 - a. NOAA: \$84,463.94 as reimbursement for past administrative costs and \$18,000.00 as anticipated future costs for oversight activities as outlined in Attachment A;
 - b. LOSCO: \$9,568.31 as reimbursement for past administrative costs;
 - c. LDEQ: \$5,178.31 as reimbursement for past administrative costs;
 - d. LDNR/OCRM: \$2,090.01 as reimbursement for past administrative costs;
 - e. LDW&F: \$15,335.05 as reimbursement for past administrative costs;
 - f. AG: \$1,456.05 as reimbursement for past administrative costs;

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These funds shall be paid by cashier's check or certified check referencing the "Greenhill Natural Resource Restoration Agreement" as follows:

As to NOAA, a check for \$102,463.94 payable to NOAA, Department of Commerce, and sent to:

NOAA Finance Services Division
Bills and Collection Unit, Caller Service 7025
20020 Century Blvd.
Germantown, MD 20874

with a copy of the check sent to:

NOAA Office of General Counsel
9450 Koger Blvd, Suite 116
St. Petersburg, FL 33702
Attn: Ms. Cheryl L. Scannell
Germantown, MD 20874

As to LOSCO, a check for \$9,568.31 payable to the Louisiana Oil Spill Coordinator's Office and sent to:

Louisiana Oil Spill Coordinator's Office
Office of the Governor
P.O. Box 94095
Baton Rouge, LA 70804
Attn: Roland J. Guidry

As to LDEQ, a check for \$5,178.31 payable to the Louisiana Department of Environmental Quality and sent to the La. Oil Spill Coordinator's Office.

As to LDNR/OCRM, a check for \$2,090.01 payable to the Louisiana Department of Natural Resources and sent to the La. Oil Spill Coordinator's Office.

As to LDW&F, a check for \$15,335.05 payable to the Louisiana Department of Wildlife and Fisheries and sent to the La. Oil Spill Coordinator's Office.

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As to AG Office, a check for \$1,456.05 payable to the Louisiana State Attorney General Office and sent to the La. Oil Spill Coordinator's Office.

NOAA shall provide Greenhill with an annual itemized statement of its future costs, related to implementing this agreement. In the event that reasonable and necessary future administrative costs exceed the estimated costs included in the above payments, Greenhill shall reimburse NOAA for its expenses within 30 days of receipt of documentation of such expenditures.

The State Trustees will continue to incur administrative costs in connection with oversight activities as outlined in Attachment A. The reasonable estimate of these future costs is as follows:

LOSCO	\$1,000.00
LDEQ	\$1,000.00
LDNR/OCRM	\$6,024.48
LDW&F	\$2,000.00

The State's administrative costs will be billed quarterly, as such costs are incurred. Greenhill shall pay invoices which document such costs within thirty days of receipt.

2. In consideration of and in exchange for the agreements described in Paragraph 8 of this Statement of Obligations, Greenhill agrees to the following:
 - a. To reimburse the Trustees' administrative expenses identified in Paragraph 1;
 - b. To satisfactorily implement the restoration project developed according to the preapproved plan, attached hereto as Attachment A. The restoration project shall consist of: 1) dredge and fill creation and vegetative planting of 19.72 acres of new intertidal marsh habitat; and 2) vegetative planting of 1.98 acres of unvegetated sand castover areas, all on East Timbalier Island, which would replace the 43.43 lost acre years of marsh services; and
 - c. To conduct performance monitoring of the habitat creation projects and vegetated sites, for a period of 5 years upon satisfactory completion of all

phases of the restoration plan, according to the preapproved monitoring plan, attached hereto as Attachment A.

The restoration and monitoring projects referenced in Paragraph 2(b) and 2(c) above are subject to public notice, opportunity for a hearing and consideration of all public comments.

3. Upon satisfactory completion of the restoration project, in accordance with performance criteria specified in Attachment A, the LOSCO, acting on the behalf of the Trustees, shall provide Greenhill with a written statement that the project has been completed in a satisfactory fashion. Thereafter, excepting completing the requirements of the monitoring plan, Greenhill shall have no further obligation for the restoration project. The project shall become the property of the State of Louisiana, which will become responsible for operation and maintenance of the project.
4. The Trustees shall not be responsible or liable for any adverse impacts to the Greenhill facility or its operations that are directly or indirectly related to Greenhill's performance of its obligations under this agreement.
5. Greenhill shall obtain, at its expense, all permits, rights-of-way and other documents necessary for implementation of the restoration and monitoring projects, and it shall comply with all Federal and State laws.
6. During work on the restoration and monitoring projects, Greenhill shall allow Trustee agencies an irrevocable right of access to the project sites for the purpose of assessing the progress of implementation of the project.
7. Greenhill agrees to begin the restoration project in a timely manner, such that initial vegetative planting of newly created habitat and castover areas will be accomplished no later than July 31, 1994. The 5-year monitoring obligation will commence with the first field monitoring following completion of initial planting. In the event that the restoration project work is suspended or delayed due to force majeure, including but not limited to delays or suspensions due to inclement weather, Greenhill shall be granted an additional and reasonable amount of time to complete the restoration work.

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8. Subject to Greenhill's complete payment of Trustee administrative expenses described in Paragraph 1, and satisfactory completion of the restoration and monitoring projects according to preapproved plans, NOAA and DOI hereby agree that neither agency shall refer this matter to the Department of Justice for the purpose of litigating a claim for natural resource damages. Subject to the same conditions, the State of Louisiana hereby releases Greenhill from civil liability for natural resource damages arising from the September 29, 1992 discharge of crude oil into Timbalier Bay, Louisiana, from well no. 250.
9. Nothing in this agreement is intended to be, nor shall be construed as, a release or covenant not to sue for any claim or cause of action, administrative or judicial, for:
 - a. Failure to provide the governmental parties with access to the restoration project sites.
 - b. Natural resource damages, in the event that Greenhill does not: pay the administrative expenses identified in Paragraph 1, or satisfactorily complete the restoration and monitoring plans and projects described in Paragraph 2, or otherwise comply with this agreement.
 - c. Violation of any Federal or State law during implementation of the restoration or monitoring projects.
 - d. Future releases, discharges or spills.
 - e. Any and all criminal liability.
 - f. Any matter not expressly included in the release from liability for natural resource damages set forth in Paragraph 8 in this Statement of Obligations.
10. Greenhill Petroleum Corporation certifies that, to the best of its knowledge and belief, it has fully and accurately disclosed to the Trustees all information requested by the Trustees which is currently in the possession of Greenhill's officers, employees, contractors and agents, that relates in any way to the September 29, 1992 discharge of oil from well no. 250 into Timbalier Bay, Louisiana.

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11. The Trustees certify that, to the best of their knowledge and belief, no other Trustee has the right to present a claim for the natural resources or their services that were injured, destroyed or lost as a result of the discharge of oil from well no. 250 into Timbalier Bay, Louisiana on September 29, 1992.
12. This agreement may be executed in counterparts.

IN WITNESS WHEREOF, this agreement is executed by each of the parties as of the dates written below.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
Natural Resource Trustee
Authorized Official

By: Charles N. Ehler, Director
Title: Office of Ocean Resources Conservation & Assessment
Date: 12/11/13

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U.S. DEPARTMENT OF THE INTERIOR
Natural Resource Trustee
Authorized Official

By: Arthur K. Brown
Title: DIRECTOR, OFFICE OF ENVIRONMENTAL POLICY AND COMPLIANCE
Date: 12/21/93

RECEIVED

DEC 27 1993

STATE OF LOUISIANA
OFFICE OF THE GOVERNOR
OFFICE OF THE ORLANDO ORDINANCE

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LOUISIANA OIL SPILL COORDINATOR'S OFFICE,
OFFICE OF THE GOVERNOR
Natural Resource Trustee
Authorized Official

By: Roland J. Gandy
Title: La. Oil Spill Coordinator
Date: 12/23/93


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LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Natural Resource Trustee
Authorized Official

By: J. R. C. Adams
Title: Assistant Secretary - Water Resource
Date: 12/16/93

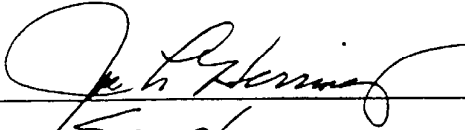
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LOUISIANA DEPARTMENT OF NATURAL RESOURCES,
OFFICE OF COASTAL RESTORATION AND MANAGEMENT
Natural Resource Trustee
Authorized Official

By: 
Title: Secretary
Date: 1/18/94

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LOUISIANA DEPARTMENT OF WILDLIFE AND FISHERIES
Natural Resource Trustee
Authorized Official

By: 
Title: Secretary
Date: 12-23-53

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GREENHILL PETROLEUM CORPORATION
Authorized Officer

By: Pat E. Allison

Title: Vice President and General Counsel

Date: December 3, 1993