UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2003

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ____ to _____

Commission file number 0-9592

RANGE RESOURCES CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	34-1312571
(State of or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

777 MAIN STREET, SUITE 800
FT. WORTH, TEXAS
(Address of principal executive offices)

76102
(Zip Code)

Registrant's telephone number, including area code: (817) 870-2601

Former name, former address and former fiscal year, if changed since last report: Not applicable

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes [X] No [ ]

56,002,697 Common Shares were outstanding on July 31, 2003.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The financial statements included herein should be read in conjunction with latest Form 10-K for Range Resources Corporation (the "Company"). The statements are unaudited but reflect all adjustments which, in the opinion of management, are necessary to fairly present the Company's financial position and results of operations. All adjustments are of a normal recurring nature unless otherwise noted. These financial statements, including selected notes, have been prepared in accordance with the applicable rules of the Securities and Exchange Commission (the "SEC") and do not include all of the information and disclosures required by accounting principles generally accepted in the United States for complete financial statements.

RANGE RESOURCES CORPORATION
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	DECEMBER 31, 2002	JUNE 31, 2003
ASSETS		(Unaudited)
Current assets		
Cash and equivalents	$ 1,334	$ 1,309
Accounts receivable	26,832	39,394
IPF receivables, net (Note 2)	6,100	5,500
Unrealized derivative gain (Note 2)	4	16
Inventory and other	3,084	2,301
Deferred tax asset, net (Note 13)	-	25,284
	37,354	73,804
IPF receivables, net (Note 2)	18,351	10,767
Unrealized derivative gain (Note 2)	13	99
Oil and gas properties, successful efforts method (Note 16)	1,154,549	1,242,089
Accumulated depletion and depreciation	(590,143)	(606,789)
	564,406	635,300
Transportation and field assets (Note 2)	34,143	35,714
Accumulated depreciation and amortization	(16,071)	(17,520)
	18,072	18,194
Deferred tax asset, net (Note 13)	15,785	-
Other (Note 2)	4,503	5,273
	$ 658,484	$ 743,437
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 27,044	$ 26,101
Asset retirement obligation (Note 3)	-	16,399
Accrued liabilities	9,678	9,781
Accrued interest	4,449	4,342
Unrealized derivative loss (Note 2)	26,035	54,304
	67,206	110,927
Senior debt (Note 6)	115,800	110,600
Non-recourse debt (Note 6)	76,500	73,500
Subordinated notes (Note 6)	90,901	89,521
Trust preferred securities - manditorily redeemable security of subsidiary	84,840	84,440
Deferred tax credits, net (Note 13)	-	1,991
Unrealized derivative loss (Note 2)	9,079	29,186
Deferred compensation liability (Note 11)	8,049	11,262
Asset retirement obligation (Note 3)	-	38,825
Commitments and contingencies (Note 8)		
Stockholders' equity (Notes 9 and 10)		
Preferred stock, $1 par, 10,000,000 shares authorized, none issued or outstanding	-	-
Common stock, $.01 par, 100,000,000 shares authorized, 54,991,611 and 55,952,379 issued and outstanding, respectively	550	559
Capital in excess of par value	391,082	396,302
Stock held by employee benefit trust, and 1,324,537 1,605,992 shares, respectively, at cost (Note 11)	(6,188)	(7,867)
Retained earnings (deficit)	(158,059)	(144,014)
Deferred compensation expense	(125)	(157)
Other comprehensive income (loss) (Note 2)	(21,151)	(51,638)
	206,109	193,185
	$ 658,484	$ 743,437

SEE ACCOMPANYING NOTES

RANGE RESOURCES CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED, IN THOUSANDS EXCEPT PER SHARE DATA)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2003	2002	2003
Revenues				
Oil and gas sales	$ 48,626	$ 55,273	$ 92,909	$ 109,603
Transportation and processing	924	940	1,698	1,967
IPF income (Note 2)	992	428	2,163	967
Gain (loss) on retirement of securities (Note 18)	845	(10)	2,030	140
Other	(1,235)	(1,913)	(3,244)	(985)
	50,152	54,718	95,556	111,692
Expenses				
Direct operating	9,938	12,644	19,142	25,672
IPF	2,178	568	3,950	1,186
Exploration	2,172	2,687	7,443	5,140
General and administrative (Note 11)	4,733	5,313	9,203	10,159
Debt conversion and extinguishment expense (Note 6)	-	-	-	465
Interest expense and dividends on trust preferred	6,274	5,175	11,631	10,719
Depletion, depreciation and amortization	19,304	21,276	37,404	42,243
	44,599	47,663	88,773	95,584
Income before income taxes and accounting change	5,553	7,055	6,783	16,108
Income taxes (Note 13)				
Current	45	(6)	45	(2)
Deferred	(1,802)	2,470	(4,913)	6,556
	(1,757)	2,464	(4,868)	6,554
Income before cumulative effect of change in accounting principle	7,310	4,591	11,651	9,554
Cumulative effect of change in accounting principle (net of taxes of $2.4 million) (Note 3)	-	-	-	4,491
Net income	$ 7,310	$ 4,591	$ 11,651	$ 14,045
Comprehensive income (loss) (Note 2)	$ (1,155)	$ (10,594)	$ (24,227)	$ (16,442)
Earnings per share (Note 14)				
Before cumulative effect of change in accounting principle - basic	$ 0.14	$ 0.08	$ 0.22	$ 0.18
- diluted	$ 0.13	$ 0.08	$ 0.22	$ 0.17
After cumulative effect of change in accounting principle - basic	$ 0.14	$ 0.08	$ 0.22	$ 0.26
- diluted	$ 0.13	$ 0.08	$ 0.22	$ 0.25

SEE ACCOMPANYING NOTES.

RANGE RESOURCES CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED, IN THOUSANDS)

	SIX MONTHS ENDED JUNE 30,	
	2002	2003
CASH FLOWS FROM OPERATIONS		
Net income	$ 11,651	$ 14,045
Adjustments to reconcile net income to net cash provided by operations:		
Cumulative effect of change in accounting principle	-	(4,491)
Deferred income tax expense (benefit)	(4,913)	6,556
Depletion, depreciation and amortization	37,404	42,243
Write-down of marketable securities	1,220	-
Unrealized hedging (gains) losses	2,090	1,188
Allowance for bad debts	2,567	708
Exploration expense	7,443	5,140
Amortization of deferred issuance costs	411	446
Gain on retirement of securities	(2,055)	(140)
Debt conversion and extinguishment expense	-	465
Deferred compensation adjustments	2,876	1,596
Gain on sale of assets	(26)	(157)
Changes in working capital:		
Accounts receivable	(3,511)	(12,857)
Inventory and other	556	783
Accounts payable	1,446	535
Accrued liabilities	(3,702)	1,436
Net cash provided by operations	53,457	57,496
CASH FLOWS FROM INVESTING		
Oil and gas properties	(37,692)	(50,892)
Field service assets	(912)	(1,592)
IPF investments	(2,729)	(1,088)
IPF repayments	4,263	8,698
Exploration expense	(7,443)	(5,140)
Asset sales	20	302
Net cash used in investing	(44,493)	(49,712)
CASH FLOWS FROM FINANCING		
Borrowings on senior debt and non-recourse debt	67,900	78,900
Repayments on senior debt and non-recourse debt	(71,400)	(87,100)
Debt issuance costs	(952)	(684)
Other debt repayments	(4,981)	(744)
Issuance of common stock	1,214	1,819
Net cash used in financing	(8,219)	(7,809)
Increase (decrease) in cash and cash equivalents	745	(25)
Cash and equivalents, beginning of period	3,380	1,334
Cash and equivalents, end of period	$ 4,125	$ 1,309

SEE ACCOMPANYING NOTES.

(1) ORGANIZATION AND NATURE OF BUSINESS

The Company is engaged in the development, exploration and acquisition of oil and gas properties primarily in the Southwestern, Gulf Coast and Appalachian regions of the United States. To a minor extent, the Company also provides financing to smaller oil and gas producers through a wholly-owned subsidiary, Independent Producer Finance ("IPF"). The Company seeks to increase its reserves and production primarily through drilling and complementary acquisitions. The Company holds its Appalachian oil and gas assets through a 50% owned joint venture, Great Lakes Energy Partners L.L.C. ("Great Lakes").

The Company believes it has sufficient liquidity and cash flow to meet its obligations for the next twelve months. However, a material drop in oil and gas prices or a reduction in production and reserves would reduce its ability to fund capital expenditures, reduce debt and meet its future financial obligations. The Company operates in an environment with numerous financial and operating risks, including, but not limited to, the ability to acquire reserves on an attractive basis, the inherent risks of the search for, development and production of oil and gas, the ability to sell production at prices which provide an attractive return and the highly competitive nature of the industry. The Company's ability to expand its reserve base is, in part, dependent on obtaining sufficient capital through internal cash flow, borrowings or the issuance of debt or equity securities.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying consolidated financial statements include the accounts of the Company, wholly-owned subsidiaries and a 50% pro rata share of the assets, liabilities, income and expenses of Great Lakes. Liquid investments with original maturities of 90 days or less are considered cash equivalents. Certain reclassifications have been made to the presentation of prior periods to conform to current year presentation. These financial statements are unaudited but, in the opinion of management, reflect all adjustments necessary for a fair presentation of the results for the periods presented. All such adjustments are of a normal recurring nature unless disclosed otherwise.

REVENUE RECOGNITION

The Company recognizes revenues from the sale of products and services in the period delivered. Payments received at IPF relating to return on investment are recognized as income; while remaining receipts reduce receivables. Although receivables are concentrated in the oil industry, the Company does not view this as an unusual credit risk. The Company had allowances for doubtful accounts relating to its exploration and production business of $835,000 and $826,000 at December 31, 2002 and June 30, 2003, respectively.

MARKETABLE SECURITIES

Holdings of equity securities that qualify as available-for-sale are recorded at fair value. The Company owns approximately 18% of a small publicly traded exploration and production company. Based on its analysis of the investment and its assessment of realizing any value on the stock, the Company determined that the investment had no determinable value at June 30, 2002 and the book value of the investment was fully reserved. For the three months and the six months ended June 30, 2002, $851,000 and $1.2 million, respectively, was recorded as a reduction to Other revenues. This exploration and production company is currently involved in Chapter 11 bankruptcy proceedings.

INDEPENDENT PRODUCER FINANCE

IPF acquires dollar denominated royalties in oil and gas properties from small producers. The royalties are accounted for as receivables because the investment is recovered from a percentage of revenues until a specified return is received. Payments received that relate to the return on investment are recognized as income; while remaining receipts reduce receivables. No interest income is recorded on impaired receivables and any payments received that are applicable to impaired receivables are applied as a reduction of the receivable. Receivables classified as current represent the return on capital expected within 12 months. All receivables are evaluated quarterly and provisions for uncollectible amounts are established based on the Company's valuation of its royalty interest in the oil and gas properties. At December 31, 2002 and June 30, 2003, IPF's valuation allowance totaled $12.6 million and $10.7 million, respectively. The receivables are non-recourse and are from small independent operators who usually have limited access to capital and the property interests backing the receivables frequently lack diversification. Therefore, operational risk is substantial and there is significant risk that required maintenance and repairs, development and planned exploitation may be delayed or not accomplished. During the second quarter of 2003, IPF revenues were $428,000 offset by $209,000 of general and administrative costs, $60,000 of interest and a $299,000 increase in the valuation allowance. During the same period of the prior year, revenues were $992,000 offset by $476,000 of general and administrative expenses, $261,000 of interest and a $1.4 million increase in the valuation allowance. IPF's net receivables have declined from a high of $77.2 million in 1998 to $16.3 million at June 30, 2003, as IPF has focused on recovering its investment. The Company is continually assessing its strategic alternatives with regard to IPF. Since 2001, IPF has not entered into any new client financing agreements and therefore, the size of its portfolio should continue to decline due to collections.

OIL AND GAS PROPERTIES

The Company follows the successful efforts method of accounting. Exploratory drilling costs are capitalized pending determination of whether a well is successful. Exploratory wells subsequently determined to be dry holes are charged to expense. Costs resulting in exploratory discoveries and all development costs, whether successful or not, are capitalized. Geological and geophysical costs, delay rentals and unsuccessful exploratory wells are expensed. Depletion is provided on the unit-of-production method. Oil is converted to gas equivalent basis ("mcfe") at the rate of six mcf per barrel. The depletion, depreciation an amortization ("DD&A") rates were $1.41 and $1.48 per mcfe in the quarters ended June 30, 2002 and 2003, respectively, and $1.38 and $1.49 for the six months ended June 30, 2002 and 2003, respectively. Unproved properties had a net book value of $19.0 million and $17.5 million at December 31, 2002 and June 30, 2003, respectively.

The Company's long-lived assets are reviewed for impairment quarterly for events or changes in circumstances that indicate that the carrying amount of an asset may not be recoverable in accordance with SFAS No. 144. The review is done by determining if the historical cost of proved properties less the applicable accumulated depreciation, depletion and amortization is less than the estimated expected undiscounted future cash flows. The expected future cash flows are estimated based on management's plans to continue to produce and develop proved reserves. Expected future cash flow from the sale of production of reserves is calculated based on estimated future prices. Management estimates prices based upon market related information including published futures prices. In years where market information is not available, prices are escalated for inflation. The estimated future level of production is based on assumptions surrounding future levels of prices and costs, field decline rates, market demand and supply, and the economic and regulatory climates. When the carrying value exceeds such cash flows, an impairment loss is recognized for the difference between the estimated fair value and the carrying value of the assets.

TRANSPORTATION, PROCESSING AND FIELD ASSETS

The Company's gas gathering systems are generally located in proximity to certain of its principal fields. Depreciation on these systems is provided on the straight-line method based on estimated useful lives of 10 to 15 years. The Company receives third party income for providing certain field services which are recognized as earned. These revenues approximated $500,000 in each of the three month periods ended June 30, 2002 and 2003. Depreciation on the field assets is calculated on the straight-line method based on estimated useful lives of five to seven years. Buildings are depreciated over 10 to 15 years.

OTHER ASSETS

The cost of issuing debt is capitalized and included in Other assets on the balance sheet. These costs are generally amortized over the expected life of the related securities (using the sum-of-the-years digits amortization method which management believes does not differ materially from the effective interest method). When a security is retired prior to maturity, related unamortized costs are expensed. At December 31, 2002 and June 30, 2003, these capitalized costs totaled $3.0 million and $3.3 million, respectively. At June 30, 2003, Other assets included $3.3 million unamortized debt issuance costs, $588,000 of long-term deposits, and $1.4 million of marketable securities held in a deferred compensation plan.

GAS IMBALANCES

The Company uses the sales method to account for gas imbalances, recognizing revenue based on cash received rather than gas produced. A liability is recognized when the imbalance exceeds the estimate of remaining reserves. Gas imbalances at December 31, 2002 and June 30, 2003 were immaterial.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

The Company enters into contracts to reduce the impact of volatile oil and gas prices. These contracts generally qualify as cash flow hedges; however, certain of the contracts have an ineffective portion (changes in realized prices that do not match the changes in hedge price) which is recognized in earnings. Historically, the Company's hedging program was based on fixed price swaps. In the second quarter of 2003, the hedging program was modified to include collars which establish a minimum floor price and a predetermined ceiling price. Gains or losses on open contracts are recorded in Other comprehensive income (loss) ("OCI"). The Company also enters into swap agreements to reduce the risk of changing interest rates. These agreements qualify as cash flow hedges whereby changes in the fair value of the swaps are reflected as an adjustment to OCI to the extent the swaps are effective and are recognized in income as an adjustment to interest expense in the period covered for the ineffective portion. In prior periods, certain of the interest rate swaps did not qualify as interest rate hedges which required the changes in fair value to be reported in interest expense.

Derivatives are recorded on the balance sheet as assets or liabilities at fair value. For derivatives qualifying as hedges, the effective portion of changes in fair value is recognized in Stockholders' equity as OCI and reclassified to earnings when the transaction is closed (settled). Changes in the value of the ineffective portion of all open hedges are recognized in earnings as they occur. At June 30, 2003, the Company reflected an unrealized net pre-tax hedging loss on its balance sheet of $82.0 million. This accounting can greatly increase the volatility of earnings and stockholders' equity for companies that have hedging programs, such as the Company's hedging program. Earnings are affected by the ineffective portion of a hedge contract (changes in realized prices that do not match the changes in the hedge price). Ineffective gains or losses are recorded in Other revenue while the hedge contract is open and may increase or reverse until settlement of the contract. Stockholders' equity is affected by the increase or decrease in OCI. Typically, when oil and gas prices increase, OCI decreases. Of the $82.0 million unrealized pre-tax loss at June 30, 2003, $53.0 million of losses would be reclassified to earnings over the next twelve month period and $29.0 million for the periods thereafter, if prices remained constant. Actual amounts that will be reclassified will vary as a result of future changes in prices.

The Company had hedge agreements with Enron North America Corp. ("Enron") for 22,700 Mmbtu per day at $3.20 per Mmbtu for the first three contract months of 2002. At December 31, 2001, based on accounting requirements, an allowance for bad debts of $1.4 million was recorded, offset by a $318,000 ineffective gain included in income and a $1.0 million gain included in OCI related to these defaulted hedge contracts. The gain included in OCI at year-end 2001 was included in Other revenue in the first quarter of 2002. In the three months

ended March 31, 2002, the Company wrote off this receivable against the allowance for bad debts. The last Enron contract expired in March 2002.

Other revenues in the Consolidated Statements of Operations reflected ineffective hedging losses of $463,000 and $2.1 million for the three months ended June 30, 2002 and June 30, 2003, respectively, and a loss of $2.2 million and $1.3 million for the six months ended June 30, 2002 and 2003, respectively. Interest expense includes ineffective interest hedging losses of $300,000 and a gain of $154,000 for the three months ended June 30, 2002 and June 30, 2003, and gains of $72,000 and $83,000 for the six months ended June 30, 2002 and 2003, respectively. Unrealized hedging losses at June 30, 2003 are shown on the Company's balance sheet as net unrealized hedging losses of $83.4 million (including $1.4 million of losses on interest rate swaps) and OCI losses of $51.6 million (net of taxes) (see Note 7).

COMPREHENSIVE INCOME

Comprehensive income is defined as changes in Stockholders' equity from non-owner sources, which is calculated below (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2003	2002	2003
Net income	$ 7,310	$ 4,591	$ 11,651	$ 14,045
Net amount of hedging (gain) loss reclassed to earnings	(3,639)	15,365	(15,365)	41,255
Change in unrealized losses, net	(4,899)	(30,393)	(19,700)	(71,618)
Defaulted hedge contracts, net	-	-	(672)	-
Unrealized loss (gain) from available-for-sale securities	73	(157)	(141)	(124)
Comprehensive income (loss)	$ (1,155)	$ (10,594)	$(24,227)	$ (16,442)

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect reported assets, liabilities, revenues and expenses, as well as disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Estimates which may significantly impact the financial statements include oil and gas reserves, impairment tests on oil and gas properties, IPF valuation allowance and the fair value of derivatives.

RECENT ACCOUNTING PRONOUNCEMENTS

In April 2002, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 145 "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement 13 and Technical Corrections" ("SFAS 145"). Extinguishment of debt will be accounted for in accordance with Accounting Principle Board ("APB") Opinion No. 30 "Reporting the Results of Operations, Reporting the effects of Disposal of a Segment of a Business and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." As a result, gains from early extinguishment of debt will be reported in income from continuing operations. The Company adopted the provisions of SFAS 145 as of January 1, 2003. This adoption resulted in the reclassification of extraordinary gain on sale of securities totaling $845,000 to revenue in the three months and $2.0 million in the six months ended June 30, 2002, with no change to reported net income.

In January 2003, the FASB issued Interpretation No. 46 "Consolidation of Variable Interest Entities, an Interpretation of Accounting Research Bulletin No. 51" (the "Interpretation"). The Interpretation will significantly change whether entities included in its scope are consolidated by their sponsors, transferors, or investors. The Interpretation introduces a new consolidation model - the variable interest model - which determines control (and consolidation) based on potential variability in gains and losses of the entity being evaluated for consolidation. These provisions apply immediately to variable interests in VIE's created after January 15, 2003 and are effective

beginning in the third quarter of 2003 for VIE's in which the Company holds a variable interest that it acquired prior to February 1, 2003. The Company is still evaluating the impact of this new interpretation.

In May 2003, the FASB issued Statement of Financial Accounting Standards No. 150 "Accounting or Certain Financial Instruments with Characteristics of Both Liabilities and Equity" ("SFAS 150"). SFAS 150 established standards for classification and measurement in the statement of financial position of certain financial instruments with characteristics of both liabilities and equity. It requires classification of a financial instrument that is within its scope as a liability (or an asset in some circumstances). SFAS 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. As the Company's 5-3/4% Trust Preferred Securities is currently presented as a long-term liability in the consolidated financial statements, the adoption of SFAS 150 is not expected to have a material impact on the Company's consolidated financial statements.

The FASB and representatives of the accounting staff of the SEC are engaged in discussions on the issue of whether the FASB's No. 141 and 142, issued effective for June 30, 2001, called for mineral rights held under lease or other contractual arrangements to be classified in the balance sheet as intangible assets and accompanied by specific footnote disclosures. Historically, the Company and all other oil and gas companies have included the cost of these oil and gas leasehold interests as part of oil and gas properties. Although, most of the Company's oil and gas property interests are held under oil and gas leases, this interpretation, if adopted, would not have a material impact on the Company's financial condition or its results of operations.

In the event this interpretation is adopted, a substantial portion of acquisition costs of oil and gas properties since June 30, 2001 would be separately classified on the balance sheets as intangible assets. As of June 30, 2003, the Company has expended approximately $23.6 million on the acquisition of oil and gas properties since June 30, 2001. Some additional direct costs of other oil and gas leases acquired since that date could also be categorized as intangible under this interpretation. Results of operations would not be affected by this interpretation, if adopted, since these costs would continue to be depleted in accordance with successful efforts accounting for oil and gas companies. Another possible effect of this interpretation, if adopted, could be a change in some of the financial measurements used in financial covenants of debt instruments that focus on tangible assets. The Company does not believe that its debt covenants would be materially affected by the adoption of this accounting interpretation.

PROFORMA STOCK BASED COMPENSATION

The Company has adopted the disclosure-only provisions of SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"). Accordingly, no compensation cost has been recognized for the stock option plans because the exercise prices employee stock options equals the market prices of the underlying stock on the date of grant. If compensation cost had been determined based on the fair value at the grant date for awards in the three months and the six months ended June 30, 2002 and 2003, consistent with the provisions of SFAS 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2003	2002	2003
Net income, as reported -	$ 7,310	$ 4,591	$ 11,651	$ 14,045
Deduct: Total stock based employee compensation fair value based method for all awards, net of related tax effects	346	428	549	826
Pro forma net income	$ 6,964	$ 4,163	$ 11,102	$ 13,219
Earnings per share:				
Basic-as reported	$ 0.14	$ 0.08	$ 0.22	$ 0.26
Basic-pro forma	$ 0.13	$ 0.08	$ 0.21	$ 0.24
Diluted-as reported	$ 0.13	$ 0.08	$ 0.22	$ 0.25
Diluted-pro forma	$ 0.13	$ 0.07	$ 0.21	$ 0.24

(3) ASSET RETIREMENT OBLIGATION

Beginning in 2003, Statement of Financial Accounting Standards No. 143 "Asset Retirement Obligations" ("SFAS 143") requires the Company to recognize an estimated liability for the plugging and abandonment of its oil and gas wells and associated pipelines and equipment. Previously, the Company had recognized a plugging and abandonment obligation primarily for its offshore properties. This liability was shown netted against oil and gas properties on the balance sheet. Under SFAS 143, the Company now recognizes a liability for asset retirement obligations in the period in which they are incurred, if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. SFAS 143 requires the Company to consider estimated salvage value in the calculation of DD&A. Consistent with industry practice, historically the Company had assumed the cost of plugging and abandonment on its onshore properties would be offset by salvage value received. The adoption of SFAS 143 resulted in (i) an increase of total liabilities because retirement obligations are required to be recognized, (ii) an increase in the recognized cost of assets because the retirement costs are added to the carrying amount of the long-lived asset and (iii) an increase in DD&A expense, because of the accretion of the retirement obligation and increased basis. The majority of the asset retirement obligations recorded by the Company relate to the plugging and abandonment of oil and gas wells.

The estimated liability is based on historical experience in plugging and abandoning wells, estimated remaining lives of those wells based on reserves estimates, external estimates as to the cost to plug and abandon the wells in the future, and federal and state regulatory requirements. The liability is discounted using an assumed credit-adjusted risk-free interest rate of 9%. Revisions to the liability could occur due to changes in estimates of plugging and abandonment costs or remaining lives of the wells, or if federal or state regulators enact new plugging and abandonment requirements.

The adoption of SFAS 143 as of January 1, 2003 resulted in a cumulative effect gain of $4.5 million (net of income taxes of $2.4 million) or $0.08 per share which is included in income in the six months ended June 30, 2003. The adoption resulted in a January 1, 2003 cumulative effect adjustment to record (i) a $37.3 million increase in the carrying values of proved properties, (ii) a $21.0 million decrease in accumulated depletion, (iii) a $2.3 million increase in current plugging and abandonment liabilities, (iv) a $49.1 million increase in non-current plugging and abandonment liabilities and (v) a $2.4 million decrease in deferred tax assets. The net impact of items (i) through (v) was to record a gain of $4.5 million, net of tax, as a cumulative effect adjustment of a change in accounting principle. The pro forma effects of the application of SFAS 143, as if the statement had been adopted net-of-tax on January 1, 2002 (rather than January 1, 2003), including an associated proforma asset retirement obligation on that date of $48.3 million, are presented below (in thousands, except per share data):

	Pro Forma Three Months Ended June 30,		Pro Forma Six Months Ended June 30,	
	2002	2003	2002	2003
Net income	$ 7,029	$ 4,591	$ 15,715	$ 14,045
Earnings per share - basic	$ 0.13	$ 0.08	$ 0.30	$ 0.26
- diluted	$ 0.13	$ 0.08	$ 0.29	$ 0.25

A reconciliation of the Company's liability for plugging and abandonment costs for the six months ended June 30, 2003 is as follows (in thousands):

Asset retirement obligation, December 31, 2002	$ -
Cumulative effect adjustment	51,390
Liabilities incurred	2,011
Liabilities settled	(448)
Accretion expense	2,271
Asset retirement obligation, June 30, 2003	$ 55,224

(4) ACQUISITIONS

Acquisitions are accounted for under the purchase method. Purchase prices are assigned to acquired assets and assumed liabilities based on their estimated fair value at acquisition. The Company purchased various properties for $2.7 million and $9.7 million during the six months ended June 30, 2002 and 2003, respectively. These purchases include $75,000 and $6.3 million for proved oil and gas reserves, respectively, while the remainder represents unproved acreage purchases.

(5) SUPPLEMENTAL CASH FLOW INFORMATION

	Six Months Ended June 30,	
	2002	2003
	(in thousands)	
Non-cash investing and financing activities:		
Common stock issued		
Under benefit plans	$ 1,528	$ 1,958
Exchanged for fixed income securities	8,359	1,370
Cash used in operating activities:		
Income taxes paid	-	-
Interest paid	$ 11,889	$ 10,596

The Company has and will continue to consider exchanging common stock or equity-linked securities for debt, despite the impact on its financial statements due to Statement of Financial Accounting Standards 84 (see Note 6). If, in the opinion of management, the transaction is favorable for the Company and its shareholders, the transaction will be executed. Existing stockholders may be materially diluted if substantial exchanges are consummated. The extent of dilution will depend on the number of shares and price at which common stock is issued, the price at which newly issued securities are convertible, and the price at which debt is acquired.

(6) INDEBTEDNESS

The Company had the following debt and 5-3/4% Trust Convertible Preferred Securities ("Trust Preferred Securities") outstanding as of the dates shown (in thousands). Interest rates at June 30, 2003, excluding the impact of interest rate swaps, are shown parenthetically:

	December 31, 2002	June 30, 2003
Senior debt:		
Senior Credit Facility (2.9%)	$ 115,800	$ 110,600
Non-recourse debt:		
Great Lakes Credit Facility (2.9%)	76,500	73,500
Subordinated debt:		
8-3/4% Senior Subordinated Notes due 2007	69,281	68,781
6% Convertible Subordinated Debentures due 2007	21,620	20,740
	90,901	89,521
Total debt	283,201	273,621
Trust Preferred Securities- manditorily redeemable securities of subsidiary	84,840	84,440
Total	$ 368,041	$ 358,061

Interest paid in cash during the three months ended June 30, 2002 and 2003 totaled $3.8 million and $3.5 million, respectively. Interest paid in cash during the six months ended June 30, 2002 and 2003 totaled $11.9 million and $10.6 million, respectively. No interest expense was capitalized during the three months or the six months ended June 30, 2002 and 2003.

SENIOR CREDIT FACILITY

In 2002, the Company entered into an amended and restated $225.0 million secured revolving bank facility (the "Senior Credit Facility") which is secured by substantially all of the assets of the Company (excluding Great Lakes). The Senior Credit Facility provides for a borrowing base subject to redeterminations semi-annually each April and October and pursuant to certain unscheduled redeterminations. As of June 30, 2003, the outstanding balance under the Senior Credit Facility was $110.6 million and there was approximately $59.4 million of borrowing capacity available. At the Company's election, the borrowing base may be increased by up to $10 million during any six month borrowing base period based on a percentage of the face value of subordinated debt retired by the Company. The loan matures on January 1, 2007. Borrowings under the Senior Credit Facility can either be base rate loans or LIBOR loans. On all base rate loans, the rate per annum is equal to the lesser of (i) the maximum rate (the "weekly ceiling" as defined in Section 303 of the Texas Finance Code or other applicable laws if greater) (the "Maximum Rate") or, (ii) the sum of (A) the higher of (1) the prime rate for such date, or (2) the sum of the federal funds effective rate for such date plus one-half of one percent (.50%) per annum, plus a base rate margin of between .25% to 1.0% per annum depending on the total outstanding under the Senior Credit Facility relative to the borrowing base under the Senior Credit Facility. On all LIBOR loans, the Company pays a varying rate per annum equal to the lesser of (i) the Maximum Rate, or (ii) the sum of the quotient of (A) the LIBOR base rate, divided by (B) one minus the reserve requirement applicable to such interest period, plus a LIBOR margin of between 1.50% and 2.25% per annum depending on the total outstanding under the Senior Credit Facility relative to the borrowing base under the Senior Credit Facility. The Company may elect, from time to time, to convert all or any part of its LIBOR loans to base rate loans or to convert all or any part of its base rate loans to LIBOR loans. The weighted

average interest rate was 4.0% and 3.2% for the three months ended June 30, 2002 and 2003 and 4.1% and 3.3% for the six months ended June 30, 2002 and 2003, respectively. A commitment fee is paid on the undrawn balance based on an annual rate of 0.375% to 0.50%. At June 30, 2003, the commitment fee was 0.375% and the interest rate margin was 1.75%. At July 31, 2003, the interest rate was 2.6%.

GREAT LAKES CREDIT FACILITY

The Company consolidates its proportionate share of borrowings on the Great Lakes' $275.0 million secured revolving bank facility (the "Great Lakes Credit Facility"). The Great Lakes Credit Facility is non-recourse to the Company and provides for a borrowing base subject to redeterminations semi-annually each April and October and pursuant to certain unscheduled redeterminations. As of June 30, 2003, the Company's portion of the outstanding balance owed under the Great Lakes Credit Facility was $73.5 million. The loan matures on January 1, 2007. Any advance under the commitment may be a base rate loan or a Eurodollar loan. On all base rate loans the Company pays a varying rate per annum equal to the lesser of (i) the maximum nonusurious rate of interest under applicable law, or (ii) the sum of the base rate plus a base rate margin of between .25% to .75% per annum depending on the amounts outstanding on the loan, plus all outstanding letters of credit, divided by the borrowing base under the Great Lakes Credit Facility. On all Eurodollar loans, the Company pays a varying rate per annum equal to the lesser of (i) the maximum nonusurious rate of interest under applicable law, or (ii) the Eurodollar rate plus a Eurodollar margin of between 1.50% to 2.0% per annum depending on the amounts outstanding on the loan, plus all outstanding letters of credit, divided by the borrowing base under the Great Lakes Credit Facility. Great Lakes may elect, from time to time, to convert all or any part of its Eurodollar loans to base rate loans or to convert all or any part of its base rate loans to Eurodollar loans. Cash distributions to members of the joint venture are limited by a covenant contained in the Great Lakes Credit Facility. A commitment fee is paid on the undrawn balance at an annual rate of 0.25% to 0.50%. At June 30, 2003, the commitment fee was 0.50% and the interest rate margin was 1.75%. The average interest rate on the Great Lakes Credit Facility, excluding hedges, was 3.9% and 3.1% for the three months ended June 30, 2002 and 2003, respectively, and 3.9% and 3.2% for the six months then ended, respectively. After hedging (see Note 7), the rate was 6.8% and 5.5% for the three months ended June 30, 2002 and 2003, respectively, and 6.8% and 5.6% for the six months ended June 30, 2002 and 2003, respectively. At July 31, 2003, the interest rate was 2.9% excluding hedges and 5.0% after hedging.

8-3/4% SENIOR SUBORDINATED NOTES DUE 2007

In 1997, the Company sold $125 million in aggregate principal amount of its 8-3/4% Senior Subordinated Notes due 2007 (the "8-3/4% Notes"). Interest on the 8-3/4% Notes accrues at the rate of 8-3/4% per annum and is payable semi-annually in arrears in January and July of each year. The 8-3/4% Notes mature on January 15, 2007, unless previously redeemed. The 8-3/4% Notes are subject to redemption at the Company's option, in whole or in part, at redemption prices from 102.9% of the principal amount as of June 30, 2003, and declining to 100% in 2005. The 8-3/4% Notes are the Company's unsecured general obligations and are subordinated to all of the Company's senior indebtedness. The 8-3/4% Notes are guaranteed on a senior subordinated basis by certain of the Company's subsidiaries and each guarantor is one of the Company's wholly owned subsidiaries. The guarantees are full, unconditional, and joint and several.

During the three month period ended June 30, 2003, the Company repurchased $500,000 of the 8-3/4% Notes. During the three month period ended June 30, 2002, the Company repurchased $5.0 million of the 8-3/4% Notes at a discount. Only cash repurchases are reflected on the cash flow statement. The net gain on all exchanges and repurchases is included as a Gain on retirement of securities on the Consolidated Statement of Operations. As of July 31, 2003, $68.8 million of the 8-3/4% Notes was outstanding. On July 21, 2003, the Company announced its election to redeem all of its outstanding 8-3/4% Notes on August 20, 2003. The 8-3/4% Notes are being called at 102.9% of principal amount, plus accrued interest. Interest on the notes ceases to accrue on the redemption date. The aggregate redemption price, including the premium, will be $70.8 million. The redemption was financed by the issuance of the 7-3/8% Notes.

6% CONVERTIBLE SUBORDINATED DEBENTURES DUE 2007

In 1996, the Company sold $55.0 million aggregate principal amount of 6% Convertible Subordinated Debentures due 2007 (the "6% Debentures"). Interest on the 6% Debentures is payable semi-annually in February and August of each year. The 6% Debentures are convertible into shares of the Company's common stock at the option of the holder at any time prior to maturity, unless previously redeemed or repurchased, at a conversion price of $19.25 per share, subject to adjustment in certain events. The 6% Debentures will mature in 2007. The 6% Debentures are subject to redemption at the Company's option, in whole or in part, at redemption prices from 102.5% of the principal amount as of June 30, 2003, and declining to 101.0% in 2006. Upon a change of control, the Company is required to offer to repurchase each holder's 6% Debenture at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to the date of repurchase. The 6% Debentures are unsecured general obligations and are the Company's subordinated to all of the Company's senior indebtedness.

During the three months ended June 30, 2002, $5.6 million of 6% Debentures were retired at a discount in exchange for 918,700 shares of common stock. During the six months ended June 30, 2002, $7.1 million of 6% Debentures were retired at a discount in exchange for 1,165,700 shares of common stock and $15,000 were repurchased for cash at a discount. During the six month period ended June 30, 2003, $880,000 was retired at a discount in exchange for 128,793 shares of common stock. The Company recorded a $465,000 conversion expense related to this exchange (see discussion below). On July 31, 2003, $20.7 million of the 6% Debentures was outstanding.

5-3/4%TRUST PREFERRED SECURITIES - MANDITORILY REDEEMABLE SECURITIES OF SUBSIDIARY

In 1997, the Company issued $120.0 million of the Trust Preferred Securities through a newly-formed affiliate Lomak Financing Trust (the "Trust"). The Trust issued 2,400,000 shares of the Trust Preferred Securities at $50 per share. Each Trust Preferred Security is convertible at the holder's option into shares of the Company's common stock, at a conversion price of $23.50 per share.

The Trust invested the $120 million of proceeds in the 5-3/4% convertible junior subordinated debentures (the "Junior Debentures"). The sole assets of the Trust are the Junior Debentures. The Junior Debentures and the related Trust Preferred Securities mature in November 2027. The Company and the Trust may redeem the Junior Debentures and the Trust Preferred Securities, respectively, in whole or in part. As of June 30, 2003, the price at which these redemptions could be made was 102.9% of the principal amount. The premium declines proportionally every 12 months until November 2007, when the redemption price becomes fixed at 100% of the principal amount. If any Junior Debentures are redeemed prior to the scheduled maturity date, the Trust must redeem Trust Preferred Securities having an aggregate liquidation amount equal to the aggregate principal amount of the Junior Debentures the Company redeems.

The Company has guaranteed the payments of distributions and other payments on the Trust Preferred Securities only if and to the extent that the Trust has funds available. The Company's guarantee, when taken together with the Company's obligation under the Junior Debentures and related indenture and declaration of trust, provide a full and unconditional guarantee on a subordinated basis of amounts due on the Trust Preferred Securities.

The accounts of the Trust are included in the consolidated financial statements after eliminations. Distributions are recorded as Interest expense in the Consolidated Statement of Operations, are tax deductible and are subject to limitations in the Senior Credit Facility as described below. During the six months ended June 30, 2002, $2.4 million of Trust Preferred Securities were retired at a discount in exchange for 283,200 shares of common stock. During the six months ended June 30, 2003, the Company repurchased for cash $400,000 of the Trust Preferred Securities at a discount. On July 31, 2003, $84.4 million of the Trust Preferred Securities was outstanding.

INDUCED CONVERSIONS

In September 2002, the Emerging Issues Task Force ("EITF") issued EITF Issue No. 02-15, Determining Whether Certain conversions of Convertible Debt to Equity Securities are within the Scope of FASB Statement No. 84 "Induced Conversions of Convertible Debt" ("SFAS 84"). SFAS 84 was issued to amend APB Opinion No. 26, "Early Extinguishment of Debt" to exclude from its scope convertible debt that is converted to equity securities of the debtor pursuant to conversion privileges different from those included in the terms of the debt at issuance, and

the change in conversion privileges is effective for a limited period of time, involves additional consideration, and is made to induce conversion. SFAS 84 applies only to conversions that both (a) occur pursuant to changed conversion privileges that are exercisable only for a limited period of time and (b) include the issuance of all of the equity securities issuable pursuant to conversion privileges included in the terms of the debt at issuance for each debt instrument that is converted. The Task Force reached a consensus that SFAS 84 applies to all conversions that both (a) occur pursuant to changed conversion privileges that are exercisable only for a limited period of time and (b) include the issuance of all of the equity securities issuable pursuant to conversion privileges included in the terms of the debt at issuance for each debt instrument that is converted, regardless of the party that initiates the offer. This consensus should be applied prospectively to debt conversions completed after September 11, 2002. Since 1999, the Company has retired 6% Debentures and Trust Preferred Securities, each of which are convertible into common stock, by either purchasing securities for cash or issuing common stock in exchange for such securities. Since the exchanges of common stock for these convertible debt securities were at relative market values, the convertible securities were retired at a discount to face value. Under the provisions of SFAS 84, when an inducement is issued to retire convertible debt, the face value of the convertible debt security shall be charged to Stockholders' equity (common stock and paid in capital), the shares of common stock issued in excess of the shares that would have been issued under the terms of the debt instrument are expensed at the market value of such shares and an offsetting increase to paid in capital will also be recorded. Therefore, instead of recording gains on retirements of such securities acquired at discounts to face value, an expense will be recorded. There will be no difference in Stockholders' equity from the change in methods of recording the transactions.

DEBT COVENANTS

The debt agreements contain covenants relating to net worth, working capital, dividends and financial ratios. The Company was in compliance with all covenants at June 30, 2003. Under the most restrictive covenant, which is embodied in the 8-3/4% Notes, approximately $560,000 of restricted payments could be made at June 30, 2003. Under the Senior Credit Facility, common dividends are permitted. Dividends on the Trust Preferred Securities may not be paid unless certain ratio requirements are met. The Senior Credit Facility provides for a restricted payment basket of $20.0 million plus 50% of net income (excluding Great Lakes) plus 66-2/3% of distributions, dividends or payments of debt from or proceeds from sales of equity interests of Great Lakes plus 66-2/3% of net cash proceeds from common stock issuances. The Company estimates that $25.2 million was available under the Senior Credit Facility's restricted payment basket on June 30, 2003.

7-3/8% SENIOR SUBORDINATED NOTES DUE 2013

On July 21, 2003, the Company issued $100.0 million aggregate principal amount of 7-3/8% Senior Subordinated Notes due 2013. The Company pays interest on the 7-3/8% Notes semi-annually in arrears in January and July of each year, starting in January 2004. The 7-3/8% Notes mature in July 2013. The 7-3/8% Notes are guaranteed by certain of the Company's subsidiaries (the "Subsidiary Guarantors"). The Company may redeem the 7-3/8% Notes, in whole or in part, at any time on or after July 15, 2008, at redemption prices from 103.7% of the principal amount as of July 15, 2008, and declining to 100.0% on July 15, 2011 and thereafter. Prior to July 15, 2006, the Company may redeem up to 35% of the original aggregate principal amount of the notes at a redemption price of 107.4% of the principal amount thereof plus accrued and unpaid interest, if any, with the proceeds of certain equity offerings. If the Company experiences a change of control, the Company may be required to repurchase all or a portion of the 7-3/8% Notes at 101% of the principal amount thereof plus accrued and unpaid interest, if any. The 7-3/8% Notes and the guarantees by the Subsidiary Guarantors are general, unsecured obligations and are subordinated to the Company's and the Subsidiary Guarantors senior debt and will be subordinated to future senior debt that the Company and the Subsidiary Guarantors are permitted to incur under the senior credit facilities and the indenture governing the 7-3/8% Notes.

(7) FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

The Company's financial instruments include cash and equivalents, receivables, payables, debt and commodity and interest rate derivatives. The book value of cash and equivalents, receivables and payables is considered representative of fair value because of their short maturity. The book value of bank borrowings is believed to approximate fair value because of their floating rate structure.

The following table sets forth the book and estimated fair values of financial instruments as of December 31, 2002 and June 30, 2003 (in thousands):

	December 31, 2002		June 30, 2003	
	Book Value	Fair Value	Book Value	Fair Value
Assets				
Cash and equivalents	$ 1,334	$ 1,334	$ 1,309	$ 1,309
Marketable securities	1,040	1,040	1,404	1,404
Interest swaps	-	-	43	43
Commodity derivatives	17	17	72	72
Total	2,391	2,391	2,828	2,828
Liabilities				
Commodity derivatives	(32,964)	(32,964)	(82,091)	(82,091)
Interest rate swaps	(2,150)	(2,150)	(1,399)	(1,399)
Long-term debt(1)	(283,201)	(279,894)	(273,621)	(273,695)
Trust Preferred Securities(1)	(84,840)	(52,177)	(84,440)	(54,042)
Total	(403,155)	(367,185)	(441,551)	(411,227)
Net financial instruments	$ (400,764)	$ (364,794)	$ (438,723)	$ (408,399)

(1) Fair value based on quotes received from certain brokerage houses. Quotes for June 30, 2003 were 101.5% for the 8-3/4% Notes, 95.4% for the 6% Debentures and 64.0% for the Trust Preferred Securities.

A portion of future oil and gas sales is periodically hedged through the use of option or swap contracts. In the second quarter of 2003, the hedging program was modified to include collars which assume a minimum floor price and a predetermined ceiling price. Realized gains and losses on these instruments are reflected in the contract month being hedged as an adjustment to oil and gas revenue. At times, the Company seeks to manage interest rate risk through the use of swaps. Gains and losses on interest rate swaps are included as an adjustment to interest expense in the relevant periods.

At June 30, 2003, the Company had hedging contracts covering 68.7 Bcf of gas at prices averaging $4.07 per mcf and 1.6 million barrels of oil at prices averaging $25.05 per barrel. The fair value, represented by the estimated amount that would be realized upon termination, based on contract prices versus the New York Mercantile Exchange ("NYMEX") price on June 30, 2003, was a net unrealized pre-tax loss of $82.0 million. The contracts expire monthly through December 2006. Gains or losses on open and closed hedging transactions are determined as the difference between the contract price and the reference price, which are closing prices on the NYMEX. Transaction gains and losses on settled contracts are determined monthly and are included as increases or decreases to oil and gas revenues in the period the hedged production is sold. Oil and gas revenues were increased by $3.6 million and decreased by $15.4 million due to hedging in the quarters ended June 30, 2002 and 2003, respectively.

The following schedule shows the effect of closed oil and gas hedges since January 1, 2002 and the value of open contracts at June 30, 2003 (in thousands):

Quarter Ended		Hedging Gain/ (Loss)
Closed Contracts		
2002		
March 31		$ 11,727
June 30		3,638
September 30		3,484
December 31		(1,059)
	Subtotal	17,790
2003		
March 31		(25,890)
June 30		(15,365)
	Subtotal	(41,255)
Total realized loss		$ (23,465)
Open Contracts		
2003		
September 30		$ (15,342)
December 31		(15,277)
	Subtotal	(30,619)
2004		
March 31		(13,574)
June 30		(8,774)
September 30		(7,940)
December 31		(8,281)
	Subtotal	(38,569)
2005		
March 31		(5,983)
June 30		(2,282)
September 30		(2,047)
December 31		(2,545)
	Subtotal	(12,857)
2006		
March 31		(36)
June 30		30
September 30		32
December 31		-
	Subtotal	26
Total unrealized loss		$ (82,019)

Through Great Lakes, the Company uses interest rate swap agreements to manage the risk that future cash flows associated with interest payments on amounts outstanding under the variable rate Great Lakes Credit Facility may be adversely affected by volatility in market interest rates. Under the interest swap agreements, the Company agrees to pay an amount equal to a specified fixed rate of interest times a notional principal amount, and to receive in return, a specified variable rate of interest times the same notional principal amount. Changes in the fair value of the Company's interest rate swaps, which qualify for cash flow hedge accounting treatment, are reflected as adjustments to OCI to the extent the swaps are effective and will be recognized as an adjustment to interest expense during the period in which the cash flows related to the Company's interest payments are made. The ineffective portion of the changes in fair value of the Company's interest rate swaps is recorded in interest expense in the period incurred. Interest expense also includes the fair value effect of non-qualifying interest rate swaps. At June 30, 2003, Great Lakes had seven interest rate swap agreements totaling $110.0 million, of which 50% is consolidated at the Company. These swaps consist of two agreements totaling $45.0 million at 7.1% which expire in May 2004, two agreements totaling $20.0 million at rates averaging 2.3% which expire in December 2004 and three agreements totaling $45.0 million at rates averaging 1.7% which expire in June 2006. The fair value of these swaps at June 30, 2003 approximated a net loss of $2.7 million, of which 50% is consolidated at the Company.

The combined fair value of net unrealized losses on oil and gas hedges and net losses on interest rate swaps totaled $83.4 million and appear as short-term and long-term Unrealized derivative gains and short-term and long-term Unrealized derivative losses on the balance sheet. Hedging activities are conducted with major financial or commodities trading institutions which management believes are acceptable credit risks. At times, such risks may be concentrated with certain counterparties. The creditworthiness of these counterparties is subject to continuing review.

(8) COMMITMENTS AND CONTINGENCIES

The Company is involved in various legal actions and claims arising in the ordinary course of business which, in the opinion of management, are likely to be resolved without material adverse effect on the Company's financial position or results of operations.

(9) STOCKHOLDERS' EQUITY

The Company has authorized capital stock of 110 million shares which includes 100 million shares of common stock and 10 million shares of preferred stock. Stockholders' equity was $193.2 million at June 30, 2003. The following is a schedule of changes in the number of outstanding common shares from December 31, 2002 to June 30, 2003:

	Twelve Months Ended December 31, 2002	Six Months Ended June 30, 2003
Beginning Balance	52,643,275	54,991,611
Issuances:		
Employee benefit plans	417,661	217,938
Stock options exercised	130,566	526,537
Stock purchase plan	168,500	87,500
Exchanges for:		
6% Debentures	1,165,700	128,793
Trust Preferred Securities	283,200	-
8-3/4% Senior notes	182,709	-
	2,348,336	960,768
Ending Balance	54,991,611	55,952,379

(10) STOCK OPTION AND PURCHASE PLANS

The Company has four stock option plans, of which two are active, and a stock purchase plan. Under these plans, incentive and non-qualified options and stock purchase rights are issued to directors, officers and employees pursuant to decisions of the Compensation Committee of the Board of Directors (the "Board"). Information with respect to the option plans is summarized below:

	Inactive		Active		
	Domain Plan	1989 Plan	Directors' Plan	1999 Plan	Total
Outstanding on December 31, 2002	131,702	453,580	152,000	2,544,862	3,282,144
Granted	-	-	56,000	1,436,900	1,492,900
Exercised	(28,670)	(134,518)	(4,000)	(259,849)	(427,037)
Expired	-	(3,500)	-	(271,536)	(275,036)
	(28,670)	(138,018)	52,000	905,515	790,827
Outstanding on June 30, 2003	103,032	315,562	204,000	3,450,377	4,072,971

In 1999, shareholders approved a stock option plan (the "1999 Plan"). In May 2003, shareholders approved an increase in the number of options issuable to 8.75 million. All options issued under the 1999 Plan from August 1999 through May 2002 vested 25% per year beginning after one year and had a maximum term of 10 years. Options issued under the 1999 Plan after May 2002 vest 30%, 30% and 40% over a three year period and have a maximum term of five years. During the six months ended June 30, 2003, options were granted under the 1999 Plan at exercise prices of $5.83 and $5.62 a share to eligible employees, including 250,000 and 175,000 options granted to the former Chairman and the President, respectively. At June 30, 2003, 3.4 million options were outstanding under the 1999 Plan at exercise prices ranging from $1.94 to $6.67.

In 1994, shareholders approved the Outside Directors' Stock Option Plan (the "Directors' Plan"). In 2000, shareholders approved an increase in the number of options issuable to 300,000, extended the term of the options to ten years and set the vesting period at 25% per year beginning a year after grant. In May 2002, the term of the options was changed to five years with vesting immediately upon grant. Director's options are normally granted upon election of a director or annually upon their re-election at the annual meeting. At June 30, 2003, 204,000 options were outstanding under the Directors' Plan at exercise prices ranging from $2.81 to $6.00 a share.

The Company maintains the 1989 Stock Option Plan (the "1989 Plan") which authorized the issuance of options on 3.0 million common shares. No options have been granted under this plan since March 1999. Options issued under the 1989 Plan vest 30%, 30% and 40% over a three year period and expire in five years. At June 30, 2003, 315,562 options remained outstanding under the 1989 Plan at exercise prices ranging from $2.63 to $7.63 a share.

The Domain stock option plan was adopted when that company was acquired in 1998, with existing Domain options becoming exercisable into the Company's common stock. No options have been granted under this plan since the acquisition. At June 30, 2003, 103,032 options remained outstanding at an exercise price of $3.46 a share.

In total, 4.1 million options were outstanding at June 30, 2003 at exercise prices of $1.94 to $7.63 a share as follows:

		Inactive		Active		
Range of Exercise Prices	Average Exercise Price	Domain Plan	1989 Plan	Directors' Plan	1999 Plan	Total
$ 1.94 - $4.99	$ 3.44	103,032	174,387	52,000	869,343	1,198,762
$ 5.00 - $7.63	$ 5.93	-	141,175	152,000	2,581,034	2,874,209
Total	$ 5.20	103,032	315,562	204,000	3,450,377	4,072,971

In 1997, shareholders approved a plan (the "Stock Purchase Plan") authorizing the sale of 900,000 shares of common stock to officers, directors, key employees and consultants. In 2001, shareholders approved an increase in the number of shares authorized under the Stock Purchase Plan to 1.75 million. Under the Stock Purchase Plan, the right to purchase shares at prices ranging from 50% to 85% of market value may be granted. To date, all purchase rights have been granted at 75% of market. Due to the discount from market value, the Company recorded additional compensation expense of $126,000 and $96,000 in the three months ended June 30, 2002 and 2003, respectively. Through June 30, 2003, 1,377,319 shares have been sold under the Stock Purchase Plan for $5.8 million. At June 30, 2003, there were no rights outstanding to purchase shares.

(11) DEFERRED COMPENSATION

In 1996, the Board of the Company adopted a deferred compensation plan (the "Plan"). The Plan gives certain senior employees the ability to defer all or a portion of their salaries and bonuses and invests in common stock of the Company or makes other investments at the employee's discretion. The assets of the Plan are held in a rabbi trust (the "Rabbi Trust") and, therefore, are available to satisfy the claims of the Company's creditors in the event of bankruptcy or insolvency of the Company. The Company's stock held in the Rabbi Trust is treated in a manner similar to treasury stock with an offsetting amount reflected as a deferred compensation liability of the Company and the carrying value of the deferred compensation liability is adjusted to fair value each reporting period by a charge or credit to operations in the General and administrative expense category on the Company's Consolidated Statement of Operations. The assets of the Rabbi Trust, other than common stock of the Company, are invested in marketable securities and reported at market value in Other assets on the Company's balance sheet. The Deferred Compensation liability on the Company's balance sheet reflects the face market value of the marketable securities and the Company's common stock held in the Rabbi Trust. The cost of common stock held in the Rabbi Trust is shown as a reduction to Stockholders' equity. Changes in the market value of the marketable securities are reflected in OCI, while changes in the market value of the common stock held in the Rabbi Trust is charged or credited to General and administrative expense each quarter. The Company recorded mark-to-market expense related to the Company stock held in the Rabbi Trust of $538,000 and $912,000 in the three months ended June 30, 2002 and 2003, respectively. The Company recorded mark-to-market expense related to deferred compensation of $1.3 million in both the six months ended June 30, 2002 and 2003.

(12) BENEFIT PLAN

The Company maintains a 401(k) Plan for its employees. The Plan permits employees to contribute up to 50% of their salary (subject to Internal Revenue limitations) on a pre-tax basis. Historically, the Company has made discretionary contributions of Company common stock to the 401(k) Plan annually. All Company contributions become fully vested after the individual employee has three years of service with the Company. In 2000, 2001 and 2002, the Company contributed $483,000, $554,000 and $602,000 at then market value, respectively, of the Company's common stock to the 401(k) Plan. The Company does not require that employees hold the contributed stock in their account. Employees have a variety of investment options in the 401(k) Plan. Employees may at any time diversify out of Company stock based on their personal investment strategy.

(13) INCOME TAXES

The Company follows SFAS No. 109, "Accounting for Income Taxes," pursuant to which the liability method is used. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and regulations that will be in effect when the differences are expected to reverse. The significant components of deferred tax liabilities and assets on December 31, 2002 and June 30, 2003 were as follows (in thousands):

	December 31, 2002	June 30, 2003
Deferred tax assets/(liabilities)		
Net unrealized loss on hedging	$ 11,388	$ 27,869
Other	4,397	(4,576)
Net deferred tax asset	$ 15,785	$ 23,293

At December 31, 2002, deferred tax assets exceeded deferred tax liabilities by $15.7 million with $11.4 million of deferred tax assets related to deferred hedging losses included in OCI. Based on the Company's recent profitability and its current outlook, no valuation allowance was deemed necessary at December 31, 2002. At June 30, 2003, deferred tax assets exceeded deferred tax liabilities by $23.3 million with $27.9 million of deferred tax assets related to hedging losses in OCI. For six months ended June 30, 2003, deferred tax expense includes $917,000 of expense related to an adjustment of prior periods' deferred tax asset for the Company's percentage depletion carryover.

At December 31, 2002, the Company had regular net operating loss ("NOL") carryovers of $218.2 million and alternative minimum tax ("AMT") NOL carryovers of $198.5 million that expire between 2003 and 2022. At December 31, 2002, the Company had an AMT credit carryover of $665,000 which is not subject to limitation or expiration.

(14) EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per common share (in thousands except per share amounts):

	Three Months Ended, June 30,		Six Months Ended June 30,	
	2002	2003	2002	2003
Numerator				
Numerator for earnings per share, before extraordinary item	$ 7,310	$ 4,591	$ 11,651	$ 9,554
Cumulative effect of accounting change	-	-	-	4,491
Numerator for earnings per share, basic and diluted	$ 7,310	$ 4,591	$ 11,651	$ 14,045
Denominator				
Weighted average shares outstanding	54,540	55,682	53,763	55,440
Stock held by employee benefit trust	(1,172)	(1,520)	(1,106)	(1,424)
Weighted average shares, basic	53,368	54,162	52,657	54,016
Stock held by employee benefit trust	1,172	1,520	1,106	1,424
Dilutive potential common shares stock options	399	486	345	404
Denominator for dilutive earnings per share	54,939	56,168	54,108	55,844
Earnings per share basic and diluted:				
Before cumulative effect of accounting change				
Basic	$ 0.14	$ 0.08	$ 0.22	$ 0.18
Diluted	$ 0.13	$ 0.08	$ 0.22	$ 0.17
After cumulative effect of accounting change				
Basic	$ 0.14	$ 0.08	$ 0.22	$ 0.26
Diluted	$ 0.13	$ 0.08	$ 0.22	$ 0.25

During the three months ended June 30, 2002 and 2003, 420,000 and 515,000 stock options were included in the computation of diluted earnings per share and for the six months then ended, 367,000 and 435,000 stock options were included in such computation. Remaining stock options, the 6% Debentures and the Trust Preferred Securities were not included because their inclusion would have been antidilutive.

(15) MAJOR CUSTOMERS

The Company markets its production on a competitive basis. Gas is sold under various types of contracts ranging from life-of-the-well to short-term contracts that are cancelable within 30 days. Oil purchasers may be changed on 30 days notice. The price for oil is generally equal to a posted price set by major purchasers in the area. The Company sells to oil purchasers on the basis of price and service. For the three months ended June 30, 2003, three customers, Duke Energy Field Services, Inc, Petrocom Energy Group, Ltd. and Conoco, Inc., accounted for 23%, 22% and 11%, respectively, of oil and gas revenues. Management believes that the loss of any one customer would not have a material long-term adverse effect on the Company.

(16) OIL AND GAS ACTIVITIES

The following summarizes selected information with respect to producing activities. Exploration costs include capitalized as well as expensed outlays (in thousands):

	Year Ended December 31, 2002	Six Months Ended June 30, 2003
Book value		
Properties subject to depletion	$ 1,135,590	$ 1,224,560
Unproved properties	18,959	17,529
Total	1,154,549	1,242,089
Accumulated depletion	(590,143)	(606,789)
Net	$ 564,406	$ 635,300
Costs incurred(a)		
Development	$ 66,284	$ 39,879
Exploration(b)	23,232	8,266
Acquisition(c)	21,790	9,729
Total	$ 111,306	$ 57,874

(a) Excludes asset retirement costs of $2.0 million in the six months ended June 30, 2003.

(b) Includes $11,525 and $5,140 of exploration costs expensed in the year ended 2002 and the six months ended June 30, 2003, respectively.

(c) Includes $15,643 and $6,339 for oil and gas reserves, the remainder represents acreage purchases for the year ended 2002 and the six months ended June 30, 2003, respectively.

(17) INVESTMENT IN GREAT LAKES

The Company owns 50% of Great Lakes and consolidates its proportionate interest in the joint venture's assets, liabilities, revenues and expenses. The following table summarizes the 50% interest in Great Lakes financial statements as of or for the six months ended June 30, 2002 and 2003 (in thousands):

	June 30, 2002	June 30, 2003
Balance Sheet		
Current assets	$ 9,799	$ 11,365
Oil and gas properties, net	168,747	209,601
Transportation and field assets, net	15,308	15,004
Unrealized derivative gain	-	99
Other assets	199	347
Current liabilities	10,445	25,322
Unrealized derivative loss	2,820	8,170
Asset retirement obligation	-	17,657
Long-term debt	68,500	73,500
Members' equity	112,288	111,767
Statement of Operations		
Revenues	$ 25,660	$ 28,147
Direct operating expense	4,092	5,046
Exploration	1,200	781
G&A expense	921	930
Interest expense	2,499	2,280
DD&A	6,771	7,126
Pretax income	10,175	11,983
Cumulative effect of change in accounting principle (before income taxes)	-	1,601

(18) GAIN ON RETIREMENT OF SECURITIES

In the second quarter of the 2003, $500,000 of the 8-3/4% Notes were repurchased for cash and a loss of $10,400 was recorded on the transaction. In the six months of 2003, $400,000 of Trust Preferred Securities and $500,000 of 8-3/4% Notes were repurchased for cash and $880,000 of 6% Debentures was exchanged for common stock. A net gain of $139,600 was recorded on the cash transaction because the securities were acquired at a discount. The exchange transaction included conversion expense of $465,000. (See Note 6 regarding further guidance on SFAS 84 and accounting for gains on sale of securities). In the second quarter of 2002, $5.0 million of 8-3/4% Notes were repurchased for cash and $5.6 million of 6% Debentures were exchanged for common stock. In the first six months of 2002, $5.0 million of 6% Debentures were repurchased for cash. Also, $2.4 million, $7.1 million, and $875,000 of Trust Preferred Securities, 6% Debentures, and 8-3/4% Notes, respectively, were exchanged for common stock. A gain of $845,000 was recorded because the securities were acquired at a discount and SFAS 84 did not apply to these transactions because they occurred before the effective date of September 11, 2002.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FACTORS AFFECTING FINANCIAL CONDITION AND LIQUIDITY

CRITICAL ACCOUNTING POLICIES

The Company's discussion and analysis of its financial condition and results of operation are based upon unaudited consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses. Application of certain of the Company's accounting policies, including those related to oil and gas revenues, oil and gas properties, income taxes, and litigation, bad debts, marketable securities, hedging and the deferred compensation plan, require significant estimates. The Company bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The Company believes the following critical accounting policies affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

The FASB and representatives of the accounting staff of the SEC are engaged in discussions on the issue of whether the FASB's No. 141 and 142, issued effective for June 30, 2001, called for mineral rights held under lease or other contractual arrangements to be classified in the balance sheet as intangible assets and accompanied by specific footnote disclosures. Historically, the Company and all other oil and gas companies have included the cost of these oil and gas leasehold interests as part of oil and gas properties. Although, most of the Company's oil and gas property interests are held under oil and gas leases, this interpretation, if adopted, would not have a material impact on the Company's financial condition or its results of operations.

In the event this interpretation is adopted, a substantial portion of acquisition costs of oil and gas properties since June 30, 2001 would be separately classified on the balance sheets as intangible assets. As of June 30, 2003, the Company's has expended approximately $23.6 million on the acquisition of oil and gas properties since June 30, 2001. Some additional direct costs of other oil and natural gas leases acquired since that date could also be categorized as intangible under this interpretation. Results of operations would not be affected by this interpretation, if adopted, since these costs would continue to be depleted in accordance with successful efforts accounting for oil and gas companies. Another possible effect of this interpretation, if adopted, would be a change in some of the financial measurements used in financial covenants of debt instruments that focus on tangible assets. The Company does not believe that its debt covenants would be materially affected by the adoption of this accounting interpretation.

Proved oil and natural gas reserves - Proved reserves are defined by the SEC as those volumes of crude oil, condensate, natural gas liquids and natural gas that geological and engineering data demonstrate with reasonable certainty are recoverable from known reservoirs under existing economic and operating conditions. Proved developed reserves are volumes expected to be recovered through existing wells with existing equipment and operating methods. Although the Company's engineers are knowledgeable of and follow the guidelines for reserves as established by the SEC, the estimation of reserves requires the engineers to make a significant number of assumptions based on professional judgment. Reserve estimates are updated at least annually and consider recent production levels and other technical information about each well. Estimated reserves are often subject to future revision, which could be substantial, based on the availability of additional information, including: reservoir performance, new geological and geophysical data, additional drilling, technological advancements, price changes, and other economic factors. Changes in oil and gas prices can lead to a decision to start-up or shut-in production, which can lead to revisions to reserve quantities. Reserve revisions in turn cause adjustments in the depletion rates utilized by the Company. The Company can not predict what reserve revisions may be required in future periods.

Depletion rates are determined based on reserve quantity estimates and the capitalized costs of producing properties. As the estimated reserves are adjusted, the depletion expense for a property will change, assuming no change in production volumes or the costs capitalized. Estimated reserves are used as the basis for calculating the expected future cash flows from a property, which are used to determine whether that property may be impaired. Reserves are also used to estimate the supplemental disclosure of the standardized measure of discounted future net cash flows relating to its oil and gas producing activities and reserve quantities annual disclosure to the consolidated

financial statements. Changes in the estimated reserves are considered changes in estimates for accounting purposes and are reflected on a prospective basis.

Successful efforts accounting - The Company utilizes the successful efforts method to account for exploration and development expenditures. Unsuccessful exploration wells are expensed and can have a significant effect on operating results. Successful exploration drilling costs and all development costs are capitalized and systematically charged to expense using the units of production method based on proved developed oil and natural gas reserves as estimated by the Company's and third-party engineers. Proven leasehold costs are charged expense to using the units of production method based on total proved reserves. Unproved properties are assessed periodically within specific geographic areas and impairments to value are charged to expense.

Impairment of properties - The Company monitors its long-lived assets recorded in Property, plant and equipment in the Consolidated Balance Sheet to make sure that they are fairly presented. The Company must evaluate its properties for potential impairment when circumstances indicate that the carrying value of an asset could exceed its fair value. A significant amount of judgment is involved in performing these evaluations since the results are based on estimated future events. Such events include a projection of future oil and gas sales prices, an estimate of the ultimate amount of recoverable oil and natural gas reserves that will be produced, the timing of future production, future production costs, and future inflation. The need to test a property for impairment can be based on several factors, including a significant reduction in sales prices for oil and/or gas, unfavorable adjustment to reserves, or other changes to contracts, environmental regulations or tax laws. All of these factors must be considered when testing a property's carrying value for impairment. The Company cannot predict whether impairment charges may be recorded in the future.

Income taxes - The Company is subject to income and other similar taxes in all areas in which it operates. When recording income tax expense, certain estimates are required because: (a) income tax returns are generally filed months after the close of its calendar year; (b) tax returns are subject to audit by taxing authorities and audits can often take years to complete and settle; and (c) future events often impact the timing of when income tax expenses and benefits are recognized by the Company. The Company has deferred tax assets relating to tax operating loss carry forwards and other deductible differences. The Company routinely evaluates its deferred tax assets to determine the likelihood of their realization. A valuation allowance has not been recognized for deferred tax assets due to management's belief that these assets are likely to be realized. At year-end 2002, deferred tax assets exceeded deferred tax liabilities by $15.8 million with $11.4 million of deferred tax assets related to deferred hedging losses included in OCI. Based on the Company's projected profitability, no valuation allowance was deemed necessary.

The Company occasionally is challenged by taxing authorities over the amount and/or timing of recognition of revenues and deductions in its various income tax returns. Although the Company believes that it has adequate accruals for matters not resolved with various taxing authorities, gains or losses could occur in future years from changes in estimates or resolution of outstanding matters.

Legal, environmental, and other contingent matters - A provision for legal, environmental, and other contingent matters is charged to expense when the loss is probable and the cost can be reasonably estimated. Judgment is often required to determine when expenses should be recorded for legal, environmental, and contingent matters. In addition, the Company often must estimate the amount of such losses. In many cases, management's judgment is based on interpretation of laws and regulations, which can be interpreted differently by regulators and/or courts of law. Management closely monitors known and potential legal, environmental, and other contingent matters, and makes its best estimate of when the Company should record losses for these based on available information.

Other significant accounting policies requiring estimates include the following: The Company recognizes revenues from the sale of products and services in the period delivered. The Company uses the sales method to account for gas imbalances. Revenues at IPF are recognized as earned. An allowance for doubtful accounts is provided for specific receivables which are unlikely to be collected. At IPF, all receivables are evaluated quarterly and provisions for uncollectible amounts are established. Such provisions for uncollectible amounts are recorded when management believes that a related receivable is not recoverable based on current estimates of expected discounted cash flows. The Company records a write down of marketable securities when the decline in market value is considered to be other than temporary. Change in the value of the ineffective position of all open hedges is

recognized in earnings quarterly. The fair value of open hedging contracts is an estimated amount that could be realized upon termination. The Company stock held in the deferred compensation plan is treated as treasury stock and the carrying value of the deferred compensation is adjusted to fair value each reporting period by a charge or credit to operations in general and administrative expense. As of January 1, 2003, the accounting for expected future costs to retire long-lived assets changed with the adoption of SFAS 143.

LIQUIDITY AND CAPITAL RESOURCES

During the six months ended June 30, 2003, the Company spent $57.9 million on development, exploration and acquisitions. During the period, debt and Trust Preferred Securities decreased by $10.0 million. At June 30, 2003, the Company had $1.3 million in cash, total assets of $743.4 million and, including the Trust Preferred Securities as debt, a debt to capitalization (including debt, deferred taxes and stockholders' equity) ratio of 65%. Excluding the Trust Preferred Securities from debt and equity, the debt to capitalization ratio was 59%. Available borrowing capacity on the credit facilities at June 30, 2003 was $59.4 million on the Senior Credit Facility and $78.0 million on the Great Lakes Credit Facility. Long-term debt at June 30, 2003 totaled $358.1 million. This included $110.6 million of Senior Credit Facility debt, a net $73.5 million of Great Lakes Credit Facility debt, $68.8 million of 8-3/4% Notes, $20.7 million of 6% Debentures and $84.4 million of Trust Preferred Securities.

During the six months ended June 30, 2003, 129,000 shares of common stock were exchanged for $880,000 of 6% Debentures. In addition, $400,000 of Trust Preferred Securities and $500,000 of 8-3/4% Notes were repurchased for cash. A $139,600 net gain on retirement was recorded on the cash repurchase as most securities were acquired at a discount and a conversion expense of $465,000 was recorded on the exchange.

7-3/8% Subordinated Notes Issuance

On July 21, 2003, the Company issued $100.0 million principal amount of 7-3/8% Senior Subordinated Notes due 2013. The Company pays interest on the 7-3/8% Notes semi-annually in arrears in January and July of each year, starting in January 2004. The 7-3/8% Notes mature on July 2013. The 7-3/8% Notes are guaranteed by certain of the Company's subsidiaries (the "Subsidiary Guarantors"). The Company may redeem the 7-3/8% Notes, in whole or in part, at any time on or after July 15, 2008, at redemption prices from 103.7% of the principal amount as of July 15, 2008, and declining to 100.0% on July 15, 2011 and thereafter. Prior to July 15, 2006, the Company may redeem up to 35% of the original aggregate principal amount of the notes at a redemption price of 107.4% of the principal amount thereof plus accrued and unpaid interest, if any, with the proceeds of certain equity offerings. If the Company experiences a change of control, the Company may be required to repurchase all or a portion of the 7-3/8% Notes at 101% of the principal amount thereof plus accrued and unpaid interest, if any. The 7-3/8% Notes and the guarantees by the Subsidiary Guarantors are general, unsecured obligations and are subordinated to the Company's and the Subsidiary Guarantors senior debt and will be subordinated to future senior debt that the Company and the Subsidiary Guarantors are permitted to incur under the senior credit facilities and the indenture governing the 7-3/8% Notes.

The Company believes its capital resources are adequate to meet its requirements for at least the next twelve months; however, future cash flows are subject to a number of variables including the level of production and prices as well as various economic conditions that have historically affected the oil and gas business. There can be no assurance that internal cash flow and other capital sources will provide sufficient funds to maintain planned capital expenditures.

The debt agreements contain covenants relating to net worth, working capital, dividends and financial ratios. The Company was in compliance with all covenants at June 30, 2003. Under the most restrictive covenant, which is embodied in the 8-3/4% Notes, approximately $560,000 of restricted payments could be made at June 30, 2003. Under the Senior Credit Facility, common dividends are permitted. Dividends on the Trust Preferred Securities may not be paid unless certain ratio requirements are met. The Senior Credit Facility provides for a restricted payment basket of $20.0 million plus 50% of net income (excluding Great Lakes) plus 66-2/3% of distributions, dividends or payments of debt from or proceeds from sales of equity interests of Great Lakes plus 66-2/3% of net cash proceeds from common stock issuances. The Company estimates that $25.2 million was available under the Senior Credit Facility's restricted payment basket on June 30, 2003.

During the six months ended January 30, 2003, there were no material changes from the 2002 Form 10K disclosures regarding the Company's contractual commitments, other than the extension of the Senior Credit Facility's maturity date from 2005 to 2007.

Cash Flow

The Company's principal sources of cash are operating cash flow and bank borrowings. The Company's cash flow is highly dependent on oil and gas prices. The Company has entered into hedging agreements covering 68.7 bcf of gas and 1.6 million barrels of oil for the remainder of 2003, 2004, 2005, and 2006, respectively. The $52.5 million of capital expenditures in the six months ended June 30, 2003 was funded with internal cash flow. Net cash provided by operations for the six months ended June 30, 2002 and 2003 was $53.5 million and $57.5 million, respectively. Cash flow from operations was higher than the prior year due to higher prices and volumes and lower exploration expense partially offset by higher direct operating expenses. Accounts receivable increased $12.6 million from December 31, 2002 due to higher prices and volumes. These receivables will be collected in the third quarter of 2003. Net cash used in investing for the six months ended June 30, 2002 and 2003 was $44.5 million and $49.7 million, respectively. The 2002 period included $37.7 million of additions to oil and gas properties. The 2003 period included $50.9 million of additions to oil and gas properties partially offset by $7.6 million of IPF receipts (net of fundings) and lower exploration expenditures. Net cash provided by financing for the six months ended June 30, 2002 and 2003 was $8.2 million and $7.8 million, respectively. During the first six months of 2003, total debt, including Trust Preferred Securities decreased $10.0 million. Senior Credit Facility debt and Great Lake Credit Facility debt decreased $8.2 million, subordinated notes (8-3/4% Notes and 6% Debentures) decreased $1.4 million and the Trust Preferred Securities decreased $400,000. The net decrease in debt was the result of excess cash flows. On July 21, 2003, the Company elected to redeem all of its outstanding 8-3/4% Notes on August 20, 2003. The redemption price, including the premium, will be $70.8 million. The redemption was financed by the issuance of $100.0 million of 7-3/8% Notes due 2013.

Capital Requirements

During the six months ended June 30, 2003, $52.5 million of capital expenditures was funded with internal cash flow. The Company seeks to fund its capital budget with internal cash flow. Based on the 2003 capital budget of $110.0 million, the Company seeks to increase production and expand its reserve base.

Banking

The Company maintains two separate revolving bank credit facilities: a $225.0 million Senior Credit Facility and a $275.0 million Great Lakes Credit Facility (of which 50% is consolidated at the Company). Each facility is secured by substantially all the borrowers' assets. The Great Lakes Credit Facility is non-recourse to the Company. As Great Lakes is 50% owned, half its borrowings are consolidated in the Company's financial statements. Availability under the facilities is subject to borrowing bases set by the banks semi-annually and in certain other circumstances. Redeterminations, other than increases, require approval of 75% of the lenders while, increases require unanimous approval.

At July 31, 2003, the Senior Credit Facility had a $170.0 million borrowing base of which $154.8 million was available. The Great Lakes Credit Facility, half of which is consolidated at the Company, had a $225.0 million borrowing base, of which $75.0 million was available.

HEDGING

Oil and Gas Prices

The Company enters into hedging agreements to reduce the impact of oil and gas price fluctuations. The Company's current policy, when futures prices justify, is to hedge 50% to 75% of projected production on a rolling 12 to 24 month basis. At June 30, 2003, hedges were in place covering 68.7 Bcf of gas at prices averaging $4.07 per Mmbtu and 1.6 million barrels of oil at prices averaging $25.05 per barrel. Their fair value at June 30, 2003 (the estimated amount that would be realized on termination based on contract versus NYMEX prices) was a net unrealized pre-tax loss of $82.0 million. Gains or losses on open and closed hedging transactions are determined based on the difference between the contract price and a reference price, generally closing prices on the NYMEX. Gains and losses are

determined monthly and are included as increases or decreases in oil and gas revenues in the period the hedged production is sold. An ineffective portion (changes in contract prices that do not match changes in the hedge price) of open hedge contracts is recognized in earnings as it occurs. Net decreases to Oil and gas revenues from hedging for the three months ended June 30, 2003 were $15.4 million and Oil and gas revenues were increased by $3.6 million from hedging for the three months ended June 30, 2002.

Interest Rates

At June 30, 2003, the Company had $358.1 million of debt (including Trust Preferred Securities) outstanding. Of this amount, $174.0 million bore interest at fixed rates averaging 7.0%. Senior Credit Facility debt and Great Lakes Credit Facility debt totaling $184.1 million bore interest at floating rates which averaged 2.9% at June 30, 2003. At times, the Company enters into interest rate swap agreements to limit the impact of interest rate fluctuations on its floating rate debt. At June 30, 2003, Great Lakes had interest rate swap agreements totaling $110.0 million, 50% of which is consolidated at the Company. These swaps consist of two agreements totaling $45.0 million at 7.1% which expire in May 2004, two agreements totaling $20.0 million at rates averaging 2.3% which expire in December 2004 and three agreements totaling $45.0 million at rates averaging 1.7% which expire in June 2006. The fair value of the swaps, based on then current quotes for equivalent agreements at June 30, 2003 was a net loss of $2.7 million, of which 50% is consolidated at the Company. The 30 day LIBOR rate on June 30, 2003 was 1.1%.

Capital Restructuring Program

The Company has taken a number of steps since 1998 to strengthen its financial position. These steps included the sale of assets and the exchange of common stock for debt. These initiatives have helped reduce the Senior Credit Facility debt from $365.2 million to $110.6 million and total debt (including Trust Preferred Securities) from $727.2 million to $358.1 million at June 30, 2003. The Company currently believes it has sufficient liquidity and cash flow to meet its obligations for the next twelve months; however, a significant drop in oil and gas prices or a reduction in production or reserves would reduce the Company's ability to fund capital expenditures and meet its financial obligations.

INFLATION AND CHANGES IN PRICES

The Company's revenues, the value of its assets, its ability to obtain bank loans or additional capital on attractive terms have been and will continue to be affected by changes in oil and gas prices. Oil and gas prices are subject to significant fluctuations that are beyond the Company's ability to control or predict. During the first six months of 2003, the Company received an average of $23.38 per barrel of oil and $3.91 per mcf of gas after hedging compared to $22.46 per barrel of oil and $3.42 per mcf of gas in the same period of the prior year. Although certain of the Company's costs and expenses are affected by the general inflation, inflation does not normally have a significant effect on the Company. During 2002, the Company experienced a slight decline in certain drilling and operational costs when compared to the prior year. Increases in commodity prices can cause inflationary pressures specific to the industry to also increase certain costs. The Company expects an increase in these costs in 2003.

RESULTS OF OPERATIONS

VOLUMES AND SALES DATA:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2003	2002	2003
Production:				
Crude oil and liquid (bbls)	559,553	630,600	1,093,718	1,213,739
Natural gas (mcfs)	10,358,893	10,619,549	20,573,203	20,977,908
Average daily production:				
Crude oil (bbls)	5,008	5,807	4,949	5,622
NGLs (bbls)	1,141	1,123	1,093	1,084
Natural gas (mcfs)	113,834	116,698	113,664	115,900
Total (mcfes)	150,728	158,276	149,920	156,134
Average sales prices (excluding hedging):				
Crude oil (per bbl)	$ 23.09	$ 26.71	$ 20.98	$ 28.98
NGLs (per bbl)	$ 12,58	$ 18.46	$ 11.79	$ 19.28
Natural gas (per mcf)	$ 3.20	$ 5.14	$ 2.74	$ 5.61
Average sales price (including hedging):				
Crude oil (per bbl)	$ 22.27	$ 23.14	$ 22.46	$ 23.38
NGLs (per bbl)	$ 12.58	$ 18.46	$ 11.79	$ 19.28
Natural gas (per mcf)	$ 3.59	$ 3.88	$ 3.42	$ 3.91
Total (per mcfe)	$ 3.55	$ 3.84	$ 3.42	$ 3.88

The following table identifies certain items included in the results of operations and is presented to assist in comparison of the second quarter and year to date 2003 to the same periods of the prior year. The table should be read in conjunction with the following discussions of results of operations (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2003	2002	2003
Increase (decrease) in revenues:				
Write-down of marketable securities	$ (851)	$ -	$ (1,220)	$ -
Gains (losses) on retirement of securities	845	(10)	2,030	140
Ineffective portion of commodity hedges	(463)	(2,075)	(2,162)	(1,271)
Gain from sales of assets	27	69	26	157
Realized hedging gains (losses)	3,639	(15,365)	15,365	(41,255)
	$ 3,197	$(17,381)	$ 14,039	$(42,229)
Increase (decrease) to expenses:				
Fair value deferred compensation adjustment	$ 538	$ 912	$ 1,320	$ 1,297
Bad debt expense accrual	-	75	-	150
Adjustment to IPF valuation allowance	1,441	299	2,567	558
Non-qualifying interest rate swaps	300	(154)	(72)	(83)
	$ 2,279	$ 1,132	$ 3,815	$ 1,922
Cumulative effect of change in accounting principle (net of tax)	$ -	$ -	$ -	$ 4,491

Comparison of 2002 to 2003

Quarters Ended June 30, 2002 and 2003

Net income in the second quarter of 2003 totaled $4.6 million, compared to $7.3 million in the prior year period. The second quarter of 2003 includes a tax expense of $2.5 million versus a tax benefit in the prior year of $1.8 million. Production increased to 158.3 Mmcfe per day, a 5% increase from the prior year period. The production increase was due to higher production in the Appalachia and Southwest divisions offset by lower production in the Gulf Coast division. Revenues increased primarily due to an 8% increase in average prices per mcfe to $3.84. The average prices received for oil increased 4% to $23.14 per barrel, increased 8% for gas to $3.88 per mcf and increased 47% for NGLs to $18.46 per barrel. Production expenses increased 27% to $12.6 million as a result of significantly higher production taxes, increased costs from new wells and higher workover costs. Production taxes averaged $0.12 per mcfe in 2002 versus $0.18 per mcfe in 2003. Production taxes are paid on market prices not on hedged prices. Operating costs, including production taxes, per mcfe produced averaged $0.72 in 2002 versus $0.88 in 2003.

Transportation and processing revenues increased 2% to $940,000 in 2003 with higher oil trading margins and higher gas prices. IPF recorded income of $428,000, a decrease of $564,000 from the 2002 period due to a smaller portfolio balance. 2002 IPF expenses included a $1.4 million unfavorable valuation allowance adjustment. IPF expenses in 2003 include a $299,000 unfavorable valuation allowance. During the quarter ended June 30, 2003, IPF expenses included $209,000 of administrative costs and $60,000 of interest, compared to prior year period administrative expenses of $476,000 and interest of $261,000.

Exploration expense increased $515,000 to $2.7 million in 2003 due to higher dry hole costs. General and administrative expenses increased 12% or $580,000 to $5.3 million in the quarter with higher mark-to-market expenses relating to the deferred compensation plan and higher legal and other professional fees partially offset by certain bank fee and other refunds. The fair value deferred compensation adjustment included in general and administrative expense was $912,000 in the three months ended 2003 versus $538,000 in the same period of the prior year period. (See Note 11 to the consolidated financial statements).

Other income reflected a loss of $1.2 million in 2002 and a loss of $1.9 million in 2003. The 2003 period included $2.1 million of ineffective hedging losses partially offset by $69,000 of gains on asset sales. The 2002 period included $463,000 of ineffective hedging losses and an $851,000 write down of marketable securities. Interest expense

decreased 18% to $5.2 million with lower expense related to the non-qualifying interest swaps, lower interest rates and lower outstanding debt. Total debt was $373.3 million and $358.1 million at June 30, 2002 and 2003, respectively. The average interest rates (excluding hedging) were 5.3% and 4.9%, respectively, at June 30, 2002 and 2003 including fixed and variable rate debt.

DD&A increased 10% from the second quarter of 2002 with higher production and an additional $1.2 million of accretion expense related to the adoption of the new accounting principle (see Note 3 to the consolidated financial statements). The per mcfe DD&A rate for the second quarter of 2003 was $1.48, a $0.07 increase from the rate for the second quarter of 2002. This increase is due to higher accretion expense ($0.08 per mcfe) and the mix of production offset by lower depletion rates. The DD&A rate is determined based on year-end reserves and the net book value associated with them and, to a lesser extent, deprecation on other assets owned. The Company currently expects its DD&A rate for the remainder of 2003 to approximate $1.50 per mcfe.

Income taxes reflected a benefit of $1.8 million in the second quarter of 2002 versus tax expenses of $2.5 million in the three months ended June 30, 2003. (See Note 13 to the consolidated financial statements).

Six Months Periods Ended June 30, 2002 and 2003

Net income for the six months ended June 30, 2003 totaled $14.0 million compared to $11.7 million for the comparable period of 2002. The six months ended June 2003 includes tax expenses of $6.6 million versus a tax benefit of $4.9 million in the prior year. 2003 also includes $4.5 million gain on adoption of a new accounting principle. Production for the six months increased to 156.1 Mmcfe per day, an increase of 4% from the prior year period. The production increase was due to higher production in the Appalachia and Southwest divisions and higher production at West Cameron 45 somewhat offsetting natural production declines in other Gulf Coast wells. Revenues increased primarily due to higher prices which averaged $3.88 per mcfe. The average prices received for oil increased 4% to $23.38 per barrel, 14% for gas to $3.91 per mcf and 64% for NGLs to $19.28 per barrel. Production expenses increased 34% to $25.7 million as a result of higher production taxes, costs from new wells and higher workover costs in the Gulf of Mexico. Operating cost (including production taxes) per mcfe produced averaged $0.91 in 2003 versus $0.71 in 2002.

Transportation and processing revenues increased 16% to $2.0 million with higher gas prices and higher oil trading margin. IPF recorded income of $967,000 million, a decrease of $1.2 million from the 2002. IPF revenue declined from the previous year due to a smaller portfolio balance. 2002 IPF expenses included $2.6 million of unfavorable valuation allowance adjustments. IPF expenses for the six months ended June 2003 included $558,000 of unfavorable valuation allowance adjustments. During the six months ended June 30, 2003, IPF expenses included $467,000 of administrative costs and $161,000 of interest, compared to prior year period administrative expenses of $870,000 and interest of $513,000.

Exploration expense decreased $2.3 million to $5.1 million, primarily due to lower dry hole costs partially offset by higher seismic costs. General and administrative expenses increased 10% to $10.2 million in the six months ended June 30, 2003 due to higher compensation related expenses and legal and other professional fees. The fair value deferred compensation adjustment included in general and administrative expense is an expense of $1.3 million in both the six months ended 2002 and 2003.

Other income reflected a loss of $3.2 million and a loss of $985,000. The 2002 period included $2.2 million of ineffective hedging losses and a $1.2 million write down of marketable securities. The 2003 period included a $1.3 million ineffective hedging loss and a $157,000 gain on sale of assets. Interest expense decreased 9% to $10.7 million as a result of lower outstanding debt and lower interest rates.

DD&A increased 13% from the same period of the prior year with higher production and an additional $2.3 million of accretion expense related to the adoption of the new accounting principle.. The per mcfe DD&A rate for the six months of 2003 was $1.49, a $0.11 increase from the rate for the same period with higher accretion expense ($0.08 per mcfe) and higher depletion rates.

Income taxes reflected a benefit of $4.9 million in the six months of 2002 versus tax expenses of $6.6 million in the same period of 2003.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The primary objective of the following information is to provide forward-looking quantitative and qualitative information about the Company's potential exposure to market risks. The term "market risk" refers to the risk of loss arising from adverse changes in oil and gas prices and interest rates. The disclosures are not meant to be indicators of expected future losses, but rather an indicator of reasonably possible losses. This forward-looking information provides indicators of how the Company views and manages its ongoing market-risk exposures. All of the Company's market-risk sensitive instruments were entered into for purposes other than trading.

Commodity Price Risk. The Company's major market risk exposure is to oil and gas prices. Realized prices are primarily driven by worldwide prices for oil and spot market prices for North American gas production. Oil and gas prices have been volatile and unpredictable for many years.

The Company periodically enters into hedging arrangements with respect to its oil and gas production. Pursuant to these swaps, the Company receives a fixed price for its production and pays market prices to the counterparty. Hedging is intended to reduce the impact of oil and gas price fluctuations. In the second quarter of 2003, the hedging program was modified to include collars which assume a minimum floor price and predetermined ceiling price. Realized gains or losses are generally recognized in oil and gas revenues when the associated production occurs. Starting in 2001, gains or losses on open contracts are recorded either in current period income or OCI. The gains and losses realized as a result of hedging are substantially offset in the cash market when the commodity is delivered. Of the $82.0 million unrealized pre-tax loss included in OCI at June 30, 2003, $53.0 million of losses would be reclassified to earnings over the next twelve month period if prices remained constant. The actual amounts that will be reclassified will vary as a result of changes in prices. The Company does not hold or issue derivative instruments for trading purposes.

As of June 30, 2003, the Company had oil and gas hedges in place covering 68.7 Bcf of gas and 1.6 million barrels of oil. Their fair value, represented by the estimated amount that would be realized on termination, based on contract versus NYMEX prices, approximated a net unrealized pre-tax loss of $82.0 million at that date. These contracts expire monthly through December 2006. Gains or losses on open and closed hedging transactions are determined as the difference between the contract price and the reference price, generally closing prices on the NYMEX. Transaction gains and losses are determined monthly and are included as increases or decreases to oil and gas revenues in the period the hedged production is sold. Any ineffective portion of such hedges is recognized in earnings as it occurs. Net realized losses relating to these derivatives for the six months ended June 30, 2003 were $41.3 million and net realized gains were $15.4 million for the six months ended June 30, 2002.

In the first six months of 2003, a 10% reduction in oil and gas prices, excluding amounts fixed through hedging transactions, would have reduced revenue by $15.1 million. If oil and gas future prices at June 30, 2003 had declined 10%, the unrealized hedging loss at that date would have decreased $38.6 million.

Interest rate risk. At June 30, 2003, the Company had $358.1 million of debt (including Trust Preferred Securities) outstanding. Of this amount, $174.0 million bore interest at fixed rates averaging 7.0%. Senior Credit Facility debt and the Great Lakes Credit Facility debt totaling $184.1 million bore interest at floating rates averaging 2.9%. At June 30, 2003 Great Lakes had interest rate swap agreements totaling $110.0 million (See Note 7), 50% of which is consolidated at the Company, which had a fair value loss (the Company's share) of $1.4 million at that date. A 1% increase or decrease in short-term interest rates would cost or save the Company approximately $1.3 million in annual interest expense.

ITEM 4. CONTROLS AND PROCEDURES.

Within the 90 days prior to the date of this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Acting Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-14 (c) and Rule 15d-14(c). Based upon that evaluation, the Chief Executive Officer and the Acting Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic filings with the SEC. No significant changes in the Company's internal controls or other factors that could affect these controls have occurred subsequent to the date of such evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

The Company is involved in various legal actions and claims arising in the ordinary course of business. In the opinion of management, such litigation and claims are likely to be resolved without material adverse effect on its financial position or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On May 21, 2003, the Company held its Annual Meeting of Stockholders to (a) elect a Board of seven directors, each for a one-year term and (b) consider and vote on a proposal to (i) amend the 1999 Plan increasing the number of shares of common stock authorized to be issued from 6,000,000 to 8,750,000 and (ii) amend the 1999 Plan to prohibit the repricing of stock options granted under the 1999 Plan without a vote by the stockholders (collectively (a)(i) and (a)(ii) shall hereinafter be referred to as the "1999 Plan Amendments"). At such meeting, Robert E. Aikman, Anthony V. Dub, V. Richard Eales, Allen Finkelson, Jonathan S. Linker and John H. Pinkerton were reelected as Directors of the Company and Charles L. Blackburn was elected to serve as a director and Chairman of the Board. In addition, the 1999 Plan Amendments were approved by the Stockholders of the Company.

The following is a summary of the votes cast at the Annual Meeting:

Results of Voting	Votes For	Withheld	Abstentions
1. Election of Directors			
Robert E. Aikman	43,302,684	7,796,868	-
Charles L. Blackburn	43,483,026	7,616,526	-
Anthony V. Dub	43,126,349	7,973,203	-
V. Richard Eales	43,124,899	7,974,653	-
Allen Finkelson	43,321,546	7,778,006	-
Jonathan S. Linker.	43,124,711	7,974,841	-
John H. Pinkerton	43,393,308	7,706,244	-

Results of Voting	Votes For	Against	Abstentions
2. 1999 Plan Amendments	30,093,708	20,791,451	214,392

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a)
(a) Exhibits:

3.1.1	Certificate of Incorporation of Lomak Petroleum, Inc. ("Lomak") dated March 24, 1980 (incorporated by reference to Exhibit 3.1.1 to the Range Resources Corporation (the "Company") Registration Statement (File No. 33-31558))
3.1.2	Certificate of Amendment to the Certificate of Incorporation dated July 22, 1981 (incorporated by reference to Exhibit 3.1.2 to the Company's Registration Statement (File No. 33-31558))
3.1.3	Certificate of Amendment to the Certificate of Incorporation of Lomak dated August 27, 1982 (incorporated by reference to Exhibit 3.1.3 to the Company's Registration Statement (File No. 33-31558))
3.1.4	Certificate of Amendment to the Certificate of Incorporation of Lomak dated December 28, 1988 (incorporated by reference to Exhibit 3.1.4 to the Company's Registration Statement (File No. 33-31558))
3.1.5	Certificate of Amendment to the Certificate of Incorporation of Lomak dated August 31, 1989 (incorporated by reference to Exhibit 3.1.5 to the Company's Registration Statement (File No. 33-31558))
3.1.6	Certificate of Amendment to the Certificate of Incorporation of Lomak dated May 17, 1991 (incorporated by reference to Exhibit 4.4(f) to the Company's Form S-3/A (File No. 333-20257) as filed with the Securities and Exchange Commission (the "SEC") on March 4, 1997)
3.1.7	Certificate of Amendment to the Certificate of Incorporation of Lomak dated November 20, 1992 (incorporated by reference to Exhibit 4.4(g) to the Company's Form S-3/A (File No. 333-20257) as filed with the SEC on March 4, 1997)
3.1.8	Certificate of Amendment to the Certificate of Incorporation of Lomak dated May 24, 1996 (incorporated by reference to Exhibit 4.4(h) to the Company's Form S-3/A (File No. 333-20257) as filed with the SEC on February 14, 1997)
3.1.9	Certificate of Amendment to the Certificate of Incorporation of Lomak dated October 2, 1996 (incorporated by reference to Exhibit 4.4(i) to the Company's Form S-3/A (File No. 333-20257) as filed with the SEC on February 14, 1997)
3.1.10	Restated Certificate of Incorporation of Lomak as required by Item 102 of Regulation S-T (incorporated by reference to Exhibit 4.4(j) to the Company's Form S-3/A (File No. 333-20257) as filed with the SEC on March 4, 1997)
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3.1.12	Certificate of Amendment to the Certificate of Incorporation of Lomak dated August 25, 1998 (incorporated by reference to Exhibit 3.1 to the Company's Form S-8 (File No. 333-62439) as filed with the SEC on August 28, 1998)
3.1.13	Certificate of Amendment to the Certificate of Incorporation of the Company dated May 24, 2000 (incorporated by reference to Exhibit 3.1.12 to the Company's Form 10-Q (File No. 001-12209) as filed with the SEC on May 17, 2003)
3.2.1	Amended and Restated By-laws of the Company dated May 24, 2001 (incorporated by reference to Exhibit 3.2.2 to the Company's Form 10-K (File No. 001-12209) as filed with the SEC on March 5, 2002)
4.1.1	Form of 6% Convertible Subordinated Debentures due 2007 (contained as an exhibit to Exhibit 4.1.2 hereto)
4.1.2	Indenture dated December 20, 1996 by and between Lomak and Keycorp Shareholders Services, Inc., as trustee (incorporated by reference to Exhibit 4.1(A) to the Company's Form S-3 (File No. 333-23955) as filed with the SEC on March 25, 1997)
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4.2.2	Indenture dated March 14, 1997 by and among Lomak, the Subsidiary Guarantors (as defined therein) and Fleet National Bank, as trustee (incorporated by reference to Exhibit 4.3 to the Company's Form S-3/A (File No. 333-20257) as filed with the SEC on February 14, 1997)

4.3.1	Form of 5-3/4% Convertible Preferred Securities (contained as an exhibit to Exhibit 4.3.5 hereto)

4.3.2	Form of 5-3/4% Convertible Junior Subordinated Debentures (contained as an exhibit to Exhibit 4.3.4 hereto)
4.3.3	Indenture dated October 22, 1997 by and between Lomak and The Bank of New York, as trustee (incorporated by reference to Exhibit 4.6 of the Company's Form S-3 (File No. 333-43823) as filed with the SEC on January 7, 1998)
4.3.4	First Supplemental Indenture dated October 22, 1997 by and between Lomak and The Bank of New York, as trustee (incorporated by reference to Exhibit 4.7 to the Company's Form S-3 (File No. 333-43823) as filed with the SEC on January 7, 1998)
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4.4.1*	Form of 7-3/8% Senior Subordinated Notes due 2013 (contained as an exhibit to Exhibit 4.4.2 hereto)
4.4.2*	Indenture dated July 21, 2003 by and among the Company, as issuer, the Subsidiary Guarantors (as defined therein), as guarantors, and Bank One, National Association, as trustee
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10.3*	Third Amendment to Amended and Restated Credit Agreement dated April 1, 2003 by and among the Company, Bank One, NA, the Lenders (as defined therein), Fleet National Bank, Fortis Capital Corp., JPMorgan Chase Bank, Credit Lyonnais New York Branch, Banc One Capital Markets, Inc. and JPMorgan Securities Inc.
10.4.1*	Restated Credit Agreement dated May 3, 2002 by and among Great Lakes Energy Partners, L.L.C. ("Great Lakes"), Bank One, NA, JPMorgan Chase Bank, The Bank of Nova Scotia, Bank of Scotland, Credit Lyonnais New York Branch, Fortis Capital Corp., The Frost National Bank, Union Bank of California, N.A. and each Lender (as defined therein)
10.4.2*	First Amendment to Restated Credit Agreement dated April 1, 2003 by and among Great Lakes, Bank One, NA, JPMorgan Chase Bank, The Bank of Nova Scotia, Bank of Scotland, Credit Lyonnais New York Branch, Fortis Capital Corp., The Frost National Bank, Union Bank of California, N.A., Comerica Bank-Texas, Natexis Banques Populaires, each Lender (as defined therein), Banc One Capital Markets, Inc. and JPMorgan Securities, Inc.
31.1*	Certification by the President and Chief Executive Officer of the Company Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification by the Acting Chief Financial Officer of the Company Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1*	Certification by the President and Chief Executive Officer of the Company Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification by the Acting Chief Financial Officer of the Company Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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* filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RANGE RESOURCES CORPORATION

By: /s/ RODNEY L. WALLER

Rodney L. Waller
Acting Chief Financial Officer

August 6, 2003

EXHIBIT INDEX

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31.2*	Certification by the Acting Chief Financial Officer of the Company Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1*	Certification by the President and Chief Executive Officer of the Company Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification by the Acting Chief Financial Officer of the Company Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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* filed herewith

EXHIBIT 3.1.11

CERTIFICATION OF AMENDMENT
TO THE
CERTIFICATION OF INCORPORATION OF
LOMAK PETROLEUM, INC.

(Pursuant to Section 242 of the Delaware General Corporation Law)

Lomak Petrloleum, Inc., a Delaware corporation (the "Corporation"), DOES HEREBY CERTIFY:

FIRST: The name of the Corporation is Lomak Petroleum, Inc.

SECOND: The amendment to the Certificate of Incorporation of the Corporation effected by

this certificate shall provide:

that the number of authorized shares of the Corporation's Common Stock be increased from 35 million shares to 50 million Shares; and that the number of authorized shares of the Corporation's Preferred Stock be increased from 4 million shares to 10 million shares.

THIRD: To accomplish the foregoing amendment, the present Article FOURTH is hereby

amended to read in its entirety as follows:

FOURTH: (1) The total number of shares of all classes of stock which the Corporation shall have authority to issue is 60 million shares, divided into classes as follows:

50 million	Common shares having a par value of $.01 per share; and
10 million	Preferred shares having a par value of $1.00 per share.

(2) No holder of shares of the Corporation shall have any preemptive right to subscribe for or to purchase any shares of the Corporation of any class whether now or hereafter authorized.

FOURTH: The above amendment to the Certificate of Incorporation of the Corporation was duly adopted by the unanimous approval of the Board of Directors of the Corporation and ahs been duly approved by the stockholders owning more that a majority of the Corporation's outstanding shares of stock entitled to vote in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said Lomak Petroleum, Inc. has caused this Certificate to be signed by Jeffery A. Bynum, its Vice President - Land and Corporate Secretary, and attested by Amy L. Laubscher, its Assistant Secretary, as of the 20the day of June, 1997.

LOMAK PETROLEUM, INC.

/s/ JEFFERY A. BYNUM

Jeffery A. Bynum, Vice President - Land and Corporation Secretary

ATTEST:

/s/ AMY L. LAUBSCHER
- ---
Amy L. Laubscher, Assistant Secretary

EXHIBIT 4.4.2

RANGE RESOURCES CORPORATION

As Issuer

RANGE ENERGY I, INC.
RANGE HOLDCO, INC.
RANGE PRODUCTION COMPANY
RANGE ENERGY VENTURES CORPORATION
GULFSTAR ENERGY, INC.
RANGE ENERGY FINANCE CORPORATION

As Guarantors

7 3/8% SENIOR SUBORDINATED NOTES DUE 2013

INDENTURE

Dated as of July 21, 2003

BANK ONE, NATIONAL ASSOCIATION

As Trustee

CROSS -REFERENCE TABLE*

Trust Indenture Act Section		Indenture Section
310	(a) (1)	7.10
	(a) (2)	7.10
	(a) (3)	N.A.
	(a) (4)	N.A.
	(a) (5)	7.10
	(b)	7.10
	(c)	N.A.
311	(a)	7.11
	(b)	7.11
	(c)	N.A.
	(b)	12.03
	(c)	12.03
313	(a)	7.06
	(b) (1)	N.A.
	(b) (2)	7.07
	(c)	7.06, 12.02
	(d)	7.06
314	(a)	4.03; 12.02
	(b)	N.A.
	(c) (1)	12.04
	(c) (2)	12.04
	(c) (3)	N.A.
	(d)	10.03 - 10.05
	(e)	12.05
	(f)	N.A.
315	(a)	7.01
	(b)	7.05; 12.02
	(c)	7.01
	(d)	7.01
	(e)	6.11
316	(a)	2.05
	(a) (1) (A)	6.05
	(a) (1) (B)	6.04
	(a) (2)	N.A.
	(b)	6.07
	(c)	12.02
317	(a) (1)	6.08
	(a) (2)	6.09
	(b)	2.03
318	(a)	12.01
	(b)	N.A.
	(c)	12.01

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N.A. means not applicable.

*This Cross-Reference Table is not part of the Indenture.

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THE GUARANTEES

ARTICLE 12
MISCELLANEOUS

EXHIBITS

INDENTURE dated as of July 21, 2003 among Range Resources Corporation, a Delaware corporation (the "Company"), as issuer, the Subsidiary Guarantors (as hereinafter defined) as guarantors and Bank One, National Association, as trustee (the "Trustee").

The Company, the Subsidiary Guarantors and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders of the 7 3/8% Senior Subordinated Notes due 2013 of the Company (the "Notes"):

ARTICLE 1
DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01. Definitions.

"Acquired Debt" means, with respect to any specified Person, (i) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, including, without limitation, Indebtedness incurred in connection with, or in contemplation of, such other Person merging with or into or becoming a Subsidiary of such specified Person, and (ii) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"Additional Notes" means any notes issued under the Indenture in addition to the Original Notes, including any Exchange Notes issued in exchange for such Additional Notes, having the same terms in all respects as the Original Notes except that the date from which interest on the Additional Notes will accrue may be different.

"Adjusted Consolidated Net Tangible Assets" means (without duplication), as of the date of determination, (i) the sum of (a) discounted future net revenues from proved oil and gas reserves of the Company and its Restricted Subsidiaries calculated in accordance with the Commission's guidelines before any state or federal income taxes, with no less than 80% of the discounted future net revenues estimated by one or more nationally recognized firms of independent petroleum engineers in a reserve report prepared as of the end of the Company's most recently completed fiscal year, as increased by, as of the date of determination, the estimated discounted future net revenues from (1) estimated proved oil and gas reserves acquired since the date of such year-end reserve report, and (2) estimated oil and gas reserves attributable to upward revisions of estimates of proved oil and gas reserves since the date of such year-end reserve report due to exploration, development or exploitation activities, in each case calculated in accordance with the Commission's guidelines (utilizing the prices utilized in such year-end reserve report) increased by the accretion of the discount from the date of the reserve report to the date of determination, and decreased by, as of the date of determination, the estimated discounted future net revenues from (3) estimated proved oil and gas reserves produced or disposed of since the date of such year-

end reserve report and (4) estimated oil and gas reserves attributable to downward revisions of estimates of proved oil and gas reserves since the date of such year-end reserve report due to changes in geological conditions or other factors which would, in accordance with standard industry practice, cause such revisions, in each case calculated in accordance with the Commission's guidelines (utilizing the prices utilized in such year-end reserve report); provided that, in the case of each of the determinations made pursuant to clause (1) through (4), such increases and decreases shall be as estimated by the Company's petroleum engineers, unless in the event that there is a Material Change as a result of such acquisitions, dispositions or revisions, then the discounted future net revenues utilized for purposes of this clause (i) (a) shall be confirmed in writing by one or more nationally recognized firms of independent petroleum engineers, (b) the capitalized costs that are attributable to oil and gas properties of the Company and its Restricted Subsidiaries to which no proved oil and gas reserves are attributable, based on the Company's books and records as of a date no earlier than the date of the Company's latest annual or quarterly financial statements, (c) the Net Working Capital on a date no earlier than the date of the Company's latest annual or quarterly financial statements and (d) the greater of (1) the net book value on a date no earlier than the date of the Company's latest annual or quarterly financial statements or (2) the book value of other tangible assets (including, without duplication, investments in unconsolidated Restricted Subsidiaries and mineral rights held under lease or other contractual arrangements) of the Company and its Restricted Subsidiaries, as of the date no earlier than the date of the Company's latest annual or quarterly financial statements, minus (ii) the sum of (a) minority interests, (b) any gas balancing liabilities of the Company and its Restricted Subsidiaries reflected in the Company's latest audited financial statements, and (c) the discounted future net revenues, calculated in accordance with the Commission's guidelines, attributable to reserves subject to Dollar-Denominated Production Payments which, based on the estimates of production and price assumptions included in determining the discounted future net revenues specified in (i) (a) above, would be necessary to fully satisfy the payment obligations of the Company and its Restricted Subsidiaries with respect to Dollar-Denominated Production Payments on the schedules specified with respect thereto. If the Company changes its method of accounting from the successful efforts method to the full cost method or a similar method of accounting, "Adjusted Consolidated Net Tangible Assets" will continue to be calculated as if the Company was still using the successful efforts method of accounting.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of

voting securities, by agreement or otherwise; provided that beneficial ownership of 10% or more of the voting securities of a Person shall be deemed to be control.

"Agent" means any Registrar, Paying Agent or Authenticating Agent.

"Agent Member" means a member of, or a participant in, the Depositary.

"Asset Sale" means (i) the sale, lease, conveyance or other disposition (but excluding the creation of a Lien) of any assets including, without limitation, by way of a sale and leaseback; provided that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole shall be governed by Sections 4.13 and/or 5.01 hereof and not by Section 4.10 hereof, and (ii) the issuance or sale by the Company or any of its Restricted Subsidiaries of Equity Interests of any of the Company's Subsidiaries (including the sale by the Company or a Restricted Subsidiary of Equity Interests in an Unrestricted Subsidiary), in the case of either clause (i) or (ii), whether in a single transaction or a series of related transactions (a) that have a fair market value in excess of $5.0 million or (b) for net proceeds in excess of $5.0 million. Notwithstanding the foregoing, the following shall not be deemed to be Asset Sales: (1) a transfer of assets by the Company to a Wholly Owned Restricted Subsidiary of the Company or by a Wholly Owned Restricted Subsidiary of the Company to the Company or to another Wholly Owned Restricted Subsidiary of the Company, (2) an issuance of Equity Interests by a Wholly Owned Restricted Subsidiary of the Company to the Company or to another Wholly Owned Restricted Subsidiary of the Company, (3) the making of a Permitted Investment or a Restricted Payment that is permitted by Section 4.07, (4) the abandonment, farm-out, lease or sublease of undeveloped oil and gas properties in the ordinary course of business, (5) the trade or exchange by the Company or any Restricted Subsidiary of the Company of any oil and gas property owned or held by the Company or such Restricted Subsidiary for any oil and gas property owned or held by another Person, which the Board of Directors of the Company determines in good faith to be of approximately equivalent value, (6) the trade or exchange by the Company or any Subsidiary of the Company of any oil and gas property owned or held by the Company or such Subsidiary for Equity Interests in another Person engaged primarily in the Oil and Gas Business which, together with all other such trades or exchanges (to the extent excluded from the definition of Asset Sale pursuant to this clause (6)) since the date of this Indenture, do not exceed 5% of Adjusted Consolidated Net Tangible Assets determined after such trade or exchange and (7) the sale or transfer of hydrocarbons or other mineral products or other inventory or surplus or obsolete equipment in the ordinary course of business.

"Attributable Debt" in respect of a sale and leaseback transaction means, at the time of determination, the present value (discounted at the rate of interest implicit in such transaction, determined in accordance with GAAP) of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction (including any period for

which such lease has been extended or may, at the option of the lessor, be extended).

"Authenticating Agent" refers to a Person engaged to authenticate the Notes in the stead of the Trustee.

"Bankruptcy Code" means Title 11 of the United States Code, as amended.

"Board of Directors" means the Board of Directors of the Company or a Subsidiary Guarantor, as applicable, or any authorized committee of such Board of Directors.

"Borrowing Base" means, as of any date, the aggregate amount of borrowing availability as of such date under all Credit Facilities that determine availability on the basis of a borrowing base or other asset-based calculation.

"Business Day" means any day other than a Legal Holiday.

"Capital Lease Obligation" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized on a balance sheet in accordance with GAAP.

"Capital Stock" means (i) in the case of a corporation, corporate stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership, partnership interests (whether general or limited), (iv) in the case of a limited liability company or similar entity, any membership or similar interests therein and (v) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Cash Equivalents" means (i) United States dollars, (ii) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof having maturities of not more than six months from the date of acquisition, (iii) certificates of deposit and eurodollar time deposits with maturities of six months or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case with any lender party to the Credit Agreement or with any domestic commercial bank having capital and surplus in excess of $500 million and a Thompson Bank Watch Rating of "B" or better, (iv) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (ii) and (iii) above entered into with any financial institution meeting the qualifications specified in clause (iii) above, (v) commercial paper having a rating of at least P1 from Moody's or a rating of at least Al from S&P, and (vi) investments in money market or other mutual funds

substantially all of whose assets comprise securities of the types described in clauses (ii) through (v) above.

"Certificate of Beneficial Ownership" means a certificate substantially in the form of Exhibit G.

"Certificated Note" means a Note in registered individual form without interest coupons.

"Change of Control" means the occurrence of any of the following: (i) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole to any "person" or group of related "persons" (as such terms are used in Section 13(d)(3) of the Exchange Act), (ii) the adoption of a plan relating to the liquidation or dissolution of the Company, (iii) the consummation of any transaction (including, without limitation, any purchase, sale, acquisition, disposition, merger or consolidation) the result of which is that any "person" (as defined above) or group of related "persons" becomes the "beneficial owner" (as such term is defined in Rule 13d-3 and Rule 13d-5 under the Exchange Act) of more than 40% of the aggregate voting power of all classes of Capital Stock of the Company having the right to elect directors under ordinary circumstances or (iv) the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors.

"Closing Date" the date of the closing of the sale of the Original Notes offered pursuant to the Offering.

"Commission" means the Securities and Exchange Commission.

"Consolidated Cash Flow" means, with respect to any Person for any period, the Consolidated Net Income of such Person and its Restricted Subsidiaries for such period plus (i) an amount equal to any extraordinary loss, plus any net loss realized in connection with an Asset Sale (together with any related provision for taxes), to the extent such losses were included in computing such Consolidated Net Income, plus (ii) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was included in computing such Consolidated Net Income, plus (iii) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued (including, without limitation, amortization of original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letters of credit or bankers' acceptance financings, and net payments (if any) pursuant to Interest Rate Hedging Agreements), to the extent that any such expense was included in computing such Consolidated Net Income,

plus (iv) depreciation, depletion and amortization expenses (including amortization of goodwill and other intangibles) for such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, depletion and amortization expenses were included in computing such Consolidated Net Income, plus (v) exploration expenses for such Person and its Restricted Subsidiaries for such period to the extent such exploration expenses were included in computing such Consolidated Net Income, plus (vi) other non-cash charges (excluding any such non-cash charge to the extent that it represents an accrual of or reserve for cash charges in any future period or amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period to the extent that such other non-cash charges were included in computing such Consolidated Net Income, in each case, on a consolidated basis and determined in accordance with GAAP. Notwithstanding the foregoing, the provision for taxes on the income or profits of, and the depreciation, depletion and amortization and other non-cash charges and expenses of, a Restricted Subsidiary of the referent Person shall be added to Consolidated Net Income to compute Consolidated Cash Flow only to the extent (and in same proportion) that the Net Income of such Restricted Subsidiary was included in calculating the Consolidated Net Income of such Person and only if a corresponding amount would be permitted at the date of determination to be dividend to the Company by such Restricted Subsidiary without prior governmental approval (that has not been obtained), and without direct or indirect restriction pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Restricted Subsidiary or its stockholders.

"Consolidated Net Income" means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; provided that (i) the Net Income (but not loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid in cash to the referent Person or a Wholly Owned Restricted Subsidiary thereof, (ii) the Net Income of any Restricted Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders, (iii) the Net Income of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition shall be excluded, (iv) the cumulative effect of a change in accounting principles shall be excluded, (v) any impairments or write-downs of oil and natural gas assets shall be excluded, provided, however, that ceiling limitation write-downs in accordance with GAAP shall be treated as capitalized costs, as if such write-downs had not occurred, (vi) extraordinary non-

cash losses shall be excluded, (vii) any non-cash compensation expenses realized for grants of performance shares, stock options or stock awards to officers, directors and employees of the Company or any of its Restricted Subsidiaries shall be excluded and (viii) any unrealized non-cash gains or losses or changes in respect of hedge or non-hedge derivatives (including those resulting from the application of the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 133) shall be excluded.

"Consolidated Net Worth" means the total of the amounts shown on the balance sheet of the Company and its consolidated Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP, as of the end of the most recent fiscal quarter of the Company ending prior to the taking of any action for the purpose of which the determination is being made and for which internal financial statements are available (but in no event ending more than 135 days prior to the taking of such action), as (i) the par or stated value of all outstanding Capital Stock of the Company, plus (ii) paid-in capital or capital surplus relating to such Capital Stock, plus (iii) any retained earnings or earned surplus, less (a) any accumulated deficit and (b) any amounts attributable to Disqualified Stock.

"Continuing Directors" means, as of any date of determination, any member of the Board of Directors of the Company who (i) was a member of such Board of Directors on the date of original issuance of the Notes or (ii) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination.

"Corporate Trust Office of the Trustee" shall be at the address of the Trustee specified in Section 12.02 hereof or such other address as to which the Trustee may give notice to the Company.

"Credit Agreement" means that certain Credit Agreement, dated as of May 2, 2002, by and among the Company, Bank One, National Association, and the institutions named therein, as lenders, Bank One, National Association, as administrative agent, Banc One Capital Markets, Inc., as joint lead arranger and joint bookrunner and JPMorgan Chase Bank as joint lead arranger and joint bookrunner, providing for up to $225.0 million of Indebtedness, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, and in each case as amended, restated, modified, renewed, refunded, replaced or refinanced, in whole or in part, from time to time, whether or not with the same lenders or agents.

"Credit Facilities" means, with respect to the Company, one or more debt facilities (including, without limitation, the Credit Agreement) or commercial paper facilities with banks or other institutional lenders providing for revolving credit loans, term loans, production payment financing, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of

credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time. Indebtedness under Credit Facilities outstanding on the date on which the Notes are first issued and authenticated under this Indenture (after giving effect to the use of proceeds thereof) shall be deemed to have been incurred on such date in reliance on the exception provided by clause (b) of the definition of Permitted Indebtedness set forth in Section 4.09 hereof.

"Default" means any event that is or with the passage of time or the giving of notice or both would be an Event of Default.

"Depositary" means the depositary of each Global Note, which will initially be DTC.

"Designated Senior Debt" means (i) the Credit Agreement and (ii) any other Senior Debt permitted under this Indenture the principal amount of which is $25 million or more and that has been designated by the Company as "Designated Senior Debt."

"Disqualified Stock" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the Holder thereof, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes mature.

"Dollar-Denominated Production Payments" means production payment obligations recorded as liabilities in accordance with GAAP, together with all undertakings and obligations in connection therewith.

"DTC" means The Depository Trust Company, a New York corporation, and its successors.

"DTC Legend" means the legend set forth in Exhibit D.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchange Notes" means the Notes of the Company issued pursuant to the Indenture in exchange for, and in an aggregate principal amount equal to, the Initial Notes or any Initial Additional Notes in compliance with the terms of a Registration Rights Agreement and containing terms substantially identical to the Initial Notes or any Initial Additional Notes (except that (i) such Exchange Notes will be registered under the Securities Act and will not be subject to transfer

restrictions or bear the Restricted Legend, and (ii) the provisions relating to Liquidated Damages will be eliminated).

"Exchange Offer" means an offer by the Company to the Holders of the Initial Notes or any Initial Additional Notes to exchange outstanding Notes for Exchange Notes, as provided for in a Registration Rights Agreement.

"Exchange Offer Registration Statement" means the Exchange Offer Registration Statement as defined in a Registration Rights Agreement.

"Fixed Charge Coverage Ratio" means with respect to any person for any period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person for such period. In the event that the Company or any of its Restricted Subsidiaries incurs, assumes, guarantees or redeems any Indebtedness (other than revolving credit borrowings) or issues preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to the date on which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such incurrence, assumption, guarantee or redemption of Indebtedness, or such issuance or redemption of preferred stock, as if the same had occurred at the beginning of the applicable four-quarter reference period. In addition, for purposes of making the computation referred to above, (i) acquisitions that have been made by the referent Person or any of its Restricted Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date (including, without limitation, any acquisition to occur on the Calculation Date) shall be deemed to have occurred on the first day of the four-quarter reference period and Consolidated Cash Flow for such reference period shall be calculated without giving effect to clause (iii) of the proviso set forth in the definition of Consolidated Net Income, (ii) the net proceeds of Indebtedness incurred or Disqualified Stock issued by the referent Person pursuant to the first paragraph of Section 4.09 hereof during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date shall be deemed to have been received by the referent Person or any of its Restricted Subsidiaries on the first day of the four-quarter reference period and applied to its intended use on such date, (iii) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, shall be excluded and (iv) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, shall be excluded, but only to the extent that the obligations giving rise to such Fixed Charges shall not be obligations of the referent Person or any of its Restricted Subsidiaries following the Calculation Date.

"Fixed Charges" means, with respect to any Person for any period, the sum, without duplication, of (i) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued (including, without limitation, amortization of original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net payments (if any) pursuant to Interest Rate Hedging Agreements); (ii) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period; (iii) any interest expense on Indebtedness of another Person that is guaranteed by such Person or any of its Restricted Subsidiaries or secured by a Lien on assets of such Person or any of its Restricted Subsidiaries (whether or not such guarantee or Lien is called upon) and (iv) the product of (a) all cash dividend payments (and non-cash dividend payments in the case of a Person that is a Restricted Subsidiary) on any series of preferred stock of such Person or any of its Restricted Subsidiaries, times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, on a consolidated basis and in accordance with GAAP.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the date hereof.

"Global Note" means a Note in registered global form without interest coupons.

"Government Securities" means securities that are (a) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged or (b) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such Government Security or a specific payment of principal of or interest on any such Government Security held by such custodian for the account of the holder of such depositary receipt; provided, that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the Government Security or

the specific payment of principal of or interest on the Government Security evidenced by such depositary receipt.

"guarantee" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness.

"Guarantee" means each of the Guarantees of the Notes by the Subsidiary Guarantors hereunder.

"Holder" means a Person in whose name a Note is registered on the Registrar's books.

"Indebtedness" means, with respect to any Person, without duplication, (a) any indebtedness of such Person, whether or not contingent, (i) in respect of borrowed money, (ii) evidenced by bonds, notes, debentures or similar instruments, (iii) evidenced by letters of credit (or reimbursement agreements in respect thereof) or banker's acceptances, (iv) representing Capital Lease Obligations, (v) representing the balance deferred and unpaid of the purchase price of any property, except any such balance that constitutes an accrued expense or trade payable, (vi) representing any obligations in respect of Interest Rate Hedging Agreements or Oil and Gas Hedging Contracts, and (vii) in respect of any Production Payment, (b) all indebtedness of others secured by a Lien on any asset of such Person (whether or not such indebtedness is assumed by such Person), (c) obligations of such Person in respect of production imbalances, (d) Attributable Debt of such Person, and (e) to the extent not otherwise included in the foregoing, the guarantee by such Person of any indebtedness of any other Person; provided that the indebtedness described in clauses (a) (i), (ii), (iv) and (v) shall be included in this definition of Indebtedness only if, and to the extent that, the indebtedness described in such clauses would appear as a liability upon a balance sheet of such Person prepared in accordance with GAAP.

"Indenture" means this Indenture, as amended or supplemented from time to time.

"Initial Additional Notes" means Additional Notes issued in an offering not registered under the Securities Act and any Notes issued in replacement thereof, but not including any Exchange Notes issued in exchange therefor.

"Initial Notes" means the Notes issued on the Closing Date and any Notes issued in replacement thereof, but not including any Exchange Notes issued in exchange therefor.

"Initial Purchasers" means the initial purchasers party to a purchase agreement with the Company relating to the sale of the Initial Notes or Initial Additional Notes by the Company.

"interest", in respect of the Notes, unless the context otherwise requires, refers to interest and Liquidated Damages, if any.

"Interest Rate Hedging Agreements" means, with respect to any Person, the obligations of such Person under (i) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements and (ii) other agreements or arrangements designed to protect such Person against fluctuations in interest rates.

"Investments" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of direct or indirect loans (including guarantees of Indebtedness or other obligations, but excluding trade credit and other ordinary course advances customarily made in the oil and gas industry), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP; provided that the following shall not constitute Investments: (i) an acquisition of assets, Equity Interests or other securities by the Company for consideration consisting of common equity securities of the Company, (ii) Interest Rate Hedging Agreements entered into in accordance with the limitations set forth in clause (g) of the definition of "Permitted Indebtedness" set forth in Section 4.09 hereof, (iii) Oil and Gas Hedging Contracts entered into in accordance with the limitations set forth in clause (h) of the definition of "Permitted Indebtedness" set forth in Section 4.09 hereof and (iv) endorsements of negotiable instruments and documents in the ordinary course of business. If the Company or any Restricted Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Company, the Company shall be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of the Equity Interests of such Subsidiary not sold or disposed of.

"Legal Holiday" means a Saturday, a Sunday or a day on which banking institutions in the City of New York, the City of Chicago or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform

Commercial Code (or equivalent statutes) of any jurisdiction other than a precautionary financing statement with respect to a lease not intended as a security agreement).

"Liquidated Damages" means liquidated damages owed to the Holders pursuant to a Registration Rights Agreement.

"Material Change" means an increase or decrease (excluding changes that result solely from changes in prices) of more than 20% during a fiscal quarter in the estimated discounted future net cash flows from proved oil and gas reserves of the Company and its Restricted Subsidiaries, calculated in accordance with clause (i) (a) of the definition of Adjusted Consolidated Net Tangible Assets; provided, however, that the following will be excluded from the calculation of Material Change; (i) any acquisitions during the quarter of oil and gas reserves that have been estimated by one or more nationally recognized firms of independent petroleum engineers and on which a report or reports exist and (ii) any disposition of properties existing at the beginning of such quarter that have been disposed of as provided in Section 4.10 hereof.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Net Income" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however, (i) any gain (but not loss), together with any related provision for taxes on such gain (but not loss), realized in connection with (a) any Asset Sale (including, without limitation, dispositions pursuant to sale and leaseback transactions) or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries and (ii) any extraordinary or nonrecurring gain (but not loss), together with any related provision for taxes on such extraordinary or nonrecurring gain (but not loss).

"Net Proceeds" means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale, but excluding cash amounts placed in escrow, until such amounts are released to the Company), net of the direct costs relating to such Asset Sale (including, without limitation, legal, accounting and investment banking fees and expenses, and sales commissions) and any relocation expenses incurred as a result thereof, taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements), amounts required to be applied to the repayment of Indebtedness (other than Indebtedness under any Credit Facility) secured by a Lien on the asset or assets that were the subject of such Asset Sale and any reserve for adjustment in respect of the sale price of such asset or assets

established in accordance with GAAP and any reserve established for future liabilities.

"Net Working Capital" means (i) all current assets of the Company and its Restricted Subsidiaries, minus (ii) all current liabilities of the Company and its Restricted Subsidiaries, except current liabilities included in Indebtedness, in each case as set forth in financial statements of the Company prepared in accordance with GAAP (excluding any adjustments made pursuant to the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 133).

"Non-Recourse Debt" means Indebtedness (i) as to which neither the Company nor any of its Restricted Subsidiaries (a) provides any guarantee or credit support of any kind (including any undertaking, guarantee, indemnity or agreement or instrument that would constitute Indebtedness) or (b) is directly or indirectly liable (as a guarantor or otherwise); (ii) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of the Company or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and (iii) the explicit terms of which provide that there is no recourse against any of the assets of the Company or its Restricted Subsidiaries.

"Non-U.S. Person" means a Person that is not a U.S. person, as defined in Regulation S.

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Offering" means the offering of the Notes by the Company.

"Officer" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary, the Assistant Secretary or any Vice-President of such Person.

"Officers' Certificate" means a certificate signed on behalf of the Company, by two Officers of the Company, one of whom must be the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of the Company, that meets the requirements of Section 12.05 hereof.

"Offshore Global Note" means a Global Note representing Notes issued and sold pursuant to Regulation S.

"Oil and Gas Business" means (i) the acquisition, exploration, development, operation and disposition of interests in oil, gas and other hydrocarbon properties, (ii) the gathering, marketing, distribution, treating, processing, storage, selling and transporting of any production from such interests or properties, (iii) any business relating to exploration for or development, production, treatment, processing, storage, transportation or marketing of oil, gas and other minerals and products produced in association therewith and (iv) any activity that is ancillary to or necessary or appropriate for the activities described in clauses (i) through (iii) of this definition.

"Oil and Gas Hedging Contracts" means any oil and gas purchase or hedging agreement, and other agreement or arrangement, in each case, that is designed to provide protection against oil and gas price fluctuations.

"Opinion of Counsel" means an opinion from legal counsel who is reasonably acceptable to the Trustee, that meets the requirements of Section 12.05 hereof. The counsel may be an employee of or counsel to the Company, any Subsidiary Guarantor or the Trustee.

"Original Notes" means the Initial Notes and any Exchange Notes issued in exchange therefor.

"pari passu Indebtedness" means indebtedness which ranks pari passu in right of payment to the Notes.

"Paying Agent" refers to a Person engaged to perform the obligations of the Trustee in respect of payments made or funds held hereunder in respect of the Notes.

"Permanent Offshore Global Note" means an Offshore Global Note that does not bear the Temporary Offshore Global Note Legend.

"Permitted Investments" means (a) any Investment in the Company or in a Wholly Owned Restricted Subsidiary of the Company; (b) any Investment in Cash Equivalents or securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof having maturities of not more than one year from the date of acquisition; (c) any Investment by the Company or any Restricted Subsidiary of the Company in a Person if, as a result of such Investment and any related transactions that at the time of such Investment are contractually mandated to occur, (i) such Person becomes a Wholly Owned Restricted Subsidiary of the Company or (ii) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, the Company or a Wholly Owned Restricted Subsidiary of the Company; (d) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 4.10 hereof; (e) other Investments in any Person or Persons having an aggregate fair market value

(measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (e) that are at the time outstanding not to exceed $10.0 million; (f) any Investment acquired by the Company in exchange for Equity Interests in the Company (other than Disqualified Stock); (g) shares of Capital Stock received in connection with any good faith settlement of a bankruptcy proceeding involving a trade creditor; (h) entry into operating agreements, joint ventures, partnership agreements, working interests, royalty interests, mineral leases, processing agreements, farm-out agreements, contracts for the sale, transportation or exchange of oil and natural gas, unitization agreements, pooling arrangements, area of mutual interest agreements, production sharing agreements or other similar or customary agreements, transactions, properties, interests or arrangements, and Investments and expenditures in connection therewith or pursuant thereto, in each case made or entered into the ordinary course of the Oil and Gas Business, excluding, however, Investments in corporations other than any Investment received pursuant to the Asset Sale provision and (i) the acquisition of any Equity Interests pursuant to a transaction of the type described in clause (6) of the exclusion from the definition of "Asset Sale".

"Permitted Liens" means (i) Liens securing Indebtedness of a Subsidiary or Liens securing Senior Debt, in each case, that is outstanding on the date of issuance of the Notes and Liens securing Senior Debt that are permitted by the terms of this Indenture to be incurred, (ii) Liens in favor of the Company, (iii) Liens on property or assets existing at the time of acquisition thereof by the Company or any Subsidiary of the Company and Liens on property or assets of a Subsidiary existing at the time it became a Subsidiary, provided, that such Liens were in existence prior to the contemplation of the acquisition and do not extend to any assets other than the acquired property, (iv) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance or other kinds of social security, or to secure the payment or performance of tenders, statutory or regulatory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business (including lessee or operator obligations under statutes, governmental regulations or instruments related to the ownership, exploration and production of oil, gas and minerals on state or federal lands or waters), (v) Liens existing on the date of this Indenture, (vi) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded, provided that any reserve or other appropriate provision as shall be required in conformity with GAAP shall have been made therefor, (vii) statutory liens of landlords, mechanics, suppliers, vendors, warehousemen, carriers or other like Liens arising in the ordinary course of business, (viii) judgment Liens not giving rise to an Event of Default so long as any appropriate legal proceeding that may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within

which such proceeding may be initiated shall not have expired, (ix) Liens on, or related to, properties or assets to secure all or part of the costs incurred in the ordinary course of the Oil and Gas Business for the exploration, drilling, development or operation thereof, (x) Liens in pipelines or pipeline facilities that arise under operation of law, (xi) Liens arising under operating agreements, joint venture agreements, partnership agreements, oil and gas leases, farm-out agreements, division orders, contracts for the sale, transportation or exchange of oil or natural gas, unitization and pooling declarations and agreements, area of mutual interest agreements and other agreements that are customary in the Oil and Gas Business, (xii) Liens reserved in oil and gas mineral leases for bonus and rental payments and for compliance with the terms of such leases, (xiii) Liens securing the Notes and (xiv) Liens not otherwise permitted by clauses (i) through (xiii) that are incurred in the ordinary course of business of the Company or any Subsidiary of the Company with respect to obligations that do not exceed $5.0 million at any one time outstanding.

"Permitted Refinancing Debt" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness (other than Indebtedness incurred under a Credit Facility) of the Company or any of its Restricted Subsidiaries; provided that: (i) the principal amount of such Permitted Refinancing Debt does not exceed the principal amount of the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded (plus the amount of reasonable expenses incurred in connection therewith); (ii) such Permitted Refinancing Debt has a final maturity date on or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; (iii) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the Notes, such Permitted Refinancing Debt has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Notes on terms at least as favorable taken as a whole to the Holders of the Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and (iv) such Indebtedness is incurred either by the Company or by the Restricted Subsidiary who is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Production Payments" means Dollar-Denominated Production Payments and Volumetric Production Payments, collectively.

"Registrar" means a Person engaged to maintain the Register.

"Registration Rights Agreement" means (i) the Registration Rights Agreement dated on or about the Closing Date between the Company and the Initial Purchasers party thereto with respect to the Initial Notes, and (ii) with respect to any Additional Notes, any registration rights agreements between the Company and the Initial Purchasers party thereto relating to rights given by the Company to the purchasers of Additional Notes to register such Additional Notes or exchange them for Notes registered under the Securities Act.

"Regulation S" means Regulation S under the Securities Act.

"Regulation S Certificate" means a certificate substantially in the form of Exhibit E hereto.

"Repurchase Offer" means an offer made by the Company to purchase all or any portion of a Holder's Notes pursuant to Section 4.10 or 4.13 hereof.

"Responsible Officer" when used with respect to the Trustee, means any officer within the Corporate Trust Department of the Trustee (or any successor group of the Trustee) or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Legend" means the legend set forth in Exhibit C.

"Restricted Period" means the relevant 40-day distribution compliance period as defined in Regulation S.

"Restricted Subsidiary" means any direct or indirect Subsidiary of the Company that is not an Unrestricted Subsidiary.

"Rule 144A" means Rule 144A under the Securities Act.

"Rule 144A Certificate" means (i) a certificate substantially in the form of Exhibit F hereto or (ii) a written certification addressed to the Company and the Trustee to the effect that the Person making such certification (x) is acquiring such Note (or beneficial interest) for its own account or one or more accounts with respect to which it exercises sole investment discretion and that it and each such account is a qualified institutional buyer within the meaning of Rule 144A, (y) is aware that the transfer to it or exchange, as applicable, is being made in reliance upon the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A, and (z) acknowledges that it has received such

information regarding the Company as it has requested pursuant to Rule 144A(d)(4) or has determined not to request such information.

"S&P" means Standard & Poor's Ratings Group and its successors.

"Securities Act" means the Securities Act of 1933, as amended.

"Shelf Registration Statement" means the Shelf Registration Statement as defined in a Registration Rights Agreement.

"Significant Subsidiary" means any Subsidiary that would be a "significant subsidiary" as defined in Article I, Rule 1.02 of Regulations S-X, promulgated pursuant to the Exchange Act, as such Regulation is in effect on the date hereof.

"Subordinated Indebtedness" means any Indebtedness of the Company or any Restricted Subsidiary (whether outstanding on the date of the issuance of the Notes or thereafter incurred) which is subordinate or junior in right of payment to the Notes pursuant to a written agreement.

"Subsidiary" means, with respect to any Person, (i) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person (or a combination thereof) and (ii) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are such Person or of one or more Subsidiaries of such Person (or any combination thereof).

"Subsidiary Guarantors" means each Restricted Subsidiary of the Company existing on the date hereof (such subsidiaries being Range Energy I, Inc., Range HoldCo, Inc., Range Production Company, Range Energy Ventures Corporation, Gulfstar Energy, Inc. and Range Energy Finance Corporation) and any other future Restricted Subsidiary of the Company and in each case their respective successors and assigns; provided that in no event shall any Subsidiary acquired by the Company after the date of this Indenture that is organized under the laws of a jurisdiction other than the United States or any State or other subdivision thereof (a "non-U.S. Subsidiary") be a Subsidiary Guarantor under this Indenture.

"Temporary Offshore Global Note" means an Offshore Global Note that bears the Temporary Offshore Global Note Legend.

"Temporary Offshore Global Note Legend" means the legend set forth in Exhibit H.

"TIA" means the Trust Indenture Act of 1939, as amended, as in effect on the date on which this Indenture is qualified under the TIA.

"Total Assets" means, with respect to any Person, the total consolidated assets of such Person and its Restricted Subsidiaries, as shown on the most recent balance sheet of such Person.

"Trustee" means the party named as such in the preamble to this Indenture until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"Unrestricted Subsidiary" means (i) any Subsidiary of the Company which at the time of determination shall be an Unrestricted Subsidiary (as designated by the Board of Directors of the Company, as provided below) and (ii) any Subsidiary of an Unrestricted Subsidiary. The Board of Directors of the Company may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger or consolidation or Investment therein) to be an Unrestricted Subsidiary only if: (a) such Subsidiary does not own any Capital Stock of, or own or hold any Lien on any property of, any other Subsidiary of the Company which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted, Subsidiary; (b) all the Indebtedness of such Subsidiary shall at the date of designation, and will at all times thereafter consist of, Non-Recourse Debt; (c) the Company certifies that such designation was permitted by Section 4.07; (d) such Subsidiary, either alone or in the aggregate with all other Unrestricted Subsidiaries, does not operate, directly or indirectly, all or substantially all of the business of the Company and its Subsidiaries; (e) such Subsidiary does not, directly or indirectly, own any Indebtedness of or Equity Interest in, and has no Investments in, the Company or any Restricted Subsidiary; (f) such Subsidiary is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (1) to subscribe for additional Equity Interests or (2) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and (g) on the date such Subsidiary is designated an Unrestricted Subsidiary, such Subsidiary is not a party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary with terms substantially less favorable to the Company than those that might have been obtained from Persons who are not Affiliates of the Company. Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a resolution of the Board of Directors of the Company giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions. If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any Indebtedness of such Subsidiary shall be deemed to be incurred as of such date. The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided

that (1) immediately after giving effect to such designation, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof and the Company could incur at least $1.00 of additional Indebtedness (excluding Permitted Indebtedness) pursuant to Section 4.09 on a pro forma basis taking into account such designation and (2) such Subsidiary executes a Guarantee pursuant to Section 11.04 of this Indenture.

"U.S. Global Note" means a Global Note that bears the Restricted Legend representing Notes issued and sold pursuant to Rule 144A.

"Volumetric Production Payments" means production payment obligations recorded as deferred revenue in accordance with GAAP, together with all undertakings and obligations in connection therewith.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment, by (ii) the then outstanding principal amount of such Indebtedness.

"Wholly Owned Restricted Subsidiary" means, with respect to any Person, a Restricted Subsidiary of such Person, all of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) are owned, directly or indirectly, by such Person or by one or more Wholly Owned Restricted Subsidiaries of such Person.

Section 1.02. Other Definitions.

Term	Defined in Section
"Affiliate Transaction"	4.11
"Asset Sale Offer"	3.09
"Bankruptcy Law"	10.02
"Change of Control Offer"	4.13
"Change of Control Payment"	4.13
"Change of Control Payment Date"	4.13
"Covenant Defeasance"	8.03
"Custodian"	6.01
"Event of Default"	6.01
"Excess Proceeds"	4.10
"incur"	4.09
"Legal Defeasance"	8.02
"Notice of Default"	6.01
"Offer Amount"	3.09

Term	Defined in Section
"Offer Period"	3.09
"Payment Blockage Notice"	10.04
"Payment Default"	6.01
"Permitted Indebtedness"	4.09
"Purchase Date"	3.09
"Register"	2.09
"Representative"	10.02
"Restricted Payments"	4.07
"Senior Debt"	10.02

Section 1.03. Incorporation by Reference of Trust Indenture Act.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture.

The following TIA terms used in this Indenture have the following meanings:

"indenture securities" means the Notes;

"indenture to be qualified" means this Indenture;

"indenture trustee" or "institutional trustee" means the Trustee;

"obligor" with respect to the Notes means the Company and with respect to the Guarantees means the Subsidiary Guarantors and any successor obligor upon the Notes and the Guarantees, respectively.

All other terms used in this indenture that are defined by the TIA, defined by TIA reference to another statute or defined by rule enacted by the Commission under the TIA have the meanings so assigned to them.

Section 1.04. Rules of Construction.

Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) words in the singular include the plural, and in the plural include the singular;

(5) provisions apply to successive events and transactions; and

(6) references to sections of or rules under the Securities Act shall be deemed to include substitute, replacement of successor sections or rules adopted by the Commission from time to time.

ARTICLE 2
THE NOTES

Section 2.01. Form, Dating and Denominations 144A, Reg S; Legends 144A, Reg S. The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A hereto, the terms of which are incorporated herein and made part of this Indenture. The Guarantees of the Subsidiary Guarantors shall be substantially in the form of Exhibit C hereto, the terms of which are incorporated in and made part of this indenture. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note shall be dated the date of its issuance and shall show the date of its authentication. The Notes will be fully registered as to principal and interest in minimum denominations of $1,000 and integral multiples of $1,000 in excess thereof.

(b) (1) Except as otherwise provided in paragraph (c), Section 2.10(b)(3), (b)(5), or (c) or Section 2.09(b)(4), each Initial Note or Initial Additional Note (other than a Permanent Offshore Global Note) will bear the Restricted Legend.

(2) Each Global Note, whether or not an Initial Note or Additional Note, will bear the DTC Legend.

(3) Each Temporary Offshore Global Note will bear the Temporary Offshore Global Note Legend.

(4) Initial Notes and Initial Additional Notes offered and sold in reliance on Regulation S will be issued as provided in Section 2.11(a).

(5) Initial Notes and Initial Additional Notes offered and sold in reliance on any exception under the Securities Act other than Regulation S and Rule 144A will be issued, and upon the request of the Company to the Trustee, Initial Notes offered and sold in reliance on Rule 144A may be issued, in the form of Certificated Notes.

(6) Exchange Notes will be issued, subject to Section 2.09(b), in the form of one or more Global Notes.

(c) (1) If the Company determines (upon the advice of counsel and such other certifications and evidence as the Company may reasonably require) that a Note is eligible for resale pursuant to Rule 144(k) under the Securities Act (or a successor provision) and that the Restricted Legend is no longer necessary or

appropriate in order to ensure that subsequent transfers of the Note (or a beneficial interest therein) are effected in compliance with the Securities Act, or

(2) after an Initial Note or any Initial Additional Note is

(x) sold pursuant to an effective registration statement under the Securities Act, pursuant to the Registration Rights Agreement or otherwise, or (y) is validly tendered for exchange into an Exchange Note pursuant to an Exchange Offer

the Company may instruct the Trustee to cancel the Note and issue to the Holder thereof (or to its transferee) a new Note of like tenor and amount, registered in the name of the Holder thereof (or its transferee), that does not bear the Restricted Legend, and the Trustee will comply with such instruction.

(d) By its acceptance of any Note bearing the Restricted Legend (or any beneficial interest in such a Note), each Holder thereof and each owner of a beneficial interest therein acknowledges the restrictions on transfer of such Note (and any such beneficial interest) set forth in this Indenture and in the Restricted Legend and agrees that it will transfer such Note (and any such beneficial interest) only in accordance with the Indenture and such legend.

Section 2.02. Execution and Authentication; Exchange Notes; Additional Notes. (a) An Officer shall execute the Notes for the Company by facsimile or manual signature in the name and on behalf of the Company. If an Officer whose signature is on a Note no longer holds that office at the time the Note is authenticated, the Note will still be valid.

(b) A Note will not be valid until the Trustee manually signs the certificate of authentication on the Note, with the signature conclusive evidence that the Note has been authenticated under the Indenture.

(c) At any time and from time to time after the execution and delivery of the Indenture, the Company may deliver Notes executed by the Company to the Trustee for authentication. The Trustee will authenticate and deliver

(i) Initial Notes for original issue in the aggregate principal amount not to exceed $100,000,000,

(ii) Initial Additional Notes from time to time for original issue in aggregate principal amounts specified by the Company, and

(iii) Exchange Notes from time to time for issue in exchange for a like principal amount of Initial Notes or Initial Additional Notes

after the following conditions have been met:

(1) Receipt by the Trustee of an Officers' Certificate specifying

(A) the amount of Notes to be authenticated and the date on which the Notes are to be authenticated,

(B) whether the Notes are to be Initial Notes or Additional Notes or Exchange Notes,

(C) in the case of Initial Additional Notes, that the issuance of such Notes does not contravene any provision of Article 4,

(D) whether the Notes are to be issued as one or more Global Notes or Certificated Notes, and

(E) other information the Company may determine to include or the Trustee may reasonably request.

(2) In the case of Initial Additional Notes, receipt by the Trustee of an Opinion of Counsel confirming that the Holders of the outstanding Notes will be subject to federal income tax in the same amounts, in the same manner and at the same times as would have been the case if such Additional Notes were not issued.

(3) In the case of Exchange Notes, effectiveness of an Exchange Offer Registration Statement and consummation of the exchange offer thereunder (and receipt by the Trustee of an Officers' Certificate to that effect). Initial Notes or Initial Additional Notes exchanged for Exchange Notes will be cancelled by the Trustee.

Section 2.03. Registrar, Paying Agent and Authenticating Agent; Paying Agent to Hold Money in Trust. Error! Bookmark not defined. The Company may appoint one or more Registrars and one or more Paying Agents, and the Trustee may appoint an Authenticating Agent, in which case each reference in the Indenture to the Trustee in respect of the obligations of the Trustee to be performed by that Agent will be deemed to be references to the Agent. The Company may act as Registrar or (except for purposes of Article 8) Paying Agent. In each case the Company and the Trustee will enter into an appropriate agreement with the Agent implementing the provisions of the Indenture relating to the obligations of the Trustee to be performed by the Agent and the related rights. The Company initially appoints the Trustee as Registrar and Paying Agent.

(b) The Company will require each Paying Agent other than the Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of the Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium, if any, or of interest on the Notes and will promptly notify the Trustee of any default by the Company in making any such payment. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee and account for any funds disbursed, and the Trustee may at any time

during the continuance of any payment default, upon written request to a Paying Agent, require the Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed. Upon doing so, the Paying Agent will have no further liability for the money so paid over to the Trustee.

Section 2.04. Replacement Notes. If a mutilated Note is surrendered to the Trustee or if a Holder claims that its Note has been lost, destroyed or wrongfully taken, the Company will issue and the Trustee will authenticate a replacement Note of like tenor and principal amount and bearing a number not contemporaneously outstanding. Every replacement Note is an additional obligation of the Company and entitled to the benefits of the Indenture. If required by the Trustee or the Company, an indemnity must be furnished that is sufficient in the judgment of both the Trustee and the Company to protect the Company and the Trustee from any loss they may suffer if a Note is replaced. The Company may charge the Holder for the expenses of the Company and the Trustee in replacing a Note. In case the mutilated, lost, destroyed or wrongfully taken Note has become or is about to become due and payable, the Company in its discretion may pay the Note instead of issuing a replacement Note.

Section 2.05. Outstanding Notes. (a) Notes outstanding at any time are all Notes that have been authenticated by the Trustee except for

(1) Notes cancelled by the Trustee or delivered to it for cancellation;

(2) any Note which has been replaced pursuant to Section 2.04 unless and until the Trustee and the Company receive proof satisfactory to them that the replaced Note is held by a bona fide purchaser; and

(3) on or after the maturity date or any redemption date or date for repurchase of the Notes pursuant to an Asset Sale Offer or a Change of Control Offer, those Notes payable or to be redeemed or repurchased on that date for which the Trustee (or Paying Agent, other than the Company or an Affiliate of the Company) holds money sufficient to pay all amounts then due.

(b) A Note does not cease to be outstanding because the Company or one of its Affiliates holds the Note, provided that in determining whether the Holders of the requisite principal amount of the outstanding Notes have given or taken any request, demand, authorization, direction, notice, consent, waiver or other action hereunder, Notes owned by the Company or any Affiliate of the Company will be disregarded and deemed not to be outstanding, (it being understood that in determining whether the Trustee is protected in relying upon any such request, demand, authorization, direction, notice, consent, waiver or other action, only Notes which the Trustee knows to be so owned will be so disregarded). Notes so owned which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee

the pledgee's right so to act with respect to such Notes and that the pledgee is not the Company or any Affiliate of the Company.

Section 2.06. Temporary Notes. Until definitive Notes are ready for delivery, the Company may prepare and the Trustee will authenticate temporary Notes. Temporary Notes will be substantially in the form of definitive Notes but may have insertions, substitutions, omissions and other variations determined to be appropriate by the Officer executing the temporary Notes, as evidenced by the execution of the temporary Notes. If temporary Notes are issued, the Company will cause definitive Notes to be prepared without unreasonable delay. After the preparation of definitive Notes, the temporary Notes will be exchangeable for definitive Notes upon surrender of the temporary Notes at the office or agency of the Company designated for the purpose pursuant to Section 4.02, without charge to the Holder. Upon surrender for cancellation of any temporary Notes the Company will execute and the Trustee will authenticate and deliver in exchange therefor a like principal amount of definitive Notes of authorized denominations. Until so exchanged, the temporary Notes will be entitled to the same benefits under the Indenture as definitive Notes.

Section 2.07. Cancellation. The Company at any time may deliver to the Trustee for cancellation any Notes previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and may deliver to the Trustee for cancellation any Notes previously authenticated hereunder which the Company has not issued and sold. Any Registrar or the Paying Agent will forward to the Trustee any Notes surrendered to it for transfer, exchange or payment. The Trustee will cancel all Notes surrendered for transfer, exchange, payment or cancellation and dispose of them in accordance with its normal procedures or the written instructions of the Company. The Company may not issue new Notes to replace Notes it has paid in full or delivered to the Trustee for cancellation.

Section 2.08. CUSIP and CINS Numbers. The Company in issuing the Notes may use "CUSIP" and "CINS" numbers, and the Trustee will use CUSIP numbers or CINS numbers in notices of redemption or exchange or in Offers to Purchase as a convenience to Holders, the notice to state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of redemption or exchange. The Company will promptly notify the Trustee of any change in the CUSIP or CINS numbers.

Section 2.09. Registration, Transfer and Exchange. Error! Bookmark not defined. The Notes will be issued in registered form only, without coupons, and the Company shall cause the Trustee to maintain a register (the "Register") of the Notes, for registering the record ownership of the Notes by the Holders and transfers and exchanges of the Notes.

(b) (1) Each Global Note will be registered in the name of the Depositary or its nominee and, so long as DTC is serving as the Depositary thereof, will bear the DTC Legend.

(2) Each Global Note will be delivered to the Trustee as custodian for the Depositary. Transfers of a Global Note (but not a beneficial interest therein) will be limited to transfers thereof in whole, but not in part, to the Depositary, its successors or their respective nominees, except (1) as set forth in Section 2.09(b)(4) and (2) transfers of portions thereof in the form of Certificated Notes may be made upon request of an Agent Member (for itself or on behalf of a beneficial owner) by written notice given to the Trustee by or on behalf of the Depositary in accordance with customary procedures of the Depositary and in compliance with this Section and Section 2.10.

(3) Agent Members will have no rights under the Indenture with respect to any Global Note held on their behalf by the Depositary, and the Depositary may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner and Holder of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, the Depositary or its nominee may grant proxies and otherwise authorize any Person (including any Agent Member and any Person that holds a beneficial interest in a Global Note through an Agent Member) to take any action which a Holder is entitled to take under the Indenture or the Notes, and nothing herein will impair, as between the Depositary and its Agent Members, the operation of customary practices governing the exercise of the rights of a holder of any security.

(4) If (x) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for a Global Note and a successor depositary is not appointed by the Company within 90 days of the notice or (y) an Event of Default has occurred and is continuing and the Trustee has received a request from the Depositary, the Trustee will promptly exchange each beneficial interest in the Global Note for one or more Certificated Notes in authorized denominations having an equal aggregate principal amount registered in the name of the owner of such beneficial interest, as identified to the Trustee by the Depositary, and thereupon the Global Note will be deemed canceled. If such Note does not bear the Restricted Legend, then the Certificated Notes issued in exchange therefor will not bear the Restricted Legend. If such Note bears the Restricted Legend, then the Certificated Notes issued in exchange therefor will bear the Restricted Legend, provided that any Holder of any such Certificated Note issued in exchange for a beneficial interest in a Temporary Offshore Global Note will have the right upon presentation to the Trustee of a duly completed Certificate of Beneficial Ownership after the Restricted Period to exchange such Certificated Note for a Certificated

Note of like tenor and amount that does not bear the Restricted Legend, registered in the name of such Holder.

(c) Each Certificated Note will be registered in the name of the holder thereof or its nominee.

(d) A Holder may transfer a Note (or a beneficial interest therein) to another Person or exchange a Note (or a beneficial interest therein) for another Note or Notes of any authorized denomination by presenting to the Trustee a written request therefor stating the name of the proposed transferee or requesting such an exchange, accompanied by any certification, opinion or other document required by Section 2.10. The Trustee will promptly register any transfer or exchange that meets the requirements of this Section by noting the same in the register maintained by the Trustee for the purpose; provided that

(x) no transfer or exchange will be effective until it is registered in such register and

(y) the Trustee will not be required (i) to issue, register the transfer of or exchange any Note for a period of 15 days before a selection of Notes to be redeemed or repurchased, (ii) to register the transfer of or exchange any Note so selected for redemption or repurchase in whole or in part, except, in the case of a partial redemption or repurchase, that portion of any Note not being redeemed or repurchased, or (iii) if a redemption or a repurchase is to occur after a regular record date but on or before the corresponding related interest payment date, to register the transfer of or exchange any Note on or after the regular record date and before the date of redemption or repurchase. Prior to the registration of any transfer, the Company, the Trustee and their agents will treat the Person in whose name the Note is registered as the owner and Holder thereof for all purposes (whether or not the Note is overdue), and will not be affected by notice to the contrary.

From time to time the Company will execute and the Trustee will authenticate additional Notes as necessary in order to permit the registration of a transfer or exchange in accordance with this Section.

No service charge will be imposed in connection with any transfer or exchange of any Note, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than a transfer tax or other similar governmental charge payable upon exchange pursuant to subsection (b)(4)).

(e) (1) Global Note to Global Note. If a beneficial interest in a Global Note is transferred or exchanged for a beneficial interest in another Global Note, the Trustee will (x) record a decrease in the principal amount of the Global Note being transferred or exchanged equal to the principal amount of such

transfer or exchange and (y) record a like increase in the principal amount of the other Global Note. Any beneficial interest in one Global Note that is transferred to a Person who takes delivery in the form of an interest in another Global Note, or exchanged for an interest in another Global Note, will, upon transfer or exchange, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer and exchange restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

(2) Global Note to Certificated Note. If a beneficial interest in a Global Note is transferred or exchanged for a Certificated Note, the Trustee will (x) record a decrease in the principal amount of such Global Note equal to the principal amount of such transfer or exchange and (y) deliver one or more new Certificated Notes in authorized denominations having an equal aggregate principal amount to the transferee (in the case of a transfer) or the owner of such beneficial interest (in the case of an exchange), registered in the name of such transferee or owner, as applicable.

(3) Certificated Note to Global Note. If a Certificated Note is transferred or exchanged for a beneficial interest in a Global Note, the Trustee will (x) cancel such Certificated Note, (y) record an increase in the principal amount of such Global Note equal to the principal amount of such transfer or exchange and (z) in the event that such transfer or exchange involves less than the entire principal amount of the canceled Certificated Note, deliver to the Holder thereof one or more new Certificated Notes in authorized denominations having an aggregate principal amount equal to the untransferred or unexchanged portion of the canceled Certificated Note, registered in the name of the Holder thereof.

(4) Certificated Note to Certificated Note. If a Certificated Note is transferred or exchanged for another Certificated Note, the Trustee will (x) cancel the Certificated Note being transferred or exchanged, (y) deliver one or more new Certificated Notes in authorized denominations having an aggregate principal amount equal to the principal amount of such transfer or exchange to the transferee (in the case of a transfer) or the Holder of the canceled Certificated Note (in the case of an exchange), registered in the name of such transferee or Holder, as applicable, and (z) if such transfer or exchange involves less than the entire principal amount of the canceled Certificated Note, deliver to the Holder thereof one or more Certificated Notes in authorized denominations having an aggregate principal amount equal to the untransferred or unexchanged portion of the canceled Certificated Note, registered in the name of the Holder thereof.

Section 2.10. Restrictions on Transfer and Exchange. (a) The transfer or exchange of any Note (or a beneficial interest therein) may only be made in accordance with this Section and Section 2.09 and, in the case of a Global Note

(or a beneficial interest therein), the applicable rules and procedures of the Depositary. The Trustee shall refuse to register any requested transfer or exchange that does not comply with the preceding sentence.

(b) Subject to paragraph (c), the transfer or exchange of any Note (or a beneficial interest therein) of the type set forth in column A below for a Note (or a beneficial interest therein) of the type set forth opposite in column B below may only be made in compliance with the certification requirements (if any) described in the clause of this paragraph set forth opposite in column C below.

A	B	C
U.S. Global Note	U.S. Global Note	(1)
U.S. Global Note	Offshore Global Note	(2)
U.S. Global Note	Certificated Note	(3)
Offshore Global Note	U.S. Global Note	(4)
Offshore Global Note	Offshore Global Note	(1)
Offshore Global Note	Certificated Note	(5)
Certificated Note	U.S. Global Note	(4)
Certificated Note	Offshore Global Note	(2)
Certificated Note	Certificated Note	(3)

(1) No certification is required.

(2) The Person requesting the transfer or exchange must deliver or cause to be delivered to the Trustee a duly completed Regulation S Certificate; provided that if the requested transfer or exchange is made by the Holder of a Certificated Note that does not bear the Restricted Legend, then no certification is required.

(3) The Person requesting the transfer or exchange must deliver or cause to be delivered to the Trustee (x) a duly completed Rule 144A Certificate or (y) a duly completed Regulation S Certificate, and/or an Opinion of Counsel and such other certifications and evidence as the Company may reasonably require in order to determine that the proposed transfer or exchange is being made in compliance with the Securities Act and any applicable securities laws of any state of the United States; provided that if the requested transfer or exchange is made by the Holder of a Certificated Note that does not bear the Restricted Legend, then no certification is required. In the event that (i) the requested transfer or exchange takes place after the Restricted Period and a duly completed Regulation S Certificate is delivered to the Trustee or (ii) a Certificated Note that does not bear the Restricted Legend is surrendered for transfer or exchange, upon transfer or exchange the Trustee will deliver a Certificated Note that does not bear the Restricted Legend.

(4) The Person requesting the transfer or exchange must deliver or cause to be delivered to the Trustee a duly completed Rule 144A Certificate.

(5) Notwithstanding anything to the contrary contained herein, no such exchange is permitted if the requested exchange involves a beneficial interest in a Temporary Offshore Global Note. If the requested transfer involves a beneficial interest in a Temporary Offshore Global Note, the Person requesting the transfer must deliver or cause to be delivered to the Trustee a duly completed Rule 144A Certificate and/or an Opinion of Counsel and such other certifications and evidence as the Company may reasonably require in order to determine that the proposed transfer is being made in compliance with the Securities Act and any applicable securities laws of any state of the United States. If the requested transfer or exchange involves a beneficial interest in a Permanent Offshore Global Note, no certification is required and the Trustee will deliver a Certificated Note that does not bear the Restricted Legend.

(c) No certification is required in connection with any transfer or exchange of any Note (or a beneficial interest therein)

(1) after such Note is eligible for resale pursuant to Rule 144(k) under the Securities Act (or a successor provision); provided that the Company has provided the Trustee with an Officer's Certificate to that effect, and the Company may require from any Person requesting a transfer or exchange in reliance upon this clause (1) an opinion of counsel and any other reasonable certifications and evidence in order to support such certificate; or

(2)(x) sold pursuant to an effective registration statement or (y) which is validly tendered for exchange into an Exchange Note pursuant to an Exchange Offer.

Any Certificated Note delivered in reliance upon this paragraph will not bear the Restricted Legend.

(d) The Trustee will retain copies of all certificates, opinions and other documents received in connection with the transfer or exchange of a Note (or a beneficial interest therein), and the Company will have the right to inspect and make copies thereof at any reasonable time upon written notice to the Trustee.

Section 2.11. Regulation S Temporary Offshore Global Notes. (a) Each Note originally sold by the Initial Purchasers in reliance upon Regulation S will be evidenced by one or more Offshore Global Notes that bear the Temporary Offshore Global Note Legend.

(b) An owner of a beneficial interest in a Temporary Offshore Global Note (or a Person acting on behalf of such an owner) may provide to the Trustee (and the Trustee will accept) a duly completed Certificate of Beneficial Ownership at any time after the Restricted Period (it being understood that the Trustee will not accept any such certificate during the Restricted Period). Promptly after acceptance of a Certificate of Beneficial Ownership with respect to such a beneficial interest, the Trustee will cause such beneficial interest to be exchanged for an equivalent beneficial interest in a Permanent Offshore Global Note, and will (x) permanently reduce the principal amount of such Temporary Offshore Global Note by the amount of such beneficial interest and (y) increase the principal amount of such Permanent Offshore Global Note by the amount of such beneficial interest.

(c) Notwithstanding paragraph (b), if after the Restricted Period any Initial Purchaser owns a beneficial interest in a Temporary Offshore Global Note, such Initial Purchaser may, upon written request to the Trustee accompanied by a certification as to its status as an Initial Purchaser, exchange such beneficial interest for an equivalent beneficial interest in a Permanent Offshore Global Note, and the Trustee will comply with such request and will (x) permanently reduce the principal amount of such Temporary Offshore Global Note by the amount of such beneficial interest and (y) increase the principal amount of such Permanent Offshore Global Note by the amount of such beneficial interest.

(d) Notwithstanding anything to the contrary contained herein, no owner of a beneficial interest in a Temporary Offshore Global Note shall be entitled to receive payment of principal or interest on such beneficial interest or other amounts in respect of such beneficial interest until such beneficial interest is exchanged for an interest in a Permanent Offshore Global Note or transferred for an interest in another Global Note or a Certificated Note.

Section 2.12. Defaulted Interest. If the Company defaults in a payment of interest on the Notes, it shall pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Company shall notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Company shall fix or cause to be fixed each such special record date and payment date, provided that no such special record date shall be less than 10 days prior to the related payment date for such defaulted interest. At least 15 days before the special record date, the Company (or, upon the written request of the Company, the Trustee in the name and at the expense of the Company) shall mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

ARTICLE 3
REDEMPTION AND PREPAYMENT

Section 3.01. Notices to Trustee.

If the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07 hereof, then it shall furnish to the Trustee, at least 30 days but not more than 60 days before a redemption date, an Officers' Certificate setting forth (i) the paragraph of the Notes and/or Section of this Indenture pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the principal amount of Notes to be redeemed and (iv) the redemption price.

Section 3.02. Selection of Notes to be Redeemed.

If less than all of the Notes are to be redeemed at any time, selection of Notes for redemption shall be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed, or, if the Notes are not so listed, on a pro rata basis, by lot or by such other method as the Trustee shall deem fair and appropriate (and in such manner as complies with applicable legal requirements); provided that no Notes of $1,000 or less shall be redeemed in part. In the event of partial redemption by lot, the particular Notes to be redeemed shall be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption date by the Trustee from the outstanding Notes not previously called for redemption.

The Trustee shall promptly notify the Company in writing of the Notes selected for redemption and, in the case of any Note selected for partial redemption, the principal amount thereof to be redeemed. Notes and portions of Notes selected shall be in amounts of $1,000 or whole multiples of $1,000; except that if all of the Notes of a Holder are to be redeemed, the entire outstanding amount of Notes held by such Holder, even if not a multiple of $1,000, shall be redeemed. A new Note in principal amount equal to the unredeemed portion thereof shall be issued in the name of the Holder thereof upon cancellation of the original Note. On and after the redemption date, unless the Company defaults in payment of the redemption price, interest ceases to accrue on Notes or portions of them called for redemption. Except as provided in this Section 3.02, provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption.

The provisions of the two preceding paragraphs of this Section 3.02 shall not apply with respect to any redemption affecting only a Global Note, whether such Global Note is to be redeemed in whole or in part. In case of any such redemption in part, the unredeemed portion of the principal amount of the Global Note shall be in an authorized denomination.

Section 3.03. Notice of Redemption.

Subject to the provisions of Section 3.09 hereof, at least 30 days but not more than 60 days before a redemption date, the Company shall mail or cause to be mailed, by first class mail, a notice of redemption to each Holder of Notes to be redeemed at such Holder's registered address, provided, however, that the Company shall provide notice to the Trustee pursuant to Section 3.01 hereof at least threedays (or such shorter period as shall be satisfactory to the Trustee) prior to the mailing of the notice pursuant to this Section 3.03.

The notice shall identify the Notes to be redeemed and shall state:

(a) the redemption date;

(b) the redemption price;

(c) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Notes or Notes in principal amount equal to the unredeemed portion shall be issued upon cancellation of the original Note;

(d) the name and address of the Paying Agent;

(e) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(f) that, unless the Company defaults in making such redemption payment, interest on Notes called for redemption cease to accrue on and after the redemption date;

(g) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed; and

(h) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

If any of the Notes to be redeemed is in the form of a Global Note, then such notice shall be modified in form but not substance to the extent appropriate to accord with the procedures of the Depositary applicable to redemptions.

At the Company's request and expense, the Trustee shall give the notice of redemption in the Company's name; provided, however, that the Company shall have delivered to the Trustee, at least 35 days (or such shorter period as shall be satisfactory to the Trustee) prior to the redemption date, an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Section 3.04. Effect of Notice of Redemption.

Once notice of redemption is mailed in accordance with Section 3.03 hereof, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price. A notice of redemption may not be conditional.

Section 3.05. Deposit of Redemption Price.

On or prior to the redemption date, the Company shall deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption price of and accrued interest on all Notes to be redeemed on that date. The Trustee or the Paying Agent shall promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption price of and accrued interest on, all Notes to be redeemed.

If the Company complies with the provisions of the preceding paragraph, on and after the redemption date, interest shall cease to accrue on the Notes or the portions of Notes called for redemption. If a Note is redeemed on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption shall not be so paid upon surrender for redemption because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

Section 3.06. Notes Redeemed in Part.

Upon surrender of a Note that is redeemed in part, the Company shall issue and, upon the receipt of a written authentication order of the Company signed by two Officers of the Company, the Trustee shall authenticate for the Holder at the expense of the Company a new Note equal in principal amount to the unredeemed portion of the Note surrendered.

Section 3.07. Optional Redemption.

(a) Except as set forth in clause (b) of this Section 3.07, the Company shall not have the option to redeem the Notes pursuant to this Section 3.07 prior to July 15, 2008. From and after July 15, 2008, the Company shall have the option to redeem the Notes, in whole or in part, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon to the applicable redemption date, if redeemed during the twelve-month period beginning on July 15 of each of the years indicated below:

Year	Percentage of Principal Amount
2008	103.688%
2009	102.458%
2010	101.229%
2011 and thereafter	100.000%

(b) Notwithstanding the provisions of clause (a) of this Section 3.07, at any time prior to July 15, 2006, the Company may, at its option, on any one or more occasions, redeem up to 35% of the original aggregate principal amount of Notes at a redemption price equal to 107.375% of the principal amount thereof, plus accrued and unpaid interest, if any, thereon to the redemption date with all or a portion of the net proceeds of sales of public Equity Interests of the Company; provided, that at least 65% of the original aggregate principal amount of Notes remains outstanding immediately after the occurrence of such redemption; and provided, further, that any such redemption shall occur within 60 days after the date of the closing of the related sale of such Equity Interests.

(c) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

Section 3.08. Mandatory Redemption.

Except as set forth under Sections 4.10 and 4.13 hereof, the Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

Section 3.09. Offer to Purchase by Application of Excess Proceeds.

In the event that, pursuant to Section 4.10 hereof, the Company shall be required to commence an offer to all Holders of Notes and, to the extent required by the terms thereof, to all holders or lenders of other pari passu Indebtedness, to repurchase Notes and any such pari passu Indebtedness (an "Asset Sale Offer"), it shall follow the procedures specified below.

The Asset Sale Offer shall remain open for a period of 20 Business Days following its commencement and no longer, except to the extent that a longer period is required by applicable law (the "Offer Period"). No later than five Business Days after the termination of the Offer Period (the "Purchase Date"), the Company shall purchase the principal amount of Notes required to be purchased pursuant to Section 4.10 hereof, giving effect to any related offer for pari passu Indebtedness pursuant to Section 4.10, (the "Offer Amount") or, if less than the Offer Amount has been tendered, all Notes tendered in response to the Asset Sale Offer. Payment for any Notes so purchased shall be made in the same manner as interest payments are made.

If the Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest shall be paid to the Person in whose name a Note is registered at the close of business on such record date, and no Liquidated Damages shall be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

Upon the commencement of an Asset Sale Offer, the Company shall send, by first class mail, a notice to the Trustee and each of the Holders. The notice shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The Asset Sale Offer shall be made to all Holders. The notice, which shall govern the terms of the Asset Sale Offer, shall state:

(a) that the Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.10 hereof and the length of time the Asset Sale Offer shall remain open;

(b) the Offer Amount, the purchase price and the Purchase Date;

(c) that any Note not tendered or accepted for payment shall continue to accrue interest;

(d) that, unless the Company defaults in making such payment, any Note accepted for payment pursuant to the Asset Sale Offer shall cease to accrue interest after the Purchase Date;

(e) that Holders electing to have a Note purchased pursuant to an Asset Sale Offer may only elect to have all of such Note purchased and may not elect to have only a portion of such Note purchased;

(f) that Holders electing to have a Note purchased pursuant to any Asset Sale Offer shall be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, or transfer by book-entry transfer, to the Company, the Depositary, if appointed by the Company, or a Paying Agent at the address specified in the notice at least three Business Days before the Purchase Date;

(g) that Holders shall be entitled to withdraw their election if the Company, the Depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;

(h) that, if the aggregate principal amount of Notes surrendered by Holders exceeds the Offer Amount, the Company shall select the Notes to be purchased on a pro rata basis (with such adjustments as may be deemed

appropriate by the Company so that only Notes in denominations of $1,000, or integral multiples thereof, shall be purchased) in the manner provided in Section 4.10; and

(i) that Holders whose Notes were purchased only in part shall be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer).

If any of the Notes subject to an Asset Sale Offer is in the form of a Global Note, then such notice may be modified in form but not substance to the extent appropriate to accord with the procedures of the Depositary applicable to repurchases.

On or before the Purchase Date, the Company shall, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Offer Amount of Notes or portions thereof tendered pursuant to the Asset Sale Offer, or if less than the Offer Amount has been tendered, all Notes tendered, and shall deliver to the Trustee an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 3.09. The Company, the Depositary or the Paying Agent, as the case may be, shall promptly (but in any case not later than five days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Company for purchase, and the Company shall promptly issue a new Note, and the Trustee, upon receipt of a written authentication order of the Company signed by two Officers of the Company shall authenticate and mail or deliver such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered. Any Note not so accepted shall be promptly mailed or delivered by the Company to the Holder thereof. The Company shall publicly announce the results of the Asset Sale Offer on the Purchase Date.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

ARTICLE 4
COVENANTS

Section 4.01. Payment of Notes.

The Company shall pay or cause to be paid the principal of, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest shall be considered paid on the date due if the Paying Agent, if other than the Company or a Subsidiary thereof, holds as of 10:00 a.m. Eastern Time on the due date money deposited by the

Company in immediately available funds and designated for and sufficient to pay all such amounts then due.

The Company shall pay interest (including post-petition interest in any proceeding under the Bankruptcy Code) on overdue principal at the rate equal to 1% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; it shall pay interest (including post-petition interest in any proceeding under the Bankruptcy Code) on overdue installments of interest (without regard to any applicable grace period) at the same rate to the extent lawful.

Section 4.02. Maintenance of Office or Agency.

The Company shall maintain in the Borough of Manhattan, the City of New York, an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-registrar) where principal, premium, if any, and interest on the Notes will be paid and where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, the City of New York for such purposes. The Company shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

Section 4.03. Reports.

Notwithstanding that the Company may not be required to remain subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, to the extent permitted by the Exchange Act, the Company shall file with the Commission and provide, within 15 days after such filing, the Trustee and Holders and prospective Holders (upon request) with the annual reports and the information, documents and other reports that are specified in Sections 13 and 15(d) of the Exchange Act (but without exhibits in the case of the Holders and prospective Holders). In the event that the Company is not permitted to file such reports, documents and information with the Commission, the Company will provide substantially similar information to the Trustees, the Holders and prospective Holders (upon request) as if the Company were subject to the

reporting requirements of Section 13 or 15(d) of the Exchange Act. The Company shall at all times comply with TIA Section 314 (a).

Section 4.04. Compliance Certificate.

(a) The Company shall deliver to the Trustee, within 90 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Company and its Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of, premium, if any, or interest on the Notes is prohibited or if such event has occurred, a description of the event and what action the Company is taking or proposes to take with respect thereto. As of the date hereof, the Company's fiscal year ends on December 31 of each calendar year. In the event the Company changes its fiscal year, it shall promptly notify the Trustee of such change.

(b) So long as not contrary to the then current recommendations of the American Institute of Certified Public Accountants, the fiscal year-end financial statements delivered pursuant to Section 4.03(a) above shall be accompanied by a written statement of the Company's independent public accountants (who shall be a firm of established national reputation) that in making the examination necessary for certification of such financial statements, nothing has come to their attention that would lead them to believe that the Company has violated any provisions of Article 4 or Article 5 hereof or, if any such violation has occurred, specifying the nature and period of existence thereof, it being understood that such accountants shall not be liable directly or indirectly to any Person for any failure to obtain knowledge of any such violation.

(c) The Company shall, so long as any of the Notes are outstanding, deliver to the Trustee, within five Business Days of any Officer becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto.

Section 4.05. Taxes.

The Company shall pay, and shall cause each of its Subsidiaries to pay, prior to delinquency all material taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders of the Notes.

Section 4.06. Stay, Extension and Usury Laws

Each of the Company and the Subsidiary Guarantors covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and each of the Company and the Subsidiary Guarantors (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07. Restricted Payments.

The Company shall not and shall not permit any of its Restricted Subsidiaries to, directly or indirectly: (i) declare or pay any dividend or make any other payment or distribution on account of the Company's Equity Interests (including, without limitation, any payment to holders of the Company's Equity Interests in connection with any merger or consolidation involving the Company) or to the direct or indirect holders of the Company's Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company); (ii) purchase, redeem or otherwise acquire or retire for value any Equity Interests of the Company or any direct or indirect parent or other Affiliate of the Company that is not a Wholly Owned Restricted Subsidiary of the Company; (iii) make any principal payment on, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is subordinated to the Notes, except at final maturity; or (iv) make any Restricted Investment (all such payments and other actions set forth in clauses (i) through (iv) above being collectively referred to as "Restricted Payments"), unless, at the time of and after giving effect to such Restricted Payment:

(a) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; and

(b) the Company would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to

incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of Section 4.09 hereof; and

(c) such Restricted Payment, together with the aggregate of all other Restricted Payments made by the Company and its Restricted Subsidiaries after the date of this Indenture (excluding Restricted Payments permitted by clauses (2), (3), (5), (6) and (7) of the next succeeding paragraph), is less than the sum of (i) 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period) from the beginning of the first fiscal quarter commencing after the date of this Indenture to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit), plus (ii) 100% of the aggregate net cash proceeds received by the Company from the issue and sale since the date of this Indenture of Equity Interests in the Company or of debt securities of the Company that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or convertible debt securities) sold to a Subsidiary of the Company and other than Disqualified Stock or debt securities that have been converted into Disqualified Stock), plus (iii) to the extent that any Restricted Investment that was made after the date of this Indenture is sold for cash or otherwise liquidated or repaid for cash, the lesser of (A) the net proceeds of such sale, liquidation or repayment and (B) the initial amount of such Restricted Investment; provided, however, that the foregoing provisions of this paragraph (c) will not prohibit Restricted Payments in an aggregate amount not to exceed $20 million.

The foregoing provisions shall not prohibit (1) the payment of any dividend within 60 days after the date of declaration thereof, if at said date of declaration such payment would have complied with the provisions of this Indenture; (2) the redemption, repurchase, retirement or other acquisition of any Equity Interests of the Company in exchange for, or out of the proceeds of, the substantially concurrent sale (other than to a Subsidiary of the Company) of other Equity Interests of the Company (other than any Disqualified Stock); provided that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement or other acquisition shall be excluded from clause (c) (ii) of the preceding paragraph; (3) the defeasance, redemption or repurchase of Subordinated Indebtedness with the net cash proceeds from an incurrence of subordinated Permitted Refinancing Debt or the substantially concurrent sale (other than to a Subsidiary of the Company) of Equity Interests of the Company (other than Disqualified Stock); provided that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement or other acquisition shall be excluded from clause (c) (ii) of the preceding paragraph; (4) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company or any Subsidiary of the Company held by any of the Company's (or any of its Subsidiaries') employees pursuant to any management equity subscription agreement or stock

option agreement in effect as of the date of this Indenture; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests shall not exceed $2.0 million in any twelve-month period; and provided further that no Default or Event of Default shall have occurred and be continuing immediately after such transaction; (5) repurchases of Equity Interests deemed to occur upon exercise of stock options if such Equity Interests represent a portion of the exercise price of such options; (6) cash payments made by the Company for the repurchase, redemption or other acquisition or retirement of the Company's 8 3/4% Senior Subordinated Notes due 2007; (7) cash payments made by the Company, not to exceed $25 million in the aggregate, for the repurchase, redemption or other acquisition or retirement of the Company's 6% Convertible Subordinated Debentures due 2007 and the 5 3/4% Trust Convertible Preferred Securities.

The amount of all Restricted Payments (other than cash) shall be the fair market value (as determined in good faith by a resolution of the Board of Directors of the Company set forth in an Officers' Certificate delivered to the Trustee, which determination shall be conclusive evidence of compliance with this provision) on the date of the Restricted Payment of the asset(s) proposed to be transferred by the Company or the applicable Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. Not later than five days after the date of making any Restricted Payment, the Company shall deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this Section 4.07 were computed.

In computing Consolidated Net Income for purposes of this Section 4.07, (i) the Company shall use audited financial statements for the portion of the relevant period for which audited financial statements are available on the date of determination and unaudited financial statements and other current financial data based on the books and records of the Company for the remaining portion of such period and (ii) the Company shall be permitted to rely in good faith on the financial statements and other financial data derived from the books and records of the Company that are available on the date of determination. If the Company makes a Restricted Payment which, at the time of the making of such Restricted Payment, would on the good faith determination of the Company be permitted under the requirements of this Indenture, such Restricted Payment shall be deemed to have been made in compliance with this Indenture notwithstanding any subsequent adjustments made in good faith to the Company's financial statements affecting Consolidated Net Income of the Company for any period.

The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if such designation would not cause a Default. For purposes of making such determination, all outstanding Investments by the Company and its Restricted Subsidiaries (except to the extent repaid in cash) in the Subsidiary so designated shall be deemed to be Restricted Payments at the time of such designation and shall reduce the amount available for Restricted

Payments under clause (c) of the first paragraph of this covenant. All such outstanding Investments shall be deemed to constitute Investments in an amount equal to the greater of the fair market value or the book value of such Investments at the time of such designation. Such designation shall only be permitted if such Restricted Payment would be permitted at such time and if such Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

Section 4.08. Dividend and Other Payment Restrictions Affecting Subsidiaries.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to (i) (x) pay dividends or make any other distributions to the Company or any of its Restricted Subsidiaries (1) on its Capital Stock or (2) with respect to any other interest or participation in, or measured by, its profits, or (y) pay any indebtedness owed by it to the Company or any of its Restricted Subsidiaries, (ii) make loans or advances to the Company or any of its Restricted Subsidiaries or (iii) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries, except for such encumbrances or restrictions existing under or by reason of (a) the Credit Agreement as in effect as of the date of this Indenture, and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof or any other Credit Facility, provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements, refinancings or any other Credit Facilities are no more restrictive taken as a whole with respect to such dividend and other payment restrictions than those contained in the Credit Agreement as in effect on the date of this Indenture, (b) this Indenture and the Notes, (c) applicable law, (d) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except, in the case of Indebtedness, to the extent such Indebtedness was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired, provided that, in the case of Indebtedness, such Indebtedness was permitted by the terms of this Indenture to be incurred, (e) by reason of customary non-assignment provisions in leases and customary provisions in other agreements that restrict assignment of such agreements or rights thereunder, entered into in the ordinary course of business and consistent with past practices, (f) purchase money obligations for property acquired in the ordinary course of business that impose restrictions of the nature described in clause (iii) above on the property so acquired or (g) Permitted Refinancing Debt, provided that the restrictions contained in the agreements governing such Permitted Refinancing Debt are no more restrictive than those contained in the agreements governing the Indebtedness being refinanced.

Section 4.09. Incurrence of Indebtedness and Issuance of Disqualified Stock.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "incur") any Indebtedness (including Acquired Debt) and the Company shall not issue any Disqualified Stock and shall not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; provided, however, that the Company may incur Indebtedness (including Acquired Debt) or issue shares of Disqualified Stock if:

(i) the Fixed Charge Coverage Ratio for the Company's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock is issued would have been at least 2.5 to 1, determined on a pro forma basis as set forth in the definition of Fixed Charge Coverage Ratio; and

(ii) no Default or Event of Default shall have occurred and be continuing at the time such additional Indebtedness is incurred or such Disqualified Stock is issued or would occur as a consequence of the incurrence of the additional Indebtedness or the issuance of the Disqualified Stock.

Notwithstanding the foregoing, this Indenture shall not prohibit any of the following (collectively, "Permitted Indebtedness"): (a) the Indebtedness evidenced by the Notes; (b) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness pursuant to Credit Facilities, so long as the aggregate principal amount of all Indebtedness outstanding under all Credit Facilities does not, at any one time, exceed the greater of (1) $225.0 million (or, if there is any permanent reduction in the aggregate principal amount permitted to be borrowed under the Credit Agreement, such lesser aggregate principal amount) and (2) an amount equal to the sum of (x) $50 million plus (y) 30% of Adjusted Consolidated Net Tangible Assets determined after the incurrence of such Indebtedness (including the application of the proceeds therefrom), (c) the guarantee by any Subsidiary Guarantor of any Indebtedness that is permitted by this Indenture to be incurred by the Company; (d) all Indebtedness of the Company and its Restricted Subsidiaries in existence as of the date of this Indenture; (e) intercompany Indebtedness between or among the Company and any of its Wholly Owned Restricted Subsidiaries; provided, however, that (1) if the Company is the obligor on such Indebtedness, such Indebtedness is expressly subordinate to the payment in full of all Obligations with respect to the Notes and (2) (A) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Wholly Owned Restricted Subsidiary and (B) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Wholly Owned

Restricted Subsidiary shall be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be; (f) Indebtedness in connection with one or more standby letters of credit, guarantees, performance bonds or other reimbursement obligations, in each case, issued in the ordinary course of business and not in connection with the borrowing of money or the obtaining of advances or credit (other than advances or credit on open account, includible in current liabilities, for goods and services in the ordinary course of business and on terms and conditions which are customary in the Oil and Gas Business, and other than the extension of credit represented by such letter of credit guarantee or performance bond itself), not to exceed in the aggregate at any given time 5.0% of Total Assets; (g) Indebtedness under Interest Rate Hedging Agreements entered into for the purpose of limiting interest rate risks, provided that the obligations under such agreements are related to payment obligations on Indebtedness otherwise permitted by the terms of this covenant and that the aggregate notional principal amount of such agreements does not exceed 105% of the principal amount of the Indebtedness to which such agreements relate; (h) Indebtedness under Oil and Gas Hedging Contracts, provided that such contracts were entered into in the ordinary course of business for the purpose of limiting risks that arise in the ordinary course of business of the Company and its Restricted Subsidiaries; (i) the incurrence by the Company of Indebtedness not otherwise permitted to be incurred pursuant to this paragraph, provided that the aggregate principal amount (or accreted value, as applicable) of all Indebtedness incurred pursuant to this clause (i), together with all Permitted Refinancing Debt incurred pursuant to clause (j) of this paragraph in respect of Indebtedness previously incurred pursuant to this clause (i), does not exceed $10.0 million at any one time outstanding; (j) Permitted Refinancing Debt incurred in exchange for, or the net proceeds of which are used to refinance, extend, renew, replace, defease or refund, Indebtedness that was permitted by this Indenture to be incurred (including Indebtedness previously incurred pursuant to this clause (j)); (k) accounts payable or other obligations of the Company or any Restricted Subsidiary to trade creditors created or assumed by the Company or such Restricted Subsidiary in the ordinary course of business in connection with the obtaining of goods or services; (l) Indebtedness consisting of obligations in respect of purchase price adjustments, guarantees or indemnities in connection with the acquisition or disposition of assets; and (m) production imbalances that do not, at any one time outstanding, exceed 2% of the Total Assets of the Company.

The Company shall not permit any of its Unrestricted Subsidiary to incur any Indebtedness other than Non-Recourse Debt; provided, however, if any such Indebtedness ceases to be Non-Recourse Debt, such event shall be deemed to constitute an incurrence of Indebtedness by the Company.

Section 4.10. Asset Sales.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, engage in an Asset Sale unless (i) the Company (or the Restricted

Subsidiary, as the case may be) receives consideration at the time of such Asset Sale at least equal to the fair market value (as determined in good faith by a resolution of the Board of Directors of the Company set forth in an Officer's Certificate delivered to the Trustee, which determination shall be conclusive evidence of compliance with this provision) of the assets or Equity Interests issued or sold or otherwise disposed of and (ii) at least 85% of the consideration therefor received by the Company or such Restricted Subsidiary in such Asset Sale, plus all other Asset Sales since the date of this Indenture, on a cumulative basis, is in the form of cash or Cash Equivalents; provided that the amount of any liabilities (as shown on the Company's or such Restricted Subsidiary's most recent balance sheet), of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any guarantee thereof) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company or such Restricted Subsidiary from further liability.

Within 360 days after the receipt of any Net Proceeds from an Asset Sale, the Company may apply such Net Proceeds, at its option: (a) to reduce Senior Debt, (b) to acquire controlling interests in another Oil and Gas Business, (c) to make capital expenditures in respect of the Company's or its Restricted Subsidiaries' Oil and Gas Business, (d) to purchase long-term assets that are used or useful in such Oil and Gas Business or (e) to repurchase any Notes. Pending the final application of any such Net Proceeds, the Company may temporarily reduce Senior Debt that is revolving debt or otherwise invest such Net Proceeds in any manner that is not prohibited by this Indenture. Any Net Proceeds from Asset Sales that are not applied as provided in the first sentence of this paragraph shall (after the expiration of the periods specified in this paragraph) be deemed to constitute "Excess Proceeds."

When the aggregate amount of Excess Proceeds exceeds $10.0 million, the Company shall make an Asset Sale Offer to purchase the maximum principal amount of Notes and any other pari passu Indebtedness to which the Asset Sale Offer applies that may be purchased out of the Excess Proceeds, at an offer price in cash in an amount equal to, in the case of the Notes, 100% of the principal amount thereof plus accrued and unpaid interest thereon to the date of purchase or, in the case of any other pari passu Indebtedness, 100% of the principal amount thereof (or with respect to discount pari passu Indebtedness, the accreted value thereof) on the date of purchase, in each case, in accordance with the procedures set forth in Section 3.09 hereof or the agreements governing pari passu Indebtedness, as applicable. To the extent that the aggregate principal amount (or accreted value, as the case may be) of the Notes and pari passu Indebtedness tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, the Company may use any remaining Excess Proceeds for general corporate purposes. If the sum of (i) the aggregate principal amount of Notes surrendered by Holders thereof, and (ii) the aggregate principal amount or accreted value, as the case may be, of other pari passu Indebtedness surrendered by holders or lenders

thereof, exceeds the amount of Excess Proceeds, the Trustee and the trustee or other lender representatives for the pari passu Indebtedness shall select the Notes and other pari passu Indebtedness to be purchased on a pro rata basis, based on the aggregate principal amount (or accreted value, as applicable) thereof surrendered in such Asset Sale Offer. Upon completion of such Asset Sale Offer, the Excess Proceeds shall be reset at zero.

Section 4.11. Transactions with Affiliates.

The Company shall not, and shall not permit any of its Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any of its Affiliates (each of the foregoing, an "Affiliate Transaction"), unless (i) such Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Subsidiary with an unrelated Person and (ii) the Company delivers to the Trustee (a) with respect to an Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $1,000,000 but less than or equal to $5,000,000, an Officers' Certificate to the Trustee certifying that such Affiliate Transaction complies with clause (i) above, (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $5,000,000 but less than or equal to $10,000,000, a resolution of the Board of Directors set forth in an Officer's Certificate certifying that such Affiliate Transaction or series of related Affiliate Transactions complies with clause (i) above and that such Affiliate Transaction or series of related Affiliate Transactions has been approved in good faith by a majority of the members of the Board of Directors of the Company who are disinterested with respect to such Affiliate Transaction or series of related Affiliate Transactions (which resolution shall be conclusive evidence of compliance with this provision) and (c) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $10,000,000, a resolution of the Board of Directors set forth in an Officers' Certificate certifying that such Affiliate Transaction or series of related Affiliate Transactions complies with clause (i) above and that such Affiliate Transaction or series of related Affiliate Transactions has been approved in good faith by a resolution adopted by a majority of the members of the Board of Directors of the Company who are disinterested with respect to such Affiliate Transaction or series of related Affiliate Transactions and an opinion as to the fairness to the Company or such Subsidiary of such Affiliate Transaction or series of related Affiliate Transactions from a financial point of view issued by an accounting, appraisal, engineering or investment banking firm of national standing (which resolution and fairness opinion shall be conclusive evidence of compliance with this provision); provided, however, that the foregoing shall not apply to (l) transactions contemplated by any employment agreement or other

compensation plan or arrangement entered into by the Company or any of its Subsidiaries in the ordinary course of business and consistent with the past practice of the Company or such Subsidiary, (2) transactions between or among the Company and/or its Restricted Subsidiaries, (3) Permitted Investments and Restricted Payments that are permitted by Section 4.07 hereof, and (4) any indemnification payment made to any director, officer or employee of the Company or any Subsidiary pursuant to charter, bylaw, statutory or contractual provisions.

Section 4.12. Liens.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien securing Indebtedness of any kind (other than Permitted Liens) upon any of its property or assets, now owned or hereafter acquired, unless all payments under the Notes are secured by such Lien prior to, or on an equal and ratable basis with, the Indebtedness so secured for so long as such Indebtedness is secured by such Lien.

Section 4.13. Offer to Repurchase Upon Change of Control.

(a) Upon the occurrence of a Change of Control, each Holder of the Notes shall have the right to require the Company to repurchase all or any part (equal to $1,000 or an integral multiple thereof) of such Holder's Notes pursuant to the offer described below (the "Change of Control Offer") at an offer price in cash equal to 101% of the aggregate principal amount of the Notes plus accrued and unpaid interest if any, thereon to the date of purchase (the "Change of Control Payment"). Within 30 days following any Change of Control, the Company shall mail a notice to each Holder stating: (1) a description of the transaction or transactions that constitute the Change of Control; (2) that the Change of Control Offer is being made pursuant to this Section 4.13 and that all Notes tendered shall be accepted for payment; (3) the purchase price and the purchase date described below (the "Change of Control Payment Date"); (4) that any Note not tendered shall continue to accrue interest, if any; (5) that, unless the Company defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest, if any, after the Change of Control Payment Date; (6) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer shall be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date; (7) that Holders shall be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased; and (8) that

Holders whose Notes are being purchased only in part shall be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, which unpurchased portion must be equal to $1,000 in principal amount or an integral multiple thereof. The Company and each Subsidiary Guarantor shall comply with the requirements of Rule l4e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable to such party in connection with the repurchase of the Notes as a result of a Change of Control.

(b) On a Business Day that is no earlier than 30 days nor later than 60 days from the date that the Company mails or causes to be mailed notice of the Change of Control to the Holders (the "Change of Control Payment Date"), the Company shall, to the extent lawful, (i) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer, (ii) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all the Notes or portions thereof so tendered and (iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of such Notes or portions thereof being purchased by the Company. The Paying Agent shall promptly mail to each Holder of the Notes so tendered the Change of Control Payment for such Notes, and the Trustee shall promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; provided that each such new Note shall be in a principal amount of $1,000 or an integral multiple thereof. The Company shall publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The Change of Control provisions described above shall be applicable whether or not any other provisions of this Indenture are applicable.

The Company shall not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section 4.13 and purchases all Notes (or portions thereof) validly tendered and not withdrawn under such Change of Control Offer.

Section 4.14. Additional Subsidiary Guarantees.

In the event that the Company or any of its Subsidiaries shall acquire or create a Restricted Subsidiary after the date of this Indenture, such newly acquired or created Restricted Subsidiary shall be deemed to make the guarantee set forth in Section 11.01 and the Company shall cause such Subsidiary to evidence such guarantee in the manner set forth in Section 11.02; provided that, in no event shall any non-U.S. Subsidiary of the Company be deemed to make such guarantee or be required to execute a Guarantee in accordance with Section 11.02.

Section 4.15. Corporate Existence.

Subject to Article 5 hereof, the Company and the Subsidiaries shall do or cause to be done all things necessary to preserve and keep in full force and effect (i) its corporate existence, and the corporate, partnership or other existence of each of the Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Subsidiary and (ii) the rights (charter, partnership agreement and statutory), licenses and franchises of the Company and the Subsidiaries; provided, however, that the Company and the Subsidiaries shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of the Subsidiaries, if the Board of Directors of the relevant Person shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and the Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders of the Notes.

Section 4.16. No Senior Subordinated Debt.

Notwithstanding the provisions of Section 4.09 hereof, (i) the Company shall not incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to any Senior Debt of the Company and senior in any respect in right of payment to the Notes and (ii) the Subsidiary Guarantors shall not directly or indirectly incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to Senior Debt of the Company and senior in any respect in right of payment to the Guarantees; provided, however, that the foregoing limitations shall not apply to distinctions between categories of Indebtedness that exist by reason of any Liens arising or created in respect of some but not all such Indebtedness.

Section 4.17. Business Activities.

The Company shall not, and shall not permit any Restricted Subsidiary to, engage in any material respect in any business other than the Oil and Gas Business.

ARTICLE 5
SUCCESSORS

Section 5.01. Merger, Consolidation, or Sale of Substantially All Assets.

The Company shall not consolidate or merge with or into (whether or not the Company is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to another Person, and the Company may not permit

any of its Restricted Subsidiaries to enter into any such transaction or series of transactions if such transaction or series of transactions would, in the aggregate, result in a sale, assignment, transfer, lease, conveyance, or other disposition of all or substantially all of the properties or assets of the Company to another Person, in either case unless (i) the Company is the surviving corporation or the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made (the "Surviving Entity") is a corporation organized or existing under the laws of the United States, any state thereof or the District of Columbia; (ii) the Surviving Entity (if the Company is not the continuing obligor under this Indenture) assumes all the obligations of the Company under any Registration Rights Agreement, the Notes and this Indenture pursuant to a supplemental indenture in a form reasonably satisfactory to the Trustee; (iii) immediately before and after giving effect to such transaction or series of transactions no Default or Event of Default exists; (iv) immediately after giving effect to such transaction or series of transactions on a pro forma basis (and treating any Indebtedness not previously an obligation of the Company or any of its Subsidiary which becomes the obligation of the Company or any of its Subsidiary as a result of such transaction or series of transactions as having been incurred at the time of such transaction or series of transactions), the Consolidated Net Worth of the Company and its Subsidiaries or the Surviving Entity (if the Company is not the continuing obligor under this Indenture) is equal to of greater than the Consolidated Net Worth of the Company and its Subsidiaries immediately prior to such transaction or series of transactions and (v) the Company or Surviving Entity (if the Company is not the continuing obligor under this Indenture) will, at the time of such transaction or series of transactions and after giving pro forma effect thereto as if such transaction or series of transactions had occurred at the beginning of the applicable four-quarter period, be permitted to incur at least $1.00 of additional Indebtedness pursuant to the test set forth in the first paragraph of Section 4.09 hereof. Notwithstanding the foregoing clauses (iv) and (v), any Restricted Subsidiary may consolidate with, merge into or transfer all or part of its properties and assets to the Company, and any Wholly Owned Restricted Subsidiary may consolidate with, merge into or transfer all or part of its properties and assets to another Wholly Owned Restricted Subsidiary.

Section 5.02. Successor Corporation Substituted.

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the assets of the Company in accordance with Section 5.01 hereof, the Surviving Entity shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, lease, conveyance or other disposition, the provisions of this Indenture referring to the "Company" shall refer instead to the Surviving Entity and not to the Company), and may exercise every right and power of the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein; provided, however, that the predecessor

Company shall not be relieved from the obligation to pay the principal of and interest on the Notes except in the case of a sale of all of the Company's assets that meets the requirements of Section 5.01 hereof.

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.01. Events of Default.

An "Event of Default" occurs if:

(1) the Company defaults in the payment of interest (including any interest payable as Liquidated Damages), if any, on the Notes when the same becomes due and payable and the Default continues for a period of 30 days, whether or not such payment is prohibited by the provisions of Article 10 hereof;

(2) the Company defaults in the payment of the principal of or premium, if any, on the Notes, whether or not such payment is prohibited by the provisions of Article 10 hereof;

(3) the Company fails to observe or perform any covenant, condition or agreement on the part of the Company to be observed or performed pursuant to Article 5 hereof;

(4) the Company fails to observe or perform any covenant, condition or agreement on the part of the Company to be observed or performed pursuant to Sections 4.03, 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.14, 4.16 and 4.17 hereof and the Default continues for the period and after the notice specified below;

(5) the Company fails to comply with any of its other agreements or covenants in, or provisions of, the Notes or this Indenture and the Default continues for consecutive days after the notice specified below;

(6) except as permitted herein, any Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or a Subsidiary Guarantor, or any Person acting on behalf of a Subsidiary Guarantor, shall deny or disaffirm such Subsidiary Guarantor's obligation under its Guarantee;

(7) a default occurs under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries), whether such

Indebtedness or guarantee now exists or shall be created hereafter, which default (a) is caused by a failure to pay principal of or premium, if any, or interest on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "Payment Default") or (b) results in the acceleration of such Indebtedness prior to its express maturity and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there is then existing a Payment Default or the maturity of which has been so accelerated, aggregates $10 million or more; provided, that if any such default is cured or waived or any such acceleration rescinded, or such Indebtedness is repaid, within a period of 10 days from the continuation of such default beyond the applicable grace period or the occurrence of such acceleration, as the case may be, such Event of Default under this Indenture and any consequential acceleration of the Notes shall be automatically rescinded;

(8) a final non-appealable judgment or order or final non-appealable judgments or orders are rendered against the Company or any Restricted Subsidiary that remain unpaid or discharged for a period of 60 days and that require the payment of money, either individually or in an aggregate amount, in excess of $10 million;

(9) the Company or any Significant Subsidiary or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary, pursuant to or within the meaning of any Bankruptcy Law:

(a) a commences a voluntary case or proceeding,

(b) consents to the entry of an order for relief against it in an involuntary case or proceeding,

(c) consents to the appointment of a Custodian of it or for all or substantially all of its property or

(d) makes a general assignment for the benefit of its creditors;

(10) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(a) is for relief against the Company or any Significant Subsidiary or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary, in an involuntary case or proceeding,

(b) appoints a Custodian of the Company, any Significant Subsidiary or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary, or for all or substantially all of the

property of the Company, any Significant Subsidiary or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary, or

(c) orders the liquidation of the Company, any Significant Subsidiary or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary,

and in each case the order or decree remains unstayed and in effect for 60 consecutive days.

The term "Custodian" means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

A Default under clause (4) is not an Event of Default until the Trustee notifies the Company, or the Holders of at least 25% in principal amount of the then outstanding Notes notify the Company and the Trustee, of the Default and the Company does not cure the Default within 30 consecutive days after receipt of the notice. A Default under clause (5) is not an Event of Default until the Trustee notifies the Company, or the Holders of at least 25% in principal amount of the then outstanding Notes notify the Company and the Trustee, of the Default and the Company does not cure the Default within 60 days after receipt of the notice. The notice must specify the Default, demand that it be remedied and state that the notice is a "Notice of Default."

Section 6.02. Acceleration.

If an Event of Default (other than an Event of Default specified in clauses (9) and (10) of Section 6.01 hereof) relating to the Company or any Subsidiary Guarantor occurs and is continuing, the Trustee by notice to the Company, or the Holders of at least 25% in principal amount of the then outstanding Notes by written notice to the Company and the Trustee, may declare the unpaid principal amount of and any accrued and unpaid interest on all the Notes to be due and payable immediately. If payment of the Notes is accelerated because of an Event of Default, the Company or the Trustee shall notify the holders of Designated Senior Debt of such acceleration. Upon such declaration the principal and interest shall be due and payable immediately; provided, however, that so long as any Designated Senior Debt or any commitment therefor is outstanding, any such notice or declaration shall not become effective until the earlier of (a) five Business Days after such notice is delivered to the representative for the Designated Senior Debt or (b) the acceleration of any Designated Senior Debt and thereafter, payments on the Notes pursuant to this Article 6 shall be made only to the extent permitted pursuant to Article 10 herein. Notwithstanding the foregoing, if any Event of Default specified in clause (9) or (10) of Section 6.01 hereof relating to the Company, any Significant Subsidiary or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary occurs, such an

amount shall ipso facto become and be immediately due and payable without any declaration or other act or notice on the part of the Trustee or any Holder.

After a declaration of acceleration under this Indenture, but before a judgment or decree for payment of principal, premium, if any, and interest on the Notes due under this Article 6 has been obtained by the Trustee, Holders of a majority in principal amount of the then outstanding Notes by written notice to the Company and the Trustee may rescind an acceleration and its consequences if (i) the Company or any Subsidiary Guarantor has paid or deposited with the Trustee a sum sufficient to pay (a) all sums paid or advanced by the Trustee under this Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and (b) all overdue interest on the Notes, if any, (ii) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction and (iii) all existing Events of Default (except nonpayment of principal, premium, if any, or interest that has become due solely because of the acceleration) have been cured or waived.

Section 6.03. Other Remedies.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04. Waiver of Past Defaults.

Holders of not less than a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive an existing Default or Event of Default and its consequences hereunder, except a continuing Default or Event of Default in the payment of principal of, premium and liquidated damages, if any, or interest on, the Notes (including in connection with an offer to purchase) (provided, however, that the Holders of a majority in aggregate principal amount of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration). Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05. Control by Majority.

Holders of a majority in principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other Holders of Notes or that may involve the Trustee in personal liability it being understood that (subject to Section 7.01) the Trustee shall have no duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such holders.

Section 6.06. Limitation on Suits.

A Holder of a Note may pursue a remedy with respect to this Indenture or the Notes only if:

(a) the Holder of a Note gives to the Trustee written notice of a continuing Event of Default;

(b) the Holders of at least 25% in principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy;

(c) such Holder of a Note or Holders of Notes offer and, if requested, provide to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense;

(d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of indemnity; and

(e) during such 60-day period the Holders of a majority in principal amount of the then outstanding Notes do not give the Trustee a direction inconsistent with the request.

A Holder of a Note may not use this Indenture to prejudice the rights of another Holder of a Note or to obtain a preference or priority over another Holder of a Note.

Section 6.07. Rights of Holders of Notes to Receive Payment.

Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal, premium, if any, and interest on the Note, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.08. Collection Suit by Trustee.

If an Event of Default specified in Section 6.01(1) or (2) occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company or any Subsidiary Guarantor for the whole amount of principal of, premium, if any, and interest remaining unpaid on the Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09. Trustee May File Proofs of Claim.

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders of the Notes allowed in any judicial proceedings relative to the Company or any of the Subsidiary Guarantors (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding provided, however, that the Trustee may, on behalf of the Holders, vote for the election of a trustee in bankruptcy or similar official and may be a member of the creditors' committee.

Section 6.10. Priorities.

If the Trustee collects any money pursuant to this Article, it shall, subject to the provisions of Article 10, pay out the money in the following order:

First: to the Trustee, its agents and attorneys for amounts due under Sections 6.08 and 7.07 hereof, including payment of all compensation, expense and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

Second: to Holders of Notes for amounts due and unpaid on the Notes for principal, premium, if any, and accrued interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any, and accrued interest, as the case may be, respectively; and

Third: to the Company or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders of Notes pursuant to this Section 6.10.

Section 6.11. Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.07 hereof, or a suit by Holders of more than 10% in principal amount of the then outstanding Notes.

ARTICLE 7
TRUSTEE

Section 7.01. Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) Except during the continuance of an Event of Default:

(i) the duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any notices, requests, statements, certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05 hereof.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or incur any liability. The Trustee shall be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holder shall have furnished to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

Section 7.02. Rights of Trustee.

(a) The Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such

Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company or any Subsidiary Guarantor shall be sufficient if signed by an Officer of the Company or such Subsidiary Guarantor.

(f) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have furnished to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(g) Except with respect to Sections 4.01 and 4.04 hereof, the Trustee shall have no duty to inquire as to the performance of the Company's covenants in Article 4 hereof. In addition, the Trustee shall not be deemed to have knowledge of any Default or Event of Default except (i) any Event of Default occurring pursuant to Sections 4.01, 4.04 and 6.01(1) or (2) hereof or (ii) any Default or Event of Default of which the Trustee shall have received written notification or obtained actual knowledge. For the purposes of this clause (g) only, "actual knowledge" shall mean the actual fact or statement of knowing, without any duty to make investigation with regard thereto.

(h) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(i) the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the Company, except as otherwise set forth herein, but the Trustee may require of the Company full information and advice as to the performance of the covenants, conditions and agreements contained herein and shall be entitled in connection herewith to examine the books, records and premises of the Company.

(j) The permissive rights of the Trustee to perform the acts enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct.

Section 7.03. Individual Rights of Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company, the Subsidiary Guarantors or any Affiliate of the Company with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the Commission for permission to continue as trustee or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Sections Section 7.10 and Section 7.11 hereof.

Section 7.04. Trustee's Disclaimer.

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture, the Notes, or the Guarantees, it shall not be accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it shall not be responsible for any statement or recital herein or in any certificate delivered pursuant hereto or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

Section 7.05. Notice of Defaults.

If a Default or Event of Default occurs and is continuing and if it is actually known to the Trustee, the Trustee shall mail to Holders of Notes a notice of the Default or Event of Default within 90 days after it occurs. Except in the case of a Default or Event of Default in payment of principal of, premium, if any, or interest on, any Note, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders of the Notes.

Section 7.06. Reports by Trustee to Holders of the Notes.

Within 60 days after each May 15 beginning with the May 15 following the date of this Indenture, and for so long as Notes remain outstanding, the Trustee shall mail to the Holders of the Notes a brief report dated as of such reporting date that complies with TIA Section 313(a) (but if no event described in TIA Section 313(a) has occurred within the twelve months preceding the reporting date, no report need be transmitted). The Trustee also shall comply with TIA Section 313(b) (2) and transmit by mail all reports as required by TIA Section 313(c).

A copy of each report at the time of its mailing to the Holders of Notes shall be mailed to the Company and filed with the Commission and each stock exchange on which the Notes are listed in accordance with TIA Section 313(d). The Company shall promptly notify the Trustee when the Notes are listed on any stock exchange.

Section 7.07. Compensation and Indemnity.

The Company and the Subsidiary Guarantors shall pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder, including, without limitation, extraordinary services such as default administration. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company and the Subsidiary Guarantors shall reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

The Company and the Subsidiary Guarantors shall indemnify the Trustee against any and all losses, liabilities or expenses incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Company and the Subsidiary Guarantors (including this Section 7.07) and investigating or defending itself against any claim (whether asserted by the Company, the Subsidiary Guarantors or any Holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its negligence or bad faith. The Trustee shall notify the Company and the Subsidiary Guarantors promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company and the Subsidiary Guarantors shall not relieve the Company and the Subsidiary Guarantors of their obligations hereunder. The Company and the Subsidiary Guarantors shall defend the claim and the Trustee shall cooperate in the defense. The Trustee may have separate counsel and the Company and the Subsidiary Guarantors shall pay the reasonable fees and expenses of such counsel. The Company and the Subsidiary Guarantors need not pay for any settlement made without their consent, which consent shall not be unreasonably withheld.

The obligations of the Company and the Subsidiary Guarantors under this Section 7.07 are joint and several and shall survive the satisfaction and discharge of this Indenture.

To secure the Company's and the Subsidiary Guarantors' payment obligations in this Section, the Trustee shall have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay

principal and interest on particular Notes. Such Lien shall survive the satisfaction and discharge of this Indenture.

When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(9) or (10) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

The Trustee shall comply with the provisions of TIA Section 313(b)(2) to the extent applicable.

Section 7.08. Replacement of Trustee.

A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section.

The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Company. The Holders of Notes of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Company in writing. The Company may remove the Trustee if:

(a) the Trustee fails to comply with Section 7.10 hereof;

(b) the Trustee is adjudged a bankrupt or an insolvent or an order for relief. is entered with respect to the Trustee under any Bankruptcy Law;

(c) a Custodian or public officer takes charge of the Trustee or its property; or

(d) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company, or the Holders of Notes of at least 10% in principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee, after written request by any Holder of a Note who has been a Holder of a Note for at least six months, fails to comply with Section 7.10, such Holder of a Note may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders of the Notes. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, provided all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7,48, the Company's obligations under Section 7.07 hereof shall continue for the benefit of the retiring Trustee.

Section 7.09. Successor Trustee by Merger, etc.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act shall be the successor Trustee.

Section 7.10. Eligibility; Disqualification.

There shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the Unites States of America or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $50 million as set forth in its most recent published annual report of condition.

This Indenture shall always have a Trustee who satisfies the requirements of TIA Section 310(a)(1), (2) and (5). The Trustee is subject to TIA Section 310(b).

Section 7.11. Preferential Collection of Claims Against Company.

The Trustee is subject to TIA Section 311(a), excluding any creditor relationship listed in TIA Section 311(b). A Trustee who has resigned or been moved shall be subject to TIA Section 311(a) to the extent indicated therein.

ARTICLE 8
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01. Option to Effect Legal Defeasance or Covenant Defeasance.

The Company may, at the option of its Board of Directors evidenced by a resolution set forth in an Officers' Certificate, at any time, elect to have either Section 8.02 or 8.03 hereof be applied to all outstanding Notes upon compliance with the conditions set forth below in this Article 8.

Section 8.02. Legal Defeasance and Discharge.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Company and the Subsidiary Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from their obligations with respect to all outstanding Notes and the Guarantees thereof on the date the conditions set forth below are satisfied (hereinafter, "Legal Defeasance"). For this purpose, Legal Defeasance means that the Company shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Indenture referred to in (a) and (b) below, and to have satisfied all its other obligations under such Notes and this Indenture (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder: (a) the rights of Holders of outstanding Notes to receive payments in respect of the principal,. of, premium, if any, and interest on such Notes when such payments are due from the trust fund described in Section 8.04 hereof, and as more fully set forth in such Section, (b) the Company's obligations with respect to such Notes under Article 2 and Section 4.02 hereof, (c) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Company's obligations in connection therewith and (d) this Article 8. Subject to compliance with this Article 8, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

Section 8.03. Covenant Defeasance.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Company and the Subsidiary Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from their obligations under the covenants contained in Sections 4.03, 4.05, 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.14, 4.16 and 4.17 hereof and in clause (iv) of Section 5.01 and the covenants contained in the Guarantees with respect to the outstanding Notes on and after the date the conditions set forth below are satisfied (hereinafter, "Covenant Defeasance"), and the Notes shall thereafter be deemed not "outstanding" for the purposes of any compliance

certificate, direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture, such Notes and such Guarantees shall be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03 hereof, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, Sections 6.01(3) (but only with respect to the Company's failure to observe or perform the covenants, conditions and agreements of the Company under clause (iv) of Section 5.01, 6.01(4), 6.01(7) and 6.01(8) hereof shall not constitute Events of Default.

Section 8.04. Conditions to Legal or Covenant Defeasance.

The following shall be the conditions to the application of either Section 8.02 or 8.03 hereof to the outstanding Notes:

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of the Notes, cash in United States dollars, non-callable Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest, on the outstanding Notes on the stated maturity or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to maturity or to a particular redemption date;

(b) in the case of an election under Section 8.02 hereof, the Company shall have delivered to the Trustee an Opinion of Counsel in the United States reasonably acceptable to the Trustee confirming that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of this Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of an election under Section 8.03 hereof, the Company shall have delivered to the Trustee an Opinion of Counsel in the United States reasonably acceptable to the Trustee confirming that the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) or insofar as Section 6.01(9) or 6.01(10) hereof is concerned, at any time in the period ending on the 91st day after the date of deposit;

(e) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(f) the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;

(g) the Company shall deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders of the Notes over the other creditors of the Company, or with the intent of defeating, hindering, delaying or defrauding creditors of the Company or others;. and

(h) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Section 8.05. Deposited Money and Government Securities to be Held in Trust; Other Miscellaneous Provisions.

Subject to Section 8.06 hereof, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "Trustee") pursuant to Section 8.04 hereof in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due

thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company and the Subsidiary Guarantors shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable Government Securities deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Anything in this Article 8 to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon the request of the Company any money or non-callable Government Securities held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may. be the opinion delivered under Section 8.04(a) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06. Repayment to Company.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium, if any, or interest on any Note and remaining unclaimed for two years after such principal, premium, if any, or interest has become due and payable shall be paid to the Company on its request or (if then held by the Company) shall be discharged from such trust; and the Holder of such Note shall thereafter, as a general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining shall be repaid to the Company.

Section 8.07. Reinstatement.

If the Trustee or Paying Agent is unable to apply any United States dollars or non-callable Government Securities in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the obligations of the Company and the Subsidiary Guarantors under this Indenture, the Notes and the Guarantees shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof, as the case may be; provided, however, that if the Company or any Subsidiary Guarantor

makes any payment of principal of, premium, if any, or interest on any Note following the reinstatement of its obligations, the Company or such Subsidiary Guarantor shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9
AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01. Without Consent of Holders of Notes.

Notwithstanding Section 9.02 of this Indenture, the Company, the Subsidiary Guarantors and the Trustee may amend or supplement this Indenture, the Notes or the Guarantees without the consent of any Holder of a Note:

(a) to cure any ambiguity, defect or inconsistency;

(b) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(c) to provide for the assumption of the Company's obligations to the Holders of the Notes in the case of a merger or consolidation pursuant to Article 5 hereof;

(d) to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the legal rights hereunder of any Holder of the Note;

(e) to secure the Notes; or

(f) to comply with requirements of the Commission in order to effect or maintain the qualification of this Indenture under the TIA.

Upon the request of the Company accompanied by a resolution of the Board of Directors of the Company and each of the Subsidiary Guarantors, as the case may be, authorizing the execution of any such amended or supplemental indenture, and upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee shall join with the Company and the Subsidiary Guarantors in the execution of any amended or supplemental indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to enter into such amended or supplemental Indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

Section 9.02. With Consent of Holders of Notes.

Except as provided below in this Section 9.02, the Company, the Subsidiary Guarantors and the Trustee may amend or supplement this Indenture, the Notes and the Guarantees with the consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for the Notes), and, subject to Sections 6.04 and 6.07 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium, if any, or interest on the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture, the Notes or the Guarantees may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for the Notes).

Notwithstanding the foregoing, without the consent of at least 66 2/3% in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), no waiver or amendment to this Indenture may make any change in the provisions of Sections 3.09, 4.10 and 4.13 hereof that adversely affect the rights of any Holder of Notes. In addition, any amendment to the provisions of Article 10 of this Indenture shall require the consent of the Holders of at least 66 2/3% in aggregate principal amount of the Notes then outstanding if such amendment would adversely affect the rights of Holders of Notes; provided that, no amendment may be made to the provisions of Article 10 of this Indenture that adversely affects the rights of any holder of Senior Debt then outstanding unless the holders of such Senior Debt (or any group or representative thereof authorized to consent) consent to such change.

Subject to Sections 6.04 and 6.07 hereof, the Holders of a majority in aggregate principal amount of the Notes then outstanding may waive compliance in a particular instance by the Company or any Subsidiary Guarantor with any provision of this Indenture, the Notes or the Guarantees. However, without the consent of each Holder affected, an amendment or waiver may not (with respect to any Notes held by a non-consenting Holder):

(a) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(b) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes (except as provided above with respect to Sections 3.09, 4.10 and 4.13 hereof);

(c) reduce the rate of or change the time for payment of interest on any Note;

(d) waive a Default or Event of Default in the payment of principal of or premium, if any, or interest on the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in principal amount of the Notes and a waiver of the payment default that resulted from such acceleration);

(e) make any Note payable in money other than that stated in the Notes;

(f) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of principal or premium, if any, or interest on the Notes; or

(g) make any change in the foregoing amendment and waiver provisions.

Upon the request of the Company accompanied by a resolution of the Board of Directors of the Company and each of the Subsidiary Guarantors, as the case may be, authorizing the execution of any such amended or supplemental indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee shall join with the Company and the Subsidiary Guarantors in the execution of such amended or supplemental indenture unless such amended or supplemental indenture affects the Trustee's own rights, duties or immunities under this indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such amended or supplemental indenture.

It shall not be necessary for the consent of the Holders of Notes under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section becomes effective, the Company shall mail to the Holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental indenture or waiver.

Section 9.03. Compliance with Trust Indenture Act.

Every amendment or supplement to this Indenture or the Notes shall be set forth in an amended or supplemental Indenture that complies with the TIA as then in effect.

Section 9.04. Revocation and Effect of Consents.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and

every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.05. Notation on or Exchange of Notes.

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Company in exchange for all Notes may issue and the Trustee shall authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06. Trustee to Sign Amendment, etc.

The Trustee shall sign any amended or supplemental indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. Neither the Company nor any Subsidiary Guarantor may sign an amendment or supplemental Indenture until its respective Board of Directors approves it. In executing any amended or supplemental indenture, the Trustee shall be entitled to receive and (subject to Section 7.01) shall be fully protected in relying upon, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture and that there has been compliance with all conditions precedent.

ARTICLE 10
SUBORDINATION

Section 10.01. Agreement to Subordinate.

The Company and each Subsidiary Guarantor agree, and each Holder by accepting a Note and the related Guarantee agrees, that (i) the Indebtedness evidenced by (a) the Notes, including, but not limited to, the payment of principal of, premium, if any, and interest on the Notes, and any other payment Obligation of the Company in respect of the Notes (including any obligation to repurchase the Notes) is subordinated in right of payment, to the extent and in the manner provided in this Article, to the prior payment in full in cash of all Senior Debt of the Company (whether outstanding on the date hereof or hereafter created, incurred, assumed or guaranteed), and (b) the Guarantees and other payment Obligations in respect of the Guarantees are subordinated in right of payment, to

the extent and in the manner provided in this Article, to the prior payment in full in cash of all Senior Debt of each Subsidiary Guarantor and (ii) the subordination is for the benefit of the Holders of Senior Debt.

Section 10.02. Certain Definitions.

"Bankruptcy Law" means the Bankruptcy Code or any similar Federal or state law for the relief of debtors.

"Representative" means the indenture trustee or other trustee, agent or representative for any Senior Debt.

"Senior Debt" means (i) Indebtedness of the Company or any Subsidiary of the Company under or in respect of any Credit Facility, whether for principal, interest (including interest accruing after the filing of a petition initiating any proceeding pursuant to any Bankruptcy Law, whether or not the claim for such interest is allowed as a claim in such proceeding), reimbursement obligations, fees, commissions, expenses, indemnities or other amounts and (ii) any other Indebtedness of the Company or any Subsidiary of the Company permitted under the terms of this Indenture, unless the instrument under which such Indebtedness is incurred expressly provides that it is on a parity with or subordinated in right of payment to the Notes. Notwithstanding anything to the contrary in the foregoing sentence, Senior Debt will not include (w) any liability for federal, state, local or other taxes owed or owing by the Company, (x) any Indebtedness of the Company to any of its Subsidiaries or other Affiliates, (y) any trade payables or (z) any Indebtedness that is incurred in violation of this Indenture (other than Indebtedness under (i) any Credit Agreement or (ii) any other Credit Facility that is incurred on the basis of a representation by the Company to the applicable lenders that it is permitted to incur such Indebtedness under this Indenture).

A "distribution" may consist of cash, securities or other property, by set-off or otherwise.

All Designated Senior Debt now or hereafter existing and all other Obligations relating thereto shall not be deemed to have been paid in full unless the holders or owners thereof shall have received payment in full in cash (or other form of payment consented to by the holders of such Designated Senior Debt) with respect to such Designated Senior Debt and all other Obligations with respect thereto.

Section 10.03. Liquidation; Dissolution; Bankruptcy.

(a) Upon any payment or distribution of property or securities to creditors of the Company in a liquidation or dissolution of the Company or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property, or in an assignment for the benefit of creditors or any marshalling of the Company's assets and liabilities:

(1) the holders of Senior Debt of the Company shall be entitled to receive payment in full in cash of all Obligations in respect of such Senior Debt (including interest after the commencement of any such proceeding at the rate specified in the applicable Senior Debt, whether or not a claim for such interest would be allowed in such proceeding) before the Holders of Notes shall be entitled to receive any payment with respect to the Notes and related Obligations (except in each case that Holders of Notes may receive securities that are subordinated at least to the same extent as the Notes to Senior Debt and any securities issued in exchange for Senior Debt and payments made from any defeasance trust created pursuant to Section 8.01 hereof provided that the applicable deposit does not violate Article 8 or 10 of this Indenture); and

(2) until all Obligations with respect to Senior Debt of the Company (as provided in subsection (1) above) are paid in full in cash, any payment or distribution to which the Holders of Notes and the related Guarantees would be entitled shall be made to holders of Senior Debt of the Company (except that Holders of Notes and the related Guarantees may receive securities that are subordinated at least to the same extent as the Notes to Senior Debt and any securities issued in exchange for Senior Debt and payments made from any defeasance trust created pursuant to Section 8.01 hereof provided that the, applicable deposit does not violate Article 8 or 10 of this Indenture).

(b) Upon any payment or distribution of property or securities to creditors of a Subsidiary Guarantor in a liquidation or dissolution of such Subsidiary Guarantor or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to such Subsidiary Guarantor or its property, or in an assignment for the benefit of creditors or any marshalling of such Subsidiary Guarantor's assets and liabilities:

(1) the holders of Senior Debt of such Subsidiary Guarantor shall be entitled to receive payment in full in cash of all Obligations in respect of such Senior Debt (including interest after the commencement of any such proceeding at the rate specified in the applicable Senior Debt, whether or not a claim for such interest would be allowed in such proceeding) before the Holders of Notes and the related Guarantees shall be entitled to receive any payment or distribution with respect to the Guarantee made by such Subsidiary Guarantor (except in each case that Holders of Notes and the related Guarantees may receive securities that are subordinated at least to the same extent as the Notes to Senior Debt and any securities issued in exchange for Senior Debt and payments made from any defeasance trust created pursuant to Section 8.01 hereof provided that the applicable deposit does not violate Article 8 or 10 of this Indenture); and

(2) until all Obligations with respect to Senior Debt of such Subsidiary Guarantor (as provided in subsection (1) above) are paid in full in cash, any payment or distribution to which the Holders of Notes and the related Guarantees would be entitled shall be made to holders of Senior Debt of such Subsidiary Guarantor (except that Holders of Notes and the related Guarantees may receive securities that are subordinated at least to the same extent as the Notes to Senior Debt and any securities issued in exchange for Senior Debt and payments made from any defeasance trust created pursuant to Section 8.01 hereof provided that the applicable deposit does not violate Article 8 or 10 of this Indenture).

Under the circumstances described in this Section 10.03, the Company, any Subsidiary Guarantor or any receiver, trustee in bankruptcy, liquidating trustee, agent or other similar person making any payment or distribution of cash or other property or securities is authorized or instructed to make any payment or distribution to which the Holders of the Notes and the related Guarantees would otherwise be entitled (other than securities that are subordinated at least to the same extent as the Notes to Senior Debt and any securities issued in exchange for Senior Debt and payments made from any defeasance trust referred to in the second parenthetical clause of each of clauses (a)(1), (b)(1), (c)(1), (a)(2), (b)(2) and (c)(2) above, which shall be delivered or paid to the Holders of Notes as set forth in such clauses) directly to the holders of the Senior Debt of the Company and any Subsidiary Guarantor, as applicable, (pro rata to such holders on the basis of the respective amounts of Senior Debt of the Company and any Subsidiary Guarantor, as applicable, held by such holders) or their Representatives, or to any trustee or trustees under any other indenture pursuant to which any such Senior Debt may have been issued, as their respective interests appear, to the extent necessary to pay all such Senior Debt in full, in cash or cash equivalents after giving effect to any concurrent payment, distribution or provision thereof or to or for the holders of such Senior Debt.

To the extent any payment of or distribution in respect of Senior Debt (whether by or on behalf of the Company or any Subsidiary Guarantor, as proceeds of security or enforcement of any right of setoff or otherwise) is declared to be fraudulent or preferential, set aside or required to be paid to any receiver, trustee in bankruptcy, liquidating trustee, agent or other similar Person under any bankruptcy, insolvency, receivership, fraudulent conveyance or similar law, then if such payment or distribution is recovered by, or paid over to, such receiver, trustee in bankruptcy, liquidating trustee, agent or other similar Person, the Senior Debt or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding as if such payment had not occurred. To the extent the obligation to repay any Senior Debt is declared to be fraudulent, invalid or otherwise set aside under any bankruptcy, insolvency, receivership, fraudulent conveyance or similar law, then the obligation so declared fraudulent, invalid or otherwise set aside (and all other amounts that would come due with respect thereto had such obligation not been so affected) shall be deemed to be reinstated

and outstanding as Senior Debt for all purposes hereof as if such declaration, invalidity or setting aside had not occurred.

Section 10.04. Default on Designated Senior Debt.

The Company and the Subsidiary Guarantors may not make any payment (whether by redemption, purchase, retirements, defeasance or otherwise) upon or in respect of the Notes and the related Guarantees (other than securities that are subordinated at least to the same extent as the Notes to Senior Debt and any securities issued in exchange for Senior Debt and payments and other distributions made from any defeasance trust created pursuant to Section 8.01 hereof if the applicable deposit does not violate Article 8 or 10 of this Indenture) until all principal and other Obligations with respect to the Senior Debt of the Company have been paid in full if:

(i) a default in the payment of any principal of, premium, if any, or interest on Designated Senior Debt occurs; or

(ii) any other default occurs and is continuing with respect to Designated Senior Debt that permits, or with the giving of notice or passage of time or both (unless cured or waived) would permit, holders of the Designated Senior Debt as to which such default relates to accelerate its maturity and the Trustee receives a notice of the default (a "Payment Blockage Notice") from the Company or the holders of any Designated Senior Debt. If the Trustee receives any such Payment Blockage Notice, no subsequent Payment Blockage Notice shall be effective for purposes of this Section unless and until 360 days shall have elapsed since the date of commencement of the payment blockage period resulting from the immediately prior Payment Blockage Notice. No nonpayment default in respect of any Designated Senior Debt that existed or was continuing on the date of delivery of any Payment Blockage Notice to the Trustee shall be, or be made, the basis for a subsequent Payment Blockage Notice.

The Company shall resume payments on and distributions in respect of the Notes and any Subsidiary Guarantor shall resume making payments and distributions pursuant to the Guarantees upon:

(1) in the case of a default referred to in Section 10.04(i) hereof the date upon which the default is cured or waived, or

(2) in the case of a default referred to in Section 10.04(ii) hereof, the earliest of (1) the date on which such nonpayment default is cured or waived, (2) the date the applicable Payment Blockage Notice is retracted by written notice to the Trustee and (3) 90 days after the date on which the applicable Payment Blockage Notice is received unless (A) the maturity of any Designated Senior Debt has been accelerated or (B) a

Default or Event of Default under Section 6.01(9) or (10) has occurred and is continuing,

if this Article otherwise permits the payment, distribution or acquisition at the time of such payment or acquisition.

Section 10.05. Acceleration of Notes.

If payment of the Notes is accelerated because of an Event of Default, the Company shall promptly notify holders of Senior Debt of the acceleration.

Section 10.06. When Distribution Must be Paid Over.

In the event that the Trustee or any Holder receives any payment or distribution of or in respect of any Obligations with respect to the Notes or the Guarantees at a time when such payment or distribution is prohibited by Section 10.03 or Section 10.04 hereof, such payment or distribution shall be held by the Trustee (if the Trustee has actual knowledge that such payment or distribution is prohibited by Section 10.03 or Section 10.04) or such Holder, in trust for the benefit of, and shall be paid forthwith over and delivered to, the holders of Senior Debt as their interests may appear or their Representative under the indenture or other agreement (if any) pursuant to which such Senior Debt may have been issued, as their respective interests may appear, for application to the payment of all Obligations with respect to Senior Debt remaining unpaid to the extent necessary to pay such Obligations in full in accordance with their terms, after giving effect to any concurrent payment or distribution to or for the holders of Senior Debt.

With respect to the holders of Senior Debt, the Trustee undertakes to perform only such obligations on the part of the Trustee as are specifically set forth in this Article 10, and no implied covenants or obligations with respect to the holders of Senior Debt shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Debt, and, except as provided in Section 10.12, shall not be liable to any such holders if the Trustee shall pay over or distribute to or on behalf of Holders of Notes or the Company, the Subsidiary Guarantors or any other Person money or assets to which any holders of Senior Debt shall be entitled by virtue of this Article 10, except if such payment is made as a result of the willful misconduct or gross negligence of the Trustee.

Section 10.07. Notice by Company.

The Company and the Subsidiary Guarantors shall promptly notify the Trustee and the Paying Agent of any facts known to the Company or any Subsidiary Guarantor that would cause a payment of any Obligations with respect to the Notes or the related Guarantees to violate this Article, but failure to give

such notice shall not affect the subordination of the Notes and the related Guarantees to the Senior Debt as provided in this Article.

Section 10.08. Subrogation.

After all Senior Debt is paid in full and until the Notes are paid in full, Holders of Notes and the related Guarantees shall be subrogated (equally and ratably with all other Indebtedness pari passu with the Notes and the Guarantees) to the rights of holders of Senior Debt to receive distributions and payments applicable to Senior Debt to the extent that distributions and payments otherwise payable to the Holders of Notes and the related Guarantees have been applied to the payment of Senior Debt. A payment or distribution made under this Article to holders of Senior Debt that otherwise would have been made to Holders of Notes and the related Guarantees is not, as between the Company and Holders of Notes, a payment by the Company on the Notes.

Section 10.09. Relative Rights.

This Article defines the relative rights of Holders of Notes and the related Guarantees and holders of Senior Debt. Nothing in this Indenture shall:

(1) impair, as between the Company and Holders of Notes, the obligation of the Company, which is absolute and unconditional, to pay principal of and interest on the Notes in accordance with their terms;

(2) affect the relative rights of Holders of Notes and the related Guarantees and creditors of the Company other than their rights in relation to holders of Senior Debt; or

(3) prevent the Trustee or any Holder from exercising its available remedies upon a Default or Event of Default, subject to the rights of holders and owners of Senior Debt to receive distributions and payments otherwise payable to Holders of Notes and the related Guarantees.

If the Company fails because of this Article to pay principal of or interest on a Note on the due date, the failure is still a Default or Event of Default.

Section 10.10. Subordination May Not be Impaired by Company or the Subsidiary Guarantors.

No right of any present or future holders of any Senior Debt to enforce subordination as provided in this Article 10 will at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or any Subsidiary Guarantor or by any act or failure to act, in good faith, by any such holder, or by any noncompliance by the Company or any Subsidiary Guarantor with the terms of this Indenture, regardless of any knowledge thereof that any

such holder of Senior Debt may have or otherwise be charged with. The provisions of this Article Ten are intended to be for the benefit of, and shall be enforceable directly by, the holders of Senior Debt.

Section 10.11. Payment, Distribution or Notice to Representative.

Whenever a payment or distribution is to be made or a notice given to holders of Senior Debt, the distribution may be made and the notice given to their Representative.

Upon any payment or distribution of assets or securities of the Company or any Subsidiary Guarantor referred to in this Article 10, the Trustee and the Holders of Notes and the related Guarantees shall be entitled to rely upon any order or decree made by any court of competent jurisdiction or upon any certificate of such Representative or of the liquidating trustee or agent or other Person making any payment or distribution to the Trustee or to the Holders of Notes and the related Guarantees for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of the Senior Debt and other Indebtedness of the Company or any Subsidiary Guarantor, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 10.

Section 10.12. Rights of Trustee and Paying Agent.

Notwithstanding the provisions of this Article 10 or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts that would prohibit the making of any payment or distribution by the Trustee, and the Trustee and the Paying Agent may continue to make payments on the Notes and the Guarantees, unless the Trustee shall have received at its Corporate Trust Office at least one Business Day prior to the date of such payment written notice of facts that would cause the payment of any Obligations with respect to the Notes or Guarantees to violate this Article, which notice shall specifically refer to Section 10.03 or 10.04 hereof. Only the Company or a Representative may give the notice. Nothing in this Article 10 shall impair the claims of, or payments to, the Trustee under or pursuant to Section 7.07 hereof.

The Trustee in its individual or any other capacity may hold Senior Debt with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights.

Section 10.13. Authorization to Effect Subordination.

Each Holder by the Holder's acceptance thereof authorizes and directs the Trustee on the Holder's behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article 10, and appoints the Trustee to act as the Holder's attorney-in-fact for any and all such purposes. If the Trustee does not file a proper proof of claim or proof of debt in

the form required in any proceeding referred to in Section 6.09 hereof at least 30 days before the expiration of the time to file such claim, each lender under the Credit Agreement is hereby authorized to file an appropriate claim for and on behalf of the Holders of the Notes and the related Guarantees.

Section 10.14. Amendments.

No amendment may be made to the provisions of or the definitions of any terms appearing in this Article 10, or to the provisions of Section 6.02 relating to the Designated Senior Debt, that adversely affects the rights of any holder of Senior Debt then outstanding unless the holders of such Senior Debt (or any group or Representative authorized to give a consent) consent to such change.

Section 10.15. No Waiver of Subordination Provisions.

Without in any way limiting the generality of Section 10.09 of this Indenture, the holders of Senior Debt may, at any time and from time to time, without the consent of or notice to the Trustee or the Holders, without incurring responsibility to the Holders and without impairing or releasing the subordination provided in this Article 10 or the obligations hereunder of the Holders to the holders of Senior Debt, do any one or more of the following: (a) change the manner, place or terms of payment or extend the time of payment of, or renew or alter, Senior Debt or any instrument evidencing the same or any agreement under which Senior Debt is outstanding or secured; (b) sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing Senior Debt; (c) release any Person liable in any manner for the collection of Senior Debt; and (d) exercise or refrain from exercising any rights against the Company and each Subsidiary Guarantor and any other Person.

ARTICLE 11
THE GUARANTEES

Section 11.01. The Guarantees.

Each of the Subsidiary Guarantors hereby, jointly and severally, unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the obligations of the Company hereunder or thereunder, that: (a) the principal of and premium and interest, on the Notes shall be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on premium and interest, on the Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder shall be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and (b) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that the same shall be

promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Subsidiary Guarantors shall be jointly and severally obligated to pay the same immediately. The Subsidiary Guarantors hereby agree that their obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor. Each of the Subsidiary Guarantors hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenant that this Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes and this Indenture. If any Holder or the Trustee is required by any court or otherwise to return to the Company or the Subsidiary Guarantors, or any Custodian, Trustee, liquidator or other similar official acting in relation to either the Company or the Subsidiary Guarantors, any amount paid by either to the Trustee or such Holder, this Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect. Each of the Subsidiary Guarantors agrees that it shall not be entitled to any right of subrogation in relation to the Holders of Notes in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. Each of the Subsidiary Guarantors further agrees that, as between the Subsidiary Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6, such obligations (whether or not due and payable) shall forthwith become due and payable by the Subsidiary Guarantors for the purpose of this Guarantee. The Subsidiary Guarantors shall have the right to seek contribution from any Subsidiary Guarantor not paying so long as the exercise of such right does not impair the rights of the Holders under the Guarantees.

Section 11.02. Execution and Delivery of Guarantees.

(i) To evidence its Guarantee set forth in Section 11.01, each of the Subsidiary Guarantors hereby agrees that a notation of such Guarantee substantially in the form of Exhibit C shall be endorsed by an officer of such Subsidiary Guarantor on each Note authenticated and delivered by the Trustee, that this Indenture shall be executed on behalf of such Subsidiary Guarantor by its President or one of its Vice Presidents and attested to by an Officer and that such Subsidiary Guarantor shall deliver to the Trustee an Opinion of Counsel that the

foregoing have been duly authorized, executed and delivered by such Subsidiary Guarantor and that such Guarantee is a valid and legally binding obligation of such Subsidiary Guarantor, enforceable against such Subsidiary Guarantor in accordance with its terms.

Each Subsidiary Guarantor hereby agrees that its Guarantee set forth in Section 11.01 shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Guarantee.

If an Officer whose signature is on this Indenture or on the applicable Guarantee no longer holds that office at the time the Trustee authenticates the Note on which such Guarantee is endorsed, such Guarantee shall be valid nevertheless.

The delivery of any Note by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of the Guarantees set forth in this Indenture on behalf of the Subsidiary Guarantors.

Section 11.03. Subsidiary Guarantors May Consolidate, etc., on Certain Terms.

No Subsidiary Guarantor may consolidate with or merge with or into (whether or not such Subsidiary Guarantor is the Surviving Person) another Person, whether or not affiliated with such Subsidiary Guarantor, unless:

(a) subject to the provisions of Section 11.04 hereof, the Person formed by or surviving any such consolidation or merger (if other than such Subsidiary Guarantor) assumes all the obligations of such Subsidiary Guarantor pursuant to a supplemental indenture in form reasonably satisfactory to the Trustee in respect of the Notes, this Indenture and such Subsidiary Guarantor's Guarantee;

(b) immediately after giving effect to such transaction, no Default or Event of Default exists; and

(c) such transaction does not violate any of Sections 4.03, 4.07, 4.08, 4.09, 4.11, 4.12, 4.13, 4.14, 4.16 and 4.17.

Notwithstanding the foregoing, none of the Subsidiary Guarantors shall be permitted to consolidate with or merge with or into (whether or not such Subsidiary Guarantor is the surviving Person), another corporation, Person or entity pursuant to the preceding sentence if such consolidation or merger would not be permitted by Section 5.01 hereof.

In case of any such consolidation or merger and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Guarantee endorsed upon the Notes and the due and punctual performance of all of the covenants and

conditions of this Indenture to be performed by such Subsidiary Guarantor, such successor corporation shall succeed to and be substituted for such Subsidiary Guarantor with the same effect as if it had been named herein as a Subsidiary Guarantor. Such successor corporation thereupon may cause to be signed any or all of the Guarantees to be endorsed upon all of the Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Guarantees so issued shall in all respects have the same legal rank and benefit under this Indenture as the Guarantees theretofore and thereafter issued in accordance with the terms of this Indenture as though all of such Guarantees had been issued at the date of the execution hereof.

Except as set forth in Articles 4 and 5 hereof, nothing contained in this Indenture or in any of the Notes shall prevent any consolidation or merger of any Subsidiary Guarantor with or into the Company or another Subsidiary Guarantor, or shall prevent any sale or conveyance of the property of any Subsidiary Guarantor as an entirety or substantially as an entirety to the Company or any Subsidiary Guarantor.

Section 11.04. Releases of Guarantees.

In the event of a sale or other disposition of all or substantially all of the assets of any Subsidiary Guarantor or a sale or other disposition of all of the capital stock of any Subsidiary Guarantor, to any corporation or other Person (including an Unrestricted Subsidiary) by way of merger, consolidation, or otherwise, in a transaction that does not violate any of the covenants of this Indenture, then such Subsidiary Guarantor (in the event of a sale or other disposition, by way of such merger, consolidation or otherwise, of all the capital stock of such Subsidiary Guarantor) shall be released and relieved of any obligations under its Guarantee and such acquiring corporation or other Person (in the event of a sale or other disposition of all or substantially all of the assets of such Subsidiary Guarantor), if other than a Subsidiary Guarantor, shall have no obligation to assume or otherwise become liable under such Guarantee; provided, that the Net Proceeds of such sale or other disposition are applied in accordance with Section 4.10 hereof. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such sale or other disposition was made by the Company in accordance with the provisions of this Indenture, including without limitation Section 4.10, the Trustee shall execute any documents reasonably required in order to evidence the release of any Subsidiary Guarantor from its obligations under its Guarantee.

Any Subsidiary Guarantor not released from its obligations under its Guarantee shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of such Subsidiary Guarantor under this Indenture as provided in this Article 11.

Any Subsidiary Guarantor that is designated an Unrestricted Subsidiary in accordance with the terms of this Indenture shall be released from and relieved of

its obligations under its Guarantee and any Unrestricted Subsidiary that becomes a Restricted Subsidiary and any newly created or newly acquired Subsidiary that is or becomes a Subsidiary shall be required to execute a Guarantee in accordance with the terms of this Indenture.

Section 11.05. Limitation on Subsidiary Guarantor Liability.

For purposes hereof, each Subsidiary Guarantor's liability shall be that amount from time to time equal to the aggregate liability of such Subsidiary Guarantor thereunder, but shall be limited to the lesser of (i) the aggregate amount of the Obligations of the Company under the Notes and this Indenture and (ii) the amount, if any, which would not have (A) rendered such Subsidiary Guarantor "insolvent" (as such term is defined in the Bankruptcy Code and in the Debtor and Creditor Law of the State of New York) or (B) left it with unreasonably small capital at the time its Guarantee of the Notes was entered into, after giving effect to the incurrence of existing Indebtedness immediately prior to such time; provided that, it shall be a presumption in any lawsuit or other proceeding in which such Subsidiary Guarantor is a party that the amount guaranteed pursuant to its Guarantee is the amount set forth in clause (i) above unless any creditor, or representative of creditors of such Subsidiary Guarantor, or debtor in possession or trustee in bankruptcy of such Subsidiary Guarantor, otherwise proves in such a lawsuit that the aggregate liability of such Subsidiary Guarantor is limited to the amount set forth in clause (ii). In making any determination as to the solvency or sufficiency of capital of a Subsidiary Guarantor in accordance with the previous sentence, the right of such Subsidiary Guarantor to contribution from other Subsidiary Guarantors and any other rights such Subsidiary Guarantor may have, contractual or otherwise, shall be taken into account.

Section 11.06. "Trustee" to Include Paying Agent.

In case at any time any Paying Agent other than the Trustee shall have been appointed by the Company and be then acting hereunder, the term "Trustee" as used in Article 10 and this Article 11 shall in such case (unless the context shall otherwise require) be construed as extending to and including such Paying Agent within its meaning as fully and for all intents and purposes as if such Paying Agent were named in Article 10 and this Article 11 in place of the Trustee.

Section 11.07. Subordination of Guarantees.

The obligations of each of the Subsidiary Guarantors under its Guarantee pursuant to this Article 11 shall be junior and subordinated to the Senior Debt of the Subsidiary Guarantor pursuant to Article 10 hereof. For the purposes of the foregoing sentence, the Trustee and the Holders shall have the right to receive and/or retain payments or distributions by or on behalf of any of the Subsidiary Guarantors only at such times as they may receive and/or retain payments in respect of the Notes pursuant to this Indenture, including Article 10 hereof.

ARTICLE 12
MISCELLANEOUS

Section 12.01. Trust Indenture Act Controls.

If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA Section 318(c), the imposed duties shall control. If any provisions of this Indenture modifies or excludes any provision of the TIA that may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or excluded, as the case may be.

Section 12.02. Notices.

Any notice or communication by the Company or the Subsidiary Guarantors or the Trustee to the others is duly given if in writing and delivered, in Person or mailed by first class mail (registered or certified, return receipt requested), telecopier or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Company or any Subsidiary Guarantor:

Range Resources Corporation
777 Main Street, Suite 800
Fort Worth, Texas 76102
Telecopier No.: (817) 810-1950
Attention: Rodney L. Waller

With a copy to:

Vinson & Elkins L.L.P.
The Terrace 7
2801 Via Fortuna, Suite 100
Austin, Texas 78746-7568
Telecopier No.: (512) 236-3246
Attention: Barry D. Burgdorf

If to the Trustee:

Bank One, National Association
420 Throckmorton, 4th Floor
Mail Code: TX1-1306
Fort Worth, Texas, 76102
Telecopier No.: (817) 884-4560
Attention: Bill Barber; Global Corporate Trust Services
Ref: Range Resources Corporation

The Company or any Subsidiary Guarantor or the Trustee, by notice to the others may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if by telecopy; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder shall be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. Any notice or communication shall also be so mailed to any Person described in TIA Section 313(c), to the extent required by the TIA. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Company or any Subsidiary Guarantor mails a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

Section 12.03. Communication by Holders of Notes with Other Holders of Notes.

Holders may communicate pursuant to TIA Section 312(b) with other Holders with respect to their rights under this Indenture or the Notes. The Company, the Subsidiary Guarantors, the Trustee, the Registrar and anyone else shall have the protection of TIA Section 312(c).

Section 12.04. Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Company or any Subsidiary Guarantor to the Trustee to take any action under this Indenture, the Company or such Subsidiary Guarantor, as the case may be, shall furnish to the Trustee:

(a) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 12.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 12.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been complied with.

Section 12.05. Statements Required in Certificate or Opinion.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to TIA Section 314(a) (4)) shall comply with the provisions of TIA Section 314(e) and shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

Section 12.06. Rules by Trustee and Agents.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 12.07. No Personal Liability of Directors, Officers, Employees and Stockholders.

No director, officer, employee, incorporator or stockholder of the Company, as such, shall have any liability for any obligations of the Company under the Notes or this Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes, by accepting a Note, waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the Commission that such a waiver is against public policy.

Section 12.08. Governing Law.

THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE, THE NOTES AND THE GUARANTEES.

Section 12.09. No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Company or their respective Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture and the Guarantees.

Section 12.10. Successors.

All agreements of the Company and each Subsidiary Guarantor in this Indenture, the Notes and the Guarantees shall bind its respective successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 12.11. Severability.

In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 12.12. Counterpart Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

Section 12.13. Table of Contents, Headings, etc.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted f or convenience of reference only, are not to be considered a part of this Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

[Signatures on following page]

SIGNATURES

Dated as of
July 21, 2003

RANGE RESOURCES
CORPORATION

Attest:

By: /s/ JOHN H. PINKERTON
Name: John H. Pinkerton
Title: President

/s/ RODNEY L. WALLER
Secretary

RANGE ENERGY I, INC.

Attest:

By: /s/ JOHN H. PINKERTON
Name: John H. Pinkerton
Title: President

/s/ RODNEY L. WALLER
Secretary

RANGE HOLDCO, INC.

Attest:

By: /s/ JOHN H. PINKERTON
Name: John H. Pinkerton
Title: President

/s/ RODNEY L. WALLER
Secretary

RANGE PRODUCTION COMPANY

Attest:

By: /s/ JOHN H. PINKERTON
Name: John H. Pinkerton
Title: President

/s/ RODNEY L. WALLER
Secretary

RANGE ENERGY VENTURES CORPORATION

Attest:

By: /s/ JOHN H. PINKERTON
Name: John H. Pinkerton
Title: President

Rodney L. Waller
Secretary

GULFSTAR ENERGY, INC.

Attest:

By: /s/ JOHN H. PINKERTON
Name: John H. Pinkerton
Title: President

Rodney L. Waller
Secretary

RANGE ENERGY FINANCE CORPORATION

Attest:

By: /s/ JOHN H. PINKERTON
Name: John H. Pinkerton
Title: President

Rodney L. Waller
Secretary

BANK ONE, NATIONAL
ASSOCIATION, as Trustee

Attest:

By: /s/ BILL BARBER

Name: Bill Barber

Title: Vice President

Jeff Salavarria

Secretary

EXHIBIT A

[FACE OF NOTE]

RANGE RESOURCES CORPORATION

7 3/8% Senior Subordinated Note Due 2013

[CUSIP] [CINS] _____

No. $_____

RANGE RESOURCES CORPORATION, a Delaware corporation (the "COMPANY", which term includes any successor under the Indenture hereinafter referred to), for value received, promises to pay to _____, or its registered assigns, the principal sum of _____ DOLLARS ($_____) [or such other amount as indicated on the Schedule of Exchange of Notes attached hereto] on July 15, 2013.

Interest Rate: 7 3/8% per annum.

Interest Payment Dates: January 15 and July 15, commencing January 15, 2004.(1)

Regular Record Dates: January 1 and July 1.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which will for all purposes have the same effect as if set forth at this place.

- -----------------

(1) For Initial Notes only.

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually by its duly authorized officers.

Date: RANGE RESOURCES CORPORATION

By: _____
Name:
Title:

(Form of Trustee's Certificate of Authentication)

This is one of the 7 3/8% Senior/Subordinated Notes Due 2013 described in the Indenture referred to in this Note.

BANK ONE, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Signatory

[REVERSE SIDE OF NOTE]

RANGE RESOURCES CORPORATION

7 3/8% Senior Subordinated Note Due 2013

1. Principal and Interest.

The Company promises to pay the principal of this Note on July 15, 2013.

The Company promises to pay interest on the principal amount of this Note on each interest payment date, as set forth on the face of this Note, at the rate of 7 3/8% per annum [(subject to adjustment as provided below)]. (1)

Interest will be payable semiannually (to the holders of record of the Notes at the close of business on the January 1 or July 1 immediately preceding the interest payment date) on each interest payment date, commencing January 15, 2004.(2)

[The Holder of this Note is entitled to the benefits of the Registration Rights Agreement, dated July 21, 2003, between the Company and the Initial Purchasers named therein (the "REGISTRATION RIGHTS AGREEMENT"). In the event that (i) the Exchange Offer Registration Statement (as defined in the Registration Rights Agreement) is not declared effective on or prior to the 180th day following the Closing Date (the "EFFECTIVENESS DEADLINE") or, if that day is not a Business Day, the next day that is a Business Day, (ii) the Exchange Offer is not consummated on or prior to the earlier of the 30th Business Day following the date the Exchange Offer Registration Statement was declared effective or the 210th day following the Closing Date, or, if that day is not a Business Day, the next day that is a Business Day, or (iii) the Shelf Registration Statement (as defined in the Registration Rights Agreement) is required to be filed but is not declared effective by the later of 180 calendar days after the Closing Date or 90 days after the Shelf Registration Statement is required to be filed with the Commission, or, if either such day is not a Business Day, the next day that is a Business Day, or is declared effective by such date but thereafter ceases to be effective or usable, except if the Shelf Registration Statement or the Exchange Offer Registration Statement ceases to be effective or usable as specifically permitted by the penultimate paragraph of Section 5 of the Registration Rights Agreement (each such event referred to in clauses (i) through (iii) a "REGISTRATION DEFAULT"), liquidated damages in the form of additional cash interest ("LIQUIDATED DAMAGES") will accrue on the affected Notes and the affected Exchange Notes, as applicable, as provided in the

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(1) Include only for Initial Additional Notes.

(2) May be modified for Additional Notes.

Registration Rights Agreement. The rate of Liquidated Damages will be 0.25% per annum for the first 90-day period immediately following the occurrence of a Registration Default, increasing by an additional 0.25% per annum with respect to each subsequent 90-day period up to a maximum amount of additional interest of 0.50% per annum, from and including the date on which any such Registration Default shall occur to, but excluding, the earlier of (1) the date on which all Registration Defaults have been cured or (2) the date on which all the Notes and Exchange Notes otherwise become freely transferable by Holders other than affiliates of the Issuer without further registration under the Securities Act.](2)

Interest on this Note will accrue from the most recent date to which interest has been paid on this Note [or the Note surrendered in exchange for this Note](3) (or, if there is no existing default in the payment of interest and if this Note is authenticated between a regular record date and the next interest payment date, from such interest payment date) or, if no interest has been paid, from [the Closing Date].(4) Interest will be computed in the basis of a 360-day year of twelve 30-day months.

The Company will pay interest on overdue principal, premium, if any, and, to the extent lawful, interest at a rate per annum that is 1% in excess of 7 3/8%. Interest not paid when due and any interest on principal, premium or interest not paid when due will be paid to the Persons that are Holders on a special record date, which will be the 15th day preceding the date fixed by the Company for the payment of such interest, whether or not such day is a Business Day. At least 15 days before a special record date, the Company will send to each Holder and to the Trustee a notice that sets forth the special record date, the payment date and the amount of interest to be paid.

2. Indenture.

This is one of the Notes issued under an Indenture dated as of July 21, 2003 (as amended from time to time, the "Indenture"), among the Company, the Subsidiary Guarantors party thereto and Bank One, National Association, as Trustee. Capitalized terms used herein are used as defined in the Indenture unless otherwise indicated. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act. The Notes are subject to all such terms, and Holders are referred to the Indenture and the Trust Indenture Act for a statement of all such terms. To the extent permitted

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(2) Include only for Initial Note or Initial Additional Note.

(3) Include only for Exchange Note.

(4) For Additional Notes, should be the date of their original issue.

by applicable law, in the event of any inconsistency between the terms of this Note and the terms of the Indenture, the terms of the Indenture will control.

The Notes are general unsecured obligations of the Company. The Indenture limits the original aggregate principal amount of the Notes to $100,000,000, but Additional Notes may be issued pursuant to the Indenture, and the originally issued Notes and all such Additional Notes vote together for all purposes as a single class.

3. Optional Redemption.

(a) The Notes are not redeemable at the Company's option prior to July 15, 2008. From and after July 15, 2008, the Notes will be subject to redemption at the option of the Company, in whole or in part, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon to the applicable redemption date, if redeemed during the twelve-month period beginning on July 15 of the years indicated below:

Year	Percentage
2008.....	103.688%
2009.....	102.458%
2010.....	101.229%
2011 and thereafter.....	100.000%

(b) Notwithstanding the provisions of clause (a) of this paragraph 3, prior to July 15, 2006 the Company may, at its option, on any one or more occasions, redeem up to 35% of the original aggregate principal amount of Notes at a redemption price equal to 107.375% of the principal amount thereof, plus accrued and unpaid interest, if any, thereon to the redemption date, with the net proceeds of sales of public Equity Interests of the Company; provided that at least 65% of the original aggregate principal amount of Notes remain outstanding immediately after the occurrence of such redemption; and provided, further, that any such redemption shall occur within 60 days after the date of the closing of the related sale of such Equity Interests.

4. Mandatory Redemption.

Except as set forth in paragraph 5 below, the Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

5. Repurchase at Option of Holder.

(a) Upon the occurrence of a Change of Control, each Holder of Notes shall have the right to require the Company to repurchase all or any part (equal to

$1,000 or an integral multiple thereof) of such Holder's Notes pursuant to the offer described below (the "Change of Control Offer") at an offer price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, thereon to the date of purchase (the "Change of Control Payment"). The right of the Holders of the Notes to require the Company to repurchase such Notes upon a Change of Control may not be waived by the Trustee without the approval of the Holders of the Notes required by Section 9.02 of the Indenture. Within 30 days following any Change of Control, the Company will mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes pursuant to the procedures required by the Indenture and described in such notice. The Change of Control Payment shall be made on a business day not less than 30 days nor more than 60 days after such notice is mailed. The Company and each Subsidiary Guarantor will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control.

(b) If the Company or a Restricted Subsidiary consummates any Asset Sales permitted by the Indenture, when the aggregate amount of Excess Proceeds exceeds $10.0 million, the Company shall make an Asset Sale Offer to purchase the maximum principal amount of Notes and any other pari passu Indebtedness to which the Asset Sale Offer applies that may be purchased out of the Excess Proceeds, at an offer price in cash in an amount equal to, in the case of the Notes, 100% of the principal amount thereof, plus accrued and unpaid interest thereon to the date of purchase or, in the case of any pari passu Indebtedness, 100% of the principal amount thereof (or with respect to discount pari passu Indebtedness, the accreted value thereof) on the date of purchase, in each case, in accordance with the procedures set forth in Section 3.09 of the Indenture or the agreements governing the pari passu Indebtedness, as applicable. To the extent that the aggregate principal amount (or accreted value, as the case may be) of Notes and pari passu Indebtedness tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, the Company may use any remaining Excess Proceeds for general corporate purposes. If the sum of (i) the aggregate principal amount of Notes surrendered by Holders thereof and (ii) the aggregate principal amount or accreted value, as the case may be, of pari passu Indebtedness surrendered by holders or lenders thereof exceeds the amount of Excess Proceeds, the Trustee and the trustee or other lender representative for the pari passu Indebtedness shall select the Notes and the other pari passu Indebtedness to be purchased on a pro rata basis, based on the aggregate principal amount (or accreted value, as applicable) thereof surrendered in such Asset Sale Offer. Upon completion of such Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero.

6. Notice of Redemption. Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address. Notes in denominations

larger than $1,000 may be redeemed in part but only in integral multiples of $1,000, unless all of the Notes held by a Holder are to be redeemed. On and after the redemption date interest will cease to accrue on the aggregate principal amount of the Notes called for redemption.

7. Registered Form; Denominations; Transfer; Exchange.

The Notes are in registered form without coupons in denominations of $1,000 principal amount and any multiple of $1,000 in excess thereof. A Holder may register the transfer or exchange of Notes in accordance with the Indenture. The Trustee may require a Holder to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. Pursuant to the Indenture, there are certain periods during which the Trustee will not be required to issue, register the transfer of or exchange any Note or certain portions of a Note.

8. Persons Deemed Owners. The registered Holder of a Note may be treated as its owner for all purposes.

9. Amendment, Supplement and Waiver. Subject to certain exceptions, the Indenture or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or the tender offer or exchange offer for, such Notes), and any existing Default or Event of Default under, or compliance with any provision of the Indenture or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes. Without the consent of any Holder of a Note, the Indenture or the Notes may be amended on supplemented to cure any ambiguity, defect or inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, to provide for the assumption of the Company's obligations to Holders of the Notes in case of a merger or consolidation, to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the legal rights under the Indenture of any such Holder, or to comply with the requirements of the Commission in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act.

10. Defaults and Remedies. Events of Default include: (i) default for 30 consecutive days in the payment when due of interest on the Notes (whether or not prohibited by the provisions of Article 10 of the Indenture); (ii) default in payment when due of the principal of or premium, if any, on the Notes (whether or not prohibited by the provisions of Article 10 of the Indenture); (iii) failure by the Company to comply with the provisions of Article 5 of the Indenture; (iv) failure by the Company for 30 consecutive days after notice from the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding to comply with the provisions of Sections 4.03, 4.07, 4.08, 4.09,

4.10, 4.11, 4.12, 4.13, 4.14, 4.16 and 4.17 of the Indenture; (v) failure by the Company for 60 consecutive days after notice from the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding to comply with any of its other agreements or covenants in, or provisions of, this Note or in the Indenture; (vi) except as permitted by the Indenture, any Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or a Subsidiary Guarantor, or any Person acting on behalf of a Subsidiary Guarantor, shall deny or disaffirm such Subsidiary Guarantor's obligations under its Guarantee; (vii) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any Restricted Subsidiary, whether such Indebtedness or guarantee now exists, or is created after the date of the Indenture, which default (a) is caused by a failure to pay principal of or premium, if any, or interest, if any, on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "Payment Default") or (b) results in the acceleration of such Indebtedness prior to its express maturity and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there is then existing a Payment Default or the maturity of which has been so accelerated, aggregates $10.0 million or more; provided, that if any such default is cured or waived or any such acceleration rescinded, or such Indebtedness is repaid, within a period of 10 days from the continuation of such default beyond the applicable grace period or the occurrence of such acceleration, as the case may be, such Event of Default under the Indenture and any consequential acceleration of the Notes shall be automatically rescinded; (viii) a final non-appealable judgment or order or final non-appealable judgments or orders are rendered against the Company or any Restricted Subsidiary that remain unpaid or discharged for a period of 60 days and that require the payment in money, either individually or in an aggregate amount, that is more than $10.0 million; and (ix) certain events of bankruptcy or insolvency with respect to the Company or any Significant Subsidiary or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary. If any Event of Default (other than an Event of Default described in clause (ix) above) occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately. Notwithstanding. the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency with respect to the Company, any Significant Subsidiary or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary, all outstanding Notes will become due and payable without further action or notice. Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of the Notes notice of any continuing Default or Event of Default (except a Default or Event of Default

relating to the payment of principal or interest) if it determines that withholding notice is in their interest. The Holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest or premium on, or the principal of, the Notes. The Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Company is required, within 5 Business days after becoming aware of any Default or Event of Default, to deliver to the Trustee a statement specifying such Default or Event of Default.

11. Subordination. The Notes are subordinated to Senior Debt of the Company. To the extent provided in the Indenture, Senior Debt must be paid before the Notes may be paid. The Company agrees, and each Holder by accepting a Note agrees, that the Indebtedness evidenced by the Notes, including, but not limited to, the payment of principal of, premium, if any, and interest on the Notes, and any other payment Obligation of the Company in respect of the Notes is subordinated in right of payment, to the extent and in the manner provided in the Indenture, to the prior payment in full in cash of all Senior Debt of the Company (whether outstanding on the date hereof or hereafter created, incurred, assumed or guaranteed) and authorizes the Trustee to give effect and appoints the Trustee as attorney-in-fact for such purpose.

12. Trustee Dealings with Company. The Indenture contains certain limitations on the rights of the Trustee, should it become a creditor of the Company, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the Commission for permission to continue or resign.

13. No Recourse Against Others. No director, officer, employee, incorporator or stockholder of the Company, as such, shall have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes, by accepting a Note, waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the Commission that such a waiver is against public policy.

14. Authentication.

This Note is not valid until the Trustee (or Authenticating Agent) signs the certificate of authentication on the other side of this Note.

15. Governing Law.

This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

16. Abbreviations.

Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian) and U/G/M/A/ (= Uniform Gifts to Minors Act).

The Company will furnish a copy of the Indenture to any Holder upon written request and without charge.

[NOTE: THE FORM OF GUARANTEE ATTACHED AS EXHIBIT I TO THE INDENTURE IS TO BE ATTACHED TO THIS NOTE.]

[FORM OF TRANSFER NOTICE]

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s), assign(s) and transfer(s) unto

_____

Insert Taxpayer Identification No.

_____

_____

_____

Please print or typewrite name and address including zip code of assignee

_____

_____

the within Note and all rights thereunder, hereby irrevocably constituting and appointing

_____

_____

attorney to transfer said Note on the books of the Company with full power of substitution in the premises.

[THE FOLLOWING PROVISION TO BE INCLUDED ON ALL CERTIFICATES BEARING A RESTRICTED LEGEND]

In connection with any transfer of this Note, the undersigned confirms that such transfer is made without utilizing any general solicitation or general advertising and further as follows:

Check One

[ ] (1) This Note is being transferred to a "qualified institutional buyer" in compliance with Rule 144A under the Securities Act of 1933, as amended and certification in the form of Exhibit F to the Indenture is being furnished herewith.

[ ] (2) This Note is being transferred to a Non-U.S. Person in compliance with the exemption from registration under the Securities Act of 1933, as amended, provided by Regulation S thereunder, and certification in the form of Exhibit E to the Indenture is being furnished herewith.

or

[ ] (3) This Note is being transferred other than in accordance with (1) or (2) above and documents are being furnished which comply with the conditions of transfer set forth in this Note and the Indenture.

If none of the foregoing boxes is checked, the Trustee is not obligated to register this Note in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in the Indenture have been satisfied.

Date:_____

_____
Seller

_____
By

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

Signature Guarantee:(5)

By:(3) _____

- ----------

(5) Signatures must be guaranteed by an "ELIGIBLE GUARANTOR INSTITUTION" meeting the requirements of the Registrar, which requirements include membership or participation in the Securities Transfer Association Medallion Program ("STAMP") or such other "SIGNATURE GUARANTEE PROGRAM" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

(3) To be executed by an executive officer

OPTION OF HOLDER TO ELECT PURCHASE

(a) If the Holder hereof wishes to have all of this Note purchased by the Company pursuant to Section 4.10 of the Indenture (Asset Sales) or Section 4.13 of the Indenture (Offer to Repurchase Notes Upon a Change of Control) of the Indenture, check the box: [ ]

If the Holder hereof wishes wish to have a portion of this Note purchased by the Company pursuant to Section 4.10 of the Indenture (Asset Sales) or Section 4.13 of the Indenture (Offer to Repurchase Notes Upon a Change of Control) of the Indenture, state the amount (in original principal amount) below:

$_____.

Date:_____

Your Signature:_____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee:(1)_____

- ----------

(1) Signatures must be guaranteed by an "ELIGIBLE GUARANTOR INSTITUTION" meeting the requirements of the Trustee, which requirements include membership or participation in the Securities Transfer Association Medallion Program ("STAMP") or such other "SIGNATURE GUARANTEE PROGRAM" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SCHEDULE OF EXCHANGES OF NOTES(1)

The following exchanges of interests in this Global Note for Certificated Notes or interests in another Global Note have been made:

DATE OF EXCHANGE	AMOUNT OF DECREASE IN PRINCIPAL AMOUNT OF THIS GLOBAL NOTE	AMOUNT OF INCREASE IN PRINCIPAL AMOUNT OF THIS GLOBAL NOTE	PRINCIPAL AMOUNT OF THIS GLOBAL NOTE FOLLOWING SUCH DECREASE (OR INCREASE)	SIGNATURE OF AUTHORIZED OFFICER OF TRUSTEE
-				

- ---
(1) For Global Notes

EXHIBIT B

RESERVED

EXHIBIT C

RESTRICTED LEGEND

THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), AND THIS NOTE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF RANGE RESOURCES CORPORATION, THAT (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (II) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (III) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (IV) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (IV) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

EXHIBIT D

DTC LEGEND

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS A BENEFICIAL INTEREST HEREIN.

[TRANSFERS OF THIS GLOBAL NOTE ARE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE ARE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE TRANSFER PROVISIONS OF THE INDENTURE.]

EXHIBIT E

Regulation S Certificate

_____, ____

Bank One, National Association
420 Throckmorton, 4th Floor
Mail Code: TX1-1306
Fort Worth, TX 76102
Attention: Bill Barber, Global Corporate Trust Services

Re: RANGE RESOURCES CORPORATION
7 3/8% Senior Subordinated
Notes due 2013 (the "NOTES")
Issued under the Indenture (the "INDENTURE") dated as
as of July 21, 2003 relating to the Notes

Ladies and Gentlemen:

Terms are used in this Certificate as used in Regulation S ("Regulation S") under the Securities Act of 1933, as amended (the "Securities Act"), except as otherwise stated herein.

[CHECK A OR B AS APPLICABLE.]

[ ] A. This Certificate relates to our proposed transfer of $____ principal amount of Notes issued under the Indenture. We hereby certify as follows:

1. The offer and sale of the Notes was not and will not be made to a person in the United States (unless such person is excluded from the definition of "U.S. person" pursuant to Rule 902(k)(2)(vi) or the account held by it for which it is acting is excluded from the definition of "U.S. person" pursuant to Rule 902(k)(2)(i) under the circumstances described in Rule 902(h)(3)) and such offer and sale was not and will not be specifically targeted at an identifiable group of U.S. citizens abroad.

2. Unless the circumstances described in the parenthetical in paragraph 1 above are applicable, either (a) at the time the buy order was originated, the buyer was outside the United States or we and any person acting on our behalf reasonably believed that the buyer was outside the United States or (b)

the transaction was executed in, on or through the facilities of a designated offshore securities market, and neither we nor any person acting on our behalf knows that the transaction was pre-arranged with a buyer in the United States.

3. Neither we, any of our affiliates, nor any person acting on our or their behalf has made any directed selling efforts in the United States with respect to the Notes.

4. The proposed transfer of Notes is not part of a plan or scheme to evade the registration requirements of the Securities Act.

5. If we are a dealer or a person receiving a selling concession, fee or other remuneration in respect of the Notes, and the proposed transfer takes place during the Restricted Period (as defined in the Indenture), or we are an officer or director of the Company or an Initial Purchaser (as defined in the Indenture), we certify that the proposed transfer is being made in accordance with the provisions of Rule 904(b) of Regulation S.

[ ] B. This Certificate relates to our proposed exchange of $____ principal amount of Notes issued under the Indenture for an equal principal amount of Notes to be held by us. We hereby certify as follows:

1. At the time the offer and sale of the Notes was made to us, either (i) we were not in the United States or (ii) we were excluded from the definition of "U.S. person" pursuant to Rule 902(k)(2)(vi) or the account held by us for which we were acting was excluded from the definition of "U.S. person" pursuant to Rule 902(k)(2)(i) under the circumstances described in Rule 902(h)(3); and we were not a member of an identifiable group of U.S. citizens abroad.

2. Unless the circumstances described in paragraph 1(ii) above are applicable, either (a) at the time our buy order was originated, we were outside the United States or (b) the transaction was executed in, on or through the facilities of a designated offshore securities market and we did not pre-arrange the transaction in the United States.

3. The proposed exchange of Notes is not part of a plan or scheme to evade the registration requirements of the Securities Act.

You and the Company are entitled to rely upon this Certificate and are irrevocably authorized to produce this Certificate or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

[NAME OF SELLER (FOR TRANSFERS)
OR OWNER (FOR EXCHANGES)]

By: _____
Name:
Title:
Address:

Date: _____

EXHIBIT F

Rule 144A Certificate

_____, ____

Bank One, National Association
420 Throckmorton, 4th Floor
Mail Code: TX1-1306
Fort Worth, TX 76102
Attention: Bill Barber, Global Corporate Trust Services

Re: RANGE RESOURCES CORPORATION
7 3/8% Senior Subordinated
Notes due 2013 (the "NOTES")
Issued under the Indenture (the "INDENTURE") dated as
as of July 21, 2003 relating to the Notes

Ladies and Gentlemen:

TO BE COMPLETED BY PURCHASER IF (1) ABOVE IS CHECKED.

This Certificate relates to:

[CHECK A OR B AS APPLICABLE.]

[ ] A. Our proposed purchase of $____ principal amount of Notes issued under the Indenture.

[ ] B. Our proposed exchange of $____ principal amount of Notes issued under the Indenture for an equal principal amount of Notes to be held by us.

We and, if applicable, each account for which we are acting in the aggregate owned and invested more than $100,000,000 in securities of issuers that are not affiliated with us (or such accounts, if applicable), as of _____, 200_, which is a date on or since close of our most recent fiscal year. We and, if applicable, each account for which we are acting, are a qualified institutional buyer within the meaning of Rule 144A ("Rule 144A") under the Securities Act of 1933, as amended (the "Securities Act"). If we are acting on behalf of an account, we exercise sole investment discretion with respect to such account. We are aware that the transfer of Notes to us, or such exchange, as applicable, is being made in reliance upon the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Prior to the date of this Certificate we

have received such information regarding the Company as we have requested pursuant to Rule 144A(d)(4) or have determined not to request such information.

You and the Company are entitled to rely upon this Certificate and are irrevocably authorized to produce this Certificate or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

[NAME OF PURCHASER (FOR TRANSFERS)
OR OWNER (FOR EXCHANGES)]

By: _____
Name:
Title:
Address:

Date: _____

EXHIBIT G

[COMPLETE FORM I OR FORM II AS APPLICABLE.]

[FORM I]

Certificate of Beneficial Ownership

To: Bank One, National Association
420 Throckmorton, 4th Floor
Mail Code: TX1-1306
Fort Worth, TX 76102
Attention: Bill Barber, Global Corporate Trust Services or

[Name of DTC Participant]]

Re: RANGE RESOURCES CORPORATION
7 3/8% Senior Subordinated
Notes due 2013 (the "NOTES")
Issued under the Indenture (the "INDENTURE") dated as
as of July 21, 2003 relating to the Notes

Ladies and Gentlemen:

We are the beneficial owner of $____ principal amount of Notes issued under the Indenture and represented by a Temporary Offshore Global Note (as defined in the Indenture).

We hereby certify as follows:

[CHECK A OR B AS APPLICABLE.]

[ ] A. We are a non-U.S. person (within the meaning of Regulation S under the Securities Act of 1933, as amended).

[ ] B. We are a U.S. person (within the meaning of Regulation S under the Securities Act of 1933, as amended) that purchased the Notes in a transaction that did not require registration under the Securities Act of 1933, as amended.

You and the Company are entitled to rely upon this Certificate and are irrevocably authorized to produce this Certificate or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

[NAME OF BENEFICIAL OWNER]

By: _____
Name:
Title:
Address:

Date: _____

[FORM II]

Certificate of Beneficial Ownership

To: Bank One, National Association
420 Throckmorton, 4th Floor
Mail Code: TX1-1306
Fort Worth, TX 76102
Attention: Bill Barber, Global Corporate Trust Services

Re: RANGE RESOURCES CORPORATION
7 3/8% Senior Subordinated
Notes due 2013 (the "NOTES")
Issued under the Indenture (the "INDENTURE") dated as
as of July 21, 2003 relating to the Notes

Ladies and Gentlemen:

This is to certify that based solely on certifications we have received in writing, by tested telex or by electronic transmission from institutions appearing in our records as persons being entitled to a portion of the principal amount of Notes represented by a Temporary Offshore Global Note issued under the above-referenced Indenture, that as of the date hereof, $____ principal amount of Notes represented by the Temporary Offshore Global Note being submitted herewith for exchange is beneficially owned by persons that are either (i) non-U.S. persons (within the meaning of Regulation S under the Securities Act of 1933, as amended) or (ii) U.S. persons that purchased the Notes in a transaction that did not require registration under the Securities Act of 1933, as amended.

We further certify that (i) we are not submitting herewith for exchange any portion of such Temporary Offshore Global Note excepted in such certifications and (ii) as of the date hereof we have not received any notification from any institution to the effect that the statements made by such Institution with respect

to any portion of such Temporary Offshore Global Note submitted herewith for exchange are no longer true and cannot be relied upon as of the date hereof.

You and the Company are entitled to rely upon this Certificate and are irrevocably authorized to produce this Certificate or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Yours faithfully,

[Name of DTC Participant]

By: _____
Name:
Title:
Address:

Date: _____

EXHIBIT H

THIS NOTE IS A TEMPORARY GLOBAL NOTE. PRIOR TO THE EXPIRATION OF THE RESTRICTED PERIOD APPLICABLE HERETO, BENEFICIAL INTERESTS HEREIN MAY NOT BE HELD BY ANY PERSON OTHER THAN (1) A NON-U.S. PERSON OR (2) A U.S. PERSON THAT PURCHASED SUCH INTEREST IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). BENEFICIAL INTERESTS HEREIN ARE NOT EXCHANGEABLE FOR PHYSICAL NOTES OTHER THAN A PERMANENT GLOBAL NOTE IN ACCORDANCE WITH THE TERMS OF THE INDENTURE. TERMS IN THIS LEGEND ARE USED AS USED IN REGULATION S UNDER THE SECURITIES ACT.

NO BENEFICIAL OWNERS OF THIS TEMPORARY GLOBAL NOTE SHALL BE ENTITLED TO RECEIVE PAYMENT OF PRINCIPAL OR INTEREST HEREON UNTIL SUCH BENEFICIAL INTEREST IS EXCHANGED OR TRANSFERRED FOR AN INTEREST IN ANOTHER NOTE.

EXHIBIT I

Guarantee

Each of the Subsidiary Guarantors hereby, jointly and severally and unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the obligations of the Company hereunder or thereunder, that: (a) the principal of, and premium and interest on, the Notes shall be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of, and interest on premium and interest on, the Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder shall be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and (b) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Subsidiary Guarantors shall be jointly and severally obligated to pay the same immediately.

The obligations of the Subsidiary Guarantors to the Holders of Notes and to the Trustee pursuant to this Guarantee and the Indenture (including the subordination provisions thereof) are expressly set forth in Article 11 of the Indenture, and reference is hereby made to such Indenture for the precise terms of this Guarantee. The terms of Article 11 of the Indenture are incorporated herein by reference.

This is a continuing Guarantee and shall remain in full force and effect and shall be binding upon each of the Subsidiary Guarantors and its respective successors and assigns to the extent set forth in the Indenture until full and final payment of all of the Company's Obligations under the Notes and the Indenture and shall inure to the benefit of the Trustee and the Holders of Notes and their successors and assigns and, in the event of any transfer or assignment of rights by any Holder of Notes or the Trustee, the rights and privileges herein conferred upon that party shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions hereof. Notwithstanding the foregoing, any Subsidiary Guarantor that satisfies the provisions of Section 11.04 of the Indenture shall be released of its obligations hereunder. This is a Guarantee of payment and not a, guarantee of collection.

This Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Note upon which this Guarantee is noted shall

have been executed by the Trustee under the Indenture by the manual signature of one of its authorized officers.

For purposes hereof, each Subsidiary Guarantor's liability will be that amount from time to time equal to the aggregate liability of such Subsidiary Guarantor hereunder but shall be limited to the lesser of (i) the aggregate amount of the obligations of the Company under the Notes and the Indenture and (ii) the amount, if any, which would not have (A) rendered such Subsidiary Guarantor "insolvent" (as such term is defined in the federal Bankruptcy Code and in the Debtor and Creditor law of the State of New York) or (B) left it with unreasonably small capital at the time its Guarantee was entered into, after giving effect to the incurrence of existing Indebtedness immediately prior to such time; provided that, it shall be a presumption in any lawsuit or other proceeding in which such Subsidiary Guarantor is a party that the amount guaranteed pursuant to its Guarantee is the amount set forth in clause (i) above unless any creditor, or representative of creditors of such Subsidiary Guarantor, or debtor in possession or trustee in bankruptcy of such Subsidiary Guarantor, otherwise proves in such a lawsuit that the aggregate liability of such Subsidiary Guarantor is limited to the amount set forth in clause (ii). The Indenture provides that, in making any determination as to the solvency or sufficiency of capital of a Subsidiary Guarantor in accordance with the previous sentence, the right of such Subsidiary Guarantor to contribution from other Subsidiary Guarantors and any other rights such Subsidiary Guarantor may have, contractual or otherwise, shall be taken into account.

Capitalized terms used herein have the same meanings given in the Indenture unless otherwise indicated.

RANGE ENERGY I, INC.

By: _____
Name: _____
Title: _____

RANGE HOLDCO, INC.

By: _____
Name: _____
Title: _____

RANGE PRODUCTION COMPANY

By: _____
Name: _____
Title: _____

RANGE ENERGY VENTURES CORPORATION

By: _____
Name: _____
Title: _____

GULFSTAR ENERGY, INC.

By: _____
Name: _____
Title: _____

RANGE ENERGY FINANCE CORPORATION

By: _____
Name: _____
Title: _____

EXHIBIT 4.4.3

==========

REGISTRATION RIGHTS AGREEMENT

Dated as of July 21, 2003

By and Among

Range Resources Corporation
as Issuer,

and

UBS SECURITIES LLC, BANC ONE CAPITAL MARKETS, INC., CREDIT LYONNAIS SECURITIES (USA) INC. and McDONALD INVESTMENTS INC.
as Initial Purchasers

7 3/8% Senior Subordinated Notes due 2013

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TABLE OF CONTENTS

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is dated as of July 21, 2003, by and between Range Resources Corporation, a Delaware corporation (the "Issuer"), on the one hand, and UBS Securities LLC, Banc One Capital Markets, Inc. Credit Lyonnais Securities (USA) Inc. and McDonald Investments Inc. (the "Initial Purchasers"), on the other hand.

This Agreement is entered into in connection with the Purchase Agreement, dated as of July 21, 2003, by and among the Issuer and the Initial Purchasers (the "Purchase Agreement"), relating to the offering of $100,000,000 aggregate principal amount of the Issuer's 7 3/8% Senior Subordinated Notes due 2013 (the "Notes"). The execution and delivery of this Agreement is a condition to the Initial Purchasers' obligation to purchase the Notes under the Purchase Agreement.

The parties hereby agree as follows:

Section 1. Definitions.

As used in this Agreement, the following terms shall have the following meanings:

"ACTION" shall have the meaning set forth in Section 7(c) hereof.

"ADVICE" shall have the meaning set forth in Section 5 hereof.

"AGREEMENT" shall have the meaning set forth in the first introductory paragraph hereto.

"APPLICABLE PERIOD" shall have the meaning set forth in Section 2(b) hereof.

"BOARD OF DIRECTORS" shall have the meaning set forth in Section 5 hereof.

"BUSINESS DAY" shall mean a day that is not a Legal Holiday.

"COMMISSION" shall mean the Securities and Exchange Commission.

"DAY" shall mean a calendar day.

"DAMAGES PAYMENT DATE" shall have the meaning set forth in Section 4(b) hereof.

"DELAY PERIOD" shall have the meaning set forth in Section 5 hereof.

"EFFECTIVENESS PERIOD" shall have the meaning set forth in Section 3(b) hereof.

"EXCHANGE ACT" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"EXCHANGE NOTES" shall have the meaning set forth in Section 2(a) hereof.

"EXCHANGE OFFER" shall have the meaning set forth in Section 2(a) hereof.

"EXCHANGE OFFER REGISTRATION STATEMENT" shall have the meaning set forth in Section 2(a) hereof.

"GUARANTEES" shall have the meaning set forth in the Indenture.

"HOLDER" shall mean any holder of a Registrable Note or Registrable Notes.

"INDENTURE" shall mean the Indenture, dated as of July 21, 2003, by and between the Issuer, the Subsidiary Guarantors named therein and Bank One, NA as trustee, pursuant to which the Notes are being issued, as amended or supplemented from time to time in accordance with the terms thereof.

"INITIAL PURCHASERS" shall have the meaning set forth in the first introductory paragraph hereof.

"INSPECTORS" shall have the meaning set forth in Section 5(n) hereof.

"ISSUE DATE" shall mean July 21, 2003, the date of original issuance of the Notes.

"ISSUER" shall have the meaning set forth in the introductory paragraph hereto and shall also include the Issuer's permitted successors and assigns.

"LEGAL HOLIDAY" shall mean a Saturday, a Sunday or a day on which banking institutions in New York, New York are required by law, regulation or executive order to remain closed.

"LIQUIDATED DAMAGES" shall have the meaning set forth in Section 4(a) hereof.

"LOSSES" shall have the meaning set forth in Section 7(a) hereof.

"NASD" shall have the meaning set forth in Section 5(s) hereof.

"NOTES" shall have the meaning set forth in the second introductory paragraph hereto.

"PARTICIPANT" shall have the meaning set forth in Section 7(a) hereof.

"PARTICIPATING BROKER-DEALER" shall have the meaning set forth in Section 2(b) hereof.

"PERSON" shall mean an individual, corporation, partnership, joint venture association, joint stock company, trust, unincorporated limited liability company, government or any agency or political subdivision thereof or any other entity.

"PRIVATE EXCHANGE" shall have the meaning set forth in Section 2(b) hereof.

"PRIVATE EXCHANGE NOTES" shall have the meaning set forth in Section 2(b) hereof.

"PROSPECTUS" shall mean the prospectus included in any Registration Statement (including, without limitation, any prospectus subject to completion and a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"PURCHASE AGREEMENT" shall have the meaning set forth in the second introductory paragraph hereof.

"RECORDS" shall have the meaning set forth in Section 5(n) hereof.

"REGISTRABLE NOTES" shall mean each Note upon its original issuance and at all times subsequent thereto, each Exchange Note as to which Section 2(c)(iii) hereof is applicable upon original issuance and at all times subsequent thereto and each Private Exchange Note upon original issuance thereof and at all times subsequent thereto, in each case until (i) a Registration Statement (other than, with respect to any Exchange Note as to which Section 2(c)(iii) hereof is applicable, the Exchange Offer Registration Statement) covering such Note, Exchange Note or Private Exchange Note has been declared effective by the Commission and such Note, Exchange Note or such Private Exchange Note, as the case may be, has been disposed of in accordance with such effective Registration Statement, (ii) such Note has been exchanged pursuant to the Exchange Offer for an Exchange Note or Exchange Notes that may be resold without restriction under state and federal securities laws, (iii) such Note, Exchange Note or Private Exchange Note, as the case may be, ceases to be outstanding for purposes of the Indenture or (iv) such Note, Exchange Note or Private Exchange Note has been sold in compliance with Rule 144 or is salable pursuant to Rule 144(k).

"REGISTRATION DEFAULT" shall have the meaning set forth in Section 4(a) hereof.

"REGISTRATION STATEMENT" shall mean any appropriate registration statement of the Issuer covering any of the Registrable Notes filed with the Commission under the Securities Act, and all amendments and supplements to any such Registration Statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"REQUESTING PARTICIPATING BROKER-DEALER" shall have the meaning set forth in Section 2(b) hereof.

"RULE 144" shall mean Rule 144 promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule (other than Rule 144A) or regulation hereafter adopted by the Commission providing for offers and sales of securities made in compliance therewith

resulting in offers and sales by subsequent holders that are not affiliates of an issuer of such securities being free of the registration and prospectus delivery requirements of the Securities Act.

"RULE 144A" shall mean Rule 144A promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule (other than Rule 144) or regulation hereafter adopted by the Commission.

"RULE 415" shall mean Rule 415 promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission.

"SECURITIES ACT" shall mean the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"SHELF FILING EVENT" shall have the meaning set forth in Section 2(c) hereof.

"SHELF REGISTRATION" shall have the meaning set forth in Section 3(a) hereof.

"SHELF REGISTRATION STATEMENT" shall mean a Registration Statement filed in connection with a Shelf Registration.

"SUBSIDIARY GUARANTOR" shall have the meaning set forth in the Indenture.

"TIA" shall mean the Trust Indenture Act of 1939, as amended.

"TRUSTEE" shall mean the trustee under the Indenture and the trustee (if any) under any indenture governing the Exchange Notes and Private Exchange Notes.

"UNDERWRITTEN REGISTRATION OR UNDERWRITTEN OFFERING" shall mean a registration in which securities of the Issuer is sold to an underwriter for reoffering to the public.

Section 2. Exchange Offer.

(a) The Issuer shall (i) file a Registration Statement (the "Exchange Offer Registration Statement") within 90 days after the Issue Date with the Commission on an appropriate registration form with respect to a registered offer (the "Exchange Offer") to exchange any and all of the Registrable Notes for a like aggregate principal amount of notes (the "Exchange Notes") that are identical in all material respects to the Notes (except that the Exchange Notes shall not contain terms with respect to transfer restrictions or Liquidated Damages upon a Registration Default), (ii) use its best efforts to cause the Exchange Offer Registration Statement to be declared effective under the Securities Act within 180 days after the Issue Date and (iii) use its reasonable best efforts to consummate the Exchange Offer within 210 days after the Issue Date. Upon the Exchange Offer Registration Statement being declared effective by the Commission, the Issuer will offer the Exchange Notes in exchange for surrender of the Notes. The Issuer shall keep the Exchange Offer open for not less than

30 days (or longer if required by applicable law) after the date notice of the Exchange Offer is mailed to Holders.

Each Holder that participates in the Exchange Offer will be required to represent to the Issuer in writing that (i) any Exchange Notes to be received by it will be acquired in the ordinary course of its business, (ii) it has no arrangement or understanding with any Person to participate in the distribution (within the meaning of the Securities Act) of the Exchange Notes in violation of the provisions of the Securities Act or, if it is an affiliate, it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable, (iii) it is not an affiliate of the Issuer, as defined in Rule 405 under the Securities Act, (iv) if such Holder is not a broker-dealer, it is not engaged in, and does not intend to engage in, a distribution of Exchange Notes, (v) if such Holder is a broker-dealer that will receive Exchange Notes for its own account in exchange for Notes that were acquired as a result of market-making or other trading activities, it will deliver a prospectus in connection with any resale of such Exchange Notes and (vi) such Holder has full power and authority to transfer the Notes in exchange for the Exchange Notes and that the Issuer will acquire good and unencumbered title thereto free and clear of any liens, restrictions, charges or encumbrances and not subject to any adverse claims.

(b) The Issuer and the Initial Purchasers acknowledge that the staff of the Commission has taken the position that any broker-dealer that elects to exchange Notes that were acquired by such broker-dealer for its own account as a result of market-making or other trading activities for Exchange Notes in the Exchange Offer (a "Participating Broker-Dealer") may be deemed to be an "underwriter" within the meaning of the Securities Act and must deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such Exchange Notes (other than a resale of an unsold allotment resulting from the original offering of the Notes).

The Issuer and the Initial Purchasers also acknowledge that the staff of the Commission has taken the position that if the Prospectus contained in the Exchange Offer Registration Statement includes a plan of distribution containing a statement to the above effect and the means by which Participating Broker-Dealers may resell the Exchange Notes, without naming the Participating Broker-Dealers or specifying the amount of Exchange Notes owned by them, such Prospectus may be delivered by Participating Broker-Dealers to satisfy their prospectus delivery obligations under the Securities Act in connection with resales of Exchange Notes for their own accounts, so long as the Prospectus otherwise meets the requirements of the Securities Act.

In light of the foregoing, if requested by a Participating Broker-Dealer (a "Requesting Participating Broker-Dealer"), the Issuer agrees to use its reasonable best efforts to keep the Exchange Offer Registration Statement continuously effective for a period not to exceed 180 days after the date on which the Exchange Registration Statement is declared effective, or such longer period if extended pursuant to the last paragraph of Section 5 hereof (such period, the "Applicable Period"), or such earlier date as all Requesting Participating Broker-Dealers shall have notified the Issuer in writing that such Requesting Participating Broker-Dealers have resold all Exchange Notes acquired in the Exchange Offer. The Issuer shall include a plan of distribution in such Exchange Offer Registration Statement that meets the requirements set forth in the preceding paragraph.

If, prior to consummation of the Exchange Offer, any Initial Purchaser or any Holder, as the case may be, holds any Notes acquired by it that have, or that are reasonably likely to be determined to have, the status of an unsold allotment in an initial distribution, or if any Holder is not entitled to participate in the Exchange Offer, the Issuer upon the request of the Initial Purchasers or any such Holder, as the case may be, shall simultaneously with the delivery of the Exchange Notes in the Exchange Offer, issue and deliver to the Initial Purchasers or any such Holder, as the case may be, in exchange (the "Private Exchange") for such Notes held by the Initial Purchasers or any such Holder, as the case may be, a like principal amount of notes (the "Private Exchange Notes") of the Issuer that are identical in all material respects to the Exchange Notes except that the Private Exchange Notes may be subject to restrictions on transfer and bear a legend to such effect. The Private Exchange Notes shall be issued pursuant to the same indenture as the Exchange Notes and bear the same CUSIP number as the Exchange Notes.

For each Note surrendered in the Exchange Offer, the Holder will receive an Exchange Note having a principal amount equal to that of the surrendered Note. Interest on each Exchange Note and Private Exchange Note issued pursuant to the Exchange Offer and in the Private Exchange will accrue from the last interest payment date on which interest was paid on the Notes surrendered in exchange therefor or, if no interest has been paid on the Notes, from the Issue Date.

Upon consummation of the Exchange Offer in accordance with this Section 2, the Issuer shall have no further registration obligations other than the Issuer's continuing registration obligations with respect to (i) Private Exchange Notes, (ii) Exchange Notes held by Participating Broker-Dealers and (iii) Notes or Exchange Notes as to which clause (c)(iii) of this Section 2 applies.

In connection with the Exchange Offer, the Issuer shall:

(1) mail or cause to be mailed to each Holder entitled to participate in the Exchange Offer a copy of the Prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(2) utilize the services of a depositary for the Exchange Offer with an address in the Borough of Manhattan, The City of New York;

(3) permit Holders to withdraw tendered Notes at any time prior to the close of business, New York time, on the last Business Day on which the Exchange Offer shall remain open; and

(4) otherwise comply in all material respects with all applicable laws, rules and regulations.

As soon as practicable after the close of the Exchange Offer and the Private Exchange, if any, the Issuer shall:

(1) accept for exchange all Notes validly tendered and not validly withdrawn by the Holders pursuant to the Exchange Offer and the Private Exchange, if any;

(2) deliver or cause to be delivered to the Trustee for cancellation all Notes so accepted for exchange; and

(3) cause the Trustee to authenticate and deliver promptly to each such Holder of Notes, Exchange Notes or Private Exchange Notes, as the case may be, equal in principal amount to the Registrable Notes of such Holder so accepted for exchange.

The Exchange Offer and the Private Exchange shall not be subject to any conditions, other than that (i) the Exchange Offer or Private Exchange, as the case may be, does not violate applicable law or any applicable interpretation of the staff of the Commission, (ii) no action or proceeding shall have been instituted or threatened in any court or by any governmental agency which might materially impair the ability of the Issuer to proceed with the Exchange Offer or the Private Exchange, and no material adverse development shall have occurred in any existing action or proceeding with respect to the Issuer and (iii) all governmental approvals shall have been obtained, which approvals the Issuer deems necessary for the consummation of the Exchange Offer or Private Exchange.

The Exchange Notes and the Private Exchange Notes shall be issued under (i) the Indenture or (ii) an indenture identical in all material respects to the Indenture (in either case, with such changes as are necessary to comply with any requirements of the Commission to effect or maintain the qualification thereof under the TIA) and which, in either case, has been qualified under the TIA and shall provide that (a) the Exchange Notes shall not be subject to the transfer restrictions set forth in the Indenture and (b) the Private Exchange Notes shall be subject to the transfer restrictions set forth in the Indenture. The Exchange Notes and the Private Exchange Notes will be guaranteed by the Subsidiary Guarantors to the same extent as the Notes. The Indenture or such indenture shall provide that the Exchange Notes, the Private Exchange Notes and the Notes shall vote and consent together on all matters as one class and that none of the Exchange Notes, the Private Exchange Notes or the Notes will have the right to vote or consent as a separate class on any matter. The Issuer will cause the Subsidiary Guarantors to become co-registrants under the Exchange Offer Registration Statement with respect to the Guarantees.

(c) In the event that (i) any changes in law or the applicable interpretations of the staff of the Commission do not permit the Issuer to effect the Exchange Offer, (ii) for any reason the Exchange Offer is not consummated within 210 days of the Issue Date, (iii) any Holder, other than the Initial Purchasers, notifies the Issuer prior to the 20th Business Day following the consummation of the Exchange Offer that it is prohibited by law or the applicable interpretations of the staff of the Commission from participating in the Exchange Offer, (iv) in the case of any Holder who participates in the Exchange Offer, such Holder does not receive Exchange Notes on the date of the exchange that may be sold without restriction under state and federal securities laws (other than due solely to the status of such holder as an affiliate of the Issuer within the meaning of the Securities Act) or (v) the Initial Purchaser so requests with respect to Notes or Private Exchange Notes that have, or that are reasonably likely to be determined to have, the status of unsold allotments in an initial distribution (each such event referred to in clauses (i) through (v) of this sentence, a "Shelf Filing Event"), then the Issuer shall file a Shelf Registration pursuant to Section 3 hereof.

Section 3. Shelf Registration.

If at any time a Shelf Filing Event shall occur, then:

(a) Shelf Registration. The Issuer shall file with the Commission a Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415 covering all of the Registrable Notes not exchanged in the Exchange Offer, Private Exchange Notes and Exchange Notes as to which Section 2(c)(iii) is applicable (the "Shelf Registration"). The Issuer shall use its reasonable best efforts to file with the Commission the Shelf Registration as promptly as practicable. The Shelf Registration shall be on Form S-3 or another appropriate form permitting registration of such Registrable Notes for resale by Holders in the manner or manners designated by them (including, without limitation, one or more underwritten offerings). The Issuer shall not permit any securities other than the Registrable Notes to be included in the Shelf Registration. The Issuer will cause the Subsidiary Guarantors to become co-registrants under the Shelf Registration Statement with respect to the Guarantees.

(b) The Issuer shall use its reasonable best efforts (x) to cause the Shelf Registration to be declared effective under the Securities Act on or prior to the later of 180 calendar days after the Issue Date or 90 days after the Shelf Registration is required to be filed with the Commission and (y) to keep the Shelf Registration continuously effective under the Securities Act for the period ending on the date which is two years from the Issue Date, subject to extension pursuant to the penultimate paragraph of Section 5 hereof (the "Effectiveness Period"), or such shorter period ending when all Registrable Notes covered by the Shelf Registration have been sold in the manner set forth and as contemplated in the Shelf Registration; provided, however, that (i) the Effectiveness Period in respect of the Shelf Registration shall be extended to the extent required to permit dealers to comply with the applicable prospectus delivery requirements of Rule 174 under the Securities Act and as otherwise provided herein and (ii) the Issuer may suspend the effectiveness of the Shelf Registration Statement by written notice to the Holders (A) as a result of the filing of a post-effective amendment to the Shelf Registration Statement to incorporate annual audited financial information with respect to the Issuer where such post-effective amendment is not yet effective and needs to be declared effective to permit Holders to use the related Prospectus or (B) for any purpose and for so long as permitted pursuant to the penultimate paragraph of Section 5 hereof, including a bona fide business purpose.

(c) Supplements and Amendments. The Issuer agrees to supplement or make amendments to the Shelf Registration Statement as and when required by the rules, regulations or instructions applicable to the registration form used for such Shelf Registration Statement or by the Securities Act or rules and regulations thereunder for shelf registration, or if reasonably requested by the Holders of a majority in aggregate principal amount of the Registrable Notes covered by such Registration Statement or by any underwriter of such Registrable Notes.

Section 4. Liquidated Damages.

(a) The Issuer and the Initial Purchasers agree that the Holders will suffer damages if the Issuer fails to fulfill its obligations under Section 2 or Section 3 hereof and that it would not be feasible to ascertain the extent of such damages with precision. Accordingly, the Issuer agrees that if:

(i) the Exchange Offer Registration Statement is not declared effective on or prior to the 180th day following the Issue Date (the "Effectiveness Deadline") or, if that day is not a Business Day, the next day that is a Business Day,

(ii) the Exchange Offer is not consummated on or prior to the earlier of the 30th Business Day following the Effectiveness Deadline or the 210th day following the Issue Date, or, if that day is not a Business Day, the next day that is a Business Day; or

(iii) the Shelf Registration Statement is required to be filed but is not declared effective by the later of 180 calendar days after the Issue Date or 90 days after the Shelf Registration is required to be filed with the Commission, or, if either such day is not a Business Day, the next day that is a Business Day, or is declared effective by such date but thereafter ceases to be effective or usable, except if the Shelf Registration ceases to be effective or usable as specifically permitted by the penultimate paragraph of Section 5 hereof

(each such event referred to in clauses (i) through (iii) a "Registration Default"), liquidated damages in the form of additional cash interest ("Liquidated Damages") will accrue on the affected Notes and the affected Exchange Notes, as applicable. The rate of Liquidated Damages will be 0.25% per annum for the first 90-day period immediately following the occurrence of a Registration Default, increasing by an additional 0.25% per annum with respect to each subsequent 90-day period up to a maximum amount of additional interest of 0.50% per annum, from and including the date on which any such Registration Default shall occur to, but excluding, the earlier of (1) the date on which all Registration Defaults have been cured or (2) the date on which all the Notes and Exchange Notes otherwise become freely transferable by Holders other than affiliates of the Issuer without further registration under the Securities Act.

Notwithstanding the foregoing, (1) the amount of Liquidated Damages payable shall not increase because more than one Registration Default has occurred and is pending and (2) a Holder of Notes or Exchange Notes who is not entitled to the benefits of the Shelf Registration Statement (i.e., such Holder has not elected to include information) shall not be entitled to Liquidated Damages with respect to a Registration Default that pertains to the Shelf Registration Statement.

(b) So long as Notes remain outstanding, the Issuer shall notify the Trustee within five Business Days after each and every date on which an event occurs in respect of which Liquidated Damages is required to be paid. Any amounts of Liquidated Damages due pursuant to clauses (a)(i), (a)(ii) or (a)(iii) of this Section 4 will be payable in cash semi-annually on each January 15 and July 15 (each a "Damages Payment Date"), commencing with the first such date occurring after any such Liquidated Damages commence to accrue, to Holders to whom regular interest is payable on such Damages Payment Date with respect to Notes that are Registrable Securities. The amount of Liquidated Damages for Registrable Notes will be determined by multiplying the applicable rate of Liquidated Damages by the aggregate principal amount of all such Registrable Notes outstanding on the Damages Payment Date following such Registration Default in the case of the first such payment of Liquidated Damages with respect to a Registration Default (and thereafter at the next succeeding Damages Payment Date until the cure of such Registration Default), multiplied by a fraction, the numerator of which is the number of days such Liquidated Damages rate was applicable during such

period (determined on the basis of a 360-day year comprised of twelve 30-day months and, in the case of a partial month, the actual number of days elapsed), and the denominator of which is 360.

Section 5. Registration Procedures.

In connection with the filing of any Registration Statement pursuant to Section 2 or 3 hereof, the Issuer shall effect such registrations to permit the sale of the securities covered thereby in accordance with the intended method or methods of disposition thereof, and pursuant thereto and in connection with any Registration Statement filed by the Issuer hereunder, the Issuer shall:

(a) Prepare and file with the Commission the Registration Statement or Registration Statements prescribed by Section 2 or 3 hereof, and use its reasonable best efforts to cause each such Registration Statement to become effective and remain effective as provided herein; provided, however, that if (1) such filing is pursuant to Section 3 hereof, or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period relating thereto, before filing any Registration Statement or Prospectus or any amendments or supplements thereto, the Issuer shall furnish to and afford the Holders of the Registrable Notes covered by such Registration Statement or each such Participating Broker-Dealer, as the case may be, its counsel (if such counsel is known to the Issuer) and the managing underwriters, if any, a reasonable opportunity to review copies of all such documents (including copies of any documents to be incorporated by reference therein and all exhibits thereto) proposed to be filed (in each case at least five Business Days prior to such filing or such later date as is reasonable under the circumstances). The Issuer shall not file any Registration Statement or Prospectus or any amendments or supplements thereto if the Holders of a majority in aggregate principal amount of the Registrable Notes covered by such Registration Statement, or any such Participating Broker-Dealer, as the case may be, its counsel, or the managing underwriters, if any, shall reasonably object on a timely basis.

(b) Prepare and file with the Commission such amendments and post-effective amendments to each Shelf Registration Statement or Exchange Offer Registration Statement, as the case may be, as may be necessary to keep such Registration Statement continuously effective for the Effectiveness Period or the Applicable Period, as the case may be; cause the related Prospectus to be supplemented by any Prospectus supplement required by applicable law, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) promulgated under the Securities Act; and comply with the provisions of the Securities Act and the Exchange Act applicable to it with respect to the disposition of all securities covered by such Registration Statement as so amended or in such Prospectus as so supplemented and with respect to the subsequent resale of any securities being sold by a Participating Broker-Dealer covered by any such Prospectus, in each case, in accordance with the intended methods of distribution set forth in such Registration Statement or Prospectus, as so amended.

(c) If (1) a Shelf Registration is filed pursuant to Section 3 hereof, or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period relating thereto from whom the Issuer has received written notice that such Broker-Dealer will be a Participating Broker-Dealer in the applicable Exchange Offer, notify the selling Holders of Registrable Notes, or each such Participating Broker-Dealer, as the case may be, their counsel and the managing underwriters, if any, as promptly as possible, and, if requested by any such Person, confirm such notice in writing, (i) when a Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to a Registration Statement or any post-effective amendment, when the same has become effective under the Securities Act (including in such notice a written statement that any Holder may, upon request, obtain, at the sole expense of the Issuer, one conformed copy of such Registration Statement or post-effective amendment including financial statements and schedules, documents incorporated or deemed to be incorporated by reference and exhibits), (ii) of the issuance by the Commission of any stop order suspending the effectiveness of a Registration Statement or of any order preventing or suspending the use of any preliminary prospectus or the initiation of any proceedings for that purpose, (iii) if at any time when a Prospectus is required by the Securities Act to be delivered in connection with sales of the Registrable Notes or resales of Exchange Notes by Participating Broker-Dealers the representations and warranties of the Issuer contained in any agreement (including any underwriting agreement) contemplated by Section 5(m)(i) hereof cease to be true and correct in all material respects, (iv) of the receipt by the Issuer of any notification with respect to the suspension of the qualification or exemption from qualification of a Registration Statement or any of the Registrable Notes or the Exchange Notes for offer or sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose, (v) of the happening of any event, the existence of any condition or any information becoming known to the Issuer that makes any statement made in such Registration Statement or related Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in or amendments or supplements to such Registration Statement, Prospectus or documents so that, in the case of the Registration Statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of the Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (vi) of the Issuer's determination that a post-effective amendment to a Registration Statement would be appropriate.

(d) If (1) a Shelf Registration is filed pursuant to Section 3 hereof, or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, use its reasonable best efforts to prevent the issuance of any order suspending the effectiveness of a Registration Statement or of any order preventing or suspending the use of a Prospectus or suspending the qualification

(or exemption from qualification) of any of the Registrable Notes or the Exchange Notes, as the case may be, for sale in any jurisdiction, and, if any such order is issued, to use its reasonable best efforts to obtain the withdrawal of any such order at the earliest practicable moment.

(e) If (1) a Shelf Registration is filed pursuant to Section 3 hereof or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period and if reasonably requested by the managing underwriter or underwriters (if any), the Holders of a majority in aggregate principal amount of the Registrable Notes covered by such Registration Statement or any Participating Broker-Dealer, as the case may be, (i) promptly incorporate in such Registration Statement or Prospectus a prospectus supplement or post-effective amendment such information as the managing underwriter or underwriters (if any), such Holders or any Participating Broker-Dealer, as the case may be (based upon advice of counsel), determine is reasonably necessary to be included therein and (ii) make all required filings of such prospectus supplement or such post-effective amendment as soon as practicable after the Issuer has received notification of the matters to be incorporated in such prospectus supplement or post-effective amendment; provided, however, that the Issuer shall not be required to take any action hereunder that would, in the written opinion of counsel to the Issuer, violate applicable laws.

(f) If (1) a Shelf Registration is filed pursuant to Section 3 hereof or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, furnish to each selling Holder of Registrable Notes or each such Participating Broker-Dealer, as the case may be, who so requests, its counsel and each managing underwriter, if any, at the sole expense of the Issuer, one conformed copy of the Registration Statement or Registration Statements and each post-effective amendment thereto, including financial statements and schedules, and, if requested, all documents incorporated or deemed to be incorporated therein by reference and all exhibits.

(g) If (1) a Shelf Registration is filed pursuant to Section 3 hereof, or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, deliver to each selling Holder of Registrable Notes or each such Participating Broker-Dealer, as the case may be, its respective counsel, and the underwriters, if any, at the sole expense of the Issuer, as many copies of the Prospectus or Prospectuses (including each form of preliminary prospectus) and each amendment or supplement thereto and any documents incorporated by reference therein as such Persons may reasonably request; and, subject to the last paragraph of this Section 5, the Issuer hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders of Registrable Notes or each such Participating Broker-Dealer, as the case may be, and the underwriters or agents, if any, and dealers (if any), in

connection with the offering and sale of the Registrable Notes covered by, or the sale by Participating Broker-Dealers of the Exchange Notes pursuant to, such Prospectus and any amendment or supplement thereto.

(h) Prior to any public offering of Registrable Notes or Exchange Notes or any delivery of a Prospectus contained in the Exchange Offer Registration Statement by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, use its reasonable best efforts to register or qualify, and to cooperate with the selling Holders of Registrable Notes or each such Participating Broker-Dealer, as the case may be, the managing underwriter or underwriters, if any, and its respective counsel in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Notes or Exchange Notes, as the case may be, for offer and sale under the securities or Blue Sky laws of such jurisdictions within the United States as any selling Holder, Participating Broker-Dealer, or the managing underwriter or underwriters reasonably request; provided, however, that where Exchange Notes or Registrable Notes are offered other than through an underwritten offering, the Issuer agrees to use its reasonable best efforts to cause the Issuer's counsel to perform Blue Sky investigations and file registrations and qualifications required to be filed pursuant to this Section 5(h); keep each such registration or qualification (or exemption therefrom) effective during the period such Registration Statement is required to be kept effective and do any and all other acts or things reasonably necessary or advisable to enable the disposition in such jurisdictions of such Exchange Notes or Registrable Notes covered by the applicable Registration Statement; provided, however, that the Issuer shall not be required to (A) qualify generally to do business in any jurisdiction where it is not then so qualified, (B) take any action that would subject it to general service of process in any such jurisdiction where it is not then so subject or (C) subject itself to taxation in excess of a nominal dollar amount in any such jurisdiction where it is not then so subject.

(i) If a Shelf Registration is filed pursuant to Section 3 hereof, cooperate with the selling Holders of Registrable Notes and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Notes to be sold, which certificates shall not bear any restrictive legends and shall be in a form eligible for deposit with The Depository Trust Company and enable such Registrable Notes to be in such denominations and registered in such names as the managing underwriter or underwriters, if any, or selling Holders may request at least five Business Days prior to any sale of such Registrable Notes.

(j) Use its reasonable best efforts to cause the Registrable Notes or Exchange Notes covered by any Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be reasonably necessary to enable the seller or sellers thereof or the underwriter or underwriters, if any, to consummate the disposition of such Registrable Notes or Exchange Notes, except as may be required solely as a consequence of the nature of such selling Holder's business, in which case the Issuer will cooperate in all reasonable respects with the filing of such Registration Statement and the granting of such approvals.

(k) If (1) a Shelf Registration is filed pursuant to Section 3 hereof, or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, upon the occurrence of any event contemplated by Section 5(c)(v) or 5(c)(vi) hereof, as promptly as practicable prepare and (subject to Section 5(a) and the penultimate paragraph of this Section 5) file with the Commission, at the sole expense of the Issuer, a supplement or post-effective amendment to the Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Notes being sold thereunder or to the purchasers of the Exchange Notes to whom such Prospectus will be delivered by a Participating Broker-Dealer, any such Prospectus will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) Prior to the effective date of the first Registration Statement relating to the Registrable Notes, (i) provide the Trustee with certificates for the Registrable Notes in a form eligible for deposit with The Depository Trust Company and (ii) provide a CUSIP number for the Registrable Notes.

(m) In connection with any underwritten offering of Registrable Notes pursuant to a Shelf Registration, enter into an underwriting agreement as is customary in underwritten offerings of debt securities similar to the Notes and take all such other actions as are reasonably requested by the managing underwriter or underwriters in order to expedite or facilitate the registration or the disposition of such Registrable Notes and, in such connection, (i) make such representations and warranties to, and covenants with, the underwriters with respect to the business of the Issuer and its subsidiaries, as then conducted (including any acquired business, properties or entity, if applicable), and the Registration Statement, Prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, as are customarily made by issuers to underwriters in underwritten offerings of debt securities similar to the Notes, and confirm the same in writing if and when requested; (ii) use its reasonable best efforts to obtain the written opinions of counsel to the Issuer and written updates thereof in form, scope and substance reasonably satisfactory to the managing underwriter or underwriters, addressed to the underwriters covering the matters customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably requested by the managing underwriter or underwriters; (iii) use its reasonable best efforts to obtain "cold comfort"

letters and updates thereof in form, scope and substance reasonably satisfactory to the managing underwriter or underwriters from the independent certified public accountants of the Issuer (and, if necessary, any other independent certified public accountants of any subsidiary of the Issuer or of any business acquired by the Issuer for which financial statements and financial data are, or are required to be, included or incorporated by reference in the Registration Statement), addressed to each of the underwriters, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings; and (iv) if an underwriting agreement is entered into, the same shall contain indemnification provisions and procedures no less favorable than those set forth in Section 7 hereof (or such other provisions and procedures acceptable to Holders of a majority in aggregate principal amount of Registrable Notes covered by such Registration Statement and the managing underwriter or underwriters or agents) with respect to all parties to be indemnified pursuant to said Section; provided that the Issuer shall not be required to provide indemnification to any underwriter selected in accordance with the provisions of Section 9 hereof with respect to information relating to such underwriter furnished in writing to the Issuer by or on behalf of such underwriter expressly for inclusion in such Registration Statement. The above shall be done at each closing under such underwriting agreement, or as and to the extent required thereunder.

(n) If (1) a Shelf Registration is filed pursuant to Section 3 hereof or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, make available for inspection by any selling Holder of such Registrable Notes being sold or each such Participating Broker-Dealer, as the case may be, any underwriter participating in any such disposition of Registrable Notes, if any, and any attorney, accountant or other agent retained by any such selling Holder or each such Participating Broker-Dealer, as the case may be, or underwriter (collectively, the "Inspectors"), at the offices where normally kept, during reasonable business hours, all financial and other records, pertinent corporate documents and instruments of the Issuer and its subsidiaries (collectively, the "Records") as shall be reasonably necessary to enable them to exercise any applicable due diligence responsibilities, and cause the officers, directors and employees of the Issuer and its subsidiaries to supply all information reasonably requested by any such Inspector in connection with such Registration Statement and Prospectus. Each Inspector shall agree in writing that it will keep the Records confidential and that it will not disclose, or use in connection with any market transactions in violation of any applicable securities laws, any Records that the Issuer determines, in good faith, to be confidential and that it notifies the Inspectors in writing are confidential unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such Registration Statement or Prospectus, (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction, (iii) disclosure of such information is necessary or advisable in the opinion of counsel for an Inspector in connection with any action, claim, suit or proceeding, directly or indirectly, involving or potentially involving such Inspector and arising out of, based upon, relating to, or involving this Agreement or the Purchase Agreement, or any transactions contemplated hereby or thereby or arising hereunder or thereunder, or (iv) the information in such Records has been made generally available to the public; provided, however, that (i) each Inspector shall agree to use reasonable best efforts to provide notice to the Issuer of the potential disclosure of any information by such Inspector pursuant to clause (i), (ii) or (iii) of this sentence to permit the Issuer to obtain a protective order (or waive the provisions of this paragraph (n)) and (ii) each such Inspector shall take such actions as are reasonably necessary to protect the confidentiality of such information (if practicable)

to the extent such action is otherwise not inconsistent with, an impairment of or in derogation of the rights and interests of the Holder or any Inspector.

(o) Provide an indenture trustee for the Registrable Notes or the Exchange Notes, as the case may be, and cause the Indenture or the trust indenture provided for in Section 2(a) hereof to be qualified under the TIA not later than the effective date of the Exchange Offer or the first Registration Statement relating to the Registrable Notes; and in connection therewith, cooperate with the trustee under any such indenture and the Holders of the Registrable Notes or Exchange Notes, as applicable, to effect such changes to such indenture as may be required for such indenture to be so qualified in accordance with the terms of the TIA; and execute, and use its reasonable best efforts to cause such trustee to execute, all documents as may be required to effect such changes, and all other forms and documents required to be filed with the Commission to enable such indenture to be so qualified in a timely manner.

(p) Comply with all applicable rules and regulations of the Commission and make generally available to the Issuer's securityholders earnings statements satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder (or any similar rule promulgated under the Securities Act) no later than 45 days after the end of any 12-month period (or 90 days after the end of any 12-month period if such period is a fiscal year) (i) commencing at the end of any fiscal quarter in which Registrable Notes or Exchange Notes are sold to underwriters in a firm commitment or best efforts underwritten offering and (ii) if not sold to underwriters in such an offering, commencing on the first day of the first fiscal quarter of the Issuer after the effective date of a Registration Statement, which statements shall cover said 12-month periods consistent with the requirements of Rule 158.

(q) Upon the request of a Holder, upon consummation of the Exchange Offer or a Private Exchange, use its reasonable best efforts to obtain an opinion of counsel to the Issuer, in a form customary for underwritten transactions, addressed to the Trustee for the benefit of all Holders of Registrable Notes participating in the Exchange Offer or the Private Exchange, as the case may be, that the Exchange Notes or Private Exchange Notes, as the case may be, and the related indenture constitute legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with its respective terms, subject to customary exceptions and qualifications.

(r) If the Exchange Offer or a Private Exchange is to be consummated, upon delivery of the Registrable Notes by Holders to the Issuer (or to such other Person as directed by the Issuer) in exchange for the Exchange Notes or the Private Exchange Notes, as the case may be, mark, or cause to be marked, on such Registrable Notes that such Registrable Notes are being cancelled in exchange for the Exchange Notes or the Private Exchange Notes, as the case may be; provided that in no event shall such Registrable Notes be marked as paid or otherwise satisfied.

(s) Cooperate with each seller of Registrable Notes covered by any Registration Statement and each underwriter, if any, participating in the disposition of such Registrable

Notes and their respective counsel in connection with any filings required to be made with the National Association of Securities Dealers, Inc. (the "NASD").

(t) Use its reasonable best efforts to take all other steps reasonably necessary or advisable to effect the registration of the Exchange Notes and/or Registrable Notes covered by a Registration Statement contemplated hereby.

The Issuer may require each seller of Registrable Notes or Exchange Notes as to which any registration is being effected to furnish to the Issuer such information regarding such seller and the distribution of such Registrable Notes or Exchange Notes as the Issuer may, from time to time, reasonably request. The Issuer may exclude from such registration the Registrable Notes of any seller so long as such seller fails to furnish such information within a reasonable time after receiving such request and in the event of such an exclusion, the Issuer shall have no further obligation under this Agreement (including, without limitation, the obligations under Section 4) with respect to such seller or any subsequent Holder of such Registrable Notes. Each seller as to which any Shelf Registration is being effected agrees to furnish promptly to the Issuer all information required to be disclosed in order to make any information previously furnished to the Issuer by such seller not materially misleading.

If any such Registration Statement refers to any Holder by name or otherwise as the holder of any securities of the Issuer, then such Holder shall have the right to require (i) the insertion therein of language, in form and substance reasonably satisfactory to such Holder, to the effect that the holding by such Holder of such securities is not to be construed as a recommendation by such Holder of the investment quality of the securities covered thereby and that such holding does not imply that such Holder will assist in meeting any future financial requirements of the Issuer, or (ii) in the event that such reference to such Holder by name or otherwise is not required by the Securities Act or any similar federal statute then in force, the deletion of the reference to such Holder in any amendment or supplement to the applicable Registration Statement filed or prepared subsequent to the time that such reference ceases to be required.

Each Holder of Registrable Notes and each Participating Broker-Dealer agrees by acquisition of such Registrable Notes or Exchange Notes that, upon actual receipt of any notice from the Issuer (x) of the happening of any event of the kind described in Section 5(c)(ii), 5(c)(iii), 5(c)(iv), or 5(c)(v) hereof, or (y) that the Board of Directors of the Issuer (the "Board of Directors") has resolved that the Issuer has a bona fide business purpose for doing so, then the Issuer may delay the filing or the effectiveness of the Exchange Offer Registration Statement or the Shelf Registration Statement (if not then filed or effective, as applicable) and shall not be required to maintain the effectiveness thereof or amend or supplement the Exchange Offer Registration Statement or the Shelf Registration, in all cases, for a period (a "Delay Period") expiring upon the earlier to occur of (i) in the case of the immediately preceding clause (x), such Holder's or Participating Broker-Dealer's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 5(k) hereof or until it is advised in writing (the "Advice") by the Issuer that the use of the applicable Prospectus may be resumed, and has received copies of any amendments or supplements thereto or (ii) in the case of the immediately preceding clause (y), the date which is the earlier of (A) the date on which such business purpose

ceases to interfere with the Issuer's obligations to file or maintain the effectiveness of any such Registration Statement pursuant to this Agreement or (B) 60 days after the Issuer notifies the Holders of such good faith determination. There shall not be more than 60 days of Delay Periods during any 12-month period. Each of the Effectiveness Period and the Applicable Period, if applicable, shall be extended by the number of days during any Delay Period. Any Delay Period will not alter the obligations of the Issuer to pay Liquidated Damages under the circumstances set forth in Section 4 hereof.

In the event of any Delay Period pursuant to clause (y) of the preceding paragraph, notice shall be given as soon as practicable after the Board of Directors makes such a determination of the need for a Delay Period and shall state, to the extent practicable, an estimate of the duration of such Delay Period and shall advise the recipient thereof of the agreement of such Holder provided in the next succeeding sentence. Each Holder, by his acceptance of any Registrable Note, agrees that during any Delay Period, each Holder will discontinue disposition of such Notes or Exchange Notes covered by such Registration Statement or Prospectus or Exchange Notes to be sold by such Holder or Participating Broker-Dealer, as the case may be.

Section 6. Registration Expenses.

All fees and expenses incident to the performance of or compliance with this Agreement by the Issuer (other than any underwriting discounts or commissions) shall be borne by the Issuer, whether or not the Exchange Offer Registration Statement or the Shelf Registration is filed or becomes effective or the Exchange Offer is consummated, including, without limitation, (i) all registration and filing fees (including, without limitation, (A) fees with respect to filings required to be made with the NASD in connection with an underwritten offering and (B) fees and expenses of compliance with state securities or Blue Sky laws (including, without limitation, reasonable fees and disbursements of one counsel in connection with Blue Sky qualifications of the Registrable Notes or Exchange Notes and determination of the eligibility of the Registrable Notes or Exchange Notes for investment under the laws of such jurisdictions (x) where the holders of Registrable Notes are located, in the case of an Exchange Offer, or (y) as provided in Section 5(h) hereof, in the case of a Shelf Registration or in the case of Exchange Notes to be sold by a Participating Broker-Dealer during the Applicable Period)), (ii) printing expenses, including, without limitation, expenses of printing a certificate or certificates for Registrable Notes or Exchange Notes in a form eligible for deposit with The Depository Trust Company and of printing prospectuses if the printing of prospectuses is requested by the managing underwriter or underwriters, if any, or by the Holders of a majority in aggregate principal amount of the Registrable Notes included in any Registration Statement or in respect of Exchange Notes to be sold by any Participating Broker-Dealer during the Applicable Period, as the case may be, (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Issuer and reasonable fees and disbursements of one special counsel for all of the sellers of Registrable Notes (exclusive of any counsel retained pursuant to Section 7 hereof), (v) fees and disbursements of all independent certified public accountants referred to in Section 5(m)(iii) hereof (including, without limitation, the expenses of any special audit and "cold comfort" letters required by or incident to such performance), (vi) Securities Act liability insurance, if the Issuer desires such insurance, (vii) fees and expenses of all other Persons retained by the Issuer, (viii) internal expenses of the Issuer (including, without limitation, all salaries and expenses of officers and employees of the Issuer performing legal

or accounting duties), (ix) the expense of any annual audit, (x) the fees and expenses incurred in connection with the listing of the securities to be registered on any securities exchange, and the obtaining of a rating of the securities, in each case, if applicable, and (xi) the expenses relating to printing, word processing and distributing all Registration Statements, underwriting agreements, indentures and any other documents necessary in order to comply with this Agreement. Notwithstanding the foregoing or anything to the contrary, each Holder shall pay all underwriting discounts and commissions of any underwriters with respect to any Registrable Notes sold by or on behalf of it.

Section 7. Indemnification.

(a) The Issuer agrees to indemnify and hold harmless each Holder of Registrable Notes and each Participating Broker-Dealer selling Exchange Notes during the Applicable Period, each Person, if any, who controls any such Person within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act, the agents, employees, officers and directors of each Holder and each such Participating Broker-Dealer and the agents, employees, officers and directors of any such controlling Person (each, a "Participant") from and against any and all losses, liabilities, claims, damages and expenses (including, but not limited to, reasonable attorneys' fees and any and all reasonable out-of-pocket expenses actually incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all reasonable amounts paid in settlement of any claim or litigation (in the manner set forth in clause (c) below)) (collectively, "Losses") to which they or any of them may become subject under the Securities Act, the Exchange Act or otherwise insofar as such Losses (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement (or any amendment thereto) or Prospectus (as amended or supplemented if the Issuer shall have furnished any amendments or supplements thereto) or any preliminary prospectus, or caused by, arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the case of the Prospectus, in the light of the circumstances under which they were made, not misleading, provided that (i) the foregoing indemnity shall not be available to any Participant insofar as such Losses are caused by any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with information relating to such Participant furnished to the Issuer in writing by or on behalf of such Participant expressly for use therein, and (ii) that the foregoing indemnity with respect to any preliminary prospectus shall not inure to the benefit of any Participant from whom the Person asserting such Losses purchased Registrable Notes if (x) it is established in the related proceeding that such Participant failed to send or give a copy of the Prospectus (as amended or supplemented if such amendment or supplement was furnished to such Participant prior to the written confirmation of such sale) to such Person with or prior to the written confirmation of such sale, if required by applicable law, and (y) the untrue statement or omission or alleged untrue statement or omission was completely corrected in the Prospectus (as amended or supplemented if amended or supplemented as aforesaid) and such Prospectus does not contain any other untrue statement or omission or alleged untrue statement or omission that was the subject matter of the related proceeding. This indemnity agreement will be in addition to any liability that the Issuer may otherwise have, including, but not limited to, liability under this Agreement.

(b) Each Participant agrees, severally and not jointly, to indemnify and hold harmless the Issuer, each Person, if any, who controls the Issuer within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act, and each of its agents, employees, officers and directors and the agents, employees, officers and directors of any such controlling Person from and against any Losses to which they or any of them may become subject under the Securities Act, the Exchange Act or otherwise insofar as such Losses (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement (or any amendment thereto) or Prospectus (as amended or supplemented if the Issuer shall have furnished any amendments or supplements thereto) or any preliminary prospectus, or caused by, arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the case of the Prospectus, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that any such Loss arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with information relating to such Participant furnished in writing to the Issuer by or on behalf of such Participant expressly for use therein.

(c) Promptly after receipt by an indemnified party under subsection 7(a) or 7(b) above of notice of the commencement of any action, suit or proceeding (collectively, an "action"), such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify each party against whom indemnification is to be sought in writing of the commencement of such action (but the failure so to notify an indemnifying party shall not relieve such indemnifying party from any liability that it may have under this Section 7 except to the extent that it has been prejudiced in any material respect by such failure). In case any such action is brought against any indemnified party, and it notifies an indemnifying party of the commencement of such action, the indemnifying party will be entitled to participate in such action, and to the extent it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense of such action with counsel reasonably satisfactory to such indemnified party. Notwithstanding the foregoing, the indemnified party or parties shall have the right to employ its or their own counsel in any such action, but the reasonable fees and expenses of such counsel shall be at the expense of such indemnified party or parties unless (i) the employment of such counsel shall have been authorized in writing by the indemnifying parties in connection with the defense of such action, (ii) the indemnifying parties shall not have employed counsel to take charge of the defense of such action within a reasonable time after notice of commencement of the action, or (iii) the named parties to such action (including any impleaded parties) include such indemnified party and the indemnifying party or parties (or such indemnifying parties have assumed the defense of such action), and such indemnified party or parties shall have reasonably concluded, after consultation with counsel, that there may be defenses available to it or them that are different from or additional to those available to one or all of the indemnifying parties (in which case the indemnifying parties shall not have the right to direct the defense of such action on behalf of the indemnified party or parties), in any of which events such reasonable fees and expenses of counsel shall be borne by the indemnifying parties. In no event shall the indemnifying party be liable for the reasonable fees and expenses of more than one counsel (together with appropriate local counsel) at any time for all indemnified parties in connection with any one action or separate but substantially similar or

related actions arising in the same jurisdiction out of the same general allegations or circumstances. Any such separate firm for the Participants shall be designated in writing by Participants who sold a majority in interest of Registrable Notes sold by all such Participants and shall be reasonably acceptable to the Issuer and any such separate firm for the Issuer, its affiliates, officers, directors, representatives, employees and agents and such control Person of the Issuer shall be designated in writing by the Issuer and shall be reasonably acceptable to the Holders. An indemnifying party shall not be liable for any settlement of any claim or action effected without its written consent, which consent may not be unreasonably withheld. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(d) In order to provide for contribution in circumstances in which the indemnification provided for in this Section 7 is for any reason held to be unavailable from the indemnifying party, or is insufficient to hold harmless a party indemnified under this Section 7, each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such aggregate Losses (i) in such proportion as is appropriate to reflect the relative benefits received by each indemnifying party, on the one hand, and each indemnified party, on the other hand, from the sale of the Notes to the Initial Purchasers or the resale of the Registrable Notes by such Holder, as applicable, or (ii) if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of each indemnified party, on the one hand, and each indemnifying party, on the other hand, in connection with the statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations. The relative benefits received by the Issuer, on the one hand, and each Participant, on the other hand, shall be deemed to be in the same proportion as (x) the total proceeds from the sale of the Notes to the Initial Purchasers (net of discounts and commissions but before deducting expenses) received by the Issuer are to (y) the total net profit received by such Participant in connection with the sale of the Registrable Notes. The relative fault of the parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer or such Participant and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission or alleged statement or omission.

(e) The parties agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to above. Notwithstanding the provisions of this Section 7, (i) in no case shall any Participant be required to contribute any amount in excess of the amount by which the net profit received by such Participant in connection with the sale of the Registrable Notes exceeds the amount of any damages that such Participant has otherwise been required to pay by reason of any untrue or alleged untrue statement or omission or alleged omission and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Any party entitled to contribution will, promptly after receipt of notice of

commencement of any action against such party in respect of which a claim for contribution may be made against another party or parties under this Section 7, notify such party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have under this Section 7 or otherwise, except to the extent that it has been prejudiced in any material respect by such failure; provided, however, that no additional notice shall be required with respect to any action for which notice has been given under this Section 7 for purposes of indemnification. Anything in this section to the contrary notwithstanding, no party shall be liable for contribution with respect to any action or claim settled without its written consent, provided, however, that such written consent was not unreasonably withheld.

Section 8. Rules 144 and 144A.

The Issuer covenants that it will file the reports required, if any, to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder in a timely manner in accordance with the requirements of the Securities Act and the Exchange Act and, if at any time the Issuer is not required to file such reports, it will, upon the request of any Holder or beneficial owner of Registrable Notes, make available such information necessary to permit sales pursuant to Rule 144A under the Securities Act. The Issuer further covenants that for so long as any Registrable Notes remain outstanding it will take such further action as any Holder of Registrable Notes may reasonably request from time to time to enable such Holder to sell Registrable Notes without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144(k) and Rule 144A under the Securities Act, as such Rules may be amended from time to time, or (b) any similar rule or regulation hereafter adopted by the Commission.

Section 9. Underwritten Registrations.

If any of the Registrable Notes covered by any Shelf Registration are to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will manage the offering will be selected by the Holders of a majority in aggregate principal amount of such Registrable Notes included in such offering and shall be reasonably acceptable to the Issuer.

No Holder of Registrable Notes may participate in any underwritten registration hereunder if such Holder does not (a) agree to sell such Holder's Registrable Notes on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (b) complete and execute all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements.

Section 10. Miscellaneous.

(a) No Inconsistent Agreements. The Issuer has not, as of the date hereof, and shall not have, after the date of this Agreement, entered into any agreement with respect to any of its securities that is inconsistent with the rights granted to the Holders of Registrable Notes in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder

do not conflict with and are not inconsistent with, in any material respect, the rights granted to the holders of any of the Issuer's other issued and outstanding securities under any such agreements. The Issuer has not entered and will not enter into any agreement with respect to any of its securities which will grant to any Person piggy-back registration rights with respect to any Registration Statement.

(b) Adjustments Affecting Registrable Notes. The Issuer shall not, directly or indirectly, take any action with respect to the Registrable Notes as a class that would adversely affect the ability of the Holders of Registrable Notes to include such Registrable Notes in a registration undertaken pursuant to this Agreement.

(c) Amendments and Waivers. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given except pursuant to a written agreement duly signed and delivered by (I) the Issuer and (II)(A) the Holders of not less than a majority in aggregate principal amount of the then outstanding Registrable Notes and (B) in circumstances that would adversely affect the Participating Broker-Dealers, the Participating Broker-Dealers holding not less than a majority in aggregate principal amount of the Exchange Notes held by all Participating Broker-Dealers; provided, however, that Section 7 and this Section 10(c) may not be amended, modified or supplemented except pursuant to a written agreement duly signed and delivered by the Issuer and each Holder and each Participating Broker-Dealer (including any Person who was a Holder or Participating Broker-Dealer of Registrable Notes or Exchange Notes, as the case may be, disposed of pursuant to any Registration Statement) affected by any such amendment, modification, supplement or waiver. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders of Registrable Notes whose securities are being sold pursuant to a Registration Statement and that does not directly or indirectly affect, impair, limit or compromise the rights of other Holders of Registrable Notes may be given by Holders of at least a majority in aggregate principal amount of the Registrable Notes being sold pursuant to such Registration Statement.

(d) Notices. All notices and other communications (including, without limitation, any notices or other communications to the Trustee) provided for or permitted hereunder shall be made in writing by hand-delivery, registered first-class mail, next-day air courier or telecopier:

(i) if to a Holder of the Registrable Notes or any Participating Broker-Dealer, at the most current address of such Holder or Participating Broker-Dealer, as the case may be, set forth on the records of the registrar under the Indenture.

(ii) if to the Issuer, at the address as follows:

Range Resources Corporation
777 Main Street, Suite 800
Fort Worth, TX 76102

Telephone: (817) 870-2601
Fax: (817) 810-1950
Attention: Rodney L. Waller

(iii) if to the Initial Purchasers, at the address as follows:

UBS Securities LLC
677 Washington Boulevard
Stamford, CT 06901
Telephone: (203) 719-
Fax number: (212) 719-5753
Attention: High Yield Capital Markets

With a copy at such address to the attention of Legal Department, fax number (203) 719-6177

All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt is acknowledged by the recipient's telecopier machine, if telecopied; and on the next Business Day, if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee at the address and in the manner specified in such Indenture.

(e) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto, the Holders and the Participating Broker-Dealers; provided, however, that this Agreement shall not inure to the benefit of or be binding upon a successor or assign of a Holder unless and to the extent such successor or assign holds Registrable Notes.

(f) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(g) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(h) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WHOLLY WITHIN THE STATE OF NEW YORK.

(i) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(j) Securities Held by the Issuer or Its Affiliates. Whenever the consent or approval of Holders of a specified percentage of Registrable Notes is required hereunder, Registrable Notes held by the Issuer or any of its affiliates (as such term is defined in Rule 405 under the Securities Act) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(k) Third-Party Beneficiaries. Holders and beneficial owners of Registrable Notes and Participating Broker-Dealers are intended third-party beneficiaries of this Agreement, and this Agreement may be enforced by such Persons. No other Person is intended to be, or shall be construed as, a third-party beneficiary of this Agreement.

(l) Attorneys' Fees. As between the parties to this Agreement, in any action or proceeding brought to enforce any provision of this Agreement, or where any provision hereof is validly asserted as a defense, the successful party shall be entitled to recover reasonable attorneys' fees actually incurred in addition to its costs and expenses and any other available remedy.

(m) Entire Agreement. This Agreement, together with the Purchase Agreement and the Indenture, is intended by the parties as a final and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein and any and all prior oral or written agreements, representations, or warranties, contracts, understandings, correspondence, conversations and memoranda between the Holders on the one hand and the Issuer on the other, or between or among any agents, representatives, parents, subsidiaries, affiliates, predecessors in interest or successors in interest with respect to the subject matter hereof and thereof are merged herein and replaced hereby.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

RANGE RESOURCES CORPORATION,

By: /s/ JOHN H. PINKERTON

Name: John H. Pinkerton
Title: President

UBS SECURITIES LLC,
on behalf of itself and the other Initial Purchasers

By: /s/ ROBERT B. WALLACE

Name: Robert B. Wallace
Title: Executive Director

By: /s/ CHRISTOPHER A. ABBATE

Name: Christopher A. Abbate
Title: Director

EXHIBIT 10.1

ADDENDUM

This Document represents an Addendum to that certain Application Service Provider and Outsourcing Agreement made and entered into as of June 1, 2000 (the "Effective Date") by and between Applied Terravision Systems Inc. predecessor to CGI Information Systems & Management Systems, Inc., a Delaware corporation ("CGI") and Range Resources Corporation, a Delaware corporation ("Range").

Recitals

Whereas, CGI and Range have completed the initial three year term to that certain Application Service Provider and Outsourcing Agreement ("ASP/OA") dated June 1, 2000 whereby both parties agree to extend the contract period for an additional twenty four (24) months.

Whereas, notwithstanding the provisions set out on the ASP/OA, the parties herein agree to certain changes that will govern the extended contract period, all other provisions to be governed by the original ASP/OA.

NOW, THEREFORE, in consideration for the mutual promises contained herein, CGI and Range agree as follows:

Agreement

1. The term of this extended agreement will commence on the anniversary date of the ASP/OA of June 1, 2003 and will end on May 31, 2005. Range will have an option to extend the contract for an additional twelve- (12) month period at a cost per month equal to the price being paid at the end of the twenty four-month anniversary date.

2. The Base Charge will be set at $90,000 a month for services covered on Exhibit B of the ASP/OA. CGI and Range will mutually agree to a change in the Base Charge as a result of any material acquisition or divestiture of properties based on the level of work added or decreased. The Base Charge will include dedicated labor resources to service Range's management, staff and technical support and a ten-hour per month management and technical consultation. A 3% increase to the Base Charge will be assessed on June 1, 2004 which is the first day of the thirteenth month of the contract extended period.

3. A $12,000 Prepaid Professional Service Fee will be charged monthly for 120 hours to be applied to Range designated and approved projects. Any unused hours will be carried over from month to month until used or refunded to Range at the twenty-four month anniversary of the contract. Professional Services hours that exceed the prepaid hours will be charged at CGI's current Professional Service rates.

4. The Supplemental Agreement dated August 15, 2000 will terminate as of May 31, 2003.

5. The independent third party contractor will remain as part of the outsource group and be paid by Range Resources until the Joint Interest Billing processing can be converted from multiple companies (companies 2,31,32,41,46) to one operating company. This conversion shall be incorporated into the Horizon conversion.

6. Range Resources will pay Oildex directly for any electronic data exchange fees.

7. Effective with June 1,2003 scanning, imaging and indexing of hard page documents will be charged a separate fee of 10 cents per document imaged, and an hourly rate charged for document prepping. Hard page documents imaged will be logged, labeled and boxed and sent to Range storage facility.

8. The technical services will be divided into two groups - the Development and Project group and the Range Outsource technical support group. The Development and Project group will be for billable work that can be applied to the monthly professional services prepaid hours. CGI agrees to employ sufficient technical resources on billable technical projects to assure timely targeted timelines on each project. CGI will forfeit 5% of the project value if a project is not completed within ninety days of the agreed target date. The Range Outsource technical support will be part of the monthly Base Charge.

9. New development software such as the A/P image workflow will not be part of the monthly Base Charge. A separate fee will be assessed with Range Resources' concurrence.

10. CGI agrees to have an Independent annual SAS 70 audit to be in compliance with Range internal control SEC requirements. The cost of the annual SAS 70 requirements will be included in the Base Charge.

11. CGI agrees to move up the Range closing schedule to allow Range to meet the new SEC Reporting Guidelines.

12. Exhibit C of the ASP/OA will be adjusted to reflect the current Professional Service hourly rates.

IN WITNESS WHEREOF, the parties hereto have caused their names to be affixed hereto as of the date first above written.

CGI INFORMATION SYSTEMS & MANAGEMENT SYSTEMS, INC.

By: ----------.

Printed Name: ----------.

Title: ----------.

RANGE RESOURCES CORPORATION

By: ----------.

Printed Name: ----------.

Title: ----------.

CONSULTING AGREEMENT

This CONSULTING AGREEMENT (this "Agreement") is made and entered into effective as of May 21, 2003 by and between Range Resources Corporation, a Delaware corporation (the "Company"), and Thomas J. Edelman (the "Consultant").

WITNESSETH:

WHEREAS, the Company and its subsidiaries and affiliates are principally engaged in the business of development, acquisition, and exploration of oil and gas properties (the "Business"); and

WHEREAS, the Company desires to retain the services of the Consultant as an independent contractor of and consultant to the Company, and the Consultant desires to provide such services in such capacities to the Company, upon the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations hereinafter set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

1. TERM. The term of the Company's engagement of the Consultant hereunder (the "Term") shall commence on May 21, 2003, and shall continue until May 21, 2006, unless terminated sooner pursuant to Section 5 hereof.

2. DUTIES AND EXTENT OF SERVICES.

(a) Generally. During the Term, the Consultant shall provide advice on specific matters as requested by the Company, with a principal focus on corporate strategy, management structure, capital allocation, risk management, financing, hedging and shareholder communications, and shall otherwise render such management and consulting services to the Company as the Company may, from time to time, reasonably require; provided that the Consultant shall not be required to devote to the performance of his obligations hereunder more than twenty (20) hours per week on average in any calendar quarter. In no event shall the Consultant be required or permitted to speak for or represent the Company in any public forum, nor shall he assume or be delegated the authority to make any decision or to sign any document or instrument on behalf of the Company. The Consultant shall report to the Board of Directors of the Company (the "Board").

(b) Recusal for Certain Conflicts of Interest. The parties acknowledge that the Consultant is the Chairman of the Board of Directors and the Chief Executive Officer of Patina Oil & Gas Corporation ("Patina"). If the Consultant becomes aware of any actual or potential conflict between his obligations to Patina or any other company of which he is a director or an officer and his duties to the Company under this Agreement (a "Conflict"), the Consultant will promptly inform the Board of such Conflict. The Consultant will recuse himself from any discussion with the Company of matters involving a Conflict of which he is aware, or any matter

with respect to which the Company, Patina or any other company of which he is a director or an officer are in competition to the extent he is aware that his involvement would be in violation of, or create a substantial risk of a violation of, applicable law. The Consultant will not seek and will not knowingly accept any Protected Information (defined below) the possession of which would require recusal as described above.

(c) Location. The Consultant may reasonably determine the time and place where his services will be performed.

3. CONSULTING FEES.

(a) Monthly Fee. For his services hereunder, during the term the Company shall pay the Consultant a monthly consulting fee of Fifty Thousand Dollars ($50,000) (the "Monthly Fee"), payable on or about the 15th of each month.

(b) Secretarial Services Allowance. During the Term, the Consultant shall be entitled to direct the Company to pay up to Thirty Thousand Dollars ($30,000) per annum for secretarial and administrative support.

(c) Success Fee for Certain Transactions. If, during the Term, the Board makes a written request for the Consultant's services to provide investment banking advice with respect to any specific transaction involving the issuance of public securities by the Company or any its affiliates or with respect to any specific merger or acquisition transaction (any such transaction, a "Proposed Transaction"), the Consultant shall provide such services and advice, subject to and in accordance with the other terms of this Agreement; provided that as a condition to the Consultant's obligation to provide such services and advice the Company and the Consultant shall agree upon the Consultant's fee for such additional services and any other terms and conditions of such arrangement, including customary indemnification applicable to such investment banking advisory services. The Consultant's fee agreed upon pursuant to this section shall be in addition to, and shall not reduce the Monthly Fee.

4. EXPENSE REIMBURSEMENT. The Company agrees to reimburse the Consultant for all reasonable and necessary travel and other business expenses incurred by him in connection with the performance of his duties hereunder, subject to such substantiation requirements and reimbursement policies as the Company may reasonably impose. The Consultant shall not be reimbursed for secretarial and administrative support other than as provided in Section 3(b) above.

5. TERMINATION.

(a) Death or Permanent Disability. In the event that the Term is terminated by reason of the Consultant's death or "Disability" (defined below), the Consultant (or in the event of his death, his beneficiary or legal representative) shall be entitled to (i) all amounts accrued hereunder through the end of the calendar month of termination and (ii) reimbursement for any expenses incurred prior to termination that have not yet been reimbursed, but that are reimbursable under Section 4 above. For purposes of this Section 5, "Disability" means any

physical or mental disability or incapacity that renders the Consultant incapable of performing the services required of him in accordance with his obligations under Section 2 for a period of six (6) consecutive months or for shorter periods aggregating six (6) months during any twelve-month period. Any termination of the Term the Company by reason of Disability shall be communicated by written notice of termination specifying the reason for termination ("Disability Termination Notice") and shall be effective on the date of the Consultant's receipt of the Disability Termination Notice or such later date as may be specified in the Disability Termination Notice. In the event of the Consultant's death during the Term, the Term shall automatically terminate on the date of death.

(b) Cause. The Company shall have the right, upon written notice to the Consultant, to terminate the Term and the Consultant's services under this Agreement for "Cause" (as hereinafter defined), effective upon the giving of such notice (or such later date as shall be specified in such notice), and the Company shall have no further obligations hereunder, except to pay the Consultant all amounts accrued hereunder through the date of termination and to reimburse the Consultant for any expenses incurred prior to termination that have not yet been reimbursed, but that are reimbursable under Section 4 above.

For purposes of this Agreement, "Cause" means:

(i) (a) the Consultant's conviction of or plea of nolo contendere to, or a final non appealable judgement of a court with competent jurisdiction that the Consultant has engaged in fraud or embezzlement on the part of the Consultant, or (b) material breach by the Consultant of his obligations under Section 6 hereof; or

(ii) willful and repeated failure or refusal by the Consultant to perform and discharge, his duties, responsibilities or obligations under this Agreement (other than under Section 6 hereof, which shall be governed by clause (i) above, and other than by reason of disability or death) that is not corrected within thirty (30) days following written notice thereof to the Consultant by the Company, such notice to state with specificity the nature of the breach, failure or refusal.

(c) Change in Control. In the event of a "Change in Control" (as defined below) the Consultant may voluntarily terminate his services hereunder upon written notice to the Company, in which event he shall be entitled to (i) all amounts accrued hereunder through the date of such termination and (ii) reimbursement for any expenses incurred prior to termination that have not yet been reimbursed, but that are reimbursable under Section 4 above.

For this purpose "Change in Control" shall mean the occurrence of any of the following events:

(i) any "person" (as defined under Section 3(a)(9) of the Act) or "group" of persons (as provided under Section 13d-3 of the Act) is or becomes the "beneficial owner" (as defined in Rule 13d-3 or otherwise under the Act), directly or indirectly (including as provided in Rule 13d-3(d)(1) of the Act), of capital stock of the Company the holders of which are entitled to vote for the election of directors ("voting stock") representing that percentage of the Company's then outstanding voting stock (giving

effect to the deemed ownership of securities by such person or group, as provided in Rule 13d-3(d)(1) of the Act, but not giving effect to any such deemed ownership of securities by another person or group) greater than fifty percent (50%) of all such voting stock;

(ii) during any period of twenty-four consecutive months, individuals who at the beginning of such period constituted the Board of Directors of the Company (including for this purpose any new director whose election or nomination for election by the Company's shareholders was approved by a vote of at least a majority of the directors then still in office who were directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board of Directors of the Company (excluding any Board seat that is vacant or otherwise unoccupied).

(iii) there shall be consummated any consolidation, merger, stock for stock exchange or similar transaction (collectively, "Merger Transactions") involving securities of the Company in which holders of voting stock of the Company immediately prior to such consummation own, as a group, immediately after such consummation, voting stock of the Company (or, if the Company does not survive the Merger Transaction, voting securities of the corporation surviving such transaction) having less than 50% of the total voting power in an election of directors of the Company (or such other surviving corporation).

6. CONFIDENTIALITY; OWNERSHIP; CORPORATE OPPORTUNITIES.

(a) Confidentiality. If the Consultant obtains any Protected Information he shall, for a period of twelve (12) months following receipt thereof, keep such Protected Information in strictest confidence and shall not divulge, disclose, discuss, copy or otherwise use or permit to be used in any manner such Protected Information, except in connection with the Business.

(i) "Protected Information" means confidential or proprietary information of the Company its subsidiaries or affiliates; provided that Protected Information shall not include information that (A) becomes generally known to the public or the trade without violation of this Section 6, or (B) Consultant receives on a non-confidential basis from a third party who is not under an obligation of confidence to the Company. Notwithstanding anything to the contrary contained in this Section 6, the Consultant may disclose any Protected Information to the extent required by court order or decree or by the rules and regulations of a governmental agency or as otherwise required by law; provided that the Consultant shall provide the Company with prompt notice of such required disclosure in advance thereof so that the Company may seek an appropriate protective order in respect of such required disclosure.

(b) Company Opportunities. The Consultant shall promptly disclose to the Company's Chief Executive Officer or to the Chairman of its Board of Directors, any and all corporate opportunities, including without limitation, any opportunities for investment, co-investment, joint-venture, exploration, exploitation, or other business activities, discovered, identified or made known to the Consultant in the direct performance of his services to the Company (collectively, "Company Opportunities") and all material information known to the Consultant

with respect thereto, as well as the Consultant's good faith assessment of whether the Company Opportunity may be appropriate for the Company. The Consultant shall not present, offer or disclose any Company Opportunity to any person or entity other than the Company and shall not, directly or indirectly, on his own behalf or on behalf of any person or entity other than the Company, take any action to exploit or develop such Company Opportunity unless and until the Board has had a period of at least ten (10) days to from the date of such disclosure to consider the Company Opportunity and the information so provided and has elected not to pursue the Company Opportunity. Failure of the Board to notify the Consultant within such ten (10) day period of its election pursue the Company Opportunity shall be deemed an election by the Company not to pursue the Company Opportunity.

(c) Survival. The provisions of this Section 6 shall, without any limitation as to time, survive the expiration or termination of the Consultant's services hereunder to the extent necessary to enforce the specific terms thereof, irrespective of the reason for any termination.

7. SPECIFIC PERFORMANCE. The Consultant acknowledges that the services to be rendered by the Consultant are of a special, unique and extraordinary character and, in connection with such services, the Consultant will have access to Protected Information vital to the Company's Business and the businesses of its subsidiaries and affiliates and may have knowledge of Developments and Company Opportunities vital to the Business or the planned business of the Company or its subsidiaries or affiliates. By reason of this, the Consultant consents and agrees that if the Consultant violates any of the provisions of Section 6 hereof, the Company and its subsidiaries and affiliates would sustain irreparable injury and that monetary damages would not provide adequate remedy to the Company and that the Company shall be entitled to have Section 6 hereof specifically enforced by any court having equity jurisdiction.

8. TAXES. The Consultant, as an independent contractor, shall be solely responsible for determination and payment of any and all Federal, state, local and/or other taxes which are required to be paid with respect to any all amounts paid to the Consultant under this Agreement.

9. INDEMNIFICATION. The Consultant shall be entitled to indemnification by the Company in accordance with and as provided in the by-laws of the Company as in effect on May 24, 2001, to the fullest extent that such by-laws of the Company provide for indemnification by the Company of its agents, provided that terms and conditions of indemnification hereunder shall not be adversely affected by the termination, rescission, amendment or modification of the by-laws, and further provided that the provisions of this Section 9 shall not extend to any action brought to enforce the terms of this Agreement. The provisions of the Section 9 shall survive the termination of this Agreement.

10. NOTICES. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed given (i) when delivered or refused if sent by hand during regular business hours, (ii) three (3) business days after being sent by United States Postal Service, registered or certified mail, postage prepaid, return receipt requested, or (iii) on the next business day when sent by reputable overnight express mail service that provides tracing and proof of receipt or refusal of items mailed, or (iv) when received by the addressee if by telecopier transmission addressed to the Company or Consultant, as the case may be, at the

address or addresses set forth below or such other addresses as the parties may designate in a notice given in accordance with this Section.

IF TO THE COMPANY:

Range Resources Corporation
777 Main Street, Suite 800
Fort Worth, Texas 76102
Attention: John H. Pinkerton

IF TO THE CONSULTANT:

Thomas J. Edelman
535 Madison Avenue, 35th Floor
New York, N.Y. 10022

11. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties hereto with respect to its subject matter.

12. WAIVER. The excuse or waiver of the performance by a party of any obligation of the other party under this Agreement shall only be effective if evidenced by a written statement signed by the party so excusing or waiving. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the Company or the Consultant of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

13. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

14. LEGAL FEES. The Company shall pay the Consultant's reasonable legal fees and related expenses incurred in any an action brought to enforce the terms of this agreement, such payment to be made promptly upon receipt of customary documentation evidencing the incurrence of such expenses in reasonable detail, provided the Consultant shall have agreed in writing to refund such amounts upon a final non-appealable judgement of a court of competent jurisdiction holding against the Consultant.

15. ASSIGNABILITY. The obligations of the Consultant hereunder may not be delegated and, except with respect to the designation of beneficiaries in connection with any amounts payable to the Consultant hereunder, the Consultant may not, without the Company's written consent, assign, transfer, convey, pledge, encumber, hypothecate or otherwise dispose of this Agreement or any interest herein. Any such attempted delegation or disposition shall be null and void and without effect. The Company and the Consultant agree that this Agreement and all of the Company's rights and obligations hereunder may be assigned or transferred by the Company to and shall be assumed by and be binding upon any successor to the Company. The term "successor" means, with respect to the Company or any of its subsidiaries, any corporation or other business entity which, by merger, consolidation, purchase of the assets or otherwise acquires all or a material part of the assets of the Company. This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns.

16. SEVERABILITY. Each provision hereof is intended to be severable and the invalidity or illegality of any portion of this Agreement shall not affect the validity or legality of the remainder.

17. AMENDMENT. This Agreement may be amended only by a written instrument executed by the Company and the Consultant.

18. HEADINGS. All headings herein are inserted for convenience and ease of reference purposes only and are not to be considered in the construction or interpretation of this Agreement.

19. COUNTERPARTS. This Agreement may be executed in two (2) or more counterparts, each of which shall for all purposes constitute one (1) agreement which is binding on all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date fist written above.

RANGE RESOURCES CORPORATION

By:

Name: John H. Pinkerton
Title: President

Thomas J. Edelman

EXHIBIT 10.3

THIRD AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

THIS THIRD AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (hereinafter referred to as the "Third Amendment") executed as of the 1st day of April, 2003, by and among RANGE RESOURCES CORPORATION, a Delaware corporation ("Borrower") and BANK ONE, NA, a national banking association ("Bank One"), and each of the financial institutions which is a party hereto (as evidenced by the signature pages to this Amendment) or which may from time to time become a party hereto pursuant to the provisions of Section 29 of the Credit Agreement or any successor or assignee thereof (hereinafter collectively referred to as "Lenders", and individually, "Lender") and Bank One, as Administrative Agent ("Agent"), Fleet National Bank, as Co-Documentation Agent, Fortis Capital Corp., as Co-Documentation Agent, JPMorgan Chase Bank, as Co-Syndication Agent, Credit Lyonnais New York Branch, as Co-Syndication Agent, Banc One Capital Markets, Inc., as Joint Lead Arranger and Joint Bookrunner and JPMorgan Securities, Inc., as Joint Lead Arranger and Joint Bookrunner.

WITNESSETH:

WHEREAS, as of May 2, 2002, Borrower, Agent and the Lenders entered into an Amended and Restated Credit Agreement pursuant to which the Lenders made a credit facility available to Borrower (the "Credit Agreement"); and

WHEREAS, Borrower and all the Lenders have heretofore entered into a First Amendment to Amended and Restated Credit Agreement and a Second Amendment to Amended and Restated Credit Agreement.

WHEREAS, the Borrowers, Lenders and Agents have agreed to amend the Credit Agreement to make certain changes thereto as set forth herein and Comerica-Bank Texas ("Comerica") has agreed to purchase an interest in the Loans concurrently with the closing of this Third Amendment.

NOW, THEREFORE, the parties agree to amend the Credit Agreement as follows:

1. Unless otherwise defined herein all defined terms used herein shall have the same meaning as ascribed to such terms in the Credit Agreement.

2. Section 1 of the Credit Agreement is hereby amended in the following respects:

(a) By deleting the definition of "EBITDAX" therefrom in its entirety and substituting the following in lieu thereof:

"EBITDA shall mean Net Income (excluding gains and losses from asset sales, extraordinary and non-recurring gains and losses) plus the sum of (i) income tax expense (but excluding income tax expense relating to the sales or other disposition of assets, including capital stock, the gains and losses from which are excluded in the determination of Net Income), plus (ii) Interest

Expense, plus (iii) depreciation, depletion and amortization expense, plus (iv) any other non-cash expenses, plus (v) all non-cash losses resulting from the application of FASB 121, minus (vi) any non-cash gains or non-cash losses resulting from the application of FASB 133 or 143, all as determined in accordance with GAAP and calculated as of the end of each fiscal quarter on a trailing four-quarter basis."

(b) By deleting the definition of "Maturity Date" therefrom in its entirety and substituting the following in lieu thereof:

"Maturity Date shall mean January 1, 2007."

3. Any and all references in the Credit Agreement to "EBITDAX" are hereby deleted and the word "EBITDA" is substituted therefor in each instance.

4. As of April 1, 2003, the Borrowing Base shall be $170,000,000 until redetermined pursuant to Section 7(b) of the Credit Agreement.

5. The Lenders have agreed to reallocate their respective Commitments and allow Comerica to acquire an interest in the Commitments and Loans. As required by the Credit Agreement, the Agent and the Borrower, hereby consent to the sale of the portion of the Commitments to Comerica. After such reallocation of Commitments, the Lenders shall own the Commitment Percentages set forth on Schedule 1 hereto as of the Third Amendment Effective Date. Each Lender shall surrender it's existing Note and be issued a new Note on the face amount equal to each Lenders' Commitment Percentage times $225,000,000. Each said Note to be in the form of Exhibit B to the Credit Agreement with appropriate insertions thereto.

6. In consideration of the Lenders' agreement to extend the Maturity Date, the Borrower hereby agrees to pay to the Lenders on the Third Amendment Effective Date an amount equal to $232,500, to be prorated among all Lenders other than Comerica based upon their Commitment Percentages prior to the Third Amendment Effective Date. In addition and in consideration of the Lenders' agreement to increase the Borrowing Base to $170,000,000, Borrower agrees to pay, on the Third Amendment Effective Date, a borrowing base increase fee to the Lenders equal to $93,750, to be prorated among Lenders with new or increased Commitments as of the Third Amendment Effective Date.

7. Except to the extent its provisions are specifically amended, modified or superseded by this Third Amendment, the representations, warranties and affirmative and negative covenants of the Borrower contained in the Credit Agreement are incorporated herein by reference for all purposes as if copied herein in full. The Borrower hereby restates and reaffirms each and every term and provision of the Credit Agreement, as amended, including, without limitation, all representations, warranties and affirmative and negative covenants. Except to the extent its provisions are specifically amended, modified or superseded by this Third Amendment, the Credit Agreement, as amended, and all terms and provisions thereof shall remain in full force and effect, and the same in all respects are confirmed and approved by the Borrower and the Lenders.

8. This Third Amendment shall be effective as of the date first above written, but only upon the satisfaction of the conditions precedent set forth in Paragraph 8 hereof (the "Third Amendment Effective Date").

9. The obligations of Lenders under this Third Amendment shall be subject to the following conditions precedent:

(a) Execution and Delivery. The Borrower and each Guarantor shall have executed and delivered this Third Amendment, and other required documents, all in form and substance satisfactory to the Agent;

(b) Representations and Warranties. The representations and warranties of the Borrowers under this Third Amendment are true and correct in all material respects as of such date, as if then made (except to the extent that such representations and warranties related solely to an earlier date);

(c) No Event of Default. No Event of Default shall have occurred and be continuing nor shall any event have occurred or failed to occur which, with the passage of time or service of notice, or both, would constitute an Event of Default;

(d) Other Documents. The Agent shall have received such other instruments and documents incidental and appropriate to the transaction provided for herein as the Agent or its counsel may reasonably request, and all such documents shall be in form and substance satisfactory to the Agent;

(e) Legal Matters Satisfactory. All legal matters incident to the consummation of the transactions contemplated hereby shall be reasonably satisfactory to special counsel for the Agent retained at the expense of Borrower.

10. Borrower hereby represents and warrants that all factual information heretofore and contemporaneously furnished by or on behalf of Borrower to Agent for purposes of or in connection with this Third Amendment does not contain any untrue statement of a material fact or omit to state any material fact necessary to keep the statements contained herein or therein from being misleading. Each of the foregoing representations and warranties shall constitute a representation and warranty of Borrower made under the Credit Agreement, and it shall be an Event of Default if any such representation and warranty shall prove to have been incorrect or false in any material respect at the time given. Each of the representations and warranties made under the Credit Agreement (including those made herein) shall survive and not be waived by the execution and delivery of this Third Amendment or any investigation by Lenders.

11. The Borrower agrees to indemnify and hold harmless the Lenders and their respective officers, employees, agents, attorneys and representatives (singularly, an "Indemnified Party", and collectively, the "Indemnified Parties") from and against any loss, cost, liability, damage or expense (including the reasonable fees and out-of-pocket expenses of counsel to the Lender, including all local counsel hired by such counsel) ("Claim") incurred by the Lenders in investigating or preparing for, defending against, or providing evidence, producing documents or taking any other action in respect of any commenced or threatened litigation, administrative

proceeding or investigation under any federal securities law, federal or state environmental law, or any other statute of any jurisdiction, or any regulation, or at common law or otherwise, which is alleged to arise out of or is based upon any acts, practices or omissions or alleged acts, practices or omissions of the Borrower or its agents or arises in connection with the duties, obligations or performance of the Indemnified Parties in negotiating, preparing, executing, accepting, keeping, completing, countersigning, issuing, selling, delivering, releasing, assigning, handling, certifying, processing or receiving or taking any other action with respect to the Loan Documents and all documents, items and materials contemplated thereby even if any of the foregoing arises out of an Indemnified Party's ordinary negligence. The indemnity set forth herein shall be in addition to any other obligations or liabilities of the Borrower to the Lenders hereunder or at common law or otherwise, and shall survive any termination of this Third Amendment, the expiration of the Loan and the payment of all indebtedness of the Borrower to the Lenders hereunder and under the Notes, provided that the Borrower shall have no obligation under this section to the Lenders with respect to any of the foregoing arising out of the gross negligence or willful misconduct of the Lenders. If any Claim is asserted against any Indemnified Party, the Indemnified Party shall endeavor to notify the Borrower of such Claim (but failure to do so shall not affect the indemnification herein made except to the extent of the actual harm caused by such failure). The Indemnified Party shall have the right to employ, at the Borrower's expense, counsel of the Indemnified Parties' choosing and to control the defense of the Claim. The Borrower may at its own expense also participate in the defense of any Claim. Each Indemnified Party may employ separate counsel in connection with any Claim to the extent such Indemnified Party believes it reasonably prudent to protect such Indemnified Party. THE PARTIES INTEND FOR THE PROVISIONS OF THIS SECTION TO APPLY TO AND PROTECT EACH INDEMNIFIED PARTY FROM THE CONSEQUENCES OF STRICT LIABILITY IMPOSED OR THREATENED TO BE IMPOSED ON ANY INDEMNIFIED PARTY AS WELL AS FROM THE CONSEQUENCES OF ITS OWN NEGLIGENCE, WHETHER OR NOT THAT NEGLIGENCE IS THE SOLE, CONTRIBUTING, OR CONCURRING CAUSE OF ANY CLAIM.

12. This Third Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

13. WRITTEN CREDIT AGREEMENT. THE CREDIT AGREEMENT, AS AMENDED BY THE FIRST AMENDMENT, THE SECOND AMENDMENT, AND THIS THIRD AMENDMENT REPRESENTS THE FINAL AGREEMENT BETWEEN AND AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN AND AMONG THE PARTIES.

14. The Guarantors hereby consent to the execution of this Third Amendment by the Borrower and reaffirms their guaranties of all of the obligations of the Borrower to the Lenders. Borrower and Guarantors acknowledge and agree that the renewal, extension and amendment of the Credit Agreement shall not be considered a novation of account or new contract but that all existing rights, titles, powers, and estates in favor of the Lenders constitute valid and existing obligations in favor of the Lenders. Borrower and Guarantors each confirm and agree that (a) neither the execution of this Third Amendment or any other Loan Document nor the

consummation of the transactions described herein and therein shall in any way effect, impair or limit the covenants, liabilities, obligations and duties of the Borrower and the Guarantors under the Loan Documents and (b) the obligations evidenced and secured by the Loan Documents continue in full force and effect. Each Guarantor hereby further confirms that it unconditionally guarantees to the extent set forth in their respective Guaranties the due and punctual payment and performance of any and all amounts and obligations owed to the Lenders under the Credit Agreement or the other Loan Documents.

IN WITNESS WHEREOF, the parties have caused this Third Amendment to Credit Agreement to be duly executed as of the date first above written.

BORROWER:

RANGE RESOURCES CORPORATION
a Delaware corporation

By: /s/ Eddie LeBlanc

Eddie LeBlanc, Chief Financial Officer

GUARANTORS:

RANGE ENERGY I, INC.
a Delaware corporation

By: /s/ [ILLEGIBLE]

Name: [ILLEGIBLE]
Title: [ILLEGIBLE]

RANGE HOLDCO, INC.
a Delaware corporation

By: /s/ [ILLEGIBLE]

Name: [ILLEGIBLE]
Title: [ILLEGIBLE]

RANGE PRODUCTION COMPANY
a Delaware corporation

By: /s/ [ILLEGIBLE]

Name: [ILLEGIBLE]
Title: [ILLEGIBLE]

RANGE ENERGY VENTURES
CORPORATION, a Delaware corporation

By: /s/ [ILLEGIBLE]

Name: [ILLEGIBLE]
Title: [ILLEGIBLE]

GULFSTAR ENERGY, INC.
a Delaware corporation

By: /s/ [ILLEGIBLE]

Name: [ILLEGIBLE]
Title: [ILLEGIBLE]

RANGE ENERGY FINANCE CORPORATION
a Delaware corporation

By: /s/ [ILLEGIBLE]

Name: [ILLEGIBLE]
Title: [ILLEGIBLE]

LENDERS

BANK ONE, NA, a national
banking association (Main Office Chicago)
as a Lender and Administrative Agent

By: /s/ Wm. Mark Cranmer

Wm. Mark Cranmer
Director, Capital Markets

BANK OF SCOTLAND

By: /s/ Annie Glynn

Name: Annie Glynn
Title: Senior Vice President

JPMORGAN CHASE BANK

By: /s/ Robert C. Mertensotto

Name: Robert C. Mertensotto
Title: Managing Director

COMPASS BANK

By: /s/ John M. Falbo

John M. Falbo, Senior Vice President

CREDIT LYONNAIS NEW YORK BRANCH

By: /s/ Olivier Audemard

Name: Olivier Audemard
Title: Senior Vice President
(Range doc #1256949)

FLEET NATIONAL BANK

By: /s/ [ILLEGIBLE]

Name: [ILLEGIBLE]
Title: Vice President

FORTIS CAPITAL CORP.

By: /s/ [ILLEGIBLE]

Name: [ILLEGIBLE]
Title: VICE PRESIDENT

By: /s/ [ILLEGIBLE]

Name: [ILLEGIBLE]
Title: MANAGING DIRECTOR

NATEXIS BANQUES POPULAIRES

By: /s/ Renaud J. d'Herbes

Name: Renaud J. d'Herbes
Title: Senior Vice President
and Regional Manager

By: /s/ Dariel Payer

Name: Dariel Payer
Title: Vice President

COMERICA BANK-TEXAS

By: /s/ Michele L. Jones

Name: Michele L. Jones
Title: Vice President

SCHEDULE 1

	BB Allocation	%	% to 15 decimals	Note Amount
Bank One	$ 21,379,310.35	12.58%	12.576064911982500%	$ 28,296,146.06
Bank of Scotland	$ 21,379,310.35	12.58%	12.576064911982500%	$ 28,296,146.05
JP Morgan Chase	$ 21,379,310.35	12.58%	12.576064911982500%	$ 28,296,146.05
Compass	$ 16,034,482.76	9.43%	9.432048680609940%	$ 21,222,109.53
Credit Lyonnais	$ 21,379,310.35	12.58%	12.576064911982500%	$ 28,296,146.05
Fleet	$ 21,379,310.35	12.58%	12.576064911982500%	$ 28,296,146.05
Fortis	$ 21,379,310.35	12.58%	12.576064911982500%	$ 28,296,146.05
Natexis	$ 10,689,655.14	6.29%	6.288032435729840%	$ 14,148,072.98
Comerica	$ 15,000,000.00	8.82%	8.823529411764710%	$ 19,852,941.18
	$ 0.00			
	$170,000,000.00	100.00%	100.00%	$225,000,000.00

FIRST AMENDMENT TO RESTATED CREDIT AGREEMENT

THIS FIRST AMENDMENT TO RESTATED CREDIT AGREEMENT (hereinafter referred to as the "First Amendment") executed as of the 1st day of April, 2003, by and among GREAT LAKES ENERGY PARTNERS, L.L.C., a Delaware limited liability company (hereinafter referred to as "Borrower") and BANK ONE, NA (successor by merger to Bank One, Texas, N.A.) ("Bank One"), JPMORGAN CHASE BANK ("Chase"), THE BANK OF NOVA SCOTIA ("Scotiabank"), BANK OF SCOTLAND ("BOS"), CREDIT LYONNAIS NEW YORK BRANCH ("CL"), FORTIS CAPITAL CORP. ("Fortis"), THE FROST NATIONAL BANK ("Frost"), UNION BANK OF CALIFORNIA, N.A. ("Union"), COMERICA BANK-TEXAS ("Comerica") and NATEXIS BANQUES POPULAIRES ("Natexis") and each of the financial institutions which is a party hereto (as evidenced by the signature pages to this Agreement) or which may from time to time become a party hereto pursuant to the provisions of Section 28 of the hereinafter defined Credit Agreement or any successor or assignee thereof (hereinafter collectively referred to as "Lenders", and individually, "Lender"), Bank One, as Administrative Agent, Chase, as Syndication Agent, CL, as Co-Documentation Agent, Scotiabank, as Co-Documentation Agent and Banc One Capital Markets, Inc., as Joint Lead Arranger and Bookrunner and JPMorgan Securities, Inc., as Joint Lead Arranger and Bookrunner.

WITNESSETH:

WHEREAS, Borrower and certain of the Lenders ("Original Lenders") and Agents entered into a Restated Credit Agreement dated as of May 3, 2002 (as amended, restated and renewed from time to time, the "Credit Agreement") pursuant to which Lenders agreed to make a revolving loan to the Borrower in amounts of up to $275,000,000; and

WHEREAS, Borrower, Lenders and Agents have agreed to amend the Credit Agreement to make certain changes thereto as set forth herein and Comerica and Natexis have agreed to purchase interests in the Loans concurrently with the closing of this First Amendment.

NOW, THEREFORE, the parties agree to amend the Credit Agreement as follows:

1. Unless otherwise defined herein all defined terms used herein shall have the same meaning as ascribed to such terms in the Credit Agreement.

2. Section 1 of the Credit Agreement is hereby amended in the following respects:

(a) By deleting the definition of "Consolidated Net Income" therefrom in its entirety and substituting the following in lieu thereof:

"Consolidated Net Income shall mean Borrower's consolidated net income after income taxes calculated in accordance with GAAP, but excluding any non-cash gains or losses as a result of the application of FASB Statements 133 and 143."

(b) By deleting the definition of "Maturity Date" therefrom in its entirety and substituting the following in lieu thereof:

"Maturity Date shall mean January 1, 2007."

(c) By deleting the definition of "Pre-Approved Contracts" therefrom in its entirety and substituting the following in lieu thereof:

"Pre-Approved Contracts as used herein shall mean any contracts or agreements entered into in connection with any Rate Management Transaction designed (i) to hedge, forward, sell or swap crude oil or natural gas or otherwise sell up to (A) 90% of the Borrower's anticipated production from proved, developed producing reserves of crude oil, and/or 90% of the Borrower's anticipated production from proved, developed producing reserves of natural gas if all such contracts or agreements have maturities of thirty-six (36) months or less, and (B) 80% of the Borrower's anticipated production from proved, developed producing reserves of crude oil, and/or 80% of Borrower's anticipated production from proved, developed producing reserves of natural gas if any of such contracts or agreements has a maturity in excess of thirty-six (36) months, and (ii) with one or more of the Lenders or counterparties to the hedging agreement listed on Exhibit "F" hereto."

3. Section 12 of the credit Agreement is hereby amended by deleting Subsection (a)(ii) therefrom in is entirety and substituting the following in lieu thereof:

"(ii) Quarterly Financing Statements. As soon as available, and in any event within forty-five (45) days after the end of each fiscal quarter of each year beginning with the fiscal quarter ended March 31, 2003, the quarterly unaudited consolidated Financial Statements of Borrower prepared in accordance with GAAP; or"

4. Any and all references in the Credit Agreement to "Oceana Exploration Company, L.C." are hereby amended to substitute the name "Victory Energy Partners, L.L.C." in lieu thereof.

5. Exhibit "F" to the Credit Agreement is hereby amended by adding the name "Mitsui & Co. Energy Risk Management, LTD." thereto.

6. As of April 1, 2003, the Borrowing Base shall be $225,000,000 until redetermined pursuant to Section 7(b) of the Credit Agreement.

7. The Lenders have agreed to reallocate their respective Commitments and allow Comerica and Natexis to acquire an interest in the Commitments and Loans. As required by the Credit Agreement, the Agent and the Borrower, hereby consent to the sale of the portion of the Commitments to Comerica and Natexis. After such reallocation of Commitments, the Lenders shall own the Commitment Percentages set forth on Schedule 1 hereto as of the First Amendment Effective Date. Each Lender shall surrender it's existing Note and be issued a new Note on the face amount equal to each Lenders' Commitment Percentage times $275,000,000. Each said Note to be in the form of Exhibit B to the Credit Agreement with appropriate insertions thereto.

8. In consideration of the Lenders' agreement to extend the Maturity Date, the Borrower hereby agrees to pay to the Lenders on the First Amendment Effective Date an amount equal to $512,500, to be prorated among the Original Lenders based upon their Commitment Percentages prior to the First Amendment Effective Date. In addition and in consideration of the Lenders' agreement to increase the Borrowing Base to $225,000,000, Borrower agrees to pay, on the First Amendment Effective Date, a borrowing base increase fee to the Lenders equal to $53,968.75 to be prorated among Lenders with new or increased Commitments as of the First Amendment Effective Date.

9. Except to the extent its provisions are specifically amended, modified or superseded by this First Amendment, the representations, warranties and affirmative and negative covenants of the Borrower contained in the Credit Agreement are incorporated herein by reference for all purposes as if copied herein in full. The Borrower hereby restates and reaffirms each and every term and provision of the Credit Agreement, as amended, including, without limitation, all representations, warranties and affirmative and negative covenants. Except to the extent its provisions are specifically amended, modified or superseded by this First Amendment, the Credit Agreement, as amended, and all terms and provisions thereof shall remain in full force and effect, and the same in all respects are confirmed and approved by the Borrower and the Lenders.

10. This First Amendment shall be effective as of the date first above written, but only upon the satisfaction of the conditions precedent set forth in Paragraphs 8 and 11 hereof (the "First Amendment Effective Date").

11. The obligations of Lenders under this First Amendment shall be subject to the following conditions precedent:

(a) Execution and Delivery. The Borrower and each Guarantor shall have executed and delivered this First Amendment, and other required documents, all in form and substance satisfactory to the Agent;

(b) Representations and Warranties. The representations and warranties of the Borrowers under this First Amendment are true and correct in all material respects as of such date, as if then made (except to the extent that such representations and warranties related solely to an earlier date);

(c) No Event of Default. No Event of Default shall have occurred and be continuing nor shall any event have occurred or failed to occur which, with the passage of time or service of notice, or both, would constitute an Event of Default;

(d) Other Documents. The Agent shall have received such other instruments and documents incidental and appropriate to the transaction provided for herein as the Agent or its counsel may reasonably request, and all such documents shall be in form and substance satisfactory to the Agent;

(e) Legal Matters Satisfactory. All legal matters incident to the consummation of the transactions contemplated hereby shall be reasonably satisfactory to special counsel for the Agent retained at the expense of Borrower.

12. Borrower hereby represents and warrants that all factual information heretofore and contemporaneously furnished by or on behalf of Borrower to Agent for purposes of or in connection with this First Amendment does not contain any untrue statement of a material fact or omit to state any material fact necessary to keep the statements contained herein or therein from being misleading. Each of the foregoing representations and warranties shall constitute a representation and warranty of Borrower made under the Credit Agreement, and it shall be an Event of Default if any such representation and warranty shall prove to have been incorrect or false in any material respect at the time given. Each of the representations and warranties made under the Credit Agreement (including those made herein) shall survive and not be waived by the execution and delivery of this First Amendment or any investigation by Lenders.

13. The Borrower agrees to indemnify and hold harmless the Lenders and their respective officers, employees, agents, attorneys and representatives (singularly, an "Indemnified Party", and collectively, the "Indemnified Parties") from and against any loss, cost, liability, damage or expense (including the reasonable fees and out-of-pocket expenses of counsel to the Lender, including all local counsel hired by such counsel) ("Claim") incurred by the Lenders in investigating or preparing for, defending against, or providing evidence, producing documents or taking any other action in respect of any commenced or threatened litigation, administrative proceeding or investigation under any federal securities law, federal or state environmental law, or any other statute of any jurisdiction, or any regulation, or at common law or otherwise, which is alleged to arise out of or is based upon any acts, practices or omissions or alleged acts, practices or omissions of the Borrower or its agents or arises in connection with the duties, obligations or performance of the Indemnified Parties in negotiating, preparing, executing, accepting, keeping, completing, countersigning, issuing, selling, delivering, releasing, assigning, handling, certifying, processing or receiving or taking any other action with respect to the Loan Documents and all documents, items and materials contemplated thereby even if any of the foregoing arises out of an Indemnified Party's ordinary negligence. The indemnity set forth herein shall be in addition to any other obligations or liabilities of the Borrower to the Lenders hereunder or at common law or otherwise, and shall survive any termination of this First Amendment, the expiration of the Loan and the payment of all indebtedness of the Borrower to the Lenders hereunder and under the Notes, provided that the Borrower shall have no obligation

under this section to the Lenders with respect to any of the foregoing arising out of the gross negligence or willful misconduct of the Lenders. If any Claim is asserted against any Indemnified Party, the Indemnified Party shall endeavor to notify the Borrower of such Claim (but failure to do so shall not affect the indemnification herein made except to the extent of the actual harm caused by such failure). The Indemnified Party shall have the right to employ, at the Borrower's expense, counsel of the Indemnified Parties' choosing and to control the defense of the Claim. The Borrower may at its own expense also participate in the defense of any Claim. Each Indemnified Party may employ separate counsel in connection with any Claim to the extent such Indemnified Party believes it reasonably prudent to protect such Indemnified Party. THE PARTIES INTEND FOR THE PROVISIONS OF THIS SECTION TO APPLY TO AND PROTECT EACH INDEMNIFIED PARTY FROM THE CONSEQUENCES OF STRICT LIABILITY IMPOSED OR THREATENED TO BE IMPOSED ON ANY INDEMNIFIED PARTY AS WELL AS FROM THE CONSEQUENCES OF ITS OWN NEGLIGENCE, WHETHER OR NOT THAT NEGLIGENCE IS THE SOLE, CONTRIBUTING, OR CONCURRING CAUSE OF ANY CLAIM.

14. This First Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

15. WRITTEN CREDIT AGREEMENT. THE CREDIT AGREEMENT, AS AMENDED BY THE FIRST AMENDMENT AND THIS FIRST AMENDMENT REPRESENTS THE FINAL AGREEMENT BETWEEN AND AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN AND AMONG THE PARTIES.

16. The Guarantors hereby consent to the execution of this First Amendment by the Borrower and reaffirms their guaranties of all of the obligations of the Borrower to the Lenders. Borrower and Guarantors acknowledge and agree that the renewal, extension and amendment of the Credit Agreement shall not be considered a novation of account or new contract but that all existing rights, titles, powers, and estates in favor of the Lenders constitute valid and existing obligations in favor of the Lenders. Borrower and Guarantors each confirm and agree that (a) neither the execution of this First Amendment or any other Loan Document nor the consummation of the transactions described herein and therein shall in any way effect, impair or limit the covenants, liabilities, obligations and duties of the Borrower and the Guarantors under the Loan Documents and (b) the obligations evidenced and secured by the Loan Documents continue in full force and effect. Each Guarantor hereby further confirms that it unconditionally guarantees to the extent set forth in their respective Guaranties the due and punctual payment and performance of any and all amounts and obligations owed to the Lenders under the Credit Agreement or the other Loan Documents.

IN WITNESS WHEREOF, the parties have caused this First Amendment to Credit Agreement to be duly executed as of the date first above written.

BORROWER:

GREAT LAKES ENERGY PARTNERS, L.L.C.,
a Delaware limited liability company

By: /s/ [ILLEGIBLE]

Name: [ILLEGIBLE]
Title: Sr. V-P FINANCE

GUARANTORS:

VICTORY ENERGY PARTNERS, L.L.C.

By: Great Lakes Energy Partners, L.L.C.,
managing member

By: /s/ [ILLEGIBLE]

Name: [ILLEGIBLE]
Title: Sr. V-P FINANCE

OHIO INTRASTATE GAS TRANSMISSION
COMPANY

By: /s/ [ILLEGIBLE]

Name: [ILLEGIBLE]
Title: Sr. V-P FINANCE

LENDERS AND AGENTS:

BANK ONE, NA
as a Lender and as Administrative Agent
(Main Office Chicago)

By: /s/ Wm. Mark Cranmer

    Wm. Mark Cranmer, Director,
    Capital Markets

JPMORGAN CHASE BANK
as a Lender and as Syndication Agent

By: /s/ Robert C. Mertensotto

Name: Robert C. Mertensotto
Title: Managing Director

CREDIT LYONNAS NEW YORK BRANCH
as a Lender and as Co-Documentation Agent

By: /s/ Olivier Audemard

Name: Olivier Audemard
Title: Senior Vice President
       (doc. #1257260)

BANK OF SCOTLAND

By: /s/ Annie Glynn

Name: ANNIE GLYNN
Title: SENIOR VICE PRESIDENT

THE BANK OF NOVA SCOTIA
as a Lender and as Co-Documentation Agent

By: /s/ M. D. Smith

Name: M. D. Smith
Title: Agent Operations

FORTIS CAPITAL CORP.

By: /s/ Christopher S.Parada

Name: CHRISTOPHER S.PARADA
Title: VICE PRESIDENT

By: /s/ [ILLEGIBLE]

Name: [ILLEGIBLE]
Title: [ILLEGIBLE]

THE FROST NATIONAL BANK

By: /s/ John S. Warren

Name: John S. Warren
Title: Senior Vice President

UNION BANK OF CALIFORNIA, N.A.

By: /s/ [ILLEGIBLE]

Name: [ILLEGIBLE]
Title: Banking Officer

By: /s/ Sean Murphy

Name: SEAN MURPHY
Title: VICE PRESIDENT

COMERICA BANK-TEXAS

By: /s/ Michele L. Jones

Name: Michele L. Jones
Title: Vice President

NATEXIS BANQUES POPULAIRES

By: /s/ Donovan C. Broussard

Name: Donovan C. Broussard
Title: Vice President and Manager

By: /s/ Daniel Payer

Name: Daniel Payer
Title: Vice President

SCHEDULE 1

New $225MM BB/ $275MM (*) Allocation

	BB Commitment	%		Face Note
Bank One	$ 34,337,500.00	15.26%	15.261111111111100%	$ 41,968,055.54
Credit Lyonnais	$ 34,337,500.00	15.26%	15.261111111111100%	$ 41,968,055.56
Bank of Scotland	$ 33,825,000.00	15.03%	15.033333333333300%	$ 41,341,666.67
Bank of Nova Scotia	$ 30,955,000.00	13.76%	13.757777777777800%	$ 37,833,888.89
Fortis Capital	$ 26,957,500.00	11 .98%	11.981111111111100%	$ 32,948,055.56
JP Morgan Chase	$ 22,500,000.00	10.00%	10.000000000000000%	$ 27,500,000.00
Frost National Bank	$ 11,837,500.00	5.26%	5.261111111111110%	$ 14,468,055.56
Union Bank of California	$ 10,250,000.00	4.56%	4.555555555555560%	$ 12,527,777.78
Comerica	$ 10,000,000.00	4.44%	4.444444444444440%	$ 12,222,222.22
Natexis	$ 10,000,000.00	4.44%	4.444444444444440%	$ 12,222,222.22
	$225,000,000.00	100.00%	100.00%	$275,000,000.00

EXHIBIT 10.4.1

RESTATED CREDIT AGREEMENT

AMONG

GREAT LAKES ENERGY PARTNERS, L.L.C., AS BORROWER

AND

BANK ONE, NA
AND THE INSTITUTIONS NAMED HEREIN
AS LENDERS

AND
BANK ONE, NA,
AS ADMINISTRATIVE AGENT

JPMORGAN CHASE BANK
AS SYNDICATION AGENT,

CREDIT LYONNAIS NEW YORK BRANCH
AS DOCUMENTATION AGENT

THE BANK OF NOVA SCOTIA
AS MANAGING AGENT

BANC ONE CAPITAL MARKETS, INC.,
AS CO-LEAD ARRANGER

AND

J.P. MORGAN SECURITIES INC.,
AS CO-LEAD ARRANGER

MAY 3, 2002

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SCHEDULES

RESTATED CREDIT AGREEMENT

THIS RESTATED CREDIT AGREEMENT (hereinafter referred to as the "Agreement") executed as of the 3rd day of May, 2002, by and among GREAT LAKES ENERGY PARTNERS, L.L.C., a Delaware limited liability company (hereinafter referred to as "Borrower") and BANK ONE, NA (successor by merger to Bank One, Texas, N.A.) ("Bank One"), JPMORGAN CHASE BANK ("Chase"), THE BANK OF NOVA SCOTIA ("Scotiabank"), BANK OF SCOTLAND ("BOS"), CREDIT LYONNAIS NEW YORK BRANCH ("CL"), FORTIS CAPITAL CORP. ("Fortis") and THE FROST NATIONAL BANK ("Frost") and UNION BANK OF CALIFORNIA, N.A. ("Union") and each of the financial institutions which is a party hereto (as evidenced by the signature pages to this Agreement) or which may from time to time become a party hereto pursuant to the provisions of Section 28 hereof or any successor or assignee thereof (hereinafter collectively referred to as "Lenders", and individually, "Lender"), Bank One, as Administrative Agent, Chase, as Syndication Agent, CL, as Documentation Agent and Scotiabank, as Managing Agent.

W I T N E S S E T H:

WHEREAS, Borrower, certain of Lenders and Agents entered into a Restated Credit Agreement dated as of September 27, 2001 (as amended, restated and renewed from time-to-time, the "Credit Agreement") pursuant to which the Lenders agreed to make a revolving loan to the Borrower in amounts up to $275,000,000; and

WHEREAS, Borrower, Lenders and Agents have agreed to restate the Credit Agreement to make certain amendments thereto as set forth herein and Union has agreed to purchase an interest in the Loans concurrently with the closing of such restatement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereby agree as follows:

1. Definitions. When used herein the terms "Administrative Agent", "Agreement", "Bank One", "Borrower", "Chase", "Documentation Agent", "Frost", "Lender", "Lenders", "Syndication Agent" and "Union" shall have the meanings indicated above. When used herein the following terms shall have the following meanings:

Administrative Agent means Bank One, NA or any successor Administrative Agent.

Advance or Advances means a loan or loans hereunder.

Affiliate means any Person which, directly or indirectly, controls, is controlled by or is under common control with the relevant Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean a member of the board of directors, a partner or an officer of such Person, or any other Person with

possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership (of record, as trustee, or by proxy) of voting shares, partnership interests or voting rights, through a management contract or otherwise. Any Person owning or controlling, directly or indirectly, ten percent or more of the voting shares, partnership interests or voting rights, or other equity interest of another Person shall be deemed to be an Affiliate of such Person.

Agents means the Administrative Agent, the Syndication Agent and the Documentation Agent.

Alternate Base Rate shall mean, as of any date, a rate of interest per annum equal to the higher of (i) the Corporate Base Rate for such date, and (ii) the sum of the Federal Funds Effective Rate for such date plus one-half of one percent (.50%) per annum.

Assignment and Acceptance means a document substantially in the form of Exhibit "E" hereto.

Base Rate shall mean, as of any date, the sum of the Alternate Base Rate plus the Base Rate Margin.

Base Rate Loans shall mean any loan during any period which bears interest based upon the Alternate Base Rate or which would bear interest based upon the Alternate Base Rate if the Maximum Rate ceiling was not in effect at that particular time.

Base Rate Margin shall be:

(i) three-quarters of one percent (.75%) per annum whenever the Borrowing Base Usage is equal to or greater than 90%;

(ii) five-eighths of one percent (.625%) per annum whenever the Borrowing Base Usage is equal to or greater than 75%, but less than 90%;

(iii) one-half of one percent (.50%) per annum whenever the Borrowing Base Usage is equal to or greater than 50% but less than 75%; or

(iv) one-quarter of one percent (.25%) per annum whenever the Borrowing Base Usage is less than 50%.

Borrowing Base means the value assigned by the Lenders from time to time to the Oil and Gas Properties pursuant to Section 7 hereof. Until the next determination of the Borrowing Base pursuant to Section 7(b) hereof, the Borrowing Base shall be $205,000,000.

Borrowing Base Assets shall mean, as of any date, (i) Oil and Gas Properties either (A) given economic value in the most recent engineering report provided to the Lenders pursuant to Section 6 hereof, or (B) other material proved producing Oil and Gas Properties, and (ii) gas pipelines and gas gathering systems which are owned by the Borrower and its subsidiaries.

Borrowing Base Usage shall mean, as of any date, all amounts outstanding on the Loan plus all outstanding Letters of Credit, divided by the Borrowing Base.

Borrowing Date means the date elected by Borrower pursuant to Section 2(b) hereof for an Advance on the Loan.

Business Day shall mean (i) with respect to any borrowing, payment or note selection of Eurodollar Loans, a day (other than Saturdays or Sundays) on which banks are legally open for business in Dallas, Texas and New York, New York and on which dealings in United States dollars are carried on in the London interbank market, and (ii) for all other purposes a day (other than Saturdays and Sundays) on which banks are legally open for business in Dallas, Texas.

Change of Control shall occur if Marbel HoldCo, Inc. and Range HoldCo, Inc. or their Affiliates cease to beneficially own and control at least sixty-six and two-thirds (66-2/3%) of the membership interests of Borrower.

Commitment shall mean (A) for all Lenders, the lesser of (i) $275,000,000 or (ii) the Borrowing Base, as reduced or increased from time to time pursuant to Sections 2 and 7 hereof, and (B) as to any Lender, its obligation to make Advances hereunder on the Loans and purchase participations in Letters of Credit issued hereunder by the Administrative Agent in amounts not exceeding, in the aggregate, an amount equal to such Lender's Commitment Percentage times the total Commitment as of any date. The Commitment of each Lender hereunder shall be adjusted from time to time to reflect assignments made by such Lender pursuant to Section 28 hereof. Each reduction in the Commitment shall result in a Pro Rata reduction in each Lender's Commitment.

Commitment Percentage shall mean, for each Lender, the percentage derived by dividing its Commitment at the time of the determination by the Commitment of all Lenders at the time of determination. The Commitment Percentage of each Lender hereunder as of the Effective Date set forth in Schedule 10 and shall be adjusted from time to time to reflect assignments made by such Lender pursuant to Section 28 hereof.

Consolidated Current Assets means the total of the consolidated current assets determined in accordance with GAAP, plus, as of any date, the unused availability on the Commitment, less any amount required to be included in Consolidated Current Assets as a result of the application of FASB Statement 133.

Consolidated Current Liabilities means the total of consolidated current obligations as determined in accordance with GAAP, excluding therefrom, as of any date, current maturities due on the Loans, less any amount required to be included in Consolidated Current Liabilities as a result of application of FASB Statement 133.

Consolidated EBITDAX shall mean Consolidated Net Income (excluding gains and losses from asset sales, extraordinary and non-recurring gains and losses and non-recurring formation costs) plus the sum of (i) income tax expense (but excluding income tax expense relating to the sales or other disposition of assets, including capital stock, the gains and losses from which are excluded in the determination of Consolidated Net Income), plus (ii) Consolidated Interest Expense, plus (iii) depreciation, depletion, impairment and amortization expense, plus (iv) exploration expenses.

Consolidated Interest Expense shall mean the aggregate amount of cash and non-cash interest expense (including capitalized interest) of Borrower as determined on a consolidated basis in accordance with GAAP in respect of all indebtedness, excluding (i) accrued and unpaid interest to intercompany indebtedness and (ii) amortization of deferred financing costs.

Consolidated Net Income shall mean Borrower's consolidated net income after income taxes calculated in accordance with GAAP, but excluding any non-cash gains or losses as a result of the application of FASB Statement 133.

Consolidated Total Debt means, as of any date, without duplication, (i) all obligations for borrowed money or for the purchase price of property, (ii) all obligations evidenced by bonds, debentures, notes, or other similar instruments, (iii) all other indebtedness (including obligations under capital leases, other than usual and customary oil and gas leases) on which interest charges are customarily paid or accrued, (iv) all guarantees, (v) the unfunded or unreimbursed portion of all letters of credit, (vi) any indebtedness or other obligation secured by a Lien on assets, whether or not assumed, and (vii) all liability as a general partner of a partnership for obligations of that partnership of the nature described in (i) through (vii) preceding, but excluding any liabilities required to be included as balance sheet liabilities as a result of the application of FASB Statement 133.

Corporate Base Rate means a rate per annum equal to the Corporate Base Rate announced by Administrative Agent from time to time, changing when and as said Corporate Base Rate changes.

Default means all the events specified in Section 14 hereof, regardless of whether there shall have occurred any passage of time or giving of notice, or both, that would be necessary in order to constitute such event as an Event of Default.

Default Rate shall mean a default rate of interest determined in accordance with Section 4(e) hereof.

Defaulting Lender is used herein as defined in Section 3(f) hereof.

Documentation Agent means Credit Lyonnais New York Branch or any successor Documentation Agent.

Effective Date means the date of this Agreement.

Eligible Assignee means any of (i) a Lender or any Affiliate of a Lender; (ii) a commercial bank organized under the laws of the United States, or any state thereof, and having a combined capital and surplus of at least $100,000,000; (iii) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and having a combined capital and surplus of at least $100,000,000.00, provided that such bank is acting through a branch or agency located in the United States; (iv) a Person that is primarily engaged in the business of commercial lending and that (A) is a subsidiary of a Lender, (B) a subsidiary of a Person of which a Lender is a subsidiary, or (C) a Person of which a Lender is a subsidiary; (v) any other entity (other than a natural person) which is an "accredited investor" (as defined in Regulation D under the Securities Act) which extends credit or buys loans as one of its businesses, including, but not limited to, insurance companies, mutual funds, and lease financing companies; and (vi) with respect to any Lender that is a fund that invests in loans, any other fund that invests in loans and is managed by the same investment advisor of such Lender or by an Affiliate of such investment advisor (and treating all such funds so managed as a single Eligible Assignee); provided, however, that any Affiliate of Borrower that acquires an interest in any of the Commitment Loans shall not be entitled to vote as a Lender.

Engineered Value is used herein as defined in Section 6 hereof.

Environmental Laws means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C.A. Section 9601, et seq., the Resource Conservation and Recovery Act, as amended by the Hazardous Solid Waste Amendment of 1984, 42 U.S.C.A. Section 6901, et seq., the Clean Water Act, 33 U.S.C.A. Section 1251, et seq., the Clean Air Act, 42 U.S.C.A. Section 1251, et seq., the Toxic Substances Control Act, 15 U.S.C.A. Section 2601, et seq., The Oil Pollution Act of 1990, 33 U.S.G. Section 2701, et seq., and all other laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, orders, permits and restrictions of any federal, state, county, municipal and other governments, departments, commissions, boards, agencies, courts, authorities, officials and officers, domestic or foreign, relating to oil pollution, air pollution, water pollution, noise control and/or the handling, discharge, disposal or recovery of on-site or off-site asbestos, radioactive materials, spilled or leaked petroleum products, distillates or

fractions and industrial solid waste or "hazardous substances" as defined by 42 U.S.C. Section 9601, et seq., as amended, as each of the foregoing may be amended from time to time.

Environmental Liability means any claim, demand, obligation, cause of action, order, violation, damage, injury, judgment, penalty or fine, cost of enforcement, cost of remedial action or any other costs or expense whatsoever, including reasonable attorneys' fees and disbursements, resulting from the violation or alleged violation of any Environmental Law or the release of any substance into the environment which is required to be remediated by a regulatory agency or governmental authority or the imposition of any Environmental Lien (as hereinafter defined) which could reasonably be expected to individually or in the aggregate have a Material Adverse Effect.

Environmental Lien means a Lien in favor of any court, governmental agency or instrumentality or any other Person (i) for any Environmental Liability or (ii) for damages arising from or cost incurred by such court or governmental agency or instrumentality or other person in response to a release or threatened release of asbestos or "hazardous substance" into the environment, the imposition of which Lien could reasonably be expected to have a Material Adverse Effect.

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

Eurodollar Base Rate shall mean, with respect to any Eurodollar Loan for the relevant Interest Period, the rate determined by the Administrative Agent to be the rate at which the Administrative Agent offers to place deposits in U.S. dollars with first-class banks in the London interbank market at approximately 11:00 a.m. (London time) two (2) Business Days prior to the first date of such Interest Period, in the approximate amount of the Administrative Agent's relevant Eurodollar Loan and having a maturity equal to such Interest Period.

Eurodollar Loans mean any Advance during any period which bears interest at the Eurodollar Rate, or which would bear interest at such rate if the Maximum Rate ceiling was not in effect at a particular time.

Eurodollar Margin shall be:

(i) two percent (2%) per annum whenever the Borrowing Base Usage is equal to or greater than 90%;

(ii) one and seven-eighths percent (1.875%) per annum whenever the Borrowing Base Usage is equal to or greater than 75%, but less than 90%;

(iii) one and three-quarters percent (1.75%) per annum whenever the Borrowing Base Usage is equal to or greater than 50%, but less than 75%; or

(iv) one and one-half percent (1.50%) per annum whenever the Borrowing Base Usage is less than 50%.

Eurodollar Rate means, with respect to a Eurodollar Loan for the relevant Interest Period, the sum of (i) the quotient of (A) the Eurodollar Base Rate applicable to such Interest Period, divided by (B) one minus the Reserve Requirement (expressed as a decimal) applicable to such Interest Period, plus the Eurodollar Margin. The Eurodollar Rate shall be rounded to the next higher multiple of 1/16th of one percent if the rate is not such a multiple.

Federal Funds Effective Rate shall mean, for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10:00 a.m. (Dallas, Texas time) on such day on such transactions received by the Administrative Agent from three (3) Federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion.

Financial Statements means balance sheets, income statements, statements of cash flow and appropriate footnotes and schedules, prepared in accordance with GAAP.

GAAP means generally accepted accounting principles, consistently applied.

Guarantors means all Subsidiaries of Borrower.

Guaranties means unlimited guaranties of the Guarantors in the form of Exhibit "C" hereto.

Interest Payment Date shall mean the last Business Day of each calendar month in the case of Base Rate Loans and, in the case of Eurodollar Loans, the last day of the applicable Interest Period, and if such Interest Period is longer than three (3) months, at three-month intervals following the first day of such Interest Periods.

Interest Period shall mean with respect to any Eurodollar Loan (i) initially, the period commencing on the date such Eurodollar Loan is made and ending one (1), two (2), three (3), six (6), or nine (9) months thereafter as selected by the Borrower pursuant to Section 4(a)(ii), and (ii) thereafter, each period commencing on the day following the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one (1), two (2), three (3), six (6), or nine (9) months thereafter, as selected by the Borrower pursuant to Section 4(a)(ii); provided, however, that (i) if any Interest Period would otherwise expire on a day which is not a Business Day, such Interest Period shall

expire on the next succeeding Business Day unless the result of such extension would be to extend such Interest Period into the next calendar month, in which case such Interest Period shall end on the immediately preceding Business Day, (ii) if any Interest Period begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) such Interest Period shall end on the last Business Day of a calendar month, and (iii) any Interest Period which would otherwise expire after the Maturity Date shall end on such Maturity Date.

Letters of Credit is used herein as defined in Section 2(c) hereof.

Lien means any mortgage, deed of trust, pledge, security interest, assignment, encumbrance or lien (statutory or otherwise) of every kind and character.

Loans means an Advance or Advances made under the Commitment.

Loan Documents means this Agreement, the Notes, the Security Instruments and all other documents executed in connection with the transaction described in this Agreement.

Majority Lenders means Lenders holding 66-2/3% or more of the Commitments or if the Commitments have been terminated, Lenders holding 66-2/3% of the outstanding Loans.

Managing Agent means the Bank of Nova Scotia and any successor Managing Agent.

Material Adverse Effect shall mean a material adverse effect on (i) the assets or properties, liabilities, financial condition, business, operations, affairs or circumstances of the Borrower, (ii) the ability of the Borrower to carry out its businesses as of the date of this Agreement or as proposed at the date of this Agreement to be conducted, (iii) the ability of Borrower to perform fully and on a timely basis its obligations under any of the Loan Documents, or (iv) the validity or enforceability of any of the Loan Documents or the rights and remedies of the Administrative Agent or the Lenders thereunder.

Maturity Date shall mean January 1, 2005.

Maximum Rate means at any particular time in question, the maximum non-usurious rate of interest which under applicable law may then be charged on the Note. If such Maximum Rate changes after the date hereof, the Maximum Rate shall be automatically increased or decreased, as the case may be, without notice to Borrower from time to time as the effective date of each change in such Maximum Rate.

Notes means the Notes described in Section 3 hereof, substantially in the form of Exhibit "B" hereto issued or to be issued hereunder to each Lender, respectively, to evidence the indebtedness to such Lender arising by reason of the Advances on the Loan, together with all modifications, renewals and extensions thereof or any part thereof.

Oil and Gas Properties means all oil, gas and mineral properties and interests, related personal properties (excluding gas pipelines and gas gathering systems), in which Borrower grants to the Lenders a first and prior lien and security interest pursuant to Section 6 hereof.

Other Financing is used herein as defined in Section 15(l) hereof.

Payor is used herein as defined in Section 3(h)hereof.

Permitted Liens shall mean (i) royalties, overriding royalties, reversionary interests, production payments and similar burdens; (ii) sales contracts or other arrangements for the sale of production of oil, gas or associated liquid or gaseous hydrocarbons which would not (when considered cumulatively with the matters discussed in clause (i) above) deprive Borrower of any material right in respect of Borrower's assets or properties (except for rights customarily granted with respect to such contracts and arrangements); (iii) statutory Liens for taxes or other assessments that are not yet delinquent (or that, if delinquent, are being contested in good faith by appropriate proceedings, levy and execution thereon having been stayed and continue to be stayed and for which Borrower has set aside on its books adequate reserves in accordance with GAAP); (iv) easements, rights of way, servitudes, permits, surface leases and other rights in respect to surface operations, pipelines, grazing, logging, canals, ditches, reservoirs or the like, conditions, covenants and other restrictions, and easements of streets, alleys, highways, pipelines, telephone lines, power lines, railways and other easements and rights of way on, over or in respect of Borrower's assets or properties and that do not individually or in the aggregate, cause a Material Adverse Effect; (v) materialmen's, mechanic's, repairman's, employee's, warehousemen's, landlord's, carrier's, pipeline's, contractor's, sub-contractor's, operator's, non-operator's (arising under operating or joint operating agreements), and other Liens (including any financing statements filed in respect thereof) incidental to obligations incurred by Borrower in connection with the construction, maintenance, development, transportation, storage or operation of Borrower's assets or properties to the extent not delinquent (or which, if delinquent, are being contested in good faith by appropriate proceedings and for which Borrower has set aside on its books adequate reserves in accordance with GAAP); (vi) all contracts, agreements and instruments, and all defects and irregularities and other matters affecting Borrower's assets and properties which were in existence at the time Borrower's assets and properties were originally acquired by Borrower and all routine operational agreements entered into in the ordinary course of business, which contracts, agreements, instruments, defects, irregularities and other matters and routine operational agreements are not such as to, individually or in the aggregate, interfere materially with the operation,

value or use of Borrower's assets and properties, considered in the aggregate; (vii) liens in connection with workmen's compensation, unemployment insurance or other social security, old age pension or public liability obligations; (viii) legal or equitable encumbrances deemed to exist by reason of the existence of any litigation or other legal proceeding or arising out of a judgment or award with respect to which an appeal is being prosecuted in good faith and levy and execution thereon have been stayed and continue to be stayed; (ix) rights reserved to or vested in any municipality, governmental, statutory or other public authority to control or regulate Borrower's assets and properties in any manner, and all applicable laws, rules and orders from any governmental authority; (x) landlord's liens; (xi) Liens incurred pursuant to the Security Instruments; and (xii) Liens existing at the date of this Agreement which have been disclosed to Lenders in Schedule "1" hereto.

Person means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

Plan means any plan subject to Title IV of ERISA and maintained by Borrower, or any such plan to which Borrower is required to contribute on behalf of its employees.

Pre-Approved Contracts as used herein shall mean any contracts or agreements entered into in connection with any Rate Management Transaction designed (i) to hedge, forward, sell or swap crude oil or natural gas or otherwise sell up to 80% of the Borrower's anticipated production from proved, developed producing reserves of crude oil, and/or 80% of the Borrower's anticipated production from proved, developed producing reserves of natural gas, during the period from the immediately preceding settlement date (or the commencement of the term of such hedge transactions if there is no prior settlement date) to such settlement date, and (ii) with one or more of the Lenders or counterparties to the hedging agreement listed on Exhibit "F" hereto.

Pro Rata or Pro Rata Part means for each Lender, (i) for all purposes where no Loan is outstanding, such Lender's Commitment Percentage and (ii) otherwise, the proportion which the portion of the outstanding Loans owed to such Lender bears to the aggregate outstanding Loans owed to all Lenders at the time in question.

Rate Management Transaction means any transaction (including an agreement with respect thereto) now existing or hereafter entered into between Borrower and Administrative Agent or the Lenders or the counterparties listed on Exhibit "F" hereto which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, forward exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or

more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

Regulation D shall mean Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor thereto and other regulation or official interpretation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

Reimbursement Obligations means, at any time, the obligations of the Borrower in respect of all Letters of Credit then outstanding to reimburse amounts paid by any Lender in respect of any drawing or drawings under a Letter of Credit.

Release Price is used herein as defined in Section 12(r) hereof.

Required Lenders means Lenders holding 75% or more of the Commitments or if the Commitments have been terminated, Lenders holding 75% of the outstanding Loans.

Required Payment is used herein as defined in Section 3(h) hereof.

Reserve Requirement means, with respect to any Interest Period, the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves) which is imposed under Regulation D or Eurocurrency liabilities.

Security Instruments is used collectively herein to mean this Agreement, all Deeds of Trust, Mortgages, Security Agreements, Assignments of Production and Financing Statements and other collateral documents covering the Oil and Gas Properties and related personal property, equipment, oil and gas inventory and proceeds of the foregoing, all such documents to be in form and substance satisfactory to Administrative Agent.

Subsidiary means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by Borrower or another subsidiary.

Syndication Agent means JPMorgan Chase Bank or any successor Syndication Agent.

Total Outstandings means, as of any date, the sum of (i) the total principal balance outstanding on the Notes, plus (ii) the total face amount of all outstanding Letters of Credit, plus (iii) the total amount of all unpaid Reimbursement Obligations.

Tranche means a set of Eurodollar Loans made by the Lenders at the same time and for the same Interest Period.

Unscheduled Redeterminations means a redetermination of the Borrowing Base made at any time other than on the dates set for the regular semi-annual redetermination of the Borrowing Base which are made (A) at the request of Borrower (but only one between Borrowing Base redeterminations) (B) at the request of Majority Lenders (but only once between Borrowing Base redeterminations), provided, however, that (i) Majority Lenders may require an Unscheduled Redetermination at any time it appears to Administrative Agent or Majority Lenders, in the exercise of their reasonable discretion, that either (a) there has been a material decrease in the value of the Oil and Gas Properties, or (b) an event has occurred which is reasonably expected to have a Material Adverse Effect, or (ii) Majority Lenders may require an Unscheduled Redetermination if Borrower terminates any material agreements entered into in connection with a Rate Management Transaction used by Lenders in determining the Borrowing Base or if the counterparty to any such material agreement commences, or has commenced against it any proceeding under any bankruptcy, insolvency or similar law now or hereafter in effect.

Unused Commitment Fee Rate shall be:

(i) one-half of one percent (.50%) per annum whenever the Borrowing Base Usage is equal to or greater than 75%;

(ii) three-eighths of one percent (.375%) per annum whenever the Borrowing Base Usage is equal to or greater than 50% but less than 75% and

(iii) one-fourth of one percent (.25%) per annum whenever the Borrowing Base Usage is less than 50%.

2. Commitments of the Lenders.

(a) Terms of Commitment. On the terms and conditions hereinafter set forth, each Lender agrees severally to make Advances to the Borrower from time to time during the period beginning on the Effective Date and ending on the Maturity Date in such amounts as the Borrower may request up to an amount not to exceed, in the aggregate principal amount outstanding at any time, the Commitment less Total Outstandings. The obligation of the Borrower hereunder shall be evidenced by this Agreement and the Notes issued in connection herewith, said Notes to be as described in Section 3 hereof. Notwithstanding any other provision of this Agreement, no Advance shall be required to be made hereunder if any Default or Event of Default (as hereinafter defined) has occurred and is continuing. Each Advance under the Commitment shall be an aggregate amount of at least $1,000,000 or any whole multiples of $100,000 in excess thereof. Irrespective of the face amount of the Note or Notes, the Lenders shall never have the obligation to Advance any amount or amounts in excess of the Commitment or to increase the Commitment.

(b) Procedure for Borrowing. Whenever the Borrower desires an Advance hereunder, it shall give Administrative Agent telegraphic, telex, facsimile or telephonic notice ("Notice of Borrowing") of such requested Advance, which in the case of telephonic notice, shall be promptly confirmed in writing. Each Notice of Borrowing shall be in the form of Exhibit "A" attached hereto and shall be received by Administrative Agent not later than 12:00 noon Dallas, Texas time, (i) one Business Day prior to the Borrowing Date in the case of the Base Rate Loan, or (ii) three Business Days prior to any proposed Borrowing Date in the case of Eurodollar Loans. Each Notice of Borrowing shall specify (i) the Borrowing Date (which shall be a Business Day), (ii) the principal amount to be borrowed, (iii) the portion of the Advance constituting Base Rate Loans and/or Eurodollar Loans, (iv) if any portion of the proposed Advance is to constitute Eurodollar Loans, the initial Interest Period selected by Borrower pursuant to Section 4 hereof to be applicable thereto, and (v) the date upon which such Advance is required. Upon receipt of such Notice, Administrative Agent shall advise each Lender thereof; provided, that if the Lenders have received at least one (1) day's notice of such Advance prior to funding of a Base Rate Loan, or at least three (3) days' notice of each Advance prior to funding in the case of a Eurodollar Loan, each Lender shall provide Administrative Agent at its office at 1717 Main Street, Dallas, Texas 75201, not later than 1:00 p.m., Dallas, Texas time, on the Borrowing Date, in immediately available funds, its pro rata share of the requested Advance, but the aggregate of all such fundings by each Lender shall never exceed such Lender's Commitment. Not later than 2:00 p.m., Dallas, Texas time, on the Borrowing Date, Administrative Agent shall make available to the Borrower at the same office, in like funds, the aggregate amount of such requested Advance. Neither Administrative Agent nor any Lender shall incur any liability to the Borrower in acting upon any Notice referred to above which Administrative Agent or such Lender believes in good faith to have been given by a duly authorized officer or other person authorized to borrow on behalf of Borrower or for otherwise acting in good faith under this Section 2(b). Upon funding of Advances by Lenders in accordance with this Agreement, pursuant to any such Notice, the Borrower shall have effected Advances hereunder.

(c) Letters of Credit. On the terms and conditions hereinafter set forth, the Administrative Agent shall from time to time during the period beginning on the Effective Date and ending on the Maturity Date upon request of Borrower issue standby and/or commercial Letters of Credit for the account of Borrower (the "Letters of Credit") in such face amounts as Borrower may request, but not to exceed in the aggregate face amount at any time outstanding the sum of Twenty Million Dollars ($20,000,000.00). The face amount of all Letters of Credit issued and outstanding hereunder shall be considered as Advances on the Commitment for Borrowing Base purposes and all payments made by the Administrative Agent on such Letters of Credit shall be considered as Advances under the Notes. Each Letter of Credit issued for the account of Borrower hereunder shall (i) be in favor of such beneficiaries as specifically requested by Borrower, (ii) have an expiration date not exceeding the earlier of (a) one year or (b) the Maturity Date, and (iii) contain such other terms and provisions as may be required by

issuing Lender. Each Lender (other than Administrative Agent) agrees that, upon issuance of any Letter of Credit hereunder, it shall automatically acquire a participation in the Administrative Agent's liability under such Letter of Credit in an amount equal to such Lender's Commitment Percentage of such liability, and each Lender (other than Administrative Agent) thereby shall absolutely, unconditionally and irrevocably assume, as primary obligor and not as surety, and shall be unconditionally obligated to Administrative Agent to pay and discharge when due, its Commitment Percentage of Administrative Agent's liability under such Letter of Credit. The Borrower hereby unconditionally agrees to pay and reimburse the Administrative Agent for the amount of each demand for payment under any Letter of Credit that is in substantial compliance with the provisions of any such Letter of Credit at or prior to the date on which payment is to be made by the Administrative Agent to the beneficiary thereunder, without presentment, demand, protest or other formalities of any kind. Upon receipt from any beneficiary of any Letter of Credit of any demand for payment under such Letter of Credit, the Administrative Agent shall promptly notify the Borrower of the demand and the date upon which such payment is to be made by the Administrative Agent to such beneficiary in respect of such demand. Forthwith upon receipt of such notice from the Administrative Agent, Borrower shall advise the Administrative Agent whether or not it intends to borrow hereunder to finance its obligations to reimburse the Administrative Agent, and if so, submit a Notice of Borrowing as provided in Section 2(b) hereof. If Borrower fails to so advise Administrative Agent and thereafter fails to reimburse Administrative Agent, the Administrative Agent shall notify each Lender of the demand and the failure of the Borrower to reimburse the Administrative Agent, and each Lender shall reimburse the Administrative Agent for its Commitment Percentage of each such draw paid by the Administrative Agent and unreimbursed by the Borrower. All such amounts paid by Administrative Agent and/or reimbursed by the Lenders shall be treated as an Advance or Advances under the Commitment, which Advances shall be immediately due and payable and shall bear interest at the Maximum Rate.

(d) Procedure for Obtaining Letters of Credit. The amount and date of issuance, renewal, extension or reissuance of a Letter of Credit pursuant to the Commitments shall be designated by Borrower's written request delivered to Administrative Agent at least three (3) Business Days prior to the date of such issuance, renewal, extension or reissuance. Concurrently with or promptly following the delivery of the request for a Letter of Credit, Borrower shall execute and deliver to the Administrative Agent an application and agreement with respect to the Letters of Credit, said application and agreement to be in the form used by the Administrative Agent. The Administrative Agent shall not be obligated to issue, renew, extend or reissue such Letters of Credit if (A) the amount thereon when added to the face amount of the outstanding Letters of Credit plus any Reimbursement Obligations exceeds Twenty Million Dollars ($20,000,000.00) or (B) the amount thereof when added to the Total Outstandings would exceed the Commitment. Borrower agrees to pay the Administrative Agent for the benefit of the Lenders commissions for issuing the Letters of Credit (calculated separately for each Letter of Credit) in an amount equal to the Eurodollar

Margin multiplied by the maximum face amount of the Letter of Credit. Borrower further agrees to pay Administrative Agent for its own account an additional fronting fee equal to one-quarter of one percent (.25%) per annum multiplied times the maximum face amount of each Letter of Credit. Such commissions shall be payable prior to the issuance of each Letter of Credit and thereafter on each anniversary date of such issuance while such Letter of Credit is outstanding. Such commissions and fronting fee will be calculated based on the basis of a year consisting of 360 days.

(e) Voluntary Reduction of Commitment. The Borrower may at any time, or from time to time, upon not less than three (3) Business Days' prior written notice to Administrative Agent, reduce or terminate the Commitment; provided, however, that (i) each reduction in the Commitment must be in the amount of $1,000,000 or more, in increments of $1,000,000 and (ii) each reduction must be accompanied by a prepayment of the Notes in the amount by which the outstanding principal balance of the Notes exceeds the Commitment as reduced pursuant to this Section 2.

(f) Several Obligations. The obligations of the Lenders under the Commitments are several and not joint. The failure of any Lender to make an Advance required to be made by it shall not relieve any other Lender of its obligation to make its Advance, and no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender. No Lender shall be required to lend hereunder any amount in excess of its legal lending limit.

(g) Type and Number of Advances. Any Advance under the Commitment may be a Base Rate Loan or a Eurodollar Loan, or a combination thereof, as selected by the Borrower pursuant to Section 4 hereof. The total number of Tranches which may be outstanding at any time shall never exceed eight (8).

3. Notes Evidencing Loans. The loans described above in Section 2 shall be evidenced by promissory notes of Borrower as follows:

(a) Form of Notes. The Loans shall be evidenced by a Note or Notes in the aggregate face amount of $275,000,000, and shall be in the form of Exhibit "B" hereto with appropriate insertions (each a "Note"). Notwithstanding the face amount of the Notes, the actual principal amount due from the Borrower to Lenders on account of the Notes, as of any date of computation, shall be the sum of Advances then and theretofore made on account thereof, less all principal payments actually received by Lenders in collected funds with respect thereto. Although the Notes may be dated as of the Effective Date, interest in respect thereof shall be payable only for the period during which the loans evidenced thereby are outstanding and, although the stated amount of the Notes may be higher, the Notes shall be enforceable, with respect to Borrower's obligation to pay the principal amount thereof, only to the extent of the unpaid principal amount of the Loans. Irrespective of the face amount of the Notes, no Lender shall ever be obligated to advance on the Commitment any amount in excess of its Commitment then in effect.

(b) Issuance of Additional Notes. At the Effective Date there shall be outstanding Notes in the aggregate face amount of $275,000,000. From time to time new Notes may issued to other Lenders as such Lenders become parties to this Agreement. Upon request from Administrative Agent, the Borrower shall execute and deliver to Administrative Agent any such new or additional Notes. From time to time as new Notes are issued the Administrative Agent shall require that each Lender exchange its Note(s) for newly issued Note(s) to better reflect the extent of each Lender's Commitments hereunder.

(c) Interest Rates. The unpaid principal balance of the Notes shall bear interest from time to time as set forth in Section 4 hereof.

(d) Payment of Interest. Interest on the Notes shall be payable on each Interest Payment Date.

(e) Payment of Principal. Principal of the Note or Notes shall be due and payable to the Administrative Agent for the ratable benefit of the Lenders on the Maturity Date unless earlier due in whole or in part as a result of an acceleration of the amount due or pursuant to the mandatory prepayment provisions of Section 9(b) hereof.

(f) Payment to Lenders. Each Lender's Pro Rata Part of payment or prepayment of the Loans shall be directed by wire transfer to such Lender by the Administrative Agent at the address provided to the Administrative Agent for such Lender for payments no later than 2:00 p.m., Dallas, Texas, time on the Business Day such payments or prepayments are deemed hereunder to have been received by Administrative Agent; provided, however, in the event that any Lender shall have failed to make an Advance as contemplated under Section 2 hereof (a "Defaulting Lender") and the Administrative Agent or another Lender or Lenders shall have made such Advance, payment received by Administrative Agent for the account of such Defaulting Lender or Lenders shall not be distributed to such Defaulting Lender or Lenders until such Advance or Advances shall have been repaid in full to the Lender or Lenders who funded such Advance or Advances. Any payment or prepayment received by Administrative Agent at any time after 12:00 noon, Dallas, Texas, time on a Business Day shall be deemed to have been received on the next Business Day. Interest shall cease to accrue on any principal as of the end of the day preceding the Business Day on which any such payment or prepayment is deemed hereunder to have been received by Administrative Agent. If Administrative Agent fails to transfer any principal amount to any Lender as provided above, then Administrative Agent shall promptly direct such principal amount by wire transfer to such Lender together with interest thereon with respect of the period commencing on the date one (1) day after such amount was made available to the Administrative Agent until the date the Administrative Agent pays such principal amount to the Lender at the rate applicable to such portion of the applicable loan.

(g) Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, or otherwise) on account of the Loans, (including, without limitation, any set-off) which is in excess of its Pro Rata Part of payments on either of the Loans, as the case may be, obtained by all Lenders, such Lender shall purchase from the other Lenders such participation as shall be necessary to cause such purchasing Lender to share the excess payment pro rata with each of them; provided that, if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, the purchase shall be rescinded and the purchase price restored to the extent of the recovery. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section may, to the fullest extent permitted by law, exercise all of its rights of payment (including the right of offset) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

(h) Non-Receipt of Funds by the Administrative Agent. Unless the Administrative Agent shall have been notified by a Lender or the Borrower (the "Payor") prior to the date on which such Lender is to make payment to the Administrative Agent of the proceeds of a Loan to be made by it hereunder or the Borrower is to make a payment to the Administrative Agent for the account of one or more of the Lenders, as the case may be (such payment being herein called the "Required Payment"), which notice shall be effective upon receipt, that the Payor does not intend to make the Required Payment to the Administrative Agent, the Administrative Agent may assume that the Required Payment has been made and may, in reliance upon such assumption (but shall not be required to), make the amount thereof available to the intended recipient on such date and, if the Payor has not in fact made the Required Payment to the Administrative Agent, the recipient of such payment shall, on demand, pay to the Administrative Agent the amount made available to it together with interest thereon in respect of the period commencing on the date such amount was made available by the Administrative Agent until the date the Administrative Agent recovers such amount at the rate applicable to such portion of the applicable Loan.

4. Interest Rates.

(a) Options.

(i) Base Rate Loans. On all Base Rate Loans the Borrower agrees to pay interest on the Notes calculated on the basis of the actual days elapsed in a year consisting of 360 days with respect to the unpaid principal amount of each Base Rate Loan from the date the proceeds thereof are made available to Borrower until maturity (whether by acceleration or otherwise), at a varying rate per annum equal to the lesser of (i) the Maximum Rate (defined herein), or (ii) the sum of the Base Rate plus the Base Rate Margin. Subject to the provisions of this Agreement as to prepayment, the principal of the Notes representing Base Rate Loans shall be payable as specified in Section 3(d) hereof and the interest in

respect of each Base Rate Loan shall be payable on each Interest Payment Date. Past due principal and, to the extent permitted by law, past due interest in respect to each Base Rate Loan, shall bear interest, payable on demand, at a rate per annum equal to the Maximum Rate.

(ii) Eurodollar Loans. On all Eurodollar Loans the Borrower agrees to pay interest calculated on the basis of a year consisting of 360 days with respect to the unpaid principal amount of each Eurodollar Loan from the date the proceeds thereof are made available to Borrower until maturity (whether by acceleration or otherwise), at a varying rate per annum equal to the lesser of (i) the Maximum Rate, or (ii) the Eurodollar Rate plus the Eurodollar Margin. Subject to the provisions of this Agreement with respect to prepayment, the principal of the Notes shall be payable as specified in Section 3(d) hereof and the interest with respect to each Eurodollar Loan shall be payable on each Interest Payment Date. Past due principal and, to the extent permitted by law, past due interest shall bear interest, payable on demand, at a rate per annum equal to the Maximum Rate. Upon three (3) Business Days' written notice prior to the making by the Lenders of any Eurodollar Loan (in the case of the initial Interest Period therefor) or the expiration date of each succeeding Interest Period (in the case of subsequent Interest Periods therefor), Borrower shall have the option, subject to compliance by Borrower with all of the provisions of this Agreement, as long as no Event of Default exists, to specify whether the Interest Period commencing on any such date shall be a one (1), two (2), three (3), six (6) or nine (9) month period. If Administrative Agent shall not have received timely notice of a designation of such Interest Period as herein provided, Borrower shall be deemed to have elected to convert all maturing Eurodollar Loans to Base Rate Loans.

(b) Interest Rate Determination. The Administrative Agent shall determine each interest rate applicable to the Loans hereunder. The Administrative Agent shall give prompt notice to the Borrower and the Lenders of each rate of interest so determined and its determination thereof shall be conclusive absent error.

(c) Conversion Option. Borrower may elect from time to time (i) to convert all or any part of its Eurodollar Loans to Base Rate Loans by giving Administrative Agent irrevocable notice of such election in writing prior to 10:00 a.m. (Dallas, Texas time) on the conversion date and such conversion shall be made on the requested conversion date, provided that any such conversion of a Eurodollar Loan shall only be made on the last day of the Eurodollar Interest Period with respect thereof, (ii) to convert all or any part of its Base Rate Loans to Eurodollar Loans by giving the Administrative Agent irrevocable written notice of such election three (3) Business Days prior to the proposed conversion and such conversion shall be made on the requested conversion date or, if such requested conversion date is not a Business Day, on the next succeeding

Business Day. Any such conversion shall not be deemed to be a prepayment of any of the loans for purposes of this Agreement on the Notes.

(d) Recoupment. If at any time the applicable rate of interest selected pursuant to Sections 4(a)(i) or 4(a)(ii) above shall exceed the Maximum Rate, thereby causing the interest on the Notes to be limited to the Maximum Rate, then any subsequent reduction in the interest rate so selected or subsequently selected shall not reduce the rate of interest on the Notes below the Maximum Rate until the total amount of interest accrued on the Note equals the amount of interest which would have accrued on the Notes if the rate or rates selected pursuant to Sections 4(a)(i) or (ii), as the case may be, had at all times been in effect.

(e) Interest Rates Applicable After Default. Notwithstanding anything to the contrary contained in this Section 4, during the continuance of a Default or an Event of Default the Majority Lenders may, at their option, by notice from Administrative Agent to the Borrower (which notice may be revoked at the option of the Majority Lenders notwithstanding the provisions of Section 15 hereof, which requires all Lenders to consent to changes in interest rates) declare that no Advance may be made as, converted into, or continued as a Eurodollar Loan. During the continuance of an Event of Default, the Majority Lenders, may, at their option, by notice from Administrative Agent to the Borrower (which notice may be revoked at the option of Majority Lenders notwithstanding the provisions of Section 15 hereof, which requires all Lenders to consent to changes in interest rates) declare that (i) each Eurodollar Loan shall bear interest for the remainder of the applicable Interest Period at the rate otherwise applicable to such Interest Period plus two percent (2%) per annum and (ii) each Base Rate Loan shall bear interest at the rate otherwise applicable to such Interest Period plus two percent (2%), provided that, during the continuance of an Event of Default under Section 14(f) or 14(g), the interest rate set forth in clauses (i) and (ii) above shall be applicable to all outstanding Loans without any election or action on the part of the Administrative Agent or any Lender.

5. Special Provisions Relating to Loans.

(a) Unavailability of Funds or Inadequacy of Pricing. In the event that, in connection with any proposed Eurodollar Loan, the Administrative Agent determines, which determination shall, absent manifest error, be final, conclusive and binding upon all parties, due to changes in circumstances since the date hereof, adequate and fair means do not exist for determining the Eurodollar Rate or such rate will not accurately reflect the costs to the Lenders of funding Eurodollar Loan for such Eurodollar Interest Period, the Administrative Agent shall give notice of such determination to the Borrower and the Lenders, whereupon, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such suspension no longer exist, the obligations of the Lenders to make, continue or convert a Loan into a Eurodollar Loan

shall be suspended, and all loans to Borrower shall be Base Rate Loans during the period of suspension.

(b) Change in Laws. If at any time any new law or any change in existing laws or in the interpretation of any new or existing laws shall make it unlawful for any Lender to make or continue to maintain or fund a Eurodollar Loan hereunder, then such Lender shall promptly notify Borrower in writing and such Lender's obligation to make, continue or convert Loans into Eurodollar Loans under this Agreement shall be suspended until it is no longer unlawful for such Lender to make or maintain Eurodollar Loans. Upon receipt of such notice, Borrower shall either repay the outstanding Eurodollar Loan owed to the Lenders, without penalty, on the last day of the current Interest Periods (or, if any Lender may not lawfully continue to maintain and fund such Eurodollar Loan, immediately), or Borrower may convert such Eurodollar Loan at such appropriate time to Base Rate Loan.

(c) Increased Cost or Reduced Return.

(i) If, after the date hereof, the adoption of any applicable law, rule, or regulation, or any change in any applicable law, rule, or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank, or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender with any request or directive (whether or not having the force of law) of any such governmental authority, central bank, or comparable agency:

(A) shall subject such Lender to any tax, duty, or other charge with respect to any Eurodollar Loan, its Notes, or its obligation to make Eurodollar Loans, or change the basis of taxation of any amounts payable to such Lender under this Agreement or its Notes in respect of any Eurodollar Loan (other than franchise taxes and taxes imposed on the overall net income of such Lender);

(B) shall impose, modify, or deem applicable any reserve, special deposit, assessment, or similar requirement (other than reserve requirements, if any, taken into account in the determination of the Eurodollar Rate) relating to any extensions of credit or other assets of, or any deposits with or other liabilities or commitments of, such Lender, including the Commitment of such Lender hereunder; or

(C) shall impose on such Lender or on the London interbank market any other condition affecting this Agreement or its Notes or any of such extensions of credit or liabilities or commitments;

and the result of any of the foregoing is to increase the cost to such Lender of making, converting into, continuing, or maintaining any Eurodollar Loan or to reduce any sum received or receivable by such Lender under this Agreement or its Notes with respect to any Eurodollar Loan, then Borrower shall pay to such Lender on demand such amount or amounts as will compensate such Lender for such increased cost or reduction. If any Lender requests compensation by Borrower under this Section 5(c), Borrower may, by notice to such Lender (with a copy to Administrative Agent), suspend the obligation of such Lender to make or continue Eurodollar Loans, or to convert all or part of the Base Rate Loan owing to such Lender to a Eurodollar Loan, until the event or condition giving rise to such request ceases to be in effect (in which case the provisions of Section 5(c) shall be applicable); provided that such suspension shall not affect the right of such Lender to receive the compensation so requested.

(ii) If, after the date hereof, any Lender shall have determined that the adoption of any applicable law, rule, or regulation regarding capital adequacy or any change therein or in the interpretation or administration thereof by any governmental authority, central bank, or comparable agency charged with the interpretation or administration thereof, or any request or directive regarding capital adequacy (whether or not having the force of law) of any such governmental authority, central bank, or comparable agency, has or would have the effect of reducing the rate of return on the capital of such Lender or any corporation controlling such Lender as a consequence of such Lender's obligations hereunder to a level below that which such Lender or such corporation could have achieved but for such adoption, change, request, or directive (taking into consideration its policies with respect to capital adequacy), then from time to time upon demand Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender for such reduction.

(iii) Each Lender shall promptly notify Borrower and Administrative Agent of any event of which it has knowledge, occurring after the date hereof, which will entitle such Lender to compensation pursuant to this Section 5(c) and will designate a separate lending office, if applicable, if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of such Lender, be otherwise disadvantageous to it. Any Lender claiming compensation under this Section 5(c) shall furnish to Borrower and Administrative Agent a statement setting forth the additional amount or amounts to be paid to it hereunder which shall be conclusive in the absence of manifest error. In determining such amount, such Lender may use any reasonable averaging and attribution methods.

(iv) Any Lender giving notice to the Borrower through the Administrative Agent, pursuant to Sections 3(k) or 5(c) shall give to the Borrower a statement signed by an officer of such Lender setting forth in reasonable detail

the basis for, and the calculation of such additional cost, reduced payments or capital requirements, as the case may be, and the additional amounts required to compensate such Lender therefor.

(v) Within five (5) Business Days after receipt by the Borrower of any notice referred to in Sections 3(k) or 5(c), the Borrower shall pay to the Administrative Agent for the account of the Lender issuing such notice such additional amounts as are required to compensate such Lender for the increased cost, reduce payments or increase capital requirements identified therein, as the case may be.

(d) Discretion of Lender as to Manner of Funding. Notwithstanding any provisions of this Agreement to the contrary, each Lender shall be entitled to fund and maintain its funding of all or any part of its Loan in any manner it sees fit, it being understood, however, that for the purposes of this Agreement all determinations hereunder shall be made as if each Lender had actually funded and maintained each Eurodollar Loan through the purchase of deposits having a maturity corresponding to the last day of the Eurodollar Interest Period applicable to such Eurodollar Loan and bearing an interest rate to the applicable interest rate for such Eurodollar Period.

(e) Breakage Fees. Without duplication under any other provision hereof, if any Lender incurs any loss, cost or expense including, without limitation, any loss of profit and loss, cost, expense or premium reasonably incurred by reason of the liquidation or re-employment of deposits or other funds acquired by such Lender to fund or maintain any Eurodollar Loan or the relending or reinvesting of such deposits or amounts paid or prepaid to the Lenders as a result of any of the following events other than any such occurrence as a result in the change of circumstances described in Sections 5(a) and (b):

(i) any payment, prepayment or conversion of a Eurodollar Loan on a date other than the last day of its Eurodollar Interest Period (whether by acceleration, prepayment or otherwise);

(ii) any failure to make a principal payment of a Eurodollar Loan on the due date thereof; or

(iii) any failure by the Borrower to borrow, continue, prepay or convert to a Eurodollar Loan on the dates specified in a notice given pursuant to Section 2(c) or 4(c) hereof;

then the Borrower shall pay to such Lender such amount as will reimburse such Lender for such loss, cost or expense. If any Lender makes such a claim for compensation, it shall furnish to Borrower and Administrative Agent a statement setting forth the amount of such loss, cost or expense in reasonable detail (including an explanation of the basis

for and the computation of such loss, cost or expense) and the amounts shown on such statement shall be conclusive and binding absent manifest error.

6. Collateral Security. To secure the performance by Borrower and the Guarantors of their respective obligations hereunder, and under the Notes, the Guaranties and Security Instruments, whether now or hereafter incurred, matured or unmatured, direct or contingent, joint or several, or joint and several, including extensions, modifications, renewals and increases thereof, and substitutions therefore, Borrower and each Guarantor have heretofore granted and assigned to Administrative Agent for the ratable benefit of the Lenders a first and prior Lien on certain of its Oil and Gas Properties, certain related equipment, oil and gas inventory, stock and membership interest in Borrower's subsidiaries, and proceeds of the foregoing. The Oil and Gas Properties heretofore or hereafter mortgaged to the Administrative Agent shall represent not less than 80% of the Engineered Value (as hereinafter defined) of Borrower's and Guarantors' oil and gas properties as of the Effective Date. All Rate Management Agreements shall be secured by the Collateral and repaid on a pari passu basis with the indebtedness and obligations of the Borrower and the Guarantors under the Loan Documents. All Oil and Gas Properties and other collateral in which Borrower and the Guarantors herewith grant or hereafter grants to Administrative Agent for the ratable benefit of the Lenders a first and prior Lien (to the satisfaction of the Administrative Agent) in accordance with this Section 6, as such properties and interests are from time to time constituted, are hereinafter collectively called the "Collateral".

The granting and assigning of such security interests and Liens by Borrower and the Guarantors shall be pursuant to Security Instruments in form and substance reasonably satisfactory to the Administrative Agent. Concurrently with the delivery of each of the Security Instruments or within a reasonable time thereafter, Borrower and the Guarantors shall furnish to the Administrative Agent mortgage and title opinions and other title information satisfactory to Administrative Agent with respect to the title and Lien status of Borrower's and Guarantors' interests in not less than 80% of the Engineered Value of the Oil and Gas Properties covered by the Security Instruments as Administrative Agent shall have designated. "Engineered Value" for this purpose shall mean future net revenues discounted at the discount rate being used by the Administrative Agent as of the date of any such determination utilizing the pricing parameters used in the engineering report furnished to the Administrative Agent for the ratable benefit of the Lenders, pursuant to Sections 7 and 12 hereof. Borrower and the Guarantors will cause to be executed and delivered to the Administrative Agent, in the future, additional Security Instruments if the Administrative Agent reasonably deems such are necessary to insure perfection or maintenance of Lenders' security interests and Liens in the Oil and Gas Properties or any part thereof.

7. Borrowing Base.

(a) Initial Borrowing Base and Monthly Commitment Reduction. At the Effective Date, the Borrowing Base shall be $205,000,000.

(b) Subsequent Determinations of Borrowing Base. Subsequent determinations of the Borrowing Base shall be made by the Lenders at least semi-annually on April 1 and October 1 of each year beginning October 1, 2002 or as Unscheduled Redeterminations. The Borrower shall furnish to the Lenders as soon as possible but in any event no later than March 1 of each year, beginning March 1, 2003, with (i) an engineering report in form and substance satisfactory to the Administrative Agent prepared by Wright & Company or another independent petroleum engineering firm acceptable to Administrative Agent covering at least 80% of the Oil and Gas Properties and (ii) an engineering report in form and substance acceptable to Administrative Agent prepared by Borrower's in-house engineering staff covering the remaining 20% of the Oil and Gas Properties, both of said engineering reports to utilize economic and pricing parameters used by Administrative Agent as established from time to time, together with such other information concerning the value of the Oil and Gas Properties as the Administrative Agent shall deem necessary to determine the value of the Oil and Gas Properties. Each such engineering report required to be furnished by March 1 of each year shall be dated as of December 31 of the preceding year. By September 1 of each year, or within thirty (30) days after either (i) receipt of notice from Administrative Agent that the Lenders require an Unscheduled Redetermination, or (ii) the Borrower gives notice to Administrative Agent of its desire to have an Unscheduled Redetermination performed, the Borrower shall furnish to the Lenders an engineering report in form and substance satisfactory to Administrative Agent prepared by Borrower's in-house engineering staff valuing all of the Oil and Gas Properties utilizing economic and pricing parameters used by the Administrative Agent as established from time to time, together with such other information, reports and data concerning the value of the Oil and Gas Properties as Administrative Agent shall deem reasonably necessary to determine the value of such Oil and Gas Properties. Each such engineering report required to furnished by September 1 of each year, shall be dated as of the preceding June 30. Administrative Agent shall by notice to the Borrower no later than April 1 and October 1 of each year, or within a reasonable time thereafter (herein called the "Determination Date"), notify the Borrower of the designation by the Lenders of the new Borrowing Base for the period beginning on such Determination Date and continuing until, but not including, the next Determination Date. If an Unscheduled Redetermination is made by the Lenders, the Administrative Agent shall notify the Borrower within a reasonable time after receipt of all requested information of the new Borrowing Base, and such new Borrowing Base shall continue until the next Determination Date. If the Borrower does not furnish all such information, reports and data by any date specified in this Section 7(b), unless such failure is of no fault of the Borrower, the Lenders may nonetheless designate the Borrowing Base at such amount which the Lenders in their discretion determine and may redesignate the Borrowing Base

from time to time thereafter until the Lenders receive all such information, reports and data, whereupon the Lenders shall designate a new Borrowing Base as described above. The procedure for determining the Borrowing Base at each redetermination shall be that the Agents shall determine the Borrowing Base and submit the same to the Lenders. If, at any time, the Agents cannot otherwise agree upon the Borrowing Base to be recommended, the Borrowing Base to be recommended by the Agents shall be determined based upon the weighted arithmetic average of the amounts proposed by each Agent. Said proposals to be weighted according to each Agent's Commitment. Increases in the Borrowing Base will require approval of all Lenders, but all other changes to the Borrowing Base will be subject to approval by Required Lenders. If any redetermined Borrowing Base is not approved by the required percentage of Lenders within twenty (20) days after it is submitted to the Lenders by the Agents, the Administrative Agent shall notify each of the Lenders that the proposed Borrowing Base has not been approved and each Lender will submit within ten (10) days thereafter its proposed Borrowing Base. The redetermined Borrowing Base shall be then determined based upon the weighted arithmetic average of the proposed amounts submitted by each Lender, said proposals to be weighted according to each Lender's Commitment. Each Lender shall determine the amount of its proposed Borrowing Base based upon the loan collateral value which such Lender in its discretion (using such methodology, assumptions and discounts rates as such Lender customarily uses in assigning collateral value to oil and gas properties, oil and gas gathering systems, gas processing and plant operations) assigns to such Oil and Gas Properties of the Borrower at the time in question and based upon such other credit factors consistently applied (including, without limitation, the assets, liabilities, cash flow, business, properties, prospects, management and ownership of the Borrower and its affiliates) as such Lender customarily considers in evaluating similar oil and gas credits, but such Lender in its discretion shall not be required to give any additional positive value to any Oil and Gas Property over the current economic and pricing parameters used by such Lender for such Determination Date which additional value is derived directly from a hedging, forward sale or swap agreement covering such Oil and Gas Property as of the date of such determination. If at any time any of the Oil and Gas Properties are sold, the Borrowing Base then in effect shall automatically be reduced by a sum equal to the amount of prepayment required to be made pursuant to Section 12(r) hereof. The Borrowing Base shall be additionally reduced from time to time pursuant to the provisions of Section 2(e) hereof. It is expressly understood that the Lenders have no obligation to designate the Borrowing Base at any particular amount, except in the exercise of their discretion, whether in relation to the Commitment or otherwise. Provided, however, that the Lenders shall not have the obligation to designate a Borrowing Base in an amount in excess of the Commitment.

8. Fees.

(a) Unused Commitment Fee. The Borrower shall pay to Administrative Agent for the ratable benefit of the Lenders an unused commitment fee (the "Unused Commitment Fee") equivalent to the Unused Commitment Fee Rate times the daily

average of the unadvanced amount of the Commitment. Such Unused Commitment Fee shall be calculated on the basis of a year consisting of 360 days. The Unused Commitment Fee shall be payable in arrears on the last Business Day of each calendar quarter beginning June 28, 2002 with the final fee payment due on the Maturity Date for any period then ending for which the Unused Commitment Fee shall not have been theretofore paid. In the event the Commitment terminates on any date prior to the end of any such monthly period, the Borrower shall pay to the Administrative Agent for the ratable benefit of the Lenders, on the date of such termination, the total Unused Commitment Fee due for the period in which such termination occurs.

(b) The Letter of Credit Fee. Borrower shall pay to the Administrative Agent the Letter of Credit fees required above in Section 2(d).

(c) Agency Fees. The Borrower shall pay to the Administrative Agent certain fees for acting as Administrative Agent hereunder in amounts to be negotiated between the Borrower and the Administrative Agent.

9. Prepayments.

(a) Voluntary Prepayments. Subject to the provisions of Section 5(g) hereof, the Borrower may at any time and from time to time, without penalty or premium, prepay the Notes, in whole or in part. Each such prepayment shall be made on at least three (3) Business Days' notice to Administrative Agent in the case of Eurodollar Loans and not later than 11:00 a.m., Dallas, Texas time, in the case of Base Rate Loans and shall be in a minimum amount of (i) $500,000 or any whole multiples of $100,000 in excess thereof (or the unpaid balance of the Notes, whichever is less), for Base Rate Loans, and (ii) $1,000,000 or any whole multiple of $100,000 in excess thereof (or the unpaid balance of the Notes, whichever is less), on Eurodollars Loans, plus accrued interest thereon to the date of prepayment.

(b) Mandatory Prepayments.

(i) Borrowing Base Deficiency. In the event the Total Outstandings ever exceed the Borrowing Base as determined by Lenders pursuant to Section 7(b) hereof, the Borrower shall either (A) within ninety (90) days after notification from the Administrative Agent, by instruments reasonably satisfactory in form and substance to the Lender, provide the Administrative Agent with collateral with value and quality in amounts satisfactory to all of the Lenders in their discretion in order to increase the Borrowing Base by an amount at least equal to such excess, or (B) prepay, without premium or penalty, the principal amount of the Notes in an amount, of 50% of such excess plus accrued interest thereon to the date of prepayment within ninety (90) days after such notification, and the remaining amount of such excess plus accrued interest thereon within one hundred eighty (180) days after such notification. If the Total

Outstandings ever exceed the Commitment as a result of a Monthly Commitment Reduction or any other required reduction in the Commitment, then in such event, Borrower shall immediately prepay the principal amount of the Notes in an amount at least equal to such excess plus accrued interest to the date of prepayment.

(ii) Sale of Assets and/or Equity. The prepayments required to be made pursuant to the provisions of Sections 12(r) and 12(v) hereof.

(iii) Rate Management Transactions. In the event the Borrower terminates or cancels any agreement entered into in connection with a Rate Management Transaction which was used by Lenders in determining the Borrowing Base, the Borrower or any Subsidiary will immediately pay over to the Administrative Agent for the ratable benefit of Lenders as a prepayment of principal on the Notes, an amount equal to 100% of the "Release Price" received by Borrower or any Subsidiary from the termination or cancellation of such agreement. The term "Release Price" as used herein shall mean the Borrowing Base value assigned to the Borrowing Base asset covered by the agreement which was terminated or cancelled as of the last Borrowing Base determination.

10. Representations and Warranties. In order to induce the Lenders to enter into this Agreement, the Borrower hereby represents and warrants to the Lenders (which representations and warranties will survive the delivery of the Notes) that:

(a) Creation and Existence. Borrower and Oceana Exploration Company, L.C. are both limited liability companies duly organized, validly existing and in good standing under the laws of the jurisdiction in which they were formed and are duly qualified in all jurisdictions wherein failure to qualify may result in a Material Adverse Effect. Ohio Intrastate Gas Transmission Company is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which is was formed and is duly qualified in all jurisdictions wherein failure to qualify may result in a Material Adverse Effect. Borrower and each of its Subsidiaries has all power and authority to own their respective properties and assets and to transact the business in which they are engaged.

(b) Power and Authority. Borrower is duly authorized and empowered to create and issue the Notes; and Borrower and each of its Subsidiaries is duly authorized and empowered to execute, deliver and perform their respective Loan Documents, including this Agreement; and all action on Borrower's part requisite for the due creation and issuance of the Notes on Borrower's and each Subsidiary's part for the due execution, delivery and performance of their respective Loan Documents, including this Agreement, has been duly and effectively taken.

(c) Binding Obligations. This Agreement does, and the Notes and other Loan Documents upon their creation, issuance, execution and delivery will, constitute valid and binding obligations of Borrower, enforceable in accordance with their respective terms (except that enforcement may be subject to any applicable bankruptcy, insolvency, or similar debtor relief laws now or hereafter in effect and relating to or affecting the enforcement of creditors' rights generally). The Guaranties, upon their execution and delivery will constitute valid and binding obligations of the Guarantors, enforceable in accordance with their respective terms (except that enforcement may be subject to any applicable bankruptcy, insolvency, or similar debtor relief laws now or hereafter in effect and relating to or affecting the enforcement of creditors' rights generally).

(d) No Legal Bar or Resultant Lien. The Notes and the Loan Documents, including this Agreement, do not and will not, to the best of the Borrower's knowledge violate any provisions of any contract, agreement, law, regulation, order, injunction, judgment, decree or writ to which Borrower or any Subsidiary is subject, or result in the creation or imposition of any lien or other encumbrance upon any assets or properties of Borrower or any Subsidiary, other than those contemplated by this Agreement.

(e) No Consent. The execution, delivery and performance by Borrower of the Notes and the Loan Documents, including this Agreement, and the execution, delivery and performance by the Guarantors of their respective Guaranties, do not require the consent or approval of any other person or entity, including without limitation any regulatory authority or governmental body of the United States or any state thereof or any political subdivision of the United States or any state thereof except for consents required for federal, state and, in some instances, private leases, right of ways and other conveyances or encumbrances of oil and gas leases, which consents have been obtained by the Borrower or its Subsidiaries, as the case may be.

(f) Financial Condition. No change from the December 31, 2001 Financial Statements furnished by Borrower to the Agents has occurred which is reasonably expected to have a Material Adverse Effect, except as disclosed to the Lenders in Schedule "2" attached hereto.

(g) Liabilities. Neither Borrower nor any Subsidiary has any material liability, direct or contingent, except as disclosed to the Lenders in the Financial Statements and on Schedule "3" attached hereto. No unusual or unduly burdensome restrictions, restraint, or hazard exists by contract, law or governmental regulation or otherwise relative to the business, assets or properties of Borrower or any Subsidiary which is reasonably expected to have a Material Adverse Effect.

(h) Litigation. Except as described in the Financial Statements, or as otherwise disclosed to the Lenders in Schedule "4" attached hereto, there is no litigation, legal or administrative proceeding, investigation or other action of any nature pending or, to the knowledge of the officers of Borrower threatened against or affecting Borrower or

any Subsidiary which involves the possibility of any judgment or liability not fully covered by insurance, and which is reasonably expected to have a Material Adverse Effect.

(i) Titles, Etc. Borrower and each Subsidiary has good and defensible title to their respective assets, including without limitation, the Oil and Gas Properties, free and clear of all liens or other encumbrances except Permitted Liens.

(j) Defaults. Neither Borrower nor any Subsidiary is in default and no event or circumstance has occurred which, but for the passage of time or the giving of notice, or both, would constitute a default under any loan or credit agreement, indenture, mortgage, deed of trust, security agreement or other agreement or instrument to which Borrower or any Subsidiary is a party in any respect that would be reasonably expected to have a Material Adverse Effect. No Default or Event of Default hereunder has occurred and is continuing.

(k) Casualties; Taking of Properties. Since the dates of the pro forma financial statements of the Borrower delivered to Lenders, neither the business nor the assets or properties of Borrower or any Subsidiary has been affected (to the extent it is reasonably likely to cause a Material Adverse Effect), as a result of any fire, explosion, earthquake, flood, drought, windstorm, accident, strike or other labor disturbance, embargo, requisition or taking of property or cancellation of contracts, permits or concessions by any domestic or foreign government or any agency thereof, riot, activities of armed forces or acts of God or of any public enemy.

(l) Use of Proceeds; Margin Stock. The proceeds of the Commitment may be used by the Borrower for the purposes of (i) working capital, (ii) Letters of Credit, and (iii) general corporate purposes. Borrower is not engaged principally or as one of its important activities in the business of extending credit for the purpose of purchasing or carrying any "margin stock " as defined in Regulation U of the Board of Governors of the Federal Reserve System (12 C.F.R. Part 221), or for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry a margin stock or for any other purpose which might constitute this transaction a "purpose credit" within the meaning of said Regulation U.

Neither Borrower, any Subsidiary nor any other Person or entity acting on behalf of Borrower or any Subsidiary has taken or will take any action which might cause the loans hereunder or any of the Loan Documents, including this Agreement, to violate Regulation U or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Securities Exchange Act of 1934 or any rule or regulation thereunder, in each case as now in effect or as the same may hereafter be in effect.

(m) Location of Business and Offices. The principal place of business and chief executive offices of the Borrower is located at the address stated in Section 17

hereof. The principal place of business and chief executive office of each of the Subsidiaries is located at the addresses shown on Schedule "5" hereto.

(n) Compliance with the Law. To the best of Borrower's knowledge, neither Borrower or any Subsidiary:

(i) is in violation of any law, judgment, decree, order, ordinance, or governmental rule or regulation to which Borrower, or any of its assets or properties are subject; or

(ii) has failed to obtain any license, permit, franchise or other governmental authorization necessary to the ownership of any of its assets or properties or the conduct of its business;

which violation or failure is reasonably expected to have a Material Adverse Effect.

(o) No Material Misstatements. No information, exhibit or report furnished by Borrower to the Lenders in connection with the negotiation of this Agreement or in the preparation of the offering memo contained any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statement contained therein not materially misleading.

(p) Not A Utility. Borrower is not an entity engaged in the State of Texas in the (i) generation, transmission, or distribution and sale of electric power; (ii) transportation, distribution and sale through a local distribution system of natural or other gas for domestic, commercial, industrial, or other use; (iii) provision of telephone or telegraph service to others; (iv) production, transmission, or distribution and sale of steam or water; (v) operation of a railroad; or (vii) provision of sewer service to others.

(q) ERISA. Borrower and each Subsidiary is in compliance in all material respects with the applicable provisions of ERISA, and no "reportable event", as such term is defined in Section 403 of ERISA, has occurred with respect to any Plan of Borrower or any Subsidiary.

(r) Public Utility Holding Company Act. Borrower is not a "holding company", or "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", or a "public utility" subject to the registration requirements of the Public Utility Holding Company Act of 1935, as amended.

(s) Subsidiaries. Ohio Intrastate Gas Transmission Company and Oceana Exploration Company, L.C. are the only Subsidiaries of Borrower as of the Effective Date. Borrower is owned by the parties shown on Schedule "6" hereto.

(t) Environmental Matters. Except as disclosed on Schedule "7", neither Borrower nor any Subsidiary (i) has received notice or otherwise learned of any Environmental Liability which would be reasonably likely to individually or in the aggregate have a Material Adverse Effect arising in connection with (A) any non-compliance with or violation of the requirements of any Environmental Law or (B) the release or threatened release of any toxic or hazardous waste into the environment, (ii) has received notice of any threatened or actual liability in connection with the release or notice of any threatened release of any toxic or hazardous waste into the environment which would be reasonably likely to individually or in the aggregate have a Material Adverse Effect or (iii) has received notice or otherwise learned of any federal or state investigation evaluating whether any remedial action is needed to respond to a release or threatened release of any toxic or hazardous waste into the environment for which Borrower or any Subsidiary is or may be liable which may reasonably be expected to result in a Material Adverse Effect.

(u) Liens. Except (i) as disclosed on Schedule "1" hereto and (ii) for Permitted Liens, the assets and properties of the Borrower and each Subsidiary are free and clear of all liens and encumbrances.

(v) Assets. All assets, including, but not limited to the Collateral indicated in the Borrower's Financial Statement or other information furnished to the Administrative Agent and the Lenders are to be owned by Borrower and its Subsidiaries are, in fact, owned by Borrower or one of its Subsidiaries as of the Effective Date.

11. Conditions of Lending.

(a) The effectiveness of this Agreement, and the obligation to make the initial Advance or issue any initial Letter of Credit under the Commitment shall be subject to satisfaction of the following conditions precedent:

(i) Execution and Delivery. The Borrower has executed and delivered the Agreement, the Notes and other required Loan Documents, all in form and substance satisfactory to the Administrative Agent;

(ii) Resolutions. The Administrative Agent shall have received appropriate certified resolutions of Borrower and each Guarantor;

(iii) Good Standing. The Administrative Agent shall have received evidence of existence and good standing for Borrower and each Guarantor;

(iv) Incumbency. The Administrative Agent shall have received a signed certificate of Borrower and each Guarantor, certifying the names of the officers of Borrower and each Guarantor authorized to sign loan documents on behalf of Borrower and each Guarantor, together with the true signatures of each such officer. The Administrative Agent may conclusively rely on such certificate

until the Administrative Agent receives a further certificate of Borrower or any Guarantor canceling or amending the prior certificate and submitting signatures of the officers named in such further certificate;

(v) Corporate and Limited Liability Company Documents. The Administrative Agent shall have received copies of (i) the Certificates of Formation of Borrower and any limited liability company Subsidiary and all amendments thereto, certified by the Secretary of State of the State of its organization, and a copy of the Limited Liability Company Agreements of Borrower and any limited liability company Subsidiary and all amendments thereto, certified by one or more officers of Borrower as being true, correct and complete and (ii) Articles of Incorporation of any corporate Subsidiary and all amendments thereto, certified by the Secretary of State of the State of its organization, and a copy of the Bylaws of such Subsidiaries, and all amendments thereto, certified by one or more officers of such Subsidiary as being true, correct and complete;

(vi) Representation and Warranties. The representations and warranties of Borrower under this Agreement are true and correct in all material respects as of such date, as if then made (except to the extent that such representations and warranties related solely to an earlier date);

(vii) No Event of Default. No Event of Default shall have occurred and be continuing nor shall any event have occurred or failed to occur which, with the passage of time or service of notice, or both, would constitute an Event of Default;

(viii) Other Documents. Administrative Agent shall have received such other instruments and documents incidental and appropriate to the transaction provided for herein as Administrative Agent or its counsel may reasonably request, and all such documents shall be in form and substance reasonably satisfactory to the Administrative Agent; and

(ix) Legal Matters Satisfactory. All legal matters incident to the consummation of the transactions contemplated hereby shall be reasonably satisfactory to special counsel for Administrative Agent retained at the expense of the Borrower.

(b) The obligation of the Lenders to make any Advance or issue any Letter of Credit under the Commitment (including the initial Advance) shall be subject to the following additional conditions precedent that, at the date of making each such Advance and after giving effect thereto:

(i) Representation and Warranties. The representations and warranties of Borrower under this Agreement are true and correct in all material

respects as of such date, as if then made (except to the extent that such representations and warranties related solely to an earlier date);

(ii) No Event of Default. No Event of Default shall have occurred and be continuing nor shall any event have occurred or failed to occur which, with the passage of time or service of notice, or both, would constitute an Event of Default;

(iii) Other Documents. Administrative Agent shall have received such other instruments and documents incidental and appropriate to the transaction provided for herein as Administrative Agent or its counsel may reasonably request, and all such documents shall be in form and substance reasonably satisfactory to the Administrative Agent; and

(iv) Legal Matters Satisfactory. All legal matters incident to the consummation of the transactions contemplated hereby shall be reasonably satisfactory to special counsel for Administrative Agent retained at the expense of Borrower.

12. Affirmative Covenants. A deviation from the provisions of this Section 12 shall not constitute an Event of Default under this Agreement if such deviation is consented to in writing by Majority Lenders prior to the date of deviation. The Borrower will at all times comply with the covenants contained in this Section 12 from the date hereof and for so long as the Commitments are in existence or any amount is owed to the Administrative Agent or the Lenders under this Agreement or the other Loan Documents.

(a) Financial Statements and Reports. Borrower shall promptly furnish to the Administrative Agent from time to time upon request such information regarding the business and affairs and financial condition of Borrower, as the Administrative Agent may reasonably request, and will furnish to the Administrative Agent:

(i) Annual Audited Financial Statements. As soon as available, and in any event within ninety (90) days after the close of each fiscal year beginning with the fiscal year ended December 31, 2002, the annual audited consolidated and consolidating Financial Statements of Borrower, prepared in accordance with GAAP accompanied by an unqualified opinion rendered by an independent accounting firm reasonably acceptable to the Administrative Agent;

(ii) Quarterly Financial Statements. As soon as available, and in any event within forty-five (45) days after the end of each fiscal quarter of each year, beginning with the fiscal quarter ended March 31, 2002, the quarterly unaudited, consolidated and consolidating Financial Statements of Borrower prepared in accordance with GAAP;

(iii) Report on Properties. As soon as available and in any event on or before March 1 and September 1 of each calendar year, and at such other times as any Lender, in accordance with Section 7 hereof, may request, the engineering reports required to be furnished to the Administrative Agent under such Section 7 on the Oil and Gas Properties;

(iv) Additional Information. Promptly upon request of the Administrative Agent from time to time any additional financial information or other information that the Administrative Agent may reasonably request.

All such reports, information, balance sheets and Financial Statements referred to in Subsection 12(a) above shall be in such detail as the Administrative Agent may reasonably request and shall be prepared in a manner consistent with the Financial Statements.

(b) Certificates of Compliance. Concurrently with the furnishing of the annual audited Financial Statements pursuant to Subsection 12(a)(i) hereof and the quarterly unaudited Financial Statements pursuant to Subsection 12(a)(ii) hereof for the months coinciding with the end of each calendar quarter, Borrower will furnish or cause to be furnished to the Administrative Agent a certificate in the form of Exhibit "D" attached hereto, signed by the President, Chief Financial Officer, Treasurer or Controller of Borrower, (i) stating that Borrower has fulfilled in all material respects its obligations under the Notes and the Loan Documents, including this Agreement, and that all representations and warranties made herein and therein continue (except to the extent they relate solely to an earlier date) to be true and correct in all material respects (or specifying the nature of any change), or if a Default has occurred, specifying the Default and the nature and status thereof; (ii) to the extent requested from time to time by the Administrative Agent, specifically affirming compliance of Borrower in all material respects with any of its representations (except to the extent they relate solely to an earlier date) or obligations under said instruments; (iii) setting forth the computation, in reasonable detail as of the end of each period covered by such certificate, of compliance with Sections 13(b) and (c); and (iv) containing or accompanied by such financial or other details, information and material as the Administrative Agent may reasonably request to evidence such compliance.

(c) Accountants' Certificate. Concurrently with the furnishing of the annual audited Financial Statement pursuant to Section 12(a)(i) hereof, Borrower will furnish a statement from the firm of independent public accountants which prepared such Financial Statement to the effect that nothing has come to their attention to cause them to believe that there existed on the date of such statements any Event of Default and specifically calculating Borrower's compliance with Sections 13(b) and (c) of this Agreement.

(d) Taxes and Other Liens. The Borrower will pay and discharge, and will cause each Subsidiary to pay and discharge, promptly all taxes, assessments and

governmental charges or levies imposed upon the Borrower or any Subsidiary, or upon the income or any assets or property of Borrower or any Subsidiary, as well as all claims of any kind (including claims for labor, materials, supplies and rent) which, if unpaid, might become a Lien or other encumbrance upon any or all of the assets or property of Borrower or any Subsidiary and which could reasonably be expected to result in a Material Adverse Effect; provided, however, that neither Borrower nor any Subsidiary shall be required to pay any such tax, assessment, charge, levy or claim if the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings diligently conducted, levy and execution thereon have been stayed and continue to be stayed and if Borrower or such Subsidiary shall have set up adequate reserves therefor, if required, under GAAP.

(e) Compliance with Laws. Borrower will observe and comply, and will cause each of its Subsidiaries to observe and comply, in all material respects, with all applicable laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, orders and restrictions relating to environmental standards or controls or to energy regulations of all federal, state, county, municipal and other governments, departments, commissions, boards, agencies, courts, authorities, officials and officers, domestic or foreign.

(f) Further Assurances. The Borrower will cure promptly any defects in the creation and issuance of the Notes and the execution and delivery of the Notes and the Loan Documents, including this Agreement. The Borrower will cause the Guarantors to promptly cure any defects in the issuance of the Guaranties. The Borrower at its sole expense will promptly execute and deliver, and will cause its Subsidiaries to execute and deliver, to Administrative Agent upon its reasonable request all such other and further documents, agreements and instruments in compliance with or accomplishment of the covenants and agreements in this Agreement, or to correct any omissions in the Notes or more fully to state the obligations set out herein. The Borrower shall cause each existing Subsidiary and each new Subsidiary to execute and deliver Guaranties to Administrative Agent. The Borrower shall and shall cause each of its Subsidiaries to pledge to Administrative Agent, for the ratable benefit of the Lenders, as security for the obligations under the Loan Documents, any interest in a Subsidiary.

(g) Performance of Obligations. The Borrower will pay the Notes and other obligations incurred by it hereunder according to the reading, tenor and effect thereof and hereof; and Borrower will, and will cause each of its Subsidiaries to, do and perform every act and discharge all of the obligations provided to be performed and discharged by the Borrower under the Loan Documents, including this Agreement, at the time or times and in the manner specified.

(h) Insurance. The Borrower and each Subsidiary will have in force as of the Effective Date and will continue to maintain insurance with financially sound and reputable insurers with respect to its assets against such liabilities, fires, casualties, risks

and contingencies and in such types and amounts as is customary in the case of persons engaged in the same or similar businesses and similarly situated. Upon request of the Administrative Agent, the Borrower will furnish or cause to be furnished to the Administrative Agent from time to time a summary of the insurance coverage of Borrower and each Subsidiary in form and substance satisfactory to the Administrative Agent, and, if requested, will furnish the Administrative Agent copies of the applicable policies. Upon demand by Administrative Agent any insurance policies covering any such property shall be endorsed (i) to provide that such policies may not be canceled, reduced or affected in any manner for any reason without fifteen (15) days prior notice to Administrative Agent, (ii) to provide for insurance against fire, casualty and other hazards normally insured against, in the amount of the full value (less a reasonable deductible not to exceed amounts customary in the industry for similarly situated business and properties) of the property insured, and (iii) to provide for such other matters as the Administrative Agent may reasonably require. The Borrower shall at all times maintain, and shall cause each Subsidiary to maintain, adequate insurance with respect to all of its assets, including but not limited to, the Oil and Gas Properties or any collateral against its liability for injury to persons or property, which insurance shall be by financially sound and reputable insurers and shall without limitation provide the following coverages: comprehensive general liability (including coverage for damage to underground resources and equipment, damage caused by blowouts or cratering, damage caused by explosion, damage to underground minerals or resources caused by saline substances, broad form property damage coverage, broad form coverage for contractually assumed liabilities and broad form coverage for acts of independent contractors), worker's compensation and automobile liability. The Borrower shall at all times maintain, and shall cause each Subsidiary owning Oil and Gas Properties, to maintain cost of control of well insurance with respect to the Oil and Gas Properties which shall insure the Borrower and such Subsidiary against seepage and pollution expense; redrilling expense; and cost of control of well; fires, blowouts, etc., if deemed economical in the reasonable discretion of the Borrower and such Subsidiary. Additionally, the Borrower shall at all times maintain, and cause its Subsidiaries to maintain, adequate insurance with respect to all of its other assets and wells in accordance with prudent business practices.

(i) Accounts and Records. Borrower will keep books, records and accounts and will cause each Subsidiary to keep books, records and accounts, in which full, true and correct entries will be made of all dealings or transactions in relation to its business and activities, prepared in a manner consistent with prior years, subject to changes suggested by Borrower's or any Subsidiary's auditors.

(j) Right of Inspection. Borrower will permit, and will cause each Subsidiary to permit, any officer, employee or agent of the Lenders to examine Borrower's or any Subsidiary's books, records and accounts, and take copies and extracts therefrom, all at such reasonable times during normal business hours and as often as the Lenders may reasonably request. The Lenders will use best efforts to keep all Confidential

Information (as herein defined) confidential and will not disclose or reveal the Confidential Information or any part thereof other than (i) as required by law, and (ii) to the Lenders', and the Lenders' subsidiaries', Affiliates, officers, employees, legal counsel and regulatory authorities or advisors to whom it is necessary to reveal such information for the purpose of effectuating the agreements and undertakings specified herein or as otherwise required in connection with the enforcement of the Lenders' and the Administrative Agent's rights and remedies under the Notes, this Agreement and the other Loan Documents. As used herein, "Confidential Information" means information about the Borrower or any Subsidiary furnished by the Borrower or any Subsidiary to the Lenders, but does not include information (i) which was publicly known, or otherwise known to the Lenders (except not in violation of any confidentiality agreement), at the time of the disclosure, (ii) which subsequently becomes publicly known through no act or omission by the Lenders (except not in violation of any confidentiality agreement), or (iii) which otherwise becomes known to the Lenders, other than through disclosure by the Borrower.

(k) Notice of Certain Events. The Borrower shall, and shall cause each Subsidiary to, promptly notify the Administrative Agent if Borrower or any Subsidiary learns of the occurrence of (i) any event which constitutes an Event of Default together with a detailed statement by Borrower of the steps being taken to cure such Event of Default; (ii) any legal, judicial or regulatory proceedings affecting Borrower or any Subsidiary, or any of the assets or properties of Borrower or any Subsidiary which, if adversely determined, could reasonably be expected to have a Material Adverse Effect; (iii) any dispute between Borrower, any Subsidiary and any governmental or regulatory body or any other Person or entity which, if adversely determined, might reasonably be expected to cause a Material Adverse Effect; (iv) any other matter which in Borrower's reasonable opinion could have a Material Adverse Effect.

(l) ERISA Information and Compliance. The Borrower will,\ and will cause each Subsidiary to, promptly furnish to the Administrative Agent immediately upon becoming aware of the occurrence of any "reportable event", as such term is defined in Section 4043 of ERISA, or of any "prohibited transaction", as such term is defined in Section 4975 of the Internal Revenue Code of 1954, as amended, in connection with any Plan or any trust created thereunder, a written notice signed by the chief financial officer of Borrower or such Subsidiary specifying the nature thereof, what action Borrower or any such Subsidiary is taking or proposes to take with respect thereto, and, when known, any action taken by the Internal Revenue Service with respect thereto.

(m) Environmental Reports and Notices. The Borrower will, and will cause each Subsidiary to, deliver to the Administrative Agent (i) promptly upon its becoming available, one copy of each report sent by Borrower or any Subsidiary to any court, governmental agency or instrumentality pursuant to any Environmental Law, (ii) notice, in writing, promptly upon Borrower's or any Subsidiary's receipt of notice or otherwise learning of any claim, demand, action, event, condition, report or investigation indicating

any potential or actual liability arising in connection with (x) the non-compliance with or violation of the requirements of any Environmental Law which reasonably could be expected to have a Material Adverse Effect; (y) the release or threatened release of any toxic or hazardous waste into the environment which reasonably could be expected to have a Material Adverse Effect or which release Borrower or any Subsidiary would have a duty to report to any court or government agency or instrumentality, or (iii) the existence of any Environmental Lien on any properties or assets of Borrower or any Subsidiary, and Borrower shall immediately deliver, and shall cause any such Subsidiary to immediately deliver, a copy of any such notice to Administrative Agent.

(n) Compliance and Maintenance. The Borrower will, and will cause each Subsidiary to, (i) observe and comply in all material respects with all Environmental Laws; (ii) except as provided in Subsections 12(o) and 12(p) below, maintain the Oil and Gas Properties and other assets and properties in good and workable condition at all times and make all repairs, replacements, additions, betterments and improvements to the Oil and Gas Properties and other assets and properties as are needed and proper so that the business carried on in connection therewith may be conducted properly and efficiently at all times in the opinion of the Borrower or any Subsidiary exercised in good faith; (iii) take or cause to be taken whatever actions are necessary or desirable to prevent an event or condition of default by Borrower or any Subsidiary under the provisions of any gas purchase or sales contract or any other contract, agreement or lease comprising a part of the Oil and Gas Properties or other collateral security hereunder which default could reasonably be expected to result in a Material Adverse Effect; and (iv) furnish Administrative Agent upon request evidence satisfactory to Administrative Agent that there are no Liens, claims or encumbrances on the Oil and Gas Properties, except laborers', vendors', repairmen's, mechanics', worker's, or materialmen's liens arising by operation of law or incident to the construction or improvement of property if the obligations secured thereby are not yet due or are being contested in good faith by appropriate legal proceedings or Permitted Liens.

(o) Operation of Properties. Except as provided in Subsection 12(p) and (q) below, the Borrower will and will cause each Subsidiary to, operate, or use reasonable efforts to cause to be operated, all Oil and Gas Properties in a careful and efficient manner in accordance with the practice of the industry and in compliance in all material respects with all applicable laws, rules, and regulations, and in compliance in all material respects with all applicable proration and conservation laws of the jurisdiction in which the properties are situated, and all applicable laws, rules, and regulations, of every other agency and authority from time to time constituted to regulate the development and operation of the properties and the production and sale of hydrocarbons and other minerals therefrom; provided, however, that the Borrower and any such Subsidiary shall have the right to contest in good faith by appropriate proceedings, the applicability or lawfulness of any such law, rule or regulation and pending such contest may defer compliance therewith, as long as such deferment shall not subject the properties or any part thereof to foreclosure or loss.

(p) Compliance with Leases and Other Instruments. The Borrower will, and will cause each Subsidiary to, pay or cause to be paid and discharge all rentals, delay rentals, royalties, production payment, and indebtedness required to be paid by Borrower or any Subsidiary (or required to keep unimpaired in all material respects the rights of Borrower or any Subsidiary in the Oil and Gas Properties) accruing under, and perform or cause to be performed in all material respects each and every act, matter, or thing required of Borrower or any Subsidiary by each and all of the assignments, deeds, leases, subleases, contracts, and agreements in any way relating to Borrower or any Subsidiary or any of the Oil and Gas Properties and do all other things necessary of Borrower or any Subsidiary to keep unimpaired in all material respects the rights of Borrower or any Subsidiary thereunder and to prevent the forfeiture thereof or default thereunder; provided, however, that nothing in this Agreement shall be deemed to require Borrower or any Subsidiary to perpetuate or renew any oil and gas lease or other lease by payment of rental or delay rental or by commencement or continuation of operations nor to prevent Borrower or any Subsidiary from abandoning or releasing any oil and gas lease or other lease or well thereon when, in any of such events, in the opinion of Borrower or any Subsidiary exercised in good faith, it is not in the best interest of the Borrower or such Subsidiary to perpetuate the same.

(q) Certain Additional Assurances Regarding Maintenance and Operations of Properties. With respect to those Oil and Gas Properties which are being operated by operators other than the Borrower or its Subsidiaries, the Borrower or its Subsidiaries shall not be obligated to perform any undertakings contemplated by the covenants and agreement contained in Subsections 12(o) or 12(p) hereof which are performable only by such operators and are beyond the control of the Borrower or its Subsidiaries; however, the Borrower agrees to promptly take, and cause each Subsidiary to take, all reasonable actions available under any operating agreements or otherwise to bring about the performance of any such material undertakings required to be performed thereunder.

(r) Sale of Certain Assets/Prepayment of Proceeds. The Borrower or any Subsidiary will immediately pay over to the Administrative Agent for the ratable benefit of the Lenders as a prepayment of principal on the Notes, an amount equal to 100% of the "Release Price" received by Borrower or any Subsidiary from the sale of Borrowing Base Assets. The term "Release Price" as used herein shall mean the Borrowing Base value assigned to the Borrowing Base Assets sold as of the last Borrowing Base determination. Any such prepayment of principal on the Notes required by this Section 12(r), shall not be in lieu of, but shall be in addition to, any mandatory prepayment of principal required to be paid pursuant to Section 9(b) hereof.

(s) Title Matters. As to any Oil and Gas Properties hereafter mortgaged to Administrative Agent, Borrower will, and will cause each Subsidiary to, promptly (but in no event more than thirty (30) days following such mortgaging), furnish Administrative Agent with title opinions and/or title information reasonably satisfactory to

Administrative Agent showing good and defensible title of Borrower or any such Subsidiary to such Oil and Gas Properties subject only to Permitted Liens.

(t) Curative Matters. Within sixty (60) days after the Effective Date with respect to matters listed on Schedule "9" and, thereafter, within sixty (60) days after receipt by Borrower from Administrative Agent or its counsel of written notice of title defects the Administrative Agent reasonably requires to be cured, Borrower shall, and shall cause each Subsidiary to, either (i) provide such curative information, in form and substance satisfactory to Administrative Agent, or (ii) substitute Oil and Gas Properties of value and quality satisfactory to the Administrative Agent for all of Oil and Gas Properties for which such title curative was requested but upon which Borrower or any Subsidiary elected not to provide such title curative information, and, within sixty (60) days of such substitution, provide title opinions or title information satisfactory to the Administrative Agent covering the Oil and Gas Properties so substituted. If the Borrower or any Subsidiary fails to satisfy (i) or (ii) above within the time specified, the loan collateral value assigned by the Lenders to the Oil and Gas Properties for which such curative information was requested shall be deducted from the Borrowing Base resulting in a reduction thereof.

(u) Change of Principal Place of Business. Borrower shall, and shall cause each Subsidiary to, give Administrative Agent at least thirty (30) days prior written notice of its intention to move its principal place of business from the address set forth in Section 17 hereof.

(v) Sale of Equity. The Borrower or any Subsidiary will immediately pay over to the Administrative Agent for the ratable benefit of the Lenders as a prepayment of principal on the Notes, an amount equal to 50% of the cash proceeds (net of direct costs of sale) received by Borrower or any Subsidiary from the sale of any equity interest in, or securities of, the Borrower or any such Subsidiary.

(w) New Guarantors. The Borrower shall cause any new Subsidiary to execute and deliver a Guaranty in the form of Exhibit "C" hereto within ten (10) days of its formation or acquisition by Borrower.

13. Negative Covenants. A deviation from the provisions of this Section 13 shall not constitute an Event of Default under this Agreement if such deviation is consented to in writing by Majority Lenders prior to the date of deviation. The Borrower will at all times comply with the covenants contained in this Section 13 from the date hereof and for so long as the Commitment is in existence or any amount is owed to the Administrative Agent or the Lenders under this Agreement or the other Loan Documents.

(a) Negative Pledge. Borrower shall not, and shall not allow its Subsidiaries to, without the prior written consent of the Lenders:

(i) create, incur, assume or permit to exist any Lien, security interest or other encumbrance on any of its assets or properties except Permitted Liens; or

(ii) sell, lease, transfer or otherwise dispose of, in any fiscal year, any of its assets except for (A) sales, leases, transfers or other dispositions made in the ordinary course of Borrower's oil and gas businesses, (B) sales made with the consent of Majority Lenders which are made pursuant to, and in full compliance with, Section 12(r) hereof; and (C) sales, leases or transfers or other dispositions (including those referred to in Section 13(a)(ii)(B)) made by Borrower and its Subsidiaries which do not exceed $10,000,000 in the aggregate during any fiscal year.

(b) Current Ratio. Borrower shall not allow its ratio of Consolidated Current Assets to Consolidated Current Liabilities to be less than 1.0 to 1.0 as of the end of any fiscal quarter.

(c) Total Debt to EBITDAX. The Borrower will not allow its ratio of Consolidated Total Debt to Consolidated EBITDAX to be in excess of 4.0 to 1.0 as of the end of any calendar quarter beginning with the calendar quarter ending March 31, 2002, calculated on a trailing four-quarter basis.

(d) Consolidations and Mergers. Borrower will not, and will not allow any of its Subsidiaries to, consolidate or merge with or into any other Person, except that Borrower or any such Subsidiary may merge with another Person if Borrower or such Subsidiary is the surviving entity in a non-hostile merger and if, after giving effect thereto, no Default or Event of Default shall have occurred and be continuing.

(e) Debts, Guaranties and Other Obligations. Without the consent of Majority Lenders, Borrower will not, and will not allow any of its Subsidiaries to, incur, create, assume or in any manner become or be liable in respect of any indebtedness, nor will Borrower or any Subsidiary guarantee or otherwise in any manner become or be liable in respect of any indebtedness, liabilities or other obligations of any other person or entity, whether by agreement to purchase the indebtedness of any other person or entity or agreement for the furnishing of funds to any other person or entity through the purchase or lease of goods, supplies or services (or by way of stock purchase, capital contribution, advance or loan) for the purpose of paying or discharging the indebtedness of any other person or entity, or otherwise, except that the foregoing restrictions shall not apply to:

(i) the Notes and any renewal or increase thereof, or other indebtedness of the Borrower and any Subsidiary heretofore disclosed to Lenders in the Borrower's Financial Statements or on Schedule "4" hereto; or

(ii) taxes, assessments or other government charges which are not yet due or are being contested in good faith by appropriate action promptly initiated

and diligently conducted, if such reserve as shall be required by GAAP shall have been made therefor and levy and execution thereon have been stayed and continue to be stayed; or

(iii) indebtedness not exceeding in the aggregate outstanding at any time the sum of $10,000,000; or

(iv) any renewals or extensions of any of the foregoing.

(f) Distributions or Dividends. Borrower will not (i) declare or pay any cash distribution, or dividend; (ii) purchase, redeem or otherwise acquire for value any of its stock now or hereafter outstanding; (iii) return any capital to its stockholders, or (iv) make any distribution of its assets to its stockholders as such, except the foregoing shall not apply to cash distributions or dividends paid to its owners or used to purchase, redeem or otherwise acquire for value any of its stock now or hereafter outstanding in amounts not exceeding in the aggregate (measured cumulatively from January 1, 2002) the sum of (i) $10,000,000 plus (ii) 50% of net proceeds (net of direct costs of sale only) received by Borrower from the sale of any equity interest in, or securities of, the Borrower or any Subsidiary completed after January 1, 2002, plus (iii) 50% of Consolidated Net Income earned after January 1, 2002; provided, however, that immediately before and after giving effect thereto no (A) Default or Event of Default or (B) Borrowing Base deficiency or requirement to make any mandatory prepayment of principal pursuant to Section 9(b) hereof, shall exist. For the purposes of this Section 13(f) only, Consolidated Net Income shall exclude non-cash charges and credits as prescribed under Financial Accounting Standards Board Statements Nos. 19, 121 and 133.

(g) Loans and Advances. Borrower shall not, and shall not allow any Subsidiary to, make or permit to remain outstanding any loans or advances to or in any person or entity, except that the foregoing restriction shall not apply to:

(i) loans or advances to any person, the material details of which have been set forth in the Financial Statements of the Borrower or any Subsidiary heretofore furnished to Lenders; or

(ii) loans or advances not exceeding $1,000,000 a year in the aggregate.

(h) Sale or Discount of Receivables. Borrower will not, nor will Borrower allow any of its Subsidiaries to, discount or sell with recourse, or sell for less than the greater of the face or market value thereof, any of its notes receivable or accounts receivable.

(i) Nature of Business. Borrower will not, nor will Borrower allow any of its Subsidiaries to, permit any material change to be made in the character of its business as carried on at the date hereof.

(j) Transactions with Affiliates. Borrower will not, nor will Borrower allow any of its Subsidiaries to, enter into any transaction with any Affiliate, except transactions upon terms that are no less favorable to it than would be obtained in a transaction negotiated at arm's length with an unrelated third party.

(k) Rate Management Transactions. Borrower will not, and\ will not permit any Subsidiary to, enter into any Rate Management Transaction, except the foregoing prohibitions shall not apply to (x) non-speculative transactions consented to in writing by the Administrative Agent, or (y) Pre-Approved Contracts. Once Borrower enters into a Rate Management Transaction, the terms and conditions of such Rate Management Transaction may not be amended or modified, nor may such Rate Management Transaction be terminated or cancelled without Borrower having given the Agent written notice of such amendment, modification, cancellation or termination within three (3) Business Days from the date such action takes place. Borrower further agrees to give Agent written notice immediately upon learning that any counterparty to any such agreement has commenced, or had commenced, against it, any bankruptcy, insolvency or similar proceeding.

(l) Investments. Borrower shall not make, nor will Borrower allow any of its Subsidiaries to make, any investments in any person or entity, except such restriction shall not apply to investments not exceeding $3,000,000 in the aggregate per year for Borrower and all of its Subsidiaries.

(m) Amendment to Certificate of Formation or Limited Liability Company Agreement. Without the consent of the Administrative Agent, Borrower will not permit any material amendment to, or any material alteration of, its Certificate of Formation or Limited Liability Company Agreement. Borrower will not allow any Subsidiary to make any material amendment or alteration to any of their Certificates of Formation, Articles of Incorporation, Limited Liability Company Agreements or Bylaws. Borrower shall provide a copy of any such amendment, whether the same requires consent or not pursuant to this Section 13(l), to the Administrative Agent as soon as reasonably possible after adoption thereof.

(n) Payment or Pre-Payment of Other Indebtedness. Except as otherwise provided for in this Agreement, Borrower shall not make, nor allow any of its Subsidiaries to make, any unscheduled principal payments or redeem any of its indebtedness (other than indebtedness owed the Lenders hereunder), or redeem any of its equity unless such payment, prepayment, redemption or purchase is made in compliance with Section 13(f) hereof, or is approved by Majority Lenders.

Sale of Interests in Subsidiaries. Other than as may be permitted under Section 13(d) hereof, Borrower will not sell or otherwise transfer any its ownership interests in any of its Subsidiaries.

14. Events of Default. Any one or more of the following events shall be considered an "Event of Default" as that term is used herein:

(a) The Borrower shall fail to pay when due or declared due the principal of, and the interest on, the Notes, or any fee or any other indebtedness of the Borrower incurred pursuant to this Agreement or any other Loan Document; or

(b) Any representation or warranty made by Borrower under this Agreement, or in any certificate or statement furnished or made to the Lenders pursuant hereto, or in connection herewith, or in connection with any document furnished hereunder, shall prove to be untrue in any material respect as of the date on which such representation or warranty is made (or deemed made), or any representation, statement (including financial statements), certificate, report or other data furnished or to be furnished or made by Borrower under any Loan Document, including this Agreement, proves to have been untrue in any material respect, as of the date as of which the facts therein set forth were stated or certified; or

(c) Default shall be made in the due observance or performance of any of the covenants or agreements of the Borrower or any Subsidiary contained in the Loan Documents, including this Agreement (excluding covenants contained in Section 12(m) or Section 13 of the Agreement for which there is no cure period), and such default shall continue for more than thirty (30) days; or

(d) Default shall be made in the due observance or performance of the covenants of Borrower contained in Section 12(m) or Section 13 of this Agreement; or

(e) Default shall be made in respect of any obligation for borrowed money, other than the Notes, for which Borrower or any of its Subsidiaries is liable (directly, by assumption, as guarantor or otherwise), or any obligations secured by any mortgage, pledge or other security interest, lien, charge or encumbrance with respect thereto, on any asset or property of Borrower or any of its Subsidiaries or in respect of any agreement relating to any such obligations unless Borrower or any of its Subsidiaries is not liable for same (i.e., unless remedies or recourse for failure to pay such obligations is limited to foreclosure of the collateral security therefor), and if such default shall continue beyond the applicable grace period, if any; or

(f) Borrower or any of its Subsidiaries shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking an appointment of a trustee, receiver, liquidator, custodian or other

similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action authorizing the foregoing; or

(g) An involuntary case or other proceeding, shall be commenced against Borrower or any of its Subsidiaries seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of sixty (60) days; or an order for relief shall be entered against Borrower or any of its Subsidiaries under the federal bankruptcy laws as now or hereinafter in effect; or

(h) A final judgment or order for the payment of money in excess of $1,500,000 (or judgments or orders aggregating in excess of $1,500,000) shall be rendered against Borrower or any of its Subsidiaries and such judgments or orders shall continue unsatisfied and unstayed for a period of thirty (30) days; or

(i) In the event the Total Outstandings shall at any time exceed the Borrowing Base established for the Notes, and the Borrower shall fail to comply with the provisions of Section 9(b) hereof; or

(j) A Change of Control shall occur; or

(k) An Event of Default shall have occurred under any agreement entered into in connection with a Rate Management Transaction.

Upon occurrence of any Event of Default specified in Subsections 14(f) and (g) hereof, the entire principal amount due under the Notes and all interest then accrued thereon, and any other liabilities of the Borrower hereunder, shall become immediately due and payable all without notice and without presentment, demand, protest, notice of protest or dishonor or any other notice of default of any kind, all of which are hereby expressly waived by the Borrower. Notwithstanding any other provision of this Agreement or any provision of the Notes, in any other Event of Default, the Administrative Agent, upon request of Majority Lenders, shall by notice to the Borrower declare the principal of, and all interest then accrued on, the Notes and any other liabilities hereunder to be forthwith due and payable, whereupon the same shall forthwith become due and payable without presentment, demand, protest, notice of intent to accelerate, notice of acceleration or other notice of any kind, all of which the Borrower hereby expressly waives, anything contained herein or in the Notes to the contrary notwithstanding. Nothing contained in this Section 14 shall be construed to limit or amend in any way the Events of Default enumerated in the Notes, or any other document executed in connection with the transaction contemplated herein.

Upon the occurrence and during the continuance of any Event of Default, the Lenders are hereby authorized at any time and from time to time, without notice to the Borrower or any of its Subsidiaries, (any such notice being expressly waived by the Borrower), to set-off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by any of the Lenders to or for the credit or the account of the Borrower or any of its Subsidiaries against any and all of the indebtedness of the Borrower or any Subsidiaries under the Notes and the Loan Documents, including this Agreement, irrespective of whether or not the Lenders shall have made any demand under the Loan Documents, including this Agreement or the Notes and although such indebtedness may be unmatured. Any amount set-off by any of the Lenders shall be applied against the indebtedness owed the Lenders by the Borrower pursuant to this Agreement and the Notes. The Lenders agree promptly to notify the Borrower and the affected Subsidiary after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Lender under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Lenders may have.

15. The Agents and the Lenders.

(a) Appointment and Authorization. Each Lender hereby appoints Administrative Agent as its nominee and Administrative Agent, in its name and on its behalf: (i) to act as nominee for and on behalf of such Lender in and under all Loan Documents; (ii) to arrange the means whereby the funds of Lenders are to be made available to the Borrower under the Loan Documents; (iii) to take such action as may be requested by any Lender under the Loan Documents (when such Lender is entitled to make such request under the Loan Documents); (iv) to receive all documents and items to be furnished to Lenders under the Loan Documents; (v) to be the secured party, mortgagee, beneficiary, and similar party in respect of, and to receive, as the case may be, any collateral for the benefit of Lenders; (vi) to promptly distribute to each Lender all material information, requests, documents and items received from the Borrower under the Loan Documents; (vii) to promptly distribute to each Lender such Lender's Pro Rata Part of each payment or prepayment (whether voluntary, as proceeds of insurance thereon, or otherwise) in accordance with the terms of the Loan Documents and (viii) to deliver to the appropriate Persons requests, demands, approvals and consents received from Lenders. Each Lender hereby authorizes Administrative Agent to take all actions and to exercise such powers under the Loan Documents as are specifically delegated to Administrative Agent by the terms hereof or thereof, together with all other powers reasonably incidental thereto. With respect to its Commitments hereunder and the Notes issued to it, Administrative Agent and any successor Administrative Agent shall have the same rights under the Loan Documents as any other Lender and may exercise the same as though it were not the Administrative Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include Administrative Agent and any successor Administrative Agent in its capacity as a Lender. Administrative Agent and any successor Administrative Agent and its Affiliates may accept deposits from, lend money

to, act as trustee under indentures of and generally engage in any kind of business with the Borrower and any person which may do business with the Borrower, all as if Administrative Agent and any successor Administrative Agent was not Administrative Agent hereunder and without any duty to account therefor to the Lenders; provided that, if any payments in respect of any property (or the proceeds thereof) now or hereafter in the possession or control of Administrative Agent which may be or become security for the obligations of the Borrower arising under the Loan Documents by reason of the general description of indebtedness secured or of property contained in any other agreements, documents or instruments related to any such other business shall be applied to reduction of the obligations of the Borrower arising under the Loan Documents, then each Lender shall be entitled to share in such application according to its pro rata part thereof. Each Lender, upon request of any other Lender, shall disclose to all other Lenders all indebtedness and liabilities, direct and contingent, of the Borrower to such Lender as of the time of such request.

(b) Note Holders. From time to time as other Lenders become a party to this Agreement, Administrative Agent shall obtain execution by the Borrower of additional Notes in amounts representing the Commitment of each such new Lender, up to an aggregate face amount of all Notes not exceeding $275,000,000. The obligation of such Lender shall be governed by the provisions of this Agreement, including but not limited to, the obligations specified in Section 2 hereof. From time to time, Administrative Agent may require that the Lenders exchange their Notes for newly issued Notes to better reflect the Commitments of the Lenders. Administrative Agent may treat the payee of any Note as the holder thereof until written notice of transfer has been filed with it, signed by such payee and in form satisfactory to Administrative Agent.

(c) Consultation with Counsel. Lenders agree that Administrative Agent may consult with legal counsel selected by Administrative Agent and shall not be liable for any action taken or suffered in good faith by it in accordance with the advice of such counsel. LENDERS ACKNOWLEDGE THAT GARDERE WYNNE SEWELL LLP IS COUNSEL FOR BANK ONE, BOTH AS ADMINISTRATIVE AGENT AND AS A LENDER, AND THAT SUCH FIRM DOES NOT REPRESENT ANY OF THE OTHER LENDERS IN CONNECTION WITH THIS TRANSACTION.

(d) Documents. Administrative Agent shall not be under a duty to examine or pass upon the validity, effectiveness, enforceability, genuineness or value of any of the Loan Documents or any other instrument or document furnished pursuant thereto or in connection therewith, and Administrative Agent shall be entitled to assume that the same are valid, effective, enforceable and genuine and what they purport to be.

(e) Resignation or Removal of Administrative Agent. Subject to the appointment and acceptance of a successor Administrative Agent as provided below, Administrative Agent may resign at any time by giving written notice thereof to Lenders and the Borrower, and Administrative Agent may be removed at any time with or without cause by all Lenders (other than Administrative Agent). If no successor Administrative

Agent has been so appointed by Majority Lenders (and approved by the Borrower) and has accepted such appointment within 30 days after the retiring Administrative Agent's giving of notice of resignation or removal of the retiring Administrative Agent, then the retiring Administrative Agent may, on behalf of Lenders, appoint a successor Administrative Agent. Any successor Administrative Agent must be approved by Borrower, which approval will not be unreasonably withheld. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights and duties of the retiring Administrative Agent, and the retiring Administrative Agent, as the case may be, shall be discharged from its duties and obligations hereunder. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Section 15 shall continue in effect for its benefit in respect to any actions taken or omitted to be taken by it while it was acting as Administrative Agent. To be eligible to be an Administrative Agent hereunder the party serving, or to serve, in such capacity must own a Pro Rata Part of the Commitments equal to the level of Commitment required to be held by any Lender pursuant to Section 28 hereof.

(f) Responsibility of Administrative Agent. It is expressly understood and agreed that the obligations of Administrative Agent under the Loan Documents are only those expressly set forth in the Loan Documents as to each and that Administrative Agent, shall be entitled to assume that no Default or Event of Default has occurred and is continuing, unless Administrative Agent has actual knowledge of such fact or has received notice from a Lender or the Borrower that such Lender or the Borrower considers that a Default or an Event of Default has occurred and is continuing and specifying the nature thereof. Neither Administrative Agent nor any of its directors, officers, attorneys or employees shall be liable for any action taken or omitted to be taken by them under or in connection with the Loan Documents, except for its or their own gross negligence or willful misconduct. Administrative Agent shall not incur liability under or in respect of any of the Loan Documents by acting upon any notice, consent, certificate, warranty or other paper or instrument believed by it to be genuine or authentic or to be signed by the proper party or parties, or with respect to anything which it may do or refrain from doing in the reasonable exercise of its judgment, or which may seem to it to be necessary or desirable.

Administrative Agent shall not be responsible to Lenders for any of the Borrower's recitals, statements, representations or warranties contained in any of the Loan Documents, or in any certificate or other document referred to or provided for in, or received by any Lender under, the Loan Documents, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of or any of the Loan Documents or for any failure by the Borrower to perform any of its obligations hereunder or thereunder. Administrative Agent may employ agents and attorneys-in-fact and shall not be answerable, except as to money or securities received by it or its authorized agents, for

the negligence or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care.

The relationship between Administrative Agent and each Lender is only that of Administrative Agent and principal and has no fiduciary aspects. Nothing in the Loan Documents or elsewhere shall be construed to impose on Administrative Agent any duties or responsibilities other than those for which express provision is therein made. In performing its duties and functions hereunder, Administrative Agent does not assume and shall not be deemed to have assumed, and hereby expressly disclaims, any obligation or responsibility toward or any relationship of agency or trust with or for the Borrower or any of its beneficiaries or other creditors. As to any matters not expressly provided for by the Loan Documents, Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of all Lenders and such instructions shall be binding upon all Lenders and all holders of the Notes; provided, however, that Administrative Agent shall not be required to take any action which is contrary to the Loan Documents or applicable law.

Administrative Agent shall have the right to exercise or refrain from exercising, without notice or liability to the Lenders, any and all rights afforded to Administrative Agent by the Loan Documents or which Administrative Agent may have as a matter of law; provided, however, Administrative Agent shall not (i) except as provided in Section 7(b) hereof, without the consent of Required Lenders designate the amount of the Borrowing Base (except for increase thereof) or (ii) without the consent of Majority Lenders, take any other action with regard to amending the Loan Documents, waiving any default under the Loan Documents or taking any other action with respect to the Loan Documents which requires consent of Majority Lenders. Provided further, however, that no amendment, waiver, or other action shall be effected pursuant to the preceding clause (ii) without the consent of all Lenders which: (i) would increase the Borrowing Base or decrease the Monthly Commitment Reduction, (ii) would reduce any fees hereunder, or the principal of, or the interest on, any Lender's Note or Notes, (iii) would postpone any date fixed for any payment of any fees hereunder, or any principal or interest of any Lender's Note or Notes, (iv) would materially increase any Lender's obligations hereunder or would materially alter Administrative Agent's obligations to any Lender hereunder, (v) would release Borrower from its obligation to pay any Lender's Note or Notes, (vi) would change the definition of Majority or Required Lenders, (vii) would amend, modify or change any provision of this Agreement requiring the consent of all the Lenders, (viii) would waive any of the conditions precedent to the Effective Date or the making of any Loan or issuance of any Letter of Credit or (ix) would extend the Maturity Date or (x) would amend this sentence or the previous sentence. Administrative Agent shall not have liability to Lenders for failure or delay in exercising any right or power possessed by Administrative Agent pursuant to the Loan Documents or otherwise unless such failure or delay is caused by the gross negligence of

the Administrative Agent, in which case only the Administrative Agent responsible for such gross negligence shall have liability therefor to the Lenders.

(g) Independent Investigation. Each Lender severally represents and warrants to the Agents that it has made its own independent investigation and assessment of the financial condition and affairs of the Borrower in connection with the making and continuation of its participation hereunder and has not relied exclusively on any information provided to such Lender by the Agents in connection herewith, and each Lender represents, warrants and undertakes to Agents that it shall continue to make its own independent appraisal of the credit worthiness of the Borrower while the Notes are outstanding or its commitments hereunder are in force. The Agents shall not be required to keep themselves informed as to the performance or observance by the Borrower of this Agreement or any other document referred to or provided for herein or to inspect the properties or books of the Borrower. Other than as provided in this Agreement, the Agents shall not have any duty, responsibility or liability to provide any Lender with any credit or other information concerning the affairs, financial condition or business of the Borrower which may come into the possession of Administrative Agent.

(h) Indemnification. Lenders agree to indemnify the ' Agents, ratably according to their respective Commitments on a Pro Rata basis, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any proper and reasonable kind or nature whatsoever which may be imposed on, incurred by or asserted against any of the Agents in any way relating to or arising out of the Loan Documents or any action taken or omitted by Administrative Agent under the Loan Documents, provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from any of the Agent's gross negligence or willful misconduct. Each Lender shall be entitled to be reimbursed by the Agents for any amount such Lender paid to the Agents under this Section 15(h) to the extent the Agents have been reimbursed for such payments by the Borrower or any other Person. THE PARTIES INTEND FOR THE PROVISIONS OF THIS SECTION TO APPLY TO AND PROTECT THE AGENTS FROM THE CONSEQUENCES OF ANY LIABILITY INCLUDING STRICT LIABILITY IMPOSED OR THREATENED TO BE IMPOSED ON THE AGENTS AS WELL AS FROM THE CONSEQUENCES OF ITS OWN NEGLIGENCE, WHETHER OR NOT THAT NEGLIGENCE IS THE SOLE, CONTRIBUTING OR CONCURRING CAUSE OF ANY SUCH LIABILITY.

(i) Benefit of Section 15. The agreements contained in this Section 15 are solely for the benefit of Administrative Agent and the Lenders and are not for the benefit of, or to be relied upon by, the Borrower, any affiliate of the Borrower or any other person.

(j) Pro Rata Treatment. Subject to the provisions of this Agreement, each payment (including each prepayment) by the Borrower and collection by Lenders (including offsets) on account of the principal of and interest on the Notes and fees

provided for in this Agreement, payable by the Borrower shall be made Pro Rata; provided, however, in the event that any Defaulting Lender shall have failed to make an Advance as contemplated under Section 3 hereof and Administrative Agent or another Lender or Lenders shall have made such Advance, payment received by Administrative Agent for the account of such Defaulting Lender or Lenders shall not be distributed to such Defaulting Lender or Lenders until such Advance or Advances shall have been repaid in full to the Lender or Lenders who funded such Advance or Advances.

(k) Assumption as to Payments. Except as specifically provided herein, unless Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to Lenders hereunder that the Borrower will not make such payment in full, Administrative Agent may, but shall not be required to, assume that the Borrower has made such payment in full to Administrative Agent on such date and Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrower shall not have so made such payment in full to Administrative Agent, each Lender shall repay to Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to Administrative Agent, at the interest rate applicable to such portion of the Loan.

(l) Other Financings. Without limiting the rights to which any Lender otherwise is or may become entitled, such Lender shall have no interest, by virtue of this Agreement or the Loan Documents, in (a) any present or future loans from, letters of credit issued by, or leasing or other financial transactions by, any other Lender to, on behalf of, or with the Borrower (collectively referred to herein as "Other Financings") other than the obligations hereunder; (b) any present or future guarantees by or for the account of the Borrower which are not contemplated by the Loan Documents; (c) any present or future property taken as security for any such Other Financings; or (d) any property now or hereafter in the possession or control of any other Lender which may be or become security for the obligations of the Borrower arising under any loan document by reason of the general description of indebtedness secured or property contained in any other agreements, documents or instruments relating to any such Other Financings.

(m) Interests of Lenders. Nothing in this Agreement shall be construed to create a partnership or joint venture between Lenders for any purpose. The Agents, Lenders and the Borrower recognize that the respective obligations of Lenders under the Commitments shall be several and not joint and that neither the Agents nor any of Lenders shall be responsible or liable to perform any of the obligations of the other under this Agreement. Each Lender is deemed to be the owner of an undivided interest in and to all rights, titles, benefits and interests belonging and accruing to Administrative Agent under the Security Instruments, including, without limitation, liens and security interests in any collateral, fees and payments of principal and interest by the Borrower under the

Commitments on a Pro Rata basis. Each Lender shall perform all duties and obligations of Lenders under this Agreement in the same proportion as its ownership interest in the Loans outstanding at the date of determination thereof.

(n) Investments. Whenever Administrative Agent in good faith determines that it is uncertain about how to distribute to Lenders any funds which it has received, or whenever Administrative Agent in good faith determines that there is any dispute among the Lenders about how such funds should be distributed, Administrative Agent may choose to defer distribution of the funds which are the subject of such uncertainty or dispute. If Administrative Agent in good faith believes that the uncertainty or dispute will not be promptly resolved, or if Administrative Agent is otherwise required to invest funds pending distribution to the Lenders, Administrative Agent may invest such funds pending distribution (at the risk of the Borrower). All interest on any such investment shall be distributed upon the distribution of such investment and in the same proportions and to the same Persons as such investment. All monies received by Administrative Agent for distribution to the Lenders (other than to the Person who is Administrative Agent in its separate capacity as a Lender) shall be held by the Administrative Agent pending such distribution solely as Administrative Agent for such Lenders, and Administrative Agent shall have no equitable title to any portion thereof.

16. Exercise of Rights. No failure to exercise, and no delay in exercising, on the part of the Administrative Agent or the Lenders, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right. The rights of the Administrative Agent and the Lenders hereunder shall be in addition to all other rights provided by law. No modification or waiver of any provision of the Loan Documents, including this Agreement, or the Notes nor consent to departure therefrom, shall be effective unless in writing, and no such consent or waiver shall extend beyond the particular case and purpose involved. No notice or demand given in any case shall constitute a waiver of the right to take other action in the same, similar or other circumstances without such notice or demand.

17. Notices. Any notices or other communications required or permitted to be given by this Agreement or any other documents and instruments referred to herein must be given in writing (which may be by facsimile transmission) and must be personally delivered or mailed by prepaid certified or registered mail to the party to whom such notice or communication is directed at the address of such party as follows: (a) BORROWER: GREAT LAKES ENERGY PARTNERS, L.L.C., 125 State Route 43, Hartville, Ohio 44632, Attention: Thomas W. Stoelk, Chief Financial Officer, Facsimile No. (330) 877-4586; (b) Administrative Agent: BANK ONE, NA, 1717 Main Street, Dallas, Texas 75201, Facsimile No. (214) 290-2332, Attention: Wm. Mark Cranmer, Director, Capital Markets. Any such notice or other communication shall be deemed to have been given (whether actually received or not) on the day it is personally delivered or delivered by facsimile as aforesaid or, if mailed, on the third day after it is mailed as aforesaid. Any party may change its address for purposes of this Agreement by giving notice of such change to the other party pursuant to this Section 17. Any notice required to be given to the

Lenders shall be given to the Administrative Agent and distributed to all Lenders by the Administrative Agent.

18. Expenses. The Borrower shall pay (i) all reasonable and necessary out-of-pocket expenses of the Administrative Agent, including reasonable fees and disbursements of special counsel for the Administrative Agent, in connection with the preparation of this Agreement, any waiver or consent hereunder or any amendment hereof or any default or Event of Default or alleged default or Event of Default hereunder, (ii) all reasonable and necessary out-of-pocket expenses of the Administrative Agent, including reasonable fees and disbursements of special counsel for the Administrative Agent in connection with the preparation of any participation agreement for a participant or participants requested by the Borrower or any amendment thereof and (iii) if an Event of Default occurs and is continuing, all reasonable and necessary out-of-pocket expenses incurred by the Lenders, including fees and disbursements of counsel, in connection with such default and Event of Default and collection and other enforcement proceedings resulting therefrom. THE BORROWER HEREBY ACKNOWLEDGES THAT GARDERE WYNNE SEWELL LLP IS SPECIAL COUNSEL TO BANK ONE, AS ADMINISTRATIVE AGENT AND AS A LENDER, UNDER THIS AGREEMENT AND THAT IT IS NOT COUNSEL TO, NOR DOES IT REPRESENT THE BORROWER IN CONNECTION WITH THE TRANSACTIONS DESCRIBED IN THIS AGREEMENT. The Borrower is relying on separate counsel in the transaction described herein. The Borrower shall indemnify the Lenders against any transfer taxes, document taxes, assessments or charges made by any governmental authority by reason of the execution, delivery and filing of the Loan Documents. The obligations of this Section 18 shall survive any termination of this Agreement, the expiration of the Loans and the payment of all indebtedness of the Borrower to the Lenders hereunder and under the Notes.

19. Indemnity. The Borrower agrees to indemnify and hold harmless the Agents and the Lenders and their respective officers, employees, agents, attorneys and representatives (singularly, an "Indemnified Party", and collectively, the "Indemnified Parties") from and against any loss, cost, liability, damage or expense (including the reasonable fees and out-of-pocket expenses of counsel to the Lenders, including all local counsel hired by such counsel) ("Claim") incurred by the Lenders in investigating or preparing for, defending against, or providing evidence, producing documents or taking any other action in respect of any commenced or threatened litigation, administrative proceeding or investigation under any federal securities law, federal or state environmental law, or any other statute of any jurisdiction, or any regulation, or at common law or otherwise, which is alleged to arise out of or is based upon any acts, practices or omissions or alleged acts, practices or omissions of the Borrower or its agents or arises in connection with the duties, obligations or performance of the Indemnified Parties in negotiating, preparing, executing, accepting, keeping, completing, countersigning, issuing, selling, delivering, releasing, assigning, handling, certifying, processing or receiving or taking any other action with respect to the Loan Documents and all documents, items and materials contemplated thereby even if any of the foregoing arises out of an Indemnified Party's ordinary negligence. The indemnity set forth herein shall be in addition to any other obligations or liabilities of the Borrower to the Agents and the Lenders hereunder or at common law or otherwise, and shall survive any termination of this Agreement, the expiration of the Loans and

the payment of all indebtedness of the Borrower to the Lenders hereunder and under the Notes, provided that the Borrower shall have no obligation under this Section to the Lenders with respect to any of the foregoing arising out of the gross negligence or willful misconduct of the Lenders. If any Claim is asserted against any Indemnified Party, the Indemnified Party shall endeavor to notify the Borrower of such Claim (but failure to do so shall not affect the indemnification herein made except to the extent of the actual harm caused by such failure). The Indemnified Party shall have the right to employ, at the Borrower's expense, counsel of the Indemnified Parties' choosing and to control the defense of the Claim. The Borrower may at its own expense also participate in the defense of any Claim. Each Indemnified Party may employ separate counsel in connection with any Claim to the extent such Indemnified Party believes it reasonably prudent to protect such Indemnified Party. THE PARTIES INTEND FOR THE PROVISIONS OF THIS SECTION TO APPLY TO AND PROTECT EACH INDEMNIFIED PARTY FROM THE CONSEQUENCES OF ANY LIABILITY INCLUDING STRICT LIABILITY IMPOSED OR THREATENED TO BE IMPOSED ON ADMINISTRATIVE AGENT AS WELL AS FROM THE CONSEQUENCES OF ITS OWN NEGLIGENCE, WHETHER OR NOT THAT NEGLIGENCE IS THE SOLE, CONTRIBUTING, OR CONCURRING CAUSE OF ANY CLAIM.

20. Governing Law. THIS AGREEMENT IS BEING EXECUTED AND DELIVERED, AND IS INTENDED TO BE PERFORMED, IN DALLAS, DALLAS COUNTY, TEXAS, AND THE SUBSTANTIVE LAWS OF TEXAS SHALL GOVERN THE VALIDITY, CONSTRUCTION, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT AND ALL OTHER DOCUMENTS AND INSTRUMENTS REFERRED TO HEREIN, UNLESS OTHERWISE SPECIFIED THEREIN.

21. Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, such provisions shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of the Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement.

22. Maximum Interest Rate. Regardless of any provisions contained in this Agreement or in any other documents and instruments referred to herein, the Lenders shall never be deemed to have contracted for or be entitled to receive, collect or apply as interest on the Notes any amount in excess of the Maximum Rate, and in the event any Lender ever receives, collects or applies as interest any such excess, or if an acceleration of the maturities of any Notes or if any prepayment by the Borrower results in the Borrower having paid any interest in excess of the Maximum Rate, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance of the Notes for which such excess was received, collected or applied, and, if the principal balance of such Note is paid in full, any remaining excess shall forthwith be paid to the Borrower. All sums paid or agreed to be paid to the Lenders for the use, forbearance or detention of the indebtedness evidenced by the Notes and/or this Agreement shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such indebtedness until payment in full so that the rate or

amount of interest on account of such indebtedness does not exceed the Maximum Rate. In determining whether or not the interest paid or payable under any specific contingency exceeds the Maximum Rate of interest permitted by law, the Borrower and the Lenders shall, to the maximum extent permitted under applicable law, (i) characterize any non-principal payment as an expense, fee or premium, rather than as interest; and (ii) exclude voluntary prepayments and the effect thereof; and (iii) compare the total amount of interest contracted for, charged or received with the total amount of interest which could be contracted for, charged or received throughout the entire contemplated term of the Note at the Maximum Rate.

23. Amendments. This Agreement may be amended only by an instrument in writing executed by an authorized officer of the party against whom such amendment is sought to be enforced.

24. Multiple Counterparts. This Agreement may be executed in a number of identical separate counterparts, each of which for all purposes is to be deemed an original, but all of which shall constitute, collectively, one agreement. No party to this Agreement shall be bound hereby until a counterpart of this Agreement has been executed by all parties hereto.

25. Conflict. In the event any term or provision hereof is inconsistent with or conflicts with any provision of the Loan Documents, the terms or provisions contained in this Agreement shall be controlling.

26. Survival. All covenants, agreements, undertakings, representations and warranties made in the Loan Documents, including this Agreement, the Notes or other documents and instruments referred to herein shall survive all closings hereunder and shall not be affected by any investigation made by any party.

27. Parties Bound. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, heirs, legal representatives and estates, provided, however, that the Borrower may not, without the prior written consent of all of the Lenders, assign any rights, powers, duties or obligations hereunder.

28. Assignments and Participations.

(a) Assignments. Each Lender shall have the right to sell, assign or transfer all or any part of its Note or Notes, its Commitment and its rights and obligations hereunder to one or more Affiliates, banks, financial institutions, pension plans, insurance companies, investment funds, or similar Persons who are Eligible Assignees or to a Federal Reserve Bank; provided, that in connection with each sale, assignment or transfer (other than to an Affiliate, a Lender or a Federal Reserve Bank), shall require the consent of Administrative Agent and the Borrower, which consents will not be unreasonably withheld; provided, however, that if an Event of Default has occurred and is continuing, the consent of the Borrower shall not be required. Any such assignee, transferee or recipient shall have, to the extent of such sale, assignment, or transfer, the same rights, benefits and obligations as it would if it were such Lender and a holder of such Note,

Commitment and rights and obligations, including, without limitation, the right to vote on decisions requiring consent or approval of all Lenders, Required Lenders or Majority Lenders and the obligation to fund its Commitment; provided, that (1) each such sale, assignment, or transfer (other than to an Affiliate, a Lender or a Federal Reserve Bank) shall be in an aggregate principal amount not less than $5,000,000, (2) each remaining Lender shall at all times maintain Commitment then outstanding in an aggregate principal amount at least equal to $5,000,000; (3) each such sale, assignment or transfer shall be of a Pro Rata portion of such Lender's Commitment, (4) no Lender may offer to sell its Note or Notes, Commitment, rights and obligations or interests therein in violation of any securities laws; and (5) no such assignments (other than to a Federal Reserve Bank) shall become effective until the assigning Lender and its assignee delivers to Administrative Agent and Borrower an Assignment and Acceptance and the Note or Notes subject to such assignment and other documents evidencing any such assignment. An assignment fee in the amount of $3,500 for each such assignment (other than to an Affiliate, a Lender or the Federal Reserve Bank) will be payable to Administrative Agent by assignor or assignee. Within five (5) Business Days after its receipt of copies of the Assignment and Acceptance and the other documents relating thereto and the Note or Notes, the Borrower shall execute and deliver to Administrative Agent (for delivery to the relevant assignee) a new Note or Notes evidencing such assignee's assigned Commitment and if the assignor Lender has retained a portion of its Commitment, a replacement Note in the principal amount of the Commitment retained by the assignor (except as provided in the last sentence of this paragraph (a) such Note or Notes to be in exchange for, but not in payment of, the Note or Notes held by such Lender). On and after the effective date of an assignment hereunder, the assignee shall for all purposes be a Lender, party to this Agreement and any other Loan Document executed by the Lenders and shall have all the rights and obligations of a Lender under the Loan Documents, to the same extent as if it were an original party thereto (except that an Affiliate of Borrower shall not have the right to vote as a Lender on matters that other Lenders have the right to vote on under the provisions of the Agreement), and no further consent or action by Borrower, Lenders or the Administrative Agent shall be required to release the transferor Lender with respect to its Commitment assigned to such assignee and the transferor Lender shall henceforth be so released.

(b) Participations. Each Lender shall have the right to grant participations in all or any part of such Lender's Notes and Commitment hereunder to one or more pension plans, investment funds, insurance companies, financial institutions or other Persons, provided, that:

(i) each Lender granting a participation shall retain the right to vote hereunder, and no participant shall be entitled to vote hereunder on decisions requiring consent or approval of Lenders, Required Lenders or Majority Lenders (except as set forth in (iii) below);

(ii) in the event any Lender grants a participation hereunder, such Lender's obligations under the Loan Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, such Lender shall remain the holder of any such Note or Notes for all purposes under the Loan Documents, and Administrative Agent, each Lender and Borrower shall be entitled to deal with the Lender granting a participation in the same manner as if no participation had been granted; and

(iii) no participant shall ever have any right by reason of its participation to exercise any of the rights of Lenders hereunder, except that any Lender may agree with any participant that such Lender will not, without the consent of such participant (which consent may not be unreasonably withheld) consent to any amendment or waiver requiring approval of all Lenders.

(c) Financial Information. It is understood and agreed that any Lender may provide to assignees and participants and prospective assignees and participants financial information and reports and data concerning Borrower's properties and operations which was provided to such Lender pursuant to this Agreement.

(d) Assignees' and Participants' Indemnity. Upon the reasonable request of either Administrative Agent or Borrower, each Lender will identify those to whom it has assigned or participated any part of its Notes and Commitment, and provide the amounts so assigned or participated.

29. Choice of Forum; Consent to Service of Process and Jurisdiction. THE OBLIGATIONS OF BORROWER UNDER THE LOAN DOCUMENTS ARE PERFORMABLE IN DALLAS COUNTY, TEXAS. ANY SUIT, ACTION OR PROCEEDING AGAINST THE BORROWER WITH RESPECT TO THE LOAN DOCUMENTS OR ANY JUDGMENT ENTERED BY ANY COURT IN RESPECT THEREOF, MAY BE BROUGHT IN THE COURTS OF THE STATE OF TEXAS, COUNTY OF DALLAS, OR IN THE UNITED STATES COURTS LOCATED IN DALLAS COUNTY, TEXAS AND THE BORROWER HEREBY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF SUCH COURTS FOR THE PURPOSE OF ANY SUCH SUIT, ACTION OR PROCEEDING. THE BORROWER HEREBY IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN ANY SUIT, ACTION OR PROCEEDING IN SAID COURT BY THE MAILING THEREOF BY LENDER BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE BORROWER, AS APPLICABLE, AT THE ADDRESS FOR NOTICES AS PROVIDED IN SECTION 17. THE BORROWER HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT BROUGHT IN THE COURTS LOCATED IN THE STATE OF TEXAS, COUNTY OF DALLAS, AND HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM

THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

30. Waiver of Jury Trial. THE BORROWER HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

31. Other Agreements. THIS WRITTEN CREDIT AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

32. Financial Terms. All accounting terms used in this Agreement which are not specifically defined herein shall be construed in accordance with GAAP.

33. Joinder of Guarantors. The Guarantors are executing this Restated Credit Agreement to (i) consent and agree to the execution of this Restated Credit Agreement and the other documents to be executed in connection herewith, (ii) acknowledge and agree to the provisions of this Restated Credit Agreement, (iii) ratify and confirm their respective Guaranties, and (iv) agree that their respective Guaranties shall remain in full force and effect and shall continue to be the legal, valid and binding obligation of each such Guarantor enforceable against each such Guarantor in accordance with the terms of each such Guaranty.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

BORROWER:

GREAT LAKES ENERGY PARTNERS, L.L.C.,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

GUARANTORS:

OCEANA EXPLORATION COMPANY, L.C.

By: Great Lakes Energy Partners, L.L.C.,
managing member

By: _____
Name: _____
Title: _____

OHIO INTRASTATE GAS TRANSMISSION
COMPANY

By: _____
Name: _____
Title: _____

LENDERS AND AGENTS:

BANK ONE, NA
(Main Office Chicago)
as a Lender and as Administrative Agent

By: _____
Wm. Mark Cranmer, Director,
Capital Markets

JPMORGAN CHASE BANK
as a Lender and as Syndication Agent
(successor by merger to Chase Bank of
Texas National Association)

By: _____
Name: _____
Title: _____

CREDIT LYONNAIS NEW YORK BRANCH
as a Lender and as Documentation Agent

By: _____
Name: _____
Title: _____

BANK OF SCOTLAND

By: _____
Name: _____
Title: _____

THE BANK OF NOVA SCOTIA
as a Lender and as Managing Agent

By: _____
Name: _____
Title: _____

FORTIS CAPITAL CORP.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

THE FROST NATIONAL BANK

By: _____
Name: _____
Title: _____

UNION BANK OF CALIFORNIA, N.A.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT 10.4.2

FIRST AMENDMENT TO RESTATED CREDIT AGREEMENT

THIS FIRST AMENDMENT TO RESTATED CREDIT AGREEMENT (hereinafter referred to as the "First Amendment") executed as of the 1st day of April, 2003, by and among GREAT LAKES ENERGY PARTNERS, L.L.C., a Delaware limited liability company (hereinafter referred to as "Borrower") and BANK ONE, NA (successor by merger to Bank One, Texas, N.A.) ("Bank One"), JPMORGAN CHASE BANK ("Chase"), THE BANK OF NOVA SCOTIA ("Scotiabank"), BANK OF SCOTLAND ("BOS"), CREDIT LYONNAIS NEW YORK BRANCH ("CL"), FORTIS CAPITAL CORP. ("Fortis"), THE FROST NATIONAL BANK ("Frost"), UNION BANK OF CALIFORNIA, N.A. ("Union"), COMERICA BANK-TEXAS ("Comerica") and NATEXIS BANQUES POPULAIRES ("Natexis") and each of the financial institutions which is a party hereto (as evidenced by the signature pages to this Agreement) or which may from time to time become a party hereto pursuant to the provisions of Section 28 of the hereinafter defined Credit Agreement or any successor or assignee thereof (hereinafter collectively referred to as "Lenders", and individually, "Lender"), Bank One, as Administrative Agent, Chase, as Syndication Agent, CL, as Co-Documentation Agent, Scotiabank, as Co-Documentation Agent and Banc One Capital Markets, Inc., as Joint Lead Arranger and Bookrunner and JPMorgan Securities, Inc., as Joint Lead Arranger and Bookrunner.

WITNESSETH:

WHEREAS, Borrower and certain of the Lenders ("Original Lenders") and Agents entered into a Restated Credit Agreement dated as of May 3, 2002 (as amended, restated and renewed from time to time, the "Credit Agreement") pursuant to which Lenders agreed to make a revolving loan to the Borrower in amounts of up to $275,000,000; and

WHEREAS, Borrower, Lenders and Agents have agreed to amend the Credit Agreement to make certain changes thereto as set forth herein and Comerica and Natexis have agreed to purchase interests in the Loans concurrently with the closing of this First Amendment.

NOW, THEREFORE, the parties agree to amend the Credit Agreement as follows:

1. Unless otherwise defined herein all defined terms used herein shall have the same meaning as ascribed to such terms in the Credit Agreement.

2. Section 1 of the Credit Agreement is hereby amended in the following respects:

(a) By deleting the definition of "Consolidated Net Income" therefrom in its entirety and substituting the following in lieu thereof:

"Consolidated Net Income shall mean Borrower's consolidated net income after income taxes calculated in accordance with GAAP, but excluding any non-cash gains or losses as a result of the application of FASB Statements 133 and 143."

(b) By deleting the definition of "Maturity Date" therefrom in its entirety and substituting the following in lieu thereof:

"Maturity Date shall mean January 1, 2007."

(c) By deleting the definition of "Pre-Approved Contracts" therefrom in its entirety and substituting the following in lieu thereof:

"Pre-Approved Contracts as used herein shall mean any contracts or agreements entered into in connection with any Rate Management Transaction designed (i) to hedge, forward, sell or swap crude oil or natural gas or otherwise sell up to (A) 90% of the Borrower's anticipated production from proved, developed producing reserves of crude oil, and/or 90% of the Borrower's anticipated production from proved, developed producing reserves of natural gas if all such contracts or agreements have maturities of thirty-six (36) months or less, and (B) 80% of the Borrower's anticipated production from proved, developed producing reserves of crude oil, and/or 80% of Borrower's anticipated production from proved, developed producing reserves of natural gas if any of such contracts or agreements has a maturity in excess of thirty-six (36) months, and (ii) with one or more of the Lenders or counterparties to the hedging agreement listed on Exhibit "F" hereto."

3. Section 12 of the credit Agreement is hereby amended by deleting Subsection (a)(ii) therefrom in is entirety and substituting the following in lieu thereof:

"(ii) Quarterly Financing Statements. As soon as available, and in any event within forty-five (45) days after the end of each fiscal quarter of each year beginning with the fiscal quarter ended March 31, 2003, the quarterly unaudited consolidated Financial Statements of Borrower prepared in accordance with GAAP; or"

4. Any and all references in the Credit Agreement to "Oceana Exploration Company, L.C." are hereby amended to substitute the name "Victory Energy Partners, L.L.C." in lieu thereof.

5. Exhibit "F" to the Credit Agreement is hereby amended by adding the name "Mitsui & Co. Energy Risk Management, LTD." thereto.

6. As of April 1, 2003, the Borrowing Base shall be $225,000,000 until redetermined pursuant to Section 7(b) of the Credit Agreement.

7. The Lenders have agreed to reallocate their respective Commitments and allow Comerica and Natexis to acquire an interest in the Commitments and Loans. As required by the Credit Agreement, the Agent and the Borrower, hereby consent to the sale of the portion of the

Commitments to Comerica and Natexis. After such reallocation of Commitments, the Lenders shall own the Commitment Percentages set forth on Schedule 1 hereto as of the First Amendment Effective Date. Each Lender shall surrender it's existing Note and be issued a new Note on the face amount equal to each Lenders' Commitment Percentage times $275,000,000. Each said Note to be in the form of Exhibit B to the Credit Agreement with appropriate insertions thereto.

8. In consideration of the Lenders' agreement to extend the Maturity Date, the Borrower hereby agrees to pay to the Lenders on the First Amendment Effective Date an amount equal to $512,500, to be prorated among the Original Lenders based upon their Commitment Percentages prior to the First Amendment Effective Date. In addition and in consideration of the Lenders' agreement to increase the Borrowing Base to $225,000,000, Borrower agrees to pay, on the First Amendment Effective Date, a borrowing base increase fee to the Lenders equal to $53,968.75 to be prorated among Lenders with new or increased Commitments as of the First Amendment Effective Date.

9. Except to the extent its provisions are specifically amended, modified or superseded by this First Amendment, the representations, warranties and affirmative and negative covenants of the Borrower contained in the Credit Agreement are incorporated herein by reference for all purposes as if copied herein in full. The Borrower hereby restates and reaffirms each and every term and provision of the Credit Agreement, as amended, including, without limitation, all representations, warranties and affirmative and negative covenants. Except to the extent its provisions are specifically amended, modified or superseded by this First Amendment, the Credit Agreement, as amended, and all terms and provisions thereof shall remain in full force and effect, and the same in all respects are confirmed and approved by the Borrower and the Lenders.

10. This First Amendment shall be effective as of the date first above written, but only upon the satisfaction of the conditions precedent set forth in Paragraphs 8 and 11 hereof (the "First Amendment Effective Date").

11. The obligations of Lenders under this First Amendment shall be subject to the following conditions precedent:

(a) Execution and Delivery. The Borrower and each Guarantor shall have executed and delivered this First Amendment, and other required documents, all in form and substance satisfactory to the Agent;

(b) Representations and Warranties. The representations and warranties of the Borrowers under this First Amendment are true and correct in all material respects as of such date, as if then made (except to the extent that such representations and warranties related solely to an earlier date);

(c) No Event of Default. No Event of Default shall have occurred and be continuing nor shall any event have occurred or failed to occur which, with the passage of time or service of notice, or both, would constitute an Event of Default;

(d) Other Documents. The Agent shall have received such other instruments and documents incidental and appropriate to the transaction provided for herein as the Agent or its counsel may reasonably request, and all such documents shall be in form and substance satisfactory to the Agent;

(e) Legal Matters Satisfactory. All legal matters incident to the consummation of the transactions contemplated hereby shall be reasonably satisfactory to special counsel for the Agent retained at the expense of Borrower.

12. Borrower hereby represents and warrants that all factual information heretofore and contemporaneously furnished by or on behalf of Borrower to Agent for purposes of or in connection with this First Amendment does not contain any untrue statement of a material fact or omit to state any material fact necessary to keep the statements contained herein or therein from being misleading. Each of the foregoing representations and warranties shall constitute a representation and warranty of Borrower made under the Credit Agreement, and it shall be an Event of Default if any such representation and warranty shall prove to have been incorrect or false in any material respect at the time given. Each of the representations and warranties made under the Credit Agreement (including those made herein) shall survive and not be waived by the execution and delivery of this First Amendment or any investigation by Lenders.

13. The Borrower agrees to indemnify and hold harmless the Lenders and their respective officers, employees, agents, attorneys and representatives (singularly, an "Indemnified Party", and collectively, the "Indemnified Parties") from and against any loss, cost, liability, damage or expense (including the reasonable fees and out-of-pocket expenses of counsel to the Lender, including all local counsel hired by such counsel) ("Claim") incurred by the Lenders in investigating or preparing for, defending against, or providing evidence, producing documents or taking any other action in respect of any commenced or threatened litigation, administrative proceeding or investigation under any federal securities law, federal or state environmental law, or any other statute of any jurisdiction, or any regulation, or at common law or otherwise, which is alleged to arise out of or is based upon any acts, practices or omissions or alleged acts, practices or omissions of the Borrower or its agents or arises in connection with the duties, obligations or performance of the Indemnified Parties in negotiating, preparing, executing, accepting, keeping, completing, countersigning, issuing, selling, delivering, releasing, assigning, handling, certifying, processing or receiving or taking any other action with respect to the Loan Documents and all documents, items and materials contemplated thereby even if any of the foregoing arises out of an Indemnified Party's ordinary negligence. The indemnity set forth herein shall be in addition to any other obligations or liabilities of the Borrower to the Lenders hereunder or at common law or otherwise, and shall survive any termination of this First Amendment, the expiration of the Loan and the payment of all indebtedness of the Borrower to the Lenders hereunder and under the Notes, provided that the Borrower shall have no obligation under this section to the Lenders with respect to any of the foregoing arising out of the gross negligence or willful misconduct of the Lenders. If any Claim is asserted against any Indemnified Party, the Indemnified Party shall endeavor to notify the Borrower of such Claim (but failure to do so shall not affect the indemnification herein made except to the extent of the actual harm caused by such failure). The Indemnified Party shall have the right to employ, at the

Borrower's expense, counsel of the Indemnified Parties' choosing and to control the defense of the Claim. The Borrower may at its own expense also participate in the defense of any Claim. Each Indemnified Party may employ separate counsel in connection with any Claim to the extent such Indemnified Party believes it reasonably prudent to protect such Indemnified Party. THE PARTIES INTEND FOR THE PROVISIONS OF THIS SECTION TO APPLY TO AND PROTECT EACH INDEMNIFIED PARTY FROM THE CONSEQUENCES OF STRICT LIABILITY IMPOSED OR THREATENED TO BE IMPOSED ON ANY INDEMNIFIED PARTY AS WELL AS FROM THE CONSEQUENCES OF ITS OWN NEGLIGENCE, WHETHER OR NOT THAT NEGLIGENCE IS THE SOLE, CONTRIBUTING, OR CONCURRING CAUSE OF ANY CLAIM.

14. This First Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

15. WRITTEN CREDIT AGREEMENT. THE CREDIT AGREEMENT, AS AMENDED BY THE FIRST AMENDMENT AND THIS FIRST AMENDMENT REPRESENTS THE FINAL AGREEMENT BETWEEN AND AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN AND AMONG THE PARTIES.

16. The Guarantors hereby consent to the execution of this First Amendment by the Borrower and reaffirms their guaranties of all of the obligations of the Borrower to the Lenders. Borrower and Guarantors acknowledge and agree that the renewal, extension and amendment of the Credit Agreement shall not be considered a novation of account or new contract but that all existing rights, titles, powers, and estates in favor of the Lenders constitute valid and existing obligations in favor of the Lenders. Borrower and Guarantors each confirm and agree that (a) neither the execution of this First Amendment or any other Loan Document nor the consummation of the transactions described herein and therein shall in any way effect, impair or limit the covenants, liabilities, obligations and duties of the Borrower and the Guarantors under the Loan Documents and (b) the obligations evidenced and secured by the Loan Documents continue in full force and effect. Each Guarantor hereby further confirms that it unconditionally guarantees to the extent set forth in their respective Guaranties the due and punctual payment and performance of any and all amounts and obligations owed to the Lenders under the Credit Agreement or the other Loan Documents.

IN WITNESS WHEREOF, the parties have caused this First Amendment to Credit Agreement to be duly executed as of the date first above written.

BORROWER:

GREAT LAKES ENERGY PARTNERS, L.L.C.,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

GUARANTORS:

VICTORY ENERGY PARTNERS, L.L.C.

By: Great Lakes Energy Partners, L.L.C.,
managing member

By: _____
Name: _____
Title: _____

OHIO INTRASTATE GAS TRANSMISSION
COMPANY

By: _____
Name: _____
Title: _____

LENDERS AND AGENTS:

BANK ONE, NA
as a Lender and as Administrative Agent
(Main Office Chicago)

By: _____
Wm. Mark Cranmer, Director,
Capital Markets

JPMORGAN CHASE BANK
as a Lender and as Syndication Agent

By: ______________________________________
Name: ____________________________________
Title: ___________________________________

CREDIT LYONNAIS NEW YORK BRANCH
as a Lender and as Co-Documentation Agent

By: _____
Name: _____
Title: _____

BANK OF SCOTLAND

By: ______________________________________
Name: ____________________________________
Title: ___________________________________

THE BANK OF NOVA SCOTIA
as a Lender and as Co-Documentation Agent

By: _____
Name: _____
Title: _____

FORTIS CAPITAL CORP.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

THE FROST NATIONAL BANK

By: ______________________________________
Name: ____________________________________
Title: ___________________________________

UNION BANK OF CALIFORNIA, N.A.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

COMERICA BANK-TEXAS

By: ____________________________________
Name: __________________________________
Title: _________________________________

NATEXIS BANQUES POPULAIRES

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

SCHEDULE 1

New $225MM BB/ $275MM (*) Allocation

	BB Commitment	%		Face Note
Bank One	$34,337,500.00	15.26%	15.261111111111100%	$41,968,055.56
Credit Lyonnais	$34,337,500.00	15.26%	15.261111111111100%	$41,968,055.56
Bank of Scotland	$33,825,000.00	15.03%	15.033333333333300%	$41,341,666.67
Bank of Nova Scotia	$30,955,000.00	13.76%	13.757777777777800%	$37,833,888.89
Fortis Capital	$26,957,500.00	11.98%	11.981111111111100%	$32,948,055.56
JP Morgan Chase	$22,500,000.00	10.00%	10.000000000000000%	$27,500,000.00
Frost National Bank	$11,837,500.00	5.26%	5.261111111111110%	$14,468,055.56
Union Bank of California	$10,250,000.00	4.56%	4.555555555555560%	$12,527,777.78
Comerica	$10,000,000.00	4.44%	4.444444444444440%	$12,222,222.22
Natexis	$10,000,000.00	4.44%	4.444444444444440%	$12,222,222.22
	$225,000,000.00	100.00%	100.00%	$275,000,000.00

EXHIBIT 31.1

CERTIFICATION

I, John H. Pinkerton, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Range Resources Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the

registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2003

/s/ JOHN H. PINKERTON

John H. Pinkerton
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Rodney L. Waller, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Range Resources Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the

registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2003

/s/ RODNEY L. WALLER

Rodney L. Waller
Acting Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF
PRESIDENT
OF RANGE RESOURCES CORPORATION
PURSUANT TO 18 U.S.C. SECTION 1350

1. I, John H. Pinkerton, President & CEO of Range Resources Corporation (the "Company"), hereby certify to the best of my knowledge that the accompanying report on Form 10-Q for the period ending June 30, 2003 and filed with the Securities and Exchange Commission of the date hereof pursuant to Section 13 (a) of the Securities Exchange Act of 1934 (the "Report") by the Company fully complies with the requirements of that section.

2.I further certify to the best of my knowledge that the information contained in the Report fairly presents, in all material aspects, the financial conditions and results of operations of the Company.

Note: A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by 906, has been provided to Range Resources Corporation and will be retained by Range Resources Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

By: /s/ JOHN H. PINKERTON

Name: John H. Pinkerton
Date: August 6, 2003

EXHIBIT 32.2

CERTIFICATION OF
ACTING CHIEF FINANCIAL OFFICER
OF RANGE RESOURCES CORPORATION
PURSUANT TO 18 U.S.C. SECTION 1350

1. I, Rodney L. Waller of Range Resources Corporation (the "Company"), hereby certify to the best of my knowledge that the accompanying report on Form 10-Q for the period ending June 30, 2003 and filed with the Securities and Exchange Commission of the date hereof pursuant to Section 13 (a) of the Securities Exchange Act of 1934 (the "Report") by the Company fully complies with the requirements of that section.

2.I further certify to the best of my knowledge that the information contained in the Report fairly presents, in all material aspects, the financial conditions and results of operations of the Company.

Note: A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by 906, has been provided to Range Resources Corporation and will be retained by Range Resources Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

By: /s/ RODNEY L. WALLER

Name: Rodney L. Waller
Date: August 6, 2003