

NO. 2006-01984

MOSH HOLDING, L.P., and DAGGER-
SPINE HEDGEHOG CORPORATION,
Plaintiffs,

v.

PIONEER NATURAL RESOURCES
COMPANY; PIONEER NATURAL
RESOURCES USA, INC.; WOODSIDE
ENERGY (USA) INC.; AND
JPMORGAN CHASE BANK, N.A.
AS TRUSTEE OF THE
MESA OFFSHORE TRUST,
Defendants

IN THE DISTRICT COURT

HARRIS COUNTY, TEXAS

334th JUDICIAL DISTRICT

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FINAL JUDGMENT

On August 6, 2009, this Court entered its Interlocutory Judgment by which it overruled objections from Intervenor and other objectors and approved a Settlement Agreement (with the modification agreed to by the Parties and described at VI(B)(f), page 13, of the Findings of Fact and Conclusions of Law) between:

(1) Plaintiff MOSH Holding, L.P. and Plaintiff-Intervenor Dagger-Spine Hedgehog Corporation, both in their individual capacities and in their claimed capacities as representatives of the Mesa Offshore Trust ("the Trust") and/or the Certificate Holders ("the Unit Holders") of the Trust and/or the Mesa Offshore Royalty Partnership ("the Partnership"). MOSH Holding, L.P. and Dagger-Spine Hedgehog Corporation, in all of their capacities, will be referred to collectively as "the Plaintiffs."

(2) Defendant Pioneer Natural Resources Company and Defendant Pioneer Natural Resources USA, Inc., in their individual capacities, its capacity as managing general partner of the Partnership, and as Subject Lessee and/or operator under the Overriding Royalty Conveyance (collectively, "Pioneer").

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(3) Defendant JPMorgan Chase Bank, N.A., in its individual capacity (referred to as "JPMorgan"), in its capacity of Trustee of the Trust (referred to as "Trustee"), and in its capacity as general partner of the Partnership; and

(4) Defendant Woodside Energy (USA) Inc.

The Settlement Agreement is attached to this Final Judgment as Exhibit A, and is adopted and incorporated into this Final Judgment. The Court approved the Settlement making Findings of Fact and Conclusions of law, which are attached to this Final Judgment as Exhibit B, and are adopted and incorporated into this Final Judgment.

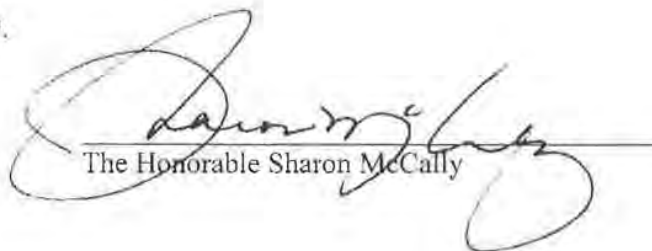
Subsequently, Pioneer, JPMorgan and Woodside filed their joint motion for summary judgment and motion to dismiss the claims of Intervenor Keith Wiegand, Robert Miles, Gordan Stamper, Michael Brown, Benjamin J. Ginter. Intervenor Robert Miles nonsuited his intervention prior to argument on these motions. Having considered the motions, the responses, the applicable law, and the argument of counsel and *pro se* parties, the Court determines that the motions should be GRANTED.

The Court also heard the motion for sanctions filed by Gordan Stamper. That motion is DENIED.

As the Court's ORDERS have resolved all parties and all claims, this is a FINAL JUDGMENT. Any other claims by any parties to this suit, to the extent not otherwise addressed by this FINAL JUDGMENT, are dismissed with prejudice.

Signed on September 14, 2009.




The Honorable Sharon McCally

Final Settlement Agreement

A. Background and Parties

1. Parties: The parties (hereinafter referred to as "Parties" and individually as a "Party") to this settlement agreement (hereinafter "Settlement Agreement" or "Agreement") are:

a. "Pioneer," which for purposes of this Agreement means and includes Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc., in their individual capacities, in its capacity as managing general partner of the Mesa Offshore Royalty Partnership ("Partnership"), and as Subject Lessee and/or operator under the Overriding Royalty Conveyance ("Conveyance"). Pioneer includes (unless otherwise specified) Pioneer's affiliates, subsidiaries, and partners and also includes all of these entities' owners, employees, agents, directors, officers, and attorneys.

b. "Plaintiffs," which for purposes of this Agreement means and includes MOSH Holding, L.P. and Dagger-Spine Hedgehog Corporation in all of their capacities, as asserted in the Lawsuit or otherwise. Plaintiffs include (unless otherwise specified) Plaintiffs' affiliates, subsidiaries, and partners and also include all of these entities' owners, employees, agents, directors, officers, and attorneys.

c. "Trustee" or "JPMorgan," which for purposes of this Agreement means and includes JPMorgan Chase Bank, N.A., in its individual capacity, in its capacity as Trustee of the Mesa Offshore Trust ("Trust"), and in its capacity as general partner of the Partnership. JPMorgan and/or Trustee includes (unless otherwise specified) JPMorgan and/or Trustee's affiliates, subsidiaries, and partners and also includes all of JPMorgan and/or Trustee's owners, employees, agents, directors, officers, and attorneys.

d. "Woodside," which for purposes of this Agreement means and includes Woodside Energy (USA) Inc. Woodside includes (unless otherwise specified) Woodside's affiliates, subsidiaries, and partners and also includes all of Woodside's employees, agents, directors, officers, and attorneys.

e. The "Partnership," which for purposes of this Agreement means and includes the Mesa Offshore Royalty Partnership. Partnership includes the Partnership's affiliates, subsidiaries, and partners and also includes all of the Partnership's employees, agents, directors, officers, and attorneys.

f. The "Trust," which for purpose of this Agreement means and includes the Mesa Offshore Trust.

2. Defendants: "Defendants" refers to Pioneer, JPMorgan, and Woodside.

EXHIBIT **A**

A

Plaintiff's App. 00877

3. The "Lawsuit." Plaintiffs have pursued, on their own behalf and for the Trust and its Unit Holders, based upon, among other things, the Trust Fund Doctrine and as authorized by the Trustee, claims in the case styled *MOSH Holding, L.P. v. Pioneer Natural Resources Company; Pioneer Natural Resources USA, Inc.; Woodside Energy (USA) Inc.; and JPMorgan Chase Bank, N.A., as Trustee of the Mesa Offshore Trust*; Cause No. 2006-01984; pending in the 334th Judicial District Court of Harris County, Texas ("Lawsuit" or "Suit"). This settlement disposes of all claims that were raised or that could have been raised in this Lawsuit, and Plaintiffs hereby acknowledge and agree that all of the claims they have pursued (or could have pursued) in the Lawsuit, including claims known or unknown to the Plaintiffs, are settled as set forth below.

4. No Admission of Liability: This settlement is made for the purpose of avoiding the expense, uncertainty, and inconvenience of litigation and is the result of the compromise of disputed claims. This settlement shall not be offered or construed as an admission of liability by any Party, and all Parties expressly deny any liability to any Party to the Lawsuit.

5. Execution Date: The Execution Date of this Settlement Agreement is May 18, 2009.

B. Consideration

1. Sufficiency: The Parties agree that good and sufficient consideration has been exchanged pursuant to this Agreement.

2. Pioneer Settlement Sum and Settlement Interests: Pioneer will pay to the Trust the sum of \$13 million ("Pioneer Settlement Sum"). The timing for payment by Pioneer of the Pioneer Settlement Sum is set forth in paragraph D(2) below. Pioneer will also sell its interests in Brazos Block A-39 ("Pioneer Settlement Interests"), which were identified in Pioneer's tender letter of October 10, 2008 to Plaintiffs and JPMorgan, and Pioneer will contribute to the Trust all proceeds earned from this sale. The Pioneer Settlement Interests are identified in the two Sales Assignments attached as Exhibits A-1 and A-2 to this Agreement. The Pioneer Settlement Interests will be sold pursuant to the terms set forth in paragraph D(1) below.

3. JPMorgan Settlement Sum: JPMorgan will pay to the Trust the sum of \$5 million ("JPMorgan Settlement Sum"). The timing for payment by JPMorgan of the JPMorgan Settlement Sum is set forth in paragraph D(2) below. JPMorgan will also release all claims for and forgive repayment of the existing \$5 million loan provided by JPMorgan to the Trust; however, notwithstanding anything to the contrary provided for herein, JPMorgan may use the remaining balance of the credit facility and any other Trust income to pay Trust liabilities and expenses as permitted under the Royalty Trust Indenture ("Indenture") prior to receipt of the Settlement Proceeds (defined in paragraph D(2)) below) and the Final Distribution to the Unit Holders (defined in paragraph D(4) below).

4. Woodside Settlement Sum: Woodside will pay to the Trust the sum of \$1 million ("Woodside Settlement Sum"). The timing for payment by Woodside of the Woodside Settlement Sum is set forth in paragraph D(2) below.

5. Settlement Proceeds: The Woodside Settlement Sum, the JPMorgan Settlement Sum, and the Pioneer Settlement Sum will together be referred to as the "Settlement Proceeds."

6. Release of Pioneer by all Parties: Plaintiffs in all of their capacities, as alleged or otherwise, including on behalf of the Trust and/or the Partnership and/or the Unit Holders as authorized by the Trust Fund Doctrine and otherwise; the Trustee (on behalf of the Trust and its Unit Holders); the Trustee (in its capacity as general partner of the Partnership); JPMorgan (individually); and Woodside each agree to fully, finally and forever release, acquit, and discharge Pioneer (individually, as managing general partner of the Partnership, and as Subject Lessee and/or operator under the Conveyance), its predecessors, successors and assigns, from any and all claims, causes of action, demands and liabilities known or unknown, contingent or direct, that arise from or relate in any way to the claims, matters, or theories that have been or could have been asserted in the Lawsuit including, without limitation, any and all claims relating to or concerning in any way the acts and/or omissions of Pioneer or of any of the Parties. These releasing parties expressly warrant and represent that no promise or agreement which has not herein been expressed has been made to or relied upon by them in executing this release and that the releasing parties are relying upon their own judgment and are not relying upon any statement or representation of Pioneer or any of the other Parties. This release shall include and encompass any such claims, causes of action, demands, liabilities, matters or theories, including, but not limited to, those based in contract or in tort and whether based on alleged breaches of fiduciary duty, misapplication of fiduciary property, fraud, negligence or gross negligence, breach of contract, conspiracy, or aiding or abetting. This release will also include, without limiting the foregoing, any claim by any releasing party for reimbursement of attorney's fees or of any costs, other than as provided for in paragraph D(3).

7. Release of JPMorgan a/k/a the Trustee: Plaintiffs in all of their capacities, as alleged or otherwise, including on behalf of the Trust and/or the Partnership and/or the Unit Holders as authorized by the Trust Fund Doctrine and otherwise; Pioneer (individually, as managing general partner of the Partnership, and as Subject Lessee and/or operator under the Conveyance); and Woodside each agree to fully, finally and forever release, acquit, and discharge the Trustee, its predecessors, successors, and assigns from any and all claims, causes of action, demands and liabilities, known or unknown, contingent or direct, that arise from or relate in any way to the claims, matters, or theories that have been or could have been asserted in the Lawsuit including, without limitation, any and all claims relating to or concerning in any way the acts and/or omissions of JPMorgan or of any of the Parties. These releasing parties expressly warrant and represent that no promise or agreement which has not herein been expressed has been made to or relied upon by them in executing this release and that the releasing parties are relying upon their own judgment and are not relying upon any statement or

representation of JPMorgan or any of the other Parties. This release shall include and encompass any such claims, causes of action, demands, liabilities, matters or theories, including, but not limited to, those based in contract or in tort and whether based on alleged breaches of fiduciary duty, misapplication of fiduciary property, fraud, negligence or gross negligence, breach of contract, conspiracy, or aiding or abetting. This release will also include, without limiting the foregoing, any claim by any releasing party for reimbursement of attorney's fees or of any costs, other than as provided for in paragraph D(3).

8. Release of Plaintiffs: JPMorgan (individually, as Trustee on behalf of the Trust and its Unit Holders and as general partner of the Partnership); Pioneer (individually, as managing general partner of the Partnership, and as Subject Lessee and/or operator under the Conveyance); and Woodside each agree to fully, finally and forever release, acquit, and discharge Plaintiffs, their predecessors, successors, and assigns from any and all claims, causes of action, demands and liabilities, known or unknown, contingent or direct, that arise from or relate in any way to the claims, matters, or theories that have been or could have been asserted in the Lawsuit including, without limitation, any and all claims relating to or concerning in any way the acts and/or omissions of Plaintiffs or of any of the Parties. These releasing parties expressly warrant and represent that no promise or agreement which has not herein been expressed has been made to or relied upon by them in executing this release and that the releasing parties are relying upon their own judgment and are not relying upon any statement or representation of Plaintiffs or any of the other Parties, subject to paragraph E(5) below. This release shall include and encompass any such claims, causes of action, demands, liabilities, matters or theories, including, but not limited to, those based in contract or in tort and whether based on alleged breaches of fiduciary duty, misapplication of fiduciary property, fraud, negligence or gross negligence, breach of contract, conspiracy, or aiding or abetting. This release will also include, without limiting the foregoing, any claim by any releasing party for reimbursement of attorney's fees or of any costs, other than as provided for in paragraph D(3).

9. Release of Woodside: Plaintiffs in all of their capacities, as alleged or otherwise, including on behalf of the Trust and/or the Partnership and/or the Unit Holders as authorized by the Trust Fund Doctrine and otherwise; Pioneer (individually, as managing general partner of the Partnership, and as Subject Lessee and/or operator under the Conveyance); and JPMorgan (individually, as general partner of the Partnership, and as Trustee on behalf of the Trust and its Unit Holders) each agree to fully, finally and forever release, acquit, and discharge Woodside, its predecessors, successors, and assigns from any and all claims, causes of action, demands and liabilities, known or unknown, contingent or direct, that arise from or relate in any way to the claims, matters, or theories that have been or could have been asserted in the Lawsuit including, without limitation, any and all claims relating to or concerning in any way the acts and/or omissions of Woodside or of any of the Parties. These releasing parties expressly warrant and represent that no promise or agreement which has not herein been expressed has been made to or relied upon by them in executing this release and that the releasing parties are relying upon their own judgment and are not relying upon any statement or representation

of Woodside or any of the other Parties. This release shall include and encompass any such claims, causes of action, demands, liabilities, matters or theories, including, but not limited to, those based in contract or in tort and whether based on alleged breaches of fiduciary duty, misapplication of fiduciary property, fraud, negligence or gross negligence, breach of contract, conspiracy, or aiding or abetting. This release will also include, without limiting the foregoing, any claim by any releasing party for reimbursement of attorney's fees or of any costs, other than as provided for in paragraph D(3).

10. Release of Trust and Partnership: Plaintiffs in all of their capacities, as alleged or otherwise, including on behalf of the Trust and/or the Partnership and/or the Unitholders as authorized by the Trust Fund Doctrine and otherwise; Pioneer (individually, as managing general partner of the Partnership, and as Subject Lessee and/or operator under the Conveyance); JPMorgan (individually, as general partner of the Partnership, and as Trustee on behalf of the Trust and its Unit Holders); and Woodside each agree to fully, finally and forever release, acquit, and discharge the Trust and the Partnership from any and all claims, causes of action, demands and liabilities, known or unknown, contingent or direct, that arise from or relate in any way to the claims, matters, or theories that have been or could have been asserted in the Lawsuit including, without limitation, any and all claims relating to or concerning in any way the acts and/or omissions of the Trust and/or the Partnership or of any of the Parties. These releasing parties expressly warrant and represent that no promise or agreement which has not herein been expressed has been made to or relied upon by them in executing this release and that the releasing parties are relying upon their own judgment and are not relying upon any statement or representation of the Trust, the Partnership or any of the other Parties. This release shall include and encompass any such claims, causes of action, demands, liabilities, matters or theories, including, but not limited to, those based in contract or in tort and whether based on alleged breaches of fiduciary duty, misapplication of fiduciary property, fraud, negligence or gross negligence, breach of contract, conspiracy, or aiding or abetting. This release will also include, without limiting the foregoing, any claim by any releasing party for reimbursement of attorney's fees or of any costs, other than as provided for in paragraph D(3).

11. Release by the Trust and Partnership: The Trust (through the Trustee and through Plaintiffs in their representative capacity, as alleged or otherwise, under the Trust Fund Doctrine and otherwise) and the Partnership (through the Trustee as general partner, Plaintiffs in their representative capacity, as alleged or otherwise, under the Trust Fund Doctrine and otherwise, and Pioneer as managing general partner) agree to fully, finally and forever release, acquit, and discharge Plaintiffs and Defendants, their predecessors, successors, and assigns from any and all claims, known or unknown, contingent or direct, that arise from or relate in any way to the claims, causes of action, demands and liabilities, known or unknown, that have been or could have been asserted in the Lawsuit including, without limitation, any and all claims relating to or concerning in any way the acts and/or omissions of Plaintiffs or Defendants. These releasing parties expressly warrant and represent that no promise or agreement which has not herein been expressed has been made to or relied upon by them in executing this release and that the releasing

parties are not relying upon any statement or representation of Plaintiffs or Defendants. This release shall include and encompass any such claims, causes of action, demands, liabilities, matters or theories, including, but not limited to, those based in contract or in tort and whether based on alleged breaches of fiduciary duty, misapplication of fiduciary property, fraud, negligence or gross negligence, breach of contract, conspiracy, or aiding or abetting. This release will also include, without limiting the foregoing, any claim by any releasing party for reimbursement of attorney's fees or of any costs, other than as provided for in paragraph D(3).

12. Limitations on Releases: The claims released pursuant to this section are referred to hereafter as "Released Claims." The following is carved out from the scope of the Released Claims:

a. JPMorgan/Pioneer Commercial Lending: Any claims to enforce the rights and obligations owed between and amongst Pioneer, in its individual capacity, and JPMorgan, in its individual capacity, arising out of any commercial lending and/or non-Trust related relationships and contracts existing between them;

b. JPMorgan/Woodside Commercial Lending: Any claims to enforce the rights and obligations owed between and amongst Woodside, in its individual capacity, and JPMorgan, in its individual capacity, arising out of any commercial lending and/or non-Trust related relationships and contracts existing between them;

c. Pioneer/Woodside Ordinary Course: Any claims to enforce the day-to-day rights and obligations owed between and amongst Pioneer, in its individual capacity, and Woodside, arising out of the ordinary course, operating-based relationship set forth in the Offshore Operating Agreement during the time such agreement is effective between Pioneer and Woodside, and in particular does not include any obligations that may exist associated with Pioneer's assignment of its interests in the South Half of Brazos Block A-39 to occur as part of the sales process described below. However, this limitation does not in any way exclude from the scope of coverage of the releases provided between and amongst Pioneer and Woodside any claims, causes of action, demands and liabilities, known or unknown, contingent or direct, that arise from or relate in any way to the claims, matters, or theories that have been or could have been asserted in the Lawsuit.

d. Enforcement Rights: Any claims to enforce the rights and obligations set forth pursuant to the Final Settlement Agreement between the Parties or the terms of the Final Agreed Judgment.

C. Conditions Precedent

1. Court Approval of the Terms of the Settlement Agreement: The consideration by the Parties set forth in Part B (Consideration) is subject to and contingent upon the approval by the Court of the Settlement Agreement. The Settlement Agreement will be presented to the Court for consideration and approval and a settlement

hearing will be scheduled so as to provide adequate time for the Trustee to notify the Unit Holders in accordance with the notice provisions set forth in the Indenture and the Texas Trust Code. The Parties will cooperate in submitting a Joint Motion for Approval and/or any other reasonably necessary filing to support the approval of the Settlement Agreement and entry of the Final Agreed Judgment. Should the Court within a reasonable time fail to approve this Settlement Agreement pursuant to the terms set forth in the Final Agreed Judgment (attached hereto as Exhibit B), subject to paragraph C(2), below, any party to this Settlement Agreement will have the right to declare the Settlement Agreement void and unenforceable.

2. Entry by the Court of the Final Agreed Judgment: The consideration by the Parties set forth in Part B (Consideration) is also subject to and contingent upon entry by the Court of the Final Agreed Judgment in the form attached as Exhibit B to this Settlement Agreement, subject to the terms of this paragraph C(2). For purposes of this Settlement Agreement, the Final Agreed Judgment means and includes findings of fact and conclusions of law (that may be filed separately pursuant to Tex. R. Civ. P. 299(a) accompanying the Final Agreed Judgment, which are likewise attached hereto as Exhibit C). Should the Court materially modify the Final Agreed Judgment, any party to this Settlement Agreement will have the right to declare the Settlement Agreement void and unenforceable as to that party. Material modifications would include (but would not be limited to) modifications altering the releases (or their scope); the termination procedures; the scope and enforceability of the Final Agreed Judgment; and/or if the Court fails to find that the Settlement Agreement is fair to and in the best interest of the Trust and its Unit Holders. The Parties further agree that they will cooperate in submitting any redrafted Agreed Final Judgment (including any finding of fact or conclusion of law) containing non-material modifications as may be requested by the Court.

3. Appeal of the Final Agreed Judgment: Should any party, person or entity appeal the Court's entry of the Final Agreed Judgment, the release of Settlement Proceeds held in escrow to the Trust, as described in (D)(2) below, will not occur until such time as the Final Agreed Judgment becomes final and non-appealable. Should the Final Agreed Judgment be reversed or modified, any party to this Settlement Agreement will have the right to declare the Settlement Agreement void and unenforceable.

D. Liquidation and Funding Process

1. Sale of Partnership Assets and Pioneer Settlement Interests:

a. Timing of Sale: After the Settlement Agreement is approved and the Final Agreed Judgment entered, the Trustee will complete the liquidation and wind up process for the Trust and will instruct Pioneer to do the same with respect to the Partnership. As part of this liquidation process, the Pioneer Settlement Interests and the Partnership Assets will be offered for sale via a public auction. The sale will be conducted by Pioneer consistent with the terms contained herein as approved by the Court and the instructions of the Trustee. The sale shall be conducted promptly

following the approval of the Settlement Agreement and entry of the Agreed Final Judgment. In conducting the sale, Pioneer may utilize the services of the Oil & Gas Asset Clearinghouse or, as necessary, any other auction service selected by Pioneer. The effective date of the sale of the Pioneer Settlement Interests and the Partnership Interests will be 7:00 a.m. CT of the first day of the month in which the auction occurs subject to the procedures of the auction service.

b. Sale by Lot: The Partnership Assets and the Pioneer Settlement Interests will be offered in two lots ("Sales Lots" or "Lots") as follows:

(i) the "West Delta Lot" comprised of the Partnership's West Delta 61 overriding royalty interest together with any other interests of the Partnership in West Delta Block 61. The interests comprising the West Delta Lot are described in the West Delta Lot Assignment, which together with the ancillary sales documentation is attached hereto as Exhibit A-1;

(ii) the "Brazos A-39 Lot" comprised of (a) Pioneer's record title and operating rights in and to the Brazos A-39 lease, (b) the \$1.6 million dedicated plugging and abandonment escrow fund earmarked for the Brazos A-39 lease, which will remain escrowed until abandonment of the lease is complete (the Abandonment Agreement and Abandonment Escrow Agreement are attached hereto as Exhibits D and E, respectively), and (c) certain interests that burden Pioneer's record title and/or operating rights including Pioneer's and the Partnership's overriding royalty interest in the Midway and the Nimitz wells created under the Pioneer-Woodside 2003 farmout and the Pioneer-Hydro Gulf of Mexico 2006 farmout and the royalty interest under the Overriding Royalty Conveyance as to the areas not covered by the Pioneer-Woodside farmout. The Brazos A-39 Lot interest will be sold subject to the operating rights in and to the south half of the Brazos A-39 lease assigned to Woodside in that Partial Assignment of Operating rights made effective January, 2003. The interests comprising the Brazos A-39 Lot are described in the Brazos A-39 Lot Assignment, which together with the ancillary sales documentation is attached hereto as Exhibit A-2.

c. Minimum Bid/Right of First Refusal Agreements: Plaintiffs have designated MOSH, LLC as a "Qualified Bidder" for the West Delta Lot and the Brazos A-39 Lot. The Qualified Bidder will have the right (but not the obligation) within five (5) business days following the entry of the Agreed Final Judgment by the Court to enter into a separate Right of First Refusal Agreement pertaining to the public auction of the Sales Lots as set forth below and in the Right of First Refusal Agreement attached hereto as Exhibit F. To constitute a "Qualified Bidder," so as to be able to enter into the Right of First Refusal Agreement within the time specified above, the person or entity identified by Plaintiffs must demonstrate to Pioneer that the person or entity meets the following requirements: (a) with respect to both Sales Lots, the Qualified Bidder must place in escrow pursuant to the terms of the Right of First Refusal Escrow Agreement (attached hereto as Exhibit G) \$375,000 ("Escrow Sums") for each Sales Lot (i.e., \$750,000 in the aggregate) within five (5) business days following the date the trial court enters an Agreed Final Judgment approving the terms of the Final Settlement; and (b) with respect

to the Brazos A-39 Lot, demonstrate its qualification with the Minerals Management Service of the US Department of the Interior ("MMS") to hold record title interest in and be a qualified and bonded operator for offshore interests pursuant to the regulations and requirements of the MMS. Should the Qualified Bidder exercise its right to enter into the Right of First Refusal Agreement, it will become obligated to provide a minimum bid on each lot of \$375,000 and in the event no higher bid is received, the Qualified Bidder will be obligated to purchase the Lot for the \$375,000 sum escrowed or the Lots for the \$750,000 sum escrowed. Should bid(s) be received that are higher than the \$375,000 sums escrowed by the Qualified Bidder, the Qualified Bidder will have the right (but not the obligation) to match the bids and purchase the Lot(s).

d. Completion of Sale: The Lot(s) will be sold to the highest bidder(s) subject to the exercise by the Qualified Bidder of its Right of First Refusal. Should the Qualified Bidder choose not to exercise its Right of First Refusal, then the Lot(s) will be sold to the highest bidder(s). In the event the Qualified Bidder exercises its Right of First Refusal, but then fails to close for any reason, Pioneer will offer the Lot(s) to the highest remaining bidder(s) and close the sale(s) should such bidder(s) agree to purchase the Lots at the price offered during the bidding process, and shall continue such offers to bidders in order to close a sale or sales for the highest available cash price. If such bidders are unwilling to purchase the Lot(s) at the prices they bid during the auction, or if this liquidation process does not result, for any reason, in a sale of both of the Lots, Pioneer is entitled (at its sole option and its sole discretion) to dispose of the Pioneer Settlement Interests in any manner it sees fit. In such event, Pioneer will have the absolute right, in its sole discretion, to cancel, extinguish, or otherwise dispose of all or part of such interest(s). For example, and not by way of limiting Pioneer's options, Pioneer may withdraw from its participation in and ownership in Brazos Block A-39 pursuant to the terms of the Offshore Operating Agreement governing Brazos Block A-39. It is further agreed and understood that if any of the Partnership's assets remain after the sales process for which no buyer can be found, Pioneer will have the absolute right, in its sole discretion, to cancel, extinguish, or otherwise dispose of all or part of such interest(s). Up until the time of any sale or other disposition of the Partnership's assets, Pioneer, as managing general partner of the Partnership, shall continue to operate the Partnership's assets and distribute in the normal course any net proceeds to the Trustee for the benefit of the Trust.

2. Payment of Sales Proceeds and Settlement Proceeds: Pioneer will tender the proceeds obtained from the sale of both Lots ("Sales Proceeds") to the Trustee promptly upon receipt by Pioneer. Upon payment of the Sales Proceeds to the Trustee, the Partnership will be deemed terminated, liquidated, and wound up in all respects. Within seven (7) business days after the sales auction is held, Defendants will tender the Settlement Proceeds to JPMorgan to be held in escrow at JPMorgan in interest bearing accounts. Once the Final Agreed Judgment becomes final and non-appealable, but not before, the Settlement Proceeds will be released to the Unit Holders by the Trustee for distribution in accordance with the terms set forth below in paragraph D(4). The combined sum of the Settlement Proceeds and Sales Proceeds, after they have been released to the Trustee for distribution, is referred to as the "Gross Resolution Proceeds."

Should the Final Agreed Judgment be reversed, the Settlement Proceeds (together with accrued interest) will be remitted by JPMorgan to Defendants.

3. Plaintiffs' Counsel's Attorney's Fees: Plaintiffs' counsel will seek recovery of attorney's fees of six million two hundred fifty thousand dollars (\$6,250,000.00) and expenses of approximately two million five hundred thousand dollars (\$2,500,000.00). The actual amount awarded will be subject to Court approval. Should the Court determine that a different amount should be awarded for attorney's fees and expenses to Plaintiffs' counsel, such a determination will not constitute grounds for voiding this Settlement Agreement. The fees and expenses will be paid by the Trustee out of the Gross Resolution Proceeds after (but not before) the Settlement Proceeds are released to the Trust in accordance with paragraph D(4) below. If the Settlement Proceeds are not released to the Trust from the JPMorgan escrow accounts referred to in D(2) above (for example if the Agreed Final Judgment is reversed on appeal), no attorney's fees or expenses will be paid to Plaintiffs' counsel under this Settlement Agreement.

4. Liquidation of Trust and Partnership: The Trustee will pay Plaintiffs' counsel's attorney's fees and expenses awarded by the Court pursuant to the terms of the Final Agreed Judgment out of the Gross Resolution Proceeds per the paragraph above. In addition, the Trustee will deduct the reasonable costs incurred subsequent to April 27, 2009 of effecting the sales of the Lots (including without limitation any commission or sales administrative charges) and other fees and expenses relating to the administration of the Trust for which the Trustee is entitled to pay or to receive payment under the Indenture, notwithstanding anything to the contrary provided herein. The remaining sum, which will include any other ordinary course proceeds received by the Trust ("Net Resolution Proceeds") will be distributed by check to the Unit Holders, as of the future Record Date as provided below and approved by the Court in the Agreed Final Judgment. This distribution, which shall take place promptly after, but in no event later than the 30th day following, the Record Date, is referred to as the "Final Distribution." Plaintiffs will share in the Final Distribution based solely upon their pro rata beneficial interest in the Trust as of the Record Date. The Record Date shall be twenty (20) days after the last of the following events to occur: (1) the payment of the Sales Proceeds to the Trustee, or (2) the day this Final Agreed Judgment becomes final and non-appealable, or (3) if appealed, and the appeal does not result in a reversal or modification, the day on which no further appeal or petition for review to a higher court can be taken. Once the Final Distribution has been made by the Trustee, the Trust will be deemed terminated, liquidated, and wound up in all respects. Should any Unit Holder's share of the Final Distribution be retained (for example, as a result of the failure of Unit Holders to accept and/or cash their distribution checks), the retained sums will *escheat* as provided for under Texas Law.

E. Miscellaneous Terms

1. Dispute Resolution: The Parties agree that if any dispute arises between the Parties under the Settlement Agreement prior to the date that the Trustee makes the Final Distribution, Grant Cook will serve as the sole arbitrator, and he will resolve any

such disputes in accordance with the arbitration procedures he believes (in his sole discretion) to be appropriate. Mr. Cook's decision will be final and binding; however, Mr. Cook is not empowered to alter any of the express terms of this Settlement Agreement. This provision, among others, will be included in the Court's Agreed Final Judgment. Should any dispute between the Parties arise after the Final Distribution is made by the Trustee, or should Mr. Cook be unable to act as an arbitrator for any dispute arising prior to the Final Distribution, such dispute(s) will be resolved by binding arbitration with a single arbitrator that must be an attorney admitted to practice law in Texas under the administration of the American Arbitration Association pursuant to its Commercial Arbitration Rules.

2. Construction of Agreement: The Parties agree that the terms of this Settlement Agreement were negotiated and reviewed by the Parties and their counsel and that all participated in the drafting. To that point, the terms of this Settlement Agreement are not to be construed against any of the drafters.


3. Reasonable Cooperation: The Parties will reasonably cooperate with each other with respect to the preparation of additional settlement documentation (and related materials) necessary to effectuate the completion of this settlement in accordance with the terms set forth in this Settlement Agreement.

4. Final Agreement: This Settlement Agreement supersedes any prior discussions and/or agreements (whether oral, written or other) including, without limitation, the Term Sheet. No modifications or amendments will be enforced unless such modifications are in writing signed by the Party to be charged.

5. No Reliance: The Parties disclaim any reliance upon any representations (or omissions) by any other party, with the exception of Plaintiffs' representation that neither MOSH Holding, L.P. and Dagger-Spine nor any of their owners, officers, or affiliates have any ownership, direct or indirect, or interest, direct or indirect, in MOSH, LLC. The Parties and their counsel have had the full and complete opportunity to litigate the issues (and/or related issues) and have agreed to the terms set forth in this Settlement Agreement. The Parties further disclaim any right to assert any claim for fraudulent inducement (or similar legal theory used to set aside releases) and agree that the releases provided herein are enforceable to the fullest extent permissible under Texas law.

6. Texas Law: The enforcement, application, and interpretation of this Settlement Agreement is subject to Texas Law without regard to any conflicts of law principles.

Executed by
Printed
Date


WILLIAM F. HANNES
5/18/2009

On behalf of Pioneer Natural Resources Company and Pioneer Natural Resources Company USA, Inc., both individually, and as Managing General

Partner of the Mesa Offshore Royalty Partnership, and as Subject Lessee and/or operator under the Overriding Royalty Conveyance

Executed by
Printed
Date

Timothy M. Robertson
Timothy M. Robertson
May 18, 2009

On behalf of MOSH Holding, L. P. in its individual capacity, and for the limited purposes set forth herein, on behalf of the Mesa Offshore Trust and its Unit Holders and the Mesa Offshore Royalty Partnership

Executed by
Printed
Date

On behalf of Dagger-Spine Hedgehog Corporation in its individual capacity, and for the limited purposes set forth herein, on behalf of the Mesa Offshore Trust and its Unit Holders and the Mesa Offshore Royalty Partnership

Executed by
Printed
Date

On behalf of JPMorgan Chase Bank, N.A., as Trustee of the Mesa Offshore Trust and its Unit Holders, as General Partner of the Mesa Offshore Royalty Partnership, and individually

Executed by
Printed
Date

On behalf of Woodside Energy (USA) Inc.

Partner of the Mesa Offshore Royalty Partnership, and as Subject Lessee and/or operator under the Overriding Royalty Conveyance

Executed by _____
Printed _____
Date _____

On behalf of MOSH Holding, L. P. in its individual capacity, and for the limited purposes set forth herein, on behalf of the Mesa Offshore Trust and its Unit Holders and the Mesa Offshore Royalty Partnership

Executed by Timothy M. Roberson
Printed Timothy M. Roberson
Date May 18, 2009

On behalf of Dagger-Spine Hedgehog Corporation in its individual capacity, and for the limited purposes set forth herein, on behalf of the Mesa Offshore Trust and its Unit Holders and the Mesa Offshore Royalty Partnership

Executed by _____
Printed _____
Date _____

On behalf of JPMorgan Chase Bank, N.A., as Trustee of the Mesa Offshore Trust and its Unit Holders, as General Partner of the Mesa Offshore Royalty Partnership, and individually

Executed by _____
Printed _____
Date _____

On behalf of Woodside Energy (USA) Inc.

Partner of the Mesa Offshore Royalty Partnership, and as Subject Lessee and/or operator under the Overriding Royalty Conveyance

Executed by
Printed
Date

On behalf of MOSH Holding, L. P. in its individual capacity, and for the limited purposes set forth herein, on behalf of the Mesa Offshore Trust and its Unit Holders and the Mesa Offshore Royalty Partnership

Executed by
Printed
Date

On behalf of Dagger-Spine Hedgehog Corporation in its individual capacity, and for the limited purposes set forth herein, on behalf of the Mesa Offshore Trust and its Unit Holders and the Mesa Offshore Royalty Partnership

Executed by
Printed
Date

[Signature]
T. J. FOLEY
MAY 18, 2009

On behalf of JPMorgan Chase Bank, N.A., as Trustee of the Mesa Offshore Trust and its Unit Holders, as General Partner of the Mesa Offshore Royalty Partnership, and individually

Executed by
Printed
Date

On behalf of Woodside Energy (USA) Inc.

Partner of the Mesa Offshore Royalty Partnership, and as Subject Lessee and/or operator under the Overriding Royalty Conveyance

Executed by _____
Printed _____
Date _____

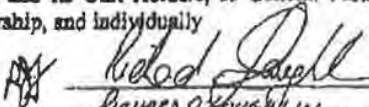
On behalf of MOSH Holding, L. P. in its individual capacity, and for the limited purposes set forth herein, on behalf of the Mesa Offshore Trust and its Unit Holders and the Mesa Offshore Royalty Partnership

Executed by _____
Printed _____
Date _____

On behalf of Dagger-Spine Hedgehog Corporation in its individual capacity, and for the limited purposes set forth herein, on behalf of the Mesa Offshore Trust and its Unit Holders and the Mesa Offshore Royalty Partnership

Executed by _____
Printed _____
Date _____

On behalf of JPMorgan Chase Bank, N.A., as Trustee of the Mesa Offshore Trust and its Unit Holders, as General Partner of the Mesa Offshore Royalty Partnership, and individually

Executed by  _____
Printed Richard O. Buchanan
Date 5/18/2009

On behalf of Woodside Energy (USA) Inc.