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Theresa Chang
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DEC 07 2007

Time: _____
Harris County, Texas

By _____
Deputy

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A REGISTERED LIMITED LIABILITY PARTNERSHIP
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December 7, 2007

Re: Case No. 2006-01984; *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*; In the 334th Judicial District Court of Harris County, Texas

Honorable Sharon McCally
334th Judicial District Court
Harris County Civil Courthouse
201 Caroline, 15th Floor
Houston, Texas 77002

Via Fax and Hand Delivery

Dear Judge McCally:

You have asked the parties to submit to you their respective Notice of the Trustee's Intent to Resign and Application by Unitholders for Appointment of a Temporary Trustee and Conditional Settlement of Lawsuit (the "Notice"). As a preliminary matter, there is no authority that permits Pioneer or Woodside to include any information or materials in the Trustee's Notice, nor is there any authority that they must approve the Notice. Neither Pioneer nor Woodside have cited any authority for their position other than their inapplicable analogy to a notice in a class action. As the Court has noted, this is not a class proceeding. Nevertheless, we tried to work with Pioneer and Woodside in hopes of reaching agreement on the information that we would include in the Notice, but we were not able to reach complete agreement. While we were able to accept most of Pioneer and Woodside's requested changes to the Notice, there remains one point of major disagreement, as discussed more fully below.

As you review this proposed Notice, there are a few points that I want to draw to your attention. First, you will see that it is objectively written. It does not advocate that the unitholders should support or oppose any of the items. It merely provides the basic facts and allows each unitholder to reach his or her own conclusion regarding the propriety of the issues addressed in the Notice.

Second, as we told Your Honor in Wednesday's telephone hearing, the form of this Notice is virtually identical to the notice that was endorsed by Pioneer when it proposed a conditional settlement with the Trustee earlier this year. Contrary to its position now, Pioneer did not provide the Plaintiffs with any opportunity to review and comment on the notice sent back in February.

Third, we have included in paragraph 12 of the Notice a statement that Pioneer and Woodside oppose the proposed settlement and a brief statement about the basis of their objections (although we continue to believe that they do not have standing to object to our settlement). We have also agreed that Pioneer and Woodside can post on the website their formal objections to the settlement.

As Your Honor will recall, the Trustee intends to put all of the formal settlement documents and pleadings on a website to which all of the unitholders will have access. While not required to do so, we have agreed that Pioneer and Woodside may post their objections to the settlement on this website so that all unitholders will have the opportunity to review these objections before the hearing on January 16th. We believe that this Notice provides information to the unitholders in a fair, objective, and balanced manner.

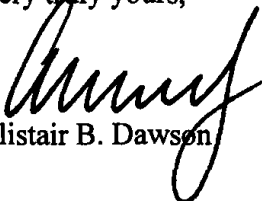
The main point of disagreement between the parties is the additional language that Pioneer and Woodside propose to include in paragraph 12. As the Court will see, Pioneer and Woodside include six additional sub-paragraphs which *advocate* why the unitholders should not support the settlement. The Trustee does not believe that these sub-paragraphs are objectively written as is the rest of the Notice. The Trustee has not included in the Notice the various reasons why it believes the settlement should be approved because it does not believe it is appropriate to advocate in this Notice. If the Court is inclined to permit Pioneer and Woodside to include these sub-paragraphs, then the Trustee reserves the right to add language advocating in favor of the settlement. Moreover, several of the statements contained in these proposed sub-paragraphs are factually incorrect. Contrary to Pioneer's assertion, the Trustee can resign at any time for any reason pursuant to the express language of Section 6.03 of the Trust Indenture. Further, the Trustee is expressly allowed to settle claims asserted against it pursuant to the Texas Trust Code and Section 3.05 of the Trust Indenture. The Trustee believes that the Court should not permit Pioneer or Woodside to include statements in the Notice that are factually incorrect.

Finally, we remind the Court that, in order to timely comply with the notice requirements in advance of the January 16th hearing, we must send the Notice to the transfer agent by Tuesday afternoon, December 12th, for copying and service to all unitholders. We believe that it is appropriate to send the enclosed Notice and we believe that Pioneer and Woodside have not met their burden of proof to enjoin the sending of this Notice.

Honorable Sharon McCaly
334th Judicial District Court
December 7, 2007
Page 3

Thank you for your consideration of this matter. Please let us know if you need anything further.

Very truly yours,


Alistair B. Dawson

cc: All Counsel of Record

TRUSTEE'S PROPOSED NOTICE

**NOTICE OF TRUSTEE'S INTENT TO RESIGN, APPLICATION BY
UNITHOLDERS FOR APPOINTMENT OF TEMPORARY TRUSTEE, AND
CONDITIONAL SETTLEMENT OF LAWSUIT**

Please read this Notice carefully. This Notice is solely to inform all current Unitholders of the Mesa Offshore Trust of the following: 1) JPMorgan Chase Bank, N.A.'s intent to resign as Trustee, effective at 12:01 a.m. on January 21, 2008; 2) the application by a group of Unitholders holding approximately one-third of the outstanding Units of the Trust for court appointment of a temporary trustee, and 3) a conditional settlement between the Plaintiff, Intervenor-Plaintiffs, additional Unitholders, and the Trustee in the lawsuit titled Cause No. 2006-01984, *MOSH Holding, L.P., et al. v. Pioneer Natural Resources Co., et al.*, in the 334th Judicial District of Harris County, Texas.

As a Unitholder in the Mesa Offshore Trust, the Trustee's resignation, the proposed appointment of a temporary trustee, and the conditional settlement might affect the value of your beneficial interest in the Trust. You have a right to comment on or object to the conditional settlement and proposed appointment of a temporary trustee at a scheduled hearing in the 334th Judicial District Court of Harris County, Texas, in Houston, Texas, on January 16, 2008, as further described herein. To obtain a copy of the proposed settlement, or any other materials described in this Notice, please call 512-236-6545 or visit www.businesswire.com/cnn/mesaoffshoresettlement.htm.

**NOTICE OF TRUSTEE'S INTENT TO RESIGN, APPLICATION BY
UNITHOLDERS FOR APPOINTMENT OF TEMPORARY TRUSTEE, AND
CONDITIONAL SETTLEMENT OF LAWSUIT**

1. **Purpose of This Notice.** *This Notice is to inform Mesa Offshore Trust Unitholders of the Lawsuit; the Trustee's intent to resign; application by a group of Unitholders for appointment of a temporary trustee; and the conditional settlement between the Plaintiff, Intervenor-Plaintiffs, additional Unitholders, and the Trustee; as well as to inform Unitholders of their opportunity to comment on or object to the proposed appointment of temporary trustee and conditional settlement.*

2. **Notice of the Lawsuit.** A lawsuit titled Cause No. 2006-01984, *MOSH Holding, L.P., et al. v. Pioneer Natural Resources Co., et al.*, is pending in the 334th Judicial District Court of Harris County, Texas (the "Lawsuit"), brought by MOSH Holding, L.P. ("MOSH"); Intervenor-Plaintiff Dagger-Spine Hedgehog Corporation ("Dagger-Spine"); and Intervenor-Plaintiffs Keith A. Wiegand, *et al.* (the "Wiegand Group") stating various causes of action against JPMorgan Chase Bank, N.A. in its capacity as Trustee of the Mesa Offshore Trust (the "Trust") (JPMorgan Chase Bank, N.A. in this capacity referred to hereinafter as the "Trustee"); Pioneer Natural Resources Company and Pioneer Natural Resources USA, Inc. (collectively, "Pioneer"); and Woodside Energy (USA) Inc. ("Woodside"). MOSH, Dagger-Spine, and the Wiegand Group (collectively, the "Plaintiffs"), along with additional Unitholders in the Trust who have joined the conditional settlement ("Additional Unitholders"), own approximately one-third of the outstanding units in the Trust. Pioneer Natural Resources Company is the sole managing general partner of the Mesa Offshore Royalty Partnership (the "Partnership"), a Texas general partnership that holds and manages the royalty interests of the Trust. The Trust owns 99.99 percent of the Partnership.

3. **Summary of Claims Asserted in the Lawsuit.** In the Lawsuit, Plaintiffs allege that Pioneer acted wrongfully in connection with its management of and operations on properties in which the Partnership holds an interest, including alleged wrongful acts concerning a "farmout" to Woodside affecting those properties. Plaintiffs allege that, in entering into this "farmout" agreement, Pioneer breached contractual obligations and committed various wrongful acts against the Trust, including fraud, breach of fiduciary duty, and gross negligence—which claims Pioneer denies. Plaintiffs also allege that Woodside helped Pioneer in its alleged breaches, which Woodside denies. Plaintiffs also allege that the Trustee is operating under a conflict of interest regarding Pioneer, and that it has breached its fiduciary duty to the Trust—which claims the Trustee denies. These claims against Pioneer, Woodside, and the Trustee are more fully stated in MOSH's Second Amended Original Petition, Dagger-Spine's First Amended Petition in Intervention, and the Wiegand Group's Second Amended Petition in Intervention. Copies are available to you as described in Paragraph 7 of this Notice. Pioneer has moved to dismiss the Lawsuit on the ground that the claims Plaintiffs are pursuing, and any money recovered on those claims, belong exclusively to the Trust rather than Plaintiffs or any other individual unitholders. Woodside has also moved to dismiss the claims against it, and the Trustee has previously moved for partial summary judgment on the Plaintiffs' claims against it. All such motions are still pending.

4. **Notice of Resignation.** In accordance with Section 6.03 of the Royalty Trust Indenture dated December 1, 1982, the Trustee hereby gives written notice to the Unitholders of the Mesa Offshore Trust of its intent to resign as Trustee. The Trustee's resignation shall be effective at 12:01 a.m. on January 21, 2008. The Trustee may elect not to resign if the conditional settlement is not approved by the Court

5. **Notice of Application by Unitholders for Appointment of Temporary Trustee.** On December 3, 2007, Plaintiffs filed an Application for Appointment of Temporary Trustee, requesting that the Court appoint Thomas L. Easley as temporary trustee for the Trust. Copies of this document are available to you as described in Paragraph 7 of this Notice. The Trust Indenture contains provisions for appointment of a successor Trustee to fill a vacancy. Plaintiffs are seeking the appointment of a Temporary Trustee pursuant to the terms of the Texas Trust Code because they have been unable to find a successor Trustee who meets the requirements of the Trust Indenture.. The current Trustee, JPMorgan, has not joined in the application to the Court for appointment of a temporary trustee under the procedure proposed by the Plaintiffs.

6. **Notice of Conditional Settlement.** The Trustee, having investigated the Claims asserted by the Plaintiffs against Pioneer, Woodside, the Trustee, and JPMorgan, and has reached a settlement with the Plaintiffs and the Additional Unitholders of all claims that the Plaintiffs and/or the Additional Unitholders have or might have against the Trustee and JPMorgan Chase Bank, N.A. individually, concerning the subject of the Lawsuit. The settlement includes a release of the Trustee and JPMorgan and a dismissal, with prejudice, of the lawsuit against the Trustee and JPMorgan . The settlement is expressly conditioned on the Court's approval, after a hearing on the terms and conditions of the settlement, as well as the arguments in favor of and any objections to the settlement. The Trustee and the Plaintiffs, after seeking the advice of their respective counsel, believe that the proposed settlement is in the best interests of the Trust and its Unitholders/beneficiaries in light of the probable validity/invalidity of the claims asserted, the delay, expense, and uncertainty of litigation, and the benefits of the terms of the settlement as compared to the judgment that might be obtained through the litigation of this matter.

7. **Summary of the Proposed Settlement Terms.** Consistent with the terms of the Settlement Agreement and Release ("Settlement Agreement"), the Trustee shall formally resign, effective at 12:01 a.m. on January 21, 2008, and Plaintiffs have petitioned the Court for appointment of a temporary trustee. In addition, JPMorgan Chase Bank, N.A. individually shall pay the Plaintiffs \$1,250,000 to reimburse Plaintiffs' legal fees and expenses incurred in pursuing claims on behalf of the Trust. This amount will be paid exclusively to Plaintiffs and/or their attorneys and not to the Trust for the benefit of other Unitholders. JPMorgan Chase Bank, N.A. has also previously created a credit facility, with the Trust as the borrower, for up to an aggregate principal amount of \$3,000,000 for use by the Trustee to pay the Trust's expenses, secured by Trust assets. As part of the conditional settlement, JPMorgan Chase Bank, N.A. agrees that a temporary or successor trustee, if appointed by the Court, may draw down any remaining available funds under the credit facility for the Trust's normal operating expenses. JPMorgan has committed that at least \$800,000 will remain in available funds as of the date of its proposed resignation which could be borrowed by the Trust under this loan so that the Trust can pay operating expenses in the future. Up to a maximum of \$2,200,000 in loaned funds will

have been consumed, as of that date, to pay operating expenses of the Trust including the Trustee's legal fees and costs in defending against the lawsuit. Another term of the conditional settlement is that the temporary trustee will determine whether to pursue the remaining claims in the Lawsuit against Pioneer and Woodside, for the benefit of all Unitholders. The decision whether or not to pursue such claims shall be entirely within the discretion of the temporary trustee. Each of these provisions is explained in detail in the Settlement Agreement that has been negotiated by Plaintiffs and Trustee. To obtain a copy of the Settlement Agreement, the related exhibits, the Application for Appointment of Temporary Trustee, MOSH's Second Amended Original Petition, Dagger-Spine's First Amended Petition in Intervention, or the Wiegand Group's Second Amended Petition in Intervention, please call 512-236-6545 or visit www.businesswire.com/cnn/mesaoffshoresettlement.htm. You are encouraged to obtain and review these documents. This Notice provides only a brief summary of the details.

8. This Notice Does Not Constitute an Admission of Liability. The conditional settlement is a compromise of disputed claims between Plaintiffs/Additional Unitholders and the Trustee and not an indication of liability by JPMorgan Chase Bank, N.A. of any sort. This Notice is not to be construed as an admission or concession of liability by Plaintiffs/Additional Unitholders, the Trustee, or the Trust.

9. Settlement Is Conditioned on Court Approval. The proposed settlement is expressly conditioned on approval by the Court, with an order that may be binding on all Unitholders of the Trust, that specifically 1) approves the settlement, 2) finds that the settlement is in the best interest of the Trust and its Unitholders/beneficiaries, 3) accepts the Trustee's resignation, and 4) dismisses the Lawsuit against the Trustee and JPMorgan Chase Bank, N.A. individually with prejudice as to all claims that were or could have been brought against them by the Plaintiffs and/or the Additional Unitholders directly or on behalf of the Trust. Furthermore, the proposed order would release the Trustee from any liability to the Trust or the Trust's beneficiaries for any claims arising from its agreement to and performance of the Settlement Agreement.

10. You May Comment on or Object to the Conditional Settlement. As a Unitholder of the Trust, you have the following options regarding the proposed settlement:

- a. If you agree with the conditional settlement and the appointment of a temporary trustee, you need not do anything. On the Court's approval of the settlement and its entry of an order, Plaintiffs and the Trustee shall effectuate the terms of the settlement.
- b. If you oppose the conditional settlement or the appointment of a temporary trustee, you may appear and voice your opposition at the settlement hearing described in Paragraph 11 of this Notice.

11. Settlement Hearing. A settlement hearing shall be held on January 16, 2008, at 9:00 a.m., before the Honorable Sharon McCally of the 334th Judicial District of Harris County, Harris County Civil Courthouse, 201 Caroline Street, 15th Floor, Houston, Texas 77002. The purpose of the settlement hearing shall be for the Court to consider the Trustee's resignation and

the appointment of a temporary trustee, and to determine whether the settlement should be approved as being in the best interests of the Trust and its Unitholders/beneficiaries.

12. **Pioneer's and Woodside's Objections.** Pioneer and Woodside oppose the Trustee's resignation, the appointment of a temporary trustee., and the proposed settlement. Pioneer and Woodside believe that the Trustee's resignation, the appointment of a temporary trustee, and the proposed settlement violate the terms of the Trust Indenture and benefit the proponents rather than the Trust and all unitholders. The proponents disagree, but the Trustee has agreed to post Pioneer's and Woodside's full written objections on the website referenced in Paragraph 7 above within twenty-four hours of filing and service to the Trustee's counsel of record.

13. **Where to Direct Written Inquiries Regarding this Notice.** Other than obtaining copies of the relevant documents as provided for in Paragraph 7 above, any inquiries concerning this Notice or the underlying Lawsuit should be made in writing to JPMorgan Chase Bank, N.A., as Trustee of the Mesa Offshore Trust, c/o Michael Ulrich, Vice President of The Bank of New York Trust Company, N.A., 919 Congress Avenue, Suite 500, Austin, Texas 78701, mike.ulrich@bankofny.com. *No inquiries should be directed to the Court.*

PIONEER AND WOODSIDE'S PROPOSED NOTICE

**NOTICE OF TRUSTEE'S INTENT TO RESIGN, APPLICATION BY
UNITHOLDERS FOR APPOINTMENT OF TEMPORARY TRUSTEE, AND
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As a Unitholder in the Mesa Offshore Trust, the Trustee's resignation, the proposed appointment of a temporary trustee, and the conditional settlement might affect the value of your beneficial interest in the Trust. You have a right to comment on or object to the conditional settlement and proposed appointment of a temporary trustee at a scheduled hearing in the 334th Judicial District Court of Harris County, Texas, in Houston, Texas, on January 16, 2008, as further described herein. To obtain a copy of the proposed settlement, or any other materials described in this Notice, please call 512-236-6545 or visit www.businesswire.com/cnn/mesaoffshoresettlement.htm.

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3. **Summary of Claims Asserted in the Lawsuit.** In the Lawsuit, Plaintiffs allege that Pioneer acted wrongfully in connection with its management of and operations on properties in which the Partnership holds an interest, including alleged wrongful acts concerning a "farmout" to Woodside affecting those properties. Plaintiffs allege that, in entering into this "farmout" agreement, Pioneer and Woodside breached contractual obligations and committed various wrongful acts against the Trust, including fraud, breach of fiduciary duty, and gross negligence—which claims Pioneer and Woodside deny. Plaintiffs also allege that the Trustee is operating under a conflict of interest regarding Pioneer, and that it has breached its fiduciary duty to the Trust—which claims the Trustee denies. These claims against Pioneer, Woodside, and the Trustee are more fully stated in MOSH's Second Amended Original Petition, Dagger-Spine's First Amended Petition in Intervention, and the Wiegand Group's Second Amended Petition in Intervention. Copies are available to you as described in Paragraph 7 of this Notice. Pioneer has moved to dismiss the Lawsuit on the ground that the claims Plaintiffs are pursuing, and any money recovered on those claims, belong exclusively to the Trust rather than Plaintiffs or any other individual unitholders.

4. **Notice of Resignation.** In accordance with Section 6.03 of the Royalty Trust Indenture dated December 1, 1982, the Trustee hereby gives written notice to the Unitholders of the Mesa Offshore Trust of its intent to resign as Trustee. The Trustee's resignation shall be

effective at 12:01 a.m. on January 21, 2008. The Trustee's may elect not to resign if the conditional settlement is not approved by the Court

5. Notice of Application by Unitholders for Appointment of Temporary Trustee. On December 3, 2007, Plaintiffs filed an Application for Appointment of Temporary Trustee, requesting that the Court appoint Thomas L. Easley as temporary trustee for the Trust. Copies of this document are available to you as described in Paragraph 7 of this Notice. The Trust Indenture contains provisions for appointment of a successor Trustee to fill a vacancy Plaintiffs are seeking the appointment of a Temporary Trustee pursuant to the terms of the Texas Trust Code because they have been unable to find a successor Trustee who meets the requirements of the Trust Indenture. The current Trustee, JPMorgan, has not joined in the application to the Court for appointment of a temporary trustee under the procedure proposed by the Plaintiffs.

6. Notice of Conditional Settlement. The Trustee, having investigated the Claims asserted by the Plaintiffs against Pioneer, Woodside, the Trustee, and JPMorgan, and has reached a settlement with the Plaintiffs and the Additional Unitholders of all claims that the Plaintiffs and/or the Additional Unitholders have or might have against the Trustee and JPMorgan Chase Bank, N.A. individually, concerning the subject of the Lawsuit. The settlement includes a release of the Trustee and JP Morgan and a dismissal, with prejudice, of the lawsuit against the Trustee and JP Morgan. The settlement is expressly conditioned on the Court's approval, after a hearing on the terms and conditions of the settlement, as well as the arguments in favor of and any objections to the settlement. The Trustee and the Plaintiffs, after seeking the advice of their respective counsel, believe that the proposed settlement is in the best interests of the Trust and its Unitholders/beneficiaries in light of the probable validity/invalidity of the claims asserted, the delay, expense, and uncertainty of litigation, and the benefits of the terms of the settlement as compared to the judgment that might be obtained through the litigation of this matter.

7. Summary of the Proposed Settlement Terms. Consistent with the terms of the Settlement Agreement and Release ("Settlement Agreement"), the Trustee shall formally resign, effective at 12:01 a.m. on January 21, 2008, and Plaintiffs have petitioned the Court for appointment of a temporary trustee. If the conditional settlement is not approved by the Court, the Trustee may elect not to resign. In addition, JPMorgan Chase Bank, N.A. individually shall pay the Plaintiffs \$1,250,000 to reimburse Plaintiffs' legal fees and expenses incurred in pursuing claims on behalf of the Trust. This amount will be paid exclusively to Plaintiffs and/or their attorneys and not to the Trust for the benefit of other Unitholders. JPMorgan Chase Bank, N.A. has also previously created a credit facility, with the Trust as the borrower, for up to an aggregate principal amount of \$3,000,000 for use by the Trustee to pay the Trust's expenses, secured by Trust assets. As part of the conditional settlement, JPMorgan Chase Bank, N.A. agrees that a temporary or successor trustee, if appointed by the Court, may draw down any remaining available funds under the credit facility for the Trust's normal operating expenses. JPMorgan has committed that at least \$800,000 will remain in available funds as of the date of its proposed resignation which could be borrowed by the Trust under this loan so that the Trust can pay operating expenses in the future. Up to a maximum of \$2,200,000 in loaned funds will have been consumed, as of that date, to pay operating expenses of the Trust including the Trustee's legal fees and costs in defending against the lawsuit and other expenses of the Trust.

Another term of the conditional settlement is that the temporary trustee will determine whether to pursue the remaining claims in the Lawsuit against Pioneer and Woodside, for the benefit of all Unitholders. The decision whether or not to pursue such claims shall be entirely within the discretion of the temporary trustee. Each of these provisions is explained in detail in the Settlement Agreement that has been negotiated by the parties. To obtain a copy of the Settlement Agreement, the related exhibits, the Application for Appointment of Temporary Trustee, MOSH's Second Amended Original Petition, Dagger-Spine's First Amended Petition in Intervention, or the Wiegand Group's Second Amended Petition in Intervention, please call 512-236-6545 or visit www.businesswire.com/cnn/mesaoffshoresettlement.htm. You are encouraged to obtain and review these documents. This Notice provides only a brief summary of the details.

8. **This Notice Does Not Constitute an Admission of Liability.** The conditional settlement is a compromise of disputed claims between Plaintiffs/Additional Unitholders and the Trustee and not an indication of liability by JPMorgan Chase Bank, N.A. of any sort. This Notice is not to be construed as an admission or concession of liability by Plaintiffs/Additional Unitholders, the Trustee, or the Trust.

9. **Settlement Is Conditioned on Court Approval.** The proposed settlement is expressly conditioned on approval by the Court with an order that may be binding on all Unitholders of the Trust, that specifically 1) approves the settlement, 2) finds that the settlement is in the best interest of the Trust and its Unitholders/beneficiaries, 3) accepts the Trustee's resignation, and 4) dismisses the Lawsuit against the Trustee and JPMorgan Chase Bank, N.A. individually with prejudice as to all claims that were or could have been brought against them by the Plaintiffs and/or the Additional Unitholders directly or on behalf of the Trust. Furthermore, the proposed order would release the Trustee from any liability to the Trust or the Trust's beneficiaries for any claims arising from its agreement to and performance of the Settlement Agreement.

10. **You May Comment on or Object to the Conditional Settlement.** As a Unitholder of the Trust, you have the following options regarding the proposed settlement:

- a. If you agree with the conditional settlement and the appointment of a temporary trustee, you need not do anything. On the Court's approval of the settlement and its entry of an order, Plaintiffs and the Trustee shall effectuate the terms of the settlement.
- b. If you oppose the conditional settlement or the appointment of a temporary trustee, you may appear and voice your opposition at the settlement hearing described in Paragraph 11 of this Notice.

11. **Settlement Hearing.** A settlement hearing shall be held on January 16, 2008, at 9:00 a.m., before the Honorable Sharon McCally of the 334th Judicial District of Harris County, Harris County Civil Courthouse, 201 Caroline Street, 15th Floor, Houston, Texas 77002. The purpose of the settlement hearing shall be for the Court to consider the Trustee's resignation and the appointment of a temporary trustee, and to determine whether the settlement should be approved as being in the best interests of the Trust and its Unitholders/beneficiaries.

12. **Pioneer's Objections.** Pioneer opposes the Trustee's resignation, the proposed settlement between the Trustee, Plaintiffs and Additional Unitholders (collectively, the "Proponents"), and the proposed appointment of a temporary trustee (the proposed appointment of a temporary trustee, together with the Trustee's resignation and proposed settlement agreement are collectively the "Trustee's Proposed Settlement"). Pioneer believes that the Trustee's Proposed Settlement violates the terms of the Trust Indenture and is calculated to benefit the Proponents rather than the Trust and all Unitholders. Pioneer's concerns include the following:

- a. Both the Partnership and the Trust are out of money. The Trustee has disclosed in public filings that it has initiated, in accordance with the terms of the Trust Indenture, "steps to begin the process of liquidating the Trust." Pioneer believes that the Trustee's Proposed Settlement is not consistent with the terms of the Trust Indenture, which requires that the Trust's assets are to be sold as part of the Trust liquidation and termination.
- b. Pioneer does not believe the Trustee is entitled to resign because the Trust is in the process of liquidation. Pioneer believes that the terms of the Trust Indenture require the Trustee to complete the liquidation process. As part of this process, Pioneer believes that any claims the Trust may have, including claims against the Trustee, Pioneer and Woodside, should be sold at public auction as required by the Trust Indenture and for the benefit of the Trust. While Pioneer has taken the position (and continues to take the position) that the claims against it and Woodside have no merit, all of the Trust's claims can and should be liquidated through the sales process, and any value received from such sale should be paid to the Trust—not to the Plaintiffs and/or their attorneys. Pioneer contends that the Trustee's effort to resign, and thereby avoid its responsibility to liquidate the Trust assets, violates Pioneer's contractual rights as the Managing General Partner of the Partnership.
- c. Alternatively, if the Trustee has the right to resign, Pioneer does not believe the Trustee has the right to link its resignation to a general release of claims the Trust may have against it. If the Trustee is permitted to resign, Pioneer believes that any claims the Trust may have against the Trustee should be liquidated as described above, and the proceeds of such sale should go to the Trust rather than a select group of Unitholders and/or their attorneys.
- d. In contrast, the Trustee's Proposed Settlement envisions the payment by the Trustee of \$1,250,000 million to the Plaintiffs and/or their attorneys rather than to the Trust in exchange for the Plaintiffs' agreement to join with the Trustee in

proposing the Proposed Settlement, which provides a number of benefits to the Trustee, including a release of Trust claims against the Trustee. As described above, these claims should be monetized with the proceeds paid to the Trust for the potential benefit of all Unitholders as required by the Trust Indenture .

- e. In addition, as part of the Trustee's Proposed Settlement, JPMorgan previously created a \$3,000,000 credit facility for use by the Trust because the Trust did not have sufficient money to pay its operating expenses. Importantly, up to \$2.2 million of the JPMorgan loan will be used to pay the Trust's expenses, including the Trustee's legal fees, and this loan is secured by Trust assets, meaning that it must be repaid before any distributions can be made to the Unitholders.
- f. The Trustee has agreed to post Pioneer and Woodside's full written objections on the website reference in Paragraph 7 above within twenty-four hours of filing and service to the Trustee's counsel of record.

13. Where to Direct Written Inquiries Regarding this Notice. Other than obtaining copies of the relevant documents as provided for in Paragraph 7 above, any inquiries concerning this Notice or the underlying Lawsuit should be made in writing to JPMorgan Chase Bank, N.A., as Trustee of the Mesa Offshore Trust, c/o Michael Ulrich, Vice President of The Bank of New York Trust Company, N.A., 919 Congress Avenue, Suite 500, Austin, Texas 78701, mike.ulrich@bankofny.com. *No inquiries should be directed to the Court.*