

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD IN THE DISTRICT OFFICE AT FORT WORTH, TEXAS, ON
THE 9TH DAY OF DECEMBER, 1958 AT 11:00 A. M.

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

PRESENT

Joe B. Hogsett
Houston Hill
Lacy Boggess
W. L. Pier
A. T. Seymour, Jr.

Also present were Messrs. John Scott General Counsel for the Dis-
trict and Ben Hickey General Manager of the District.

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

1.

On motion duly made and seconded, the minutes of the
meeting held on November 28, 1958 were read and approved by the
Directors and it was accordingly ordered that such minutes be placed
of record.

2.

President Hogsett stated, that as required by laws governing
such matters, all requirements had been complied with in the offering
of a proposed oil and gas lease covering approximately 11-65/100 acres

of District fee owned land located in Wise County, Texas and being more particularly described, 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; North 86 degrees 54 minutes West 1308.3 feet., 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: South 2 degrees 31 minutes West 387.74 feet, 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: South 86 degrees 54 minutes East 1308.3 feet to the S. E. Corner of this conveyance, same being a point in the E. line of said Coleman Survey and the West line of said J. G. W. Clayton Survey; thence with said line North 2 degrees 31 minutes East 387.74 feet to the N. E. Corner of said Coleman Survey, the point of beginning and containing 11.65 acres of land, more or less;

and that upon opening of the sealed bid, there being only one (1) bid proposal submitted, on the date as specified it was found that Christie, Mitchell and Mitchell Company, had proposed:

"With reference to your advertisement in the Wise County Messenger of November 6, 1958, regarding your invitation for bids from persons interested in leasing for oil and gas purposes the above captioned acreage, we herewith submit our bid of \$25.00 per acre, bonus consideration for a three (3) year term lease with pooling privileges.

As part consideration for a lease on said land, we hereby agree to place all of same in a unit under our J. W. Smith Gas Well No. One, which well is located 800 feet from the East line and 1000 feet from the South line of the J. H. Williams Survey,

Abstract No. 1045, Wise County, Texas. Said well potentialled for an absolute open flow of 5,200 million cubic feet of gas per day.

Cashier's check No. D136428 in the amount of \$291.25 is enclosed herewith as full bonus consideration for a lease on said 11-65/100 acre tract should our bid be accepted."

Following a discussion in which was explained to the Directors that the 11-65/100 acre tract was so located for unitization purposes that unless pooled with the unit as proposed in the bid proposal received from Christie, Mitchell and Mitchell Company, the District would not realize any oil or gas value therefrom and upon the recommendation, and motion of Director Hill, seconded by Director Seymour, that the bid proposal as submitted by Christie, Mitchell and Mitchell Company be accepted and that the District enter into an oil and gas lease agreement as to be prepared by the Attorneys for the District. This being the unanimous opinion of the Directors it was so ordered.

3.

President Hogsett presented to the Directors a proposal from the Lone Star Producing Company, for confirmation and adoption by the District of a Declaration of a Craft-Water Board and Bullard Gas Unit dated November 28, 1958, whereby Lone Star Producing Company pools, unitizes and combines 352 acres of land, fully described by deed recordings of book and page, to form a Unit for production of gas, distillate and condensate or any combination of such minerals.

It was explained that the District's oil and gas interests amounted to only approximately 18% of the 352 acre unit, this being caused by the inclusion of only approximately 61-04/100 acres of District owned mineral interest, same being approximately the last one-half of the remainder of District's mineral interest in this area not now pooled and in all probability the remaining mineral interest of the District, being approximately 60 Acres, would be requested to be unitized in the above manner in the near future and would then complete the unitization of all Districts mineral interest in that area. Whereon Director Hill, seconded by Director Pier, made the motion that the Declaration of the Unit as described, and approved by Attorneys for the District, be executed. This meeting with the unanimous approval of the Directors it was so ordered.


4.

President Hogsett called to the attention of the Directors that the term of office of two (2) Directors (Hogsett and Boggess) did expire by law in January of 1959; and following a review of the laws governing such matters, it was the unanimous opinion and resolution of the Directors, and their order, that an election be held on Tuesday, January 13, 1959 to select successors for the two (2) Directors whose terms of office then expires, and further that for the purpose of this election and the conduct of same, that the entire boundaries of the District constitute one (1) election precinct in

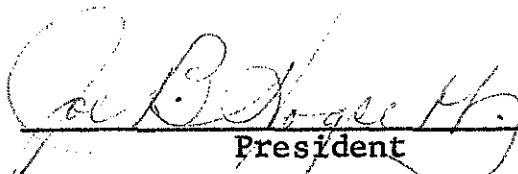
which there will be thirty-one (31) polling places; and further that notice of said election be duly executed in the name of the District and that said notice be published in accordance with the law governing such matters; and further that Mr. Ben Hickey, General Manager of the District make all arrangements for the holding of said election and for the payment of expenses and fees of the officers holding the election without further order of the Directors. This meeting with unanimous approval of the Directors it was so ordered.

5.

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



Secretary



President