Ben

WARREN & SONS INC. ENGINEERING • SURVEYING • DRAFTING 723 NORTH UPPER BROADWAY, SUITE 201 P.O. BOX 2292 CORPUS CHRISTI, TEXAS 78403-2292 PHONE 512 884-5302

April 10, 1995

Mr. Ben Thomson Director of Surveying Texas General Land Office Stephen F. Austin Building 1700 North Congress Avenue Austin, Texas 78701

RE: Laguna Madre Shore Boundary

Dear Sir:

I am herewith submitting to you the results of a survey of the shore boundary of the 1812 acre tract described as the Sixth Parcel of a General Warranty Deed from J.W. Luttes et ux to Barry Holmes, Cullen, et. al., Trustees as recorded in Volume 903 at page 839 et. seq. of the Deed Records of Cameron County, Texas.

This tract of 1812 acres is meant to be all of the area we describe as the "mudflats". The southeast corner would be the point described as being a point on the easterly projection of the north line of that certain tract known as the Gonzales League at the intersection with the mean higher high tide line of the Laguna Madre. This north line being also a north line of the Laguna Atascosa National Wildlife Refuge Properties.

The northeast corner is described as being a point on the mean higher high tide line of the Laguna Madre due east of the northeast corner of Lot 62 of the Coast Land Farms Subdivision No. 1 as shown on a map of the subdivision recorded in Cameron County in Volume 8 at page 15 of the Map Records. This corner is better known to us as "Townsite Point".

The first discussion that you and I had concerning this tract was confusing for both of us, for you had seen the line depicted on the Submerged Area Map No. 2697-31 and 2697-124 as described in the Luttes vs Gulf Oil Corp., Cause No. 36776 in District Court of Cameron County 103rd Judicial court and I had seen the actual normal line of tide during the several times I had worked in the area while in the employ of Sun Oil Co. and other oil companies locating nearby state mineral tracts.

I was given a copy of Matt Claunch's map and report of his survey made as the Court Appointed Surveyor for the said Cause No. 36776. I was also given a copy of the map made for the Laguna Atascosa Wildlife Refuge which depicts the line of the mean of the higher high tide as endorsed by a very noteworthy State Licensed Land Surveyor by the name of Will A. Rounds. The survey was apparently done by W.L. Stabler, an engineer of the U.S. Department of Fish and Wildlife who places his statement and signature upon the map.

The Laguna Atascosa Wildlife Refuge map shows the general configuration of the shore much as it appears on the same U.S.C.& G.S. maps referred to by Matt Claunch in his report. It would seem though from the statement shown on the Laguna Atascosa Refuge map that the MHHW points shown were not on a continuous meandering line such as we used in our survey, but more or less random points located as shown on their map. You will undoubtedly perceive that we have placed these points by their Lambert coordinate values on our own map and surprisingly

Counter 17236

enough they fall amazingly close to our shore line done by a completely independent survey.

I found a most intriguing statement on the Laguna Atascosa map made by W.L. Stabler, the Wildlife Agency Surveyor, which I quote:

"Caution should be exercised in locating the waters edge of the Laguna Madre as high, wind-blown tides will fill depressions which trap water in areas between the line of Mean Higher High Tide and elevations higher than the Mean Higher High Tide."

I think it is very significant that this gentleman was doing his work in the same time frame as Matt Claunch did his work with such different results.

Those of us who have worked along the Laguna Madre for 40 years more or less are well aware of the effect of strong wind on the shallow waters of the Laguna, creating the situation Mr. Stabler speaks about.

You have probably already come to the conclusion that I think Matt Claunch erred in the 119.01 acres he designated as water's of the sea. Since my work does not involve the 191.40 acres Claunch shows to the north of Townsite Point, I will make no comment concerning that tract.

I would say that what I consider Claunch's error of judgement was to come down from the bluff at U.S.G.& C.S. Station "Luttes" seeking an elevation of 0.60 feet based on N.G.V.D. 1929. I think he should have come from the direction of the sea seeking the higher elevation of M.H.H.W. to establish the actual shoreline.

I would think he would have had considerable difficulty with his readings had he set a tide gauge in the area he has designated as Laguna Madre since it most often contains no water at all.

I will point out that in our own survey we set over 400 first order elevation shore meander points traveling along the west bank of the Laguna Madre starting from the tide gauge location at Townsite Point, passing the Boathouse guage and on to the monumented and fenced north line of the Laguna Atascosa Wildlife Refuge.

We found the shoreline along both sides of the El Realito Bay as shown on your Submerged Area Map No. 2697-131 to be very distinct and generally higher than our meanders which were at 0.90 of a foot based on N.G.V.D. 1929 Datum taken from the same Station "Luttes" that Claunch had used for his own vertical control. Claunch's marked points that we discovered during our survey we found to have an elevation of 0.7 plus or minus a few hundredths.

Dr. Gary Jefferies suggested that I first visit with Cal Thurlow, a Director of the Blucher Institute at Texas A&M-Corpus Christi. During this visit before he left for a visit to Maryland. Mr. Thurlow told me that he would tell me the same things he had told you on the day before about the Laguna Madre. This would be primarily about his suspicion that the Laguna tide really had more of a lake effect than a normal sea tide. He recited the effect of the wind on the shallow water of the Laguna Madre that the people from the General Land Office had encountered on the Kenedy Ranch Shore.

I personally have experienced this effect during my 15 year employment with Sun Oil Company. Often when standing with my transit set up over a recovered "adjudicated" meander point set by Stuart Boyles for the State of Texas on the west bank of Padre Island near Murdock Pass. I could on occasion barely see the water in the spring and summer. Then in the fall and winter I would wear waders at the same meander point with the water well above my knees.

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Mr. Thurlow who is the retired Chief of Tide Datum of the National Oceanic Administration at Rockville, Maryland instructed me that to best establish M.H.H.W. I should take 3 days of readings at the Boathouse Tide Gauge we had established at the eastern tip of El Realito Peninsula to relate to the tide gauge at Port Isabel at intervals of six minutes to match the readings being taken at the primary gauge at Port Isabel. He also instructed us to take readings at the same six minute interval for a period of 24 hours, at a gauge to be set at a location out from Townsite Point. We took the readings precisely as we were instructed by Mr. Thurlow from February 24 thru February 26. We delivered the tabulation of readings to Mr. Thurlow on February 28.

We did our readings and were able to take the reading at six minute intervals by working in shifts approximately four hours long. This recording crew consisted of myself, James Woods, Perry Warren, Steve Meacham, and Lou Powell.

James Woods and Steve Meacham, two men well experienced in the accomplishment of first order leveling began running a control loop with the Wild Digital Level NA3003 with the GKN4M leveling rod on March 1. Jaimie Pyle and Dana Pallotti began running an additional control loop on March 2, also using the Wild Digital Level NA3003 and GKN4M leveling rod. Perry Warren and I joined them on March 4 & 5 to assist with this task.

Mr. Thurlow gave me the gauge readings to use for the establishment of MHHW on March 6. He said that in using the graph of the four gauges he did indeed encounter the lake effect at Townsite Point. The graph of the readings at our Boathouse tide gauge, however, showed a pattern almost identical with that of the Port Isabel Tide gauge. The range of tide at Port Isabel was 2.1 feet while at the Boathouse it was 0.9 foot. The 0.3 foot range of tide at Townsite Point was identical with that of the Arroyo Colorado gauge reflecting the effect of the body of water largely surrounded by mud banks as is the case of the area of the Laguna in which both the Arroyo and Townsite gauges are located.

James Woods and Steve Meacham completed the level loops north of the El Realitos Peninsula in the period between March 7 thru 9, and began the meanders of the area shown on the submerged area map as "El Realitos Bay" whilst the remaining four, myself, Perry Warren, Jamie Pyle and Dana Pallotti began the meanders at Townsite Point. We headed southerly along the western shore of the Laguna and James Woods and Steve Meacham headed northerly using Mr. Thurlow's designated gauge reading at the Boathouse for their control.

We, of course were using his designated gauge reading at Townsite. I was very nervous, even the we were following generally below the edge of a very definite bank largely covered with wetlands type of vegetation including many Mangrove plants varying in size from very small to three feet high.

I was nervous because we ran the meanders independently towards the opposite gauge based on the datum at each gauge. When we reached a common meander point the difference was only 0.03 of a foot. The ordinary top of the bank usually varied from 0.1 of a foot to as much as a foot higher than our meander points. As is shown by our meanders we crossed a number of cuts that the trapped back waters had cut flowing out from the higher elevations.

We were fortunate that James Woods and Steve Meacham were caught on the mud flats during a hard rain. They described the water and mud rushing from the area of the mud banks to the Laguna in torrents. This explained the many cuts we had thought were caused by the action of storm seas. The water trapped in the depressions stood until it was soaked into the surface of the flats, creating a very soft surface. Several times we bogged down trying to cross these areas with our A.T.V.'s , a vehicle I highly recommend for your anticipated inspection party. Traveling next to the shoreline was easy with the ATV's or even walking was easier since there was a fairly wide area along the shore that had a dryer, harder surface than these depressions that W.L. Stabler had noted in his statement.

The only difficulty we encountered traveling along the shore was crossing the numerous cuts that had been caused by the torrential waters of the rains and/or even reasonably light rains. We did encounter a little more difficulty traveling along the southeastern edge of the El Realitos Peninsula which had a twenty foot high bluff that dropped directly down to the water washed shore.

Along this shore we encountered one or even two banks further out which met our elevation criteria, but when we examined them thoroughly we found they were composed of soft layers of dead sea grass matted with the uplands mud. These banks we rejected and used a bank that met our elevation criteria when these layers were scraped away revealing a sandy mud surface near the vegetation line.

The selection of meander points by leveling was completed on March 12.

I called your office on March 15 to invite you to inspect the shore at the time we did our horizontal G.P.S. survey. I was able to discuss our findings with Malcom Bainberg since you were in the field at the time. I appreciated this opportunity, since we had worked for Cities Service Corp. under contract when Malcom was in charge of their surveying operations. Malcom did tell me of course that you would be the one to approve or disapprove our work.

Since you were unable to come to review the project we proceeded on March 16 with the horizontal survey working with Ceasar Perez of Miller Blueprint of Austin, Texas. We had leaged the Trimble GPS 4000 SSE/RTK from Miller Blueprint. Ceasar Perez is employed by Miller to demonstrate and use their equipment. James Woods was also skilled in the use of the GPS equipment. These two trained Perry Warren in the operation of the equipment. These three then tied in some 330 of the meander points set by the levels.

The horizontal survey party consisted of myself, my partner, Tom Harvard, James Woods, Perry Warren, Steve Meacham, and Ceasar Perez.

Tom and I walked the shoreline selecting the significant meander points. We eliminated approximately 60 or 70 of them as being superfluous because they were spaced too closely together for any practical purpose.

We were able only to the to the Laguna Atascosa Wildlife Refuge Monument No. 41 "Owl". We did the their boundary fence a number of times. These these did check a line calculated from their listed Lambert coordinates, we also checked those given by Claunch for Monument No. 41.

We completed the field work for this project on March 18, 1995.

We had completed our preliminary calculations (albeit they were in feet only) by March 24 and requested a meeting with you in your office on March 28 with our client's representative, George McConnell and myself for a verbal report and also to supply you with copies of maps and overlays and photographs to help you review our work. We gave you a copy of Mr. Thurlow's graphs and data printouts as well as the calculated acres we found to be in the State of Texas Mineral Development Tracts adjoining the west shore of the Laguna Madre that we had surveyed.

These would be Tracts 654, 655, 667, 668, 669, and 670 shown on the General Land Office Submerged Area Maps No. 2697-131 and No. 2697-124.

Early into this project I had discussed with my clients the advisability of claiming the mud flats lying on the north side of "El Realito Bay" extending all

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the way to Ultimo or Hobnail Island due to the existing land bridge we had found and which also shows clearly on your own maps as well as the Interior Department's Laguna Atascosa Wildlife Refuge Map. At this time we decided not to claim the flats extending out from the existing land bridge since the mud flats seem to have been basicly accreted to the island, however, I have now found in my study of the Luttes Warranty deed to the Cullens that they did pass title to the Cullens on Tracts B, C, and E along with the mud flats in the EIGHTH PARCEL of the deed. This Would be Barclay, Gabrielson, and Hobnail or Ultimo Islands.

I have also noticed that from the shape of the 1855 Grant as shown in the General Land Office File 465, San Patricio District, the skatch indicates that these islands may have been at one point in time fast land that has eroded leaving the mud flat and islands rather than the mud flats being accretion to the uplands and islands.

These islands are shown as Tracts B, C, and E of the Coast Land Farms Subdivision No. 1 as shown on the map filed in Volume 8 at page 15 of the Map Records of Cameron County Texas.

I would say that if by any stretch of imagination the Cullens would own these islands and not the State of Texas, then much more of the mud flats would have to be considered as fast land cut from the mainland by avulsion and remain in their ownership.

I have only mentioned these possibilities because it is not my intent to deprive the Cullens of any legal right they may possess, even though I really am of the personal opinion at this time that title to those islands rests in the State of Texas.

Sincerely,

Harry M. Warren, Jr.

Harry M. Warren, Jr. Licensed State Land Surveyor Reg. Prof. Surveyor No. 1465

Counter 17240

Meet at "The Wharf" restaurant In Arroyo city.

There is only one street in Arroyo City, he said.

They will be in a Brown RAM charger. Mobil phone# 512 - 850-6586

WARREN & SONS, INC. ENGINEERING * SURVEYING * DRAFTING

723 N. Upper Broadway, Suite 201 Corpus Christi, Texas 78401

Telephone: (512) 884-5302 From Fax: (512) 887-1005

TO FAX # :	512 - 468 - 5098	DATE: 4/12/95-
ATTENTION :	512-463-5098 BEN THOMSON	
COMPANY :	· · ·	
REFERENCE :	LAGUNA MADE Shore Bouida	ey
	* * * * * * * * * *	/
FROM:	KAREY WARREN	PAGES INCLUDE:
	•	Operator:

Counter 17241

THE STATE OF TEXAS

PLAT

STATE TRACT 668 LAGUNA MADRE SURVEY GENERAL LAND OFFICE SUBMERGED AREA MAPS 112 & 114 CAMBRON SEE ATTACHED SKETCHES County of COUNTY, TEXAS CAMBRON SCALE AS SHOWN ADDENDUM A & B CORRECTED FIELD NOTES

of a survey of 229,75 acres of land made for THE STATE OF TEXAS ownership by virtue of SOVEREIGN County, about 27 CAMERON miles said land is situated in

Northeast from Brownsville the county seat, and is described by metes and bounds as follows, to-wit:

Beginning at X = 860,627,8724 varas Y = 78,108,1109 varas

The common corner of State Tracts 654 and 655 on the north line of this State Tract 668 from whence N.G.S. Station "Luttes" bears N 84°9'11" -2,367.40 VS.;

Thence S 89°27'51" W - 355.93 vs. with the north line of State Tract 668 to a point on the shore of the Laguna Madre as surveyed February 24 trhu March 18, 1995 which established the mean of the higher hightide along a water washed ledge covered with succulents and Mangrove plants to form a natural vegetation line at X = 860,271.9505 vs., Y = 78,104.7822 vs.;

Thence following the said ledge and vegetation line \$ 07°45'56" W -19.27 vs., \$ 13°31'43" W - 49.65 vs., \$ 16°35'42" W - 73.28 vs., \$ 18°23'11" W - 23.42 vs., \$ 11°45'43" W - 19.72 vs., \$ 20°14'26" W -16.68 vs., \$ 70°51'04" W - 37.17 vs., \$ 39°49'14" W - 99.56 vs., \$ 57°29'29" W - 58.73 vs., \$ 74°00'05" W - 102.00 vs., \$ 80°37'20" W -75.06 vs., \$ 78°10'56" W - 136.13 vs., \$ 67°41'18" W - 188.06 vs., \$ 60°48'42" W - 213.53 vs., \$ 50°40'40" W - 114.33 vs., \$ 49°29'15" W 108.46 vs., \$ 35°53'46" W - 102.32 vs., \$ 40°43'37" W - 85.16 vs., \$ 47°16'48" W - 39.13 vs., \$ 57°26'02" W - 61.99 vs., \$ 29°12'23" E -18.66 vs., \$ 13°23'55" W - 24.04 vs., \$ 37°05'38" W - 15.10 vs., \$ 16°04'42" E - 59.43 vs., \$ 20°49'53" W - 53.47 vs., \$ 61°42'11" W -21.40 vs., \$ 17°20'59" W - 26.21 vs., \$ 00°13'07" E - 34.05 vs., \$ 00°48'19" E - 37.96 vs., N 60°50'24" E - 24.65 vs., N 85°18'31" E -15.81 vs., \$ 35°14'57" E - 14.30 vs., \$ 84°52'39" E - 27.85 vs., \$ 19°28'23" E - 19.24 vs., N 03°41'15" W - 25.64 vs., N 73°33'56" E -54.25 vs., \$ 86°36'04" E - 31.95 vs., \$ 34°04'21" E - 17.44 vs., Thence following the said ledge and vegetation line \$ 07°45'56" W -54.25 vs., S 86°36'04" E - 31.95 vs., S 34°04'21" E - 17.44 vs., N 12°28'03" E - 18.76 vs., S 86°43'15" E - 31.64 vs., S 40°54'39" E 46.13 vs., S 21°31'37" E - 17.40 vs., S 86°21'18" E - 7.72 vs., N 29°30'47" W - 12.78 vs., N 14°41'40" W - 8.96 vs., N 51°22'23" W -11.70 vs., N 42°02'12" W - 8.26 vs., N 31°12'28" W - 18.18 vs., N 01°57'24" E - 7.14 vs., N 65°29'14" E - 12.23 vs., N 84°04'33" E -53.76 vs., N 71º07'59" E - 31.53 vs., N 43º45'30" E - 17.28 vs. N 70°35'43" E - 14.99 VS., N 86°52'52" E - 73.99 VS., N 59°11'46" E -26.51 vs., N 57°13'14" E - 21.52 vs., N 75°10'42" E - 9.16 vs., N 18°51'06" E - 24.83 VB., N 54°30'44" E - 30.96 V8., N 67°57'56" E -41.28 vs., N 59°58'34" E - 22.94 vs., N 46°00'26" E - 26.85 vs., N 55°23'48" E - 15.47 VE., N 77°01'50" E - 18.88 VE., N 13°49'41" E -32.81 VB., N 22°07'20" E - 81.07 VS., N 04°44'26" E - 40.28 VB. N 34°09'00" W - 25.92 VB., N 29°51'49" W - 37.81 VB., N 58°45'41" E -37.15 vs., N 72°30'43" E - 37.81 vs., N 81°05'30" E - 46.73 vs., N 75°57'53" E - 206.79 vs., N 81°38'02" E - 58.50 vs., N 85°50'35" E -88.68 vs., S 88°38'28" E - 71.87 vs., S 79°23'07" E - 67.89 vs., S 77°15'34" E - 59.02 vs., S 73°50'50" Counter 17242 77.90 vs., S 89°30'57" E - 36.30 vs., N 86°01'54" E - 65.72 vs., N 82°34'17" E - 72.72 vs., N 77°00'12" E - 57.46 vs., N 70°42'56" E -48.94 vs., N 64°47'37" E - 87.99 vs., N 62°47'10" E - 89.44 vs., N 58°14'52" E - 23.94 vs., N 82°22'55" E - 9.97 vs., N 60°31'08" E -93.06 vs., N 57°33'12" E - 33.43 vs., N 73°13'11" E - 33.01 vs.,

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N 46°51'35" E - 56.65 vs., N 30°03'37" E - 71.07 vs., N 22°35'46" E - 36.95 vs., N 46°16'09" E - 28.67 vs., N 55°18'43" E - 43.88 vs., N 44°59'17" E - 14.59 vs., N 61°59'43" E - 53.83 vs., N 80°44'40" E - 31.30 vs., N 73°23'55" E - 112.75 vs., N 73°08'27" E - 125.34 vs., N 68°25'28" E - 116.75 vs., N 58°50'54" E - 78.31 vs., N 59°16'58" E - 118.73 vs., N 60°56'08" E - 92.39 vs., N 55°34'55" E - 60.65 vs., N 62°31'27" E - 64.87 vs., N 66°18'29" E - 23.35 vs. to a point of intersection of the said shoreline with the north line of State Tract 668 at X = 862,022.4084 vs., Y = 78,121.1530;

Thence S 89°27'51" W - 1394.60 vs. with said north line to the place of beginning.

Bearings are GRID	Distances are GRID
Survey tied to N.G.S. Station LUTTES Published Coordinates: X = 858.272.7921	Y = 78,349,2806
Zone: SOUTH Mapping Ang	le (Theta) +00°31'56"

GLO-SD-40-(3-86)

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	Jamie Jo Pyle, Dana Palotti, James A. Woods, Steve B. Meacham
	Perry Warren, Ceasar Perez, and
February 24, 1995 - March 18, 1995	Thomas E. Harvard
Date of Survey	Field Survey Personnel

I <u>Harry M. Warren Jr.</u>, Licensed State Land-County Surveyor of <u>Nueces</u> County, Texas, do hereby certify that the foregoing survey was made by me on the ground, according to law, on the date and boundaries with the marks of the same, natural and artificial, are truly and correctly described and set forth in the foregoing plat and field notes, just as I have found them on the ground.

Licensed State Land Surveyor

Filed for record in my office, the day of 19 at ______ o'clock _____, and duly recorded the _______ field Note Records of ______ County, Texas. day of of the

County Surveyor -- County Clerk

Counter 17246



SY 5 CAMERON CO. FR

Counter 172 17

GENERAL LAND OFFICE

GARRY MAURO COMMISSIONER

MEMORANDUM

DATE: September 22, 1992

TO: Closed Litigation File C89-475, Luttes et al. v. Gulf Oil Corporation

FROM: Stroud C. Kelley, Deputy General Counsel

SUBJECT: Location of Pertinent Documents

In response to a letter from Harry H. Cullen, Oil Operater, Houston, a copy of and reply to which is attached, I have had occasion to locate several of the documents associated with this file. A copy of the judgment and an original of the survey report, field notes and plat of the three gas units described in the judgment, together with other items pertaining to the Luttes/State boundary, have been placed in Cameron County Sketch File No. 12. In the closed litigation file, C89-475, have been placed all of the pleadings and correspondence that formerly was in the "case file" that was found in Survey. Another Survey Division working file pertaining to the boundary of the Laguna Atascosa National Wildlife Refuge contains a May 1969 Map prepared by the Department of the Interior purporting to establish a boundary at +0.6' MSL- 1929 NGVD, which is consistent with the MHHW datum found by the court in this Luttes case. This proposed boundary is approximately the same as that shown on the current (as of 1992) USGS topographic maps. However, no survey was made pursuant to the judgment and there is no current survey that has been made in the area. It is to be noted that the survey made by Matt Claunch pursuant to the court's order and which is platted on Submerged Area Maps 2697-124 and 2697-131 covers only the units and not the +0.6' boundary.

cc: Cameron County Sketch File 12



Counter 17218

Tilo No. Sketch File 12 A Cameron County Closed Litigation File CB9-475 Lufter VS. GULF OIL CORP. No. 36, 776 Filed Sept. 23 19 92 GARRY MAURO, Com'r By Douglas Havard

RECEIVED

SEP 28 1973

General Land Office

REPORT OF SURVEY

119.01 Acres

Below Elevation 0.60 Feet (1929 Datum) in Oil and Gas Units 1, 2, and South Portion of Unit 3 Pooling Agreement: Gulf Oil Corp., Texaco Inc., and Shell Oil Co., (Lessees) and Commissioner of The General Land Office of The State of Texas: Dated November 15, 1962 - Volume 77, Pages 65-70, Oil & Gas Records of Cameron County, Texas.

> By Appointment and Order of District Court of Cameron County, Texas 103rd Judicial District

> > SETTLES & CLAUNCH CIVIL ENGINEER & SURVEYOR BROWNSVILLE, TEXAS

The plat that was folded and bound into this report has been moved to the oversized flattened sketch files 10-04-2001 J.K.

Counter 17249

REPORT OF SURVEY

119.01 Acres

Below Elevation 0.60 Feet (1929 Datum) in Oil and Gas Units 1, 2, and South Portion of Unit 3 Pooling Agreement: Gulf Oil Corp., Texaco Inc., and Shell Oil Co., (Lessees) and Commissioner of The General Land Office of The State of Texas: Dated November 15, 1962 - Volume 77, Pages 65-70, Oil & Gas Records of Cameron County, Texas.

> By Appointment and Order of District Court of Cameron County, Texas 103rd Judicial District

> > SETTLES & CLAUNCH CIVIL ENGINEER & SURVEYOR BROWNSVILLE, TEXAS

> > > Counter 17250

T. H. SETTLES REGISTERED PROFESSIONAL ENGINEER

SETTLES & CLAUNCH

CIVIL ENGINEER & SURVEYOR PHONE LI 2-4371 - P. O. BOX 1428 BROWNSVILLE, TEXAS 78520 M. L. CLAUNCH REGISTERED PUBLIC SURVEYOR

December 7, 1968

Honorable Judge William Scanlan 103rd Judicial District District Court of Cameron County Brownsville, Texas

Dear Sir:

In accordance with the order and appointment stated in Paragraph XV, Interlocutory Judgment dated September 25, 1968; J. W. Luttes and Shell Oil Company v. Gulf Oil Corporation, Texaco Inc., and the State of Texas, this firm does hereby submit a Plat and Report of Survey as ordered therein.

Respectfully submitted,

milland

M. L. Claunch, partner Registered Public Surveyor Licensed State Land Surveyor

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LOCATION & EXTENT OF UNITS 1, 2 and 3	
Location Extent of Units 1, 2 & 3	4 7
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APPENDIX	Ι:	Units	1, 2 a	and	3		Ai
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		59.39	Acres	in	Unit	1	Aiv
		59.62	Acres	in	Unit	2	Av

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REPORT OF SURVEY, 119.01 ACRES

protection and an and the star what have also

Instructions and Charge

Excerpts from Interlocutory Judgment, September 25, 1968 Paragraph I:

"The Potrero de Buena Vista Grant is a littoral grant situated on the west side of Laguna Madre in Cameron County, Texas, originally granted by the State of Tamaulipas on or about January 24, 1829, and duly recognized and confirmed by Act of the Legislature of Texas approved February 10, 1852. Coast Land Farms Sublivision No. 1 is a subdivision of a portion of such Buen. Vista Grant. The area in dispute in this action is described as follows:

1812 acres of land, more or less, bounded on the west by the Coast Lard Farms Subdivision No.1, as such subdivision is shown on map recorded in Volume 8, at page 15, of the Map Recoris of Cameron County, Texas; on the south by an easi rly projection of the north line of the Gonzales League; on the east by Laguna Madre; and on the north by ine projected east from the northern extremity of the peninsula known as Townsite Point to Laguna Madre; said land being more particularly described as follows:

BEGINNING at the southeast corner of Tract 6 of said Coast Land Farm: Subdivision No. 1 of the Buena Vista Grant as shown on plat recorded in Volume 8, Page 15, of the Map Records of Cameron County, Texas; being a point on the north line of that certain tract known as the Gonzales League as described in the Partition Deed between the heirs of James G. Brown and F. Gonzales, dated September 6, 1913, recorded in Volume 28, Pages 627-31, of the Deed Records of Cameron County, Texas, for the southwest corner of the herein described tract;

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Counter 17253

THENCE in an east or southeasterly direction with a projection of the north line of the said Gonzales League to its intersection with the line of Mean Higher High Tide of Laguna Madre;

-2-

THENCE in a general northerly direction along the west side of Laguna Madre, following the line of Mean Higher High Tide, to a point located due east of the north or northeast corner of Tract 62 of the said Coast Land Farms Subdivision No. 1; said point constituting an easterly extension of the north line of said Tract 62 to the west line of said Laguna Madre;

THENCE due west to the north or northeast corner of said Tract 62 of the Coast Land Farms Subdivision No. 1;

THENCE in a general south or southwesterly direction, following the meanders of the east lines of said Coast Land Farms Subdivision No. 1 to the PLACE OF BEGINNING; SAVE AND EXCEPT Barclay Island."

Paragraph II:

" - -. The line of mean higher high tide in the area involved in this suit, but limited thereto, as hereinabove described,/at all times pertinent hereto, is the elevation of 0.60 feet above mean sea level - 1929 datum. The area in dispute above such elevation - - - is and was, at all times pertinent hereto, accretion to the Buena Vista Grant owned by the Plaintiff, J. W. Luttes - - -."

" - -. The area in dispute below an elevation of 0.60 feet above mean sea level, - - - is owned by the State of Texas - - -."

Counter 17251

Paragraph IV:

The Court further finds that Gulf Oil Corporation, Texaco Inc. and Shell Oil Company executed a Pooling Agreement dated November 15, 1962, with the Commissioner of the General Land Office of the State of Texas ---, which is recorded in Volume 77, pages 65 to 70, inclusive, of the Oil and Gas Records of Cameron County, Texas --- and three gas units, more particularly described - - - as Unit No. 1, Unit No. 2 and Unit No. 3 were established. (See Appendix I - this report)

-3-

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Paragraph XV:

"It is further ordered by the Court that Settles and Claunch, duly qualified professional surveyors and engineers of Brownsville, Texas, be and they are hereby appointed by the Court as surveyors to survey and determine what portion of the land hereinabove adjudicated in favor of J. W. Luttes is situated within each of the above-mentioned and described three gas units and what portion of the land adjudicated in favor of the State of Texas is located within each of said three described gas units and to report such findings with accompanying field notes and map to the Court at the earliest possible date with the costs of such survey to be fixed by agreement of the parties to be filed in this cause or if not so filed, by the Court as it may determine just and proper."

-3-

Counter 17255

Location and Extent of Units 1, 2 and 3

There are two conditions that establish the location and extent of Units 1, 2 and 3:

-4-

- A. In compliance with the descriptions of Units 1, 2 and 3, said Units must be located, according to their metes and bounds, in reference to the Texas Coordinate System (South Zone).
- B. In compliance with Paragraph I of the Interlocutory Judgment, any area, in Units 1, 2 and 3, that may be north or east of the east lines of the Coast Land Farms Subdivision No. 1, as said lines meander south or southwesterly from the northeast corner of Tract 62 of said subdivision are excluded from consideration.

Location:

- The unit descriptions were reviewed for mathematical consistency and found to be correct in that respect.
- 2. It was assumed that the quantities of land mentioned in the description were surface areas rather than areas on the plane of the South Zone of the Texas Coordinate System. It was further assumed that inasmuch as certain dimensions were designated at exactly 5,280 feet (1-mile), the linear values contained in the descriptions were also surface values.

-4-

3. The coordinate positions of the corners of the subject units were recomputed, based on our adjustment of surface linear values, to values on the plane of the South Zone of the Texas Coordinate System. This procedure effects a minor change in the stated coordinate positions of the corners of Units 1, 2 and 3; but such change is considered negligible as may effect the desired purpose of this survey. The adjustment was made solely from considerations of consistency in surveying practice and in order to achieve more positive checks on field procedures.

-5-

- 4. Field operations were initiated to establish, in the vicinity of the east boundaries of Units 1, 2 and 3, positions related to the Texas Coordinate System that would be used as references to survey the corners of said Units. These references are given arbitrary names under the general designation "S & C Control Sta."
- 5. The Control Stations were set, on the ground, and their position found in relation to U.S.C. & G.S. triangulation stations "Luttes" and "Hike". Field reference was also accomplished to U.S.C. & C.S. triangulation "Fox.

-5-

Counter 17257

Electronic micro-wave distance measuring devices were used in this phase of the survey. Additionally, angles were measured, at stations Luttes, Hike and Townsite, as a check on the basic field procedure.

6. The details of the location of the above reference stations are shown in Plate 1 of the Plat of Survey.

-6-

- 7. Computations were made to determine courses and distances from the established Control Stations to selected positions on, or in reference to the east boundaries of Units 1, 2 and 3. The results of these computations were used as a guide for the field survey to locate such boundary. See Plate 2, Plat of Survey.
- 8. As an additonal check on office computations and the field survey of the east boundary of Units 1, 2 and 3, a field reference was made to certain U. S. Fish and Wildlife markers on a line for the north boundary of the Gonzales League. This reference was also accomplished in order that such north boundary (mentioned in Paragraph I of the Interlocutory Judgment) might be properly indicated on the Plat of Survey. (See Plate 1, Plat of Survey).

-6-

Counter 17258

Extent of Units 1, 2 and 3:

1. It was assumed that the north (or east) line of the Coast Land Farms Subdivision, as indicated on a map thereof in Volume 8, Page 15, of the Map Records of Cameron County, would constitute the north limit of area under consideration. The meander of this boundary as indicated on the said map is not identified by specific bearing or linear values.

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- 2. We secured a copy of a Brief for Appellants, Court of Civil Appeals, Fourth Judicial District of Texas; J. W. Luttes, et al, v. State of Texas, Appendix II of this brief is a map on which is shown a "Toe of Bluff" meander and thereon is given specific directions and distances of the meander. Also shown is a reference to U.S.C. & G. S. triangulation Station Luttes. Examination reveals that the configuration of the "Toe of Bluff" meander is almost identical to the boundary of the Coast Land Farms Subdivision extending westerly from the northeast corner of Tract 62.
- 3. In the absence of better evidence to the contrary it was considered proper and expedient to the specific problems

-7-

at hand to accept the above "Toe of Bluff" meander as representing the north limits of the area under consideration.

-8-

- 4. Without consideration for whether the values given for the "Toe of Bluff" meander were surface or coordinate values, a literal plotting of the meander was made on U. S. Geological Survey Quadrangle "Three Islands". It was found that by adjusting the location for the easternmost point of the Townsite Peninsula 100 feet easterly and 300 feet northerly a plotting was achieved that is consistent with the toe of the bluff indicated on the above mentioned "Three Island" quadrangle.
- 5. It is our experience that the U.S. Geological Survey maps are quite accurate in their depiction of physical features and topography. Based on such experience we believe an adjustment of the location of the "toe of bluff" to conform therewith is one of sound judgment.
- 6. The location of the "toe of bluff" was then established, by office computation, related to the Texas Coordinate System by the 100 foot easterly and 300 foot northerly adjustment in relation to Station Luttes. We accepted

Counter 17260

-8-

the given bearings and linear values as being on the plane of the Texas Coordinate System.

7. The detailed location of the "toe of bluff", for the north limits of this survey, is shown on Plate 1, Plat of Survey.

Leveling Control and Investigations

- The U. S. Coast and Geodetic Survey publishes a value of 31.503 (1929 datum) as being the elevation of Bench Mark "Luttes" which is the same as Triangulation Station "Luttes". This Bench Mark was adopted as the basic reference for leveling operations.
- 2. Levels were executed from "Luttes" to the point where the east boundary of Unit 2 intersects the south bluff line of Townsite Point.
- 3. An investigation of the southeast corner of Unit 3 was accomplished and no elevation below 0.60 was discerned in that area.
- 4. Levels were executed southerly along the east boundary of Units 1 and 2 and it was found that elevation 0.60 was encountered 2,357 feet from the northeast corner of Unit 2 and again at 1,171 feet from the northeast corner of Unit 1. The intervening area was almost exclusively below 0.60 down to a minimum elevation of 0.45.

Counter 17261

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-9-

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The maximum elevation encountered, in the intervening area was approximately 0.70 just north of the northeast corner of Unit 1. A thorough investigation of this "high point" was made and it was determined that such "high point" was a localized condition of small extent, completely surrounded by an 0.60 foot contour, thus having the aspects of a small island. Our considered judgment, based on such investigation is that this "high point" is within a larger area that would be inundated by a static water surface at elevation 0.60 feet. Thus the northern and southern limits of an area below 0.60 foot were determined to be at the positions above referenced to corners of Units 1 and 2.

-10-

Entrances and the second second

- 5. Levels were continued southerly to the flat area between Rincon de Guajardo and Coyote Point. The minimum elevation found therein, on the east boundary of Unit 1, was 0.90. Levels were also continued to the southeast corner of Unit 1, with a minimum elevation encountered, south of Coyote Point, of 0.70.
- 6. An investigation was made of the "flat" area immediately northwest of the southeast corner of Unit 1. No elevation below 0.60 was found. The general elevation of this area is approximately 1.0 foot.

Counter 17262

-10-

7. The leveling was continued to a Bench Mark previously established of U. S. Fish and Wildlife Service Monument No. 4 and the level datum was checked to 0.01 foot.

-11-

0.60 Foot Contour in Subject Area

- Beginning at the previously found northern extremity of the 0.60 foot contour, levels were executed to find the location of this contour lying west of the east boundary of Units 1 and 2.
- As the contour was located, by leveling, stakes were set at approximately every 100 feet along the meander of the contour.
 - a. It must be pointed out that this operation is extremely difficult to carry out to a precise extent. We have evolved a procedure of leveling across the contour and thus establishing an indication of its most probable location.
- 3. By visual inspection, corners were established that would reflect an average or mean meander of the more devious actual 0.60 foot contour. Plate 1, Plat of Survey indicates the location of such meander.

Location of 0.6 Foot Contour

 Again beginning at the north extremity of the 0.60 foot contour, on the east boundary of Unit 1, the mean meander

-11-

of the contour was surveyed to determine location of the corners thereof - Plate 3, Plat of Survey shows the results of this survey.

-12-

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2. The field survey work was determined to have been accomplished within the limits of second order surveying. The field data was adjusted for mathematical closure and such adjustment is included in the depiction in Plate 3, Plat of Survey.

Conclusion

 The pertinent areas were computed and are indicated on Plate 4, Plat of Survey. A tabulation is as follows:

	Below 0.60	Above 0.60	Total
Unit 1	59.39 Ac.	292.61 Ac.	352.00 Ac.
Unit 2	59.62 Ac.	292.38 Ac.	352.00 Ac.
Unit 3	· · ·	160.60 Ac.	160.60 Ac.
Total	119.01 Ac.	745.59 Ac.	864.60 Ac.
Unit 3 (North of	Subject Area)		191.40 Ac.

Total Units 1, 2 & 3

1,056.00 Ac.

Counter 17267

2. Descriptions of the areas, in Units 1 and 2, below 0.60 foot are attached hereto as Appendix II, Linear values therein are stated in varas with such values in feet shown in parenthesis.

-12-

3. Inasmuch as the "bluff line" marking the northern limits of the area in question is somewhat arbitrary and indefinite in nature - and particularly in the absence of advice or instructions to the contrary (wherein same might be adjudicated as a boundary) we do not include herein a description of such "bluff line".

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Comment

Every effort has been exerted to fulfill the directions of the Court as evidenced in the Interlocutory Judgment. We wish to extend our appreciation to Mr. Harry L. Hall, Attorney, Hall, Mills and Hall, Mission, Texas, for his advice and cooperation. That gentlemen has been our source of personal contact in this matter. If these efforts should be found lacking, to any degree, we must plead a misunderstanding of intent.

millaund

M. L. Claunch Registered Public Surveyor Licensed State Land Surveyor

Counter 17265

December 7, 1968.

APPENDIX I

Excerpts from Pooling Agreement, November 15, 1962

"WHEREAS, Lessees have completed three gas wells on lands covered by the above-described leases and it is the desire of the parties hereto to establish three pooled gas units, one for each of said wells, made up of the following described tracts of land, situated in the M. de la Garza Y Sosa Grant, Abstract 3, known as the "Potrero de Buena Vista Grant", and/or in State tracts as listed below, in Cameron County, Texas, pooled as to the depths specified herein, such units being described as follows:

UNIT 1

352 acres of land out of said Grant and Sections 667, 668 and 669 of the Subdivision for Mineral Development as shown on Sheet 5, dated August 10, 1950, of the Maps of Laguna Madre, as prepared by the Texas General Land Office, situated in Cameron County, Texas, and being more particularly described as follows:

BEGINNING at a point located South $13^{\circ}-44^{\circ}-31^{\circ}$ West -1235.23 varas from U. S. Coast & Geodetic Survey Station "Luttes". The Lambert Grid Coordinates for the beginning point being X = 857,979.36 varas and Y = 77,149.41 varas;

THENCE South 81[°]-16' East, a distance of 1052.7 varas to the northeast corner of this tract, the Grid Coordinates being X = 859,019.86 varas and Y = 76,989.61 varas;

THENCE South $02^{\circ}-00'$ West, a distance of 1900.8 varas to corner, the Grid Coordinates being X = 858,953.56 varas and Y = 75,090.01 varas;

THENCE North 81[°]-16' West, a distance of 1052.7 varas to corner, the Grid Coordinates being X = 857,913.06 varas and Y = 75,249.81 varas;

THENCE North 02°-00' East, a distance of 1900.8 varas to the PLACE OF BEGINNING and containing 352.00 acres of land.

Counter 17266

Aii

Report of Survey, Appendix I (con't.)

UNIT 2

352.00 acres of land, out of said Grant and Sections 654 and 668 of the Subdivision for Mineral Development as shown on Sheet 5, dated August 10, 1950, of the Maps of Laguna Madre, as prepared by the Texas General Land Office, situated in Cameron County, Texas, and being more particularly described as follows:

BEGINNING at the northwest corner of Unit No.1, containing 352.00 acres, as hereinabove described, the Lambert Grid Coordinates being X = 857,979.36 varas and Y - 77,149.41 varas; 2,383,276.00 ft. 214,303.92 ft.

THENCE North $08^{\circ}-44'$ East, a distance of 1900.8 varas to corner, the Grid Coordinates being X = 858,267.96 varas and Y = 79,028.21 varas; 2,384,077.66 ft. 19,522.81 ft.

THENCE South 81°-16' East, a distance of 1045.4 varas to corner, the Grid Coordinates being X = 859,301.26 varas and Y = 78,869.51 varas; 2,386,947.94 ft. 219,081,97 ft.

THENCE South $08^{\circ}-44'$ West, a distance of 1900.8 varas to a point on the north line of Unit No. 1 as hereinabove described, the Grid Coordinates being X = 859,012.66 varas and Y = 76,990.71 varas; 213,863.08 ft.

THENCE North 81⁰-16' West with the north line of said Unit No. 1 a distance of 1045.4 varas to the PLACE OF BEGINNING and containing 352.00 acres of land.

UNIT 3

352.00 acres of land out of said Grant and Sections 652, 653 and 654 of the Subdivision for Mineral Development as shown on Sheet 4, dated October 17, 1950, and revised October 8, 1959, of the Maps of Laguna Madre, as prepared by the Texas General Land Office, situated in Cameron County, Texas, and being more particularly described as follows:

Aii

Aiii

Report of Survey, Appendix I (con't.)

BEGINNING at the northwest corner of Unit No. 2 as hereinabove described, the said corner being located North $00^{\circ}-24'$ West 678.94 varas from U. S. Coast & Geodetic Survey Station "Luttes". The Lambert Coordinates for the beginning point being X = 858,267.96 varas and Y = 79,028.21 varas; 219,522.81

THENCE North $08^{\circ}-44'$ East, a distance of 538.3 varas to corner, the Grid Coordinates being X = 858,349.66 varas and Y = 79,560.31 varas; 221,660.86

THENCE North $34^{\circ}-46'$ East, a distance of 1516.3 varas to the upper northwest corner of the herein described tract, the Grid Coordinates being X = 859,214.36 varas and Y = 80,805.91 varas; 2,386,706.55

224,460.86

THENCE South 81° -16' East, a distance of 618.5 varas to corner, the Grid Coordinates being X = 859,825.66 varas and Y = 80,712.01 varas; 2,388,404.61

224,200.03

THENCE South 08°-44' West, a distance of 1900.8 varas to corner, the Grid Coordinates being X = 859,537.06 varas and Y = 78,833.21 varas; 2.387,602.94

THENCE North $81^{\circ}-16'$ West, a distance of 1284.0 varas to the PLACE OF BEGINNING and containing 352.00 acres of land.

All bearings, distances and coordinates set out in the foregoing unit descriptions are in relation to the Texas Lambert Coordinate System, South Zone.

Aiii

Counter 17268

APPENDIX II

Description: Unit 1 - Area Below Elevation 0.60 (1929 Datum)

59.39 acres, in Cameron County, Texas, being a part of a certain 352 acre tract referred to as Unit 1 in a Pooling Agreement by and between Gulf Oil Corpn., Texaco Inc., and Shell Oil Company (Lessees) and the Commissioner of the General Land Office of the State of Texas, dated November 15, 1962, recorded in Volume 77, Pages 65-70, Oil and Gas Records of Cameron County; the said 59.39 acres being all of that portion of the said Unit 1 the surface of which is below elevation 0.60 feet above Mean Sea Level of the U.S.C. & G.S. 1929 reference datum; and the said 59.39 acres being more particularly located and described as follows:

BEGINNING at the northeast corner of Unit 1:

THENCE with the north boundary of Unit 1,North $81^{\circ}-16'$ West, approximately 486.98 varas (1,352.73 feet) to an intersection with the contour of surface elevation 0.60 feet, as above mentioned:

THENCE along and with the meanders of the said 0.60 foot contour, southerly and easterly approximately as follows:

South $26^{\circ}-57'-00"$ West 22.98 varas (63.84 feet) South $39^{\circ}-46'-30"$ West 343.37 varas (953.80 feet) South $24^{\circ}_{0}-53'-30"$ East 149.76 varas (416.0 feet) South $38^{\circ}_{0}-46'-30"$ East 116.28 varas (323.0 feet) South $61^{\circ}_{0}-01'-30"$ East 163.44 varas (454.0 feet) South $61^{\circ}_{0}-19'-00"$ East 158.40 varas (440.0 feet) North $73^{\circ}_{0}=38'-00"$ East 165.24 varas (459.0 feet) and North $49^{\circ}_{0}-33'-00"$ East 140.40 varas (390.0 feet to an

intersection with the east boundary of Unit 1:

THENCE with the east boundary of Unit 1, North $2^{\circ}-00'$ East, approximately 421.55 varas (1,170.96 feet) to the PLACE OF BEGINNING:

Containing, according to the dimensions herein stated, 59.39 acres.

Aiv

Counter 17269

Report of Survey, Appendix II (con't.)

Description: Unit 2, Area Below Elevation 0.60 (1929 Datum)

59.62 acres, in Cameron County, Texas, being a part of a certain 352 acre tract referred to as Unit 2 in a Pooling Agreement by and between Gulf Oil Corpn., Texaco Inc., and Shell Oil Company (Lessees) and the Commissioner of the General Land Office of the State of Texas, dated November 15, 1962, recorded in Volume 77, Pages 65-70, Oil and Gas Records of Cameron County; the said 59.62 acres being all of that portion of the said Unit 2 the surface of which is below elevation 0.60 feet above Mean Sea Level of the U. S. C. & G.S. 1929 reference datum; and the said 59.62 acres, being more particularly located and described as follows:

BEGINNING at the southeast corner of Unit 2:

THENCE with the east boundary of Unit 2, North $8^{\circ}-44'$ East, approximately 1,052.19 varas (2,922.76 feet) to an intersection with the contour of surface elevation 0.60 feet, as above mentioned:

THENCE along and with the meander of the said 0.60 foot contour, southwesterly approximately as follows:

South $55^{\circ}-03'-00"$ West 208.09 varas (578.02 feet) South $63^{\circ}_{o}-27'-30"$ West 156.59 varas (434.98 feet) South $22^{\circ}-21'-40"$ West 517.64 varas (1,437.9 feet) South $9^{\circ}-13'-20"$ West 75.69 varas (210.24 feet) and South $26^{\circ}-57'-00"$ West 251.91 varas (699.76 feet) to

an intersection with the south boundary of Unit 2:

THENCE with the south boundary of Unit 2, South 81 -16' East, approximately 479.68 varas (1,332.45 feet) to the PLACE OF BEGINNING:

Containing, according to the dimensions herein stated, 59.62 acres.

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Counter 17270

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•	MEANDER OF "TOE OF BLUFF" APPENDIX II: BRIEF FOR APPELLANTS J.W LUTTES AND SHELL OIL COMPANY: NO. 2997 IN THE COURT OF CIVIL APPEALS, FOURTH SUPREME JJDICIAL D'STRICT OF TEXAS AT SAN ANTONIO: J.W. LUTTES, ET AL V. STATE OF TEXAS AT SAN ANTONIO: J.W. LUTTES, ET AL V. STATE OF TEXAS COURSE NO. DEG. MIN FEET 80 S44 38 W 240.3 BEGIN AT EASTMOST PT 81 S60 O7 WI 541.9 TOWNSITE PENINSULA 82 S37 02 W: 663.9 83 i S25.01 W' 165.5 84A S77 I 57 W: 252.16	22 4'id
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-	No-th line of Gongales League as Found per survey by Settles & Claunch - Oct. 1964 - For Chapin Est. Elevation at FEWL Mon. 4940 - Fm U.S.C.&G.S. B.M. UBL-19 (El. 16.398) PLATE I DETAIL OF SURVEY TO AND LOCATE CORNERS OF U SCALE (" = 100	UNITS
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	SURVEYOR'S CERTIFICATE: I, M. L. CLAUNGH, REGISTERED PUBLIC SURVEYOR AND LICENSED STATE LAND SURVEYOR, DO HEREBY CERTIFY THIS TO BE A TRUE AND GORRECT PLAT OF SURVEY AS ACCOMPLISHED ON THE GROUND. DECEMBER 7, 1968 M. CANNA M. CANAS	то


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General Land Office

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J. W. LUTTES, ET AL

v.

IN THE DISTRICT COURT OF CAMERON COUNTY, TEXAS 103RD JUDICIAL DISTRICT

GULF OIL CORPORATION, a corporation, ET AL



Counter 17272

FINAL JUDGMENT

BE IT REMEMBERED that the above numbered and styled cause came on for trial before the Court in its regular order after due notice and setting on the 21⁵⁷ day of 244744, 1969, whereupon came THE STATE OF TEXAS by Crawford C. Martin, Attorney General of Texas, and E. Milton Richardson, Assistant Attorney General, and came J. W. LUTTES by Hall, Mills & Hall, his attorneys of record, and came SHELL OIL COMPANY by W. G. Winters, Jr., its attorney of record, and came GULF OIL CORPORATION by Fred A. Lange, its attorney of record, and TEXACO INC. by W. S. Clarke, its attorney of record, and came V. F. NEUHAUS, TEXAS TELEVISION CORPORATION and SNYDER NATIONAL BANK by Kelley, Looney, McLean & Littleton, their attorneys of record, and all parties announced ready, whereupon the Court having heard and considered the pleadings, evidence and argument of counsel is of the opinion, finds, declares, orders and adjudges and decrees as follows:

I

The Potrero de Buena Vista Grant is a littoral grant situated on the west side of Laguna Madre in Cameron County, Texas, originally granted by the State of Tamaulipas on or about January 24, 1829, and duly recognized and confirmed by Act of the Legislature of Texas approved February 10, 1852. Coast Land Farms Subdivision No. 1 is a subdivision of a portion of such Buena Vista Grant. The area in dispute in this action is described as follows:

1812 acres of land, more or less, bounded on the west by the Coast Land Farms Subdivision No. 1, as such subdivision is shown on map recorded in Volume 8, at page 15, of the Map Records of Cameron County, Texas; on the south by an easterly projection of the north line of the Gonzales League; on the east by Laguna Madre; and on the north by line projected east from the northern extremity of the peninsula known as Townsite Point to Laguna Madre; said land being more particularly described as follows:

Counter 17273

BEGINNING at the southeast corner of Tract 6 of said Coast Land Farms Subdivision No. 1 of the Buena Vista Grant as shown on plat recorded in Volume 8, page 15, of the Map Records of Cameron County, Texas; being a point on the north line of that certain tract known as the Gonzales League as described in the partition deed between the heirs of James G. Brown and F. Gonzales, dated September 6, 1913, recorded in Volume 28, pages 627-31, of the Deed Records of Cameron County, Texas, for the southwest corner of the herein described tract;

THENCE in an east or southeasterly direction with a projection of the north line of the said Gonzales League to its intersection with the line of Mean Higher High Tide of Laguna Madre;

THENCE in a general northerly direction along the west side of Laguna Madre, following the line of Mean Higher High Tide, to a point located due east of the north or northeast corner of Tract 62 of the said Coast Land Farms Subdivision No. 1; said point constituting an easterly extension of the north line of said Tract 62 to the west line of said Laguna Madre;

THENCE due west to the north or northeast corner of said Tract 62 of the Coast Land Farms Subdivision No. 1;

THENCE in a general south or southwesterly direction, following the meanders of the east lines of said Coast Land Farms Subdivision No. 1 to the place of beginning; SAVE AND EXCEPT Barclay Island.

II

The boundary between the Buena Vista Grant and Laguna Madre in the area in dispute in this action is the West Shoreline of Laguna Madre. The West Shoreline of Laguna Madre in the area in dispute is the line of mean higher high tide in Laguna Madre in such area. The line of mean higher high tide in the area involved in this suit, as hereinabove described, at all times pertinent hereto, is the elevation of 0.60 feet above mean sea level - 1929 datum. The area between such line of mean higher high tide and said Coast Land Farms Subdivision No. 1, being all of the area in dispute, is and was, at all times pertinent hereto, accretion to the Buena Vista Grant owned by the Plaintiff, J. W. Luttes, who is entitled to judgment against all other parties to this suit

-2-

for title and possession of such land, subject to the various oil, gas and mineral leases of record executed by said J. W. Luttes and wife to Shell Oil Company, more particularly described as follows:

(1) Oil and gas lease dated February 7, 1949, executed by J. W. Luttes, et ux, as lessors, to Shell Oil Company, Incorporated, as lessee, recorded in Volume 24, at page 27 of the Oil and Gas Records of Cameron County, Texas, as said lease has been amended and extended by Amendment dated February 1, 1950, and recorded in Volume 28, at page 253 of said records, and by Extension Agreement dated January 20, 1959, and recorded in Volume 60, at page 31 of said records, and by Amendment of Extension Agreement dated April 24, 1959, and recorded in Volume 60 at page 437 of said records, and by Amendment dated December 23, 1959, and recorded in Volume 66 at page 345 of said records and by Lease Pooling Agreement dated April 28, 1961, and recorded in Volume 72 at page 523 of said records; and

(2) Oil and gas lease dated December 19, 1958, executed by J. W. Luttes, et ux, as lessors, to Shell Oil Company, as lessee, recorded in Volume 60 at page 305 of the Oil and Gas Records of Cameron County, Texas, as said lease has been amended by Amendment dated April 1, 1959, and recorded in Volume 60 at page 419 of said records, and by Rental Division Order dated October 14, 1959, and recorded in Volume 62, at page 371 of said records, and by Amendment dated April 20, 1960, and recorded in Volume 67 at page 723 of said records and by Partial Release dated November 26, 1962, and recorded in Volume 76 at page 584 of said records.

Effective as of February 1, 1967, the interest of Shell Oil Company in such leases was acquired by V. F. Neuhaus, Texas Television Corporation and Snyder National Bank. The area below an elevation of 0.60 feet above mean sea level is owned by the State of Texas, subject to existing Oil and Gas Leases executed by the State of Texas, acting through the Commissioner of the General Land Office, as Lessor, to Gulf Oil Corporation, as Lessee, described as follows:

 Oil and gas lease No. 48926, dated March 10, 1958, recorded in Volume 57 at page 586 of the Oil and Gas Records of Cameron County, Texas, and covering said Tract 654;

(2) Oil and gas lease No. 48931 dated March 10, 1958, recorded in Volume 57 at page 596 of the Oil and Gas Records of Cameron County, Texas, and covering said Tract No. 667;

(3) Oil and gas lease No. 48933 dated March 10, 1958, recorded in Volume 57 at page 501 of the Oil and Gas Records of Cameron County, Texas, and covering said Tract No. 669;

(4) Oil and gas lease No. 52088 dated December 9, 1960, recorded in Volume 71 at page 238 of the Oil and Gas Records of Cameron County, Texas, and covering said Tract No. 670;

and subject to an Oil, Gas and Mineral Lease executed by the State of Texas, acting through the Commissioner of the General Land Office, as Lessor, and Texaco Inc., as Lessee, numbered 48932, dated March 10, 1958, recorded in Volume 57 at page 481 of the Oil and Gas Records of Cameron County, Texas, and covering State Tract No. 668.

III

The State of Texas, acting through the Commissioner of the General Land Office, as Lessor, executed the following Oil and Gas Leases to Gulf Oil Corporation, as Lessee, described as follows:

(1) Oil and Gas Lease No. 50872, dated December 15, 1959, recorded in Volume 66 at page 517 of the Oil and Gas Records of Cameron County, Texas, and covering said Tract No. 652.

(2) Oil and Gas Lease No. 52087, dated December 9, 1960, recorded in Volume 71 at page 228 of the Oil and Gas Records of Cameron County, Texas, and covering said Tract No. 653.

Such leases are now owned one-half (1/2) by Gulf Oil Corporation and one-half (1/2) by V. F. Neuhaus, subject to a production payment owned by Texas Television Corporation and a lien in favor of Snyder National Bank. The interest of V. F. Neuhaus and Texas Television Corporation and the lien of Snyder National Bank are reflected by instruments of record in Volume 98, page 345, Volume 98, page 382, of the Oil and Gas Records of Cameron County, Texas, and in Volume 483, page 392, of the Deed of Trust Records of Cameron County, Texas.

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The Court further finds that Gulf Oil Corporation, Texaco Inc. and Shell Oil Company executed a Pooling Agreement dated November 15, 1962, with the Commissioner of the General Land Office of the State of Texas on behalf of the State of Texas, which is recorded in Volume 77, pages 65 to 70, inclusive, of the Oil and Gas Records of Cameron County, Texas, to which reference is here made for all purposes whereby all of the above-described oil, gas and mineral leases executed by the State of Texas and by J. W. Luttes were pooled and three gas units, more particularly described in said agreement, designated as Unit No. 1, Unit No. 2 and Unit No. 3, were established. Shell Oil Company, Gulf Oil Corporation and Texaco Inc. also entered into various Operating Agreements and Amendments thereto pursuant to which Texaco Inc. contributed an additional Oil, Gas and Mineral Lease to said pooled area, described as follows:

Oil and gas lease dated March 10, 1958, from the State of Texas, acting through the Commissioner of the General Land Office, as lessor, to The Texas Company, as lessee, recorded in Volume 57, at page 481, of the Oil and Gas Records of Cameron County, Texas, as to all land covered by said lease, being State Tract No. 668, containing 624 acres of land, more or less, situated in Cameron County, Texas.

In such agreements the participating interests of Shell Oil Company, Gulf Oil Corporation and Texaco Inc. in such entire pooled area were established as 43% to Shell Oil Company, 43% to Gulf Oil Corporation and 14% to Texaco Inc. Effective as of February 1, 1967, the interest of Shell Oil Company therein was acquired by and is now owned by V. F. Neuhaus, subject to a production payment owned by Texas Television Corporation and lien in favor of Snyder National Bank. Shell Oil Company was the operator of said units until the 1st day of May, 1967, and upon such date Gulf Oil

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Counter 17277

IV

Corporation became the operator. A producing gas well is located on each of the above mentioned three gas units and the first sale of gas produced from such wells was made on or about November 1, 1963. Prior to that date such wells were shut in for lack of a market. No oil has been produced from such wells.

V

Between the date of first run from said units and April 30, 1967, the value of 8/8 of the gas produced and sold therefrom was as follows:

	Unit No. 1	Unit No. 2	Unit No. 3
Gross Value	\$161,763.55	\$163,572.37	\$188,489.34
Taxes		11,450.10	13,194.26
Net Value	\$ <u>150,440.12</u>	\$152,122.27	\$ <u>175,295.08</u>

Unit No. 1 includes 352 acres around J. W. Luttes Well No. 2; Unit No. 2 includes 352 acres around State Tract 654. Well No. 1; and Unit No. 3 includes 352 acres around J. W. Luttes Well No. 1.

VI

On gas produced and sold from Unit No. 1 between the date of first run and April 30, 1967, Shell Oil Company paid the parties hereto as follows:

		Less State's	
Name of Party	Payments	Share of Taxes	Net Value
	and the second	12月1日日日日1月1日	at a second
J. W. Luttes	\$ 8,425.93		
State of Texas	14,880.42		
Texaco Inc.	17,944.54	and a state of the second	The second second
Shell Oil Company	55,115.44		
Gulf Oil Corporation	55,115.42		
	\$151,481.75	\$1,041.63	\$150,440.12
	Store State Product States	The second s	94 C

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Counter 17278

On gas produced and sold from Unit No. 2 between the date of first run and April 30, 1967, Shell Oil Company paid the parties hereto as follows:

	Less State's	
Payments	Share of Taxes	Net Value
\$ 21,621.47		
3,934.32		
55,074.39		
17,931.20		
55,074.39		
\$153,635.77	\$1,513.50	\$152,122.27
	\$ 21,621.47 3,934.32 55,074.39 17,931.20 55,074.39	Payments Share of Taxes \$ 21,621.47 3,934.32 55,074.39 17,931.20 55,074.39

VIII

On gas produced and sold from Unit No. 3 between the date of first run and April 30, 1967, Shell Oil Company paid the parties hereto as follows:

		Less State's	
Name of Party	Payments	Share of Taxes Net Valu	1e
State of Texas	\$ 17,428.14	그는 가장에서 가장 관계를 많다. 이번에서	,
J. W. Luttes	9,755.75		
Gulf Oil Corporation	64,212.39		
Texaco Inc.	20,906.36		
Shell Oil Company	64,212.41		
	\$176,515.05	<u>\$1,219.97</u> <u>\$175,295</u>	5.08

IX

Between May 1, 1967, and November 30, 1968, the value of 8/8 of the gas produced and sold from said units was as follows:

	<u>Unit No. 1</u>	Unit No. 2	Unit No. 3
Gross Value Taxes	\$69,601.27 4,872.10	\$91,918.92 6,434.31	\$78,708.37 5,509.61
Net Value	\$64,729.17	\$85,484.61	\$73,198.76

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X

On gas produced and sold from Unit No. 1 between May 1, 1967, and November 30, 1968, Gulf Oil Corporation paid the parties hereto as follows:

		Less State's	
Name of Party	Payments	Share of Taxes	Net Value
		(1.1.1) [A.A.A.A.	
State of Texas	\$ 6,402.55		
Gulf Oil Corporation	n 23,714.31		
*J. W. Luttes	3,625.35		
Texaco Inc.	7,720.90	A STATE STATE	
Vernon F. Neuhaus	7,114.25		
**Roger B. Mize (Pro-	16,599.99	A specified of the states	
' duction Payment)	\$65,177.35	\$448.18	\$64,729.17

*Suspended from payment. **For the account of Texas Television Corporation and Snyder National Bank.

XI

On gas produced and sold from Unit No. 2 between May 1, 1967, and November 30, 1968, Gulf Oil Corporation paid the parties hereto as follows:

·····································		Less State	S
Name of Party	Payments	Share of Tax	es <u>Net Value</u>
State of Texas	\$12,150.12		
Gulf Oil Corporation	30,948.85		
*J. W. Luttes	2,210.89		S. C. Station of the second
Texaco Inc.	10,076.41		記録を発見
Vernon F. Neuhaus	9,284.65	an and a second	and the second s
**Roger B. Mize (Pro-	21,664.19		
duction Payment)	\$86,335.11	\$850.50	\$85,484.61
	The set of a strategic state		

*Suspended from payment. **For the account of Texas Television Corporation and Snyder National Bank.

XII

On gas produced and sold from Unit No. 3 between May 1, 1967, and November 30, 1968, Gulf Oil Corporation paid the parties hereto as follows:

-8-

		Less State's	P. S.
Name of Party	Payments	Share of Taxes	Net Value
		A day of the local	
State of Texas	\$ 7,277.53		
Gulf Oil Corporation	26,813.51		222 March 199
*J. W. Luttes	4,073.73		
Texaco Inc.	8,729.98	A MARSON BALL	
Vernon F. Neuhaus	8,044.03		
**Roger B. Mize (Pro-	18,769.41	20 A. Y. 的小孩。	
duction Payment)	\$73,708.19	\$509.43	\$73,198.76
and the second second second second second	57	and the state of the state	a and a second s

*Suspended from payment. **For the account of Texas Television Corporation and Snyder National Bank.

XIII

Each of the above-mentioned leases executed by J. W. Luttes and wife to Shell Oil Company contains the following royalty provision:

"To pay Lessor on gas and casinghead gas produced from said land and sold or used by Lessee off the land, or in the manufacture of gasoline or other products, the market value, at the mouth of the wells, of one-eighth of the gas or casinghead gas so used or sold. On all gas or casinghead gas sold at the wells the royalty shall be one-eighth of the amount realized from such sales."

For the purpose of computing the royalty to which J. W. Luttes is entitled on production of gas from each of the above-described three gas units, there shall be allocated to each lease executed by him and his wife committed to each of such units, that pro rata portion from the gas produced from such pooled unit which the number of surface acres covered by each such Luttes lease within the unit bears to the total number of surface acres included in such pooled unit.

XIV

Each of the above-mentioned leases executed on behalf of the State of Texas contains the following royalty provision:

"As royalty on any gas and all components thereof, including residue gas (except as provided herein with respect to gas processed in a plant on a percentage basis, and except as otherwise provided in Paragraph (E) hereof), 1/6 of the value of the gross production, but in no event shall the royalty be

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based on a price of less than the highest market price paid or offered for gas in the general area, or the price paid or offered to the producer, whichever is the greater; provided that the maximum base pressure in measuring the gas under this lease contract shall not at any time exceed 14.65 pounds per square inch absolute, and the standard base temperature shall be sixty (60) degrees Fahrenheit, correction to be made for pressure according to Boyle's Law, and for specific gravity according to test made by the Balnce Method; provided further that Lessee agrees that before any gas produced from the land hereby leased, containing liquid hydrocarbons, recoverable in commercial quantities by separator on the lease, is sold, used or processed in a plant, it will be run through an adequate oil ard gas separator of conventional type or other equipment at least as efficient, to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered, it being understood and agreed that Lessee shall not be required to process such gas in an absorption or extraction plant."

The royalty on gas to which the State of Texas is entitled, as provided in the above-mentioned oil and gas leases executed on behalf of the State of Texas, is to be computed by allocating to each State lease committed to each of the above-described gas units, that pro rata portion from the gas produced from the pooled unit which the number of surface acres covered by each such State lease bears to the total number of surface acres included in such pooled unit.

XV

The number of surface acres covered by the Luttes leases within Unit No. 1 is 292.61 acres; the number of surface acres covered by the Luttes leases within Unit No. 2 is 292.38 acres; and the number of surface acres covered by the Luttes leases within Unit No. 3 is 160.60 acres.

XVI

The number of surface acres covered by the State leases in Unit No. 1 is 59.39 acres; the number of surface acres covered by the State leases in Unit No. 2 is 59.62 acres; and the number of surface acres covered by the State leases in Unit No. 3 is 191.40 acres.

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Counter 17282

-10-310,41 Ac in 1,2,23

From the date of first run to April 30, 1967, the proceeds realized from gas produced and sold from said Units during such period was owned as follows:

Name of Party	Unit No. 1	Unit No. 2	Unit No. 3
			Sal Prast of
State of Texas	.0281203	.0282292	.0906250
J. W. Luttes	.1039098	.1038281	.0570313
Shell Oil Company	.3732271	.3732154	.3665078
Gulf Oil Corporation	.3732271	.3732154	.3665078
Texaco Inc.	.1215157	.1215119	.1193281
		A STATE OF A	

XVIII

From May 1, 1967, through November 30, 1968, the proceeds realized from gas produced and sold from said Units during such period was owned as follows:

Name of Party	Unit No. 1	Unit No. 2	Unit No. 3
State of Texas	.028120	.028230	.090625
Gulf Oil Corporation	.373227	.373215	.366508
J. W. Luttes & Iva	.103910	.103828	.057031
Lee Luttes			
Texaco Inc.	.121516	.121512	.119328
Vernon F. Neuhaus	.111968	.111965	.109952
Texas Television Corp.	.261259	.261250	.256556
& Snyder Nat'l. Bank	A CALL SE THE SE		新江省 省3455

XIX

The State of Texas has been overpaid and the other parties hereto have been underpaid for gas produced and sold from said Units from the date of first run through April 30, 1967, as set out on Exhibit "A" attached hereto and made a part of this Judgment.

XX

The State of Texas has been overpaid and the other parties hereto have been underpaid for gas produced and sold from said Units from May 1, 1967, through November 30, 1968, as set out on Exhibit "B" attached hereto and made a part of this Judgment.

Shell Oil Company is awarded judgment against the State of Texas in the amount of \$22,075.55; J. W. Luttes is awarded judgment against Shell Oil Company in the amount of \$19,308.08; J. W. Luttes is awarded judgment against Gulf Oil Corporation in the amount of \$19,776.31; Gulf Oil Corporation is awarded judgment against the State of Texas in the amount of \$14,047.93; Texaco Inc. is awarded judgment against the State of Texas in the amount of \$1,361.45; Vernon F. Neuhaus is awarded judgment against the State of Texas in the amount of \$424.29; and Texas Television Corporation and Snyder National Bank, jointly, are awarded judgment against the State of Texas in the amount of \$989.92, for all of which execution may issue.

XXII

The proceeds realized from gas produced and sold from said gas units on and after December 1, 1968 is owned as follows:

Name of Party	<u>Unit No. 1</u>	Unit No. 2	Unit No. 3
State of Texas Gulf Oil Corporation J. W. Luttes	.028120 .373227 .103910	.028230 .373215 .103828	.090625 .366508 .057031
Texaco Inc. Vernon F. Neuhaus	.121516	.121512	.119328
Texas Television Corporation, subject	.261259	.261250	.256556
to a lien to Snyder Nat'l. Bank with final reversion to			

Vernon F. Neuhaus

The State of Texas shall account for and refund to Gulf Oil Corporation any and all overpayments received by it on gas produced and sold from such gas units on and after December 1, 1968, and Gulf Oil Corporation shall account for and pay to the other parties hereto any and all underpayments to which they are entitled for gas produced and sold from such gas units on and after December 1, 1968.

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Counter 17284

XXI

XXIII

By order of this Court the firm of Settles & Claunch was appointed to make a survey on the ground, to determine the total number of surface acres in each of the three gas units involved in this suit, to determine the number of surface acres in each such unit covered by the leases executed by J. W. Luttes and wife and by the leases executed by the State of Texas and to make a report thereof, with accompanying field notes and map, to this Court. Such survey has been completed and the Report of Survey and accompanying plat has been duly filed with this Court. The Court, having examined such report and map and being of the opinion the facts stated therein are true and correct, adopts the same as findings of this Court.

The cost of such survey, amounting to a total sum of \$3,871.98, is just and reasonable and the same is taxed as a part of the costs of this suit.

All costs in this case are taxed as follows, for which execution may issue:

Name of Party	Proportion of Costs
J. W. Luttes	9.1%
Gulf Oil Corporation	39.2%
Shell Oil Company	19.5%
Texaco Inc.	12.7%
V. F. Neuhaus, Texas	19.5%
Television Corporation &	· 문화· 영화· 영화· 영화· 영화· 영화· 영화· 영화· 영화· 영화· 영
Snyder Nat'l. Bank	
	100.0%

RENDERED AND ENTERED at Brownsville, Texas, this _____ day of ______, 1969.

Presiding Judge

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APPROVED AS TO FORM:

STATE OF TEXAS BY CRAWFORD C. MARTIN, ATTORNEY GENERAL OF TEXAS, AND J. MILTON RICHARDSON, ASSISTANT ATTORNEY GENERAL

By J. Milton Richardson Assistant Attorney General

HALL, MILLS & HALL Attorneys for J. W. Luttes and wife, Iva E. Luttes

By_

Harry L. Hall

SHELL OIL COMPANY

By_

W. G. Winters, Jr.

GULF OIL CORPORATION

By_

Fred A. Lange

TEXACO INC.

By_

William S. Clarke

KELLEY, LOONEY, MCLEAN & LITTLETON Attorneys for V. F. Neuhaus, Texas Television Corporation and Snyder National Bank

By_

Ralph L. Alexander

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EXHIBIT "A"

FOR	GAS	PRODUCED	AND	SOLD	BETWEEN	DATE O	F FIRS	T RUN	AND	APRIL	30.	1967	
		11		Sec. 150	1.	1.1.1.2	1	1	N. AN	dadi	1.1		
										目的に			
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					Star Bar	DUE		1.				NET	OVER
			DUE	E SHEL	L J.W	. LUTTE	S DU	E GULI	F DU	E TEXA	ACO	PAYME	NT TO
		- A 2	BY	STATE	BY	SHELL	BY	STATI	E B	Y STAT	TE	ST	ATE
				ALC: NY	11 11 11		- 5.		198.5	the line			
Luttes Ga	s Un:	it #1 .	\$ 8.	,239.1	6 \$ 7	,206.27	\$1,	032.9	1	\$336.3	30	\$ 9,6	08.37
Luttes Ga	s Un:	it #2	13	,560.2	3 11	,860.25	1,	699.98	З,	553.4	÷7	15,8	13.68
Luttes Ga	s Un	it #3	100	276.1	6	241.56	19 A. A.	34.6	2	11.2	27	3	22.05
12.13			1.1.1	1. 1. 1.	- 19	,308.08	-	and the	- 2.23	1.14	-		-
		× 174		1. 1.5		11. 18 1				11.11			
To Be Pai	d by	Shell	1.1	1 2 2 2 2 2	- (19	,308.08) '	12 8.1.	121-2 2	112.24	-		-
	1.1	11. 1. 1. 1.	24.50	W. Oak	Roberton	and Dealers	A Su	. Person	in the	1.2. ph	2.5		
To Be Pai	d by	State	\$22	075.5	5 \$. S	\$2.	767.5	1	\$901.0	04	\$25.7	44.10

SUMMARY OF AMOUNTS DUE ALL PARTIES FOR GAS PRODUCED AND SOLD BETWEEN DATE OF FIRST RUN AND APRIL 30, 1967

	LUTTES GAS UNIT NO. 2			
AMOIDING LEDBERGE	LEASE NO. 23290-000 & 001	and standing		
AMOUNTS APPLICABLE TO GAS	PRODUCED AND SOLD BETWEEN DATE OF	FIRST RUN AND	APPTT 20	1067

NAME OF INTEREST OWNER State of Texas	INTEREST	CHARGE VILLON		NET VALUE	SHOULD HAVE BEEN PAID	PAID	GAS	ER) PAYMENTS TAXES	NET A	MOUNT OWED	ADJUSTM	ENTS	NET AMOUNT DUE (OWED)
J. W. Luttes Shell Oil Company Gulf Oil Corporation Texaco Inc.	.1038281 .3732154 .3732154 .1215119	16,983.41 61,047.72 61,047.73 19,875.99	1,188.84 4,273.35 4,273,36 1,391.32	15,794.57 56,774.37 56,774.37 18,484.67	\$ 4,617.52 15,794.57 56,774.37 56,774.37 18,484.67		\$17,003.95 (11,860.25) (1,699.98) (1,699.98) (553.47)	\$(1,190.27) - - -	\$ - 11,860.25 1,699.98 1,699.98 553.47	\$15,813.68		11,860.25(B) 13,560.23(A) 1,699.98(A) 553.47(A)	1,699.98
Taxes on State Share	1.0000000	\$163,572,37	\$11,450,10	\$152 122 27	152,445.50 (323.23)		<u>48.000 - 1</u>	<u></u>	<u> - 1997</u>				
and the second sec	An estate a		1	+ 1.J. 1. 166, 21	91.52,122,21	\$153,635,77	\$ 1,190,27	\$(1,190.27)	\$15,813.68	\$15,813,68	\$27,673.93 '\$2	27,673.93	\$

ter 17288

		S	di State I	LUTTES GA	S UNIT NO). 3					(Bucha)	
	1.50 M. 1997	1993	LEA	ASE NO. 2	23289-000	& 001	and the second	1.12				
AMOUNTS	APPLICABLE 7	TO GAS	PRODUCED	AND SOLI	BETWEEN	DATE O	F FIRST	RUN A	ND APRIL	30.	1967	

NAME OF INTEREST OWNER	INTEREST	GROSS VALUE	TAXES	NET VALUE	SHOULD HAVE BEEN PAID	ACTUALLY PAID		(UNDER) MENTS TAXES	NET A	MOUNT OWED	ADJUS	TMENTS	NET AMOUNT DUE (OWED)
State of Texas	.0906250	and the second se		\$ 15,886.12		\$ 17,428.14				\$322.05	\$322.05(A)	\$ -	\$(322.05)
J. W. Luttes	.0570313	10,749.80		9,997.31	9,997.31	- 9,755.75	(241.56)		241.56	A		241.56(B)	241.56
Shell Oil Company	.3665078	69,082.81	4,835.80	64,247.01	64,247.01	64,212.41	(34.60)		34.60	100 State	241.56(B)	276.16(A)	34.60
Gulf Oil Corporation	.3665078	69,082.81	4,835.80	64,247.01	64,247.01	64,212,39	(34.62)	25 Sec Se	34.62	時にもいった。	State total	34.62(A)	34.62
Texaco Inc.	,1193281	22,492.08	1,574,45	20,917,63	20,917.63	20,906,36	(11.27)		11,27		10121010-000	11,27(A)	11,27
Taxes on State Share					176,490.81 (1,195,73)								
and the second second	1.0000000	\$188,489.34	\$13,194.26	\$175,295.08	\$175,295.08	\$176,515.05	\$ 24.24	\$(24.24)	\$322,05	\$322,05	\$563.61	\$563.61	<u>s -</u>

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EXHIBIT "B"

SUMMARY OF AMOUNTS'DUE ALL PARTIES FOR GAS PRODUCED AND SOLD IN PERIOD MAY 1, 1967 THROUGH NOVEMBER 30, 1968

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	DUE CULF BY STATE	DUE J. W. LUTTES BY GULF	DUE TEXACO BY STATE	DUE V. F. NEUHAUS BY STATE	DUE TEXAS TELEVISION CORP. & SNYDER NAT'L. BANK BY STATE	NET OVERPAYMENT TO STATE
Littes Gas Unit #1 Littes Gas Unit #2 Littes Gas Unit #3	\$ 3,545.03 7,620.10 115.29	\$.6,726.01 8,875.70 4,174.60 19,776.31	\$144.73 311.00 4.68	\$133.34 286.63 4.32	\$311.09 668.66 10.17	\$ 4,134.19 8,886.39 134.46
To Be Paid by Gulf	1. S.	19,776.31				ž.
Tc Be Paid by State	\$11,280.42		\$460.41	\$424.29	\$989.92	\$13,155.04

NAME OF INTEREST OWNERS	INTEREST	GROSS VALUE	TAXES	NET VALUE	SHOULD HAVE BEEN PAID	ACTUALLY PAID	(UNDER) GAS	OVER PAYMENTS TAXES	NET AM	IOUNT OWED
UNIT NO. 1 State of Texas Gulf Oil Corporation J. W. Luttes Texaco Inc. Vernon F. Neuhaus Roger B. Mize (Produc- tion Payment)	.028120 .373227 .103910 .121516 .111968 *.261259	\$ 1,957.18 25,977.08 7,232.27 8,457.67 7,793.11 18,183.96 69,601.27	\$ 137.00 1,818.40 506.26 592.04 -545.52 1,272.88 4,872.10	\$ 1,820.18 24,158.68 6,726.01 7,865.63 7,247.59 16,911.08 64,729.17	6,726.01 7,865.63 7,247.59	\$ 6,402.55 23,714.31 **3,625.35 7,720.90 7,114.25 16,599.99 65,177.35	\$4,445.36 (444.37) (3,100.66) (144.73) (133.34) (311.09) <u>311.17</u>			\$4,134.19 <u>4,134.19</u>
UNIT NO. 2 State of Texas Gulf Oil Corporation J. W. Luttes Texaco Inc. Vernon F. Neuhaus Roger B. Mize (Produc- tion Payment)	.028230 .373215 .103828 .121512 .111965 *.261250	2,594.87 34,305.52 9,543.76 11,169.25 10,291.70 24,013.82 91,918.92	$181.64 \\ 2,401.38 \\ 668.06 \\ 781.84 \\ 720.42 \\ 1,680.97 \\ 6,434.31 \\ 181.64 \\ 720.42 \\ 1,680.97 \\ 6,434.31 \\ 1,680.97 \\ 1,880.97 \\$	2,413.23 31,904.14 8,875.70 10,387.41 9,571.28 22,332.85 85,484.61	31,904.14 8,875.70 10,387.41 9,571.28 22,332.85		9,555.25 (955.29) (6,664.81) (311.00) (286.63) (668.66) <u>668.86</u>	(668.86) <u>668.85</u>	955.29 6,664.81 311.00 286.63 668.66 8,886.39	8,886.39 <u>8,886.39</u>
UNIT NO. 3 State of Texas Gulf Oil Corporation J. W. Luttes Texaco Inc. Wernon F. Neuhaus Roger B. Mize (Produc- tion Payment)	.090625 .366508 .057031 .119328 .109952 *.256556	7,132.95 28,847.25 4,488.82 9,392.11 8,654.14 20,193.10 78,708.37	$\begin{array}{r} 499.31\\ 2,019.32\\ 314.22\\ 657.45\\ 605.79\\ \underline{1,413.52}\\ 5,509.61\end{array}$	6,633.64 26,827.93 4,174.60 8,734.66 8,048.35 18,779.58 73,198.76	26,827.93 4,174.60 8,734.66 8,048.35 18,779.58	7,277.53 26,813.51 **4,073.73 8,729.98 8,044.03 18,769.41 73,708.19	$ \begin{array}{r} 144.58 \\ (14.42) \\ (100.87) \\ (4.68) \\ (4.32) \\ (10.17) \\ 10.12 \\ \end{array} $	(10.12) <u>10.12</u>	$ 14.42 \\ 100.87 \\ 4.68 \\ 4.32 \\ 10.17 \\ \overline{134.46} $	134.46 <u>134.46</u>

GULF OIL COMPANY - U.S. SUMMARY OF AMOUNTS DUE ALL PARTIES FOR GAS PRODUCED AND SOLD FOR THE PERIOD MAY 1, 1967 THROUGH NOVEMBER 30, 1968

*Faid for the account of Texas Television Corporation and Snyder National Bank. **Held in suspense by Gulf.



Attention: A. L. Scrivener

Re: State Leases M-48926, M-48931, M-48932, M-48933, M-50872 and M-52087 Luttes Gas Units 1, 11 and 111 State Tracts 652, 653, 654, 667, 668, 669, Laguna Madre Cameron County, Texas

Gentlemen:

This letter is being broadcast to multiple parties in multiple companies who have interests in the captioned gas units, and we trust that each company will place this letter in the hands of a party who has some familiarity with the complexities of the Luttes Units.

A final judgment was rendered March 21, 1969 in Cause No. 36,776 in the District Court of Cameron County, Texas, 103rd Judicial District, J. W. Luttes et al v. Gulf Oil Corporation et al. It recently came to our attention that no one has ever reduced to writing the effect of this judgment on the specific State Mineral leases involved in the Luttes Units.

This letter will relate the judgment to each mineral lease, and each mineral lease to the Units.

Each of the three Luttes Units contains 352 acres. The acreage remained the same both before and after the judgment, but the proportions of State and private acreage were altered in each unit by the decree. This letter will reflect those changes.

The State's participation factors in the Units naturally changed as a result of the decreed shifts in acreage. It is important to note that the State's interest in the Units is determined and controlled solely by the Unit Agreements as amended by the decree. Likewise, the duties and obligations owed the State by the Unit participants are determined by the same documents. The State is not a party to, and is not affected by, the Operating Agreement or Agreements by which the participating interests of Shell Oil Company, Gulf Oil Corporation and Texaco, Inc. in the entire pooled area were established as 43% to Shell Cil Company, 43% to Gulf **0il** Corporation and 14% to Texaco, Inc. Those percentages relate strictly to inter-company operations between the participants and should have no bearing on the remittances made to the State by each participant to satisfy his royalty obligations. Each participant should remit to the State the royalties which he

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Gulf Oil Corporation

would legally owe the State if no such operating agreement existed. Perhaps the principle is better stated on page 24 of the General Land Office Rules and Regulations Governing Oil and Gas Reports and Payments (Energy Resource Publication 100), which reads as follows:

"Balancing Agreements: The State of Texas is not subject to over and under balancing agreements governing working interests. Reports and royalty payments must be based on each State Lease's participation in unit production rather than on the actual amount taken or sold by a tract participant in any given month."

We now make the observation that in the decree it is recited that the interest of Shell Oil Company was acquired by V. F. Neuhaus, effective as of February 1, 1967. Since assignments favoring Neuhaus have not been filed in the General Land Office, we will for convenience refer to these interests as Shell - Neuhaus.

	Unit 1	Unit 2	Unit 3
State Acreage:	59.39	59.62	191.40
Luttes Acreage:	292.61	292.38	160.60
	352.00	352.00	352.00

Following the judgment, the State acreage in the Luttes Units relates to the following State mineral leases:

Unit_1	Lease	Tract	Working Interest Owner
59.39 acres	M-48932	668	Texaco (100%)
Unit 2			
59.62 acres	M-48932	668	Texaco (100%)
Unit 3			
170.35 acres	M-50872	652	Gulf (50%) Shell-Neuhaus (50%)
21.05 acres	M-52087	653	Gulf (50%)
191.40 acres			Shell-Neuhaus (50%)

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It should be noted here that Luttes Unit 1 no longer exists, having terminated in March of 1972 for cessation of production.

Following the judgment, the following State Leases are no longer involved in the Luttes Units:

State Lease	Working Interest Owner	Tract
M-48926	Gulf (100%)	654
M-48931	Gulf (100%)	667
M-48933	Gulf (100%)	669

Forthcoming From our Accounting Department will be a letter explaining the reporting requirements resulting from the judgment. That letter will of course reflect the impact on royalty payments wrought by the recent settlement agreements relating to the so-called market-value suits brought by the Attorney General of Texas.

Yours very truly,

Bob Armstrong

- By: Lanvil Gilbert, Senior Attorney Energy Resources LG/mow
- cc: Texaco, Inc. P. 0. Box 52332 Houston, Texas 77052 Attention: Glendale Eaton, Assistant Chief Accountant

Texaco, Inc. P. O. Box 52332 Houston, Texas 77052 Attention: R. H. Chiles, Supervising Accountant - Gas

Gulf Oil Corporation Box 2099 Houston, Texas 77001 Attention: H. W. Jacobson, Section Supervisor, Gas Accounting

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Shell Oil Company Box 20329 Houston, Texas 77025 Attention: Don Montgomery, Supervisor of Oil and Gas

V. F. Neuhaus Box 1028 First State Bank Building Mission, Texas 78572

MANAGER FARM PRODUCTION Cameron CARLOS ATKINSON CARLOS ATKINSON Clased Litigation File C89-475 Luttes KS Guir Cat CORP., No. 36, 776 Luttes Cort 22 MANAGER CATTLE PRODUCTION ANDRES GALVAN Filed Sept. BUENA VISTA RANCH GARRY MAURO, S. W. LUTTES, Owner P. O. BOX 948 Douglastoward July 22-70 SAN BENITO, TEXAS Land Office , Jerry Sadler, Commis of Gen. RECEIVED Hon. Gov. of the State of Texas Preston Smith, Att. Gen. Crawford Martin, JUL 2 5 1970

Gentlemen:

This letter is addressed to the full land board for immeadiate action. I am the owner of the Buena Vista Ranch and Share Thirty Two of the Espiritu fantos Grant, which is a portion of the ranch. YOu may recall that I sold 19,000 acres, reserving the minerals, to the Dept. of the Interior in 1949, for the sum of \$150,000 agreeing to return this money out of 40% of the income from the (one eighth) royalty untill they had recieved their money back. This was a time committment and I havent much time left to recover anything from this large amount of land. You have this land plastered an all maps with and claiming the right to lease said land when such conditions do not exist, there being but one island on this tract, namely (McGilvery Island) The appeared to be island, east of the aforementioned island is NOT an island it is a portion of the mainland which was cut off when they dredged the Ship Channel to Harlingen.

These claims that youfiled, being mostly in the north end, I can produce wittnesses that this tract lying north of the channel is high grass, and timber land used for grazing. I haven't much time left to drill sufficient wells to obtain production on this land to save the reservation from expiring. I ask you Please get together and execute and mail me a recordable instrument thereby releasing allclouds from this land. Every time I have a buyer or a contract the clouds on titlecause me to loose the deal. I have lost several deals and suffered many damages by reason of this condition. It would be better to get together and settel this matter without forcing me ot sell my land po obtain money to fight another lawsuit. I am inclosing, along with this 1 tter a complete abstract.

Because of the time element I am preparing to drill a well on the north west portion, I must proceed as fast as possible because I may have to drill other wells before I get Production.

Copys to Commissioners of Land Office Dept. of the Interior

Respectfully.

General Land Office

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MANAGER FARM PRODUCTION CARLOS ATKINSON

> BUENA VISTA RANCH J. W. LUTTES, Owner -- P. O. BOX 948 SAN BENITO, TEXAS

MANAGER CAITLE PRODUCTION ANDRES GALYAN

Commissioner of General Land Office Mr. Jerry Sadler

Dear Mr. Sadler:

This will introduce my nephew, Les Luttes. I had intended to come myself but I am not feeling well enough to make the trip this morning so am sending Les alone.

Please feel free to talk anf deal with him as you would with me.

Best personal regards,

.W.Luttes

Comeron Co. Sk. File 12D

Counter 17296

1 Feb. 1980

Lottes

MEMORANDUM TO: File #36776, (J. W. Luttfes vs. Gulf Oil et al, District Court, Cameron County).

The northerly 172.27 acres of Unit 3 in this case lies entirely within the 3365.52 acre⁵ finally determined by Texas Supreme Court to be state land in 1958.

Re Luttes vs. State 289 SW2 357 324 SW₂ 167 328 SW 920

J. E. MORTENSEN

G.L.O. Surveying Division



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SKETCH FILES No. 1 COUNTY <u>CAMER</u> (#1 of 3)

ERON





SKETCH FILE No. 12F COUNTY CAMERON (#30F3)

