



MEMORANDUM

Texas General Land Office • Jerry Patterson • Commissioner

DATE: September 14, 2009

TO: Commissioner Patterson

THRU: Larry Laine *[Signature]*
Bill Warnick *[Signature]*

FROM: Wendell Smith

SUBJECT: San Antonio River Authority Memorandum of Understanding

SUMMARY: The San Antonio River Authority owns the bed and banks of the San Antonio River and its navigable tributaries. The mineral estate beneath the San Antonio River and its navigable tributaries is dedicated to the Permanent School Fund and managed by the General Land Office. This document memorializes the understanding of the parties with regard to the proper recipient of payments and other benefits under the terms of oil, gas and mineral leases covering the San Antonio River and its navigable tributaries.

Recommendations(s): Execute the attached document

Attachments 2 (If yes, list number of attachments)

File No. Sketch File 60

Bexar County

GLO - San Antonio River Authority

Memorandum of Understanding

Date Filed: March 10, 2014

Jerry Patterson, Commissioner

By Douglas Howard



MEMORANDUM

Texas General Land Office • Jerry Patterson • Commissioner

DATE: September 16, 2009

TO: Robert Hatter, Jesse Arellano, Daryl Morgan, Energy Resources
Bill O'Hara, Mark Nuegebauer, Doug Howard, Surveying Division
Wendell Smith, Larry Borella, Legal Services

FROM: LaNell Aston, Chief Clerk's Office *La*

SUBJECT: San Antonio River Authority, Memorandum of Understanding

SUMMARY: The San Antonio River Authority (SARA) requested that GLO enter into an MOU with SARA for the purpose of memorializing SARA's ownership of the bed and banks of the San Antonio River and its tributaries, as well as the state's ownership of the minerals lying within the same.

DETAILS: The attached is the fully executed MOU along with a further explanatory memo from Wendell. Wendell, Robert and I discussed how to document the GLO records so this MOU will be available, if needed, in the future for research purposes by the various program areas that may need this information.

Wendell will have a contract file set up in Legal Service in which to place the original MOU. However, for ease of finding this information in the future, I wanted each of you to have a copy for your records. I suggest that perhaps Surveying could set up a "Sketch File" in which to place a copy of the MOU, as well as noting the Sketch File No. on the county map. I think the plan is to eventually have all the Sketch Files entered into the GIS system? But not sure exactly how or when that will happen. Most questions regarding state-ownership of rivers is handled by Surveying.

If anyone has a better idea about how to memorialize a document of this nature so we might all have access to it in the future, please let me know. I'm open to suggestions.

RECOMMENDATION:

1. Legal Service create a contract file in which to place the MOU. However, I believe those contract files have a file retention life of 25 years.
2. Surveying create a Sketch File in which to place the MOU, note the sketch file number on the county map.
3. Energy Resources make a notation on the mineral maps (GIS) as to the MOU and where it is filed.

Sketch File 60
County Bexar

MEMORANDUM OF UNDERSTANDING REGARDING EXPLORATION AND
PRODUCTION OF OIL AND GAS FROM BENEATH THE BED AND BANKS OF
THE SAN ANTONIO RIVER AND ITS NAVIGABLE TRIBUTARIES

This "Memorandum of Understanding" regarding the production of oil and gas from beneath the bed and banks of the San Antonio River and its navigable tributaries (the "MOU") is entered into by and between the San Antonio River Authority and the General Land Office of the State of Texas (the "Parties") to be effective on the date shown below.

Recitals

WHEREAS, the San Antonio River Authority ("SARA") is a political subdivision of the State, a water reclamation and conservation district created pursuant to Article ~~XIV~~, XVI Section 59 of the Texas Constitution by Special Legislative Act (Article 8280-119, TEX. REV. CIV. STAT. ANN.) operating pursuant thereto in conjunction with other applicable general laws of the State, including Chapter 49, TEXAS WATER CODE; and

WHEREAS, SARA's jurisdiction includes Bexar, Goliad, Karnes, and Wilson Counties, Texas; and

WHEREAS, the General Land Office of the State of Texas (the "GLO") is a division of the Executive Department established pursuant to Art. IV, Section 1 of the Texas Constitution; and

WHEREAS, SARA owns the bed and banks of the San Antonio River and its navigable tributaries as they course through the State of Texas; and

WHEREAS, from time to time, SARA is approached by individuals and entities seeking oil, gas, and mineral leases in efforts to explore for and produce oil and gas from beneath the bed and banks of the San Antonio River and its navigable tributaries; and

WHEREAS, the mineral estate beneath the bed and banks of the San Antonio River and its navigable tributaries is dedicated to the Permanent School Fund and the GLO is charged with the management of the mineral estate; and

WHEREAS, SARA and the GLO acknowledge the need to enter into this MOU in order to memorialize their understanding regarding which entity is the proper recipient for payments and other benefits provided for under the terms of oil, gas, and mineral leases taken by third parties on the bed and banks of the San Antonio River and its navigable tributaries; and

WHEREAS, SARA and the GLO are authorized to enter into this Memorandum of Understanding pursuant to Sections 49.213(c)(4),(7) and 49.227, Texas Water Code.

NOW, THEREFORE, in consideration of the premises, mutual benefits to be received by both Parties, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SARA and the GLO agree as follows:

Agreement

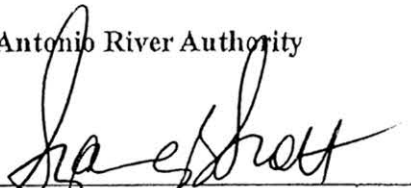
1. Other than payment for surface damages or indemnification for pollution caused by an oil and gas lessee, its assigns, or its contractors and subcontractors, the GLO is entitled to receive the benefits accruing from any oil, gas, or mineral lease taken by any party on the bed and banks of the San Antonio River and its navigable tributaries, including, but not limited to, bonus payments, delay rental payments, royalty payments, and shut-in royalty payments.

2. The GLO agrees to include in any oil, gas, or mineral lease affecting the bed and banks of the San Antonio River and/or its navigable tributaries notice to the Lessee that the lease is granted subject to the rights and ownership interests of SARA, such that SARA is entitled to enforce its rules and regulations with respect to the use of the bed and banks of the San Antonio River and its navigable tributaries.

3. SARA is entitled to receive all payments for damages to the surface of the bed and banks of the San Antonio River and its navigable tributaries and any improvements located thereon. SARA is likewise entitled to receive the benefit of any indemnification or reimbursement for expenses incurred in defending an action subject to an indemnification agreement contained in any oil, gas or mineral lease or other agreement with an oil and gas lessee concerning the exploration for and production of oil and gas from the bed and banks of the San Antonio River and its navigable tributaries.

This Memorandum of Understanding is executed to be effective this 16th day of September, 2009 (the "Effective Date") by authorized representatives of SARA and the GLO acting on behalf of their respective entities.

San Antonio River Authority

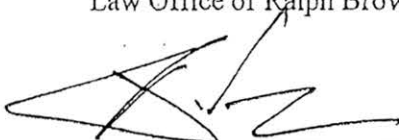
By: 
Suzanne B. Scott, General Manager

General Land Office of the State of Texas

By: 
Jerry E. Patterson, Commissioner

Approved as to Form:

Law Office of Ralph Brown, P.C.



David Ross, General Counsel,
San Antonio River Authority

Approved as to Form:

Content: 1234
Legal: AS
General Counsel: JTW
Executive: AK by SA