



HIDALGO COUNTY RIGHT OF WAY DEPARTMENT

JOSE N. PEÑA
Director


MEMO

TO: Mr. Valde Guerra–Director
Budget & Management

FROM: Joe Pena –Director
Right of Way Department

DATE: June 19, 2007

SUBJECT: Ratification of Oil, Gas, & Mineral Lease



Valde,

Attached please find the original document sent to the County Judge for approval, I have had Steve confirm and approve the contents and he indicated we could place on the agenda for signature.

Should you have any questions or need additional information, please feel free to call my office at 283-8134 or my cell at 821-4755.

Thanks,
Joe

Via-Fax
cc: Hon. J. D. Salinas
County Judge




HIDALGO COUNTY RIGHT OF WAY DEPARTMENT

JOSE N. PEÑA
Director

MEMO

TO: Mr. Steve Crain – Attorney at Law
Atlas & Hall

FROM: Joe Pena
Director
Right of Way Dept. 

DATE: June 4, 2007

SUBJECT: Ratification of Oil, Gas, & Mineral lease

Steve,

Attached please find a copy of the above-mentioned document, please review and let me know if it is acceptable to the County and I can pass on to the Budget Department to place it on the agenda.

Should you have any questions please call.

Thanks,
Joe

cc: Judge J.D. Salinas

Row

RECEIVED

MAY 22 2007

COUNTY JUDGE

GRIFFITH LAND SERVICES, INC.

May 18, 2007

Juan D. Salinas, III, County Judge
Hidalgo County, Trustee
100 E. Cano
Edinburg, Texas 78539

RE: Ratification of Oil, Gas and Mineral Lease covering the East 20 acres of Farm Tract 336 of West Tract Subdivision, Hidalgo County, Tx.

Dear Judge Salinas,

Enclosed please find the above captioned document relating to the interest Hidalgo County, Trustee owns in the referenced property. As a result of a title search of the Hidalgo County Records concerning said land, and a subsequent title opinion rendered by virtue of said examination by company attorneys for Erskine Energy Partners, LP, Hidalgo County, Trustee has been deemed to own a non-participating royalty interest (NPRI) in the captioned land due to the following:

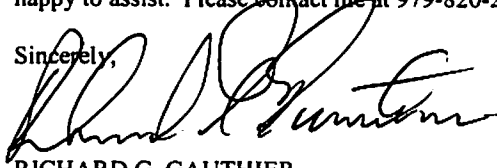
On July 3, 1945, a Royalty Deed was given by Walter J. Bach and wife, Anna H. Bach, as grantors, to Hidalgo County, Trustee, as grantee, recorded in Volume 562, Page 280 of the Deed Records of Hidalgo County, Texas, which covers the East 20.00 acres of Farm Tract 336 of the West Tract Subdivision, Hidalgo County, Texas.

Recently, an Oil, Gas and Mineral Lease dated April 29, 2005 was granted by A.R. Hudson and wife Evelyn Hudson, the mineral owners of said land, to Griffith Land Services, Inc., as representative of Erskine Energy Partners, LP. This lease is now owned by Erskine Energy Partners, LP and various other entities. Erskine and others have drilled wells named the Dickerson No. 2-1 and 2-2 on other land, being the south 15.00 acres of the north 30.00 acres of Farm Tract 344. Subsequently, gas units were formed that include the captioned land, as well as numerous other tracts as "non-drillsite tracts". As a consequence of the review of title, and resulting title opinion, company attorneys are requiring the various NPRI owners to ratify the lease(s) corresponding to their ownership tracts in recognition of the lease and units prior to distribution of proceeds.

Judge Salinas, we respectfully request that you execute and notarize the document included herein in your representative capacity, in order to resolve these curative issues. A return envelope has been provided for your convenience upon completion of same. Please include any necessary instructions relating to county depository, etc. for future payment of royalties.

I thank you for your assistance in these matters. Should you have a question, I will be happy to assist. Please contact me at 979-820-2844.

Sincerely,



RICHARD G. GAUTHIER,
Contract Landman for Griffith Land
Services, Inc. on behalf of Erskine
Energy Partners, LP

RECEIVED
JUN 01 2007
RIGHT OF WAY DEPT.

RATIFICATION OF OIL AND GAS LEASE

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS THAT:

COUNTY OF HIDALGO

WHEREAS, on July 3, 1945, a Royalty Deed was given by Walter J. Bach and wife, Anna H. Bach, as grantors, to Hidalgo County, Trustee, as grantee, recorded in Volume 562, Page 280 of the Deed Records of Hidalgo County, Texas, which granted a non-participating royalty interest in the East 20.00 acres of Farm Tract 336 of the West Tract Subdivision, Hidalgo County, Texas.

WHEREAS, on the 29th day of April, 2005, A.R. Hudson and wife Evelyn Hudson, as Lessor (whether one or more), executed to Griffith Land Services, Inc., as Lessee, an Oil, Gas and Mineral Lease, as evidenced by Memorandum of Oil, Gas and Mineral Lease dated May 4, 2005, recorded under Document No. 1505508 of the Official Records, Hidalgo County, Texas, covering the east 20.00 acres of Farm Tract 336, more or less, and other land, of the West Tract Subdivision out of the Llano Grande Grant, A-54. Reference to said lease, memorandum and the record thereof being here made for a more particular description of said acreage and for all other purposes; and,

WHEREAS, said Lease and all rights and privileges thereunder are currently owned by **ERSKINE ENERGY PARTNERS LP, THORP PETROLEUM CORPORATION ET AL**, whose address is 11700 Old Katy Road, Suite 1200, Houston, Texas 77079; and,

WHEREAS, a Gas Unit Designation creating the Erskine Energy Partners, LP-Dickerson Unit 2 was executed by Erskine Energy Partners, LP, which Gas Unit Designation is recorded under Document No. 1541466, of the Official Records, Hidalgo County, Texas, hereinafter referred to as "Gas Unit Designation 2-2"; and

WHEREAS, the Gas Unit Designation 2-2 was amended by Erskine Energy Partners, LP ET AL, which Amendment of Gas Unit Designation is recorded under Document No. 1591537 of the Official Records, Hidalgo County, Texas, hereinafter referred to as "Amendment of Gas Unit Designation"; and

WHEREAS, a Gas Unit Designation creating the Erskine Energy Partners, LP-Dickerson Unit 2-Shallow Rights was executed by Erskine Energy Partners, LP, which Gas Unit Designation is recorded under Document No. 1558500, of the Official Records, Hidalgo County, Texas, hereinafter referred to as "Gas Unit Designation 2"; and

WHEREAS, the undersigned desire to adopt, ratify and confirm said Lease and all of the terms and provisions thereof, including, but not limited to, the pooling provisions and the provision set forth which is customarily known as a "Separate Tract Clause". Further, the undersigned desires to adopt, ratify and confirm the Gas Unit Designations and Amendment of Gas Unit Designation, so as to authorize the inclusion of its interest in said Lease in the aforesaid Gas Unit Designations and Amendment of Gas Unit Designation, in accordance with the terms thereof.

NOW, THEREFORE, for and in consideration of the premises and Ten Dollars (\$10.00) and other good and valuable consideration in hand paid, the receipt of which is hereby acknowledged and confessed, the undersigned do hereby adopt, ratify and confirm said Lease, Gas Unit Designations and Amendment of Gas Unit Designation as to all of the terms and provisions therein, and do hereby lease, grant, demise, and let the interest of the undersigned in the land covered by the said Lease unto Lessee, its successors and assigns, in accordance with all of the terms and provisions of the said Lease as fully and completely as if the undersigned had originally executed, acknowledged, and delivered the same to Lessee.

The undersigned further acknowledges and agrees that if said Lease now or hereafter cover separate tracts, no pooling or communitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within the said lease, but Lessee shall nevertheless have the right to pool or utilize the land covered by the lease with other land covered by said lease, or with other land or leases as provided for in said lease with consequent allocation of production as provided in said paragraph. As used herein, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

The undersigned hereby further declare that the said Lease in all of its terms and provisions, is a valid and subsisting oil and gas lease, and declare that said Lease is binding upon the undersigned, its successors, assigns, respective heirs and legal representatives.

This instrument may be executed in one document, signed by all parties, or in separate documents which shall be counterparts thereof. If executed in separate counterparts, all such counterparts, when executed by one or more of the parties, shall constitute but one and the same instrument. For recordation purposes, the separate signature pages and acknowledgements may

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

MEMORANDUM OF OIL, GAS AND MINERAL LEASE

Date: May 4, 2005

Date of Lease: April 29, 2005

Lessor: A.R. HUDSON and wife, EVELYN HUDSON

Lessor's Mailing Address (including county):
1000 Camelot Drive, Apt. 6231
Harlingen (Cameron), Texas 78550-8420

Lessee: GRIFFITH LAND SERVICES, INC.

Lessee's Mailing Address (including county):
11060 Timberline
Houston (Harris), Texas 77043

Leased Premises:

75.12 acres of land, more or less, being all of Farm Tract 385 and the East 20 acres of Farm Tract 336 of West Tract Subdivision of lands out of Llano Grande Grant, Hidalgo County, Texas, and being the same land described in Warranty Deed dated July 15, 1980, from Walter J. Bach, Jr., et al, to A.R. Hudson and wife, Evelyn Hudson, recorded in Volume 1681, Page 711, Deed Records of Hidalgo County, Texas.

Primary Term of Lease:

Three (3) Years from Date of Lease

The parties have executed this memorandum of oil and gas lease on the date first above written.

LESSOR

A.R. Hudson
A.R. HUDSON

Evelyn Hudson
EVELYN HUDSON

LESSEE:

GRIFFITH LAND SERVICES, INC.

By: Marty L. Griffith

(Acknowledgment)

THE STATE OF TEXAS *
County of Hidalgo *

This instrument was acknowledged before me by A.R. Hudson and wife, Evelyn Hudson, on this 4th day of May, 2005.



Rita Beth Whatley
Notary Public, State of Texas

(Acknowledgment)

THE STATE OF TEXAS *
County of Harris *

This instrument was acknowledged before me by Marty L. Griffith
President of Griffith Land Services, Inc., on behalf of the corporation this 8 day of June, 2005.

Sharon A. Cotton
Notary Public, State of Texas



AFTER RECORDING RETURN TO
GRIFFITH LAND SERVICES, INC.
11060 Timberline
Houston, Texas 77043

Filed for Record in:
Hidalgo County 111
by
County Clerk
On: Aug 04, 2005 at 03:50P
As a Recording
Document Number: 1505308
Total Fees: 16.00
Receipt Number - 696268
Ruby Flores, Deputy

562

to us this day paid by William Weiser, of Hidalgo county, Texas, hereinafter referred to as grantee, receipt of which is hereby acknowledged, have GRANTED, SOLD and CONVEYED, and by these Presents do GRANT, SELL and CONVEY unto the said William Weiser, the following described land situated in Hidalgo county, Texas, viz:

The north twenty (20) acres of Lot Number Seven (7), in Block Number Ninety (90) of the Missouri-Texas Land & Irrigation Company or division of Las Mesetas Grant, according to the recorded plat thereof, to which plat and the record thereof reference is here made for more specific description of the property, with all rights and appurtenances thereto in any wise belonging.

TO HAVE AND TO HOLD said property unto the said grantee, his heirs and assigns Forever, and we, the grantors do hereby bind and obligate ourselves to WARRANT AND FOREVER DEFEND all and singular said premises unto said grantee, his heirs and assigns against all persons whomsoever lawfully claiming, or to claim the same, or any part thereof.

Excepted from the Warranty herein are taxes and water assessments for the year 1942, which items are assumed by the grantee as one of the considerations for this conveyance.

WITNESS OUR HANDS on this the 25th day of May, 1942.

FREDERICK F. SMITH

Frederick F. Smith

LILLIAN B. SMITH

Lillian B. Smith

STATE OF MICHIGAN |
COUNTY OF MACOMB |

Before me, the undersigned authority, on this day personally appeared Frederick F. Smith and Lillian B. Smith, husband and wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed; and the said Lillian F. Smith, wife of the said Frederick F. Smith, having been by me examined privily and apart from her husband, and having the same fully explained to her by me, she, the said Lillian F. Smith acknowledged such instrument to be her act and deed and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND and Seal of office this 25th day of May, 1942.

JOHN J. BREWER
Notary Public, Macomb county,
Michigan

My commission expires:

23rd day of SEPTEMBER, 1945.

\$1.65 DOC. STAMPS ATTACHED AND CANCELLED

Filed for record the 3rd day of August A. D. 1945 at 9:55 o'clock A. M., and duly recorded the 6th day of August A. D. 1945 at 4:50 o'clock P. M.



D. C. HOGAN, COUNTY CLERK
HIDALGO COUNTY, TEXAS.

BY H. WINTERSTADT DEPUTY

#12020

SECURITY DEED
(Non-Participating)

WALTER J. BACH AND ANNA H. BACH

TO

HIDALGO COUNTY, TRUSTEE

THE STATE OF TEXAS |

COUNTY OF HIDALGO |

KNOW ALL MEN BY THESE PRESENTS:

That, we, Walter J. Bach and Anna H. Bach, hereinafter called Grantor, for and in consideration of the sum of Ten (\$10.00) Dollars cash in hand paid by Hidalgo County, Trustee, hereinafter

562/280 DR

called Grantee, the receipt of which is hereby acknowledged, have granted, sold, conveyed, assigned and delivered, and by these presents do grant, sell, convey, assign and deliver, unto the said Grantee an undivided one fourth (1/4) interest in and to all of the oil royalty, gas royalty, and royalty in casinghead, gas gasoline, and royalty in other minerals in and under, and that may be produced and mined from the following described lands situated in the County of Hidalgo and State of Texas, to-wit:

The east twenty (20) acres of Farm Tract three hundred thirty-six (336), West Tract Subdivision, Hidalgo County, Texas together with the right of ingress and egress at all times for purpose of mining, drilling and exploring said lands for oil, gas and other minerals and removing the same therefrom.

It is understood and agreed that this sale covers and includes one fourth (1/4) of all the oil royalty, and gas royalty, and casinghead gas and gasoline royalty, and royalty from other minerals or products, due and to be paid under the terms of said leases. And it is further understood and agreed that notwithstanding the Grantee does not by these presents acquire any right to participate in the making of future oil and gas mining leases on the portion of said lands not at this date under lease, nor of participating in the making of future leases, should any existing or future leases for any reason become cancelled or forfeited, nor participating in the bonus or bonuses which Grantor herein shall receive for any future lease, nor for participating in any rental to be paid for the privilege of deferring the commencement of a well under any lease, now or hereafter;

NEVERTHELESS, during the term of this grant, neither the Grantor nor the heirs, administrators, executors and assigns of the Grantor shall make or enter into any lease or contract for the development of said land or any portion of same for oil, gas or other minerals, unless each and every such lease, contract, leases or contracts, shall provide for at least a royalty on oil of the usual one-eighth to be delivered free of cost in the pipe line, and a royalty on natural gas on one-eighth of the value of same when sold or used off the premises, or one-eighth of the net proceeds of such gas, and one-eighth of the net amount of gasoline manufactured from natural or casinghead gas; and in the event Grantor, or the heirs, administrators, executors and assigns of the Grantor, or as in the status of the fee owners of the land and minerals, or as the fee owner of any portion of said land, shall operate and develop the minerals therein, Grantee herein shall own and be entitled to receive as a free royalty hereunder, (1) An undivided one thirty-second (1/32) of all the oil produced and saved from the premises delivered to Grantee's credit free of cost in the pipe line, (2) ~~An undivided one thirty second 1/32) of all the oil produced and saved from the premises delivered to Grantee's credit free of cost in the pipe line,~~ (2) An undivided one thirty-second (1/32) interest and portion of the value or proceeds of the sales of natural gas when and while the same is used or sold off the premises, (3) A one thirty-second (1/32) of the net amount of gasoline or other products manufactured from gas or casinghead gas produced from wells situated on the premises, during the term hereof.

TO HAVE AND TO HOLD the above described property and rights, together with all and singular the rights and appurtenances thereto in any wise belonging, unto the said Grantee, and to Grantee's heirs, administrators, executors and assigns, forever; and Grantor does hereby bind our heirs, administrators, executors and assigns, to warrant and forever defend all and singular the said property and rights unto the said Grantee, and Grantee's heirs, administrators, executors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

WITNESS the following signatures, this the 3rd day of JULY, 1945.

562

WALTER J. BACH
ANNA H. BACH

JOINT ACKNOWLEDGMENT

THE STATE OF TEXAS, |
COUNTY OF HIDALGO |

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Walter J. Bach and Anna H. Bach, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purpose and consideration therein expressed, and the said Anna H. Bach, wife of the said Walter J. Bach having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Anna H. Bach acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 3 day of July A.D. 1945.

SEAL
SEAL

A. J. PIKE A. J. Pike
Notary Public in and for Hidalgo County, Texas

* Filed for record the 3rd day of August A.D. 1945 at 10:00 o'clock and duly recorded the 7th day of August A.D. 1945 at 8:55 o'clock

SEAL

W. C. KRAN, COUNTY CLERK
HIDALGO COUNTY, TEXAS.
BY M. WALTERSTADT DEPUTY

#12022

GENERAL WARRANTY DEED

JOSE MASSAR, ET UX
STATE OF TEXAS |
COUNTY OF HIDALGO |

TO

PAUL L. FORD

KNOW ALL MEN BY THESE PRESENTS: That we, Jose Massar and Cafa Massar, husband and wife, of Hidalgo County, Texas, in consideration of the sum of Three thousand and no/100 DOLLARS (\$3,000.00) to said grantors in hand paid by grantee hereinafter named, the receipt of which is hereby acknowledged, have GRANTED, SOLD AND CONVEYED, and by these presents do GRANT, SELL AND CONVEY unto ---Paul&Ford-- of --Hidalgo---County, Texas, all that certain property situated in the City of Mc Allen, Hidalgo County, ---, State of Texas, described as follows, to-wit:

An undivided one-half (1/2) interest in and to---lot Number six (6) in Block Number forty-four (44) of the Original Town of Mc Allen, in accordance with the map and plat of said Town of Mc Allen recorded in the deed records of Hidalgo County, Texas, to which reference is now here made for greater certainty of description,

TO HAVE AND TO HOLD the said premises together with all rights, hereditaments and appurtenances thereto belonging, unto the said grantee above named, and unto his heirs and assigns forever. And we do hereby bind ourselves, our heirs, executors and administrators, to WARRANT AND FOREVER DEFEND the title to the said property unto the said grantee above named, his heirs and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

EXECUTED this 31st day of May, A.D. 1945.

JOSE MASSAR
CAFA MASSAR

\$3.30 DOC. STAMPS ATTACHED AND CANCELLED
STATE OF TEXAS |
COUNTY OF HIDALGO |

Before me, the undersigned authority, on this day personally appeared Jose Massar,-----