MARINER ENERGY RESOURCES, INC.
Form 424B5
April 26, 2007

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Filed pursuant to Rule 424(b)(5)
File No. 333-141742

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered/ Proposed maximum offering price per unit/Proposed maximum offering price	Amount of registration fee
Senior Notes	$300,000,000	(1)
Guarantees of Senior Notes	(2)	None

(1) In respect of the senior notes of Mariner Energy registered hereby, a filing fee of $59,847.85 has already been paid pursuant to the Registration Statements on Form S-1 (Registration Nos. 333-124858 and 333-134506) initially filed with the Securities and Exchange Commission on May 12, 2005 and May 26, 2006, respectively. After the transfer of fees contemplated hereby, no securities remain registered under such prior registration statements.

(2) No separate consideration will be received for such guarantees. Pursuant to Rule 457(n) under the Securities Act, no registration fee is required with respect to such guarantees.

Prospectus

$300,000,000
8% Senior Notes due 2017

Interest payable on May 15 and November 15

The notes will mature on May 15, 2017. Interest will accrue from April 30, 2007, and the first interest payment date will be November 15, 2007.

We may redeem all or part of the notes at any time on or after May 15, 2012. We may also redeem up to 35% of the notes using the proceeds of certain equity offerings. The redemption prices are described on page 22. If we undergo a change of control, we must offer to purchase the notes.

The notes will be our senior unsecured obligations and will rank equally to all our existing and future senior debt and senior to any future subordinated debt. The notes will be guaranteed by certain of our subsidiaries. The notes and guarantees will be effectively subordinated to any existing or future secured debt, including our bank credit facility, to the extent of the assets securing such debt.

See Risk factors beginning on page 11 for a discussion of certain risks that you should consider in connection with an investment in the notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Public Offering Price(1)	Underwriting Discounts and Commissions	Proceeds to us Before Expenses(1)
Per Note	100%	1.75%	98.25%
Total	$ 300,000,000	$ 5,250,000	$ 294,750,000

(1) Plus accrued interest, if any, from the date of original issuance.

The notes will not be listed on any securities exchange. Currently there is no public market for the notes.

We expect that delivery of the notes will be made to investors in book-entry form through The Depository Trust Company on or about April 30, 2007.

Sole Book Running Manager
JPMorgan

Goldman, Sachs & Co.

BNP PARIBAS

Calyon Securities (USA) Inc.

Raymond James

April 25, 2007

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information. If anyone provides you with different information, you should not rely on it.

We are not making an offer of the securities in any jurisdiction where the offer is not permitted.

You should assume that the information included or incorporated by reference in this prospectus is accurate only as of the respective date on the cover page. Our business, results of operations, financial condition and prospects may have changed since such date.

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About this prospectus

This prospectus is part of a registration statement that we have filed with the U.S. Securities and Exchange Commission using a shelf registration process. Using this process, we may offer the securities described in this prospectus in one or more offerings from time to time. A prospectus supplement, if any, may add to, update or change the information contained in this prospectus. Please carefully read this prospectus and any prospectus supplement, in addition to the information contained in the documents we refer to under the heading Where you can find more information. Except as otherwise indicated or where the context requires otherwise, in this prospectus, references to Mariner , the Company, we, us and our refer to Mariner Energy, Inc. and its subsidiaries.

Where you can find more information

Mariner files annual, quarterly and current reports, proxy statements and other information with the SEC. You can read and copy these materials at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain information about the operation of the SEC s public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains information Mariner has filed electronically with the SEC, which you can access over the Internet at *http://www.sec.gov.* You can also obtain information about Mariner at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

This prospectus is part of a registration statement we have filed with the SEC relating to the securities we may offer. As permitted by SEC rules, this prospectus does not contain all of the information we have included in the registration statement and the accompanying exhibits and schedules we file with the SEC. You may refer to the registration statement, exhibits and schedules for more information about us and the securities. The registration statement, exhibits and schedules are available at the SEC s public reference room or through its Internet site.

The SEC allows us to incorporate by reference the information Mariner has filed with it, which means that we can disclose important information to you by referring you to those documents. The information we incorporate by reference is an important part of this prospectus, and later information that Mariner files with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below (excluding any portions of such documents that have been furnished but not filed for purposes of the Securities Exchange Act of 1934, as amended (the Exchange Act)) and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act until the termination of this offering:

- Our annual report on Form 10-K for the fiscal year ended December 31, 2006, filed with the SEC on April 2, 2007;
- Our current reports on Form 8-K filed with the SEC on April 24, 2007 and on Form 8-K/A filed with the SEC on March 31, 2006; and
- The description of our common stock contained in our registration statement on Form 8-A, filed on February 10, 2006 pursuant to Section 12(b) of the Exchange Act, including any amendment or report filed for the purpose of updating such description.

Any statement contained in this prospectus or a document incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document that is incorporated by reference in this prospectus modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

The documents incorporated by reference in this prospectus are available from us upon request. We will provide a copy of any and all of the information that is incorporated by reference in this prospectus to any person, without charge, upon written or oral request. Requests for such copies should be directed to the following:

Mariner Energy, Inc.
One BriarLake Plaza, Suite 2000
2000 West Sam Houston Parkway South
Houston, Texas 77042
Telephone Number: (713) 954-5500
Attention: General Counsel

Cautionary statement concerning forward-looking statements

Various statements in this prospectus and in the documents incorporated by reference herein, including those that express a belief, expectation, or intention, as well as those that are not statements of historical fact, are forward-looking statements. The forward-looking statements may include projections and estimates concerning the timing and success of specific projects and our future production, revenues, income and capital spending. Our forward-looking statements are generally accompanied by words such as may, estimate, project, predict, believe, expect, anticipate, potential, plan, goal or other words that convey the uncertainty of future events or outcomes. forward-looking statements in this prospectus speak only as of the date of this prospectus; we disclaim any obligation to update these statements unless required by securities law, and we caution you not to rely on them unduly. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. We disclose important factors that could cause our actual results to differ materially from our expectations under Risk Factors, Management s Discussion and Analysis of Financial Condition and Results of Operations in our annual report on Form 10-K for the fiscal year ended December 31, 2006 and elsewhere in this prospectus and in the documents incorporated by reference herein. These risks, contingencies and uncertainties relate to, among other matters, the following:

the volatility of oil and natural gas prices;

discovery, estimation, development and replacement of oil and natural gas reserves;

cash flow, liquidity and financial position;

business strategy;

amount, nature and timing of capital expenditures, including future development costs;

availability and terms of capital;

timing and amount of future production of oil and natural gas;

availability of drilling and production equipment;

operating costs and other expenses;

prospect development and property acquisitions;

risks arising out of our hedging transactions;

marketing of oil and natural gas;

competition in the oil and natural gas industry;

the impact of weather and the occurrence of natural events and natural disasters such as loop currents, hurricanes, fires, floods and other natural events, catastrophic events and natural disasters;

governmental regulation of the oil and natural gas industry;

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- environmental liabilities;
- developments in oil-producing and natural gas-producing countries;
- uninsured or underinsured losses in our oil and natural gas operations;
- risks related to our level of indebtedness;
- our merger with Forest Energy Resources, including strategic plans, expectations and objectives for future operations, and the realization of expected benefits from the transaction; and
- disruption from the merger with Forest Energy Resources making it more difficult to manage Mariner s business.

Summary

This summary highlights information contained herein and incorporated by reference in this prospectus. It does not contain all of the information you may wish to consider before investing in the shares. We urge you to read this entire prospectus and the information incorporated herein by reference carefully, including the Risk factors included herein and beginning on page 19 of our Annual Report on Form 10-K for the year ended December 31, 2006, which is incorporated by reference herein and the financial statements incorporated by reference in this prospectus. Except as otherwise indicated or where the context otherwise requires, references to Mariner, the Company, we, us, and ou refer to Mariner Energy, Inc. and its subsidiaries (except in the Description of senior notes). The estimates of our proved reserves as of December 31, 2006, 2005 and 2004 included or incorporated by reference in this prospectus are based on reserve reports prepared by Ryder Scott Company, L.P., independent petroleum engineers (Ryder Scott).

Our company

Mariner Energy, Inc. is an independent oil and gas exploration, development, and production company with principal operations in three geographic areas:

The shallow water, or shelf operations of the Gulf of Mexico, where we conduct operations in water depths up to 1,300 feet and operate projects at subsurface depths up to 20,000 total vertical feet. Conducting operations below subsurface depths of 15,000 feet entails more risk and expense than shallower operations due to geological and mechanical factors attendant to deeper projects. As a result, we categorize our shelf projects according to their targeted subsurface depth, referring to shallower projects at depths above 15,000 feet as conventional shelf projects and projects below 15,000 feet as deep shelf projects;

The deepwater operations of the Gulf of Mexico, where we are an active operator of exploration and development projects in water depths up to 7,000 feet; and

West Texas, where we are one of the most active drillers in the prolific Spraberry, Dean, and Wolfcamp trends in the Permian Basin.

On March 2, 2006, we acquired Forest Oil Corporation s (Forest) entire Gulf of Mexico operations through the acquisition of its subsidiary Forest Energy Resources, Inc. Aggregate consideration for the acquisition included 50,637,010 shares of our common stock, which was distributed directly to the stockholders of Forest. Immediately after the acquisition, approximately 59% of our outstanding common stock was held by shareholders of Forest and approximately 41% of our common stock was held by our pre-acquisition stockholders. See Note 3, Acquisitions and Dispositions in our consolidated financial statements incorporated by reference into this prospectus for more information regarding this transaction. In connection with the acquisition, our common stock began trading regular way on the New York Stock Exchange on March 3, 2006 under the symbol ME .

In 2006, we generated net income of $121.5 million on total revenues of $659.5 million. Production, revenues and net income increased significantly from results reported in 2005 primarily as a result of our acquisition of Forest s Gulf of Mexico operations. We produced approximately 80.5 Bcfe during 2006 and our average daily production rate was 221 MMcfe. Our average realized sales price per unit including the effects of hedging was $8.15/Mcfe. As of December 31, 2006, we had 715.5 Bcfe of estimated proved reserves, of which approximately 60% were natural gas and 40% were oil, natural gas liquids (NGLs) and condensate. Approximately 57% of our proved reserves were classified as proved developed.

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The following table sets forth certain information with respect to our estimated proved reserves by geographic area as of December 31, 2006 based on estimates made in a reserve report prepared by Ryder Scott Company.

	Estimated Proved Reserve Quantities		
Geographic Area	**Oil (MMbbls)**	**Natural Gas (Bcf)**	**Total (Bcfe)**
West Texas	29.9	77.8	257.3
Gulf of Mexico Deepwater	6.6	90.1	130.0
Gulf of Mexico Shelf	11.6	258.8	328.2
Total	48.1	426.7	715.5
Proved Developed Reserves	26.8	247.8	408.7

Our strategy and our competitive strengths

Balanced growth strategy

We pursue a balanced growth strategy employing varying elements of exploration, development and acquisition activities to achieve a moderate-risk growth profile intended to produce predictable growth and attractive rates of return under most industry conditions.

Proven exploration prospect generation: Our explorationists have a distinguished track record in the Gulf of Mexico and have made several significant discoveries in the shelf, deep shelf and deepwater.

Our successful exploration program reduces our dependency on acquisitions over time, allows us to add value through the drill bit in a moderate-risk exploration program, and exposes us to high-impact projects that have the potential to create substantial value for our stockholders. Our reputation for generating high-quality exploration prospects also creates valuable partnering opportunities which allow us the option of participating in exploration projects developed by other operators. We expect to continue our exploration emphasis by identifying and developing high-impact conventional shelf, deep shelf and deepwater projects in the Gulf of Mexico.

Proactive operational management: Our development engineers have demonstrated their ability to effectively develop new fields, redevelop legacy fields, rejuvenate production, reduce unit costs, and add incremental reserves at attractive finding costs in both onshore and offshore fields.

Our successful exploitation program enhances the rate of returns of our projects, allows us to establish critical operational mass from which to expand in our focus areas, and generates a rich portfolio of incremental, lower-risk engineering/exploitation projects that counterbalance our exploration activities.

Opportunistic acquisition identification: Our management team has substantial experience identifying and executing a wide variety of tactical and strategic transactions intended to enhance our growth. In 2005 we added significant proved reserves primarily through acquisitions in West Texas, and subsequently in March 2006, through the acquisition of Forest s Gulf of Mexico operations. As part of our growth strategy, although not compelled to acquire, we expect to continue to acquire producing assets that have the potential to provide acceptable risk-adjusted rates of return and further increase our reserve base.

Actively managed risk profile: We seek to manage our risk profile by targeting a balanced exposure to development, exploitation and exploration opportunities. For example, we continue to develop and expand our West Texas asset base, which contributes stable cash flows and long-lived reserves to our portfolio as a counterbalance to our high-impact, high-production Gulf of

Mexico assets. We often mitigate and diversify our risk in drilling projects by selling partial or entire interests in projects to industry partners or by entering into arrangements with partners in which they agree to pay a disproportionate share of drilling costs and compensate us for expenses incurred in prospect generation. We also enter into trades or farm-in transactions whereby we acquire interests in third-party generated prospects, thereby gaining exposure to a greater number of prospects. We expect to continue to pursue participation in these types of prospects in the future as a result of our larger scale and increased cash flow from the Forest Gulf of Mexico operations.

Our competitive strengths

We believe our core resources and strengths include:

Our high-quality assets with geographic and geological diversity. Our assets and operations are diversified among the Gulf of Mexico conventional shelf, deep shelf and deepwater and West Texas. Our asset portfolio provides a balanced exposure to long-lived West Texas reserves, Gulf of Mexico shelf growth opportunities and high-impact deepwater prospects.

Our large inventory of prospects. We believe we have significant potential for growth through the development of our existing asset base. The acquisition of Forest s Gulf of Mexico operations more than doubled our existing undeveloped acreage in the Gulf of Mexico to approximately 438,000 net acres and increased our total net leasehold acreage offshore to nearly one million acres. As of December 31, 2006, we have an inventory of approximately 812 drilling locations in West Texas, which we believe would require approximately five years to drill at our current rate.

Our successful track record of finding and developing oil and gas reserves. We have demonstrated our expertise in finding and developing additional proved reserves. In the three-year period ended December 31, 2006, we deployed approximately $2.2 billion of capital on acquisitions, exploration and development, while adding approximately 664 Bcfe of proved reserves and producing approximately 148 Bcfe.

Our depth of operating experience. Our veteran team of geoscientists, engineers, geologists and other technical professionals and landmen average more than 25 years of experience in the exploration and production business (including extensive experience in the Gulf of Mexico), much of it with major oil companies. The addition of experienced Forest personnel to Mariner s team of professionals has further enhanced our ability to generate and maintain an inventory of high-quality drillable prospects and to further develop and exploit our assets. Mariner s technical team has also proven to be an effective and efficient operator in West Texas, as evidenced by our successful production and reserve growth there in recent years.

Our technology and production techniques. Our team of geoscientists currently has access to regional seismic data from multiple, recent vintage 3-D seismic databases covering a significant portion of the Gulf of Mexico that we intend to continue to use to develop prospects on acreage being evaluated for leasing and to develop and further refine prospects on our expanded acreage position. We also have extensive experience and a successful track record in the use of subsea tieback technology to connect offshore wells to existing production facilities. This technology facilitates production from offshore properties without the necessity of fabrication and installation of platforms and top-side facilities that typically are more costly and require longer lead times. We believe the appropriate use of subsea tiebacks enables us to bring production online more quickly, makes target prospects more profitable and allows us to exploit reserves that may otherwise be considered non-commercial because of the high cost of infrastructure.

Corporate information

We were incorporated in August 1983 as a Delaware corporation. We have three subsidiaries, Mariner Energy Resources, Inc., a Delaware corporation, Mariner LP LLC, a Delaware limited liability company, and Mariner Energy Texas LP, a Delaware limited partnership. Our principal executive office is located at One BriarLake Plaza, Suite 2000, 2000 West Sam Houston Parkway South, Houston, Texas 77042. Our telephone number is (713) 954-5500.

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Summary Selected Financial Information

The following table shows Mariner s historical consolidated financial data as of and for the years ended December 31, 2006 and 2005, the period from January 1, 2004 through March 2, 2004, the period from March 3, 2004 through December 31, 2004, and each of the two years ended December 31, 2003 and 2002, respectively. The historical consolidated financial data as of and for the years ended December 31, 2006 and 2005, the period from January 1, 2004 through March 2, 2004 (Pre-2004 Merger), and the period from March 3, 2004 through December 31, 2004 (Post-2004 Merger), are derived from Mariner s audited financial statements incorporated by reference herein, and the historical consolidated financial data as of and for the years ended December 31, 2003 and 2002, are derived from Mariner s audited financial statements that are not included or incorporated by reference herein. You should read the following data in connection with Management s Discussion and Analysis of Financial Condition and Results of Operations in our annual report on Form 10-K for the fiscal year ended December 31, 2006 and the consolidated financial statements included in such annual report, where there is additional disclosure regarding the information in the following table. Mariner s historical results are not necessarily indicative of results to be expected in future periods.

On March 2, 2006, a subsidiary of Mariner completed a merger transaction with Forest Energy Resources, Inc. (the Forest Merger) pursuant to which Mariner effectively acquired Forest s Gulf of Mexico operations. Prior to the consummation of the Forest Merger, Forest transferred and contributed the assets and certain liabilities associated with its Gulf of Mexico operations to Forest Energy Resources. Immediately prior to the Forest Merger, Forest distributed all of the outstanding shares of Forest Energy Resources to Forest shareholders on a pro rata basis. Forest Energy Resources then merged with a newly-formed subsidiary of Mariner, became a new wholly-owned subsidiary of Mariner, and changed its name to Mariner Energy Resources, Inc. Immediately following the Forest Merger, approximately 59% of Mariner common stock was held by shareholders of Forest and approximately 41% of Mariner common stock was held by the pre-merger stockholders of Mariner. In the Forest Merger, Mariner issued 50,637,010 shares of common stock to the shareholders of Forest Energy Resources, Inc. Our acquisition of Forest Energy Resources added approximately 298 Bcfe of estimated proved reserves.

In March 2005, we completed a private placement of 16,350,000 shares of our common stock to qualified institutional buyers, non-U.S. persons and accredited investors, which generated approximately $229 million of gross proceeds, or approximately $211 million net of initial purchaser s discount, placement fee and offering expenses. Our former sole stockholder, MEI Acquisitions Holdings, LLC, also sold 15,102,500 shares of our common stock in the private placement. We used $166 million of the net proceeds from the sale of 12,750,000 shares of common stock to purchase and retire an equal number of shares of our common stock from our former sole stockholder. We used $38 million of the remaining net proceeds of approximately $44 million to repay borrowings drawn on our bank credit facility, and the balance to pay down $6 million of a $10 million promissory note payable to JEDI. See Note 1, Summary of Significant Accounting Policies contained in the consolidated financial statement incorporated by reference into this prospectus. As a result, after the private placement, an affiliate of MEI Acquisitions Holdings, LLC beneficially owned approximately 5.3% of our outstanding common stock.

On March 2, 2004, Mariner s former indirect parent, Mariner Energy LLC, merged with MEI Acquisitions, LLC, an affiliate of the private equity funds, Carlyle/Riverstone Global Energy and Power Fund II, L.P. and ACON Investments LLC (the Merger). Prior to the Merger, we were owned indirectly by JEDI, which was an indirect wholly-owned subsidiary of Enron Corp. The gross merger consideration was $271.1 million (which excludes $7.0 million of acquisition costs and other expenses paid directly by Mariner), $100 million of which was provided as equity by our new owners. As a result of the Merger, we are no longer affiliated with Enron Corp. See Note 1, Summary of Significant Accounting Policies contained in the consolidated financial statements incorporated by reference into this prospectus. The Merger did not result in a change in our strategic direction or operations. The financial information contained herein is presented in the

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style of Pre-2004 Merger activity (for all periods prior to March 2, 2004) and Post-2004 Merger activity (for the March 3, 2004 through December 31, 2004 period) to reflect the impact of the restatement of assets and liabilities to fair value as required by push-down purchase accounting at the March 2, 2004 merger date. The application of push-down accounting had no effect on our 2004 results of operations other than immaterial increases in depreciation, depletion and amortization expense and interest expense and a related decrease in our provision for income taxes. To facilitate management s discussion and analysis of financial condition and results of operations, we have presented 2004 financial information as Pre-2004 Merger (for the January 1 through March 2, 2004 period) and Post-2004 Merger (for the March 3, 2004 through December 31, 2004 period).

The financial information set forth below is presented in the style of Post-2004 Merger activity (for the March 3, 2004 through December 31, 2004 period and the years ended December 31, 2006 and December 31, 2005) and Pre-2004 Merger activity (for all periods prior to March 2, 2004) to reflect the impact of the restatement of assets and liabilities to fair value as required by push-down purchase accounting at the March 2, 2004 merger date.

	Post-2004 Merger				Pre-2004 Merger	
	Year Ended December 31,		Period from March 3, 2004 through December 31,	Period from January 1, 2004 through March 2,	Year Ended December 31,	
	2006	2005	2004	2004	2003	2002
	(In millions, except per share data)					
Statement of Operations Data:						
Total revenues(1)	$ 659.5	$ 199.7	$ 174.4	$ 39.8	$ 142.5	$ 158.2
Lease operating expense	91.6	24.9	19.3	3.5	23.2	25.2
Severance and ad valorem taxes	9.0	5.0	2.1	0.6	1.5	0.9
Transportation expenses	5.1	2.3	1.9	1.1	6.3	10.5
Depreciation, depletion and amortization	292.2	59.4	54.3	10.6	48.3	70.8
Impairment of production equipment held for use		1.8	1.0			
Derivative settlement					3.2	
Impairment of Enron related receivables						3.2
General and administrative expense	34.1	37.1	7.6	1.1	8.1	7.7
Operating income	227.5	69.2	88.2	22.9	51.9	39.9
Interest income	1.0	0.8	0.2	0.1	0.8	0.4
Interest expense, net of amounts capitalized	(39.7)	(8.2)	(6.0)		(7.0)	(10.3)
Income before taxes	188.8	61.8	82.4	23.0	45.7	30.0
Provision for income taxes	(67.3)	(21.3)	(28.8)	(8.1)	(9.4)	
Income before cumulative effect of change in accounting method net of tax effects	121.5	40.5	53.6	14.9	36.3	30.0
Cumulative effect of changes in accounting method					1.9	
Net income	$ 121.5	$ 40.5	$ 53.6	$ 14.9	$ 38.2	$ 30.0

(1) Includes effects of hedging.

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	2006	Post-2004 Merger December 31, 2005	2004	Pre-2004 Merger December 31, 2003	2002 (In millions)
Balance Sheet Data:(1)					
Property and equipment, net, full-cost method	$ 2,012.1	$ 515.9	$ 303.8	$ 207.9	$ 287.6
Total assets	2,680.2	665.5	376.0	312.1	360.2
Long-term debt, less current maturities	654.0	156.0	115.0		99.8
Stockholders equity	1,302.6	213.3	133.9	218.2	170.1
Working capital (deficit)(2)	41.1	(46.4)	(18.7)	38.3	(24.4)
Other Financial Data					
Ratio of earnings to fixed charges(3)	5.66	7.88	17.17	6.83	3.56

(1) Balance sheet data as of December 31, 2004 reflects purchase accounting adjustments to oil and gas properties, total assets and stockholders equity resulting from the acquisition of our former indirect parent on March 2, 2004.

(2) Working capital (deficit) excludes current derivative assets and liabilities and deferred tax assets and liabilities.

(3) For the purposes of determining the ratio of earnings to fixed charges, earnings consist of income before taxes, plus fixed charges, less capitalized interest, and fixed charges consist of interest expense (net of capitalized interest), plus capitalized interest, plus amortized discounts related to indebtedness.

	Post-2004 Merger Year Ended December 31, 2006	2005	Period from March 3, 2004 through December 31, 2004	Period from January 1, 2004 through March 2, 2004	Pre-2004 Merger Year Ended December 31, 2003	2002 (In millions)
Cash Flow Data:						
Net cash provided by operating activities	$ 277.2	$ 165.4	$ 135.2	$ 20.3	$ 88.9	$ 60.3
Net cash (used in) provided by investing activities	(561.4)	(247.8)	(133.0)	(15.3)	52.9	(53.8)
Net cash (used in) provided by financing activities	289.3	84.4	(64.9)		(100.0)	

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The offering

The following is a brief summary of some of the terms of this offering. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of senior notes section of this prospectus contains a more detailed description of the terms and conditions of the notes.

Issuer	Mariner Energy, Inc.
Notes Offered	$300,000,000 in aggregate principal amount of its 8% senior notes due 2017.
Maturity Date	May 15, 2017.
Interest Payment Dates	Each May 15 and November 15, beginning on November 15, 2007. Interest will accrue from April 30, 2007.
Ranking	The notes will be our general unsecured senior obligations. Accordingly, they will rank: effectively subordinate to all of our existing and future secured indebtedness, including indebtedness under our bank credit facility, to the extent of the collateral securing such indebtedness; effectively subordinate to all existing and future indebtedness and other liabilities of any non-guarantor subsidiaries (other than indebtedness and liabilities owed to us); *pari passu* in right of payment to all of our existing and future senior unsecured indebtedness, including our existing 71/2% senior notes due 2013; and senior in right of payment to any future subordinated indebtedness. As of December 31, 2006, assuming we had completed this offering and applied the proceeds therefrom as set forth under Use of proceeds, we would have had total indebtedness of approximately $654.0 million, $300.0 million of which is the notes offered hereby, and approximately $54.0 million of which is secured indebtedness to which the notes would have been effectively subordinated as to the value of the collateral. We also have five letters of credit outstanding totaling $52.0 million, each of which is effectively senior to the notes to the extent of the collateral securing such indebtedness.
Subsidiary Guarantees	The notes will be jointly and severally guaranteed on a senior unsecured basis by our existing and future domestic subsidiaries. In the future, the guarantees may be released or terminated under certain circumstances. Each subsidiary guarantee will rank: effectively subordinate to all existing and future secured indebtedness of the guarantor subsidiary, including its guarantee of indebtedness under our bank credit facility, to the extent of the collateral securing such indebtedness; *pari passu* in right of payment to all existing and future senior unsecured indebtedness of the guarantor subsidiary; and

senior in right of payment to any future subordinated indebtedness of the guarantor subsidiary.

As of December 31, 2006, assuming we had completed this offering and applied the proceeds therefrom as set forth under Use of proceeds, the guarantor subsidiaries would have had $176.2 million of senior secured indebtedness outstanding.

Optional Redemption	At any time prior to May 15, 2010, we may redeem up to 35% of each of the notes with the net cash proceeds of certain equity offerings at the redemption prices set forth under Description of senior notes Optional redemption, if at least 65% of the aggregate principal amount of the notes issued under the indenture remains outstanding immediately after such redemption and the redemption occurs within 180 days of the closing date of such equity offering. At any time prior to May 15, 2012, we may redeem the notes, in whole or in part, at a make whole redemption price set forth under Description of senior notes Optional redemption. On and after May 15, 2012, we may redeem the notes, in whole or in part, at the redemption prices set forth under Description of senior notes Optional redemption.
Change of Control Triggering Event	If a Change of Control Triggering Event occurs, we must offer to repurchase the notes at the redemption price set forth under Description of senior notes Repurchase at the option of holders Change of control.
Certain Covenants	The indenture governing the notes contains covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to: make investments; incur additional indebtedness or issue preferred stock; create certain liens; sell assets; enter into agreements that restrict dividends or other payments from our subsidiaries to us; consolidate, merge or transfer all or substantially all of the assets of our company; engage in transactions with affiliates; pay dividends or make other distributions on capital stock or subordinated indebtedness; and create unrestricted subsidiaries. These covenants are subject to important exceptions and qualifications. In addition, substantially all of the covenants will terminate before the notes mature if one of two specified ratings agencies assigns the notes an investment grade rating in the future and no events of default exist under the indentures. Any covenants that cease to apply to us as a result of achieving an investment grade rating will not be restored, even if the credit rating assigned to the notes later falls below an investment grade rating. See Description

of senior notes Certain covenants.

Absence of Established Market for the Notes	The notes are new securities and there is currently no established market for the notes. Accordingly, we cannot assure you as to the development or liquidity of any market for the notes. Each of the underwriters has advised us that it currently intends to make a market in the notes. However, they are not obligated to do so, and they may discontinue any market making with respect to the notes or the exchange notes without notice. We do not intend to apply for a listing of the notes on any securities exchange or for the inclusion of the notes on any automated dealer quotation system.
Use of Proceeds	We will receive net proceeds of approximately $292.4 million from this offering. We intend to use these proceeds to repay borrowings under our bank credit facility. Certain of the underwriters or their affiliates are lenders under our bank credit facility, and accordingly will receive a portion of the proceeds of this offering. See Underwriting.
Risk factors	You should carefully consider the information under Risk factors beginning on page 11 and all other information included in this prospectus before investing in the notes.

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Risk factors

You should consider carefully the risks described below and in our annual report on Form 10-K for the fiscal year ended December 31, 2006, as well as the other information set forth in this prospectus, before deciding whether this investment is suitable for you. Any of the following risks could materially adversely affect our business, financial condition or results of operations, which in turn could adversely affect our ability to pay the notes. In such case, you may lose all or part of your investment in or fail to achieve the expected return on the notes.

Risks relating to the notes

We may not be able to generate enough cash flow to meet our debt obligations.

We expect our earnings and cash flow to vary significantly from year to year due to the cyclical nature of our industry. As a result, the amount of debt that we can manage in some periods may not be appropriate for us in other periods. Additionally, our future cash flow may be insufficient to meet our debt obligations and commitments, including the notes. Any insufficiency could negatively impact our business. A range of economic, competitive, business and industry factors will affect our future financial performance, and, as a result, our ability to generate cash flow from operations and to pay our debt, including the notes. Many of these factors, such as oil and gas prices, economic and financial conditions in our industry and the global economy or competitive initiatives of our competitors, are beyond our control.

If we do not generate enough cash flow from operations to satisfy our debt obligations, we may have to undertake alternative financing plans, such as:

- refinancing or restructuring our debt;
- selling assets;
- reducing or delaying capital investments; or
- seeking to raise additional capital.

However, we cannot assure you that undertaking alternative financing plans, if necessary, would allow us to meet our debt obligations. Our inability to generate sufficient cash flow to satisfy our debt obligations, including our obligations under the notes, or to obtain alternative financing, could materially and adversely affect our business, financial condition, results of operations and prospects.

The notes and the guarantees will be unsecured and effectively subordinated to our and our subsidiary guarantors existing and future secured indebtedness.

The notes and the guarantees are general unsecured senior obligations ranking effectively junior in right of payment to all existing and future secured debt of ours and that of each subsidiary guarantor, respectively, including obligations under our bank credit facility, to the extent of the value of the collateral securing the debt. As of December 31, 2006, after giving effect to this offering and the application of the proceeds therefrom, our total indebtedness was approximately $654.0 million, $300.0 million of which was the notes, $300.0 million of which was *pari passu* in right of payment to the notes and $54.0 million of which effectively was senior in right of payment to the notes to the extent of the value of the collateral securing that indebtedness. We also then had five letters of credit outstanding totaling $52.0 million, each of which effectively is senior to the notes to the extent of the collateral securing such indebtedness. Further, we then had approximately $396.0 million in additional borrowing capacity under our bank credit facility (after giving effect to this offering and the application of the proceeds therefrom) which if borrowed would have been secured debt effectively senior in right of payment to the notes to the extent of the value of the collateral securing that indebtedness.

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If we or a subsidiary guarantor are declared bankrupt, become insolvent or are liquidated or reorganized, any secured debt of ours or that subsidiary guarantor will be entitled to be paid in full from our assets or the assets of the guarantor, as applicable, securing that debt before any payment may be made with respect to the notes or the affected guarantees. Holders of the notes participate ratably with all holders of our unsecured indebtedness that does not rank junior to the notes, including all of our other general creditors, based upon the respective amounts owed to each holder or creditor, in our remaining assets. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the notes. As a result, holders of the notes would likely receive less, ratably, than holders of secured indebtedness.

Our debt level and the covenants in the agreements governing our debt could negatively impact our financial condition, results of operations and business prospects and prevent us from fulfilling our obligations under the notes.

Our level of indebtedness, and the covenants contained in the agreements governing our debt, could have important consequences for our operations, including by:

- making it more difficult for us to satisfy our obligations under the notes or other debt and increasing the risk that we may default on our debt obligations;
- requiring us to dedicate a substantial portion of our cash flow from operations to required payments on debt, thereby reducing the availability of cash flow for working capital, capital expenditures and other general business activities;
- limiting our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions and general corporate and other activities;
- limiting management s discretion in operating our business;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- detracting from our ability to withstand successfully a downturn in our business or the economy generally;
- placing us at a competitive disadvantage against less leveraged competitors; and
- making us vulnerable to increases in interest rates, because debt under our bank credit facility will in some cases vary with prevailing interest rates.

We may be required to repay all or a portion of our debt on an accelerated basis in certain circumstances. If we fail to comply with the covenants and other restrictions in the agreements governing our debt, it could lead to an event of default and the consequent acceleration of our obligation to repay outstanding debt. Our ability to comply with these covenants and other restrictions may be affected by events beyond our control, including prevailing economic and financial conditions.

In addition, under the terms of our bank credit facility, the indenture governing our 71/2% notes due 2013 and the indenture governing the notes, we must comply with certain financial covenants, including current asset and total debt ratio requirements. Our ability to comply with these covenants in future periods will depend on our ongoing financial and operating performance, which in turn will be subject to general economic conditions and financial, market and competitive factors, in particular the selling prices for our products and our ability to successfully implement our overall business strategy.

The breach of any of the covenants in the indenture, the 71/2% notes indenture or the bank credit facility could result in a default under the applicable agreement which would permit the applicable lenders or noteholders, as the case may be, to declare all amounts outstanding thereunder to

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be due and payable, together with accrued and unpaid interest. We may not have sufficient funds to make such payments. If we are unable to repay our debt out of cash on hand, we could attempt to refinance such debt, sell assets or repay such debt with the proceeds from an equity offering. We cannot assure you that we will be able to generate sufficient cash flow to pay the interest on our debt or that future borrowings, equity financings or proceeds from the sale of assets will be available to pay or refinance such debt. The terms of our debt, including our bank credit facility, may also prohibit us from taking such actions. Factors that will affect our ability to raise cash through an offering of our capital stock, a refinancing of our debt or a sale of assets include financial market conditions, restrictions in our tax sharing agreement with Forest and the value of our assets and operating performance at the time of such offering or other financing. We cannot assure you that any such offering, refinancing or sale of assets could be successfully completed.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our bank credit facility bear interest at variable rates and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash available for servicing our indebtedness would decrease.

Despite our and our subsidiaries current level of indebtedness, we may still be able to incur substantially more debt. This could further exacerbate the risks associated with our substantial indebtedness.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future, subject to certain limitations. The terms of the indenture will not prohibit us or our subsidiaries from doing so. For example, as of December 31, 2006, we had a borrowing base of $450 million under our bank credit facility (which borrowing base will remain at $450 million upon the completion of this offering). If new debt is added to our current debt levels, the related risks that we and our subsidiaries now face could intensify. Our level of indebtedness could, for instance, prevent us from engaging in transactions that might otherwise be beneficial to us or from making desirable capital expenditures. This could put us at a competitive disadvantage relative to other less leveraged competitors that have more cash flow to devote to their operations. In addition, the incurrence of additional indebtedness could make it more difficult to satisfy our existing financial obligations, including those relating to the notes.

We may not be able to repurchase the notes upon a change of control.

Upon the occurrence of certain change of control events, we are required to offer to repurchase all or any part of the notes and our existing 71/2% senior notes then outstanding for cash at 101% of the principal amount. The source of funds for any repurchase required as a result of any change of control will be our available cash or cash generated from our operations or other sources, including:

- borrowings under our credit facilities or other sources;
- sales of assets; or
- sales of equity.

We cannot assure you that sufficient funds would be available at the time of any change of control to repurchase your notes, in addition to our existing 71/2% senior notes. In addition, our bank credit facility prohibits, and any future credit facilities may prohibit, such repurchases. Additionally, a change of control (as defined in the indenture for the notes) will be an event of default under our bank credit facility that would permit the lenders to accelerate the debt outstanding under the bank credit facility. Finally, using available cash to fund the potential

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consequences of a change of control may impair our ability to obtain additional financing in the future, which could negatively impact our ability to conduct our business operations.

A subsidiary guarantee could be voided if it constitutes a fraudulent transfer under U.S. bankruptcy or similar state law, which would prevent the holders of the notes from relying on that subsidiary to satisfy claims.

Under U.S. bankruptcy law and comparable provisions of state fraudulent transfer laws, our subsidiary guarantees can be voided, or claims under the subsidiary guarantees may be subordinated to all other debts of that subsidiary guarantor if, among other things, the subsidiary guarantor, at the time it incurred the indebtedness evidenced by its guarantee or, in some states, when payments become due under the guarantee, received less than reasonably equivalent value or fair consideration for the incurrence of the guarantee and:

- was insolvent or rendered insolvent by reason of such incurrence;

- was engaged in a business or transaction for which the guarantor s remaining assets constituted unreasonably small capital; or

- intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they mature.

Our subsidiary guarantees may also be voided, without regard to the above factors, if a court found that the subsidiary guarantor entered into the guarantee with the actual intent to hinder, delay or defraud its creditors.

A court would likely find that a subsidiary guarantor did not receive reasonably equivalent value or fair consideration for its guarantee if the subsidiary guarantor did not substantially benefit directly or indirectly from the issuance of the guarantees. If a court were to void a subsidiary guarantee, you would no longer have a claim against the subsidiary guarantor. Sufficient funds to repay the notes may not be available from other sources, including the remaining subsidiary guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from the subsidiary guarantor.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon the governing law. Generally, a guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, were greater than the fair saleable value of all its assets;

- the present fair saleable value of its assets is less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

- it could not pay its debts as they become due.

Each subsidiary guarantee contains a provision intended to limit the subsidiary guarantor s liability to the maximum amount that it could incur without causing the incurrence of obligations under its subsidiary guarantee to be a fraudulent transfer. Such provision may not be effective to protect the subsidiary guarantees from being voided under fraudulent transfer law.

A financial failure by us or our subsidiaries may result in the assets of any or all of those entities becoming subject to the claims of all creditors of those entities.

A financial failure by us or our subsidiaries could affect payment of the notes if a bankruptcy court were to substantively consolidate us and our subsidiaries. If a bankruptcy court substantively consolidated us and our subsidiaries, the assets of each entity would become subject to the claims of creditors of all entities. This would expose holders of notes not only to the usual impairments arising from bankruptcy, but also to potential dilution of the amount ultimately recoverable because of the larger creditor base. Furthermore, forced restructuring of the notes could occur through the cram-down provisions of the bankruptcy code. Under these provisions, the notes could be restructured over your objections as to their general terms, primarily interest rate and maturity.

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Use of proceeds

The net proceeds of this offering will be approximately $292.4 million after deducting the underwriters discounts and estimated offering expenses.

We intend to use the net proceeds from this offering to repay borrowings under our bank credit facility. Certain of the underwriters or their affiliates are lenders under the facility, and accordingly will receive a portion of the proceeds of this offering. See Underwriting. As of December 31, 2006, we had $354.0 million of indebtedness outstanding under the bank credit facility. This indebtedness matures on March 2, 2010, and at December 31, 2006 bore interest at a weighted average rate of 7.29% per annum.

The borrowings under the bank credit facility were used to refinance indebtedness incurred by Forest Energy Resources in connection with its acquisition by us, to pay transaction expenses associated with the merger and to repay $165.0 million under our prior credit facility with Union Bank of California.

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Capitalization

The following table sets forth our consolidated capitalization as of December 31, 2006:

(1) on an actual basis;

(2) on an as adjusted basis, as adjusted for the issuance of notes in this offering and application of the net proceeds of the offering to repay borrowings under our bank credit facility.

This table should be read together with our financial statements and the related notes incorporated by reference into this prospectus.

	As of December 31, 2006			
		Historical		As Adjusted
				(In thousands)
Cash and cash equivalents	$	9,579	$	9,579
Long-term debt:				
Credit facility revolving note(1)	$	354,000	$	61,567
71/2% Senior Notes		300,000		300,000
Notes offered hereby				300,000
Total long-term debt		654,000		661,567
Stockholders Equity	$	1,302,591	$	1,302,591
Total capitalization	$	1,956,591	$	1,964,158

(1) In connection with our merger with Forest Energy Resources on March 2, 2006, we amended and restated our existing bank credit facility to, among other things, increase maximum credit availability to $500 million for revolving loans, including up to $50 million in letters of credit, with a $400 million borrowing base as of that date; add an additional dedicated $40 million letter of credit facility that does not affect the borrowing base; and add Mariner Energy Resources, Inc. as a co-borrower. Our bank credit facility was further amended in April 2006 to increase the borrowing base to $430 million which subsequently automatically reduced to $362.5 million upon closing of the offering of the old notes and then was increased to $450 million in October 2006, subject to redetermination or adjustment. The revolving credit facility matures on March 2, 2010. At December 31, 2006, we had approximately $354.0 million in advances outstanding under the revolving credit facility and five letters of credit outstanding totaling $52.0 million, of which $14.6 million is required for plugging and abandonment obligations at certain of our offshore fields. The letter of credit under the dedicated $40 million letter of credit facility (as of December 31, 2006 reduced to $35.7 million) matures on March 2, 2009.

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Ratio of earnings to fixed charges

The calculation of our ratio of earnings to fixed charges for each of the periods shown is as follows:

	Pro Forma December 31, 2006(1)	**December 31, 2006**	**December 31, 2005**	**December 31, 2004**	**For the Years Ended December 31, 2003**	**December 31, 2002**
						(In thousands, except ratio) (Unaudited)
Earnings from continuing operations before fixed charges						
Income before taxes	$ 183,872	$ 188,806	$ 61,775	$ 105,300	$ 45,688	$ 29,993
Add: Fixed charges less capitalized interest	42,841	38,664	8,172	6,050	6,981	10,298
Earnings from continuing operations before fixed charges	226,713	227,470	69,947	111,350	52,669	40,291
Fixed Charges						
Interest expense, net of capitalized interest	41,696	38,275	8,172	6,050	6,981	10,298
Add: Capitalized interest	1,528	1,528	703	434	727	1,021
Add: Amortization of discounts	1,146	389				
Total Fixed Charges	$ 44,370	$ 40,192	$ 8,875	$ 6,484	$ 7,708	$ 11,319
Ratio of earnings to fixed charges	5.11	5.66	7.88	17.17	6.83	3.56

For the purposes of determining the ratio of earnings to fixed charges, earnings consist of income before taxes, plus fixed charges, less capitalized interest, and fixed charges consist of interest expense (net of capitalized interest), plus capitalized interest, plus amortized discounts related to indebtedness. The pro forma column is calculated giving effect to the application of the net proceeds from this offering, reflecting the net change in interest from the refinancing of indebtedness incurred under our bank credit facility with the notes.

(1) As adjusted for the issuance of notes in this offering and application of the net proceeds of the offering to repay borrowings under our bank credit facility.

Description of senior notes

You can find the definitions of certain terms used in this description under the subheading Certain definitions. In this description, the words Mariner, we, us and our refers only to Mariner Energy, Inc. and not to any of its subsidiaries

The following description is a summary of the material provisions of the indenture. It does not restate that agreement in its entirety. We urge you to read the indenture because it, and not this description, defines your rights as holders of the notes. Copies of the indenture are available as set forth below under Additional information. Certain defined terms used in this description but not defined below under Certain definitions have the meanings assigned to them in the indenture.

The registered holder of a note will be treated as the owner of it for all purposes. Only registered holders will have rights under the indenture.

Brief description of the notes and the note guarantees

The notes

The notes will be:

- general unsecured obligations of Mariner;
- limited to an aggregate principal amount at maturity of $300 million, subject to our ability to issue additional notes;
- accrue interest from the date they are issued at a rate of 8%, which is payable semi-annually;
- mature on May 15, 2017;
- rank effectively junior in right of payment to any secured Indebtedness of Mariner, including Indebtedness under the Credit Agreement, to the extent of the value of the Collateral securing such Indebtedness;
- rank *pari passu* in right of payment with all existing and future unsecured senior Indebtedness of Mariner, including the Existing Senior Notes;
- rank senior in right of payment to any future subordinated Indebtedness of Mariner; and
- fully and unconditionally guaranteed on a senior unsecured basis by the Guarantors.

See Risk factors The notes and the guarantees will be unsecured and effectively subordinated to our and our subsidiary guarantors existing and future secured indebtedness.

The note guarantees

The notes will be guaranteed by all of Mariner s presently existing Domestic Subsidiaries.

Each guarantee of the notes will be:

a general unsecured obligation of the Guarantor;

rank effectively junior in right of payment to any secured Indebtedness of that Guarantor, including Indebtedness under the Credit Agreement, to the extent of the value of the Collateral securing such Indebtedness;

rank *pari passu* in right of payment with any future unsecured senior Indebtedness of that Guarantor, including the guarantees of the Existing Senior Notes; and

rank senior in right of payment to any future subordinated Indebtedness of that Guarantor.

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Newly created or acquired Restricted Subsidiaries will be required to guarantee the notes only under the circumstances described below under the caption Certain covenants Additional note guarantees. In the event of a bankruptcy, liquidation or reorganization of any non-guarantor Subsidiary, the non-guarantor Subsidiary will pay the holders of its debt and its trade creditors before it will be able to distribute any of its assets to Mariner.

As of the date of the indenture, all of our Subsidiaries were Restricted Subsidiaries. However, under the circumstances described below under the caption Certain covenants Designation of restricted and unrestricted subsidiaries, we will be permitted to designate certain of our Subsidiaries as Unrestricted Subsidiaries. Our Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the indenture. Our Unrestricted Subsidiaries will not guarantee the notes.

Principal, maturity and interest

Mariner will issue up to $300 million in aggregate principal amount of the notes. Mariner may issue additional notes under the indenture from time to time. Any issuance of additional notes is subject to all of the covenants in the indenture, including the covenant described below under the caption Certain covenants Incurrence of indebtedness and issuance of preferred stock. The notes and any additional notes subsequently issued under the indenture will be treated as a single class for all purposes under the indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. Notes will be issued in minimum denominations of $1,000 and integral multiples of $1,000. The notes will mature on May 15, 2017.

Interest on the notes accrues at the rate of 8% per annum and is payable semi-annually in arrears on May 15 and November 15, commencing on November 15, 2007. Interest on overdue principal and interest accrues at a rate that is 1.0% higher than the then applicable interest rate on the notes. Mariner makes each interest payment to the holders of record on the immediately preceding May 1 and November 1.

Interest on the notes accrues from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest is computed on the basis of a 360-day year comprised of twelve 30-day months.

Methods of receiving payments on the notes

If a holder of notes has given wire transfer instructions to Mariner, Mariner will pay all principal, interest and premium on that holder s notes in accordance with those instructions. All other payments on the notes will be made at the office or agency of the paying agent and registrar within the City and State of New York unless Mariner elects to make interest payments by check mailed to the noteholders at their address set forth in the register of holders.

Paying agent and registrar for the notes

The trustee will initially act as paying agent and registrar. Mariner may change the paying agent or registrar without prior notice to the holders of the notes, and Mariner or any of its Subsidiaries may act as paying agent or registrar.

Transfer and exchange

A holder may transfer or exchange notes in accordance with the provisions of the indenture. The registrar and the trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents in connection with a transfer of notes. Holders will be required to pay all taxes due on transfer. Mariner is not required to transfer or exchange any note

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selected for redemption. Also, Mariner is not required to transfer or exchange any note for a period of 15 days before a selection of notes to be redeemed.

Note guarantees

Mariner s payment obligations with respect to the notes will be jointly and severally guaranteed on a senior basis by the Guarantors. Additional Domestic Subsidiaries of Mariner will be required to become Guarantors under the circumstances described under Certain covenants Additional subsidiary guarantees. These Note Guarantees will be joint and several obligations of the Guarantors. The obligations of each Guarantor under its Note Guarantee will be limited as necessary to prevent that Note Guarantee from constituting a fraudulent conveyance or fraudulent transfer under applicable law. See Risk factors Risks relating to the notes A subsidiary guarantee could be voided if it constitutes a fraudulent transfer under U.S. bankruptcy or similar state law, which would prevent the holders of the notes from relying on that subsidiary to satisfy claims.

A Guarantor may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person), another Person, other than Mariner or another Guarantor, unless:

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

(2) either:

(a) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than Mariner or another Guarantor) unconditionally assumes, pursuant to a supplemental indenture substantially in the form specified in the indenture, all the obligations of such Guarantor under such indenture, such series of notes, and its Note Guarantee on terms set forth therein; or

(b) the Net Proceeds of such sale or other disposition are applied in accordance with the provisions of the indenture described under the caption Repurchase at the option of holders Asset sales .

The Note Guarantee of a Guarantor will be released:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger, amalgamation or consolidation) to a Person that is not (either before or after giving effect to such transaction) Mariner or a Restricted Subsidiary of Mariner, if the sale or other disposition complies with the applicable provisions of the indenture;

(2) in connection with any sale or other disposition of all of the Capital Stock of that Guarantor to a Person that is not (either before or after giving effect to such transaction) Mariner or a Restricted Subsidiary of Mariner, if the sale or other disposition complies with the applicable provisions of the indenture;

(3) if such Guarantor is a Restricted Sub