

AI-23016

18. A. 4.

CC REGULAR

Meeting Date: 09/21/2010

Submitted For: Marty Salazar

Department: PURCHASING DEPT.

Information

CAPTION

a. Acceptance and action asto the sole bid/nomination received (from Dewbre Petroleum Corporation) to the RFB-"Nomination of Intention to Lease Land for Mineral Development" for the project/property decribed as:

Tract I: "That portion of Lots Three (3) and Four (4), Ebony Grove and River Side Subdivisions, Hidalgo County, Texas the map and plat of which is of record in Volume 1, Page 59, Map Records, Hidalgo County, Texas and being more particularly described by metes and bounds."

b. Requesting approval to execute "Paid-up Oil, Gas and Mineral Lease" document from Dewbre Petroleum Corporation for the property described herein with a term of three years including acceptance of nomination amount of \$5,000.00.

BACKGROUND

Fiscal Impact

FISCAL YEAR:

ACCT. #:

FUNDS AVAILABLE Y/N?:

MATCHING FUNDS Y/N?:

BUDGETARY IMPACT:

Contract is for lease of land to Debrew Pretroleum Corp.; lots (3) & (4) Ebony Grove and River Side subdivisions.

County has "potential to receive 5,000.00 per month in royalties" from production of oil. Fiscal impact is in the form of revenue.

Attachments

Nomination Memo

Paid Up Lease

Form Review

Inbox	Reviewed By	Date
Purchasing - Internal	Marty Salazar	09/16/2010 11:23 AM
Budget & Management	Sylvia Solis	09/16/2010 01:10 PM
Auditor's Office		09/17/2010 04:52 PM
Form Started By: gvillarreal		Started On: 09/16/2010 10:34 AM
Final Approval Date: 09/17/2010		

Dewbre Petroleum CORPORATION

September 1, 2010

Hidalgo County
Martha L. Salazar
Hidalgo County Purchasing Agent
2812 S. Business Hwy 281
New Administration Building
Edinburg, Texas 78539

Re: Bid No. 10-288-09-08CGV
18.05 gross acres/18.05 net mineral acres
DeGoche Prospect
Hidalgo County, Texas

Dear Ms. Salazar:

Dewbre Petroleum Corporation ("Dewbre") would like to bid/lease your interest in the following described acreage in Hidalgo County, Texas:

18.05 acres of land, more or less, being out of Lot 3 and Lot 4 of the Ebony Groves Subdivision, La Blanca Grant, A-57, being more particularly described in that certain Deed dated May 15, 1935 from W. E. Richey, Trustee to Hidalgo County, recorded in Vol. 403, Page 133, Deed Records of Hidalgo, County, Texas.

For the following terms:

Term: Three (3) years
Total Bonus: Five Thousand Dollars (\$5,000.00)
Royalty: One Fourth (1/4th)

Dewbre Petroleum has already completed a well and intends to unitize the subject lands (once leased) in order to join in the production from the DeGoche #1 well. The County has the potential to receive \$5,000.00 each month in royalties, more or less, depending on production from the well and the prices of oil and gas. Therefore, leasing to any other entity would ensure that the County would NOT participate in the production unit for this well, and would have very little chance of getting a well drilled within a legal location from our lease and on an existing levee.

If you should have any questions regarding the above proposal, please feel free to give me a call at the number shown below.

Sincerely,
DEWBRE PETROLEUM CORPORATION


Chris Yonker
Landman

802 N. Carancahua, Suite 1800 ■ Corpus Christi, Texas 78470
(361) 888-7978 ■ Fax (361) 888-7980
email: info@dewbre.com

OPENED
Giffam
9-8-2010
Witnessed



This document is printed on white paper with colored ink and contains document protective watermarks on reverse side.



CORPUS CHRISTI, TEXAS 78466-6469
361 / 992-9911

AmericanBank

ABC 4024 (5/04)

Cashier's Check

Date: 09/07/2010 **278238**

Pay Exactly

\$5,000.00
DOLLAR FIVE COMMA ZERO ZERO ZERO PERIOD ZERO ZERO

PAY

Five Thousand Dollars and Zero Cents

TO THE ORDER OF

Hidalgo County

Remitter: Dewbre Petroleum Corporation

Void If Over: \$5,000.00

NOTICE TO CUSTOMER: Texas State Law requires a 90 day waiting period before the bank can accept a Declaration of Loss on a Cashier's Check without an Indemnity Bond. American Bank retains the right to require the remitter or payee to purchase an Indemnity Bond at any time.

[Handwritten Signature]
Authorized Signature C.G.

⑈ 278238⑈ ⑆ 114903284⑆ ⑈ 100004006⑈