

TEXACO SALE AND ASSIGNMENT

STATE OF TEXAS

COUNTIES OF JACKSON AND MATAGORDA

KNOW ALL MEN BY THESE PRESENTS, That TEXACO EXPLORATION AND PRODUCTION INC. (Assignor), a Delaware corporation, herein represented by D. P. LOUGHRY, its duly authorized Attorney in Fact, whose mailing address is Post Office Box 60252, New Orleans, Louisiana, 70160, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00), cash in hand paid, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged and full acquittance granted therefore, has granted, sold, conveyed and delivered and does hereby grant, sell, convey, and deliver unto DAVID HOWELL PIPELINE EQUITIES (Assignee), a sole proprietor, herein represented by David Howell, its duly authorized Owner, whose mailing address is 4615 Post Oak Place, Suite 140, Houston, Texas 77027, all of the Assignor's right, title and interest in the Ganado Gas Delivery System a/k/a the Blessing-Ganado Pipeline, located in Jackson and Matagorda Counties, Texas, more fully shown on Exhibit "A", attached hereto and made a part hereof (Pipeline). In addition, Assignor grants, sells and coveys all of Assignor's right, title and interest in, to and under those certain rights-of-way and easements that support or affect the pipeline, including, but not limited to, those rights-of-way and easements listed on Exhibit "B", attached hereto and made a part hereof, INsofar AND ONLY INsofar as said rights-of-way and easements affect the Ganado Gas Delivery System a/k/a the Blessing-Ganado Pipeline (Rights-of-Way).

1. EFFECTIVE DATE.

This Sale and Assignment shall be effective September 1, 1991, 7:00 a.m., local time (Effective Date).

2. COVENANTS

Although Assignor assigns all assignable Rights-of-Way that might be found affecting the Pipeline, Assignor expressly retains the right to use such Rights-of-Way where needed for the development of retained rights, if any, or access of nearby or adjoining Assignor properties.

3. LAWS AND REGULATIONS.

All the terms and provisions of this conveyance are hereby expressly made subject to all Federal, State, and local laws and to all orders, rules, regulations, and standards issued thereunder by all duly constituted political subdivisions and agencies

having jurisdiction, and Assignee hereby warrants that it will comply with same. Further, Assignee specifically warrants that it will comply with any and all laws, orders, rules, regulations and standards of all Federal, State and local political subdivisions and agencies applicable to (1) all abandonment procedures, and (2) the control, regulation and prevention of pollution including, but not limited to, salt water discharge and contamination.

4. ABANDONMENT PROCEEDURES.

Assignee expressly agrees to assume the abandonment obligations of Assignor relative to the Pipeline in full compliance with any and all applicable Federal, State and local laws, orders, rules, regulations and standards. Assignee further expressly agrees to assume the surface restoration obligations relative to the Pipeline and Rights-of-Way. Assignee agrees to hold assignor harmless against any expense, claim or cause of action brought against Assignor or Assignee by any third party arising from Assignee's failure to comply with the abandonment or surface restoration obligations set forth herein.

5. INDEMNITY.

A. Assignee expressly agrees to fully protect, defend, indemnify and hold Assignor, its parent, subsidiaries and affiliates and their respective officers, executives, supervisors, employees, successors and assigns free and harmless from and against each and every claim, demand, liability or cause of action, on account of personal injury or death and property damage as a result of any acts or omissions by Assignee, its employees, agents or servants, including the removal of said Pipeline (including the surface restoration process following the removal of same) arising after the Effective Date, including, but not limited to, any costs, expenses, damages, attorneys' fees or losses in connection therewith, which may be made or asserted by Assignee, its employees, agents or servants, or by Assignor, its parent, subsidiaries and affiliates and their respective employees, agents, servants successors or assigns, or by third persons.

B. Assignee expressly agrees to fully protect, indemnify and holds Assignor, its parent, subsidiaries and affiliates and their respective officers, executives, supervisors, employees, successors and assigns free and harmless from and against each and every claim, demand, liability or cause of action on account of environmental damage arising out of or in connection with the Pipeline assigned herein, including, but not limited to, any costs, expenses, damages, attorneys' fees or losses in connection therewith, which may be made or asserted by any Federal, State or local agency.

C. Assignee expressly agrees to fully protect, indemnify and hold Assignor, its parent, subsidiaries and affiliates and their respective officers, executives, supervisors, employees, successors and assigns from any and all liabilities from encroachments that affect the Rights-of-Way conveyed herein.

6. Title.

A. THIS CONVEYANCE IS EXECUTED WITHOUT WARRANTY OF TITLE, EITHER EXPRESS OR IMPLIED, WITHOUT ANY EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION AS TO THE MERCHANTABILITY OF ANY OF THE EQUIPMENT OR PERSONAL PROPERTY OR ITS FITNESS FOR ANY PURPOSE AND WITHOUT ANY OTHER EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION WHATSOEVER. IT IS UNDERSTOOD AND AGREED THAT ASSIGNEE HAS INSPECTED THE PROPERTY AND PREMISES FOR ALL PURPOSES INCLUDING, WITHOUT LIMITATION, FOR THE PURPOSE OF DETECTING THE PRESENCE OF NATURALLY OCCURRING RADIOACTIVE MATERIAL (NORM) AND HAS SATISFIED ITSELF AS TO THEIR PHYSICAL AND ENVIRONMENTAL CONDITION, AND THAT ASSIGNEE ACCEPTS THE PROPERTY IN ITS "AS IS, WHERE IS" CONDITION. ASSIGNOR DISCLAIMS ANY AND ALL LIABILITY ARISING IN CONNECTION WITH ANY ENVIRONMENTAL MATTERS INCLUDING, WITHOUT LIMITATION, ANY PRESENCE OF NORM ON THE PROPERTY.

B. ASSIGNOR HAS CONDUCTED AN ENVIRONMENTAL AUDIT; THE RESULTS HAVE BEEN FURNISHED TO THE ASSIGNEE. ASSIGNEE ACCEPTS THE AUDIT AND AGREES THAT IT ACCURATELY REFLECTS THE CONDITION OF THE PROPERTY CONVEYED HEREIN AT THE TIME OF PURCHASE.

7. MISCELLANEOUS.

A. Any sales tax, use tax or other tax, license, permit or fee which may be applicable to this conveyance shall be borne by Assignee.

B. This conveyance constitutes the entire understanding between the parties with respect to the subject matter hereof, superseding all negotiations, prior discussions and prior agreements and understandings relating to the subject matter hereof.

C. This conveyance shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. The terms, conditions and exceptions contained herein shall constitute covenants running with the land and shall be binding upon, and for the benefit of, the respective successors and assigns of Assignor and Assignee.

D. The parties agree to do such further acts or execute such further documents as may reasonably be required to effectuate the terms of this conveyance.

E. If any provision of this conveyance is held invalid, such invalidity shall not affect the remaining provisions.

F. This conveyance cannot be modified or amended except by a written instrument duly executed by Assignor and Assignee.

G. This conveyance and the legal relations among the parties hereto shall be governed by and construed in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, this conveyance is signed on this the 19th day of August, 1991, but effective as of the date set forth in Article 1.

WITNESSES:

Bruce E. Gage
James N. Fried

Laura N. Gregory
Klori Orozco

TEXACO EXPLORATION AND PRODUCTION INC.
(ASSIGNOR)

By D. P. D. [Signature]
Attorney in Fact

DAVID HOWELL PIPELINE EQUITIES
(ASSIGNEE)

By David Howell
David Howell - Owner

Tax ID No. 24645057696

STATE OF LOUISIANA

PARISH OF ORLEANS

BEFORE ME, the undersigned authority, a Notary Public in and for said Parish and State, on this day personally appeared D. P. Loughry, Attorney in Fact for Texaco Exploration and Production Inc., a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of said corporation and for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 13TH DAY OF SEPTEMBER, 1991.



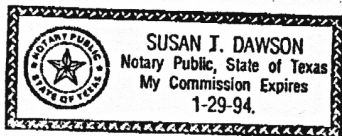
Robert P. Edel
NOTARY PUBLIC in and for Orleans Parish, Louisiana
ROBERT P. EDEL
Embossed Notary Seal for Orleans Parish, State of Louisiana
My commission is issued for life.

STATE OF TEXAS

COUNTY OF HARRIS

BEFORE ME, the undersigned authority, a Notary Public in and for said County/Parish and State, on this day personally appeared David Howell, Owner for David Howell Pipeline Equities, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of said corporation and for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 19TH DAY OF SEPTEMBER, 1991.



Susan J. Dawson
NOTARY PUBLIC in and for County/Parish HARRIS State TEXAS

EXHIBIT "B"

Attached to and made a part of that certain Sale and Assignment between Texaco Exploration and Production Inc. and David Howell Pipeline Equities, dated August 19, 1991, effective September 1, 1991.

<u>File No.</u>	<u>Grantor</u>	<u>Grantee</u>	<u>Date</u>	<u>County</u>	<u>Volume</u>	<u>Page</u>
20233-35-H	Delhi Pipeline Corp.	Texaco Inc.	4/13/61	Matagorda	370	235
20233-35-I	Lee M. Pierce et ux	Texaco Inc.	4/13/61	Matagorda	370	237
20233-35-J	Anton Strarup et ux	Texaco Inc.	4/11/61	Matagorda	370	239
20233-35-K	Florence J. Rasmussen et al	Texaco Inc.	3/29/61	Matagorda	370	242
20233-35-L	C. M. Hansen	Texaco Inc.	3/31/61	Matagorda	370	247
20233-35-M	Ed Dornak et ux	Texaco Inc.	3/24/61	Matagorda	370	250
20233-35-N	Emil J. Dornak et ux	Texaco Inc.	3/17/61	Matagorda	370	252
20233-35-O	Guy F. Stovall	Texaco Inc.	3/24/61	Matagorda	370	257
20233-35-P	Geraldine Garnett et al	Texaco Inc.	3/24/61	Matagorda	370	255
20233-35-Q	W. E. Rogers	Texaco Inc.	3/30/61	Matagorda	370	259
20233-35-R	Lad Mondrick	Texaco Inc.	3/17/61	Matagorda	370	261
20233-35-S	Abel B. Pierce, Jr. et ux	Texaco Inc.	4/4/61	Matagorda	370	262
20233-35-T	R. J. Strnadel	Texaco Inc.	3/18/61	Matagorda	370	264
20233-35-U	Isadore Schaefer et al	Texaco Inc.	3/24/61	Matagorda	370	266
20233-35-V	R. H. Rhodes	Texaco Inc.	3/21/61	Matagorda	370	268
20233-35-W	A. P. Ward, Jr. et ux	Texaco Inc.	4/5/61	Matagorda	370	269
20233-35-X	Ottelia L. Fulton et al	Texaco Inc.	5/6/61	Matagorda	369	116
20233-35-Y	Estate of Alice L. Skinner	Texaco Inc.	5/8/61	Matagorda	369	113
20233-35-Z	R. B. Trull	Texaco Inc.	3/17/61	Matagorda	370	271
20233-36-V	Estate of Alice L. Skinner	Texaco Inc.	5/8/61	Matagorda	369	119
20233-45-O	Joe Neuman	Texaco Inc.	2/25/64	Jackson	366	271
20233-45-P	Agnes Abernathy et al	Texaco Inc.	2/27/64	Jackson	366	273
20233-45-Q	Mauritz Combs	Texaco Inc.	2/28/64	Jackson	366	276
20233-45-R	W. T. Westhoff, Jr., Trustee, et al	Texaco Inc.	2/27/64	Jackson	366	278
20233-45-S	W. T. Westhoff, Jr., Trustee, et al	Texaco Inc.	2/27/64	Jackson	366	282
20233-45-T	Harry Mauritz et ux	Texaco Inc.	3/4/64	Jackson	366	286
20233-45-U	John B. Coffee	Texaco Inc.	3/17/64	Jackson	366	289
20233-45-V	Carrin M. Patman et al	Texaco Inc.	3/4/64	Jackson	366	291
20233-45-W	Mauritz Combs et al	Texaco Inc.	2/28/64	Jackson	366	296
20233-45-X	E. C. Chernosky	Texaco Inc.	2/29/64	Jackson	366	298
20233-45-Y	John Kramer	Texaco Inc.	3/3/64	Jackson	366	300
20233-45-Z	Bessie Lee Tharp et al	Texaco Inc.	3/5/64	Jackson	366	301

EXHIBIT "B" (Continued)

<u>File No.</u>	<u>Grantor</u>	<u>Grantee</u>	<u>Date</u>	<u>County</u>	<u>Recordation Data - State of Texas</u>	<u>Volume</u>	<u>Page</u>
20233-46-A	Forest Ludwig	Texaco Inc.	3/14/64	Jackson		366	306
20233-46-B	Ira L. Couch, Jr. et al	Texaco Inc.	3/31/64	Jackson		366	308
20233-46-C	M. E. Rauh	Texaco Inc.	3/9/64	Jackson		366	314
20233-46-D	Florence E. Drumm et al	Texaco Inc.	3/6/64	Jackson		366	316
20233-46-E	John T. Skinner et al	Texaco Inc.	3/9/64	Jackson		422	152
20233-46-F	William T. Skinner et al	Texaco Inc.	3/10/64	Jackson		422	154

INSOFAR AND ONLY INSOFAR as said Rights-of-Way affect the Ganado Gas Delivery System, a/k/a the Blessing-Ganado Pipeline.

156, 223

SALE AND ASSIGNMENT

TEXACO EXPLORATION & PRODUCTION, INC.

TO

DAVID HOWELL PIPELINE EQUITIES

8/19/91

FEE: 15.00

FILED FOR RECORD THIS THE 2nd day of October A. D.,
1991 at 10:00 a. m.

Martha Knapp, County Clerk
Jackson County, Texas

By *Dolores Bubela* Deputy
Dolores Bubela

Return:
Texaco Inc.
P. O. Box 60252
New Orleans, Louisiana 70160

STATE OF TEXAS
COUNTY OF JACKSON
I hereby certify that this instrument was FILED on the
date and at the time affixed hereon by me and was duly
RECORDED in the Volume and page of the Filed
Records of Jackson County, Texas as stamped hereon by me.

OCT 7 1991



MARTHA KNAPP, COUNTY CLERK
JACKSON COUNTY, TEXAS

BY *Dora Gonzales*
Deputy

Dora Gonzales

Vol. 751 PAGES 737 to 744