

UPDATE

8/91

HALL-HOUSTON OIL COMPANY

700 Louisiana, Suite 2610/Houston, Texas 77002

RECEIVED

June 24, 1991

JUN 25 1991

Telephone
(713) 228-0711
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Minerals Management Service
Leasing & Encouragement

Minerals Management Service
Adjudication Unit: LE-3-1
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394

-Federal Express-

Re: Assignment of Overriding Royalty Interest from
Hall Houston Oil Company

Gentlemen:

I am enclosing an Assignment of Overriding Royalty Interest from Hall-Houston Oil Company to Hall-Houston Oil Company Employee Royalty Trust for filing in each of the following listed Oil and Gas Leases:

North Padre Island Area - Block A-11
Vermilion Area - Block 292
Main Pass Area - Block 264
Ship Shoal Area - Block 280
Ship Shoal Area - Block 287

Also enclosed is our check in the amount of \$125.00 covering the fee for referenced assignments.

Yours truly,

HALL-HOUSTON OIL COMPANY


Lorene C. Roy
Land Manager

LCR:kw
mms.342

JUN 25 1991

Minerals Management Service
Leasing & Environment

ASSIGNMENT OF OVERRIDING ROYALTY INTEREST

UNITED STATES OF AMERICA)

OUTER CONTINENTAL SHELF) KNOW ALL MEN BY THESE PRESENTS:

OFFSHORE LOUISIANA)

THAT HALL-HOUSTON OIL COMPANY, 700 Louisiana, Suite 2610, Houston, Texas 77002, hereinafter referred to as "ASSIGNOR", for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, does hereby assign, transfer, convey and deliver unto HALL-HOUSTON OIL COMPANY EMPLOYEE ROYALTY TRUST, 700 Louisiana, Suite 2610, Houston, Texas 77002, hereinafter referred to as "ASSIGNEE", an overriding royalty interest equal to .50% of 8/8ths of all oil, gas, casinghead gas and other hydrocarbons produced, marketed and saved from the following described lease:

Oil and Gas Lease No. OCS-G 10788, dated May 1, 1989 between the United States of America as Lessor, and Hall-Houston Oil Company and EP Operating Company as Lessee, covering all of Block 280, Ship Shoal Area, South Addition, as shown on OCS Leasing Map, Louisiana Map No. 5A.

The overriding royalty interest conveyed herein shall be free and clear of all costs of exploring, operating, developing, producing and maintaining the subject lease in force and effect, except it shall bear its proportionate share of all severance, production, gathering, Windfall Profits and other production taxes applicable to such overriding royalty interest.

The overriding royalty interest herein assigned shall be calculated and payable in a like manner and under the same terms and conditions as the Lessor's royalty provided in the above described lease.

ASSIGNOR reserves the right and power, at its election, to pool, combine and unitize the overriding royalty interest herein conveyed in accordance with the same terms and provisions as provided for the pooling and unitization of the royalty reserved in the lease described above, and in the event ASSIGNOR exercises such right and power to pool and unitize, ASSIGNEE shall receive in lieu of the overriding royalty herein conveyed, that portion of such pooled or unitized production which is attributable to said overriding royalty on a pooled or unitized basis.

This Assignment shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors and assigns.

IN WITNESS WHEREOF, this Assignment is effective May 1, 1989 but executed this 17th day of June, 1991.

WITNESSES:

HALL-HOUSTON OIL COMPANY

Donna Lewis
Nina Ambrascino

By: Wayne P. Hall
Wayne P. Hall
President

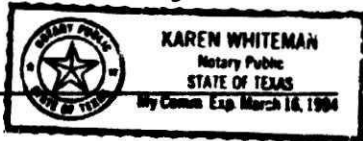
STATE OF TEXAS

COUNTY OF HARRIS

On the 17th day of June, 1991, personally appeared before me Wayne P. Hall, who being by me duly sworn, did say that he is President of the corporation, and that said instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors and said Wayne P. Hall acknowledged said instrument to be the free act and deed of said corporation.

WITNESS my hand and official seal.

My Commission Expires:



Karen Whiteman
Notary Public

END

UPDATE