



intermediaries that have acquired an interest in the Trust on behalf of the OBOS, in an attempt to obtain information regarding the identities of the OBOs for purposes of service of citation in the Lawsuit.<sup>1</sup>

3. Mr. Gauger informed Trustees that such information cannot be obtained by the Trust from any source because the OBOs have withheld their permission from their broker, bank, or other financial intermediary to release their names and addresses to the Trust.<sup>2</sup> Mr. Gauger further informed Trustees that the only information available to the Trust regarding the OBOs is a broker/bank/financial intermediary search that yields information regarding the total number of OBOs and the brokers and/or banks and/or financial intermediaries that have OBO customers with a current interest in the Trust.<sup>3</sup>

4. To begin their efforts to ensure that all the Beneficiaries are made aware of this suit, Trustees issued a press release and filed a Form 8-k with the Securities and Exchange Commission on July 10, 2014.<sup>4</sup>

5. On July 10, 2014, a representative of BONY formally requested that the above-described OBO search be conducted. On July 17, 2014, Trustees received the results of that search, which indicated that as of July 11, 2014, there were 802 OBOs who have withheld their permission from their broker, banks or other financial intermediary to

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<sup>1</sup> See Exhibit A: Affidavit of M. Kaylan Dunn dated July 17, 2014 at ¶ 4.

<sup>2</sup> *Id.* at ¶ 5.

<sup>3</sup> *Id.* at ¶ 6.

<sup>4</sup> See Press Release dated July 10, 2014, attached hereto as Exhibit B; Form 8-k filed on July 10, 2014, attached hereto as Exhibit C.

release their names and addresses to the Trust.<sup>5</sup> The Trustees' inability to discern the names and addresses of the OBOs necessitates citation by publication as to the OBOs.

3. Texas Rule of Civil Procedure § 109 permits citation by publication when a party to a suit is unable to discern the residence or whereabouts of another party upon whom service is required after diligent inquiry is made. Moreover, the Rules permit service by publication when parties to a suit are unknown to the party attempting service. *See, e.g.* TEX. R. CIV. P. §§ 111-113.

4. Trustees have made diligent efforts to determine the identities of the OBOs, but because the OBOs' identities remain subject to non-disclosure by their brokers, banks or other financial intermediaries, the OBOs are unknown to the Trustees.<sup>6</sup> Trustees cannot effect personal service upon these unknown persons, making service by publication not only a reasonable, but a necessary means of ensuring that the unknown OBOs will receive citation in this matter.

WHEREFORE, PREMISES CONSIDERED, The Bank of New York Mellon Trust Company, N.A., as Corporate Trustee, and Gary C. Evans, Jeffrey S. Swanson, and Thomas H. Owen, Jr., as Individual Trustees of the TEL Offshore Trust ask that this Court authorize Trustees to effect service on the Unknown Objecting Beneficial Owners of the TEL Offshore Trust by publication in accordance with the requirements prescribed in Texas Rule of Civil Procedure § 116.

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<sup>5</sup> Ex. A at ¶ 7.

<sup>6</sup> *See* Ex. A at ¶¶ 4-5.

Respectfully submitted,

ANDREWS KURTH LLP

By: /s/ Georgia L. Lucier

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ATTORNEYS FOR TRUSTEES BANK OF  
NEW YORK MELLON TRUST COMPANY,  
GARY C. EVANS, JEFFREY S. SWANSON,  
and THOMAS H. OWEN, JR.

# **EXHIBIT A**



7. On July 10, 2014, a representative of BONY formally requested that the above-described search be conducted. On July 17, 2014, I received the results of that search, which indicated that as of July 11, 2014, there were 802 OBOs.
8. Because personal service is not possible since the identities of the OBOs cannot be discerned, I believe the most reasonable means of effecting service upon the OBOs is by publication.

Further affiant sayeth not.

  
\_\_\_\_\_  
M. Kaylan Dunn

SUBSCRIBED and SWORN TO before me by M. Kaylan Dunn on this 22<sup>nd</sup> day of July, 2014, to certify which witness my hand and official seal.



Notary Public in and for the State of Texas

My Commission Expires \_\_\_\_\_



# **EXHIBIT B**



*Individual Trustees*  
*Gary C. Evans*  
*Thomas H. Owen, Jr.*  
*Jeffrey S. Swanson*

**TEL OFFSHORE TRUST**

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., CORPORATE TRUSTEE**  
**919 CONGRESS AVENUE / (512) 236-6599 / AUSTIN, TEXAS 78701**

**TEL OFFSHORE TRUST ANNOUNCES FILING OF PETITION FOR MODIFICATION AND TERMINATION OF TRUST**

AUSTIN, TEXAS July 10, 2014—TEL OFFSHORE TRUST announced that on July 10, 2014, The Bank of New York Mellon Trust Company, N.A., as Corporate Trustee, Gary C. Evans, Jeffrey S. Swanson and Thomas H. Owen Jr., as Individual Trustees (collectively, the “Trustees”) filed a Petition for Modification and Termination of Trust (the “Petition”) with the Probate Court of Travis County, Texas (the “Court”). The Petition requests the Court to modify the TEL Offshore Trust Agreement (the “Trust Agreement”) to (1) allow for the termination of the TEL Offshore Trust (the “Trust”) by a court order, and (2) allow the Trustees, as necessary to fulfill the purposes of the Trust and without the approval of the Trust’s unitholders, to (a) sell all or any portion of the Trust’s interest in the TEL Offshore Partnership (the “Partnership”) or any other assets of the Trust, (b) exercise their rights to dissolve the Partnership, or (c) cause the Partnership to sell the remaining overriding royalty interest owned by the Partnership.

As previously disclosed, in September 2008 Hurricane Ike damaged or destroyed many of the facilities on the oil and gas properties located offshore Louisiana (the “Royalty Properties”) that are burdened by the overriding royalty interest held by the Partnership. As a result, production from the two most significant Royalty Properties ceased following Hurricane Ike in September 2008. While production has been restored on a limited basis at these Royalty Properties, the Trust has not received a distribution associated with net proceeds from the overriding royalty interest since December 2008. Consequently, the Trust has not been able to make a distribution to the Trust’s unitholders since January 2009. Due to the lack of net proceeds from the overriding royalty interest, the Trust has not had sufficient cash flow to pay its ongoing costs and expenses. As previously disclosed, the Trust has only been able to pay its costs and expenses through prior sales of portions of the overriding royalty interest and by borrowing funds from the Corporate Trustee. While the Trust continues to incur costs and expenses for the administration of the Trust, there are no assurances as to the actual timing of any future distributions of net proceeds to the Trust.

The goals in filing such probate proceeding are to permit the Trustees to direct the Partnership to sell the remaining overriding royalty interest held by the Partnership; to distribute the net proceeds resulting from such sale, after the payment of the Trust’s liabilities, to the Trust’s unitholders; and, to thereafter terminate the Partnership and the Trust. There can be no assurances whether the Court will grant the requested relief and, if such relief is granted, when such actions will be completed.

This press release contains forward-looking statements. The working interest owners of the royalty properties alone control historical operating data, and handle receipt and payment of funds relating to the royalty properties and payments to the Trust for the related royalty. The Trustees of the Trust cannot assure that errors or adjustments by the working interest owners, whether historical or future, will not affect future royalty income and distributions by the Trust. Other important factors that could impact future royalty income and payments to the Trust include delays and costs in connection with repairs or

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replacements of hurricane-damaged facilities and pipelines, including third-party transportation systems, the actual results of drilling operations, risks inherent in drilling and production of oil and gas properties, the Trust's ability to pay its liabilities, and other factors described in the Trust's Form 10-K for the year ended December 31, 2013 under "Item 1A. Risk Factors," as well as other risks identified from time to time in its reports on Form 10-Q and Form 8-K as filed with the Securities and Exchange Commission. Statements made in this press release are qualified by the cautionary statements made in these risk factors. The Trust does not intend, and assumes no obligations, to update any of the statements included in this press release.

***The Bank of New York Mellon Trust Company, N.A.***

***AS CORPORATE TRUSTEE***

***CONTACT: Michael J. Ulrich***

***(512) 236-6599***

# **EXHIBIT C**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **July 10, 2014**

**TEL Offshore Trust**

(Exact name of registrant as specified in its charter)

**Texas**  
(State or other jurisdiction of  
incorporation )

**1-6910**  
(Commission  
File Number)

**76-6004064**  
(IRS Employer  
Identification No.)

**The Bank of New York Mellon Trust Company, N.A., Trustee**

**919 Congress Avenue**

**Austin, Texas**

(Address of principal executive offices)

**78701**

(Zip Code)

Registrant's telephone number, including area code: **(800) 852-1422**

**Not Applicable**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 8.01 Other Events.**

On July 10, 2014, The Bank of New York Mellon Trust Company, N.A., as Corporate Trustee, Gary C. Evans, Jeffrey S. Swanson and Thomas H. Owen Jr., as Individual Trustees (collectively, the "Trustees") filed a Petition for Modification and Termination of Trust (the "Petition") with the Probate Court of Travis County, Texas (the "Court"). The Petition requests the Court to modify the TEL Offshore Trust Agreement (the "Trust Agreement") to (1) allow for the termination of the TEL Offshore Trust (the "Trust") by a court order, and (2) allow the Trustees, as necessary to fulfill the purposes of the Trust and without the approval of the Trust's unitholders, to (a) sell all or any portion of the Trust's interest in the TEL Offshore Partnership (the "Partnership") or any other assets of the Trust, (b) exercise their rights to dissolve the Partnership, or (c) cause the Partnership to sell the remaining overriding royalty interest owned by the Partnership.

The goals in filing such probate proceeding are to permit the Trustees to direct the Partnership to sell the remaining overriding royalty interest held by the Partnership; to distribute the net proceeds resulting from such sale, after the payment of the Trust's liabilities, to the Trust's unitholders; and, to thereafter terminate the Partnership and the Trust. There can be no assurances whether the Court will grant the requested relief and, if such relief is granted, when such actions will be completed.

The Trust issued a press release on July 10, 2014 announcing the filing of the Petition and commencement of the probate proceeding. The press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

Exhibit 99.1 TEL Offshore Trust's Press Release dated July 10, 2014.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TEL Offshore Trust  
By: The Bank of New York Mellon Trust Company, N.A.,  
as Trustee

Date: July 10, 2014

By: /s/ Sarah Newell  
Sarah Newell  
Vice President and Trust Officer

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.1	TEL Offshore Trust's Press Release dated July 10, 2014.

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CAUSE NO. C-1-PB-14-001245

IN RE:	§	IN THE PROBATE COURT
	§	
	§	OF
TEL OFFSHORE TRUST	§	TRAVIS COUNTY, TEXAS

**ORDER FOR CITATION BY PUBLICATION**

ON THIS DAY, the Court considered The Bank of New York Mellon Trust Company, N.A., as Corporate Trustee, and Gary C. Evans, Jeffrey S. Swanson, and Thomas H. Owen, Jr., as Individual Trustees (“Trustees”) of the TEL Offshore Trust’s Motion for Citation by Publication on the Unknown Objecting Beneficial Owners of the TEL Offshore Trust. The Court having considered the Motion, and the information in the Court’s file, finds the Motion should be GRANTED. It is therefore,

ORDERED that Trustees shall serve the Objecting Beneficial Owners of the TEL Offshore Trust in the manner accorded by Texas Rule of Civil Procedure § 116.

SIGNED on this the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
PRESIDING JUDGE