

FILED FOR RECORD
2016 JAN 15 AM 8:44
DANA DEBEAUVOR
COUNTY CLERK
TRAVIS COUNTY, TEXAS

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

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

SEVERANCE ORDER

On today's date, the Court considered the Motion to Sever filed by Glenn M. Karisch ("Ad Litem"), attorney ad litem for the unit holders of the Trust who were served by publication and did not answer or appear in this proceeding, and the Motion to Sever filed by RNR Production Land and Cattle ("RNR") (collectively, the "Motions to Sever"). Having considered the Motions to Sever, the Court finds that they should be and are hereby GRANTED. It is further

ORDERED that the matters related to the modification of the TEL Offshore Trust ("Trust") and sale of Trust assets, as pled for, in part, in the Original Petition for Modification and Termination of Trust ("Petition") filed by The Bank of New York Mellon, N.A. ("BONY"), as corporate trustee, and Gary C. Evans, Jeffery S. Swanson, and Thomas H. Owen, Jr., as individual trustees (collectively, "Trustees"), the Counterclaim for Order to Sell Royalty Interests, which is pled in Ad Litem's Counterclaim for Order to Sell Royalty Interests and for Accounting, and which is adopted and incorporated in RNR's Counterclaim for Order to Sell Royalty Interests and for Accounting ("Severed Proceeding") be and are hereby severed from this action

and are transferred to and made the subject of a separate action, under Cause No.

C-1-PB-16-000096 styled *In re: TEL Offshore Trust*. It is further

ORDERED that after this severance all other matters in this proceeding, including but not limited to the Petition, as it relates to all issues other than the modification of the Trust and sale of Trust assets, Ad Litem's Counterclaim for Accounting, RNR's Counterclaim for Accounting, claims for attorney's fees, costs, and ad litem compensation, and any matters which may subsequently be alleged which are related to the subject matter of this proceeding, remain in Cause No. C-1-PB-14-001245, styled *In re: TEL Offshore Trust* ("the Remaining Proceeding"), and that the Remaining Proceeding shall proceed as such to final judgment in due course. It is further

ORDERED that, while the modification of the Trust as pled for by the Trustees in their original petition is being severed into the Severed Proceeding, no party to the Remaining Proceeding is barred or precluded from seeking a further modification of the Trust in the Remaining Proceeding.

ORDERED that the following matters previously filed in this proceeding shall be duplicated and re-filed in the Severed Proceeding and shall apply to the Severed Proceeding as if originally filed therein:

- a. Trustees' Original Petition for Modification and Termination
- b. Motion for Authorization to Serve Process Pursuant to Rule 103 - OBOs
- c. Motion for Citation by Publication - OBOs

- d. Order for Citation by Publication and Other Substituted Service Pursuant to Rule 103
- e. TRCP 109a Affidavit of William O. Gauger
- f. Return of Citation by Publication (filed 2/2/2015)
- g. Motion for Citation by Publication for Unit Holders for Whom Service by Certified Mail Could Not be Accomplished
- h. Citation by Publication and Other Substituted Service for Unit Holders for Whom Service by Certified Mail Could Not be Accomplished
- i. Order to Allow Service by Publication for Unit Holders for Whom Service by Certified Mail Could Not be Accomplished
- j. TRCP 109a Affidavit of Michael F. Carney
- k. Return of Citation by Publication (filed 6/18/2015)
- l. Trustees' Motion for Appointment of Attorney Ad Litem for the Unit Holders of the TEL Offshore Trust Who Were Served by Publication and Did Not Answer or Appear
- m. Order for Appointment of Attorney Ad Litem dated June 18, 2015
- n. Ad Litem's Original Answer
- o. RNR's Original Answer
- p. Trustees' Motion for Entry of Trial Date
- q. Ad Litem's Motion for Court to Direct Method of Service of Documents
- r. Order Directing Method of Service of Documents dated September 28, 2015
- s. Amended Order Granting Motion for Entry of Trial Date dated October 5, 2015
- t. Ad Litem's First Amended Answer and Counterclaim for Order to Sell Royalty Interests and for Accounting
- u. Ad Litem's Motion to Sever

- v. RNR's First Amended Original Answer and Counterclaim for Order to Sell Royalty Interests and for Accounting
- w. RNR's Motion to Sever
- x. Ad Litem's Second Motion for Court to Direct Method of Service of Documents
- y. Trustees' Response in Opposition to Attorney Ad Litem's Second Motion for Court to Direct Method of Service of Documents

It is further

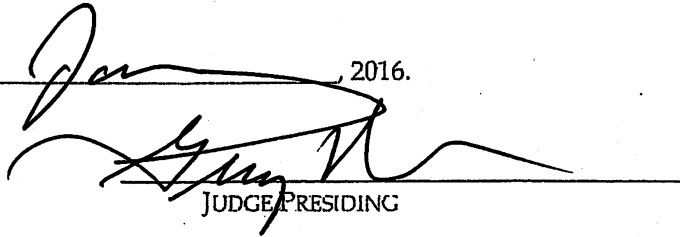
ORDERED that the following persons who have appeared in these proceedings are parties to the Severed Proceeding, remain parties to this proceeding, and are bound by the judgment entered in the Severed Proceeding although their appearances will not be re-filed in the Severed Proceeding:

- a. Petitioner, BONY, as Corporate Trustee of the Trust;
- b. Petitioner, Gary C. Evans, as Individual Trustee of the Trust;
- c. Petitioner, Jeffrey S. Swanson, as Individual Trustee of the Trust;
- d. Petitioner, Thomas H. Owen, Jr., as Individual Trustee of the Trust;
- e. The Unit Holders of the TEL Offshore Trust consisting of known Record Holders, known Non-Objecting Beneficial Owners ("NOBOs") and unknown Objecting Beneficial Owners ("OBOs") who answered or appeared in this proceeding (including but not limited to RNR); and
- f. Ad Litem.

It is further

ORDERED that separate judgments be entered in the severed causes, each judgment to be final and to dispose completely of all the issues between the parties in the respective suits.

SIGNED this 15 day of Jan, 2016.


JUDGE PRESIDING

APPROVED AS TO FORM AND SUBSTANCE:

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