

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 10TH DAY OF MAY, 1977 AT 9:30 A. M.

The call of the roll disclosed the presence or absence of

Directors as follows:

| <u>PRESENT</u> | <u>ABSENT</u> |
|--------------------|----------------|
| Wayne E. Newton | Clyde A. Penry |
| J. Oliver Shannon | |
| C. Victor Thornton | |
| Murray Kyger | |

Also present were Messrs. Bob Hardwicke and George Christie, of the firm of Pope, Hardwicke, Christie, Montgomery and 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 proceedings were had and done as follows:

1.

President Newton stated that this special meeting of the Board of Directors was called in order for Counsel for the District to report on a meeting held May 4, 1977, at the office of Enserch Corporation in Dallas, between counsel, engineer, general manager of the District, and representatives of Enserch; whereon Mr. Robert Hardwicke, assisted at times by Mr. George Christie, counsel for the District, gave a lengthy and detailed review of the meeting of May 4th with the Enserch representatives; and following the presentation by Mr. Hardwicke, a general discussion was held regarding the many factors involved in the matter and it was the unanimous opinion of the Directors and their order, that following the recommendation

and approval of general counsel for the District, that a Petition be filed immediately by the District as Plaintiff in a District Court in Tarrant County against Enserch Exploration, Inc. and Enserch Corporation as the successor Corporations to Lone Star Producing Company, a Texas Corporation, and Lone Star Gas Company to determine the rights of the parties under certain oil and gas lease lessess heretofore described in minutes of the meetings of the Board of Directors and as recorded in the permanent files of the District.

2.

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

J. D. Shannon
Secretary

Wayne E. Newberry
President