

NO. C-1-PB-14-001245

In Re:	§	In the Probate Court No. 1
	§	
	§	of
	§	
TEL Offshore Trust	§	Travis County, Texas

ATTORNEY AD LITEM'S MOTION FOR SUMMARY JUDGMENT
ON DEFENDANT'S STATUTE OF LIMITATIONS DEFENSE

TO THE HONORABLE JUDGE HERMAN:

Glenn M. Karisch, as Attorney Ad Litem ("Ad Litem") for the unit holders of the TEL Offshore Trust that were served by publication and did not answer or appear ("AAL Parties"), moves for summary judgment on the Corporate Trustee's affirmative defense based on the statute of limitations as follows:

I. Summary

Bank of New York, Mellon Trust Company, N.A. ("BNYM" or "Trustee"), the corporate trustee of the TEL Offshore Trust (the "Trust"), owed the AAL Parties (and all other beneficiaries) a duty of full disclosure. The AAL Parties (and other beneficiaries) had no obligation to inquire about the Trustee's acts and omissions that were not disclosed to them. The only disclosures BNYM made to the beneficiaries were those in its SEC filings.¹ Accordingly, the Court should grant summary judgment that any of BNYM's wrongful acts, omissions and any resulting injuries that were not disclosed in the SEC filings were inherently undiscoverable.

¹ This motion does not address the claims of plaintiffs RNR Production Land and Cattle and Albert and Joyce Speisman.

Among other things, BNYM failed to disclose that:

1. In April 2009 it received a report from the Trust's petroleum engineers stating that, as of March 31, 2009, the total future net revenues for the Trust properties were **\$0**—below the \$2 million minimum that could have triggered termination of the Trust.
2. In 2009 and thereafter it and the other trustees considered various options to respond to the financial crisis the Trust faced due to Hurricane Ike, including:
 - Calling a vote of the beneficiaries, as allowed under the trust agreement, to decide whether to sell all the trust properties and terminate the Trust;
 - Placing the Trust into receivership;
 - Selling all or part of the net profits interest;
 - Borrowing money to pay expenses; and
 - BNYM resigning as trustee.
3. Instead of taking action to preserve value for the beneficiaries, the Trustees placed their interests ahead of the beneficiaries' interests, taking actions that benefitted only the Trustees

These failures to disclose this material information breached BNYM's fiduciary duties of loyalty, disclosure, and competence and constituted negligence, gross negligence, reckless indifference, bad faith and intentional conduct. Further, BNYM breached its duty by placing its interests ahead of the beneficiaries' interests. The damages resulting from this conduct are objectively verifiable, as BNYM's SEC filings

demonstrate the decline in value of the net profit interest from 2010, when the Trustees could and should have sold it, to its value in 2016, when the Trustees ultimately sold the remaining net profits interest.

Because the wrongful acts, omissions and resulting injuries that were not disclosed in any SEC filings were inherently discoverable and the injuries resulting therefrom are objectively verifiable, the discovery rule defers accrual of all causes of action until the AAL Parties (and other beneficiaries) discovered, or through the exercise of reasonable diligence should have discovered, these acts and injuries. As a matter of law, the causes of action did not accrue until Ad Litem, on behalf of the AAL Parties, learned of BNYM's wrongful conduct through the deposition of its representative in July 2016.

II. Summary Judgment Proof

Ad Litem relies on the pleadings in this cause and Cause No. C-1-PB-16-000096 and asks the Court to take judicial notice of those pleadings. Ad Litem further relies on the full content of the SEC filings of the TEL Offshore Trust and asks the Court to take judicial of those filings.² In addition, Ad Litem relies on the following exhibits hereto:

Exhibit 1	Excerpts from the deposition of Mike Ulrich, as corporate representative of BNYM ("Ulrich Dep.");
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² The Trust's SEC filings can be accessed here: <https://www.sec.gov/cgi-bin/browse-edgar?company=TEL+Offshore+Trust&owner=exclude&action=getcompany>. Texas Rule of Evidence 201 allows this court to take judicial notice of facts that are not subject to reasonable dispute because they can be accurately and readily determined from a source whose accuracy cannot reasonably be questioned. TEX. R. EVID. 201(b)(2). Specifically, courts have the power to take judicial notice of SEC filings for the purpose of determining what statements the documents contain—or don't contain—not to prove the truth of the documents' contents. *See United States ex rel. Lam v. Tenet Healthcare Corp.*, 481 F.Supp.2d 673, 680 (W.D. Tex. 2006) (applying nearly identical Federal Rule of Evidence 201(b)).

- Exhibits 2a-2h Excerpts from the United States Securities and Exchange Commission Form 10-K for the years 2008-2015;
- Exhibit 3 Letter Report as of October 31, 2008 on Reserves and Revenues of Certain Properties owned by the TEL Offshore Trust Partnership;
- Exhibit 4 Letter Report as of March 31, 2009 on Reserves and Revenues of Certain Properties owned by the TEL Offshore Trust Partnership.

III. Undisputed Facts

- A. The only disclosures to the beneficiaries were those in BNYM's SEC filings.

As Ulrich admitted, the trustees owed the beneficiaries fiduciary duties. These include a duty to place the beneficiaries' interest above the Trustees' interest, a duty of candor, a duty of loyalty and a duty of competence. *See* Ulrich Dep., 36:3-37:8.

The only disclosures that the trustees made to the beneficiaries were those in BNYM's SEC filings:

Q. Other than the SEC filings, how did the trustees communicate with the unit holders?

A. There was no other.

Q. So the only way the unit holders knew what was going on with the trust and the royalty properties was to review the SEC filings?

A. Either that or call me directly.

Ulrich Dep., 48:16-22.

- B. In 2009 BNYM received an engineering report showing that the Trust had \$0 future net revenues—a finding that could have caused the termination of the Trust—but did not disclose this report or its findings to the beneficiaries.

After Hurricane Ike, in accordance with the requirements of the Trust, the petroleum engineering firm of DeGolyer & MacNaughton (“D&M”) performed a reservoir study to determine the reserves attributable to the royalty properties and the partnership’s projected future net revenues as of an October 31, 2008 valuation date. D&M prepared such reports for the Trustees and included the “total future net revenues” attributable to the partnership’s interest that the Trustees included in the Trust’s required securities filings. The report issued as of October 31, 2008 reported total future net revenues attributable to the Trust’s net profits interest of \$24,225,749. Ex. 3 at p. 8. Unlike prior D&M reports, however, this report had modifying language. In the October 31, 2008 report, D&M advised that due to the damage to the Eugene Island 339 platforms and wells caused by Hurricane Ike and the uncertainties associated with their redevelopment, the Eugene Island 339 field had been omitted from the report at Chevron’s (the general partner) request. *Id.* at pp. 5-6. The report further stated that D&M had agreed to omit Eugene Island 339 from the report with the understanding that “this report will be updated once Chevron’s assessment of Eugene Island 339 is completed.” *Id.*

In March 2009, BNYM filed its annual form 10-K, advising the SEC and current and potential unit holders that the total future net revenues for the Trust as of October 31,

2008 were just over \$24 million. Ex. 2a at p. 14. The costs associated with the plugging and abandonment related to Eugene Island 339, estimated to be approximately \$61 million for 2009 alone, were not included. Ulrich Dep. 142:13-143:9.

In 2009, D&M updated their report as of March 31, 2009 (“March 31, 2009 Report”). See Ex. 4. The updated report included all the properties held by the Trust and made the October 31, 2008 report complete. Ulrich Dep. 148:14-19. This March 31, 2009 Report reflected total future net revenues for the Trust properties of \$0 – below the \$2 million minimum which could have triggered termination of the Trust under the terms of the Trust Agreement. Ex. 4, p. 8.

BNYM received a copy of the March 31, 2009 Report in April 2009. Ulrich Dep. 145:5-12. Ulrich admitted that information in the March 31, 2009 report was important and should have been shared with the beneficiaries:

Q. And a report like this would be something enough information you would sure want to review it, wouldn't you?

A. Yes, sir.

Q. And if it had reported zero values for the trust assets, you would want to make sure there was immediately a disclosure to the unit holders and to other stake holders of that fact, wouldn't you?

THE WITNESS: Yes.

Q. Did you do that?

A. No.

Q. And why didn't you?

A. I don't – I don't know. I don't have an answer.

Ulrich Dep., 151:7-21.

Because the Trustees' only disclosures to the beneficiaries were in SEC filings and those filings never disclosed the March 31, 2009 Report, any beneficiary or anyone else interested in the Trust would have no way of knowing of its existence or its implications:

Q. (BY MR. RATLIFF) And you told Mr. Bitting much earlier in this deposition that the only way you communicated with unit holders was by securities filings, and I assume you included within that any press releases you issued with regard to the status of the trust??

A. Correct.

Q. But after this report, for a period of time, anyone interested in the affairs of this trust outside of the trustees and the people employed by the trust, they would have been unaware of its existence and its potential implications for the value of the trust?

A. Correct.

Id. at 153:1-13.

After receiving the March 31, 2009 Report, BNYM, on behalf of the Trust, made six filings with the SEC in 2009 and three filings with the SEC in 2010. At no time, in any of those filings, did BNYM acknowledge the existence of the March 31, 2009 Report, much less its disturbing findings.

C. By 2009 BNYM considered—but did not disclose or pursue—various options to address the dire financial situation, including calling a vote to sell the net profits interest and terminate the Trust.

By 2009, the trustees were concerned with the depleting reserve to pay trust expenses and they began considering various options of how to deal with the crisis. *Id.* at 97:11-20. These options included:

- Calling a vote of the beneficiaries, as allowed under the trust agreement, to decide whether to sell all the trust properties and terminate the trust (*Id.* at 44:22-46:25, 52:6-53:25);
- A receivership (*Id.* at 55:25-56:6);
- Selling all or part of the net profits interest (*Id.* at 97:25-98:4);
- Borrowing money to pay expenses (*Id.* at 97:25-98:4); and
- BNYM resigning as trustee (*Id.* at 97:25-98:4).

Sometime later they considered the option that they actually ultimately pursued: asking the court to modify the trust terms to allow the sale of all the net profits interest and termination of the trust. But they did not file that action until summer 2014 and took 11 months to serve all parties and obtain the appointment of Ad Litem.

The trustees did not disclose to the beneficiaries that they were considering any of these options. *Id.* at 109:12-110:12. Among other things, they never told the beneficiaries that the situation was so dire that BNYM considered resigning. *Id.* at 109:16-19. They also never told the beneficiaries that they considered calling for a meeting of the beneficiaries to explain the situation and let the beneficiaries vote on whether to terminate the trust but decided not to do so. *Id.* at 110:7-12.

IV. The discovery rule applies to the AAL Parties' claims.

Under the legal injury rule, a cause of action accrues when a wrongful act causes some legal injury, even if the fact of injury is not discovered until later, and even if all resulting damages have not yet occurred. *S.V. v. R.V.*, 933 S.W.2d 1, 4 (Tex. 1996).

The discovery rule is an exception to the legal injury rule. Under the discovery rule, an action does not accrue until the plaintiff knew or in the exercise of reasonable diligence should have known of the wrongful act and resulting injury. *S.V.*, 933 S.W.2d at 4. The discovery rule applies in cases in which the nature of the injury incurred is inherently undiscoverable and the evidence of injury is objectively verifiable. *Id.*

A. Wrongful acts, omissions and the resulting injuries not disclosed in BNYM's SEC filings are inherently undiscoverable.

An injury is inherently undiscoverable if it is by nature unlikely to be discovered within the prescribed limitations period despite due diligence. *Id.*

The Texas Supreme Court has twice held that a fiduciary's misconduct is inherently undiscoverable. *See Willis v. Maverick*, 760 S.W.2d 642, 646 (Tex. 1977) (*per curiam*) and *Slay v. Burnett Trust*, 187 S.W.2d 377, 394 (Tex. 1945). That is because a person to whom a fiduciary duty is owed is either unable to inquire into the fiduciary's actions or unaware of the need to do so. *S.V.*, 933 S.W.2d at 8. "Facts which might ordinarily require investigation likely may not excite suspicion where a fiduciary relationship is involved." *Willis*, 760 S.W.2d at 645. Postponement of the accrual of the cause of action in a fiduciary relationship vindicates the fiduciary duty of full disclosure; "it prevents the fiduciary from obtaining immunity for an initial breach of duty by a subsequent breach of the obligation of disclosure." *Id.* (citing *Neel v. Magana, Olney, Levy, Cathcart & Gelfand*, 491 P.2d 421, 429 (Cal. 1971)).

In addition, in *Andretta v. West*, 415 S.W.2d 638 (Tex. 1967), the Texas Supreme Court held that a fiduciary relationship exists between the owner of the executive rights and nonparticipating royalty owners because of the imbalance of powers involved. *Id.* at 641. Because of that fiduciary duty, a lease amendment executed and recorded after Andretta acquired his interest was not constructive notice because he had no reason to search the records when he had no reason to know or suspect that West had agreed to a payment in lieu of royalty. *See id.* at 642. Thus, limitations did not begin running until Andretta learned or should have learned of the wrong. *Id.*

Here, the acts and omissions that BNYM did not disclose in its SEC filings were, as a matter of law, inherently undiscoverable. BNYM's representative admitted that the SEC filings were the only means by which the trustees disclosed things to the beneficiaries. The AAL Parties (and other beneficiaries) neither had a reason nor the ability to go behind the SEC filings to try to determine what the trustees had failed to disclose to them. Until learning about it in discovery in this case, the AAL Parties (and other beneficiaries) had no reason to know of the existence of the March 31, 2009 Report. Similarly, they had no reason to know that the trustees considered but failed to pursue various options that would have protected the beneficiaries' interests in the aftermath of Hurricane Ike but did not pursue them or even disclose them.

Thus, BNYM's failures to disclose and its placing its interests above the beneficiaries'—including considering but failing to pursue a sale of all the net profits interest when it still had significant value—were inherently undiscoverable. Likewise, its

wrongful failure to disclose and act on the March 31, 2009 Report, including using it as a basis to terminate the Trust, is inherently undiscoverable. The Court should grant summary judgment that these wrongful acts, omissions and injuries that were not disclosed in the SEC filings are inherently discoverable as a matter of law.³

B. The injuries are objectively verifiable.

The second criteria for the discovery rule to apply is that the injuries are verifiable from objective evidence. Often, the alleged injury is indisputable. *See, e.g. International Bankers Life Ins. Co. v. Holloway*, 368 S.W.2d 567, 580 (Tex. 1963) (stock transfer records and board meeting minutes proved officers' and directors' misdealing); *Slay*, 187 S.W.2d at 385-87 (paper trail detailed self-dealing). That is the case here.

Injuries caused by BNYM's breaches of fiduciary duty include the loss in value of the Trust estate due to BNYM's failure to take action to sell the net profits interest when it still had significant value. The value of the trust property—and the decrease in that value—can be verified by objective evidence.

In fact, each year the trustees' petroleum engineers, D&M, did just that. As noted, each year D&M prepared a reserve study that determined, among other things, the total future net revenues of the Trust. It did that both on an absolute basis and discounted to

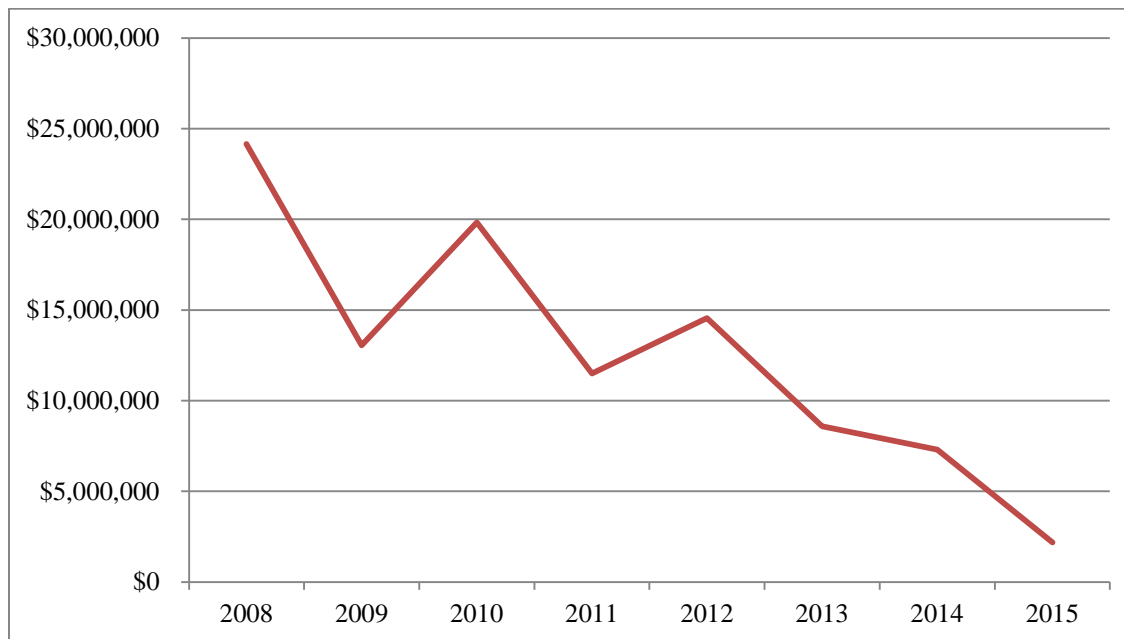
³ The "inherently undiscoverable" element of the discovery rule focusses on the nature of the wrongful act and injury, not the particular cause of action asserted. *See S.V.*, 933 S.W.2d at*5-7. The wrongful acts, omissions and resulting injuries that are the basis of all of Ad Litem's causes of action were inherently undiscoverable. Thus, the discovery rule deferred accrual of all causes of action. But, at a minimum, the discovery rule deferred accrual of the causes of action for breach of fiduciary duty, including for breaches done intentionally and with reckless indifference, gross negligence and bad faith.

present value at a discount rate of 10%. Both undiscounted and the discounted values show the decline in the value of the Trust Estate:

<u>Exhibit</u>	<u>Year</u>	<u>D&M Reserve Study Total Future Net Revenues as of Oct. 31</u>	<u>Present value at 10% Discount</u>
2a	2008	\$24,200,000	\$16,786,756 ⁴
2b	2009	\$13,100,000	\$9,400,000
2c	2010	\$19,800,000	\$15,000,000
2d	2011	\$11,500,000	\$8,530,000
2e	2012	\$14,500,000	\$11,600,000
2f	2013	\$8,600,000	\$6,100,000
2g	2014	\$7,300,000	\$5,600,000
2h	2015	\$2,200,000	\$1,600,000

⁴ This number was not included in the 2008 10-K, but can be found in Ex. 3, p. 8.

The downward trend in the value of the Trust's property is obvious:



Thus, the decline in the value of the Trust property is not only objectively verifiable, it was objectively verified.

V. As a matter of law, the wrongful acts, omissions and injuries that are the basis of Ad Litem's claims were not discovered or discoverable until BNYM disclosed them in discovery in July 2016.

Because the wrongful acts, omissions and resulting injuries are inherently undiscoverable and the injuries are objectively verifiable, the discovery rule applies. Therefore, Ad Litem's causes of action do not accrue—and limitations does not begin to run—until Ad Litem, or the AAL Parties he represents, knew or should have known, of their injuries. The only disclosures were in the SEC filings and Ad Litem, and the AAL Parties had no duty of further inquiry. Therefore as a matter of law, Ad Litem (and any AAL Parties) did not and could not have discovered the acts, omissions and injuries

giving rise to their claims until Ad Litem learned of them in the course of discovery in this lawsuit. In particular, not until Ulrich was deposed on July 14, 2016 could Ad Litem have known of the existence of these acts/omissions and injuries. The Court should rule, therefore, that the statute of limitations does not bar any of the Ad Litem's claims as a matter of law.

Therefore, Ad Litem requests that the Court grant summary judgment as follows:

1. Wrongful acts and omissions and the resulting injuries not disclosed in BNYM's SEC filings are inherently undiscoverable;
2. Injuries resulting from BNYM's breaches of fiduciary duty and other wrongful acts and omissions—including the loss in value of the Trust estate—are objectively verifiable;
3. The discovery rule applies to Ad Litem's causes of action such that they do not accrue—and limitations does not start to run—until Ad Litem or the AAL Parties knew, or in the exercise of reasonable diligence should have known, of the wrongful acts, omissions and resulting injuries;
4. Ad Litem's causes of action based on acts, omissions and injuries not disclosed in BNYM's SEC filings did not accrue until Ad Litem learned of those acts and omissions in discovery in this case; and therefore
5. Ad Litem's causes of action are not barred by limitations.

Ad Litem requests such other and further relief both at law and in equity, to which he may be entitled.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served on counsel of records on February 24, 2017 and will be served in accordance with the Court's orders regarding service dated September 28, 2015 and January 21, 2016.

By: /s/ Daniel C. Bitting
Daniel C. Bitting

EXHIBIT 1

NO. C-1-PB-14-001245

In Re:) In the Probate Court No. 1
)
) of
)
TEL Offshore Trust) Travis County, Texas

ORAL AND VIDEOTAPED DEPOSITION OF
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
CORPORATE REPRESENTATIVE

MICHAEL ULRICH

JULY 14, 2016

ORAL AND VIDEOTAPED DEPOSITION OF MICHAEL ULRICH,
produced as a witness at the instance of the
Defendants, and duly sworn, was taken in the
above-styled and numbered cause on July 14, 2016, from
9:14 a.m. to 5:08 p.m., before Kim Seibert, CSR in and
for the State of Texas, reported by machine shorthand,
at the law offices of ANDREWS KURTH, LLP, 111 Congress
Avenue, Suite 1700, Austin, Texas, pursuant to the
Texas Rules of Civil Procedure and the provisions
stated on the record or attached hereto.

A P P E A R A N C E S

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ALSO PRESENT:

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Roy T. Rimmer, Jr.
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Shannon Durst
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1 (Exhibit No. 1 marked.)

2 THE VIDEOGRAPHER: Stand by. This is the
3 videotaped oral deposition of Michael Ulrich. Today's
4 date, July 14th, 2016. The approximate time, 9:15 a.m.
5 We're recording and on the record.

6 MICHAEL ULRICH,
7 having been first duly sworn, testified as follows:

8 EXAMINATION

9 BY MR. BITTING:

10 Q. Good morning. What is your name?

11 A. Mike Ulrich.

12 Q. Where do you live, Mr. Ulrich?

13 A. In Lakeway, Texas.

14 Q. Can you provide your address, please?

15 A. 114 Indian Bend, Lakeway, Texas.

16 Q. What ZIP code is that?

17 A. 78734.

18 Q. Do you have a cell phone?

19 A. Yes, I do.

20 Q. Would you provide that number, please?

21 A. (512) 633-9974.

22 Q. Do you have a landline?

23 A. Yes.

24 Q. Would you provide that, please?

25 A. (512) 261-9976.

1 publicly traded?

2 A. That is correct.

3 Q. Well, in general, what are the duties of the
4 Bank of New York as trustee for the TEL Offshore Trust?

5 A. What are our duties?

6 Q. Yes.

7 A. To receive and protect the title through
8 conveyances of the properties, to receive the income
9 from those royalties, to pay the expenses of the trust,
10 and to pay the net profits interest to the unit holders
11 after expenses are paid.

12 Q. Do you agree as -- that the -- as trustee you
13 and the bank owe fiduciary duties?

14 A. Yes.

15 Q. What are those?

16 A. To protect the property of the trust.

17 Q. What does it mean to have a fiduciary duty as
18 opposed to some other sort of duty?

19 A. That we have to act in the best interest of
20 the unit holders and the trust.

21 Q. And you have to put the interest of the unit
22 holders ahead of your interest as trustee?

23 A. Yes.

24 Q. And you have a duty of full disclosure of
25 information to the unit holders, correct?

1 A. Correct.

2 Q. And you have a duty of loyalty?

3 A. Yes.

4 Q. Yes?

5 And you have a fiduciary duty of
6 competence --

7 A. Yes.

8 Q. -- doing your job right?

9 Are there other fiduciary duties that you
10 believe you have as trustee?

11 A. I think that summarizes it.

12 Q. And do you believe that the bank has special
13 expertise or skill to enable it to carry out these
14 duties?

15 A. Yes.

16 Q. And do you believe that you, individually,
17 based on your years of experience in working with, say,
18 20 of these royalty trusts have special expertise and
19 skills in carrying out duties as a trustee for these
20 types of trusts?

21 A. Yes.

22 Q. And I think you -- I'm sure you agree with me
23 one of the duties of a trustee is to fulfill the
24 purposes of the trust.

25 A. Yes.

1 A. Yes.

2 Q. All right. So is it your view of the trust
3 agreement that if the trustees decided, we want to sell
4 off all the property, the decision the trustees
5 ultimately made, that to do that without court approval
6 it would have required a vote, an affirmative vote of a
7 majority of the unit holders?

8 A. Repeat that question.

9 Q. That might not have been a very good question.

10 This petition is asking the court to
11 modify the trust to let us sell off all the properties
12 and terminate the trust, right?

13 A. Correct.

14 Q. And you felt you needed to go get court
15 permission to do that?

16 A. Correct.

17 Q. Under the agreement is it your position
18 that -- that to have done that without court permission
19 would have required a meeting and an affirmative vote
20 of the majority of the unit holders?

21 A. Correct.

22 Q. At any time did the trustees consider pursuing
23 that, calling a meeting and presenting to the unit
24 holders, hey, we have this bad hurricane, it destroyed
25 Eugene Island, we've got all these costs, we're looking

1 at having to pay off a big loss carry-forward before
2 we're ever going to see any money, do y'all want to
3 call it a day, sell the property, and terminate the
4 trust? Did you ever consider doing that?

5 A. Yes.

6 Q. When?

7 A. Oh, let's see. Over the last five, six years.

8 Q. So we're -- we're in 2016. The hurricane was
9 in 2008. Did you --

10 A. We started talking about that after the cash
11 reserve on hand was starting to deplete rapidly.

12 Q. In your 10-Ks there's a reference to reserve
13 for trust expenses. What is that?

14 A. That's a cash reserve that if we do not
15 receive funds from the general managing partner that we
16 would have monies to pay the G and A expenses of the
17 trust.

18 Q. When you say the cash reserve was starting to
19 deplete, is that what you were referring to?

20 A. Yes.

21 Q. So you say you, the trustee, started
22 considering calling a meeting of the unit holders to
23 vote to terminate the trust to sell the properties.
24 When that reserve started depleting, why didn't you do
25 it?

1 A. We felt like we would not get the majority
2 approval to do that.

3 Q. What led you to think that?

4 A. Historically this trust with the Offshore
5 properties, there had been prior hurricanes, tropical
6 disturbances that shut down the properties whereby to
7 make the repairs and start getting a net profit
8 interest again from the general managing partner was a
9 quarter or two quarters down the road where we did not
10 receive any money. And then eventually we'd start
11 receiving money again. And in my various conversations
12 with numerous unit holders, they felt in their minds
13 that this trust would eventually go start receiving
14 income from the -- from Chevron.

15 Q. Who are the numerous unit holders you talked
16 to about that?

17 A. I don't know their name. I only know one
18 guy -- what was his name -- Ruansky, or something like
19 that, on the East Coast.

20 Q. Were these oral conversations?

21 A. Yes.

22 Q. How many unit holders did you talk to about --
23 to express that opinion that they thought the
24 properties would come back and start paying them net
25 profit?

1 considering calling a meeting to discuss terminating
2 the trust, what are your thoughts on that?

3 A. What is the question again?

4 Q. Did the trustees communicate to the unit
5 holders this idea that was under consideration of
6 calling the meeting to terminate, sell the property and
7 terminate the trust?

8 A. No.

9 MS. LUCIER: Objection, form.

10 Q. (BY MR. BITTING) So how did these 40 or so
11 unit holders know to call you to express their opinions
12 that, hey, we don't want to do that?

13 A. They were looking at the SEC filings that I
14 signed. There was a phone number there for them to
15 call.

16 Q. Other than the SEC filings, how did the
17 trustees communicate with the unit holders?

18 A. There was no other.

19 Q. So the only way the unit holders knew what was
20 going on with the trust and the royalty properties was
21 to review the SEC filings?

22 A. Either that or call me directly.

23 Q. You didn't have any mass e-mail set up where
24 you could periodically send out, here's what's going
25 on, here's what we're thinking about, to the unit

1 trying to rescind this transaction?

2 A. Yes.

3 Q. This litigation that was occurring in Houston,
4 was it around 20 years ago or 15?

5 A. Yes.

6 Q. Did the trustees look into the cost of doing a
7 vote by the TEL unit holders either by a meeting or by
8 proxy when you were considering that option after
9 Hurricane Ike?

10 A. Repeat the question, please.

11 Q. You've said that once the cash reserve was
12 depleting is when the trustees started thinking, you
13 know, one option would be we could call a vote and to
14 vote on selling the properties and terminating the
15 trust under 6.03, right?

16 A. Correct.

17 Q. So during that time that you were considering
18 that option, did the trustees obtain any estimates of
19 this is what doing that might cost?

20 A. Yes.

21 Q. Where did you get the estimates?

22 A. Talking to legal -- outside legal counsel,
23 talking to the transfer agent, costs of the mailings,
24 cost of tabulating the votes.

25 Q. And what was that cost estimate that you got?

1 A. 2 to 300,000.

2 Q. And when did you receive that estimate?

3 A. I don't recall exactly.

4 Q. Do you remember roughly -- the hurricane is in
5 2008. And I suppose we can look at the 10-Ks and see
6 when the cash reserve was depleting, right?

7 A. Correct.

8 Q. So do you think that was by 2009 that you had
9 this concern of, you know, maybe we ought to think of
10 our options because our cash is really depleting?

11 A. Yes.

12 Q. And when -- you think you received the cost
13 estimate for calling this meeting at the same time
14 around 2009?

15 A. Yes.

16 Q. At the time would there have been enough cash
17 to pay that 2 to \$300,000 at this meeting had the
18 trustees decided to do it?

19 A. I believe so.

20 Q. So why didn't you do it?

21 A. I did not think the unit holders would approve
22 it.

23 Q. And that was based on the 40 people that
24 called on their own, felt the need to call?

25 A. Correct.

1 of these six or seven royalty trusts.

2 And they went to each of the unit holders
3 of each of those trusts asking for approval for the new
4 bank to take over as successor trustee from the Bank of
5 America. And Ron told me that basically they all
6 needed at least 50 percent of the units to vote in
7 favor of it, and they had a lot of trouble getting it
8 on the last -- on -- I believe it was three. And
9 eventually he got approval to name them at this new
10 bank as the successor trustee.

11 I believe there was one where they never
12 did get the approval. And so in my discussion with the
13 individual trustees I relayed that to them, and I
14 believe my words were like, they had trouble just
15 naming a new trustee doing the same duties. If they
16 had that much trouble, I felt like we would have a lot
17 more trouble terminating a trust.

18 Q. What led you to have this conversation with
19 Mr. Hooper?

20 A. I followed his SEC filings and knew that a
21 couple of them were he was having difficulty getting
22 unit holders to approve of a successor trustee.

23 Q. When did you have this conversation?

24 A. Three or four years ago.

25 Q. When you were considering -- when the trustees

1 were considering the option of calling a meeting to
2 vote to terminate the trust, what other options did you
3 consider?

4 MS. LUCIER: Objection, form.

5 THE WITNESS: We considered a
6 receivership. We considered selling more interest in
7 trust. I mentioned earlier borrowing money from
8 another party. Also considered just keep going,
9 keeping the status quo. That's all I can recall right
10 now.

11 Q. (BY MR. BITTING) Did you consider the option
12 you wound up pursuing, that is, filing a judicial
13 action to get the court approval to sell the properties
14 and terminate the trust?

15 A. Yes.

16 Q. And were all these options being -- at what
17 point was the first time these options were being
18 discussed?

19 A. It was after the 2013 sale. We realized, I
20 guess, in 2014 that it would be at least another three
21 or four years before we would eliminate that loss
22 carry-forward.

23 Q. Well, you told me that you at least began
24 considering the option of calling a meeting to vote on
25 the sale when you saw the cash reserve depleting.

1 than that, right?

2 A. Yes.

3 Q. It's not 2.1 million, it's 1.2, 1.3 million,
4 right?

5 A. Yes.

6 Q. So what -- what led to that reserve being
7 lower than, based on your formula, the trustees thought
8 it should be?

9 A. There was no money coming in to refund that
10 reserve account.

11 Q. And by this point, you mentioned earlier that
12 you grew concerned by the depletion of the reserve by
13 the end of 2009. Were you having that concern about
14 the depletion of the reserve for trust expenses?

15 A. Yes.

16 Q. So I think you told me earlier that that
17 concern is what triggered thinking about various
18 options that you could pursue. So were you thinking
19 about that by the end of 2009?

20 A. Yes.

21 Q. Thinking about the option of calling a vote by
22 the unit holders to terminate?

23 A. I don't know that we thought about that at
24 that time.

25 Q. What options were the trustees considering in

1 terms of responding to the problems -- financial
2 problems caused by Ike by the end of 2009?

3 A. Borrowing money, selling an interest in the
4 trust, resigning in favor of successor trustee.

5 Q. How would resigning in favor of a successor be
6 of a benefit to the unit holders?

7 A. It would keep the trust going.

8 Q. How would a success or trustee be able to keep
9 the trust going whereas Bank of New York and the other
10 individual trustees couldn't?

11 A. They would be in the same situation we were
12 in.

13 Q. So I guess that's what I'm not understanding.
14 I mean, I suppose you can get a trustee that charges
15 less money, but --

16 A. Or a trustee that's willing to lend money to
17 the trust.

18 Q. If you look over on Page 13, there's a
19 statement called -- or a section called "Termination of
20 the Trust." Do you see that?

21 A. Yes.

22 Q. And this is included in all the 10-Ks you
23 filed, right?

24 A. Yes.

25 Q. In fact, there's a lot of the 10-Ks that seem

1 Q. And did you get some answer from Chevron that,
2 you know, "You're looking at two years, three years,
3 four years"?

4 A. We got some vague answers that it would take
5 probably a year to two years.

6 Q. It actually took longer than that, didn't it?

7 A. I believe it did, yes.

8 Q. Other than the minutes, are there any
9 recordings, audio recordings, video recordings, other
10 documentations of these quarterly trustee meetings?

11 A. No.

12 Q. You mentioned that around -- I think around
13 the 2009 timeframe trustees were considering a variety
14 of options, one of which was to resign, right?

15 A. Correct.

16 Q. Did any of the trustees communicate to any of
17 the unit holders that one of the things you were
18 considering was resigning?

19 A. No.

20 Q. Prior to entering some of the loans with the
21 bank did any of the trustees communicate to any of the
22 unit holders that one of the things you were
23 considering in light of the aftermath of Hurricane Ike
24 was borrowing money?

25 A. Not to my knowledge.

1 Q. Prior to actually selling interest, did any of
2 the trustees communicate to any of the unit holders
3 that one of the options you were considering in light
4 of the aftermath of Hurricane Ike was selling off part
5 of the trust net profits interest?

6 A. Not to my knowledge, no, sir.

7 Q. And did any of the trustees communicate with
8 any of the unit holders that one of the options you
9 were considering was calling a meeting to have them
10 vote on whether or not to sell off the properties and
11 terminate the trust?

12 A. No.

13 MR. BITTING: What number are we on,
14 No. 9?

15 (Exhibit No. 9 marked.)

16 Q. (BY MR. BITTING) Let's take a look at No. 9,
17 please.

18 MR. RATLIFF: Did you say this was 9?

19 MR. BITTING: 9.

20 Q. (BY MR. BITTING) Is Exhibit No. 9 the
21 four quarterly net profits statements from Chevron for
22 the 2010 quarters?

23 A. Yes.

24 Q. And if we just flip through this we can track
25 what's going on with the net losses to be carried

1 A. Yes.

2 Q. Okay. Now, was this report updated?

3 A. Every year, I guess it was.

4 Q. What do you mean by that? By 10-Ks?

5 A. New reserve report -- new reserve report.

6 Q. All right. New reserve report then would
7 either be described in or attached to the 10-K?

8 A. Correct.

9 Q. Covering that material. But you are not aware
10 of any other update?

11 A. No.

12 (Exhibit No. 14 marked.)

13 Q. (BY MR. RATLIFF) Let me show you what's been
14 marked as Exhibit No. 14. And this a Form 10-Q filed
15 by the trust, correct?

16 A. Yes, sir.

17 Q. And as for the quarterly period ended in
18 March 31 of 2009?

19 A. Yes.

20 Q. And the date it actually was prepared was
21 when?

22 A. May 8th.

23 Q. May 8th of 2009. Now, in this form 10-Q,
24 Exhibit No. 14, if you look at the page Bates marked
25 22245. The -- if you look at Subparagraph E, this

1 continued to not include any reserves or values
2 attributable to Eugene Island 339 nor did it include
3 the trust share of any plugging and abandonment cost
4 related to 339, right?

5 A. Correct.

6 Q. And it states, "With costs of 2009 alone
7 estimated to be approximately \$61 million." Where did
8 that come from?

9 A. Probably came from Chevron.

10 Q. Would this have been information they would
11 have simply plugged in in the course of reviewing a
12 draft?

13 A. Yes.

14 Q. Was this information that you or any of the
15 trustees made any attempt independently to evaluate
16 either by yourselves or using experts?

17 A. No.

18 Q. And as of the date of Exhibit No. 14, this
19 10-Q, there was a reserve established by the trustees
20 of \$2,233,291, right?

21 A. Yes.

22 Q. And that -- that, again, was a reserve to
23 handle G&A costs?

24 A. Yes.

25 Q. Okay. Then on Page 22246 in the, I guess, the

1 marked as Ulrich Exhibit No. 15.

2 THE REPORTER: Don't mark on exhibits.

3 THE WITNESS: Oh, I'm sorry. I thought
4 they were mine. My bad.

5 Q. (BY MR. RATLIFF) This appears to be a letter
6 report as of March 31, 2009, on reserves in revenue and
7 the letter bears a date of May 15, 2009, right?

8 A. Yes, sir.

9 Q. When was the first time you saw this report?

10 A. Sometime in April of 2009.

11 Q. Sometime in April of 2009?

12 A. Yes, sir.

13 Q. Did you -- had you seen a draft of this report
14 before April of 2009?

15 A. I don't recall.

16 Q. And when were you first made aware of the fact
17 that this report had been prepared or was being
18 prepared?

19 A. I don't recall.

20 Q. All right. But in any event, it's dated
21 March 31, 2009. And if you'll turn to the first page
22 of the letter dated May 15, 2009, see if I read this
23 correctly, addressed to Chevron USA, Inc., "Pursuant to
24 your request, we have prepared estimates of the
25 March 31, 2009, of the extent and value of the

1 at this, "Capital and abandonment costs with longer
2 life property and will accrue at the end of each
3 quarter in amounts specified by Chevron beginning in
4 April 2009," right?

5 A. Yes.

6 Q. And did -- did you or the trustees, to your
7 knowledge, ever do anything to examine those capital
8 and abandonment cost that Chevron accrued at the end of
9 each quarter? Make any determination of
10 reasonableness?

11 A. No.

12 Q. So the trustees simply took their word for it?

13 A. Yes.

14 Q. Since this is the updated report that was
15 referenced in the October 2008 D&M report, this would
16 be the first report by D&M that addresses the entirety
17 of the trusts overriding royalty interests, right?

18 MS. LUCIER: Objection, form.

19 THE WITNESS: Yes.

20 Q. (BY MR. RATLIFF) And by the time of the
21 March 2009 report, Chevron had provided the estimated
22 costs for the work required to clear the remaining
23 infrastructure and abandoned existing wells, right?

24 A. To that point, yes.

25 Q. All right. And that was information that

1 Q. Were you referring to the last page of the
2 summation?

3 A. Yeah, Page 8.

4 Q. Well, this came out of the your file, did it
5 not?

6 A. I assume it did, yes.

7 Q. And a report like this would be something with
8 significant enough information you would sure want to
9 review it, wouldn't you?

10 A. Yes, sir.

11 Q. And if it had if it reported zero values for
12 the trust assets, you would want to make sure that
13 there was immediately a disclosure to the unit holders
14 and to other stakeholders of that fact, wouldn't you?

15 MS. LUCIER: Objection, form.

16 THE WITNESS: Yes.

17 Q. (BY MR. RATLIFF) Did you do that?

18 A. No.

19 Q. And why didn't you?

20 A. I don't -- I don't know. I don't have an
21 answer.

22 Q. While you don't recall any discussions with
23 other trustees about this report, do you recall on or
24 about May 15 or after 2009 discussing with the trustees
25 whether the trust had terminated by its terms?

1 Q. (BY MR. RATLIFF) And you told Mr. Bitting
2 much earlier in this deposition that the only way you
3 communicated with unit holders was by securities
4 filings, and I assume you included within that any
5 press releases you issued with regard to the status of
6 the trust?

7 A. Correct.

8 Q. But after this report, for a period of time,
9 anyone interested in the affairs of this trust outside
10 of the trustees and the people employed by the trust,
11 they would have been unaware of its existence and its
12 potential implications for the value of the trust?

13 A. Correct.

14 Q. Give me just a minute, Mr. Ulrich. Let's go
15 off the record for a minute.

16 THE VIDEOGRAPHER: We're off at 3:06.

17 (Exhibit No. 16 marked.)

18 THE VIDEOGRAPHER: Standby. Back on the
19 record 3:13.

20 Q. (BY MR. RATLIFF) Mr. Ulrich, let me show you
21 what I've marked as Ulrich No. 16. And this is a 10-Q
22 for the TEL Offshore Trust and it would have been
23 prepared by you along with your -- any professional
24 help you might have?

25 A. Yep.

EXHIBIT 2a

10-K 1 a2192015z10-k.htm 10-K

[Table of Contents](#)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934**

for the fiscal year ended December 31, 2008

☐ **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 0-6910

TEL OFFSHORE TRUST

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction of
incorporation or organization)

76-6004064
(I.R.S. Employer Identification No.)

The Bank of New York Mellon Trust Company, N.A., Trustee
919 Congress Avenue
Austin, Texas
(Address of principal executive offices)

78701
(Zip Code)

Registrant's telephone number, including area code: (800) 852-1422

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
None	None

Securities registered pursuant to Section 12(g) of the Act:

(Title of class)
Units of Beneficial Interest

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒.

[Table of Contents](#)

TERMINATION OF THE TRUST

The terms of the TEL Offshore Trust Agreement provide that the Trust will terminate upon the first to occur of the following events: (1) total future net revenues attributable to the Partnership's interest in the Royalty, as determined by independent petroleum engineers, as of the end of any year, are less than \$2 million or (2) a decision to terminate the Trust by the affirmative vote of Unit holders representing a majority of the Units. Total future net revenues attributable to the Partnership's interest in the Royalty were estimated at \$24.2 million as of October 31, 2008, based on the reserve study of DeGolyer and MacNaughton, independent petroleum engineers, discussed herein. Such reserve study does not include any reserves or values attributable to Eugene Island 339, nor does it include the Trust's percentage share of the total plugging and abandonment costs related to Eugene Island 339, with costs for 2009 alone estimated to be approximately \$61 million. Based on the DeGolyer and MacNaughton reserve study, as of October 31, 2008, in order to correspond with distributions to the Trust, it is estimated that approximately 40% of future net revenues from the Royalty Properties are expected to be received by the Trust during the next 3 years. Because the Trust will terminate in the event estimated future net revenues fall below \$2.0 million, it would be possible for the Trust to terminate even though some or all of the Royalty Properties continued to have remaining productive lives. Upon termination of the Trust, the Trustees will sell for cash all of the assets held in the Trust estate and make a final distribution to Unit holders of any funds remaining after all Trust liabilities have been satisfied. The estimates of future net revenues discussed above are subject to the limitations described in the summary of the DeGolyer and MacNaughton reserve study included in Item 1 of this Form 10-K. The reserve study is limited to reserves classified as proved; therefore, future capital expenditures for recovery of reserves not classified as proved by DeGolyer and MacNaughton are not included in the calculation of estimated future net revenues nor are any capital expenditures included for any redevelopment of Eugene Island 339. In addition, the estimates of future net revenues discussed above are subject to large variances from year to year and should not be construed as exact. There are numerous uncertainties present in estimating future net revenues for the Royalty Properties. The estimate may vary depending on changes in market prices for crude oil and natural gas, the recoverable reserves, annual production and costs assumed by DeGolyer and MacNaughton. In addition, future economic and operating conditions as well as results of future drilling plans may cause significant changes in such estimate. The discussion set forth above is qualified in its entirety by reference to the Trust Agreement itself, which is an exhibit to this Form 10-K and is available upon request from the Corporate Trustee.

In addition, in the event of a dissolution of the Partnership (which could occur under the circumstances described above under "Description of the Trust") and a subsequent winding up and termination thereof, the assets of the Partnership (*i.e.*, the Royalty) could either (1) be distributed in kind ratably to the Trust and the Managing General Partner or (2) be sold and the proceeds thereof distributed ratably to the Trust and the Managing General Partner. In the event of a sale of the Royalty and a distribution of the cash proceeds thereof to the Trust and the Managing General Partner, the Trustees would make a final distribution to Unit holders of the Trust's portion of such cash proceeds plus any other cash held by the Trust after payment of or provision for all liabilities of the Trust, and the Trust would be terminated.

ROYALTY INCOME, DISTRIBUTABLE INCOME AND TOTAL ASSETS

Reference is made to Items 6, 7 and 8 of this Form 10-K for financial information relating to the Trust.

EXHIBIT 2b

10-K 1 a2197752z10-k.htm 10-K

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)[INDEX TO FINANCIAL STATEMENTS](#)[Table of Contents](#)

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

FORM 10-K

(Mark
One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934**

for the fiscal year ended December 31, 2009

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 0-6910

TEL OFFSHORE TRUST

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction of
incorporation or organization)

76-6004064
(I.R.S. Employer
Identification No.)

The Bank of New York Mellon Trust Company, N.A.,
Trustee
919 Congress Avenue
Austin, Texas
(Address of principal executive offices)

78701
(Zip Code)

Registrant's telephone number, including area code: **(800) 852-1422**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
None

Name of each exchange on which
registered
None

Table of Contents

The Partnership's share of gas sales are recorded by the Working Interest Owners on the cash method of accounting or based on actual production. When revenues are reported on actual production, there is no gas imbalance created. Under the cash method, revenues are recorded based on actual gas volumes sold, which could be more or less than the volumes the Working Interest Owners are entitled to based on their ownership interests. The Partnership's Royalty income for a period reflects the actual gas sold during the period.

While estimates of reserves attributable to the Royalty are shown in order to comply with requirements of the SEC, there is no precise method of allocating estimates of physical quantities of reserves to the Partnership and the Trust, since the Royalty is not a working interest and the Partnership does not own and is not entitled to receive any specific volume of reserves from the Royalty. Reserve quantities in the DeGolyer and MacNaughton reserve study have been allocated based on a revenue formula and such quantities can be affected by future changes in various economic factors utilized in estimating future gross and net revenues from the Royalty Properties. Therefore, the estimates of reserves set forth in the DeGolyer and MacNaughton study are to a large extent hypothetical and differ in significant respects from estimates of reserves attributable to a working interest. For a further discussion of reserves, reference is made to Note 9 in the Notes to Financial Statements under Item 8 of this Form 10-K.

The future net revenues contained in the DeGolyer and MacNaughton reserve study have not been reduced for future costs and expenses of the Trust, which are expected to approximate \$972,000 annually. The costs and expenses of the Trust may increase in future years, depending on increases in accounting, engineering, legal and other professional fees, as well as other factors.

Total future net revenues attributable to the Partnership's interest in the Royalty were estimated in the reserve study at \$13.1 million as of October 31, 2009. The present value of the total future net revenues attributable to the Partnership's interest in the Royalty, discounted at 10 percent, were estimated in the reserve study at \$9.4 million as of October 31, 2009. Revenue values in the reserve study were estimated using the initial costs provided by Chevron and prices of \$69.55 per barrel of oil and \$4.02 per Mcf of natural gas. The future net revenue value was calculated by deducting operating expenses and capital costs from future gross revenue of the combined interests of the Partnership and the Working Interest Owners in the Royalty Properties. Current estimates of operating expenses were used for the life of the properties with no increases in the future based on inflation. The values were reduced by a trust overhead charge furnished by Chevron. Capital and abandonment costs for longer-life properties were accrued at the end of each quarter in amounts specified by Chevron beginning in January 2010. The future accrual or escrow amounts for the Royalty Properties were deducted from the future net revenue at the end of each quarter, as specified by Chevron. Interest on the balance of the accrued capital and abandonment costs at the rate of 0.18% per year as specified by Chevron was credited monthly. The adjusted revenue resulting from subtracting the overhead charge and accrued capital and abandonment costs was multiplied by a factor of 25% to arrive at the future net revenue attributed to the Partnership's net profits interest. Interest was charged monthly on the net profits deficit balances (costs not recovered currently) at the rate of 0.18% per year as specified by Chevron. Future income tax expenses were not taken into account in estimating future net revenue.

If, pursuant to the new rules promulgated by the SEC, the reserve study had based proved developed reserves attributable to the net profits interest owned by the Partnership on the 12-month unweighted arithmetic average of the first-day-of-the-month prices of oil and natural gas for the 12 months ended October 31, 2009, the estimated proved developed reserves attributable to the net profits interest owned by the Partnership as of October 31, 2009 would have been 110,978 barrels of oil and condensate and 690,969 Mcf of natural gas, and the future net revenues attributable to the Partnership's interest in the Royalty would have been \$8.6 million. In deriving the estimated proved developed reserves and future net revenues using the SEC's new pricing rules, no changes were made to cost or other assumptions upon which such reserves and revenues are based.

EX-99.1 4 a2197752zex-99_1.htm EXHIBIT 99.1

Exhibit 99.1

DEGOLYER AND MACNAUGHTON
5001 SPRING VALLEY ROAD
SUITE 800 EAST
DALLAS, TEXAS 75244

This is a digital representation of a DeGolyer and MacNaughton report.

Each file contained herein is intended to be a manifestation of certain data in the subject report and as such is subject to the definitions, qualifications, explanations, conclusions, and other conditions thereof. The information and data contained in each file may be subject to misinterpretation; therefore, the signed and bound copy of this report should be considered the only authoritative source of such information.



DEGOLYER AND MACNAUGHTON
5001 SPRING VALLEY ROAD
SUITE 800 EAST
DALLAS, TEXAS 75244

LETTER REPORT
as of
OCTOBER 31, 2009
on
RESERVES and REVENUE
of
CERTAIN PROPERTIES
owned by the
TEL OFFSHORE TRUST PARTNERSHIP

SEC CASE

DEGOLYER AND MACNAUGHTON
5001 SPRING VALLEY ROAD
SUITE 800 EAST
DALLAS, TEXAS 75244

February 1, 2010

Chevron U.S.A. Inc.

future net revenue discounted at a specified arbitrary discount rate compounded monthly over the expected period of realization; in this report, present worth values using a discount rate of 10 percent are reported. Future income tax expenses were not taken into account in estimating future net revenue and present worth. No deductions were made in the foregoing reserves estimates for any outstanding production payments.

Revenue values in this report were estimated using the initial prices and costs provided by Chevron. Future prices were estimated using guidelines established by the United States Securities and Exchange Commission (SEC) and the Financial Accounting Standards Board (FASB). These guidelines require the use of prices for oil and condensate in effect on October 31, 2009. The following assumptions were used for estimating future prices and costs:

Oil and Condensate Prices

Oil and condensate prices were furnished by Chevron and were the prices in effect on October 31, 2009. These prices were used as initial prices with no increases based on inflation.

Natural Gas Prices

Initial gas prices furnished by Chevron were prices in effect on October 31, 2009. These initial prices were held constant for the life of the properties.

Operating Expenses and Capital Costs

Current estimates of operating expenses were used for the life of the properties with no increases in the future based on inflation. Future capital expenditures were estimated using 2009 values and were not adjusted for inflation. Abandonment costs have been estimated as capital costs for all properties, including leases which are considered depleted and to which no reserves have been assigned.

A summary of estimated revenue and costs attributable to the Combined Interests in proved reserves of the Subject Properties and the future net revenue and present worth attributable to the Trust Partnership Interest, as of October 31, 2009, is as follows, expressed in dollars (\$):

7

	Properties			Total
	Chevron	ERT	Hilcorp	
Combined Interests				
Future Gross Revenue (\$)	103,865,303	0	0	103,865,303
Operating Expenses (\$)	(14,689,612)	0	0	(14,689,612)
Capital Costs \$(1)	(49,222,398)	0	(5,695,384)	(54,917,782)
Future Net Revenue (\$)	39,953,293	0	(5,695,384)	34,257,909
Cost Escrow as of 10-31-09 \$(2)	17,227,941	0		
Interest Credit on Accrued Balance (\$)	129,011	0		
Interest on Deficit (\$)	(63,945)	0		
Overhead (\$)	(5,037,032)	0		
Revenue Subject to Net Profits Interest (\$)	52,209,268	0		
Trust Partnership Interest				
Future Net Revenue \$(3)	13,052,298	0		
Present Worth at 10 Percent \$(3)	9,417,482	0		

(1) Includes abandonment costs.

(2) Escrow balance for the Hilcorp properties is zero.

(3) Future income tax expenses were not taken into account in the preparation of these estimates.

EXHIBIT 2c

10-K 1 a2203197z10-k.htm 10-K

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)[Table of Contents](#)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K

(Mark
One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934**

for the fiscal year ended December 31, 2010

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 0-6910

TEL OFFSHORE TRUST

(Exact name of registrant as specified in its charter)

Texas

(State or other jurisdiction of
incorporation or organization)

76-6004064

(I.R.S. Employer Identification No.)

The Bank of New York Mellon Trust Company, N.A.,

Trustee

919 Congress Avenue

Austin, Texas

(Address of principal executive offices)

78701

(Zip Code)

Registrant's telephone number, including area code: **(800) 852-1422**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

None

Name of each exchange on which
registered

None

Securities registered pursuant to Section 12(g) of the Act:

[Table of Contents](#)

Federal income taxation of a non-U.S. Unit holder is a highly complex matter which may be affected by many other considerations. Therefore, each non-U.S. Unit holder is encouraged to consult its own tax advisor with respect to its ownership of Units.

Tax-exempt Organizations

Investments in publicly traded grantor trusts are treated the same as investments in partnerships for purposes of the rules governing unrelated business taxable income. Royalty income and interest income should not be unrelated business taxable income so long as, generally, a Unit holder did not incur debt to acquire a Unit or otherwise incur or maintain a debt that would not have been incurred or maintained if that Unit had not been acquired. Legislative proposals have been made from time to time which, if adopted, would result in the treatment of Royalty income as unrelated business taxable income. Each tax-exempt Unit holder is encouraged to consult its own tax advisor with respect to its ownership of Units and the treatment of Royalty income.

State Law Considerations

The Trust and the Partnership have been structured so as to cause the Units to be treated for certain state law purposes essentially the same as other securities, that is, as interests in intangible personal property rather than as interests in real property. However, in the absence of controlling legal precedent, there is a possibility that under certain circumstances a Unit holder could be treated as owning an interest in real property under the laws of Louisiana. In that event, the tax, probate, devolution of title and administration laws of Louisiana or other states applicable to real property may apply to the Units, even if held by a person who is not a resident thereof. Application of these laws could make the inheritance and related matters with respect to the Units substantially more onerous than had the Units been treated as interests in intangible personal property. Unit holders are encouraged to consult their legal and tax advisors regarding the applicability of these considerations to their individual circumstances.

Texas does not impose an income tax. Therefore, no part of the income produced by the Trust is subject to an income tax in Texas. However, Texas imposes a tax at a rate of 1% on gross revenues less certain deductions, as specifically set forth in the Texas franchise tax statute. Entities subject to tax generally include trusts unless otherwise exempt, and most other types of entities having limited liability protection. Trusts and partnerships that receive at least 90% of their federal gross income from designated passive sources, including royalties from mineral properties and other non-operated mineral interest income, and do not receive more than 10% of their income from operating an active trade or business, are generally exempt from the Texas franchise tax as "passive entities." The Trust should be exempt from Texas franchise tax as a "passive entity." Since the Trust should be exempt from Texas franchise tax at the Trust level as a passive entity, each Unit holder that is considered a taxable entity under the Texas franchise tax would generally be required to include its Texas portion of Trust revenues in its own Texas franchise tax computation. Each Unit holder is urged to consult its own tax advisor regarding its possible Texas franchise tax liability.

TERMINATION OF THE TRUST

The terms of the TEL Offshore Trust Agreement provide that the Trust will terminate upon the first to occur of the following events: (1) total future net revenues attributable to the Partnership's interest in the Royalty, as determined by independent petroleum engineers, as of the end of any year, are less than \$2 million or (2) a decision to terminate the Trust by the affirmative vote of Unit holders representing a majority of the Units. Total future net revenues attributable to the Partnership's interest in the Royalty were estimated at \$19.8 million as of October 31, 2010, based on the reserve study of DeGolyer and MacNaughton, independent petroleum engineers, discussed herein. Such reserve study does not include any reserves or volumes attributable to Eugene Island 339; however, it does include

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Exhibit 99.1

**DeGolyer and MacNaughton
5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244**

**LETTER REPORT
as of
OCTOBER 31, 2010
on
RESERVES and REVENUE
of
CERTAIN PROPERTIES
owned by the
TEL OFFSHORE TRUST PARTNERSHIP

SEC CASE**

require the use of prices for oil and condensate in effect on October 31, 2010. The following assumptions were used for estimating future prices and costs:

Oil and Condensate Prices

The oil and condensate prices were based on a 12-month average price (reference price), calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by contractual arrangements. Chevron supplied differentials by field to a West Texas Intermediate reference price of \$78.22 per barrel and the prices were held constant thereafter. The volume-weighted average price is \$79.05 per barrel.

Natural Gas Prices

The natural gas prices were based on a reference price, calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by contractual arrangements. The gas prices were calculated for each property using differentials to a Henry Hub reference price of \$4.46 per Mcf furnished by Chevron and held constant thereafter. The volume-weighted average price is \$4.60 per Mcf.

Operating Expenses and Capital Costs

Operating expenses and capital costs, based on information provided by Chevron, were used in estimating future costs required to operate the properties. Abandonment costs have been estimated as capital costs for all properties, including leases which are considered depleted and to which no reserves have been assigned.

A summary of estimated revenue and costs attributable to the Combined Interests in proved reserves of the Subject Properties and the future net revenue and present worth attributable to the Trust Partnership Interest, as of October 31, 2010, is as follows, expressed in dollars (\$):

	Properties			
	Chevron	ERT	Hilcorp	Total
Combined Interests				
Future Gross Revenue (\$)	114,680,673	151,756	0	114,832,429
Operating Expenses (\$)	(21,672,986)	(74,715)	0	(21,747,701)
Capital Costs \$(1)	(26,171,691)	(315,000)	(3,318,290)	(29,804,981)
Future Net Revenue (\$)	66,835,996	(237,959)	(3,318,290)	63,279,747
Cost Escrow as of 10-31-09 \$(2)	17,227,578	0		
Interest Credit on Accrued Balance (\$)	121,661	0		
Interest on Deficit (\$)	(7,790)	0		
Overhead (\$)	(4,879,410)	0		
Revenue Subject to Net Profits Interest (\$)	79,298,035	0		
Trust Partnership Interest				
Future Net Revenue \$(3)	19,824,517	0		
Present Worth at 10 Percent \$(3)	15,025,556	0		

Notes:

- (1) Includes abandonment costs.
- (2) Escrow balances for the ERT and Hilcorp properties are zero.
- (3) Future income tax expenses were not taken into account in the preparation of these estimates.

EXHIBIT 2d

10-K 1 a2208567z10-k.htm 10-K

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)[Table of Contents](#)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934**

for the fiscal year ended December 31, 2011

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 0-6910

TEL OFFSHORE TRUST

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction of
incorporation or organization)

76-6004064
(I.R.S. Employer
Identification No.)

The Bank of New York Mellon Trust Company, N.A.,
Trustee
919 Congress Avenue
Austin, Texas
(Address of principal executive offices)

78701
(Zip Code)

Registrant's telephone number, including area code: **(800) 852-1422**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
None	None

Securities registered pursuant to Section 12(g) of the Act:

Units of Beneficial Interest
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒.

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒.

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

[Table of Contents](#)

encouraged to consult their legal and tax advisors regarding the applicability of these considerations to their individual circumstances.

Texas does not impose an income tax. Therefore, no part of the income produced by the Trust is subject to an income tax in Texas. However, Texas imposes a tax at a rate of 1% on gross revenues less certain deductions, as specifically set forth in the Texas franchise tax statute. Entities subject to tax generally include trusts unless otherwise exempt, and most other types of entities having limited liability protection. Trusts and partnerships that receive at least 90% of their federal gross income from designated passive sources, including royalties from mineral properties and other non-operated mineral interest income, and do not receive more than 10% of their income from operating an active trade or business, are generally exempt from the Texas franchise tax as "passive entities." The Trust should be exempt from Texas franchise tax as a "passive entity." Since the Trust should be exempt from Texas franchise tax at the Trust level as a passive entity, each Unit holder that is considered a taxable entity under the Texas franchise tax would generally be required to include its Texas portion of Trust revenues in its own Texas franchise tax computation. Each Unit holder is urged to consult its own tax advisor regarding its possible Texas franchise tax liability.

TERMINATION OF THE TRUST

The terms of the TEL Offshore Trust Agreement provide that the Trust will terminate upon the first to occur of the following events: (1) total future net revenues attributable to the Partnership's interest in the Royalty, as determined by independent petroleum engineers, as of the end of any year, are less than \$2 million or (2) a decision to terminate the Trust by the affirmative vote of Unit holders representing a majority of the Units. Total future net revenues attributable to the Partnership's interest in the Royalty were estimated at \$11.5 million as of October 31, 2011, based on the reserve study of DeGolyer and MacNaughton, independent petroleum engineers, discussed herein. Such reserve study does not include any reserves or volumes attributable to Eugene Island 339; however, it does include the then-estimated costs of approximately \$17.6 million for estimated plugging and abandonment costs related to Eugene Island 339 attributable to the Royalty, and without giving credit for an expected approximately \$212,000 of insurance proceeds to be received by Chevron and to be allocated for the benefit of the Royalty with respect to Eugene Island 339. The \$17.6 million of estimated plugging and abandonment costs included in the reserve study is less than the \$18.7 million of plugging and abandonment costs estimated by Chevron in March 2012. Based on the DeGolyer and MacNaughton reserve study, as of October 31, 2011, it is estimated that approximately 67% of future net revenues from the Royalty Properties are expected to be generated during the next three years. Because the Trust will terminate in the event estimated future net revenues fall below \$2.0 million, it would be possible for the Trust to terminate even though some or all of the Royalty Properties continued to have remaining productive lives. Upon termination of the Trust, the Trustees will sell for cash all of the assets held in the Trust estate and make a final distribution to Unit holders of any funds remaining after all Trust liabilities have been satisfied. The estimates of future net revenues discussed above are subject to the limitations described in the summary of the DeGolyer and MacNaughton reserve study included in Item 1 of this Form 10-K. The reserve study is limited to reserves classified as proved; therefore, future capital expenditures for recovery of reserves not classified as proved by DeGolyer and MacNaughton are not included in the calculation of estimated future net revenues, nor are any capital expenditures included for any redevelopment of Eugene Island 339. In addition, the estimates of future net revenues discussed above are subject to large variances from year to year and should not be construed as exact. There are numerous uncertainties present in estimating future net revenues for the Royalty Properties. The estimate may vary depending on changes in market prices for crude oil and natural gas, the recoverable reserves, annual production and costs assumed by DeGolyer and MacNaughton. In addition, future economic and operating conditions as well as results of future drilling plans may cause significant changes in such estimate. The discussion set forth above is qualified

Table of Contents

While estimates of reserves attributable to the Royalty are shown in order to comply with requirements of the SEC, there is no precise method of allocating estimates of physical quantities of reserves to the Partnership and the Trust, since the Royalty is not a working interest and the Partnership does not own and is not entitled to receive any specific volume of reserves from the Royalty. Reserve quantities in the DeGolyer and MacNaughton reserve study have been allocated based on a revenue formula and such quantities can be affected by future changes in various economic factors utilized in estimating future gross and net revenues from the Royalty Properties. Therefore, the estimates of reserves set forth in the DeGolyer and MacNaughton study are to a large extent hypothetical and differ in significant respects from estimates of reserves attributable to a working interest. For a further discussion of reserves, reference is made to Note 9 in the Notes to Financial Statements under Item 8 of this Form 10-K.

The future net revenues contained in the DeGolyer and MacNaughton reserve study do not take into account the approximately \$5.9 million, net to the entire Royalty, as of October 31, 2011, by which aggregate Production Costs for the Royalty Properties have exceeded the related Gross Proceeds for the Royalty Properties since November 2008, or any required deposits to the Special Cost Escrow account. The future net revenues contained in the DeGolyer and MacNaughton reserve study have not been reduced for future costs and expenses of the Trust, which are expected to approximate \$800,000 annually. The costs and expenses of the Trust may increase in future years, depending on increases in accounting, engineering, legal and other professional fees, as well as other factors. Increased legal fees may occur in connection with, among other things, any borrowing or sales effected by the Trust or the Partnership in order to provide liquidity to the Trust.

Total future net revenues attributable to the Partnership's interest in the Royalty were estimated in the reserve study at \$11.5 million as of October 31, 2011. The present value of the total future net revenues attributable to the Partnership's interest in the Royalty, discounted at 10 percent, were estimated in the reserve study at \$8.53 million as of October 31, 2011. Revenue values in the reserve study were estimated using the initial costs provided by Chevron and unweighted average prices of \$92.34 per barrel of oil and \$4.32 per Mcf of natural gas. The future net revenue value was calculated by deducting operating expenses and capital costs from future gross revenue of the combined interests of the Partnership and the Working Interest Owners in the Royalty Properties. Current estimates of operating expenses were used for the life of the properties with no increases in the future based on inflation. The values were reduced by a trust overhead charge furnished by Chevron. Capital and abandonment costs for longer-life properties were accrued at the end of each quarter in amounts specified by Chevron beginning in January 2012. The future accrual or escrow amounts for the Royalty Properties were deducted from the future net revenue at the end of each quarter, as specified by Chevron.

Because the DeGolyer and MacNaughton reserve study is limited to proved reserves, future capital expenditures for recovery of reserves not classified as proved by DeGolyer and MacNaughton are not included in the calculation of future net revenues nor are any capital expenditures for any redevelopment of Eugene Island 339. These capital expenditures could have a significant effect on the actual future net revenues attributable to the Partnership's interest in the Royalty.

The Trustees rely on DeGolyer and MacNaughton to prepare the reserve study of the oil and gas reserves attributable to the Partnership, in which the Trust has a 99.99% interest. The Trustees do not control the information provided by the Working Interest Owners or the assumptions made or methodologies used by the third-party reserve engineer. Accordingly, such information is outside the scope of the internal controls of the Trust and the Trustees.

Chevron, as the Managing General Partner of the Partnership, maintains oversight and compliance responsibility for the internal reserve estimate process and, in accordance with internal policies and procedures, provides appropriate data to independent third party engineers for the annual estimation of

EX-99.1 4 a2208567zex-99_1.htm EX-99.1

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Exhibit 99.1

DEGOLYER AND MACNAUGHTON

5001 SPRING VALLEY ROAD

SUITE 800 EAST

DALLAS, TEXAS 75244

LETTER REPORT

as of

OCTOBER 31, 2011

on

RESERVES and REVENUE

of

CERTAIN PROPERTIES

owned by the

TEL OFFSHORE TRUST PARTNERSHIP

SEC CASE

require the use of prices for oil and condensate in effect on October 31, 2011. The following assumptions were used for estimating future prices and costs:

Oil and Condensate Prices

The oil and condensate prices were based on a 12-month average price (reference price), calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by contractual arrangements. Chevron supplied differentials by field to a West Texas Intermediate reference price of \$94.34 per barrel and the prices were held constant thereafter. The volume-weighted average price is \$92.34 per barrel.

Natural Gas Prices

The natural gas prices were based on a reference price, calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by contractual arrangements. The gas prices were calculated for each property using differentials to a Henry Hub reference price of \$4.15 per million British thermal units furnished by Chevron and held constant thereafter. The volume-weighted average price is \$4.32 per Mcf.

Operating Expenses and Capital Costs

Operating expenses and capital costs, based on information provided by Chevron, were used in estimating future costs required to operate the properties. Abandonment costs have been estimated as capital costs for all properties, including leases which are considered depleted and to which no reserves have been assigned.

A summary of estimated revenue and costs attributable to the Combined Interests in proved reserves of the Subject Properties and the future net revenue and present worth attributable to the Trust Partnership Interest, as of October 31, 2011, is as follows, expressed in dollars (\$):

	Properties			Total
	Chevron	ERT	Hilcorp	
Combined Interests				
Future Gross Revenue (\$)	111,873,837	35,837	0	111,909,674
Operating Expenses (\$)	(22,338,391)	(11,886)	0	(22,350,277)
Capital Costs \$(1)	(27,243,694)	(315,000)	(5,538,504)	(33,097,198)
Future Net Revenue (\$)	62,291,752	(291,049)	(5,538,504)	56,462,199
Cost Escrow as of 10-31-11 \$(2)	4,000	0		
Interest Credit on Accrued Balance (\$)	0	0		
Interest on Deficit (\$)	0	0		
Overhead (\$)	(4,843,677)	0		
Revenue Subject to Net Profits Interest (\$)	57,452,075	0		
Trust Partnership Interest				
Future Net Revenue \$(3)	11,490,417	0		
Present Worth at 10 Percent \$(3)	8,537,248	0		

Notes:

(1) Includes abandonment costs

EXHIBIT 2e

10-K 1 a2214115z10-k.htm 10-K

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)[PART IV](#)[Table of Contents](#)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934**

for the fiscal year ended December 31, 2012

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 0-6910

TEL OFFSHORE TRUST

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction of
incorporation or organization)

76-6004064
(I.R.S. Employer
Identification No.)

The Bank of New York Mellon Trust Company, N.A.,
Trustee
919 Congress Avenue
Austin, Texas
(Address of principal executive offices)

78701
(Zip Code)

Registrant's telephone number, including area code: (800) 852-1422

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
None	None

Securities registered pursuant to Section 12(g) of the Act:

Units of Beneficial Interest
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒.Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒.

Table of Contents

Under the Conveyance and the Partnership Agreement, the Trust is entitled to its share (99.99%) of the Partnership's 80% interest in 25% of the Net Proceeds, as hereinafter defined, realized from the sale of the oil, gas and associated hydrocarbons produced from the Royalty Properties. See "Description of Royalty Properties." The Conveyance provides that the Working Interest Owners will calculate, for each quarterly period commencing the first day of February, May, August and November, an amount equal to 25% of the Net Proceeds from their oil and gas properties for the period. "Net Proceeds" means for each quarterly period, the excess, if any, of the Gross Proceeds, as hereinafter defined, for such period over Production Costs, as hereinafter defined, for such period. "Gross Proceeds" means the amounts received by the Working Interest Owners from the sale of oil, gas and associated hydrocarbons produced from the properties burdened by the Royalty, subject to certain adjustments. Gross Proceeds do not include amounts received by the Working Interest Owners as advance gas payments, "take-or-pay" payments or similar payments unless and until such payments are extinguished or repaid through the future delivery of gas. "Production Costs" means, generally, costs incurred on an accrual basis by the Working Interest Owners in operating the Royalty Properties, including capital and non-capital costs. In general, Net Proceeds are computed on an aggregate basis and consist of the aggregate proceeds to the Working Interest Owners from the sale of oil and gas from the Royalty Properties less (1) all direct costs, charges and expenses incurred by the Working Interest Owners in exploration, production, development, drilling and other operations on the Royalty Properties (including secondary recovery operations); (2) all applicable taxes (including severance and ad valorem taxes) excluding income taxes; (3) all operating charges directly associated with the Royalty Properties; (4) an allowance for costs, computed on a current basis at a rate equal to the prime rate of JPMorgan Chase Bank plus 0.5% on all amounts by which, and for only so long as, costs and expenses for the Royalty Properties incurred for any quarter have exceeded the proceeds of production from such Royalty Properties for such quarter; (5) applicable charges for certain overhead expenses as provided in the Conveyance; (6) the management fees and expense reimbursements owing the Working Interest Owners; and (7) a special cost reserve for the future costs to be incurred by the Working Interest Owners to plug and abandon wells and dismantle and remove platforms, pipelines and other production facilities from the Royalty Properties and for future drilling projects and other estimated future capital expenditures on the Royalty Properties. The Trustees are not obligated to return any Royalty income received in any period, but future amounts otherwise payable will be reduced by the amount of any prior overpayments of such Royalty income. The Working Interest Owners are required to maintain books and records sufficient to determine amounts payable under the Royalty. The Working Interest Owners are also required to deliver to the Managing General Partner on behalf of the Partnership a statement of the computation of Net Proceeds no later than the tenth business day prior to the quarterly record date.

The Net Proceeds with respect to Hilcorp's ownership of West Cameron 643 are calculated separately from the determination of Net Proceeds with respect to the other Royalty Properties. Similarly, the Net Proceeds with respect to ERT's ownership of East Cameron 371 are calculated separately from the determination of Net Proceeds with respect to the other Royalty Properties. The leases for East Cameron 371 and West Cameron 643 expired on March 31, 2010 and May 31, 2010, respectively, and no further Net Proceeds are expected with respect to these two properties. Any excess Production Costs associated with these properties are not expected to be taken into account with respect to the calculation of Net Proceeds with respect to the other Royalty Properties.

The Trust's source of capital is the Royalty income received from its share of the Net Proceeds from the Royalty Properties. Total future net revenues attributable to the Partnership's interest in the Royalty were estimated at approximately \$14.5 million as of October 31, 2012. However, there are not likely to be sufficient Net Proceeds from the Royalty Properties for the Trust to make a regularly scheduled quarterly distribution to Unit holders for the foreseeable future. The Trust has not received a distribution of Net Proceeds since December 2008. Because of the lack of Net Proceeds, the Trust has in the past not had sufficient cash flow to pay expenses on a current basis, and the Trust may in the

[Table of Contents](#)

from estimates of reserves attributable to a working interest. For a further discussion of reserves, reference is made to Note 9 in the Notes to Financial Statements under Item 8 of this Form 10-K.

The future net revenues contained in the 2012 Reserve Report do not take into account (i) any required deposits to the Special Cost Escrow account or (ii) the approximately \$7.9 million, as of October 31, 2012, net to the entire Royalty, by which aggregate Production Costs for the Royalty Properties have exceeded the related Gross Proceeds for the Royalty Properties since November 2008. The \$7.9 million amount reflects adjustments in 2012, including an insurance credit of approximately \$381,000 received by Chevron and allocated for the benefit of the Royalty with respect to Eugene Island in the fourth quarter of 2012. The future net revenues contained in the 2012 Reserve Report have not been reduced for future costs and expenses of the Trust, which are expected to approximate \$800,000 annually. The costs and expenses of the Trust may increase in future years, depending on increases in accounting, engineering, legal and other professional fees, as well as other factors. Increased legal fees may occur in connection with, among other things, any borrowing or sales effected by the Trust or the Partnership in order to provide liquidity to the Trust.

Total future net revenues attributable to the Partnership's interest in the Royalty were estimated at \$14.5 million as of October 31, 2012. The present value of the total future net revenues attributable to the Partnership's interest in the Royalty, discounted at 10 percent, were estimated at \$11.6 million as of October 31, 2012. Revenue values in the reserve study were estimated using the initial costs provided by Chevron and the unweighted average prices of \$96.07 per barrel of oil and \$2.77 per Mcf of natural gas. The future net revenue value was calculated by deducting operating expenses and capital costs from future gross revenue of the combined interests of the Partnership and the Working Interest Owners in the Royalty Properties. Current estimates of operating expenses were used for the life of the properties with no increases in the future based on inflation. The values were reduced by a trust overhead charge furnished by Chevron. Capital and abandonment costs for longer-life properties were accrued at the end of each quarter in amounts specified by Chevron beginning in January 2012. The future accrual or escrow amounts for the Royalty Properties were deducted from the future net revenue at the end of each quarter, as specified by Chevron.

The 2012 Reserve Report is limited to proved reserves and therefore future capital expenditures for recovery of reserves not classified as proved by Delgoyer and MacNaughton are not included in the calculation of future net revenues nor are any capital expenditures for the redevelopment of Eugene Island 339. While it is anticipated that any such redevelopment costs relating to Eugene Island 339 will be incurred by Arena, to the extent any such costs are incurred by Chevron, such capital expenditures could have a significant effect on the actual future net revenues attributable to the Partnership's interest in the Royalty.

The Trustees rely on DeGolyer and MacNaughton to prepare the reserve study of the oil and gas reserves attributable to the Partnership, in which the Trust has a 99.99% interest. The Trustees do not control the information provided by the Working Interest Owners or the assumptions made or methodologies used by the third-party reserve engineer. Accordingly, such information is outside the scope of the internal controls of the Trust and the Trustees.

Chevron, as the Managing General Partner of the Partnership, maintains oversight and compliance responsibility for the internal reserve estimate process and, in accordance with internal policies and procedures, provides appropriate data to independent third party engineers for the annual estimation of year-end reserves. Chevron accumulates historical production data for the Royalty Properties, calculates historical lease operating expenses and differentials, updates working interests and net revenue interests, and obtains logs, 3-D seismic and other geological and geophysical information. This data is forwarded to DeGolyer & MacNaughton, thereby allowing DeGolyer & MacNaughton to prepare estimated proved reserves in their entirety based on such data.

EX-99.1 4 a2214115zex-99_1.htm EX-99.1

[QuickLinks](#) -- Click here to rapidly navigate through this document

Exhibit 99.1

DeGolyer and MacNaughton

5001 Spring Valley Road

Suite 800 East

Dallas, Texas 75244

LETTER REPORT

as of

OCTOBER 31, 2012

on

RESERVES and REVENUE

of

CERTAIN PROPERTIES

owned by the

TEL OFFSHORE TRUST PARTNERSHIP

SEC CASE

require the use of prices for oil and condensate in effect on October 31, 2012. The following assumptions were used for estimating future prices and costs:

Oil and Condensate Prices

The oil and condensate prices were based on a 12-month average price (reference price), calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by contractual arrangements. Chevron supplied differentials by field to a West Texas Intermediate reference price of \$96.07 per barrel and the prices were held constant thereafter. The volume-weighted average price is \$94.36 per barrel.

Natural Gas Prices

The natural gas prices were based on a reference price, calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by contractual arrangements. The gas prices were calculated for each property using differentials to a Henry Hub reference price of \$2.77 per million British thermal units furnished by Chevron and held constant thereafter. The volume-weighted average price is \$2.87 per Mcf.

Operating Expenses and Capital Costs

Operating expenses and capital costs, based on information provided by Chevron, were used in estimating future costs required to operate the properties. Abandonment costs have been estimated as capital costs for all properties, including leases which are considered depleted and to which no reserves have been assigned.

A summary of estimated revenue and costs attributable to the Combined Interests in proved reserves of the Subject Properties and the future net revenue and present worth attributable to the Trust Partnership Interest, as of October 31, 2012, is as follows, expressed in dollars (\$):

	<u>Chevron Properties</u>
Combined Interests	
Future Gross Revenue (\$)	122,083,823
Operating Expenses (\$)	(21,605,896)
Capital Costs \$(1)	(22,727,461)
Future Net Revenue (\$)	77,750,466
Cost Escrow as of 10-31-12 (\$)	5,000
Interest Credit on Accrued Balance (\$)	0
Interest on Deficit (\$)	0
Overhead (\$)	(4,992,516)
Revenue Subject to Net Profits Interest (\$)	72,762,950
Trust Partnership Interest	
Future Net Revenue \$(2)	14,552,585
Present Worth at 10 Percent \$(2)	11,601,365

Notes:

(1) Includes abandonment costs.

EXHIBIT 2f

10-K 1 a2219376z10-k.htm 10-K

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)[PART IV](#)[Table of Contents](#)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934**

for the fiscal year ended December 31, 2013

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 0-6910

TEL OFFSHORE TRUST

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction of
incorporation or organization)

76-6004064
(I.R.S. Employer
Identification No.)

The Bank of New York Mellon Trust Company, N.A.,
Trustee
919 Congress Avenue, Suite 500
Austin, Texas
(Address of principal executive offices)

78701
(Zip Code)

Registrant's telephone number, including area code: (800) 852-1422

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
None	None

Securities registered pursuant to Section 12(g) of the Act:

Units of Beneficial Interest
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒.Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒.

Table of Contents

Information used in the preparation of the 2013 Reserve Report was obtained from Working Interest Owners. All of the reserve estimates are classified as proved developed reserves. There are no proved undeveloped reserves for the Royalty Properties subject to the report.

The Partnership's share of gas sales are recorded by the Working Interest Owners on the cash method of accounting or based on actual production. When revenues are reported on actual production, there is no gas imbalance created. Under the cash method, revenues are recorded based on actual gas volumes sold, which could be more or less than the volumes the Working Interest Owners are entitled to based on their ownership interests. The Partnership's Royalty income for a period reflects the actual gas sold during the period.

While estimates of reserves attributable to the Royalty are shown in order to comply with requirements of the SEC, there is no precise method of allocating estimates of physical quantities of reserves to the Partnership and the Trust, since the Royalty is not a working interest and the Partnership does not own and is not entitled to receive any specific volume of reserves from the Royalty. Reserve quantities in the 2013 Reserve Report have been allocated based on a revenue formula and such quantities can be affected by future changes in various economic factors utilized in estimating future gross and net revenues from the Royalty Properties. Therefore, the estimates of reserves in the 2013 Reserve Report are to a large extent hypothetical and differ in significant respects from estimates of reserves attributable to a working interest. For a further discussion of reserves, reference is made to Note 9 in the Notes to Financial Statements under Item 8 of this Form 10-K.

The future net revenues contained in the 2013 Reserve Report do not take into account (i) any required deposits to the Special Cost Escrow account or (ii) the approximately \$5.0 million, as of October 31, 2013, net to the entire Original Royalty (or \$3.0 million, net to the Partnership's then existing 15% Royalty), by which aggregate Production Costs for the Royalty Properties have exceeded the related Gross Proceeds for the Royalty Properties since November 2008. The \$5.0 million amount reflects adjustments in 2012, including an insurance credit of approximately \$381,000 received by Chevron and allocated for the benefit of the Royalty with respect to Eugene Island in the fourth quarter of 2012. The future net revenues contained in the 2013 Reserve Report have not been reduced for future costs and expenses of the Trust, which are expected to approximate \$800,000 annually. The costs and expenses of the Trust may increase in future years, depending on increases in accounting, engineering, legal and other professional fees, as well as other factors. Increased legal fees may occur in connection with, among other things, any borrowing or sales effected by the Trust or the Partnership in order to provide liquidity to the Trust.

Total future net revenues attributable to the Partnership's interest in the Royalty were estimated at \$8.6 million as of October 31, 2013. The present value of the total future net revenues attributable to the Partnership's interest in the Royalty, discounted at 10 percent, were estimated at \$6.1 million as of October 31, 2013. Revenue values in the reserve study were estimated using the initial costs provided by Chevron and the unweighted average prices of \$95.94 per barrel of oil and \$3.64 per Mcf of natural gas. The future net revenue value was calculated by deducting operating expenses and capital costs from future gross revenue of the combined interests of the Partnership and the Working Interest Owners in the Royalty Properties. Current estimates of operating expenses were used for the life of the properties with no increases in the future based on inflation. The values were reduced by a trust overhead charge furnished by Chevron. Abandonment costs for longer-life properties were accrued at the end of each quarter in amounts specified by Chevron beginning in January 2014. The future accrual or escrow amounts for the Royalty Properties were deducted from the future net revenue at the end of each quarter, as specified by Chevron.

The 2013 Reserve Report is limited to proved reserves and therefore future capital expenditures for recovery of reserves not classified as proved by DeGolyer and MacNaughton are not included in the calculation of future net revenues nor are any capital expenditures for the redevelopment of Eugene

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Exhibit 99.1

DeGolyer and MacNaughton
5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244

LETTER REPORT
as of OCTOBER 31,
2013 on
RESERVES and REVENUE
of
CERTAIN PROPERTIES
owned by the
TEL OFFSHORE TRUST PARTNERSHIP

SEC CASE

DeGolyer and MacNaughton

5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244

February 26, 2014

Chevron U.S.A. Inc.
Chevron Place
935 Gravier Street
New Orleans, Louisiana 70012

Ladies and Gentlemen:

Pursuant to your request, we have prepared estimates, as of October 31, 2013, of the extent and value of the proved crude oil, condensate, and natural gas reserves of a net profits interest represented to be owned by TEL Offshore Trust Partnership (the Trust Partnership). This net profits interest (the Trust Partnership Interest) is in certain offshore leases owned by Chevron U.S.A. Inc. (Chevron). The interest appraised consists of a 15-percent net profits interest in 17 leases (the Subject Properties), which are located in the Gulf of Mexico offshore from Louisiana. The Trust Partnership completed the sale of 20 percent of the Trust Partnership's interest to RNR Production, Land and Cattle Company, Inc. (RNR) on October 27, 2011 and the sale of 25 percent of the remaining interest on October 31, 2013 to RNR. The Managing Partner of the Trust Partnership is Chevron.

Information used in the preparation of this report was obtained from Chevron. During this investigation, we consulted freely with the officers and employees of Chevron and were given access to such accounts, records, geological and engineering reports, and other data as were desired for examination. In the preparation of this report we have relied, without independent verification, upon information furnished by Chevron with respect to property interests owned by the Trust Partnership, production from such properties, current costs of operation and development, current prices for production, agreements relating to current and future operations and sale of production, and various other information and data that were accepted as represented. It was not considered necessary to make a field examination of the physical condition and operation of the Subject Properties. Additionally, this information includes data supplied by IHS Global Inc.; Copyright 2013 IHS Global Inc.

Our reserves estimates are based on a detailed study of the Subject Properties and were prepared by the use of standard geological and engineering methods generally accepted by the petroleum industry. The method or combination of methods used in

Oil and Condensate Prices

The oil and condensate prices were based on a 12-month average price (reference price), calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by contractual arrangements. Chevron supplied differentials by field to a West Texas Intermediate reference price of \$95.94 per barrel and the prices were held constant thereafter. The volume-weighted average price is \$105.41 per barrel.

Natural Gas Prices

The natural gas prices were based on a reference price, calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by contractual arrangements. The gas prices were calculated for each property using differentials to a Henry Hub reference price of \$3.64 per million British thermal units furnished by Chevron and held constant hereafter. The volume-weighted average price is

6

\$3.64 per Mcf.

Operating Expenses and Capital Costs

Operating expenses and capital costs, based on information provided by Chevron, were used in estimating future costs required to operate the properties. Abandonment costs have been estimated as capital costs for all properties, including leases which are considered depleted and to which no reserves have been assigned.

A summary of estimated revenue and costs attributable to the Combined Interests in proved reserves of the Subject Properties and the future net revenue and present worth attributable to the Trust Partnership Interest, as of October 31, 2013, are as follows, expressed in dollars(\$):

	<u>Chevron Properties</u>
Combined Interests	
Future Gross Revenue (\$)	106,184,046
Operating Expenses (\$)	(30,648,770)
Capital Costs \$(1)	(13,822,873)
Future Net Revenue(\$)	61,712,403
Cost Escrow as of 10-31-13 (\$)	6,667
Interest Credit on Accrued Balance (\$)	0
Interest on Deficit(\$)	0
Overhead (\$)	(4,519,671)
Revenue Subject to Net Profits Interest(\$)	57,199,399
Trust Partnership Interest	
Future Net Revenue \$(2)	8,579,911
Present Worth at 10 Percent \$(2)	6,111,863

Notes:

(1) Includes abandonment costs.

(2) Future income tax expenses were not taken into account in the preparation of these estimates.

In our opinion, the information relating to estimated proved reserves, estimated future net revenue from proved reserves, and present worth of estimated future net revenue from proved reserves of oil, condensate, natural gas liquids, and gas contained in this report has been prepared in accordance with Paragraphs 932-235-50-4, 932-235-50-5 through 932-235-50-7, 932-235-50-9, 932-235-50-30, and 932-235-50-31(a), (b), and (c) of the Accounting Standards Update 932-235-50, *Extractive Industries - Oil and Gas (Topic 932): Oil and Gas Reserve Estimation and Disclosures* (January 2010) of the Financial Accounting Standards Board and Rules 4-10(a) (1)-(32) of Regulation S-X and Rules 302(b), 1201, and 1202(a) (1), (2), (3), (4), (8) of Regulation S-K of the Securities and

EXHIBIT 2g

10-K 1 a2223999z10-k.htm 10-K

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[Item 14. Principal Accountant Fees and Services.](#)

[Table of Contents](#)

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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

for the fiscal year ended December 31, 2014

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 0-6910

TEL OFFSHORE TRUST

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction of
incorporation or organization)

76-6004064
(I.R.S. Employer
Identification No.)

**The Bank of New York Mellon Trust Company, N.A.,
Trustee**

**919 Congress Avenue, Suite 500
Austin, Texas**
(Address of principal executive offices)

78701
(Zip Code)

Registrant's telephone number, including area code: **(512) 236-6599**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
None	None

Securities registered pursuant to Section 12(g) of the Act:

[Table of Contents](#)

franchise tax at the Trust level as a passive entity, each Unit holder that is considered a taxable entity under the Texas franchise tax would generally be required to include its Texas portion of Trust revenues in its own Texas franchise tax computation. Each Unit holder is urged to consult its own tax advisor regarding its possible Texas franchise tax liability.

TERMINATION OF THE TRUST

The terms of the TEL Offshore Trust Agreement provide that the Trust will terminate upon the first to occur of the following events: (1) total future net revenues attributable to the Partnership's interest in the Royalty, as determined by independent petroleum engineers, as of the end of any year, are less than \$1.2 million (assuming no further sales of any interests in the Royalty) or (2) a decision to terminate the Trust by the affirmative vote of Unit holders representing a majority of the Units. Total future net revenues attributable to the Partnership's interest in the Royalty were estimated at \$7.3 million as of October 31, 2014, based on the 2014 Reserve Report, which includes the then-estimated costs of approximately \$19.8 million for the plugging and abandonment costs related to Eugene Island 339 attributable to the Original Royalty. Estimated plugging and abandonment costs included in the 2014 Reserve Report are the same as the costs estimated by Chevron in March 2014. Based on the 2014 Reserve Report, approximately 69% of future net revenues from the Royalty Properties are expected to be generated during the next three years. Because the Trust will terminate in the event estimated future net revenues fall below \$1.2 million (assuming no further sales of any interests in the Royalty), it would be possible for the Trust to terminate even though some or all of the Royalty Properties continued to have remaining productive lives. Upon termination of the Trust, the Trustees will sell for cash all of the assets held in the Trust estate and make a final distribution to Unit holders of any funds remaining after all Trust liabilities have been satisfied. The estimates of future net revenues discussed above are subject to the limitations described in the summary of the 2014 Reserve Report included in Item 1 of this Form 10-K. The 2014 Reserve Report is limited to reserves classified as proved; therefore, future capital expenditures for recovery of reserves not classified as proved by DeGolyer and MacNaughton are not included in the calculation of estimated future net revenues, nor are any capital expenditures included for any redevelopment of Eugene Island 339. In addition, the estimates of future net revenues discussed above are subject to large variances from year to year and should not be construed as exact. There are numerous uncertainties present in estimating future net revenues for the Royalty Properties. The estimate may vary depending on changes in market prices for crude oil and natural gas, the recoverable reserves, annual production and costs assumed by DeGolyer and MacNaughton. In addition, future economic and operating conditions as well as results of future drilling plans may cause significant changes in such estimate. The discussion set forth above is qualified in its entirety by reference to the Trust Agreement itself, which is an exhibit to this Form 10-K and is available upon request from the Corporate Trustee.

In addition to the termination of the Trust in accordance with the terms of the TEL Offshore Trust Agreement discussed above, the Trustees have initiated the Probate Proceeding as described above under "Description of the Trust." The goals in filing the Probate Proceeding are to permit the Trustees to direct the Partnership to sell the Royalty; to distribute the net proceeds resulting from the sale, after payment of the Trust's liabilities, to the Trust's unitholders; and, to thereafter terminate the Partnership and the Trust.

In the event of a dissolution of the Partnership (which could occur under the circumstances described above under "Description of the Trust") and a subsequent winding up and termination thereof, the assets of the Partnership (*i.e.*, the Partnership's interest in the Original Royalty) could either (1) be distributed in kind ratably to the Trust and the Managing General Partner or (2) be sold and the proceeds thereof distributed ratably to the Trust and the Managing General Partner. In the event of a sale of the Partnership's interest in the Royalty and a distribution of the cash proceeds thereof to the Trust and the Managing General Partner, the Trustees would make a final distribution to

EX-99.1 4 a2223999zex-99_1.htm EX-99.1

Exhibit 99.1

DeGolyer and MacNaughton
5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244

LETTER REPORT
as of
OCTOBER 31, 2014
on
RESERVES and REVENUE
of
CERTAIN PROPERTIES
owned by the
TEL OFFSHORE TRUST PARTNERSHIP

SEC CASE

DeGolyer and MacNaughton
5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244

February 26, 2015

Chevron U.S.A. Inc.
Chevron Place
935 Gravier Street
New Orleans, Louisiana 70012

Ladies and Gentlemen:

Pursuant to your request, we have prepared estimates, as of October 31, 2014, of the extent and value of the proved crude oil, condensate, and natural gas reserves of a net profits interest represented to be owned by TEL Offshore Trust Partnership (the Trust Partnership). This net profits interest (the Trust Partnership Interest) is in certain offshore leases that Chevron U.S.A. Inc. (Chevron) has represented that it owns. The interest appraised consists of a 15-percent net profits interest in 17 leases (the Subject Properties), which are located in the Gulf of Mexico offshore from Louisiana. The Trust Partnership completed the sale of 20 percent of the Trust Partnership's interest to RNR Production, Land and Cattle Company, Inc. (RNR) on October 27, 2011, and the sale of 25 percent of the remaining interest on October 31, 2013, to RNR. The Managing Partner of the Trust Partnership is Chevron.

Information used in the preparation of this report was obtained from Chevron. During this investigation, we consulted freely with the officers and employees of Chevron and were given access to such accounts, records, geological and engineering reports, and other data as were desired for examination. In the preparation of this report we have relied, without independent verification, upon information furnished by Chevron with respect to property interests owned by the Trust Partnership, production from such properties, current costs of operation and development, current prices for production, agreements relating to current and future operations and sale of production, and various other information and data that were accepted as represented. It was not considered necessary to make a field examination of the physical condition and operation of the Subject Properties.

Additionally, this information includes data supplied by IHS Global Inc.; Copyright 2014 IHS Global Inc.

Revenue values in this report were estimated using the initial prices and costs provided by Chevron. Future prices were estimated using guidelines established by the United States Securities and Exchange Commission (SEC) and the Financial Accounting Standards Board (FASB). These guidelines require the use of prices for oil and condensate in effect on October 31, 2014. The following assumptions were used for estimating future prices and costs:

Oil and Condensate Prices

The oil and condensate prices were based on a 12-month average price (reference price), calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the

7

reporting period, unless prices are defined by contractual arrangements. Chevron supplied differentials by field to a West Texas Intermediate reference price of \$98.42 per barrel of oil and condensate and the prices were held constant thereafter. The volume-weighted average price is \$99.59 per barrel of oil and condensate.

Natural Gas Prices

The natural gas prices were based on a reference price, calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by contractual arrangements. The gas prices were calculated for each property using differentials to a Henry Hub reference price of \$4.29 per million British thermal units furnished by Chevron and held constant thereafter. The volume-weighted average price is \$4.331 per Mcf of gas.

Operating Expenses and Capital Costs

Operating expenses and capital costs, based on information provided by Chevron, were used in estimating future costs required to operate the properties. Abandonment costs have been estimated as capital costs for all remaining properties.

8

A summary of estimated future revenue and costs attributable to the Combined Interests in proved reserves of the Subject Properties and the future net revenue and present worth attributable to the Trust Partnership Interest, as of October 31, 2014, are as follows, expressed in dollars (\$):

	<u>Chevron Properties</u>
Combined Interests	
Future Gross Revenue (\$)	117,037,628
Operating Expenses (\$)	(43,389,321)
Capital Costs \$(1)	(19,556,306)
Future Net Revenue (\$)	54,092,001
Cost Escrow as of 10-31-14 (\$)	6,667
Interest Credit on Accrued Balance (\$)	0
Interest on Deficit (\$)	0
Overhead (\$)	(5,399,498)
Revenue Subject to Net Profits Interest (\$)	48,699,170
Trust Partnership Interest	
Future Net Revenue \$(2)	7,304,878
Present Worth at 10 Percent \$(2)	5,643,219

Notes:

EXHIBIT 2h

10-K 1 a2228054z10-k.htm 10-K

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)[PART IV](#)[Table of Contents](#)

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

FORM 10-K

(Mark
One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

for the fiscal year ended December 31, 2015

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 000-6910

TEL OFFSHORE TRUST

(Exact name of registrant as specified in its charter)

Texas

(State or other jurisdiction of
incorporation or organization)

76-6004064

(I.R.S. Employer
Identification No.)

The Bank of New York Mellon Trust Company, N.A., Trustee

919 Congress Avenue, Suite 500

Austin, Texas

(Address of principal executive offices)

78701

(Zip Code)

Registrant's telephone number, including area code: **(512) 236-6599**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

None

Name of each exchange on which registered

None

Securities registered pursuant to Section 12(g) of the Act:

[Table of Contents](#)

Federal income taxation of a non-U.S. Unit holder is a highly complex matter which may be affected by many other considerations. Therefore, each non-U.S. Unit holder is encouraged to consult its own tax advisor with respect to its ownership of Units.

Tax-exempt Organizations

Investments in publicly traded grantor trusts are treated the same as investments in partnerships for purposes of the rules governing unrelated business taxable income. Royalty income and interest income should not be unrelated business taxable income so long as, generally, a Unit holder did not incur debt to acquire a Unit or otherwise incur or maintain a debt that would not have been incurred or maintained if that Unit had not been acquired. Legislative proposals have been made from time to time which, if adopted, would result in the treatment of Royalty income as unrelated business taxable income. Each tax-exempt Unit holder is encouraged to consult its own tax advisor with respect to its ownership of Units and the treatment of Royalty income.

State Law Considerations

The Trust and the Partnership have been structured so as to cause the Units to be treated for certain state law purposes essentially the same as other securities, that is, as interests in intangible personal property rather than as interests in real property. However, in the absence of controlling legal precedent, there is a possibility that under certain circumstances a Unit holder could be treated as owning an interest in real property under the laws of Louisiana. In that event, the tax, probate, devolution of title and administration laws of Louisiana or other states applicable to real property may apply to the Units, even if held by a person who is not a resident thereof. Application of these laws could make the inheritance and related matters with respect to the Units substantially more onerous than had the Units been treated as interests in intangible personal property. Unit holders are encouraged to consult their legal and tax advisors regarding the applicability of these considerations to their individual circumstances.

Texas does not impose an income tax. Therefore, no part of the income produced by the Trust is subject to an income tax in Texas. However, Texas imposes a tax on gross revenues less certain deductions, as specifically set forth in the Texas franchise tax statute. Entities subject to tax generally include trusts unless otherwise exempt, and most other types of entities having limited liability protection. Trusts and partnerships that receive at least 90% of their federal gross income from designated passive sources, including royalties from mineral properties and other non-operated mineral interest income, and do not receive more than 10% of their income from operating an active trade or business, are generally exempt from the Texas franchise tax as "passive entities." The Trust should be exempt from Texas franchise tax as a "passive entity." Since the Trust should be exempt from Texas franchise tax at the Trust level as a passive entity, each Unit holder that is considered a taxable entity under the Texas franchise tax would generally be required to include its Texas portion of Trust revenues in its own Texas franchise tax computation. Each Unit holder is urged to consult its own tax advisor regarding its possible Texas franchise tax liability.

TERMINATION OF THE TRUST

The terms of the TEL Offshore Trust Agreement provide that the Trust will terminate upon the first to occur of the following events: (1) total future net revenues attributable to the Partnership's interest in the Royalty, as determined by independent petroleum engineers, as of the end of any year, are less than \$1.2 million (assuming no further sales of any interests in the Royalty) or (2) a decision to terminate the Trust by the affirmative vote of Unit holders representing a majority of the Units. Total future net revenues attributable to the Partnership's interest in the Royalty were estimated at \$2.2 million as of October 31, 2015, based on the 2015 Reserve Report. Based on the 2015 Reserve Report, approximately 84% of future net revenues from the Royalty Properties are expected to be

EX-99.1 4 a2228054zex-99_1.htm EX-99.1

Exhibit 99.1

DeGolyer and MacNaughton
5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244

LETTER REPORT
as of
OCTOBER 31, 2015
on
RESERVES and REVENUE
of
CERTAIN PROPERTIES
owned by the
TEL OFFSHORE TRUST PARTNERSHIP

SEC CASE

DeGolyer and MacNaughton
5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244

December 4, 2015

Chevron U.S.A. Inc.
Chevron Place
935 Gravier Street
New Orleans, Louisiana 70012

Ladies and Gentlemen:

Pursuant to your request, we have prepared estimates, as of October 31, 2015, of the extent and value of the proved oil, condensate, and gas reserves of a net profits interest represented to be owned by TEL Offshore Trust Partnership (the Trust Partnership). This net profits interest (the Trust Partnership Interest) is in certain offshore leases that Chevron U.S.A. Inc. (Chevron) has represented that it owns. The interest evaluated consists of a 15-percent net profits interest in 17 leases (the Subject Properties), which are located in the Gulf of Mexico offshore from Louisiana. The Trust Partnership completed the sale of 20 percent of the Trust Partnership's interest to RNR Production, Land and Cattle Company, Inc. (RNR) on October 27, 2011, and the sale of 25 percent of the remaining interest on October 31, 2013, to RNR. The Managing Partner of the Trust Partnership is Chevron. The proved reserves estimates have been prepared in accordance with the reserves definitions of Rules 4—10(a) (1)—(32) of Regulation S—X of the Securities and Exchange Commission (SEC) of the United States. This report was prepared in accordance with guidelines specified in Item 1202 (a)(8) of Regulation S-K and is to be used for inclusion in certain SEC filings by the Trust Partnership, and represents 100 percent of the proved reserves of the Trust Partnership.

Information used in the preparation of this report was obtained from Chevron. During this investigation, we consulted freely with the officers and employees of Chevron and were given access to such accounts, records, geological and engineering reports, and other data as were desired for examination. In the preparation of this report we have relied, without independent verification, upon information furnished by Chevron with respect to property interests owned by the

Trust Partnership, production from such properties, current costs of operation and development, current prices for production, agreements relating to current and future operations and sale of production, and various other information and data that were accepted

Overhead (\$)	(3,309,708)
Revenue Subject to Net Profits Interest (\$)	14,551,076
Trust Partnership Interest	
Future Net Revenue \$(2)	2,182,662
Present Worth at 10 Percent \$(2)	1,589,273

Notes:

1. Includes abandonment costs..
2. Future income tax expenses were not taken into account in the preparation of these estimates.

In our opinion, the information relating to estimated proved reserves, estimated future net revenue from proved reserves, and present worth of estimated future net revenue from proved reserves of oil, condensate, and gas contained in this report has been prepared in accordance with Paragraphs 932-235-50-4, 932-235-50-5 through 932-235-50-7, 932-235-50-9, 932-235-50-30, and 932-235-50-31(a), (b), and (e) of the Accounting Standards Update 932-235-50, *Extractive Industries — Oil and Gas (Topic 932): Oil and Gas Reserve Estimation and Disclosures* (January 2010) of the Financial Accounting Standards Board and Rules 4—10(a)(1)—(32) of Regulation S—X and Rules 302(b), 1201, and 1202(a)(1), (2), (3), (4), (8) of Regulation S—K of the

Securities and Exchange Commission; provided, however, that future income tax expenses have not been taken into account in estimating the future net revenue and present worth values set forth herein.

To the extent the above-enumerated rules, regulations, and statements require determinations of an accounting or legal nature, we, as engineers, are necessarily unable to express an opinion as to whether the above-described information is in accordance therewith or sufficient therefor.

In our opinion, we have made the investigations necessary to enable us to estimate the petroleum reserves reported herein. Estimates of oil, condensate, and gas reserves and future net revenue should be regarded only as estimates that may change as further production history and additional information become available. Not only are such reserves and revenue estimates based on that information which is currently available, but such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information.

While the oil and gas industry may be subject to regulatory changes from time to time that could affect an industry participant's ability to recover its oil and gas reserves, we are not aware of any such governmental actions which would restrict the recovery of the October 31, 2015, estimated oil and gas reserves.

DeGolyer and MacNaughton is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1936. DeGolyer and MacNaughton does not have any financial interest, including stock ownership, in the Trust Partnership or in Chevron. Our fees were not contingent on the results of our evaluation. This report has been prepared at the request of the Trust Partnership. DeGolyer and MacNaughton has used all assumptions, procedures, data, and methods that it considers necessary to prepare this report.

Submitted,

/s/ DeGolyer and MacNaughton

DeGOLYER and MacNAUGHTON
Texas Registered Engineering Firm F-716

/s/ Paul J. Szatkowski
Paul J. Szatkowski, P.E.

EXHIBIT 3

DEGOLYER AND MACNAUGHTON
5001 SPRING VALLEY ROAD
SUITE 800 EAST
DALLAS, TEXAS 75244

LETTER REPORT
as of
OCTOBER 31, 2008
on
RESERVES and REVENUE
of
CERTAIN PROPERTIES
owned by the
TEL OFFSHORE TRUST PARTNERSHIP

SEC CASE

DEGOLYER AND MACNAUGHTON
5001 SPRING VALLEY ROAD
SUITE 800 EAST
DALLAS, TEXAS 75244

March 16, 2009

Chevron U.S.A. Inc.
Chevron Place
935 Gravier Street
New Orleans, Louisiana 70012

Gentlemen:

Pursuant to your request, we have prepared estimates, as of October 31, 2008, of the extent and value of the proved crude oil, condensate, and natural gas reserves of a net profits interest owned by TEL Offshore Trust Partnership (the Trust Partnership). This net profits interest (the Trust Partnership Interest) is in certain offshore leases owned by Chevron U.S.A. Inc. (Chevron). The interest appraised consists of a 25-percent net profits interest in 17 leases (the Subject Properties), which are located in the Gulf of Mexico offshore from Louisiana. Certain of the Subject Properties were acquired by Energy Resources Technology (ERT) effective July 1, 2007 and certain other properties were acquired by Hilcorp Energy Company (Hilcorp) effective August 1, 2008. The Managing Partner of the Trust Partnership is Chevron.

Information used in the preparation of this report was obtained from Chevron. During this investigation, we consulted freely with the officers and employees of Chevron and were given access to such accounts, records, geological and engineering reports, and other data as were desired for examination. In the preparation of this report we have relied, without independent verification, upon information furnished by Chevron with respect to property interests owned by the Trust Partnership, production from such properties, current costs of operation and development, current prices for production, agreements relating to current and future operations and sale of production, and various other information and data that were accepted as represented. It was not considered necessary to make a field examination of the physical condition and operation of the Subject Properties. Additionally, this information includes data supplied by Petroleum Information/Dwights LLC; Copyright 2008 Petroleum Information/Dwights LLC.

Our reserves estimates are based on a detailed study of the Subject Properties and were prepared by the use of standard geological and engineering methods generally accepted by the petroleum industry. The method or combination of methods used in the analysis of each reservoir was tempered by experience with similar reservoirs, consideration of the stage of development of the reservoir, and the quality and completeness of basic data.

Reserves estimated herein are expressed as gross and net reserves. Gross reserves are defined as the total estimated petroleum to be produced from the Subject Properties after October 31, 2008. Combined net reserves are defined as those reserves remaining after deducting royalties and interests owned by others from gross reserves. Net reserves are defined as that portion of the combined net reserves attributable to the interests owned by the Trust Partnership. Gas volumes are expressed as sales-gas reserves at a temperature of 60 degrees Fahrenheit and at a legal pressure base of 14.73 pounds per square inch absolute. Sales gas is defined as the total gas to be produced from the reservoirs, measured at the point of delivery, after reduction for fuel usage, flare, and shrinkage resulting from field separation and processing. Condensate reserves estimated herein are those to be obtained by normal separator recovery.

Petroleum reserves included in this report are classified as proved and are judged to be economically producible in future years from known reservoirs under existing economic and operating conditions and assuming continuation of current regulatory practices using conventional production methods and equipment. In the analyses of production-decline curves, reserves were estimated only to the limit of economic rates of production under existing economic and operating conditions using prices and costs as of the date the estimate is made, including consideration of changes in existing prices provided only by contractual arrangements but not including escalations based upon future conditions. Proved reserves classifications used in this report are in accordance with the reserves definitions of Rules 4-10(a) (1)-(13) of Regulation S-X of the United States Securities and Exchange Commission (SEC). The petroleum reserves are classified as follows:

Proved oil and gas reserves – Proved oil and gas reserves are the estimated quantities of crude oil, natural gas, and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, i.e., prices and costs as of the date the estimate is made. Prices include consideration of

changes in existing prices provided only by contractual arrangements, but not on escalations based upon future conditions.

(i) Reservoirs are considered proved if economic producibility is supported by either actual production or conclusive formation test. The area of a reservoir considered proved includes (A) that portion delineated by drilling and defined by gas-oil and/or oil-water contacts, if any; and (B) the immediately adjoining portions not yet drilled, but which can be reasonably judged as economically productive on the basis of available geological and engineering data. In the absence of information on fluid contacts, the lowest known structural occurrence of hydrocarbons controls the lower proved limit of the reservoir.

(ii) Reserves which can be produced economically through application of improved recovery techniques (such as fluid injection) are included in the "proved" classification when successful testing by a pilot project, or the operation of an installed program in the reservoir, provides support for the engineering analysis on which the project or program was based.

(iii) Estimates of proved reserves do not include the following: (A) oil that may become available from known reservoirs but is classified separately as "indicated additional reserves"; (B) crude oil, natural gas, and natural gas liquids, the recovery of which is subject to reasonable doubt because of uncertainty as to geology, reservoir characteristics, or economic factors; (C) crude oil, natural gas, and natural gas liquids, that may occur in undrilled prospects; and (D) crude oil, natural gas, and natural gas liquids, that may be recovered from oil shales, coal, gilsonite, and other such sources.

Proved developed oil and gas reserves – Proved developed oil and gas reserves are reserves that can be expected to be recovered through existing wells with existing equipment and operating methods. Additional oil and gas expected to be obtained through the application of fluid injection or other improved recovery techniques for supplementing the natural forces and mechanisms of primary

recovery should be included as "proved developed reserves" only after testing by a pilot project or after the operation of an installed program has confirmed through production response that increased recovery will be achieved.

Proved undeveloped reserves – Proved undeveloped oil and gas reserves are reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion. Reserves on undrilled acreage shall be limited to those drilling units offsetting productive units that are reasonably certain of production when drilled. Proved reserves for other undrilled units can be claimed only where it can be demonstrated with certainty that there is continuity of production from the existing productive formation. Under no circumstances should estimates for proved undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual tests in the area and in the same reservoir.

All of the proved reserves estimated herein are classified as proved developed. There are no proved undeveloped reserves for the properties evaluated in this report.

The properties evaluated consist of 17 leases located offshore from Louisiana. These 17 leases include 7 productive properties (including 2 leases covering separate portions of the south half of Ship Shoal Block 183). No reserves have been assigned to 10 properties, including 4 abandoned leases. ERT owns an interest in one productive property. Hilcorp owns an interest in three leases, one of which is productive. Chevron owns an interest in the remaining nine properties, including four to which no reserves have been assigned.

The reserves volumes and revenue values shown in this report were estimated from projections of reserves and revenue attributable to the "Combined Interests," defined herein as the Trust Partnership Interests and the interests retained in the Subject Properties by Chevron, ERT, or Hilcorp. Net reserves attributable to the Trust Partnership Interests were estimated by allocating to the Trust Partnership a portion of the estimated combined net reserves of the Subject

DEGOLYER AND MACNAUGHTON

Properties based on future revenue. The formula used to estimate the net reserves attributable to the Trust Partnership Interest is as follows:

$$\text{Trust Partnership Interest net reserves} = \frac{\text{Trust Partnership Interest future net revenue}}{\text{Combined future gross revenue}} \times \text{Combined net reserves}$$

This formula was applied separately to the ERT and Hilcorp groups of properties and then to the Chevron group; the results were then added together to obtain the total reserves for the Trust Partnership Interest. Because the net reserves volumes attributable to the Trust Partnership Interest are estimated using an allocation of reserves based on estimates of future revenue, a change in prices or costs will result in changes in the estimated net reserves. Therefore, the estimated net reserves attributable to the Trust Partnership Interest will vary if different future price and cost assumptions are used. Trust Partnership Interest net revenue and net reserves estimates included in this report have been estimated from reserves and revenue attributable to the Combined Interests using procedures and calculation methods as specified by Chevron and represented by Chevron to be in accordance with the Conveyance of Overriding Royalty Interests.

Units have been formed for several common reservoirs that underlie the Subject Properties and adjacent leases. In those cases, the estimated gross reserves of the entire reservoir are shown and the resulting combined Trust Partnership and Chevron, ERT, or Hilcorp interests in the reservoir unit are used to estimate these Combined Interests net reserves.

Data available from wells drilled on the appraised properties through October 2008 were used in estimating gross ultimate recovery. Gross production through October 31, 2008, was deducted from the gross ultimate recovery to arrive at estimates of gross reserves.

During September 2008, the platforms and wells associated with the Eugene Island 339 field were completely destroyed by Hurricane Ike. Chevron is assessing the work required to clear the remaining infrastructure and abandon existing wells. A cost estimate for this work was not available during the preparation of this report. A decision by Chevron regarding possible redevelopment is under consideration, but there are no assurances that production will be restored. Considering these uncertainties, and at the request of Chevron, the Eugene Island 339 field has been omitted from this report with the understanding that this report will be updated

DEGOLYER AND MACNAUGHTON

once Chevron's assessment of Eugene Island 339 is completed. Therefore, there are no reserves or values attributable to the Eugene Island 339 field presented herein.

Estimated net proved reserves attributable to the Trust Partnership Interest, as of October 31, 2008, are summarized as follows, expressed in barrels (bbl) and thousands of cubic feet (Mcf):

	<u>Oil and Condensate (bbl)</u>	<u>Natural Gas (Mcf)</u>
Proved Developed Reserves		
Reserves as of October 31, 2007	442,004	2,217,654
Revisions of Previous Estimates	(126,491)	(210,967)
Improved Recovery	0	0
Purchases of Minerals in Place	0	0
Extensions, Discoveries, and Other Additions	58	3,131
Production ¹	(96,429)	(622,666)
Sales of Minerals in Place	0	0
Reserves as of October 31, 2008	219,142	1,387,152

¹ Production was estimated based on the ratio as of October 31, 2007, of the Trust Partnership Interest net reserves to the Combined Interests net reserves. This ratio was then applied to the production net to the Combined Interests for the period from November 1, 2007, through October 31, 2008.

Revenue values in this report are expressed in terms of estimated combined future net revenue, future net revenue attributable to the Trust Partnership Interest, and present worth of these future net revenues. Future gross revenue is that revenue which will accrue from the production and sale of the estimated combined net reserves. Combined future net revenue values were calculated by deducting operating expenses and capital costs from the future gross revenue of the Combined Interests. These monthly values for the aggregate of the Combined Interests in the Subject Properties were reduced by a trust overhead charge furnished by Chevron. Capital and abandonment costs for longer-life properties were accrued at the end of each quarter in amounts specified by Chevron beginning in January 2009. The future accrual or escrow amounts for each of the three groups of properties were deducted from the combined future net revenue at the end of each quarter, as specified by Chevron. Interest on the balance of the accrued capital and abandonment costs at the rate of 2.0 percent per year as specified by Chevron was credited monthly. The adjusted revenue resulting from subtracting the overhead charge and accrued capital and abandonment costs was multiplied by a factor of 25 percent to arrive at the future net revenue attributable to the Trust Partnership Interest. The above calculations were made monthly for each of the three groups of

DEGOLYER AND MACNAUGHTON

the properties (Chevron, ERT, and Hilcorp). Interest was charged monthly on the net profits deficit balances (costs not recovered currently) at the rate of 2.0 percent per year as specified by Chevron. Present worth is defined as future net revenue discounted at a specified arbitrary discount rate compounded monthly over the expected period of realization; in this report, present worth values using a discount rate of 10 percent are reported. Future income tax expenses were not taken into account in estimating future net revenue and present worth. No deductions were made in the foregoing reserves estimates for any outstanding production payments.

Revenue values in this report were estimated using the initial prices and costs provided by Chevron. Future prices were estimated using guidelines established by the United States Securities and Exchange Commission (SEC) and the Financial Accounting Standards Board (FASB). These guidelines require the use of prices for oil and condensate in effect on October 31, 2008. The following assumptions were used for estimating future prices and costs:

Oil and Condensate Prices

Oil and condensate prices were furnished by Chevron and were the prices in effect on October 31, 2008. These prices were used as initial prices with no increases based on inflation.

Natural Gas Prices

Initial gas prices furnished by Chevron were prices in effect on October 31, 2008. These initial prices were held constant for the life of the properties.

Operating Expenses and Capital Costs

Current estimates of operating expenses were used for the life of the properties with no increases in the future based on inflation. Future capital expenditures were estimated using 2008 values and were not adjusted for inflation. Abandonment costs have been estimated as capital costs for all properties, including the 10 leases which are considered depleted and to which no reserves have been assigned.

There has been a substantial decline in the prices for oil, condensate, and gas reserves from October 31, 2008, to the signed date of this report, which, if taken into

DEGOLYER AND MACNAUGHTON

account, would have a significant adverse effect on the estimates of revenue from oil, condensate, and gas and could have an adverse effect on the estimates of oil, condensate, and gas reserves set forth herein.

A summary of estimated revenue and costs attributable to the Combined Interests in proved reserves of the Subject Properties and the future net revenue and present worth attributable to the Trust Partnership Interest, as of October 31, 2008, is as follows, expressed in dollars (\$):

	Properties			Total
	Chevron	ERT	Hilcorp	
Combined Interests				
Future Gross Revenue (\$)	126,028,639	124,879	2,517,680	128,671,198
Operating Expenses (\$)	(19,979,071)	(76,256)	(538,151)	(20,593,478)
Capital Costs (\$) ¹	(19,174,281)	0	(5,695,384)	(24,869,665)
Future Net Revenue (\$)	86,875,287	48,623	(3,715,855)	83,208,055
Cost Escrow as of 10-31-08 (\$)	13,339,691	0	3,962,321	17,302,012
Interest Credit on Accrued Balance (\$)	1,501,151	0	116,873	1,618,024
Interest on Deficit (\$)	(115,691)	0	(31,292)	(146,983)
Overhead (\$)	(5,000,376)	(6,021)	(266,004)	(5,272,401)
Revenue Subject to Net Profits Interest (\$)	96,600,062	42,602	260,475 ³	96,903,139 ³
Trust Partnership Interest				
Future Net Revenue (\$) ²	24,149,991	10,640	65,118	24,225,749
Present Worth at 10 Percent (\$) ²	16,786,756	9,856	64,315	16,860,927

¹ Includes abandonment costs.

² Future income tax expenses were not taken into account in the preparation of these estimates.

³ Includes \$194,432 deficit balance incurred on the Hilcorp Property that is not deducted from Revenue Subject to Net Profits Interest.

In our opinion, the information relating to estimated proved reserves, estimated future net revenue from proved reserves, and present worth of estimated future net revenue from proved reserves of oil, condensate, and gas contained in this report has been prepared in accordance with Paragraphs 10-13, 15 and 30(a)-(b) of Statement of Financial Accounting Standards No. 69 (November 1982) of the FASB and Rules 4-10(a) (1)-(13) of Regulation S-X and Rule 302(b) of Regulation S-K of the SEC; provided, however, future income tax expenses have not been taken into account in estimating the future net revenue and present worth values set forth herein.

To the extent the above-enumerated rules, regulations, and statements require determinations of an accounting or legal nature or information beyond the

DeGOLYER AND MACNAUGHTON

scope of this report, we are necessarily unable to express an opinion as to whether the above-described information is in accordance therewith or sufficient therefor.

In our opinion, we have made the investigations necessary to enable us to estimate the petroleum reserves reported herein. Estimates of oil, condensate, and gas reserves and future net revenue should be regarded only as estimates that may change as further production history and additional information become available. Not only are such reserves and revenue estimates based on that information which is currently available, but such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information.

Submitted,

DeGolyer and MacNaughton
DeGOLYER and MacNAUGHTON



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APPENDIX
to
LETTER REPORT
as of
OCTOBER 31, 2008
on
RESERVES and REVENUE
of
CERTAIN PROPERTIES
owned by the
TEL OFFSHORE TRUST PARTNERSHIP

SEC CASE

TABLE of CONTENTS

	PAGE
TOTAL PROVED	
PARTNERSHIP INTEREST PROJECTIONS.....	1
COMBINED INTERESTS	
SUMMARIES OF RESERVES AND REVENUE.....	5
RESERVES AND REVENUE PROJECTIONS.....	11

PROJECTION AS OF OCTOBER 31, 2008 OF
ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM
PROVED RESERVES OF CERTAIN PROPERTIES
OWNED BY TEL OFFSHORE TRUST PARTNERSHIP

1

COMBINED INTERESTS RESERVES AND REVENUE						SEC CASE PARTNERSHIP PROPERTIES TOTAL PROVED		
FISCAL YEAR	NET OIL + CON	NET NGL	NET LIQUIDS	NET GAS	GROSS LIQ REVENUE	GROSS GAS REVENUE	GROSS REVENUE	REVENUE AFTER TAX
2009	71737	0	71737	262201	4864418	1769864	6634282	6634282
2010	156440	0	156440	621596	10608350	4195750	14804100	14804100
2011	274240	0	274240	1776992	18596128	11994698	30590826	30590826
2012	305676	0	305676	1988373	20727563	13421511	34149074	34149074
2013	189538	0	189538	1217930	12852610	8221039	21073649	21073649
2014	118693	0	118693	805804	8048735	5439200	13487935	13487935
2015	75428	0	75428	417270	5114743	2816589	7931332	7931332
GRAND TOTAL	1191752	0	1191752	7090166	80812547	47858651	128671198	128671198

COMBINED INTERESTS COSTS						SEC CASE PARTNERSHIP PROPERTIES TOTAL PROVED	
FISCAL YEAR	REVENUE AFTER TAX	CAPITAL COSTS LESS COST ESCROW	INTEREST ON ACCRUAL	OVERHEAD COSTS	OPERATING COSTS	INT ON DEFICIT	
2009	6634282	12419868	436914	428955	1767579	59793	
2010	14804100	831852	441593	650318	3105484	79462	
2011	30590826	2539809	303217	1331349	3326153	7728	
2012	34149074	10152	147610	1124148	3135018	0	
2013	21073649	585616	125935	799371	3104052	0	
2014	13487935	164	88462	500423	3104052	0	
2015	7931332	884622	74193	437839	3051140	0	
GRAND TOTAL	128671198	7567653	1618024	5272401	20593478	146983	

TRUST SHARE								SEC CASE PARTNERSHIP PROPERTIES TOTAL PROVED	
FISCAL YEAR	REV AVAIL TO TRUST	TRUST REVENUE	TRUST OIL + CON	TRUST NGL	TRUST LIQUIDS	TRUST GAS	TRUST PW AT 10 PCT		
2009	750675	187661	1542	0	1542	12280	184777		
2010	4468066	1116511	11175	0	11175	53121	926351		
2011	28383695	7095919	64262	0	64262	405627	5437755		
2012	30047672	7511914	67222	0	67222	437517	5305900		
2013	17881777	4470441	40206	0	40206	258310	2853620		
2014	9972086	2493016	21905	0	21905	149204	1444247		
2015	5401168	1350287	12830	0	12830	71093	708277		
GRAND TOTAL	96903139	24225749	219142	0	219142	1387152	16860927		

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

PROJECTION AS OF OCTOBER 31, 2008 OF
ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM
PROVED RESERVES OF CERTAIN PROPERTIES
OWNED BY TEL OFFSHORE TRUST PARTNERSHIP

SEC CASE
CHEVRON PROPERTIES
TOTAL PROVED

COMBINED INTERESTS RESERVES AND REVENUE

FISCAL YEAR	NET OIL + CON	NET NGL	NET LIQUIDS	NET GAS	GROSS LIQ REVENUE	GROSS GAS REVENUE	GROSS REVENUE	REVENUE AFTER TAX
2009	71638	0	71638	49023	4857620	330905	5188525	5188525
2010	156383	0	156383	505302	10604603	3410770	14015373	14015373
2011	274210	0	274210	1716839	18594088	11588663	30182751	30182751
2012	305676	0	305676	1988373	20727563	13421511	34149074	34149074
2013	189538	0	189538	1217930	12852610	8221039	21073649	21073649
2014	118693	0	118693	805804	8048735	5439200	13487935	13487935
2015	75428	0	75428	417270	5114743	2816589	7931332	7931332
GRAND TOTAL	1191566	0	1191566	6700541	80799962	45228677	126028639	126028639

SEC CASE
CHEVRON PROPERTIES
TOTAL PROVED

COMBINED INTERESTS COSTS

FISCAL YEAR	REVENUE AFTER TAX	CAPITAL COSTS LESS COST ESCROW	INTEREST ON ACCRUAL	OVERHEAD COSTS	OPERATING COSTS	INT ON DEFICIT
2009	5188525	10499304	354563	227746	1533579	53021
2010	14015373	831852-	422949	620050	2903228	62670
2011	30182751	2352308-	287439	1290801	3148002	0
2012	34149074	10152-	147610	1124146	3135018	0
2013	21073649	585616-	125935	799371	3104052	0
2014	13487935	164-	88462	500423	3104052	0
2015	7931332	884622-	74193	437839	3051140	0
GRAND TOTAL	126028639	5834590	1501151	5000376	19979071	115691

SEC CASE
CHEVRON PROPERTIES
TOTAL PROVED

TRUST SHARE

FISCAL YEAR	REV AVAIL TO TRUST	TRUST REVENUE	TRUST OIL + CON	TRUST NGL	TRUST LIQUIDS	TRUST GAS	TRUST PW AT 10 PCT
2009	462726	115681	1538	0	1538	1672	113894
2010	4450938	1112733	11175	0	11175	52566	923063
2011	28383695	7095919	64262	0	64262	405627	5437755
2012	30047672	7511914	67222	0	67222	437517	5305900
2013	17881777	4470441	40206	0	40206	258310	2853620
2014	9972086	2493016	21905	0	21905	149204	1444247
2015	5401168	1350287	12830	0	12830	71093	708277
GRAND TOTAL	96600062	24149991	219138	0	219138	1375989	16786756

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

PROJECTION AS OF OCTOBER 31, 2008 OF
ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM
PROVED RESERVES OF CERTAIN PROPERTIES
OWNED BY TEL OFFSHORE TRUST PARTNERSHIP

3

COMBINED INTERESTS RESERVES AND REVENUE					SEC CASE ENERGY RESOURCES TECHNOLOGY TOTAL PROVED				
FISCAL YEAR	NET OIL + CON	NET NGL	NET LIQUIDS	NET GAS	GROSS LIQ REVENUE	GROSS GAS REVENUE	GROSS REVENUE	REVENUE AFTER TAX	
2009	0	0	0	12689	0	85658	85658	85658	
2010	0	0	0	5811	0	39221	39221	39221	
2011	0	0	0	0	0	0	0	0	
2012	0	0	0	0	0	0	0	0	
2013	0	0	0	0	0	0	0	0	
2014	0	0	0	0	0	0	0	0	
2015	0	0	0	0	0	0	0	0	
GRAND TOTAL	0	0	0	18500	0	124879	124879	124879	

COMBINED INTERESTS COSTS					SEC CASE ENERGY RESOURCES TECHNOLOGY TOTAL PROVED		
FISCAL YEAR	REVENUE AFTER TAX	CAPITAL COSTS LESS COST	ESCROW	INTEREST ON ACCRUAL	OVERHEAD COSTS	OPERATING COSTS	INT ON DEFICIT
2009	85658	0	0	0	4184	54000	0
2010	39221	0	0	0	1837	22256	0
2011	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0
GRAND TOTAL	124879	0	0	0	6021	76256	0

TRUST SHARE							SEC CASE ENERGY RESOURCES TECHNOLOGY TOTAL PROVED	
FISCAL YEAR	REV AVAIL TO TRUST	TRUST REVENUE	TRUST OIL + CON	TRUST NGL	TRUST LIQUIDS	TRUST GAS	TRUST PW AT 10 PCT	
2009	27474	6862	0	0	0	1010	6568	
2010	15128	3778	0	0	0	555	3288	
2011	0	0	0	0	0	0	0	
2012	0	0	0	0	0	0	0	
2013	0	0	0	0	0	0	0	
2014	0	0	0	0	0	0	0	
2015	0	0	0	0	0	0	0	
GRAND TOTAL	42602	10640	0	0	0	1565	9856	

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

PROJECTION AS OF OCTOBER 31, 2008 OF
ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM
PROVED RESERVES OF CERTAIN PROPERTIES
OWNED BY TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTERESTS RESERVES AND REVENUE									SEC CASE HILCORP ENERGY COMPANY TOTAL PROVED
FISCAL YEAR	NET OIL + CON	NET NGL	NET LIQUIDS	NET GAS	GROSS LIQ REVENUE	GROSS GAS REVENUE	GROSS REVENUE	REVENUE AFTER TAX	
2009	99	0	99	200489	6798	1353301	1360099	1360099	
2010	57	0	57	110483	3747	745759	749506	749506	
2011	30	0	30	60153	2040	406035	408075	408075	
2012	0	0	0	0	0	0	0	0	
2013	0	0	0	0	0	0	0	0	
2014	0	0	0	0	0	0	0	0	
2015	0	0	0	0	0	0	0	0	
GRAND TOTAL	186	0	186	371125	12585	2505095	2517680	2517680	

COMBINED INTERESTS COSTS							SEC CASE HILCORP ENERGY COMPANY TOTAL PROVED
FISCAL YEAR	REVENUE AFTER TAX	CAPITAL COSTS LESS COST ESCROW	INTEREST ON ACCRUAL	OVERHEAD COSTS	OPERATING COSTS	INT ON DEFICIT	
2009	1360099	1920564	82351	197025	180000	6772	
2010	749506	0	18744	28431	180000	16792	
2011	408075	187501	15778	40548	178151	7728	
2012	0	0	0	0	0	0	
2013	0	0	0	0	0	0	
2014	0	0	0	0	0	0	
2015	0	0	0	0	0	0	
GRAND TOTAL	2517680	1733063	116873	266004	538151	31292	

TRUST SHARE								SEC CASE HILCORP ENERGY COMPANY TOTAL PROVED
FISCAL YEAR	REV AVAIL TO TRUST	TRUST REVENUE	TRUST OIL + CON	TRUST NGL	TRUST LIQUIDS	TRUST GAS	TRUST PW AT 10 PCT	
2009	260475	65118	4	0	4	9598	64315	
2010	0	0	0	0	0	0	0	
2011	0	0	0	0	0	0	0	
2012	0	0	0	0	0	0	0	
2013	0	0	0	0	0	0	0	
2014	0	0	0	0	0	0	0	
2015	0	0	0	0	0	0	0	
GRAND TOTAL	260475	65118	4	0	4	9598	64315	

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

DATA
as of
OCTOBER 31, 2008
on
ESTIMATED PROVED RESERVES and REVENUE
of
CERTAIN PROPERTIES
owned by the
TEL OFFSHORE TRUST PARTNERSHIP
(COMBINED INTERESTS)

DATA ON ESTIMATED PROVED RESERVES
AS OF OCTOBER 31, 2008
FROM CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

SUMMARY BY FIELD

	----- GROSS RESERVES -----		*----- NET RESERVES -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
EAST CAMERON BLOCK 353				
EUGENE ISLAND BLOCK 208				
EUGENE ISLAND BLOCK 342				
EUGENE ISLAND BLOCK 348				
SHIP SHOAL BLOCK 169				
SHIP SHOAL BLOCK 343				
SO MARSH ISLAND BLOCK 252				
SOUTH TIMBALIER BLOCK 36				
SOUTH TIMBALIER BLOCK 37				
VERMILION BLOCK 245				
WEST CAMERON BLOCK 643				
GRAND TOTAL				

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

DATA ON ESTIMATED REVENUE FROM PROVED RESERVES
AS OF OCTOBER 31, 2008
FROM CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

7
COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

SUMMARY BY FIELD

	*-----	R E V E N U E	A N D	E X P E N D I T U R E S	*-----	
	GROSS	OPERATING		CAPITAL	NET	PRESENT WORTH
	REVENUE	COSTS		COSTS	REVENUE	AT 10 PERCENT
EAST CAMERON BLOCK 353						
EUGENE ISLAND BLOCK 208						
EUGENE ISLAND BLOCK 342	\$136,752				\$136,752	\$123,794
EUGENE ISLAND BLOCK 348						
SHIP SHOAL BLOCK 169	124,794,252	19,652,724		19,018,556	86,122,972	61,068,886
SHIP SHOAL BLOCK 343						
SO MARSH ISLAND BLOCK 252						
SOUTH TIMBALIER BLOCK 36	260,591	105,372		58,874	96,345	85,880
SOUTH TIMBALIER BLOCK 37	837,044	220,975		96,851	519,218	430,507
VERMILION BLOCK 245						
WEST CAMERON BLOCK 643	2,642,559	614,407		5,695,384	3,667,232-	3,227,373-
GRAND TOTAL	\$128,671,198	\$20,593,478		\$24,869,665	\$83,208,055	\$58,481,694

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

CONFIDENTIAL

TEL0001287

DATA ON ESTIMATED PROVED RESERVES
AS OF OCTOBER 31, 2008
FROM CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

SUMMARY BY LEASE

FIELD LEASE	AVERAGE GROSS	INTERESTS NET	*----- GROSS RESERVES -----*		*----- NET RESERVES -----*	
			OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
EAST CAMERON BLOCK 353						
FIELDWIDE UNIT	.1113640U	.0928030U				
EUGENE ISLAND BLOCK 208						
OCS G- 577 BLK 208 G1 & G2	1.0000000U	.7500000U				
OCS G- 577 BLK 208 G3	1.0000000U	.6333300U				
TOTAL EUGENE ISLAND BLOCK 208						
EUGENE ISLAND BLOCK 342						
E I BLK 342-343 A&B PLTFRMS		.0050000U				
OCS G- 2319 BK 342 C PLTFRM		.0015000	53,981	38,878	83	58
OCS G- 2319 BK 342 C 2		.0015000	102,863	311,937	155	469
OCS G- 2319 BK 342 C 7 10 14		.0050000	61,215	46,243	305	230
OCS G- 2319 BK 342 C15 16 17		.0050000	30,881	2,502,567	155	12,512
OCS G- 2320 BK 343 B13		.0012500U				
TOTAL EUGENE ISLAND BLOCK 342			248,940	2,899,625	698	13,269
EUGENE ISLAND BLOCK 348						
E I 348 (SOUTH) UNIT	.2500000U	.2083330U				
SHIP SHOAL BLOCK 169						
BLOCK 182 C UNIT	.3428720	.2857270	1,223,963	2,474,168	349,719	706,932
OCS G- 821 BLK 183	.6666667	.5555555	1,493,632	10,677,199	829,795	5,931,779
OCS G- 821 BLK 183 F1	.5000000U	.4166667U				
OCS G- 821 BLK 183 F3	.5000000U	.4166667U				
OCS G- 821 BLK 183 I4ST	.6666667	.5555555				
TOTAL SHIP SHOAL BLOCK 169			2,717,595	13,151,367	1,179,514	6,638,711
SHIP SHOAL BLOCK 343						
FIELDWIDE UNIT	.0082610U	.0068840U				
SO MARSH ISLAND BLOCK 252						
OCS G- 2598 BLK 252		.0007820U				
SOUTH TIMBALIER BLOCK 36						
OCS G- 2624 BLK 36	.0026094	.0021745	863,427	9,080,261	1,878	19,745
SOUTH TIMBALIER BLOCK 37						
OCS G- 2625 BLK 37	.0026094	.0021745	4,357,490	13,252,984	9,476	28,816
VERMILION BLOCK 245						
F SAND UNIT	.3337000U	.2780833U				
G SAND UNIT	.3634000U	.3028340U				
OCS G- 1147 BLK 246 9	1.0000000U	.8333300U				
TOTAL VERMILION BLOCK 245						
WEST CAMERON BLOCK 643						
BLOCK 642-643 A UNIT	.3585890	.2988225				
BLOCK 643-370 B UNIT	.3500000	.2916667				
BLOCK 643-371 UNIT B8ST2	.7000000	.5833333				
OCS G- 2240 BLK 642	.2500000	.2083330				
OCS G- 2241 BLK 643	.5000000	.4166667	447	890,700	186	371,125
OCS G-15161 BLK 381	.0750000	.0625000		296,012		18,500
TOTAL WEST CAMERON BLOCK 643			447	1,186,712	186	389,625
GRAND TOTAL			8,187,899	39,570,949	1,191,752	7,090,166

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

SUMMARY BY LEASE

FIELD LEASE	*----- R E V E N U E A N D E X P E N D I T U R E S -----*				
	GROSS REVENUE	OPERATING COSTS	CAPITAL COSTS	NET REVENUE	PRESENT WORTH AT 10 PERCENT
EAST CAMERON BLOCK 353					
----- FIELDWIDE UNIT					
EUGENE ISLAND BLOCK 208					
----- OCS G- 577 BLK 208 G1 & G2					
OCS G- 577 BLK 208 G3					
TOTAL EUGENE ISLAND BLOCK 208					
EUGENE ISLAND BLOCK 342					
----- E I BLK 342-343 A&B PLTFRMS					
OCS G- 2319 BK 342 C PLTFRM	\$5,884			\$5,884	\$5,160
OCS G- 2319 BK 342 C 2	13,621			13,621	12,456
OCS G- 2319 BK 342 C 7 10 14	22,317			22,317	19,496
OCS G- 2319 BK 342 C15 16 17	94,930			94,930	86,682
OCS G- 2320 BK 343 B13					
TOTAL EUGENE ISLAND BLOCK 342	\$136,752			\$136,752	\$123,794
EUGENE ISLAND BLOCK 348					
----- E I 348 (SOUTH) UNIT					
SHIP SHOAL BLOCK 169					
----- BLOCK 182 C UNIT	\$28,486,281	\$11,010,782	\$4,081,891	\$13,393,608	\$10,788,615
OCS G- 821 BLK 183	96,307,971	8,641,942	14,936,665	72,729,364	50,280,271
OCS G- 821 BLK 183 F1					
OCS G- 821 BLK 183 F3					
OCS G- 821 BLK 183 I4ST					
TOTAL SHIP SHOAL BLOCK 169	\$124,794,252	\$19,652,724	\$19,018,556	\$86,122,972	\$61,068,886
SHIP SHOAL BLOCK 343					
----- FIELDWIDE UNIT					
SO MARSH ISLAND BLOCK 252					
----- OCS G- 2598 BLK 252					
SOUTH TIMBALIER BLOCK 36					
----- OCS G- 2624 BLK 36	\$260,591	\$105,372	\$58,874	\$96,345	\$85,880
SOUTH TIMBALIER BLOCK 37					
----- OCS G- 2625 BLK 37	\$837,044	\$220,975	\$96,851	\$519,218	\$430,507
VERMILION BLOCK 245					
----- F SAND UNIT					
G SAND UNIT					
OCS G- 1147 BLK 246 9					
TOTAL VERMILION BLOCK 245					
WEST CAMERON BLOCK 643					
----- BLOCK 642-643 A UNIT			\$537,884	\$537,884-	\$487,862-
BLOCK 643-370 B UNIT			1,207,500	1,207,500-	1,095,207-
BLOCK 643-371 UNIT B8ST2			2,450,000	2,450,000-	2,218,526-
OCS G- 2240 BLK 642			750,000	750,000-	711,166-
OCS G- 2241 BLK 643	2,517,680	538,151	750,000	1,229,529	1,240,334
OCS G-15161 BLK 381	124,879	76,256		48,623	45,054
TOTAL WEST CAMERON BLOCK 643	\$2,642,559	\$614,407	\$5,695,384	\$3,667,232-	\$3,227,373-
GRAND TOTAL	\$128,671,198	\$20,593,478	\$24,869,665	\$83,208,055	\$58,481,694

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

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GRAND TOTAL PROJECTION.....	12
EAST CAMERON BLOCK 353	
FIELDWIDE UNIT.....	13
EUGENE ISLAND BLOCK 208.....	14
OCS G- 577 BLK 208 G1 & G2.....	15
OCS G- 577 BLK 208 G3.....	16
EUGENE ISLAND BLOCK 342.....	17
E I BLK 342-343 A&B PLTFRMS.....	18
OCS G- 2319 BK 342 C PLTFRM.....	19
OCS G- 2319 BK 342 C 2.....	20
OCS G- 2319 BK 342 C 7 10 14.....	21
OCS G- 2319 BK 342 C15 16 17.....	22
OCS G- 2320 BK 343 B13.....	23
EUGENE ISLAND BLOCK 348	
E I 348 (SOUTH) UNIT.....	24
SHIP SHOAL BLOCK 169.....	25
BLOCK 182 C UNIT.....	26
OCS G- 821 BLK 183.....	27
OCS G- 821 BLK 183 F1.....	28
OCS G- 821 BLK 183 F3.....	29
OCS G- 821 BLK 183 I4ST.....	30
SHIP SHOAL BLOCK 343	
FIELDWIDE UNIT.....	31
SO MARSH ISLAND BLOCK 252	
OCS G- 2598 BLK 252.....	32
SOUTH TIMBALIER BLOCK 36	
OCS G- 2624 BLK 36.....	33
SOUTH TIMBALIER BLOCK 37	
OCS G- 2625 BLK 37.....	34
VERMILION BLOCK 245.....	35
F SAND UNIT.....	36
G SAND UNIT.....	37
OCS G- 1147 BLK 246 9.....	38
WEST CAMERON BLOCK 643.....	39
BLOCK 642-643 A UNIT.....	40
BLOCK 643-370 B UNIT.....	41
BLOCK 643-371 UNIT B8ST2.....	42
OCS G- 2240 BLK 642.....	43
OCS G- 2241 BLK 643.....	44
OCS G-15161 BLK 381.....	45

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

GRAND TOTAL

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	2,106,596	7,100,712	71,737	262,201
2010	1,728,745	7,344,588	156,440	621,596
2011	1,414,953	6,555,367	274,240	1,776,992
2012	1,285,659	5,684,612	305,676	1,988,373
2013	893,176	6,545,827	189,538	1,217,930
2014	546,138	4,802,695	118,693	805,804
2015	212,632	1,537,148	75,428	417,270
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	8,187,899	39,670,949	1,191,752	7,090,166
REM				
TOT	8,187,899	39,670,949	1,191,752	7,090,166
CUM	169,182,357	1,708,339,479		
ULT	177,370,256	1,747,910,428		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$67.81	\$6.7500	\$4,864,418	\$1,769,864	\$6,634,282
2010	\$67.81	\$6.7500	\$10,608,350	\$4,195,750	\$14,804,100
2011	\$67.81	\$6.7500	\$18,596,128	\$11,994,698	\$30,590,826
2012	\$67.81	\$6.7500	\$20,727,563	\$13,421,511	\$34,149,074
2013	\$67.81	\$6.7500	\$12,852,610	\$8,221,039	\$21,073,649
2014	\$67.81	\$6.7500	\$8,048,735	\$5,439,200	\$13,487,935
2015	\$67.81	\$6.7500	\$5,114,743	\$2,816,589	\$7,931,332
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$67.81	\$6.7500	\$80,812,547	\$47,858,651	\$128,671,198
REM					
TOT	\$67.81	\$6.7500	\$80,812,547	\$47,858,651	\$128,671,198

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009	\$1,767,579	\$5,460,814	\$7,228,393	\$594,111	\$594,111	\$401,446	\$401,446
2010	\$3,105,484	\$3,327,399	\$6,432,883	\$8,371,217	\$7,777,106	\$7,108,962	\$6,707,516
2011	\$3,326,153	\$10,159,236	\$13,485,389	\$17,105,437	\$24,882,543	\$13,072,575	\$19,780,091
2012	\$3,135,018	\$40,608	\$3,175,626	\$30,973,448	\$55,855,991	\$21,882,492	\$41,662,583
2013	\$3,104,052	\$2,342,466	\$5,446,518	\$15,627,131	\$71,483,122	\$10,002,775	\$51,665,358
2014	\$3,104,052	\$652	\$3,104,704	\$10,383,231	\$81,866,353	\$6,016,437	\$57,681,795
2015	\$3,051,140	\$3,538,490	\$6,589,630	\$1,341,702	\$83,208,055	\$799,899	\$58,481,694
2016					\$83,208,055		\$58,481,694
2017					\$83,208,055		\$58,481,694
2018					\$83,208,055		\$58,481,694
2019					\$83,208,055		\$58,481,694
2020					\$83,208,055		\$58,481,694
2021					\$83,208,055		\$58,481,694
2022					\$83,208,055		\$58,481,694
2023					\$83,208,055		\$58,481,694
2024					\$83,208,055		\$58,481,694
2025					\$83,208,055		\$58,481,694
2026					\$83,208,055		\$58,481,694
2027					\$83,208,055		\$58,481,694
2028					\$83,208,055		\$58,481,694
SUB	\$20,593,478	\$24,869,665	\$45,463,143	\$83,208,055		\$58,481,694	
REM					\$83,208,055		\$58,481,694
TOT	\$20,593,478	\$24,869,665	\$45,463,143	\$83,208,055		\$58,481,694	

* - - PRESENT WORTH - - *

8 PERCENT	...\$62,675,648
12 PERCENT	...\$54,603,024
15 PERCENT	...\$49,320,679
18 PERCENT	...\$44,613,111
20 PERCENT	...\$41,760,278

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

13

FIELD...EAST CAMERON BLOCK 353
LEASE....FIELDWIDE UNIT

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	1,272	79,347,131		
ULT	1,272	79,347,131		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

AVERAGE INTERESTS
IN COSTS IN REVENUE
.1113640 .0928030

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	AT 10 PERCENT ANNUAL	CUMULATIVE
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

*- - - PRESENT WORTH - - *
8 PERCENT
12 PERCENT
15 PERCENT
18 PERCENT
20 PERCENT

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC. CASE - TOTAL PROVED

FIELD...EUGENE ISLAND BLOCK 208

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	66,309	1,566,613		
ULT	66,309	1,566,613		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

* - - - PRESENT WORTH - - *

8 PERCENT	.....
12 PERCENT	.....
15 PERCENT	.....
18 PERCENT	.....
20 PERCENT	.....

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

15

FIELD...EUGENE ISLAND BLOCK 208
LEASE....OCS G- 577 BLK 208 G1 & G2

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	50,349	1,362,167		
ULT	50,349	1,362,167		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

AVERAGE INTERESTS
IN COSTS IN REVENUE
1.0000000 .7500000

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	AT 10 PERCENT ANNUAL	CUMULATIVE
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

* - - PRESENT WORTH - - *

8 PERCENT	.....
12 PERCENT	.....
15 PERCENT	.....
18 PERCENT	.....
20 PERCENT	.....

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES

AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...EUGENE ISLAND BLOCK 208
LEASE....OCS G- 577 BLK 208 G3

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	15,960	204,446		
ULT	15,960	204,446		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			AVERAGE INTERESTS		PRESENT WORTH	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	IN COSTS 1.0000000	IN REVENUE .6333300	AT 10 PERCENT ANNUAL	CUMULATIVE
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

* - - - PRESENT WORTH - - *

8 PERCENT	.....
12 PERCENT	.....
15 PERCENT	.....
18 PERCENT	.....
20 PERCENT	.....

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

17

FIELD...EUGENE ISLAND BLOCK 342

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	134,430	1,809,448	369	8,223
2010	71,134	761,975	197	3,523
2011	43,376	328,202	132	1,523
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	248,940	2,899,625	698	13,269
REM				
TOT	248,940	2,899,625	698	13,269
CUM ULT	10,358,859	281,269,294		
	10,607,799	284,168,919		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$67.81	\$6.7500	\$24,937	\$55,509	\$80,446
2010	\$67.82	\$6.7500	\$13,505	\$23,756	\$37,261
2011	\$67.80	\$6.7501	\$8,741	\$10,304	\$19,045
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$67.81	\$6.7500	\$47,183	\$89,569	\$136,752
REM					
TOT	\$67.81	\$6.7500	\$47,183	\$89,569	\$136,752

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*		FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL CUMULATIVE	ANNUAL CUMULATIVE
2009				\$80,446	\$76,761
2010				\$37,261	\$108,920
2011				\$19,045	\$123,794
2012				\$136,752	\$123,794
2013				\$136,752	\$123,794
2014				\$136,752	\$123,794
2015				\$136,752	\$123,794
2016				\$136,752	\$123,794
2017				\$136,752	\$123,794
2018				\$136,752	\$123,794
2019				\$136,752	\$123,794
2020				\$136,752	\$123,794
2021				\$136,752	\$123,794
2022				\$136,752	\$123,794
2023				\$136,752	\$123,794
2024				\$136,752	\$123,794
2025				\$136,752	\$123,794
2026				\$136,752	\$123,794
2027				\$136,752	\$123,794
2028				\$136,752	\$123,794
SUB				\$136,752	\$123,794
REM				\$136,752	\$123,794
TOT				\$136,752	\$123,794

* - - - PRESENT WORTH - - -
8 PERCENT\$126,215
12 PERCENT\$121,449
15 PERCENT\$118,070
18 PERCENT\$114,852
20 PERCENT\$112,789

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

CONFIDENTIAL

TEL0001297

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...EUGENE ISLAND BLOCK 342
LEASE....E I BLK 342-343 A&B PLTFRMS

YEAR ENDING OCT 31	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	25,724	265,164,582		
ULT	25,724	265,164,582		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			AVERAGE INTERESTS IN COSTS IN REVENUE .0050000		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	FUTURE NET REVENUE ANNUAL CUMULATIVE		ANNUAL CUMULATIVE	
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

*- - - PRESENT WORTH - - *

8 PERCENT	.....
12 PERCENT	.....
15 PERCENT	.....
18 PERCENT	.....
20 PERCENT	.....

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

19

FIELD...EUGENE ISLAND BLOCK 342
LEASE....OCS G- 2319 BK 342 C PLTFRM

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	22,621	15,840	36	24
2010	17,623	12,769	24	22
2011	13,737	10,269	23	12
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	53,981	38,878	83	58
REM				
TOT	53,981	38,878	83	58
CUM ULT	6,644,563	6,237,720		
	6,698,544	6,276,598		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$67.81	\$6.7496	\$2,302	\$160	\$2,462
2010	\$67.79	\$6.7509	\$1,793	\$129	\$1,922
2011	\$67.79	\$6.7539	\$1,397	\$103	\$1,500
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$67.80	\$6.7512	\$5,492	\$392	\$5,884
REM					
TOT	\$67.80	\$6.7512	\$5,492	\$392	\$5,884

AVERAGE INTERESTS
IN COSTS IN REVENUE
.0015000

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009				\$2,462	\$2,462	\$2,338	\$2,338
2010				\$1,922	\$4,384	\$1,652	\$3,990
2011				\$1,500	\$5,884	\$1,170	\$5,160
2012					\$5,884		\$5,160
2013					\$5,884		\$5,160
2014					\$5,884		\$5,160
2015					\$5,884		\$5,160
2016					\$5,884		\$5,160
2017					\$5,884		\$5,160
2018					\$5,884		\$5,160
2019					\$5,884		\$5,160
2020					\$5,884		\$5,160
2021					\$5,884		\$5,160
2022					\$5,884		\$5,160
2023					\$5,884		\$5,160
2024					\$5,884		\$5,160
2025					\$5,884		\$5,160
2026					\$5,884		\$5,160
2027					\$5,884		\$5,160
2028					\$5,884		\$5,160
SUB				\$5,884		\$5,160	
REM					\$5,884		\$5,160
TOT				\$5,884		\$5,160	

* - - - PRESENT WORTH - - -
8 PERCENT\$6,293
12 PERCENT\$5,030
15 PERCENT\$4,845
18 PERCENT\$4,671
20 PERCENT\$4,560

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...EUGENE ISLAND BLOCK 342
LEASE....OCS G- 2319 BK 342 C 2

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	64,388	219,338	97	329
2010	27,102	70,178	41	106
2011	11,393	22,421	17	34
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	102,863	311,937	155	469
REM				
TOT	102,863	311,937	155	469
CUM	50,238	204,665		
ULT	153,101	516,602		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$67.82	\$6.7499	\$6,548	\$2,220	\$8,768
2010	\$67.85	\$6.7491	\$2,758	\$710	\$3,468
2011	\$67.77	\$6.7508	\$1,158	\$227	\$1,385
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$67.82	\$6.7498	\$10,464	\$3,157	\$13,621
REM					
TOT	\$67.82	\$6.7498	\$10,464	\$3,157	\$13,621

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			AVERAGE INTERESTS IN COSTS IN REVENUE .0015000		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	FUTURE NET REVENUE ANNUAL CUMULATIVE	ANNUAL CUMULATIVE	ANNUAL CUMULATIVE	ANNUAL CUMULATIVE
2009				\$8,768	\$8,768	\$8,374	\$8,374
2010				\$3,468	\$12,236	\$2,996	\$11,370
2011				\$1,385	\$13,621	\$1,086	\$12,456
2012					\$13,621		\$12,456
2013					\$13,621		\$12,456
2014					\$13,621		\$12,456
2015					\$13,621		\$12,456
2016					\$13,621		\$12,456
2017					\$13,621		\$12,456
2018					\$13,621		\$12,456
2019					\$13,621		\$12,456
2020					\$13,621		\$12,456
2021					\$13,621		\$12,456
2022					\$13,621		\$12,456
2023					\$13,621		\$12,456
2024					\$13,621		\$12,456
2025					\$13,621		\$12,456
2026					\$13,621		\$12,456
2027					\$13,621		\$12,456
2028					\$13,621		\$12,456
SUB				\$13,621		\$12,456	
REM					\$13,621		\$12,456
TOT				\$13,621		\$12,456	

*- - - PRESENT WORTH - - -
8 PERCENT\$12,675
12 PERCENT\$12,244
15 PERCENT\$11,937
18 PERCENT\$11,644
20 PERCENT\$11,455

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

21

FIELD...EUGENE ISLAND BLOCK 342
LEASE....OCS G- 2319 BK 342 C 7 10 14

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	24,626	18,212	122	90
2010	20,090	15,224	100	76
2011	16,499	12,607	83	64
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	61,215	46,243	305	230
REM				
TOT	61,215	46,243	305	230
CUM ULT	3,243,249	7,566,977		
	3,304,464	7,613,220		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$67.81	\$6.7506	\$8,351	\$614	\$8,965
2010	\$67.81	\$6.7496	\$6,810	\$514	\$7,324
2011	\$67.81	\$6.7509	\$5,595	\$433	\$6,028
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$67.81	\$6.7503	\$20,756	\$1,561	\$22,317
REM					
TOT	\$67.81	\$6.7503	\$20,756	\$1,561	\$22,317

AVERAGE INTERESTS
IN COSTS IN REVENUE
.0050000

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009				\$8,965	\$8,965	\$8,512	\$8,512
2010				\$7,324	\$16,289	\$6,296	\$14,808
2011				\$6,028	\$22,317	\$4,688	\$19,496
2012					\$22,317		\$19,496
2013					\$22,317		\$19,496
2014					\$22,317		\$19,496
2015					\$22,317		\$19,496
2016					\$22,317		\$19,496
2017					\$22,317		\$19,496
2018					\$22,317		\$19,496
2019					\$22,317		\$19,496
2020					\$22,317		\$19,496
2021					\$22,317		\$19,496
2022					\$22,317		\$19,496
2023					\$22,317		\$19,496
2024					\$22,317		\$19,496
2025					\$22,317		\$19,496
2026					\$22,317		\$19,496
2027					\$22,317		\$19,496
2028					\$22,317		\$19,496
SUB				\$22,317		\$19,496	
REM					\$22,317		\$19,496
TOT				\$22,317		\$19,496	

* - - - PRESENT WORTH - - -
8 PERCENT\$20,018
12 PERCENT\$18,997
15 PERCENT\$18,281
18 PERCENT\$17,605
20 PERCENT\$17,175

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...EUGENE ISLAND BLOCK 342
LEASE....OCS G- 2319 BK 342 C15 16 17

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	22,815	1,556,058	114	7,780
2010	6,319	663,804	32	3,319
2011	1,747	282,705	9	1,413
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	30,881	2,502,567	155	12,512
REM				
TOT	30,881	2,502,567	155	12,512
CUM ULT	47,273 78,154	1,426,237 3,928,604		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$67.80	\$6.7500	\$7,736	\$52,515	\$60,251
2010	\$67.84	\$6.7500	\$2,144	\$22,403	\$24,547
2011	\$67.87	\$6.7500	\$591	\$9,541	\$10,132
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$67.82	\$6.7500	\$10,471	\$84,459	\$94,930
REM					
TOT	\$67.82	\$6.7500	\$10,471	\$84,459	\$94,930

AVERAGE INTERESTS
IN COSTS IN REVENUE
.0050000

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009				\$60,251	\$60,251	\$57,537	\$57,537
2010				\$24,547	\$84,798	\$21,215	\$78,752
2011				\$10,132	\$94,930	\$7,930	\$86,682
2012					\$94,930		\$86,682
2013					\$94,930		\$86,682
2014					\$94,930		\$86,682
2015					\$94,930		\$86,682
2016					\$94,930		\$86,682
2017					\$94,930		\$86,682
2018					\$94,930		\$86,682
2019					\$94,930		\$86,682
2020					\$94,930		\$86,682
2021					\$94,930		\$86,682
2022					\$94,930		\$86,682
2023					\$94,930		\$86,682
2024					\$94,930		\$86,682
2025					\$94,930		\$86,682
2026					\$94,930		\$86,682
2027					\$94,930		\$86,682
2028					\$94,930		\$86,682
SUB				\$94,930		\$86,682	
REM					\$94,930		\$86,682
TOT				\$94,930		\$86,682	

* - - - PRESENT WORTH - - -
8 PERCENT\$88,229
12 PERCENT\$85,178
15 PERCENT\$83,007
18 PERCENT\$80,932
20 PERCENT\$79,599

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

23

FIELD...EUGENE ISLAND BLOCK 342
LEASE....OCS G- 2320 BK 343 B13

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM ULT	347,812 347,812	669,113 669,113		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

AVERAGE INTERESTS
IN COSTS IN REVENUE
.0012500

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

*- - - PRESENT WORTH - - -
8 PERCENT
12 PERCENT
15 PERCENT
18 PERCENT
20 PERCENT

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...EUGENE ISLAND BLOCK 348
LEASE....E I 348 (SOUTH) UNIT

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
SUB		
REM		
TOT		
CUM	1,999,890	49,876,609
ULT	1,999,890	49,876,609

----- NET PRODUCTION -----	
OIL & COND (BARRELS)	GAS (MCF)

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*	
	OIL & COND \$/BBL	GAS \$/MCF
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
SUB		
REM		
TOT		

----- FUTURE GROSS REVENUE -----		
OIL & COND	GAS	TOTAL

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*	
	OPERATING COSTS	TOTAL COSTS
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
SUB		
REM		
TOT		

AVERAGE INTERESTS IN COSTS	IN REVENUE
.2500000	.2083330

FUTURE NET REVENUE	PRESENT WORTH
ANNUAL CUMULATIVE	AT 10 PERCENT
	ANNUAL CUMULATIVE

----- PRESENT WORTH -----
8 PERCENT
12 PERCENT
15 PERCENT
18 PERCENT
20 PERCENT

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

25

FIELD...SHIP SHOAL BLOCK 169

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	236,217	108,558	67,495	31,019
2010	375,766	1,338,485	153,400	491,155
2011	574,053	3,387,259	272,344	1,709,453
2012	660,767	3,777,820	304,314	1,984,227
2013	421,260	2,294,703	188,511	1,208,686
2014	271,820	1,471,854	118,098	798,563
2015	177,712	772,688	75,352	415,608
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	2,717,595	13,151,367	1,179,514	6,638,711
REM				
TOT	2,717,595	13,151,367	1,179,514	6,638,711
CUM ULT	67,736,543 70,454,138	149,719,346 162,870,713		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$67.81	\$6.7500	\$4,576,748	\$209,369	\$4,786,117
2010	\$67.81	\$6.7500	\$10,402,105	\$3,315,300	\$13,717,405
2011	\$67.81	\$6.7500	\$18,467,761	\$11,538,796	\$30,006,557
2012	\$67.81	\$6.7500	\$20,635,421	\$13,393,526	\$34,028,947
2013	\$67.81	\$6.7500	\$12,783,025	\$8,158,643	\$20,941,668
2014	\$67.81	\$6.7500	\$8,008,286	\$5,390,310	\$13,398,596
2015	\$67.81	\$6.7500	\$5,109,593	\$2,805,369	\$7,914,962
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$67.81	\$6.7500	\$79,982,939	\$44,811,313	\$124,794,252
REM					
TOT	\$67.81	\$6.7500	\$79,982,939	\$44,811,313	\$124,794,252

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009	\$1,461,999	\$497,164	\$1,959,163	\$2,826,954	\$2,826,954	\$2,658,248	\$2,658,248
2010	\$2,831,648	\$3,300,000	\$6,131,648	\$7,585,757	\$10,412,711	\$6,431,189	\$9,089,437
2011	\$3,078,996	\$9,400,103	\$12,479,099	\$17,527,458	\$27,940,169	\$13,372,196	\$22,461,633
2012	\$3,078,996		\$3,078,996	\$30,949,951	\$58,890,120	\$21,865,543	\$44,327,176
2013	\$3,078,996	\$2,333,333	\$5,412,329	\$15,529,339	\$74,419,459	\$9,940,781	\$54,267,957
2014	\$3,078,996		\$3,078,996	\$10,319,600	\$84,739,059	\$5,979,504	\$60,247,461
2015	\$3,043,093	\$3,487,956	\$6,531,049	\$1,383,913	\$86,122,972	\$821,425	\$61,068,886
2016					\$86,122,972		\$61,068,886
2017					\$86,122,972		\$61,068,886
2018					\$86,122,972		\$61,068,886
2019					\$86,122,972		\$61,068,886
2020					\$86,122,972		\$61,068,886
2021					\$86,122,972		\$61,068,886
2022					\$86,122,972		\$61,068,886
2023					\$86,122,972		\$61,068,886
2024					\$86,122,972		\$61,068,886
2025					\$86,122,972		\$61,068,886
2026					\$86,122,972		\$61,068,886
2027					\$86,122,972		\$61,068,886
2028					\$86,122,972		\$61,068,886
SUB	\$19,652,724	\$19,018,556	\$38,671,280	\$86,122,972		\$61,068,886	
REM					\$86,122,972		\$61,068,886
TOT	\$19,652,724	\$19,018,556	\$38,671,280	\$86,122,972		\$61,068,886	

* - - PRESENT WORTH - - *
8 PERCENT\$85,324,968
12 PERCENT\$87,129,678
15 PERCENT\$91,759,387
18 PERCENT\$96,987,155
20 PERCENT\$104,059,627

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...SHIP SHOAL BLOCK 169
LEASE....BLOCK 182 C UNIT

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	236,217	106,558	67,495	31,019
2010	205,165	935,581	58,621	267,319
2011	172,604	638,772	49,317	182,514
2012	232,668	424,576	66,480	121,314
2013	168,701	245,148	48,202	70,043
2014	121,973	70,910	34,850	20,260
2015	86,635	50,623	24,754	14,463
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	1,223,963	2,474,168	349,719	706,932
REM				
TOT	1,223,963	2,474,168	349,719	706,932
CUM	55,390,342	88,190,734		
ULT	56,614,305	90,664,902		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$67.81	\$6.7500	\$4,576,748	\$209,369	\$4,786,117
2010	\$67.81	\$6.7500	\$3,975,099	\$1,804,412	\$5,779,511
2011	\$67.81	\$6.7500	\$3,344,245	\$1,231,969	\$4,576,214
2012	\$67.81	\$6.7500	\$4,507,989	\$818,864	\$5,326,853
2013	\$67.81	\$6.7500	\$3,268,582	\$472,807	\$3,741,389
2014	\$67.81	\$6.7500	\$2,363,257	\$136,763	\$2,500,020
2015	\$67.81	\$6.7500	\$1,678,547	\$97,630	\$1,776,177
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$67.81	\$6.7500	\$23,714,467	\$4,771,814	\$28,486,281
REM					
TOT	\$67.81	\$6.7500	\$23,714,467	\$4,771,814	\$28,486,281

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			AVERAGE INTERESTS IN COSTS .3428720		IN REVENUE .2857270	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	FUTURE NET REVENUE ANNUAL	CUMULATIVE	PRESENT WORTH AT 10 PERCENT ANNUAL	CUMULATIVE
2009	\$1,461,999	\$497,164	\$1,959,163	\$2,826,954	\$2,826,954	\$2,658,248	\$2,658,248
2010	\$1,594,908		\$1,594,908	\$4,184,603	\$7,011,557	\$3,591,395	\$6,249,643
2011	\$1,594,908	\$2,400,104	\$3,995,012	\$581,202	\$7,592,759	\$487,784	\$6,737,427
2012	\$1,594,908		\$1,594,908	\$3,731,945	\$11,324,704	\$2,634,961	\$9,372,388
2013	\$1,594,908		\$1,594,908	\$2,146,481	\$13,471,185	\$1,372,837	\$10,745,225
2014	\$1,594,908		\$1,594,908	\$905,112	\$14,376,297	\$525,020	\$11,270,245
2015	\$1,574,243	\$1,184,623	\$2,758,866	\$982,689	\$13,393,608	\$481,630	\$10,788,615
2016					\$13,393,608		\$10,788,615
2017					\$13,393,608		\$10,788,615
2018					\$13,393,608		\$10,788,615
2019					\$13,393,608		\$10,788,615
2020					\$13,393,608		\$10,788,615
2021					\$13,393,608		\$10,788,615
2022					\$13,393,608		\$10,788,615
2023					\$13,393,608		\$10,788,615
2024					\$13,393,608		\$10,788,615
2025					\$13,393,608		\$10,788,615
2026					\$13,393,608		\$10,788,615
2027					\$13,393,608		\$10,788,615
2028					\$13,393,608		\$10,788,615
SUB	\$11,010,782	\$4,081,891	\$15,092,673	\$13,393,608		\$10,788,615	
REM					\$13,393,608		\$10,788,615
TOT	\$11,010,782	\$4,081,891	\$15,092,673	\$13,393,608		\$10,788,615	

* - - PRESENT WORTH - - *

8 PERCENT	....\$11,253,229
12 PERCENT	....\$10,349,248
15 PERCENT	....\$9,734,494
18 PERCENT	....\$9,168,921
20 PERCENT	....\$8,817,109

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

27

FIELD...SHIP SHOAL BLOCK 169
LEASE....OCS G- 821 BLK 183

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	170,601	402,904	94,779	223,836
2010	401,449	2,748,487	223,027	1,526,939
2011	428,099	3,353,244	237,834	1,862,913
2012	252,559	2,049,555	140,309	1,138,643
2013	149,847	1,400,944	83,248	778,303
2014	91,077	722,065	50,598	401,145
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	1,493,632	10,677,199	829,795	5,931,779
REM				
TOT	1,493,632	10,677,199	829,795	5,931,779
CUM ULT	10,675,722	58,452,717		
	12,169,354	69,129,916		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009			\$6,427,006	\$1,510,888	\$7,937,894
2010	\$67.81	\$6.7500	\$15,123,516	\$10,306,827	\$25,430,343
2011	\$67.81	\$6.7500	\$16,127,432	\$12,574,662	\$28,702,094
2012	\$67.81	\$6.7500	\$9,514,443	\$7,685,836	\$17,200,279
2013	\$67.81	\$6.7500	\$5,645,029	\$5,253,547	\$10,898,576
2014	\$67.81	\$6.7500	\$3,431,046	\$2,707,739	\$6,138,785
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$67.81	\$6.7500	\$56,268,472	\$40,039,499	\$96,307,971
REM					
TOT	\$67.81	\$6.7500	\$56,268,472	\$40,039,499	\$96,307,971

AVERAGE INTERESTS
IN COSTS .6666667
IN REVENUE .5555555

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009				\$3,401,154	\$3,401,154	\$2,839,794	\$2,839,794
2010	\$1,236,740	\$3,300,000	\$4,536,740	\$16,946,256	\$20,347,410	\$12,884,412	\$15,724,206
2011	\$1,484,088	\$6,999,999	\$8,484,087	\$27,218,006	\$47,565,416	\$19,230,582	\$34,954,788
2012	\$1,484,088		\$1,484,088	\$13,382,868	\$60,948,274	\$8,567,944	\$43,522,732
2013	\$1,484,088	\$2,333,333	\$3,817,421	\$9,414,488	\$70,362,762	\$5,454,484	\$48,977,216
2014	\$1,468,850	\$2,303,333	\$3,772,183	\$2,366,602	\$72,729,364	\$1,303,055	\$50,280,271
2015					\$72,729,364		\$50,280,271
2016					\$72,729,364		\$50,280,271
2017					\$72,729,364		\$50,280,271
2018					\$72,729,364		\$50,280,271
2019					\$72,729,364		\$50,280,271
2020					\$72,729,364		\$50,280,271
2021					\$72,729,364		\$50,280,271
2022					\$72,729,364		\$50,280,271
2023					\$72,729,364		\$50,280,271
2024					\$72,729,364		\$50,280,271
2025					\$72,729,364		\$50,280,271
2026					\$72,729,364		\$50,280,271
2027					\$72,729,364		\$50,280,271
2028					\$72,729,364		\$50,280,271
SUB	\$8,641,942	\$14,936,665	\$23,578,607	\$72,729,364		\$50,280,271	
REM					\$72,729,364		\$50,280,271
TOT	\$8,641,942	\$14,936,665	\$23,578,607	\$72,729,364		\$50,280,271	

* - - PRESENT WORTH - - *
8 PERCENT\$54,071,739
12 PERCENT\$46,780,430
15 PERCENT\$42,024,893
18 PERCENT\$37,798,234
20 PERCENT\$35,242,518

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

CONFIDENTIAL

TEL0001307

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...SHIP SHOAL BLOCK 169
LEASE....OCS G- 821 BLK 183 F1

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	1,663,627	1,074,588		
ULT	1,663,627	1,074,588		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			AVERAGE INTERESTS		PRESENT WORTH	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	FUTURE NET REVENUE ANNUAL CUMULATIVE	IN COSTS .5000000 IN REVENUE .4166667	AT 10 PERCENT ANNUAL CUMULATIVE	
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

* - - - PRESENT WORTH - - *

8 PERCENT	.....
12 PERCENT	.....
15 PERCENT	.....
18 PERCENT	.....
20 PERCENT	.....

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

29

FIELD...SHIP SHOAL BLOCK 169
LEASE....OCS G- 821 BLK 183 F3

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	6,852	2,001,307		
ULT	6,852	2,001,307		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

AVERAGE INTERESTS
IN COSTS IN REVENUE
.5000000 .4166667

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	AT 10 PERCENT ANNUAL	CUMULATIVE
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

*- - - PRESENT WORTH - - *
8 PERCENT
12 PERCENT
15 PERCENT
18 PERCENT
20 PERCENT

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

CONFIDENTIAL

TEL0001309

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...SHIP SHOAL BLOCK 169
LEASE....OCS G- 821 BLK 183 I4ST

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM				
ULT				

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			AVERAGE INTERESTS		PRESENT WORTH	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	IN COSTS .6666667	IN REVENUE .5555555	AT 10 PERCENT	
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

*. . . PRESENT WORTH . . . *

8 PERCENT	.....
12 PERCENT	.....
15 PERCENT	.....
18 PERCENT	.....
20 PERCENT	.....

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

31

FIELD...SHIP SHOAL BLOCK 343
LEASE....FIELDWIDE UNIT

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM ULT		209,093,304 209,093,304		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

AVERAGE INTERESTS
IN COSTS IN REVENUE
.0082610 .0068840

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	AT 10 PERCENT ANNUAL	CUMULATIVE
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

* - - PRESENT WORTH - - *

8 PERCENT	.....
12 PERCENT	.....
15 PERCENT	.....
18 PERCENT	.....
20 PERCENT	.....

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

CONFIDENTIAL

TEL0001311

* . . . PRESENT WORTH . . . *
8 PERCENT
12 PERCENT
15 PERCENT
18 PERCENT
20 PERCENT

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

33

FIELD...SOUTH TIMBALIER BLOCK 36
LEASE....OCS G- 2624 BLK 36

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	200,123	3,248,053	434	7,063
2010	354,266	3,429,140	770	7,456
2011	201,724	1,681,783	440	3,658
2012	107,314	721,285	234	1,568
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	863,427	9,080,261	1,878	19,745
REM				
TOT	863,427	9,080,261	1,878	19,745
CUM ULT	12,139,483 13,002,910	169,074,300 178,154,561		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$67.81	\$6.7500	\$29,509	\$47,674	\$77,183
2010	\$67.81	\$6.7500	\$52,239	\$50,331	\$102,570
2011	\$67.81	\$6.7500	\$29,744	\$24,685	\$54,429
2012	\$67.81	\$6.7500	\$15,823	\$10,586	\$26,409
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$67.81	\$6.7500	\$127,315	\$133,276	\$260,591
REM					
TOT	\$67.81	\$6.7500	\$127,315	\$133,276	\$260,591

AVERAGE INTERESTS
IN COSTS .0026094
IN REVENUE .0021745

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009	\$30,876	\$18,266	\$49,142	\$28,041	\$28,041	\$26,550	\$26,550
2010	\$30,876	\$18,266	\$49,142	\$53,428	\$81,469	\$45,958	\$72,508
2011	\$28,302		\$28,302	\$26,127	\$107,596	\$20,466	\$92,974
2012	\$18,318	\$22,342	\$37,660	\$11,251	\$96,345	\$7,094	\$85,880
2013					\$96,345		\$85,880
2014					\$96,345		\$85,880
2015					\$96,345		\$85,880
2016					\$96,345		\$85,880
2017					\$96,345		\$85,880
2018					\$96,345		\$85,880
2019					\$96,345		\$85,880
2020					\$96,345		\$85,880
2021					\$96,345		\$85,880
2022					\$96,345		\$85,880
2023					\$96,345		\$85,880
2024					\$96,345		\$85,880
2025					\$96,345		\$85,880
2026					\$96,345		\$85,880
2027					\$96,345		\$85,880
2028					\$96,345		\$85,880
SUB	\$105,372	\$58,874	\$164,246	\$96,345		\$85,880	
REM					\$96,345		\$85,880
TOT	\$105,372	\$58,874	\$164,246	\$96,345		\$85,880	

* - - - PRESENT WORTH - - -
8 PERCENT\$87,897
12 PERCENT\$83,905
15 PERCENT\$81,020
18 PERCENT\$78,232
20 PERCENT\$76,427

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...SOUTH TIMBALIER BLOCK 37
LEASE....OCS G- 2625 BLK 37

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	1,535,584	1,250,437	3,340	2,718
2010	927,447	1,456,858	2,016	3,168
2011	595,727	1,013,757	1,294	2,205
2012	517,578	1,185,507	1,128	2,578
2013	471,916	4,251,124	1,027	9,244
2014	274,318	3,330,841	595	7,241
2015	34,920	764,460	76	1,662
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	4,357,490	13,252,984	9,476	28,816
REM				
TOT	4,357,490	13,252,984	9,476	28,816
CUM	73,234,833	269,746,400		
ULT	77,592,323	282,999,384		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$67.81	\$6.7500	\$226,426	\$18,353	\$244,779
2010	\$67.81	\$6.7500	\$136,754	\$21,383	\$158,137
2011	\$67.81	\$6.7500	\$87,842	\$14,878	\$102,720
2012	\$67.81	\$6.7500	\$76,319	\$17,399	\$93,718
2013	\$67.81	\$6.7500	\$69,585	\$62,396	\$131,981
2014	\$67.81	\$6.7500	\$40,449	\$48,890	\$89,339
2015	\$67.82	\$6.7500	\$5,150	\$11,220	\$16,370
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$67.81	\$6.7500	\$642,525	\$194,519	\$837,044
REM					
TOT	\$67.81	\$6.7500	\$642,525	\$194,519	\$837,044

AVERAGE INTERESTS
IN COSTS .0026094
IN REVENUE .0021745

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009	\$40,704		\$40,704	\$204,075	\$204,075	\$194,586	\$194,586
2010	\$40,704	\$9,133	\$49,837	\$108,300	\$312,375	\$93,059	\$287,645
2011	\$40,704	\$9,133	\$49,837	\$52,883	\$365,258	\$41,418	\$329,063
2012	\$40,704	\$18,266	\$58,970	\$34,748	\$400,006	\$24,043	\$353,106
2013	\$25,056	\$9,133	\$34,189	\$97,792	\$497,798	\$61,994	\$415,100
2014	\$25,056	\$652	\$25,708	\$63,631	\$561,429	\$36,933	\$452,033
2015	\$8,047	\$50,534	\$58,581	\$42,211	\$519,218	\$21,526	\$430,507
2016					\$519,218		\$430,507
2017					\$519,218		\$430,507
2018					\$519,218		\$430,507
2019					\$519,218		\$430,507
2020					\$519,218		\$430,507
2021					\$519,218		\$430,507
2022					\$519,218		\$430,507
2023					\$519,218		\$430,507
2024					\$519,218		\$430,507
2025					\$519,218		\$430,507
2026					\$519,218		\$430,507
2027					\$519,218		\$430,507
2028					\$519,218		\$430,507
SUB	\$220,975	\$96,851	\$317,826	\$519,218		\$430,507	
REM					\$519,218		\$430,507
TOT	\$220,975	\$96,851	\$317,826	\$519,218		\$430,507	

* - - - PRESENT WORTH - - -
8 PERCENT\$446,123
12 PERCENT\$415,811
15 PERCENT\$395,367
18 PERCENT\$376,668
20 PERCENT\$365,084

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

35

FIELD...VERMILION BLOCK 245

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	1,263,842	90,881,479		
ULT	1,263,842	90,881,479		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	AT 10 PERCENT ANNUAL	CUMULATIVE
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

*- - - PRESENT WORTH - - *

8 PERCENT	.....
12 PERCENT	.....
15 PERCENT	.....
18 PERCENT	.....
20 PERCENT	.....

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...VERMILION BLOCK 245
LEASE....F SAND UNIT

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	87,819	12,842,381		
ULT	87,819	12,842,381		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			AVERAGE INTERESTS		PRESENT WORTH	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	IN COSTS .3337000	IN REVENUE .2780833	AT 10 PERCENT ANNUAL	CUMULATIVE
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

* - - - PRESENT WORTH - - *

8 PERCENT	.....
12 PERCENT	.....
15 PERCENT	.....
18 PERCENT	.....
20 PERCENT	.....

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

37

FIELD...VERMILION BLOCK 245
LEASE.....G SAND UNIT

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	1,151,558	75,195,680		
ULT	1,151,558	75,195,680		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

AVERAGE INTERESTS
IN COSTS IN REVENUE
.3634000 .3028340

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	AT 10 PERCENT ANNUAL	CUMULATIVE
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

* - - PRESENT WORTH - - *

8 PERCENT	.....
12 PERCENT	.....
15 PERCENT	.....
18 PERCENT	.....
20 PERCENT	.....

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...VERMILION BLOCK 245
LEASE....OCS G- 1147 BLK 246 9

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	24,465	2,843,418		
ULT	24,465	2,843,418		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			AVERAGE INTERESTS		PRESENT WORTH	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	IN COSTS 1.0000000	IN REVENUE .8333300	AT 10 PERCENT ANNUAL	CUMULATIVE
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

* - - - PRESENT WORTH - - *

8 PERCENT

12 PERCENT

15 PERCENT

18 PERCENT

20 PERCENT

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

39

FIELD...WEST CAMERON BLOCK 643

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	242	684,215	99	213,178
2010	132	358,130	57	116,294
2011	73	144,366	30	60,153
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	447	1,186,712	186	389,625
REM				
TOT	447	1,186,712	186	389,625
CUM ULT	2,347,529	387,074,641		
	2,347,976	388,261,353		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$67.81	\$6.7500	\$6,798	\$1,438,959	\$1,445,757
2010	\$67.81	\$6.7500	\$3,747	\$784,980	\$788,727
2011	\$67.85	\$6.7500	\$2,040	\$406,035	\$408,075
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$67.81	\$6.7500	\$12,585	\$2,629,974	\$2,642,559
REM					
TOT	\$67.81	\$6.7500	\$12,585	\$2,629,974	\$2,642,559

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009	\$234,000	\$4,945,384	\$5,179,384	\$3,733,627-	\$3,733,627-	\$3,357,591-	\$3,357,591-
2010	\$202,256		\$202,256	\$586,471	\$3,147,156-	\$506,597	\$2,850,994-
2011	\$178,151	\$750,000	\$928,151	\$520,076-	\$3,667,232-	\$376,379-	\$3,227,373-
2012					\$3,667,232-		\$3,227,373-
2013					\$3,667,232-		\$3,227,373-
2014					\$3,667,232-		\$3,227,373-
2015					\$3,667,232-		\$3,227,373-
2016					\$3,667,232-		\$3,227,373-
2017					\$3,667,232-		\$3,227,373-
2018					\$3,667,232-		\$3,227,373-
2019					\$3,667,232-		\$3,227,373-
2020					\$3,667,232-		\$3,227,373-
2021					\$3,667,232-		\$3,227,373-
2022					\$3,667,232-		\$3,227,373-
2023					\$3,667,232-		\$3,227,373-
2024					\$3,667,232-		\$3,227,373-
2025					\$3,667,232-		\$3,227,373-
2026					\$3,667,232-		\$3,227,373-
2027					\$3,667,232-		\$3,227,373-
2028					\$3,667,232-		\$3,227,373-
SUB	\$614,407	\$5,695,384	\$6,309,791	\$3,667,232-		\$3,227,373-	
REM					\$3,667,232-		\$3,227,373-
TOT	\$614,407	\$5,695,384	\$6,309,791	\$3,667,232-		\$3,227,373-	

* - - - PRESENT WORTH - - -
8 PERCENT\$3,309,555-
12 PERCENT\$3,147,819-
15 PERCENT\$3,033,165-
18 PERCENT\$2,923,796-
20 PERCENT\$2,853,649-

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...WEST CAMERON BLOCK 643
LEASE....BLOCK 642-643 A UNIT

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	80,828	233,351,997		
ULT	80,828	233,351,997		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*	
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	TOTAL
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			AVERAGE INTERESTS		PRESENT WORTH	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	IN COSTS .3585890	IN REVENUE .2988225	AT 10 PERCENT ANNUAL CUMULATIVE	AT 10 PERCENT ANNUAL CUMULATIVE
2009		\$537,884	\$537,884	\$537,884-		\$487,862-	\$487,862-
2010				\$537,884-		\$487,862-	\$487,862-
2011				\$537,884-		\$487,862-	\$487,862-
2012				\$537,884-		\$487,862-	\$487,862-
2013				\$537,884-		\$487,862-	\$487,862-
2014				\$537,884-		\$487,862-	\$487,862-
2015				\$537,884-		\$487,862-	\$487,862-
2016				\$537,884-		\$487,862-	\$487,862-
2017				\$537,884-		\$487,862-	\$487,862-
2018				\$537,884-		\$487,862-	\$487,862-
2019				\$537,884-		\$487,862-	\$487,862-
2020				\$537,884-		\$487,862-	\$487,862-
2021				\$537,884-		\$487,862-	\$487,862-
2022				\$537,884-		\$487,862-	\$487,862-
2023				\$537,884-		\$487,862-	\$487,862-
2024				\$537,884-		\$487,862-	\$487,862-
2025				\$537,884-		\$487,862-	\$487,862-
2026				\$537,884-		\$487,862-	\$487,862-
2027				\$537,884-		\$487,862-	\$487,862-
2028				\$537,884-		\$487,862-	\$487,862-
SUB		\$537,884	\$537,884	\$537,884-		\$487,862-	
REM					\$537,884-		\$487,862-
TOT		\$537,884	\$537,884	\$537,884-		\$487,862-	
							* - - PRESENT WORTH - - *
							8 PERCENT .....\$497,448-
							12 PERCENT .....\$478,477-
							15 PERCENT .....\$464,764-
							18 PERCENT .....\$451,477-
							20 PERCENT .....\$442,848-

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

41

FIELD...WEST CAMERON BLOCK 643
LEASE....BLOCK 643-370 B UNIT

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM ULT	11,072	25,035,434		
	11,072	25,035,434		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

AVERAGE INTERESTS
IN COSTS .3500000
IN REVENUE .2916667

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009		\$1,207,500	\$1,207,500	\$1,207,500-	\$1,207,500-	\$1,095,207-	\$1,095,207-
2010				\$1,207,500-	\$1,207,500-	\$1,095,207-	\$1,095,207-
2011				\$1,207,500-	\$1,207,500-	\$1,095,207-	\$1,095,207-
2012				\$1,207,500-	\$1,207,500-	\$1,095,207-	\$1,095,207-
2013				\$1,207,500-	\$1,207,500-	\$1,095,207-	\$1,095,207-
2014				\$1,207,500-	\$1,207,500-	\$1,095,207-	\$1,095,207-
2015				\$1,207,500-	\$1,207,500-	\$1,095,207-	\$1,095,207-
2016				\$1,207,500-	\$1,207,500-	\$1,095,207-	\$1,095,207-
2017				\$1,207,500-	\$1,207,500-	\$1,095,207-	\$1,095,207-
2018				\$1,207,500-	\$1,207,500-	\$1,095,207-	\$1,095,207-
2019				\$1,207,500-	\$1,207,500-	\$1,095,207-	\$1,095,207-
2020				\$1,207,500-	\$1,207,500-	\$1,095,207-	\$1,095,207-
2021				\$1,207,500-	\$1,207,500-	\$1,095,207-	\$1,095,207-
2022				\$1,207,500-	\$1,207,500-	\$1,095,207-	\$1,095,207-
2023				\$1,207,500-	\$1,207,500-	\$1,095,207-	\$1,095,207-
2024				\$1,207,500-	\$1,207,500-	\$1,095,207-	\$1,095,207-
2025				\$1,207,500-	\$1,207,500-	\$1,095,207-	\$1,095,207-
2026				\$1,207,500-	\$1,207,500-	\$1,095,207-	\$1,095,207-
2027				\$1,207,500-	\$1,207,500-	\$1,095,207-	\$1,095,207-
2028				\$1,207,500-	\$1,207,500-	\$1,095,207-	\$1,095,207-
SUB		\$1,207,500	\$1,207,500	\$1,207,500-		\$1,095,207-	
REM					\$1,207,500-		\$1,095,207-
TOT		\$1,207,500	\$1,207,500	\$1,207,500-		\$1,095,207-	

* - - PRESENT WORTH - - *
8 PERCENT\$1,116,725-
12 PERCENT\$1,074,138-
15 PERCENT\$1,043,354-
18 PERCENT\$1,013,528-
20 PERCENT\$994,155-

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...WEST CAMERON BLOCK 643
LEASE....BLOCK 643-371 UNIT B8ST2

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	4,478	580,760		
ULT	4,478	580,760		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			AVERAGE INTERESTS		PRESENT WORTH	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	IN COSTS .7000000	IN REVENUE .5833333	AT 10 PERCENT ANNUAL	CUMULATIVE
2009		\$2,450,000	\$2,450,000	\$2,450,000-	\$2,218,526-	\$2,218,526-	\$2,218,526-
2010				\$2,450,000-		\$2,218,526-	\$2,218,526-
2011				\$2,450,000-		\$2,218,526-	\$2,218,526-
2012				\$2,450,000-		\$2,218,526-	\$2,218,526-
2013				\$2,450,000-		\$2,218,526-	\$2,218,526-
2014				\$2,450,000-		\$2,218,526-	\$2,218,526-
2015				\$2,450,000-		\$2,218,526-	\$2,218,526-
2016				\$2,450,000-		\$2,218,526-	\$2,218,526-
2017				\$2,450,000-		\$2,218,526-	\$2,218,526-
2018				\$2,450,000-		\$2,218,526-	\$2,218,526-
2019				\$2,450,000-		\$2,218,526-	\$2,218,526-
2020				\$2,450,000-		\$2,218,526-	\$2,218,526-
2021				\$2,450,000-		\$2,218,526-	\$2,218,526-
2022				\$2,450,000-		\$2,218,526-	\$2,218,526-
2023				\$2,450,000-		\$2,218,526-	\$2,218,526-
2024				\$2,450,000-		\$2,218,526-	\$2,218,526-
2025				\$2,450,000-		\$2,218,526-	\$2,218,526-
2026				\$2,450,000-		\$2,218,526-	\$2,218,526-
2027				\$2,450,000-		\$2,218,526-	\$2,218,526-
2028				\$2,450,000-		\$2,218,526-	\$2,218,526-
SUB		\$2,450,000	\$2,450,000	\$2,450,000-		\$2,218,526-	
REM					\$2,450,000-		\$2,218,526-
TOT		\$2,450,000	\$2,450,000	\$2,450,000-		\$2,218,526-	
							* - - PRESENT WORTH - - *
							8 PERCENT .....\$2,262,853-
							12 PERCENT .....\$2,175,139-
							15 PERCENT .....\$2,111,773-
							18 PERCENT .....\$2,050,403-
							20 PERCENT .....\$2,010,564-

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

43

FIELD...WEST CAMERON BLOCK 643
LEASE....OCS G- 2240 BLK 642

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM ULT	13,935 13,935	38,990,542 38,990,542		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

AVERAGE INTERESTS
IN COSTS .2500000
IN REVENUE .2083330

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009				\$750,000-	\$750,000-	\$711,166-	\$711,166-
2010					\$750,000-		\$711,166-
2011					\$750,000-		\$711,166-
2012					\$750,000-		\$711,166-
2013					\$750,000-		\$711,166-
2014					\$750,000-		\$711,166-
2015					\$750,000-		\$711,166-
2016					\$750,000-		\$711,166-
2017					\$750,000-		\$711,166-
2018					\$750,000-		\$711,166-
2019					\$750,000-		\$711,166-
2020					\$750,000-		\$711,166-
2021					\$750,000-		\$711,166-
2022					\$750,000-		\$711,166-
2023					\$750,000-		\$711,166-
2024					\$750,000-		\$711,166-
2025					\$750,000-		\$711,166-
2026					\$750,000-		\$711,166-
2027					\$750,000-		\$711,166-
2028					\$750,000-		\$711,166-
SUB		\$750,000	\$750,000	\$750,000-		\$711,166-	
REM					\$750,000-		\$711,166-
TOT		\$750,000	\$750,000	\$750,000-		\$711,166-	

*- - - PRESENT WORTH - - -
8 PERCENT\$718,743-
12 PERCENT\$703,681-
15 PERCENT\$692,824-
18 PERCENT\$681,767-
20 PERCENT\$674,639-

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

CONFIDENTIAL

TEL0001323

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...WEST CAMERON BLOCK 643
LEASE....OCS G- 2241 BLK 643

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	242	481,175	99	200,489
2010	132	265,159	57	110,483
2011	73	144,366	30	60,153
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	447	890,700	186	371,125
REM				
TOT	447	890,700	186	371,125
CUM	20,645	46,785,214		
ULT	21,092	47,675,914		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$67.81	\$6.7500	\$6,798	\$1,353,301	\$1,360,099
2010	\$67.81	\$6.7500	\$3,747	\$745,759	\$749,506
2011	\$67.85	\$6.7500	\$2,040	\$406,035	\$408,075
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$67.81	\$6.7500	\$12,585	\$2,505,095	\$2,517,680
REM					
TOT	\$67.81	\$6.7500	\$12,585	\$2,505,095	\$2,517,680

AVERAGE INTERESTS
IN COSTS .5000000
IN REVENUE .4166667

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009	\$180,000		\$180,000	\$1,180,099	\$1,180,099	\$1,124,896	\$1,124,896
2010	\$180,000		\$180,000	\$569,506	\$1,749,605	\$491,817	\$1,616,713
2011	\$178,151	\$750,000	\$928,151	\$520,076	\$1,229,529	\$376,379	\$1,240,334
2012					\$1,229,529		\$1,240,334
2013					\$1,229,529		\$1,240,334
2014					\$1,229,529		\$1,240,334
2015					\$1,229,529		\$1,240,334
2016					\$1,229,529		\$1,240,334
2017					\$1,229,529		\$1,240,334
2018					\$1,229,529		\$1,240,334
2019					\$1,229,529		\$1,240,334
2020					\$1,229,529		\$1,240,334
2021					\$1,229,529		\$1,240,334
2022					\$1,229,529		\$1,240,334
2023					\$1,229,529		\$1,240,334
2024					\$1,229,529		\$1,240,334
2025					\$1,229,529		\$1,240,334
2026					\$1,229,529		\$1,240,334
2027					\$1,229,529		\$1,240,334
2028					\$1,229,529		\$1,240,334
SUB	\$538,151	\$750,000	\$1,288,151	\$1,229,529		\$1,240,334	
REM					\$1,229,529		\$1,240,334
TOT	\$538,151	\$750,000	\$1,288,151	\$1,229,529		\$1,240,334	

* - - - PRESENT WORTH - - *
8 PERCENT\$1,240,478
12 PERCENT\$1,239,226
15 PERCENT\$1,235,929
18 PERCENT\$1,230,892
20 PERCENT\$1,226,679

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF OCTOBER 31, 2008
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

45

FIELD...WEST CAMERON BLOCK 643
LEASE....OCS G-15161 BLK 381

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009		203,041		12,689
2010		92,971		5,811
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB		296,012		18,500
REM				
TOT		296,012		18,500
CUM ULT	2,216,571	42,330,694		
	2,216,571	42,626,706		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*	
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	TOTAL
2009		\$6.7500	\$85,658	\$85,658
2010		\$6.7500	\$39,221	\$39,221
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB		\$6.7500	\$124,879	\$124,879
REM				
TOT		\$6.7500	\$124,879	\$124,879

AVERAGE INTERESTS
IN COSTS .0750000
IN REVENUE .0625000

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*		FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL CUMULATIVE	ANNUAL CUMULATIVE
2009	\$54,000		\$54,000	\$31,658	\$30,274
2010	\$22,256		\$22,256	\$16,965	\$14,780
2011				\$48,623	\$45,054
2012				\$48,623	\$45,054
2013				\$48,623	\$45,054
2014				\$48,623	\$45,054
2015				\$48,623	\$45,054
2016				\$48,623	\$45,054
2017				\$48,623	\$45,054
2018				\$48,623	\$45,054
2019				\$48,623	\$45,054
2020				\$48,623	\$45,054
2021				\$48,623	\$45,054
2022				\$48,623	\$45,054
2023				\$48,623	\$45,054
2024				\$48,623	\$45,054
2025				\$48,623	\$45,054
2026				\$48,623	\$45,054
2027				\$48,623	\$45,054
2028				\$48,623	\$45,054
SUB	\$76,256		\$76,256	\$48,623	\$45,054
REM				\$48,623	\$45,054
TOT	\$76,256		\$76,256	\$48,623	\$45,054

*- - - PRESENT WORTH - - -
8 PERCENT\$45,736
12 PERCENT\$44,390
15 PERCENT\$43,421
18 PERCENT\$42,485
20 PERCENT\$41,878

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

CONFIDENTIAL

TEL0001325

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EXHIBIT 4

DEGOLYER AND MACNAUGHTON
5001 SPRING VALLEY ROAD
SUITE 800 EAST
DALLAS, TEXAS 75244

LETTER REPORT
as of
MARCH 31, 2009
on
RESERVES and REVENUE
of
CERTAIN PROPERTIES
owned by the
TEL OFFSHORE TRUST PARTNERSHIP

SEC CASE

DEGOLYER AND MACNAUGHTON
5001 SPRING VALLEY ROAD
SUITE 800 EAST
DALLAS, TEXAS 75244

May 15, 2009

Chevron U.S.A. Inc.
Chevron Place
935 Gravier Street
New Orleans, Louisiana 70012

Gentlemen:

Pursuant to your request, we have prepared estimates, as of March 31, 2009, of the extent and value of the proved crude oil, condensate, and natural gas reserves of a net profits interest owned by TEL Offshore Trust Partnership (the Trust Partnership). This net profits interest (the Trust Partnership Interest) is in certain offshore leases owned by Chevron U.S.A. Inc. (Chevron). The interest appraised consists of a 25-percent net profits interest in 17 leases (the Subject Properties), which are located in the Gulf of Mexico offshore from Louisiana. Certain of the Subject Properties were acquired by Energy Resources Technology (ERT) effective July 1, 2007 and certain other properties were acquired by Hilcorp Energy Company (Hilcorp) effective August 1, 2008. The Managing Partner of the Trust Partnership is Chevron.

Information used in the preparation of this report was obtained from Chevron. During this investigation, we consulted freely with the officers and employees of Chevron and were given access to such accounts, records, geological and engineering reports, and other data as were desired for examination. In the preparation of this report we have relied, without independent verification, upon information furnished by Chevron with respect to property interests owned by the Trust Partnership, production from such properties, current costs of operation and development, current prices for production, agreements relating to current and future operations and sale of production, and various other information and data that were accepted as represented. It was not considered necessary to make a field examination of the physical condition and operation of the Subject Properties. Additionally, this information includes data supplied by Petroleum Information/Dwights LLC; Copyright 2009 Petroleum Information/Dwights LLC.

Our reserves estimates are based on a detailed study of the Subject Properties and were prepared by the use of standard geological and engineering methods generally accepted by the petroleum industry. The method or combination of methods used in the analysis of each reservoir was tempered by experience with similar reservoirs, consideration of the stage of development of the reservoir, and the quality and completeness of basic data.

Reserves estimated herein are expressed as gross and net reserves. Gross reserves are defined as the total estimated petroleum to be produced from the Subject Properties after March 31, 2009. Combined net reserves are defined as those reserves remaining after deducting royalties and interests owned by others from gross reserves. Net reserves are defined as that portion of the combined net reserves attributable to the interests owned by the Trust Partnership. Gas volumes are expressed as sales-gas reserves at a temperature of 60 degrees Fahrenheit and at a legal pressure base of 14.73 pounds per square inch absolute. Sales gas is defined as the total gas to be produced from the reservoirs, measured at the point of delivery, after reduction for fuel usage, flare, and shrinkage resulting from field separation and processing. Condensate reserves estimated herein are those to be obtained by normal separator recovery.

Petroleum reserves included in this report are classified as proved and are judged to be economically producible in future years from known reservoirs under existing economic and operating conditions and assuming continuation of current regulatory practices using conventional production methods and equipment. In the analyses of production-decline curves, reserves were estimated only to the limit of economic rates of production under existing economic and operating conditions using prices and costs as of the date the estimate is made, including consideration of changes in existing prices provided only by contractual arrangements but not including escalations based upon future conditions. Proved reserves classifications used in this report are in accordance with the reserves definitions of Rules 4–10(a) (1)–(13) of Regulation S–X of the United States Securities and Exchange Commission (SEC). The petroleum reserves are classified as follows:

Proved oil and gas reserves – Proved oil and gas reserves are the estimated quantities of crude oil, natural gas, and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, i.e., prices and costs as of the date the estimate is made. Prices include consideration of

changes in existing prices provided only by contractual arrangements, but not on escalations based upon future conditions.

(i) Reservoirs are considered proved if economic producibility is supported by either actual production or conclusive formation test. The area of a reservoir considered proved includes (A) that portion delineated by drilling and defined by gas-oil and/or oil-water contacts, if any; and (B) the immediately adjoining portions not yet drilled, but which can be reasonably judged as economically productive on the basis of available geological and engineering data. In the absence of information on fluid contacts, the lowest known structural occurrence of hydrocarbons controls the lower proved limit of the reservoir.

(ii) Reserves which can be produced economically through application of improved recovery techniques (such as fluid injection) are included in the "proved" classification when successful testing by a pilot project, or the operation of an installed program in the reservoir, provides support for the engineering analysis on which the project or program was based.

(iii) Estimates of proved reserves do not include the following: (A) oil that may become available from known reservoirs but is classified separately as "indicated additional reserves"; (B) crude oil, natural gas, and natural gas liquids, the recovery of which is subject to reasonable doubt because of uncertainty as to geology, reservoir characteristics, or economic factors; (C) crude oil, natural gas, and natural gas liquids, that may occur in undrilled prospects; and (D) crude oil, natural gas, and natural gas liquids, that may be recovered from oil shales, coal, gilsonite, and other such sources.

Proved developed oil and gas reserves – Proved developed oil and gas reserves are reserves that can be expected to be recovered through existing wells with existing equipment and operating methods. Additional oil and gas expected to be obtained through the application of fluid injection or other improved recovery techniques for supplementing the natural forces and mechanisms of primary

recovery should be included as “proved developed reserves” only after testing by a pilot project or after the operation of an installed program has confirmed through production response that increased recovery will be achieved.

Proved undeveloped reserves – Proved undeveloped oil and gas reserves are reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion. Reserves on undrilled acreage shall be limited to those drilling units offsetting productive units that are reasonably certain of production when drilled. Proved reserves for other undrilled units can be claimed only where it can be demonstrated with certainty that there is continuity of production from the existing productive formation. Under no circumstances should estimates for proved undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual tests in the area and in the same reservoir.

All of the proved reserves estimated herein are classified as proved developed. There are no proved undeveloped reserves for the properties evaluated in this report.

The properties evaluated consist of 17 leases located offshore from Louisiana. These 17 leases include 7 productive properties (including 2 leases covering separate portions of the south half of Ship Shoal Block 183). No reserves have been assigned to 10 properties, including 4 abandoned leases. ERT owns an interest in one productive property. Hilcorp owns an interest in three leases, one of which is productive. Chevron owns an interest in the remaining nine properties, including four to which no reserves have been assigned.

The reserves volumes and revenue values shown in this report were estimated from projections of reserves and revenue attributable to the “Combined Interests,” defined herein as the Trust Partnership Interests and the interests retained in the Subject Properties by Chevron, ERT, or Hilcorp. Net reserves attributable to the Trust Partnership Interests were estimated by allocating to the Trust Partnership a portion of the estimated combined net reserves of the Subject

Properties based on future revenue. The formula used to estimate the net reserves attributable to the Trust Partnership Interest is as follows:

$$\text{Trust Partnership Interest net reserves} = \frac{\text{Trust Partnership Interest future net revenue}}{\text{Combined future gross revenue}} \times \text{Combined net reserves}$$

This formula was applied separately to the ERT and Hilcorp groups of properties and then to the Chevron group; the results were then added together to obtain the total reserves for the Trust Partnership Interest. Because the net reserves volumes attributable to the Trust Partnership Interest are estimated using an allocation of reserves based on estimates of future revenue, a change in prices or costs will result in changes in the estimated net reserves. Therefore, the estimated net reserves attributable to the Trust Partnership Interest will vary if different future price and cost assumptions are used. Trust Partnership Interest net revenue and net reserves estimates included in this report have been estimated from reserves and revenue attributable to the Combined Interests using procedures and calculation methods as specified by Chevron and represented by Chevron to be in accordance with the Conveyance of Overriding Royalty Interests.

Units have been formed for several common reservoirs that underlie the Subject Properties and adjacent leases. In those cases, the estimated gross reserves of the entire reservoir are shown and the resulting combined Trust Partnership and Chevron, ERT, or Hilcorp interests in the reservoir unit are used to estimate these Combined Interests net reserves.

Data available from wells drilled on the appraised properties through March 2009 were used in estimating gross ultimate recovery. Gross production through March 31, 2009, was deducted from the gross ultimate recovery to arrive at estimates of gross reserves.

During September 2008, the platforms and wells associated with the Eugene Island 339 field were completely destroyed by Hurricane Ike. Chevron has provided the estimated costs for the work required to clear the remaining infrastructure and abandon existing wells. A decision by Chevron regarding possible redevelopment is under consideration, but there are no assurances that production will be restored; therefore, there are no reserves attributable to the Eugene Island 339 field presented herein.

DEGOLYER AND MACNAUGHTON

Estimated net proved reserves attributable to the Trust Partnership Interest, as of March 31, 2009, are summarized as follows, expressed in barrels (bbl) and thousands of cubic feet (Mcf):

	<u>Oil and Condensate (bbl)</u>	<u>Natural Gas (Mcf)</u>
Proved Reserves	0	0

Revenue values in this report are expressed in terms of estimated combined future net revenue, future net revenue attributable to the Trust Partnership Interest, and present worth of these future net revenues. Future gross revenue is that revenue which will accrue from the production and sale of the estimated combined net reserves. Combined future net revenue values were calculated by deducting operating expenses and capital costs from the future gross revenue of the Combined Interests. These monthly values for the aggregate of the Combined Interests in the Subject Properties were reduced by a trust overhead charge furnished by Chevron. Capital and abandonment costs for longer-life properties were accrued at the end of each quarter in amounts specified by Chevron beginning in April 2009. The future accrual or escrow amounts for each of the three groups of properties were deducted from the combined future net revenue at the end of each quarter, as specified by Chevron. Interest on the balance of the accrued capital and abandonment costs at the rate of 0.22 percent per year as specified by Chevron was credited monthly. The adjusted revenue resulting from subtracting the overhead charge and accrued capital and abandonment costs was multiplied by a factor of 25 percent to arrive at the future net revenue attributable to the Trust Partnership Interest. The above calculations were made monthly for each of the three groups of the properties (Chevron, ERT, and Hilcorp). Interest was charged monthly on the net profits deficit balances (costs not recovered currently) at the rate of 0.22 percent per year as specified by Chevron. Present worth is defined as future net revenue discounted at a specified arbitrary discount rate compounded monthly over the expected period of realization; in this report, present worth values using a discount rate of 10 percent are reported. Future income tax expenses were not taken into account in estimating future net revenue and present worth. No deductions were made in the foregoing reserves estimates for any outstanding production payments.

Revenue values in this report were estimated using the initial prices and costs provided by Chevron. Future prices were estimated using guidelines established by the SEC and the Financial Accounting Standards Board (FASB).

These guidelines require the use of prices for oil and condensate in effect on March 31, 2009. The following assumptions were used for estimating future prices and costs:

Oil and Condensate Prices

Oil and condensate prices were furnished by Chevron and were the prices in effect on March 31, 2009. These prices were used as initial prices with no increases based on inflation.

Natural Gas Prices

Initial gas prices furnished by Chevron were prices in effect on March 31, 2009. These initial prices were held constant for the life of the properties.

Operating Expenses and Capital Costs

Current estimates of operating expenses were used for the life of the properties with no increases in the future based on inflation. Future capital expenditures were estimated using 2009 values and were not adjusted for inflation. Abandonment costs have been estimated as capital costs for all properties, including the 10 leases which are considered depleted and to which no reserves have been assigned.

DEGOLYER AND MACNAUGHTON

A summary of estimated revenue and costs attributable to the Combined Interests in proved reserves of the Subject Properties and the future net revenue and present worth attributable to the Trust Partnership Interest, as of March 31, 2009, is as follows, expressed in dollars (\$):

	Properties			Total
	Chevron	ERT	Hilcorp	
Combined Interests				
Future Gross Revenue (\$)	82,669,892	44,950	985,740	83,700,582
Operating Expenses (\$)	(19,169,163)	(64,719)	(462,667)	(19,696,549)
Capital Costs (\$) ¹	(86,485,886)	0	(5,695,384)	(92,181,270)
Future Net Revenue (\$)	(22,985,157)	(19,769)	(5,172,311)	(28,177,237)
Cost Escrow as of 3-31-09 (\$)	16,153,029	0	1,063,731	17,216,760
Interest Credit on Accrued Balance (\$)	332,737	0	5,984	338,721
Interest on Deficit (\$)	(574,150)	(335)	(21,141)	(595,626)
Overhead (\$)	(5,659,609)	(3,281)	(214,464)	(5,877,354)
Revenue Subject to Net Profits Interest (\$)	0	0	0	0
Trust Partnership Interest	0	0	0	0
Future Net Revenue (\$) ²	0	0	0	0
Present Worth at 10 Percent (\$) ²	0	0	0	0

¹ Includes abandonment costs.

² Future income tax expenses were not taken into account in the preparation of these estimates.

In our opinion, the information relating to estimated proved reserves, estimated future net revenue from proved reserves, and present worth of estimated future net revenue from proved reserves of oil, condensate, and gas contained in this report has been prepared in accordance with Paragraphs 10–13, 15 and 30(a)–(b) of Statement of Financial Accounting Standards No. 69 (November 1982) of the FASB and Rules 4–10(a) (1)–(13) of Regulation S–X and Rule 302(b) of Regulation S–K of the SEC; provided, however, that (i) certain estimated data have not been provided with respect to changes in reserves information and (ii) future income tax expenses have not been taken into account in estimating the future net revenue and present worth values set forth herein.

To the extent the above-enumerated rules, regulations, and statements require determinations of an accounting or legal nature or information beyond the scope of this report, we are necessarily unable to express an opinion as to whether the above-described information is in accordance therewith or sufficient therefor.

DeGOLYER AND MACNAUGHTON

In our opinion, we have made the investigations necessary to enable us to estimate the petroleum reserves reported herein. Estimates of oil, condensate, and gas reserves and future net revenue should be regarded only as estimates that may change as further production history and additional information become available. Not only are such reserves and revenue estimates based on that information which is currently available, but such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information.

Submitted,

DeGolyer and MacNaughton

DeGOLYER and MacNAUGHTON



Paul J. Szatkowski P.E.

Paul J. Szatkowski, P.E.
Senior Vice President
DeGolyer and MacNaughton

DEGOLYER AND MACNAUGHTON
5001 SPRING VALLEY ROAD
SUITE 800 EAST
DALLAS, TEXAS 75244

APPENDIX
to
LETTER REPORT
as of
MARCH 31, 2009
on
RESERVES and REVENUE
of
CERTAIN PROPERTIES
owned by the
TEL OFFSHORE TRUST PARTNERSHIP

SEC CASE

TABLE of CONTENTS

	PAGE
TOTAL PROVED	
PARTNERSHIP INTEREST PROJECTIONS.....	1
COMBINED INTERESTS	
SUMMARIES OF RESERVES AND REVENUE.....	5
RESERVES AND REVENUE PROJECTIONS.....	11

PROJECTION AS OF MARCH 31, 2009 OF
ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM
PROVED RESERVES OF CERTAIN PROPERTIES
OWNED BY TEL OFFSHORE TRUST PARTNERSHIP

1

COMBINED INTERESTS RESERVES AND REVENUE						SEC CASE PARTNERSHIP PROPERTIES TOTAL PROVED		
FISCAL YEAR	NET OIL + CON	NET NGL	NET LIQUIDS	NET GAS	GROSS LIQ REVENUE	GROSS GAS REVENUE	GROSS REVENUE	REVENUE AFTER TAX
2009	49432	0	49432	136672	2453955	489290	2943245	2943245
2010	164510	0	164510	605517	8166104	2167743	10333847	10333847
2011	278947	0	278947	1738508	13847138	6223849	20070987	20070987
2012	305647	0	305647	1953713	15172197	6994295	22166492	22166492
2013	191784	0	191784	1176912	9520244	4213338	13733582	13733582
2014	122688	0	122688	808147	6090122	2893173	8983295	8983295
2015	79875	0	79875	420152	3964985	1504149	5469134	5469134
GRAND TOTAL	1192883	0	1192883	6839621	59214745	24485837	83700582	83700582

COMBINED INTERESTS COSTS						SEC CASE PARTNERSHIP PROPERTIES TOTAL PROVED	
FISCAL YEAR	REVENUE AFTER TAX	CAPITAL COSTS LESS COST ESCROW	INTEREST ON ACCRUAL	OVERHEAD COSTS	OPERATING COSTS	INT	ON DEFICIT
2009	2943245	68338638	66483	950525	1108618		36628
2010	10333847	17917611	145308	1185743	3116447		177764
2011	20070987	7810424	77553	1687131	3328243		157955
2012	22166492	2008374	16968	760867	3138879		91236
2013	13733582	441750	14115	576006	3110572		59191
2014	8983295	146527	9774	362923	3104052		40863
2015	5469134	884664	8520	354159	2789738		31989
GRAND TOTAL	83700582	74964510	338721	5877354	19696549		595626

TRUST SHARE						SEC CASE PARTNERSHIP PROPERTIES TOTAL PROVED	
FISCAL YEAR	REV AVAIL TO TRUST	TRUST REVENUE	TRUST OIL + CON	TRUST NGL	TRUST LIQUIDS	TRUST GAS	TRUST PW AT 10 PCT
2009	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0
GRAND TOTAL	0	0	0	0	0	0	0

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

PROJECTION AS OF MARCH 31, 2009 OF
ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM
PROVED RESERVES OF CERTAIN PROPERTIES
OWNED BY TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTERESTS RESERVES AND REVENUE						SEC CASE CHEVRON PROPERTIES TOTAL PROVED		
FISCAL YEAR	NET OIL + CON	NET NGL	NET LIQUIDS	NET GAS	GROSS LIQ REVENUE	GROSS GAS REVENUE	GROSS REVENUE	REVENUE AFTER TAX
2009	49382	0	49382	28959	2451401	96517	2547918	2547918
2010	164453	0	164453	489276	8163361	1751600	9914961	9914961
2011	278917	0	278917	1678457	13845647	6008863	19854510	19854510
2012	305647	0	305647	1953713	15172197	6994295	22166492	22166492
2013	191784	0	191784	1176912	9520244	4213338	13733582	13733582
2014	122688	0	122688	808147	6090122	2893173	8983295	8983295
2015	79875	0	79875	420152	3964985	1504149	5469134	5469134
GRAND TOTAL	1192746	0	1192746	6553616	59207957	23461935	82669892	82669892

COMBINED INTERESTS COSTS						SEC CASE CHEVRON PROPERTIES TOTAL PROVED	
FISCAL YEAR	REVENUE AFTER TAX	CAPITAL COSTS LESS COST	COSTS ESCROW	INTEREST ON ACCRUAL	OVERHEAD COSTS	OPERATING COSTS	INT ON DEFICIT
2009	2547918	64724274		64015	786145	972118	34722
2010	9914961	16712823		143598	1168742	2903228	168013
2011	19854510	7622925-		75747	1652767	3150576	148136
2012	22166492	2008374-		16968	760867	3138879	91236
2013	13733582	441750-		14115	576006	3110572	59191
2014	8983295	146527-		9774	362923	3104062	40863
2015	5469134	884664-		8520	354159	2789738	31989
GRAND TOTAL	82669892	70332857		332737	5659609	19169163	574150

TRUST SHARE						SEC CASE CHEVRON PROPERTIES TOTAL PROVED	
FISCAL YEAR	REV AVAIL TO TRUST	TRUST REVENUE	TRUST OIL + CON	TRUST NGL	TRUST LIQUIDS	TRUST GAS	TRUST PW AT 10 PCT
2009	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0
GRAND TOTAL	0	0	0	0	0	0	0

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

PROJECTION AS OF MARCH 31, 2009 OF
ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM
PROVED RESERVES OF CERTAIN PROPERTIES
OWNED BY TEL OFFSHORE TRUST PARTNERSHIP

3

COMBINED INTERESTS RESERVES AND REVENUE									SEC CASE ENERGY RESOURCES TECHNOLOGY TOTAL PROVED
FISCAL YEAR	NET OIL + CON	NET NGL	NET LIQUIDS	NET GAS	GROSS LIQ REVENUE	GROSS GAS REVENUE	GROSS REVENUE	REVENUE AFTER TAX	
2009	0	0	0	6798	0	24336	24336	24336	
2010	0	0	0	5758	0	20614	20614	20614	
2011	0	0	0	0	0	0	0	0	
2012	0	0	0	0	0	0	0	0	
2013	0	0	0	0	0	0	0	0	
2014	0	0	0	0	0	0	0	0	
2015	0	0	0	0	0	0	0	0	
GRAND TOTAL	0	0	0	12556	0	44950	44950	44950	

COMBINED INTERESTS COSTS									SEC CASE ENERGY RESOURCES TECHNOLOGY TOTAL PROVED
FISCAL YEAR	REVENUE AFTER TAX	CAPITAL LESS COST	COSTS ESCROW	INTEREST ON ACCRUAL	OVERHEAD COSTS	OPERATING COSTS	INT DEFICIT	ON	
2009	24336		0	0	1672	31500		53	
2010	20614		0	0	1609	33219		282	
2011	0		0	0	0	0		0	
2012	0		0	0	0	0		0	
2013	0		0	0	0	0		0	
2014	0		0	0	0	0		0	
2015	0		0	0	0	0		0	
GRAND TOTAL	44950		0	0	3281	64719		335	

TRUST SHARE									SEC CASE ENERGY RESOURCES TECHNOLOGY TOTAL PROVED
FISCAL YEAR	REV AVAIL TO TRUST	TRUST REVENUE	TRUST OIL + CON	TRUST NGL	TRUST LIQUIDS	TRUST GAS	TRUST AT 10	PW PCT	
2009	0	0	0	0	0	0		0	
2010	0	0	0	0	0	0		0	
2011	0	0	0	0	0	0		0	
2012	0	0	0	0	0	0		0	
2013	0	0	0	0	0	0		0	
2014	0	0	0	0	0	0		0	
2015	0	0	0	0	0	0		0	
GRAND TOTAL	0	0	0	0	0	0		0	

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

PROJECTION AS OF MARCH 31, 2009 OF
ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM
PROVED RESERVES OF CERTAIN PROPERTIES
OWNED BY TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTERESTS RESERVES AND REVENUE									SEC CASE HILCORP ENERGY COMPANY TOTAL PROVED	
FISCAL YEAR	NET OIL + CON	NET NGL	NET LIQUIDS	NET GAS	GROSS LIQ REVENUE	GROSS GAS REVENUE	GROSS REVENUE	REVENUE AFTER TAX		
2009	50	0	50	102915	2554	368437	370991	370991		
2010	57	0	57	110483	2743	395529	398272	398272		
2011	30	0	30	60051	1491	214986	216477	216477		
2012	0	0	0	0	0	0	0	0		
2013	0	0	0	0	0	0	0	0		
2014	0	0	0	0	0	0	0	0		
2015	0	0	0	0	0	0	0	0		
GRAND TOTAL	137	0	137	273449	6788	978952	985740	985740		

COMBINED INTERESTS COSTS								SEC CASE HILCORP ENERGY COMPANY TOTAL PROVED	
FISCAL YEAR	REVENUE AFTER TAX	CAPITAL LESS COST	COSTS ESCROW	INTEREST ON ACCRUAL	OVERHEAD COSTS	OPERATING COSTS	INT ON DEFICIT		
2009	370991		3614364	2468	162708	105000	1853		
2010	398272		1204788	1710	17392	180000	9469		
2011	216477		187499-	1806	34364	177667	9819		
2012	0		0	0	0	0	0		
2013	0		0	0	0	0	0		
2014	0		0	0	0	0	0		
2015	0		0	0	0	0	0		
GRAND TOTAL	985740		4631653	5984	214464	462667	21141		

TRUST SHARE								SEC CASE HILCORP ENERGY COMPANY TOTAL PROVED	
FISCAL YEAR	REV AVAIL TO TRUST	TRUST REVENUE	TRUST OIL + CON	TRUST NGL	TRUST LIQUIDS	TRUST GAS	TRUST PW AT 10 PCT		
2009	0	0	0	0	0	0	0		
2010	0	0	0	0	0	0	0		
2011	0	0	0	0	0	0	0		
2012	0	0	0	0	0	0	0		
2013	0	0	0	0	0	0	0		
2014	0	0	0	0	0	0	0		
2015	0	0	0	0	0	0	0		
GRAND TOTAL	0	0	0	0	0	0	0		

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

DATA
as of
MARCH 31, 2009
on
ESTIMATED PROVED RESERVES and REVENUE
of
CERTAIN PROPERTIES
owned by the
TEL OFFSHORE TRUST PARTNERSHIP

(COMBINED INTERESTS)

DATA ON ESTIMATED PROVED RESERVES
AS OF MARCH 31, 2009
FROM CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

SUMMARY BY FIELD

	----- GROSS RESERVES -----		*----- NET RESERVES -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
EAST CAMERON BLOCK 353				
EUGENE ISLAND BLOCK 208				
EUGENE ISLAND BLOCK 339				
EUGENE ISLAND BLOCK 342				
EUGENE ISLAND BLOCK 348	192,719	2,720,854	458	4,216
SHIP SHOAL BLOCK 169	2,730,343	12,685,245	1,183,158	6,505,534
SHIP SHOAL BLOCK 343				
SO MARSH ISLAND BLOCK 252				
SOUTH TIMBALIER BLOCK 36	798,955	7,290,392	1,740	15,852
SOUTH TIMBALIER BLOCK 37	3,397,767	12,884,274	7,390	28,014
VERMILION BLOCK 245				
WEST CAMERON BLOCK 643	329	857,179	137	286,005
GRAND TOTAL	7,120,113	36,437,944	1,192,883	6,839,621

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

DATA ON ESTIMATED REVENUE FROM PROVED RESERVES
AS OF MARCH 31, 2009
FROM CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

7

SUMMARY BY FIELD

	*-----	R E V E N U E	A N D	E X P E N D I T U R E S	*-----
	GROSS	OPERATING		NET	PRESENT WORTH
	REVENUE	COSTS		REVENUE	AT 10 PERCENT
EAST CAMERON BLOCK 353					
EUGENE ISLAND BLOCK 208					
EUGENE ISLAND BLOCK 339					
EUGENE ISLAND BLOCK 342					
EUGENE ISLAND BLOCK 348	38,057		\$67,808,769	\$67,808,769-	\$59,532,863-
SHIP SHOAL BLOCK 169				38,057	33,531
SHIP SHOAL BLOCK 343	82,021,777	18,861,469	18,521,392	44,638,916	33,037,918
SO MARSH ISLAND BLOCK 252					
SOUTH TIMBALIER BLOCK 36	142,994	98,942	58,874	14,822-	9,783-
SOUTH TIMBALIER BLOCK 37	467,064	208,752	96,851	161,461	142,874
VERMILION BLOCK 245					
WEST CAMERON BLOCK 643	1,030,690	527,386	5,695,384	5,192,080-	4,813,788-
GRAND TOTAL	\$83,700,582	\$19,696,549	\$92,181,270	\$28,177,237-	\$31,142,111-

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

CONFIDENTIAL

TEL0002090

DATA ON ESTIMATED PROVED RESERVES
AS OF MARCH 31, 2009
FROM CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

SUMMARY BY LEASE

FIELD LEASE	AVERAGE GROSS	INTERESTS NET	*----- GROSS RESERVES -----* OIL & COND (BARRELS)	*-----* GAS (MCF)	*----- NET RESERVES -----* OIL & COND (BARRELS)	*-----* GAS (MCF)
EAST CAMERON BLOCK 353						
----- FIELDWIDE UNIT	.1113640U	.0928030U				
EUGENE ISLAND BLOCK 208						
----- OCS G- 577 BLK 208 G1 & G2	1.0000000U	.7500000U				
OCS G- 577 BLK 208 G3	1.0000000U	.6333300U				
TOTAL EUGENE ISLAND BLOCK 208						
EUGENE ISLAND BLOCK 339						
----- PLATFORM B NON-UNIT SANDS	.5000000	.4166667				
PLATFORM C NON-UNIT SANDS	.5000000	.4166667				
4500-FT SAND UNIT GAS	.3849500U	.3207917U				
4500-FT SAND UNIT OIL	.2444000	.2036667				
5500-FT SAND UNIT	.4205000	.3504167				
TOTAL EUGENE ISLAND BLOCK 339						
EUGENE ISLAND BLOCK 342						
----- E I BLK 342-343 A&B PLTFRMS		.0050000U				
OCS G- 2319 BK 342 C PLTFRM		.0015000	143,043	2,683,348	211	4,028
OCS G- 2319 BK 342 C 7 10 14		.0050000	49,676	37,506	247	188
OCS G- 2320 BK 343 B13		.0012500U				
TOTAL EUGENE ISLAND BLOCK 342			192,719	2,720,854	458	4,216
EUGENE ISLAND BLOCK 348						
----- E I 348 (SOUTH) UNIT	.2500000U	.2083330U				
SHIP SHOAL BLOCK 169						
----- BLOCK 182 C UNIT	.3428720	.2857270	1,236,711	2,008,046	353,363	573,755
OCS G- 821 BLK 183	.6666667	.5555555	1,493,632	10,677,199	829,795	5,931,779
OCS G- 821 BLK 183 F1	.5000000U	.4166667U				
OCS G- 821 BLK 183 F3	.5000000U	.4166667U				
TOTAL SHIP SHOAL BLOCK 169			2,730,343	12,685,245	1,183,158	6,505,534
SHIP SHOAL BLOCK 343						
----- FIELDWIDE UNIT	.0082610U	.0068840U				
SO MARSH ISLAND BLOCK 252						
----- OCS G- 2598 BLK 252		.0007820U				
SOUTH TIMBALIER BLOCK 36						
----- OCS G- 2624 BLK 36	.0026094	.0021745	798,955	7,290,392	1,740	15,852
SOUTH TIMBALIER BLOCK 37						
----- OCS G- 2625 BLK 37	.0026094	.0021745	3,397,767	12,884,274	7,390	28,014
VERMILION BLOCK 245						
----- F SAND UNIT	.3337000U	.2780833U				
G SAND UNIT	.3634000U	.3028340U				
OCS G- 1147 BLK 246 9	1.0000000U	.8333300U				
TOTAL VERMILION BLOCK 245						
WEST CAMERON BLOCK 643						
----- BLOCK 642-643 A UNIT	.3585890	.2988225				
BLOCK 643-370 B UNIT	.3500000	.2916667				
BLOCK 643-371 UNIT B8ST2	.7000000	.5833333				
OCS G- 2240 BLK 642	.2500000	.2083330				
OCS G- 2241 BLK 643	.5000000	.4166667	329	656,277	137	273,449
OCS G-15161 BLK 381	.0750000	.0625000		200,902		12,556
TOTAL WEST CAMERON BLOCK 643			329	857,179	137	286,005
GRAND TOTAL			7,120,113	36,437,944	1,192,883	6,839,621

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

DATA ON ESTIMATED REVENUE FROM PROVED RESERVES
AS OF MARCH 31, 2009
FROM CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

9

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

SUMMARY BY LEASE

FIELD LEASE	*----- GROSS REVENUE	R E V E N U E OPERATING COSTS	A N D E X P E N D I T U R E S CAPITAL COSTS	NET REVENUE	*----- PRESENT WORTH AT 10 PERCENT
EAST CAMERON BLOCK 353					
----- FIELDWIDE UNIT					
EUGENE ISLAND BLOCK 208					

OCS G- 577 BLK 208 G1 & G2					
OCS G- 577 BLK 208 G3					
TOTAL EUGENE ISLAND BLOCK 208					
EUGENE ISLAND BLOCK 339					

PLATFORM B NON-UNIT SANDS			\$25,530,555	\$25,530,555-	\$22,414,609-
PLATFORM C NON-UNIT SANDS			25,530,555	25,530,555-	22,414,609-
4500-FT SAND UNIT GAS					
4500-FT SAND UNIT OIL			10,650,408	10,650,408-	9,350,551-
5500-FT SAND UNIT			6,097,251	6,097,251-	5,353,094-
TOTAL EUGENE ISLAND BLOCK 339			\$67,808,769	\$67,808,769-	\$59,532,863-
EUGENE ISLAND BLOCK 342					

E I BLK 342-343 A&B PLTFRMS					
OCS G- 2319 BK 342 C PLTFRM	\$25,056			\$25,056	\$21,984
OCS G- 2319 BK 342 C 7 10 14	13,001			13,001	11,547
OCS G- 2320 BK 343 B13					
TOTAL EUGENE ISLAND BLOCK 342	\$38,057			\$38,057	\$33,531
EUGENE ISLAND BLOCK 348					

E I 348 (SOUTH) UNIT					
SHIP SHOAL BLOCK 169					

BLOCK 182 C UNIT	\$19,594,938	\$10,219,527	\$3,584,727	\$5,790,684	\$5,104,721
OCS G- 821 BLK 183	62,426,839	8,641,942	14,936,665	38,848,232	27,933,197
OCS G- 821 BLK 183 F1					
OCS G- 821 BLK 183 F3					
TOTAL SHIP SHOAL BLOCK 169	\$82,021,777	\$18,861,469	\$18,521,392	\$44,638,916	\$33,037,918
SHIP SHOAL BLOCK 343					

FIELDWIDE UNIT					
SO MARSH ISLAND BLOCK 252					

OCS G- 2598 BLK 252					
SOUTH TIMBALIER BLOCK 36					

OCS G- 2624 BLK 36	\$142,994	\$98,942	\$58,874	\$14,822-	\$9,783-
SOUTH TIMBALIER BLOCK 37					

OCS G- 2625 BLK 37	\$467,064	\$208,752	\$96,851	\$161,461	\$142,874
VERMILION BLOCK 245					

F SAND UNIT					
G SAND UNIT					
OCS G- 1147 BLK 246 9					
TOTAL VERMILION BLOCK 245					
WEST CAMERON BLOCK 643					

BLOCK 642-643 A UNIT			\$537,884	\$537,884-	\$508,367-
BLOCK 643-370 B UNIT			1,207,500	1,207,500-	1,141,238-
BLOCK 643-371 UNIT B8ST2			2,450,000	2,450,000-	2,311,770-
OCS G- 2240 BLK 642			750,000	750,000-	741,056-
OCS G- 2241 BLK 643	985,740	462,667	750,000	226,927-	92,981-
OCS G-15161 BLK 381	44,950	64,719		19,769-	18,376-
TOTAL WEST CAMERON BLOCK 643	\$1,030,690	\$527,386	\$5,695,384	\$5,192,080-	\$4,813,788-
GRAND TOTAL	\$83,700,582	\$19,696,549	\$92,181,270	\$28,177,237-	\$31,142,111-

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

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GRAND TOTAL PROJECTION.....	12
EAST CAMERON BLOCK 353	
FIELDWIDE UNIT.....	13
EUGENE ISLAND BLOCK 208.....	14
OCS G- 577 BLK 208 G1 & G2.....	15
OCS G- 577 BLK 208 G3.....	16
EUGENE ISLAND BLOCK 339.....	17
PLATFORM B NON-UNIT SANDS.....	18
PLATFORM C NON-UNIT SANDS.....	19
4500-FT SAND UNIT GAS.....	20
4500-FT SAND UNIT OIL.....	21
5500-FT SAND UNIT.....	22
EUGENE ISLAND BLOCK 342.....	23
E I BLK 342-343 A&B PLTFRMS.....	24
OCS G- 2319 BK 342 C PLTFRM.....	25
OCS G- 2319 BK 342 C 7 10 14.....	26
OCS G- 2320 BK 343 B13.....	27
EUGENE ISLAND BLOCK 348	
E I 348 (SOUTH) UNIT.....	28
SHIP SHOAL BLOCK 169.....	29
BLOCK 182 C UNIT.....	30
OCS G- 821 BLK 183.....	31
OCS G- 821 BLK 183 F1.....	32
OCS G- 821 BLK 183 F3.....	33
SHIP SHOAL BLOCK 343	
FIELDWIDE UNIT.....	34
SO MARSH ISLAND BLOCK 252	
OCS G- 2598 BLK 252.....	35
SOUTH TIMBALIER BLOCK 36	
OCS G- 2624 BLK 36.....	36
SOUTH TIMBALIER BLOCK 37	
OCS G- 2625 BLK 37.....	37
VERMILION BLOCK 245.....	38
F SAND UNIT.....	39
G SAND UNIT.....	40
OCS G- 1147 BLK 246 9.....	41
WEST CAMERON BLOCK 643	
BLOCK 642-643 A UNIT.....	43
BLOCK 643-370 B UNIT.....	44
BLOCK 643-371 UNIT B8ST2.....	45
OCS G- 2240 BLK 642.....	46
OCS G- 2241 BLK 643.....	47
OCS G-15161 BLK 381.....	48

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

GRAND TOTAL

YEAR ENDING OCT 31	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	1,043,974	2,740,925	49,432	136,672
2010	1,691,359	8,588,864	164,510	605,517
2011	1,341,526	6,708,487	278,947	1,738,508
2012	1,297,060	5,575,759	305,647	1,953,713
2013	945,708	6,446,432	191,784	1,176,912
2014	572,843	4,820,610	122,688	808,147
2015	227,643	1,556,867	79,875	420,152
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	7,120,113	36,437,944	1,192,883	6,839,621
REM				
TOT	7,120,113	36,437,944	1,192,883	6,839,621
CUM ULT	201,759,828 208,879,941	1,786,613,083 1,823,051,027		

YEAR ENDING OCT 31	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$49.64	\$3.5800	\$2,453,955	\$489,290	\$2,943,245
2010	\$49.64	\$3.5800	\$8,166,104	\$2,167,743	\$10,333,847
2011	\$49.64	\$3.5800	\$13,847,138	\$6,223,849	\$20,070,987
2012	\$49.64	\$3.5800	\$15,172,197	\$6,994,295	\$22,166,492
2013	\$49.64	\$3.5800	\$9,520,244	\$4,213,338	\$13,733,582
2014	\$49.64	\$3.5800	\$6,090,122	\$2,893,173	\$8,983,295
2015	\$49.64	\$3.5800	\$3,964,985	\$1,504,149	\$5,469,134
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$49.64	\$3.5800	\$59,214,745	\$24,485,837	\$83,700,582
REM					
TOT	\$49.64	\$3.5800	\$59,214,745	\$24,485,837	\$83,700,582

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009	\$1,108,618	\$27,566,573	\$28,675,191	\$25,731,946-	\$25,731,946-	\$24,445,969-	\$24,445,969-
2010	\$3,116,447	\$25,930,322	\$29,046,769	\$18,712,922-	\$44,444,868-	\$16,534,508-	\$40,980,477-
2011	\$3,328,243	\$32,762,159	\$36,090,402	\$16,019,415-	\$60,464,283-	\$12,854,676-	\$53,835,153-
2012	\$3,138,879	\$40,608	\$3,179,487	\$18,987,005	\$41,477,278-	\$13,979,723	\$39,855,430-
2013	\$3,110,572	\$2,342,466	\$5,453,038	\$8,280,544	\$33,196,734-	\$5,537,251	\$34,318,179-
2014	\$3,104,052	\$652	\$3,104,704	\$5,878,591	\$27,318,143-	\$3,551,468	\$30,766,711-
2015	\$2,789,738	\$3,538,490	\$6,328,228	\$859,094-	\$28,177,237-	\$375,400-	\$31,142,111-
2016					\$28,177,237-		\$31,142,111-
2017					\$28,177,237-		\$31,142,111-
2018					\$28,177,237-		\$31,142,111-
2019					\$28,177,237-		\$31,142,111-
2020					\$28,177,237-		\$31,142,111-
2021					\$28,177,237-		\$31,142,111-
2022					\$28,177,237-		\$31,142,111-
2023					\$28,177,237-		\$31,142,111-
2024					\$28,177,237-		\$31,142,111-
2025					\$28,177,237-		\$31,142,111-
2026					\$28,177,237-		\$31,142,111-
2027					\$28,177,237-		\$31,142,111-
2028					\$28,177,237-		\$31,142,111-
SUB	\$19,696,549	\$92,181,270	\$111,877,819	\$28,177,237-		\$31,142,111-	
REM					\$28,177,237-		\$31,142,111-
TOT	\$19,696,549	\$92,181,270	\$111,877,819	\$28,177,237-		\$31,142,111-	

*- - - PRESENT WORTH - - *
8 PERCENT ...\$30,736,467-
12 PERCENT ...\$31,470,339-
15 PERCENT ...\$31,832,673-
18 PERCENT ...\$32,057,775-
20 PERCENT ...\$32,140,983-

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

13

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...EAST CAMERON BLOCK 353
LEASE....FIELDWIDE UNIT

YEAR ENDING	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
OCT 31	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	1,272	79,347,131		
ULT	1,272	79,347,131		

YEAR ENDING	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*		
OCT 31	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

AVERAGE INTERESTS
IN COSTS IN REVENUE
.1113640 .0928030

YEAR ENDING	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH	
OCT 31	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	AT 10 PERCENT	CUMULATIVE
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

* - - PRESENT WORTH - - *

8 PERCENT	.....
12 PERCENT	.....
15 PERCENT	.....
18 PERCENT	.....
20 PERCENT	.....

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES

AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...EUGENE ISLAND BLOCK 208

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	66,309	1,566,613		
ULT	66,309	1,566,613		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*	
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS TOTAL
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*		FUTURE NET REVENUE		PRESENT WORTH
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL CUMULATIVE	AT 10 PERCENT ANNUAL CUMULATIVE
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

* - - PRESENT WORTH - - *

8 PERCENT

12 PERCENT

15 PERCENT

18 PERCENT

20 PERCENT

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

15

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...EUGENE ISLAND BLOCK 208
LEASE....OCS G- 577 BLK 208 G1 & G2

YEAR ENDING	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
OCT 31	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	50,349	1,362,167		
ULT	50,349	1,362,167		

YEAR ENDING	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*		
OCT 31	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

AVERAGE INTERESTS
IN COSTS IN REVENUE
1.0000000 .7500000

YEAR ENDING	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH	
OCT 31	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	AT 10 PERCENT	ANNUAL CUMULATIVE
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

*- - - PRESENT WORTH - - *
8 PERCENT
12 PERCENT
15 PERCENT
18 PERCENT
20 PERCENT

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

CONFIDENTIAL

TEL0002098

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES

AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...EUGENE ISLAND BLOCK 208
LEASE....OCS G- 577 BLK 208 G3

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	15,960	204,446		
ULT	15,960	204,446		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*	
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS TOTAL
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

AVERAGE INTERESTS
IN COSTS IN REVENUE
1.0000000 .6333300

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*						
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	FUTURE NET REVENUE ANNUAL	CUMULATIVE	PRESENT WORTH AT 10 PERCENT ANNUAL	CUMULATIVE
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

*- - - PRESENT WORTH - - *
8 PERCENT
12 PERCENT
15 PERCENT
18 PERCENT
20 PERCENT

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

17

FIELD...EUGENE ISLAND BLOCK 339

YEAR ENDING	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
OCT 31	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	31,823,792	76,762,378		
ULT	31,823,792	76,762,378		

YEAR ENDING	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*	
OCT 31	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	TOTAL
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

YEAR ENDING	*----- E X P E N D I T U R E S -----*					PRESENT WORTH AT 10 PERCENT
OCT 31	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL FUTURE NET REVENUE	CUMULATIVE	ANNUAL CUMULATIVE
2009		\$22,602,923	\$22,602,923	\$22,602,923-	\$22,602,923-	\$21,502,822-
2010		\$22,602,923	\$22,602,923	\$22,602,923-	\$45,205,846-	\$41,463,226-
2011		\$22,602,923	\$22,602,923	\$22,602,923-	\$67,808,769-	\$59,532,863-
2012					\$67,808,769-	\$59,532,863-
2013					\$67,808,769-	\$59,532,863-
2014					\$67,808,769-	\$59,532,863-
2015					\$67,808,769-	\$59,532,863-
2016					\$67,808,769-	\$59,532,863-
2017					\$67,808,769-	\$59,532,863-
2018					\$67,808,769-	\$59,532,863-
2019					\$67,808,769-	\$59,532,863-
2020					\$67,808,769-	\$59,532,863-
2021					\$67,808,769-	\$59,532,863-
2022					\$67,808,769-	\$59,532,863-
2023					\$67,808,769-	\$59,532,863-
2024					\$67,808,769-	\$59,532,863-
2025					\$67,808,769-	\$59,532,863-
2026					\$67,808,769-	\$59,532,863-
2027					\$67,808,769-	\$59,532,863-
2028					\$67,808,769-	\$59,532,863-
SUB		\$67,808,769	\$67,808,769	\$67,808,769-		\$59,532,863-
REM					\$67,808,769-	\$59,532,863-
TOT		\$67,808,769	\$67,808,769	\$67,808,769-		\$59,532,863-

*- - - PRESENT WORTH - - *

8 PERCENT ...\$61,073,206-

12 PERCENT ...\$58,045,314-

15 PERCENT ...\$55,908,328-

18 PERCENT ...\$53,878,537-

20 PERCENT ...\$52,581,733-

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

CONFIDENTIAL

TEL0002100

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES

AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...EUGENE ISLAND BLOCK 339
LEASE....PLATFORM B NON-UNIT SANDS

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM ULT	5,485,376 5,485,376	13,461,587 13,461,587		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*	
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS TOTAL
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

				AVERAGE INTERESTS IN COSTS .5000000	IN REVENUE .4166667	
YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*					PRESENT WORTH AT 10 PERCENT
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	FUTURE NET REVENUE ANNUAL CUMULATIVE	ANNUAL CUMULATIVE	
2009		\$8,510,185	\$8,510,185	\$8,510,185-	\$8,510,185-	\$8,095,988-
2010		\$8,510,185	\$8,510,185	\$8,510,185-	\$17,020,370-	\$15,611,243-
2011		\$8,510,185	\$8,510,185	\$8,510,185-	\$25,530,555-	\$22,414,609-
2012					\$25,530,555-	\$22,414,609-
2013					\$25,530,555-	\$22,414,609-
2014					\$25,530,555-	\$22,414,609-
2015					\$25,530,555-	\$22,414,609-
2016					\$25,530,555-	\$22,414,609-
2017					\$25,530,555-	\$22,414,609-
2018					\$25,530,555-	\$22,414,609-
2019					\$25,530,555-	\$22,414,609-
2020					\$25,530,555-	\$22,414,609-
2021					\$25,530,555-	\$22,414,609-
2022					\$25,530,555-	\$22,414,609-
2023					\$25,530,555-	\$22,414,609-
2024					\$25,530,555-	\$22,414,609-
2025					\$25,530,555-	\$22,414,609-
2026					\$25,530,555-	\$22,414,609-
2027					\$25,530,555-	\$22,414,609-
2028					\$25,530,555-	\$22,414,609-
SUB		\$25,530,555	\$25,530,555	\$25,530,555-		\$22,414,609-
REM					\$25,530,555-	\$22,414,609-
TOT		\$25,530,555	\$25,530,555	\$25,530,555-		\$22,414,609-
* - - - PRESENT WORTH - - *						
8 PERCENT ...\$22,994,561-						
12 PERCENT ...\$21,854,535-						
15 PERCENT ...\$21,049,942-						
18 PERCENT ...\$20,285,709-						
20 PERCENT ...\$19,797,452-						

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

19

FIELD...EUGENE ISLAND BLOCK 339
LEASE....PLATFORM C NON-UNIT SANDS

YEAR ENDING OCT 31	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	5,721,084	11,916,308		
ULT	5,721,084	11,916,308		

YEAR ENDING OCT 31	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*	
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS TOTAL
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

AVERAGE INTERESTS
IN COSTS .5000000
IN REVENUE .4166667

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*					
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	FUTURE NET REVENUE ANNUAL CUMULATIVE	ANNUAL CUMULATIVE AT 10 PERCENT	PRESENT WORTH AT 10 PERCENT
2009		\$8,510,185	\$8,510,185	\$8,510,185-	\$8,510,185-	\$8,095,988-
2010		\$8,510,185	\$8,510,185	\$8,510,185-	\$17,020,370-	\$15,611,243-
2011		\$8,510,185	\$8,510,185	\$8,510,185-	\$25,530,555-	\$22,414,609-
2012				\$25,530,555-	\$25,530,555-	\$22,414,609-
2013				\$25,530,555-	\$25,530,555-	\$22,414,609-
2014				\$25,530,555-	\$25,530,555-	\$22,414,609-
2015				\$25,530,555-	\$25,530,555-	\$22,414,609-
2016				\$25,530,555-	\$25,530,555-	\$22,414,609-
2017				\$25,530,555-	\$25,530,555-	\$22,414,609-
2018				\$25,530,555-	\$25,530,555-	\$22,414,609-
2019				\$25,530,555-	\$25,530,555-	\$22,414,609-
2020				\$25,530,555-	\$25,530,555-	\$22,414,609-
2021				\$25,530,555-	\$25,530,555-	\$22,414,609-
2022				\$25,530,555-	\$25,530,555-	\$22,414,609-
2023				\$25,530,555-	\$25,530,555-	\$22,414,609-
2024				\$25,530,555-	\$25,530,555-	\$22,414,609-
2025				\$25,530,555-	\$25,530,555-	\$22,414,609-
2026				\$25,530,555-	\$25,530,555-	\$22,414,609-
2027				\$25,530,555-	\$25,530,555-	\$22,414,609-
2028				\$25,530,555-	\$25,530,555-	\$22,414,609-
SUB		\$25,530,555	\$25,530,555	\$25,530,555-		\$22,414,609-
REM				\$25,530,555-		\$22,414,609-
TOT		\$25,530,555	\$25,530,555	\$25,530,555-		\$22,414,609-

*- - - PRESENT WORTH - - *
8 PERCENT ...\$22,994,561-
12 PERCENT ...\$21,854,535-
15 PERCENT ...\$21,049,942-
18 PERCENT ...\$20,285,709-
20 PERCENT ...\$19,797,452-

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

CONFIDENTIAL

TEL0002102

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES

AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...EUGENE ISLAND BLOCK 339
LEASE....4500-FT SAND UNIT GAS

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*	*----- NET PRODUCTION -----*
	OIL & COND (BARRELS) GAS (MCF)	OIL & COND (BARRELS) GAS (MCF)
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
SUB		
REM		
TOT		
CUM	40,175,081	
ULT	40,175,081	

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*	*----- FUTURE GROSS REVENUE -----*
	OIL & COND \$/BBL GAS \$/MCF	OIL & COND GAS TOTAL
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
SUB		
REM		
TOT		

AVERAGE INTERESTS
IN COSTS IN REVENUE
.3849500 .3207917

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*	FUTURE NET REVENUE	PRESENT WORTH
	OPERATING COSTS CAPITAL COSTS TOTAL COSTS	ANNUAL CUMULATIVE	AT 10 PERCENT ANNUAL CUMULATIVE
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
SUB			
REM			
TOT			

*- - - PRESENT WORTH - - *
8 PERCENT
12 PERCENT
15 PERCENT
18 PERCENT
20 PERCENT

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

21

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...EUGENE ISLAND BLOCK 339
LEASE....4500-FT SAND UNIT OIL

YEAR ENDING OCT 31	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	8,818,029			
ULT	8,818,029			

YEAR ENDING OCT 31	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*	
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS TOTAL
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

AVERAGE INTERESTS
IN COSTS .2444000
IN REVENUE .2036667

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*					PRESENT WORTH AT 10 PERCENT
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	FUTURE NET REVENUE ANNUAL CUMULATIVE		ANNUAL CUMULATIVE
2009		\$3,550,136	\$3,550,136	\$3,550,136-	\$3,550,136-	\$3,377,349-
2010		\$3,550,136	\$3,550,136	\$3,550,136-	\$7,100,272-	\$6,512,437-
2011		\$3,550,136	\$3,550,136	\$3,550,136-	\$10,650,408-	\$9,350,551-
2012					\$10,650,408-	\$9,350,551-
2013					\$10,650,408-	\$9,350,551-
2014					\$10,650,408-	\$9,350,551-
2015					\$10,650,408-	\$9,350,551-
2016					\$10,650,408-	\$9,350,551-
2017					\$10,650,408-	\$9,350,551-
2018					\$10,650,408-	\$9,350,551-
2019					\$10,650,408-	\$9,350,551-
2020					\$10,650,408-	\$9,350,551-
2021					\$10,650,408-	\$9,350,551-
2022					\$10,650,408-	\$9,350,551-
2023					\$10,650,408-	\$9,350,551-
2024					\$10,650,408-	\$9,350,551-
2025					\$10,650,408-	\$9,350,551-
2026					\$10,650,408-	\$9,350,551-
2027					\$10,650,408-	\$9,350,551-
2028					\$10,650,408-	\$9,350,551-
SUB		\$10,650,408	\$10,650,408	\$10,650,408-		\$9,350,551-
REM					\$10,650,408-	\$9,350,551-
TOT		\$10,650,408	\$10,650,408	\$10,650,408-		\$9,350,551-

*- - - PRESENT WORTH - - *
8 PERCENT\$9,592,485-
12 PERCENT\$9,116,908-
15 PERCENT\$8,781,262-
18 PERCENT\$8,462,452-
20 PERCENT\$8,258,769-

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES

AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...EUGENE ISLAND BLOCK 339
LEASE....5500-FT SAND UNIT

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM ULT	11,799,303	11,209,402		
	11,799,303	11,209,402		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

AVERAGE INTERESTS
IN COSTS .4205000
IN REVENUE .3504167

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009		\$2,032,417	\$2,032,417	\$2,032,417-	\$2,032,417-	\$1,933,497-	\$1,933,497-
2010		\$2,032,417	\$2,032,417	\$2,032,417-	\$4,064,834-	\$1,794,806-	\$3,728,303-
2011		\$2,032,417	\$2,032,417	\$2,032,417-	\$6,097,251-	\$1,624,791-	\$5,353,094-
2012					\$6,097,251-		\$5,353,094-
2013					\$6,097,251-		\$5,353,094-
2014					\$6,097,251-		\$5,353,094-
2015					\$6,097,251-		\$5,353,094-
2016					\$6,097,251-		\$5,353,094-
2017					\$6,097,251-		\$5,353,094-
2018					\$6,097,251-		\$5,353,094-
2019					\$6,097,251-		\$5,353,094-
2020					\$6,097,251-		\$5,353,094-
2021					\$6,097,251-		\$5,353,094-
2022					\$6,097,251-		\$5,353,094-
2023					\$6,097,251-		\$5,353,094-
2024					\$6,097,251-		\$5,353,094-
2025					\$6,097,251-		\$5,353,094-
2026					\$6,097,251-		\$5,353,094-
2027					\$6,097,251-		\$5,353,094-
2028					\$6,097,251-		\$5,353,094-
SUB		\$6,097,251	\$6,097,251	\$6,097,251-		\$5,353,094-	
REM					\$6,097,251-		\$5,353,094-
TOT		\$6,097,251	\$6,097,251	\$6,097,251-		\$5,353,094-	

*- - - PRESENT WORTH - - *
8 PERCENT\$5,491,599-
12 PERCENT\$5,219,336-
15 PERCENT\$5,027,182-
18 PERCENT\$4,844,667-
20 PERCENT\$4,728,060-

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

23

FIELD...EUGENE ISLAND BLOCK 342

YEAR ENDING OCT 31	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	27,265	25,706	87	75
2010	108,098	2,044,364	230	3,120
2011	57,356	650,784	141	1,021
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	192,719	2,720,854	458	4,216
REM				
TOT	192,719	2,720,854	458	4,216
CUM ULT	10,362,957 10,555,676	281,118,798 283,839,652		

YEAR ENDING OCT 31	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$49.64	\$3.5801	\$4,418	\$264	\$4,682
2010	\$49.64	\$3.5800	\$11,497	\$11,163	\$22,660
2011	\$49.64	\$3.5801	\$7,066	\$3,649	\$10,715
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$49.64	\$3.5800	\$22,981	\$15,076	\$38,057
REM					
TOT	\$49.64	\$3.5800	\$22,981	\$15,076	\$38,057

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009				\$4,682	\$4,682	\$4,535	\$4,535
2010				\$22,660	\$27,342	\$20,264	\$24,799
2011				\$10,715	\$38,057	\$8,732	\$33,531
2012					\$38,057		\$33,531
2013					\$38,057		\$33,531
2014					\$38,057		\$33,531
2015					\$38,057		\$33,531
2016					\$38,057		\$33,531
2017					\$38,057		\$33,531
2018					\$38,057		\$33,531
2019					\$38,057		\$33,531
2020					\$38,057		\$33,531
2021					\$38,057		\$33,531
2022					\$38,057		\$33,531
2023					\$38,057		\$33,531
2024					\$38,057		\$33,531
2025					\$38,057		\$33,531
2026					\$38,057		\$33,531
2027					\$38,057		\$33,531
2028					\$38,057		\$33,531
SUB				\$38,057		\$33,531	
REM					\$38,057		\$33,531
TOT				\$38,057		\$33,531	

* - - PRESENT WORTH - - *

8 PERCENT\$34,380

12 PERCENT\$32,711

15 PERCENT\$31,528

18 PERCENT\$30,400

20 PERCENT\$29,677

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

CONFIDENTIAL

TEL0002106

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES

AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...EUGENE ISLAND BLOCK 342
LEASE....E I BLK 342-343 A&B PLTFRMS

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM ULT	25,724 25,724	265,164,582 265,164,582		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*	
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS TOTAL
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

AVERAGE INTERESTS
IN COSTS IN REVENUE
 .0050000

*- - - PRESENT WORTH - - *
 8 PERCENT
 12 PERCENT
 15 PERCENT
 18 PERCENT
 20 PERCENT

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

25

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...EUGENE ISLAND BLOCK 342
LEASE....OCS G- 2319 BK 342 C PLTFRM

YEAR ENDING OCT 31	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	13,520	15,527	19	25
2010	88,264	2,029,425	130	3,045
2011	41,259	638,396	62	958
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	143,043	2,683,348	211	4,028
REM				
TOT	143,043	2,683,348	211	4,028
CUM ULT	6,740,685	7,714,920		
	6,883,728	10,398,268		

YEAR ENDING OCT 31	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$49.64	\$3.5796	\$1,006	\$82	\$1,088
2010	\$49.64	\$3.5800	\$6,572	\$10,897	\$17,469
2011	\$49.65	\$3.5801	\$3,071	\$3,428	\$6,499
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$49.64	\$3.5800	\$10,649	\$14,407	\$25,056
REM					
TOT	\$49.64	\$3.5800	\$10,649	\$14,407	\$25,056

AVERAGE INTERESTS
IN COSTS IN REVENUE
.0015000

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009				\$1,088	\$1,088	\$1,057	\$1,057
2010				\$17,469	\$18,557	\$15,615	\$16,672
2011				\$6,499	\$25,056	\$5,312	\$21,984
2012					\$25,056		\$21,984
2013					\$25,056		\$21,984
2014					\$25,056		\$21,984
2015					\$25,056		\$21,984
2016					\$25,056		\$21,984
2017					\$25,056		\$21,984
2018					\$25,056		\$21,984
2019					\$25,056		\$21,984
2020					\$25,056		\$21,984
2021					\$25,056		\$21,984
2022					\$25,056		\$21,984
2023					\$25,056		\$21,984
2024					\$25,056		\$21,984
2025					\$25,056		\$21,984
2026					\$25,056		\$21,984
2027					\$25,056		\$21,984
2028					\$25,056		\$21,984
SUB				\$25,056		\$21,984	
REM					\$25,056		\$21,984
TOT				\$25,056		\$21,984	

*- - - PRESENT WORTH - - *
8 PERCENT\$22,562
12 PERCENT\$21,426
15 PERCENT\$20,620
18 PERCENT\$19,850
20 PERCENT\$19,356

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

CONFIDENTIAL

TEL0002108

AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...EUGENE ISLAND BLOCK 342
LEASE....OCS G- 2319 BK 342 C 7 10 14

YEAR ENDING OCT 31	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	13,745	10,179	68	50
2010	19,834	14,939	100	75
2011	16,097	12,388	79	63
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	49,676	37,506	247	188
REM				
TOT	49,676	37,506	247	188
CUM ULT	3,248,736 3,298,412	7,570,183 7,607,689		

YEAR ENDING OCT 31	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$49.64	\$3.5803	\$3,412	\$182	\$3,594
2010	\$49.64	\$3.5795	\$4,925	\$266	\$5,191
2011	\$49.64	\$3.5803	\$3,995	\$221	\$4,216
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$49.64	\$3.5800	\$12,332	\$669	\$13,001
REM					
TOT	\$49.64	\$3.5800	\$12,332	\$669	\$13,001

AVERAGE INTERESTS
IN COSTS IN REVENUE
.0050000

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009				\$3,594	\$3,594	\$3,478	\$3,478
2010				\$5,191	\$8,785	\$4,649	\$8,127
2011				\$4,216	\$13,001	\$3,420	\$11,547
2012					\$13,001		\$11,547
2013					\$13,001		\$11,547
2014					\$13,001		\$11,547
2015					\$13,001		\$11,547
2016					\$13,001		\$11,547
2017					\$13,001		\$11,547
2018					\$13,001		\$11,547
2019					\$13,001		\$11,547
2020					\$13,001		\$11,547
2021					\$13,001		\$11,547
2022					\$13,001		\$11,547
2023					\$13,001		\$11,547
2024					\$13,001		\$11,547
2025					\$13,001		\$11,547
2026					\$13,001		\$11,547
2027					\$13,001		\$11,547
2028					\$13,001		\$11,547
SUB				\$13,001		\$11,547	
REM					\$13,001		\$11,547
TOT				\$13,001		\$11,547	

*- - - PRESENT WORTH - - *
8 PERCENT\$11,818
12 PERCENT\$11,285
15 PERCENT\$10,908
18 PERCENT\$10,550
20 PERCENT\$10,321

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

27

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...EUGENE ISLAND BLOCK 342
LEASE....OCS G- 2320 BK 343 B13

YEAR ENDING OCT 31	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	347,812	669,113		
ULT	347,812	669,113		

YEAR ENDING OCT 31	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*	
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS TOTAL
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

	AVERAGE INTERESTS				
	IN COSTS	IN REVENUE			
		.0012500			
YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*		FUTURE NET REVENUE	PRESENT WORTH	
	OPERATING COSTS	CAPITAL COSTS	ANNUAL	AT 10 PERCENT	
		TOTAL COSTS	CUMULATIVE	ANNUAL	CUMULATIVE
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

*- - - PRESENT WORTH - - *
8 PERCENT
12 PERCENT
15 PERCENT
18 PERCENT
20 PERCENT

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

CONFIDENTIAL

TEL0002110

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES

AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...EUGENE ISLAND BLOCK 348
LEASE....E I 348 (SOUTH) UNIT

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	1,999,890	49,876,609		
ULT	1,999,890	49,876,609		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*	
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS TOTAL
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

AVERAGE INTERESTS
IN COSTS IN REVENUE
.2500000 .2083330

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*		FUTURE NET REVENUE	PRESENT WORTH
	OPERATING COSTS	CAPITAL COSTS	ANNUAL CUMULATIVE	AT 10 PERCENT ANNUAL CUMULATIVE
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

*- - - PRESENT WORTH - - *
8 PERCENT
12 PERCENT
15 PERCENT
18 PERCENT
20 PERCENT

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

FIELD...SHIP SHOAL BLOCK 169

YEAR ENDING OCT 31	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	166,050	76,426	47,446	21,923
2010	404,662	1,283,666	161,658	475,493
2011	591,296	3,254,965	277,270	1,671,654
2012	660,586	3,656,423	304,262	1,949,541
2013	428,781	2,150,795	190,660	1,167,571
2014	285,688	1,479,975	122,062	800,883
2015	193,280	782,695	79,800	418,469
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	2,730,343	12,685,245	1,183,158	6,505,534
REM				
TOT	2,730,343	12,685,245	1,183,158	6,505,534
CUM	67,853,739	149,800,435		
ULT	70,584,082	162,485,680		

YEAR ENDING OCT 31	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$49.64	\$3.5800	\$2,356,173	\$78,482	\$2,433,655
2010	\$49.64	\$3.5800	\$8,024,659	\$1,702,264	\$9,726,923
2011	\$49.64	\$3.5800	\$13,763,801	\$5,984,516	\$19,748,317
2012	\$49.64	\$3.5800	\$15,103,495	\$6,979,351	\$22,082,846
2013	\$49.64	\$3.5800	\$9,464,448	\$4,179,898	\$13,644,346
2014	\$49.64	\$3.5800	\$6,059,126	\$2,867,167	\$8,926,293
2015	\$49.64	\$3.5800	\$3,961,275	\$1,498,122	\$5,459,397
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$49.64	\$3.5800	\$58,731,977	\$23,289,800	\$82,021,777
REM					
TOT	\$49.64	\$3.5800	\$58,731,977	\$23,289,800	\$82,021,777

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009	\$930,363		\$930,363	\$1,503,292	\$1,503,292	\$1,456,158	\$1,456,158
2010	\$2,831,648	\$3,300,000	\$6,131,648	\$3,595,275	\$5,098,567	\$3,160,768	\$4,616,926
2011	\$3,078,996	\$9,400,103	\$12,479,099	\$7,269,218	\$12,367,785	\$5,741,520	\$10,358,446
2012	\$3,078,996		\$3,078,996	\$19,003,850	\$31,371,635	\$13,991,788	\$24,350,234
2013	\$3,078,996	\$2,333,333	\$5,412,329	\$8,232,017	\$39,603,652	\$5,505,478	\$29,855,712
2014	\$3,078,996		\$3,078,996	\$5,847,297	\$45,450,949	\$3,532,431	\$33,388,143
2015	\$2,783,474	\$3,487,956	\$6,271,430	\$812,033-	\$44,638,916	\$350,225-	\$33,037,918
2016					\$44,638,916		\$33,037,918
2017					\$44,638,916		\$33,037,918
2018					\$44,638,916		\$33,037,918
2019					\$44,638,916		\$33,037,918
2020					\$44,638,916		\$33,037,918
2021					\$44,638,916		\$33,037,918
2022					\$44,638,916		\$33,037,918
2023					\$44,638,916		\$33,037,918
2024					\$44,638,916		\$33,037,918
2025					\$44,638,916		\$33,037,918
2026					\$44,638,916		\$33,037,918
2027					\$44,638,916		\$33,037,918
2028					\$44,638,916		\$33,037,918
SUB	\$18,861,469	\$18,521,392	\$37,382,861	\$44,638,916		\$33,037,918	
REM					\$44,638,916		\$33,037,918
TOT	\$18,861,469	\$18,521,392	\$37,382,861	\$44,638,916		\$33,037,918	

*- - - PRESENT WORTH - - *
8 PERCENT ...\$35,051,557
12 PERCENT ...\$31,156,467
15 PERCENT ...\$28,562,115
18 PERCENT ...\$26,216,100
20 PERCENT ...\$24,777,378

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES

AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...SHIP SHOAL BLOCK 169
LEASE....BLOCK 182 C UNIT

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	166,050	76,726	47,446	21,923
2010	234,061	880,762	66,879	251,657
2011	189,847	506,478	54,243	144,715
2012	232,487	303,179	66,428	86,628
2013	176,222	101,240	50,351	28,928
2014	135,841	79,031	38,814	22,580
2015	102,203	60,630	29,202	17,324
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	1,236,711	2,008,046	353,363	573,755
REM				
TOT	1,236,711	2,008,046	353,363	573,755
CUM ULT	55,507,538 56,744,249	88,271,823 90,279,869		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$49.64	\$3.5800	\$2,355,173	\$78,482	\$2,433,655
2010	\$49.64	\$3.5800	\$3,319,798	\$900,934	\$4,220,732
2011	\$49.64	\$3.5800	\$2,692,699	\$518,079	\$3,210,778
2012	\$49.64	\$3.5800	\$3,297,483	\$310,123	\$3,607,606
2013	\$49.64	\$3.5800	\$2,499,442	\$103,561	\$2,603,003
2014	\$49.64	\$3.5800	\$1,926,710	\$80,842	\$2,007,552
2015	\$49.64	\$3.5800	\$1,449,594	\$62,018	\$1,511,612
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$49.64	\$3.5800	\$17,540,899	\$2,054,039	\$19,594,938
REM					
TOT	\$49.64	\$3.5800	\$17,540,899	\$2,054,039	\$19,594,938

AVERAGE INTERESTS
IN COSTS .3428720
IN REVENUE .2857270

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009	\$930,363		\$930,363	\$1,503,292	\$1,503,292	\$1,456,158	\$1,456,158
2010	\$1,594,908		\$1,594,908	\$2,625,824	\$4,129,116	\$2,352,145	\$3,808,303
2011	\$1,594,908	\$2,400,104	\$3,995,012	\$784,234	\$3,344,882	\$595,543	\$3,212,760
2012	\$1,594,908		\$1,594,908	\$2,012,698	\$5,357,580	\$1,481,149	\$4,693,909
2013	\$1,594,908		\$1,594,908	\$1,008,095	\$6,365,675	\$672,104	\$5,366,013
2014	\$1,594,908		\$1,594,908	\$412,644	\$6,778,319	\$250,147	\$5,616,160
2015	\$1,314,624	\$1,184,623	\$2,499,247	\$987,635	\$5,790,684	\$511,439	\$5,104,721
2016					\$5,790,684		\$5,104,721
2017					\$5,790,684		\$5,104,721
2018					\$5,790,684		\$5,104,721
2019					\$5,790,684		\$5,104,721
2020					\$5,790,684		\$5,104,721
2021					\$5,790,684		\$5,104,721
2022					\$5,790,684		\$5,104,721
2023					\$5,790,684		\$5,104,721
2024					\$5,790,684		\$5,104,721
2025					\$5,790,684		\$5,104,721
2026					\$5,790,684		\$5,104,721
2027					\$5,790,684		\$5,104,721
2028					\$5,790,684		\$5,104,721
SUB	\$10,219,527	\$3,584,727	\$13,804,254	\$5,790,684		\$5,104,721	
REM					\$5,790,684		\$5,104,721
TOT	\$10,219,527	\$3,584,727	\$13,804,254	\$5,790,684		\$5,104,721	

*- - - PRESENT WORTH - - *
8 PERCENT\$5,236,539
12 PERCENT\$4,976,317
15 PERCENT\$4,790,536
18 PERCENT\$4,613,285
20 PERCENT\$4,499,941

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

31

FIELD...SHIP SHOAL BLOCK 169
LEASE....OCS G- 821 BLK 183

YEAR ENDING OCT 31	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010	170,601	402,904	94,779	223,836
2011	401,449	2,748,487	223,027	1,526,939
2012	428,099	3,353,244	237,834	1,862,913
2013	252,559	2,049,555	140,309	1,138,643
2014	149,847	1,400,944	83,248	778,303
2015	91,077	722,065	50,598	401,145
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	1,493,632	10,677,199	829,795	5,931,779
REM				
TOT	1,493,632	10,677,199	829,795	5,931,779
CUM	10,675,722	58,452,717		
ULT	12,169,354	69,129,916		

YEAR ENDING OCT 31	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*	
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS TOTAL
2009				
2010	\$49.64	\$3.5800	\$4,704,861	\$801,330
2011	\$49.64	\$3.5800	\$11,071,102	\$5,466,437
2012	\$49.64	\$3.5800	\$11,806,012	\$6,669,228
2013	\$49.64	\$3.5800	\$6,965,006	\$4,076,337
2014	\$49.64	\$3.5800	\$4,132,416	\$2,786,325
2015	\$49.64	\$3.5800	\$2,511,681	\$1,436,104
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	\$49.64	\$3.5800	\$41,191,078	\$21,235,761
REM				
TOT	\$49.64	\$3.5800	\$41,191,078	\$21,235,761

AVERAGE INTERESTS
IN COSTS
.6666667
IN REVENUE
.5555555

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*						
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	FUTURE NET REVENUE ANNUAL	CUMULATIVE	PRESENT WORTH AT 10 PERCENT ANNUAL	CUMULATIVE
2009							
2010	\$1,236,740	\$3,300,000	\$4,536,740	\$969,451	\$969,451	\$808,623	\$808,623
2011	\$1,484,088	\$6,999,999	\$8,484,087	\$8,053,452	\$9,022,903	\$6,337,063	\$7,145,686
2012	\$1,484,088		\$1,484,088	\$16,991,152	\$26,014,055	\$12,510,639	\$19,656,325
2013	\$1,484,088	\$2,333,333	\$3,817,421	\$7,223,922	\$33,237,977	\$4,833,374	\$24,489,699
2014	\$1,484,088		\$1,484,088	\$5,434,653	\$38,672,630	\$3,282,284	\$27,771,983
2015	\$1,468,850	\$2,303,333	\$3,772,183	\$175,602	\$38,848,232	\$161,214	\$27,933,197
2016					\$38,848,232		\$27,933,197
2017					\$38,848,232		\$27,933,197
2018					\$38,848,232		\$27,933,197
2019					\$38,848,232		\$27,933,197
2020					\$38,848,232		\$27,933,197
2021					\$38,848,232		\$27,933,197
2022					\$38,848,232		\$27,933,197
2023					\$38,848,232		\$27,933,197
2024					\$38,848,232		\$27,933,197
2025					\$38,848,232		\$27,933,197
2026					\$38,848,232		\$27,933,197
2027					\$38,848,232		\$27,933,197
2028					\$38,848,232		\$27,933,197
SUB	\$8,641,942	\$14,936,665	\$23,578,607	\$38,848,232		\$27,933,197	
REM					\$38,848,232		\$27,933,197
TOT	\$8,641,942	\$14,936,665	\$23,578,607	\$38,848,232		\$27,933,197	

*- - - PRESENT WORTH - - *
8 PERCENT ...\$29,815,018
12 PERCENT ...\$26,180,150
15 PERCENT ...\$23,771,579
18 PERCENT ...\$21,602,815
20 PERCENT ...\$20,277,437

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

CONFIDENTIAL

TEL0002114

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES

AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...SHIP SHOAL BLOCK 169
LEASE....OCS G- 821 BLK 183 F1

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	1,663,627	1,074,588		
ULT	1,663,627	1,074,588		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*	
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS TOTAL
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

AVERAGE INTERESTS
IN COSTS IN REVENUE
.5000000 .4166667

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*					
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	FUTURE NET REVENUE ANNUAL	CUMULATIVE	PRESENT WORTH AT 10 PERCENT ANNUAL CUMULATIVE
2009						
2010						
2011						
2012						
2013						
2014						
2015						
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
SUB						
REM						
TOT						

*- - - PRESENT WORTH - - *
8 PERCENT
12 PERCENT
15 PERCENT
18 PERCENT
20 PERCENT

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

33

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...SHIP SHOAL BLOCK 169
LEASE....OCS G- 821 BLK 183 F3

YEAR ENDING	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
OCT 31	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	6,852	2,001,307		
ULT	6,852	2,001,307		

YEAR ENDING	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*	
OCT 31	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS TOTAL
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

AVERAGE INTERESTS
IN COSTS IN REVENUE
.5000000 .4166667

YEAR ENDING	*----- E X P E N D I T U R E S -----*						
OCT 31	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	FUTURE NET REVENUE ANNUAL CUMULATIVE		PRESENT WORTH AT 10 PERCENT ANNUAL CUMULATIVE	
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

* - - PRESENT WORTH - - *
8 PERCENT
12 PERCENT
15 PERCENT
18 PERCENT
20 PERCENT

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

CONFIDENTIAL

TEL0002116

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES

AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...SHIP SHOAL BLOCK 343
LEASE....FIELDWIDE UNIT

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*	*----- NET PRODUCTION -----*
	OIL & COND (BARRELS) GAS (MCF)	OIL & COND (BARRELS) GAS (MCF)
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
SUB		
REM		
TOT		
CUM	209,093,304	
ULT	209,093,304	

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*	*----- FUTURE GROSS REVENUE -----*
	OIL & COND \$/BBL GAS \$/MCF	OIL & COND GAS TOTAL
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
SUB		
REM		
TOT		

AVERAGE INTERESTS
IN COSTS IN REVENUE
.0082610 .0068840

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*	FUTURE NET REVENUE	PRESENT WORTH
	OPERATING COSTS CAPITAL COSTS TOTAL COSTS	ANNUAL CUMULATIVE	AT 10 PERCENT ANNUAL CUMULATIVE
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
SUB			
REM			
TOT			

*- - - PRESENT WORTH - - *
8 PERCENT
12 PERCENT
15 PERCENT
18 PERCENT
20 PERCENT

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

35

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...SO MARSH ISLAND BLOCK 252
LEASE....OCS G- 2598 BLK 252

YEAR ENDING	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
OCT 31	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	33,797	20,690,362		
ULT	33,797	20,690,362		

YEAR ENDING	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*		
OCT 31	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

				AVERAGE INTERESTS	
				IN COSTS	IN REVENUE
					.0007820
YEAR	*----- E X P E N D I T U R E S -----*				
ENDING	OPERATING	CAPITAL	TOTAL	FUTURE	NET REVENUE
OCT 31	COSTS	COSTS	COSTS	ANNUAL	CUMULATIVE
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB					
REM					
TOT					

*- - - PRESENT WORTH - - *
8 PERCENT
12 PERCENT
15 PERCENT
18 PERCENT
20 PERCENT

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES

AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...SOUTH TIMBALIER BLOCK 36
LEASE....OCS G- 2624 BLK 36

YEAR ENDING OCT 31	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	139,257	1,563,752	303	3,399
2010	351,693	3,381,892	766	7,355
2011	200,860	1,651,756	437	3,592
2012	107,145	692,992	234	1,506
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	798,955	7,290,392	1,740	15,852
REM				
TOT	798,955	7,290,392	1,740	15,852
CUM	12,178,092	169,682,125		
ULT	12,977,047	176,972,517		

YEAR ENDING OCT 31	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$49.64	\$3.5800	\$15,032	\$12,174	\$27,206
2010	\$49.64	\$3.5800	\$37,962	\$26,327	\$64,289
2011	\$49.64	\$3.5800	\$21,679	\$12,860	\$34,539
2012	\$49.64	\$3.5800	\$11,565	\$5,395	\$16,960
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$49.64	\$3.5800	\$86,238	\$56,756	\$142,994
REM					
TOT	\$49.64	\$3.5800	\$86,238	\$56,756	\$142,994

AVERAGE INTERESTS
IN COSTS .0026094
IN REVENUE .0021745

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009	\$18,011	\$18,266	\$36,277	\$9,071-	\$9,071-	\$9,237-	\$9,237-
2010	\$30,876	\$18,266	\$49,142	\$15,147	\$6,076	\$13,620	\$4,383
2011	\$30,876		\$30,876	\$3,663	\$9,739	\$3,128	\$7,511
2012	\$19,179	\$22,342	\$41,521	\$24,561-	\$14,822-	\$17,294-	\$9,783-
2013					\$14,822-		\$9,783-
2014					\$14,822-		\$9,783-
2015					\$14,822-		\$9,783-
2016					\$14,822-		\$9,783-
2017					\$14,822-		\$9,783-
2018					\$14,822-		\$9,783-
2019					\$14,822-		\$9,783-
2020					\$14,822-		\$9,783-
2021					\$14,822-		\$9,783-
2022					\$14,822-		\$9,783-
2023					\$14,822-		\$9,783-
2024					\$14,822-		\$9,783-
2025					\$14,822-		\$9,783-
2026					\$14,822-		\$9,783-
2027					\$14,822-		\$9,783-
2028					\$14,822-		\$9,783-
SUB	\$98,942	\$58,874	\$157,816	\$14,822-		\$9,783-	
REM					\$14,822-		\$9,783-
TOT	\$98,942	\$58,874	\$157,816	\$14,822-		\$9,783-	

*- - - PRESENT WORTH - - *
8 PERCENT\$10,613-
12 PERCENT\$9,033-
15 PERCENT\$8,035-
18 PERCENT\$7,177-
20 PERCENT\$6,674-

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

37

FIELD...SOUTH TIMBALIER BLOCK 37
LEASE....OCS G- 2625 BLK 37

YEAR ENDING OCT 31	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	711,278	1,521,645	1,546	1,562
2010	826,774	1,006,860	1,799	3,308
2011	491,941	1,226,344	1,069	2,190
2012	529,329	4,295,637	1,151	2,666
2013	516,927	3,340,635	1,124	9,341
2014	287,155	774,172	626	7,264
2015	34,363		75	1,683
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	3,397,767	12,884,274	7,390	28,014
REM				
TOT	3,397,767	12,884,274	7,390	28,014
CUM	73,828,440	270,435,631		
ULT	77,226,207	283,319,905		

YEAR ENDING OCT 31	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$49.64	\$3.5800	\$76,778	\$5,697	\$82,375
2010	\$49.64	\$3.5800	\$89,243	\$11,846	\$101,089
2011	\$49.64	\$3.5800	\$53,101	\$7,838	\$60,939
2012	\$49.64	\$3.5800	\$57,137	\$9,549	\$66,686
2013	\$49.64	\$3.5800	\$55,796	\$33,440	\$89,236
2014	\$49.64	\$3.5800	\$30,996	\$26,006	\$57,002
2015	\$49.64	\$3.5800	\$3,710	\$6,027	\$9,737
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$49.64	\$3.5800	\$366,761	\$100,303	\$467,064
REM					
TOT	\$49.64	\$3.5800	\$366,761	\$100,303	\$467,064

AVERAGE INTERESTS
IN COSTS .0026094 IN REVENUE .0021745

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009	\$23,744		\$23,744	\$58,631	\$58,631	\$56,839	\$56,839
2010	\$40,704	\$9,133	\$49,837	\$51,252	\$109,883	\$45,829	\$102,668
2011	\$40,704	\$9,133	\$49,837	\$11,102	\$120,985	\$9,342	\$112,010
2012	\$40,704	\$18,266	\$58,970	\$7,716	\$128,701	\$5,229	\$117,239
2013	\$31,576	\$9,133	\$40,709	\$48,527	\$177,228	\$31,773	\$149,012
2014	\$25,056	\$652	\$25,708	\$31,294	\$208,522	\$19,037	\$168,049
2015	\$6,264	\$50,534	\$56,798	\$47,061	\$161,461	\$25,175	\$142,874
2016					\$161,461		\$142,874
2017					\$161,461		\$142,874
2018					\$161,461		\$142,874
2019					\$161,461		\$142,874
2020					\$161,461		\$142,874
2021					\$161,461		\$142,874
2022					\$161,461		\$142,874
2023					\$161,461		\$142,874
2024					\$161,461		\$142,874
2025					\$161,461		\$142,874
2026					\$161,461		\$142,874
2027					\$161,461		\$142,874
2028					\$161,461		\$142,874
SUB	\$208,752	\$96,851	\$305,603	\$161,461		\$142,874	
REM					\$161,461		\$142,874
TOT	\$208,752	\$96,851	\$305,603	\$161,461		\$142,874	

*- - - PRESENT WORTH - - *
8 PERCENT\$146,442
12 PERCENT\$139,399
15 PERCENT\$134,381
18 PERCENT\$129,605
20 PERCENT\$126,558

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

FIELD...VERMILION BLOCK 245

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	1,263,842	90,881,479		
ULT	1,263,842	90,881,479		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*	
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS TOTAL
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*		FUTURE NET REVENUE	PRESENT WORTH
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	AT 10 PERCENT
			ANNUAL	CUMULATIVE
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

*- - - PRESENT WORTH - - *

8 PERCENT

12 PERCENT

15 PERCENT

18 PERCENT

20 PERCENT

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

39

FIELD...VERMILION BLOCK 245
LEASE....F SAND UNIT

YEAR ENDING	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
OCT 31	OIL & COND	GAS	OIL & COND	GAS
	(BARRELS)	(MCF)	(BARRELS)	(MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	87,819	12,842,381		
ULT	87,819	12,842,381		

YEAR ENDING	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*	
OCT 31	OIL & COND	GAS	OIL & COND	GAS
	\$/BBL	\$/MCF		
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

AVERAGE INTERESTS
IN COSTS IN REVENUE
.3337000 .2780833

YEAR ENDING	*----- E X P E N D I T U R E S -----*						
OCT 31	OPERATING	CAPITAL	TOTAL	FUTURE NET REVENUE		PRESENT WORTH	
	COSTS	COSTS	COSTS	ANNUAL	CUMULATIVE	AT 10 PERCENT	CUMULATIVE
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

* - - PRESENT WORTH - - *

8 PERCENT	.....
12 PERCENT	.....
15 PERCENT	.....
18 PERCENT	.....
20 PERCENT	.....

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...VERMILION BLOCK 245
LEASE....G SAND UNIT

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	1,151,558	75,195,680		
ULT	1,151,558	75,195,680		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*	
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS TOTAL
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

AVERAGE INTERESTS
IN COSTS IN REVENUE
.3634000 .3028340

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*						
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	FUTURE NET REVENUE ANNUAL	CUMULATIVE	PRESENT WORTH AT 10 PERCENT ANNUAL	CUMULATIVE
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

*- - - PRESENT WORTH - - *
8 PERCENT
12 PERCENT
15 PERCENT
18 PERCENT
20 PERCENT

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

41

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...VERMILION BLOCK 245
LEASE....OCS G- 1147 BLK 246 9

YEAR ENDING OCT 31	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	24,465	2,843,418		
ULT	24,465	2,843,418		

YEAR ENDING OCT 31	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*	
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS TOTAL
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

AVERAGE INTERESTS
IN COSTS IN REVENUE
1.0000000 .8333300

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*						PRESENT WORTH
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	FUTURE NET REVENUE ANNUAL CUMULATIVE			AT 10 PERCENT ANNUAL CUMULATIVE
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
SUB							
REM							
TOT							

* - - PRESENT WORTH - - *
8 PERCENT
12 PERCENT
15 PERCENT
18 PERCENT
20 PERCENT

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

CONFIDENTIAL

TEL0002124

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...WEST CAMERON BLOCK 643

YEAR ENDING OCT 31	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009	124	355,760	50	109,713
2010	132	357,297	57	116,241
2011	73	144,122	30	60,051
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	329	857,179	137	286,005
REM				
TOT	329	857,179	137	286,005
CUM ULT	2,347,698 2,348,027	387,358,218 388,215,397		

YEAR ENDING OCT 31	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009	\$49.64	\$3.5800	\$2,554	\$392,773	\$395,327
2010	\$49.64	\$3.5800	\$2,743	\$416,143	\$418,886
2011	\$49.67	\$3.5800	\$1,491	\$214,986	\$216,477
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$49.65	\$3.5800	\$6,788	\$1,023,902	\$1,030,690
REM					
TOT	\$49.65	\$3.5800	\$6,788	\$1,023,902	\$1,030,690

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009	\$136,500	\$4,945,384	\$5,081,884	\$4,686,557-	\$4,686,557-	\$4,451,442-	\$4,451,442-
2010	\$213,219		\$213,219	\$205,667	\$4,480,890-	\$185,415	\$4,266,027-
2011	\$177,667	\$750,000	\$927,667	\$711,190-	\$5,192,080-	\$547,761-	\$4,813,788-
2012					\$5,192,080-		\$4,813,788-
2013					\$5,192,080-		\$4,813,788-
2014					\$5,192,080-		\$4,813,788-
2015					\$5,192,080-		\$4,813,788-
2016					\$5,192,080-		\$4,813,788-
2017					\$5,192,080-		\$4,813,788-
2018					\$5,192,080-		\$4,813,788-
2019					\$5,192,080-		\$4,813,788-
2020					\$5,192,080-		\$4,813,788-
2021					\$5,192,080-		\$4,813,788-
2022					\$5,192,080-		\$4,813,788-
2023					\$5,192,080-		\$4,813,788-
2024					\$5,192,080-		\$4,813,788-
2025					\$5,192,080-		\$4,813,788-
2026					\$5,192,080-		\$4,813,788-
2027					\$5,192,080-		\$4,813,788-
2028					\$5,192,080-		\$4,813,788-
SUB	\$527,386	\$5,695,384	\$6,222,770	\$5,192,080-		\$4,813,788-	
REM					\$5,192,080-		\$4,813,788-
TOT	\$527,386	\$5,695,384	\$6,222,770	\$5,192,080-		\$4,813,788-	

*- - - PRESENT WORTH - - *
8 PERCENT\$4,885,027-
12 PERCENT\$4,744,569-
15 PERCENT\$4,644,334-
18 PERCENT\$4,548,166-
20 PERCENT\$4,486,189-

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

43

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...WEST CAMERON BLOCK 643
LEASE....BLOCK 642-643 A UNIT

YEAR ENDING	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
OCT 31	OIL & COND	GAS	OIL & COND	GAS
	(BARRELS)	(MCF)	(BARRELS)	(MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	80,828	233,351,997		
ULT	80,828	233,351,997		

YEAR ENDING	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*	
OCT 31	OIL & COND	GAS	OIL & COND	GAS
	\$/BBL	\$/MCF		TOTAL
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

AVERAGE INTERESTS
IN COSTS .3585890
IN REVENUE .2988225

YEAR ENDING	*----- E X P E N D I T U R E S -----*						PRESENT WORTH
OCT 31	OPERATING	CAPITAL	TOTAL	FUTURE NET REVENUE		AT 10 PERCENT	
	COSTS	COSTS	COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009		\$537,884	\$537,884	\$537,884-	\$537,884-	\$508,367-	\$508,367-
2010					\$537,884-		\$508,367-
2011					\$537,884-		\$508,367-
2012					\$537,884-		\$508,367-
2013					\$537,884-		\$508,367-
2014					\$537,884-		\$508,367-
2015					\$537,884-		\$508,367-
2016					\$537,884-		\$508,367-
2017					\$537,884-		\$508,367-
2018					\$537,884-		\$508,367-
2019					\$537,884-		\$508,367-
2020					\$537,884-		\$508,367-
2021					\$537,884-		\$508,367-
2022					\$537,884-		\$508,367-
2023					\$537,884-		\$508,367-
2024					\$537,884-		\$508,367-
2025					\$537,884-		\$508,367-
2026					\$537,884-		\$508,367-
2027					\$537,884-		\$508,367-
2028					\$537,884-		\$508,367-
SUB		\$537,884	\$537,884	\$537,884-		\$508,367-	
REM					\$537,884-		\$508,367-
TOT		\$537,884	\$537,884	\$537,884-		\$508,367-	

*- - - PRESENT WORTH - - *
8 PERCENT\$514,118-
12 PERCENT\$502,689-
15 PERCENT\$494,308-
18 PERCENT\$486,087-
20 PERCENT\$480,693-

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

CONFIDENTIAL

TEL0002126

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES

AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...WEST CAMERON BLOCK 643
LEASE....BLOCK 643-370 B UNIT

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	11,072	25,035,434		
ULT	11,072	25,035,434		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*	
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS TOTAL
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

AVERAGE INTERESTS
IN COSTS .3500000
IN REVENUE .2916667

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*						PRESENT WORTH AT 10 PERCENT
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	FUTURE NET REVENUE ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009		\$1,207,500	\$1,207,500	\$1,207,500-	\$1,207,500-	\$1,141,238-	\$1,141,238-
2010					\$1,207,500-		\$1,141,238-
2011					\$1,207,500-		\$1,141,238-
2012					\$1,207,500-		\$1,141,238-
2013					\$1,207,500-		\$1,141,238-
2014					\$1,207,500-		\$1,141,238-
2015					\$1,207,500-		\$1,141,238-
2016					\$1,207,500-		\$1,141,238-
2017					\$1,207,500-		\$1,141,238-
2018					\$1,207,500-		\$1,141,238-
2019					\$1,207,500-		\$1,141,238-
2020					\$1,207,500-		\$1,141,238-
2021					\$1,207,500-		\$1,141,238-
2022					\$1,207,500-		\$1,141,238-
2023					\$1,207,500-		\$1,141,238-
2024					\$1,207,500-		\$1,141,238-
2025					\$1,207,500-		\$1,141,238-
2026					\$1,207,500-		\$1,141,238-
2027					\$1,207,500-		\$1,141,238-
2028					\$1,207,500-		\$1,141,238-
SUB		\$1,207,500	\$1,207,500	\$1,207,500-		\$1,141,238-	
REM					\$1,207,500-		\$1,141,238-
TOT		\$1,207,500	\$1,207,500	\$1,207,500-		\$1,141,238-	
* - - - PRESENT WORTH - - *							
8 PERCENT .....\$1,154,150-							
12 PERCENT .....\$1,128,491-							
15 PERCENT .....\$1,109,677-							
18 PERCENT .....\$1,091,221-							
20 PERCENT .....\$1,079,113-							

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

45

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...WEST CAMERON BLOCK 643
LEASE....BLOCK 643-371 UNIT BBST2

YEAR ENDING	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
OCT 31	OIL & COND	GAS	OIL & COND	GAS
	(BARRELS)	(MCF)	(BARRELS)	(MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM	4,478	580,760		
ULT	4,478	580,760		

YEAR ENDING	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*	
OCT 31	OIL & COND	GAS	OIL & COND	GAS
	\$/BBL	\$/MCF		TOTAL
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

AVERAGE INTERESTS
IN COSTS .7000000
IN REVENUE .5833333

YEAR ENDING	*----- E X P E N D I T U R E S -----*						PRESENT WORTH
OCT 31	OPERATING	CAPITAL	TOTAL	FUTURE NET REVENUE		AT 10 PERCENT	
	COSTS	COSTS	COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009		\$2,450,000	\$2,450,000	\$2,450,000-	\$2,450,000-	\$2,311,770-	\$2,311,770-
2010					\$2,450,000-		\$2,311,770-
2011					\$2,450,000-		\$2,311,770-
2012					\$2,450,000-		\$2,311,770-
2013					\$2,450,000-		\$2,311,770-
2014					\$2,450,000-		\$2,311,770-
2015					\$2,450,000-		\$2,311,770-
2016					\$2,450,000-		\$2,311,770-
2017					\$2,450,000-		\$2,311,770-
2018					\$2,450,000-		\$2,311,770-
2019					\$2,450,000-		\$2,311,770-
2020					\$2,450,000-		\$2,311,770-
2021					\$2,450,000-		\$2,311,770-
2022					\$2,450,000-		\$2,311,770-
2023					\$2,450,000-		\$2,311,770-
2024					\$2,450,000-		\$2,311,770-
2025					\$2,450,000-		\$2,311,770-
2026					\$2,450,000-		\$2,311,770-
2027					\$2,450,000-		\$2,311,770-
2028					\$2,450,000-		\$2,311,770-
SUB		\$2,450,000	\$2,450,000	\$2,450,000-		\$2,311,770-	
REM					\$2,450,000-		\$2,311,770-
TOT		\$2,450,000	\$2,450,000	\$2,450,000-		\$2,311,770-	

*- - - PRESENT WORTH - - *

8 PERCENT\$2,338,687-

12 PERCENT\$2,285,206-

15 PERCENT\$2,246,011-

18 PERCENT\$2,207,583-

20 PERCENT\$2,182,382-

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

CONFIDENTIAL

TEL0002128

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES

AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...WEST CAMERON BLOCK 643
LEASE....OCS G- 2240 BLK 642

YEAR ENDING OCT 31	*----- GROSS PRODUCTION -----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				
CUM ULT	13,935 13,935	38,990,542 38,990,542		

YEAR ENDING OCT 31	*----- AVERAGE PRICES -----*		*----- FUTURE GROSS REVENUE -----*	
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS TOTAL
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB				
REM				
TOT				

AVERAGE INTERESTS
IN COSTS .2500000
IN REVENUE .2083330

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*						PRESENT WORTH AT 10 PERCENT
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	FUTURE NET REVENUE ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009		\$750,000	\$750,000	\$750,000-	\$750,000-	\$741,056-	\$741,056-
2010					\$750,000-		\$741,056-
2011					\$750,000-		\$741,056-
2012					\$750,000-		\$741,056-
2013					\$750,000-		\$741,056-
2014					\$750,000-		\$741,056-
2015					\$750,000-		\$741,056-
2016					\$750,000-		\$741,056-
2017					\$750,000-		\$741,056-
2018					\$750,000-		\$741,056-
2019					\$750,000-		\$741,056-
2020					\$750,000-		\$741,056-
2021					\$750,000-		\$741,056-
2022					\$750,000-		\$741,056-
2023					\$750,000-		\$741,056-
2024					\$750,000-		\$741,056-
2025					\$750,000-		\$741,056-
2026					\$750,000-		\$741,056-
2027					\$750,000-		\$741,056-
2028					\$750,000-		\$741,056-
SUB		\$750,000	\$750,000	\$750,000-		\$741,056-	
REM					\$750,000-		\$741,056-
TOT		\$750,000	\$750,000	\$750,000-		\$741,056-	
							*- - - PRESENT WORTH - - *
							8 PERCENT .....\$742,831-
							12 PERCENT .....\$739,289-
							15 PERCENT .....\$736,652-
							18 PERCENT .....\$734,030-
							20 PERCENT .....\$732,292-

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES
AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

47

FIELD...WEST CAMERON BLOCK 643
LEASE....OCS G- 2241 BLK 643

YEAR ENDING OCT 31	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
	OIL & COND	GAS	OIL & COND	GAS
	(BARRELS)	(MCF)	(BARRELS)	(MCF)
2009	124	246,996	50	102,915
2010	132	265,159	57	110,483
2011	73	144,122	30	60,051
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB	329	656,277	137	273,449
REM				
TOT	329	656,277	137	273,449
CUM	20,734	46,966,961		
ULT	21,063	47,623,238		

YEAR ENDING OCT 31	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND	GAS	OIL & COND	GAS	TOTAL
	\$/BBL	\$/MCF			
2009	\$49.64	\$3.5800	\$2,554	\$368,437	\$370,991
2010	\$49.64	\$3.5800	\$2,743	\$395,529	\$398,272
2011	\$49.67	\$3.5800	\$1,491	\$214,986	\$216,477
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB	\$49.65	\$3.5800	\$6,788	\$978,952	\$985,740
REM					
TOT	\$49.65	\$3.5800	\$6,788	\$978,952	\$985,740

AVERAGE INTERESTS
IN COSTS .5000000
IN REVENUE .4166667

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING	CAPITAL	TOTAL	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
	COSTS	COSTS	COSTS				
2009	\$105,000		\$105,000	\$265,991	\$265,991	\$257,894	\$257,894
2010	\$180,000		\$180,000	\$218,272	\$484,263	\$196,886	\$454,780
2011	\$177,667	\$750,000	\$927,667	\$711,190-	\$226,927-	\$547,761-	\$92,981-
2012					\$226,927-		\$92,981-
2013					\$226,927-		\$92,981-
2014					\$226,927-		\$92,981-
2015					\$226,927-		\$92,981-
2016					\$226,927-		\$92,981-
2017					\$226,927-		\$92,981-
2018					\$226,927-		\$92,981-
2019					\$226,927-		\$92,981-
2020					\$226,927-		\$92,981-
2021					\$226,927-		\$92,981-
2022					\$226,927-		\$92,981-
2023					\$226,927-		\$92,981-
2024					\$226,927-		\$92,981-
2025					\$226,927-		\$92,981-
2026					\$226,927-		\$92,981-
2027					\$226,927-		\$92,981-
2028					\$226,927-		\$92,981-
SUB	\$462,667	\$750,000	\$1,212,667	\$226,927-		\$92,981-	
REM					\$226,927-		\$92,981-
TOT	\$462,667	\$750,000	\$1,212,667	\$226,927-		\$92,981-	

*- - - PRESENT WORTH - - *
8 PERCENT\$116,596-
12 PERCENT\$70,779-
15 PERCENT\$39,955-
18 PERCENT\$11,888-
20 PERCENT\$5,405

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

CONFIDENTIAL

TEL0002130

ESTIMATED ANNUAL PRODUCTION AND REVENUE FROM THE PROVED RESERVES

AS OF MARCH 31, 2009
OF CERTAIN PROPERTIES OWNED BY
TEL OFFSHORE TRUST PARTNERSHIP

COMBINED INTEREST
PARTNERSHIP PROPERTIES
SEC CASE - TOTAL PROVED

FIELD...WEST CAMERON BLOCK 643
LEASE....OCS G-15161 BLK 381

YEAR ENDING OCT 31	*---- GROSS PRODUCTION ----*		*----- NET PRODUCTION -----*	
	OIL & COND (BARRELS)	GAS (MCF)	OIL & COND (BARRELS)	GAS (MCF)
2009		108,764		6,798
2010		92,138		5,758
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
SUB		200,902		12,556
REM				
TOT		200,902		12,556
CUM	2,216,651	42,432,524		
ULT	2,216,651	42,633,426		

YEAR ENDING OCT 31	*---- AVERAGE PRICES ----*		*----- FUTURE GROSS REVENUE -----*		
	OIL & COND \$/BBL	GAS \$/MCF	OIL & COND	GAS	TOTAL
2009		\$3.5800		\$24,336	\$24,336
2010		\$3.5800		\$20,614	\$20,614
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
SUB		\$3.5800		\$44,950	\$44,950
REM					
TOT		\$3.5800		\$44,950	\$44,950

AVERAGE INTERESTS
IN COSTS .0750000
IN REVENUE .0625000

YEAR ENDING OCT 31	*----- E X P E N D I T U R E S -----*			FUTURE NET REVENUE		PRESENT WORTH AT 10 PERCENT	
	OPERATING COSTS	CAPITAL COSTS	TOTAL COSTS	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
2009	\$31,500		\$31,500	\$7,164-	\$7,164-	\$6,905-	\$6,905-
2010	\$33,219		\$33,219	\$12,605-	\$19,769-	\$11,471-	\$18,376-
2011					\$19,769-		\$18,376-
2012					\$19,769-		\$18,376-
2013					\$19,769-		\$18,376-
2014					\$19,769-		\$18,376-
2015					\$19,769-		\$18,376-
2016					\$19,769-		\$18,376-
2017					\$19,769-		\$18,376-
2018					\$19,769-		\$18,376-
2019					\$19,769-		\$18,376-
2020					\$19,769-		\$18,376-
2021					\$19,769-		\$18,376-
2022					\$19,769-		\$18,376-
2023					\$19,769-		\$18,376-
2024					\$19,769-		\$18,376-
2025					\$19,769-		\$18,376-
2026					\$19,769-		\$18,376-
2027					\$19,769-		\$18,376-
2028					\$19,769-		\$18,376-
SUB	\$64,719		\$64,719	\$19,769-		\$18,376-	
REM					\$19,769-		\$18,376-
TOT	\$64,719		\$64,719	\$19,769-		\$18,376-	

*- - - PRESENT WORTH - - *
8 PERCENT\$18,645-
12 PERCENT\$18,115-
15 PERCENT\$17,731-
18 PERCENT\$17,357-
20 PERCENT\$17,114-

THESE DATA ACCOMPANY THE REPORT OF DEGOLYER AND MACNAUGHTON AND ARE SUBJECT TO ITS SPECIFIC CONDITIONS.

