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NO. 78-153-C

SOUTH PADRE LAND COMPANY and	§	IN THE DISTRICT COURT OF
GILBERT KERLIN, Individually	§	
and as Trustee	§	
vs.	§	CAMERON COUNTY, T E X A S
	§	
THE STATE OF TEXAS, et al.	§	197TH JUDICIAL DISTRICT

FINAL JUDGMENT

BE IT REMEMBERED that on the 17th day of November, 1980 pursuant to due notice to all parties, came on for trial the above-styled and numbered cause wherein South Padre Land Company, Gilbert Kerlin, Individually and as Trustee, Helen F. Pinnell, Individually and as Trustee, Curtis G. Pinnell, Trustee, Michael De Bella, Elise Baldwin, Donald K. Tyler, Joseph R. Curcio, The Ruth Page Foundation, an Illinois not-for-profit foundation, Ruth Page Fisher, Trustee of the Marital Trust under the Will of Thomas Hart Fisher, Ruth Page Fisher, Trustee of the Residuary Trust Under the Will of Thomas Hart Fisher, South Padre Properties, Inc. (successor in interest to Vista Mortgage Realty, Inc.), South Padre, Ltd., Julian Asheim, Individually and as Independent Executor of the Estate of Ike Bollack, Deceased, and as Trustee of the Testamentary Trust Under the Will of Ike Bollack, Deceased and Aurora Lourett are Plaintiffs; and wherein the Defendants are the State of Texas, and the other parties made Defendants to this cause pursuant to Rule 39, Texas Rules of Civil Procedure, namely, Barbara P. Niedringhaus and Commerce Bank of Kansas City (a national banking association in Kansas City, Missouri) Co-Trustees Under the Will of Laurence R. Jones, Deceased, Virginia Jones Mullin, Harold H. Jones, Eleanor Jones Florance, Wayne V. Jones, T. Gilbert Sharpe, Individually and as Trustee, L. D. Garrard, GCE, Ltd. and Inexco Oil Company; whereupon came all parties, by and through their attorneys of record in this cause and announced ready for trial; and, it appearing to the Court that all Defendants have been duly cited and served with process herein and appeared

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herein, that the Court has jurisdiction of this cause, the subject matter hereof and the parties hereto, and that venue of this cause properly lies in Cameron County, Texas, a jury having been waived, this cause proceeded to trial whereupon the Plaintiffs and Barbara P. Niedringhaus and Commerce Bank of Kansas City (a National Banking Association in Kansas City, Missouri), Co-Trustees Under the Will of Laurence R. Jones, Deceased, Virginia Jones Mullin, Harold H. Jones, Eleanor Jones Florance and Wayne V. Jones (hereinafter sometimes referred to as the "Jones Group") and T. Gilbert Sharpe, Individually and as Trustee, and L. D. Garrard adduced evidence in support of their respective claims to which evidence neither the State of Texas nor any other party to this cause offered any rebuttal, and the State of Texas announced that it was not in agreement with the evidence adduced by the Plaintiffs, but would offer no evidence to the contrary. There were also offered and received in evidence certain stipulations of the parties which were marked "PX-20" and "PX-21." The Court, having considered the evidence adduced, the stipulations offered and received in evidence and the pleadings, motions, briefs and the arguments of counsel, does hereby render the following judgment:

1. It is ORDERED, ADJUDGED AND DECREED that Tract 1, as hereinafter described, is above the line of mean higher high water of the Laguna Madre and that Tract 1 is a part of Padre Island. Tract 1 is a tract of land located in Cameron County, Texas, comprising approximately 10,223.20 acres, and being a part of the original grant of an island, now known as Padre Island, to Padre Nicolas Balli and his nephew Juan Jose Balli, such Tract 1 being more particularly described in Exhibit A and depicted on the plat marked Exhibit B, such Exhibits A and B being attached to and made a part of this final judgment. It is further ordered, adjudged and decreed that the western boundary of Tract 1, as specified on Exhibits A and B, referred to herein as the "Claunch Line," is the correct location of the intersection of the elevation of mean higher high water of the Laguna Madre with the western

shore of Padre Island in the area of Tract 1 and that the Claunch line is the correct location of the western boundary of Padre Island in the area of Tract 1.

2. A. It is further ORDERED, ADJUDGED AND DECREED that title to the entire mineral interest in Tract 1 (including without limitation all oil, gas and other minerals of every kind and character) is hereby vested as follows:

(1) An undivided one-half is hereby so vested in the Jones Group (consisting of Virginia Jones Mullin; Wayne V. Jones; Harold H. Jones; Eleanor Jones Florance; and Barbara P. Niedringhaus and Commerce Bank of Kansas City, Missouri, N.A., as co-trustees under the will of Laurence R. Jones, deceased);

(2) the remaining undivided one-half is hereby vested in the Kerlin Group (consisting of Gilbert Kerlin, Individually and as Trustee; Mrs. Helen F. Pinnell, Trustee; the Ruth Page Foundation, an Illinois not for-profit corporation; Ruth Page Fisher, Trustee of the marital trust under the will of Thomas Hart Fisher; and Ruth Page Fisher, Trustee of the residuary trust under the will of Thomas Hart Fisher, as their interests appear in that certain "Agreement and Conveyance" between Gilbert Kerlin, Individually and as Trustee, and the remaining parties identified in this paragraph 2.A.(2) dated September 3, 1980, recorded in Vol. 1210, pages 265 through 281 of the Deed Records of Cameron County, Texas);

subject only to the following non-participating royalty interests:

(3) the Sharpe Group (consisting of T. Gilbert Sharpe, Individually and as Trustee; Myrna Kay Daly, Independent Executrix Under the Will of L. D. Garrard, Deceased; Mr. Julian Ashheim, Individually and as Independent Executor of the Estate of Ike Bollack, deceased, and Trustee of testamentary trust under the will of Ike

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Bollack; and Ms. Aurora Lourett) owns a 1/128 non-participating royalty interest in oil, gas and other minerals produced, saved and sold, as described in a deed from Albert R. Jones, et al., to T. Gilbert Sharpe, Individually and as Trustee, dated November 9, 1949, recorded in Vol. 26, pages 517-520 of the Oil and Gas Records of Cameron County, Texas;

(4) the State of Texas will own a 3/32 non-participating royalty interest in oil, gas and other minerals produced, saved and sold, as conveyed by and described in a deed from Barbara P. Niedringhaus, co-trustee under the Will of Lawrence R. Jones, deceased, et al. to the State of Texas, dated as of June 26, 1981.

Tract 1

The mineral interests and the non-participating royalty interests described in this paragraph 2A shall be effective as of 7:00 a.m. C.S.T. on the first day of the month in which this judgment is signed and entered.

B. It is further ORDERED, ADJUDGED AND DECREED that title to the entire surface interest in Tract 1, save and except all of the oil, gas and other minerals of every kind and character in, on or under said Tract 1, and subject to the exceptions, reservations and provisions set forth in Paragraphs 2C and 2D, below, is hereby vested in the following respective persons, firms and corporations with the persons, firms and corporations owning undivided interests in the surface:

- (1) South Padre Land Company;
- (2) South Padre Properties, Inc. (successor in interest to Vista Mortgage Realty, Inc.);
- (3) the Jones Group aforesaid;
- (4) South Padre, Ltd.;
- (5) Ms. Helen F. Pinnell;
- (6) Mr. Curtis G. Pinnell, Trustee;

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- (7) Mr. Michael De Bella;
- (8) Ms. Elise Baldwin;
- (9) Mr. Donald K. Tyler;
- (10) Mr. Joseph R. Curcio;
- (11) The Ruth Page Foundation, an Illinois not-for-profit corporation;
- (12) Ruth Page Fisher, Trustee of the Marital Trust under the Will of Thomas Hart Fisher; and
- (13) Ruth Page Fisher, Trustee of the Residuary Trust under the Will of Thomas Hart Fisher.

The proportionate undivided interests owned by the respective parties, identified in subparagraphs (1) through (13), above, are identical to the proportionate undivided interests owned by such parties in the so-called "6600 acre tract" adjacent to and to the east of Tract 1, with the exception of the undivided interest owned by South Padre Properties, Inc., which latter interest is identical to the proportionate interest formerly owned by its predecessor in title, Vista Mortgage Realty, Inc., in the "6600 acre tract," which "6600 acre tract" is more particularly described as "Parcel 2" in Exhibit "A" to a deed from Padre Corporation to South Padre Investment Corporation, dated June 28, 1961, recorded in Vol. 713, page 10 of the Deed Records of Cameron County, Texas.

C. It is further ORDERED, ADJUDGED AND DECREED that the persons, firms and corporations identified in paragraph 2B, above, own the entire surface estate in Tract 1 free and clear of all liens, claims, burdens and encumbrances in any wise asserted or claimed by the State of Texas, excepting only rights of the State of Texas, if any, in rights and easements for fifteen (15) certain drainage channels as set forth and described in a deed from South Padre, Ltd. to the State of Texas, recorded in Vol. 960, pages 289-298 of the Deed Records of Cameron County, Texas.

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D. It is further ORDERED, ADJUDGED AND DECREED that all mineral interests of every kind, including without limitation oil, gas and minerals of every kind and character, are expressly excepted and hereby reserved to the owners of the mineral estate described in paragraph 2A, above, their respective heirs, representatives, successors and assigns; the mineral owners designated in paragraphs 2A(1) and 2A(2), their heirs, representatives, successors and assigns, having full rights as to Tract 1 and all parts thereof to take all usual, reasonable and convenient means for the purposes of exploration, mining, drilling, investigating, prospecting for and producing said minerals with full rights of ingress and egress for such purposes and in order to produce, save, sell, take care of, treat, transport and remove said minerals from said land and all parts thereof at all times for the purposes stated.

3. A. It is further ORDERED, ADJUDGED AND DECREED that all of the monies which have heretofore been paid by Defendant Inexco Oil Company (hereinafter sometimes referred to as "Inexco") to the Commissioner of the General Land Office of the State of Texas under one or more of the State Leases identified in Paragraph 3C as royalties on production of oil and/or gas by Inexco within Tract 1, prior to 7:00 a.m. C.S.T., August 1 1981, in the total amount of \$1,501,911.66, and which have been held in suspense by the State shall be distributed and disbursed and the Commissioner of the General Land Office is hereby ORDERED, AUTHORIZED AND DIRECTED to disburse and distribute said monies or cause the same to be disbursed and distributed as follows:

(1) Defendant, the State of Texas, shall retain the sum of \$285,000.00, as part of royalty previously paid by Inexco to the State on amount realized from sale as at the well head from production in Tract 1.

(2) To Inexco the sum of \$494,811.59

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(3) To the Jones Group, as defined in Paragraph 2A(1) above, the sum of \$315,415.91.

(4) To the Kerlin Group, as defined in Paragraph 2A(2) above, the sum of \$315,415.91.

(5) The parties receiving distributions pursuant to subparagraphs 3A(2), (3), and (4) above, hereby waive any claim to the remaining \$91,268.25 balance of said \$1,501,911.66 aforesaid, which balance is the amount which said parties represent to be the amount due to the Defendant, the State of Texas, as production tax (severance tax) on the distributions of said funds set forth in subparagraphs 3A(2), (3) and (4) above.

B. It is further ORDERED, ADJUDGED AND DECREED that the three respective Assignments of Overriding Royalty Interest to T. Gilbert Sharpe, Trustee, et al., to Virginia Jones Mullin, et al., and to Gilbert Kerlin, Individually and as Trustee, respectively, as described and identified in Paragraphs 3B(1), (2), and (3) below, shall terminate, and are hereby terminated and cancelled, on or as of 7:00 a.m. C.S.T. on the first day of the calendar month in which this judgment is entered:

(1) Assignment of Overriding Royalty Interest from Inexco to T. Gilbert Sharpe, Trustee, et al., dated July 15, 1977, recorded Vol. 119, page 500, Oil and Gas Records, Cameron County, Texas.

(2) Assignment of Overriding Royalty Interest from Inexco to Virginia Jones Mullin, et al., dated July 15, 1977, recorded Vol. 119, page 487, Oil and Gas Records, Cameron County, Texas.

(3) Assignment of Overriding Royalty Interest from Inexco to Gilbert Kerlin, Individually and as Trustee, dated July 14, 1977, recorded Vol. 119, page 437, Oil and Gas Records, Cameron County, Texas.

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C. It is further ORDERED, ADJUDGED AND DECREED that the following Oil and Gas Leases from the Commissioner of the General Land Office of the State of Texas, as Lessor, to Inexco Oil Company, as Lessee shall terminate and are hereby terminated, on or as of 7:00 a.m. C.S.T. on the first day of the calendar month in which this Judgment is entered:

(1) State Lease No. 72408 dated October 7, 1975, recorded Volume 117, page 249, Oil and Gas Records, Cameron County, Texas.

(2) State Lease No. 72407 dated October 7, 1975, recorded Volume 117, page 254, Oil and Gas Records, Cameron County, Texas.

(3) State Lease No. 72406 dated October 7, 1975, recorded Volume 117, page 259, Oil and Gas Records, Cameron County, Texas.

(4) State Lease No. 72405 dated October 7, 1975, recorded Volume 117, page 264, Oil and Gas Records, Cameron County, Texas.

(5) State Lease No. 72404 dated October 7, 1975, recorded Volume 117, page 269, Oil and Gas Records, Cameron County, Texas.

(6) State Lease No. 74353 dated October 5, 1976, recorded Volume 118, page 503, Oil and Gas Records, Cameron County, Texas.

(7) State Lease No. 72409 dated October 7, 1975, recorded Volume 117, page 244, Oil and Gas Records, Cameron County, Texas.

D. It is further ORDERED, ADJUDGED AND DECREED that no additional bonuses, minimum royalties, delay rentals, shut-in gas payments or other such amounts are due from Inexco Oil Company to the lessors or the royalty owners under the lease from Gilbert Kerlin, et al., to Inexco dated as of July 15, 1977, recorded

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Vol. 119, page 445, Oil and Gas Records, Cameron County, Texas, other than as provided for in said lease, as amended, and as required under the provisions of this final judgment.

E. It is further ORDERED, ADJUDGED AND DECREED that the Lease from Gilbert Kerlin, Individually and as Trustee, et al., to Inexco Oil Company, dated July 15, 1977, recorded Vol. 119, page 445, Oil and Gas Records, Cameron County, Texas, shall continue in full force and effect except as amended and as modified in accordance with the provisions of this final judgment.

F. It is further ORDERED, ADJUDGED AND DECREED that the State shall retain, and neither Inexco, the Kerlin Group, nor the Jones Group shall be entitled to receive from the State, the bonuses and delay rentals paid to the State, prior to the date of entry of this judgment, by Inexco or by any other lessee of leases within Tract 1.

G. It is further ORDERED, ADJUDGED AND DECREED that GCE, Ltd. has no interest whatsoever in either the surface estate or the mineral estate in Tract 1.

4. It is further ORDERED, ADJUDGED AND DECREED that the State is required to grant at all times, and at no cost to grantee, to the respective surface owners identified in Paragraph 2B, above, their successors, assigns and transferees, such easements of a quantity, size and location over State-owned lands adjacent to Tract 1, as may from time to time be reasonably requested by such surface owners, successors, assigns, or transferees, to construct and maintain at their respective cost, canals suitable for pleasure boat access to the Intracoastal Canal.

5. It is further ORDERED, ADJUDGED AND DECREED that the State is required to grant at all times, and at no cost to grantee, to the mineral owners described in paragraphs 2A(1) and 2A(2) above, their heirs, representatives, successors, lessees, assigns and transferees, such easements and rights-of-way of a quantity, size and location over State-owned lands (including submerged lands of the Laguna Madre) adjacent to Tract 1, as may

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from time to time be required by such mineral owners, heirs, representatives, successors, lessees, assigns or transferees, to construct, maintain and/or remove pipelines and barge channels for the transportation of mineral products in and from, and/or the delivery of water and supplies in and to said Tract 1, and/or in any way incidental to production of oil, gas and other minerals in Tract 1.

6. It is further ORDERED, ADJUDGED AND DECREED that the Claunch survey line in Tract 1 accurately describes the boundary between Padre Island and the State-owned Laguna Madre in the area of Tract 1. The tidal boundary so described by Claunch shall become a fixed boundary and no longer be subject to change because of a change in the elevation of the tide, encroachment for any reason by water, temporary or permanent, or because of avulsion, reliction, accretion, erosion or any other causes whether natural or manmade, and such described line shall, by this judgment, become a fixed non-tidal boundary. Provided, however, that for the purposes of the rights created or preserved by Sections 33.001 et seq. of the Texas Natural Resources Code the surface owners of Tract 1 shall be regarded as littoral or riparian owners.

7. It is further ORDERED, ADJUDGED AND DECREED that the State of Texas shall immediately after entry of this judgment remove from all current records and maps maintained by the State all statements, notations, depictions and indications that any portion of Tract 1 is located within a submerged lease tract, and the State shall cause its current records, State lease tract maps and other current maps to be corrected to show, depict and reflect that said Claunch line is the boundary between Padre Island and the submerged lands of the Laguna Madre in the area of Tract 1.

8. It is further ORDERED, ADJUDGED AND DECREED that each party shall bear all costs and expenses incurred by such party, without claim for reimbursement to such party by any other party.

9. It is further ORDERED, ADJUDGED AND DECREED that all relief not specifically granted herein is DENIED.

10. This judgment is a final judgment in that it disposes of all issues and parties in this suit. However, except for the adjudications made in paragraphs 2 and 3, this judgment does not adjudicate respective rights or interests between the respective owners of Tract 1.

Notwithstanding the foregoing, T. Gilbert Sharpe, Trustee, has heretofore executed the following conveyances covering the interests therein described:

<u>GRANTOR-GRANTEE</u>	<u>DATE</u>	<u>RECORDED</u>
1. T. Gilbert Sharpe, Trustee to L.D. Garrard	December 21, 1949, (Filed for record December 29, 1949)	Volume 27, Pg. 365, Cameron County Deed Re- cords
2. T. Gilbert Sharpe, Trustee to Ike Bollack	December 21, 1949, (Filed for record December 30, 1949)	Volume 27, Pg. 369, Cameron County Deed Re- cords
3. T. Gilbert Sharpe, Trustee to Vicente Lourett	March 15, 1950 (Filed for record March 18, 1950)	Volume 28, Pg. 224, Cameron County Deed Re- cords

The said T. Gilbert Sharpe, individually and as Trustee, shall not be liable or accountable to the said Grantees, their heirs and assigns, for royalties which may be attributed to the interests so conveyed.

SIGNED this 31 day of August, 1981.

DARRELL HESTER, DISTRICT JUDGE
197th Judicial District Court

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APPROVED:

McGINNIS, LOCHRIDGE & KILGORE
Texas Bank Building, Fifth Floor
900 Congress Avenue
Austin, Texas 78701
(512) 476-6982

By: Shannon H. Ratliff
Shannon H. Ratliff

ATTORNEYS FOR PLAINTIFFS

THE STATE OF TEXAS

By: James R. Meyers
James R. Meyers, Assistant
Attorney General

GENERAL LAND OFFICE OF THE
STATE OF TEXAS

By: Bob Armstrong
Bob Armstrong, Commissioner

COOVER & COOVER

David M. Coover, Jr.
David M. Coover, Jr.

ATTORNEY FOR THE JONES GROUP

BUTLER, BINION, RICE, COOK & KNAPP

By: Claude C. Roberts
Claude C. Roberts

ATTORNEYS FOR INEXCO OIL COMPANY

Thomas G. Sharpe, Jr.
Thomas G. Sharpe, Jr.

ATTORNEY FOR JUDGE T. GILBERT SHARPE, Individually and as Trustee;
AND MYRNA KAY DALY, INDEPENDENT
EXECUTRIX UNDER THE WILL OF L. D. GARRARD, DECEASED

JACKSON, WALKER, WINSTEAD,
CANTWELL & MILLER

By: John L. Lancaster, III
John L. Lancaster, III

ATTORNEYS FOR GCE, LTD.

EXHIBIT A

DESCRIPTION: TRACT 1

Tract No. 1: 10,223.20 Acres on South Padre
Island in Cameron County, Texas

10,223.20 acres, more or less, on South Padre Island in Cameron County, Texas; the said 10,223.20 acres, more or less, being all that certain portion of the said South Padre Island lying above the line of Mean Higher High Tide of the Laguna Madre on the west, and being west of the western lines of a survey accomplished by J. Stuart Boyles, in 1941, for the Office of the Attorney General of the State of Texas; and also lying between the Cameron-Willacy County line, on the north, and the north boundary of a certain tract commonly known as the "King 6,000 acres" on Padre Island; and the said 10,223.20 acres, more or less, having been surveyed by the firm Claunch & Associates in the months of January through March of 1971, the said 10,223.20 acres, more or less, is accordingly and hereby described as follows:

BEGINNING at the place of intersection of the County Line, between Cameron and Willacy Counties, with the west line of the above mentioned J. Stuart Boyles Survey of 1941, for the northeast corner of this tract; the said place of intersection being marked by a 4½"x4½" concrete monument bearing the initials "SC" on the north side thereof; and the said monument having been placed at the said place of intersection for the southwest corner of the South Padre Shores Subdivision, according to a map thereof in Volume 2, Page 45, of the Map Records of Willacy County, Texas; and the said corner being at coordinate position X = 2,411,616.676 and Y = 272,682.153 on the plane of the Texas Coordinate System (South Zone):

THENCE with a line for "County Line" between Cameron and Willacy Counties, North 89°-57'-32" West, at 2,933.33 varas (3,149.53 ft.) a 4½"x4½" concrete monument bearing the initials "SC" on the north side thereof; and at an approximate additional distance of 2,517.40 varas (6,992.77 ft.) for an approximate total distance of 5,451.23 varas (15,142.29 ft.) intersect the line of Mean Higher High Tide of the Laguna Madre; at which approximate place of intersection is located a 4½"x4½" concrete monument bearing the initial "C" and having thereon a 1" diameter aluminum cap stamped "C+A Survey"; the said monument being at coordinate position X = 2,396,474.390 and Y = 272,692.998 on the plane of the Texas Coordinate System (South

Description: 10,223.20 Acres: Tract No. 1 (Cont'd)

South $41^{\circ}-33'-07''$ East, 266.39 varas (739.96 ft.)
South $10^{\circ}-12'-56''$ East, 147.12 varas (408.63 ft.)
South $38^{\circ}-50'-51''$ East, 245.09 varas (680.30 ft.) and

South $16^{\circ}-38'-12''$ East, approximately 233.96 varas (649.39 ft.) to an intersection with the western line of the J. Stuart Boyles Survey of 1941 as above mentioned; the said place of intersection being approximately North $16^{\circ}-38'-12''$ West, 406.62 varas (1,129.51 ft.) from a $4\frac{1}{2}'' \times 4\frac{1}{2}''$ concrete monument, marked "C", with a 1" diameter aluminum cap thereon stamped "C+A Survey"; the said monument being on the north boundary of a tract commonly referred to as the "King 5,000 Acres on South Padre Island" and said monument being at coordinate position X = 2,420,366.930 and Y = 229,117.490 on the plane of the Texas Coordinate System (South Zone); and the above mentioned place of intersection being the southern corner of the 10,223.20 acres, more or less, herein described:

THENCE northerly with the meander of the west lines of the said J. Stuart Boyles Survey of 1941, as follows:

North $3^{\circ}-19'-32''$ West,	106.79 varas (296.65 ft.)
North $4^{\circ}-29'-32''$ West,	500.00 varas (1,333.90 ft.)
North $6^{\circ}-25'-32''$ West,	500.00 varas (1,333.90 ft.)
North $24^{\circ}-10'-32''$ West,	500.04 varas (1,389.00 ft.)
North $19^{\circ}-59'-32''$ West,	500.00 varas (1,333.90 ft.)
North $29^{\circ}-57'-32''$ West,	500.00 varas (1,333.90 ft.)
North $31^{\circ}-14'-32''$ West,	500.00 varas (1,333.90 ft.)
North $49^{\circ}-05'-32''$ West,	500.08 varas (1,339.10 ft.)
North $0^{\circ}-27'-28''$ East,	500.04 varas (1,389.00 ft.)
North $22^{\circ}-00'-28''$ East,	731.47 varas (2,170.75 ft.)
North $21^{\circ}-23'-32''$ West,	499.93 varas (1,333.70 ft.)
North $11^{\circ}-23'-32''$ West,	1,299.91 varas (3,610.35 ft.)
North $13^{\circ}-23'-32''$ West,	400.00 varas (1,111.10 ft.)
North $9^{\circ}-23'-32''$ West,	1,500.01 varas (4,166.70 ft.)
North $14^{\circ}-36'-28''$ East,	450.00 varas (1,250.01 ft.)
South $51^{\circ}-23'-32''$ East,	373.00 varas (1,050.01 ft.)
North $19^{\circ}-06'-28''$ East,	500.00 varas (1,333.90 ft.)
North $41^{\circ}-06'-28''$ East,	950.00 varas (2,638.90 ft.)
North $56^{\circ}-06'-28''$ East,	550.00 varas (1,527.79 ft.)
North $29^{\circ}-23'-32''$ West,	412.99 varas (1,147.20 ft.)
North $5^{\circ}-23'-32''$ West,	400.03 varas (1,111.20 ft.)
North $35^{\circ}-23'-32''$ West,	300.00 varas (833.34 ft.)
North $13^{\circ}-23'-32''$ West,	200.00 varas (555.53 ft.)
North $33^{\circ}-23'-32''$ West,	450.00 varas (1,250.00 ft.)

Description: 10,223.20 Acres: Tract No. 1 (Cont'd)

Zone); and the said place of intersection of the County line, between Cameron and Willacy Counties, with the line of Mean Higher High Tide of the Laguna Madre being the northwest corner of the 10,223.20 acres, more or less, herein described:

THENCE Southerly with meander of the line of Mean Higher High Tide of the Laguna Madre, approximately as follows:

South 13°-00'-03" East,	548.75 varas (1,524.31 ft.)
South 13°-35'-04" East,	926.80 varas (2,574.44 ft.)
South 20°-06'-45" East,	1,540.25 varas (4,278.47 ft.)
South 13°-50'-50" East,	397.60 varas (1,104.45 ft.)
South 43°-55'-17" East,	121.42 varas (337.29 ft.)
South 17°-36'-08" East,	1,491.56 varas (4,143.23 ft.)
South 25°-17'-43" East,	324.81 varas (902.24 ft.)
South 20°-59'-53" East,	639.53 varas (1,776.43 ft.)
South 20°-33'-47" East,	620.23 varas (1,722.87 ft.)
South 5°-50'-22" East,	406.38 varas (1,128.84 ft.)
South 30°-40'-47" East,	367.37 varas (1,020.48 ft.)
South 1°-03'-53" West,	273.73 varas (760.35 ft.)
South 13°-12'-04" East,	202.47 varas (562.42 ft.)
South 23°-42'-05" East,	249.28 varas (692.44 ft.)
South 5°-38'-52" East,	359.92 varas (999.78 ft.)
South 62°-43'-23" East,	174.57 varas (484.91 ft.)
South 14°-15'-03" East,	554.25 varas (1,539.58 ft.)
South 33°-52'-08" East,	960.95 varas (2,669.30 ft.)
South 40°-21'-48" East,	545.37 varas (1,514.91 ft.)
South 32°-09'-36" East,	399.01 varas (1,108.35 ft.)
South 73°-59'-44" East,	112.62 varas (312.83 ft.)
South 27°-41'-27" East,	241.92 varas (672.01 ft.)
South 75°-37'-41" East,	309.71 varas (860.30 ft.)
South 36°-20'-11" East,	298.29 varas (828.59 ft.)
South 56°-11'-17" East,	248.34 varas (689.33 ft.)
South 51°-23'-38" East,	432.20 varas (1,200.55 ft.)
South 68°-01'-17" East,	389.00 varas (1,080.55 ft.)
South 56°-46'-34" East,	585.34 varas (1,625.94 ft.)
South 56°-45'-48" East,	601.77 varas (1,671.53 ft.)
South 43°-43'-42" East,	344.12 varas (955.90 ft.)
South 53°-23'-19" East,	412.13 varas (1,144.95 ft.)
South 38°-23'-49" East,	730.65 varas (2,029.57 ft.)
South 29°-25'-37" East,	449.61 varas (1,248.92 ft.)
South 6°-09'-57" East,	373.82 varas (1,038.40 ft.)
South 11°-45'-44" East,	294.64 varas (813.44 ft.)
South 26°-38'-39" East,	569.93 varas (1,583.23 ft.)

Description: 10,223.20 Acres: Tract No. 1 (Cont'd)

North 25°-13'-32" West,	500.00 varas (1,388.90 ft.)
North 11°-53'-32" West,	275.00 varas (763.90 ft.)
North 52°-23'-32" West,	549.97 varas (1,527.70 ft.)
North 22°-37'-32" West,	749.95 varas (2,083.20 ft.)
South 86°-22'-28" West,	399.96 varas (1,111.00 ft.)
South 35°-36'-28" West,	399.96 varas (1,111.00 ft.)
North 17°-23'-32" West,	799.96 varas (2,222.10 ft.)
North 4°-23'-32" West,	349.99 varas (972.20 ft.)
North 51°-23'-32" West,	349.99 varas (972.20 ft.)
North 5°-23'-32" West,	499.93 varas (1,388.70 ft.)
North 13°-59'-23" East,	400.44 varas (1,112.34 ft.) and

North 19°-04'-02" West, a distance of 433.12 varas (1,203.12 ft.) to the place of beginning:

Containing an area of 10,223.20 acres, more or less, according to the dimensions herein stated. The bearings and distances stated herein are in reference to the meridian and grid plane of the Texas Coordinate System (South Zone) the "Scale Factor" of which, for this area, is 0.9999598; and the Line of Mean Higher High Tide, herein described approximates the meander of the contour of Elevation +0.20 above Mean Sea Level (1925 Sea Level Datum).

M. L. Claunch
Registered Public Surveyor

MLC:rc

Ex. A, p. 4 of 4

Counter 17057

STATE OF TEXAS §
 §
COUNTY OF CAMERON §

CONVEYANCE OF ROYALTY INTEREST

KNOW ALL MEN BY THESE PRESENTS:

1. That Barbara P. Niedringhaus and Commerce Bank of Kansas City (a national banking association in Kansas City, Missouri), co-trustees under the will of Laurence R. Jones, deceased, Virginia Jones Mullen, Harold H. Jones, Eleanor Jones Florance, Wayne V. Jones and Gilbert Kerlin, individually and as trustee, hereinafter collectively called "Grantors," for good and valuable consideration, the receipt of which is hereby acknowledged, do hereby grant, convey and assign unto the State of Texas and its successors and assigns, hereinafter called "Grantee," as a permanent non-participating royalty interest, an undivided three-thirty-seconds (3/32) of all oil, gas and other minerals situated in, upon and underlying, and that may be produced by any means from, certain lands situated in Cameron County, Texas, which lands are more particularly described in Exhibit A, attached hereto and made a part hereof, and which lands are hereinafter referred to as "Tract 1"; provided, however, that Grantors hereby reserve to themselves, their heirs, representatives, successors and assigns, the exclusive right to control the mining and production of all such oil, gas and other minerals in, upon and underlying Tract 1, together with the exclusive right to make and execute all oil, gas and other mineral leases and all other contracts providing for exploration and development of oil, gas and other minerals in, upon and underlying Tract 1, and Grantors herein further reserve to themselves, their heirs, representatives, successors and assigns, the exclusive right to receive and retain all payments by way of bonuses, delay rentals and other similar payments.

2. This Conveyance is made subject to the terms of an existing oil and gas lease (herein called the "Kerlin Lease"),

covering a certain 800-acre tract out of the lands made the subject of this Conveyance, which 800-acre tract is more particularly described in said Kerlin Lease, as amended; however, the said Kerlin Lease covers and includes the undivided 3/32 non-participating royalty interest granted herein in all oil, gas or other minerals produced under such lease. Payments to the Grantee under the Kerlin Lease, as amended, for the 3/32 non-participating royalty interest granted herein shall be effective as to production commencing at 7:00 a.m. C.S.T. on the first day of the month in which final judgment is entered in the case of South Padre Land Company, et al. v. The State of Texas, et al., Cause No. 78-153-C, in the District Court of Cameron County, Texas, 197th Judicial District.

3. Provided, however, that out of monies payable as royalty on gas by any lessee, there shall also be paid to Grantee for royalty on gas an additional amount, if any, so that the total 3/32 non-participating royalty on gas received by Grantee shall be an amount calculated on the basis of "market value" as that term is defined below. Such "additional amount" shall be the obligation of Grantors herein, their heirs, successors, and assigns, to the extent only that such "additional amount" shall be deducted from royalty on gas otherwise payable to Grantors (one-half deducted from the Jones Group gas royalty and one-half deducted from the Kerlin gas royalty), even though such monies may actually be delivered to Grantee by the lessee or gas purchaser, as the case may be. It is provided, however, that Grantee's non-participating royalty as to gas shall not in any case exceed ten percent (10%) of the actual sales proceeds for gas as at the well head.

4. The term "market value" as used in this instrument with reference to gas only shall be determined by:

(a) taking the average of the three highest prices paid in Texas Railroad Commission District No. 4 for the purchase of gas of substantially equivalent pressure, depth, deliverability, quality, location and BTU

content (and in the same regulatory pricing bracket) and other factors as may be used in the future for Federal or State price regulation and as such prices are shown on the Natural Gas Pricing List ERP 200 issued as of December 1, 1980, and each December 1 thereafter, by the Office of Energy Resources, Texas General Land Office (or the successor to such listing); and then

(b) using such average as "market value" as of January 1, 1981, for the calendar year 1981. Similarly, the "market value" for each succeeding calendar year shall be determined as above based on similar price calculations as of the December 1 preceding. The average being used since January 1, 1981, for wells in Tract 1 is \$2.64 per million BTU and will continue in effect for the calendar year 1981; and

(c) the average to be used in event of complete price deregulation will be the average of the three highest prices paid in said District No. 4 for the purchase of gas of substantially equivalent pressure, depth, deliverability, quality, location and BTU content, used for each calendar year and based as aforesaid on such average price as of the December 1 preceding such calendar year.

5. Nothing in Paragraphs 3 and 4, above, shall affect the basis for calculation of royalty to Grantee on oil and/or other non-gaseous substances produced under the Kerlin Lease, such royalty being $3/32$ of proceeds of sale as at the well head or other point of production of said oil and/or other non-gaseous substance produced, saved and sold under the Kerlin Lease, as the same may be from time to time amended.

6. On any oil, gas or mineral lease in Tract 1 executed subsequent to the date of this Conveyance, the Grantee's $3/32$ royalty on any gas produced, saved and sold from Tract 1 shall be calculated on the basis of "market value" as described in Paragraphs 3 and 4, above, but without the ten percent (10%) limit specified in said Paragraph 3; provided, however, that if because of market conditions prevailing at the time of the execution of such "subsequent lease," the mineral owners executing the same

feel compelled, in the interest of making a lease, to accept a gas royalty provision which results in a royalty based on "amount realized for gas at the well head" then the total royalty on gas payable to the State under such "subsequent lease" shall be determined on the basis set forth in Paragraph 3 above, including the ten percent (10%) limit specified in said Paragraph 3.

7. On any oil, gas or mineral lease in Tract 1 executed subsequent to the date of this Conveyance, the Grantee's royalty payable in respect of oil and/or other non-gaseous substance shall be 3/32 of proceeds of sale as at the well head or other point of production of said oil and/or other non-gaseous substance produced, saved and sold under such "subsequent lease," as the same may be from time to time amended.

8. Grantors may pool and unitize Tract 1, or any part thereof, with other land or lands that are adjacent to Tract 1 and bind the royalty herein conveyed in so doing, in which event, the Grantee shall be seized and possessed of its interest in such royalty that may be allocated to Tract 1, or any parts thereof, as a part of a unit of development, and provided further that such pooling and unitization may be made either upon a pro rata acreage basis or density basis.

9. This Conveyance is made by Grantors without representation or warranty of any kind, express or implied, except that each Grantor represents and warrants to Grantee that such title as is conveyed by each such Grantor to the Grantee hereunder is derived by such Grantor as a party to or as a successor in interest of a party to State v. Balli, 144 Tex. 195, 190 S.W.2d 71 (1944), and/or United States v. 34,884 Acres of Land, et al., Civil Action No. 142, United States District Court for the Southern District of Texas, Brownsville Division.

TO HAVE AND TO HOLD the above-described 3/32 non-participating royalty interest in all oil, gas and other minerals in, upon and underlying the above-described lands unto the State of Texas, its successors and assigns, forever.

IN WITNESS WHEREOF, the Grantors above-named have executed these presents this 26th day of June, 1981.

Barbara P. Niedringhaus
Barbara P. Niedringhaus, as co-trustee under the will of Laurence R. Jones, deceased

THE STATE OF MISSOURI §
 §
COUNTY OF Jackson §

BEFORE ME, the undersigned authority, on this day personally appeared Barbara P. Niedringhaus, co-trustee, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed, in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 26th day of June, 1981.

MILDRED L. BAKER
Notary Public - State of Missouri
Commissioned in Jackson County
My Commission Expires Oct. 3, 1984

Mildred L. Baker
Notary Public in and for
Jackson County, Missouri
(Stamped or Printed Name of Notary)
My Commission Expires: October 3, 1984

COMMERCE BANK OF KANSAS CITY, N.A.,
as co-trustee under the will of
Laurence R. Jones, deceased

By George Reinman RAO
 SR. VICE PRES.

THE STATE OF MISSOURI §
 §
COUNTY OF JACKSON §

BEFORE ME, the undersigned authority, on this day personally appeared GEORGE REINMAN, ^{SENIOR} VICE PRESIDENT, known to me to be the person whose name is subscribed to the foregoing instrument,

and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 19th day of June, 1981.

Linda G. Sumonja
Notary Public in and for
JACKSON County, Missouri

(Stamped or Printed Name of Notary)
My Commission Expires: _____

LINDA G. SUMONJA
Notary Public, State of Missouri
Commissioned in Platte County
My Commission Expires May 6, 1984

Virginia Jones Mullin
Virginia Jones Mullin

THE STATE OF ARIZONA §
 §
COUNTY OF PIMA §

BEFORE ME, the undersigned authority, on this day personally appeared Virginia Jones Mullin, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 7 day of August, 1981.

William R. White
Notary Public in and for
PIMA County, Arizona

My Commission Expires on December 10, 1981
(Stamped or Printed Name of Notary)

My Commission Expires: _____
My Commission Expires on December 10, 1981

Wayne V. Jones

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Wayne V. Jones, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 1981.

Notary Public in and for
Harris County, Texas

(Stamped or Printed Name of Notary)

My Commission Expires: _____

Harold H. Jones
Harold H. Jones

THE STATE OF HAWAII §
 §
COUNTY OF Mau §

BEFORE ME, the undersigned authority, on this day personally appeared Harold H. Jones, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 7th day of July, 1981.

Jane Felicilda
Notary Public in and for State of Hawaii
Mau County, Hawaii

Jane Felicilda
(Stamped or Printed Name of Notary)

My Commission Expires: 7-23-82

Eleanor Jones Florance
Eleanor Jones Florance

Gilbert Kerlin

Gilbert Kerlin, individually
and as trustee

THE STATE OF NEW YORK §
 §
COUNTY OF New York §

BEFORE ME, the undersigned authority, on this day personally appeared Gilbert Kerlin, individually and as trustee, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 9th day of June, 1981.

CECILIA ANN PARZIALE
Notary Public, State of New York
No. 43-4528354
Qualified in Richmond County
Commission Expires March 30, 1982

Cecilia Ann Parziale
Notary Public in and for
New York County, New York

My Commission Expires: March 30, 1982

Accepted by the State of Texas this the 3RD day of MARCH, 1982.

THE STATE OF TEXAS

By Bob Armstrong
Bob Armstrong, Commissioner of
the General Land Office of
the State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

BEFORE ME, the undersigned authority, on this day personally appeared Bob Armstrong, Commissioner of the General Land Office of the State of Texas, known to me to be the person whose name is

subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 3rd day of March, 1982.

Dorothy J Alexander
Notary Public in and for
Travis County, Texas

DOROTHY F. ALEXANDER
(Stamped or Printed Name of Notary)

My Commission Expires: Sept. 26, 1985

EXHIBIT A

DESCRIPTION: TRACT 1

Tract No. 1: 10,223.20 Acres on South Padre
Island in Cameron County, Texas

10,223.20 acres, more or less, on South Padre Island in Cameron County, Texas: the said 10,223.20 acres, more or less, being all that certain portion of the said South Padre Island lying above the line of Mean Higher High Tide of the Laguna Madre on the west, and being west of the western lines of a survey accomplished by J. Stuart Boyles, in 1941, for the Office of the Attorney General of the State of Texas; and also lying between the Cameron-Willacy County line, on the north, and the north boundary of a certain tract commonly known as the "King 6,000 acres" on Padre Island; and the said 10,223.20 acres, more or less, having been surveyed by the firm Claunch & Associates in the months of January through March of 1971, the said 10,223.20 acres, more or less, is accordingly and hereby described as follows:

BEGINNING at the place of intersection of the County Line, between Cameron and Willacy Counties, with the west line of the above mentioned J. Stuart Boyles Survey of 1941, for the northeast corner of this tract; the said place of intersection being marked by a 4½" x 4½" concrete monument bearing the initials "SC" on the north side thereof; and the said monument having been placed at the said place of intersection for the southwest corner of the South Padre Shores Subdivision, according to a map thereof in Volume 2, Page 45, of the Map Records of Willacy County, Texas; and the said corner being at coordinate position X = 2,411,616.676 and Y = 272,682.153 on the plane of the Texas Coordinate System (South Zone):

THENCE with a line for "County Line" between Cameron and Willacy Counties, North 39°-57'-32" West, at 2,933.83 varas (8,149.53 ft.) a 4½" x 4½" concrete monument bearing the initials "SC" on the north side thereof; and at an approximate additional distance of 2,517.40 varas (6,992.77 ft.) for an approximate total distance of 5,451.23 varas (15,142.29 ft.) intersect the line of Mean Higher High Tide of the Laguna Madre; at which approximate place of intersection is located a 4½" x 4½" concrete monument bearing the initial "C" and having thereon a 1" diameter aluminum cap stamped "C+A Survey"; the said monument being at coordinate position X = 2,395,474.390 and Y = 272,692.993 on the plane of the Texas Coordinate System (South

Description: 10,223.20 Acres: Tract No. 1 (Cont'd)

Zone); and the said place of intersection of the County line, between Cameron and Willacy Counties, with the line of Mean Higher High Tide of the Laguna Madre being the northwest corner of the 10,223.20 acres, more or less, herein described:

THENCE Southerly with meander of the line of Mean Higher High Tide of the Laguna Madre, approximately as follows:

South 13°-00'-03" East,	548.75 varas	(1,524.31 ft.)
South 13°-35'-04" East,	926.80 varas	(2,574.44 ft.)
South 20°-06'-45" East,	1,540.25 varas	(4,273.47 ft.)
South 13°-50'-50" East,	397.60 varas	(1,104.45 ft.)
South 43°-55'-17" East,	121.42 varas	(337.29 ft.)
South 17°-36'-03" East,	1,491.56 varas	(4,143.23 ft.)
South 25°-17'-43" East,	324.81 varas	(902.24 ft.)
South 20°-59'-53" East,	639.53 varas	(1,776.48 ft.)
South 20°-33'-47" East,	620.23 varas	(1,722.87 ft.)
South 5°-50'-22" East,	406.38 varas	(1,128.94 ft.)
South 30°-40'-47" East,	367.37 varas	(1,020.48 ft.)
South 1°-03'-53" West,	273.73 varas	(760.35 ft.)
South 18°-12'-04" East,	202.47 varas	(562.42 ft.)
South 28°-42'-05" East,	249.28 varas	(692.44 ft.)
South 5°-38'-52" East,	359.92 varas	(999.78 ft.)
South 62°-43'-23" East,	174.57 varas	(484.91 ft.)
South 14°-15'-03" East,	554.25 varas	(1,539.58 ft.)
South 33°-52'-03" East,	960.95 varas	(2,669.30 ft.)
South 40°-21'-48" East,	545.37 varas	(1,514.91 ft.)
South 32°-09'-36" East,	399.01 varas	(1,108.35 ft.)
South 73°-59'-44" East,	112.62 varas	(312.83 ft.)
South 27°-41'-27" East,	241.92 varas	(672.01 ft.)
South 75°-37'-41" East,	309.71 varas	(860.30 ft.)
South 36°-20'-11" East,	293.29 varas	(823.59 ft.)
South 56°-11'-17" East,	248.34 varas	(689.83 ft.)
South 51°-29'-38" East,	432.20 varas	(1,200.55 ft.)
South 68°-01'-17" East,	389.00 varas	(1,080.55 ft.)
South 56°-46'-34" East,	585.34 varas	(1,625.94 ft.)
South 56°-45'-43" East,	601.77 varas	(1,671.58 ft.)
South 43°-43'-42" East,	344.12 varas	(955.90 ft.)
South 53°-23'-19" East,	412.13 varas	(1,144.93 ft.)
South 38°-23'-49" East,	730.65 varas	(2,029.57 ft.)
South 29°-25'-37" East,	449.51 varas	(1,243.92 ft.)
South 6°-09'-57" East,	373.82 varas	(1,038.40 ft.)
South 11°-45'-44" East,	294.64 varas	(813.44 ft.)
South 26°-38'-39" East,	569.93 varas	(1,583.23 ft.)

Description: 10,223.20 Acres: Tract No. 1 (Cont'd)

South 41°-33'-07" East, 266.39 varas (739.96 ft.)
South 10°-12'-56" East, 147.12 varas (408.68 ft.)
South 38°-50'-51" East, 245.09 varas (680.30 ft.) and

South 16°-33'-12" East, approximately 233.96 varas (649.39 ft.) to an intersection with the western line of the J. Stuart Boyles Survey of 1941 as above mentioned; the said place of intersection being approximately North 16°-38'-12" West, 406.62 varas (1,129.51 ft.) from a 4½"x4½" concrete monument, marked "C", with a 1" diameter aluminum cap thereon stamped "C+A Survey"; the said monument being on the north boundary of a tract commonly referred to as the "King 5,000 Acres on South Padre Island" and said monument being at coordinate position X = 2,420,866.930 and Y = 229,117.490 on the plane of the Texas Coordinate System (South Zone); and the above mentioned place of intersection being the southern corner of the 10,223.20 acres, more or less, herein described:

THENCE northerly with the meander of the west lines of the said J. Stuart Boyles Survey of 1941, as follows;

North 3°-19'-32" West,	106.79 varas (296.65 ft.)
North 4°-29'-32" West,	500.00 varas (1,333.90 ft.)
North 6°-25'-32" West,	500.00 varas (1,333.90 ft.)
North 24°-10'-32" West,	500.04 varas (1,339.00 ft.)
North 19°-59'-32" West,	500.00 varas (1,333.90 ft.)
North 29°-57'-32" West,	500.00 varas (1,333.90 ft.)
North 31°-14'-32" West,	500.00 varas (1,333.90 ft.)
North 49°-05'-32" West,	500.08 varas (1,339.10 ft.)
North 0°-27'-23" East,	500.04 varas (1,339.00 ft.)
North 22°-00'-23" East,	731.47 varas (2,170.75 ft.)
North 21°-23'-32" West,	499.93 varas (1,333.70 ft.)
North 11°-23'-32" West,	1,299.91 varas (3,610.35 ft.)
North 13°-23'-32" West,	400.00 varas (1,111.10 ft.)
North 9°-23'-32" West,	1,500.01 varas (4,166.70 ft.)
North 14°-36'-23" East,	450.00 varas (1,250.01 ft.)
South 51°-23'-32" East,	373.00 varas (1,050.01 ft.)
North 19°-06'-23" East,	500.00 varas (1,333.90 ft.)
North 41°-06'-23" East,	950.00 varas (2,633.90 ft.)
North 56°-06'-23" East,	550.00 varas (1,527.79 ft.)
North 29°-23'-32" West,	412.99 varas (1,147.20 ft.)
North 5°-23'-32" West,	400.03 varas (1,111.20 ft.)
North 35°-23'-32" West,	300.00 varas (833.34 ft.)
North 13°-23'-32" West,	200.00 varas (555.56 ft.)
North 33°-23'-32" West,	450.00 varas (1,250.00 ft.)

Description: 10,223.20 Acres: Tract No. 1 (Cont'd)

North 25°-13'-32" West,	500.00 varas (1,388.90 ft.)
North 11°-53'-32" West,	275.00 varas (763.90 ft.)
North 52°-23'-32" West,	549.97 varas (1,527.70 ft.)
North 22°-37'-32" West,	749.95 varas (2,083.20 ft.)
South 86°-22'-28" West,	399.96 varas (1,111.00 ft.)
South 35°-36'-28" West,	399.96 varas (1,111.00 ft.)
North 17°-23'-32" West,	799.96 varas (2,222.10 ft.)
North 4°-23'-32" West,	349.99 varas (972.20 ft.)
North 51°-23'-32" West,	349.99 varas (972.20 ft.)
North 5°-23'-32" West,	499.93 varas (1,388.70 ft.)
North 13°-59'-23" East,	400.44 varas (1,112.34 ft.) and

North 19°-04'-02" West, a distance of 433.12 varas (1,203.12 ft.) to the place of beginning:

Containing an area of 10,223.20 acres, more or less, according to the dimensions herein stated. The bearings and distances stated herein are in reference to the meridian and grid plane of the Texas Coordinate System (South Zone) the "Scale Factor" of which, for this area, is 0.9999598; and the Line of Mean Higher High Tide, herein described approximates the meander of the contour of Elevation +0.20 above Mean Sea Level (1925 Sea Level Datum).

M. L. Claunch
Registered Public Surveyor

MLC:rc

SOUTH PADRE LAND COMPANY	§	IN THE DISTRICT COURT OF
and GILBERT KERLIN,	§	
Individually and as Trustee	§	
vs.	§	CAMERON COUNTY, T E X A S
	§	
THE STATE OF TEXAS, et al.	§	197TH JUDICIAL DISTRICT

FINAL JUDGMENT

BE IT REMEMBERED that on the 17th day of November, 1980 pursuant to due notice to all parties, came on for trial the above-styled and numbered cause wherein South Padre Land Company, and Gilbert Kerlin, Individually and as Trustee, are Plaintiffs and the Defendant is the State of Texas; whereupon came all parties, by and through their attorneys of record in this cause and announced ready for trial; and, it appearing to the Court that the Defendant has been duly cited and served with process herein and appeared herein, that the Court has jurisdiction of this cause, the subject matter hereof and the parties hereto, and that venue of this cause properly lies in Cameron County, Texas, a jury having been waived, this cause proceeded to trial whereupon the Plaintiffs adduced evidence in support of their respective claims to which evidence the State of Texas offered no rebuttal, and the State of Texas announced that it was not in agreement with the evidence adduced by the Plaintiffs, but would offer no evidence to the contrary. There were also offered and received in evidence certain stipulations of the parties which were marked "PX-20" and "PX-21." Plaintiff South Padre Land Company then disclaimed any ownership in the land which is the subject of this action ("Tract 3"), and Plaintiff Gilbert Kerlin, Individually and as Trustee, disclaimed any ownership in that portion of Tract 3 lying between the western boundary of Tract 3, as described below, and a line parallel with and at a perpendicular distance of 175 feet easterly from such western boundary, which line shall be referred to herein as the "State Line." The Court, having considered the evidence adduced, the stipulations offered and received in evidence, the pleadings, motions, briefs and the

arguments of counsel, and the disclaimers of Plaintiffs does hereby render the following judgment:

1. It is ORDERED, ADJUDGED AND DECREED that the portion of Tract 3, as hereinafter described, lying east of the State Line is above the line of mean higher high water of the Laguna Madre and that such area is a part of Padre Island. Tract 3 is a tract of land located partially in Willacy County and partially in Kenedy County, Texas, comprising approximately 5,234.97 acres, and being more particularly described in Exhibit A and depicted on the plat marked Exhibit B, such Exhibits A and B being attached to and made a part of this final judgment. It is further ORDERED, ADJUDGED AND DECREED that the State Line is at or east of the correct location of the intersection of the elevation of mean higher high water of the Laguna Madre with the western shore of Padre Island in the area of Tract 3.

2. It is further ORDERED, ADJUDGED AND DECREED that Gilbert Kerlin, Individually and as Trustee, is the owner of the mineral estate in all of that portion of Tract 3 which is outside of and to the west of Padre Island National Seashore and east of the State Line, and that the State of Texas is the owner of the surface estate in all of that portion of Tract 3 which is outside of and to the west of the Padre Island National Seashore and of the mineral estate in that portion of Tract 3 which lies between the State Line and the western boundary of Tract 3.

Strip 250 or 300 feet wide

Surface Only

3. It is further ORDERED, ADJUDGED AND DECREED that all mineral interests of every kind, including without limitation oil, gas and minerals of every kind and character, are expressly excepted and hereby reserved to Gilbert Kerlin, Individually and as Trustee, the owner of the mineral estate in that portion of Tract 3 east of the State Line and identified in paragraph 2, above, his respective heirs, representatives, successors and assigns; such mineral owner, his heirs, representatives, successors and assigns, having full rights as to such portion of Tract 3 to take all usual, reasonable and convenient means for the purposes of exploration, mining, drilling, investigating, prospecting for

and producing said minerals with full rights of ingress and egress for such purposes and in order to produce, save, sell, take care of, treat, transport and remove said minerals from said land and all parts thereof at all times for the purposes stated.

4. It is further ORDERED, ADJUDGED AND DECREED that the State shall retain, and Gilbert Kerlin, Individually and as Trustee, shall not be entitled to receive from the State, bonuses and delay rentals paid to the State by any lessee of leases within Tract 3 made prior to the date of entry of this judgment.

5. It is further ORDERED, ADJUDGED AND DECREED that the State is required to grant at all times, and at no cost to grantee, to Gilbert Kerlin, Individually and as Trustee, the mineral owner described in paragraph 2, above, his heirs, representatives, successors, lessees, assigns and transferees, such easements and rights-of-way of a quantity, size and location over State-owned lands (including submerged lands of the Laguna Madre) adjacent to Tract 3, as may from time to time be required by such mineral owner, heirs, representatives, successors, lessees, assigns or transferees, to construct, maintain and/or remove pipelines and barge channels for the transportation of mineral products in and from, and/or the delivery of water and supplies in and to said Tract 3, and/or in any way incidental to production of oil, gas and other minerals in Tract 3.

6. It is further ORDERED, ADJUDGED AND DECREED that the State Line shall be a fixed boundary and no longer be subject to change because of a change in the elevation of the tide, encroachment for any reason by water, temporary or permanent, or because of avulsion, reliction, accretion, erosion or any other causes whether natural or manmade and such described line shall, by this judgment, be a fixed non-tidal boundary.

7. It is further ORDERED, ADJUDGED AND DECREED that the State of Texas shall immediately after entry of this judgment remove from all current records and maps maintained by the State all statements, notations, depictions and indications that any

portion of Tract 3 east of the State Line is located within a submerged lease tract, and the State shall cause its current records, State lease tract maps and other current maps to be corrected to show, depict and reflect that the State Line is the boundary between the State's mineral estate and that adjudicated to Kerlin hereby in the area of Tract 3.

8. It is further ORDERED, ADJUDGED AND DECREED that all relief not specifically granted herein is DENIED.

9. It is further ORDERED, ADJUDGED AND DECREED that each party shall bear all costs and expenses incurred by such party without claim for reimbursement to such party by any other party.

10. This judgment is a final judgment in that it disposes of all issues and parties in this suit.

SIGNED this _____ day of _____, 1981.

DARRELL HESTER, DISTRICT JUDGE
197th Judicial District Court

APPROVED:

McGINNIS, LOCHRIDGE & KILGORE
Texas Bank Building, Fifth Floor
900 Congress Avenue
Austin, Texas 78701
(512)476-6982

By: Shannon H. Ratliff
Shannon H. Ratliff

ATTORNEYS FOR PLAINTIFFS

THE STATE OF TEXAS

By: James R. Meyers
James R. Meyers, Assistant
Attorney General

GENERAL LAND OFFICE OF THE
STATE OF TEXAS

By: Bob Armstrong
Bob Armstrong, Commissioner

EXHIBIT A

DESCRIPTION: TRACT 3

Tract No. 3: 5,234.97 Acres on South Padre
Island in Willacy and Kenedy Counties, Texas

5,234.97 acres, more or less on South Padre Island in Willacy and Kenedy Counties, Texas; being 2,439.03 acres, more or less in Willacy County and 2,795.94 acres, more or less, in Kenedy County; and being all of that certain portion of South Padre Island lying between the centerline of the Port Mansfield Ship Channel, on the south, and, on the north, the northern boundary of a certain tract commonly known as the "Kerlin 20,000 acres in Willacy and Kenedy Counties"; and the said 5,234.97 acres, more or less, being located westerly from the west lines of a survey of said island accomplished in 1941 by J. Stuart Boyles for the Office of the Attorney General of the State of Texas; and the western boundary hereof being the line of Mean Higher High Tide of the Laguna Madre; and the said 5,234.97 acres, more or less, having been surveyed by the firm Claunch & Associates in the months of September-October of 1973, the said 5,234.97 acres is hereby, and accordingly, described as follows:

BEGINNING at the southeast corner of this tract in the centerline of the Port Mansfield Ship Channel at the place of intersection of said centerline with the above mentioned west line of the said J. Stuart Boyles Survey; the said southeast corner being at coordinate position X = 2,388,372.165 and Y = 327,283.619 on the plane of the Texas Coordinate System (South Zone):

THENCE with the centerline of the said Port Mansfield Ship Channel, South $87^{\circ}-07'-20''$ West, a distance of approximately 2,387.04 varas (6,630.80 ft.) to an intersection with a southerly projection of the line of Mean Higher High Tide of the Laguna Madre for the southwest corner of this 5,234.97 acres, more or less; the said place of intersection being approximately at Coordinate Position X = 2,381,749.10 and Y = 326,950.715:

THENCE northerly with the meander of the line of Mean Higher High Tide of the Laguna Madre, approximately as follows:

North $61^{\circ}-16'-35''$ West,	341.98 varas (949.94 ft.)
North $16^{\circ}-07'-05''$ West,	611.68 varas (1,699.10 ft.)
North $81^{\circ}-29'-35''$ East,	283.83 varas (738.41 ft.)

2439.03
2795.94

5234.97

Description: 5,234.97 Acres: Tract No. 3 (Cont'd)

North 33°-43'-15" West,	407.77 varas (1,132.70 ft.)
North 37°-24'-20" West,	897.57 varas (2,493.25 ft.)
North 31°-46'-35" West,	767.25 varas (2,131.26 ft.)
North 31°-51'-40" West,	1,019.64 varas (2,832.32 ft.)
North 37°-31'-55" West,	321.09 varas (2,280.81 ft.)
North 21°-57'-20" West,	594.31 varas (1,650.87 ft.)
North 39°-25'-05" West,	428.90 varas (1,191.39 ft.) and

North 6°-29'-40" East, 249.77 varas (693.82 ft.) to an intersection with a line for the "County Line" between Willacy and Kenedy Counties at coordinate position X = 2,373,779.170 and Y = 341,246.053; and thence continuing northerly with the line of Mean Higher High Tide of the Laguna Madre, approximately as follows:

North 6°-29'-40" East,	215.29 varas (593.03 ft.)
North 3°-10'-40" East,	636.02 varas (1,766.71 ft.)
North 28°-57'-15" West,	892.87 varas (2,480.20 ft.)
North 18°-25'-10" West,	352.49 varas (2,395.80 ft.)
North 25°-51'-45" West,	760.04 varas (2,111.21 ft.)
North 30°-10'-15" West,	504.14 varas (1,400.39 ft.)
North 26°-23'-40" West,	720.60 varas (2,001.67 ft.) and

North 31°-37'-05" West, 980.64 varas (2,723.99 ft.) to an intersection with a line for the north boundary of that certain tract commonly known as the "Kerlin 20,000 acres in Willacy and Kenedy Counties" the said place of intersection being the northwest corner of this tract and being approximately at Coordinate Position X = 2,358,044.403 and Y = 355,270.586:

THENCE with a line for the north boundary of the said "Kerlin 20,000 Acres", North 89°-23'-13" East, at approximately 3,152.37 varas (8,785.75 ft.) intersect a line for the western boundary of the "Padre Island National Seashore" at Coordinate Position X = 2,376,829.73 and Y = 355,351.60; and thence continuing an additional 252.44 varas (701.22 ft.) for a total distance of approximately 3,415.31 varas (9,486.97 ft.) to a 4½" x 4½" concrete monument, bearing the initials "SC" on the northside thereof, for an intersection with a western line of the J. Stuart Boyles Survey of 1941 as above mentioned and for the northeast corner of the 5,234.97 acres, more or less, herein described:

THENCE southerly with the meander of the said J. Stuart Boyles Survey;

Description: 5,234.97 Acres: Tract No. 3 (Cont'd)

South 21°-22'-00" East, 259.00 varas (719.45 ft.)
South 50°-20'-49" East, 499.94 varas (1,388.44 ft.)
South 14°-22'-09" East, 999.96 varas (2,777.66 ft.)
South 17°-22'-49" East, 499.91 varas (1,388.63 ft.)
South 3°-21'-34" East, 699.98 varas (1,944.40 ft.)
South 31°-22'-00" East, 600.00 varas (1,666.67 ft.)
South 15°-22'-00" East, 500.00 varas (1,388.39 ft.)
South 18°-22'-00" East, 500.00 varas (1,388.39 ft.)
South 13°-22'-00" East, 500.00 varas (1,388.39 ft.) and

South 24°-22'-00" East, 398.23 varas (1,106.19 ft.) to an intersection with a line for the "County Line" between Kenedy and Willacy Counties; said intersection being at Coordinate Position X = 2,382,530.82 and Y = 341,405.598; and thence continuing with the meander of the said J. Stuart Boyles survey

South 24°-22'-00" East, 101.77 varas (282.70 ft.) and

South 16°-31'-00" West, 533.53 varas (1,482.03 ft.) to an intersection with a line for the western boundary of the "Padre Island National Seashore"; and thence continuing;

South 16°-31'-00" West, 6.17 varas (17.14 ft.)
South 7°-07'-00" East, 500.00 varas (1,388.39 ft.)
South 25°-45'-00" East, 300.00 varas (833.33 ft.) and

South 37°-56'-00" East, 317.03 varas (380.77 ft.) to an intersection with a line for the western boundary of the "Padre Island National Seashore"; and thence continuing

South 37°-56'-00" East, 182.92 varas (503.12 ft.)
South 45°-49'-00" East, 600.00 varas (1,666.67 ft.)
South 26°-32'-00" East, 1,000.00 varas (2,777.78 ft.)
South 28°-45'-00" East, 700.00 varas (1,944.44 ft.) and

South 19°-52'-00" East, 1,474.24 varas (4,095.11 ft.) to the place of beginning:

Containing, according to the dimensions herein stated, a total area of 5,234.97 acres, more or less; of which 2,795.94 acres, more or less, are in Kenedy County and of which 2,795.94 acres a portion thereof being 360.72 acres, more or less in quantity, is located east of the above mentioned western boundary of the Padre Island

9A
Description: 5,234.97 Acres: Tract No. 3 (Cont'd)

National Seashore for a net area, west of the said Padre Island National Seashore, of 2,435.22 acres in Kenedy County; and of which 5,234.97 acres, more or less, 2,439.03 acres, more or less, are in Willacy County and a portion thereof being 294.62 acres, more or less in quantity, is located east of the above mentioned western boundary of the Padre Island National Seashore for a net area, west of the said Padre Island National Seashore of 2,144.41 acres, more or less in Willacy County; for a total net area, in Willacy and Kenedy Counties, of 4,579.63 acres more or less, lying west of the Padre Island National Seashore; and for a total area of 655.34 acres more or less lying east of the said Padre Island National Seashore western boundary.

M. L. Claunch
Registered Public Surveyor

MLC:rc

SOUTH PADRE LAND COMPANY	§	IN THE DISTRICT COURT OF
AND GILBERT KERLIN,	§	
Individually and as Trustee	§	
	§	CAMERON COUNTY, T E X A S
vs.	§	
	§	
THE STATE OF TEXAS, et al.	§	197TH JUDICIAL DISTRICT

FINAL JUDGMENT

BE IT REMEMBERED that on the 17th day of November, 1980 pursuant to due notice to all parties, came on for trial the above-styled and numbered cause wherein South Padre Land Company and Gilbert Kerlin, Individually and as Trustee, are Plaintiffs; and wherein the Defendants are the State of Texas, and the other party made a Defendant to this cause pursuant to Rule 39, Texas Rules of Civil Procedure, namely, Mobil Producing Texas & New Mexico, Inc.; whereupon came all parties, by and through their attorneys of record in this cause and announced ready for trial; and, it appearing to the Court that all Defendants have been duly cited and served with process herein and appeared herein, that the Court has jurisdiction of this cause, the subject matter hereof and the parties hereto, and that venue of this cause properly lies in Cameron County, Texas, a jury having been waived, this cause proceeded to trial whereupon the Plaintiffs adduced evidence in support of their respective claims to which evidence neither the State of Texas nor any other party to this cause offered any rebuttal, and the State of Texas announced that it was not in agreement with the evidence adduced by the Plaintiffs, but would offer no evidence to the contrary. There were also offered and received in evidence certain stipulations of the parties which were marked "PX-20" and "PX-21." The Court, having considered the evidence adduced, the stipulations offered and received in evidence and the pleadings, motions, briefs and the arguments of counsel, does hereby render the following judgment:

1. It is ORDERED, ADJUDGED AND DECREED that Tract 2, as hereinafter described, is above the line of mean higher high

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water of the Laguna Madre and that Tract 2 is a part of Padre Island. Tract 2 is a tract of land located in Willacy County, Texas, comprising approximately 11,925.60 acres, and being a part of the original grant of an island, now known as Padre Island, to Padre Nicolas Balli and his nephew Juan Jose Balli, such Tract 2 being more particularly described in Exhibit A and depicted on the plat marked Exhibit B, such Exhibits A and B being attached to and made a part of this final judgment. It is further ORDERED, ADJUDGED AND DECREED that the western boundary of Tract 2, as specified on Exhibits A and B, herein referred to as the "Claunch line", is the correct location of the intersection of the elevation of mean higher high water of the Laguna Madre with the western shore of Padre Island in the area of Tract 2 and that the Claunch line is the correct location of the western boundary of Padre Island in the area of Tract 2.

2. It is further ORDERED, ADJUDGED AND DECREED that Gilbert Kerlin, Individually and as Trustee, is the owner of the mineral estate in Tract 2, with the State having a 3/32 non-participating royalty interest and that South Padre Land Company and Mobil Producing Texas & New Mexico, Inc. are the owners of the entire surface estate in Tract 2, free and clear of all liens, claims, burdens and encumbrances in any wise asserted or claimed by the State of Texas, with South Padre Land Company owning all of such surface estate in Tract 2 except a 152.3469-acre tract owned by Mobil Producing Texas & New Mexico, Inc., successor in interest to Mobil Oil Corporation; the 152.3469-acre tract owned by Mobil Producing is referred to as "Parcel No. 1" in Exhibit "A" to a General Warranty Deed from South Padre Development, Inc. to Mobil Oil Corporation, recorded in Vol. 117, pages 285-294, of the Deed Records of Willacy County, Texas, and such tract owned by Mobil Producing is more fully described in such deed, to which reference is made for all purposes.

It is further ORDERED, ADJUDGED AND DECREED that a certain Easement Agreement between Mobil Oil Corporation (now Mobil Producing) and the State of Texas, identified more particularly

as Miscellaneous Easement No. 3115, Contract for Easement of State Submerged Land, recorded in Vol. 116, pages 870-877, of the Deed Records of Willacy County, Texas, to which reference is made for all purposes, shall continue in full force and effect and with the same rights to the respective parties thereto, except as to the easement rights granted in Tract 2, as described herein (and as depicted in Exhibit "A-1" to the Miscellaneous Easement No. 3115 as lying between the "Boyles survey" and the "Claunch survey"), and such easement rights in Tract 2 are hereby declared null and void; Mobil Producing's easement rights to the west of Padre Island shall hereafter commence at the Claunch line, rather than at the "Boyles Survey."

3. It is further ORDERED, ADJUDGED AND DECREED that all mineral interests of every kind, including without limitation oil, gas and minerals of every kind and character, are expressly excepted and hereby reserved to the owners of the mineral estate identified in paragraph 2, above, their respective heirs, representatives, successors and assigns; Gilbert Kerlin, Individually and as Trustee, his heirs, representatives, successors and assigns, having full rights as to Tract 2 and all parts thereof to take all usual, reasonable and convenient means for the purposes of exploration, mining, drilling, investigating, prospecting for and producing said minerals with full rights of ingress and egress for such purposes and in order to produce, save, sell, take care of, treat, transport and remove said minerals from said land and all parts thereof at all times for the purposes stated.

4. It is further ORDERED, ADJUDGED AND DECREED that the State shall retain, and Gilbert Kerlin, Individually and as Trustee, shall not be entitled to receive from the State, bonuses and delay rentals paid to the State by any lessee of leases from the State in Tract 2 made prior to the date of trial of this cause.

5. It is further ORDERED, ADJUDGED AND DECREED that the State is required to grant, at all times and at no cost to grantee,

to South Padre Land Company, its successors, assigns and transferees, such easements of a quantity, size and location over State lands at any time adjacent to Tract 2 as may from time to time be reasonably required by South Padre land Company, its successors, assigns, or transferees, to construct and maintain at their respective cost, canals suitable for pleasure boat access to the Intracoastal Canal and/or the Mansfield Ship Channel.

6. It is further ORDERED, ADJUDGED AND DECREED that the State is required to grant at all times, and at no cost to grantee, to Gilbert Kerlin, Individually and as Trustee, the mineral owner described in paragraph 2, above, his heirs, representatives, successors, lessees, assigns and transferees, such easements and rights-of-way of a quantity, size and location over State-owned lands (including submerged lands of the Laguna Madre) adjacent to Tract 2, as may from time to time be required by such mineral owner, heirs, representatives, successors, lessees, assigns or transferees, to construct, maintain and/or remove pipelines and barge channels for the transportation of mineral products in and from, and/or the delivery of water and supplies in and to said Tract 2, and/or in any way incidental to production of oil, gas and other minerals in Tract 2.

7. It is further ORDERED, ADJUDGED AND DECREED that the Claunch survey line in Tract 2 accurately describes the boundary between Padre Island and the State-owned Laguna Madre in the area of Tract 2. The tidal boundary so described by Claunch shall become a fixed boundary and no longer be subject to change because of a change in the elevation of the tide, encroachment for any reason by water, temporary or permanent, or because of avulsion, reliction, accretion, erosion or any other causes whether natural or manmade and such described line shall, by this judgment, become a fixed nontidal boundary. Provided, however, that for the purposes of the rights created or preserved by Sections 33.001 et seq. of the Texas Natural Resources Code the surface owners of Tract 2 shall be regarded as littoral or riparian owners.

8. It is further ORDERED, ADJUDGED AND DECREED that each party shall bear all costs and expenses incurred by such party, without claim for reimbursement to such party by any other party.

9. It is further ORDERED, ADJUDGED AND DECREED that all relief not specifically granted herein is DENIED.

10. This judgment is a final judgment in that it disposes of all issues and parties in this suit. However, except for the adjudications made in paragraph 2, it does not adjudicate respective rights or interests between the respective owners of Tract 2.

SIGNED this _____ day of _____, 1981.

DARRELL HESTER, DISTRICT JUDGE
197th Judicial District Court

APPROVED:

McGINNIS, LOCHRIDGE & KILGORE
Texas Bank Building, Fifth Floor
900 Congress Avenue
Austin, Texas 78701
(512)476-6982

By: Shannon H. Ratliff
Shannon H. Ratliff

ATTORNEYS FOR PLAINTIFFS

THE STATE OF TEXAS

By: James R. Meyers
James R. Meyers, Assistant
Attorney General

GENERAL LAND OFFICE OF THE
STATE OF TEXAS

By: Bob Armstrong
Bob Armstrong, Commissioner

Roy E. Merrill
Roy E. Merrill

ATTORNEY FOR MOBIL PRODUCING
TEXAS & NEW MEXICO, INC.

EXHIBIT A

DESCRIPTION: TRACT 2

Willacy County: North of Tract Q and west of Boyles to
Mansfield Channel

11,925.60 acres, more or less, on South Padre Island in Willacy County, Texas; the said 11,925.60 acres being all of that certain portion of the said South Padre Island lying between the center of the Port Mansfield Ship Channel, on the north; and the north boundary of a certain 350 foot wide strip across Padre Island formerly designated as "Tract Q", on the south; and being located westerly from the west lines of a survey of the said island as accomplished in 1941 by J. Stuart Boyles for the office of the Attorney General of the State of Texas; and the western boundary hereof being the line of Mean Higher High Tide of the Laguna Madre; and the said 11,925.60 acres being a part of a larger tract surveyed by the firm Claunch & Associates in the months of June through August of 1973, the said 11,925.60 acres is hereby and accordingly described as follows:

Commencing at the northwest corner of the South Padre Shores Subdivision - Section One, according to an Amended Map thereof in Volume 2, Page 45, of the Map Records of Willacy County; the said northwest corner being at coordinate position $X = 2,405,259.860$ and $Y = 287,724.799$ on the plane of the Texas Coordinate System (South Zone); thence northerly perpendicular to the north boundary of the said South Padre Shores Subdivision, North $0^{\circ}-02'-28''$ East, a distance of 5,878.50 feet (being 5,878.85 feet as a distance to be measured on the earth surface); and thence parallel with the north boundary of the said South Padre Shores Subdivision, North $39^{\circ}-57'-32''$ West, a distance of 2,198.73 feet to an intersection with a line for a portion of the western traverse of lines as surveyed by J. Stuart Boyles, above mentioned; the said place of intersection being on the north boundary of the said 350 foot wide "Tract Q" and being at coordinate position $X = 2,403,065.347$ and $Y = 293,604.873$; and also being the place of beginning of the 11,925.60 acres, more or less, herein described:

THENCE northerly with the western lines of the J. Stuart Boyles survey of 1941, as follows;

Description: Willacy County; N. of Tr. "Q" & W. of Boyles to
Mansfield Channel.

North 13°-40'-15" West,	284.10 varas (789.17 ft.),
North 9°-43'-05" West,	399.93 varas (1,111.05 ft.),
North 2°-00'-00" West,	399.94 varas (1,110.95 ft.),
North 6°-00'-00" East,	499.86 varas (1,388.51 ft.),
North 14°-41'-20" West,	499.89 varas (1,388.53 ft.),
North 15°-10'-20" West,	499.96 varas (1,388.79 ft.),
North 23°-17'-20" West,	499.95 varas (1,388.73 ft.),
North 44°-59'-40" West,	459.00 varas (1,275.00 ft.),
North 33°-40'-35" West,	449.98 varas (1,249.94 ft.),
North 5°-15'-00" West,	499.89 varas (1,388.57 ft.),
North 10°-03'-10" West,	399.91 varas (1,110.36 ft.),
North 11°-30'-15" West,	299.97 varas (833.24 ft.),
North 23°-04'-30" West,	349.99 varas (972.20 ft.),
North 29°-20'-40" West,	500.01 varas (1,388.91 ft.),
North 15°-29'-20" West,	400.02 varas (1,111.13 ft.),
North 5°-22'-15" West,	499.93 varas (1,388.32 ft.),
North 6°-53'-10" West,	400.01 varas (1,111.15 ft.),
North 14°-01'-00" West,	400.00 varas (1,111.11 ft.),
North 41°-13'-00" West,	400.00 varas (1,111.11 ft.),
North 53°-48'-00" West,	500.00 varas (1,388.39 ft.),
North 51°-59'-00" West,	350.00 varas (972.22 ft.),
North 44°-43'-00" West,	500.00 varas (1,388.39 ft.),
North 34°-03'-00" West,	400.00 varas (1,111.11 ft.),
North 29°-17'-00" West,	300.00 varas (833.33 ft.),
North 8°-11'-00" West,	500.00 varas (1,388.39 ft.),
North 43°-57'-00" West,	350.00 varas (972.22 ft.),
North 28°-06'-00" West,	1,000.00 varas (2,777.73 ft.),
North 32°-35'-00" West,	1,000.00 varas (2,777.73 ft.),
North 30°-36'-34" West,	452.54 varas (1,257.06 ft.) and

North 19°-52'-00" West, a distance of 225.73 varas (627.10 ft.) to an intersection with a line for the centerline of the Port Mansfield Channel; the said place of intersection being at Coordinate Position X = 2,388,372.132 and Y = 327,283.616 and also being the northeast corner of the 11,925.60 acres, more or less, herein described:

THENCE with a line for the centerline of the Port Mansfield Ship Channel, South 37°-07'-20" West, a distance of approximately 2,387.09 varas (6,630.91 feet) to an intersection with a northerly projection of the line of Mean Higher High Tide of the Laguna Madre for the northwest corner of this 11,925.60 acres, more or less; the said place of intersection being approximately at Coordinate Position X = 2,381,749.680 and Y = 326,950.713:

Description: Willacy County; N. of Tr. "Q" & W. of Boyles to
Mansfield Channel.

THENCE southerly with the meander of the line of Mean Higher High Tide of the Laguna Madre, approximately as follows;

South 23°-08'-15" East,	470.32 varas (1,306.44 ft.),
South 15°-05'-20" West,	316.04 varas (877.38 ft.),
South 82°-19'-40" East,	391.01 varas (1,086.14 ft.),
South 53°-05'-25" East,	647.90 varas (1,799.72 ft.),
South 14°-56'-05" East,	389.57 varas (1,082.13 ft.),
South 18°-41'-55" West,	470.23 varas (1,306.19 ft.),
South 41°-18'-30" West,	545.58 varas (1,515.51 ft.),
North 83°-20'-45" West,	467.47 varas (1,293.54 ft.),
South 69°-23'-55" West,	427.78 varas (1,183.28 ft.),
North 33°-47'-20" West,	794.49 varas (2,206.93 ft.),
South 25°-35'-05" West,	257.64 varas (713.36 ft.),
South 75°-25'-30" West,	290.15 varas (805.98 ft.),
South 24°-11'-40" West,	372.72 varas (1,035.32 ft.),
South 6°-41'-15" West,	1,183.62 varas (3,287.93 ft.),
South 8°-47'-05" East,	1,359.83 varas (3,777.31 ft.),
South 19°-43'-10" East,	1,125.94 varas (3,127.62 ft.),
South 16°-57'-20" East,	1,290.19 varas (3,583.35 ft.),
South 44°-07'-45" East,	1,486.39 varas (4,128.85 ft.),
South 22°-14'-20" East,	980.04 varas (2,722.32 ft.),
South 5°-32'-25" East,	1,223.80 varas (3,399.45 ft.),
South 8°-43'-00" East,	319.57 varas (2,276.59 ft.) and

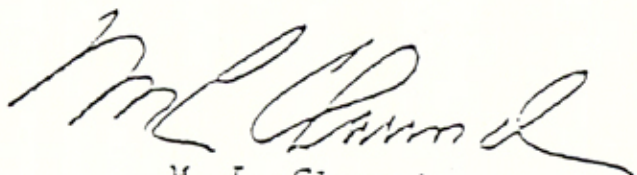
South 25°-50'-30" East, 771.03 varas (2,141.74 ft.) to an intersection with a line for the north boundary of the above mentioned "Tract Q" for the southwest corner of the 11,925.60 acres, more or less, herein described; the said place of intersection being located, according to the dimensions herein stated, at Coordinate Position X = 2,386,058.448 and Y = 293,317.077:

THENCE with the said line for the northern boundary of "Tract Q", South 89°-57'-32" East, a distance of approximately 6,122.49 varas (17,006.91 ft.) to the place of beginning:

Containing, according to the dimensions herein stated, an area of 11,925.60 acres, more or less. The bearings and distances stated herein are in reference to the meridian and grid plane of the Texas Coordinate System (South Zone) the "Scale Factor" of which, for this area is 0.9999388; and the line of Mean Higher High Tide, herein

Description: Willacy County; N. of Tr. "Q" & W. of Boyles to
Mansfield Channel.

described approximates the meander of a gradient being +0.15 feet above Mean Sea Level (1929 Sea Level Datum) at the Cameron-Willacy County line and being +0.25 feet above Mean Sea Level (1929 Sea Level Datum) at the northwest corner of this tract.



M. L. Claunch
Registered Public Surveyor

MLC:rc

Ex. A, p.4 of 4

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STATE OF TEXAS §
 §
COUNTY OF CAMERON §

CONVEYANCE OF ROYALTY INTEREST

KNOW ALL MEN BY THESE PRESENTS:

1. That Gilbert Kerlin, Individually and as Trustee, hereinafter called "Grantor," for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, convey and assign unto the State of Texas and its successors and assigns, hereinafter called "Grantee," as a permanent non-participating royalty interest, an undivided three-thirty-seconds (3/32) of all oil, gas and other minerals situated in, upon and underlying, and that may be produced by any means from, certain lands situated in Willacy County, Texas, which lands are more particularly described in Exhibit A, attached hereto and made a part hereof, and which lands are hereinafter referred to as "Tract 2"; provided, however, that Grantor hereby reserves to himself, his heirs, representatives, successors and assigns, the exclusive right to control the mining and production of all such oil, gas and other minerals in, upon and underlying Tract 2, together with the exclusive right to make and execute all oil, gas and other mineral leases and all other contracts providing for exploration and development of oil, gas and other minerals in, upon and underlying Tract 2, and Grantor herein further reserves to himself, his heirs, representatives, successors and assigns, the exclusive right to receive and retain all payments by way of bonuses, delay rentals and other similar payments.

2. Provided, however, that out of monies payable as royalty on gas by any lessee, there shall also be paid to Grantee for royalty on gas an additional amount, if any, so that the total 3/32 non-participating royalty on gas received by Grantee shall be an amount calculated on the basis of "market value" as that term is defined below. Such "additional amount" shall be the

obligation of Grantor herein to the extent only that such "additional amount" shall be deducted from royalty on gas otherwise payable to Grantor, even though such monies may actually be delivered to Grantee by the lessee or gas purchaser, as the case may be. It is provided, however, that Grantee's non-participating royalty as to gas shall not in any case exceed ten percent (10%) of the actual sales proceeds for gas as at the well head.

3. The term "market value" as used in this instrument with reference to gas only shall be determined by:

(a) taking the average of the three highest prices paid in Texas Railroad Commission District No. 4 for the purchase of gas of substantially equivalent pressure, depth, deliverability, quality, location and BTU content (and in the same regulatory pricing bracket) and other factors as may be used in the future for Federal or State price regulation and as such prices are shown on the Natural Gas Pricing List ERP 200 issued as of December 1, 1980, and each December 1 thereafter, by the Office of Energy Resources, Texas General Land Office (or the successor to such listing); and then

(b) using such average as "market value" as of January 1, 1981, for the calendar year 1981. Similarly, the "market value" for each succeeding calendar year shall be determined as above based on similar price calculations as of the December 1 preceding; and

(c) the average to be used in event of complete price deregulation will be the average of the three highest prices paid in said District No. 4 for the purchase of gas of substantially equivalent pressure, depth, deliverability, quality, location and BTU content, used for each calendar year and based as aforesaid on such average price as of the December 1 preceding such calendar year.

4. On any oil, gas or mineral lease in Tract 2 executed subsequent to the date of this Conveyance, the Grantee's 3/32 royalty on any gas produced, saved and sold from Tract 2 shall be calculated on the basis of "market value" as described in Paragraphs 2 and 3, above, but without the ten percent (10%) limit

specified in said Paragraph 2; provided, however, that if because of market conditions prevailing at the time of the execution of such "subsequent lease," the mineral owner executing the same feels compelled, in the interest of making a lease, to accept a gas royalty provision which results in a royalty based on "amount realized for gas at the well head" then the total royalty on gas payable to Grantee under such "subsequent lease" shall be determined on the basis set forth in Paragraph 2 above, including the ten percent (10%) limit specified in said Paragraph 2.

5. On any oil, gas or mineral lease in Tract 2 executed subsequent to the date of this Conveyance, the Grantee's royalty payable in respect of oil and/or other non-gaseous substance shall be 3/32 of proceeds of sale as at the well head or other point of production of said oil and/or other non-gaseous substance produced, saved and sold under such "subsequent lease," as the same may be from time to time amended.

6. Grantor may pool and unitize Tract 2, or any part thereof, with other land or lands that are adjacent to Tract 2 and bind the royalty herein conveyed in so doing, in which event, the Grantee shall be seized and possessed of its interest in such royalty that may be allocated to Tract 2, or any parts thereof, as a part of a unit of development, and provided further that such pooling and unitization may be made either upon a pro rata acreage basis or density basis.

7. This Conveyance is made by Grantor without representation or warranty of any kind, express or implied, except that Grantor represents and warrants to Grantee that such title as is conveyed by Grantor to the Grantee hereunder is derived by Grantor as a party to or as a successor in interest of a party to State v. Balli, 144 Tex. 195, 190 S.W.2d 71 (1944), and/or United States v. 34,884 Acres of Land, et al., Civil Action No. 142, United States District Court for the Southern District of Texas, Brownsville Division.

TO HAVE AND TO HOLD the above-described 3/32 non-participating royalty interest in all oil, gas and other minerals in, upon and underlying the above-described lands unto the State of Texas, its successors and assigns, forever.

IN WITNESS WHEREOF, the Grantor above-named has executed these presents this 9th day of June, 1981.

Gilbert Kerlin
Gilbert Kerlin, individually
and as trustee

THE STATE OF NEW YORK §
COUNTY OF New York §

BEFORE ME, the undersigned authority, on this day personally appeared Gilbert Kerlin, individually and as trustee, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 9th day of June, 1981.

CECILIA ANN PARZIALE
Notary Public, State of New York
No. 434528354
Qualified in Rich and County
Commission Expires March 30 1982

Cecilia Ann Parziale
Notary Public in and for
New York County, New York

My Commission Expires: March 30, 1982

Accepted by the State of Texas this the 3RD day of MARCH, 1981.

THE STATE OF TEXAS

By Bob Armstrong
Bob Armstrong, Commissioner of
the General Land Office of
the State of Texas

THE STATE OF TEXAS
COUNTY OF TRAVIS

§
§
§

BEFORE ME, the undersigned authority, on this day personally appeared Bob Armstrong, Commissioner of the General Land Office of the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 3rd day of March, 1982.

Dorothy J. Alexander
Notary Public in and for
Travis County, Texas

DOROTHY J. ALEXANDER
(Stamped or Printed Name of Notary)

My Commission Expires: Sept. 26, 1985

EXHIBIT A

DESCRIPTION: TRACT 2

Willacy County: North of Tract Q and west of Boyles to
Mansfield Channel

11,925.60 acres, more or less, on South Padre Island in Willacy County, Texas; the said 11,925.60 acres being all of that certain portion of the said South Padre Island lying between the center of the Port Mansfield Ship Channel, on the north; and the north boundary of a certain 350 foot wide strip across Padre Island formerly designated as "Tract Q", on the south; and being located westerly from the west lines of a survey of the said island as accomplished in 1941 by J. Stuart Boyles for the office of the Attorney General of the State of Texas; and the western boundary hereof being the line of Mean Higher High Tide of the Laguna Madre; and the said 11,925.60 acres being a part of a larger tract surveyed by the firm Claunch & Associates in the months of June through August of 1973, the said 11,925.60 acres is hereby and accordingly described as follows:

Commencing at the northwest corner of the South Padre Shores Subdivision - Section One, according to an Amended Map thereof in Volume 2, Page 45, of the Map Records of Willacy County; the said northwest corner being at coordinate position $X = 2,405,259.860$ and $Y = 287,724.799$ on the plane of the Texas Coordinate System (South Zone); thence northerly perpendicular to the north boundary of the said South Padre Shores Subdivision, North $0^{\circ}-02'-28"$ East, a distance of 5,878.60 feet (being 5,878.85 feet as a distance to be measured on the earth surface); and thence parallel with the north boundary of the said South Padre Shores Subdivision, North $39^{\circ}-57'-32"$ West, a distance of 2,198.73 feet to an intersection with a line for a portion of the western traverse of lines as surveyed by J. Stuart Boyles, above mentioned; the said place of intersection being on the north boundary of the said 350 foot wide "Tract Q" and being at coordinate position $X = 2,403,065.347$ and $Y = 293,604.873$; and also being the place of beginning of the 11,925.60 acres, more or less, herein described:

THENCE northerly with the western lines of the J. Stuart Boyles survey of 1941, as follows;

Description: Willacy County; N. of Tr. "Q" & W. of Boyles to
Mansfield Channel.

North 13°-40'-15" West,	284.10 varas (789.17 ft.),
North 9°-43'-05" West,	399.98 varas (1,111.05 ft.),
North 2°-00'-00" West,	399.94 varas (1,110.95 ft.),
North 6°-00'-00" East,	499.86 varas (1,388.51 ft.),
North 14°-41'-20" West,	499.39 varas (1,388.53 ft.),
North 16°-10'-20" West,	499.96 varas (1,388.79 ft.),
North 23°-17'-20" West,	499.95 varas (1,388.76 ft.),
North 44°-59'-40" West,	459.00 varas (1,275.00 ft.),
North 33°-40'-35" West,	449.98 varas (1,249.94 ft.),
North 5°-16'-00" West,	499.39 varas (1,388.57 ft.),
North 10°-03'-10" West,	399.91 varas (1,110.36 ft.),
North 11°-30'-15" West,	299.97 varas (832.24 ft.),
North 23°-04'-30" West,	349.99 varas (972.20 ft.),
North 28°-20'-40" West,	500.01 varas (1,388.91 ft.),
North 15°-29'-20" West,	400.02 varas (1,111.18 ft.),
North 5°-22'-15" West,	499.98 varas (1,388.82 ft.),
North 6°-53'-10" West,	400.01 varas (1,111.15 ft.),
North 14°-01'-00" West,	400.00 varas (1,111.11 ft.),
North 41°-13'-00" West,	400.00 varas (1,111.11 ft.),
North 53°-48'-00" West,	500.00 varas (1,388.39 ft.),
North 51°-59'-00" West,	350.00 varas (972.22 ft.),
North 44°-43'-00" West,	500.00 varas (1,388.39 ft.),
North 34°-03'-00" West,	400.00 varas (1,111.11 ft.),
North 29°-17'-00" West,	300.00 varas (833.33 ft.),
North 8°-11'-00" West,	500.00 varas (1,388.39 ft.),
North 43°-57'-00" West,	350.00 varas (972.22 ft.),
North 28°-06'-00" West,	1,000.00 varas (2,777.73 ft.),
North 32°-35'-00" West,	1,000.00 varas (2,777.73 ft.),
North 30°-36'-34" West,	452.54 varas (1,257.06 ft.) and

North 19°-52'-00" West, a distance of 225.76 varas (627.10 ft.) to an intersection with a line for the centerline of the Port Mansfield Channel; the said place of intersection being at Coordinate Position X = 2,388,372.132 and Y = 327,283.616 and also being the northeast corner of the 11,925.60 acres, more or less, herein described:

THENCE with a line for the centerline of the Port Mansfield Ship Channel, South 37°-07'-20" West, a distance of approximately 2,387.09 varas (6,630.81 feet) to an intersection with a northerly projection of the line of Mean Higher High Tide of the Laguna Madre for the northwest corner of this 11,925.60 acres, more or less; the said place of intersection being approximately at Coordinate Position X = 2,381,749.630 and Y = 326,950.713:

Description: Willacy County; N. of Tr. "Q" & W. of Boyles to
Mansfield Channel.

THENCE southerly with the meander of the line of Mean Higher High Tide of the Laguna Madre, approximately as follows;

South 23°-08'-15" East,	470.32 varas (1,306.44 ft.),
South 16°-05'-20" West,	316.04 varas (877.38 ft.),
South 82°-19'-40" East,	391.01 varas (1,086.14 ft.),
South 53°-05'-25" East,	647.90 varas (1,799.72 ft.),
South 14°-56'-05" East,	389.57 varas (1,082.13 ft.),
South 18°-41'-55" West,	470.23 varas (1,306.19 ft.),
South 41°-18'-30" West,	545.58 varas (1,515.51 ft.),
North 83°-20'-45" West,	467.47 varas (1,298.54 ft.),
South 69°-23'-55" West,	427.78 varas (1,188.28 ft.),
North 33°-47'-20" West,	794.49 varas (2,206.93 ft.),
South 25°-35'-05" West,	257.64 varas (715.66 ft.),
South 75°-25'-30" West,	290.15 varas (805.98 ft.),
South 24°-11'-40" West,	372.72 varas (1,035.32 ft.),
South 6°-41'-15" West,	1,183.62 varas (3,287.83 ft.),
South 8°-47'-05" East,	1,359.83 varas (3,777.31 ft.),
South 19°-43'-10" East,	1,125.94 varas (3,127.62 ft.),
South 16°-57'-20" East,	1,290.19 varas (3,583.85 ft.),
South 44°-07'-45" East,	1,486.39 varas (4,128.85 ft.),
South 22°-14'-20" East,	980.04 varas (2,722.32 ft.),
South 5°-32'-25" East,	1,223.80 varas (3,399.45 ft.),
South 8°-43'-00" East,	819.57 varas (2,276.59 ft.) and

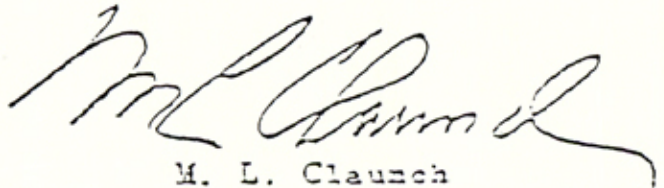
South 25°-50'-30" East, 771.03 varas (2,141.74 ft.) to an intersection with a line for the north boundary of the above mentioned "Tract Q" for the southwest corner of the 11,925.60 acres, more or less, herein described; the said place of intersection being located, according to the dimensions herein stated, at Coordinate Position X = 2,386,058.448 and Y = 293,617.077:

THENCE with the said line for the northern boundary of "Tract Q", South 89°-57'-32" East, a distance of approximately 5,122.49 varas (17,006.91 ft.) to the place of beginning:

Containing, according to the dimensions herein stated, an area of 11,925.60 acres, more or less. The bearings and distances stated herein are in reference to the meridian and grid plane of the Texas Coordinate System (South Zone) the "Scale Factor" of which, for this area is 0.9999388; and the line of Mean Higher High Tide, herein

Description: Willacy County; N. of Tr. "Q" & W. of Boyles to
Mansfield Channel.

described approximates the heander of a gradient being +0.15 feet above Mean Sea Level (1929 Sea Level Datum) at the Cameron-Willacy County line and being +0.25 feet above Mean Sea Level (1929 Sea Level Datum) at the northwest corner of this tract.



M. L. Claunch
Registered Public Surveyor

MLC:rc

Ex. A, p.4 of 4

Counter 17097

DEED

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF WILLACY §

THAT South Padre Land Company, hereinafter called "Grantor," for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, convey and assign unto the State of Texas, and its successors and assigns, hereinafter called "Grantee," subject to the condition and the reservations contained herein, the surface only in certain lands situated in Willacy County, Texas, which lands are more particularly described in Exhibit A, attached hereto and made a part hereof.

This grant conveys the surface only in the above-described lands. All minerals and mineral interests of every kind are expressly excepted herefrom and reserved to the record owners thereof.

This grant of the above-described lands is expressly subject to the condition that Grantee, its successors, lessees and assigns, shall not develop the said conveyed lands for commercial or residential purposes within thirty (30) years from the date of execution hereof, and if said conveyed lands are used for such purposes during said thirty (30) year period Grantor shall have the right to re-enter and repossess said conveyed lands and thereby reacquire all the right, title and interest conveyed hereby. Nothing herein shall prohibit Grantee from using said conveyed lands for public purposes such as, but not limited to, a park with all of the customary park development and uses, a wildlife refuge or other similar State-owned facilities.

This grant is made by Grantor without representation or warranty of any kind, express or implied, except that Grantor represents and warrants to Grantee that such title as is conveyed by Grantor to Grantee hereunder is derived by Grantor as a successor-in-interest of a party to State v. Balli, 144 Tex. 195,

190 S.W.2d 71 (1944), and/or United States v. 34, 884 acres of land, et al., Civil Action Number 142, United States District Court for the Southern District of Texas, Brownsville Division.

TO HAVE AND TO HOLD the above-described property unto the said Grantee, its successors and assigns, forever. Save and except and there are hereby reserved unto Grantor, its successors and assigns, at no cost to Grantor, such easements of a quantity, size and location over the above-described suitable for pleasure boat access to the intracoastal canal and/or the Port Mansfield ship channel.

SOUTH PADRE LAND COMPANY

BY: Paul Patrick
Paul Patrick, President
VICE

THE STATE OF TEXAS §
 HARRIS §
COUNTY OF ~~WILLACY~~ §

BEFORE ME, the undersigned authority, on this day personally appeared Paul Patrick, ^{VICE} President of South Padre Land Company, a Texas corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 23rd day of July, 1981.

Roxana Gross
Notary Public in and for
Travis County, Texas
HARRIS Roxana Gross
(Stamped or Printed Name of Notary)
My Commission Expires: 10/18/81

ACCEPTED by the State of Texas this, the 3RD day of
MARCH, 1982.

THE STATE OF TEXAS

BY: Bob Armstrong
Bob Armstrong, Commissioner
of the General Land Office
of the State of Texas

STATE OF TEXAS X

COUNTY OF WILLACY X

FIELD NOTES OF A SURVEY

of

2162.70 ACRES

of land bounded on the North by the center line of the Port Mansfield Ship Channel, on the East by the "Boyles Line", on the South by the southern boundary of former State Lease Tracts 475, 476, and 477, and bounded on the West by the "Claunch Line", and made in accordance with paragraph 8 of the stipulation as to final judgment in the case styled South Padre Land Company, Gilbert Kerlin, Individually and as Trustee, et al vs. The State of Texas, et al, being Cause No's. 78-153-C, 78-154-C and 78-155-C in the 197th Judicial District and in the District Court of Cameron County, Texas, said land is situated in Willacy County, about 30 miles N.80°E., from Raymondville, the county seat, and is described by metes and bounds as follows, to wit:

COMMENCING at a U.S.C. & G.S. monument, a brass disk set in a 4" terre-cotto pipe set in a 12" diameter concrete base, 1.0' above the ground in flat area surrounded by sand dunes. Brass disk stamped "Desert 1939" and having state plane coordinates of X = 2,385,503.36', Y = 348,924.78' (South Zone). Thence S.78°45'39"W. 5529.86 feet to a #4 rebar set flush with ground in sand flats by a 1" x 2" stake found lying down 0.1 ft. below ground as recovered by the General Land Office November 19, 1979. Said stake being set by J. S. Boyles in line of survey made for the Attorney General of the State of Texas, Aug. 1941, (State vs. Balli, 190 SW₂ 71). Said stake marking the boundary line between Padre Island and the Laguna Madre according to the J. S. Boyles's Survey. Thence with said Boyle's west boundary line as recovered,

S.31°21'52"E. 1666.61 feet to a 1" x 2" stake found flush with the ground from which a #4 rebar set flush with ground bears 0.1 ft. westerly;

S.15°21'48"E. 1389.09 feet to a #4 rebar set flush with the ground by a 1" x 2" stake found lying 0.1 ft. below the ground;

S.18°21'17"E. 1388.79 feet to a 1" x 2" stake found 0.1 ft. above the ground from which a #4 rebar set flush with ground bears 0.1 ft. westerly;

S.13°21'10"E. 1388.39 feet to a 1" x 2" stake found leaning North slightly, flush with the ground from which a #4 rebar set flush with ground bears 0.1 ft. westerly;

S.24°21'21"E. 1389.46 feet to a 1" x 2" stake found 0.1 ft. below the ground, having State Plane Coordinates of X = 2,382,645.990, Y = 341,149.673 (South Zone) from which a #4 rebar set flush with ground bears 0.1 ft. westerly;

S.16°30'14"W. 1499.20 feet to a 1" x 2" stake found 0.4 ft. below the ground from which a #4 rebar set flush with the ground bears 0.2 ft. westerly;

S.07°07'42"E. 1389.11 feet to a 1" x 2" stake found 0.6 ft. below the ground from which a #4 rebar set flush with ground bears 0.2 ft. westerly;

S.25°45'39"E. 833.47 feet to a 1" x 2" stake found 0.4 ft. below the ground from which a #4 rebar set flush with ground bears 0.3 ft. westerly;

S.37°56'17"E. 1389.12 feet to a 1" x 2" stake found 0.4 ft. below the ground, from which a #4 rebar set flush with ground bears 0.3 ft. westerly;

S.45°49'31"E. 881.51 feet to a point of intersection of J. S. Boyles west line of Padre Island, and the west line of Submerged State Tract No. 474, being said tracts most northerly corner;

S.45°49'31"E. 785.52 feet to a 1" x 2" stake found 0.1 ft. above the ground from which a #4 rebar set flush with ground bears 0.2 westerly;

S.26°31'30"E. 1111.24 feet to a 1" x 2" stake found 0.1 ft. below the ground from which a #4 rebar set flush with the ground bears 0.2 ft. westerly;

Coenter 17101

S.26°30'53"E. 1666.87 feet to a 1" x 2" stake found 0.1 ft. below the ground from which a #4 rebar set flush with the ground bears 0.3 ft. westerly;
 S.28°46'05"E. 1944.69 feet to a 1" x 2" stake found 0.1 ft. below the ground from which a #4 rebar set flush with the ground bears 0.2 ft. westerly;
 S.19°51'24"E., 1944.75 feet to a #4 rebar set flush with the ground, by a 1" x 2" stake found lying flat under ground 1.0 ft. northerly;
 S.19°53'48"E. at 1830.62 feet North bank of Port Mansfield Channel in all 2151.61 feet to the point of intersection of Boyles Line and center line of said channel, and also being the PLACE OF BEGINNING of this survey, having state plane coordinates of X = 2,388,373.540 and Y = 327,283.118 (South Zone).

THENCE continuing with said "Boyles" west boundary line as recovered.
 S.19°53'48"E. at 290.0 feet South Bank of Port Mansfield Channel in all 626.11 feet to a 2" x 4" stake set 0.2 ft. above the ground from which a #4 rebar set flush with ground bears 1.0 foot southwesterly;
 S.29°41'47"E. 1249.93 feet to a 2" x 4" stake set 0.2 ft. above the ground from which a 6" dia. concrete monument with brass disk set flush with the ground bears S.60°W. 4.0 feet, brass disk marked "St. of Texas S.M. W 11", and a 2" x 2" x 8' post with 5.5 feet above ground bears East 10.0 feet and a #4 rebar set flush with the ground bears 0.3 ft. westerly;
 S.32°36'46"E. 1388.83 feet to a 1" x 2" stake found 0.4 ft. below the ground from a #4 rebar set flush with the ground bears 0.2 ft. westerly;
 S.32°36'46"E. 1389.03 feet to a 1" x 2" stake found 0.4 ft. below the ground, from which a #4 rebar set flush with the ground bears 0.2 ft. westerly, and a 2" x 2" x 8' post 5.7 feet above the ground bears East 10.0 feet;
 S.28°08'39"E. 2777.94 feet to a 1" x 2" stake found leaning slightly in a westerly direction, 0.2 ft. below the ground from which a 6" dia. concrete monument with brass disk at center bears West 4.50 feet and a 2" x 2" x 8' post with 5.0 feet above the ground bears East 10.0 feet and a #4 rebar set flush with the ground bears 0.1 foot westerly. Said 1" x 2" stake also having state plane coordinates of X = 2,392,013.326', Y = 320,819.246' (South Zone);
 S.44°00'35"E. 972.35 feet to a 1" x 2" stake found 0.2 ft. below the ground and leaning slightly westerly from which a 2" x 2" x 8' post with 5.50 feet above the ground bears East 10.0 feet and a #4 rebar set flush with the ground bears 0.3 ft. westerly;
 S.08°16'27"E. 1389.28 feet to a 1" x 2" stake found 0.5 ft. below the ground from which a 2" x 2" x 8' post with 5.0 feet above the ground bears East 10.0 feet and a #4 rebar set flush with the ground bears 0.2 ft. westerly;
 S.29°20'31"E. 833.44 feet to a 1" x 2" stake found 0.3 ft. below the ground, from which a 2" x 2" x 8' post with 5.5 feet above the ground bears East 10.0 feet and a #4 rebar set flush with the ground bears 0.3 ft. westerly;
 S.34°08'31"E. 843.23 feet to a 2" x 4" stake set 0.6 ft. above the ground, at intersection of the Southeast Corner of Submerged State Tract No. 475 and the Northeast Corner of Submerged State Tract No. 491, on boundary line of the J. S. Boyle's Survey of Padre Island and having state plane coordinates of X = 2,393,770.486', Y = 317,320.677' (South Zone) from which a 2" x 2" x 8' post with 5.0 feet above the ground bears East 10.0 feet and a #4 rebar set flush with the ground bears 1.0 ft. westerly;

THENCE S.89°27'52"W. with the North line of Submerged State Tracts 491, 490, 489, and 488, at 4075.67 feet the Northwest Corner of Tract No. 491 and having state plane coordinates of X = 2,389,694.991', Y = 317,282.581' (South Zone) at 9355.67 feet the Northwest Corner

of Tract No. 490 having state plane coordinates of X = 2,384,415.222', Y = 317,233.222' (South Zone) at 14,635.67 feet the Northwest Corner of Tract No. 489 having state plane coordinates of X = 2,379,135.444', Y = 317,183.861' (South Zone) in all 15,851.01 feet to 2" x 4" stake set 0.5 ft. above the ground at intersection of the North line of Tract No. 488 and the boundary line of the Laguna Madre and Padre Island as surveyed by Claunch and Associates, June through August, 1973, for South Padre Development Company from which a 2" x 2" x 8' post with 4.0 feet above the ground bears West 10.0 feet and a #4 rebar set flush with ground bears 1.0 ft. westerly, and a 5" x 5" concrete monument 0.3 ft. above the ground, with alum. cap bears S.06°39'58"W. 410.14 feet; said 2" x 4" stake having state plane coordinate of X = 2,377,920.166, Y = 317, 172.517;

THENCE with said Claunch boundary line as recovered:

- N.06°39'58"E. 2877.60 feet to 2" x 4" stake found 0.9 ft. above the ground;
- N.24°10'23"E. 1035.32 feet to 5" x 5" concrete monument found 0.6 ft. above the ground with alum. cap at center;
- N.75°24'13"E. 805.98 feet to a 2" x 4" stake found 1.0 ft. above the ground;
- N.25°33'48"E. 715.66 feet to a 2" x 4" stake found 0.8 above the ground;
- S.33°48'37"E. 2206.93 feet to a 5" x 5" concrete monument found 0.5 ft. above the ground with alum. cap at center;
- N.69°22'08"E. 1188.28 feet to a 2" x 4" stake found;
- S.83°22'02"E. 1298.54 feet to a 2" x 4" stake found 0.9 ft. above the ground;
- N.41°17'13"E. 1515.51 feet to a 5" x 5" concrete monument found 0.3 ft. above the ground with alum. cap at center;
- N.18°40'38"E. 1306.19 feet to a 2" x 4" stake found 0.9 ft. above the ground;
- N.14°57'22"W. 1082.13 feet to a 5" x 5" concrete monument found 0.3 ft. above the ground;
- N.53°06'42"W. 1799.72 feet to a 2" x 4" stake found 0.8 ft. above the ground;
- N.82°20'57"W. 1086.14 feet to a point in sand flats; (Concrete monument at this point was washed out by Hurricane Allen);
- N16°04'03"E. 877.80 feet to point in sand flat; (2" x 4" stake at this point was washed out by Hurricane Allen);
- No.23°09'32"W. 1306.44 feet to point in center of Port Mansfield Channel;

THENCE with center of said channel N.87°07'20"E. 6632.76 feet -

Bearings, distances and coordinates are grid, Texas South Zone. Scale factor used for this area .9999230.

TO THE PLACE OF BEGINNING.

VARIATION _____
 SURVEYED Oct. 1976 to Nov. 1980

Clint Sumrall
Roy Molina

CHAIN CARRIERS

I, Herman Forbes Licensed State Land Surveyor of TRAVIS County, Texas, do hereby certify that the foregoing Survey was made under my supervision on the ground, according to law, on the date and with the Chain Carriers aforesaid, duly qualified, and that the Limits, Corners, and Boundaries with the Marks of the same, natural and artificial, are truly and correctly described and set forth in the foregoing Field Notes, just as I found them on the ground.



Herman Forbes
 Licensed State Land Surveyor

Counter 17103

1900

171

012 PAGE 171

252872

STATE OF TEXAS §
COUNTY OF CAMERON §

OFFICIAL RECORDS

RECEIVED
LEGAL SERVICES

AUG 14 1990

AM 7, 8, 9, 10, 11, 12, 1, 2, 3, 4, 5, 6 PM

CONVEYANCE OF ROYALTY INTEREST

KNOW ALL MEN BY THESE PRESENTS:

1. That Gilbert Kerlin, Individually and as Trustee, hereinafter called "Grantor," for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, convey and assign unto the State of Texas and its successors and assigns, hereinafter called "Grantee," as a permanent non-participating royalty interest, an undivided three-thirty-seconds (3/32) of all oil, gas and other minerals situated in, upon and underlying, and that may be produced by any means from, certain lands situated in Willacy County, Texas, which lands are more particularly described in Exhibit A, attached hereto and made a part hereof, and which lands are hereinafter referred to as "Tract 2"; provided, however, that Grantor hereby reserves to himself, his heirs, representatives, successors and assigns, the exclusive right to control the mining and production of all such oil, gas and other minerals in, upon and underlying Tract 2, together with the exclusive right to make and execute all oil, gas and other mineral leases and all other contracts providing for exploration and development of oil, gas and other minerals in, upon and underlying Tract 2, and Grantor herein further reserves to himself, his heirs, representatives, successors and assigns, the exclusive right to receive and retain all payments by way of bonuses, delay rentals and other similar payments.

2. Provided, however, that out of monies payable as royalty on gas by any lessee, there shall also be paid to Grantee for royalty on gas an additional amount, if any, so that the total 3/32 non-participating royalty on gas received by Grantee shall be an amount calculated on the basis of "market value" as that term is defined below. Such "additional amount" shall be the

File No. Sketch File 7B
Cameron County
 Conveyance of Royalty Interest North of Tract Q
 and West of Boyle's to Mansfield Channel
 Filed September 4 19 90

GARRY MAURO, Com'r
 By Douglas Howard

Counter 17105

obligation of Grantor herein to the extent only that such "additional amount" shall be deducted from royalty on gas otherwise payable to Grantor, even though such monies may actually be delivered to Grantee by the lessee or gas purchaser, as the case may be. It is provided, however, that Grantee's non-participating royalty as to gas shall not in any case exceed ten percent (10%) of the actual sales proceeds for gas as at the well head.

3. The term "market value" as used in this instrument with reference to gas only shall be determined by:

(a) taking the average of the three highest prices paid in Texas Railroad Commission District No. 4 for the purchase of gas of substantially equivalent pressure, depth, deliverability, quality, location and BTU content (and in the same regulatory pricing bracket) and other factors as may be used in the future for Federal or State price regulation and as such prices are shown on the Natural Gas Pricing List ERP 200 issued as of December 1, 1980, and each December 1 thereafter, by the Office of Energy Resources, Texas General Land Office (or the successor to such listing); and then

(b) using such average as "market value" as of January 1, 1981, for the calendar year 1981. Similarly, the "market value" for each succeeding calendar year shall be determined as above based on similar price calculations as of the December 1 preceding; and

(c) the average to be used in event of complete price deregulation will be the average of the three highest prices paid in said District No. 4 for the purchase of gas of substantially equivalent pressure, depth, deliverability, quality, location and BTU content, used for each calendar year and based as aforesaid on such average price as of the December 1 preceding such calendar year.

4. On any oil, gas or mineral lease in Tract 2 executed subsequent to the date of this Conveyance, the Grantee's 3/32 royalty on any gas produced, saved and sold from Tract 2 shall be calculated on the basis of "market value" as described in Paragraphs 2 and 3, above, but without the ten percent (10%) limit

specified in said Paragraph 2; provided, however, that if because of market conditions prevailing at the time of the execution of such "subsequent lease," the mineral owner executing the same feels compelled, in the interest of making a lease, to accept a gas royalty provision which results in a royalty based on "amount realized for gas at the well head" then the total royalty on gas payable to Grantee under such "subsequent lease" shall be determined on the basis set forth in Paragraph 2 above, including the ten percent (10%) limit specified in said Paragraph 2.

5. On any oil, gas or mineral lease in Tract 2 executed subsequent to the date of this Conveyance, the Grantee's royalty payable in respect of oil and/or other non-gaseous substance shall be 3/32 of proceeds of sale as at the well head or other point of production of said oil and/or other non-gaseous substance produced, saved and sold under such "subsequent lease," as the same may be, from time to time amended.

6. Grantor may pool and unitize Tract 2, or any part thereof, with other land or lands that are adjacent to Tract 2 and bind the royalty herein conveyed in so doing, in which event, the Grantee shall be seized and possessed of its interest in such royalty that may be allocated to Tract 2, or any parts thereof, as a part of a unit of development, and provided further that such pooling and unitization may be made either upon a pro rata acreage basis or density basis.

7. This Conveyance is made by Grantor without representation or warranty of any kind, express or implied, except that Grantor represents and warrants to Grantee that such title as is conveyed by Grantor to the Grantee hereunder is derived by Grantor as a party to or as a successor in interest of a party to State v. Balli, 144 Tex. 195, 190 S.W.2d 71 (1944), and/or United States v. 34,884 Acres of Land, et al., Civil Action No. 142, United States District Court for the Southern District of Texas, Brownsville Division.

TO HAVE AND TO HOLD the above-described 3/32 non-participating royalty interest in all oil, gas and other minerals in, upon and underlying the above-described lands unto the State of Texas, its successors and assigns; forever.

IN WITNESS WHEREOF, the Grantor above-named has executed these presents this 9th day of June, 1981.

Gilbert Kerlin
Gilbert Kerlin, individually
and as trustee

THE STATE OF NEW YORK §
§
COUNTY OF New York §

BEFORE ME, the undersigned authority, on this day personally appeared Gilbert Kerlin, individually and as trustee, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 9th day of June, 1981.

CECILIA ANN PARZIALE
Notary Public, State of New York
No. 43-4528354
Qualified in Richmond County
Commission Expires March 30 1982

Cecilia Ann Parziale
Notary Public in and for
New York County, New York

My Commission Expires: March 30 1982

Accepted by the State of Texas this the 3RD day of MARCH, 1981.

THE STATE OF TEXAS

By Bob Armstrong
Bob Armstrong, Commissioner of
the General Land Office of
the State of Texas

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

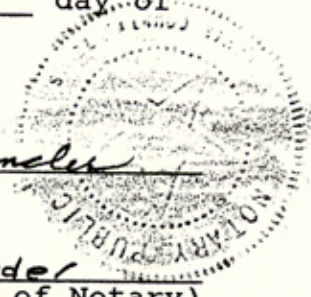
BEFORE ME, the undersigned authority, on this day personally appeared Bob Armstrong, Commissioner of the General Land Office of the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 3rd day of March, 1982.

Dorothy F. Alexander
Notary Public in and for
Travis County, Texas

DOROTHY F. ALEXANDER
(Stamped or Printed Name of Notary)

My Commission Expires: Sept 26, 1985



252872

FILED FOR RECORD
AT 11:05 O'CLOCK A M
Jerry Flores 7-23-90

DECK COUNTY COURT, WILLACY CO., TEXAS
~~Mansela Cavazos~~ DEPUTY
\$ 19.00

Returns To:
attn: Robert A. Sedman
Land Section

General Land office
1700 North Congress Avenue
Austin, Texas 78701
Garry Mauro, Commissioner



STATE OF TEXAS
COUNTY OF WILLACY

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and page of the named RECORDS of Willacy County, Texas as stamped hereon by me

Jerry Flores

County Clerk
Willacy County, Texas



Faded, mirrored text from the reverse side of the page, including 'GARRY MAURO, County Clerk' and 'Willacy County, Texas'.

EXHIBIT A

DESCRIPTION: TRACT 2

Willacy County: North of Tract Q and west of Boyles to
Mansfield Channel

11,925.60 acres, more or less, on South Padre Island in Willacy County, Texas; the said 11,925.60 acres being all of that certain portion of the said South Padre Island lying between the center of the Port Mansfield Ship Channel, on the north; and the north boundary of a certain 350 foot wide strip across Padre Island formerly designated as "Tract Q", on the south; and being located westerly from the west lines of a survey of the said island as accomplished in 1941 by J. Stuart Boyles for the office of the Attorney General of the State of Texas; and the western boundary hereof being the line of Mean Higher High Tide of the Laguna Madre; and the said 11,925.60 acres being a part of a larger tract surveyed by the firm Claunch & Associates in the months of June through August of 1973, the said 11,925.60 acres is hereby and accordingly described as follows:

Commencing at the northwest corner of the South Padre Shores Subdivision - Section One, according to an Amended Map thereof in Volume 2, Page 45, of the Map Records of Willacy County; the said northwest corner being at coordinate position $X = 2,405,259.860$ and $Y = 287,724.799$ on the plane of the Texas Coordinate System (South Zone); thence northerly perpendicular to the north boundary of the said South Padre Shores Subdivision, North $0^{\circ}-02'-28"$ East, a distance of 5,878.50 feet (being 5,878.86 feet as a distance to be measured on the earth surface); and thence parallel with the north boundary of the said South Padre Shores Subdivision, North $89^{\circ}-57'-32"$ West, a distance of 2,193.73 feet to an intersection with a line for a portion of the western traverse of lines as surveyed by J. Stuart Boyles, above mentioned; the said place of intersection being on the north boundary of the said 350 foot wide "Tract Q" and being at coordinate position $X = 2,403,065.347$ and $Y = 293,604.873$; and also being the place of beginning of the 11,925.60 acres, more or less, herein described:

THENCE northerly with the western lines of the J. Stuart Boyles survey of 1941, as follows;

Description: Willacy County; N. of Tr. "Q" & W. of Boyles to Mansfield Channel.

North 13°-40'-15" West,	284.10 varas (739.17 ft.),
North 9°-43'-05" West,	399.93 varas (1,111.05 ft.),
North 2°-00'-00" West,	399.94 varas (1,110.95 ft.),
North 3°-00'-00" East,	499.86 varas (1,388.51 ft.),
North 14°-41'-20" West,	499.39 varas (1,388.53 ft.),
North 16°-10'-20" West,	499.96 varas (1,388.79 ft.),
North 23°-17'-20" West,	499.95 varas (1,388.76 ft.),
North 44°-59'-40" West,	459.00 varas (1,275.00 ft.),
North 33°-40'-35" West,	449.38 varas (1,249.94 ft.),
North 5°-16'-00" West,	499.39 varas (1,388.57 ft.),
North 10°-05'-10" West,	399.91 varas (1,110.36 ft.),
North 11°-30'-15" West,	299.97 varas (833.24 ft.),
North 23°-04'-30" West,	349.99 varas (972.20 ft.),
North 29°-20'-40" West,	500.01 varas (1,388.91 ft.),
North 15°-29'-20" West,	400.02 varas (1,111.13 ft.),
North 5°-22'-15" West,	499.98 varas (1,388.32 ft.),
North 6°-53'-10" West,	400.01 varas (1,111.15 ft.),
North 14°-01'-00" West,	400.00 varas (1,111.11 ft.),
North 41°-13'-00" West,	400.00 varas (1,111.11 ft.),
North 53°-48'-00" West,	500.00 varas (1,388.39 ft.),
North 51°-59'-00" West,	350.00 varas (972.22 ft.),
North 44°-43'-00" West,	500.00 varas (1,388.39 ft.),
North 34°-03'-00" West,	400.00 varas (1,111.11 ft.),
North 29°-17'-00" West,	300.00 varas (833.33 ft.),
North 8°-11'-00" West,	500.00 varas (1,388.39 ft.),
North 43°-57'-00" West,	350.00 varas (972.22 ft.),
North 29°-06'-00" West,	1,000.00 varas (2,777.73 ft.),
North 32°-35'-00" West,	1,000.00 varas (2,777.73 ft.),
North 30°-36'-34" West,	452.54 varas (1,257.06 ft.) and

North 19°-52'-00" West, a distance of 225.76 varas (627.10 ft.) to an intersection with a line for the centerline of the Port Mansfield Channel; the said place of intersection being at Coordinate Position X = 2,388,372.132 and Y = 327,283.616 and also being the northeast corner of the 11,925.60 acres, more or less, herein described:

THENCE with a line for the centerline of the Port Mansfield Ship Channel, South 37°-07'-20" West, a distance of approximately 2,387.09 varas (6,630.81 feet) to an intersection with a northerly projection of the line of Mean Higher High Tide of the Laguna Madre for the northwest corner of this 11,925.60 acres, more or less; the said place of intersection being approximately at Coordinate Position X = 2,381,749.630 and Y = 326,950.713:

Description: Willacy County; N. of Tr. "Q" & W. of Boyles to
Mansfield Channel.

THENCE southerly with the meander of the line of Mean Higher High Tide of the Laguna Madre, approximately as follows;

South 23°-08'-15" East,	470.32 varas (1,306.44 ft.),
South 16°-05'-20" West,	316.04 varas (877.38 ft.),
South 82°-19'-40" East,	391.01 varas (1,036.14 ft.),
South 53°-05'-25" East,	647.90 varas (1,799.72 ft.),
South 14°-56'-05" East,	389.57 varas (1,082.13 ft.),
South 18°-41'-55" West,	470.23 varas (1,306.19 ft.),
South 41°-18'-30" West,	545.58 varas (1,515.51 ft.),
North 82°-20'-45" West,	467.47 varas (1,293.54 ft.),
South 69°-23'-55" West,	427.78 varas (1,138.28 ft.),
North 33°-47'-20" West,	794.49 varas (2,206.93 ft.),
South 25°-35'-05" West,	257.64 varas (713.56 ft.),
South 75°-25'-30" West,	290.15 varas (805.98 ft.),
South 24°-11'-40" West,	372.72 varas (1,035.32 ft.),
South 6°-41'-15" West,	1,133.62 varas (3,237.83 ft.),
South 8°-47'-05" East,	1,359.83 varas (3,777.31 ft.),
South 19°-43'-10" East,	1,125.94 varas (3,127.62 ft.),
South 16°-57'-20" East,	1,290.19 varas (3,583.35 ft.),
South 44°-07'-45" East,	1,486.39 varas (4,128.85 ft.),
South 22°-14'-20" East,	980.04 varas (2,722.32 ft.),
South 5°-32'-25" East,	1,223.80 varas (3,399.45 ft.),
South 8°-43'-00" East,	319.57 varas (2,276.59 ft.) and

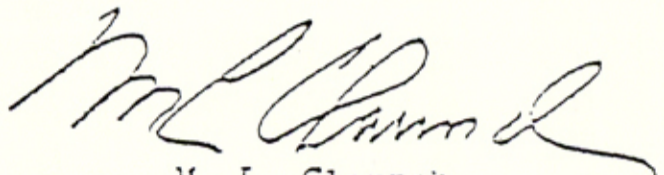
South 25°-50'-30" East, 771.03 varas (2,141.74 ft.) to an intersection with a line for the north boundary of the above mentioned "Tract Q" for the southwest corner of the 11,925.60 acres, more or less, herein described; the said place of intersection being located, according to the dimensions herein stated, at Coordinate Position X = 2,386,058.448 and Y = 293,617.077:

THENCE with the said line for the northern boundary of "Tract Q", South 89°-57'-32" East, a distance of approximately 6,122.49 varas (17,006.91 ft.) to the place of beginning;

Containing, according to the dimensions herein stated, an area of 11,925.60 acres, more or less. The bearings and distances stated herein are in reference to the meridian and grid plane of the Texas Coordinate System (South Zone) the "Scale Factor" of which, for this area is 0.9999388; and the line of Mean Higher High Tide, herein.

Description: Willacy County; N. of Tr. "Q" & W. of Boyles to
Mansfield Channel.

described approximates the meander of a gradient being +0.16 feet
above Mean Sea Level (1929 Sea Level Datum) at the Cameron-Willacy
County line and being +0.25 feet above Mean Sea Level (1929 Sea
Level Datum) at the northwest corner of this tract.



M. L. Claunch
Registered Public Surveyor

M.L.C:rc

After recording
Return to:

Legal Services/land
General Land Office
1700 North Congress Ave
Austin, TX 78701
Attn: Bob Dedman

Ex. A, p.4 of 4

525825

FILED FOR RECORD
AT 11:05 O'CLOCK
1-29-90
Garry Mauro

WILLIAMSON COUNTY, TEXAS
11:00

Return to:
Robert H. Redman
Board of Commissioners

General Land Office
1700 North Congress Avenue
Austin, Texas 78701
County of Williamson, Texas

STATE OF TEXAS
COUNTY OF WILLIAMSON
I hereby certify that this instrument was FILED on the 29th day
of the time stamped herein by me and was duly RECORDED in the Public
and that it is deemed RECORDS of Williamson County, Texas as required
thereof by the

Garry Mauro

County Clerk
Williamson County, Texas



File No. Sketch File 7B
Cameron County
Conveyance of Royalty Interest North of Tract A and West
of Boyle's (Line) to Mansfield Channel
Filed Sept 4 19 90
By GARRY MAURO, Com'r
Douglas Howard