

State of Idaho

Department of State

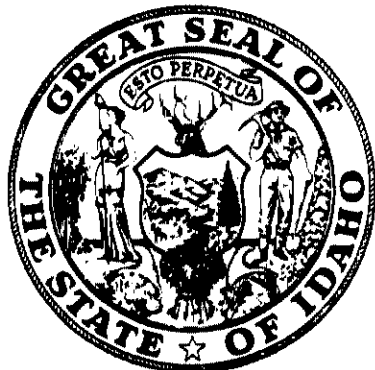
CERTIFICATE OF REGISTRATION OF

~~LEAR PETROLEUM PARTNERS OPERATING COMPANY, L.P. LIMITED PARTNERSHIP~~

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of an Application of ~~LEAR PETROLEUM PARTNERS OPERATING COMPANY, L.P.~~ for Registration in this State, duly signed and verified pursuant to the provisions of the Idaho Limited Partnership Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Registration to ~~LEAR PETROLEUM PARTNERS OPERATING COMPANY, L.P.~~ to transact business in this State under the name ~~LEAR PETROLEUM PARTNERS OPERATING COMPANY, L.P. LIMITED PARTNERSHIP~~ and attach hereto a duplicate original of the Application for Registration.

Dated February 22, 1985



Pete T. Cenarrusa

SECRETARY OF STATE

by: _____

8. (Continued)

Name	General or Limited	Address
_____	_____	_____
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9. This Application is accompanied by a copy of the certificate of limited partnership and amendments thereto, duly authenticated by the proper officer of the state or country under the laws of which it is organized.

Dated February 15, 19 85.

LEAR PETROLEUM PARTNERS OPERATING COMPANY, L.P.
LEAR PETROLEUM EXPLORATION, INC.

By its Managing General Partner

By *Randall B. Wilson*

~~General Partner~~
Vice President of the Managing
General Partner

STATE OF TEXAS)

COUNTY OF DALLAS) ss:

I, *Roxann M. Gutierrez*, a notary public, do hereby certify that on this
15 day of February, 19 85, personally appeared

before me Randall B. Wilson, who being by me first duly sworn,
Vice President of the managing
declared that he is a general partner of LEAR PETROLEUM PARTNERS OPERATING COMPANY, L.P.

Vice President of the managing
that he signed the foregoing document as a general partner of the limited partnership and that the state-
ments therein contained are true.

Roxann M. Gutierrez
Notary Public

RIDER

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The exploration, drilling, development and operation of oil and gas interests, the sale and marketing of any product from such oil and gas interests, the disposition of such oil and gas interests or interests in such oil and gas interests, the carrying on of any business relating to or arising from exploration for or development, production, treatment, processing or marketing of oil and gas and other minerals produced in association therewith that a limited partnership organized under the Delaware Act may carry on, the entering into any partnership joint venture, or other similar arrangement to engage in any of the foregoing and anything incidental to the foregoing.

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SECRETARY OF STATE

Lear Petroleum Corporation
Consent to Use of Name


Lear Petroleum Corporation does hereby consent to the use of the name

Lear Petroleum Partners
Operating Company, L.P.

by the said Lear Petroleum Partners Operating Company, L.P. in the State of Idaho for any and all purposes as well as to the use of said name by such partnership in any and all other jurisdictions.

IN WITNESS WHEREOF, the undersigned has executed this consent this 15th day of February, 1985.

LEAR PETROLEUM CORPORATION

By 
Randall B. Wilson
Vice President



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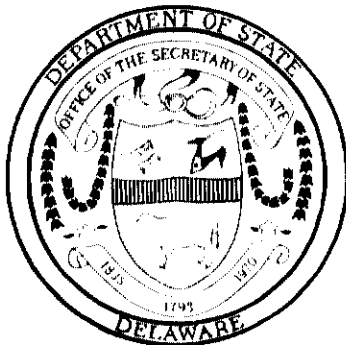
SECRETARY OF STATE

State of DELAWARE



Office of SECRETARY OF STATE

I, Michael Harkins, Secretary of State of the State of Delaware,
do hereby certify that the attached is a true and correct copy of
Certificate of Limited Partnership
filed in this office on December 28, 1984



Michael Harkins
Michael Harkins, Secretary of State

BY: *J. Malo*

DATE: February 20, 1985

1000 0000

Handwritten Signature

**AGREEMENT
AND
CERTIFICATE
OF
LIMITED PARTNERSHIP
OF
LEAR PETROLEUM PARTNERS
OPERATING COMPANY, L.P.**

This Agreement and Certificate of Limited Partnership is entered into by and between Lear Petroleum Exploration, Inc. ("LPX"), a Delaware corporation, as the Managing General Partner, LPC Energy, Inc., a Delaware corporation ("LPC"), as the Special General Partner and Lear Petroleum Partners, L.P. ("L.P."), a limited partnership formed pursuant to the Delaware Uniform Limited Partnership Act, as the Initial Limited Partner.

ARTICLE I

ORGANIZATIONAL MATTERS

1.1 *Formation*: The General Partners and the Initial Limited Partner hereby associate themselves in the formation of the Partnership as a limited partnership pursuant to the provisions of the Delaware Act. Except as expressly provided herein to the contrary, the rights and obligations of the Partners and the administration and termination of the Partnership shall be governed by the Delaware Act. The Partnership interest of any Partner shall be personal property for all purposes.

1.2 *Name*: The name of the Partnership shall be, and the business of the Partnership shall be conducted under the name of "Lear Petroleum Partners Operating Company, L.P." ("Operator"). In the State of Louisiana the name of the Partnership shall be, and the business of the Partnership shall be conducted under the name of "Lear Petroleum Partners Operating Company, L.P. a Limited Partnership". The Partnership's business may be conducted under any other name or names deemed advisable by the Managing General Partner to preserve the limited liability of the Limited Partner, including the name of the Managing General Partner. The words "Limited Partnership" shall be included in the name where necessary for purposes of complying with the laws of any jurisdiction that so requires.

1.3 *Registered Office - Principal Office*: The registered office of the Partnership in the State of Delaware is the Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware and its registered agent at that registered office is The Corporation Trust Company. The principal office of the Partnership shall be, and the business address of the General Partners and the Initial Limited Partner is, Suite 950, One Energy Square, 4925 Greenville Avenue, Dallas, Texas 75206, or such other place as the Managing General Partner may from time to time designate to the Partners. The Managing General Partner will give notice to the Limited Partner within ten days after any change in the principal office of the Partnership. The Partnership may maintain such offices at such other locations as the Managing General Partner deems advisable.

1.4 *Term*: The Partnership shall continue in existence until the close of Partnership business on December 31, 2014, or until the earlier termination of the Partnership in accordance with the provisions of Article XIII.

1.5 *Power of Attorney*: (a) Each Partner hereby constitutes and appoints the Managing General Partner (and any successor by merger, assignment, election or otherwise) with full power of substitution as his true and lawful agent and attorney-in-fact, with full power and authority in his name, place and stead to:

(i) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (A) all certificates and other instruments (including, at the option of the Managing General Partner, this Agreement) and all amendments thereof which the Managing General Partner deems appropriate or necessary to qualify, or continue the qualification of, the Partnership as a limited partnership for a partnership in which the limited partners have limited liability in all jurisdictions in which the

Partnership may conduct business or own property; (B) all instruments which the Managing General Partner deems appropriate or necessary to reflect any amendment, change or modification of this Agreement in accordance with its terms; (C) all conveyances and other instruments or documents which the Managing General Partner deems appropriate or necessary to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Agreement; and (D) instruments relating to the changes in the Partner; and instruments relating to the admission of any Partner pursuant to Article XI; and

(iii) sign, execute and file with the Department of Interior (including any bureau, office, or other unit thereof, whether in Washington, D.C., or in the field, or any officer or employee thereof) as well as with any other federal or state agencies, departments, bureaus, offices or authorities (A) any and all offers to lease and leases of or with respect to (including amendments, modifications, supplements, renewals and exchanges thereof) any lands under the jurisdiction of the United States or any state (including without limitation lands within the public domain, acquired lands and Indian lands) under any act or regulation which provides for the leasing thereof; (B) all statements of interest and holdings on behalf of the Partnership or the Partners; (C) any other statements, notices or communications now or hereafter required or permitted to be filed under any law, rule or regulation of the United States or any state, including, without limitation, the Mineral Lands Leasing Act of 1920 (as amended), 30 U.S.C. § 181 et seq., the Mineral Leasing Act for Acquired Lands of 1947 (as amended), 30 U.S.C. § 351 et seq., the Right-of-Way Leasing Act of 1930, 30 U.S.C. § 301 et seq., and the Outer Continental Shelf Lands Act of 1953, 43 U.S.C. § 1331 et seq., relating to the leasing of lands for oil or gas exploration or development; (D) any request for approval of assignments or transfers of oil and gas leases, any unitization or pooling agreements and any other documents relating to lands under the jurisdiction of the United States or any state; and (E) any other documents or instruments which the Managing General Partner in its sole discretion determines should be filed.

Nothing herein contained shall be construed as authorizing the Managing General Partner to amend this Agreement except in accordance with Article XIV.

1.6. *Special Limited Partner.* In order to create the Partnership under the laws of the State of Delaware, the Managing General Partner has accepted a capital contribution in the amount of \$1,000 from the Initial Limited Partner for a Partnership Interest.

ARTICLE II DEFINITIONS

The following definitions shall for all purposes, unless otherwise clearly indicated, apply to the terms used in this Agreement:

"Affiliate" means any Person that directly or indirectly controls, is controlled by, or is under common control with, the Person in question. As used in the definition of "Affiliate," the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agreed Value" (a) of a Contributed Property transferred to the Partnership by the Initial Limited Partner pursuant to Section 4.1 means such property's Agreed Value as determined in accordance with the provisions of the LPP Partnership Agreement, and (b) of any other Contributed Property transferred to the Partnership, means the fair market value of such property as determined by the Managing General Partner using such reasonable method of valuation as may be adopted by the Managing General Partner.

"Agreement" means this agreement of limited partnership, as it may be amended or supplemented from time to time.

"Assignee" means a person to whom one or more Depositary Units or the Partnership Units have been transferred, by assignment of a depositary receipt, or otherwise, in the manner permitted in the LPP Partnership Agreement and who thereby has an interest in the Limited Partner equivalent to that of a limited partner but (a) limited to the rights and obligations appurtenant to the Partnership Unit to share

"Delaware Act" means the Delaware Revised Uniform Limited Partnership Act (6 Del. C. § 17-101 et seq.) as it may be amended from time to time, and any successor to such Act.

"Departing Partner" means a General Partner, as of the effective date of any withdrawal or removal of such General Partner pursuant to Sections 12.1 or 12.3.

"Fair Market Value" of a Lease or other property means the fair market value of such Lease or other property as reasonably ascertained by the Managing General Partner as if such Lease or other property were being acquired in an arm's length transaction.

"General Partner" means LPX, LPCE and their successors.

"Initial Limited Partner" means Lear Petroleum Partners, L.P., a limited partnership organized under the Delaware Act.

"Initial Offering" means the initial distribution of LPP Units to the shareholders of Lear.

"Lear" means Lear Petroleum Corporation, a Delaware Corporation.

"LPP" means Lear Petroleum Partners, L.P., the Initial Limited Partner.

"LPCE" means LPC Energy, Inc., a Delaware corporation.

"LPX" means Lear Petroleum Exploration, Inc., a Delaware Corporation.

"LPP Partnership Agreement" means the limited partnership agreement of the Initial Limited Partner.

"LPP Partnership Unit" means a limited partner's unit in the Limited Partner.

"Leases" means full or partial interests in oil and gas leases, oil and gas mineral rights (other than a net profits royalty or overriding royalty interest), fee rights, licenses, concessions or other rights authorizing the owner to explore for and produce oil and gas or contractual rights to acquire any such interests.

"Limited Partner" means the Initial Limited Partner and any successors of the Initial Limited Partner.

"Liquidator" has the meaning specific in Section 13.3.

"Managing General Partner" means LPX or its successors.

"NASDAQ" means the National Association of Securities Dealers Automated Quotation System.

"Net Agreed Value" means (a) in the case of any Contributed Property, the Agreed Value of such property reduced by any indebtedness other than assumed by the Partnership upon such contribution or to which such properties are subject at the time of contribution; (b) in the case of any property currently distributed to a Partner pursuant to Section 13.3, the Agreed Value of such property at the time such property is distributed, reduced by any indebtedness other than assumed by such Partner upon such distribution or to which such property is subject at the time of distribution; (c) in the case of any property distributed to a Partner in liquidation of the Partnership pursuant to Section 13.4, the fair market value of such property at the time of such distribution, reduced by any indebtedness other than assumed by such Partner upon such distribution or to which such property is subject at the time of distribution.

"Oil and Gas Interest" means direct or indirect interests in (a) properties suitable for, believed to be suitable for or currently the subject of oil and gas exploration, development or production, including

interest, including the right to acquire an interest in the property, (b) whether such interest is a leasehold interest or a right incident to the foregoing, whether such interest is a leasehold interest or a right incident to the foregoing.

"Opinion of Counsel" means a written opinion of counsel selected by the Managing General Partner

"Original Properties" means those properties and assets described in the Conveyance Agreement that are to be contributed to the Partnership by the Initial Limited Partner pursuant to Section 4.3(a)

"Partner" means a General Partner or the Limited Partner.

"Partnership" means the limited partnership established by this Agreement.

"Partnership Interest" means the interest of a Partner in the Partnership

"Percentage Interest" means the interest of a Partner in the Partnership

"Percentage Interest" means (a) as to the Managing General Partner, 95%, (b) as to the Special General Partner, 05% and (c) as to the Limited Partner, 99%.

"Person" means an individual or corporation, partnership, trust, unincorporated organization, association or other entity.

"Prospect" means an area covering lands which, in the opinion of the Managing General Partner contain geologic feature, some portion of which is considered potentially capable of producing oil or gas in commercial quantities, and in which the Partnership owns or proposes to acquire one or more interests

"Recapture Income" has the same meaning as defined in the limited partnership agreement

"Registration Statement" means the Registration Statement on Form S-1 to be filed by LPP with the Securities and Exchange Commission under the Securities Act of 1933, to register the distribution to the shareholders of Lear of the depository units representing LPP Units in the Initial Offering, as it may be amended from time to time.

"Simulated Basis" means the adjusted basis of any oil and gas property (as defined in Section 614 of the Code), determined for Federal income tax purposes immediately following the acquisition of such property, as adjusted to reflect (i) additions to basis and (ii) the Simulated Depletion Allowance.

"Simulated Depletion Allowance" means a depletion allowance computed (in accordance with Federal income tax principles) for each taxable year with respect to each oil and gas property (as defined in Section 614 of the Code), using the cost method or percentage method of depletion (without regard to limitations imposed on the percentage method under Section 613A of the Code which theoretically could apply to less than all Partners), whichever results in the greatest depletion allowance. For purposes of computing the Simulated Depletion Allowance with respect to any property, the adjusted basis of such property shall be deemed to be the Simulated Basis in such property and, in no event, shall such allowance in the aggregate, exceed such Simulated Basis.

"Special General Partner" means the Special General Partner as defined in the Conveyance Agreement.

"Unit Price" has the same meaning as defined in the Conveyance Agreement.

"Unrealized Gain" means the excess, if any, of the fair market value of such property as of the date of determination, over the Carrying Value of such property (prior to any depletion allowance) as of such date (as defined in Section 4.4(d) as of such date).

"Unrealized Gain" attributable to a Partnership property means, as of any date of determination, the excess, if any, of the Carrying Value of such property as of such date of determination (prior to any adjustment to be made as of such date) over the fair market value of such property.

ARTICLE III

PURPOSE

The purpose and business of the Partnership shall be the exploration, drilling, development and operation of Oil and Gas Interests, the sale and marketing of any product from such Oil and Gas Interests, the disposition of such Oil and Gas Interests or interests in such Oil and Gas Interest; the carrying on of any business relating to or arising from exploration for or development, production, treatment, processing or marketing of oil and gas and other minerals produced in association therewith that a limited partnership organized under the Delaware Act may carry on; the entering into any partnership, joint venture or other similar arrangement to engage in any of the foregoing and anything incidental to the foregoing.

ARTICLE IV

CAPITAL CONTRIBUTIONS

4.1 *Managing General Partner* (a) As soon as is practicable following the Commencement Date, the Managing General Partner shall contribute to the Partnership cash in an amount, or property having a Net Agreed Value, such that its Capital Contribution then being made as Managing General Partner shall be equal to .95% of the total Capital Contributions (based on the amounts credited to Capital Accounts on account thereof) to the Partnership then being made pursuant to this Section and Sections 4.2(a) and 4.3(a).

(b) Following the Commencement Date, whenever the Limited Partner makes a Capital Contribution to the Partnership pursuant to Section 4.2(b), the Managing General Partner shall contribute to the Partnership cash in an amount, or property having a Net Agreed Value, such that its Capital Contribution then being made as Managing General Partner shall be equal to .95% of the total Capital Contributions (based on the amounts credited to Capital Accounts on account thereof) to the Partnership then being made pursuant to this Section and Sections 4.2(b) and 4.3(b).

4.2 *Special General Partner* (a) As soon as is practicable following the Commencement Date, the Special General Partner shall contribute to the Partnership cash in an amount equal to .05% of the total Capital Contributions (based on the amounts credited to Capital Accounts on account thereof) to the Partnership then being made pursuant to this Section and Sections 4.1(a) and 4.3(a).

(b) Following the Commencement Date, whenever the Limited Partner makes a Capital Contribution to the Partnership pursuant to Section 4.2(b), the Special General Partner shall contribute to the Partnership cash in an amount, or property having a Net Agreed Value, such that its Capital Contribution then being made shall be equal to .05% of the total Capital Contributions (based on the amounts credited to Capital Accounts on account thereof) to the Partnership then being made pursuant to this Section and Sections 4.1(b) and 4.3(b).

4.3 *Initial Limited Partner's Contributions* (a) As soon as is practicable following the Commencement Date, the Initial Limited Partner shall contribute the Original Properties to the Partnership and the Partnership shall assume (or take the Original Properties subject to) all liabilities and other indebtedness to be assumed by the Partnership in accordance with the Conveyance Agreement.

(b) Following the Commencement Date, the Limited Partner may contribute additional capital, whether in the form of Cash and/or Property, to the Partnership and the Partnership shall assume, or take subject to, all liabilities and other indebtedness of the Partnership with respect to such contributed Property.

4.4 *Capital Accounts* (a) The Partnership shall maintain for each Partner a separate capital account. Such capital account shall be increased by (i) the cash amount or Net Agreed Value of all Capital Contributions made by such Partner to the Partnership pursuant to this Agreement and (ii) all items of Partnership income and gain computed in accordance with Section 4.4(b) and allocated to such Partner pursuant to Section 5.1(a) and decreased by (iii) the cash amount or Net Agreed Value of all distributions

of cash or properties shall be made in accordance with the Agreement and any all items of Partnership deduction and loss computed in accordance with Section 4.4(b) and allocated to such partner pursuant to Section 5.1(a).

(b) For purposes of computing the amount of any item of income, gain, deduction or loss to be reflected in the Partner's capital accounts, the determination, recognition and classification of such items shall be the same as its determination, recognition and classification for Federal income tax purposes, provided, that:

(i) Any deduction for depreciation, cost recovery or amortization (other than depletion under Section 611 of the Code) attributable to a Contributed Property shall be determined as if the adjusted basis of such property on the date it was acquired by the Partnership was equal to the Agreed Value of such property. Upon an adjustment pursuant to Section 4.4(d) to the Carrying Value of any Partnership property subject to depreciation, cost recovery or amortization (other than depletion under Section 611 of the Code), any further deductions for such depreciation, cost recovery or amortization attributable to such property shall be determined as if the adjusted basis of such property was equal to the Carrying Value of such property immediately following such adjustment.

(ii) Any depletion deductions attributable to a separate oil and gas property (as defined in Section 614 of the Code) shall be computed by the Partnership using the cost or percentage method of depletion (without regard to limitations imposed on the percentage method under Section 613A of the Code which theoretically would apply to less than all of the Partners), whichever results in the greatest deduction. For purposes hereof, any cost depletion determined with respect to an oil and gas property shall be determined as if the adjusted basis of such property on the date of such determination was equal in amount to the Partnership's Carrying Value with respect to such property as of such date. Depletion deductions determined with respect to an oil and gas property shall, in the aggregate, reduce the capital accounts of the Partners only to the extent of the Partnership's Carrying Value with respect to such property. The allocations of basis and amount realized (and all items of income, gain, deduction or loss computed with respect thereto) required by Section 5.2 and by Section 613A (c)(7)(D) of the Code shall not affect the capital accounts of the Partners.

(iii) Any income, gain or loss attributable to the taxable disposition of any property (including any property subject to depletion under Section 611 of the Code) shall be determined by the Partnership as if the adjusted basis of such property as of such date of disposition was equal in amount to the Partnership's Carrying Value with respect to such property as of such date.

(iv) Immediately prior to the distribution of any Partnership property in liquidation of the Partnership pursuant to Sections 13.3 and 13.4, any Unrealized Gain or Unrealized Loss attributable to such property shall, for purposes hereof, be deemed to be gain or loss recognized by the Partnership and shall be allocated among the Partners pursuant to Section 5.1(a). In determining such Unrealized Gain or Unrealized Loss, the fair market value of such property shall be determined pursuant to Section 13.4.

(v) The computation of all items of income, gain, loss, and deduction shall be made without regard to any election under Section 754 of the Code which may be made by the Partnership and without regard to any provision of the Code that provides that an item of income or gain is not includable in gross income or that an item of expense is both not currently deductible and not capitalizable for Federal income tax purposes.

(c) A transferor of a Partnership interest shall not be required to adjust his capital account relating to the Partnership interest transferred.

(d) Upon the Initial Limited Partner's contribution of cash or properties received by the Initial Limited Partner to the Partnership pursuant to Section 4.4 of the LPP Partnership Agreement, the Managing General Partner shall make appropriate adjustments to the capital accounts (and to the Carrying Value of Partnership properties) as necessary to reflect any adjustments made by the Managing General Partner pursuant to Section 4.4(b) of the LPP Partnership Agreement.

4.5 *Interest*. No interest shall be added by the Partnership on Capital Contributions or on Withdrawals from Partners' Capital Accounts.

4.6 *No Withdrawal*. A Partner shall not be entitled to withdraw any part of his Capital Contribution or Capital Account or to receive any distribution from the Partnership, except as provided in Section 5.3 and Articles XII and XIII.

4.7 *Loans from Partners*. Loans by a Partner to the Partnership shall not be considered Capital Contributions.

ARTICLE V

ALLOCATIONS AND DISTRIBUTIONS

5.1 *Income and Losses*. (a) In determining the rights of the Partners among themselves and for financial accounting purposes, each item of profit and loss shall be credited or charged, as the case may be, to the Partners in accordance with their respective Percentage Interests.

(b) For Federal income tax purposes, except as otherwise provided in Section 5.2, each item of amount realized, income, gain, loss, deduction and credit of the Partnership shall be allocated among the Partners in accordance with their respective Percentage Interests.

5.2 *Other Tax Allocations*. (a) The deduction for depletion with respect to each separate oil and gas property (as defined in Section 614 of the Code) shall be computed for Federal income tax purposes separately by the Partners rather than the Partnership in accordance with Section 613A(c)(7)(D) of the Code. For purposes of such computation, the proportionate share of the adjusted basis (before taking into account any adjustment resulting from an election made by the Partnership on behalf of such Partner under Section 754 of the Code) of each oil and gas property (as defined in Section 614 of the Code) allocated to each Partner shall be determined in accordance with the following principles:

(i) In the case of a Contributed Property (including an Original Property), the adjusted basis of such property shall be allocated (1) first, to each Partner not contributing an interest in such property in an amount not to exceed the product of (x) the Agreed Value of such property and (y) the Percentage Interest of such Partner, and (2) second, to the Contributing Partners with respect to such property, in accordance with their respective Percentage Interests, in an amount equal to the remaining adjusted basis in such property, if any.

(ii) In the case of all other oil and gas properties, the adjusted basis of such properties shall be allocated to the Partners in accordance with their respective Percentage Interests.

Each Partner shall separately keep records of his share of the adjusted basis in each oil and gas property, adjust such share of the adjusted basis for any cost or percentage depletion allowable on such property and use such adjusted basis in the computation of his cost depletion or in the computation of his gain or loss on the disposition of such property by the Partnership.

(b) For the purpose of the separate computation of gain or loss by each Partner on the sale or disposition of such separate oil and gas property (as defined in Section 614 of the Code), the Partnership's allocable share of the "amount realized" (as such term is defined in section 101(b) of the Code) from such sale shall be allocated for Federal income tax purposes to the Partners as follows:

(i) In the case of a Contributed Property (including an Original Property), such "amount realized" shall be allocated (1) first, to each Partner not contributing an interest in such property in the same proportion as the adjusted basis in such property (as determined in accordance with paragraph (a)) is allocated to the Contributing Partners with respect to such property, in an amount not to exceed the product of (x) the Agreed Value of such property and (y) the Percentage Interest of such Partner at the time of contribution, and (2) third, the balance, if any, to the Partners in accordance with their respective Percentage Interests.

(ii) In the case of any Contributed Property (including an Original Property) the Carrying Value of which has been adjusted pursuant to Section 4.4(d), gain or loss attributable to such property shall be allocated (1) first, to the Partners in an amount equal to the Simulated Basis in each such property in the same proportion as such Partners' respective adjusted basis in (or attributable to) such property (as determined in accordance with Section 5.2(a) and (2) second, the balance to the Partners in accordance with their respective Percentage Interests.

(iii) In the case of an oil and gas property, the "amount realized" shall be allocated (1) first, to the Partners in an amount equal to the Simulated Basis in each such property in the same proportion as such Partners' respective adjusted basis in (or attributable to) such property (as determined in accordance with Section 5.2(a) and (2) second, the balance to the Partners in accordance with their respective Percentage Interests.

(d) In the case of any Contributed Property (including an Original Property) or property the Carrying Value of which has been adjusted pursuant to Section 4.4(d) which is not an oil and gas property defined in Section 614 of the Code, gain or loss, depreciation and cost recovery deductions (to the extent provided herein below) attributable to such property shall be allocated for Federal income tax purposes to the Partners as follows:

(i) In the case of a Contributed Property (including an Original Property), the adjusted basis of such property for purposes of depreciation and cost recovery deductions attributable to such property shall be allocated (1) first, to such Partners not contributing an interest in such property in an amount not to exceed the product of (x) the Agreed Value of such property and (y) the Percentage Interest of such Partners, and (2) second, to the Contributing Partners with respect to such property, in accordance with their respective Percentage Interests, in an amount equal to the remaining adjusted basis in such property, if any.

(ii) In the case of a Contributed Property (including an Original Property), gain or loss attributable to such property shall (1) first, be allocated among the Contributing Partners in a manner to take into account the variation between the Agreed Value of such property and its adjusted basis for Federal income tax purposes at the time of contribution, and (2) second, any such items remaining shall be allocated among the Partners in accordance with their respective Percentage Interests.

(iii) In the case of a property the Carrying Value of which has been adjusted pursuant to Section 4.4(d), gain and loss attributable to such property shall (1) first, be allocated among the Partners in a manner consistent with the principles of Section 704(c)(2) of the Code and the Treasury regulations promulgated thereunder (including Section 704 of the Code) to take into account the Unrealized Gain or Unrealized Loss attributable to such property and the allocations thereof pursuant to Section 4.4, and (2) second, in the event such property was originally a Contributed Property, be allocated among the Contributing Partners with respect to such property, in a manner to take into account the variation between the Agreed Value of such property and its adjusted basis for Federal income tax purposes at the time of contribution, and (3) third, any such items remaining shall be allocated among the Partners in accordance with their respective Percentage Interests.

(e) It is intended that the provisions of Sections 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 5.0, 5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 5.9, 6.0, 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 7.0, 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 8.0, 8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.8, 8.9, 9.0, 9.1, 9.2, 9.3, 9.4, 9.5, 9.6, 9.7, 9.8, 9.9, 10.0, 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 10.7, 10.8, 10.9, 11.0, 11.1, 11.2, 11.3, 11.4, 11.5, 11.6, 11.7, 11.8, 11.9, 12.0, 12.1, 12.2, 12.3, 12.4, 12.5, 12.6, 12.7, 12.8, 12.9, 13.0, 13.1, 13.2, 13.3, 13.4, 13.5, 13.6, 13.7, 13.8, 13.9, 14.0, 14.1, 14.2, 14.3, 14.4, 14.5, 14.6, 14.7, 14.8, 14.9, 15.0, 15.1, 15.2, 15.3, 15.4, 15.5, 15.6, 15.7, 15.8, 15.9, 16.0, 16.1, 16.2, 16.3, 16.4, 16.5, 16.6, 16.7, 16.8, 16.9, 17.0, 17.1, 17.2, 17.3, 17.4, 17.5, 17.6, 17.7, 17.8, 17.9, 18.0, 18.1, 18.2, 18.3, 18.4, 18.5, 18.6, 18.7, 18.8, 18.9, 19.0, 19.1, 19.2, 19.3, 19.4, 19.5, 19.6, 19.7, 19.8, 19.9, 20.0, 20.1, 20.2, 20.3, 20.4, 20.5, 20.6, 20.7, 20.8, 20.9, 21.0, 21.1, 21.2, 21.3, 21.4, 21.5, 21.6, 21.7, 21.8, 21.9, 22.0, 22.1, 22.2, 22.3, 22.4, 22.5, 22.6, 22.7, 22.8, 22.9, 23.0, 23.1, 23.2, 23.3, 23.4, 23.5, 23.6, 23.7, 23.8, 23.9, 24.0, 24.1, 24.2, 24.3, 24.4, 24.5, 24.6, 24.7, 24.8, 24.9, 25.0, 25.1, 25.2, 25.3, 25.4, 25.5, 25.6, 25.7, 25.8, 25.9, 26.0, 26.1, 26.2, 26.3, 26.4, 26.5, 26.6, 26.7, 26.8, 26.9, 27.0, 27.1, 27.2, 27.3, 27.4, 27.5, 27.6, 27.7, 27.8, 27.9, 28.0, 28.1, 28.2, 28.3, 28.4, 28.5, 28.6, 28.7, 28.8, 28.9, 29.0, 29.1, 29.2, 29.3, 29.4, 29.5, 29.6, 29.7, 29.8, 29.9, 30.0, 30.1, 30.2, 30.3, 30.4, 30.5, 30.6, 30.7, 30.8, 30.9, 31.0, 31.1, 31.2, 31.3, 31.4, 31.5, 31.6, 31.7, 31.8, 31.9, 32.0, 32.1, 32.2, 32.3, 32.4, 32.5, 32.6, 32.7, 32.8, 32.9, 33.0, 33.1, 33.2, 33.3, 33.4, 33.5, 33.6, 33.7, 33.8, 33.9, 34.0, 34.1, 34.2, 34.3, 34.4, 34.5, 34.6, 34.7, 34.8, 34.9, 35.0, 35.1, 35.2, 35.3, 35.4, 35.5, 35.6, 35.7, 35.8, 35.9, 36.0, 36.1, 36.2, 36.3, 36.4, 36.5, 36.6, 36.7, 36.8, 36.9, 37.0, 37.1, 37.2, 37.3, 37.4, 37.5, 37.6, 37.7, 37.8, 37.9, 38.0, 38.1, 38.2, 38.3, 38.4, 38.5, 38.6, 38.7, 38.8, 38.9, 39.0, 39.1, 39.2, 39.3, 39.4, 39.5, 39.6, 39.7, 39.8, 39.9, 40.0, 40.1, 40.2, 40.3, 40.4, 40.5, 40.6, 40.7, 40.8, 40.9, 41.0, 41.1, 41.2, 41.3, 41.4, 41.5, 41.6, 41.7, 41.8, 41.9, 42.0, 42.1, 42.2, 42.3, 42.4, 42.5, 42.6, 42.7, 42.8, 42.9, 43.0, 43.1, 43.2, 43.3, 43.4, 43.5, 43.6, 43.7, 43.8, 43.9, 44.0, 44.1, 44.2, 44.3, 44.4, 44.5, 44.6, 44.7, 44.8, 44.9, 45.0, 45.1, 45.2, 45.3, 45.4, 45.5, 45.6, 45.7, 45.8, 45.9, 46.0, 46.1, 46.2, 46.3, 46.4, 46.5, 46.6, 46.7, 46.8, 46.9, 47.0, 47.1, 47.2, 47.3, 47.4, 47.5, 47.6, 47.7, 47.8, 47.9, 48.0, 48.1, 48.2, 48.3, 48.4, 48.5, 48.6, 48.7, 48.8, 48.9, 49.0, 49.1, 49.2, 49.3, 49.4, 49.5, 49.6, 49.7, 49.8, 49.9, 50.0, 50.1, 50.2, 50.3, 50.4, 50.5, 50.6, 50.7, 50.8, 50.9, 51.0, 51.1, 51.2, 51.3, 51.4, 51.5, 51.6, 51.7, 51.8, 51.9, 52.0, 52.1, 52.2, 52.3, 52.4, 52.5, 52.6, 52.7, 52.8, 52.9, 53.0, 53.1, 53.2, 53.3, 53.4, 53.5, 53.6, 53.7, 53.8, 53.9, 54.0, 54.1, 54.2, 54.3, 54.4, 54.5, 54.6, 54.7, 54.8, 54.9, 55.0, 55.1, 55.2, 55.3, 55.4, 55.5, 55.6, 55.7, 55.8, 55.9, 56.0, 56.1, 56.2, 56.3, 56.4, 56.5, 56.6, 56.7, 56.8, 56.9, 57.0, 57.1, 57.2, 57.3, 57.4, 57.5, 57.6, 57.7, 57.8, 57.9, 58.0, 58.1, 58.2, 58.3, 58.4, 58.5, 58.6, 58.7, 58.8, 58.9, 59.0, 59.1, 59.2, 59.3, 59.4, 59.5, 59.6, 59.7, 59.8, 59.9, 60.0, 60.1, 60.2, 60.3, 60.4, 60.5, 60.6, 60.7, 60.8, 60.9, 61.0, 61.1, 61.2, 61.3, 61.4, 61.5, 61.6, 61.7, 61.8, 61.9, 62.0, 62.1, 62.2, 62.3, 62.4, 62.5, 62.6, 62.7, 62.8, 62.9, 63.0, 63.1, 63.2, 63.3, 63.4, 63.5, 63.6, 63.7, 63.8, 63.9, 64.0, 64.1, 64.2, 64.3, 64.4, 64.5, 64.6, 64.7, 64.8, 64.9, 65.0, 65.1, 65.2, 65.3, 65.4, 65.5, 65.6, 65.7, 65.8, 65.9, 66.0, 66.1, 66.2, 66.3, 66.4, 66.5, 66.6, 66.7, 66.8, 66.9, 67.0, 67.1, 67.2, 67.3, 67.4, 67.5, 67.6, 67.7, 67.8, 67.9, 68.0, 68.1, 68.2, 68.3, 68.4, 68.5, 68.6, 68.7, 68.8, 68.9, 69.0, 69.1, 69.2, 69.3, 69.4, 69.5, 69.6, 69.7, 69.8, 69.9, 70.0, 70.1, 70.2, 70.3, 70.4, 70.5, 70.6, 70.7, 70.8, 70.9, 71.0, 71.1, 71.2, 71.3, 71.4, 71.5, 71.6, 71.7, 71.8, 71.9, 72.0, 72.1, 72.2, 72.3, 72.4, 72.5, 72.6, 72.7, 72.8, 72.9, 73.0, 73.1, 73.2, 73.3, 73.4, 73.5, 73.6, 73.7, 73.8, 73.9, 74.0, 74.1, 74.2, 74.3, 74.4, 74.5, 74.6, 74.7, 74.8, 74.9, 75.0, 75.1, 75.2, 75.3, 75.4, 75.5, 75.6, 75.7, 75.8, 75.9, 76.0, 76.1, 76.2, 76.3, 76.4, 76.5, 76.6, 76.7, 76.8, 76.9, 77.0, 77.1, 77.2, 77.3, 77.4, 77.5, 77.6, 77.7, 77.8, 77.9, 78.0, 78.1, 78.2, 78.3, 78.4, 78.5, 78.6, 78.7, 78.8, 78.9, 79.0, 79.1, 79.2, 79.3, 79.4, 79.5, 79.6, 79.7, 79.8, 79.9, 80.0, 80.1, 80.2, 80.3, 80.4, 80.5, 80.6, 80.7, 80.8, 80.9, 81.0, 81.1, 81.2, 81.3, 81.4, 81.5, 81.6, 81.7, 81.8, 81.9, 82.0, 82.1, 82.2, 82.3, 82.4, 82.5, 82.6, 82.7, 82.8, 82.9, 83.0, 83.1, 83.2, 83.3, 83.4, 83.5, 83.6, 83.7, 83.8, 83.9, 84.0, 84.1, 84.2, 84.3, 84.4, 84.5, 84.6, 84.7, 84.8, 84.9, 85.0, 85.1, 85.2, 85.3, 85.4, 85.5, 85.6, 85.7, 85.8, 85.9, 86.0, 86.1, 86.2, 86.3, 86.4, 86.5, 86.6, 86.7, 86.8, 86.9, 87.0, 87.1, 87.2, 87.3, 87.4, 87.5, 87.6, 87.7, 87.8, 87.9, 88.0, 88.1, 88.2, 88.3, 88.4, 88.5, 88.6, 88.7, 88.8, 88.9, 89.0, 89.1, 89.2, 89.3, 89.4, 89.5, 89.6, 89.7, 89.8, 89.9, 90.0, 90.1, 90.2, 90.3, 90.4, 90.5, 90.6, 90.7, 90.8, 90.9, 91.0, 91.1, 91.2, 91.3, 91.4, 91.5, 91.6, 91.7, 91.8, 91.9, 92.0, 92.1, 92.2, 92.3, 92.4, 92.5, 92.6, 92.7, 92.8, 92.9, 93.0, 93.1, 93.2, 93.3, 93.4, 93.5, 93.6, 93.7, 93.8, 93.9, 94.0, 94.1, 94.2, 94.3, 94.4, 94.5, 94.6, 94.7, 94.8, 94.9, 95.0, 95.1, 95.2, 95.3, 95.4, 95.5, 95.6, 95.7, 95.8, 95.9, 96.0, 96.1, 96.2, 96.3, 96.4, 96.5, 96.6, 96.7, 96.8, 96.9, 97.0, 97.1, 97.2, 97.3, 97.4, 97.5, 97.6, 97.7, 97.8, 97.9, 98.0, 98.1, 98.2, 98.3, 98.4, 98.5, 98.6, 98.7, 98.8, 98.9, 99.0, 99.1, 99.2, 99.3, 99.4, 99.5, 99.6, 99.7, 99.8, 99.9, 100.0.

...the allocations and adjustments to Capital Accounts of the Partnership shall be determined with the limitations of the Partners as reflected in the provisions of this Agreement and included or required by Section 704 of the Code or by final Treasury regulations promulgated under Section 704 of the Code.

(e) All items of income, gain, loss, deduction and credit (or basis therefore) recognized by the Partnership for Federal income tax purposes and allocated to the Partners in accordance with the provisions hereof shall be determined without regard to any election under Section 754 which may be made by the Partnership; provided, however, such allocations, once made, shall be adjusted as necessary to take into account those adjustments authorized under Sections 734, 743 and 755 of the Code and, where appropriate, to provide only Partners recognizing gain on partnership distributions covered by Section 734 with the Federal income tax benefits attributable to the increased basis in Partnership property resulting from any election under Section 754 of the Code.

(f) To the extent of any Recapture Income resulting from the sale or other taxable disposition of a Partnership asset, the amount of any gain from such disposition allocated to (or recognized by) a Partner (or its successor in interest) for Federal income tax purposes pursuant to the above provisions shall be deemed to be Recapture Income to the extent such Partner has been allocated or has claimed any deduction directly or indirectly giving rise to the treatment of such gain as Recapture Income.

(g) In the event of the transfer of a Partnership interest during a year, each item of Partnership amount realized, income, gain, loss, deduction and credit attributable to the transferred Partnership interest shall for Federal income tax purposes be prorated between the transferor and transferee on a daily or other reasonable basis, as required by Section 751 of the Code; provided, however, that gain on a sale or other disposition of all or a substantial portion of the assets of the Partnership shall be allocated to the holder of the Partnership interest on the date of sale.

(h) If the Percentage Interest of a Limited Partner is changed during a taxable year for any reason other than the transfer of a Partnership interest to another Person, such Limited Partner's share of taxable income or loss shall be determined for Federal income tax purposes by taking into account his varying Percentage Interest in the Partnership during the taxable year on a daily or other reasonable basis as required by Section 706 of the Code.

5.3 **Current Distributions:** (a) From time to time, and not less often than quarterly, the Managing General Partner shall review the Partnership's accounts to determine whether distributions are appropriate. At any time the Managing General Partner may make such distributions as it in its discretion may determine, without being limited to current or accumulated income or gains. All such distributions shall be made concurrently to all Partners and in accordance with the Percentage Interests of the Partners.

(b) For the purpose of this Agreement the amount of windfall profits tax attributable to a Partner shall be treated as follows:

(i) The cash proceeds that are offset by the withholding of such tax will be deemed to have been distributed to the Partner. The amount of such tax shall be treated as paid by the Partner.

(ii) If any Partner is subject to a higher rate of windfall profits tax on any oil production of the Partnership than the rate imposed on the other Partners, the Managing General Partner is authorized to apportionally reduce such Partner's share of distributions in order to reflect accurately the varying rates of windfall profits tax.

(c) Any amount paid to a Partner in the form of a distribution shall be treated as a distribution for purposes of this Agreement.

MANAGEMENT AND CONTROL OF BUSINESS

6.1 **Duties of Managing General Partner:** (a) The Managing General Partner shall have the exclusive management and control of the business of the Partnership.

(b) The Managing General Partner shall file the Certificate of Limited Partnership of the Partnership to be filed with the Secretary of State of the State of Delaware, as required by the Delaware Act, and shall cause to be filed such other certificates or documents as may be required for the information and operation of a limited partnership in Delaware or any other state in which the Partnership may elect to do business.

6.2 *Authority of the Managing General Partner.* In addition to the powers now or hereafter granted a general partner of a limited partnership under applicable law or which are granted the Managing General Partner under any other provision of this Agreement, the Managing General Partner shall have full power and authority to do all things deemed necessary or desirable by it to conduct the business of the Partnership, including without limitation (a) the determination of the wells and operations in which the Partnership will participate; (b) the making of any expenditures, the borrowing of money and the incurring of any obligations it deems necessary for the conduct of the activities of the Partnership; (c) the acquisition, disposition, mortgage, pledge, encumbrance, hypothecation or exchange of any or all the assets of the Partnership; (d) the use of the assets of the Partnership (including, without limitation, cash on hand) for any purpose and on any terms it sees fit, including, without limitation, the financing of the conduct of the exploration, drilling, reworking and completion activities and other operations of the Partnership, the repair, maintenance of obligations of the Partnership, the conduct of additional Partnership operations and the purchase of Oil and Gas interests; (e) the negotiation and execution on any terms deemed desirable in its sole discretion of any contracts, conveyances or other instruments that it deems desirable in its sole discretion of any contracts, conveyances or other instruments that it considers useful or necessary to the conduct of the Partnership operations or the implementation of its powers under this Agreement; (f) the distribution of Partnership cash; (g) the selection and dismissal of employees and outside attorneys, accountants, consultants and contractors and the determination of their compensation and other terms of employment or hiring; (h) the making of all decisions concerning the desirability of payment, and the payment or supervision of the payment, of all delay rentals and shut-in royalty payments; (i) the maintenance of such insurance for the benefit of the Partnership and the Partners as it deems necessary; (j) the formation of any further limited or general partnerships, joint ventures or other relationships that it deems desirable; (k) the control of any matters affecting the rights and obligations of the Partnership, including the conduct of litigation and other incurring of legal expense and the settlement of claims and litigation; (l) the operation of producing wells drilled on Leases acquired by the Partnership or on a regulatory unit that includes any part of such a Lease; and (m) the purchase, sale or other acquisition or disposition of the LPP Partnership Units and depository units representing the LPP Partnership Units at such times and on such terms as it deems to be in the best interests of the Partnership and the Partners.

6.3 *Reliance by Third Parties.* Notwithstanding any other provision of this Agreement to the contrary, no lender or purchaser, including any purchaser of production, shall be required to look to the application of proceeds hereunder or to verify any representation by the Managing General Partner as to the extent of the interest in the assets of the Partnership that the Managing General Partner is entitled to encumber, sell or otherwise use, and any such lender or purchaser shall be entitled to rely exclusively on the representations of the Managing General Partner as to its authority to enter into such financing or sale arrangements and shall be entitled to deal with the Managing General Partner as if it were the sole party in interest therein, both legally and beneficially.

6.4 *Compensation and Reimbursement of General Partners.* (a) The General Partner shall not be compensated for their services as General Partners to the Partnership.

(b) Each of the General Partners shall be reimbursed for all expenses, disbursements, and advances incurred or made in connection with the organization of the Partnership and the qualification of the Partnership and the General Partners.

(c) Each General Partner shall be reimbursed for all direct expenses it incurs or makes on behalf of the Partnership (including, without limitation, the cost of the person to perform services for the Partnership) and for that portion of any indirect expenses (including, without limitation, accounting, geological, engineering, well supervision, telephone, mechanical, aircraft, travel and entertainment fees and expenses, office rent and other office expenses, salaries and other compensation expenses, other administrative expenses and other incidental expenses necessary to the conduct of the Partnership's business which are incurred by such General Partner in operating the Partnership's business including, without limitation, expenses allocated

to a General Partner shall be allocated to the Partnership, in addition to any reimbursement as a result of the Partnership's interest in Section 6.3. Each General Partner may allocate executive compensation to the Partnership to the extent such compensation represents involvement with the Partnership; provided, however, that no compensation shall be allocated to the Partnership which is payable in connection with the termination of an officer of a General Partner within three years after a change in control of a General Partner. The Managing General Partner shall determine such fees and expenses which are allocated to the Partnership in any reasonable manner, but the amount allocated must be reasonable in amount and necessary to the function of the Partnership. All expenses that have been or would otherwise be incurred by or charged to the Limited Partner shall constitute expenses of, and shall be paid by either by direct payment by the Partnership or by payment to the Limited Partner for payment of such expenses to the Partnership.

6.5 *Outside Activities.* Except as provided in Section 6.6 of the LPP Partnership Agreement, the Special General Partner, any Affiliate thereof and any director, officer, partner or employee of either General Partner or any Affiliate of a General Partner shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, may engage in the ownership, operation and management of working, nonparticipating or other interests or royalties in oil and gas properties, and any other businesses and activities, including business interests and activities in direct competition with the Partnership, for their own account and for the account of others, and may own interests in the same properties as those in which the Partnership or the Limited Partner owns an interest without having or incurring any obligation to offer any interest in such properties, business or activities to the Partnership, the Limited Partner or any other Partner, and no other provision of this Agreement shall be deemed to prohibit the General Partners or any such Person from conducting such other businesses and activities. Neither the Partnership nor the Limited Partner shall have any rights by virtue of this Agreement in any independent business interests of the Special General Partner, any Affiliate of the Special General Partner or any director, officer, partner or employee of either General Partner or an Affiliate of a General Partner. Except as set forth above, this Section 6.5 shall not be deemed or construed to limit or affect the fiduciary duties of such Persons to the Partnership.

6.6 *Partnership Funds.* The funds of the Partnership shall be deposited in such accounts as are designated by the Managing General Partner and shall not be commingled with the funds of either General Partner or any Affiliate thereof. All withdrawals from or charges against such accounts shall be made by the Managing General Partner or by its agents. The Managing General Partner may use the funds of the Partnership as compensating balances on its behalf or on behalf of the Special General Partner, provided that such funds do not directly or indirectly secure, and are not otherwise at risk on account of any indebtedness or other obligation of any General Partner or any director, officer, partner, employee or Affiliate of a General Partner. Temporary surplus funds of the Partnership may be invested as determined by the Managing General Partner.

6.7 *Contracts with Affiliates, Loans to or from General Partners, Joint Ventures.* (a) The Managing General Partner may itself, or may enter into an agreement with the Special General Partner or an Affiliate of a General Partner to, render services for the Partnership. Any service rendered to the Partnership by a General Partner or any Affiliate thereof shall be on terms no less favorable than those that the Partnership could obtain from unaffiliated sources in the area rendering comparable services, except that the provisions of Section 6.4 shall apply to the rendering of services described in such Section.

(b) A General Partner or any Affiliate of a General Partner may lend to the Partnership funds needed by the Partnership for such period of time as the Managing General Partner may determine, provided, however, that such General Partner or Affiliate may not charge the Partnership interest greater than the lesser of (i) the General Partner's or Affiliate's cost of funds (including points or other financing charges or fees, if any) or (ii) the rate of interest on the most favorable financing charges or fees that would be charged the Partnership by a bank or other financial institution. The Partnership's or Special General Partner's financial abilities or guarantees shall not be a condition to such loans for the same purpose, provided, however, that assumption of responsibility by the Partnership pursuant to its Indemnification Agreement is hereby ratified by all Partners.

(c) The Partnership shall not, through the General Partner or their Affiliates,

(d) The Partnership shall transfer Oil and Gas interests or other assets to joint ventures or other partnerships in which it is or directly becomes a participant upon such terms and subject to such conditions consistent with applicable law as the Managing General Partner deems appropriate.

(e) Sales and Purchases. Neither a General Partner nor any Affiliate of a General Partner shall sell, transfer or convey any Lease or other property to, or purchase any Lease or other property from the Partnership, directly or indirectly, except pursuant to transactions that are fair and reasonable to the Limited Partner and then subject to the following conditions:

(i) In the case of a sale, transfer or conveyance to the Partnership of a Lease or other property (other than oil, gas or liquid production) by a General Partner or an Affiliate of a General Partner who has held such Lease or other property for twelve months or less prior to such transfer, the Lease or other property shall be sold, transferred or conveyed to the Partnership at a price which is the lower of the Cost of such Lease or other property to such General Partner or its Affiliate or the Fair Market Value of such Lease or other property.

(ii) In the case of a sale, transfer or conveyance to the Partnership of a Lease or other property (other than oil, gas or liquid production) by a General Partner or an Affiliate of a General Partner who has held such Lease or other property for more than twelve months, the Lease or other property shall be sold, transferred or conveyed to the Partnership at a price which is the Fair Market Value of such Lease or other property.

(iii) In the case of a sale, transfer or conveyance by the Partnership to a General Partner or any of its Affiliates, of a Lease or other property (other than oil, gas or liquid production) that has been held by the Partnership for twelve months or less, the Lease or other property shall be sold, transferred or conveyed to such General Partner or Affiliate at the price which is the higher of the Cost of such Lease or other property to the Partnership or the Fair Market Value of such Lease or other property.

(iv) In the case of a sale, transfer or conveyance by the Partnership to a General Partner or any of its Affiliates, of a Lease or other property (other than oil, gas or liquid production) that has been held by the Partnership for more than twelve months, the Lease or other property shall be sold, transferred or conveyed to such General Partner or Affiliate at the Fair Market Value of such Lease or other property.

The provisions of this section shall not apply to transactions described in Section 6.10.

(f) Notwithstanding any other provision of this Agreement or the LPP Partnership Agreement, a General Partner or any Affiliate of a General Partner shall be free to purchase, and the Partnership shall be free to sell, any oil, gas and other liquids produced by the Partnership upon such terms and conditions as are mutually agreeable to the Partnership and such General Partner or Affiliate.

(g) Each of the Partners hereby approves, ratifies and confirms the forms of the Conveyance Agreement, the Conflicts Resolution Agreement, and any other agreements, acts, transactions or matters to be described in the Registration Statement and authorizes, ratifies and confirms the execution, delivery and performance of such agreements by the Managing General Partner or the taking of such action on behalf of the Partnership without any limitation, express or implied, of the Partners of the Partnership, notwithstanding any other provisions of this Agreement or the LPP Partnership Agreement.

6.8 Indemnification of Officers and Directors. The Partnership shall indemnify and hold harmless (individually, as "Indemnified Parties") its officers and directors from and against all claims, damages, liabilities, joint and several, expenses (including legal fees and costs), judgments, settlements, and other amounts arising from any and all claims, suits, demands, actions, suits or proceedings, civil, criminal, administrative or

6.8 An indemnitor shall not be entitled to indemnification under this Section 6.8 with respect to any claim, suit or action in which it has been adjudged liable for negligence or misconduct, unless and only to the extent that the court in which such claim, suit or action was brought, or another court of competent jurisdiction, shall determine upon application that, despite such adjudication of liability, but in view of all circumstances of the case, the Indemnitor is fairly and reasonably entitled to indemnification for such liabilities and expenses as such court shall deem proper, provided, however, that an Indemnitor shall be entitled to indemnification under this Section 6.8 with respect to any claim, suit or matter (other than an action by or on the part of the Indemnitor) involving an alleged cause of action for damages arising from the performance of oil and gas operations, including exploration, drilling, mining, completion or operation or other activities relating to such operations and development of oil and gas properties or production from such properties, provided that (a) the Indemnitor acted in good faith and in a manner the Indemnitor reasonably believed to be in or not opposed to the best interests of the Partnership; and (b) the Indemnitor's conduct does not constitute gross negligence, willful or reckless misconduct, or a breach of a fiduciary obligation to the Partnership.

(b) The indemnification provided by this Section 6.8 shall be in addition to any other rights to which these Indemnitors may be entitled, as may be determined by the Partners, as a matter of law or otherwise, both as to actions in the Indemnitor's capacity as a General Partner or as a director or officer of a General Partner and to claims in another capacity, and shall apply only as to an Indemnitor who has ceased to serve in such capacity and shall issue on the behalf of the Indemnitor, successors, assigns and administrators, of the Indemnitor.

(d) To the extent commercially reasonable, the Partnership shall purchase and maintain insurance on behalf of the General Partners and such other Persons as the Managing General Partner shall determine against any liability which may be asserted against or against which may be incurred by such Person in connection with the Partnership business whether or not the Partnership would have the power to indemnify such Person against such liability under the provisions of this Agreement.

(e) In no event shall an Indemnitor subject the Limited Partner to personal liability by reason of these indemnification provisions.

(f) An Indemnitor shall not be denied indemnification in whole or in part under this Section 6.8 because the Indemnitor was not a party to the transaction with respect to which the indemnification applies if the transaction was entered into in compliance with the terms of this Agreement.

6.9 Other than as otherwise provided in this Agreement, the General Partners may rely and shall be protected in acting in accordance with any certificate, statement, instrument, opinion, report, or other communication in writing, or any paper or document believed by it to be genuine and correct, and to be given by a duly authorized party or parties.

(b) Each of the General Partners may consult with legal counsel, accountants, appraisers, management consultants, investment bankers, and other consultants and advisers selected by it and any

... shall be entitled, at its option, exercisable prior to the beginning of the applicable calendar year, to acquire a one-third interest in the Partnership's oil and gas exploration programs in 1995, 1996, 1997, or any one or more of such years. The exercise of such option shall obligate the Special General Partner to (i) acquire an interest equal to one-third of the interests in Leasehold owned or acquired by the Partnership prior to or during the calendar year of such participation within each Prospect on which an exploratory well is spudded during the year of participation (excluding, however, all Prospects in which the Partnership, at the beginning of such year of participation by the Special General Partner or at the time of acquisition of an interest in any new Prospect by the Partnership if acquired during the applicable year of participation, owns any proved reserves or has located hydrocarbons and plans additional drilling during such year of participation to determine commercial quantities); (ii) acquire an interest equal to one-third of the Partnership's interest and to participate in each Prospect under all third party exploration programs in which the Partnership participates, to the extent of activities budgeted for expenditures during the calendar year of the Special General Partner's participation; (iii) pay, as and when requested by the Managing General Partner, one-third of all costs and expenses (including a reasonable allocation of the expenses charged the Partnership pursuant to Section 6.4 and any other operating and overhead expenses and other indirect costs) related to exploring, developing and producing oil, gas and/or other hydrocarbons from the Prospects in which the Special General Partner acquires an interest pursuant to subsections (i) or (ii) of this sentence, whether occurring during or after the year of participation; and (iv) reimburse the Partnership for one-third of the Partnership's investment in such Prospects, at the book cost of the Partnership, plus reasonable carrying costs. The Special General Partner shall not be required to pay or bear any promotional costs to the Partnership for participating in the Partnership's exploration program, other than its share of any promotional costs or burden borne by the Partnership itself with respect to any Prospect, and shall, if it exercises its option hereunder, participate in the Partnership's exploration program on the same basis as the Partnership.

ARTICLE VII

RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

7.1 *Limitation of Liability.* The Limited Partner shall have no liability under this Agreement except as provided by the Delaware Act.

7.2 *Management of Business.* The Limited Partner shall not take part in the operation, management or control (within the meaning of the Delaware Act) of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership.

ARTICLE VIII

BOOKS, RECORDS, ACCOUNTING AND REPORTS

8.1 *Records, Accounting and Reports.* The Managing General Partner shall keep or cause to be kept complete and accurate books with respect to the Partnership's business, which books shall at all times be kept at the principal office of the Partnership. The books of the Partnership shall be maintained for financial reporting purposes on the double book, in accordance with generally accepted accounting principles.

8.2 *Fiscal Year.* The fiscal year of the Partnership shall be the calendar year.

8.3 *Annual Reports.* The Managing General Partner shall, within ninety days after the close of each fiscal year, file with the Delaware Secretary of State and the Delaware Division of Corporations, and shall cause to be filed with the Delaware Secretary of State and the Delaware Division of Corporations, a statement of Partners' equity and a statement of changes in financial position, each of which shall be audited by a nationally recognized firm of independent public accountants retained by the Managing General Partner.

8.4 *Financial Statements* The Managing General Partner shall, in all events later than forty-five days after the close of each calendar quarter, during the first calendar quarter of each fiscal year, the Managing General Partner shall furnish to the Limited Partner a quarterly report for the calendar quarter containing such financial and other information as the Managing General Partner deems appropriate.

8.5 *Other Information* The Managing General Partner may release such information concerning the operations of the Partnership in such cases as is customary in the industry or required by law or regulation of any regulatory body. The Managing General Partner shall furnish the Limited Partner or its representatives, at its request, any further nonconfidential information in such form as it may reasonably request relative to any phase of the operations of the Partnership. The Limited Partner and its representatives shall have free access during normal business hours to all nonconfidential records relative to the operations of the Partnership. For the term of the Partnership and for a period of five years thereafter, the Managing General Partner shall maintain and preserve all books of account and other relevant documents. Notwithstanding the provisions of this section, any seismic data, logs, well reports or other drilling data may be kept confidential for a reasonable period of time.

ARTICLE IX

INCOME TAX MATTERS

9.1 *Preparation of Tax Returns* The Managing General Partner shall arrange for the preparation and timely filing of all returns of the Partnership income, gains, deductions and losses necessary for Federal and state income tax purposes. The Managing General Partner shall furnish to the Special General Partner and the Limited Partner within ninety days of the close of the taxable year the tax information reasonably required for income tax reporting purposes. A copy of the Partnership's Federal income tax return will be furnished to the Special General Partner or to the Limited Partner upon request. The classification, realization and recognition of income, gain, losses and deductions and other items, shall be on the cash or accrual method of accounting for Federal income tax purposes, as the Managing General Partner shall determine in its discretion. The taxable year of the Partnership shall be the calendar year.

9.2 *Tax Elections* Except as otherwise provided herein, the Managing General Partner shall, in its sole discretion, determine whether to make any available election (including the elections provided for in Sections 481(q)(4) and 168 of the Code). The Managing General Partner shall make the election under Section 754 of the Code in accordance with applicable regulations thereunder to cause the basis of Partnership property to be adjusted for Federal income tax purposes as provided by Sections 734, 743 and 755 of the Code, subject to the reservation of the right to seek to revoke any such election upon the Managing General Partner's determination that such revocation is in the best interests of the Limited Partner, provided that the Managing General Partner shall not seek to revoke any such election unless it receives an opinion from counsel that such revocation will not impair the ability of the Partnership to be taxed as a partnership for Federal income tax purposes and will not result in the loss of the Limited Partner's limited liability.

9.3 *Tax Controversies* Subject to the provisions hereof, the Managing General Partner is designated as the Tax Matters Partner (as defined in the Code) and is authorized and required to represent the Partnership (at the Partnership's expense) in connection with all examinations of the Partnership affairs by tax authorities, including reaching administrative and judicial proceedings and resolving or settling the same as permitted by the Code, and to expend Partnership funds for professional services and costs associated therewith. The Limited Partner agrees to cooperate with the Managing General Partner and to do or refrain from doing any act as may be required by the Managing General Partner to conduct such proceedings.

9.4 *Organizational Expenses* The Managing General Partner shall be entitled to deduct organizational expenses incurred in organizing the Partnership ratably over the period provided in Section 709 of the Code.

9.5 *Intangible Drilling Costs* The Managing General Partner shall make an election to deduct intangible drilling and development costs on its Federal income tax return in accordance with the option granted in Section 263(c) of the Code.

9.6 The Partnership shall not be bound by the Partnership, a General Partner or the Limited Partner, in any transaction or agreement, in any of the provisions of Subchapter K, Chapter 1 of Subchapter A of the Code or any other provisions of any state tax laws.

ARTICLE X

TRANSFER OF INTERESTS

10.1 *Transfer of Interest* The term "transfer," when used in this Article with respect to a Partnership Interest, includes a sale, assignment, gift, pledge, hypothecation, mortgage, exchange or any other disposition.

(b) No Partnership Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article. Any transfer or purported transfer of any Partnership Interest not made in accordance with this Article shall be null and void.

10.2 *Transfer of Interests of General Partners* A General Partner may not transfer all or any part of its Partnership Interest as a General Partner, except that if a General Partner transfers to any Person its Partnership Interest as a general partner of the Limited Partner, such General Partner shall transfer its Partnership Interest as a General Partner of the Partnership to such Person. The Limited Partner hereby consents to any such transfer.

10.3 *Transfer of Interest of Limited Partner* The Limited Partner may not transfer all or any part of its Partnership Interest as the Limited Partner except that a successor of the Limited Partner may succeed to its Partnership Interest as the Limited Partner in the Partnership.

ARTICLE XI

ADMISSION OF SUBSTITUTED PARTNERS

11.1 *Admission of Successor Limited Partner* The successor of the Partnership Interest of the Limited Partner shall be admitted to the Partnership as a Limited Partner upon furnishing to the Managing General Partner (a) acceptance in form satisfactory to the Managing General Partner of all the terms and conditions of this Agreement and (b) such other documents or instruments as may be required in order to effect its admission as a Limited Partner.

11.2 *Admission of Successor Managing General Partner* A successor Managing General Partner selected pursuant to Section 12.3 or the termination of the entire Partnership Interest of the Managing General Partner pursuant to Section 10.2 shall be admitted to the Partnership as a substitute Managing General Partner.

11.3 *Admission of Successor Special General Partner* A successor Special General Partner selected pursuant to Section 12.2 or the termination of the entire Partnership Interest of the Special General Partner pursuant to Section 10.2 shall be admitted to the Partnership as a Special General Partner upon furnishing to the Managing General Partner (a) acceptance in form satisfactory to the Managing General Partner of all the terms of this Agreement and (b) such other documents as the Managing General Partner shall require.

11.4 *Amendment of Agreement* For the admission to the Partnership of any Partner, the Managing General Partner shall take all steps necessary and appropriate to prepare and record an amendment of the Agreement and the Certificate of Limited Partnership.

ARTICLE XII

WITHDRAWAL OF PARTNERS AND REMOVAL OF PARTNERS

12.1 *Withdrawal of Partner* A Partner shall be deemed to have withdrawn from the Partnership if, and only if, it withdraws from, or is removed as, a Partner from the Partnership. Such withdrawal or removal shall be effective as to the Partnership as of the date of the Partner's withdrawal or removal as managing general partner of the Limited Partner. The Partners agree that the selection of a successor

...shall be subject to the selection by each Partner of such successor as the successor Managing General Partner of the Partnership. If no successor Managing General Partner is selected, the Partnership shall be dissolved pursuant to Section 13.1.

12.2 *Withdrawal or Removal of Special General Partner* The Special General Partner shall automatically withdraw from the partnership or be removed as Special General Partner if, and only if, it withdraws from, or is removed as special general partner of, the Limited Partner. Such withdrawal or removal shall be effective at the same time as is the Special General Partner's withdrawal or removal as special general partner of the Limited Partner. In such event, the successor Special General Partner shall be the same person, if any, as is the successor special general partner of the Limited Partner. The Partners agree that the selection of a successor special general partner of the Limited Partner shall constitute selection by each Partner of such successor as the successor Special General Partner of the Partnership. If, as provided in the LPP Partnership Agreement, a successor Special General Partner is not selected, the Managing General Partner shall have the rights, and be subject to the obligations, of a successor to the Special General Partner under Section 12.3.

12.3 *Interest of Departing Partner* (a) A Departing Partner departing as a result of withdrawal or removal pursuant to Section 13.1 or 13.2 of the LPP Partnership Agreement shall, at the option of its successor exercisable prior to the effective date of the departure of the Departing Partner, promptly receive in exchange for its Partnership Interest as General Partner from its successor an amount in cash equal to the fair market value of the Departing Partner's Partnership Interest as General Partner hereunder determined as of the effective date of its departure in the manner specified in the LPP Partnership Agreement. If the option is exercised, the Departing Partner shall, as of the effective date of its departure, cease to share in any allocations or distributions with respect to its Partnership Interest as General Partner under this Agreement.

(b) If the successor to a Departing Partner does not exercise the option described in subsection (a), the Departing Partner shall become a Limited Partner with respect to its Partnership Interest as a General Partner and shall be entitled to such allocations and distributions (including liquidating distributions) as are herein provided with respect to such Partnership Interest (subject to proportionate dilution by reason of the admission of its successor), but otherwise shall be entitled to such rights and subject to such obligations as is a Limited Partner hereunder. Any such Partnership Interest will be transferred to the Limited Partner. The Agreement will be amended to reflect such change.

(c) If the successor to a Departing Partner does not exercise the option described in subsection (a), the successor shall at the effective date of its admission to the Partnership contribute to the Partnership cash or property having a Net Agreed Value such that its Capital Account, after giving effect to such contribution, shall be equal to .95% in the case of a successor Managing General Partner, or .05% in the case of a successor Special General Partner, of the Capital Accounts of all Partners. In such event, such successor shall be entitled to .95% or .05%, as the case may be, of all Partnership allocations and distributions.

ARTICLE XIII

DISSOLUTION AND LIQUIDATION

13.1 *Dissolution* The Partnership shall be dissolved upon:

(a) the expiration of the term of the Partnership;

(b) notice of withdrawal or removal of the Managing General Partner, or any other event that results in the resignation of the Managing General Partner, other than by reason of a transfer pursuant to Section 12.2 or 12.3, or the death of the Managing General Partner, becoming effective upon or after, selection of a successor pursuant to Section 12.3;

(c) an election to dissolve the Partnership given to the Managing General Partner by the Limited Partner;

...which it was through ...

(e) any other event that under the Bankruptcy Act, would cause its dissolution; or

(f) dissolution of the Limited Partner, unless the Limited Partner is continued thereafter in accordance with the terms of the LPP Partnership Agreement.

For purposes of this section, bankruptcy of a General Partner shall be deemed to have occurred when (i) it commences a voluntary proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law now or hereinafter in effect, (ii) a final and nonappealable order for relief is entered against it under the federal bankruptcy laws as now or hereinafter in effect, or (iii) it petitions and obtains a general assignment for the benefit of its creditors. The withdrawal or dissolution of the Limited General Partner will not dissolve the Partnership, and in such event the Managing General Partner and the Special General Partner selected pursuant to Section 12.2, if any, shall continue the operations and business of the Partnership.

13.2 *Continuation of the Partnership.* Upon an event of dissolution described in Section 13.1(b), the Partnership shall nonetheless be terminated unless the Limited Partner elects in writing to continue the Partnership. Unless an election to continue the Partnership is made within 90 days of the event of dissolution, the Partnership shall conduct only activities necessary to wind up its affairs. If, upon an event of dissolution described in Section 13.1(b), an election to continue the Partnership is made, then

(a) within such 90-day period a successor Managing General Partner shall be selected by the Limited Partner.

(b) the Partnership shall continue until the end of the term for which it is formed unless earlier dissolved in accordance with this Article.

(c) the interest of the former Managing General Partner shall be treated thereafter as the interest of a Limited Partner, and

(d) all necessary steps shall be taken to amend the Agreement.

13.3 *Liquidation.* Upon dissolution of the Partnership, unless the Partnership is continued under Section 13.1(b) or an election to continue the Partnership is made pursuant to Section 13.2, the Managing General Partner, or in the event the Managing General Partner has been dissolved or removed, become bankrupt or withdrawn, a liquidator or liquidating committee selected by the Limited Partner, shall be the liquidator. The liquidator (if other than the Managing General Partner) shall be entitled to receive such compensation for its services as may be approved by the Limited Partner. The liquidator shall agree not to resign at any time without fifteen days' prior written notice and (if other than the Managing General Partner) may be removed at any time, with or without cause, by written notice of removal signed by the Limited Partner. Upon dissolution, removal or resignation of the liquidator, a successor and substitute liquidator (who shall have and succeed to all rights, powers and duties of the original liquidator) shall, within thirty days thereafter, be named by the Limited Partner. The right to appoint a successor substitute liquidator is the exclusive responsibility of the Limited Partner and shall be continuing and continuing for so long as the functions and services of the liquidator are necessary to carry out the provisions hereof, and every reference herein to the liquidator shall include any successor or substitute liquidator appointed in the manner provided herein. Pursuant to Article XIII, the liquidator appointed in the manner provided herein shall, without further authorization or consent of any of the partners, have the authority to execute, sign, seal, deliver, and file, in the name of the Partnership, all contracts, agreements, and other instruments, and to take any action, contractual and otherwise, upon the terms of this Agreement, and to do all things necessary to carry out the duties of the liquidator in the good faith judgment of the liquidator.

to carry out the duties of the Liquidator as provided for and during such period of time as shall be necessary to complete the winding-up and liquidation of the Partnership as provided for herein. The Liquidator shall liquidate the assets of the Partnership and apply and distribute the proceeds of such liquidation in the following order of priority, unless otherwise required by mandatory provisions of applicable law:

- (a) the payment to creditors of the Partnership, other than Partners, in order of priority provided by law;
- (b) pro rata payment to Partners for loans made by them to the Partnership;
- (c) to the Partners, in proportion to and to the extent of the positive balances in their respective Capital Accounts; and
- (d) to the Partners in accordance with their respective Percentage Interests.

13.4 *Distribution in Kind.* Notwithstanding the provisions of Section 13.3 which require the liquidation of the assets of the Partnership, but subject to the order of priorities set forth therein, if on dissolution of the Partnership the Liquidator determines that an immediate sale of part or all of the Partnership's assets would be impractical or would cause undue loss to the Partners, the Liquidator may, in its absolute discretion, defer for a reasonable time the liquidation of any assets except those necessary to satisfy liabilities of the Partnership (other than those to Partners) and may, in its absolute discretion, distribute to the Partners, in lieu of cash, an interest in common and in accordance with the provisions of Sections 13.3(c) and 13.3(d), undivided interests in such Partnership assets as the Liquidator deems not suitable for liquidation. Any distributions in kind shall be subject to such conditions relating to the disposition and management thereof as the Liquidator deems reasonable and equitable and to any joint operating agreements or other agreements governing the operation of such properties at such time. The Liquidator shall determine the fair market value of any property distributed in kind using such reasonable method of valuation as it may adopt.

The amount of the distribution of any such assets shall be the Agreed Value thereof, which amount shall be debited to the Capital Accounts of the Partners receiving such distributions.

13.5 *Return of Capital.* The General Partners shall not be personally liable for the return of the capital contributions of the Limited Partners or any portion thereof, it being expressly understood that any such return shall be made solely from Partnership assets.

13.6 *Waiver of Partition.* Each Partner hereby waives any rights to partition of the Partnership property.

ARTICLE XIV

AMENDMENT OF PARTNERSHIP AGREEMENT

14.1 *Amendments.* (a) Amendments to this Agreement may be proposed (i) by the Managing General Partner or (ii) by the Limited Partner. Any such amendment shall be proposed by submitting to the Managing General Partner and the Limited Partner in writing the proposed amendment. Subject to Sections 14.1(b), (c) and (d), any such amendment shall become effective only upon the consent of the Limited Partner.

(b) Notwithstanding Section 14.1(a), amendments that (i) are of an inconsequential nature and do not affect the commercial respect or (ii) to revise the tax allocation provisions of the Partnership Agreement intended to be effected by Section 5.2 of this Agreement, or (iii) are necessary or desirable to comply with any requirement, condition or guideline contained in any opinion, directive, order, ruling or regulation of any Federal or state agency or contained in any Federal

or their successors, or to amend or supplement the provisions of Section 9.2, or that are necessary or advisable in connection with the LPP Partnership Units (or depositary units representing the LPP Partnership Units) in conformity with any rule, regulation, guideline or requirement of any securities exchange on which the LPP Partnership Units (or depositary units representing the LPP Partnership Units) are or will be listed for trading, compliance with any of which the Managing General Partner deems to be in the best interests of the Partner, or (iv) are required or contemplated by this Agreement, may be made by the Managing General Partner without the consent of the Limited Partner.

(c) Notwithstanding Section 14.1(b), amendments to this Agreement that are necessary to conform this Agreement to any amendments made in the LPP Partnership Agreement may be made by the Managing General Partner without the consent of the Limited Partner.

(d) Unless approved by all Partners, no amendment to this Agreement shall be permitted if the Partnership has received an Opinion of Counsel that its effect of such amendment would be to cause the loss of limited liability of the Limited Partner under this Agreement or cause the Partnership to be treated as an association taxable as a corporation for Federal income tax purposes. In addition, no amendment that would increase the duties or liabilities of a General Partner or change such General Partner's Percentage Interest may be made without its consent, and no amendment that would increase the duties or liabilities, or decrease the rights, of the Managing General Partner, in its separate capacity, may be made without the consent of the Managing General Partner.

ARTICLE XV LIMITATION

15.1 *Sale of Substantially All Assets.* Except in connection with the termination of the Partnership pursuant to Article XIII hereof, the Managing General Partner may not sell all or substantially all the assets of the Partnership without the consent of the Limited Partner. The foregoing limitation on the Managing General Partner's ability to sell all or substantially all the Partnership's assets shall not affect the right of the Managing General Partner to encumber any or all of the assets of the Partnership for Partnership obligations, and shall not apply to any forced sale of any or all of the assets of the Partnership pursuant to foreclosure of, or other realization upon, any such encumbrance.

ARTICLE XVI GENERAL PROVISIONS

16.1 *Address and Notices.* The address of each Partner for all purposes shall be the address set forth on the signature page of this Agreement or such other address of which each other Partner has received written notice. Any notice, demand, request or report required or permitted to be given or made to a Partner under this Agreement shall be in writing and shall be deemed given or made when delivered in person or when sent to the Partner at such address by first class mail or by other means of written communication.

16.2 *Tables and Captions.* All article or section titles or captions in this Agreement are for convenience only. They shall not be deemed part of this Agreement and in no way define, limit, extend or describe the scope or intent of any provisions hereof.

16.3 *Plurals and Gender.* All words and phrases in this Agreement shall include the corresponding plural and gender forms of nouns, pronouns and verbs shall include the plural and gender forms of nouns, pronouns and verbs.

16.4 *Further Action.* Each Partner shall, in connection with the execution of this Agreement, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purpose of this Agreement.

16.5 *Binding Effect.* This Agreement shall be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

...the entire contents of the above instrument, and the parties hereto, and the parties presenting to the relevant state, the following provisions of this Agreement and understandings pertaining thereto.

16.7 **Children.** None of the provisions of this Agreement shall be for the benefit of or enforceable by any children of any party.

16.8 **Waiver.** No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, duty, agreement or condition.

16.9 **Counterparts.** This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties notwithstanding that all the parties are not signatories to the original or the same counterparts. Each party shall become bound by the Agreement immediately upon affixing its signature hereon, independently of the signature of any other party.


16.10 **Applicable Law.** This Agreement shall be construed in accordance with and governed by the laws of Delaware without regard to the principles of conflicts of law.

16.11 **Invalidity of Provisions.** If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

16.12 **Rights of the Partners of The Limited Partner.** The Partners of the Limited Partner shall have the rights and duties upon the Partnership that they are granted by the LPP Partnership Agreement.

by **George W. Moore, Jr.**, the parties hereto have hereunto set their hands as of the 28th day of December, 1984.

ATTEND:



Randall B. Wilson,
Secretary

MANAGING GENERAL PARTNER:
LEAR PETROLEUM EXPLORATION, INC.




Gordon D. Mowl,
Vice President

Seen to believe me on December 28, 1984.



James S. Baker,
Notary Public for the
State of Texas

SPECIAL GENERAL PARTNER:
LPC ENERGY, INC.



Gordon D. Mowl,
Vice President

Seen to believe me on December 28, 1984.



James S. Baker,
Notary Public for the
State of Texas

GENERAL LIMITED PARTNERSHIP
LEAR PETROLEUM PARTNERSHIP, L.P.

By: Lear Petroleum Exploration, Inc.
Managing General Partner



Russell B. Wilson
Secretary

By: 

Gordon D. Mow
Vice President

Sworn to before me on December 28, 1964.



Notary Public for the
State of Texas