

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 23RD DAY OF MARCH, 1977 AT 11:00 A.M.

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

PRESENT

Wayne E. Newton
Clyde A. Penry
J. Oliver Shannon
C. Victor Thornton
Murray Kyger

Also present were Messrs. Alex Pope and George Christie of the firm
of Pope, Hardwicke, Christie, Montgomery & Rehfeldt; and Ben Hickey,
General Manager of the District.

Director Newton acted in his capacity as President, and
Director Shannon 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 February 28, 1977 were read and approved by the
Directors and it was accordingly ordered that such minutes be
placed in the permanent files of the District.

2.

President Newton presented Messrs. Pope and Christie,
Attorneys from the law firm of Pope, Hardwicke, Christie, Montgomery
and Rehfeldt, specialists in oil and gas matters, and asked that
they report their findings, and recommendations, to date regarding
the question of oil and gas royalties due the District as outlined

in certain oil and gas lease agreements heretofore described in the minutes of the Board of Director's meetings.

Whereon Mr. Pope reviewed in detail, and at great length, the history of the heretofore described oil and gas leases, assisted at times by Mr. Christie, and concluded by bringing the status of the matter to date, along with recommendations for consideration of the Directors of matters pertaining to the prosecution of the matter.

Following a general and lengthy discussion by all parties, Director Kyger made the motion, seconded by Director Penry and unanimously approved, that upon the recommendations of Mr. Pope and that of Ben Hickey, General Manager of the District and the approval from Mr. John M. Scott, General Counsel for the District, who was unable to attend this meeting because of court proceedings, that (1) the District now revoke any and all division orders executed by the District pertaining to the hereinabove referred to and described oil and gas lease, including but not limited to, the following described division orders, originally directed to Enserch predecessors, as well as any prior or subsequent division orders pertaining to the units and wells hereinbelow described and any and all other division orders, affecting any part of the land as described in the assignments referred to, whether specifically listed or not, to wit:

<u>LEASE OR METER NO.</u>	<u>NAME OF UNIT</u>	<u>DIVISION ORDER DATE</u>
6114-1	Craft-Water Board Unit #1	12- 1-55
7801	Craft-Water Board Unit #1	12- 1-55
7292-5	Craft=Water Board Unit #1	12- 1-55
	Craft-Water Board Unit #2	11-22-55
7360-5	Craft-Water Board Unit #3	2-24-56

7362	Craft-Water Board Unit #4	3-21-56
7361-5	Craft-Water Board Unit #5	6-12-56
	Craft-Water Board Unit #6	4- 1-58
7491-5	Craft-Water Board Unit #7	4-30-58
7478-5	Craft-Water Board Unit #8	4- 3-58
7492-5	Craft-Water Board Unit #9	7- 2-59
7516	Craft-Water Board Unit #10	7-21-58
6115-3	Craft-Water Board Unit #11	6-25-58
7517-5	Craft-Water Board Unit #11	6-25-58
6115-4	Craft-Water Board Unit #12	7- 2-59
7530-7	Craft-Water Board Unit #12	7- 2-59
6115-2	Craft-Water Board Unit #13	7-23-59
7536	Craft-Water Board Unit #13	7-23-59
7559-5	Craft-Water Board Unit #14	7-24-58
7562	Craft-Water Board Unit #15	3-14-61
8128	Craft-Water Board Unit #15	3-14-61
6116-3	Craft-Water Board Unit #16	11-14-58
7642	Craft-Water Board Unit #16	11-14-58
9315-5	Craft-Water Board Unit #16	11-14-58
8743	Craft-Water Board Unit #17	11-17-58
9287-5	Craft-Water Board Unit #17	11-17-58
6116-1	Craft-Water Board Unit #17	11-17-58
7645-5	Craft-Water Board Unit #18	11-18-58
6116-5	Craft-Water Board Unit #19	11-20-58
7646-5	Craft-Water Board Unit #19	11-20-58
9319-5	Craft-Water Board Unit #19	11-20-58
6114	Craft-Water Board Unit #21	10-15-59
6114-2	Craft-Water Board Unit #21	10-15-59
6116-6	Craft-Water Board Unit #21	10-15-59
9318-5	Craft-Water Board Unit #21	10-15-59
8509-6	Craft-Water Board Unit #22	12-31-62
6115-9	Craft-Water Board Unit #23	4-15-69
9367-5	Craft-Water Board Unit #23	4-15-69

092	Tarrant County Water Board Unit #1	
7094-2	Tarrant County Water Board Unit #2	5-24-57
7396-1	Tarrant County Water Board Unit #2	5-24-57
7904-3	Tarrant County Water Board Unit #3	3-11-58
7094-4	Tarrant County Water Board Unit #4	6-24-58
7492-5	Tarrant County Water Board Unit #4	6-24-58
7512	Tarrant County Water Board Unit #4	
7581	Tarrant County Water Board Unit #5	8-28-58
7613	Tarrant County Water Board Unit #6	10-22-58
7472-5	Craft-Water Board-Sampson Unit #1	2-17-58
7603-5	Craft-Water Board-Dewbre Unit	12-29-58
7604-5	Craft-Water Board-Dewbre Unit	12-29-58
6114-6	Craft-Water Board-Bullard Unit	5-12-59
7682	Craft-Water Board-Bullard Unit	5-12-59
7672	Craft-Water Board-Smith Unit	5-14-59
6115-1	J. D. Craft-Tarrant County Water Board 152.62 Acre Unit	
7832	U. D. Craft-Tarrant County Water Board 152.62 Acre Unit	
7801	U. D. Craft-Tarrant County Water Board 152.62 Acre Unit	
6114-29	Craft-Water Board-Bullard-Bowlin Oil Unit	3-28-72
	All Craft-Water Board Units on Rominger Ranch property of approximately 4485.20 Acres	11- 2-59

and further that the District expects to be paid in Fort Worth currently in accordance with the royalty provisions heretofore referred to in the leases of November 20, 1952 and October 18, 1954, together with interest at the appropriate rate for any delay in such payments; and that Enserch Corporation and Enserch Exploration, Inc. be so notified; (2) that the law firm of Pope, Hareicke, Christie,

Montgomery and Rehfeldt be now authorized to notify Enserch Corporation and Enserch Exploration, Inc. of their retainage by this District, and authority to request an immediate meeting with authorized Enserch personnel to discuss the matter and examine records pertaining to the matter; (3) that management of the District determine, prior to engaging the services of the recommended petroleum engineering firm of Gillespie and Associates, Inc., the costs of a preliminary study as required.

Following the discussion and action taken regarding the "Lone Star" matter, a review was given by Mr. Pope of the proposed action to be taken regarding George Mitchell and Associates, operators under the same basic lease as "Lone Star" and it was the concensus of all that the "Lone Star" matter be immediately instituted with the George Mitchell and Associates' royalty payment matter be carried on at the earliest possible date.

3.

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


Secretary


President