

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 14TH DAY OF NOVEMBER, 1988, AT 9:00 A.M.

The call of the roll disclosed that all members of the Board of Directors were present as follows:

Present

Burford I. King
George W. Shannon
Victor W. Henderson
Hal S. Sparks III
Charles B. Campbell, Jr.

Also present were Alan Thomas, Assistant General Manager; Robert Doby, Comptroller; George Christie and Stan Harrell, Legal Counsel.

The President announced that the purpose of the meeting was to consider the purchase of mineral and royalty interests from the owners of such interests under certain properties referred to as the Bledsoe Leases on Richland Creek in the Richland-Chambers Reservoir.

Mr. Harrell and Mr. Christie reviewed the background concerning the purchase of these mineral and royalty interests:

After the purchase of the oil and gas working interests in the Bledsoe Leases from Bledsoe Petro Corp., the District began negotiations for the purchase of the mineral interests from the owners of the minerals lying beneath these Leases. The petroleum engineering firm of Cawley, Gillespie & Associates developed a formula based upon the 7.5 million dollar settlement of the Bledsoe working interest purchase which the District used to

determine the amount to offer for the purchase of these mineral and royalty interests.

The mineral/royalty interests yet to be acquired and the Cawley, Gillespie evaluation thereof are as follows:

MARTHA ANN LIVELY GATLIN

Dee Garrett Lively D-1-Cotton Valley	\$ 11,895.00
Dee Garrett Lively D-1-Rodessa	25,580.00
Dee Garrett Lively Oil Unit C-1	9,309.00

CLARENCE ROY LIVELY ESTATE

Dee Garrett Lively D-1-Cotton Valley	\$ 11,895.00
Dee Garrett Lively D-1-Rodessa	25,580.00
Dee Garrett Lively Oil Unit C-1	9,309.00

MRS. DEE GARRETT LIVELY

Dee Garrett Lively D-1-Cotton Valley	\$ 23,789.00
Dee Garrett Lively D-1-Rodessa	51,160.00
Dee Garrett Lively Oil Unit C-1	18,618.00

RICHARD ASHLEY BOUNDS TRUST

Dorothy Clark Oil Unit B-1 & 2	\$ 69,900.00
Ina K. Carroll Oil Unit D-1 & 2	46,134.00

INA K. CARROLL

Ina K. Carroll Oil Unit D-1 & 2	\$ 77,879.00
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BOBBY DEAN CARROLL

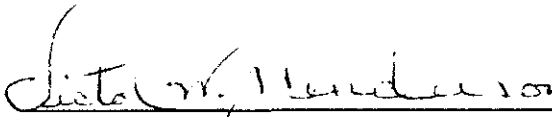
Ina K. Carroll Oil Unit D-1 & 2	\$ 77,879.00
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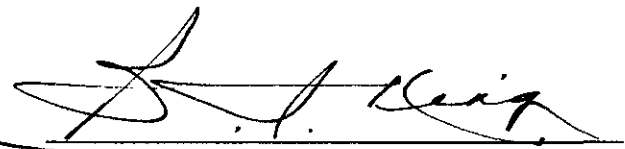
Thereafter, there was considerable discussion among the Board members, staff and legal counsel concerning the proposed purchase of the above listed mineral interest and the likelihood of additional purchases of mineral interests in the future to effectuate 100% ownership of the minerals under these properties.

Thereafter, upon motion made by Director Henderson and seconded by Director Shannon, the Directors voted unanimously to approve the purchase of the above listed mineral/royalty interests under the Bledsoe leasehold properties lying within the Richland-Chambers Reservoir from Martha Ann Lively Gatlin for

\$46,784.00; Clarence Roy Lively Estate for \$46,784.00; Mrs. Dee Garrett Lively for \$93,567.00; Richard Ashley Bounds Trust for \$116,034.00; Ina K. Carroll for \$77,879.00; and Bobby Dean Carroll for \$77,879.00, for a total of \$458,927.00, being the value of such mineral interests as of December 21, 1986, the date of condemnation of the Bledsoe Petro Corp. working interests in such leases.

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


Secretary


President