

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 12TH DAY OF SEPTEMBER, 1968 AT 1:00 P. M.

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

<u>PRESENT</u>	<u>ABSENT</u>
Joe B. Hogsett	Wayne E. Newton
Lacy Boggess	
Clyde A. Penry	
Edward R. Hudson	

Also present were Messrs. John M. Scott General Counsel for the
District, Marvin C. Nichols Engineer for the District and Ben Hickey
General Manager of the District.

Director Hogsett acted in his capacity as President and
Director Penry acted as Secretary, whereupon proceedings were had
and done as follows:

1.

On motion duly made and seconded, the minutes of the
meeting held August 30, 1968 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.

On motion of Director Hudson, seconded by Director Penry,
voucher-checks #1940 thru #1957 inclusive, Construction Fund; voucher-
checks #6389 thru #6437 inclusive, Maintenance Fund; voucher-checks
#1422 thru #1443 inclusive, Revenue Fund and voucher-check #264
Interest and Sinking Fund were approved and ordered paid upon receiving
the approval and verification of Mr. J. M. Williams, County Auditor,

#185

who by virtue of the Statutes is the Auditor of this District as well. All Directors voted aye thereon.

3.

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 one-half (1/2) mineral interest under approximately 130 acres owned by the said District, situated in the G. W. Roper, J. G. Collinsworth and J. Fitzgerald Surveys, full mineral interest in 7-11/100 acres in said Roper Survey and full mineral interest in 350-82/100 acres in the J. Fitzgerald Survey, all tracts adjacent and contiguous, situated in Wise County, Texas, 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 Lone Star Producing Company, had proposed:

This letter is our authorized sealed bid of consideration for the execution of Oil, Gas and Mineral Lease. The form of lease is attached hereto which sets out the provisions, descriptions and term. This form provides, along with other provisions, for a one year primary term and as long thereafter as oil, gas or other minerals is produced from said land or land pooled therewith; also three sixteenth (3/16) royalty on all production and a pooling provision of 80 acres + 10% for oil and 320 acres + 10% for gas; sulfur that is mined and marketed is to be paid at the rate of \$2.50 per long ton. In regard to the pooling provision, additional consideration will be given which will release any lands covered by said lease which is not pooled or participating in production at the end of the primary term.

The interest owned by the District is as follows: the entire mineral interest in 7.11 acres, more or less, described as Tract 1 in said lease; 350.82 acres, more or less, described as Tract 2 in said lease; and an undivided one-half (1/2) mineral interest in 129.18 acres, more or less, described as Tract 3 in said lease. This ownership amounts to a total net interest of 422.52 acres, more or less, out of the G. W. Roper Survey, A-1308; The J. G. Collingsworth Survey, A-983; the J. Fitzgerald Survey, A-295, Powerville Area, Wise County, Texas.

This bid is for a total cash consideration of \$10.00 and as additional consideration being the provision of a one year primary term lease; a royalty of an undivided three-sixteenth (3/16) of the eight-eighths (8/8) production on oil or gas as described in said lease form attached hereto. The royalty of \$2.50 per long ton on sulphur produced from said lands; also an additional consideration will be the release of any interest in lands not included in a producing unit at the end of the primary term.

In the event of acceptance of this bid, please prepare the necessary lease which is to be identical to the form attached hereto in favor of Lone Star Producing Company, a Texas Corporation, as lessee and upon receipt of the properly executed lease the consideration of \$10.00 will be promptly paid by this Company's check.

Following a discussion in which it was explained to the Directors that the lease form submitted had been approved by Mr. John M. Scott, General Counsel for the District and upon recommendation, and motion of Director Hudson, seconded by Director Penry that the bid proposal as submitted by Lone Star Producing Company be accepted and that the District enter into an oil and gas lease agreement as approved by the attorneys for the District. This being the unanimous opinion of the Directors present, it was so ordered.

4.

President Hogsett called upon Mr. Marvin C. Nichols, Consulting Engineer for the District, to report on the status of the contractual agreement between the District and Whittle & Associates in the construction of an emergency spillway at the Eagle Mountain Reservoir; whereon Mr. Nichols gave a review of those items to date then presented a map reflecting proposed changes, by the contractor, for construction of the emergency spillway. A lengthy discussion followed the presentation of the proposed plans and in conclusion,

Mr. Nichols stated that at an early date he (Mr. Nichols) would have his written recommendation to the Board of Directors regarding the matter.

5.

President Hogsett reviewed the various questions that had been raised during previous meetings of the Directors regarding the proposed Lakeview, Joe Pool, Reservoir to be constructed by the Corps of Engineers and located largely in Tarrant County; and stated that it appeared to him inasmuch as the project was now authorized that the District should give immediate consideration to the matter as a continuation of the requests presented, by District letters of January 31st and October 29, 1962, to the Texas Water Commission, which in substance stated "The purpose of this letter(s) is to advise the Texas Water Commission, The Trinity River Authority and the Corps of Engineers of the desire and interest of the Tarrant County Water Control and Improvement District Number One at the appropriate time to apply for a permit to store and divert water from the Lakeview Reservoir. The District will also desire to negotiate with the Corps of Engineers for the right to use the conservation storage space."

Following a lengthy review by Mr. Nichols, and a general discussion, Director Hudson made a motion, seconded by Director Boggess, that authorization of all things necessary be now granted to management of the District, and that proper Resolutions be prepared by General Counsel, in (1) requesting that the District be designated as the local sponsoring agency to negotiate with the United States Army Corps of Engineers for the storage space to be allocated in the

Lakeview, Joe Pool, Reservoir, (2) in an application to the Texas Water Rights Commission for conservation storage space and diversion rights in the said reservoir; upon a vote taken all Directors voted aye and it was so ordered.

6.

Mr. Ben Hickey requested authority for the District to acquire, by eminent domain procedure, a 3,750 sq. ft. more or less, of land located in the L. J. Hawkins Addition to City of Fort Worth in Tarrant County, Texas, and more particularly described by a metes and bounds description filed in District office, and as required as right-of-way for the Program D Flood Control Program - Clear Fork.

Following a detailed discussion of the matter, Director Penry, seconded by Director Hudson, moved that the District be authorized to do all things necessary in the acquisition of the above described tract as required by eminent domain procedures. Upon a vote taken all Directors present voted aye and it was so ordered.

7.

President Hogsett informed the Directors that a request had been made regarding the leasing of certain mineral estates owned by the District and following a detailed review, Director Hudson made a motion, seconded by Director Boggess, that the District be now authorized to advertise for bid proposals on the leasing for oil, gas and other minerals of the District's mineral interest in the following tracts, and being more particularly described in the

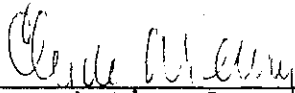
permanent records of the District, to wit: 67-14/100 acres more or less in the Wm. C. Hallmark, Abstract No. 361, Wise County, Texas and being all of District Tracts No. 234, 236 and 238. Upon a vote taken, all Directors present voted aye and it was so ordered.

8.

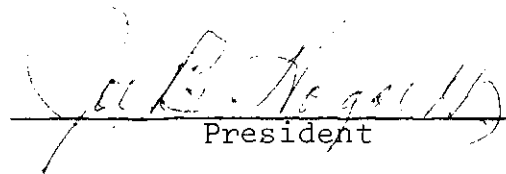
President Hogsett presented to the Directors the Monthly Financial Reprot regarding receipts and disbursements for Program "A", "B" and "D" and Cedar Creek Project, for the month of August, 1968 from the Auditor of the District, which was ordered accepted and placed in the District's Records.

9.

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



Acting Secretary



President