

AGENDA ITEM # 16October 27, 1998

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Discuss and take any appropriate action on offer from Southwest Petroleum Company for buying royalties on county school land.

Moved: Commissioner Mehevec

Seconded: Judge Doerfler

Motion: To take no action on selling royalties on Sutton County school land property.

Vote: Motion carried 5 - 0

< Clerk copy here >

## *Southwest Petroleum Company*

P.O. Box 702377  
Dallas, Texas 75370-2377

October 13, 1998

WILLIAMSON CO SCH LAND  
% DON WILSON  
710 S MAIN ST #302  
GEORGETOWN TX 78626 5713

Re: Royalty Purchase Offer  
Sutton County, Texas

Dear Interest Owner:

**SOUTHWEST PETROLEUM COMPANY** is currently purchasing oil and gas royalty interests in several areas of Sutton County, Texas.

Upon our cursory review of title it has been determined that you may own a producing royalty interest in the properties listed on the enclosed Royalty Conveyance. Please find enclosed as our offer to purchase your interest, a Royalty Conveyance along with a bank draft, said draft amount being calculated using your Sutton County tax values and decimal participation in the wells, leases and/or units listed on said Conveyance.

The enclosed Royalty Conveyance and draft payment are intended to cover any and all of the royalty interest that you own within the lateral boundaries of the property and county referenced on said Conveyance. This offer is subject to the verification of your ownership and revenue from the subject properties to the satisfaction of Southwest Petroleum Company.

In order for our company to make payment of the bank draft and honor this proposal, you must complete all of the requirements listed on the *reverse side* of this letter titled "Instructions for Executing Royalty Conveyance". Please note that you have two options for receiving payment for this transaction.

If you have any questions regarding this matter, please consult your attorney, contact our office at the address provided or telephone our message center at (972) 780-6600.

Sincerely,



Maynard F. Ewton  
Contract Landman

Enclosures

ROYALTY CONVEYANCE

THE STATE OF TEXAS

)(  
) KNOW ALL MEN BY THESE PRESENTS:  
)

COUNTY OF SUTTON

WILLIAMSON CO SCH LAND

I. That hereinafter called Grantor (whether one or more), for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, cash in hand paid by Southwest Petroleum Company, P.O. Box 702377, Dallas, Texas 75370-2377, Serena B. Kundysek, P.O. Box 3788, Arlington, Texas 76007 and James C.C. Hudson, P.O. Box 670392, Dallas, Texas 75367-0392, hereinafter called Grantee (whether one or more), the receipt of which is hereby acknowledged, has granted, sold, conveyed, assigned and delivered, and by these presents does grant, sell, convey, assign, set over and deliver unto the said Grantee (Southwest Petroleum Company, owning 75.00% , Serena B. Kundysek, owning 12.50% and James C.C. Hudson, owning 12.50%) all of Grantor's undivided interest, without limitation, in and to all of the oil royalty, gas royalty, overriding royalty and royalty in casinghead gas, gasoline, and royalty in other minerals ("other minerals" include coal, lignite, uranium, sulphur, iron ore, and every other "mineral" now or hereafter recognized as such under the laws of Texas) in and under, and that may be produced and mined from the following described lands situated in the County of Sutton, State of Texas, to wit:

All lands owned by Grantor in Sutton County, Texas, including without limitation, all of those certain tracts or parcels of land referenced, platted and/or described as follows:					
Well/Lease	A bet/Block/Survey	Operator	Well/Lease	A bet/Block/Survey	Operator
WILLIAMSON CSL	797 20	DICKSON PETROLE			

Notwithstanding anything herein to the contrary, the lands individually described above are set out for the convenience of the parties and shall not be interpreted as limiting this grant, it being the intent of the parties that this conveyance cover all lands of every kind and description owned by Grantor and located in Sutton County, Texas, whether or not particularly described above;

together with the rights of ingress and egress at all times for the purposes of mining, drilling and exploring said lands and lands pooled or unitized therewith for oil, gas and other minerals, and measuring, receiving and removing the same therefrom. This grant shall run, and the rights, titles and privileges hereby granted shall extend to Grantee herein, and to Grantee's heirs, successors, administrators, executors/executrices and assigns forever.

2. Neither the Grantor nor the heirs, successors, administrators, executors and assigns of the Grantor shall make or enter into any lease or contract, for the development of said lands 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 one-fourth (1/4) to be delivered free of cost in the pipeline and a royalty on natural gas of one-fourth (1/4) of the value of same, free of any and all cost, when sold or used off the premises, or one-fourth (1/4) of the net proceeds of such gas, and one-fourth (1/4) of the net amount of gasoline manufactured from natural or casinghead gas. If Grantor, or the heirs, successors, administrators, executors and assigns of the Grantor, as fee owners of said lands and minerals, or as the fee owner of any portion of said lands, shall operate and develop the minerals therein, Grantee herein shall own and be entitled to receive as a free royalty hereunder, an undivided one-fourth (1/4) of all the oil produced and saved from the premises, delivered to Grantee's credit free of cost in the pipeline, and the same fraction of the value or proceeds of the sales of natural gas when and while the same is used or sold off the premises, and the same fraction of the net amount of gasoline or other products manufactured from gas or casinghead gas produced from wells situated on the premises.

3. For the same consideration, Grantor also grants, sells, conveys, assigns, and transfers to Grantee, its heirs, successors, administrators, executors and assigns, all of Grantor's interest in any production of oil gas or other minerals from the lands covered hereby prior to the date hereof, insofar as not already distributed to Grantor, together with any such production now held in storage, tanks, and pipelines, and any and all sums of money, suspended runs or accounts of any type or character, due or owing to Grantor by parties by reason of any such prior production, including claims for the underpayment of past royalties; and all of Grantor's future interests and after-acquired title in and to the above-described royalties, insofar as they cover said land.

4. Coupled with the interest herein conveyed, Grantor does hereby irrevocably appoint and constitute Grantee as Grantor's Agent and Attorney-in-Fact for the limited purpose only of executing division orders, transfer orders, correction royalty conveyances, amendments of description, amendments of Grantor's capacity, including typographical errors, and all other instruments as may be necessary for this conveyance of interest, so that Grantee may act in Grantor's place and stead for this limited purpose only. Grantee is also given, through this provision, the authority to correct the description of the property being conveyed, if necessary, to show the actual description of the property as reflected by the County Records in which the property is located. This is a Durable Power of Attorney and is not affected by the subsequent disability or incapacity of the principal.

5. 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 said Grantee, and the Grantee's heirs, successors, administrators, executors and assigns forever, and the Grantor does hereby bind himself and his, herself and her, itself and its, and/or themselves and their (as the case may be) heirs, successors, 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, successors, administrators, executors, and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

THIS DOCUMENT AFFECTS YOUR LEGAL RIGHTS, PLEASE READ IT CAREFULLY OR SEEK LEGAL COUNSEL PRIOR TO SIGNING. GRANTOR REPRESENTS AND WARRANTS THAT HE/SHE/IT HAS READ THE ENTIRE CONTRACT, OR HAS HAD IT READ TO HIM/HER/IT AND UNDERSTANDS AND AGREES TO THE TERMS OF THIS CONTRACT.

Witness the following signatures, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

X \_\_\_\_\_  
WILLIAMSON CO SCH LAND  
S.S.# / TAX I.D.#

X \_\_\_\_\_  
WITNESS

X \_\_\_\_\_  
WITNESS

X \_\_\_\_\_

X \_\_\_\_\_  
WITNESS

\*\* Note: Please place Notary Seal and Acknowledgement in the proper location on the backside of this document

X \_\_\_\_\_  
WITNESS

**AGENDA ITEM # 17****October 27, 1998**

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Consider correcting error made in award of road side chemicals and herbicides.

Moved: Commissioner Boatright

Seconded: Commissioner Mehevec

Motion: To correct error made in award of road side chemicals and herbicides with flip of coin by Judge Doerfler as follows:

#4 Hivar-XL - Terra Distribution won coin toss  
#5 Plateau - Terra Distribution won coin toss  
#6 Arsenal - Terra Distribution won coin toss

Vote: Motion carried 5 - 0

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## Herbicide Award Correction

**Item 1 -** Round Up Pro.  
goes to - Terra for 1090.20/30 gal.  
instead of Timberland for 1108.50/30 gal.

**Item 6 -** Arsenal  
goes to Timberland for 226.56/2.5 gal.  
instead of Terra for 226.56/2.5 gal.