SPECIAL WARRANTY DEED

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF VICTORIA

THAT, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration paid by the Grantee named herein to TEXACO EXPLORATION AND PRODUCTION INC., a Delaware corporation, authorized to do and doing business in the State of Texas, herein represented by L.B. Raffh , its duly authorized Attorney-in-Fact, whose mailing address is P.O. Box 60252, New Orleans, Louisiana 70160, Federal Tax I.D. No. 5I-0265713 (hereinafter called "Grantor"), the receipt of which is hereby acknowledged, and the further consideration of the execution and delivery by Grantee of one certain promissory note of even date herewith, in the principal sum of ONE HUNDRED FORTY-TWO THOUSAND AND NO/100 DOLLARS (\$142,000.00) payable to the order of VICTORIA BANK & TRUST COMPANY in monthly installments and bearing interest as therein provided, containing the usual clauses providing for acceleration of maturity and for attorney's fees; the payment of which note is secured by the vendor's lien herein retained, and is additionally secured by a deed of trust of even date herewith to DAVID C. EDWARDS, Trustee, Grantor does hereby grant, bargain, sell, convey, and deliver unto VICTORIA COMMERCE PARTNERSHIP, a Texas General Partnership comprised of Thomas A. Schmidt, Larry J. Urban, Eugene C. Urban, and Ray M. Bridges, authorized to do and doing business in the State of Texas, herein represented by THOMAS A. SCHMIDT, its duly authorized General Partner, whose mailing address is 2004 N. Commerce Street, Victoria, Texas 77901, Federal Tax I.D. No. 74-2662238 (herein called "Grantee"), the real estate located in Victoria County, Texas, more fully described in Exhibit "A", which is attached hereto and incorporated herein by this reference, together with all of the buildings, fixtures, and other improvements, if any, located upon such real estate and not reserved herein to Grantor (hereinafter referred to individually and collectively in the singular as the "Property"); however, this conveyance is made and accepted subject to the following exceptions, reservations, covenants, conditions, and stipulations: