+ Measures

Minerals Management Service
Royalty Valuation Division
P.O. Box 25165, Mail Stop 3150
Denver, Colorado 80225
FAX: (303) 275-7227

FAX COVER SHEET

"To establish and communicate the proper value of mineral production from Federal and Indian lan

Date: 4/8

To: KEN VOGEL

Division/Company:

Phone:

FAX: 231-3362

From: DGT

Phone:

Comments: REFINER COUNTERSIGNOSK

Division:
Deborah Gibbs Tschudy, Chief (303) 275-7200
Shelia Dean, Secretary (303) 275-7201

Economic Valuation Branch:
Dave Hubbard, Chief (303) 275-7260
Mary Reynolds, Secretary (303) 275-7259
Section I:
Jim Morris, Chief (303) 275-7213

Oil and Gas Valuation Branch:
Martin Grieshaber, Chief (303) 275-7240
Loretta Stockton, Secretary (303) 275-7241
Section I:
Theresa Walsh Bayani, Chief (303) 275-7247
Section II:
Rich Adamski, Chief (303) 275-7242

Solid Minerals Valuation Branch:
Herb Wincentsen, Chief (303) 275-7210
Glenda Simpson, Secretary (303) 275-7214
Section I:
John Hovanec, Chief (303) 275-7212

Number of pages including this cover _____

RIK Counteroffer 4/8/98

LLS

HLS

X - 4

X - 5

ET

Bonito:

X-4 →
X-5

X-4 →
X-5

MARS - John Barden

Texas Gulf / Texas City:

Will neg if companies are serious about other offers. We need to gather more data.

TTTI Sale Contract No.: 17E0.
(As Agent for TEPI)

March 19, 1998

Dated March 20, 1997
Amendment No.: 002
Gary-Williams Energy Corporation Contract No.:

EXHIBIT A

Gary-Williams Contact: Mr. Don Hamilton
Phone: (303) 628-3800

TTTI Contact: William N. Stadler
Phone: (504) 680-1891

ITEM(S) AMENDED:

Attachment Number	Effective Date	TTTI Lease Number	Lease Name	Operator	Action
	4/1/98				Change QUALITY, QUANTITY, PRICE, TERM and SPECIAL PROVISIONS

Texas City Grade?

TTTI's Sale and Delivery to Gary-Williams: EI?

QUALITY: High Island type crude oil.

QUANTITY: A volume equal to 20% of Texaco's 41.66% interest or 8.33% in Garden Banks Block 189, Offshore Louisiana, (TTTI Lease No. 85685), currently estimated to be 540 barrels per day.

DELIVERY: Into Texaco Pipeline Inc. facilities from production facilities at Garden Banks Block 189, Offshore Louisiana.

PRICE:

X-4
X-5

For purposes of determining price, the crude oil delivered during any given month hereunder shall be deemed to have been delivered in equal daily quantities during each month.

PAYMENT: Texaco Trading and Transportation Inc. will invoice Gary-Williams Energy Corporation for deliveries under this contract with amount due to be applied to the Net Out Agreement between the two companies.

TERM: For the months of April 1, 1997 to October 1, 1998 only.

SPECIAL PROVISIONS: (1) The sale hereunder is subject to Gary-Williams Energy Corporation providing credit coverage acceptable to Texaco Trading and Transportation Inc., which may include an Irrevocable Bank Letter of Credit. (2) Gary-Williams must ship barrels in Texaco Pipeline Inc. space at $2.50 per barrel. (3) Buyer will instruct its carrier that receives the crude oil at the delivery point to send copies, either electronically or otherwise, of the run tickets and/or statement reflecting receipt of the barrels covered by the agreement to Seller and do any further acts necessary to induce the carrier to forward such information to Seller in a timely manner.

X-4
X-5