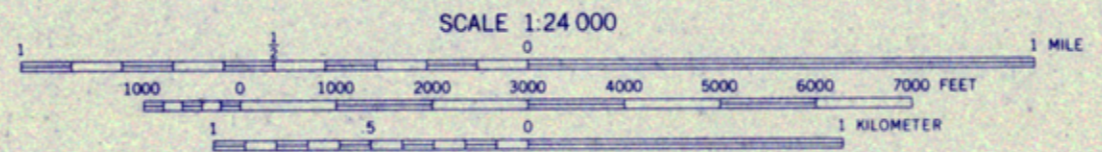


WEST BAY:
NOTE: Base coordinates information not applicable.
NOTE: Boundary lines of all tracts are an extension of the Gulf of Mexico tract lines which are adjacent to Galveston Island.
NOTE: Tracts are one mile by one mile and contain 640 acres, except where otherwise indicated.
NOTE: Coordinates, bearings and areas are grid and are based on the Texas Plane Coordinate System, South Central Zone, 1927 North American datum.
REFERENCE MAP: East Part of West Bay and Southwest Part of Galveston Bay, Galveston County, Showing Subdivision for Mineral Development, General Land Office, March 1963, filed in the General Land Office as RG-5-3.

ADDITIONAL REFERENCE MAP FOR SHORELINE DETERMINATION:
U.S.G.S. Quadrangle "Lake Como"
No. 2994-223
Edition of 1933
Reprinted 1945

Mapped by the Army Map Service
Published for civil use by the Geological Survey
Control by NOS/NOAA, USCE and TVA
Topography from aerial photographs by multiplex methods and by planetable surveys 1943. Revised by photogrammetric methods from aerial photographs taken 1952. Field check 1954
Hydrography compiled from USC&GS charts 886 and 1282 (1953)
Polyconic projection, 1927 North American datum
10,000-foot grid based on Texas coordinate system, south central zone
1000 meter Universal Transverse Mercator grid ticks, zone 15, shown in blue
Revisions shown in purple compiled by the Geological Survey from aerial photographs taken 1969 and 1974. This information not field checked.



CONTOUR INTERVAL 5 FEET
NATIONAL GEOGRAPHIC VERTICAL DATUM OF 1929
DEPTH CURVES AND SOUNDINGS IN FEET. LITHUM IS MEAN LOW WATER
SHORELINE SHOWN REPRESENTS THE APPROXIMATE LINE OF MEAN HIGH WATER
THE MEAN RANGE OF TIDE IS APPROXIMATELY 1 FOOT

THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
FOR SALE BY U. S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225, OR RESTON, VIRGINIA 22092
A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

ROAD CLASSIFICATION
Primary highway: hard surface
Secondary highway: hard surface
Unimproved road
Interstate Route
U. S. Route
State Route



LAKE COMO, TEX.
N2907.5-W9452.5/7.5
1954
PHOTOREVISED 1969 AND 1974
AMS 7042 (U. S. NW-SERIES V-1)

ADVANCE COPY

X 29 28
31 30 X
33 X X

SUBMERGED AREA MAP NO. 2994-223
SUBDIVISION FOR MINERAL DEVELOPMENT IN
WEST BAY
GALVESTON COUNTY
GENERAL LAND OFFICE GARRY MAURO, COMMISSIONER
Date MAY 22, 1984 Revised 10-31-89 DJH

FORM 10-78

D.E.#	NAME	LOCATION	COUNTY	DESCRIPTION	DATE OF ISSUANCE	DATE RECEIVED	COMMENT
	Dr. Martin E. Garcia	Laguna Madre	Cameron	bulkhead	6-17-86		withdrawn Nov 86
	TXO Prod. Corp.	Johnson's Bayou	Cameron, LA	dredge	6-19-86	/	04/RB
17798	" " " REV.	" "	" "	"	1/5/86	1/8/87	04/RB
	" " " CONT	" "	" "	"	1/12/87	1/26/87	04/RB
	St. Dep. of Highways	Lynn's Bayou	Calhoun	replace bridge	3-24-86		04/LM
17799	" 45. COAST GUARD	"	"	"	4/13/87	4/20/87	04/LM
17800	Mitchell Dev. Corp.	Pirate's Cove	Galveston	canal system	6-20-86		01-CE-RB ^{Spec. 214} 8-18-86
"	" USFWS	"	"	"	8/4/87	8/11/87	"
"	" TDD	"	"	"	8/13/87	8/21/87	"
"	" NFWA	"	"	"	8/31/87	8/21/87	01/CE/RB ^{SURVEY:Y} 3/3/88
	Southwestern Bell Corp	Highland Bayou IH 45	Galveston	culverts & fill	6-2-86		04/RB
	Shell Western E&P, Inc	Black Bayou wetland	Cameron, LA	drilling well	7-21-86		04/RB
	Edward E. Snyder	Galveston Bay	Galveston	pier/pilings	6-27-86	authorized 7-10-86	01/CE/RB counter 23705

Garry Mauro
Commissioner
General Land Office



June 19, 1985

Mitchell Development Corp. of the Southwest
Mr. Dennis Langram and Mr. Al Lehtonen
2201 Timberloch Place
Woodlands, Texas 77380

Dear Mr. Langram and Mr. Lehtonen:

This office has reviewed Corps of Engineers Permit #16573 for the Mitchell Development project in Lake Como, Galveston County, Texas.

Chapter 33 of the Texas Natural Resources Code, the Coastal Public Lands Management Act of 1973, places the submerged lands of the State of Texas under the management authority of the Texas General Land Office.

The bulkheading, filling and marina construction plans as depicted in the application referenced above will affect state-owned land. In order to conduct work on state-owned land you must first obtain authorization from this office. Enclosed you will find an application form which should be completed and returned with a \$50.00 filing fee, made payable to the Texas General Land Office, to: Mr. Don Mitchell, GLO Field Representative, 105 San Jacinto, La Porte, Texas 77571, (713) 470-1191.

As part of this application you must include a survey of the work site, prepared by a Licensed State Land Surveyor, showing the position of the present Mean High Tide line in relation to the project and your property boundaries.

To insure that this survey contains the specific information necessary for evaluation of your proposed work, I encourage you to contact the Mr. Herman Forbes, Director of Surveying for the Texas General Land Office, at (512) 475-3145, before conducting the survey.

If it is determined that submerged state land is being utilized without the proper authorization from this office, appropriate action will be taken to protect the state's interest.

If you should have any further questions, please contact Mr. Mitchell at the number above, or my office at 512/475-1539.

Sincerely,

C. Bruce Smith

C. Bruce Smith
Encroachment Program Administrator

Certified # 958177

Enclosures

cc: Don Mitchell, Land Office Field Representative

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

File No. Sketch File 64
Galveston County
Eckert's Bayou
Filed February 12 19 90
By GARRY MAURO, Com'r
Douglas Howard

counter 23706

151

G. David Bumgardner
Vice President and
General Counsel/Real Estate

August 19, 1985

File No. Sketch File 64
Galveston County
Eckert's Bayou
Filed February 12 19 90
By GARRY MAURO, Com'r
Douglas Howard



Mr. C. Bruce Smith
Encroachment Program Administrator
General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

Re: Mitchell Development Corporation of the Southwest
Lake Como Project, Galveston County, Texas

Dear Mr. Smith:

In reply to your letter of June 19, 1985, our records indicate that the entire project permitted under Corps of Engineers Permit No. 16573 was constructed on privately owned lands.

If you need any additional information regarding this matter, please let us know.

Yours very truly,

David Bumgardner
Vice President and
General Counsel/Real Estate

G. David Bumgardner
Vice President and
General Counsel/Real Estate

November 20, 1986

151

General Land Office
State of Texas
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

Attention: Mr. C. Bruce Smith
Encroachment Program Coordinator

Re: Mitchell Development Corporation
of the Southwest - Corps of Engineers
Permit Application No. 17800,
Eckerd's Bayou, Galveston County, Texas

File No. Sketch File 64
Galveston County
Eckert's Bayou
Filed February 12 19 90
By Douglas Howard
GARRY MAURO, Com'r

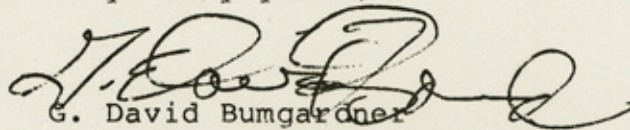


Gentlemen:

In reply to your letter of August 15, 1986, our records indicate that all dredging, filling and bulkheading activities in connection with the above-referenced project will be conducted on privately-owned lands.

If you need any additional information regarding this matter, please let us know.

Very truly yours,


G. David Bumgardner
General Counsel/Real Estate

GDB/sp/2ALand

cc: Mr. Bruce H. Bennett
Mr. Ron Brinkley

Texas General Land Office
Asset Management Division

Spencer L. Reid
Director

Garry Mauro
Commissioner

July 8, 1986

Ms. Sharon Gillespie
Attorney Generals Office
411 W. 13th Street
Austin, Texas 78701

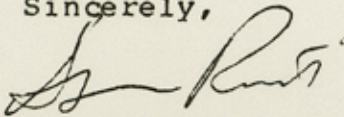
Dear Sharon:

With reference to our telephone conversation of last week, enclosed is a file relating to an area on Galveston Island known as Lake Como. In light of your extensive research on the Jones and Hall grant, I would value your opinion on whether this land is state owned. As you know, we generally claim anything subject to the ebb and flow of the tide. The situation on Galveston Island may be different in light of the legislative intervention in the Jones and Hall grant.

The second file (H. W. Reeves) involves a tract of land in the mouth of Offats Bayou. We'll claim this unless you think it is a problem.

Thanks for looking at this. Let me know if you think we have a questionable claim.

Sincerely,



Spencer Reid
Director
Asset Management

SR/nde
Enclosure

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5236

File No. Sketch File 64
Galveston County
Eckert's Bayou
Filed February 12 19 90
By GARRY MAURO, Com'r
Douglas Howard

Counter 23709



DEC 15

Texas General Land Office

Sally S. Davenport
Director
Coastal Division

Garry Mauro
Commissioner

December 14, 1988

Mr. G. David Bumgardner, V.P.
General Counsel, Real Estate
Mitchell Energy and Development Corp.
2001 Timberloch Place
P.O. Box 4000
The Woodlands, Texas 77380-4000

File No. Sketch File 64
Galveston County
Eckert's Bayou
Filed February 19 90
By GARRY MAURO, Com'r
Douglas Howard

RE: Mitchell Development Corporation of the Southwest Lake Como Project,
Galveston County, Texas, U.S. Army Corps of Engineers Public Notice No.
17800

Dear Mr. Bumgardner:

Our legal staff has reviewed your proposed work as described above and
determined that no state easement will be required at this time.

We appreciate your cooperation and assistance on this matter. Please call me
at (512) 463-5055, if I can be of assistance.

Sincerely,

C. Bruce Smith
Administrator of Technical Programs

CBS/jlw

CC: Tom Nuckols
Ron Brinkley
Marcos De la Rosa

Stephen F. Austin Building
1700 N. Congress Avenue
Austin, Texas 78701
(512) 463-5059

Counter 23710

Garry Mauro
Commissioner
General Land Office



August 15, 1986

Mr. G. David Bumgardner
Mitchell Development Corporation
of the Southwest
2002 Timberloch Place
The Woodlands, Texas 77380

Dear Mr. Bumgardner:

This office has reviewed Corps of Engineers Permit #17800 for Mitchell Development Corporation's proposed work in Eckert's Bayou, Galveston County, Texas.

Chapter 33 of the Texas Natural Resources Code, the Coastal Public Lands Management Act of 1973, places the submerged lands of the State of Texas under the management authority of the Texas General Land Office.

Portions of your proposed work will affect state-owned submerged land. The dredged channel in Eckert's Bayou, and any other work performed in submerged tidally influenced areas, will require authorization from this office prior to construction. Enclosed is an application form for an easement for this work. Please fill in all portions and submit two copies of the completed forms, along with the required maps and plats and a \$50.00 filing fee made payable to the Texas General Land Office, to: Ron Brinkley, GLO Field Representative, 105 San Jacinto, LaPorte, Texas 77521, (713) 470-1

Also, be advised that the Land Office prohibits the bulkheading and filling of state-owned lands. Any portions of your project which involve bulkheading and filling should be reviewed with the Land Office Surveying Division in Austin to insure that state lands are not affected.

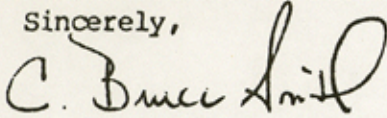
File No. Sketch File 64
Galveston County
Filed February 12 19 90
By GARRY MAURO, Com'r
Douglas Howard

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

Counter 23711

If you should have any further questions, please contact my office at 512/463-5055, or Ron at the address above.

Sincerely,



C. Bruce Smith
Encroachment Program Coordinator

CBS:vw

cc: Mr. Marcos DeLa Rosa - Chief of Regulatory Branch, U. S. Army Corps
of Engineers, Galveston District Office

Mr. Ron Brinkley - Land Office Field Representative

VINSON & ELKINS
ATTORNEYS AT LAW

3300 FIRST CITY TOWER
1001 FANNIN

HOUSTON, TEXAS 77002-6760
TELEPHONE 713 651-2222 TELEX 762146

FIRST CITY CENTRE
816 CONGRESS AVENUE
AUSTIN, TEXAS 78701-2496
TELEPHONE 512 495-8400

2020 LTV CENTER
2001 ROSS AVENUE
DALLAS, TEXAS 75201-2916
TELEPHONE 214 979-6600

THE WILLARD OFFICE BUILDING
1455 PENNSYLVANIA AVE. N.W.
WASHINGTON, D.C. 20004-1007
TELEPHONE 202 639-6500 TELEX 89680

47 CHARLES ST., BERKELEY SQUARE
LONDON W1X 7PB, ENGLAND
TELEPHONE 01 441 491-7236
CABLE VINELKINS LONDON W1-TELEX 24140

June 1, 1987

Mr. C. Bruce Smith
Encroachment Program Coordinator
General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

Dear Mr. Smith:

By letter dated August 15, 1986, your office asserted that portions of the work proposed in Corps of Engineers Permit Number 17800 by Mitchell Development Corporation of the Southwest would affect state-owned submerged land. The work is proposed to take place in Eckert Bayou, Galveston County, Texas. Mr. G. David Baumgardner, of Mitchell Development Corporation of the Southwest, subsequently informed your office that all land proposed to be affected in Eckert Bayou was privately owned. Your office requested that Mitchell provide analysis to support this position. Mitchell Development Corporation of the Southwest has requested that we review the reported cases concerning private ownership of submerged lands on Galveston Island for the specific purpose of determining whether it must obtain authorization from your office for the work proposed by Permit Number 17800. While we have not made an examination of the chain of title, the reported cases indicate that the State of Texas does not own these submerged lands, rather, title long ago passed to private parties. Thus, all activity authorized by Corps Permit Number 17800 are to be done on privately owned lands.

Title to the property in Eckert Bayou affected by Permit Number 17800 originally passed out of Government hands by a patent from the Republic of Texas, through its President, Mirabeau B. Lamar, to Edward Hall and Levi Jones,

File No. Sketch File 64
Galveston County
Eckert's Bayou
Filed February 12 19 90
By GARRY MAURO, Com'r
Douglas Howard

See Galveston Co. SK. File 73 for Quitclaim from Mitchell Energy on Eckert's Bayou.

Counter 23713

which was issued on November 28, 1840. This initial patent of 18,215 acres was held void by the Supreme Court of the Republic of Texas in State v. Delesdenier, 7 Tex. 75 (1851). The Texas legislature, by an act dated February 8, 1854, confirmed the patent and stated that "Texas disclaims any title in and to the lands described in said patent."

The clear intent of the Jones and Hall patent was to grant title to certain submerged lands to private parties. Indeed, the proposition that the State can convey land beneath navigable waters to private parties was established as early as 1899, in a case involving land submerged beneath Offats Bayou, Galveston Island, Texas. In Baylor v. Tillebach, 49 S.W. 720 (Tex. Civ. App. - Galveston 1899, no writ), the court considered a trespass to try title suit involving a tract of land submerged beneath Offats Bayou. There, the original survey expressly called for meander of the Bay. The court held that the effect of the patent was to convey the land comprising the bed of the bayou. The court also expressly held that the sovereign could convey lands beneath navigable waters. Accord State v. Bradford, 50 S.W.2d 1065 (Tex. Supp. 1931); North American Dredging Company v. Jennings, 184 S.W. 287 (Tex. Civ. App. - Galveston 1916, no writ).

Survey calls that meander the bay, such as those contained in the Jones and Hall patent across the mouth of Eckert Bayou, clearly convey the bed of the water body inside the mouth to a private party. The Texas Supreme Court has clearly ruled on the issue of where a bay survey line is located:

[I]n following the shoreline of a bay...the survey, when it comes to a smaller body of water or a river entering a bay, should go from headland to headland rather than up the river or smaller body of water to the limits of the tide.

Giles v. Basore, 278 S.W.2d 830, 836 (Tex. Supp. 1955). The Giles court also cited as supporting authority for this proposition Knight v. United States Land Association, 142 U.S. 161 (1891), State v. Bradford, 121 Texas 515 (1932), and Horton v. Pace, 9 Tex. 81 (1854).

Once title to land has been granted in a patent, the sovereign is bound and is not entitled to disregard its grant. Courts do not look favorably on tardy arguments that a patent is invalid, or should be radically reinterpreted. In United States v. Certain Tracts of Land, 93 F.Supp 182 (S. D. Tex. 1950), the court was asked to determine whether private persons, or the State of Texas were to receive condemnation monies for lands submerged beneath Oyster Creek, Brazoria County, Texas. The court found that the landowners held the land under grants over one hundred years old, and that during that period the sovereign had not questioned their validity. The court noted that the grants were shown on official state maps and the state had received tax monies on the land, thereby acquiescing in the landowners' claims. The court wrote,

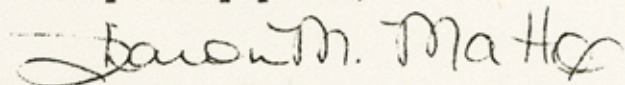
Texas courts recognize the sanctity of grants and patents and do not set them aside, wholly or in part, except for grave reasons. The grants here should not be lightly regarded. If this were a suit by the State to set the grants aside, or to recover excess therein, the State would have a laboring oar. It would, without doubt, have to combat all the presumption of regularity indulged in favor of the long asserted claim and title of landowners. It would unquestionably have the burden of showing that such surveys were and are excessive.

Id. at 185. The federal district court clearly and correctly stated Texas law. In considering the Jones and Hall patent, which is the original grant covering the property in Eckert Bayou, the Houston Court of Civil Appeals held that title had passed to private parties, and further held that a grant by the sovereign must be upheld as though it were a controversy between private persons: "The sovereign must fully honor its valid conveyances and contracts." Seaway Company v. State, 375 S.W.2d 923, 929 (Tex. Civ. App. - Houston 1964, writ ref'd N.R.E.). Other reported cases considering title to submerged lands around Galveston Island have uniformly concluded that title passed to private parties. E.g., Chuoke v. Filipas, 10 S.W.2d 807 (Tex. Civ. App. - Galveston 1928); State of Texas v. Chuoke, 154 F 2nd 1 (5th Cir. 1946), cert. denied, 329 U.S. 714 (1946).

Moreover, the conveyance to private parties made by the Jones and Hall grant has long been recognized in the community. The reputation of the submerged lands at issue is plainly that it belongs to private parties. Numerous maps exist showing lot lines on the disputed portion of Eckert Bayou. Private parties have paid taxes on the land for many years.

In summary, the state has not previously litigated the ownership of these particular lots submerged beneath the waters of Eckert Bayou, but the holdings of both state and Federal courts faced with similar questions over the ownership of land granted under the Jones and Hall patent have indicated that ownership of these similarly situated lands have passed out of the state and into private parties. Therefore, we believe that the work proposed under Corps of Engineers Permit 17800 will not affect state-owned submerged land. Accordingly, we do not intend to make application for an easement for this work. Should you have any questions, please feel free to telephone me at 713-654-4598.

Very truly yours,



Sharon M. Mattox
Attorney for
Mitchell Development Corpora-
tion of the Southwest

0559/2939
cc: Mr. David Baumgardner
MITCH5/07