

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD IN THE DISTRICT OFFICE IN FORT WORTH, TEXAS, ON THE
10TH DAY OF NOVEMBER, 1948, AT 2:00 P.M.

The call of the roll disclosed the presence of Directors
as follows:

PRESENT

Joe B. Hogsett
Houston Hill
Dan H. Priest
Gaylord J. Stone
W. L. Pier

Also present were Sidney L. Samuels, General Attorney, and C. L.
McNair, General Manager.

Director Hogsett acted in his capacity as President, and
Director Priest acted in his capacity as Secretary, whereupon pro-
ceedings were had and done, as follows:

1.

The Directors had previously received copies of the Minutes
of a Regular Meeting held on October 12, 1948, at 1:30 P.M. Having
found no objections thereto, it was ordered that they be approved,
signed and placed of record.

2.

Attached to these minutes as Exhibit "A" is a statement
of the financial condition of this District to which reference is
made. Exhibit "A" shows that interim voucher-checks #475 to #498,
inclusive, for the total sum \$2,918.50 had been issued since the
last meeting; also proposed voucher-checks #499 to #519, inclusive,
for the total sum \$2,140.15. There was full consideration of the
proposed voucher-checks and the data to support same, whereupon

Director Priest moved, seconded by Director Stone, that the issued voucher-checks above listed be confirmed, and that the accounts payable be approved as covered by the proposed voucher-checks and that such checks be issued and delivered to the respective persons entitled to receive them. It was so ordered, subject to the usual audit.

3.

The written report dated November 10, 1948, of Mr. C.L. McNair, General Manager, for the month of October, 1948, was received, presented and ordered filed as Exhibit "B" to these minutes.

4.

The monthly report of the Auditors, Pitner & Adams, for the month of September, 1948, was ordered received and filed.

5.

It having been brought to the attention of the Directors that the term of office of Directors Joe B. Hogsett and Dan H. Priest expire by law in January, 1949, it was resolved by the Board that an election be held on Tuesday, January 11, 1949, to select successors for the two Directors whose terms of office thus expire.

It was therefore the unanimous sense of the Board that notice of said election be duly executed in the name of the District and that said notice be published on December 9, December 16, and December 23, 1948, in the issues of those dates of the Fort Worth Star-Telegram and the Fort Worth Press, both of which newspapers are of general circulation in the District; further, that the cost and expense of such publication be paid by the District and that the attorney and other officers and employees of the District be instructed to make all necessary arrangements for the holding of said election

and the payment of the fees of the officers of the election without further order of the Board. Upon a vote being taken, the resolution was unanimously carried, and it was so ordered.

6.

President Hogsett and Director Hill, to whom had been referred for investigation and recommendation concerning the three bids heretofore submitted by the Cities Service Oil Company for oil and gas lease on approximately 361.48 acres of land in several tracts situated in Wise County, Texas, made recommendation that the bids submitted by the Cities Service Oil Company be accepted; thereupon they, the said President Hogsett and Director Hill, presented three leases (the forms of which had been previously approved by Sidney L. Samuels, General Attorney for the District), with the recommendation that the three leases be accepted and same be executed in duplicate on behalf of the District by Mr. Joe B. Hogsett as President thereof, and attested by Mr. Dan Priest, as Secretary of the Board, and that the seal of the District be impressed thereon, and the executed leases be delivered to the Cities Service Oil Company.

Thereupon, Director Stone Moved, seconded by Director Pier, that the recommendations of President Hogsett and Director Hill be adopted; further that a copy of each of the three leases be attached to these Minutes as EXHIBIT "C".

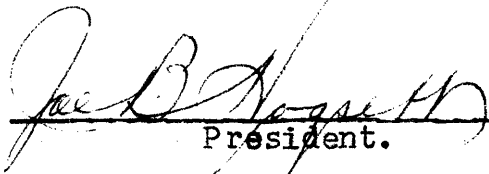
The motion having been put to the Board, the same was unanimously carried, all the Directors voting "aye" thereon.

7.

The request of Mr. E. L. Smith, a tenant on certain lands owned by the District, for the construction of a dairy barn thereon at the expense of the District, the estimated cost of which was \$2,500.00, was disallowed. It being the sense of the Board that such expenditure was not expedient.

8.

There being no further business before the Board, the meeting thereupon adjourned.



President.



Secretary.

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE.

VOUCHER-CHECKS ISSUED OCTOBER 30, 1948, #475 to #498, INCLUSIVE.

<u>NO.</u>	<u>ISSUED TO</u>	<u>COVERING</u>	<u>AMOUNT</u>
475	Sidney L. Samuels	(Legal Services as General) (Attorney, October, 1948.)	\$ 300.00
476	C. L. McNair	(Salary, October, 1948 \$500.00) (Less: Withholding Tax <u>34.70</u>)	465.30
477	E. B. Cheatham	(Salary, October, 1948 \$300.00) (Less: Withholding Tax <u>19.90</u>)	280.10
478	Myrtle Hartmeister	(Salary, October, 1948 \$160.00) (Less: Withholding Tax <u>15.90</u>)	144.10
479	B. W. Bintliff	(Salary, October, 1948 \$200.00) (Less: Withholding Tax <u>13.60</u>)	186.40
480	Will Massingill	(Salary, October, 1948 \$150.00) (Less: Withholding Tax <u>None</u>)	150.00
481	W. H. Hutcheson	(Salary, October, 1948 \$150.00) (Less: Withholding Tax <u>5.80</u>)	144.20
482	Texas Electric Service Co.	(Electric Service: E. M. Custodian's Residence \$ 8.90) (E. M. Range Lights <u>7.22</u>)	16.12
483	Texas Power & Light Company	(Electric Service: Custodian's Residence, B.P. \$ 7.98) (B. P. Camphouse <u>4.02</u>)	12.00
484	Southwestern Bell Tel. Company	(Phone Service: 3-2848 from 10-11-48 to 11-11-48 \$ 9.65) (E. M. Phone 6-3398 from 10-16-48 to 11-16-48. <u>19.90</u>)	29.55
485	Bill King	(Labor at B. P. Oct. 1948 (208 hrs. @ .60¢ per hr. \$124.80) (Less: Withholding Tax <u>5.20</u>)	119.60
486	Bruce Mitchum	(Labor at B.P. Oct. 1948 (53 hrs. @ .75¢ per hr. \$ 39.75) (Less: Withholding Tax <u>None</u>)	39.75
487	W. J. Mann	(Payment for rental of concrete mixer, used in building water troughs on Rominger Ranch property. (Mixing 32 sx cement @ .15¢ per sx.)	4.80
488	Chas. Lamance	(Labor at E. M. October, 1948. (193½ hrs. @ .75¢ per hr. \$145.12) (Less: Withholding Tax <u>None</u>)	145.12
489	J. W. Lamance	(Labor at E. M. October, 1948. (185½ hrs. @ .75¢ per hr. \$139.12) (Less: Withholding Tax <u>None</u>)	139.12
490	J. L. Driskill	(Labor at E. M. October, 1948 (145½ hrs. @ .75¢ per hr. \$109.12) (Less: Withholding Tax <u>6.30</u>)	102.82
491	Arthur Stevens	(Labor at E. M. Oct. 1948. (17½ hrs. @ .75¢ per hr. \$13.12) (Less: Withholding Tax <u>.90</u>)	12.22

Continued.

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE.

VOUCHER-CHECKS ISSUED OCTOBER 30, 1948, #475 TO #498, INCLUSIVE. Cont.

<u>NO.</u>	<u>ISSUED TO</u>	<u>COVERING</u>	<u>AMOUNT</u>
492	Joe B. Hogsett	Director's fees, October, 1948	\$ 10.00
493	Houston Hill	Director's fees, October, 1948	10.00
494	Dan H. Priest	Director's fees, October, 1948	10.00
495	Gaylord J. Stone	Director's fees, October, 1948	10.00
496	W. L. Pier	Director's fees, October, 1948	10.00
497	Continental National Bank Fort Worth, Texas.	Withholding Tax	102.30
498	Fortenberry & Black	(One 14x7 Model B. Drill (with Fertilizer Attachment.)	<u>475.00</u>
TOTAL			\$ 2,918.50

DISTRIBUTION OF VOUCHER-CHECKS #475 TO #498, INCLUSIVE.

Directors	50.00
General Manager	500.00
Legal	300.00
Office	469.65
Land Department	411.28

EAGLE MOUNTAIN LAKE:

Custodian's Salary	\$ 200.00
Assistant Custodian's Salary	150.00
Electric Service (Custodian's Residence	\$8.90
(Range Lights	<u>7.22</u> 16.12
Phone Service	<u>19.90</u> 386.02

BRIDGEPORT LAKE:

Custodian's Salary	\$ 150.00
Electric Service: (Custodian's Res. \$7.98	
(B.P. Camphouse <u>4.02</u>	12.00
Labor	164.55
One Model B Drill with Fertilizer Attachment	<u>475.00</u> 801.55

T O T A L \$ 2,918.50

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE.

VOUCHER-CHECKS #499 TO #519, INCLUSIVE.

NO.	ISSUED TO	COVERING	AMOUNT
499	Danciger Building	Office rent, November, 1948	\$ 95.00
500	Tri-County Electric Cooperative, Inc.	(Electric Service for) (E. M. Range Lights.)	7.76
501	Banner Garage & Service Station	(Oil and Gas and parking Dis- trict's Chevrolet Sedan (during the month of October, 1948.)	35.45
502	Trinity Lumber Company	12 - 12" Files @ .45¢ ea. E. M.	5.40
503	Nash Hardware Company	(20 Spools Barbwire @ 7.05 \$141.00) (1 Keg Fence Staples @ 8.73 8.73) (1 doz. Files 6.00) (Less: 2% 3.10)	152.63
504	A. B. Blue	Sharpen one 26" Circle Saw	1.50
505	Superior Springs & Equipment Co.	(For Ford Truck: (One Rear Bumper \$30.00) (One ball for trailer (attachment. 1.00)	31.00
506	Jones Hardware	(One wood rasp. B.P. \$1.35) (One Master Electric (Switch & installation 10.30) (B. P. Custodian Res.)	11.65
507	Groves Shop	(Welding & repair (Sharpening Sweeps. B. P.)	5.50
508	Alvin Holt Plumbing Company	(Flush tank handle B.P. (Residence. \$1.10) (Repairing pump BP (Well House. 1.25)	2.35
509	Gary-Nees Company	(60 Bx. Cement \$ 99.00) (22 pcs. 5/8" steel (44 feet @ .11¢ 48.40) (Drayage 8.00) (One Faucett 1.25) (Drayage on returns 5.00) (Total. 161.65) (Less: Credit on Returns 46.75) (Materials used in building (water troughs on Rominger (Ranch.)	114.90
510	General Construction Company	(Rental on equipment fully (operated. Used at E. M. (10-1-48 to 10-9-48, inclus- (ive: 68½ hrs. @ \$10.00 pr Hr.)	685.00
511	M & F Combination Saw & Machinery Company, Inc.	Four Gates V Belts #2290, E.M.	4.44
512	Frank Kent Motor Company	Labor & Parts for E. M. Pickup	2.19
513	Rex H. Bird Motor Company	(Dodge Pickup. (Labor & Parts \$ 28.15) (Repair Tractor Tire .50) (1 gal. Gas. for (Concrete Mixer .22)	28.87

Continued.

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE

VOUCHER-CHECKS #499 TO #519, INCLUSIVE.

<u>NO.</u>	<u>I S S U E D</u>	<u>T O</u>	<u>C O V E R I N G</u>	<u>A M O U N T</u>
514	Magnolia Petroleum Company	(E. M. Oil & Gas. (Boats \$ 25.50 (Truck 41.11 \$ 66.61) (B. P. Oil & Gas: (Boat 8.50 (Truck 8.50 (Fordson 10.80 27.80)	\$ 94.41	
515	Treasurer, Tarrant County, Texas	(Invoice from J. M. Williams) (County Auditor for Auditing) (Taxes collected by John (Bourland, Tax Collector, (during the year 1947.	500.00	
516	T. W. Mills	(366--6 & 7 ft. Cedar Posts 3) (.30¢ each. \$ 109.80) (606--7 ft. Cedar Posts) (@ .35¢ each. 212.10)	321.90	
517	C. L. McNair	(Reimbursement to him for moneys) (expended by him for account of) (the District 10-12-48 to 11-8-48,) (inclusive.)	5.90	
518	Marion Herring Boat Works, Inc.	Gas for E.M. Patrol Boats	4.80	
519	The Babcock Company	(2M 8½"x11" Sup. Manifold Sm. \$ 8.00) (2M 2½"x14" Sup. " " 10.00) (2M 8½"x14" White Tex. Bond 11.50)	29.50	
T O T A L				\$2,140.15

DISTRIBUTION OF VOUCHER-CHECKS #499 TO #519, INCLUSIVE.

General Manager	\$ 41.35
Office	124.50
Auditing Taxes Collected during year 1947	500.00
Land Department	1,274.43

EAGLE MOUNTAIN LAKE:

Electricity for E. M. Range Lights	\$ 7.76	
Work Supplies	5.40	
Oil & Gas(Boats \$25.50 (Truck 41.11	66.61	
Sharpen Saw	1.50	
Parts for Ford Truck	31.00	
Maintenance Supplies	4.44	
Labor & parts for Ford Pickup	2.19	118.90

LAKE BRIDGEPORT:

Work Supplies	7.95
Master Electric Switch & Installation	10.30
Repairing Pump at B. P. Wellhouse	1.25
Repairs & parts for Dodge Pickup	28.15
Tractor Expense	.50
Concrete Mixer expense	.22
<u>Oil & Gas</u>	
Boat \$ 13.30	
Truck 8.50	
Fordson 10.80	32.60

T O T A L \$ 2,140.15

CONDITION OF FUNDS

	MAINTENANCE FUND	INTEREST AND SINKING FUND
BOOK BALANCE: October 12, 1948, Cash	\$ 62,971.87	\$ 17,510.82
Receipts: Taxes, Penalty & Interest	523.17	1,868.56
Boat Licenses	7.00	--- --
Duck Blind Licenses	85.00	--- --
Miscellaneous	6.40	--- --
	\$ 63,593.44	\$ 19,379.38
Less: Disbursed by Vo-cks. #475 to #498, inclusive.	2,918.50	--- --
	\$ 60,674.94	\$ 19,379.38
Less: Disbursed by Vo-cks. #499 to #519, inclusive.	1,640.15	500.00
BOOK BALANCE: November 10, 1948, Cash	\$ 59,034.79	\$ 18,879.38

NOTE: The Interest and Sinking Fund now owns \$350,000.00 par value United States Government Securities.

The Maintenance Fund now owns \$100,000.00 par value United States Government Securities.

BOARD OF DIRECTORS

JOE B. HOGSETT, PRES.
HOUSTON HILL, VICE-PRES.
DAN H. PRIEST, SECY
GAYLORD J. STONE
W. L. PIER

TARRANT COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NUMBER ONE

DANCIGER BUILDING - COR. 5TH AND THROCKMORTON STS.

PHONE 3-2848

FORT WORTH 2, TEXAS.

SIDNEY L. SAMUELS,
GENERAL ATTORNEY

C. L. MCNAIR, GENERAL MANAGER

ED. B. CHEATHAM,
OFFICE MANAGER

November 10, 1948.

EXHIBIT "B" TO MINUTES
OF NOVEMBER 10, 1948,
AT 2:00 P.M.

To: The Board of Directors,
Tarrant County Water Control and
Improvement District Number One.

REPORT FOR OCTOBER, 1948.

Gentlemen:

I attended the annual meeting of the Texas Water Conservation Association in Austin, on October 6th and 7th. At this meeting the Association adopted a surface and ground water code to be submitted to the 1949 Session of the Texas Legislature. I wish to suggest that the attorneys for the District study the surface water code to ascertain its effect on this District.

No water was released from Eagle Mountain reservoir during the month of October and the Lake Worth level decreased 1.42 feet. The storage in Eagle Mountain and Bridgeport reservoirs decreased 9,180 acre feet in October. All of this quantity being evaporation and other losses. The contents of both lakes on November 1, 1948, was 38,740 acre feet less than November 1, 1947, and 43,080 acre feet less than the past ten years' minimum average by months.

Total storage of Eagle Mountain and Bridgeport reservoirs	
October 1, 1948	288,500 acre feet
November 1, 1948	<u>279,320</u> " "
	9,180 acre feet loss, for October.

Respectfully,

C. L. McNaair
General Manager.

THE STATE OF TEXAS)
) KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TARRANT)

THAT THIS AGREEMENT, made and entered into this 12th day of October, 1948, by and between TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1, a municipal corporation and body politic, with its principal office in the City of Fort Worth, Tarrant County, Texas, party of the first part, hereinafter called lessor, and CITIES SERVICE OIL COMPANY, a corporation, party of the second part, lessee,

W I T N E S S E T H:

That the lessor, for and in consideration of Two Thousand Three Hundred-five & 56/100ths (\$2,305.56) Dollars in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of the lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto said lessee, with the exclusive right to prospect, explore, by use of core drills or otherwise, to mine, operate, produce, store and remove therefrom oil, gas, casinghead gas, and all petroleum products, and to build tanks, power houses, and such other houses necessary for convenience of employees, stations, and structures thereon to produce, save and take care of and manufacture all of such substances together with rights-of-way, easements and servitude for pipe lines, telephones, and telegraph lines, with the right for such purposes to the free use of oil, gas, or water from said land, but not from lessor's water wells or ponds, without lessor's written consent, with the right of removing, either during, or after the terms hereof, all and any improvements placed or erected on the premises by the lessee, including the right to pull all casing, together with the right of ingress and egress at all times, all those certain tracts of land situated in the County of Wise, State of Texas, consisting in the aggregate of 152.99 acres, more particularly described as follows, to-wit:

31.09 Acres of land, described in deed dated September 6, 1930, executed by E. H. Baumgaertner, and wife, Lizzie C. Baumgaertner; recorded September 9, 1930, in the Deed Records of Wise County, Texas, in Book 123, Page 46, and more particularly described as follows, to-wit:

TRACT 1: Out of the E. H. Baumgaertner 193 acre tract of land out of the A. C. H. & B. Survey, Abstract No. 23: BEGINNING at a point in the E. line of said E. H. Baumgaertner 193 acre tract, same being the most westerly line of the J. A. Harnesberger tract, said point being at Elevation 851 ft. and distant 462.98 ft. in a Southerly direction with said line from the N. E. Corner of said E. H. Baumgaertner tract, thence with said line: S. 3° 14' W. 1874.73 ft. to a point again at Elevation 851 ft.; thence along the 851 ft. contour as follows: N. 62° 00' W. 34.04 ft., N. 70° 06' W. 156.40 ft., N. 82° 00' W. 203.66 ft., N. 83° 40' W. 197.96 ft., N. 34° 43' W. 154.25 ft., N. 67° 19' E. 166.31 ft., N. 72° 43' E. 183.10 ft., N. 51° 42' E. 181.67 ft., N. 0° 24' E. 180.15 ft., N. 21° 0' W. 160.11 ft., N. 51° 42' W. 144.61 ft., N. 5° 53' W. 327.35 ft., N. 7° 18' W. 126.55 ft., N. 25° 38' W. 164.63 ft., N. 20° 25' W. 146.41 ft., N. 1° 39' W. 86.10 ft., N. 45° 39' W. 139.90 ft., N. 27° 18' W. 113.15 ft., S. 89° 18' E. 123.62 ft., S. 77° 13' E. 231.60 ft., N. 19° 32' E. 221.30 ft., S. 48° 17' E. 258.48 ft., S. 81° 14' E. 185.38 ft., again to the intersection of the 851 ft. contour with the E. line of said E. H. Baumgaertner tract, the point of beginning and containing 20.29 acres of land.

TRACT 2: Out of the E. H. Baumgaertner 193 acre tract out of the A. C. H. & B. Survey, Abstract No. 23: BEGINNING at the S. E. Corner of said E. H. Baumgaertner tract, same being the inner N. W. corner of the P. T. Gribble tract; thence with the S. line of said E. H. Baumgaertner tract: N. 89° 56' W. 2087.48 ft., to the most Southerly S. W. Corner of said tract; thence with an inner E. line of said tract, same being an inner E. line of said A. C. H. & B. Survey: N. 2° 15' E. 236.16 ft., to a point at Elevation 851 ft.; thence along the 851 ft. contour as follows: N. 86° 37' E. 196.52 ft., N. 26° 40' E. 194.12 ft., S. 52° 02' E. 275.62 ft., N. 87° 12' E. 177.76 ft., S. 41° 36' E. 153.80 ft., S. 63° 14' E. 208.75 ft., N. 84° 11' E. 108.16 ft., N. 38° 10' E. 190.82 ft., S. 87° 20' E. 231.47 ft., N. 71° 15' E. 152.20 ft., N. 72° 42' E. 155.30 ft., S. 82° 30' E. 138.87 ft., S. 54° 28' E. 153.80 ft., S. 61° 25' E. 123.54 ft., N. 67° 09' E. 30.77 ft., to a point in an E. line of said Baumgaertner tract and the W. line of the J. A. Harnesberger tract; thence with said line; S. 3° 14' W. 17.71 ft., to the S. W. Corner of said Harnesberger tract; thence again with an E. line of said Baumgaertner tract, same being the inner W. line of the P. T. Gribble tract: S. 15° 48' W. 133.53 ft., to the S. E. Corner of said E. H. Baumgaertner tract, the point of beginning and containing 10.80 acres of land.

106.02 acres of land, described in deed dated December 19, 1929, executed by N. B. Sparks and wife, Alice Sparks, and L. E. Harris, and wife, N. E. Harris, recorded January 4, 1930, in the Deed Records of Wise County, Texas, in Book 122, Page 78, and more particularly described as follows, to-wit:

All that certain tract of land out of the A. C. H. & B. Survey, situated in Wise County, Texas, known as the Harnesberger tract: BEGINNING at the N. E. Corner of said tract and Survey; thence with the N. line of same N. $88^{\circ} 04'$ W. 1341.05 ft., to the N. W. Corner of said Harnesberger tract; thence with the W. line of said tract: S. $3^{\circ} 19'$ W. 3499.46 ft., to the S. W. Corner thereof; thence with the S. line of said tract: S. $88^{\circ} 37'$ E. 1373.44 ft., to the S. E. Corner thereof, same being in the E. line of said A. C. H. & B. Survey; thence with an E. line of said tract and Survey: N. $7^{\circ} 59'$ E. 572.88 ft., to an E. Corner thereof same being the N. W. Corner of the W. F. Goodrich tract out of the J. G. W. Clayton Survey; thence again with an E. line of said Harnesberger tract and said A. C. H. & B. Survey: N. $1^{\circ} 55'$ E. 979.42 ft., to an E. Corner thereof, same being the N. W. Corner of the Mrs. E. A. Blount tract out of the J. G. W. Clayton Survey; thence again with an E. line of said Harnesberger tract and said A. C. H. & B. Survey: N. $1^{\circ} 33'$ E. 1934.59 ft., to the N. E. Corner thereof, the point of beginning, containing 111.02 acres, LESS, however, five acres in a Square out of the N. E. Corner of the above described land which has been reserved by L. E. Harris and wife, leaving the net amount of land to be 106.02 acres.

15.88 acres of land, described in deed dated January 6, 1930, executed by P. T. Gribble and wife, Lela E. Gribble, recorded January 10, 1930, in Vol. 122, Page 115, and more particularly described as follows, to-wit:

FIRST TRACT:

Out of the P. T. Gribble 160 acre tract out of the A. C. H. & B. Survey: BEGINNING at the N. E. Corner of said 160 acre tract, same being the S. E. Corner of the J. A. Harnesberger 63.5 acre tract out of said A. C. H. & B. Survey; thence with the most northerly N. line of said 160 acre tract: N. $88^{\circ} 37'$ W. 1374.44 ft. to the most Northerly N. W. Corner of said P. T. Gribble 160 acre tract same being the S. W. Corner of the J. A. Harnesberger 111 acre tract and a S. E. Corner of the E. H. Baumgaertner 193 acre tract out of said A. C. H. & B. Survey; thence with an inner W. line of said P. T. Gribble 160 acre tract: S. $15^{\circ} 48'$ W. 133.43 ft. to the inner N. W. Corner thereof, same being the S. E. Corner of the said E. H. Baumgaertner 193 acre tract; thence with the inner N line of said 160 acre tract, same being the outer S line of said 193 acre tract: N. $89^{\circ} 56'$ W. 2070.47 ft. to a point at elevation 830' and distant 17.01' in an Easterly direction with said inner N line of said 160 acre tract, said corner being a corner in the inner W line of the A. C. H. & B. Survey; thence along the 830' contour as follows: S. $84^{\circ} 00'$ E. 470.25 ft., S. $6^{\circ} 03'$ W. 162.62 ft., S. $21^{\circ} 18'$ W. 167.44 ft., S. $35^{\circ} 30'$ W. 202.88 ft., S. $57^{\circ} 48'$ W. 276.99 ft.,

S. 62° 53' W. 214.27 ft., N. 76° 11' E. 200.00 ft., N. 74° 07' E. 346.67 ft., N. 27° 28' E. 239.72 ft., N. 25° 37' E. 243.95 ft., N. 65° 28' E. 120.82 ft., S. 87° 04' E. 163.70 ft., S. 26° 17' E. 222.48 ft., N. 38° 28' E. 153.86 ft., N. 79° 39' E. 148.15 ft., N. 69° 59' E. 95.23 ft., S. 86° 41' E. 133.01 ft., N. 75° 03' E. 145.80 ft., N. 60° 40' E. 138.75 ft., N. 86° 54' E. 67.62 ft., S. 25° 00' W. 130.00 ft., N. 78° 03' E. 123.94 ft., S. 75° 48' E. 151.27 ft., S. 67° 49' E. 179.30 ft., S. 83° 42' E. 219.74 ft., N. 48° 05' E. 160.79 ft., N. 32° 40' E. 164.87 ft., N. 52° 41' E. 62.72 ft., N. 88° 36' E. 233.15 ft., N. 85° 15' E. 159.24 ft., S. 88° 09' E. 93.26 ft., N. 83° 06' E. 172.23 ft., N. 87° 03' E. 110.44 ft., S. 70° 17' E. 84.16 ft., S. 35° 33' E. 31.62 ft., to a point in the most Easterly E. line of said P. T. Gribble 160 acre tract, same being the most Easterly E. line of said A. C. H. & B. Survey; thence with said E. line: N. 0° 11' E. 117.23 ft., to the N. E. corner of said P. T. Gribble 160 acre tract, the point of beginning, containing 15.59 acres of land.

SECOND TRACT:

Out of the P. T. Gribble 160 acre tract out of the A. C. H. & B. Survey, Abstract No. 23: BEGINNING at the most Easterly S. E. Corner of said tract and survey; being the S. W. Corner of the J. G. W. Clayton Survey, and of the W. F. Goodrich et al 160 acre tract out of same; thence with the outer E. line of said 160 acre tract and said A.C.H.& B. Survey: N. 0° 11' E. 230.03 ft., to a point at elevation 830'; thence along said 830' contour as follows: S. 30° 59' W. 3.75 ft., S. 27° 56' W. 132.42 ft., S. 21° 03' W. 112.37 ft., to a point in the inner S. line of said tract and survey; thence with said line: S. 87° 05' E. 103.50 ft., again to the most Easterly S. E. Corner thereof, the point of beginning, and containing 0.29 acres of land.

In the event a re-survey of said lands shall reveal the existence of excess lands in the said three (3) tracts above mentioned, the lessor, its successors or assigns, shall, by virtue of its ownership of the lands above described, have preference right to acquire said excess lands, then in that event this lease shall cover and include all such excess lands which the lessor, its successors or assigns, shall have the preference right to acquire by virtue of its ownership of the lands above described as and when acquired by the lessor; and the lessee shall pay the lessor for such excess lands at the same rate per acre as the cash consideration paid for the acreage hereinabove mentioned.

TO HAVE AND TO HOLD the same for a term of ten (10) years from this date, hereinafter referred to as the primary term, and as long thereafter as oil or gas or casinghead gas, or either or any of them, is produced therefrom or as much longer thereafter as the lessee in good faith shall conduct drilling operations thereon and should production as aforesaid result from such operation, this lease shall remain in full force and effect as long as oil or gas or casinghead gas, shall be produced therefrom.

In consideration of the premises, it is hereby mutually agreed as follows:

1.

Lessee shall deliver to the credit of the lessor, as royalty, free of

cost, in the pipe line to which it may connect its wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2.

The lessee shall pay lessor, as royalty, one-eighth (1/8) of the net proceeds derived from the sale of gas from each well, where gas only is found, while the same is being sold or used off the premises, and in this event settlement shall be made by lessee on or before the 20th day of each calendar month for gas sold during the preceding month, but nothing in this agreement contained shall require lessee to save or market gas from said lands unless there shall be a surplus above fuel requirements and a market at the well for the same. The lessor to have gas free of charge from any gas well on the leased premises for all stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at the lessor's sole risk and expense at all times.

3.

The lessee shall pay to the lessor for gasoline or other products manufactured and sold by the lessee from the gas produced from any oil well, as royalty, one-eighth (1/8) of the net proceeds from the sale thereof, after deducting cost of manufacturing the same. If said gas is sold by the lessee, the lessor shall receive as royalty one-eighth (1/8) of the market value in the field of such gas.

If operations for the drilling of a well for oil or gas are not commenced on said land on or before one year from this date, this lease shall terminate as to both parties, unless the lessee shall, on or before one (1) year from this date, pay or tender to the lessor for the lessor's credit in the Continental National Bank at Fort Worth, Texas, or its successors, which Bank and its successors are the lessor's agent and shall continue as the depository of any and all sums payable under this lease, regardless of changes of ownership in said land or in the oil and gas, or in the rentals to accrue thereunder, the sum of One Hundred Fifty-two & 99/100ths (\$152.99) Dollars, which shall operate as rental and cover the privilege of deferring the commencement of drilling operations for a period of one (1) year. In like manner and upon like payments or tenders, the commencement of drilling operations may be further deferred for like periods successively during the original term of this lease as fixed in the habendum clause hereof. All payments or tenders may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date.

If at any time prior to the discovery of oil or gas on this land and during the term of this lease, the lessee shall drill a dry hole, or holes, on this land, this lease shall not terminate, provided operations for the drilling of a well shall be commenced by the next ensuing rental paying date, or provided the lessee begins or resumes the payment of rentals in the manner and amount above herein provided; and in this event the preceding paragraph hereof governing the payment of rentals and the manner and effect thereof shall continue in force.

In case said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the bonus, royalties, and rentals herein provided for shall be paid the said lessor only in the proportion which his interest bears to the whole and undivided fee.

When required by lessor, lessee shall bury pipe lines below plow depth and shall pay the surface owner or surface tenant for all damages to crops, trees, fences, buildings, and other improvements caused by his operations under this lease.

No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of the lessor, unless such drilling be necessary for the protection of the interest of either of the parties hereto.

If the estate of either party hereto is assigned the covenants hereof shall extend to their heirs, executors, administrators, successors and assigns, but no change of ownership in the land or in the rentals or royalties shall be binding on the lessee until after notice to the lessee and it has been furnished with the written transfer or assignment or a certified copy thereof.

It is further stipulated that the lessee herein shall take care to see to it that the waters of Lake Bridgeport shall not in any way become polluted by the operations of lessee or its assigns (if assigns are permitted) and that lessee, its agents, servants, employees and operators shall prevent such pollution in respect to any activity connected with the use of said lands for the purposes herein granted; to that end the lessee, its agents and servants, shall set and cement sufficient surface pipe to a depth to go through basal Trinity sands or to a depth of 200 feet, whichever depth be greater, and shall conduct operations to avoid impregnating the water sands with any extrinsic substance that would result in pollution of the waters of Lake Bridgeport and its tributaries. Further, that lessor shall be notified by lessee or assignees two (2) days prior to the beginning of plugging or abandonment of any well drilled by them on the above described lands, in order that a representative of lessor may be present.

Lessee shall have the privilege of assigning this lease or any part thereof, provided the written consent of lessor, authorized by its Board of Directors, shall first be obtained from lessor upon satisfactory proof to lessor that such assignee or assignees are responsible and solvent persons, firms, or corporations, as the case may be, and thereafter no subsequent assignment by

such assignee or assignees shall be made unless written consent therefor from lessor shall be obtained in the manner and way hereinabove first indicated.

If the leased premises shall hereafter be owned in severalty or in separate tracts, the premises, nevertheless, shall be developed and operated as one lease and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each such separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset oil or gas wells on separate tracts into which the land covered by this lease may be hereafter divided by sale, devise or otherwise, or to furnish separate measuring or receiving tanks. It is hereby agreed that, in the event this lease shall be assigned as to a part or as to parts of the above described lands, and the holder or owner of any such part or parts shall fail or make default in the payment of the proportionate part of the rent due from him or them, or shall default in any of the obligations imposed upon lessee by this lease, whether express or implied, such default shall not subject this lease to forfeiture or other liability, or affect this lease insofar as it covers that part or parts of said land upon which the said lessee or any assignee hereof shall not be in default. If at any time there be as many as four (4) parties entitled to royalties or rentals, lessee may withhold payment thereof, unless and until all parties designate, in writing, in a recordable instrument to be filed with the lessee, a common agent to receive all payment due hereunder, and to execute division and transfer orders on behalf of said parties and their respective successors in title.

If within the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided operations for the drilling of a well shall be commenced before or on the next ensuing rental paying date; or, provided lessee begins or resumes the payment of rentals in the manner and amount hereinbefore provided. If, after the expira-

THE STATE OF TEXAS)
)
COUNTY OF TARRANT)

BEFORE ME, the undersigned authority, a Notary Public in and for Tarrant County, Texas, on this day personally appeared JOE B. HOGSETT, President of TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1, a public corporation, and also appeared before me DAN PRIEST, Secretary of said corporation, both known to me to be the persons whose names are subscribed in their respective capacities to the foregoing instrument and each acknowledged to me that he executed the same for the purposes and consideration therein expressed and as the act and deed of said corporation and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE at Fort Worth, Texas, on this the
10th day of November, A. D., 1948.

Myrtle Hartmeister
Notary Public in and for Tarrant County,
Texas.

THE STATE OF TEXAS)
)
COUNTY OF TARRANT) KNOW ALL MEN BY THESE PRESENTS:

THAT THIS AGREEMENT, made and entered into this 12th day of October, 1948, by and between TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1, a municipal corporation and body politic, with its principal office in the City of Fort Worth, Tarrant County, Texas, party of the first part, hereinafter called lessor, and CITIES SERVICE OIL COMPANY, a corporation, party of the second part, lessee,

W I T N E S S E T H:

That the lessor, for and in consideration of Six Hundred Six & 97/100ths (\$606.97) Dollars in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of the lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto said lessee, with the exclusive right to prospect, explore, by use of core drills or otherwise, to mine, operate, produce, store and remove therefrom oil, gas, casinghead gas, and all petroleum products, and to build tanks, power houses, and such other houses necessary for convenience of employees, stations, and structures thereon to produce, save and take care of and manufacture all of such substances together with rights-of-way, easements and servitude for pipe lines, telephones, and telegraph lines, with the right for such purposes to the free use of oil, gas, or water from said land, but not from lessor's water wells or ponds, without lessor's written consent, with the right of removing, either during, or after the terms hereof, all and any improvements placed or erected on the premises by the lessee, including the right to pull all casing, together with the right of ingress and egress at all times, all that certain tract of land situated in the County of Wise, State of Texas, consisting in the aggregate of 11.65 acres, more particularly described as follows, to-wit:

11.65 acres of land, described in deed dated August 15, 1931, executed by R. L. Morris; recorded September 17, 1931, in Deed Records of Wise County, Texas, in Vol. 125, Page 285, and more particularly described as follows, to-wit:

11.65 acres of land, more or less, out of the C. W. Stephens 137 acre tract out of the A. D. Coleman 160 acre Survey: BEGINNING at the N.E. Corner of the A. D. Coleman 160 acre survey, same being the N. E. Corner of the C. W. Stephens 137 acre tract out of said Survey, and the N. W. Corner of the J. G. W. Clayton Survey; thence with the N. line of said Coleman Survey: N. $86^{\circ} 54'$ W. 1308.3 ft., to the N. W. Corner of said C. W. Stephens 137 acre tract, same being the N.E. corner of the R. L. Morris tract out of the said Coleman Survey; thence with the W. line of the said C. W. Stephens 137 acre tract: S. $2^{\circ} 31'$ W. 387.74 ft., to the S. W. Corner of this conveyance; thence with a line parallel to the N. line of said C. W. Stephens 137 acre tract for the S. line of this conveyance: S. $86^{\circ} 54'$ E. 1308.3 ft. to the S. E. Corner of this conveyance, same being a point in the E. line of said Coleman Survey and the W. line of said J. G. W. Clayton Survey; thence with said line N. $2^{\circ} 31'$ E. 387.74 ft. to the N. E. Corner of said Coleman Survey, the point of beginning and containing 11.65 acres of land, more or less.

In the event a re-survey of said lands shall reveal the existence of excess lands in the said tract above mentioned, the lessor, its successors or assigns, shall, by virtue of its ownership of the lands above described, have preference right to acquire said excess lands, then in that event this lease shall cover and include all such excess lands which the lessor, its successors or assigns, shall have the preference right to acquire by virtue of its ownership of the lands above described as and when acquired by the lessor; and the lessee shall pay the lessor for such excess lands at the same rate per acre as the cash consideration paid for the acreage hereinabove mentioned.

TO HAVE AND TO HOLD the same for a term of ten (10) years from this date, hereinafter referred to as the primary term, and as long thereafter as oil or gas or casinghead gas, or either or any of them, is produced therefrom or as much longer thereafter as the lessee in good faith shall conduct drilling operations thereon and should production as aforesaid result from such operation, this lease shall remain in full force and effect as long as oil or gas or casinghead gas shall be produced therefrom.

In consideration of the premises, it is hereby mutually agreed as follows:

1.

Lessee shall deliver to the credit of the lessor, as royalty, free of cost, in the pipe line to which it may connect its wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2.

The lessee shall pay lessor, as royalty, one-eighth (1/8) of the net proceeds derived from the sale of gas from each well, where gas only is found, while the same is being sold or used off the premises, and in this event settlement shall be made by lessee on or before the 20th day of each calendar month for gas sold during the preceding month, but nothing in this agreement contained shall require lessee to save or market gas from said lands unless there shall be a surplus above fuel requirements and a market at the well for the same. The

lessor to have gas free of charge from any gas well on the leased premises for all stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at the lessor's sole risk and expense at all times.

3.

The lessee shall pay to the lessor for gasoline or other products manufactured and sold by the lessee from the gas produced from any oil well, as royalty, one-eighth ($1/8$) of the net proceeds from the sale thereof, after deducting cost of manufacturing the same. If said gas is sold by the lessee, the lessor shall receive as royalty one-eighth ($1/8$) of the market value in the field of such gas.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order properly to develop and operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority, or when to do so would, in the judgment of lessee, promote the conservation of the oil and gas in and under and that may be produced from said premises, such pooling to be into a unit or units as designated by the Railroad Commission of Texas. Lessee shall execute in writing an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

If operations for the drilling of a well for oil or gas are not commenced on said land on or before one year from this date, this lease shall terminate as to both parties, unless the lessee shall, on or before one (1) year from this date, pay or tender to the lessor for the lessor's credit in the Continental National Bank at Fort Worth, Texas, or its successors, which Bank and its successors are the lessor's agent and shall continue as the depository of any and all sums payable under this lease, regardless of changes of ownership in said land or in the oil and gas, or in the rentals to accrue thereunder, the sum of Eleven & 65/100ths (\$11.65) Dollars, which shall operate as rental and cover the privilege of deferring the commencement of drilling operations for a period of one (1) year. In like manner and upon like payments or tenders, the commencement of drilling operations may be further deferred for like periods successively during the original term of this lease as fixed in the habendum clause hereof. All payments or tenders may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date.

If at any time prior to the discovery of oil or gas on this land and during the term of this lease, the lessee shall drill a dry hole, or holes, on this land, this lease shall not terminate, provided operations for the drilling of a well shall be commenced by the next ensuing rental paying date, or provided the lessee begins or resumes the payment of rentals in the manner and amount above herein provided; and in this event the preceding paragraph hereof governing the payment of rentals and the manner and effect thereof shall continue in force.

In case said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the bonus, royalties, and rentals herein provided for shall be paid the said lessor only in the proportion which his interest bears to the whole and undivided fee.

When required by lessor, lessee shall bury pipe lines below plow depth and shall pay the surface owner or surface tenant for all damages to crops, trees, fences, buildings, and other improvements caused by his operations under this lease.

No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of the lessor, unless such drilling be necessary for the protection of the interest of either of the parties hereto.

If the estate of either party hereto is assigned the covenants hereof shall extend to their heirs, executors, administrators, successors and assigns, but no change of ownership in the land or in the rentals or royalties shall be binding on the lessee until after notice to the lessee and it has been furnished with the written transfer or assignment or a certified copy thereof.

It is further stipulated that the lessee herein shall take care to see to it that the waters of Lake Bridgeport shall not in any way become polluted by the operations of lessee or its assigns (if assigns are permitted) and that lessee, its agents, servants, employees and operators shall prevent such pollution in respect to any activity connected with the use of said lands for the purposes herein granted; to that end the lessee, its agents and servants, shall set and cement sufficient surface pipe to a depth to go through basal Trinity sands or to a depth of 200 feet, whichever depth be greater, and shall conduct operations to avoid impregnating the water sands with any extrinsic substance that would result in pollution of the waters of Lake Bridgeport and its tributaries. Further, that lessor shall be notified by lessee or assignees two (2) days prior to the beginning of plugging or abandonment of any well drilled by them on the above described lands, in order that a representative of lessor may be present.

Lessee shall have the privilege of assigning this lease or any part thereof, provided the written consent of lessor, authorized by its Board of Directors, shall first be obtained from lessor upon satisfactory proof to lessor that such assignee or assignees are responsible and solvent persons, firms, or corporations, as the case may be, and thereafter no subsequent assignment by

such assignee or assignees shall be made unless written consent therefor from lessor shall be obtained in the manner and way hereinabove first indicated.

If the leased premises shall hereafter be owned in severalty or in separate tracts, the premises, nevertheless, shall be developed and operated as one lease and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each such separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset oil or gas wells on separate tracts into which the land covered by this lease may be hereafter divided by sale, devise or otherwise, or to furnish separate measuring or receiving tanks. It is hereby agreed that, in the event this lease shall be assigned as to a part or as to parts of the above described lands, and the holder or owner of any such part or parts shall fail or make default in the payment of the proportionate part of the rent due from him or them, or shall default in any of the obligations imposed upon lessee by this lease, whether express or implied, such default shall not subject this lease to forfeiture or other liability, or affect this lease insofar as it covers that part or parts of said land upon which the said lessee or any assignee hereof shall not be in default. If at any time there be as many as four (4) parties entitled to royalties or rentals, lessee may withhold payment thereof, unless and until all parties designate, in writing, in a recordable instrument to be filed with the lessee, a common agent to receive all payment due hereunder, and to execute division and transfer orders on behalf of said parties and their respective successors in title.

If within the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided operations for the drilling of a well shall be commenced before or on the next ensuing rental paying date; or, provided lessee begins or resumes the payment of rentals in the manner and amount hereinbefore provided. If, after the expira-

THE STATE OF TEXAS)
)
COUNTY OF TARRANT)

BEFORE ME, the undersigned authority, a Notary Public in and for Tarrant County, Texas, on this day personally appeared JOE B. HOGSETT, President of TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1, a public corporation, and also appeared before me DAN PRIEST, Secretary of said corporation, both known to me to be the persons whose names are subscribed in their respective capacities to the foregoing instrument and each acknowledged to me that he executed the same for the purposes and consideration therein expressed and as the act and deed of said corporation and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE at Fort Worth, Texas, on this the
10th day of November, A. D., 1948.

Myrtle Hartmeister
Notary Public in and for Tarrant County
Texas.

June 21, 1949

Cities Service Oil Company,
207 Danciger Building,
Fort Worth 2, Texas.

Attention: Mr. Frank Cooter.

Gentlemen:

We are handing you herewith two certified copies (one marked "copy") of excerpt from the Minutes of a meeting of the Board of Directors of this District held on the 15th day of June, 1949, at 1:30 P.M., as relates to the granting permission and authority to Cities Service Oil Company to assign the oil and gas lease in and to the undivided interest in 196.84 acres out of the G. H. & H. Ry. Company Survey No. 1, Wise County, Texas, granted by the District on October 12, 1948, to said Cities Service Oil Company of which land the District was, and is, the owner. The said assignment is to be made by Cities Service Oil Company to Cities Production Corporation, a subsidiary of the Cities Service Oil Company.

Yours very truly,

TARRANT COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NUMBER ONE.

By _____


EBC:mh
Encl.