

NON-DISCLOSURE AGREEMENT

NO. UTA07 - 266
(University Receiving)

THIS AGREEMENT, effective the 28th day of February, 2007, between THE UNIVERSITY OF TEXAS AT AUSTIN, located in Austin, Texas, a state institution established under the laws of the State of Texas as a component of The University of Texas System (hereinafter referred to as "UNIVERSITY" or "Receiving Party"), and MPG Petroleum, Inc., San Antonio, TX, hereinafter referred to as "MPG" or "Disclosing Party");

WHEREAS, MPG is the owner of proprietary/confidential technical data and other information relative to the Pearl and Ritchie Farms Prospects, lying in San Patricio, Refugio and Aransas Counties.

WHEREAS, such proprietary/confidential technical data and other information of MPG is not public knowledge, but is confidential, and will be disclosed to UNIVERSITY only under the terms of this Agreement;

WHEREAS, both parties to this Agreement consider it desirable for UNIVERSITY to have access to MPG's proprietary/confidential technical data and other information for purposes of discussing and evaluating possible collaborative research and development activities and/or licensing activities in the area of the Copano Bay and adjoining onshore lands;

NOW, THEREFORE, the parties agree as follows:

I.

PROPRIETARY/CONFIDENTIAL INFORMATION, as used in this Agreement, is all technical data and other information which is provided by the Disclosing Party to UNIVERSITY in connection with the discussions and evaluations of possible collaborative research and development activities and/or licensing activities in the area of the Copano Bay, and which is transmitted in writing and clearly marked "Proprietary" or "Confidential" or which, if disclosed orally, is reduced to writing by the Disclosing Party and clearly marked "Proprietary" or "Confidential", and is transmitted to UNIVERSITY within thirty (30) days of oral disclosure.

II.

UNIVERSITY agrees to hold in confidence any and all CONFIDENTIAL INFORMATION disclosed to it and further agrees not to disclose CONFIDENTIAL INFORMATION to third parties or use CONFIDENTIAL INFORMATION for a period of three (3) years from the date of this Agreement, except for discussion and internal evaluation purposes provided by this Agreement or with written permission from the Disclosing Party.

III.

ALL CONFIDENTIAL INFORMATION is and remains the property of the Disclosing Party and must be returned, if in a form suitable to be returned, by UNIVERSITY within thirty (30) days after the Disclosing Party makes written request for its return.

IV.

Nothing in this Agreement shall be interpreted as placing any obligation of confidentiality and nonuse on UNIVERSITY with respect to any of the CONFIDENTIAL INFORMATION of MPG that:

- A. can be demonstrated to have been in the public domain as of the date of this Agreement or comes into the public domain during the term of this Agreement through no fault of UNIVERSITY;
- B. can be demonstrated to have been known to UNIVERSITY prior to execution of this Agreement and was not acquired, directly or indirectly, from the Disclosing Party or from a third party under a continuing obligation of confidentiality;
- C. can be demonstrated to have been received by UNIVERSITY after disclosure under this Agreement from a third party who did not require UNIVERSITY to hold it in confidence and who did not acquire it, directly or indirectly, from the Disclosing Party under a continuing obligation of confidentiality;
- D. can be demonstrated to have been independently developed by personnel of UNIVERSITY who had no substantive knowledge of Disclosing Party's information; or
- E. is required to be disclosed pursuant to law or court order.

V.

No CONFIDENTIAL INFORMATION of Disclosing Party's may be incorporated by UNIVERSITY into any solicited or unsolicited proposal submissions to the U.S. Government or any other potential sponsors without prior written approval from MPG.

VI.

It is understood and agreed that nothing in this Agreement precludes either party from collaborating or working with others in any connection, as long as the confidentiality obligations of paragraphs II, III, IV and V are respected.

VII.

This Agreement neither creates an obligation on the part of UNIVERSITY to take a license, nor does this Agreement create an obligation on the part of DISCLOSING PARTY to offer a license to UNIVERSITY.

VIII.

UNIVERSITY agrees to provide Disclosing Party with any material it desires to publish relating to this Agreement at least ten (10) days before submission. Disclosing Party will review the proposed publication to ensure that any displays, interpretation of the data, figure labels or commentaries do not include Disclosing Party's CONFIDENTIAL INFORMATION. UNIVERSITY agrees to alter the publication to remove Disclosing Party's CONFIDENTIAL INFORMATION at Disclosing Party's reasonable requests.

IX.

The points of contact and representatives for receiving CONFIDENTIAL INFORMATION are:

The University of Texas at Austin:
Office of Sponsored Projects
P.O. Box 7726
Austin, TX 78713-7726
Attn: Director

Disclosing Party:

MPG Petroleum, Inc.
8620 N. New Braunfels, Suite 411
San Antonio, Texas 78217
Attn: Margaret P. Graham, President

X.

Neither the execution of this Agreement nor the furnishing of any INFORMATION hereunder shall be construed as granting either expressly or by implication, estoppel or otherwise, any license under or title to any invention, patent, trademark or trade name now or hereafter owned by or controlled by the party receiving or disclosing the INFORMATION.

XI.

This Agreement, except for the obligations of paragraphs II, III, IV, and V above with respect to CONFIDENTIAL INFORMATION disclosed under this Agreement, shall terminate one (1) year from the effective date or upon thirty (30) days prior written notice by either party to the other party. The provisions of paragraphs II, III, IV, V and XI regarding the rights and obligations of the parties relative to CONFIDENTIAL INFORMATION delivered prior to the expiration or termination of this Agreement shall survive any such expiration or termination.

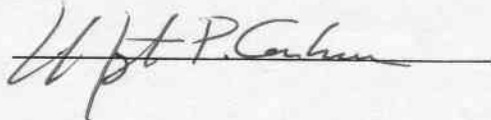
XII.

The validity and interpretation of this Agreement, and legal relations of the parties to it, shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the parties have caused this Agreement No. UTA 07-2466 to be executed by their duly authorized representatives.

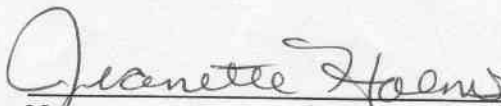
DISCLOSING PARTY

MPG Petroleum, Inc.



February 28, 2007

THE UNIVERSITY OF TEXAS AT AUSTIN



Name:
Sponsored Projects

**Jeanette Holmes
Associate Director
Office of Sponsored Projects**

12, 2007
Date

MAR 28 2007
Date