PLANO

MARCH/APRIL, 2008 www.planoweb.org PLANO BULLETIN #047

PLANO EVENTS		OTHER ACTIVITIES	
Mar. 10	PLANO Luncheon Royal Sonesta Hotel, Bienville Suite	Mar. 8-9	AAPL Quaterly Meeting San Antonio, TX
Apr. 14	PLANO Luncheon Andrea's Restaurant	Mar. 21	Good Friday - HOLIDAY
May 12	PLANO Spring Golf Tournament Money Hill, Abita Springs, LA	May 26	Memorial Day - HOLIDAY
June 9	PLANO Luncheon Royal Sonesta Hotel	June 11-14	AAPL 54th Annual Meeting Chicago, IL

PLANO LUNCHEON
ROYAL SONESTA HOTEL, BIENVILLE SUITE
MONDAY, MARCH 10, 2008, 11:30 A.M.
SPEAKER: CRAIG CLARK, CPL, PRESIDENT, AAPL

Craig Clark, CPL, an independent landman living in Midland, Texas, is Consulting Land Manager for CrownQuest Operating, LLC. In addition, he is President of Linc Petroleum Resources, Inc. with a partner in Austin, Texas, where they acquire producing properties and put together drilling deals.

Craig has more than 23 years of oil and gas experience in the Texas, New Mexico, Oklahoma, the Rockies and Gulf Coast areas.

He graduated from the University of Oklahoma in 1984 with a degree in Petroleum Land Management. He and his wife, Kendall, have two daughters, Kelsey, a freshman at the University of Southern California, and Reagan, a junior at Midland High School.

Craig will be discussing AAPL updates at this luncheon.

MESSAGE FROM THE PLANO PRESIDENT
2007-2008

So far, 2008 has been a fast-paced year for most of us. Immediately following Christmas and the New Year, we at PLANO were on track to celebrate our biggest event of the year – Executive Night at the N.O. Hilton Riverside, followed by the Sponsor Party at the Royal Sonesta Hotel. Both of these events were outstandingly good and attracted record crowds.

Next came NAPE. We all know what effort goes into NAPE and the February event this year was no exception. This was followed with the announcement that Lease Sale 224 (EGOM) and 206 (CGOM) was set to take place on Wednesday, March 19, at the Louisiana Superdome, St. Charles Club Lounge, (entrance Poydras Street, Gate A). PLANO will give a breakfast at the Superdome that morning from 7:00 A.M. – 9:00 A.M. in the Bienville Club, Room A, fairly near the St. Charles Club Lounge. Please mark your calendars accordingly.

PLANO's Day at The Races on Friday, February 29th, at the New Orleans Fair Grounds Race Course came as a welcome break for many of us from the pressures of everyday life. The weather was just right for a visit to the Fair Grounds. The PLANO Race was the fourth race of the day, and started at 1:58 P.M. A three year old colt by the name of Campsis, ridden by Shaun Bridgmohan, won the six furlong race with a winning time of 1:12.17. I had the great honor of presenting the trophy to the jockey immediately following that exciting race.

A PLANO luncheon will take place on Monday, March 10th, at the Royal Sonesta Hotel, Bienville Suite. Craig Clark, CPL, President, AAPL, is the featured speaker. He will bring us up to date on AAPL events. That luncheon will be followed by one on Monday, April 14th, at Andrea's. The speaker is going to be Marjorie McKeithen of the Louisiana Department of Natural Resources. As soon as the topic of her speech is made known to us, a flyer will be issued to our membership.

And, to round out Spring festivities, right on the horizon is PLANO's Spring Golf Tournament set to take place at Money Hill, Abita Springs, LA, on Monday, May 12th. Let's hope that we are not rained out at this event.

Thus far, my term in office has been one filled with exciting events. I am looking forward to participating in the events ahead of us, and meeting and talking with all of you.

Have a Happy and Safe Easter.

Greg Riedl
PLANO President

PLANO 2007-2008
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Gregory M. ("Greg") Riedl

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David A. Seay

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Benjamin J. Waring, Charles Miller
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Margo Cameron, Ronald K. Munn
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Margo Cameron
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Harold J. Anderson, Margo Cameron
Sponsorship Program

Devin M. Dixey/Frank D. Barber, III
Summer Garden Receptions

Robert J. Martin
Tax Returns

Margo Cameron
PLANO Administrator

PLANO MEMBERSHIP

The purpose of PLANO is… *"To promote and advance the art and science of the profession of Petroleum Landman."* With that in mind, we urge all of our members to each bring in at least one new member between now and the end of this year. A membership form is available on the PLANO Web Site – www.planoweb.org - so be sure to ask any and all potential new members to **join PLANO.**

THOUGHT FOR THE DAY

Remember that you can miss a lot of good things in life by having the wrong attitude.

Submitted by
Margo Cameron, PLANO Administrator &
PLANO Newsletter Editor

PLANO LUNCHES

REMINDER – What's a ghost? Well, when an event reservation is made but not used, PLANO is left with a "ghost" on the reservation list. Three (3) working days, i.e. 72 business hours prior to events, PLANO is required to guarantee the number of attendees, thus establishing the cost involved. This is a standard procedure in the catering world. Persons who do not show up, or cancel after the guaranteed number has been issued, are regarded as "ghosts" for they cost PLANO just as much as actual attendees. PLANO has to pay, and over the course of a year, this can add up to quite an expense.

So, please help us out. If you've made a reservation for an event, that's great. We look forward to seeing you there. If things get busy and you can't make it, we'll miss you, but please make a call as soon as you know and let the event organizer know that you won't be there. Calling after the guarantee has been issued will only serve to notify us you will not be there, but we will still have to pay, and, in turn, we will have to bill you. Rarely, if ever, can adjustments be made to the orders.

GOING, GOING, BUT NOT QUITE GONE: COURT UPHOLDS ENFORCEABILITY OF A CONSENT TO ASSIGN PROVISION AS A CONDITION PRECEDENT TO SALE

Presented by:
Collette N. Ross, Liskow & Lewis

I. Introduction

Mineral leases and related agreements (assignments and subleases) frequently prohibit the owner from selling or assigning the owner's rights without first obtaining the consent of the lessor, assignor, or sublessor. Although such a "consent to assign" clause is commonly used, what constitutes "consent" can be confusing and fact-intensive. The United States Court of Appeals for the Fifth Circuit, applying Texas law, recently determined in Cedyco Corp. v. Petroquest Energy LLC, 497 F.3d 485, 490 (5th Cir. 2007), that a lessee that is asked by a sublessee to consent to an assignment, who in turn responds to the sublessee with a set of conditions, does not give the "consent" necessary to satisfy a consent to assign clause. Though the case is decided under Texas law, the court's reasoning and ultimate conclusion gives guidance to those in Louisiana who must comply with a consent to assign clause.

II. Conditions Precedent and Suspensive Conditions: Navigating the Terminology

A condition is "an event, not certain to occur, which must occur . . . before performance under a contract becomes due." RESTATEMENT (SECOND) OF CONTRACTS § 224. Under Texas law, a condition precedent is an act or event that must take place before performance of a contractual obligation is due. Cedyco Corp., 497 F.3d at 487; Hohenberg Brothers Co. v. George E. Gibbons & Co., 537 S.W.2d 1, 3 (Tex. 1976). This concept of a "condition precedent" is captured in Louisiana law by the Louisiana Civil Code rules governing "suspensive conditions." See La. Civ. Code art. 1767; *Southern States Masonry, Inc. v. J.A. Jones Const. Co.,* 507 So. 2d 198, 204 n.15 (La. 1987) (common law term "condition precedent" is analogous to the civilian term "suspensive condition"). In general, a consent to assign provision imposes a "condition precedent" under Texas law, and a "suspensive condition" under Louisiana law.

III. Case Background

The parties in *Cedyco Corp. v. Petroquest Energy LLC,* 497 F.3d 485 (5th Cir. 2007), found themselves in court after PetroQuest Energy offered its working interest in two Louisiana oil wells, known as "Lot 26," for sale by auction at The Oil & Gas Asset Clearinghouse in Houston. Before the auction, PetroQuest distributed a Property Data Sheet which alerted potential buyers that Lot 26 was "subject to a consent to assign." The mineral deed identified as Lot 26 was first leased to ExxonMobil in 1945 and was subsequently subleased to PetroQuest in 1991 under the condition that PetroQuest not sell or assign the mineral rights without first obtaining ExxonMobil's written consent.

Cedyco Corp. won the auction. However, when PetroQuest asked ExxonMobil for consent to assign Lot 26, ExxonMobil stated it would grant only a conditional consent, subject to PetroQuest agreeing to remain obligated for the original sublease obligations and agreeing to indemnify ExxonMobil for any liability arising from Cedyco's operation of the lease. PetroQuest refused to accept ExxonMobil's conditional consent to assign, based on the risks created by the conditions imposed by ExxonMobil. When PetroQuest refused to go forward with the sale, Cedyco sued PetroQuest in Texas state court for breach of contract, specific performance, and conversion. PetroQuest removed the case to federal court pursuant to diversity jurisdiction. The trial court granted summary judgment in favor of Cedyco, finding that "The sale at the auction was final. Title to Lot 26 passed to Cedyco" and further awarded Cedyco $290,205 damages and $37,250 attorney's fees in lieu of specific performance.

About the Author

Collette N. Ross is an associate in the Oil & Gas Section of Liskow & Lewis. Collette's practice in energy focuses on oil and gas acquisitions and divestitures, energy-related contract drafting, title examination, and pipeline issues. She graduated from Loyola University New Orleans School of Law, cum laude, in 2006. Before earning her law degree, Collette received her undergraduate degree from the University of Virginia in 2003.

IV. Issues Presented for the Appellate Court and Court's Decision

The Fifth Circuit's analysis revolved around two central issues: 1) whether PetroQuest accepted Cedyco's offer to buy Lot 26, and if so, 2) whether ExxonMobil consented to the assignment. The court rejected PetroQuest's argument that, since Lot 26 was auctioned "with reserve," PetroQuest had the discretionary right to reject Cedyco's bid offer. The court found that a "with reserve" auction only gives the seller the right to withdraw the property before the auctioneer accepts the high bid with the "fall of the hammer." Accordingly, a contract was formed as a matter of law upon the close of the auction.

Nonetheless, the court concluded that ExxonMobil did not consent to the assignment. The court observed that the auction documents informed all potential buyers that ExxonMobil's consent was a condition precedent to the sale. Cedyco acknowledged and agreed to all disclosed conditions when it signed the "Bidder/Buyer's Terms and Conditions." Additionally, the court found little merit in Cedyco's argument that a condition precedent must occur before a contract is formed, and that the condition precedent no longer existed once the contract was formed at the close of auction. Thus, the critical question for the court was "whether the condition precedent was met—i.e., whether [ExxonMobil] consented to the assignment." *Id.* at 490. Cedyco argued that PetroQuest was obligated under the contract to obtain consent by accepting ExxonMobil's conditions. Ultimately, the court disagreed with Cedyco's position. The court defined "consent" as "to accept a proposition" or "capable, deliberate, and voluntary agreement to." *Id.* (citing Webster's Unabridged Dictionary 482 (3d ed. 1993)). As the court stated:

> [ExxonMobil] did not "accept" or "voluntarily agree to" the assignment as contemplated by the contract. Instead, it responded with its own set of conditions. Nothing in the contract mandated or even suggested that PetroQuest must accept [ExxonMobil]'s conditions in order to obtain consent. To hold otherwise would force PetroQuest to accept whatever limited consent [ExxonMobil] gives.

Id. at 490.

The court reasoned that Cedyco's argument would render the "consent to assign" clause superfluous, since under that logic, PetroQuest would be required to obtain consent under any circumstances. PetroQuest was not required by the contract to accept ExxonMobil's terms, since ExxonMobil's response was not "consent." Thus, the condition precedent was never satisfied, and PetroQuest's obligation to perform never came due. For that reason, the appellate court vacated the district court's grant of summary judgment for Cedyco.

V. Conclusion

Although *Cedyco* applies Texas law, the result is important for those in Louisiana, because the Texas "condition precedent" is the common law equivalent to Louisiana's "suspensive condition." However, there are few, if any, reported decisions in which Louisiana courts have addressed the extent to which one seeking consent to assign must accept conditions imposed by the "consenting" party. The decision in *Cedyco*, however, may be instructive for Louisiana courts.

For more information about this article, please call or e-mail Collette Ross at 504-556-4058 or cnross@liskow.com

ATTORNEY ANNOUNCEMENT

Gordon, Arata, McCollam, Duplantis & Eagan, LLP is pleased to announce that Joseph C. Giglio, III has been named a Partner in the firm's Lafayette office. Joe is a member of the firm's Oil and Gas Section, serving the title examination, litigation and transaction needs of exploration companies. He also serves clients with general business litigation and transaction needs.

NON-CONSENT PENALTIES APPLIED TO SUBSEQUENTLY CREATED BURDENS

Presented by:
William (Billy) F. Hannes, Jr., Gieger, Laborde & Laperouse, L.L.C.

The case of *Boldrick v. BTA Oil Producers,* concerned a conflict between the payment of overriding royalty interests under a Joint Operating Agreement ("JOA") and a non-consent penalty provision in the same JOA. 222 S.W.3d 672 (Tex. App – Eastland Mar. 22, 2007, no pet. h.). The assignee of the overriding royalty interest brought action against the assignor, alleging breach of contract, unjust enrichment, and conversion, after the overriding royalty payments which were made to the assignee were requested to be returned. The assignor counterclaimed that it had no obligation to account to the assignee for the overriding royalty interest because it had not received any of the proceeds attributable to the share of oil and gas claimed by the assignee.

On September 15, 1973, Texaco, as Operator, and Ben J. Fortson and Exxon, as Non-Operators, entered into the JOA. On February 4, 1977, Texaco entered into a sublease agreement with Sabine Production Company ("Sabine") on the same property subject to the JOA. The sublease was subject to the JOA and Sabine and BTA Oil Producers ("BTA") shared a sublease interest. A test well was drilled and subsequently paid out, BTA executed an assignment of overriding royalty interest to James Boldrick's ("Boldrick") predecessor, Clyde R. Harris. BTA's assignment provided that "said overriding royalty interests shall be free and clear of all costs of development and operation and this assignment shall not imply any leasehold preservation, drilling or development obligation on the part of Assignor." *Id.* at 673.

Later there was a proposal by Chevron USA Inc., Texaco's successor, the Operator under the JOA, to drill an additional well called the Stallings Gas Unit 2H Well ("Stalling Gas Well"), but BTA elected to go "non-consent." Chevron drilled the well which turned out to be a successful well, and BTA was subject to the non-consent provisions of the JOA. Initially Chevron was paying Boldrick an overriding royalty interest from production from the Stallings Gas Well; it later stopped the payments claiming there was a mistake in the division order and asked Boldrick to return the payments. Subsequently, Boldrick sued BTA and Texaco/Chevron for money damages because his share of the overriding royalty interest was being used for the benefit of the defendants, when it was supposed to be free and clear of all costs of development and operation. On appeal the only remaining parties to the case were Boldrick and BTA.

The court began its analysis by reviewing Paragraph 31(b) of the JOA which provided that, "any subsequently created interest shall be specifically made subject to all terms and provisions of the operating agreement." It defined a subsequently created interest so as to include the creation, subsequent to the JOA, of an overriding royalty created by a working interest owner out of its working interest. The court held that where such a working interest owner elects to go non-consent under Paragraph 12 of the JOA, "the subsequently created interest shall be chargeable with a pro rata portion of all costs and expenses under the operating agreement in the same manner as if it were a working interest." *Id.* at 674.

Boldrick raised several points on appeal which were all rejected by the court. The court disagreed with Boldrick's contention that because Chevron/Texaco consented to the assignment by BTA of Boldrick's overriding royalty interest, it could not be considered a subsequently created interest under the terms of the JOA. The court also disagreed with Boldrick's contention that the division order relied upon by the court did not cover the well in question. The court stated that the terms of the division order are applicable to all the wells located inside the described area, which included the well in question.

Boldrick also pointed to Paragraph 12 of the JOA which provided that, "when operations are commenced

About the Author

William (Billy) F. Hannes, Jr. is an associate at the firm of Gieger, Laborde & Laperouse, L.L.C. He graduated with honors from South Texas College of Law in Houston, Texas in May 2007 and joined the firm shortly thereafter. Billy received his undergraduate degree from Texas A&M University in May 2004. He primarily focuses on offshore activities in the Gulf of Mexico Region including: Oil & Gas transactions, title opinions, and contract review and due diligence in connection with acquisitions and divestitures.

for the drilling of a well by consenting parties, the non-consenting parties relinquish to the consenting parties all of their interest in the well and share of production until the proceeds equal the total of the cost and penalties provided for in the paragraph." The paragraph notes that "proceeds that apply to the total due before the interests revert back to the non-consenting party do not include overriding royalty interests." However, Paragraph 31(b) of the JOA states something different and also states that if there is any conflict between the two paragraphs; Paragraph 31(b) is applicable "not withstanding anything to the contrary."

Boldrick also pointed to a number of cases which showed that for some purposes the non-consenting owners continue to have an ownership interest pending the payment of expenses and penalty. The court distinguished those cases from this one stating: "whatever interest BTA might continue to have pending its payment of the costs of development of the well in question and the penalties provided due to its non-consenting status, it does not change the fact that Boldrick's interest as the holder of an overriding royalty interest assigned to it by BTA out of BTA's interest is chargeable with a pro rata share of all costs and expenses to be received by the consenting parties and applied to the costs of production." *Id.* at 677.

Boldrick's overriding royalty interest was created out of BTA's working interest after the execution of the 1973 JOA; therefore the overriding royalty interest was subject to all the terms and provisions of the JOA. Because BTA chose to go non-consent, Boldrick's overriding royalty interest became chargeable with a pro rata portion of all the costs and expenses under the JOA in the same manner as if it were a working interest. BTA had no present obligations to make payments to Boldrick for his overriding royalty interest being used to pay the costs of the well. The question of whether BTA should reimburse Boldrick for any of the costs and expenses paid for out of Boldrick's override was not addressed in the case. The appellate court noted that neither they or the trial court made any determination as to whether BTA will have any future liability after all non-consenting penalties have been paid and both BTA and Boldrick are receiving payments for their interests. There was no breach of contract between BTA and Boldrick and no conversion or unjust enrichment between BTA or Texaco/Chevron.

This case confirms that subsequently created overriding royalty interests can be chargeable with costs as contemplated by drafters of JOA. Owners of overrides should be aware where their interest is deemed a subsequently created interest and when assignor goes non-consent, then he/she may not get paid.

For more information about this article, please call or email to **Billy at 832-255-6000, Whannes@glllaw.com**

REMINDER

PLANOS
SPRING GOLF TOURNAMENT

will take place on

MONDAY, MAY 12TH

9:00 A.M. SHOTGUN START

at

MONEY HILL GOLF & COUNTRY CLUB,
ABITA SPRINGS, LA

A flyer is being prepared and will be forwarded to all PLANO Members in the course of the next week or so.

PLEASE MARK YOUR CALENDARS ACCORDINGLY.

PLANO EXECUTIVE NIGHT

Executive Night is the biggest night of the year for PLANO, and, traditionally, heralds the beginning of the Mardi Gras Weekend, a fun time in New Orleans. It also affords our members and other oil and gas executives an excellent opportunity to network and to meet old friends and make new ones. New Orleans opens its arms to everyone during Mardi Gras. Visitors cannot come to New Orleans and not enjoy themselves during that time!

Thursday, January 31, 2008, had its weather problems, torrential rains and squall-like conditions predominating, but despite that all Executive Night plans moved forward with no real mishaps.

The Executive Night Oil & Gas Seminar held all of that day was a huge success, kudos to Taylor Darden of Carver, Darden, Koretzky, Tessier, Finn, Blossman & Areaux, L.L.C. Thank you, Taylor, for a job well done.

The evening kicked off with the presentation of check from PLANO to Second Harvesters.

Front Row, L. to R. Greg Riedl, PLANO President, presenting check to Dori Orr, Second Havesters, and Jo Ann Anderson, PLANO Auxiliary President;
Back Row, L. to R. Bill Johnson, Castex Energy, Inc., Pete Broussard, Energy Partners, Ltd., Ron Munn, Chevron U.S.A. Inc.

After the Presentation of the Colors and the Pledge of Allegiance, Tara Alexander entranced the audience with her rendition of America the Beautiful.

James R. ("Jim Bob") Moffett, Keynote Speaker, Co-Chairman of the Board of McMoRan Exploration Co.

Mr. Moffett gave a most illuminating talk on "The Gulf of Mexico's Deep Shelf," emphasis being given to Conceptual "Suitcase" Shales. As far as the drilling of a well was concerned, he stressed -

1. Always have the right plan and materials.
2. Management lacking in resolve and experience?
   Likely outcome - execution failure.

With the right plan, oil field maladies can be overcome. The well can be drilled to TD and evaluated, with a discovery to be put on production in short order!

It was a reminder of the Boy Scout motto -

BE PREPARED.

Guests at Executive Night included -

Front Row, L. to R. George Smith, Eni Petroleum, Jeannie & Bob Martin, R.J.M. Energy, Inc.
Back Row, L. to R. Sal LaMartini, Anadarko Petroleum, Rich Poole, Mariner Energy, Inc.

L. to R. Larry Beron, Ronin Research & Consulting, LLC, Tom Judd, Scott Ham and Steven Scott, Shell Exploration & Production Co.

L. to R. Chuck Schoennagel and Mike Melancon, Offshore Techincal Compliance, David Seay, Century Exploration New Orleans, Inc., and Harold J. Anderson, Harold J. Anderson, Inc.

L. to R. David Dufour, XTO Energy, Inc. William Raley, Cimarex Energy Co., Jim Krig, Murphy Exploration & Production Company - USA

L. to R. William O'Leary, Legacy Resources Co., LP, Kevin Guilbeau, LLOG Exploration Co., LLC, and Mark Smith, Legacy Resources Co., LP

L. to R. Debbie Comeaux, McMoRan Oil & Gas LLC, Carole and John Krogmann, Catawba Energy, and Melinda Barton, The Land Temp.

L. to R. Ryan Doubt, Nadege Assale, Mark Shuster and Steven Scott, Shell Exploratioin & Production Company.

The Program closed with Tara Alexander and Nathan Gros singing *It's a Wonderful World.* They captured the hearts of the audience and received a standing ovation - a truly outstanding performance.

L. to R. Tara Alexander and Nathan Gros.

To the tunes of the Marc Adams Band, guests sampled and enjoyed the culinary delights provided by the New Orleans Hilton Riverside.

L. to R. Martin Black, ENI Petroleum, Yvonne Keegan, Shell Exploration & Production Company, and Gary Clifford, Eni Petroleum.

A round of applause is also due to the staff of that great hotel for their untiring efforts to ensure everyone had a good time.

The next phase of that memorable night took place at the Royal Sonesta Hotel. Greg Riedl, PLANO Pesident, and his lovely wife, Julie, are seen below ready to greet guests attending the PLANO Sponsor Party.

Seen on the Balcony at the Sponsor Party -

Mystery Guests
The true spirit of Mardi Gras!

"Throwing of the Beads" from the Balcony at the Royal Sonesta.

L. to R. Larry Harrison, Reef Exploration, LP, with "King" Carl Southern, Exxon-Mobil Production Company. Yes, we were graced with a visit from Royalty to the Sponsor Party.

Harold and Jo Ann Anderson, Harold J. Anderson, Inc.

Another successful event! And a big THANK YOU to the Royal Sonesta Hotel. Well done.

OCS LEASE SALE ATTENDEES
MMS OFFICIALS

PLANO Breakfast - OCS Lease Sale 224 (EGOM) & 206 (CGOM)

Wednesday, March 19, 2008
7:00 A.M. to 9:00 A.M.

Louisiana Superdome
St. Charles Club Lounge
(Entrance Poydras Street, Gate A)
New Orleans, LA

Breakfast Presented by the
PROFESSIONAL LANDEMEN'S SSOCIATION OF NEW ORLEANS ("PLANO")

Grateful Thanks to the Following Additional Sponsors:

Allis-Chalmers Rental Services, Inc.
Applied Geophysical Services, Inc.
C&C Technologies
CGG Veritas
Core Laboratories
Diversified Well Logging Services, Inc.
Energy Graphics, Inc.
Fairfield Industries Incorporated
Fugro Airborne Surveys Corp.
Fugro Multi Client Services
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GX Technology
Hornbeck Offshore Services, Inc.
Log Services & Data Logic Services
Laborde Marine Lifts, L.L.C.
LEXCO Data Systems
&
OCS BBS
New Orleans Geological Society ("NOGS")
Petroleum Geo-Services
Rooster Petroleum, LLC
Schlumberger Technology Corporation
SeaBird Exploration
Seismic Exchange, Inc.
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Stratagraph Inc.
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PLANO NEW MEMBERS

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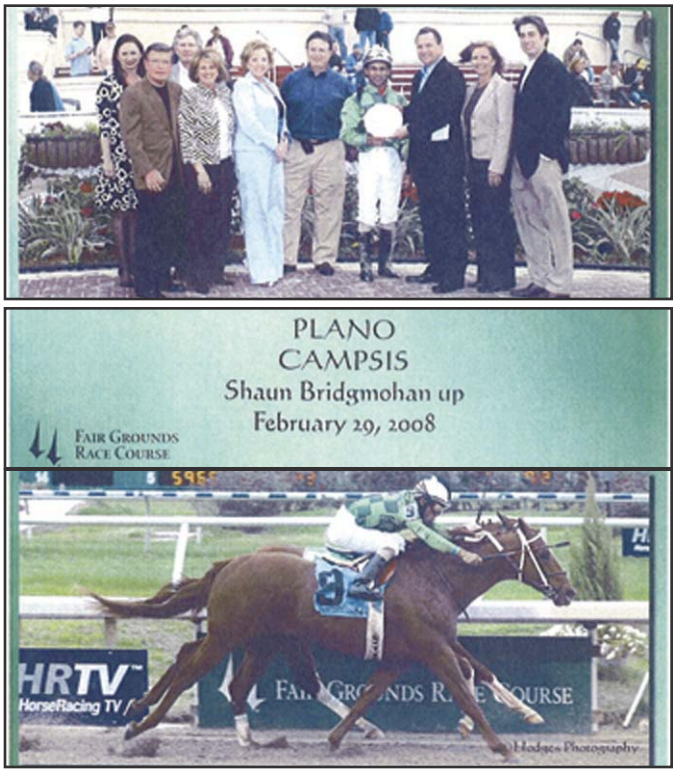
JENNIFER (RANO) WALKER
Landman
ConocoPhillips Company
P.O. Box 2197, WL3 14064
Houston, TX 77252-2197

PLANO is pleased to announce these new members to the general membership, and welcomes all of them to the organization.

DAY AT THE RACES



Back Row, L. to R. Jill Medina, Guest,
Taylor Darden, Carver, Darden Law Firm
Front Row, L. to R. Harold and Jo Ann Anderson,
Harold J. Anderson, Inc., Julie Riedl, Guest, Ron Munn,
Chevron U.S.A. Inc., Shaun Bridgmohan, Jockey, Greg Riedl,
PLANO President, presenting the plaque to the Jockey,
Jan Vincent, Guest, and Brandt Prat, ORX Resources, Inc.

The Day at the Races at the New Orleans Fairgrounds was greatly enjoyed by all participants. The fourth race of the day was named the PLANO Race. Statistics relating to the race were - Off at 1:58 p.m., Race Type: Maiden Claiming, Age Restriction: Three Year Old, Value of Race: $18,000, Distance six furlongs, Track Condition Fast, Surface Type Dirt, Winning Time: 1:12.17. Twelve horses ran, and the race was won by Campsis, a three-year-old colt, ridden by Shaun Bridgmohan. The winning Breeder and Owner: Nelson Bunker Hunt, Winning Trainer: Steven M. Asmussen.

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