

- ① 4.48, 4.41, 4.44 = 408.03
- ② 5.35, 5.41, 5.34 = 492.82
- ③ 7.32, 7.25, 7.28 = 670.67
- ④ 7.75, 7.75, 7.78 = 712.60
 upland 4450
 150 vs. 300
- ⑤ 8.71, 8.80, 8.81 = 805.64
- ⑥ 14.78, 14.52, 14.68 = 1348.06

4750
 Total

4437.84
 315.60

4753.50 AC
 150 vs out on shore line = 315 AC

(167 AC) short of 1 leg + lobes

INTERAGENCY MAIL

Mr. Herman Forbes
 Director of Survey
 General Land Office
 Stephen F. Austin Bldg.
 Austin, Texas 78701

counter 23815

File No. Sketch File 69

Galveston County

Filed _____ 19 _____

GARRY MAURO, Com'r

By _____

No. 113,630

RECEIVED

MAY 23 1986

CITY OF GALVESTON, TEXAS,
ET AL

§
§
§
§
§
§

IN THE DISTRICT COURT OF
CITY ATTORNEY

VS.

GALVESTON COUNTY, TEXAS

THE STATE OF TEXAS, ET AL

122ND JUDICIAL DISTRICT

FINAL JUDGMENT

On this the 2nd day of June, 1986, the above-styled and numbered cause, wherein the CITY OF GALVESTON, TEXAS, a municipal corporation organized and existing under the laws of the State of Texas, situated within Galveston County, Texas; EMERALD PROPERTIES, a partnership, all the partners of which are natural persons who are residents of Galveston County, Texas; SOUTHERN PACIFIC TRANSPORTATION COMPANY, a corporation organized and existing under the laws of the State of Delaware, doing business and maintaining an office and place of business in Galveston County, Texas; DUVAL CORPORATION, a corporation organized and existing under the laws of the State of Texas, with its principal office and place of business situated in Galveston County, Texas; and GALVESTON COUNTY NAVIGATION DISTRICT NO. 1, a navigation district established by and existing under the laws of the State of Texas, and maintaining its principal office in Galveston County, Texas, are Plaintiffs, INTERFIRST BANK GALVESTON, NATIONAL ASSOCIATION, TRUSTEE AND CHARLES A. WORTHEN are Plaintiffs in Intervention, and THE STATE OF TEXAS; the Honorable BOB LANDIS ARMSTRONG, the former Commissioner of the General Land Office and a member of the Executive Department of the State of Texas; the Honorable Garry Mauro, his successor in office; the GENERAL LAND OFFICE of the State of Texas, an office of the State of Texas established by the Constitution of the State of Texas for the registration of land titles which have emanated from the State; MITCHELL ENERGY AND DEVELOPMENT CORPORATION, MITCHELL ENERGY CORPORATION, and HOUSTON CORPORATION, TRUSTEE, each a corporation organized and existing under the laws of the State of Texas; and, GEORGE MITCHELL, an individual, are Defendants, came on for entry of Final Judgment.

AND, BE IT REMEMBERED that on the ^{25th} ~~1st~~ day of May, ¹⁹⁷⁹ ~~1980~~, came on to be heard the Plaintiffs' Motion for Summary Judgment. All requisites for hearing such Motion having been satisfied, and the parties have each appeared by and through counsel, the Court proceeded to hear the Motion and reply thereto but reserved until the present time a ruling thereon.

On the 12th day of December, 1980, the parties appeared in open court by and through counsel and announced that they had reached agreement on certain legal and factual issues material to the cause, which agreement had been reduced to writing. Such writing was received by the Court and approved by it when the Court ascertained in open court that all the parties did agree and stipulate to the matters contained in the writing, which is now on file in this cause. Thereafter, the parties announced to the Court their request that the court adjudicate this cause without the intervention of a jury and based upon the Plaintiffs' Motion for Summary Judgment, the reply thereto and the matters contained in the stipulation and agreement of the parties.

Having now examined and considered the pleadings, the Motion for Summary Judgment, the reply thereto, all proper affidavits, the aforesaid stipulations and agreements, the depositions, answers to interrogatories and admissions on file, the arguments and statements of counsel; and, a jury having been waived and all matters submitted to the Court alone for determination;

NOW, THEREFORE, the Court is of the opinion that the following should be, and it hereby is, ORDERED, ADJUDGED and DECREED:

1. The Court concludes and determines that the legal boundary on the north side of the land described in the Menard Patent of January 25, 1838, is the south bank of the channel of Galveston Harbor. The Plaintiffs' Motion for Summary Judgment is to that extent sustained. The Court finds, based upon the stipulation and agreement of the parties, that the physical location of such legal boundary, on the face of

the earth, is coincident with the line described by calls for course and distance in Schedule A of this Final Judgment.

2. The Court finds, concludes and determines that the northern boundary of each Plaintiff's land, estate or interest in land, claimed by such Plaintiff in this cause, is the northern boundary of each such respective Plaintiff's land as set forth in Schedule B(1), B(2), B(3), B(4), B(5), B(6) and B(7) of this Judgment, wherein are described the respective Plaintiff's lands, estates or interest in land, all of which lie in Galveston County, Texas. It is accordingly ORDERED, ADJUDGED and DECREED that each respective Plaintiff do have and recover of and from the Defendants' title to and possession of such Plaintiff's land, estate or interest in land, to the full extent of the boundaries of such Plaintiff's land, estate or interest in land, as described and set forth in Schedule A, subject to the respective and applicable leases described in Schedule C of this Judgment and as reformed by this Judgment and Schedules D(1), D(2), D(3), D(4), D(5) and D(6) of this Judgment and to the designation of the applicable one of the Galveston Townsite Unit No.1 and the Galveston Townsite Unit No. 2 as heretofore reformed by instruments and amendments thereto described in said Schedules D(7) and D(8) of this Judgment, all as reformed and amended by said Schedules D(7) and D(8) to this Judgment.

3. The Court finds, concludes and determines that the parties have heretofore executed and delivered the instruments described and referred to in Schedule C of this Judgment.

The Court further finds, concludes and determines that the Plaintiffs are entitled to have such instruments reformed to set forth the true northern boundary of each Plaintiff's land, estate or interest in land as that boundary has been determined in this cause. It is therefore ORDERED, ADJUDGED and DECREED that each such instrument be reformed to read as set forth in the facsimilies that comprise Schedule D of this Judgment.

4. The Court finds, concludes and determines that as of November 30, 1985 the sum of \$1,778,446.74 has been paid in trust to the State of Texas as royalty due on the production of oil and gas attributable to lands within the vicinity of the boundary disputed and adjudicated in this cause. The Court further finds, concludes and determines that the parties are entitled to a division and delivery of such sum in accordance with the provisions of Schedule E of this Judgment. It is accordingly ORDERED, ADJUDGED and DECREED that the State of Texas forthwith deliver to the Clerk of this Court the aforesaid \$1,778,446.74, and, the Clerk of this Court is ordered to promptly distribute all such sums in accordance with the provisions of Schedule E attached to this Judgment. It is further ORDERED, ADJUDGED and DECREED that the State of Texas forthwith deliver to the Clerk of this Court any and all other sums received or to be received as royalty from the production of oil and gas attributable to said lands between November 30, 1985, and the date of payment hereunder; and the Clerk of this Court is ordered to promptly distribute all such sums to

Mitchell Energy Corporation for distribution in accordance with Schedule D(9) of this Judgment. It is further ORDERED, ADJUDGED and DECREED that the rights and obligations of the respective parties shall, after this Judgment becomes final, be governed and determined according to the instruments attached in facsimile as Schedule D.

5. It is ORDERED, ADJUDGED and DECREED, based upon the stipulation and agreement of the parties that each Plaintiff is awarded a perpetual non-exclusive easement over and across all lands and submerged areas lying between such Plaintiff's northern boundary and the deep water channel of the Galveston Ship Channel, in Galveston County, Texas, as that channel is determined by the United States Corps of Engineers, for the purpose of dredging for navigational purposes only from time to time as may be necessary to maintain deep water across from the deep water channel of the Galveston Ship Channel to the seaboard, or northern, boundary of such Plaintiff's land, estate or interest in land, such easement not permitting, however, the removal of dredge materials solely for the purposes of fill, and not permitting the construction of wharves, piers and other structures within the easement so awarded.

6. It is further ORDERED, ADJUDGED and DECREED that all relief sought by the parties is denied, save to the extent granted in this Final Judgment.

7. Costs are assessed against the party incurring them; and, it appearing that all costs have been paid, no execution shall issue therefor.

The Defendants are allowed their exception, taken in open court, to the sustaining of the Plaintiffs' Motion for Summary Judgment whereby the legal boundary on the northside of the Menard Patent is determined by the Court to be the south bank of the channel of Galveston Harbor, a determination made by the Court without reference to the stipulation and agreement of the parties as to the physical location of such boundary on the face of the earth.

SIGNED and ORDERED entered this the 2nd day of June, 1986.

/s/ E. M. Dalehite
JUDGE PRESIDING

APPROVED:

MCLEOD, ALEXANDER, POWEL & APFFEL, P.C.

By: _____

BENJAMIN R. POWEL
TBA#16193000
802 Rosenberg, P.O. Box 629
Galveston, Texas 77553
(409) 763-2481

att: Rick Ansell

ATTORNEYS FOR PLAINTIFFS,
CITY OF GALVESTON and EMERALD PROPERTIES,
and INTERFIRST BANK OF GALVESTON, N.A., Trustee,
and Charles A. Worthen,
Plaintiffs in Intervention

By: _____

ROBERT V. SHATTUCK, JR.
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City Attorney, City of Galveston
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Galveston, Texas 77553
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BAKER & BOTTS

By: _____

JOHN HEARD
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ATTORNEYS FOR SOUTHERN PACIFIC TRANSPORTATION
COMPANY and DUVAL CORPORATION

RIDER & WILSON

By: _____

G. WILLIAM RIDER
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23rd and Church Street
Galveston, Texas 77550
(409) 763-3531

ATTORNEYS FOR GALVESTON COUNTY NAVIGATION
DISTRICT NO. 1

JIM MATTOX, ATTORNEY GENERAL
OF THE STATE OF TEXAS

By: _____

DIANE MORRIS
TBA #21076700
P. O. Box 12548
Austin, Texas 78711

ATTORNEYS FOR DEFENDANT,
THE STATE OF TEXAS,
THE GENERAL LAND OFFICE OF THE STATE OF TEXAS,
HON. BOB L. ARMSTRONG, FORMER COMMISSIONER OF
THE GENERAL LAND OFFICE, HON. GARRY MAURO,
COMMISSIONER OF THE GENERAL LAND OFFICE

SCHEDULE A

Field Notes of the bayward boundary of the northwesterly part of the Juan N. Seguin Land Grant titled and patented for purposes of marine port development on July 22nd, 1835, to Michael B. Menard, in Galveston County, Texas, in accordance with that certain Judgment of District Court of Galveston dated _____ and issued _____, Cause No. 113630.

BEGINNING at a point in the original shoreline of Galveston Bay in accordance with 1838 Map of City of Galveston, being the SE Corner of that certain 232.75 acres termed First Tract in conveyance from George Sealy et al, Trustees, to City of Galveston, a municipal corporation, and recorded on 3 December 1940 in Vol. 619, p. 193 et seq. of the Deed Records of Galveston County, Texas, being also a point in Block 730 of said City of Galveston, in centerline of a 20 foot alley lying N.16°39'40"W. 180.03 varas (500.07 feet) and S.73°20'17"W. 42.41 varas (117.80 feet) from the centerline intersection of Avenue B and 10th Street in said City of Galveston (Texas South Central Zone Grid Coordinates X = 3,344,758.68 Y = 561,467.30), and lying N.16°39'40"W. 180.03 varas (500.07 feet) and N.73°20'17"E. 94.47 varas (262.41 feet) from the steel nail at centerline intersection of Avenue B and 11th Street, Grid Coordinates X = 3,344,398.61 Y = 561,345.36 (the bearings and distances shown are geodetic with origin at U.S. Coast and Geodetic Survey Bench Mark disc stamped "H 168 1936 ELEV 15.036 FT" in top of seawall at 61st Street, Grid X = 3330578.635 Y = 544764.684):

THENCE across said Menard title, with E. line of said First Tract as follows:

N.16°39'48"W., generally with existing chainlink fence, 209.51 varas (581.98 feet) to the steel rail up 12 inches;

And N.0°48'12"E., at 189.28 varas (525.78 feet) passing a northerly extension of the E. right-of-way of 10th Street, and continuing a total of 595.72 varas (1654.77 feet) to a point in the S. boundary of the Galveston Harbour Line by U. S. Corps of Engineers (at Texas South Central Zone Grid Coordinates X = 3,344,264.24 Y = 564,108.41), from which the anglepoint "E" in said harbour line bears N.38°21'41"E. 591.69 varas (1643.58 feet);

THENCE with said S. line of Galveston Harbour (by U.S.E.) as follows:

- 3. S. 38°21'41"W. 147.69 varas (410.25 feet) to anglepoint "F";
- S. 38°28'04"W. 86.75 varas (240.98 feet) to anglepoint "G";
- S. 42°40'58"W. 253.55 varas (704.30 feet) to anglepoint "H";
- S. 51°05'33"W. 253.54 varas (704.27 feet) to anglepoint "I";
- S. 55°18'16"W. 587.92 varas (1633.10 feet) to anglepoint "J";
- S. 57°38'04"W. 193.07 varas (536.29 feet) to anglepoint "K";
- S. 62°17'29"W. 193.07 varas (536.29 feet) to anglepoint "L";
- S. 64°37'18"W. 186.49 varas (518.02 feet) to anglepoint "M";
- S. 70°14'42"W. 352.71 varas (979.76 feet) to anglepoint "N";
- S. 81°29'31"W. 352.71 varas (979.74 feet) to anglepoint "O";
- S. 87°06'54"W. 304.50 varas (845.84 feet) to anglepoint "P";
- S. 88°45'46"W. 414.04 varas (1150.10 feet) to anglepoint "Q";
- N. 87°56'29"W. 318.58 varas (884.94 feet) to anglepoint "R";
- N. 86°17'14"W., at 977.86 varas (2716.28 feet) passing the NW

Corner of said First Tract at a northward extension of E. R.O.W. of 41st Street, whence the SW Corner of Block 760 in City of Galveston bears S.16°39'40"E. 821.92 varas or 2283.11 feet, and continuing a total of 986.69 varas (2740.80 feet) to anglepoint "S";

N. 76°17'37"W., into open water and passing under Pelican Island Causeway bridge, 1331.94 varas (3699.83 feet) to anglepoint "T" (whence U.S.E. Station "P-5" on said causeway bears N.87°35'10"E. 637.81 varas or 1771.70 feet, at Grid Coordinates X = 3,330,867.38, Y = 561,087.32);

And S. 73°17'21"W. across open water 1280.61 varas (3557.26 feet) to the W. marine boundary and NW Corner of said Menard title, in accordance with said Judgment (a point in open water at Texas South Central Zone Grid Coordinates X = 3,325,733.38, Y = 559,805.97), from which anglepoint "U" bears S.73°17'21"W. 2228.87 varas (6191.30 feet);

THENCE, with W. marine boundary of said Menard title, South, at 862.15 varas (2394.86 feet) passing the N. boundary line of that certain 45.91 acres termed Tract One described in Release of Deed of Trust from

Emerald Properties, Inc. to Marvin West, Trustee for First Hutchings-Sealy National Bank of Galveston and recorded in Vol. 2700, p. 228 et seq of aforesaid Deed Records, and continuing now across said 45.91 acres a total of 1000.53 varas (2779.26 feet) to the original 1837 shoreline at NE corner of Section No. 1, Trimble and Lindsey Subdivision of Galveston Island, in E. line of a 50 foot road R.O.W. in said Subdivision (now in open water), from which the 80d nail in 8-inch by 10-inch creosoted pine beam up 4 feet in water near present filled shoreline bears S.13°02'11"E. 305.63 varas (848.97 feet);

THENCE with original E. line of said Trimble and Lindsey Section No. 1, S.24°57'58"E., along the E. R.O.W. of said access road and across westerly part of said 45.91 acres, passing existing shoreline at N. edge of artificial fill at 326.00 varas (whence said 80d nail in beam bears N.88°09'18"W. 68.69 varas), at 434.17 varas (1206.03 feet) passing the S. boundary of said 45.91 acres, (its SE corner bears N.73°20'20"E. 1313.47 feet) now crossing Industrial Road a total of 557.21 varas (1547.81 feet) to intersect the westward extension of original centerline of Avenue A, from which the railroad spike found in pavement at common corner of Lots 16, 17, 24, and 25, Trimble and Lindsey Section No. 1 (in centerline of 50 foot street now termed Hurd's Lane) bears S.24°57'58"E. 2348.39 varas and S.65°02'02"W. 264.64 varas, and the aforesaid U.S.C. & G.S. monument "H-168" bears S.24°57'58"E. 4065.64 varas to seawall and S.54°47'42"W. 490.86 varas.

FIELD NOTES FOR CLOSURES OF BOUNDARIES

THENCE with said extended centerline of Avenue A (now Industrial Road) N.73°20'15"E. 455.08 varas (1264.11 feet) to the E. R.O.W. of 57th Street;

THENCE with E. R.O.W. of 57th Street N.16°39'45"W. 12.60 varas (35.00 feet) to the SW corner of Block 776 in said City of Galveston, from which the aforesaid SE corner of 45.91 acres bears N.16°39'45"W. 109.15 varas, and the present N. R.O.W. of Industrial Road bears N.16°39'45"W. 1.80 varas;

THENCE with N. R.O.W. of Avenue A N.73°20'15"E., at 2189.38 varas (6081.61 feet) passing the aforesaid SW corner of Block 760 (thus constituting 626.450 acres lying west of the aforesaid 232.75 acres to the City of Galveston), and continuing now with S. line of said 232.75 acres a total of 4940.58 varas (13723.82 feet) to the SW corner of Block 740;

THENCE continuing with boundary of said 232.75 acres as follows:

N.16°39'45"W. 46.81 varas (130.02 feet) to centerline of 20 foot alley in W. line of said Block 740;

And N.73°20'12"E., with said centerline of alley, 1448.32 varas (4023.10 feet) to the Point of Beginning, and constituting a total of 911.388 acres, including 284.938 acres within the described boundary of said 232.75 acres.

SCHEDULE B TO FINAL JUDGMENT
IN CAUSE NO. 113,630
IN THE 122ND JUDICIAL DISTRICT
COURT OF GALVESTON COUNTY, TEXAS

- (1) City of Galveston Property - Tracts A & B
- (2) Emerald Properties Property
- (3) Southern Pacific Transportation Company Property
- (4) Duval Corporation Property
- (5) Galveston County Navigation District No. 1 -
Tracts A, B, & C
- (6) Interfirst Bank Galveston, N.A., Trustee Property
- (7) Charles A. Worthen Property

SCHEDULE B(1) TO FINAL JUDGMENT IN
CAUSE NO. 113,630 IN THE 122ND DISTRICT COURT OF
GALVESTON COUNTY, TEXAS

CITY OF GALVESTON PROPERTY

TRACT A

A tract of land lying in Galveston County, Texas, more particularly described by metes and bounds as follows:

Commencing at the Northwest corner of Block 716 in the City of Galveston said point lying in the East right of way line of 57th Street and the South right of way line of Avenue "A";

Thence, N 16° 39' 45" W, along the Northerly projection of the East right of way line of 57th Street, said projection line also being the East line of the Gore or Wedge Tract, at a distance of 35 feet to the centerline of the Avenue "A" right of way, said point also being the true point of beginning of this 215.563 Acre Tract;

Thence, N 16° 39' 45" W, along the East line of the Gore or Wedge Tract, a distance of 4194.72 feet to a point for a corner in the South line of the Channel of Galveston Harbor;

Thence, N 73° 17' 21" E, along the South line of the channel of Galveston Harbor, a distance of 2282.14 feet to a point for a corner;

Thence, S 16° 38' 00" E, along the Northerly projection of the East right of way line of 51st Street, a distance of 3178.15 feet to a point for a corner;

Thence, S 7° 22' 00" W, a distance of 541.44 feet to a point for a corner;

Thence, along a curve having a radius of 460.00 feet and a long chord of 191.28 feet, which has a bearing of S 4° 38' 00" E and a distance of 192.59 feet to a point for a corner;

Thence, S 16° 38' 00" E, a distance of 301.79 feet to a point located on the North right of way line of Avenue "A" for a corner;

Thence, N 73° 22' 00" E, along the North right of way line of Avenue "A" a distance of 140 feet to a point for a corner;

Thence, S 16° 38' 00" E, a distance of 20 feet to a point for a corner;

Thence, N 73° 22' 00" E, a distance of 120 feet to a point for a corner;

Thence, S 16° 39' 45" E, a distance of 15 feet to a point for a corner;

Thence, S 73° 20' 15" W, along the centerline of the Avenue "A" right of way, a distance of 2280 feet to the true point of beginning of this 215.563 acre tract more or less.

CITY OF GALVESTON

TRACT B

A tract of land lying in the City and County of Galveston, Texas described by metes and bounds as follows:

BEGINNING at a point in the original shoreline of Galveston Bay in accordance with 1838 Map of City of Galveston, being the SE Corner of that certain 232.75 acres termed First Tract in conveyance from George Sealy et al, Trustees, to City of Galveston, a municipal corporation, and recorded on 3 December 1940 in Vol. 619, p. 193 et seq. of the Deed Records of Galveston County, Texas, being also a point in Block 730 of said City of Galveston, in centerline of a 20 foot alley lying N.16°39'40"W. 180.03 varas (500.07 feet) and S.73°20'17"W. 42.41 varas (117.80 feet) from the centerline intersection of Avenue B and 10th Street in said City of Galveston (Texas South Central Zone Grid Coordinates X = 3,344,758.68 Y = 561,467.30), and lying N.16°39'40"W. 180.03 varas (500.07 feet) and N.73°20'17"E. 94.47 varas (262.41 feet) from the steel nail at centerline intersection of Avenue B and 11th Street, Grid Coordinates X = 3,344,398.61 Y = 561,345.36 (the bearings and distances shown are geodetic with origin at U. S. Coast and Geodetic Survey Bench Mark disc stamped "H 168 1936 ELEV 15.036 FT" in top of seawall at 61st Street, Grid X = 3330578.635 Y = 544764.684):

THENCE across said Menard title, with E. line of said First Tract as follows:

N.16°39'48"W., generally with existing chainlink fence, 209.51 varas (581.98 feet) to the steel rail up 12 inches;

And N.0°48'12"E., at 189.28 varas (525.78 feet) passing a northerly extension of the E. right-of-way of 10th Street, and continuing a total of 595.72 varas (1654.77 feet) to a point in the S. boundary of the Galveston Harbour Line by U. S. Corps of Engineers (at Texas South Central Zone Grid Coordinates X = 3,344,264.24 Y = 564,108.41), from which the anglepoint "E" in said harbor line bears N. 38°21'41"E. 591.69 varas (1643.58 feet);

THENCE with said S. line of Galveston Harbour (by U.S.E.) as follows:

S.38°21'41"W. 147.69 varas (410.25 feet) to anglepoint "F";
S.38°23'04"W. 86.75 varas (240.98 feet) to anglepoint "G";
S.42°40'58"W. 253.55 varas (704.30 feet) to anglepoint "H";
S.51°05'33"W. 253.54 varas (704.27 feet) to anglepoint "I";
S.55°18'16"W. 587.92 varas (1633.10 feet) to anglepoint "J";
S.57°36'04"W. 193.07 varas (536.29 feet) to anglepoint "K";
S.62°17'29"W. 193.07 varas (536.29 feet) to anglepoint "L";
S.64°37'18"W. 186.49 varas (518.02 feet) to anglepoint "M";
S.70°14'42"W. 352.71 varas (979.76 feet) to anglepoint "N";
S.81°29'31"W. 352.71 varas (979.74 feet) to anglepoint "O";
S.87°06'54"W. 304.50 varas (845.84 feet) to anglepoint "P";
S.88°45'46"W. 414.04 varas (1150.10 feet) to anglepoint "Q";
N.87°56'29"W. 318.58 varas (884.94 feet) to anglepoint "R";
N.86°17'14"W. 977.86 varas (2716.28 feet) to the NW Corner of
said First Tract at a northward extension of E. R.O.W. of 41st Street;

THENCE S.16°39'40"E along said northward extension of E. R.O.W. of
41st Street 821.92 varas (2283.11 feet) to the SW corner of Block
760 in City of Galveston, being the SW corner of said 232.75 acres;

THENCE continuing with boundary of said 232.75 acres as follows:

N.73°20'15"E with N. R.O.W. of Avenue A 2751.20 varas (7642.21 feet)
to the SW corner of Block 740;

And N.16°39'45"W. 46.81 varas (130.02 feet) to centerline of 20
foot alley in W. line of said Block 740;

And N.73°20'12"E., with said centerline of alley, 1448.32 varas
(4023.10 feet) to the Point of Beginning, and constituting a total
of 284.938 acres within the described boundary of said 232.75 acres.

SCHEDULE B(2) TO FINAL JUDGMENT
IN CAUSE NO. 113,630 in the 122ND
DISTRICT COURT OF GALVESTON COUNTY, TEXAS

PROPERTY OF EMERALD PROPERTIES

DESCRIPTION OF A 104.9501 ACRE TRACT OUT OF THE GORE OR WEDGE TRACT,
CITY AND COUNTY OF GALVESTON, TEXAS.

COMMENCING at the Northwest corner of Block 716 in the City of Galveston,
according to the map of said City now in common use, said point lying in
the East right of way line of 57th Street and in the South right of way
line of Avenue "A";

THENCE N16°39'45"W, along the Northerly projection of the East right of
way line of 57th Street and along the East line of the Gore or Wedge
Tract, at a distance of 70 feet cross the North right of way line of
Avenue "A", said point being the Southwest corner of Block 776 and
continuing an additional 303.19 feet for a total distance of 373.19 feet
to the place of beginning of the 104.9501 acre tract hereinafter described,
said point also being the Southeast corner of a called 45.91 acre tract,
found 44.3257 acres;

THENCE from said beginning corner continuing N16°39'45"W, along the
Northerly projection of the East right of way line of 57th Street and
along the East line of the Gore or Wedge Tract, a distance of 3856.53
feet to a point for corner in the South line of the channel of Galveston
Harbor (X=3,326,394.94, Y = 560,004.59);

THENCE S73°17'21"W, along the South line of the channel of Galveston
Harbor, a distance of 690.74 feet to a point for corner, (angle point
"A", X = 3,325,733.38, Y = 559,805.97), same being the Northwest corner
of the Menard title;

THENCE, with the West marine boundary of the said Menard title, South,
at a distance of 2383.84 feet cross the Northwest corner of said called
45.91 acre tract, found 44.3257 acres, in all, a total of 2779.26 feet
to a point for corner being the Northeast corner of the Trimble and
Lindsey Survey of Galveston Island, Section 1, said point lying in the
Easterly right of way line of a 50 foot road known as 59th Street;

THENCE S24°57'58"E, along the East line of the Trimble and Lindsey
Survey of Galveston Island, along the Easterly right of way line of
59th Street and along the Westerly line of the Gore or Wedge Tract, a
distance of 1206.00 feet to a point for corner being the Southwest corner
of said called 45.91 acre tract, found 44.3257 acres;

THENCE N73°20'20"E, along the Southerly line of said called 45.91 acre
tract, found 44.3257 acres, a distance of 1313.47 feet to the place of
beginning and containing 104.9501 acres, more or less.

SAVE AND EXCEPT:

- 1) the undivided interest of Interfirst Bank, N.A. Trustee in a
45.91 acres, more or less, as described in Schedule B(6) of this
Judgment, and
- 2) the individual interest of Charles A. Worthen in said
104.7501 acres, more or less, as described in Schedule B(7) of
this Judgment.

SCHEDULE B(3) TO FINAL JUDGMENT IN
CAUSE NO. 113,630 IN THE 122ND DISTRICT COURT
OF GALVESTON COUNTY, TEXAS

SOUTHERN PACIFIC TRANSPORTATION COMPANY PROPERTY

All those certain lands and lands under water situated in or near the City of Galveston, more particularly described as follows:

BEGINNING at the southwest corner of Block 760 at the intersection of the north right-of-way line of Avenue A 70 feet in width and the east line of 41st Street 80 feet in width;

THENCE South $16^{\circ}39'40''$ East along the prolongation of the west line of Block 760 and the east right-of-way line of 41st Street, a distance of 35 feet to the center line of Avenue A;

THENCE South $73^{\circ}20'15''$ West along the center line of Avenue A, a distance of 26 feet;

THENCE South $16^{\circ}39'40''$ East parallel with and 26 feet westerly from the east line of 41st Street, a distance of 295 feet;

THENCE North $73^{\circ}20'15''$ East along the prolongation of the south line of Block 700, and the north line of Avenue B a distance of 26 feet to the southwest corner of Block 700 and the southeast corner of those certain lands described in that certain deed dated July 10, 1901, from Arabella D. Huntington, et al, to Southern Pacific Terminal Company, recorded in Book 186, Pages 53 to 57 of the Deed Records of Galveston County, Texas;

THENCE South $16^{\circ}39'40''$ East along the prolongations of the west line of Block 700 and the east line of 41st Street, a distance of 40 feet to the center line of Avenue B;

THENCE South $73^{\circ}20'15''$ West along the center line of Avenue B a distance of 3800 feet to the prolongations of the west line of Block 710 and the east right-of-way line of 51st Street;

THENCE North $16^{\circ}39'40''$ West along the prolongations of the west line of Block 710 and the east line of 51st Street, a distance of 40 feet to the southwest corner of said Block 710 and the southwest corner of those lands described in said deed from Arabella D. Huntington, et al;

THENCE continuing North $16^{\circ}39'40''$ West along the west line of the lands described in said deed from Arabella D. Huntington, et al, and along the prolongations of the west line of Block 710 and the east line of 51st Street, a distance of 4,531.66 feet to a point in the south boundary of the Galveston Harbour Line by U. S. Corps of Engineers;

THENCE North $73^{\circ}17'21''$ East along said Harbour Line, a distance of 584.80 feet to anglepoint "T" (whence U.S.E. Station "P-5" on Pelican Island Causeway Bridge bears North $87^{\circ}35'10''$ East 1,771.70 feet at Grid Coordinates $X = 3,330,867.38$, $Y = 561,087.32$);

THENCE South $76^{\circ}17'37''$ East along said Harbour Line, a distance of 3,699.83 feet to anglepoint "S";

THENCE South $86^{\circ}17'14''$ East along said Harbour Line, a distance of 24.52 feet to the northward extension of the east right-of-way line of 41st Street and the west line of Blocks 760 and 700;

THENCE South $16^{\circ}39'40''$ East along said extensions of the east line of 41st Street and the west line of Blocks 760 and 700, a distance of 2,283.11 feet to the Place of Beginning and containing 325.66 acres more or less,

Save and except that portion of said property more fully described in deed from Southern Pacific Terminal Company, et al to Continental Grain Company, dated March 5, 1958, recorded in Book 1251, page 646 of the deed records of Galveston County, Texas, described by metes and bounds in Schedule B(4) herein.

SCHEDULE B(4) TO FINAL JUDGMENT IN
CAUSE NO. 113,630 IN THE 122ND DISTRICT COURT OF
GALVESTON COUNTY, TEXAS

DUVAL CORPORATION PROPERTY

ALL those certain lands and lands under water situated in or near the City of Galveston, more particularly described as follows:

COMMENCING at the southwest corner of Block 760 at the intersection of the north right-of-way line of Avenue A 70 feet in width and the east right-of-way line of 41st Street 80 feet in width;

THENCE North $16^{\circ}39'40''$ West along the prolongation of the west line of Block 760 and the east line of 41st Street, a distance 1,817.03 feet to the most easterly corner of that certain 65.1 acre tract of land described in deed dated March 5, 1958, from Southern Pacific Terminal Company to Continental Grain Company recorded in Volume 1251, Page 646 of the Deed Records of Galveston County, Texas, and to the Place of Beginning of the herein-described property;

THENCE along the boundaries of said 65.1 acre tract as follows:

SOUTH $13^{\circ}36'40''$ West (S. $13^{\circ}42'W.$ -Deed), a distance of 1,950.9 feet;

SOUTH $61^{\circ}27'20''$ West (S. $61^{\circ}22'W.$ -Deed), a distance of 139.3 feet;

SOUTH $66^{\circ}51'40''$ West (S. $66^{\circ}57'W.$ -Deed), a distance of 352.9 feet;

NORTH $72^{\circ}23'20''$ West (N. $72^{\circ}18'W.$ -Deed), a distance of 304.2 feet;

NORTH $13^{\circ}36'40''$ East (N. $13^{\circ}42'E.$ -Deed), a distance of 465.0 feet;

NORTH $26^{\circ}30'20''$ West (N. $26^{\circ}25'W.$ -Deed), a distance of 958.25 feet;

NORTH $13^{\circ}36'40''$ East (N. $13^{\circ}42'E.$ -Deed), a distance of 1,436.58 feet

(1,430.93 feet-Deed) to a point in the south boundary of the Galveston Harbour Line by U. S. Corps of Engineers;

SOUTH $76^{\circ}17'37''$ East (N. $76^{\circ}18'W.$ -Deed) along said south Harbour Line: a distance of 1,047.81 feet (1,081.33 feet-Deed) to anglepoint "S";

SOUTH $86^{\circ}17'14''$ East along said south Harbour Line, a distance of 24.52 feet to the northward extension of the east line of 41st Street and the west line of Blocks 760 and 700;

SOUTH $16^{\circ}39'40''$ East (N. $13^{\circ}42'E$ -Deed) along said extension of the east line of 41st Street and the west line of Blocks 760 and 700, a distance of 466.08 feet (452.97 feet Deed) to the Place of Beginning and containing 65.126 acres more or less.

SCHEDULE B(5) TO FINAL JUDGMENT IN
CAUSE NO. 113,630 IN THE 122ND DISTRICT COURT OF
GALVESTON COUNTY, TEXAS

GALVESTON COUNTY NAVIGATION DISTRICT NO. 1 PROPERTY

Tract A. The surface and an undivided mineral interest in all of the oil, gas and other minerals, together with the right to make and execute oil, gas and mineral leases, subject to a reservation of a 1/8th royalty interest, and the right to all bonus and delay rentals contained of record in the Deed executed November 19, 1952 by J. B. Angell, et ux to the City of Galveston covering a tract of land conveyed to Galveston County Navigation District No. 1 by the City of Galveston, as evidenced by Deed dated September 8, 1955, recorded in Book 1117, Pages 338 et. seq., Deed Records, Galveston County, Texas, described by metes and bounds as follows:

Commencing at the intersection of Avenue "A" in said City of Galveston, Texas and the extension of the East right-of-way line of Fifty-first Street in said City of Galveston, Texas, which is the point of beginning; thence, along the said extension of the East right-of-way line of Fifty-first Street on a bearing of S. 16°38'00" E. for a distance of twenty (20) feet; thence, along a line parallel to the aforesaid north right-of-way line of Avenue "A" on a bearing S. 73°22'00" W. for a distance of one hundred twenty (120) feet; thence, on a bearing of N. 16°38'00" W. for a distance of twenty (20) feet to a point on the aforesaid north right-of-way line of Avenue "A"; thence, along said north right-of-way line on a bearing of S. 73°22'00" W. for a distance of one hundred forty (140) feet; thence, on a bearing of N. 16°38'00" W. for a distance of three hundred one and seventy-nine hundredths (301.79) feet; thence, on a line curving to the right for a distance of one hundred ninety-two and fifty-nine hundredths (192.59) feet, the chord of said curved line bearing N. 4°38'00" W. for a distance of one hundred ninety-one and twenty-eight hundredths (191.28) feet; thence, on a bearing of N. 7°22'00" E. for a distance of five hundred forty-one and forty-four hundredths (541.44) feet to a point on the existing north-south seawall, which is the extension of the aforesaid east right-of-way line of Fifty-first Street; thence, along said north-south seawall on a bearing of S. 16°38'00" E. for a distance of nine hundred eighty-three and fifty-four hundredths (983.54) feet to the point of beginning and containing four and fifteen hundredths (4.15) acres, more or less, together with all improvements thereon.

Tract B. The surface only of a tract of land conveyed to Galveston County Navigation District No. 1 by Southern Pacific Terminal Company, as evidenced by Deed dated August 12, 1955, recorded in Book 1111, Pages 564 et seq., Deed Records, Galveston County, Texas, described by metes and bounds as follows:

Commencing at the intersection of the northerly prolongation of the east line of 51st Street and the north line of what formerly was Avenue "A", said intersection being on the west line of Grantor's property and is N. 16°38' W. three hundred thirty feet (330') from the southwest corner of Block 710, which is also the southwest corner of Grantor's property;

Thence N. 16°38' W. along Grantor's west property line, a distance of nine hundred eighty three and 54/100 feet (983.54') to corner;

Thence N. 73°22' E. a distance of thirty one and 44/100 feet (31.44') to corner;

Thence in a northeasterly direction along a line curving to the right having a radius of three thousand seventy feet (3070') and a long chord of eight hundred sixty four and 43/100 feet (864.48') which bears N. 8°55'07" E. a distance of eight hundred sixty six and 75/100 feet (866.75') to an intersection with the center line of Grantor's east-west bulkhead for corner;

Thence S. 73°05'20" W. along the center line of said bulkhead, a distance of twenty seven and 67/100 feet (27.67') to corner;

Thence in a northeasterly direction along a line curving to the right having a radius of three thousand ninety three feet (3093') and a long chord of five hundred eighty-four and 84/100 feet (584.84') which bears N. 22°09' E. a distance of five hundred eighty five and 42/100 feet (585.42') to end of curve;

Thence N. 27°34'30" E. a distance of one thousand six hundred thirty three and 26/100 feet (1633.26') to corner on the south United States Harbor line as established in 1897;

Thence S. 76°19'34" E. along said Harbor line a distance of two hundred six and 03/100 feet (206.03') to corner;

Thence S. 27°34'30" W. a distance of one thousand six hundred eighty two and 84/100 feet (1682.84') to corner;

Thence in a southwesterly direction along a line curving to the left having a radius of two thousand eight hundred ninety three feet (2893') and a long chord of four hundred twelve and 30/100 feet (412.30) which bears S. 23°29'20" W. a distance of four hundred twelve and 43/100 feet (412.43') to corner on the center line of Grantor's said east-west bulkhead;

Thence S. 73°05'20" W. along said center line, a distance of forty two and 7/100 feet (42.07') to corner;

Thence in a southwesterly direction along a line curving to the left having a radius of two thousand nine hundred twenty seven feet (2927') and a long chord of one thousand three hundred thirty and 44/100 feet (1330.44') which bears S. 5°46'43" W. a distance of one thousand three hundred forty one and 49/100 feet (1341.49') to end of curve;

Thence in a southeasterly direction along a line curving to the left having a radius of three hundred sixty and 28/100 feet (360.28') and a long chord of two hundred four and 65/100 feet (204.65') which bears S. 23°51'28" E. a distance of two hundred seven and 40/100 feet (207.40') to end of curve;

Thence S. 40°21'28" E. along the southeasterly tangent of preceding curve, a distance of one hundred seventy seven and 73/100 feet (177.73') to corner;

Thence in a southeasterly direction along a line curving to the left having a radius of four hundred twenty eight and 34/100 feet (428.34') and a long chord of two hundred fourteen and 50/100 feet (214.50') which bears S. 54°51'28" East, a distance of two hundred sixteen and 69/100 feet (216.69') to corner on the north line of former Avenue "A", which was closed and abandoned by Ordinance adopted by the City Council of the City of Galveston, Texas on February 4, 1899;

Thence S. 73°22' W. along the north line of former Avenue "A", a distance of two hundred sixty one and 25/100 feet (261.25') to corner;

Thence S. 16°38' E. a distance of twenty feet (20') to corner;

Thence S. 73°22' W. parallel with the north line of former Avenue "A" a distance of forty feet (40') to corner on Grantor's said west property line;

Thence N. 16°38' W. along Grantor's said west property line being also the east line of 51st Street, a distance of twenty feet (20') to the place of beginning and containing fifteen and seventy six one hundredths (15.76) acres, of which 9.83 acres, more or less, are submerged.

SCHEDULE B(6) TO FINAL JUDGMENT IN
CAUSE NO. 113,630 IN THE 122ND DISTRICT COURT OF
GALVESTON COUNTY, TEXAS

PROPERTY OF INTERFIRST BANK GALVESTON,
NATIONAL ASSOCIATION, TRUSTEE

An undivided one-half (1/2) interest in and to all mines and wells of, and all minerals in and under the following described tract or parcel of real property, to wit:

COMMENCING at the Northeast corner of Lot 10, Section 1, Trimble and Lindsey Survey of Galveston Island, Galveston County, Texas, said point lying No. 25 deg. 09' W. a distance of 1470 feet from the Southeast corner of said Lot 10; THENCE N. 64 deg. 51' E., a distance of 50 feet to the place of beginning which lies in the Easterly right-of-way line of 59th Street, a 50-foot road; THENCE from said beginning corner, North, a distance of 416.67 feet to a point for corner; THENCE S. 89 deg. 42' 11" E., a distance of 1,488.10 feet to a point for corner in the East line of said Gore Tract, same being the East line of 57th Street extended; THENCE S. 16 deg. 43' E., along the East line of said Gore Tract and the East line of 57th Street extended, a distance of 1139.6 feet to a point for corner, said point lying N. 16 deg. 43' W., a distance of 338.15 feet from the center line of Avenue "A" extended westerly; THENCE S. 73 deg. 17' W., parallel to the central line of said Avenue "A" extended westerly, a distance of 1,368.3 feet to a point for corner, in the Easterly right-of-way line of 59th Street, a 50-foot road; THENCE N. 25 deg. 09' W., along the Easterly right-of-way line of 59th Street, a distance of 1,189.2 feet to the place of beginning, containing 45.91 acres, more or less.

SCHEDULE B(7) TO FINAL JUDGMENT
IN CAUSE NO. 113,630 in the 122ND
DISTRICT COURT OF GALVESTON COUNTY, TEXAS

PROPERTY OF CHARLES A. WORTHEN

An undivided one-third (1/3rd) interest in and to all of the oil, gas and other minerals, acquired by Emerald Properties, (but not including fill material, such as sand, shell, gravel, marl and clay) by in and under and that may be produced from those certain lands situated in Galveston County, Texas, to-wit:

DESCRIPTION OF A 104.9501 ACRE TRACT OUT OF THE GORE OR WEDGE TRACT, CITY AND COUNTY OF GALVESTON, TEXAS.

COMMENCING at the Northwest corner of Block 716 in the City of Galveston, according to the map of said City now in common use, said point lying in the East right of way line of 57th Street and in the South right of way line of Avenue "A";

THENCE N16°39'45"W, along the Northerly projection of the East right of way line of 57th Street and along the East line of the Gore or Wedge Tract, at a distance of 70 feet cross the North right of way line of Avenue "A", said point being the Southwest corner of Block 776 and continuing an additional 303.19 feet for a total distance of 373.19 feet to the place of beginning of the 104.9501 acre tract hereinafter described, said point also being the Southeast corner of a called 45.91 acre tract, found 44.3257 acres;

THENCE from said beginning corner continuing N16°39'45"W, along the Northerly projection of the East right of way line of 57th Street and along the East line of the Gore or Wedge Tract, a distance of 3856.53 feet to a point for corner in the South line of the channel of Galveston Harbor (X=3,326,394.94, Y = 560,004.59);

THENCE S73°17'21"W, along the South line of the channel of Galveston Harbor, a distance of 690.74 feet to a point for corner, (angle point "A", X = 3,325,733.38, Y = 559,805.97), same being the Northwest corner of the Menard title;

THENCE, with the West marine boundary of the said Menard title, South, at a distance of 2383.84 feet cross the Northwest corner of said called 45.91 acre tract, found 44.3257 acres, in all, a total of 2779.26 feet to a point for corner being the Northeast corner of the Trimble and Lindsey Survey of Galveston Island, Section 1, said point lying in the Easterly right of way line of a 50 foot road known as 59th Street;

THENCE S24°57'58"E, along the East line of the Trimble and Lindsey Survey of Galveston Island, along the Easterly right of way line of 59th Street and along the Westerly line of the Gore or Wedge Tract, a distance of 1206.00 feet to a point for corner being the Southwest corner of said called 45.91 acre tract, found 44.3257 acres;

THENCE N73°20'20"E, along the Southerly line of said called 45.91 acre tract, found 44.3257 acres, a distance of 1313.47 feet to the place of beginning and containing 104.9501 acres, more or less.

SCHEDULE C TO FINAL JUDGMENT IN
CAUSE NO. 113,630 IN THE 122ND DISTRICT COURT OF
GALVESTON COUNTY, TEXAS

PART I

PLAINTIFFS' AND STATE OF TEXAS LEASES
INCLUDED IN GALVESTON TOWNSITE UNIT NO. 1

A. CITY OF GALVESTON LEASE (22226-1)

Lease dated March 8, 1968, between City of Galveston acting by and through its Mayor, as Lessor, and Mitchell & Mitchell Properties, Inc., as Lessee, recorded in Book 1928, Page 829, Oil, Gas & Mineral Lease Records, Galveston County, Texas, covering the following described land in said county:

235.98 acres of land, more or less, as described in that certain deed dated November 19, 1952, from J.B. Angell and Ada May Angell, husband and wife, as Grantors to the City of Galveston, as Grantee, recorded in Volume 1013, Page 60, of the Deed Records of Galveston County, Texas, reference to which is here made for the particular description of said land and all other necessary purposes, as ratified by Chicago, Rock Island & Pacific Railroad Company by instrument of April 2, 1968, recorded in Book 1928, Page 848, of said records of said county.

B. SOUTHERN PACIFIC COMPANY (NOW KNOWN AS "SOUTHERN PACIFIC TRANSPORTATION COMPANY") LEASE (21814-1)

Lease dated November 7, 1967, between Southern Pacific Company, as Lessor, and Mitchell & Mitchell Properties, Inc., as Lessee, recorded in Book 1917, Page 60, Oil, Gas & Mineral Lease Records, Galveston County, Texas, covering the following described land in said county:

Three hundred and seven hundred twenty-three one thousandths (300.73) acres, more or less, out of and a part of the Michael B. Menard Survey, A-628, being all of the land owned by Lessors located between thirty-fifth (35th) Street and Seventy-first (71st) Street in the City of Galveston, Galveston County, Texas, and North of Broadway Avenue and South of the Ship Channel.

Said lease was amended by the following instruments:

1. Instrument dated April 10, 1968, executed by Southern Pacific Company and Mitchell & Mitchell Properties, Inc., wherein the words "or any part", appearing after the word "all" in line 2 of ARTICLE IV in said Lease, and the words "or any part", appearing after the word "all" in line 22 of said ARTICLE IV in said Lease were added thereto, such amendment being recorded in Book 1928, Page 850, Oil, Gas & Mineral Lease Records, Galveston County, Texas;

2. Amendment dated July 7, 1969, executed by Mitchell & Mitchell Properties, Inc., and Southern Pacific Company, recorded in Book 1993, Page 627, Oil, Gas & Mineral Lease Records, Galveston County, Texas, wherein Mitchell & Mitchell Properties, Inc. (as the then owner of said Lease) agreed not to cause a well to be drilled on the surface of the 118.74 acres of land to be sold to H.C. Price Company;

3. Instrument dated November 5, 1970, executed by Southern Pacific Transportation Company and recorded in Book 2170, Page 343, Oil, Gas & Mineral Lease Records of said county, wherein (among other things) said Lease was amended to ratify the formation of the Galveston Townsite Unit No. 1, as well as extending the easterly boundary line of the leased acreage from 35th to 30th street.

C. STATE OF TEXAS LEASE NO. 62043 (22289-1)

Oil and Gas Lease No. 62043 dated May 7, 1968, between the State of Texas, as Lessor, and H.A. Bornefeld, Jr., as Lessee, recorded in Book 1958, Page 173, Oil, Gas & Mineral Lease Records, Galveston County, Texas, covering the following land:

Tract 122-A, Galveston Bay, Galveston County, containing 660 acres, as shown on the official map of Galveston Bay now on file in the General Land Office.

Said lease was assigned by H.A. Bornefeld, Jr. (the Lessee therein), to Mitchell & Mitchell Properties, Inc. by assignment dated December 26, 1969, recorded in Book 2022, Page 624, Oil, Gas & Mineral Lease Records, Galveston County, Texas.

D. FIRST HUTCHINGS SEALY NATIONAL BANK OF GALVESTON, N.A., TRUSTEE LEASE (21773-1)

Oil, Gas and Mineral Lease dated November 15, 1967, between First Hutchings Sealy National Bank, (now known as INTERFIRST BANK OF GALVESTON, N.A.), Trustee by its President, Liquidation Trustee for Galveston City Company, a dissolved corporation, as Lessor, and George Mitchell & Associates, Inc., as Lessee, recorded in Book 1879, Page 737, Oil, Gas & Mineral Lease Records, Galveston County, Texas, covering an undivided interest in the following described land in said county:

44.42 acres, more or less, out of the M.B. Menard Survey, being the north part of what is sometimes called the "Gore" or "Wedge" lying west of the City of Galveston tract No. 8 and adjacent water acreage being all of the land and land covered by water lying approximately 300 feet north of what would be a prolongation of Avenue A north of Galveston Channel between 57th Street and the City Limit and being one of the tracts described in deed dated 6-2-44 from the Galveston City Company

to Hutchings Sealy National Bank, Trustee, recorded in Vol. 675, Page 650, Deed Records, Galveston County, Texas, reference to which deed and to the record thereof being here made for all purposes;

said lease having been amended by instrument dated September 28, 1970, recorded in Book 2170, Page 611, Oil, Gas & Mineral Lease Records, Galveston County, Texas, wherein said original lessor and Emerald Properties, a partnership composed of Gerald A. Sullivan, John L. Sullivan, and Gerald A. Sullivan, Trustee, joined in the execution thereof, thereby ratifying said lease and subjecting their undivided 1/2 interest in the oil, gas, and minerals in and under said tract, to the terms of said lease, and whereby the description of said 44.42 acres of land was deleted and the whole of the following described 45.91 acres of land was described and leased to Mitchell & Mitchell Properties, Inc., subject to the same terms and conditions contained in said lease:

COMMENCING at the Northeast corner of Lot 10, Section 1, Trimble and Lindsey Survey of Galveston Island, Galveston County, Texas, said point lying No. 25 deg. 09' W. a distance of 1470 feet from the Southeast corner of said Lot 10; THENCE N. 64 deg. 51' E., a distance of 50 feet to the place of beginning which lies in the Easterly right-of-way line of 59th Street, a 50-foot road; THENCE from said beginning corner, North, a distance of 416.67 feet to a point for corner; THENCE S. 89 deg. 42' 11" E., a distance of 1,488.10 feet to a point for corner in the East line of said Gore Tract, same being the East line of 57th Street extended; THENCE S. 16 deg. 43' E., along the East line of said Gore Tract and the East line of 57th Street extended, a distance of 1139.6 feet to a point for corner, said point lying N. 16 deg. 43' W., a distance of 338.15 feet from the center line of Avenue "A" extended westerly; THENCE S. 73 deg. 17' W., parallel to the central line of said Avenue "A" extended westerly, a distance of 1,368.3 feet to a point for corner, in the Easterly right-of-way line of 59th Street, a 50-foot road; THENCE N. 25 deg. 09' W., along the Easterly right-of-way line of 59th Street, a distance of 1,189.2 feet to the place of beginning, containing 45.91 acres, more or less.

E. STATE OF TEXAS LEASE (22290-1)

Oil and Gas Lease (No. 62044) dated May 7, 1978, between the State of Texas, as Lessor, and Richard M. Wright, as Lessee, recorded in Book 1958, Page 169, Oil, Gas & Mineral Lease Records, Galveston County, Texas, covering Tract 122-B, Galveston Bay, Galveston County, containing 840 acres, as shown on the official map of Galveston Bay now on file in the General Land

Office; such lease having been assigned by said Lessee to Mitchell & Mitchell Properties, Inc., (now known as "Mitchell Energy Corporation") by instrument dated December 26, 1969, recorded in Book 2022, Page 626, Oil, Gas & Mineral Lease Records, Galveston County, Texas.

F. CITY OF GALVESTON LEASE (22109-1)

Oil, Gas and Mineral Lease dated March 8, 1968, between City of Galveston, acting by and through its Mayor, as Lessor, and Mitchell & Mitchell Properties, Inc., as Lessee, recorded in Book 1928, Page 576, Oil, Gas & Mineral Lease Records, Galveston County, Texas, covering the following described land in said county:

Tract Number 1: 75 acres of land, more or less, bounded by 35th and 41st Streets on the West and East and Avenue G and the Ship Channel on the South and North, as shown on the Map or Plat of the City of Galveston, and being the same land described in that certain deed dated November 29, 1940, Galveston Wharf Company, as Grantor, to the City of Galveston, as Grantee, Recorded in Volume 619, Page 193 of the Deed Records of Galveston County, Texas, reference to which is here made for the particular description of said land and all other necessary purposes.

Tract Number 2: 2 acres of land, more or less, described as being the North 20 feet of Blocks 641, 642, 643, 644, 645, 646, 647, 649 and 650, both inclusive, in the City of Galveston as shown on the Map or Plat of the City of Galveston.

Tract Number 3: 2.90 acres of land, more or less, described as being all of Block 340 in the City of Galveston as shown on the Map or Plat of the City of Galveston, said land also being known as "Wright-Cuney Park";

Said lease was amended by the following instruments:

1. Amendment dated April 9, 1969, executed by said Lessor and Lessee and recorded in Book 1993, Page 89, Oil, Gas & Mineral Lease Records of said county wherein the 75 acres of land described therein as "Tract Number 1" was redescribed as follows:

"75 acres of land, more or less, being the same land described in that certain deed dated November 29, 1940, from Galveston Wharf Company, as Grantor, to the City of Galveston, as Grantee, Recorded in Volume 619, Page 193, of the Deed Records of Galveston County, Texas, reference to which is here made for the particular description of said land and all other necessary purposes."

2. By superseding amendment dated November 10, 1970, executed by said Lessor and Lessee and recorded in Book 2170, Page 579, Oil, Gas & Mineral Lease Records of said county wherein said 75-acre "Tract Number 1" was deleted and the following 97.09 acres of land were substituted therefor:

"97.09 acres of land described as all of the land in "FIRST TRACT" as described in that certain deed dated November 29, 1940, from Galveston Wharf Company to the City of Galveston, recorded in Volume 619, Page 193, of the Deed Records of Galveston County, Texas, said 97.09-acre tract being that portion of said "FIRST TRACT" which lies West of 35th Street in the City of Galveston."

and, in said superseding amendment, said City of Galveston Lease (22109-1) was further amended by adding thereto the following described land:

"The North 20 feet of Block No. 648 in the City of Galveston."

The above-described superseding amendment was executed in lieu of the preceding amendment dated April 9, 1969, as described under Item 1, above.

G. DESCRIPTION OF GALVESTON TOWNSITE UNIT NO. 1

A 665.97 acre gas unit, known as the "Galveston Townsite Unit No. 1", formed by that certain Declaration of Pool instrument dated December 29, 1969, executed by Mitchell & Mitchell Properties, Inc. and recorded in Book 2002, Page 628, Oil, Gas & Mineral Lease Records of Galveston County, Texas; said Galveston Townsite Unit No. 1 having been amended (among other amendments which do not cover land affected by this judgment) by instrument dated November 11, 1970, executed by Mitchell & Mitchell Properties, Inc. et al, and recorded in Book 2170, Page 169, Oil, Gas & Mineral Lease Records, Galveston County, Texas, wherein the Unit Area of such unit was changed to cover the following described 704 acres:

704 acres of land out of Galveston Island and contiguous with Galveston Bay, being bounded on the East, South, West and North as follows:

On the East by the center line of 45th Street and a northerly extension thereof for a distance of 4,725 feet;

On the South by the center line of Avenue J, commencing at the intersection of the center line of said Avenue J with the center line of 45th Street and thence running

West along the center line of said Avenue J a distance of 6,150 feet;

On the West by the center line of 60th Street, commencing at the intersection of said center line of 60th Street at its intersection with the center line of said Avenue J, and running thence along the center line of said 60th Street in a Northwesterly direction a distance of 4,745 feet;

On the North by a line parallel to and located a sufficient distance Northerly from the center line of said Avenue J and intersecting the aforesaid extension of the center line of said 45th Street and the aforesaid intersection of the center line of said 60th Street so as to enclose exactly 704 acres of land.

H. GENERAL DESCRIPTION OF DIVISION ORDERS ISSUED TO PLAINTIFFS COVERING PORTIONS OF LAND COVERED BY THE HEREINABOVE DESCRIBED LEASES AS INCLUDED IN THE GALVESTON TOWNSITE UNIT NO. 1

(1) Gas Division Order No. 8370-01, dated 12/13/71, covering 99 acres of land out of the land covered by the City of Galveston Leases as hereinabove described.

(2) Gas Division Order No. 8370-01, dated 2/25/72, covering 1.05 acres of land out of the land covered by the City of Galveston Leases as hereinabove described.

(3) Gas Division Order No. 8370-01, dated 7/19/71, covering 100 acres of land out of the land covered by the Southern Pacific Transportation Company Lease, as amended, as hereinabove described.

(4) Superseding Gas Division Order No. 8370-01, dated 12/6/76, to the preceding 100-acre division order, covering 122.629 acres of land out of the land covered by the Southern Pacific Transportation Lease as hereinabove described.*

(5) Gas Division Order No. 8370-01, dated 11/15/76, covering an undivided 1/2 interest in the 45.91 acres of land covered by Emerald Properties Lease as executed by such entity, as mentioned above, by Gerald Sullivan, John L. Sullivan and Charles A. Worthen.

(6) Gas Division Order No. 8370-01, dated 1/19/76, covering an undivided 1/2 interest in the 45.91 acres of land covered by

the Interfirst Bank of Galveston, N.A. (formerly known as First Hutchings-Sealy National Bank), trustee. Lease is executed by such entity.

*NOTE: The Galveston Townsite Unit No. 1 was not amended to cover the additional 22.629 acres as included in or added to the 100 acres as originally included in said Unit No. 1.

PART II

PLAINTIFF'S AND STATE OF TEXAS LEASES
INCLUDED IN GALVESTON TOWNSITE UNIT NO. 2

A. STATE OF TEXAS LEASE (22290-1)

Oil and Gas Lease (No. 62044) dated May 7, 1978, between the State of Texas, as Lessor, and Richard M. Wright, as Lessee, recorded in Book 1958, Page 169, Oil, Gas & Mineral Lease Records, Galveston County, Texas, covering Tract 122-B, Galveston Bay, Galveston County, containing 840 acres, as shown on the official map of Galveston Bay now on file in the General Land Office; such lease having been assigned by said Lessee to Mitchell & Mitchell Properties, Inc., (now known as "Mitchell Energy Corporation") by instrument dated December 26, 1969, recorded in Book 2022, Page 626, Oil, Gas & Mineral Lease Records, Galveston County, Texas.

B. CITY OF GALVESTON LEASE (22109-1)

Oil, Gas & Mineral Lease dated March 8, 1968, between City of Galveston, acting by and through its Mayor, as Lessor, and Mitchell & Mitchell Properties, Inc., as Lessee, recorded in Book 1928, Page 577, Oil, Gas & Mineral Lease Records, Galveston County, Texas, covering the following described land in said county:

Tract Number 1: 75 acres of land, more or less, bounded by 35th and 41st Streets on the West and East and Avenue G and the Ship Channel on the South and North, as shown on the Map or Plat of the City of Galveston, and being the same land described in that certain deed dated November 29, 1940, from Galveston Wharf Company, as Grantor, to the City of Galveston, as Grantee, Recorded in Volume 619, Page 193 of the Deed Records of Galveston County, Texas, reference to which is here made for the particular description of said land and all other necessary purposes.

Tract Number 2: 2 acres of land, more or less, described as being the North 20 feet of Blocks 641, 642, 643, 644, 645, 646, 647, 649 and 650, both inclusive, in the City of Galveston as shown on the Map or Plat of the City of Galveston.

Tract Number 3: 2.90 acres of land, more or less, described as being all of Block 340 in

the City of Galveston as shown on the Map or Plat of the City of Galveston, said land also being known as "Wright-Cuney Park";

Said lease was amended by the following instruments:

1. Amendment dated April 9, 1969, executed by Lessor and Lessee and recorded in book 1993, Page 89, Oil, Gas & Mineral Lease Records of said county wherein the 75 acres of land described therein as "Tract Number 1" was redescribed as follows:

"75 acres of land, more or less, being the same land described in that certain deed dated November 29, 1940, from Galveston Wharf Company, as Grantor to the City of Galveston, as Grantee, recorded in Volume 619, Page 193, of the Deed Records of Galveston County, Texas, reference to which is here made for the particular description of said land and all other necessary purposes."

2. By superseding amendment dated November 10, 1970, executed by said Lessor and Lessee and recorded in Book 2170, Page 579, Oil, Gas & Mineral Lease Records of said county wherein said 75-acre "Tract Number 1" was deleted and the following 97.09 acres of land were substituted therefor:

"97.09 acres of land described as all of the land in "FIRST TRACT" as described in that certain deed dated November 29, 1940, from Galveston Wharf Company to the City of Galveston, recorded in Volume 619, Page 193, of the Deed Records of Galveston County, Texas, said 97.09-acre tract being that portion of said "FIRST TRACT" which lies West of 35th Street in the City of Galveston."

and, in said superseding amendment, said City of Galveston Lease (22109-1) was further amended by adding thereto the following described land:

"The North 20 feet of Block No. 648 in the City of Galveston."

The above-described superseding amendment was executed in lieu of the preceding amendment dated April 9, 1969, as described under Item 1, above.

C. CITY OF GALVESTON LEASE (25892-1)

Lease dated September 27, 1968, between City of Galveston, acting by and through its Mayor as Lessor, and Mitchell & Mitchell Properties, Inc., as Lessee, recorded in Book 2170, Page 607, Oil, Gas & Mineral Lease Records,

Galveston County, Texas, covering the following described tracts of land:

"1.45 acres of land, more or less, being the East 1/2 of Block 102 in the City and County of Galveston, Texas."

"5.80 acres of land, more or less, being all of Block 160 and all of Block 161, in the City and County of Galveston, Texas, and being the same land described in deed dated September 22, 1846 from Levi Jones et al to Mayor and Alderman of City of Galveston, Texas."

".162 of an acre, being all of Lot 10, Block 217, City and County of Galveston, Texas."

".162 of an acre, being all of Lot 10, Block 60, Southeast."

"5.80 acres of land, more or less, being all of Northwest Block 83, known as Lasker Park, City and County of Galveston, Texas."

".324 of an acre, being Lots 11 and 12, Block 149, City and County of Galveston, Texas."

"5.80 acres, more or less, being all of Blocks 330 and 390, City and County of Galveston, Texas."

"2.90 acres, more or less, being all of Block 328, City and County of Galveston, Texas."

"1.45 acres of land, more or less, being the South 1/2 of Block 568, City and County of Galveston, Texas."

".468 of an acre of land, more or less, being Lots 12, 13, and 14, Block 86, City and County of Galveston, Texas."

".4109 of an acre of land, more or less, being Tract 1a Fort Crockett Fire Station, 53rd Street and Avenue S-1/2, City and County of Galveston, Texas."

"2.23401 acres of land, more or less, being Tract 3 out of Fort Crockett, known as Fort Crockett Park, City and County of Galveston, Texas."

"31.10 acres of land, more or less, bounded by 31st and 35th Streets on the West and East and Avenue A and the Ship Channel on the South and North as shown on the Map or Plat of the City of Galveston and being the same land described in that certain deed dated November 29, 1940, from Galveston Wharf Company as Grantor to the City of Galveston, as Grantee, recorded in Vol. 619, Pages 193-197, of the Records of Galveston County, Texas, reference to which is here made for particular description of said land and all other necessary purposes."

Said lease was amended by the following instruments:

1. Instrument dated February 4, 1971, recorded in Book 2229, Page 10, Oil, Gas & Mineral Lease Records, Galveston County, Texas, executed by the Mayor of the City of Galveston, wherein the words "and all of the Southwest of" were added after the word "Northwest," appearing in the first line of the description of the 5.80 acres of land which is the fifth tract of land covered by said lease.

2. Instrument dated August 17, 1972, executed by the Mayor of the city of Galveston and recorded in Book 2289, Page 719, Oil, Gas & Mineral Lease Records, Galveston County, Texas, wherein the following quoted land was deleted:

"2.90 acres, more or less, being all of Block 328, City and County of Galveston, Texas."

and the following described land was substituted therefor:

"2.90 acres, more or less, being all of Block 628, City and County of Galveston, Texas."

D. SOUTHERN PACIFIC COMPANY (NOW KNOWN AS "SOUTHERN PACIFIC TRANSPORTATION COMPANY") LEASE (21814-1)

Lease dated November 7, 1967, between Southern Pacific Company, as Lessor, and Mitchell & Mitchell Properties, Inc., as Lessee, recorded in Book 1917, Page 60, Oil, Gas & Mineral Lease Records, Galveston County, Texas, covering the following described land in said county:

"Three hundred and seven hundred twenty-three one thousandths (300.723) acres, more or less, out of and a part of the Michael B. Menard Survey, A-628, being all of the land owned by Lessor located between Thirty-fifth (35th) Street and Seventy-first (71st) Street in the City of Galveston, Galveston County, Texas, and North of Broadway Avenue and South of the Ship Channel."

Said lease was amended by the following instruments:

1. Instrument dated April 10, 1968, executed by Southern Pacific Company and Mitchell & Mitchell Properties, Inc., wherein the words "or any part", appearing after the word "all" in Line 2 of ARTICLE IV in said lease, and the words "or any part", appearing after the word "all" in Line 22 of said ARTICLE IV in said lease were added thereto, such amendment being recorded in Book 1928, Page 850, Oil, Gas & Mineral Lease Records, Galveston County, Texas;

2. Amendment dated July 7, 1969, executed by Mitchell & Mitchell Properties, Inc., and Southern Pacific Company, recorded in Book

1993, Page 627, Oil, Gas & Mineral Lease Records, Galveston County, Texas, wherein Mitchell & Mitchell Properties, Inc., (as the then owner of said lease) agreed not to cause a well to be drilled on the surface of the 118.74 acres of land to be sold to H.C. Price Company;

3. Instrument dated November 5, 1970, executed by Southern Pacific Transportation Company and recorded in Book 2170, Page 343, Oil, Gas & Mineral Lease Records of said County, wherein (among other things) said lease was amended to ratify the formation of the Galveston Townsite Unit No. 2.

E. DESCRIPTION OF GALVESTON TOWNSITE NO. 2

A 510.28-acre gas unit, known as the "Galveston Townsite Unit No. 2", formed by that certain Declaration of Pool instrument dated December 29, 1969, executed by Mitchell & Mitchell Properties, Inc., and recorded in Book 2022, Page 637, Oil, Gas & Mineral Lease Records, Galveston County, Texas; said Galveston Townsite Unit No. 2 having been amended (among other amendments which do not cover land affected by this judgment) by instrument dated January 29, 1971, executed by Mitchell & Mitchell Properties, Inc., et al, and recorded in Book 2170, Page 841, Oil, Gas & Mineral Lease Records, Galveston County, Texas, wherein the Unit Area of such unit was changed to cover the following described 704 acres:

704 acres of land in the form of true rectangle out of Galveston Island, being bounded on the West, North, East and South as follows:

On the West by the center line of 45th Street from a point beginning at the Southwest corner of unit herein described, said point being where the center line of Avenue J (Broadway) and the center line of 45th Street intersect; thence in a Northwesterly direction with the center line of 45th Street and the projection of same, a total distance of 5,323 feet to a point, for the Northwest corner of unit;

On the North by a line running at right angle from the Northwest corner of herein described unit in an Easterly direction to a point for the Northeast corner of unit as herein described, being the point where a projection of the center line of 30th Street intersects the

North line of unit as herein described;

On the East by a line beginning at the Northeast corner of unit as herein described, and running thence in a Southeasterly direction, said line being the Northerly projection of the center line of 30th Street until said line becomes in actuality the center line of 30th Street, a distance of 5,323 feet to a point at the intersection of the center line of 30th Street and Avenue J (Broadway) for the Southeast corner of unit as herein described;

On the South by the center line of Avenue J (Broadway) and beginning at the southeast corner of unit as herein described, extending in a Westerly direction to the point of beginning.

F. GENERAL DESCRIPTION OF DIVISION ORDERS TO PLAINTIFF COVERING PORTIONS OF LAND COVERED BY THE HEREINABOVE DESCRIBED LEASES AS INCLUDED IN THE GALVESTON TOWNSITE UNIT NO. 2

- (1) Gas Division Order No. 8371-01 dated 2/25/72 covering six tracts of land out of the land covered by the City of Galveston leases as hereinabove described.
- (2) Gas Division Order No. 8371-01 dated 7/19/74 covering 82 acres of land covered by the Southern Pacific Transportation Company lease as hereinabove described.
- (3) Gas Division Order No. 8371-01 dated 12/9/71 covering 0.08 of an acre of land out of the land covered by the City of Galveston leases as hereinabove described.
- (4) Superseding Gas Division Order No. 8371-01 dated 12/7/76 covering 101.405 acres of land out of the Southern Pacific Transportation Company Lease as hereinabove described.*

*NOTE: There is no amendment in the files of Mitchell Energy Corporation (the operator of the leases and well hereinabove described) changing the unit acreage of Southern Pacific Transportation Company from the above-mentioned 82-acre tract to the 101.405-acre tract as covered by this superseding gas division order.

INDEX TO
SCHEDULE D TO FINAL JUDGMENT IN
CAUSE NO. 113,630 IN THE 122ND DISTRICT COURT OF
GALVESTON COUNTY, TEXAS

- (1) Reformation of City of Galveston Leases (Tracts A & B) including facsimile thereof attached hereto as "Schedule D(1)".
- (2) Reformation of Southern Pacific Transportation Company Lease including facsimile thereof attached hereto as "Schedule D(2)".
- (3) Reformation of Emerald Properties Lease including facsimile thereof attached hereto as "Schedule D(3)".
- (4) Reformation of State of Texas Leases including facsimile thereof attached hereto as "Schedule D(4)".
- (5) Reformation of First Hutchings - Sealy National Bank (now known as InterFirst Bank Galveston, N.A.), Trustee lease including facsimile thereof attaching hereto as "Schedule D(5)".
- (6) Reformation of Charles A. Worthen lease including facsimile thereof attached hereto as "Schedule D(6)".
- (7) Reformation of Galveston Townsite Unit No. 1 including facsimile thereof attached hereto as "Schedule D(7)".
- (8) Reformation of Galveston Townsite Unit No. 2 including facsimile thereof attached hereto as "Schedule D(8)".
- (9) Facsimiles of Division Orders to be issued to the above-named plaintiffs.

3. CITY OF GALVESTON LEASE (25892-1)

Lease dated September 27, 1968, between City of Galveston, acting by and through its Mayor, as Lessor, and Mitchell & Mitchell Properties, Inc., as Lessee, recorded in Book 2170, Page 607, Oil, Gas & Mineral Lease Records, Galveston County, Texas, covering 58.06091 acres of land, more or less, as therein described;

by reforming the description of the land covered by said leases so that said leasehold premises shall extend to the true Northern boundary line as described in TRACTS A and B of Schedule B(1) as attached to said final judgment in said cause, such land as hereby added to said leases being hereinafter called the "additional land".

In consideration of the premises, the undersigned Mayor of the City of Galveston, in his said capacity, does hereby RATIFY and CONFIRM the hereinabove described leases as hereby reformed or amended and does, in behalf of said City of Galveston, GRANT, LEASE and LET said additional land unto Mitchell Energy Corporation, George P. Mitchell, Mitchell Energy Production Corp. and Mitchell Energy & Development Corp. (in the respective proportions owned by them as shown of record in the County Clerk's Office of said county), subject to each and all of the terms or conditions contained in said leases as heretofore amended by the instruments referred to and described in Schedule "C" attached to and made a part of said final judgment.

This instrument shall be retroactively effective as of _____, 198__.

EXECUTED on this the _____ day of _____, 198__, but to be effective as stated above. *

ATTEST:

CITY OF GALVESTON

Secretary

By: _____
Mayor

THE STATE OF TEXAS X

COUNTY OF GALVESTON X

This instrument was acknowledged before me on _____, 198____, by _____ as Mayor of the City of Galveston, Texas, a corporation, on behalf of said corporation.

Notary Public
State of Texas
My Commission Expires:

*NOTE: A true copy or facsimile of this instrument (before execution thereof) shall be made a part of Exhibit "D" attached to the final judgment in said cause.

county), subject to each and all of the terms or conditions contained in said lease as heretofore amended by instruments referred to and described in Schedule "C" attached to and made a part of said final judgment.

This instrument shall be retroactively effective as of _____, 198__.

EXECUTED on this the ____ day of _____, 198__, but to be effective as stated above. *

ATTEST:

SOUTHERN PACIFIC TRANSPORTATION
COMPANY

_____ By: _____

THE STATE OF TEXAS X

COUNTY OF HARRIS X

This instrument was acknowledged before me on _____, 198__, by _____, as _____ of SOUTHERN PACIFIC TRANSPORTATION COMPANY, a corporation, on behalf of said corporation.

Notary Public
State of Texas
My Commission Expires:

*NOTE: A true copy or facsimile of this instrument (before execution thereof) shall be made a part of Exhibit "D" attached to the final judgment in said cause.

and LET said additional land unto Mitchell Energy Corporation, George P. Mitchell, Mitchell Energy Production Corp. and Mitchell Energy & Development Corp. (in the respective proportions owned by them as shown of record in the County Clerk's Office of said county), subject to each and all of the terms or conditions contained in said lease as heretofore amended by the instruments referred to and described in Schedule "C" attached to and made a part of said final judgment.

This instrument shall be retroactively effective as of _____, 198__.

EXECUTED on this the ____ day of _____, 198__, but to be effective as stated above. *

John L. Sullivan, Individually and
as one of the partners of Lessor

Gerald A. Sullivan, Individually and
as one of the partners of Lessor

THE STATE OF TEXAS X

COUNTY OF GALVESTON X

This instrument was acknowledged before me on _____, 1984, by JOHN L. SULLIVAN, Individually and as one of the partners of Lessor.

Notary Public
State of Texas
My Commission Expires:

THE STATE OF TEXAS X

COUNTY OF GALVESTON X

This instrument was acknowledged before me on _____, 1984, by GERALD A. SULLIVAN, Individually and as one of the partners of Lessor.

Notary Public
State of Texas
My Commission Expires:

*NOTE: A true copy or facsimile of this instrument (before execution thereof) shall be made a part of Exhibit "D" attached to the final judgment in said cause.

SCHEDULE D(4) TO FINAL JUDGMENT IN
CAUSE NO. 113,630 IN THE 122ND DISTRICT COURT OF
GALVESTON COUNTY, TEXAS

REFORMATION OR AMENDMENT
TO STATE OF TEXAS LEASES
(MEC#8370-01 - Galveston
Townsite Unit No. 1
MEC#8370-02 - Galveston
Townsite Unit No. 2)

THE STATE OF TEXAS X
COUNTY OF GALVESTON X

THAT, the undersigned, Commissioner of the General Land Office of the State of Texas (herein called "Lessor"), in compliance with the final judgment dated _____, 1984, and entered or to be entered in Cause No. 113,630 in the 122nd. District Court of Galveston County, Texas, does hereby REFORM or AMEND the following described Oil and Gas Leases heretofore executed by the Commissioner of the General Land Office of the State of Texas and owned by the defendants in said case in the respective proportions shown of record in said county:

1. STATE OF TEXAS LEASE NO. 62043 (22289-01)

Oil and Gas Lease No. 62043 dated May 7, 1968, between The State of Texas, as Lessor, and H. A. Bornefeld, Jr., as Lessee, recorded in Book 1958, Page 173, Oil, Gas & Mineral Lease Records, Galveston County, Texas, covering Tract 122-A, Galveston Bay, Galveston County, containing 660 acres, as shown on the official map of Galveston Bay now on file in the General Land Office;

2. STATE OF TEXAS LEASE NO. 62044 (22290-01)

Oil and Gas Lease No. 62044 dated May 7, 1968, between The State of Texas, as Lessor, and Richard M. Wright, as Lessee, recorded in Book 1958, Page 169, Oil, Gas & Mineral Lease Records, Galveston County, Texas, covering Tract 122-B, Galveston Bay, Galveston County,

containing 840 acres, as shown on the
official map of Galveston Bay now on file
in the General Land Office;

by reforming said leases by deleting from the hereinabove
described leases all land covered thereby that conflicts
with or overlaps any part of the land described in Schedule
"A" attached to said final judgment.

This instrument shall be retroactively effective as
of _____, 198__.

EXECUTED on this the ____ day of _____,
198__, but to be effective as stated above. *

THE STATE OF TEXAS

By: _____
Commissioner of the General
Land Office

Date Executed: _____

THE STATE OF TEXAS X
COUNTY OF TRAVIS X

This instrument was acknowledged before me on
_____, 1984, by _____,
as Commissioner of the General Land Office for THE STATE OF
TEXAS, on behalf of said Office and the State of Texas.

Notary Public
State of Texas
My Commission Expires:

*NOTE: A true copy or facsimile of this
instrument (before execution
thereof) shall be made a part of
Exhibit "D" attached to the final
judgment in said cause.

George P. Mitchell, Mitchell Energy Production Corp. and Mitchell Energy & Development Corp. (in the respective proportions owned by them as shown of record in the County Clerk's Office of said county), subject to each and all of the terms or conditions contained in said lease as heretofore amended by the instruments referred to and described in Schedule "C" attached to and made a part of said final judgment.

This instrument shall be retroactively effective as of _____, 198__.

EXECUTED on this the _____ day of _____, 198__, but to be effective as stated above.*

INTERFIRST BANK GALVESTON, N.A.,
TRUSTEE

BY: _____
Its: _____

ATTEST: _____

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on _____, as _____, of INTERFIRST BANK GALVESTON, N.A., TRUSTEE, a corporation on behalf of said corporation.

NOTARY PUBLIC in and for the
State of Texas

My Commission Expires: _____

SCHEDULE D(7) TO FINAL JUDGMENT
IN CAUSE NO. 113,630
IN THE 122ND JUDICIAL DISTRICT
COURT OF GALVESTON COUNTY, TEXAS

REFORMATION OR
AMENDMENT TO
GALVESTON TOWNSITE
UNIT NO. 1

A. Reference is here made to the following instruments referred to in Schedule C of this final judgment.

1. The pooling instrument forming the Galveston Townsite Unit No. 1 covering 704 acres of land as described in the original instrument and the amendment thereof under Paragraph G under Part I of Schedule C attached to this final judgment, the unit formed by such pooling instruments being hereinafter called the "Gas Unit No. 1";

2. The City of Galveston Lease No. 22226-01, The City of Galveston Lease No. 22109-01 and The City of Galveston Lease No. 25892-01, described, respectively, under Paragraphs A and F of said Part I of Schedule C of this final judgment, such leases being hereinafter collectively called the "City of Galveston Leases";

3. The Southern Pacific Transportation Company Lease No. 21814-01 described under Paragraph B of Part I of Schedule C of this final judgment, such lease being hereinafter called the "Southern Pacific Lease";

4. The Emerald Properties Lease No. 21773-01 described under Paragraph D of Part I of Schedule C of this final judgment, such lease being hereinafter called the "Emerald Properties Lease";

B. The City of Galveston Leases each provide for the payment of a 1/6 royalty interest in the land covered thereby, including the following described tract of land included in said Gas Unit

No. 1 out of the land described in Schedule A of this final judgment and more particularly described in TRACT A of Schedule B(1) attached to this final judgment, said City of Galveston Leases covering 83.3481 acres of land in said Gas Unit No. 1 described by metes and bounds as follows:

TRACT A:

COMMENCING at the Northwest corner of Block 716 in the City of Galveston, said point lying in the East right-of-way line of 57th Street and the South right-of-way line of Avenue "A";

THENCE N 16° 39' 45" W along the Northerly projection of the East right-of-way line of 57th Street, said projection line also being the East line of the Gore or Wedge Tract, at a distance of 35 feet to the centerline of Avenue "A" right-of-way, said point also being the true Point of Beginning of this 85.125-acre tract;

THENCE N 16° 39' 45" W along the East line of the Gore or Wedge Tract, a distance of 1705.00 feet to a point in the North line of Galveston Townsite Unit No. 1;

THENCE N 73° 20' 15" E along the North line of Galveston Townsite Unit No. 1, a distance of 2280.00 feet to a point for corner;

THENCE S 16° 38' 00" E along the Northerly projection of the East right-of-way line of 51st Street, a distance of 686.50 feet to a point for corner;

THENCE S 7° 22' 00" W a distance of 541.44 feet to a point of curve;

THENCE along a curve to the left, having a radius of 460.00 feet and a long chord of 191.28 feet, which has a bearing of S 4° 38' 00" E, and a distance of 192.59 feet to a point of tangent;

THENCE S 16° 38' 00" E a distance of 301.79 feet to a point located on the North right-of-way line of Avenue "A" for a corner;

THENCE N 73° 22' 00" E along the North right-of-way line of Avenue "A" a distance of 140 feet to a point for corner;

THENCE S 16° 38' 00" a distance of 20 feet to a point for a corner;

THENCE N 73° 22' 00"E a distance of 120 feet to a point for a corner;

THENCE S 16° 39' 45" E a distance of 15 feet to a point for corner;

THENCE S 73° 20' 15" W along the centerline of the Avenue "A" right-of-way, a distance of 2280.00 feet to the Point of Beginning of tract containing 85.125 acres of land, more or less;

LESS AND EXCEPT 1.7769 acres which is located inside Galveston Townsite Unit No. 1 and South of the South line of the 911.388-acre tract as described in Schedule A of

the Final Judgment of Cause No. 113,630. Said 1.7769-acre tract begins at the same Point of Beginning as the true Point of Beginning for the above 85.125-acre tract, said point being the intersection of the centerline of Avenue "A" and the Northerly projection of the East right-of-way line of 57th Street;

THENCE N 16° 39' 45" a distance of 35 feet to a point in the Northerly right-of-way line of Avenue "A";

THENCE N 73° 20' 15" E along the Northerly right-of-way of Avenue "A" a distance of 2280.00 feet to a point for corner;

THENCE S 16° 38" 00" E a distance of 20 feet to a point for corner;

THENCE N 73° 22' 00" E a distance of 120 feet to a point for corner;

THENCE S 16° 39' 45" E a distance of 15 feet to a point for corner;

THENCE S 73° 20' 15" W along the centerline of the Avenue "A" right-of-way, a distance of 2280.00 feet to the true Point of Beginning of this 1.7769-acre tract, more or less, leaving a tract of 83.3481 acres located North of the Northerly right-of-way of Avenue "A" and South of the Northerly boundary line of Galveston Townsite Unit No. 1, leaving 83.3481 acres of land.

C. The Southern Pacific Transportation Company Lease provides for a payment of 1/4 royalty interest in the land covered thereby, including the following described tract of land included in said Gas Unit No. 1 out of the land described in Schedule A of this final judgment and more particularly described in Schedule B(3) attached to this final judgment, said lease covering 84.3343 acres of land in said Gas Unit and described by metes and bounds as follows:

COMMENCING at the Southwest corner of Block 710, being the intersection of the North right-of-way line of Avenue "B" and the East right-of-way of 51st Street; THENCE N 16° 39' 40" W a distance of 330 feet to the Point of Beginning of the 84.3343-acre tract;

THENCE from the Point of Beginning N 16° 39' 40" W a distance of 1,670.00 feet to a point in the North line of Galveston Townsite Unit No. 1;

THENCE N 73° 20' 15" E along the North line of Galveston Townsite Unit No. 1, a distance of 2240.00 feet to a point in the West line of Galveston Townsite Unit No. 2, said point also being the East line of Galveston Townsite Unit No. 1 and the Northerly projection of the centerline of 45th Street;

THENCE S 16° 39' 40" E along the East line of Galveston Townsite Unit No. 1, a distance of 1,670.00 feet to a point in the North right-of-way line of Avenue "A"

THENCE S 73° 20' 15" W along the North right-of-way of Avenue "A" a distance of 2240.00 feet to the Point of Beginning, containing 84.3343 acres of land, more or less.

D. The Emerald Properties Transportation Company lease provides for a payment of 1/4 royalty interest in the land covered thereby, including the following described tract of land included in said Gas Unit No. 1 out of the land described in Schedule A of this final judgment and more particularly described in Schedule B(3) attached to this final judgment, said lease covering 41.8635 acres of land in said Gas Unit and being described by metes and bounds as follows:

COMMENCING at the Northwest corner of Block 716 in the City of Galveston, said point lying in the East right-of-way line of 57th Street and in the South right-of-way line of Avenue "A";

THENCE N 16° 39' 40" along the Northerly projection of the East right-of-way line of 57th Street and along the East line of the Gore or Wedge Tract, a distance of 373.19 feet to the Place of Beginning of the 104.9501 acre tract of Emerald Properties, Point of Beginning is also being the Southeast corner of a called 45.91-acre tract;

THENCE N 16° 39' 45" W a distance of 1296.81 feet to the intersection of the North line of Galveston Townsite Unit No. 1;

THENCE S 73° 20' 15" W a distance of 1,456.86 feet to a point in the East line of the 104.9501-acre tract of Emerald Properties;

THENCE South a distance of 107.35 feet to a point for corner being the Northeast corner of the Trimble and Lindsey Survey of Galveston Island, Section 1, said point lying in the Easterly right-of-way line of a 50-foot road known as 57th Street;

THENCE S 24° 57' 58" E along the East line of the Trimble and Lindsey Survey of Galveston Island, along the Easterly right-of-way line of 59th Street, a distance of 1206.00 feet to a point for corner;

THENCE N 73° 20' 20" E along the Southerly line of the called 45.91-acre tract, a distance of 1313.47 feet to the Place of Beginning, containing 41.8635 acres, more or less.

E. The hereinabove described 83.3481 acres of land covered by said City of Galveston Leases, the 84.3343 acres of land covered by said Southern Pacific Lease and the 41.8635 acres of land covered by the Emerald Properties Lease are hereby pooled and combined with the other land and leases (except as to any part of said tracts of land formerly covered by the State of Texas

Leases as deleted in Schedule D(4) of this final judgment) described in the aforesaid pooling instruments and to the same extent and under the same terms and provisions as set out in such pooling instruments forming said Gas Unit No. 1.

F. This reformation or amendment to the Gas Unit No. 1 is made and delivered pursuant to the provisions contained in the final judgment hereinabove described, it being expressly understood that all land located North of the South line of the land herein added to Gas Unit No. 1 as heretofore claimed to be owned by the State of Texas and attempted to be covered by the leases described in Schedule D(4) of this final judgment are hereby deleted from said Gas Unit No. 1

G. Except as amended hereby, said Gas Unit No. 1 as formed by the pooling instruments mentioned in Item 1 of Paragraph 4, above, shall remain as originally written.

H. This instrument shall be retroactively effective as of _____, 198__.

EXECUTED on this the ____ day of _____, 198__, but to be effective as stated above.

ATTEST:

MITCHELL ENERGY CORPORATION

By: _____

ATTEST

MITCHELL ENERGY PRODUCTION CORP.

By: _____

George P. Mitchell

THE STATE OF TEXAS X

COUNTY OF MONTGOMERY X

This instrument was acknowledged before me on _____, 1984, by _____, as _____ of MITCHELL ENERGY CORPORATION, a corporation, on behalf of said corporation.

Notary Public
State of Texas
My Commission Expires:

THE STATE OF TEXAS X

COUNTY OF MONTGOMERY X

This instrument was acknowledged before me on _____, 1984, by _____, as _____ of MITCHELL ENERGY PRODUCTION CORP., a corporation, on behalf of said corporation.

Notary Public
State of Texas
My Commission Expires:

THE STATE OF TEXAS X

COUNTY OF MONTGOMERY X

This instrument was acknowledged before me on _____, 1984, by GEORGE P. MITCHELL.

Notary Public
State of Texas
My Commission Expires:

SCHEDULE D(8) TO FINAL JUDGMENT
IN CAUSE NO. 113,630
IN THE 122ND JUDICIAL DISTRICT
COURT OF GALVESTON COUNTY, TEXAS

REFORMATION OR
AMENDMENT TO
GALVESTON TOWNSITE
UNIT NO. 2

A. Reference is here made to the following instruments referred to in Schedule C of this final judgment.

1. The pooling instrument forming the Galveston Townsite Unit No. 2 covering 704 acres of land as described in the original instrument and the amendment thereof under Paragraph E under Part II of Schedule C attached to this final judgment, the unit formed by such pooling instruments being hereinafter called the "Gas Unit No. 2";

2. The City of Galveston Lease No. 22109-01 and the City of Galveston Lease No. 25892-01 described, respectively, under Paragraphs B and C of said Part II of Schedule C of this final judgment, such leases being hereinafter jointly called the "City of Galveston Leases";

3. The Southern Pacific Transportation Company Lease No. 21814-01 described under Paragraph D of Part II of Schedule C of this final judgment, such lease being hereinafter called the "Southern Pacific Lease."

B. The City of Galveston Leases each provide for the payment of 1/6 royalty interest in the land covered thereby, including the following tract of land included in said Gas Unit 2 out of the land described in Schedule A of this final judgment and more particularly described under TRACT B of Schedule B(1) attached to this final judgment, said City of Galveston Leases covering 145.2745 acres of land in said Gas Unit 2 and described by metes and bounds as follows:

BEGINNING at the Southwest corner of the City of Galveston Tract B as described in Schedule B(1) to final judgment in Cause No. 113,630, said Southwest corner being the intersection of the Northward extension of the East right-of-way of 41st Street and the Northerly right-of-way of Avenue "A" and said Southwest corner also being the Southwest corner of Block 760 in the City of Galveston;

THENCE N 16° 39' 40" W a distance of 2268.00 feet to a point in the Northerly line of Galveston Townsite Unit No. 2;

THENCE N 73° 20' 15" E along the Northerly line of Galveston Townsite Unit No. 2 a distance of 40.68 feet to a point in the Northern boundary line of Tract B;

THENCE S 86° 17' 14" E along the Northern boundary of Tract B, a distance of 2672.88 feet to angle point "R";

THENCE S 87° 56' 29" E along the Northern boundary of Tract B, a distance of 884.94 feet to angle point "Q";

THENCE S 88° 45' 46" W along the Northern boundary of Tract B, a distance of 783.79 feet to a point for corner;

THENCE S 16° 39' 40" E along the Northerly projection of the centerline of 45th Street, a distance of 844.89 feet to a point for corner, said point being in the Northern right-of-way line of Avenue A;

THENCE S 73° 20' 15" W along the Northern right-of-way of Avenue "A", a distance of 4140.00 feet to the Point of Beginning, containing 145.2745 acres of land, more or less.

C. The Southern Pacific Transportation Company Lease provides for a payment of 1/4 royalty interest in the land covered thereby, including the following described tract of land included in said Gas Unit No. 2 out of the land described in Schedule A of this final judgment and more particularly described in Schedule B(3) attached to this final judgment, said lease covering 81.2231 acres of land in said Gas Unit No. 2 and described by metes and bounds as follows:

BEGINNING at the Southwest corner of Block 760, said point also being the intersection of the North right-of-way of Avenue "A" and the East right-of-way line of 41st Street;

THENCE S 73° 20' 15" W along the North right-of-way line of Avenue "A" a distance of 1560.00 feet to a point in the centerline of 45th Street, said point also being in the West line of Galveston Townsite Unit No. 2;

THENCE N 16° 39' 40" W along the West line of Galveston Townsite Unit No. 2, a distance of 2268.00 feet to a point being the Northwest corner of Galveston Townsite Unit No. 2;

THENCE N 73° 20' 20" E along the Northerly line of Galveston Townsite Unit No. 2, a distance of 1,560.00 feet to a point in the Northerly projection of the East right-of-way line of 41st Street.

THENCE S 16° 39' 40" E along the Northerly projection of the East right-of-way of 41st Street, a distance of 2268.00 feet to the Point of Beginning, containing 81.2231 acres of land, more or less.

D. The hereinabove described 145.2745 acres of land covered by said City of Galveston Leases and the 81.2231 acres of land covered by said Southern Pacific Lease are hereby pooled and combined with the other land and leases (except as to any part of said tracts of land formerly covered by the State of Texas Leases as deleted in Schedule D(4) of this final judgment) described in the aforesaid pooling instruments and to the same extent and under the same terms and provisions as set out in such pooling instruments forming said Gas Unit No. 2.

E. This reformation or amendment to the Gas Unit No. 2 is made and delivered pursuant to the provisions contained in the final judgment hereinabove described, it being expressly understood that all land located North of the South line of the land herein added to Gas Unit No. 2 as heretofore claimed to be owned by the State of Texas and attempted to be covered by the leases described in Schedule D(4) of this final judgment are hereby deleted from said Gas Unit No. 2.

F. Except as amended hereby, said Gas Unit No. 2 as formed by the pooling instruments mentioned in Item 1 of Paragraph A, above, shall remain as originally written.

G. This instrument shall be retroactively effective as of _____, 198__.

EXECUTED on this the ____ day of _____, 198__, but to be effective as stated above.

ATTEST:

MITCHELL ENERGY CORPORATION

By: _____

ATTEST:

MITCHELL ENERGY PRODUCTION CORP.

_____ By: _____

George P. Mitchell

THE STATE OF TEXAS X
COUNTY OF MONTGOMERY X

This instrument was acknowledged before me on _____, 1984, by _____, as _____ of MITCHELL ENERGY CORPORATION, a corporation, on behalf of said corporation.

Notary Public
State of Texas
My Commission Expires: _____

THE STATE OF TEXAS X
COUNTY OF MONTGOMERY X

This instrument was acknowledged before me on _____, 1984, by _____, as _____ of MITCHELL ENERGY PRODUCTION CORP., a corporation, on behalf of said corporation.

Notary Public
State of Texas
My Commission Expires: _____

THE STATE OF TEXAS X
COUNTY OF MONTGOMERY X

This instrument was acknowledged before me on _____, 1984, by GEORGE P. MITCHELL.

Notary Public
State of Texas
My Commission Expires: _____

SCHEDULE D(9) TO LAWSUIT
HEREINAFTER MENTIONED

MITCHELL ENERGY CORPORATION

GAS DIVISION ORDER

No. 8370-01

EFFECTIVE: as of the final payment as made to
the State of Texas for the royalty
interest set out hereinbelowTo: MITCHELL ENERGY CORPORATION
P O Box 4000
The Woodlands Texas 77387-4000

Each of the undersigned certifies and guarantees that he, she or it (as the case may be) is the legal owner (hereinafter referred to as "Owner") of, and hereby warrants the title to, the interest as hereinafter set opposite Owner's name in the proceeds derived from the sale of gas

(including distillate and plant products where applicable, hereinafter referred to as gas) from all wells on the Galveston Township
Unit #1 located in Galveston County, Texas,

more particularly described as follows:

704 acres of land as described in that certain Declaration of Pool dated December 29, 1969, recorded in Volume 2022, Page 628 of the Oil, Gas and Mineral Lease Records of Galveston County, Texas, as amended by instrument filed for record in said county.

See Attached Schedule C to Final Judgment in Cause No. 113,630 in the 122nd District Court of Galveston County, Texas for a more complete description of the Leases involved herein.

Effective as of the date set out in paragraph NINTH below and until further written notice, you are hereby authorized to receive and give Owner credit for all proceeds derived from the sale of gas from said property subject to the following conditions, covenants and directions:

CREDIT TO	DIVISION OF INTEREST	P. O. ADDRESS
-----------	----------------------	---------------

See Attached Exhibit "A"

NOTE: The interests set out herein have been calculated without the benefit of a Title Examination. At such time as title is examined, a Corrected Division Order will be furnished and any overpayment or underpayment will be adjusted at that time. The undersigned executes this Division Order indicating their approval of this method of payment.

* Interest above is calculated and made payable without the benefit of Title Examination. At such time as title is examined, a Corrected Division Order will be furnished and any overpayment or underpayment will be adjusted at that time. The undersigned executes this Division Order indicating their approval of this method of payment.

FIRST: On the sale of gas hereunder, the interest of Owner in the proceeds thereof shall be paid to him under the terms and conditions of the gas contract heretofore or hereafter executed by the working interest owners ("Sellers"), of said property and such contract and all amendments thereof, if any, shall govern and control the purchase and sale of all gas produced from said property to the same extent as if hereinafter copied in full. The price to be paid for distillate produced with the gas shall be the net amount realized from the sale thereof.**SECOND:** Payments shall be made monthly to Owner at the above address by check on or before the 30th day of each month for amount due for the one-month period that immediately precedes the two-month period preceding the month of payment, provided if an amount due hereunder is less than \$25.00, payment therefor may be withheld, without interest, until such time as the total of accumulated amounts due Owner hereunder is at least \$25.00, at which time Owner shall be paid the total amount theretofore accumulated to Owner's credit, except that payment on accumulated amounts shall not be withheld longer than one (1) year from date the first of such payments is due Owner, and shall be paid on or before the end of each calendar year or, at Mitchell Energy Corporation's election, it may pay to owner such accumulated amounts quarterly even though same do not, at such time, amount to \$25.00.**THIRD:** Owner authorizes Mitchell Energy Corporation to withhold from the proceeds of any and all gas referred to herein the amount of any tax placed thereon, or for the production thereof, by a governmental authority, and to pay the same on behalf of Owner. Owner further agrees that, if Mitchell Energy Corporation is required to dehydrate, treat, compress and transport any gas before delivery to the purchaser thereof, Mitchell Energy Corporation shall be entitled to deduct or withhold Owner's proportionate part of the cost of such dehydrating, treating, compressing and transporting from Owner's interest in the proceeds obtained from sale of said gas. Each owner agrees to look solely to Mitchell Energy Corporation for all sums which may be or become due such owner on account of proceeds received by Mitchell Energy Corporation from the sale of gas produced from or allocated to the properties covered by this division order.

SCHEDULE D(7) TO LAWSUIT

Exhibit "A"

8370-01 - Galveston Townsite Unit #1
Galveston County, Texas

City of Galveston PO Box 779 Galveston, TX 77553	1/6 x 1/4 x 83.3481/704 less 1/6 x 1/4 x .0551/704 less 1/4 x 1/6 x 1/4 x 4.0949/704	or .0048692 RI
Emerald Properties, A Partnership composed of Gerald Sullivan and John L. Sullivan PO Box 3387 Galveston, TX 77553	1/4 x 2/3 x 1/2 x 41.8635/704	or .0049554 RI
Interfirst Bank Galveston, N.A., Trustee for Galveston City Company - Trust Department PO Box 1500 Galveston, TX 77553	1/4 x 1/2 x 41.8635/704	or .0074331 RI
Galveston County Navigation District No. 1 622 22nd St. Galveston, TX 77550	1/4 x 1/6 x 4.15/704	or .0002456 RI
International Mining Corporation 10900 Wilshire Blvd. Los Angeles, CA 90024	1/6 x 3/4 x 83.3481/704 less 1/6 x 3/4 x 1/4 x 4.0949/704	or .0146173 RI*
Southern Pacific Transportation Company - c/o Bravo Oil Company File 5724 PO Box 60000 San Francisco, CA 94160	1/4 x 84.3343/704	or .0299483 RI
Charles Worthen 6802 Driftwood Galveston, TX 77551	1/4 x 1/3 x 1/2 x 41.8635/704	or .0024777 RI

*This interest credited in the Final Judgment in Cause No. 113,630 in the 122nd District Court of Galveston County, Texas, in the name of Duval Corporation due to a recent conveyance of the subject interest.

NOTE: This Division Order has been prepared as a Schedule D(7) to that Certain Final Judgment in Cause No. 113,630 of the 122nd Judicial District Court of Galveston County, Texas and has been based on the figures set out therein under "Reformation or Amendment to Galveston Townsite Unit #1."

SCHEDULE D(9) TO LAWSUIT
HEREINAFTER MENTIONED

Form No. 9 (Rev. 7-85)

MITCHELL ENERGY CORPORATION

GAS DIVISION ORDER

No. 8371-01

EFFECTIVE: as of the final payment as made to
the State of Texas for the royalty
interest set out hereinbelow

To: MITCHELL ENERGY CORPORATION
P O Box 4000
The Woodlands, Texas 77387-4000

Each of the undersigned certifies and guarantees that he, she or it (as the case may be) is the legal owner (hereinafter referred to as "Owner") of, and hereby warrants the title to, the interest as hereinafter set opposite Owner's name in the proceeds derived from the sale of gas (including distillate and plant products where applicable, hereinafter referred to as gas) from all wells on the Galveston Townsite Unit #2 located in Galveston County, Texas, more particularly described as follows:

704 acres of land as described in that certain Declaration of Pool dated December 29, 1969, recorded in Volume 2022, Page 637 of the Oil, Gas and Mineral Lease Records of Galveston, Texas, as amended by instrument filed for record in said county.

See Attached Schedule C to Final Judgment in Cause No. 113,630 in the 122nd District Court of Galveston County, Texas for a more complete description of the Leases involved herein.

Effective as of the date set out in paragraph NINTH below and until further written notice, you are hereby authorized to receive and give Owner credit for all proceeds derived from the sale of gas from said property subject to the following conditions, covenants and directions:

CREDIT TO	DIVISION OF INTEREST	P. O. ADDRESS
City of Galveston	1/6 of 145.2745/704 or .0343926 RI	PO Box 779 Galveston, TX 77553
Southern Pacific Transportation Co. c/o Bravo Oil Co.	1/4 of 81.2231/704 or .0288434 RI	File No. 5724 PO Box 60000 San Francisco, CA 94160

NOTE: This Division Order has been prepared as a Schedule D(9) to that Certain Final Judgment in Cause No. 113,630 of the 122nd Judicial District Court of Galveston County, Texas and has been based on the figures set out therein under "Reformation or Amendment to Galveston Townsite Unit #2."

The interests set out herein have been calculated without the benefit of a Title Examination. At such time as title is examined, a corrected Division Order will be furnished and any overpayment or underpayment will be adjusted at that time. The undersigned executes this Division Order indicating their approval of this method of payment.

* Interest above is calculated and made payable without the benefit of Title Examination. At such time as title is examined, a Corrected Division Order will be furnished and any overpayment or underpayment will be adjusted at that time. The undersigned executes this Division Order indicating their approval of this method of payment.

FIRST: On the sale of gas hereunder, the interest of Owner in the proceeds thereof shall be paid to him under the terms and conditions of the gas contract heretofore or hereafter executed by the working interest owners ("Sellers"), of said property and such contract and all amendments thereof, if any, shall govern and control the purchase and sale of all gas produced from said property to the same extent as if hereinafter copied in full. The price to be paid for distillate produced with the gas shall be the net amount realized from the sale thereof.

SECOND: Payments shall be made monthly to Owner at the above address by check on or before the 30th day of each month for amount due for the one-month period that immediately precedes the two-month period preceding the month of payment, provided if an amount due hereunder is less than \$25.00, payment therefor may be withheld, without interest, until such time as the total of accumulated amounts due Owner hereunder is at least \$25.00, at which time Owner shall be paid the total amount theretofore accumulated to Owner's credit, except that payment on accumulated amounts shall not be withheld longer than one (1) year from date the first of such payments is due Owner, and shall be paid on or before the end of each calendar year or, at Mitchell Energy Corporation's election, it may pay to owner such accumulated amounts quarterly even though same do not, at such time, amount to \$25.00.

THIRD: Owner authorizes Mitchell Energy Corporation to withhold from the proceeds of any and all gas referred to herein the amount of any tax placed thereon, or for the production thereof, by a governmental authority, and to pay the same on behalf of Owner. Owner further agrees that, if Mitchell Energy Corporation is required to dehydrate, treat, compress and transport any gas before delivery to the purchaser thereof, Mitchell Energy Corporation shall be entitled to deduct or withhold Owner's proportionate part of the cost of such dehydrating, treating, compressing and transporting from Owner's interest in the proceeds obtained from sale of said gas. Each owner agrees to look solely to Mitchell Energy Corporation for all sums which may be or become due such owner on account of proceeds received by Mitchell Energy Corporation from the sale of gas produced from or allocated to the properties covered by this division order.

(Over)

Counter 23880

SCHEDULE E TO FINAL JUDGMENT IN
 CAUSE NO. 113,630 IN THE 122ND DISTRICT COURT OF GALVESTON COUNTY, TEXAS

A. \$1,778,446.74 being the Escrow Funds to be delivered to each party plaintiff and defendant, Mitchell Energy Corporation, on production obtained and paid to State of Texas as of November 30, 1985, re gas production and re oil production:

B. NAMES OF PARTIES AND RESPECTIVE INTERESTS:

1. <u>Name of Parties</u>	<u>Galveston Townsite Unit #1 (GTU #1) Acreage</u>	<u>Galveston Townsite Unit #2 (GTU #2) Acreage</u>
City of Galveston	(1/4x64.03/704x1/6-1/4x4.0949/704x1/6) = .0035473	(115.164/704x1/6) = .0272642
Chicago, Rock Island and Pacific Railroad Company	(3/4x64.03/704x1/6) = .0113690	
Southern Pacific Transportation Company	(46.96/704/x1/6) = .0111174	(64.035/704x1/6) = .0151598
Emerald Properties	(38.421/704/x1/2x1/6x2/3) = .0030320	= -0-
Interfirst Bank of Galveston, Trustee in liquidation for Galveston City Company	(38.421/704x1/2x1/6) = .0045479	= -0-
Galveston County	(1/4x4.0949/704x1/6) = .0002424	= -0-
Galveston County Navigational District No. 1 Charles Worthen	(38.421/704/x1/2x1/6x1/3) = .0015159	
TOTAL ACREAGE	<u>.0353719</u>	<u>.0424240</u>
2. <u>Name of Parties</u>	<u>% of Acreage GTU #1</u>	<u>% of Acreage GTU #2</u>
City of Galveston	(.0035473/.0353719) 10.02858%	(.0272642/.0424240) 64.26598%
Chicago, Rock Island and Pacific Railroad Company	(.0113690/.0353719) 32.14133%	-0-%
Southern Pacific Transportation Company	(.0111174/.0353719) 31.43003%	(.0151598/.0424240) 35.73402%
Emerald Properties	(.0030320/.0353719) 8.57178%	-0-%
Interfirst Bank of Galveston, Trustee in liquidation for Galveston City Company	(.0045479/.0353719) 12.85738%	-0-%
Galveston County	(.0002424/.0353719) .68530%	-0-%
Galveston County Navigational District No. 1 Charles Worthen	(.0015159/.0353719) 4.28560%	
TOTAL PERCENTAGE	100.00%	100.00%

County 23881

Schedule E

C. RESPECTIVE PAYMENTS TO BE MADE:

1. Payments as of November 30, 1985:

a. Total paid to the State:

GTU #1 - Oil royalty paid:	\$ 106,111.20
Gas royalty paid:	1,221,173.19
GTU #2 - Oil royalty paid:	53,301.05
Gas royalty paid:	<u>397,861.30</u>
	1,778,446.74
(Excess Revenue of Liquids, payable to MEC)	(10,836.81)
(Lease Use Deducts, payable to MEC)	<u>(6,600.25)</u>
TOTAL DUE TO OWNERS	<u>\$1,761,009.68</u>

Mitchell Energy Corporation

Lease Use ¹	\$ 6,600.25
Marketing Deducts ²	85,308.63
Excess Revenue on Liquids ³	10,836.81
Severance Tax ³	91,757.75
Tax Refund ⁴	(5,009.98)
WPT ⁴	<u>18,793.53</u>

TOTAL DUE TO
MITCHELL ENERGY CORPORATION \$208,286.99

TOTAL NET DUE OWNERS \$1,570,159.75
(for breakdown see
Pages E3, E4, and E5)

- ¹ This sum of money represents the sum paid to the State of Texas for gas and products used on the leasehold premises and, as to which no royalty payments were due therefor, and the District Clerk is hereby directed to pay such sum of Mitchell Energy Corporation.
- ² Marketing costs deducted in accordance with the leases.
- ³ This sum represents severance taxes included in the total sum of money paid to the State of Texas hereunder and the District Clerk is hereby directed to pay the same to Mitchell Energy Corporation for its distribution or repayment to the State of Texas in behalf of the plaintiffs.
- ⁴ This sum represents windfall profit taxes payable to the United States Government on all sums paid to the State of Texas hereunder and which are owing by the plaintiffs and the District Clerk is hereby directed to pay same to Mitchell Energy Corporation for its distribution to the United States Government.



The Attorney General of Texas

April 18, 1979

MARK WHITE
Attorney General

Supreme Court Building
P.O. Box 12548
Austin, TX. 78711
512/475-2501

Mr. Herman Forbes
Director of Survey
General Land Office
Austin, Texas 78701

701 Commerce, Suite 200
Dallas, TX. 75202
214/742-8944

Re: Cause No. 113,630
City of Galveston, Texas,
et al, v. The State of Texas,
et al - In the 122nd Judicial
District Court of Galveston
County, Texas

4824 Alberta Ave., Suite 160
El Paso, TX. 79905
915/533-3484

Dear Herman:

723 Main, Suite 610
Houston, TX. 77002
713/228-0701

Enclosed is a copy of a letter from Ben Powel,
of May 13, 1975, and Plaintiffs' Original Petition
in the above cause, with the plat of which I inquired
attached as the last page and marked Exhibit B.

806 Broadway, Suite 312
Lubbock, TX. 79401
806/747-5238

Very truly yours,

4313 N. Tenth, Suite F
McAllen, TX. 78501
512/682-4547

J. Milton Richardson
Assistant Attorney General

200 Main Plaza, Suite 400
San Antonio, TX. 78205
512/225-4191

JMR:mh

Enc.

An Equal Opportunity/
Affirmative Action Employer

Counter 23883

LAW OFFICES
McLEOD, ALEXANDER, POWEL & APFFEL

BOB SEALY & SMITH PROFESSIONAL BUILDING

200 UNIVERSITY BOULEVARD
GALVESTON, TEXAS 77550

AREA CODE 713
763-2481
P. O. Box 629

V. W. McLEOD
ROBERT W. ALEXANDER
BENJAMIN R. POWEL
ERVIN A. APFFEL, JR.
JAMES L. ANTHONY
ROBERT A. PARMELEE
C. MICHAEL DAVIS
FREDRICK J. BRADFORD

May 13, 1975

Re: Cause No. 113,630
City of Galveston, Texas, et al vs. The State of Texas, et al
In the 122nd Judicial District Court,
Galveston County, Texas

Honorable Bob Landis Armstrong
Land Commissioner, State of Texas
Capitol Station
Austin, Texas 78711
Attention: MR. JACK GIBBERSON
AND

Honorable John J. Hill
Attorney General, State of Texas
Capitol Station
Austin, Texas 78711
Attention: MR. MILTON RICHARDSON

Dear Jack and Milton:

Enclosed are copies of the Petition filed late on the afternoon of May 9, 1975.

In view of Milton's advice that it would not be necessary to get service on the State of Texas, Bob Armstrong or the General Land Office, I am requesting that Milton file Answer within the next twenty (20) days, if at all possible.

As we discussed, it would be most helpful if the State, in its Answer, could just generally deny the allegations of the Petition, admit the plaintiffs' ownership of property south of the disputed area, and admit that the northern boundary of the Menard Grant is co-extensive with the channel as it existed in 1838, merely asking the Court to define such a boundary.

In Paragraph V of the Petition, I have stated the State's position as asserting the line to be 150 varas from shore or, alternatively, that such line is co-extensive with the south line of the Galveston Channel.

Counter 23884

May 13, 1975
Page #2

Needless to say, we will work with you in any manner possible to bring this matter to an early conclusion.

With my very best wishes, I remain,

Sincerely yours,

Ben Powell

BRP:emm
Encls.

NO. 113,630

IN THE DISTRICT COURT OF
GALVESTON COUNTY, TEXAS
122nd JUDICIAL DISTRICT

CITY OF GALVESTON, TEXAS, ET AL
VS.
THE STATE OF TEXAS, ET AL

PLAINTIFFS' ORIGINAL PETITION

NO. 113 630

CITY OF GALVESTON, TEXAS, : IN THE DISTRICT COURT OF
ET AL :
VS. : GALVESTON COUNTY, TEXAS
THE STATE OF TEXAS, ET AL : 122nd JUDICIAL DISTRICT

PLAINTIFFS' ORIGINAL PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

The Plaintiffs (enumerated below) present to the Court this, their Plaintiffs' Original Petition, and, for cause of action against the Defendants (enumerated below), would respectfully show the Court as follows:

I.

The Plaintiffs are as follows:

1. CITY OF GALVESTON, TEXAS, a municipal corporation organized and existing under the laws of the State of Texas, situated in Galveston County, Texas.
2. EMERALD PROPERTIES, a partnership, all the partners of which are residents of Galveston County, Texas.
3. SOUTHERN PACIFIC TRANSPORTATION COMPANY, a corporation doing business and maintaining an office and place of business in Galveston County, Texas.
4. DUVAL CORPORATION, a corporation organized and existing under the laws of the State of Texas, with its principal office and place of business situated in Galveston County, Texas.
5. GALVESTON COUNTY NAVIGATION DISTRICT NO. 1, a navigation district established by and existing under the laws of the State of Texas, and maintaining its principal office in Galveston County, Texas.

II.

The Defendants are as follows:

1. THE STATE OF TEXAS, which may be served with Citation by delivery of Citation to the Honorable Dolph Briscoe, Governor of the State of Texas, and by delivery of Citation to the Honorable John Hill, the Attorney General of the State of Texas.
2. THE HONORABLE BOB LANDIS ARMSTRONG, Land Commissioner of the State of Texas, General Land Office, Austin, Travis County, Texas.
3. THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, a Constitutional office of the State of Texas, resident in Travis County, Texas, which may be served with Citation by delivery of Citation to the Honorable Bob Landis Armstrong, Land Commissioner of the State of Texas.
4. MITCHELL ENERGY AND DEVELOPMENT CORPORATION, a Texas corporation (successor to and owner of all right, title and interest of Mitchell & Mitchell Gas & Oil Corporation).
5. MITCHELL ENERGY CORPORATION, a Texas corporation.
6. GEORGE MITCHELL, individually.
7. HOUSTON CORPORATION, TRUSTEE.

III.

The Plaintiffs own, respectively, certain tracts of real property situated in Galveston County, Texas, which tracts of real property are described in succeeding subparagraphs below. All of the Plaintiffs' said real property is included within the boundaries of a larger tract described in a certain Patent or Quitclaim Deed, issued by the Republic of Texas and bearing a date of January 25, 1838. Said larger tract is commonly known as the "Menard Grant" and is situated within Galveston County, Texas. The Menard Grant is described more fully in Exhibit A, attached hereto and made a part hereof for all purposes. The Plaintiffs' land is in part generally above tidewater and is in another part generally submerged land covered by the

waters of Galveston Bay. The rights sought herein to be declared extend only to the boundaries of the Plaintiffs' land. The Plaintiffs allege that the boundaries of their respective tracts of real property are as set forth immediately below and are co-extensive on the bayside with the Menard Patent or Quitclaim Deed. The Plaintiffs' respective tracts of real property are as follows:

1. City of Galveston:

Property:

included
Tract A: A tract of land bounded on the west by the west right-of-way line of 57th Street as extended to the channel or harbor line of Galveston Harbor; on the north side by the channel or harbor line of Galveston Harbor; on the east by the east right-of-way line of 51st Street as extended; and on the south by the north right-of-way line of Avenue B, in the City of Galveston, including but not limited to that tract of land heretofore conveyed by J. B. Angell and wife, Adele May Angell, to the City of Galveston, Texas, a municipal corporation, by Deed dated November 19, 1952, and recorded in Volume 1013, Pages 60 to 62 of the Deed Records of Galveston County, Texas, to which reference is here made for all purposes.

Tract B: A tract bounded on the west by the west line of Block 700, in the City of Galveston, and a prolongation or extension of said line to the channel or harbor line of Galveston Harbor, on the north by the channel or harbor line of Galveston Harbor, on the east by the west line of Block 729, of the City of Galveston, and a prolongation or extension of said line to the channel or harbor line of Galveston Harbor, and on the south by Avenue A, in the City of Galveston, all lying and being situated in the City and County of Galveston, Texas.

2. Emerald Properties:

Property:

on
A tract bordered by the south by Port Industrial Boulevard, on the west by a northerly extension of 59th Street, on the east by a northerly extension of 57th Street, and on the north by the Channel of Galveston Harbor as it existed in 1838, including but not limited to those tracts described in a Deed from First Hutchings-Sealy National Bank of Galveston, as Liquidating Trustee of Galveston City Company and its stock-

holders to Emerald Properties, dated June 20, 1969, recorded in Volume 2037, Page 889, of the Deed Records of Galveston County, Texas, to which Deed and recordation thereof reference is here made for all purposes.

3. Southern Pacific Transportation Company:

Property:

A tract bounded on the west by the west line of Block 710, in the City of Galveston, and a prolongation or extension of that line to the Channel or Harbor Line of Galveston Harbor, on the north by the Channel or Harbor Line of Galveston Harbor, on the east by the west line of Block 700, in the City of Galveston, and a prolongation or extension of that line to the Channel or Harbor Line of Galveston Harbor, and on the south by Avenue B, in the City of Galveston; and also a tract described in Senate Bill No. 228, Chapter XCIV of the 26th Legislature of the State of Texas, approved May 1, 1899; and also described in a Deed from Arabella D. Huntington, et al, as Executors and devisees under the Will and Estate of Collis P. Huntington, Deceased, to Southern Pacific Terminal Company, dated July 10, 1901, recorded in Volume 186, page 53, of the Deed Records of Galveston County, Texas, to which instruments reference is made for all purposes.

4. Duval Corporation:

Property:

A portion of the Property above described as owned and claimed by Southern Pacific Transportation Company, and being more fully described in a Deed from Southern Pacific Terminal Company, et al, to Continental Grain Company, dated March 5, 1958, recorded in Book 1251, Page 646, of the Deed Records of Galveston County, Texas, and being the same land described in Deed from Continental Grain Company to Duval Corporation, dated February 19, 1969, recorded in Book 2011, Page 317, et seq., of the Deed Records of Galveston County, Texas, subject to the reservations, terms and provisions therein provided, to which Deeds and records references are made for all purposes.

5. Galveston County Navigation District No. 1:

Property:

Tract A: A tract of land containing four and fifteen hundredths (4.15) acres, more or less, conveyed by the City of Galveston to the Galveston County Navigation District No. 1, by Deed dated September 8, 1955, and recorded in Volume 177, Pages 338, et seq., of

the Deed Records of Galveston County, Texas,
to which reference is here made for all purposes.

Tract B is in resolution

Tract B: A tract of land containing one and forty-one hundredths (1.41) acres, conveyed by the City of Galveston to the Galveston County Navigation District No. 1, by Deed, dated June 4, 1956, and recorded in Volume 1155, Pages 16, et seq., of the Deed Records of Galveston County, Texas, to which reference is here made for all purposes.

Tract C is in resolution

Tract C: A tract of land containing fifteen and seventy-six hundredths (15.76) acres, conveyed by Southern Pacific Terminal Company to the Galveston County Navigation District No. 1, by Deed dated August 12, 1955, and recorded in Volume 1111, Pages 564, et seq., of the Deed Records of Galveston County, Texas, to which reference is here made for all purposes.

IV.

On or about May 7, 1968, the Defendants, The State of Texas, the Honorable Bob Landis Armstrong, Land Commissioner, and the General Land Office, entered into Oil & Gas Mineral Leases with the Defendant, Mitchell & Mitchell Properties, Inc. (now Mitchell Energy Corporation), leasing State of Texas property lying north of the north line of the Menard Grant thereunder, which Leases and subsequent claim of the said Defendants, however, erroneously located said north line of the Menard Patent south of its true location, thereby creating a bona fide boundary dispute between the State of Texas, the Honorable Bob Landis Armstrong, Land Commissioner, and the General Land Office, with Plaintiffs herein.

V.

That attached hereto as Exhibit B is a Map or Plat prepared by Defendant, General Land Office of the State of Texas, of the general area of dispute lying between the two (2) claimed boundary lines of the parties hereto. Plaintiffs assert that the north line of the Menard Grant is co-extensive with the south line of the channel as it existed in 1838. Defendants, State of Texas, the Honorable Bob Landis Armstrong, Land Commissioner, and the

General Land Office of the State, assert such line to be 150 varas from shore or, alternatively, assert that, if such line be co-extensive with the south line of the channel, such line should be judicially determined. That the parties do not dispute the titles of the respective parties to the areas claimed other than that area in dispute as reflected by Exhibit B, and the parties have recognized the respective titles of all parties hereto to property lying outside of said disputed area. The Plaintiffs hold and claim under Grant, Quitclaim, Patent and Contract between the State of Texas and Michael B. Menard, and are entitled to declaratory relief under Article 2524, Revised Civil Statutes of Texas, establishing the north line of the Menard Grant, and are entitled to a construction, if necessary, by the Court of such instruments and establishment of the validity of Plaintiffs' claimed location of such north boundary line of said Grant, Quitclaim and Patent.

VI.

Pleading alternatively, and only if necessary, Plaintiffs assert an action in trespass to try title, as follows:

A. Heretofore, on or about May 15, 1973, each Plaintiff was lawfully seized and possessed of the tract or tracts of real property situated in Galveston County, Texas, described above as belonging to each said Plaintiff, respectively, holding and claiming the same in fee simple.

B. On the date and year mentioned in Paragraph A above (May 15, 1973), the Defendants, jointly and severally, entered upon said premises (each and all said tracts of real property described above) and ejected Plaintiffs, and each of them, therefrom and unlawfully withhold from each said Plaintiff the possession thereof.

C. Plaintiffs, and each of them, are entitled to Judgment against the Defendants, jointly and severally, for the title and possession of the tract or tracts of real property shown above as belonging to each said respective Plaintiff.

VII.

Plaintiffs, City of Galveston and Southern Pacific Transportation Company, assert the following action seeking declaratory relief, in addition to that sought herein by all Plaintiffs, determining not only the north boundary line of the Menard Grant, but also right, title and ownership of the mineral estate and production thereof, as follows:

A. Plaintiffs, City of Galveston and Southern Pacific Transportation Company, own, respectively, certain tracts of real property as previously described in Paragraph III of this Petition, to which reference is hereby made, together with all the oil, gas and other minerals in and under said respective tracts. Said Plaintiffs, as owners of the above described property, executed certain Oil and Gas Leases with the following Defendants, or their predecessors, Mitchell Energy and Development Corporation, Mitchell & Mitchell Properties, Inc., George Mitchell, individually, and Houston Corporation, Trustee, on all or a portion of the above-described real property.

B. Subsequent to the entering into of such Oil and Gas Leases, the above named Defendants, or their predecessors, created Units Nos. 1 and 2, as amended from time to time, and completed certain wells capable of producing oil and gas on said Units, which include a portion of Plaintiffs' land, and, since that time, have produced, removed, used and appropriated oil and gas from said Units, which include a portion of said Plaintiffs' said land, and, though accounting to Plaintiffs, the City of Galveston and Southern Pacific Transportation Company, for a portion of such production, Defendant mineral lessees and their predecessors have withheld monies and have paid monies from production in and under said Plaintiffs' property to the State of Texas (the General Land Office of the State of Texas), where it is held in escrow and to which Plaintiffs, the

City of Galveston and Southern Pacific Transportation Company, are entitled, the exact amount of which is not known but is in excess of TEN THOUSAND DOLLARS (\$10,000.00).

C. Plaintiffs, City of Galveston and Southern Pacific Transportation Company, do not know the amount or value of the oil and gas which has been produced and withheld, but such amounts are known to the above-named Defendants, and the above-named Defendants should be required to disclose such amounts and account therefor in these proceedings. Said Defendants owe and should pay to Plaintiffs the amounts due unto said Plaintiffs under the above-described Oil and Gas Leases and created Units, which include said Plaintiffs' said land, and the Court should declare that the Plaintiffs, City of Galveston and Southern Pacific Transportation Company, are true owners of and should receive those monies held, including those held in escrow, by the Defendants, State of Texas, the Honorable Bob Landis Armstrong, Land Commissioner, and the General Land Office.

D. Although, as hereinabove alleged, Plaintiffs, City of Galveston and Southern Pacific Transportation Company, were and are entitled to possession of the above-described property and the oil, gas and minerals thereunder and produced from said land, and were in possession thereof until on or about December, 1972, Defendants, The State of Texas and the General Land Office of the State of Texas, claiming title to a part of the above-described property adversely to Plaintiffs, unlawfully entered upon and deposed Plaintiffs of said property and withheld and continue to withhold possession thereof from the Plaintiffs, City of Galveston and Southern Pacific Transportation Company.

E. The State of Texas and the General Land Office of the State of Texas entered into certain Oil and Gas Leases on a portion of the above-described lands belonging to Plaintiffs, City of Galveston and Southern Pacific Transportation Company, with Defendant, Mitchell & Mitchell Properties,

Inc. (now Mitchell Energy Corporation).

F. Plaintiffs, City of Galveston and Southern Pacific Transportation Company, being the true and lawful owners of the hereinabove described real property and the oil, gas and minerals thereunder, and the parties entitled to payment under certain Oil, Gas and Mineral Leases entered into with the Defendant, Mitchell & Mitchell Properties, Inc., (now Mitchell Energy Corporation), the Court should order and declare that said Plaintiffs are entitled to such payment, and that the purported Oil, Gas and Mineral Leases entered into by and between such Defendants and the State of Texas and the General Land Office of the State of Texas should be declared null and void and of no force and effect to that area in dispute as shown by Exhibit B. Plaintiffs, therefore, are entitled to, not only payment from said Defendants of the amounts that should have been paid to said Plaintiffs under such Oil, Gas and Mineral Leases, but also are entitled to interest thereon at the legal rate from the date that such payments should have been lawfully made to such Plaintiffs.

WHEREFORE, the Plaintiffs pray that the Court take jurisdiction of the parties and the subject matter herein set forth; that the Defendants be served with Citation, requiring them to appear and answer herein; and that, upon a final hearing of this cause, the Court find, declare and determine as follows:

A. That the Court declare and establish the north line of the Menard Grant and, if necessary, construe such Grant as establishing such line as the South line of the Channel as it existed in 1838.

B. That the Plaintiffs, City of Galveston and Southern Pacific Transportation Company, have Judgment against Defendants for the amount or amounts of monies due and owing to said Plaintiffs by reason of Oil, Gas and Mineral Leases entered into with Mitchell & Mitchell Properties, Inc., (now Mitchell Energy Corporation), together with interest at the legal rate

from the date such payments should have been paid to date of Judgment herein.

C. That Plaintiffs, City of Galveston and Southern Pacific Transportation Company, have Judgment against the State of Texas, the Honorable Bob Landis Armstrong, Land Commissioner, and the General Land Office of the State of Texas, for the amount or amounts of monies wrongfully paid to said Defendants by the defendant mineral lessees under purported Oil, Gas and Mineral Leases on the property owned by these Plaintiffs, which sum or sums of money have been withheld by the State of Texas, the Honorable Bob Landis Armstrong, Land Commissioner, and the General Land Office of the State of Texas, all to Plaintiffs' damages in the amount of such sum or sums which should have been paid to Plaintiffs, together with interest thereon at the legal rate from date that such payment should have been made to these Plaintiffs to date of Judgment herein.

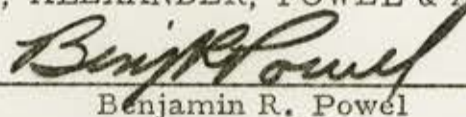
D. That the Court set aside as unlawful and nullify those certain Oil, Gas and Mineral Leases entered into between the State of Texas and the General Land Office of the State of Texas and the defendant mineral lessees, or their predecessors in title, to the extent of conflict with Plaintiffs' title.

E. That the boundaries of the respective Plaintiffs' land are those set forth in Paragraph III hereof, and that said Plaintiffs are the true and lawful owners of such land and entitled to possession thereof.

F. That the Court make an award of costs as may be just and equitable.

McLEOD, ALEXANDER, POWEL & APFFEL, INC.

By



Benjamin R. Powel

808 Sealy & Smith Professional Building
P. O. Box 629
Galveston, Texas 77550
ATTORNEYS FOR PLAINTIFF,
CITY OF GALVESTON

5/ Robert V Shattuck, Jr.

ROBERT V. SHATTUCK, JR.

P. O. Box 779

Galveston, Texas 77550

CITY ATTORNEY FOR CITY OF GALVESTON

BAKER & BOTTS

By John F Heard

3000 One Shell Plaza

Houston, Texas 77002

ATTORNEYS FOR SOUTHERN PACIFIC TRANSPORTATION COMPANY and DUVAL CORPORATION

POWERS & ROSE

By John E. Powers

John E. Powers ^{per}

1408 Capital National Bank Building

Austin, Texas 78701

ATTORNEYS FOR EMERALD PROPERTIES

BEDFORD, LAMBDIN & SCHWAB

By Ed Schwab, III

Ed Schwab, III ^{per}

Moody National Bank Building

Galveston, Texas 77550

ATTORNEYS FOR GALVESTON COUNTY
NAVIGATION DISTRICT NO. 1

"In the name of the Republic of Texas

To all to whom these presents shall come:

Know ye, that I, Sam Houston President of the Republic of Texas by the authority in me vested in consideration of the sum of fifty thousand Dollars and in pursuance of an act of Congress passed on the 9th day of December A. D. 1836 and by virtue of the authority thereby in me reposed, have granted and confirmed and by these presents do grant and confirm unto Michael B. Menard his heirs and assigns by deed of quit claim, all that tract of Land lying & being situate on the East end of Galveston Island and bounded as follows vidz:- Beginning at the North-East corner of Lot No. ten (10) in Section No One (1) as represented in the plat of survey of the Island of Galveston made made by R. C. Trimble and William Lindsey under directions of the secretary of the Treasury and running thence due North one hundred and fifty acres varas to a stake, thence Eastwardly with the Channel of the Harbor in the Bay of Galveston and with the general course of said Island at the distance of at least one hundred and fifty varas from the shore to a stake one hundred & fifty varas from the extreme Eastern point of said Island; thence South to the Gulf of Mexico, thence with the meander of the Gulf to the South East corner of Lot No. one (1) in said plat of survey, thence Northwardly across the Island with the Eastern boundary of Lots Nos. one, two, three, four, five, six, seven, eight, nine & ten to the beginning, except the reservations expressed in the fifth section of the Act of Congress aforesaid. To have and to hold the said tract of land with all the appurtenances thereunto belonging to the said Michael B. Menard his heirs and assigns for his and their own proper use & behoof forever.

In witness whereof I have caused this Patent to be issued under the Seal of the Republic, and the Commissioner of the General Law Office to countersign the same and affix his private seal, (their being yet no public seal provided) hereto - Given under my hand in the City of Houston on the twenty fifth day of January in the year of our Lord one thousand eight hundred and thirty-eight, and of the Independence of Texas the second.

Sam Houston

John P. Norden (L. S.)

Com. Genl. Land Office (LS) 'South' written over 'North' being 'Southern' patent
O. Farish, Cl'k.

Filed 17 May 62 at 8 a.m. Recorded same day at 3 P.M.

O. Farish, ceyc."

(Recorded in Book No. "B". 2, Pages 276 and 277, Deed Records of Galveston County, Texas).

EXHIBIT A

County 23899

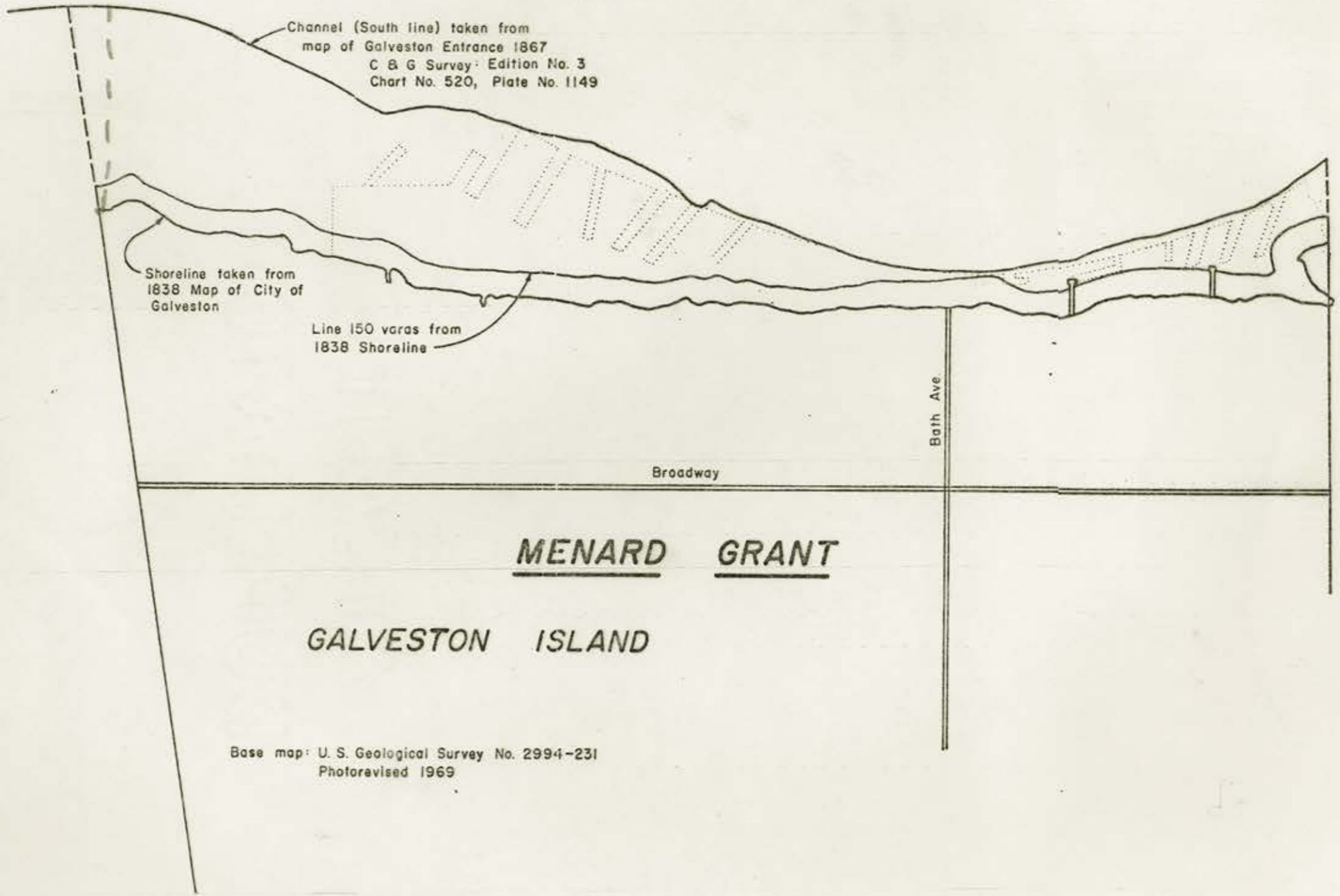


EXHIBIT B



Scale 1" = 2,000

Base map: U. S. Geological Survey No. 2994-231
Photorevised 1969

NO. 113,630

CITY OF GALVESTON, TEXAS, ET AL.

IN THE 122ND JUDICIAL

v.

DISTRICT COURT OF

STATE OF TEXAS, ET AL.

GALVESTON COUNTY, TEXAS

MOTION

To the Honorable Judge of Said Court:

Emerald Properties, a plaintiff in the present cause, moves the court to enter its order, in the form attached hereto, to govern the trial and other future proceedings in this cause, unless and until the order or any part thereof be set aside by the court.

POWERS & ROSE
1400 Capital National Bank Bldg.
Austin, Texas 78701

By: John E. Bowen
Attorney for the Plaintiff,
Emerald Properties

NOTICE OF HEARING

To: The State of Texas, The Honorable Bob Landis Armstrong, Commissioner of the General Land Office, and the General Land Office of the State of Texas, by delivery to their attorney of record: Mr. J. Milton Richardson, Assistant Attorney General, The State of Texas, P. O. Box 12548, Austin, Texas 78711.

Mitchell Energy & Development Corp., Mitchell Energy Corporation and George P. Mitchell, by delivery to their attorney of record: Mr. Paul A. Smith, Smith & Fulton, 4026 One Shell Plaza, Houston, Texas 77002.

Houston Corporation, Trustee, by delivery to its attorney of record: Mr. Claude C. Roberts, Butler, Binion, Rice, Cook & Knapp, Esperson Building, Houston, Texas 77002

The City of Galveston, Texas, by delivery to its attorneys of record: Mr. Benjamin R. Powel, McLeod, Alexander, Powel & Apffel, Inc., P. O. Box 629, Galveston, Texas 77550 and Mr. Robert V. Shattuck, Jr., City Attorney for the City of Galveston, P. O. Box 779, Galveston, Texas 77550.

Southern Pacific Transportation Company and Duval Corporation, by delivery to their attorney of record: Mr. Justin Campbell, Baker & Botts, 3000 One Shell Plaza, Houston, Texas 77002.

Galveston County Navigation District No. 1, by delivery to its attorney of record: Mr. Ed Schwab, III, Bedford, Lambdin & Schwab, Moody National Bank Building, Galveston, Texas 77550.

Please take notice that the foregoing motion is set for hearing before the court at 9:30 o'clock a.m. on December 12, 1980.

POWERS & ROSE
1400 Capital National Bank Bldg.
Austin, Texas 78701

By: John E. Bowen
Attorney for the Plaintiff,
Emerald Properties

CITY OF GALVESTON, TEXAS, ET AL.

IN THE 122ND JUDICIAL

v.

DISTRICT COURT OF

THE STATE OF TEXAS, ET AL.

GALVESTON COUNTY, TEXAS

ORDER

BE IT REMEMBERED that on the first day of May, 1979, came on to be heard the Plaintiffs' motion for summary judgment. All requisites for hearing such motion having been satisfied, and the parties having each appeared by and through counsel, the court proceeded to hear the motion and reply thereto.

Having now examined and considered the pleadings, the motion for summary judgment, the reply thereto, all proper affidavits, the arguments and statements of counsel presented at the hearing, the depositions, answers to interrogatories and admissions on file, and the objections made by the State of Texas, Defendant, to certain matters contained in the deposition transcript of W. Armstrong Price and to certain documents attached to Plaintiffs' motion for summary judgment;

Now, therefore, the court is of the opinion that the following should be, and it hereby is, ORDERED, so that the trial and other future proceedings in this cause shall be governed accordingly, unless this order be set aside by the court:

1. The court concludes and determines that the northern boundary of the land described in the Menard Patent of January 25, 1838, insofar as it is applicable to this cause, is the south bank of the channel of Galveston Harbor, between the following points: (a) a point on said northern boundary where it is intersected by a line extended due north from the northeast corner of Lot No. Ten (10), Section No. One (1), of the Trimble and Lindsey Survey; and, (b) a point on said northern boundary where it is intersected by a line extended from the Gulf Shore to the channel, marking the southern boundary of the United States Reservation, as determined in the cause United States v. 1,078.27 Acres of Land, Galveston County, Texas, 446 F2d 1030 (5th Cir.--1971).

2. The court finds that the physical location of the aforesaid channel is actually and in good faith controverted by the parties. A determination of its physical location on the earth is therefore reserved for future determination in this cause.

3. The meaning of the word "channel", as used in this order and in the Menard Patent of January 25, 1838, is construed and determined by the court to mean the navigable fairway or passage between the respective shoals or flats of Pelican and Galveston Islands.

4. The objections made by the State of Texas to the court's consideration of certain of the documents attached to the Plaintiffs' motion for summary judgment, and to portions of the deposition transcript of W. Armstrong Price, are overruled. The parties are advised, however, that the court, in this order, has determined only a question of law, to-wit: the proper interpretation of the Menard Patent under the language of the instrument, the statutory grant, other applicable statutes, applicable judicial decisions, and other extrinsic matters similarly permitted to be considered in ruling on questions of law made by the pleadings, without the necessity of evidence.

The court reserves judgment, findings, determinations and rulings on the balance of the actions, claims, defenses, legal and factual contentions, and requests for declaratory relief, made by the parties in this cause.

Signed and ordered entered, this the ____ day of _____, 1980.

Henry G. Dalehite, Judge

CITY OF GALVESTON, TEXAS, ET AL.

v.

STATE OF TEXAS, ET AL.

IN THE 122ND JUDICIAL

DISTRICT COURT OF

GALVESTON COUNTY, TEXAS

STATEMENT OF SERVICE

The foregoing Motion and Notice of Hearing were served the Plaintiffs and Defendants in the present cause by delivery to their respective attorneys of record, to-wit:

Mr. J. Milton Richardson, Assistant Attorney General, The State of Texas, P. O. Box 12548, Austin, Texas 78711, attorney of record for The State of Texas, The Honorable Bob Landis Armstrong, Commissioner of the General Land Office and the General Land Office of the State of Texas.

Mr. Paul A. Smith, Smith & Fulton, 4026 One Shell Plaza, Houston, Texas 77002, attorney of record for Mitchell Energy & Development Corp., Mitchell Energy Corporation and George P. Mitchell.

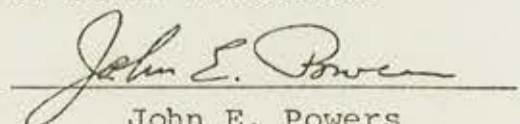
Mr. Claude C. Roberts, Butler, Binion, Rice, Cook & Knapp, Esperson Building, Houston, Texas 77002, attorney of record for Houston Corporation, Trustee.

Mr. Benjamin R. Powel, McLeod, Alexander, Powel & Apffel, Inc., P. O. Box 629, Galveston, Texas 77550 and Mr. Robert V. Shattuck, Jr., City Attorney for the City of Galveston, P. O. Box 779, Galveston, Texas 77550, attorneys of record for the City of Galveston, Texas.

Mr. Justin Campbell, Baker & Botts, 3000 One Shell Plaza, Houston, Texas 77002, attorney of record for Southern Pacific Transportation Company and Duval Corporation.

Mr. Ed Schwab, III, Bedford, Lambdin & Schwab, Moody National Bank Building, Galveston, Texas 77550, attorney of record for Galveston County Navigation District No. 1.

Such service was made by personally delivering a copy of the Motion and Notice of Hearing to the office of Mr. J. Milton Richardson on December 1, 1980 and, in the case of the remaining attorneys of record, by certified mail, a copy of said Motion and Notice of Hearing being enclosed in a postpaid, properly addressed wrapper, deposited in an official mail depository under the care and custody of the United States Postal Service on December 1, 1980, as provided by Rules 21a and 21b, Texas Rules of Civil Procedure.



John E. Powers
Attorney of Record for
Emerald Properties, Plaintiff

POWERS & ROSE

ATTORNEYS AT LAW
 1400 CAPITAL NATIONAL BANK BUILDING
 AUSTIN, TEXAS 78701

JOHN E. POWERS
 WILLIAM S. ROSE
 RUSSELL R. OLIVER

TELEPHONE 512 476-6682

November 11, 1980

Mr. Milton Richardson,
 Assistant Attorney General
 P. O. Box 12548
 Austin, Texas 78711

Ref: The City of Galveston, Texas, et al, v. The State of Texas,
 et al., No. 113,630 in the 122nd Judicial District Court of
 Galveston County, Texas

Dear Milton:

Judge Dalehite, in his letter of May 21, 1980, indicated that he had concluded that the legal boundary of the Menard Grant, set by the title instruments, was "the south bank of the Galveston Channel as it existed in the year 1838." This seems to me to be dispositive of the fundamental controversy between the parties in this case: their differing interpretations of the Menard case.

It would, at this time, probably be mutually advantageous to our clients to see if an agreed judgment could be reached by way of settlement and compromise of the only other basic controversy in the case, which is the location of the boundary on the ground. With that aim, I would like to make the following observations.

1. I would urge that the plaintiffs accept as their northern boundary the Harbor Line set by the United States Army Corps of Engineers, as shown on the chart marked Summary Judgment Document 12 (enclosed) and entitled "U.S. Department of Commerce, Environmental Science Services Administration, Coast and Geodetic Survey, Intracoastal Waterway, Galveston Bay to West Bay, Including Galveston Bay Entrance--1966." Some of the plaintiffs, if not all, could make a reasonable case for a boundary north of that line if the case goes to trial.

2. The Harbor Line is set by the Corps under authority granted in 33 USCA §504. The line has nothing to do with title, of course, but operates solely upon the owner's possession in the sense that he cannot erect structures, or deposit fill, on his property beyond the Harbor Line. Nevertheless, the Harbor Line is important in our case for the reason that it "presumptively" determines the limit of navigability and amounts to an "invitation to fill in and build out to that line." People ex rel. Gratwich v. Commissioners of the Land Office of the State of New York, 196 NYS 115, 202 App. Div. 240 (1922); Sherman v. Sherman,

19 RI 506, quoted in Greenleaf-Johnson Lumber Co. v. Garrison, 237 US 251, 59 L.ed. 939 (1914).

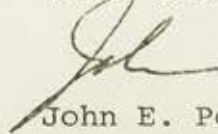
3. There is thus a good deal of logic to support an agreed boundary on the Harbor Line. In addition, the line has already been surveyed I am sure and can be described by calls for course and distance without a new survey. Such a line would result in a clear, definite and simple boundary obtained at almost no expense. Further, the expenditure of fairly large sums for expert witnesses and other trial expenses would be avoided.

4. It is historically reasonable to set the Harbor Line as the boundary for the reason that the Harbor Line lies almost upon the edge of shallow water, at mean low tide, on the old charts, three of which are enclosed. These charts utilize mean-low-water as the tidal plane for the soundings and outlines they display. (See the enclosed copies of charts dated 1853, 1867 and 1900, all made to a common scale.) As these charts show, the edge of shallow water has not varied much at all and lies about where the 1966 Harbor Line is drawn by the Corps.

I would appreciate your discussing with the Land Office the matter of an agreed judgment which utilizes the Harbor Line as the boundary. If there is a likelihood that the Land Office will agree, I will approach the various plaintiffs' attorneys with the proposition. It seems to me that the facts are very persuasive to a settlement along the Harbor Line, from the standpoint of all the parties. The sums held in trust would be distributed according to the agreed boundary.

Because I will not be able to handle the case much longer, it would be desirable to attempt the settlement and compromise as soon as possible. I am more familiar with the case than the other attorneys of record and, though I am not indispensable, of course, I could get it handled more expeditiously at this point in time. Please let me know the State's position at your earliest convenience.

Yours truly,



John E. Powers

JP/sf
Enclosures

POWERS & ROSE
ATTORNEYS AT LAW
1400 CAPITAL NATIONAL BANK BUILDING
AUSTIN, TEXAS 78701

JOHN E. POWERS
WILLIAM S. ROSE
RUSSELL R. OLIVER

December 12, 1980

TELEPHONE 512 476-6682

Mr. V. J. Beninati, Jr.
District Clerk, Galveston County
Galveston County Courthouse
Galveston, Texas 77550

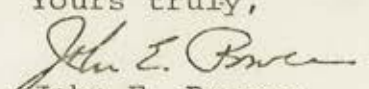
Ref: Cause No. 113,630, City of Galveston, Texas, et al. v.
State of Texas, et al., in the 122nd Judicial District
Court of Galveston County, Texas

Dear Sir:

Enclosed for filing in the above numbered and entitled cause
are the following:

1. Motion of the plaintiff Emerald Properties to enter an order in the form attached thereto and a Notice of Hearing on said motion, for a hearing before the court on December 12, 1980 at 9:30 a.m.
2. Statement of Service, showing that the remaining parties in the present cause were served a copy of said Motion and Notice of Hearing on December 1, 1980 in a manner permitted by Rules 21a and 21b, Texas Rules of Civil Procedure.

After filing the enclosures, please place them among the other papers in the cause. Copies of this letter and the enclosures have been mailed to all attorneys of record on this date or personally delivered to them.

Yours truly,

John E. Powers

cc: Mr. J. Milton Richardson
Assistant Attorney General
The State of Texas
P. O. Box 12548
Austin, Texas 78711 (personally delivered)

Mr. Claude C. Roberts
Butler, Binion, Rice, Cook & Knapp
Esperson Building
Houston, Texas 77002 (Certified Mail No. 982901)

Mr. Paul H. Smith
Smith & Fulton
4026 One Shell Plaza
Houston, Texas 77002 (Certified Mail No. 982903)

Mr. Benjamin R. Powel
McLeod, Alexander, Powel & Apffel, Inc.
P. O. Box 629
Galveston, Texas 77550 (Certified Mail No. 982902)

Mr. Robert V. Shattuck, Jr.
City Attorney, City of Galveston
P. O. Box 779
Galveston, Texas 77553 (Certified Mail No. 982904)

Mr. Justin Campbell
Baker & Botts
3000 One Shell Plaza
Houston, Texas 77002 (Certified Mail No. 982905)

Mr. Ed H. Schwab, III
Lambdin, Schwab & Coughlin
Moody National Bank Building
Galveston, Texas 77550 (Certified Mail No. 982906)



**THE ATTORNEY GENERAL
OF TEXAS**

AUSTIN, TEXAS 78711

**JOHN L. HILL
ATTORNEY GENERAL**

March 18, 1977

Mr. Jack Giberson
Chief Clerk
General Land Office
Stephen F. Austin Bldg.
Austin, Texas 78701

Re: No. 113,630
City of Galveston, Texas,
et al, vs. The State of
Texas, et al, In the
District Court of
Galveston County, Texas
122nd Judicial District

Dear Jack:

Today I was served with the enclosed set of interrogatories in the above-styled cause. I am not sending the attached map referred to in the interrogatories. The map, though, is United States Department of the Interior, Geological Survey, Galveston Quadrangle, Texas-Galveston County, 7.5 Minute Series (Topographic). Galveston, Texas, AMS 7042 IV SE-Series V882.

We have sixteen days within which to answer these interrogatories.

Yours very truly,

A handwritten signature in cursive script that reads "J. Milton Richardson".

J. Milton Richardson
Assistant Attorney General

JMR:gh
Encl.

Proposed answers to Interrogatories in City of Galveston v. State, No. 113,630,
District Court, Galveston County

1. Herman H. Forbes, Jr.
11306 Hunters Lane
Austin, Texas 78753
2. Herman H. Forbes, Jr.
Director of Surveying
General Land Office
State of Texas
- 3.
- 4.
5.
 - a. "Shore;" intended in this allegation, refers to mean low water
 - b. "Shore," intended in this allegation, refers to the "shore" as it existed on the date of the Menard Grant.
 - c. The Menard Grant, as stated in this allegation, conveyed no right or title to any area north of the north boundary line described in this allegation.
 - d.
 - (1) The "point 150 varas due north of the northeast ^{CORNER} of Lot No. 10, Section 1, Trimble & Lindsey survey of Galveston Island" should be located under the direction of the Court in this case after the law has been determined by the Court and "X" and "Y" values of the Texas Plane Coordinate System, South Central Zone, (Art. 5300A, V.T.C.S.) established for this "point" at that time.
 - (2) The approximate location of the entire "shore" intended in this allegation is the mean low water line on the date of the Menard Grant and said "shore" will have to be determined by the Court from the evidence.
 - (3) The north boundary line of the Menard Grant is alleged to be a line that begins at a point 150 varas due north of the northeast corner of Lot No. 10, Section No. 1, survey of Galveston Island made by R. C. Trimble and William Lindsey and said line runs eastwardly, keeping at least one hundred and fifty varas from the shore, to the channel (and not in a direct line to the nearest part of said channel) and then along the channel, as long as its direction corresponds with the general course of the island; and when it does not, then at least one hundred and fifty varas from the shore, to be continued with the general course of the island.
- 6.

CITY OF GALVESTON, TEXAS, ET AL.

v.

THE STATE OF TEXAS, ET AL.

IN THE DISTRICT COURT OF

GALVESTON COUNTY, TEXAS

122ND JUDICIAL DISTRICT

INTERROGATORIES TO DEFENDANTS

TO: The State of Texas, the Honorable Bob Landis Armstrong, Commissioner of the General Land Office and the General Land Office of the State of Texas, Defendants in the present cause, by delivery to their attorney of record, J. Milton Richardson, Assistant Attorney General, P. O. Box 12548, Austin, Texas 78711.

Mitchell Energy & Development Corp., Mitchell Energy Corporation, and George P. Mitchell, Defendants in the present cause, by delivery to their attorney of record, Paul A. Smith, Smith and Fulton, 4026 One Shell Plaza, Houston, Texas 77002.

Houston Corporation, Trustee, Defendant in the present cause, by delivery to its attorney of record, Claude C. Roberts, Butler, Binion, Rice, Cook & Knapp, Esperson Building, Houston, Texas 77002.

The Plaintiff, Emerald Properties, hereby propounds to you the following written Interrogatories, pursuant to Rule 168, Texas Rules of Civil Procedure. You are required to answer these Interrogatories separately and fully in writing under oath within sixteen days after service hereof; and, further required to supplement or amend your answers thereto under the conditions and provisions of Rule 168, Texas Rules of Civil Procedure.

1. Please state the name and address of the natural person or persons answering these Interrogatories or furnishing information from which your answers are prepared.

2. For each natural person named in answer to the foregoing Interrogatory, please state his office, his employment, or the nature of his connection with the State of Texas, the General Land Office, Mitchell Energy & Development Corp. or Mitchell Energy Corporation, as the case may be.

3. Please state the sum paid to date "under protest" to the State of Texas by either Mitchell Energy & Development Corp., Mitchell Energy Corporation or George P. Mitchell, as alleged in paragraph II(c) of the "Original Answer of Defendants, Mitchell Energy and Development Corp., Mitchell Energy Corporation and George P. Mitchell."

4. Please state the manner in which the amount of the royalty so paid under protest was computed, both for Unit No. 1 and Unit No. 2 referred to in said paragraph II(c) of said Original Answer.

5. To the following Defendants only: the State of Texas, the Honorable Bob Landis Armstrong and the General Land Office of the State of Texas.

You have alleged in the present cause that "the north boundary line between the Menard Patent or Quitclaim (Grant), comprising the north boundary of Plaintiffs' claimed tracts of land and the lands owned by the State of Texas in Galveston Bay, is a line that begins at a point 150 varas due north of the northeast corner of

Lot No. ¹⁰~~12~~, Section No. 1, plat of survey of Galveston Island made by R. C. Trimble and William Lindsey and that runs eastwardly, keeping at least one hundred and fifty varas from the shore, to the channel (and not in a direct line to the nearest part of it) and then along the channel, as long as its direction corresponds with the general course of the island; and when it does not, then at least one hundred and fifty varas from the shore, to be continued with the general course of the island."

With reference to this allegation, please answer the following Interrogatories:

- a. Please specify the meaning of the word "shore" intended by you in the foregoing allegation, whether the boundary between land and water at mean low water, highest tide, lowest tide, mean high water, or some other boundary between land and water.
- b. Do you intend by this allegation the present-day "shore", the "shore" as it existed on the day of the Menard Grant (December 9, 1836), or the "shore" as it existed on some other date. Please specify such "other date" if that is the "shore" intended in your allegation quoted above.
- c. Do you intend by this allegation that the grant of December 9, 1836 conveyed no right to the soil lying north of "the north boundary line" described in such allegation?
- d. There is enclosed and served herewith a copy of a modern chart of Galveston Island. Please mark thereon, and return with your answers, the location of the following matters contained in the allegation quoted above:

- (1) The approximate location of the "point 150 varas due north of the northeast corner of Lot No. 10, Section No. 1, plat of survey of Galveston Island made by R. C. Trimble and William Lindsey..."
- (2) The approximate location of the entire "shore" intended by you in the allegation.
- (3) The entire "north Boundary line between the Menard Patent or Quitclaim (Grant), comprising the north boundary of Plaintiffs' claimed tracts of land and the lands owned by the State of Texas in Galveston Bay," which you intend in the allegation.

If you do not wish to mark on the chart referred to then please describe in narrative form, by calls and distances, or in some other verbal manner, the following:

- (1) The approximate location of the "point 150 varas due north of the north east corner of Lot No. 10, Section No. 1, plat of survey of Galveston Island made by R. C. Trimble and William Lindsey..."
- (2) The approximate location of the entire "shore" intended by you in the allegation.
- (3) The approximate location of the entire "north boundary line between the Menard Patent or Quitclaim (Grant), comprising the north boundary of Plaintiffs' claimed tracts of land and the lands owned by the State of Texas in Galveston Bay," which you intend in the allegation.

6. Do you expect to adduce at trial any testimony from any expert witness in this case? If so, please state the following with respect to each such expert witness:

- a. name and address.

- b. His field of expertise, describing it in reasonable detail.
- c. What matters his testimony will be directed to.
- d. The matters relied upon by you, such as his training and experience, in order to qualify him to state his opinion as an "expert."

POWERS & ROSE
1408 Capital National Bank Building
Austin, Texas 78701

By: John E. Powers
Attorney for Emerald Properties

STATEMENT OF SERVICE

A true copy of the foregoing Interrogatories was served the parties to whom they are addressed on the 17th day of March, 1977 by depositing such copy in a postage-paid wrapper, via certified mail, return receipt requested, in an official mail depository addressed as follows: Mr. J. Milton Richardson, Assistant Attorney General, P. O. Box 12548, Austin, Texas 78711; Mr. Paul A. Smith, Smith and Fulton, 4026 One Shell Plaza, Houston, Texas 77002; and, Mr. Claude C. Roberts, Butler, Binion, Rice, Cook & Knapp, Esperson Building, Houston, Texas 77002.

John E. Powers
John E. Powers

GENERAL LAND OFFICE

GARRY MAURO
COMMISSIONER

MEMORANDUM

DATE: 1/26/84

TO: Jim Phillips

FROM: Spencer Reid *SLR*

SUBJECT: Cause No. 113,630
City of Galveston, Texas
vs. State of Texas, et al.
122nd District Court of
Galveston County.

As per the instructions of Milton Richardson in his letter dated January 23, 1984, I have compared the property description described as Schedule A with the field notes in Jim Mortensen's files relating to the survey. The descriptions appear to be identical.

Beverly Robison deleted the acreage included in the proposed judgment from state tracts 122B and 122A and found the remaining acreage to be 240.13 acres and 435 acres, respectively. The 435 acre figure was rounded to the nearest acre because the meanders of the shoreline made it impossible to calculate to a greater degree of accuracy.

Virgil Morelle is reviewing Schedule C to be sure that it includes all the necessary Land Office instruments that will be reformed by the judgment. Otherwise the final judgment appears to be complete and in order.

vll
I pass this on to Virgil so you will need to check with him for a future up-date.

CC - Beverly Robison
Virgil Morelle

Galveston Sk. File 69

Counter 23913

SCHEDULE A

Field Notes of the bayward boundary of the northwesterly part of the Juan N. Seguin Land Grant titled and patented for purposes of marine port development on July 22nd, 1835, to Michael B. Menard, in Galveston County, Texas, in accordance with that certain Judgment of District Court of Galveston dated _____ and issued _____, Cause No. 113630.

BEGINNING at a point in the original shoreline of Galveston Bay in accordance with 1838 Map of City of Galveston, being the SE Corner of that certain 232.75 acres termed First Tract in conveyance from George Sealy et al, Trustees, to City of Galveston, a municipal corporation, and recorded on 3 December 1940 in Vol. 619, p. 193 et seq. of the Deed Records of Galveston County, Texas, being also a point in Block 730 of said City of Galveston, in centerline of a 20 foot alley lying N.16°39'40"W. 180.03 varas (500.07 feet) and S.73°20'17"W. 42.41 varas (117.80 feet) from the centerline intersection of Avenue B and 10th Street in said City of Galveston (Texas South Central Zone Grid Coordinates X = 3,344,758.68 Y = 561,467.30), and lying N.16°39'40"W. 180.03 varas (500.07 feet) and N.73°20'17"E. 94.47 varas (262.41 feet) from the steel nail at centerline intersection of Avenue B and 11th Street, Grid Coordinates X = 3,344,398.61 Y = 561,345.36 (the bearings and distances shown are geodetic with origin at U.S. Coast and Geodetic Survey Bench Mark disc stamped "H 168 1936 ELEV 15.036 FT" in top of seawall at 61st Street, Grid X = 3330578.635 Y = 544764.684):

THENCE across said Menard title, with E. line of said First Tract as follows:

1. N.16°39'48"W., generally with existing chainlink fence, 209.51 varas (581.98 feet) to the steel rail up 12 inches;
2. And N.0°48'12"E., at 189.28 varas (~~525.78~~ feet) passing a northerly extension of the E. right-of-way of 10th Street, and continuing a total of 595.72 varas (1634.77 feet) to a point in the S. boundary of the Galveston Harbour Line by U. S. Corps of Engineers (at Texas South Central Zone Grid Coordinates X = 3,344,264.24 Y = 564,108.41), from which the anglepoint "E" in said harbour line bears N.38°21'41"E. 591.69 varas (1643.58 feet);

THENCE with said S. line of Galveston Harbour (by U.S.E.) as follows:

- 3. S. 38° 21' 41" W. 147.69 varas (410.25 feet) to anglepoint "F";
- S. 33° 23' 04" W. 86.75 varas (240.98 feet) to anglepoint "G";
- S. 42° 40' 58" W. 253.55 varas (704.30 feet) to anglepoint "H";
- S. 31° 03' 33" W. 253.54 varas (704.27 feet) to anglepoint "I";
- S. 35° 18' 16" W. 587.92 varas (1633.10 feet) to anglepoint "J";
- S. 57° 38' 04" W. 193.07 varas (536.29 feet) to anglepoint "K";
- S. 62° 17' 29" W. 193.07 varas (536.29 feet) to anglepoint "L";
- S. 64° 37' 18" W. 186.49 varas (518.02 feet) to anglepoint "M";
- S. 70° 14' 42" W. 352.71 varas (979.76 feet) to anglepoint "N";
- S. 81° 29' 31" W. 352.71 varas (979.74 feet) to anglepoint "O";
- S. 87° 06' 34" W. 304.50 varas (845.84 feet) to anglepoint "P";
- S. 88° 45' 46" W. 414.04 varas (1130.10 feet) to anglepoint "Q";
- N. 87° 56' 29" W. 318.38 varas (884.94 feet) to anglepoint "R";
- N. 86° 17' 14" W., at 977.86 varas (2716.28 feet) passing the NW

Corner of said First Tract at a northward extension of E. R.O.W. of 41st Street, whence the SW Corner of Block 760 in City of Galveston bears S. 16° 39' 40" E, 821.92 varas or 2283.11 feet, and continuing a total of 986.69 varas (2740.80 feet) to anglepoint "S";

N. 76° 17' 37" W., into open water and passing under Pelican Island Causeway bridge, 1331.94 varas (3699.81 feet) to anglepoint "T" (whence U.S.E. Station "P-5" on said causeway bears N. 87° 33' 10" E, 637.81 varas or 1771.70 feet, at Grid Coordinates X = 3,330,867.33, Y = 561,367.32);

And S. 73° 17' 21" W. across open water 1280.61 varas (3537.26 feet) to the W. marine boundary and NW Corner of said Menard title, in accordance with said Judgment (a point in open water at Texas South Central Zone Grid Coordinates X = 3,325,733.38, Y = 559,805.97), from which anglepoint "U" bears S. 73° 17' 21" W. 2228.87 varas (6191.30 feet);

THENCE, with W. marine boundary of said Menard title, South, at 862.13 varas (2394.86 feet) passing the N. boundary line of that certain 45.91 acres termed Tract One described in Release of Deed of Trust from

EX-117

Emerald Properties, Inc. to Marvin West, Trustee for First Hutchings-Sealy National Bank of Galveston and recorded in Vol. 2700, p. 228 et seq of aforesaid Deed Records, and continuing now across said 45.91 acres a total of 1000.53 varas (2779.26') to the original 1837 shoreline at NE corner of Section No. 1, Trimble and Lindsey Subdivision of Galveston Island, in E. line of a 50 foot road R.O.W. in said Subdivision (now in open water), from which the 80d nail in 8-inch by 10-inch crooked pine beam up 4 feet in water near present filled shoreline bears S.13°02'11"E. 305.63 varas (848.97 feet):

THENCE with original E. line of said Trimble and Lindsey Section No. 1, S.24°57'58"E., along the E. R.O.W. of said access road and across westerly part of said 45.91 acres, passing existing shoreline at N. edge of artificial fill at 326.06 varas (whence said 80d nail in beam bears N.38°09'18"W. 68.69 varas), at 434.17 varas (1206.03 feet) passing the S. boundary of said 45.91 acres, (its SE corner bears N.73°20'20"E. 1113.47 feet) now crossing Industrial Road a total of 557.21 varas (1547.81') to intersect the westward extension of original centerline of Avenue A, from which the railroad spike found in pavement at common corner of Lots 16, 17, 24, and 25, Trimble and Lindsey Section No. 1 (in centerline of 50 foot street now termed Hard's Lane) bears S.24°57'58"E. ^{6528.3056'} 2348.39 varas and S.65°02'02"W. ^{735.7'} 264.64 varas, and the aforesaid U.S.C. & G.S. monument "H-165" bears S.24°57'58"E. ^{11,292.4'} 4063.64 varas to seawall and S.54°47'42"W. ^{1368.50'} 490.86 varas.

FIELD NOTES FOR CLOSURE OF BOUNDARIES

THENCE with said extended centerline of Avenue A (now Industrial Road) N.73°20'15"E. 455.08 varas (1264.11 feet) to the E. R.O.W. of 57th Street;

THENCE with E. R.O.W. of 57th Street N.16°39'45"W. 13.60 varas (35.00 feet) to the SW corner of Block 77 in said City of Galveston, from which the aforesaid SE corner of 45.21 acres bears N.16°39'45"W. 109.15 varas, and the present N. R.O.W. of Industrial Road bears N.16°39'45"W. 1.80 varas;

THENCE with N. R.O.W. of Avenue A N.73°20'15"E., at 2159.35 varas (6081.61 feet) passing the aforesaid SW corner of Block 760 (thus constituting 626.450 acres lying west of the aforesaid 232.75 acres to the City of Galveston), and continuing now with S. line of said 232.75 acres a total of 4940.58 varas (13723.82 feet) to the SW corner of Block 740;

THENCE continuing with boundary of said 232.75 acres as follows:
N.16°39'45"W. 46.81 varas (130.02 feet) to centerline of 20 foot alley in W. line of said Block 740;

And N.73°20'15"E., with said centerline of alley, 1443.32 varas (4023.10 feet) to the Point of Beginning, and constituting a total of 911.388 acres, including 284.938 acres within the described boundary of said 232.75 acres.

Galveston Co. SK. File 69

Counter 23917

RETURN IN 10 DAYS TO

ATTORNEY GENERAL

JOHN L. HILL

AUSTIN, TEXAS 78711

Mr. Jack Giberson
Chief Clerk
General Land Office
Stephen F. Austin Bldg.
Austin, Texas 78701

counter 23918

NO. 113,630

CITY OF GALVESTON, TEXAS,	§	IN THE DISTRICT COURT OF
ET AL	§	
	§	GALVESTON COUNTY, TEXAS
VS.	§	
	§	
THE STATE OF TEXAS, ET AL	§	122ND JUDICIAL DISTRICT

ANSWERS TO INTERROGATORIES BY THE STATE OF
TEXAS, ROBERT ARMSTRONG, COMMISSIONER, AND
THE GENERAL LAND OFFICE

TO: Plaintiff, Emerald Properties

ANSWER TO INTERROGATORY NO. 1:

Herman H. Forbes, Jr., 11306 Hunters Lane, Austin,
Texas 78753.

ANSWER TO INTERROGATORY NO. 2:

Herman H. Forbes, Jr., Director of Surveying, General
Land Office, State of Texas.

ANSWER TO INTERROGATORY No. 3

Interrogatory not directed to Robert Armstrong, Commissioner,
the General Land Office or the State of Texas.

ANSWER TO INTERROGATORY NO. 4:

Interrogatory not directed to Robert Armstrong, Commissioner,
the General Land Office or the State of Texas.

ANSWER TO INTERROGATORY NO. 5:

a. "Shore" intended in this allegation, refers to mean
low water.

b. "Shore" intended in this allegation, refers to the
"shore" as it existed on the date of the Menard Grant.

c. The Menard Grant, as stated in this allegation,
conveyed no right or title to any area north of the north
boundary line described in this allegation.

d.

(1) The "point 150 varas due north of the northeast
corner of Lot No. 10, Section, Trimble & Lindsey survey
of Galveston Island" should be located under the direction
of the Court in this case after the law has been determined

by the Court and "X" and "Y" values of the Texas Plane Coordinate System, South Central Zone, (Art. 5300A, V.T.C.S.) established for this "point" at that time.

(2) The approximate location of the entire "shore" intended in this allegation is the mean low water line on the date of the Menard Grant and said "shore" will have to be determined by the Court from the evidence.

(3) The north boundary line of the Menard Grant is alleged to be a line that begins at a point 150 varas due north of the northeast corner of Lot No. 10, Section No. 1, survey of Galveston Island made by R. C. Trimble and William Lindsey and said line runs eastwardly, keeping at least one hundred and fifty varas from the shore, to the channel (and not in a direct line to the nearest part of said channel) and then along the channel, as long as its direction corresponds with the general course of the island; and when it does not, then at least one hundred and fifty varas from the shore, to be continued with the general course of the island.

ANSWER TO INTERROGATORY NO. 6:

Expert testimony will possibly be used in the trial. However, at this time, no expert has been selected.

Herman H. Forbes, Jr.
HERMAN H. FORBES, JR.

STATE OF TEXAS *
 *
COUNTY OF TRAVIS *

Before Me, a Notary Public in and for Travis County, Texas, on this day personally appeared Herman H. Forbes, Jr., who after being duly sworn, deposed and said that to the best of his knowledge and belief the foregoing Answers to Plaintiff's Interrogatories are true and correct.

Herman H. Forbes, Jr.
Herman H. Forbes, Jr.

SWORN TO and SUBSCRIBED BEFORE ME on this 1 day of April, 1977.

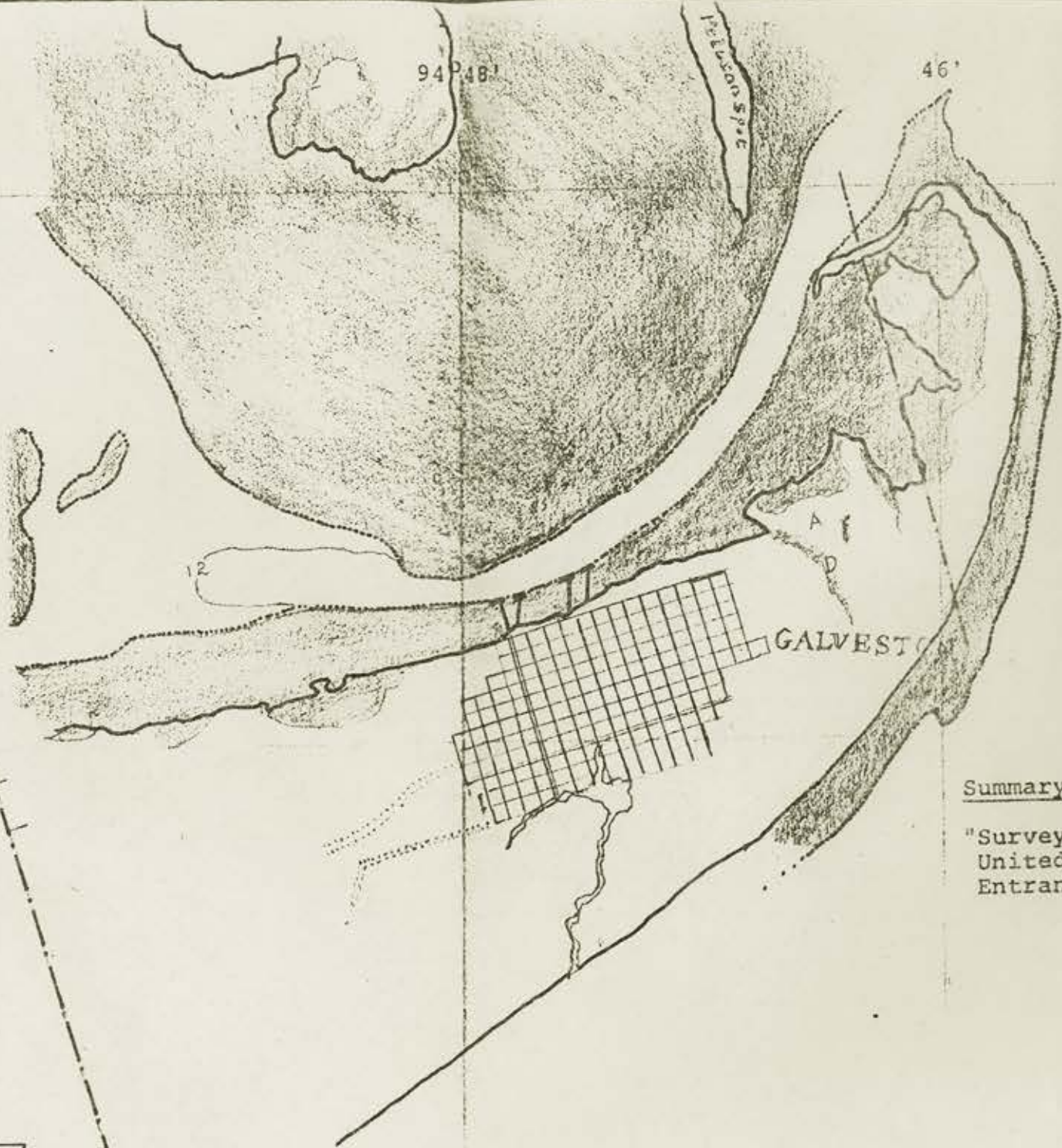
Frances J. Ballard
Notary Public in and for Travis
County, Texas

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46'

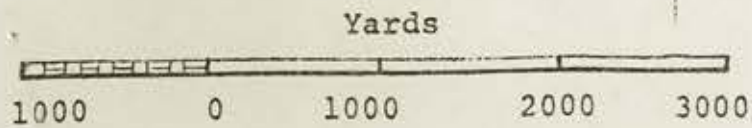
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18'

Summary Judgment Document 8

"Survey of the Coast of the United States, Galveston Entrance, Texas--1853"



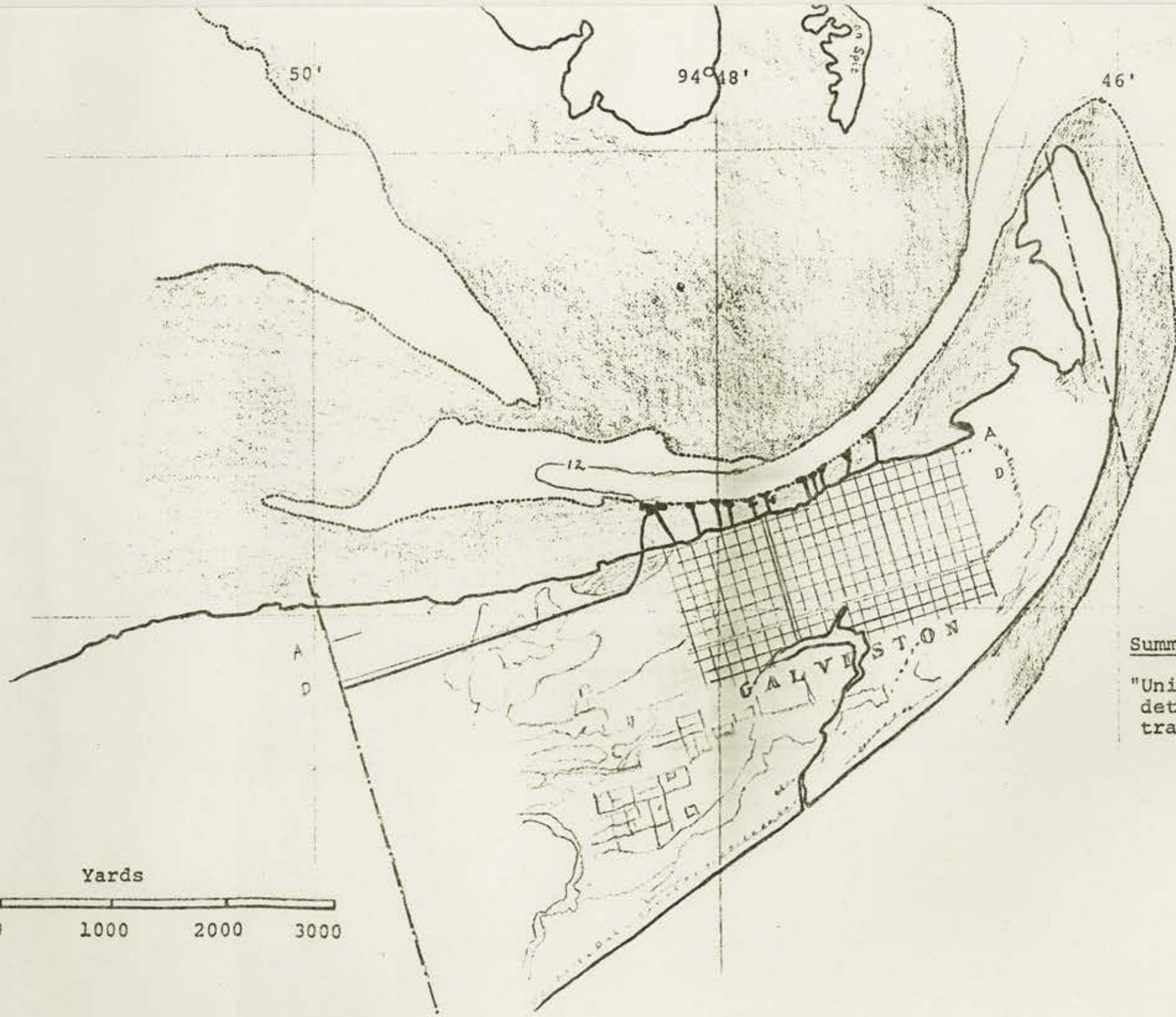
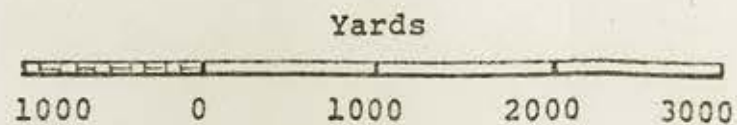
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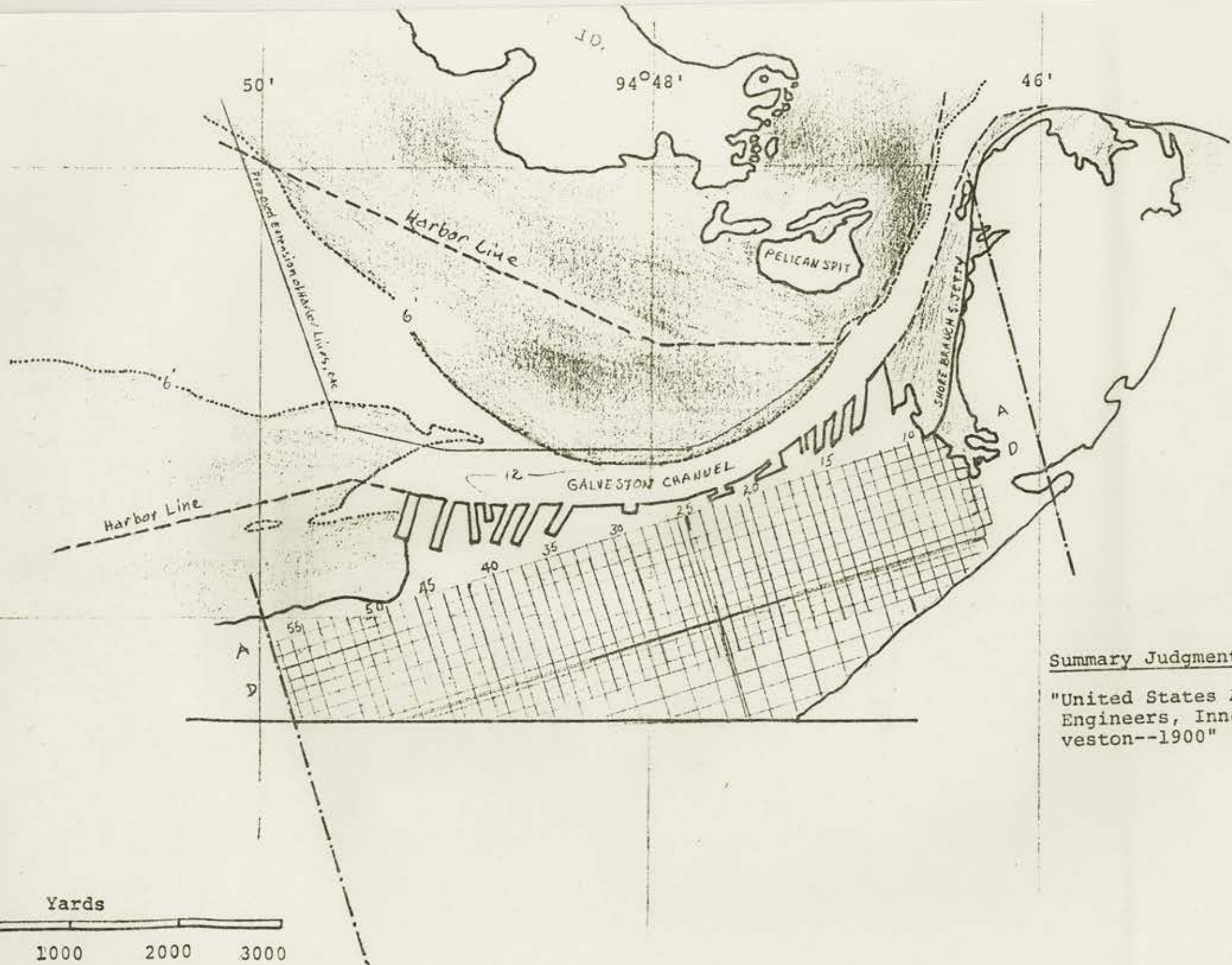
18'

Summary Judgment Document 10

"United States Coast and Geodetic Survey, Galveston Entrance, Texas--1867"

Counter 23923



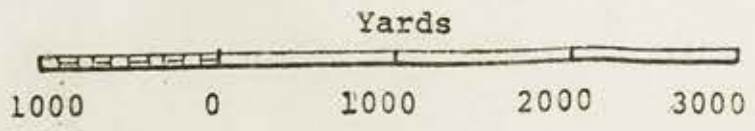


29°20'

18'

Summary Judgment Document 11

"United States Army, Corps of Engineers, Inner Harbor of Galveston--1900"



Counter 23924



Summary Judgment Document 12

"U.S. Department of Commerce, Environmental Science Services Administration, Coast and Geodetic Survey, Intracoastal Waterway, Galveston Bay to West Bay, Including Galveston Bay Entrance --1966"

141

LAW OFFICES
McLEOD, ALEXANDER, POWEL & APFFEL

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January 7, 1981

Re: Cause No. 113,630
City of Galveston, Texas, et al
vs. The State of Texas, et al
In the 122nd District Court,
Galveston County, Texas

Mr. J. Milton Richardson
Assistant Attorney General
The State of Texas
P. O. Box 12548
Austin, TX 78711

Dear Milton:

Upon my return from winter vacation, I received a letter from John Powers, indicating that you were desirous of a meeting on January 20, 1981, in Galveston, between either Mr. Herman Forbes, or one of his folks, and the Wharves' Engineer, to particularly discuss the drawing of a Map to truly and correctly reflect our earlier stipulation.

John indicated that the two primary areas of concern are to ensure the correct location of the west boundary north of the northeast corner of Lot 10, Section 1 of the Trimble and Lindsey Survey and the precise east boundary of the Galveston Wharves' property.

I called your office and learned that you were home ill, and hope you are better, when reading this letter.

I took the liberty of calling Mr. Forbes directly, suggesting that a meeting could be had with the Galveston Wharves' Engineer, Mr. Ron Surovik, at the Galveston Wharves' general offices at 11:00 A.M., on January 20, 1981.

I would appreciate your confirming that this meeting meets with your approval, or, if there are any problems, just let me

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Mr. J. Milton Richardson
January 7, 1981
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know. I will be available to meet, if you desire or if Mr. Forbes desires that Attorneys be there.

Sincerely yours,

BRP:emm

Benj. R. Powel

cc: Mr. Herman Forbes
Director of Surveying
General Land Office
The State of Texas
Austin, TX 78701

Mr. Ron Surovik
Port Engineer
Galveston Wharves
P. O. Box 328
Galveston, TX 77553

Mr. Oury L. Selig
Deputy Executive Director
Galveston Wharves
P. O. Box 328
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