

Shelley, AL



# The State of Texas

## SECRETARY OF STATE

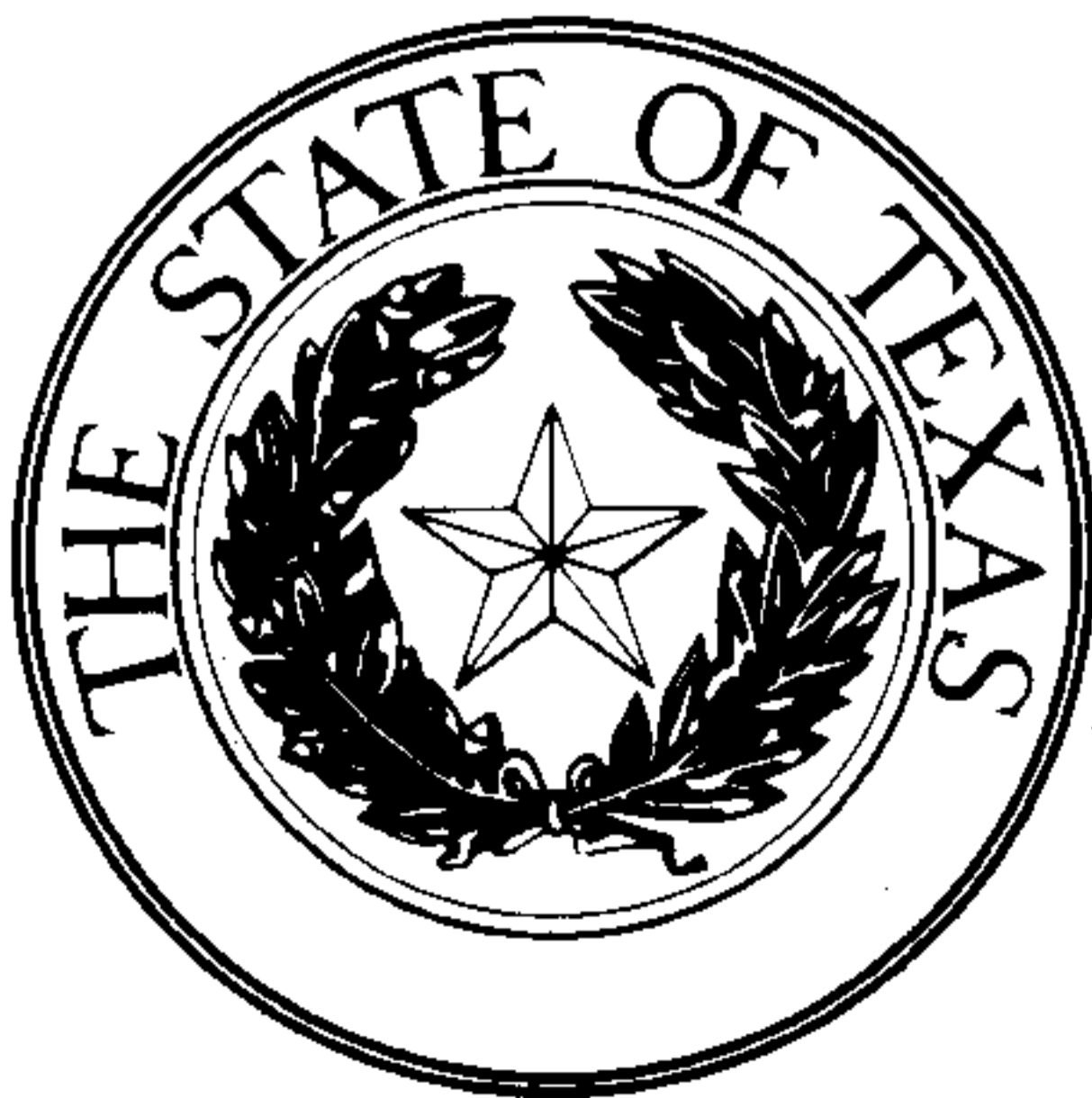
Inst # 1997-32362

I, ANTONIO O. GARZA, JR., Secretary of State of the State of Texas, DO HEREBY CERTIFY that the attached is a copy of the Certificate of Merger for SPINNAKER ROYALTY COMPANY, a TEXAS general partnership, and SPINNAKER ROYALTY COMPANY, L.P., a TEXAS limited partnership, which was filed in this office on SEPTEMBER 5, 1997; and that according to the terms of the Merger the surviving entity is SPINNAKER ROYALTY COMPANY, L.P., a TEXAS limited partnership.

Inst # 1997-32362

10/06/1997-32362  
10:54 AM CERTIFIED  
SHELBY COUNTY JUDGE OF PROBATE  
004 MCD 16.00

*IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in the City of Austin, on September 19, 1997.*



*Antonio O. Garza, Jr.*  
Secretary of State

PH

**CERTIFICATE OF MERGER  
MERGING  
SPINNAKER ROYALTY COMPANY (a Texas General Partnership)  
INTO  
SPINNAKER ROYALTY COMPANY, L.P. (a Texas Limited Partnership)**

FILED  
In the Office of the  
Secretary of State of Texas

SEP 05 1997

CORPORATIONS SECTION

Pursuant to the provisions of Section 9.02 of the Texas Revised Partnership Act (the "TRPA") and Section 2.11 of the Texas Revised Limited Partnership Act (the "TRLPA"), the undersigned, Spinnaker Royalty Company, a Texas general partnership ("Spinnaker-GP"), and Spinnaker Royalty Company, L.P., a Texas limited partnership ("Spinnaker-LP"), adopt the following Articles of Merger for the purpose of effecting a merger in accordance with the provisions of Section 9.02 of the TRPA and Section 2.11 of the TRLPA:

1. An Agreement and Plan of Merger (the "Plan of Merger") adopted in accordance with the provisions of Section 9.02 of the TRPA and Section 2.11 of the TRLPA providing for the merger of Spinnaker-GP with and into Spinnaker-LP, resulting in Spinnaker-LP's being the surviving entity, and governed by the laws of the State of Texas, is attached hereto as Exhibit A and incorporated herein by reference.

2. The name of each of the undersigned entities, the state under the laws of which each is organized, and the type of each entity, are:

<u>Name of Entity</u>	<u>State</u>	<u>Type of Entity</u>
Spinnaker Royalty Company	Texas	General partnership
Spinnaker Royalty Company, L.P.	Texas	Limited partnership

3. As to Spinnaker-GP and Spinnaker-LP, the Plan of Merger and performance of its terms were duly authorized by all action required by the laws under which each was organized, and by the constituent documents of each such entity.

4. The merger will become effective on the date this Certificate of Merger is filed with the Secretary of State of Texas.

IN WITNESS WHEREOF, Spinnaker-GP and Spinnaker-LP have caused this Certificate of Merger to be executed as of the 4th day of September, 1997.

**SPINNAKER ROYALTY COMPANY**  
(a Texas general partnership)

By: Smith Allen Oil & Gas, Inc., its managing general partner

By:   
Name: Casey McManemin  
Title: Vice President

**SPINNAKER ROYALTY COMPANY, L.P.**  
(a Texas limited partnership)

By: Smith Allen Oil and Gas, Inc., its general partner

By:   
Name: Casey McManemin  
Title: Vice President

## EXHIBIT A

## AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger (the "Plan of Merger"), is executed as of the 4th day of September, 1997, by and between Spinnaker Royalty Company, a Texas general partnership company ("Spinnaker-GP"), and Spinnaker Royalty Company, L.P., a Texas limited partnership ("Spinnaker-LP").

## ARTICLE ONE

MERGER OF SPINNAKER-GP WITH AND INTO SPINNAKER-LP

Spinnaker-GP will be merged with and into Spinnaker-LP in accordance with the laws of the State of Texas (the "Merger"), with such merger to become effective on the date after the Articles of Merger (the "Articles of Merger") are filed with the Secretary of State of Texas (the "Effective Time"). The surviving entity will be Spinnaker-LP, which will continue to be a limited partnership governed by and organized in accordance with the laws of the State of Texas.

## ARTICLE TWO

EFFECT OF MERGER

The Merger shall in all respects have the effects provided for in Section 9.02 of the Texas Revised Partnership Act ("TRPA") and Section 2.11 of the Texas Revised Limited Partnership Act ("TRLPA"), with all rights of Spinnaker-GP becoming vested in, and all liabilities and obligations of Spinnaker-GP being allocated to, Spinnaker-LP. Without limiting the generality of the foregoing, at the Effective Time, the separate existence of Spinnaker-GP shall cease, and Spinnaker-LP will immediately (i) succeed, without transfer, to all of the assets, properties, rights and claims of Spinnaker-GP and (ii) be subject to all of the debts, obligations and liabilities of Spinnaker-GP in the same manner and to the same extent as if such had been incurred by Spinnaker-LP. Neither the rights of creditors with respect to Spinnaker-LP and Spinnaker-GP nor any liens upon the assets of Spinnaker-LP and Spinnaker-GP shall be impaired by the Merger. Any lawsuit, proceeding or claim pending or existing by or against Spinnaker-LP or Spinnaker-GP may be prosecuted and continued as if the Merger had not occurred or, alternatively, Spinnaker-LP may be substituted for Spinnaker-GP with respect to any such lawsuit, proceeding or claim.

## ARTICLE THREE

CONVERSION OF SECURITIES

At the Effective Time, by virtue of the Merger, the partnership interests in Spinnaker-GP shall be converted into partnership interests in Spinnaker-LP as follows: (i) the managing partner's interest shall be converted into the right to receive a 0.6189% general partnership interest in Spinnaker-LP and (ii) the other partners' interests will be converted into an aggregate 69.3861% limited partnership interest in Spinnaker-LP, with such limited partnership interest being divided among such other partners according to their respective sharing percentages in Spinnaker-GP. The outstanding partnership interests in Spinnaker-LP shall be converted into partnership interests in Spinnaker-LP as follows: (i) the general partnership interest in Spinnaker-LP shall be cancelled and (ii) the limited partnership interest shall be converted into a 29.995% limited partnership interest in Spinnaker-LP.

## ARTICLE FOUR

APPROVALS RELATIVE TO SPINNAKER-GP AND SPINNAKER-LP;  
NO LIABILITY TO ANY LIMITED PARTNER

This Plan of Merger was approved and adopted by Spinnaker-GP as of September 3, 1997, and by Spinnaker-LP, the surviving entity, as of September 4, 1997, by all action required under TRPA and TRLPA, as applicable, and the documents and agreements under which the parties hereto were formed and/or are governed. The Articles of Merger (which shall include a copy of this Plan of Merger (without Exhibit I) as an exhibit thereto) with respect to the Merger shall be executed, filed and recorded in accordance with the TRPA and TRLPA as soon as practicable after the date hereof. No partner of Spinnaker-GP will, as a result of the Merger, become personally

liable for the liabilities or obligations of any other person. No limited partner of Spinnaker-LP will, as a result of the Merger, become personally liable for the liabilities or obligations of any other person.

**ARTICLE FIVE**  
**PARTNERSHIP AGREEMENT**

On and after the Effective Time, and until thereafter amended, the Amended and Restated Agreement of Limited Partnership of Spinnaker-LP attached as Exhibit I hereto will govern Spinnaker-LP.

IN WITNESS WHEREOF, Spinnaker-LP and Spinnaker-GP have caused this Plan of Merger to be executed as of the date first above written.

**SPINNAKER ROYALTY COMPANY**

By: Smith Allen Oil & Gas, Inc., its managing general partner

By:   
Name: Casey McManemin  
Title: Vice President

**SPINNAKER ROYALTY COMPANY, L.P.**

By: Smith Allen Oil and Gas, Inc., its general partner

By:   
Name: Casey McManemin  
Title: Vice President

Inst # 1997-32362

10/06/1997-32362  
10:54 AM CERTIFIED  
SHELBY COUNTY JUDGE OF PROBATE  
004 MCD 16.00