

MATERIAL SUPPORTING THE AGENDA

Volume XIIIb

December 1965 - April 1966

This volume contains the Material Supporting the Agenda furnished to each member of the Board of Regents prior to the meetings held on January 14-5, February 25-26, and April 1-2, 1966.

The material is divided according to the Standing Committees and the meetings that were held and is submitted on three different colors, namely:

- (1) white paper - for the documentation of all items that were presented before the deadline date
- (2) blue paper - all items submitted to the Executive Session of the Committee of the Whole and distributed only to the Regents, Chancellor, and Chancellor Emeritus
- (3) yellow paper - emergency items distributed at the meeting

Material distributed at the meeting as additional documentation is not included in the bound volume, because sometimes there is an unusual amount and other times maybe some people get copies and some do not get copies. If the Secretary were furnished a copy, then that material goes in the appropriate subject folder.



THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS

Material Supporting the Agenda

Meeting No. 639, 640, 641

Name OFFICIAL COPY

Date January 14 - 15, 1966, February 25 - 26, 1966,
April 1 - 2, 1966

Ch. Heath



THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS

Material Supporting the Agenda

Do not Remove

Meeting No. 641

Name Extra Copy [Chairman to use]

Date April 1 - 2, 1966

**APPROPRIATIONS CONTAINED IN THE RECOMMENDATIONS
IN BOTH THE TEN-DAY AND FIVE-DAY SUPPORTING
MATERIAL**

The Administration's recommendations as contained in the supporting material mailed to you on March 22 and this volume of material includes the following appropriations with reference to the Available University Fund, Permanent University Fund Bond Proceeds, and Institutional Unappropriated Balances:

| Available University Fund | Permanent University Fund | Institutional Unappropriated Balance | Reference |
|---------------------------------|---------------------------------|--------------------------------------------|------------------------------------------------------------------------------------------------|
| | \$ 262,500.00 | | B & G - 3---3-1/2% of Architects Fees for MU Physics- Mathematics- Astronomy Bldg. |
| \$ 142,400.00 | | | C of W - 18---Men's Intramural Fields |
| | | | |

CALENDAR
BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS
April 1-2, 1966
Austin, Texas

Place: Main Building, Rooms 209, 210, 212

Telephone: GR 1 1265

Thursday, March 31, 1966

2:00 p.m.

Committee of the Whole--
Executive Session to Con-
sider Personnel and
Developmental Matters

Room 209

Friday, April 1, 1966

9:00 - 10:00 a.m.

Convocation with Former
Regents and Development
Board Members

Room 212

10:00 a.m.

Meeting of the Standing Committees

Executive Committee

Room 209

10:15 a.m.

Land and Investment Committee

Room 210

Academic and Developmental
Affairs Committee

Room 209

11:15 a.m.

Joint Meeting of Buildings and
Grounds and Medical Affairs
Committees * (Followed by
separate committee meetings.)

Room 210

Buildings and Grounds
Committee

Room 210

Medical Affairs Committee

Room 209

12:15 p.m.

Lunch--Room 101

* To dispose of those matters of common interest after which the
Medical Affairs Committee will convene in Room 209.

1:00 p. m.

Committee of the Whole--
To complete unfinished
matters

4:00 p. m.

Meeting of the Board

Room 212

Saturday, April 2, 1966

9:00 a. m.

Meeting of the Board
(To hear report of Special
Advisory Committee on
Surface Leasing Policies
on University West Texas
Lands)

Room 212

NOTE: Though the time may vary, the meetings will follow in this order.

Executive Committee

EXECUTIVE COMMITTEE

Date: Friday, April 1, 1966

Time: 10:00 a.m.

Place: Regents' Room 209

Members:

Regent Brennan, Committee Chairman
Vice-Chairman Erwin
Regent Connally
Regent (Mrs.) Johnson
Regent Olan
Chairman Heath, Ex Officio Member

Page EXEC

SOUTH TEXAS MEDICAL SCHOOL

1. Lease Contract with Trinity University

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1. SOUTH TEXAS MEDICAL SCHOOL: LEASE CONTRACT WITH TRINITY UNIVERSITY.--Below is a xerox copy of Chancellor Ransom's recommendation:

I recommend approval of a lease contract with Trinity University for 3,640 square feet of space in the Chapman Graduate Center at Trinity University at a monthly rental cost of 30 cents per square foot. The period of the lease is to be from March 1, 1966 through August 31, 1967 at a total cost of \$19,656.00. Attached to the recommendation is Dr. Pannill's recommendation to me with regard to this rental contract. It should be noted that the space occupied by faculty and administration of South Texas Medical School in Trinity University is being furnished without cost to The University of Texas. This arrangement was previously approved by the Board of Regents.

Doctor Pannill's Recommendation Referred to Above:

Dear Dr. Ransom:

As mentioned in the Status Report of the South Texas Medical School dated February 1, 1966, which was made a part of the Minutes of the Board of Regents in its February meeting, the School is now located in the Moody Engineering Science Building at Trinity University and wishes to lease space in the Chapman Graduate Center at Trinity for library use.

This is to recommend the acceptance by the Executive Committee of the Board of Regents of the only bid received by the Board of Control for the leasing of 3,640 square feet for the period of March 1, 1966, through August 31, 1967. The bid was made by Trinity University at 30 cents per square foot. This is a cost per month of \$1,092.00 and a total cost for the life of the lease of \$19,656.00. All custodial services and utilities will be furnished by the lessor.

The library space is in the Chapman Graduate Center at Trinity. This is a newly constructed, air conditioned building on campus which Trinity is extremely kind to offer for our use. It is across the street from the Moody Engineering Science Building and will allow us to have our own campus within the confines of the Trinity University campus. Many intrinsic values will inure to the South Texas Medical School.

The 30 cent per square foot for 3,640 square feet will allow us to reimburse Trinity University for their added cost of utilities and custodial services in the Moody Engineering Science Building due to our occupancy.

Sincerely yours,



F. C. Pannill, M.D.
Dean

FCP:fs

EXECUTIVE COMMITTEE

Supplementary Agenda

Page EXEC

2. Report of Interim Action

Texas Student Publications, Inc. :
Minutes and Specific Actions, 22-M-65

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Below is a report of the one item that has been submitted to and unanimously approved by the Executive Committee. If this is found in order and is adopted by the Board, the following will appear in the minutes of the April 1-2 meeting:

2. REPORT OF INTERIM ACTION OF THE EXECUTIVE COMMITTEE.-- Since the last report of the Executive Committee on February 26, 1966, the committee has unanimously approved the minutes of the meeting of the Board of Directors of the Texas Student Publications, Inc., held on February 14, 1966. By virtue of the approval of this set of minutes, the following specific actions have been approved:

1. The following student staff members of the Daily Texan were appointed:

Salary Positions

| Name | Position | Salary Per Month | Salary Per Semester |
|-----------------------------------------------|-----------------------|------------------|---------------------|
| Morris Shelton (To replace Dan Rice) | Issue News Ed. | \$ 32.50 | \$ 130.00 |
| Edward W. Fowler (To replace Don Cox) | Asst. Sports Ed. | 20.00 | 80.00 |
| Robert E. Parks (To replace Barbara Jasca) | Asst. Amusements Ed. | 20.00 | 80.00 |
| Dean Rindy (Vacant Position) | Assoc. Amusements Ed. | 30.00 | 120.00 |

Wage Positions

| | | |
|-------------------|--------------|--------------------|
| B. Ann Watson | Copy Editor) | |
| James Leland Webb | ") | Two for each issue |
| Deane Spiller | ") | of Texan at \$4.00 |
| Sheilia Stewart | ") | each |

2. Gary Bullock was appointed as Managing Editor of The Texas Ranger for the spring semester. His pay will be \$75 per issue, of \$225 for the semester.

All of these appointees are scholastically eligible to serve.

3. Editor Richard Bond tendered his resignation as Riata editor as of the fall semester. Replacement is to be filled the Executive Committee consulting with the Riata Advisory Committee.
4. Sidney Nolan, Editorial Manager (Faculty) of the Daily Texan (Supervisory) has submitted his resignation effective at the end of the 1966 summer session.

**Academic and Developmental Affairs
Committee**

ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE

Date: Friday, April 1, 1966

Time: 10:15 a.m.

Place: Room 209

Members:

Regent Olan, Chairman
Regent Connally
Regent (Mrs.) Johnson
Regent Josey
Chairman Heath, Ex Officio Member

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MAIN UNIVERSITY

- | | | |
|----|-------------------------------------------------------------------|---|
| 1. | Retained Earnings of Campus Services, Inc., Appropriation from | 2 |
| 2. | Establishment of Degree Programs | 2 |
| 3. | Degree Programs in Latin American Studies | 3 |

SOUTHWESTERN MEDICAL SCHOOL

- | | | |
|----|----------------------------------|---|
| 4. | Establishment of Degree Programs | 3 |
|----|----------------------------------|---|

ARLINGTON STATE COLLEGE

- | | | |
|----|-----------------------------------------------------|---|
| 5. | Request for Approval of Master's Degree Programs | 4 |
|----|-----------------------------------------------------|---|

1. MAIN UNIVERSITY: RETAINED EARNINGS OF CAMPUS SERVICES, INC., APPROPRIATION FROM.--Below is a xerox copy of Chancellor Ransom's recommendation:

Chancellor Ransom and Vice-Chancellor Hackerman recommend an appropriation of \$90.00 from the retained earnings of Campus Services, Inc., in order to reimburse part of the expenses of two students to attend the MIT Intercollegiate Conference--The Urban Challenge. One student from the Department of Civil Engineering and one from the School of Architecture will attend the conference. MIT will pay all expenses except the \$15.00 registration fee and the first \$30.00 of transportation cost for each participant. The \$90.00 appropriation requested will pay the students' travel expenses not paid by MIT.

-
2. MAIN UNIVERSITY: ESTABLISHMENT OF DEGREE PROGRAMS.
--Below is a xerox copy of Chancellor Ransom's recommendation:

Chancellor Ransom and Vice-Chancellor Hackerman concur in the recommendations of the Graduate Assembly that the following degree programs be established at the Main University:

- M.A. and Ph.D. Degree Program in Geography
- M. A. Program in Slavic Languages
- Ph.D. Program in Comparative Literature
- Ph.D. Program in Portuguese under Romance Languages

Approval of the Board of Regents is requested. We further request authorization to request approval of the Coordinating Board for these degree programs.

3. MAIN UNIVERSITY: DEGREE PROGRAMS IN LATIN AMERICAN STUDIES.-- Below is a xerox copy of Chancellor Ransom's recommendation:

At its regular meeting of February 7, 1966 the Graduate Assembly voted to approve the following change in the catalogue statement regarding the Ph.D. and M.A. in Latin American Studies (p. 70 Graduate School Catalogue 1964-66; U.T. Publication No. 6410).

I. Change from:

"Work for the degree of Master of Arts in Latin American Studies may be done in the following fields: anthropology, business administration, economics, education, geography, history, and Latin American literature (Portuguese and Spanish)."

To:

"Work for the degree of Master of Arts in Latin American Studies may be done in any academic area in which courses with Latin American content are offered."

II. Change the entry under Latin American Studies in the inventory of graduate programs submitted to the Coordinating Board, Texas College and University System to read, "M.A. and Ph.D., undifferentiated."

Work in the Latin American area is now becoming available in additional areas such as library science, journalism, educational psychology, and sociology, with music and social work expected to be available soon also. In the interests of simplicity a short comprehensive statement which will permit inclusion of work in new areas seemed desirable.

Chancellor Ransom and Vice-Chancellor Hackerman recommend approval of the action of the Graduate Assembly and request authorization to request the required approvals of the Coordinating Board.

4. SOUTHWESTERN MEDICAL SCHOOL: ESTABLISHMENT OF DEGREE PROGRAMS.-- Below is a xerox copy of Chancellor Ransom's recommendation:

Chancellor Ransom and Vice-Chancellor Hackerman concur in the recommendations of the Graduate Assembly for the establishment of M.A. and Ph.D. degree programs in Physiology at the Southwestern Medical School.

The approval of the Board of Regents is requested, and we further request authorization to request the Coordinating Board's approval in the establishment of these degree programs at Southwestern Medical School.

5. ARLINGTON STATE COLLEGE: REQUEST FOR APPROVAL OF MASTER'S DEGREE PROGRAMS.-- Below is a xerox copy of Chancellor Ransom's recommendation:

At the October 7 - 8 meeting of the Board of Regents, Chancellor Ransom concurred in the recommendation of President Woolf that the following degree programs be established at Arlington State College subject to the approval of the Graduate Assembly:

- Master of Arts in Economics
- Master of Science in Electrical Engineering
- Master of Science in Engineering Mechanics
- Master of Science in Mechanical Engineering
- Master of Science in Psychology
- Master of Science in Mathematics and Master of Arts in Mathematics
- Master of Science in Physics

The Graduate Assembly in their meeting of February 7 voted to recommend approval of the establishment at Arlington State College of the six degrees listed below:

- Master of Arts Degree in Economics
- Master of Science Degree in Electrical Engineering
- Master of Science Degree in Engineering Mechanics
- Master of Arts Degree in Mathematics
- Master of Arts Degree in Physics
- Master of Arts in Psychology

Chancellor Ransom and Vice-Chancellor Hackerman approve the recommendations of the Graduate Assembly and request authorization of the Board of Regents to request the Coordinating Board's approval of the establishment of these degree programs at Arlington State College.

At the January 14 - 15 meeting of the Board of Regents, authorization was given by the Board to request the Coordinating Board's approval of a graduate school at Arlington, and we request at this time confirmation of this action to be submitted concurrently with the request for approval of the six master's degree programs herein recommended.

ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE

Supplementary Agenda

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ARLINGTON STATE COLLEGE

6. Academic Programs

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Doctor Woolf is mailing this direct to the Regents on
March 23, 1966.

ARLINGTON STATE COLLEGE of the University of Texas

ARLINGTON, TEXAS 76010

Office of the President

March 23, 1966

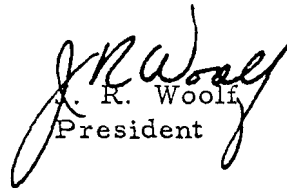
Memorandum To: Members of the Board of Regents, Chancellor Ransom, Vice-Chancellor Hackerman, Secretary to the Board of Regents

Subject: Material for Presentation to the Academic and Development Affairs Committee on April 1, 1966

Chairman Heath and Rabbi Olan have scheduled a presentation to the Academic and Development Affairs Committee of the Board of Regents on the academic program at Arlington State College. This is visualized as a report and a discussion rather than any formal recommendations from the President of Arlington State College or the Chancellor which would indicate any formal action by the Board. It is thought that Arlington State is faced with both the opportunity and the responsibility to plan its future development in terms of academic programs. We greatly welcome the opportunity to make the Academic and Development Affairs Committee more knowledgeable about the current academic programs at the College and to discuss some possible additions to the program and other possibilities that have been mentioned from time to time.

In order to make the best use of the time available to the Committee, there are enclosed with this memorandum three documents which are titled as follows: (1) Bachelors Level Programs at Arlington State College, (2) Possible Cooperative Efforts Between Arlington State College and the Southwestern Medical School, and (3) Possible Institute of Urban Affairs.

We shall welcome the opportunity to discuss these matters with you because we feel that matters of such importance should not be initiated from the administration without prior discussion by members of the Board.


J. R. Woolf
President

JRW:md
Enc.

Bachelors Level

The Academic Programs of Arlington State College

The academic program of the Arlington State College is quite modest, consisting of only 19 degrees, as shown on the enclosed list.

Now that the school has made the basic transition from a junior college to a senior college, and has received its general accreditation from the Southern Association of Colleges and Schools, attention should be given to demands for additional programs being made upon the institution. The basic and primary expectation of the institution now is expansion into graduate programs at the masters degree level. The Board has already considered plans in this matter and has given its authority for these to proceed in an appropriate way.

Notice should be given to the establishment of public junior colleges in Tarrant County and Dallas County, which will supplant certain vestiges of junior college programs which remain at Arlington. These junior colleges may offer limited instruction beginning with the fall of 1966, and may be expected to have sharply rising enrollments thereafter. It may be expected that their operation will curtail or reduce the lower level (freshman and sophomore) enrollments at ASC and swell the upper level enrollments. Also of importance, however, is that they are expected to increase the demand for the final two years of work toward degrees not now offered by Arlington State.

It is also timely to give attention to the recently adopted Role and Scope Policy of the Coordinating Board of the Texas College and University System. Though the Role and Scope Policy is pointed primarily at doctoral programs, it also establishes policy for first level professional degrees. In subsequent discussion, the interpretations of the Role and Scope Policy will be compared to suggestions for new bachelors degree programs.

The faculty and administration of Arlington State College have considered all of the above and have taken action through its Academic Council to recommend the addition of the following degree programs:

- Architecture (standard 5 year degree)
- Art
- Music (primarily music education)
- Journalism
- Speech and Drama (undifferentiated)

The Academic Council also recommends an Associate in Science (two-year) degree in Instrument and Control Technology in the Technical Institute Division.

The Role and Scope Policy of the Coordinating Board discourages the addition of Architecture and Journalism. Unless the Board of Regents wishes to petition for special consideration for these two areas, it would not be advisable to request authority for them in the near future. The remaining three are in the general field of Fine Arts and although the Role and Scope Policy does not refer to any programs in the Fine Arts, there has, in the past, been some resistance to expansion of these fields in the state colleges.

The Coordinating Board's action directs a study of Pharmacy. There are indications that they may find a need for an additional School of Pharmacy in the state, and it is submitted that consideration be given to Arlington as a location for such a school.

The administration of Arlington State College generally favors restricting the number of bachelors degrees. However, twenty or even twenty-five degrees would be conservative compared to the 40 or so degrees offered by most Texas state colleges. We feel that most attention for new degrees should be given to Liberal Arts. A degree in Philosophy is under consideration as well as expanding the languages program - probably by adding Russian and Portuguese.

Academic Program of Arlington State College
of The University of Texas

I. Bachelors Degrees

A. School of Liberal Arts

English
Foreign Languages (French, German, Spanish)
Government
History
Psychology
Sociology

B. School of Sciences

Biology
Chemistry
Geology
Mathematics
Physics

C. School of Business Administration

Accounting
Business Administration
Economics

D. School of Engineering

Aerospace Engineering
Civil Engineering
Electrical Engineering
Industrial Engineering
Mechanical Engineering

II. Associate in Science Degrees (two years of work)

Commercial Art
Secretarial Science
Aeronautical Technology
Civil Technology
Electrical Technology
Mechanical Technology

III. Other Instruction

- A. Degree Awarded
 - Pre-Dental
 - Pre-Medical
 - Medical Technology
 - Pre-Law
 - Secondary Teaching Certificate

- B. Minors, Electives, Transfer
 - Pre-Pharmacy (two years)
 - Pre-Nursing (one year)
 - Pre-Elementary Education (two years)
 - Pre-Physical Education (two years)
 - Architecture (two years)
 - Art (two years)
 - Music (two years)
 - Speech and Drama (two years)
 - Journalism (two years, minor)
 - Military Science (Army, basic and advanced)
 - Philosophy (electives, minor)
 - Religion (electives only)
 - Russian (electives)

Possible Cooperative Efforts Between
Arlington State College and the Southwestern Medical School
of The University of Texas

Both faculty members and administrative officers of these two components of The University of Texas have explored numerous potential areas for cooperation. At the present time, the only formal area consists of the joint appointment of Dr. Frank Harrison, Associate Dean of the Southwestern Medical School, as chief advisor to Arlington State College on the development of graduate programs. However, it is believed that it would be informative for the Board of Regents to be aware of the types of programs which have been and continue to be discussed. They are enumerated below:

1. Psychology - There appears to be a distinct possibility that students pursuing the doctorate degree in clinical psychology at the Medical School could receive basic graduate level courses in psychology at Arlington State College. Courses of this nature, that is, psychology courses other than clinical psychology, are not effectively within the realm of the capability of the faculty of the Medical School. They will, however, be quite basic to the proposed masters level degree program in psychology at Arlington.

2. Bio-medical Engineering - It appears quite possible and even desirable for the engineering faculty of Arlington State to participate in the existing program of bio-medical engineering at the Southwestern Medical School.

3. Environmental Engineering - Environmental engineering is a relatively new field having to do with the study of the effects of man's environment upon man and the control of this environment. It includes air pollution, water pollution, and other more refined aspects of the environment in which man lives. There is an interest on both campuses of pursuing this field of study which will involve physicians, engineers, and scientists.

4. Computer Facilities - The two institutions are still jointly studying what assistance one may be to the other in acquiring, operating, and using computer facilities.

5. General Faculty Cooperation - In addition to specific endeavors listed above, there would also appear to be possibilities of joint faculty appointments in areas where one or the other of the institutions cannot afford a fulltime faculty member in a specific discipline but jointly the two institutions could support an adequate faculty member. As a matter of interest, discussions along this line have already brought up the possibility of the Medical School needing a statistician and Arlington State College needing a physiologist.

Possible Institute of Urban Affairs

Increasing recognition is being given to the complex problems of urban centers of population and government. Institutes of Urban Affairs are now being formed or studied for institutions of higher learning, particularly those located in urban settings. The scope of the problems of the urban community are almost limitless. They offer great opportunities for research, instruction, extension education, and public service. Such an Institute of Urban Affairs, for instance, could deal with such problems as housing, transportation, recreation, cultural activities, social service, land use, planning, economics, industrial development, public works, governmental structure, health, and educational operations. In few cases are there traditional academic disciplines pertaining to urban problems. Rather, urban problems are so complex that they cut across the academic disciplines.

The following academic disciplines would be involved in a broad-scale Institute of Urban Affairs: economics, business, engineering, sociology, history, government, architecture, fine arts, education, law, and medicine, as well as many others. An Institute of Urban Affairs probably should include graduate study limited to advanced degrees in public administration and planning.

In recent months, practically every local government agency in the Dallas-Fort Worth metropolitan area has joined the North Central Texas Council of Governments. This Council has been formed specifically for the purpose of joint study and planning regarding their mutual problems. The Institute of Urban Affairs would not do the work of the Council of Governments but there would certainly be a mutual benefit of each to the other. The many municipalities in the Dallas-Fort Worth area and the other many governmental agencies would offer excellent opportunities for internships. The City of Fort Worth has already taken some initiative in suggesting education and research programs in urban affairs and has indicated its willingness to support research studies and internships.

An Institute of Urban Affairs in the Dallas-Fort Worth area could certainly involve the resources and capabilities of more than one institution of higher education. It is submitted that Arlington State College is in a prime location and that the time is right to consider the establishment of an Institute of Urban Affairs.

Buildings & Grounds Committee

BUILDINGS AND GROUNDS COMMITTEE AND
MEDICAL AFFAIRS COMMITTEE

Date: April 1, 1966

Time: 11:15 a. m.

Place: Room 210 (Secretary's Office)

Members: Buildings and Grounds Committee:
Mrs. J. Lee Johnson III, Chairman
W. H. Bauer
Walter P. Brennan
Frank C. Erwin, Jr.
Medical Affairs Committee:
H. Frank Connally, Jr., M. D.,
Chairman
Frank Ikard
Jack S. Josey
Rabbi Olan
Chairman Heath

Ex Officio Member:

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SOUTH TEXAS MEDICAL SCHOOL

1. Reduction in Grant Awards for South Texas Medical School
Building.

2

THE UNIVERSITY OF TEXAS
OFFICE OF THE DIRECTOR OF
FACILITIES PLANNING AND CONSTRUCTION
AUSTIN, TEXAS 78712

RECOMMENDATIONS TO THE
REGENTS' BUILDINGS AND GROUNDS COMMITTEE
AND MEDICAL AFFAIRS COMMITTEE

March 15, 1966

1. SOUTH TEXAS MEDICAL SCHOOL - REDUCTION IN GRANT AWARDS FOR SOUTH TEXAS MEDICAL SCHOOL BUILDING.--At the Regents' Meeting held January 15, 1966, Federal Grants for the construction of the South Texas Medical School Building were reported as follows:

| | |
|-------------------------------------|----------------|
| Federal Grant No. 1-J02-HM-00057-01 | \$3,948,581.00 |
| Federal Grant No. 1-J01-FR-00057-01 | 1,702,000.00 |

After review of the bids received for the construction of the building, the Federal agencies involved have reduced the grants to amounts as follows:

| | |
|-------------------------------------|--------------|
| Federal Grant No. 1-J02-HM-00057-01 | 3,633,190.00 |
| Federal Grant No. 1-J01-FR-00057-01 | 1,437,700.00 |

It is, therefore, recommended that these grants as set up on the University's books be reduced as shown above. Also, at the January meeting, at the time the construction contract award was made, a Contingency Allowance was set up of \$300,000.00 with authorization to E. D. Walker to sign change orders to the construction contract not to exceed this amount. Because of the reduction in the grants, it is now recommended that this Contingency Allowance be reduced to \$240,000.00 with the authorization to E. D. Walker to issue change orders within this amount.

With these various adjustments in the accounts for this project, there is still remaining in the Allotment Account a sufficient amount of money to adequately furnish and equip the building in accordance with the estimates made by all concerned.

THE UNIVERSITY OF TEXAS
OFFICE OF THE DIRECTOR OF
FACILITIES PLANNING AND CONSTRUCTION
AUSTIN, TEXAS 78712

SUPPLEMENTARY AGENDA
BUILDINGS AND GROUNDS COMMITTEE AND
MEDICAL AFFAIRS COMMITTEE

March 22, 1966

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M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE

2. Increase In Contingency Allowance for Additions and Alterations to M. D. Anderson Hospital and Tumor Institute Building.

Below

2. M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE - INCREASE IN CONTINGENCY ALLOWANCE FOR ADDITIONS AND ALTERATIONS TO M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE BUILDING.--At the time the construction contract award was made for the Additions and Alterations to the M. D. Anderson Hospital and Tumor Institute Building, a Contingency Allowance of \$145,000.00 was set up with authorization for issuance of change orders not to exceed this amount. Three change orders have now been issued in the total amount of \$54,076.00, and a fourth one is pending, which would require more money than is now available in the Contingency Allowance. Additional money has been received from the Gimbel Estate which is pledged to building construction, and it is desired at this time to place additional funds into the Contingency Allowance to cover extra work contemplated, as well as the amount needed to cover Change Order No. 4.

It is also contemplated that additional funds will be needed because the development of a new program of treatment at M. D. Anderson Hospital is now being established which will be initially equipped and operated with grant funds. This will necessitate the use of rooms in the basement area for radio-therapy which were originally scheduled to be used as laboratories and offices. It will be necessary to expend approximately \$135,000.00 to \$150,000.00 to provide additional shielding protection for these rooms, either lead or heavy concrete. Also, the construction is now reaching the stage where the new addition will be joined to the existing building. This always involves additional expense not originally contemplated because of difficulty in locating existing connections, etc. In order to cover the extra amount needed on Change Order No. 4, the shielding necessary in the basement area and the miscellaneous expense anticipated in connecting the addition with the existing building, it is recommended that an additional \$190,000.00 be transferred from the Allotment Account for this project to the Contingency Allowance for the construction contract and authorization given to E. D. Walker to sign additional change orders to the contract not to exceed this amount plus Architects' Fees thereon.

THE UNIVERSITY OF TEXAS
OFFICE OF THE DIRECTOR OF
FACILITIES PLANNING AND CONSTRUCTION
AUSTIN, TEXAS 78712

SUPPLEMENTARY AGENDA
BUILDINGS AND GROUNDS COMMITTEE AND
MEDICAL AFFAIRS COMMITTEE

March 29, 1966

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MEDICAL BRANCH

3. Award of Contract for Furniture and Furnishings for Fourth, Fifth, and Sixth Floors of the Outpatient-Clinical Diagnostic Building. Below

3. MEDICAL BRANCH - AWARD OF CONTRACT FOR FURNITURE AND FURNISHINGS FOR FOURTH, FIFTH, AND SIXTH FLOORS OF THE OUTPATIENT-CLINICAL DIAGNOSTIC BUILDING.--In accordance with authorization given by the Board at the meeting held January 15, 1966, bids were called for and were opened and tabulated on March 24, 1966, for Furniture and Furnishings for the Fourth, Fifth, and Sixth Floors of the Outpatient-Clinical Diagnostic Building at the Medical Branch, as shown below:

| Bidder | Cashier's Check or Bidder's Bond | Base Bid |
|--------------------------------------------------------------------------|-------------------------------------|-------------|
| Abel Contract Furniture and Equipment Company, Inc., Austin, Texas | 5% Bond | \$42,887.00 |
| Austin Commercial Interiors, Inc., Austin, Texas | 5% Bond | 44,369.88 |
| Clarke and Courts, Inc., Houston, Texas | 5% Bond | 48,952.63 |
| Dallas Office Supply Company, Dallas, Texas | 5% Bond | 42,725.91 |
| Rockford Furniture Associates, Austin, Texas | 5% Bond | 44,580.77 |
| Stewart Office Supply Company, Dallas, Texas | 5% Bond | 45,857.54 |
| John H. Yochem Company, Corpus Christi, Texas | \$2,500.00 Check | 43,978.95 |

It is recommended by Dr. Blocker, E. D. Walker, and Chancellor Ransom that award of a contract in the amount of \$42,725.91 be made to the low bidder, Dallas Office Supply Company, Dallas, Texas. This contract award is within the amount estimated for this portion of the movable furniture and equipment.

BUILDINGS AND GROUNDS COMMITTEE

Date: April 1, 1966
Time: Following the Joint Meeting with the Medical Affairs Committee
at 11:15 a.m.
Place: Regents' Room 210 (Secretary's Office)

Members: Mrs. J. Lee Johnson III, Chairman
W. H. Bauer
Walter P. Brennan
Frank C. Erwin, Jr.
Chairman W. W. Heath, Ex Officio

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MAIN UNIVERSITY

1. Appropriation for Associate Architect's Fees for Women's Cooperative Housing Project. 2
2. Award of Contracts for Men's Intramural Fields. 2
3. Landscaping at Lila B. Etter Alumni House. 2
4. Authorization for Associate Architect's Fees for Physics-Mathematics and Astronomy Building. 3

ARLINGTON STATE COLLEGE

5. Approval of Plans and Specifications for Parking Lots. 3

THE UNIVERSITY OF TEXAS
OFFICE OF THE DIRECTOR OF
FACILITIES PLANNING AND CONSTRUCTION
AUSTIN, TEXAS 78712

RECOMMENDATIONS TO THE
REGENTS' BUILDINGS AND GROUNDS COMMITTEE

March 15, 1966

1. MAIN UNIVERSITY - APPROPRIATION FOR ASSOCIATE ARCHITECT'S FEES FOR WOMEN'S COOPERATIVE HOUSING PROJECT.--At the Regents' Meeting held August 28, 1965, the preliminary plans and outline specifications for the Women's Cooperative Housing Project at the Main University were approved and the firm of Fehr and Granger appointed as Associate Architect, with authorization to proceed with the preparation of working drawings and specifications on the project. In order that payment can be made to the Associate Architect when these final plans and specifications are completed, it is recommended that an appropriation of \$15,000.00 be made from Main University Account No. 28-8328-F - Reserve - Division of Housing and Food Service - Major Repairs, Remodeling and Replacement, and Operating Reserve.

2. MAIN UNIVERSITY - AWARD OF CONTRACTS FOR MEN'S INTRAMURAL FIELDS.-- At the Regents' Meeting held February 26, 1966, an appropriation of \$34,700.00 was made for Men's Intramural Fields to be constructed on the Austin State Hospital Tract. It is contemplated that part of the work involved will be performed by the Main University Physical Plant staff, and part of it will be performed under small contracts. Since it is hoped that these Fields can be completed in time for use next September, it will be necessary to start the work as soon as possible. It is, therefore, recommended that a Committee consisting of Vice-Chancellor Hackerman, Main University Business Manager Colvin, and E. D. Walker be appointed to approve the plans and specifications for this project and to award the contracts necessary within the \$34,700.00 available for the project. Since all of the contracts will be relatively small, it is further recommended that E. D. Walker be given authority to sign these contracts after they are awarded.

3. MAIN UNIVERSITY - LANDSCAPING AT LILA B. ETTER ALUMNI HOUSE.-- The following letter has been received from Jack R. Maguire, Executive Director of the Ex-Students' Association of The University of Texas:

"After discussions with Chairman W. W. Heath of The Board of Regents, Business Manager James Colvin of The University of Texas and officers of The Ex-Students' Association, I should like to request the following:

"First, we would like approval of the Buildings and Grounds Committee of the Board of Regents of the landscaping plans for the Lila B. Etter Alumni Center. A set of these plans, drawn by C. C. Fleming and Associates, Landscape Architects, Houston, has been sent to Walter Moore and to Brooks, Barr and White, the consulting architects. A set also has been examined by Mrs. J. Lee Johnson, chairman of the Buildings and Grounds Committee of the Board of Regents, and by Chairman Heath.

"All of these people have given us verbal approval of the plans, but we feel that we need formal approval before advancing with this project.

"Secondly, we should like to request approval by the Board of Regents for our use of the \$3,606.56 balance

remaining in Account No. 85-9065-0099. This was the account used for the construction of the Lila B. Etter Alumni Center. We want to use the remaining balance to apply against the landscaping program. The entire landscaping project---to be done over a period of time---will cost in excess of \$25,000.

"Since we plan to begin installation of the automatic sprinkler system next week, we would like to have formal approval of the program and the use of these funds as soon as the matter can be conveniently placed before the Board of Regents."

The balance remaining in the account referred to by Mr. Maguire originally came from the Ex-Students' Association, since an appropriation of \$110,000.00 was made from the Lila B. Etter Fund for this project, with the remainder to come from the Ex-Students' Association.

It is recommended that the requests made in this letter be approved by the Board and that the balance in the Lila B. Etter Alumni House account be transferred to a Main University account for Landscaping the Alumni House and that this project be under the supervision of the Main University Director of Physical Plant and the Main University Business Manager.

4. MAIN UNIVERSITY - AUTHORIZATION FOR ASSOCIATE ARCHITECT'S FEES FOR PHYSICS-MATHEMATICS AND ASTRONOMY BUILDING.--At the Regents' Meeting held October 7, 1965, the preliminary plans and outline specifications for the Physics-Mathematics and Astronomy Building at the Main University were approved, and the firm of George L. Dahl, Inc., Dallas, Texas, was appointed as Associate Architect. This firm has now been authorized to proceed with the preparation of working drawings and specifications on the project, and in order that payment can be made to the Associate Architect when these final plans and specifications are completed, it is recommended that an appropriation of \$262,500.00 be made from Permanent University Fund Bond proceeds.

According to the present form of Associate Architect's contract, 2% of the estimated cost of the building will be due the Architect during the course of preparation of the working drawings and specifications, and an additional 1-1/2% will be due at the time of award of the contract, making a total of 3-1/2%; or if there is to be a delay in the awarding of a contract, the 3-1/2% is due after approval of the final plans and specifications. The recommendation being made at this time is based on 3-1/2% of the estimated cost of the building, since the balance of the Architect's Fee which will be paid during the course of construction will not be needed until the total appropriation for the building has been made.

5. ARLINGTON STATE COLLEGE - APPROVAL OF PLANS AND SPECIFICATIONS FOR PARKING LOTS.--At the Regents' Meeting held November 24, 1965, authorization was given for the preparation of plans and specifications by the Physical Plant staff at Arlington State College for additional parking facilities at Arlington State College to accommodate approximately 600 cars. These plans and specifications have now been completed and approved by President Woolf, E. D. Walker, and Chancellor Ransom, and it is recommended that they be approved by the Board, with authorization to E. D. Walker to advertise for bids to be presented to the Board for consideration at a later meeting. It is further recommended that an appropriation of \$60,000.00 to cover the estimated cost of these parking lots be made from Arlington State College Account No. 40344 - Auxiliary Enterprises - Parking Facilities Revenue Fund.

SUPPLEMENTARY AGENDA
BUILDINGS AND GROUNDS COMMITTEE

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| 7. Acceptance of National Science Foundation Grant No. GU-1580 | 5 |
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| ARLINGTON STATE COLLEGE | |
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| SYSTEM-WIDE | |
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| TEXAS WESTERN COLLEGE | |
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THE UNIVERSITY OF TEXAS
OFFICE OF THE DIRECTOR OF
FACILITIES PLANNING AND CONSTRUCTION
AUSTIN, TEXAS 78712

SUPPLEMENT TO RECOMMENDATIONS TO
REGENTS' BUILDINGS AND GROUNDS COMMITTEE

March 22, 1966

6. MAIN UNIVERSITY - NEW ROOFS FOR ANDREWS, CAROTHERS, LITTLEFIELD, BRACKENRIDGE, ROBERTS, AND PRATHER DORMITORIES.--The following letter from J. H. Colvin, Business Manager of the Main University, has been received by the Office of the Director of Facilities Planning and Construction:

"A sum of \$25,000 was approved in the current budget of the Division of Housing and Food Services for repairing the leaking roofs of Carothers, Littlefield, Brackenridge, Roberts, and Prather Dormitories. Subsequently, leaks appeared in the roof of Andrews Dormitory.

"Mr. Ralph E. Huber, Superintendent of Construction and Maintenance, now recommends that all roofs be replaced by removing the clay tile, installing two layers of 30# felt and replacing the clay tile. He estimates that the total cost for the six buildings would be between \$65,000 and \$75,000.

"It is recommended that:

1. An additional \$50,000 be appropriated from Account 28-8328-F Reserve-Division of Housing and Food Service-Major Repairs, Remodeling and Replacement, and Operating Reserve.
2. The Main University Physical Plant staff be authorized to prepare plans and specifications and that Mr. E. D. Walker be authorized to advertise for bids as soon as possible.
3. A committee composed of Mr. Heath, Mr. Walker, and Mr. Colvin be authorized to award a contract."

These recommendations have the concurrence of E. D. Walker, Vice-Chancellor Hackerman, and Chancellor Ransom, and it is recommended that they be approved by the Board.

7. MAIN UNIVERSITY - ACCEPTANCE OF NATIONAL SCIENCE FOUNDATION GRANT NO. GU-1580.--The University has received a grant from National Science Foundation in the amount of \$1,140,750.00 for support of the facilities project "Enlarged and Improved Facilities for Research and Training in Astronomy." Of this award, approximately \$992,950.00 may be used for the construction of 19,285 net square feet and for renovation of 2,571 net square feet of research and research training space and for fixed furnishings. Approximately \$147,800.00 may be used for movable furnishings and general-purpose laboratory apparatus. These funds are to be matched separately by non-Federal funds, which have already been appropriated by the University and set up on the University's books.

It is recommended by Dr. Harlan Smith, E. D. Walker, Vice-Chancellor Hackerman, and Chancellor Ransom that this grant, National Science Foundation Grant No. GU-1580, be accepted by the University and that the amount of \$1,140,750.00 be added to the appropriation for W. J. McDonald Observatory-Dome and Building to House Telescope, Shops, and Transient Housing, etc.

8. MAIN UNIVERSITY - APPOINTMENT OF ASSOCIATE ARCHITECT FOR ADDITION TO STUDENT HEALTH CENTER BUILDING.--At the Regents' Meeting held October 7, 1965, authorization was given for the preparation of preliminary plans for an Addition to the Student Health Center Building at the Main University simultaneously with the preparation of preliminary plans for the North Campus Classroom and Office Building, with the possibility that these two projects would be bid as one project in the hopes that this action would result in a savings in total cost of the structures. At the meeting held August 28, 1965, the firm of Golemon and Rolfe of Houston, Texas, was appointed as Associate Architect on the North Classroom and Office Building, and it is believed that since these two projects are to be bid at the same time, it would be to the University's advantage to have one Associate Architect for both projects.

It is, therefore, recommended by E. D. Walker and the Consulting Architects that the firm of Golemon and Rolfe be appointed as Associate Architect on the Addition to the Student Health Center Building at the Main University, with instructions that the working drawings and specifications on this project and on the North Classroom and Office Building are to be prepared simultaneously and bids taken at the same time.

It is understood that the appointment of an Associate Architect on this project is subject to the written approval of the Governor of the State of Texas, after obtaining the advice of the Legislative Budget Board.

It is further recommended that an appropriation of \$13,125.00 (3½%) to cover Associate Architect's Fees on this project be made from Main University Account No. 28-2802-0000 - Student Services Fee - Unallotted and that an appropriation of \$78,750.00 (3½%) be made from Permanent University Fund Bond proceeds to cover the Associate Architect's Fees on the North Campus Classroom and Office Building.

9. ARLINGTON STATE COLLEGE - APPROVAL OF ISSUANCE OF PURCHASE ORDER FOR EQUIPMENT FOR THEATER BUILDING.--In connection with the equipping of the Theater Building at Arlington State College, bids were called for and were received on 300 stacking chairs and 30 dollies, as follows:

| | Stacking Chairs | Dollies | Total |
|-----------------------------------------------------|-----------------|----------|------------|
| American Seating Company, Dallas, Texas | \$3,492.00 | \$210.00 | \$3,702.00 |
| Oklahoma Seating Company Oklahoma City, Okla. | 3,540.00 | 225.00 | 3,765.00 |
| Interstate School Supply, Baton Rouge, Louisiana | 4,125.00 | 232.50 | 4,357.50 |

It is recommended by President Woolf, B. C. Barnes, E. D. Walker, and Chancellor Ransom that a purchase order in the amount of \$3,702.00 be issued against Account No. 85-9746-0180 - Arlington State College - Theater Building - Equipment to the low bidder, American Seating Company.

10. SYSTEM-WIDE - SELECTION OF ASSOCIATE ARCHITECTS ON VARIOUS PROJECTS.--A joint recommendation of E. D. Walker and Consulting Architects Brooks, Barr, Graeber, and White is submitted to the Board for consideration in the selection of Associate Architects on the following projects:

Main University - Humanities Research Center
Estimated Cost of Project - \$5,000,000.00

1. Jessen, Jessen, Millhouse, Greeven, and Crume, Austin, Texas
2. Caudill, Rowlett, and Scott, Houston, Texas
3. Pitts, Mebane, Phelps, and White, Beaumont, Texas

4. Harrell and Hamilton, Dallas, Texas
5. Wilson, Morris, Crain, and Anderson, Houston, Texas

Texas Western College - Addition to Student Union Building
Estimated Cost of Project - \$2,500,000.00

1. Garland and Hilles, El Paso, Texas
2. Carroll and Daeuble and Associates, El Paso, Texas
3. Davis, Foster, Thorpe, and Associates, Inc., El Paso, Texas
4. Monroe, Higgins, and Lantow, El Paso, Texas
5. Kuykendall and McCombs, El Paso, Texas

It is understood that the appointment of an Associate Architect on either of the above projects is subject to the written approval of the Governor of the State of Texas, after obtaining the advice of the Legislative Budget Board.

11. TEXAS WESTERN COLLEGE - APPROVAL OF EASEMENT TO EL PASO ELECTRIC COMPANY.--At the January 15 meeting of the Board of Regents and the February 26 meeting of the Board of Regents action was deferred on a request from the El Paso Electric Company for an easement for transmission and distribution lines on the Texas Western College Campus. Mr. E. D. Walker, on instructions from the Board, met with representatives of the Highway Department and the El Paso Electric Company regarding the location of the proposed easement.

The easement requested is actually divided into three parts; two small sections of land totaling approximately one acre and located in the vicinity of U. S. Interstate Highway No. 10 and Schuster Street are of vital interest to the Highway Department as the progress of the work in building a highway interchange at this particular location is being delayed.

It is, therefore, recommended that an easement be granted to the El Paso Electric Company on these two tracts of land, one containing .3446 acres and the other containing .74486 acres for a period of 50 years with the option of renewing for an additional period upon the written consent of both parties.

It is felt that the granting of an easement for these two small tracts of land will in no way interfere with the future development of Texas Western College.

It is further recommended that the request for an easement for the third tract of land which crosses the campus on the north side of the new Sun Bowl Stadium be rejected.

12. CENTRAL ADMINISTRATION - CONSTRUCTION OF BUILDING FOR UNIVERSITY LANDS AT MIDLAND, TEXAS.--Approval has been given by both the Board for Lease of University Lands and the Board of Regents for proceeding with tentative plans for a building for University Lands at Midland, Texas, the cost to be paid from the Special 1% Fee Fund as authorized by the last session of the Legislature.

The University has been given an option running to May 1, 1966, by Mr. Marion Flynt of Midland to purchase Lots 7, 8, and 9, West End Addition to the City of Midland for \$35,000.00 cash, and this purchase has been

approved by the Land and Investment Committee and informally by the members of the Board for Lease. Formal action is expected to be taken by the Board for Lease at its next meeting on April 19, including the appropriation of approximately \$175,000.00 from the Special 1% Fee Fund for purchase of the lot and construction of a building.

It is, therefore, recommended by Endowment Officer Stewart, Vice-Chancellor Dolley, E. D. Walker, and Chancellor Ransom that the Board authorize the Consulting Architects, contingent upon appropriation of funds by the Board for Lease of University Lands, to proceed with preliminary plans and outline specifications for a building to house the offices of University Lands, to be constructed in Midland, Texas, to contain approximately 7,000 square feet of floor space at an estimated cost of \$140,000.

THE UNIVERSITY OF TEXAS
OFFICE OF THE DIRECTOR OF
FACILITIES PLANNING AND CONSTRUCTION
AUSTIN, TEXAS 78712

SUPPLEMENTARY AGENDA
BUILDINGS AND GROUNDS COMMITTEE

March 29, 1966

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MAIN UNIVERSITY

13. Award of Contract for Piping Project in Connection with Expansion of Electrical Power Generating Facilities. Below

13. MAIN UNIVERSITY - AWARD OF CONTRACT FOR PIPING PROJECT IN CONNECTION WITH EXPANSION OF ELECTRICAL POWER GENERATING FACILITIES.--In accordance with authorization of the Board of Regents given at the meeting held February 26, 1966, bids were called for and were opened and tabulated on March 29, 1966, for the Piping Project in connection with Expansion of Electrical Power Generating Facilities at the Main University, as shown below:

| Bidder | Bid Bond | Base Bid | Time of Completion |
|----------------------------------------------------------|----------|-------------|--------------------|
| J. M. Boyer, Inc., Austin, Texas | 5% | \$75,860.00 | 180 calendar days |
| Porter Plumbing and Heating Company, Austin, Texas | 5% | 77,258.00 | 180 calendar days |
| C. G. Puryear, Austin, Texas | 5% | 79,600.00 | 200 calendar days |
| Young and Pratt, Austin, Texas | 5% | 73,960.00 | 160 calendar days |

It is recommended by Main University Director of Physical Plant Eckhardt and Main University Business Manager Colvin, which recommendation is concurred in by E. D. Walker, Vice-Chancellor Hackerman, and Chancellor Ransom that award of a contract in the amount of \$73,960.00 be made to the low bidder, Young and Pratt, Austin, Texas. This recommended contract award is within the \$75,000.00 appropriated for this project.

Medical Affairs Committee

MEDICAL AFFAIRS COMMITTEE

Date: Friday, April 1, 1966

Time: Following the Joint Meeting with the Buildings and Grounds Committee at 11:15 a.m.

Place: After the Joint Meeting in Room 210 (Secretary's Office) with the Buildings and Grounds Committee, the Medical Affairs Committee will meet in Room 209.

Members:

Regent Connally, Chairman
Regent Ikard
Regent Josey
Regent Olan
Chairman Heath, Ex Officio Member

Page MED

1. Osteopathy: Appearance of Doctor Elmer C. Baum

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1. OSTEOPATHY: APPEARANCE OF DOCTOR ELMER C. BAUM
.-- Doctor Elmer C. Baum has requested an appearance before the Medical Affairs Committee and has asked that he be allowed to bring along with him the following:

Doctor John Burnett, President of Texas Association
of Osteopathic Physicians and Surgeons

Doctor Fred Logan, President-Elect of Texas Association
of Osteopathic Physicians and Surgeons

Doctor L. G. Ballard

Doctor J. W. McCorkle

MEDICAL AFFAIRS COMMITTEE

Supplementary Agenda

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MEDICAL BRANCH

2. Amendment to Contract with
Automatic Retailers of America, Inc. 4

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE

3. Ratification of Interagency Agreement
with Texas Education Agency, Division
of Vocational Rehabilitation 5

2. **MEDICAL BRANCH: AMENDMENT TO CONTRACT WITH AUTOMATIC RETAILERS OF AMERICA, INC.** -- Below is a xerox copy of Chancellor Ransom's recommendation:

Chancellor Ransom concurs in the recommendation of Dr. Blocker that the Medical Branch pay to Automatic Retailers of America, Inc. the following patient per diem rates as compensation for operation of the Medical Branch Hospital Dietary Department:

| | |
|-----------------------------|--------|
| Effective February 1, 1966 | \$2.56 |
| Effective May 1, 1966 | 2.63 |
| Effective September 1, 1966 | 2.69 |

This recommendation is more fully explained and justified in Dr. Blocker's letter to Dr. Ransom dated February 28, 1966.

February 28, 1966

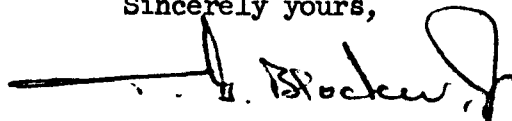
Dear Dr. Ransom:

The agreement with Automatic Retailers of America, Inc., contains the provision that the prevailing wage for Medical Branch personnel will also be paid to the personnel of Automatic Retailers of America, Inc., on this campus. Effective February 1, 1966, we brought all Medical Branch employees to a minimum salary of 86¢ per hour. We plan to increase this minimum salary to \$1.05 on May 1, 1966, and to \$1.24 on September 1, 1966. This sequence of increases will also affect the wages paid by Automatic Retailers of America, Inc., and, consequently, will affect the per diem rate of reimbursement for patient food service. The proposed change affects 116 full-time employees of Automatic Retailers of America, Inc., and translated into per diem cost for patient food service would increase the present rate of \$2.49 to \$2.57 as of February 1, \$2.67 as of May 1, and \$2.78 as of September 1, 1966. With the hope, however, that the increase in minimum wage will permit employment of more productive employees, the Automatic Retailers of America, Inc., have agreed that they can accommodate the following schedule of per diem rates without reduction in the quality of food service:

| | |
|-------------------|--------|
| February 1, 1966 | \$2.56 |
| May 1, 1966 | 2.63 |
| September 1, 1966 | 2.69 |


With the concurrence of Mr. Daniel J. Bobbitt and Mr. Warren G. Harding, I recommend that The University of Texas Medical Branch contract with Automatic Retailers of America, Inc., be amended to provide that the Medical Branch pay to Automatic Retailers of America, Inc., the per diem rates as set forth above as compensation for the operation of the Medical Branch Hospital Dietary Department.

Sincerely yours,



T. G. Blocker, Jr., M.D.
Executive Director and Dean

APPROVED:


Chancellor
The University of Texas

Additional Information by Secretary: For the benefit of those Regents, who were not members of the Board in 1963, I might add that in May of 1963 the Board entered into a contract with Automatic Retailers of America, Inc., for cafeteria and dietary operations at the Medical Branch. The contract at that time set the patient per diem rate at \$2.46 per patient. In July of 1965, the contract was amended by increasing the rate to \$2.49 per patient per day.

3. M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE: RATIFICATION OF INTERAGENCY CONTRACT WITH VOCATIONAL REHABILITATION, TEXAS EDUCATION AGENCY.-- Below is a xerox copy of Chancellor Ransom's recommendation:

Chancellor Ransom concurs in the recommendation of Dr. Clark that the Board of Regents ratify the following agreement signed by Dr. Clark:

On this date the Division of Vocational Rehabilitation, Texas Education Agency, and The University of Texas M. D. Anderson Hospital and Tumor Institute, enter into an interagency agreement for the purpose of providing vocational rehabilitation services to those cancer patients who could benefit from, and are eligible for such services.

Eligibility of cancer patients for vocational rehabilitation services shall be based on the following criteria:

- (1) Age of 16 years or older.
- (2) Patient has undergone initial treatment for cancer and the attending physician can find no clinical evidence of active extension or metastasis, and in whom the medical prognosis is good.
- (3) Have a vocational handicap which results from this cancerous condition or treatment.
- (4) There must be a reasonable expectation that the services rendered by Vocational Rehabilitation will make the patient gainfully employable.

The Division of Vocational Rehabilitation agrees to provide:

- (1) A Vocational Rehabilitation Counselor and Stenographer assigned to work with those patients referred by The University of Texas M. D. Anderson Hospital and Tumor Institute for vocational rehabilitation services.
- (2) Necessary office equipment for the Counselor and Stenographer.
- (3) The following services on an individual basis, provided such services are necessary to make the patient gainfully employable.
 - a. Vocational counseling and guidance
 - b. Vocational training, occupational tools, and equipment if necessary.
 - c. Payment to The University of Texas M. D. Anderson Hospital and Tumor Institute for restorative type medical and para-medical services according to the established Fee Schedule of the Division of Vocational Rehabilitation. Payment for such services will be made only on those cases accepted for vocational rehabilitation services and provided payment of such services is authorized by the Counselor in advance.
 - d. Psychological and psychiatric examinations as needed by the Vocational Rehabilitation Counselor.
 - e. Maintenance and transportation may be provided those clients of Vocational Rehabilitation during vocational training or out-patient medical and para-medical services.
 - f. Job placement.
- (4) Such records or progress reports on patient-clients as needed or desired by the Hospital.

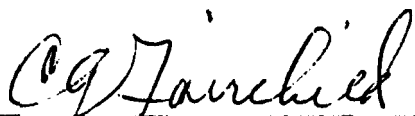
The University of Texas M. D. Anderson Hospital and Tumor Institute agrees to provide:

- (1) Adequate office space for the Vocational Rehabilitation Counselor and Stenographer within the hospital building and closely adjacent to, or in the Social Service Department if possible.

- (2) Referral of cancer patients who might benefit from vocational rehabilitation services through the Social Service Department. It will be the responsibility of the Hospital to set up an administrative procedure to insure that all referrals for vocational rehabilitation services are channeled through the Social Service Department.
- (3) Access to medical, psychological, psychiatric, and social service records on those patients referred for vocational rehabilitation services.
- (4) Medical staff consultation as needed by the Vocational Rehabilitation Counselor.
- (5) Opportunities for the Vocational Rehabilitation Counselor to orient the hospital staff with services of vocational rehabilitation.

The Division of Vocational Rehabilitation further agrees to insure that vocational rehabilitation services are continued after the patient-client returns to his home community. It will be the responsibility of the Counselor assigned to The University of Texas M. D. Anderson Hospital and Tumor Institute to transfer the case to the nearest rehabilitation district office and follow-up to insure the continuation of services.

This agreement is in effect from the date of signatures for an indefinite period and can be terminated by either party by giving the other party thirty (30) days notice.



C. G. Fairchild,
Assistant Commissioner
Vocational Rehabilitation
Texas Education Agency



Dr. R. Lee Clark
The University of Texas
M. D. Anderson Hospital and
Tumor Institute

3/7/66

Date

3/8/66

Date

Committee of the Whole

COMMITTEE OF THE WHOLE
Chairman Heath, Presiding

Date and Time: March 31, 1966, 2:00 p.m.
April 1, 1966, 1:00 p.m.

Place: Regents' Room 209

- A. REPORTS AND SPECIAL ITEMS BY CHANCELLOR RANSOM
(Orange Book -- Items not Listed on Agenda -- Executive Session)
- B. REPORTS AND SPECIAL ITEMS BY REGENTS (Not Listed on
Agenda -- Executive Session)
- C. REPORTS AND SPECIAL ITEMS BY INSTITUTIONAL HEADS,
IF ANY (Items on Agenda and Emergency Items, both of which
have been previously cleared with the Chancellor for presentation.)
1. Texas Western College (Doctor Ray)
 2. Medical Branch (Doctor Blocker)
 3. Dental Branch (Doctor Olson)
 4. M. D. Anderson Hospital and Tumor
Institute (Doctor Clark)
 5. Southwestern Medical School (Doctor Gill)
 6. Graduate School of Biomedical Sciences
at Houston (Doctor Arnim)
 7. South Texas Medical School (Doctor Pannill)
 8. Division of Continuing Education (Doctor Taylor)
 9. Arlington State College (Doctor Woolf)

D. SPECIAL ITEMS

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| 1. | Main University: Proposed Agreement between The University of Texas and the Austin Independent School District re Practice Teaching Program | 5 |
| 2. | Southwest Texas Area Television Council | 9 |
| 3. | System-Wide: Administrative Office Space Assignments | 9 |

COMMITTEE OF THE WHOLE
Chairman Heath, Presiding

A. REPORTS AND SPECIAL ITEMS BY CHANCELLOR RANSOM
(Orange Book -- Items not Listed on Agenda -- Executive Session)

B. REPORTS AND SPECIAL ITEMS BY REGENTS (Not Listed on
Agenda -- Executive Session)

1. Chairman W. W. Heath
a. ABB: apptment of Regent Josey as Representative
b. LBJ - Location of Library
2. Vice-Chairman Frank C. Erwin, Jr.
3. Regent W. H. Bauer
4. Regent Walter P. Brenan
5. Regent H. F. Connally, Jr., M. D.
6. Regent Frank N. Ikard
7. Regent (Mrs.) J. Lee Johnson III
8. Regent Jack S. Josey
9. Regent Levi A. Olan

C. REPORTS AND SPECIAL ITEMS BY INSTITUTIONAL HEADS, IF ANY (Items on Agenda and Emergency Items, both of which have been previously cleared with the Chancellor for Presentation.)

1. Texas Western College (Doctor Ray)

2. Medical Branch (Doctor Blocker)

3. Dental Branch (Doctor Olson)

4. M. D. Anderson Hospital and Tumor Institute (Doctor Clark)

5. Southwestern Medical School (Doctor Gill)

6. Graduate School of Biomedical Sciences at Houston (Doctor Arnim)

7. South Texas Medical School (Doctor Pannill)

8. Division of Continuing Education (Doctor Taylor)

9. Arlington State College (Doctor Woolf)

1. MAIN UNIVERSITY: PROPOSED AGREEMENT BETWEEN THE UNIVERSITY OF TEXAS AND THE AUSTIN INDEPENDENT SCHOOL DISTRICT RE PRACTICE TEACHING PROGRAM.-- Since the Board of Trustees of the Austin Independent School District was to have a meeting on March 12, 1966, Superintendent Carruth advised he would recommend to his Board that a contract agreement be entered into with the University in accordance with the terms and conditions as set out below in Dean Holtzman's letter, provided he could have assurance that the Board of Regents would be agreeable to the proposed terms and rates of compensation.

Because of the urgency of this matter, Chairman Heath authorized Assistant to the Chancellor Landrum to poll by telephone members of the Executive Committee with respect to the proposed agreement. On March 9, 1966, Mr. Landrum contacted Chairman Heath, Vice-Chairman Erwin, and Regents Brennan, Connally, and Johnson; and from those contacted, affirmative votes were received for the proposed agreement. Mr. Landrum was unable to reach Regent Olan by telephone, but since five members of the Board had indicated their approval, Superintendent Carruth was notified that the Administration had tentative approval of the majority of the Board of Regents and would submit the proposal for ratification at the Regents' meeting on April 1, 1966.

It is requested that the approval by the Executive Committee via telephone be ratified.

MEMORANDUM

TO : Vice-Chancellor Norman Hackerman

FROM : Wayne H. Holtzman

SUBJECT: Proposed Agreement Between The University of Texas and Austin Independent School District for Compensation of Student Teacher Supervisors and Related Services Given the University by the Austin Schools.

Currently the University provides no direct compensation to the public school teachers supervising University students in their practice teaching and classroom observation activities. In lieu of such compensation, the University makes direct payment through its Bureau of Laboratory Schools for experimental programs at Casis School. For 1965-66, this payment amounts to \$44,600. In addition the University provides the building and grounds of University Junior High School, including maintenance services.

No later than September 1, 1968, University Junior High School will be vacated by the Austin public schools and the property will revert to the University. In anticipation of this change, it is recommended that the University work out an agreement with the Austin Independent School District to provide direct compensation on an objective formula basis for services rendered in the under-

graduate teacher education program. Such compensation is becoming increasingly prevalent throughout the country. The following table illustrates the national picture in 209 colleges involved in teacher education as it existed in 1960.

COMPENSATION PAID TO CLASSROOM TEACHERS*

| Amount/Student Teacher | No. of Colleges | Per Cent |
|------------------------|-----------------|----------|
| 250 | 1 | 0.5 |
| 150 | 2 | 1.0 |
| 135 | 1 | 0.5 |
| 130 | 3 | 1.4 |
| 120 | 2 | 1.0 |
| 91-100 | 7 | 3.4 |
| 81- 90 | 6 | 2.8 |
| 71- 80 | 17 | 8.1 |

| <u>Amount/Student Teacher</u> | <u>No. of Colleges</u> | <u>Per Cent</u> |
|-------------------------------|------------------------|-----------------|
| 61- 70 | 7 | 3.4 |
| 51- 60 | 6 | 2.8 |
| 41- 50 | 60 | 28.7 |
| 31- 40 | 32 | 15.3 |
| 21- 30 | 45 | 21.5 |
| 11- 20 | 15 | 7.2 |
| 0- 10 | 5 | 2.4 |
| | <u>209</u> | <u>100.0</u> |

*Data taken from Student Teaching Today by Asahel Woodruff, Study Series No. 5, American Association of Colleges for Teacher Education, 1960.

After careful study, it is recommended by the Superintendent of Austin Schools and the Dean of the College of Education that a sum of money based on the following formula be paid by the University to the Austin School District for services rendered in the Teacher Education Program:

1. \$70.00 for each student teacher supervising in the Austin Public Schools.
2. \$15.00 for each elementary student enrolled in the elementary observation-participation course.
3. \$5.00 for each student teacher to be paid for administrative and material costs involved in operating the program.

A student teacher is defined as a college student enrolled in student teaching who is assigned to a public school by The University of Texas with the approval of said school, and who completes at least half of the semester of student teaching with a minimum credit of six semester hours.

An all-level music teacher who spends half the semester in an elementary assignment and half in a secondary assignment would be counted as one student teacher.

An elementary student teacher who is also receiving certification in a field of special education would be counted as two student teachers since she is enrolled for six semester hours of credit in elementary student teaching and six semester hours in special education.

If the above plan had been in effect for the school year 1965-66, University payment to the Austin School District would have been as follows:

| | | | |
|------------------|-------------------|---------------|--------------|
| Fall Semester: | 368 students @ 70 | 25,760 | |
| Spring Semester: | 429 students @ 70 | <u>30,030</u> | 55,790 |
| Observation : | 348 students @ 15 | | 5,220 |
| Materials Fee : | 797 students @ 5 | | <u>3,985</u> |

Total Austin Payment \$64,995

If this same formula were extended to other school districts in which student teachers are placed, an additional payment of \$4,500 (65 students at \$70.00 a piece) would be required, making a total of \$69,495 for compensation of all undergraduate teacher education supervisory services.

It is further recommended that this agreement supersede all previous agreements effective on or before September 1, 1968. The Bureau of Laboratory Schools would cease to operate on the same date that the University reclaims University Junior High School. If the Austin schools vacate the University Junior High School in time for University possession in September, 1967, this agreement should take effect on that date. Otherwise, the agreement should become effective on September 1, 1968.

Each party to the agreement should have the right to terminate the agreement after an appropriate period of formal notification (say 3 years). The agreement should also provide for the possibility that the State Legislature may pass a law establishing payment of supervisory services on a formula basis throughout the state, thus superceding the agreement.

It is recommended that negotiations for this agreement between The University of Texas and the Austin Independent School District move forward as quickly as possible.

The development of experimental schools under the Research and Development Center for Teacher Education will provide a more flexible and extensive basis for research, development and demonstration activities than would be possible under the existing Bureau of Laboratory Schools, making it unnecessary to continue with the Bureau.

However, Doctor Carruth did not have an opportunity to present this item at the meeting on March 12 as he had intended to. He has advised Mr. Landrum that the proposed agreement is on the agenda for the meeting of the Trustees of the Austin Independent School District on March 28 and has assured Mr. Landrum that he will notify him of the action by the board on the 29th. This action, therefore, will be reported to the Regents at its meeting on April 1.

If the Board of Trustees of the Austin Independent School District approves the proposed agreement at its meeting on March 28, Chancellor Ransom and Vice-Chancellor

Hackerman recommend that The University of Texas enter into the agreement as proposed with the Austin Independent School District and authorize the Chairman of the Board to execute the agreement when it has been approved as to subject matter by Chancellor Ransom and as to form by University Attorney Waldrep.

2. SOUTHWEST TEXAS AREA EDUCATIONAL TELEVISION CHANNEL: APPOINTMENT OF TRUSTEES.--Below is a xerox copy of Chancellor Ransom's recommendation:

The terms of Mr. Ernest W. Jackson, Austin, and Dr. James McCrocklin, President of Southwest Texas State College, expired in January, 1966. It is recommended that the Board of Regents elect two members to fill these places for terms expiring January, 1969.

(The Constitution of the Southwest Texas Educational Television Council, which operates educational television station, provides that eight members of the Board of Trustees shall be named, for three-year terms each, by the Board of Regents of The University of Texas. Other Regent-appointed trustees are: (Terms expiring January 1967, L. D. Haskew, Lester Harrell, Richard F. Brown (Austin American-Statesman); terms expiring January 1968, Superintendent Irby Carruth, Norman Hackerman, Regent Walter Brenan.)

3. ADMINISTRATIVE OFFICE SPACE ASSIGNMENTS.--Below is a copy of Chancellor Ransom's recommendation:

Major administrative offices, Central Administration and Main University, will continue to occupy space in the Main Building. Although additional space in the Main Building will become available for administrative office use when the East Campus Library and Research buildings and the Graduate Library Center are constructed, we are not able to acquire more space in the Main Building at this time without pre-empting library space. Therefore, it becomes necessary to make certain reassignments of space in order to more effectively use the space now available.

Chancellor Ransom recommends the following for approval by the Board of Regents:

Step 1. Move University Attorney's office from Room 201 to Room 120 as a temporary location in order to vacate Room 201.

Step 2. Move the Investment Office from Rooms 301, 303, and 305 to Room 201 and use 201 as it is now arranged. In addition, the Regents might consider making Room 209 (Regents' meeting room) available for Investment Office conference room, with advance notice to the secretary. Alternatively, the Investment Office can use the Conference Room (120).

Step 3. Move the Comptroller's Office from Room 121 to Rooms 301, 303, and 305; and except for a connecting doorway or two if desired by Mr. Sparenberg, I recommend no extensive remodeling of these areas.

Step 4. Paint and refurbish Room 121 for occupancy by the University Attorney.

Step 5. Move the University Attorney from temporary location in Room 120 to Room 121 (present Comptroller's Office).

| | | |
|-----|---------------------------------------------------------------------------------------------------|----|
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4. ARLINGTON STATE COLLEGE: APPOINTMENT OF BASKETBALL COACH.-- Below is a xerox copy of Chancellor Ransom's recommendation:

Chancellor Ransom concurs in the recommendation of President Woolf that Mr. Barry Dowd be appointed basketball coach at Arlington State College effective April 1, 1966 at an annual salary of \$9,000. It is further recommended that the appointment be for a three-year period, subject to the usual annual budgetary consideration by the Board of Regents. President Woolf's letter of recommendation is as follows:

Source funds

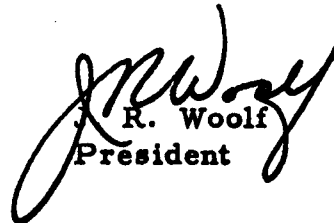
Dear Dr. Ransom:

It is requested that with your concurrence the following recommended appointment be placed on the agenda of the Board of Regents for their next meeting on April 1-2, 1966:

It is recommended that Mr. Barry Dowd be appointed basketball coach at Arlington State College, effective April 1, 1966. It is recommended that the annual (12 months) salary be \$9,000, and that this be a three-year appointment, subject to the usual annual budgetary consideration by the Board of Regents.

Mr. Dowd is 30 years of age and is basketball coach at Thomas Jefferson High School in Dallas, Texas. He holds a B.S. degree from The University of Texas (1958) and a Master's degree from NTSU (1965). He is experienced as a basketball player and a coach, and has had an excellent basketball coaching record at Thomas Jefferson High School. The faculty committee consisting of the chairman of the faculty athletic committee and the director of athletics have recommended this appointment to me. I concur and respectfully recommend it for your approval and presentation to the Board of Regents for their approval.

Respectfully yours,


J. R. Woolf
President

JRW:md

5. **ARLINGTON STATE COLLEGE: APPOINTMENT OF DEAN OF LIBERAL ARTS.-- Below is a xerox copy of Chancellor Ransom's recommendation:**

Chancellor Ransom concurs in the recommendation of President Woolf that Dr. Charles Green, currently a Professor of English at Arlington State College, be appointed Dean of Liberal Arts at Arlington State College effective June 1, 1966 at an annual (twelve months) salary rate of \$18,600. Dr. Green's twelve-months equivalent of his current academic rate is \$16,100; therefore, there is a rate increase of \$2,500 involved in this recommended promotion.

Chancellor Ransom requests approval of the Board in order that a public announcement may be made at the earliest possible time.

*Same
fund?*

6. ARLINGTON STATE COLLEGE: COMPROMISE OF LITIGATION
RELATIVE TO CAMPUS EXPANSION.-- Below is a xerox copy of
Chancellor Ransom's recommendation:

*Saunders
Jules*

On December 16, 1964, commissioners in Tarrant County, Texas, made an award of \$25,500 for property belonging to Joe M. Thomas, et al, but the same was appealed to the County Court of Tarrant County, Texas, and is styled The State of Texas v. Joe M. Thomas, et al, No. 61,317, County Court of Tarrant County, Texas. The matter was tried before a jury on April 12, 1965, but the Court declared a mistrial. On February 10, 1966, there was an attempt to negotiate a settlement for the property in question, which consists of 2.08 acres, and it was agreed by the representatives of the Attorney General's Office and Arlington State College that the matter should be compromised and that Mr. Thomas be paid \$35,000 for his property and that he be allowed to move his house from the property. The proposed settlement price of \$35,000 amounts to something less than forty cents per square foot, and the comparable sales in the area of the Thomas property reflect that many have been in the vicinity of \$1.00 per square foot and higher.

All parties have joined in a request that this matter be placed on the agenda of the Board of Regents with a recommendation that the out-of-court settlement price of \$35,000 be paid Mr. Thomas and that he be given permission to remove the improvements on the property, which have little value. Central Administration joins in this recommendation.

See full explanation in the attached letter from Dr. Woolf to Dr. Ransom.

Subject: Out-of-Court Settlement of Case #61317, The State of Texas
vs. Joe M. Thomas, et al

Dear Dr. Ransom:

On October 24, 1963, we had the Joe M. Thomas property appraised, which consists of 2.08 acres. After going through all possible methods of negotiating for this property, it became apparent that we could not reach agreement as to the value of the property.

We requested Dr. Harrington to ask the Attorney General to instigate condemnation proceedings against this property. The Attorney General did instigate condemnation proceedings, and on December 16, 1964, the Commissioners made an award of \$25,500 for the property, after which time this amount of money was deposited with the County Clerk, Tarrant County, Texas. Mr. Thomas and his attorney took exception to the Commissioners' award and appealed to the County Court. The case was set for trial on the jury docket April 12, 1965. After two and one-half days in court the judge, on petition of Mr. Atkins, attorney for Mr. Thomas, declared a mistrial.

On November 18, 1965, copies of Defendant's Motion to Dismiss for want of jurisdiction which had been filed in the case were received. Judge Clifton set a hearing on this motion on December 10, 1965. The Petition for the Plaintiff was overruled by the Judge of the County Court at Law, Tarrant County, Texas. This means the case is still pending at this time.

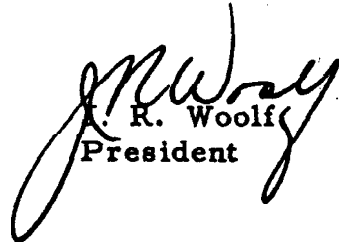
On February 10, 1966, Mr. Atkins and Mr. Thomas met with Mr. Scott Garrison and Mr. Roger Tyler of the Attorney General's Office and Mr. Barnes in an attempt to further negotiate a settlement on this property. After several hours of discussion, it was agreed that Mr. Barnes would submit a request to the University of Texas officials that this case be

settled out of court and that Mr. Thomas be paid \$35,000 for the property, and that Mr. Thomas be allowed to move the house from the property to another location.

Enclosed are statements from Mr. B. C. Barnes, Director of Business and Finance at Arlington State College, who has been acting as the agent of the College in purchase of land, regarding the history of the negotiations and the court action. Also enclosed are data on comparable sales in the vicinity of the Thomas property. It will be noted that the proposed settlement price of \$35,000 amounts to something less than 40¢ per square foot. In the list of comparable sales it can be seen that many of these have been in the vicinity of \$1 per square foot and higher.

Upon the recommendation of Mr. Barnes and in accordance with the conference on February 10, 1966, between Mr. Barnes, members of the Attorney General's Office, and the owner and his attorney, it is respectfully recommended that this matter be placed on the agenda of the Board of Regents on April 1-2, 1966, with the recommendation that the Regents approve the negotiated out-of-court settlement price of \$35,000 for the subject property, with permission given to the owner to remove the improvements on the property. It is our opinion that the improvements on the property would bring practically nothing to the College in a subsequent sale and removal.

Respectfully submitted,


J. R. Woolf
President

JRW:md

AUTHORITY FOR HANDLING TAX-FREE ALCOHOL PERMITS AT ARLINGTON STATE COLLEGE.-- The Board of Regents in 1957 adopted a resolution granting authority for the handling of tax-free alcohol permits at the Main University and at the other component units of The University of Texas so that the following individuals, or their successors in office, would perform their respective duties. Thus, it is not necessary for a separate resolution, but it is necessary that the resolution of 1957 be amended by adding a new paragraph to be numbered 7 that ~~should be added~~ for the Arlington State College of The University of Texas, Mr. Ben C. Barnes, Business Manager of Arlington State College be authorized as an agent of the Board of Regents to sign all documents required in connection with the application for and the issuance of permits for the delivery of tax-free alcohol; and ~~that~~ the head of the Department of Chemistry be authorized to have charge of and be responsible for the supply of alcohol and to sign all reports required after use of this alcohol and it is further recommended that this be retroactive to March 9, 1966.

7. ARLINGTON STATE COLLEGE: AUTHORIZATION TO FILE APPLICATION FOR TAX-FREE USE OF ALCOHOL.-- Below is a xerox copy of Chancellor Ransom's recommendation:

Chancellor Ransom concurs in the recommendation of President Woolf and requests adoption of the resolution as proposed in the following letter:

Dear Dr. Ransom:

The Internal Revenue Service of the United States Treasury Department requires that the Board of Regents or an authorized person sign our applications for the tax-free use of alcohol. Since our authority for the tax-free use of alcohol has expired, this is a matter of urgency, and it is hereby requested that the following recommendation be presented to the Board of Regents for action at their meeting on April 1-2, 1966. Two authorizations are required - one for a permit for the tax-free use of alcohol and the second to file application permits for authority to withdraw spirits free of tax. With your concurrence, it is respectfully recommended that the following resolution be presented to the Board of Regents for adoption:

Resolution

WHEREAS, Arlington State College is a component part of The University of Texas, under the governance of the Board of Regents of The University of Texas; and

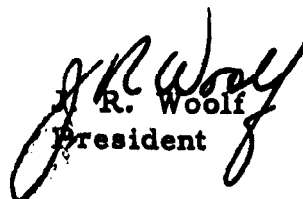
WHEREAS, said Arlington State College in the conduct of its legal program of instruction requires the use of alcohol and other spirits which are taxable:

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of The University of Texas that the President of the Arlington State College be hereby authorized to apply for and to file applications for permit to use spirits free of tax, which is currently Form 2600 of the Internal Revenue Service of the U. S. Treasury Department;

And Be It Further Resolved that the head of the Department of Chemistry of the Arlington State College, or any other officer of the College as authorized by the President of Arlington State College, be authorized by this Board of Regents to apply for and sign the application forms for "Application and Withdrawal Permit to Procure Spirits Free of Tax," which as of this date is Form 1450 of the Internal Revenue Service of the U. S. Treasury Department;

And Be It Further Resolved by the Board of Regents that it confirms the action of the President of the Arlington State College and the head of the Department of Chemistry retroactive to March 9, 1966, in applying for permits for the tax free use of alcohol and application and withdrawal permit to procure spirits free of tax.

Respectfully yours,


J. R. Woolf
President

JRW:md
Enc.

8. MAIN UNIVERSITY: LAND ACQUISITION PROGRAM.-- Below is a xerox copy of Chancellor Ransom's recommendation:

Mr. Colvin, Mr. Waldrep, and Dr. Dolley recommend that the Board of Regents discuss procedures to be followed in the acquisition of property north of the present campus. Hub Bechtol & Associates are acting as the negotiator for the University in the acquisition of the property north of the campus. The University has received the following letters from Mr. Ben F. Looney of Hub Bechtol & Associates, and these letters prompt staff recommendation that the Board of Regents consider the policy to be followed in instituting condemnation proceedings on the properties north of the campus.

#1 RE: MILLER PROPERTY - 300 WEST 26 $\frac{1}{2}$ STREET - UNIVERSITY CAMPUS EXPANSION PROGRAM

DEAR MR. COLVIN:

THE OWNER OF THE ABOVE CAPTIONED PROPERTY HAS FIRMLY INDICATED THAT THE APPRAISAL PRICE (\$28,750.00) OFFERED IS MUCH LOWER THAN THAT (\$35,500.00) AT WHICH SHE IS WILLING TO SELL.

THE HOUSE IS UNFURNISHED AND THE REVENUE FROM IT IS ERRATIC AND AT PRESENT SET AT \$75.00 PER MONTH. AS WE HAVE PREVIOUSLY DISCUSSED, PROPERTY OWNERS IN THE AREA ARE BEING INFLUENCED IN THEIR THINKING BY THE K. C. SMITH PROJECT, AND SUCH IS THE CASE HERE. THERE IS CONSIDERABLE MISCONCEPTION OF THE UNIVERSITY'S PLAN AND TO FACILITATE THE PROGRAM AND, SPECIFICALLY, TO ACQUIRE THIS PROPERTY, WE RESPECTFULLY URGE INITIATING CONDEMNATION PROCEEDINGS IMMEDIATELY.

WE FEEL THAT WE HAVE EXHAUSTED ALL AVENUES OF NEGOTIATION WITH THIS PROPERTY OWNER AT THIS TIME. A COURT SETTLEMENT SUBSTANTIATING THE APPRAISAL FIGURE WOULD DO MUCH TOWARD CLARIFYING THE PICTURE FOR THESE PROPERTY OWNERS.

VERY TRULY YOURS,


BEN F. LOONEY

HUGH D.
#2 RE: BLOCKER PROPERTY; 200 - 202 EAST 26 $\frac{1}{2}$ STREET

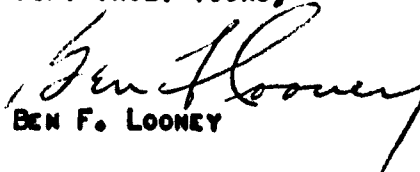
DEAR MR. COLVIN:

THE OWNER OF THE ABOVE CAPTIONED PROPERTY HAS INDICATED THAT OUR OFFERED APPRAISAL PRICE OF \$75,550.00 (BOTH PROPERTIES) IS FAR LESS THAN THAT FOR WHICH THEY ARE WILLING TO SETTLE (\$125,000.00).

WE HAVE PURSUED ALL AVENUES OF NEGOTIATION, I.E., CONTINUED OCCUPANCY, TO NO AVAIL. THESE OWNERS ARE RELUCTANT TO DIVULGE ANY OF THEIR INCOME FIGURES; AS A RESULT, WE ARE UNABLE TO ARRIVE AT A SATISFACTORY RENT-BACK SITUATION. THEY HAVE INDICATED THAT THEY HAVE DISCUSSED THEIR SITUATION WITH AN ATTORNEY, ALVIS VANDYGRIFF, AND IT APPEARS THAT A CONDEMNATION SUIT IS THE ONLY WAY OF SOLVING THIS ACQUISITION.

WE RESPECTFULLY REQUEST, THEN, THAT YOU INITIATE A CONDEMNATION ACTION ON THIS PROPERTY AT YOUR EARLIEST CONVENIENCE.

VERY TRULY YOURS,


BEN F. LOONEY

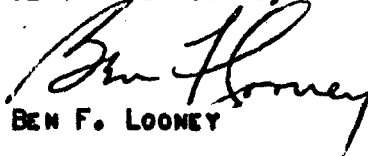
#3 RE: ACOCK PROPERTY, 304 EAST 26½ STREET, AUSTIN, TEXAS.

DEAR MR. COLVIN:

THE OWNER OF THE ABOVE-CAPTIONED PROPERTY HAS REJECTED ALL OF OUR EFFORTS TO REACH AN AGREEMENT TOWARD THE SALE OF HER PROPERTY.

SHE REFUSED THE APPRAISAL FIGURE OFFERED INITIALLY AND OUR OTHER OFFERS OF CONTINUED OCCUPANCY AS WELL. THIS LADY IS A REALTOR AND HAS A WORKING KNOWLEDGE OF BOTH PROPERTY VALUES AND THE PROCEDURES BEING FOLLOWED HERE. THUS, WE FEEL THERE IS NO COURSE OPEN TO NEGOTIATION AND RESPECTFULLY URGE AN EARLY CONDEMNATION SUIT.

VERY TRULY YOURS,


BEN F. LOONEY

MAIN UNIVERSITY - ADDITIONAL APPROPRIATION FOR MEN'S INTRAMURAL FIELDS ON AUSTIN STATE HOSPITAL TRACT.--At the Regents' Meeting held February 26, 1966, a recommendation was made by Main University Business Manager Colvin, Dean Holland, E. D. Walker, Vice-Chancellor Hackerman, and Chancellor Ransom that an appropriation be made of \$165,000.00 for constructing four Men's Intramural Fields and lighting three of them, or \$190,000.00 for constructing and lighting four Men's Intramural Fields, on the Austin State Hospital Tract. The Regents approved an appropriation in the amount of \$34,700.00 for construction of the four fields without lighting and without fencing, bleachers, or an activities building. At this time a recommendation is again being made by those listed above for an additional appropriation of \$142,400.00 from Available University Fund to cover the following items in connection with the construction of the Men's Intramural Fields:

| | |
|-----------------------------------------------------------------------------|--------------|
| Activities Building, Showers, Toilets, etc., 3,000 square feet at \$8.00 | \$ 24,000.00 |
| Chainlink Fencing | 3,000.00 |
| Backstops - 4 at \$100.00 each | 400.00 |
| Lighting Four Fields | 110,000.00 |
| Contingency | 5,000.00 |

Attention is called to the fact that the original estimate of \$7,600.00 for fencing has been reduced to \$3,000.00 based on a plan to use some old fencing which it is believed can be salvaged from various locations. The recommendation is being made that all four fields be lighted at this time, salvaging some lighting from the present field; it is contemplated that these lights as well as the fencing and building can be moved to other locations if this area is abandoned any time in the near future. The estimated cost of the Activities Building can be reduced to \$9,000.00 if it is decided to provide only toilet facilities and working spaces for the grounds keepers.

It is further recommended that a Committee consisting of Vice-Chancellor Hackerman, Main University Business Manager Colvin, and E. D. Walker be appointed to approve any plans and specifications necessary for this project and that E. D. Walker be authorized to advertise for bids after such approval, these bids to be presented to the Board for consideration at a later meeting.

10. RESOLUTION RE DUAL POSITIONS BY FACULTY OR ADMINISTRATION.-- Below is a xerox copy of Chancellor Ransom's recommendation:

Attorney General's Opinion No. C-550 relative to service on a state or federal board or commission by members of the faculty or administration of The University of Texas within the meaning of Sections 12, 33 or 40 of Article XVI of the Constitution of Texas.-- Pursuant to the opinion of the Attorney General of Texas numbered C-550, dated November 23, 1965, which states that service by a member of the faculty or administration of The University of Texas on a state or federal board or commission not exercising sovereign powers is not in violation of the Constitution of Texas, it is recommended that the following resolution be adopted by the Board of Regents of The University of Texas with respect to the individuals and offices listed therein:

RESOLUTION

"WHEREAS, (the name of the individual) has an opportunity to serve as (the capacity in which he is serving on a state or federal board or commission);

"NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of The University of Texas, acting pursuant to delegated legislative authority:

"1. That the said (the name of the individual) be, and he is hereby, directed and required by the Board of Regents to serve as (the capacity in which he is serving on a state or federal board or commission) until he no longer has an opportunity to do so or until this direction and requirement is amended or revoked by the Board of Regents;

"2. That the said (the name of the individual) be, and he is hereby, directed and required by the Board of Regents to serve as (the capacity in which he is serving on a state or federal board or commission) as a duty of his employment by The University of Texas, and such duty shall be in addition to all other duties that have been or may hereafter be assigned or required of him by the Board of Regents;

"3. That the Board of Regents finds that (the name of the individual)'s service as (the capacity in which he is serving on a state or federal board or commission) is, and will continue to be, fully and entirely compatible with his employment by The University of Texas;

"4. That the Board of Regents finds that (the name of the individual)'s service as (the capacity in which he is serving on a state or federal board or commission) is, and will continue to be, a benefit and advantage to The University of Texas and the State of Texas; and

"5. That the Board of Regents finds that neither the (board or commission on which he is serving) nor (the name of the individual) as (the capacity in which he is serving) will exercise any sovereign function or power of government."

THE UNIVERSITY OF TEXAS
SOUTHWESTERN MEDICAL SCHOOL
Dallas, Texas

| <u>Name</u> | <u>Classification</u> | <u>Board or Commission</u> |
|--------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| Frederick J. Bonte | Professor and Chairman - Department of Radiology | Radiology Training Committee, National Institute of General Medical Sciences, NIH - Member |
| Robert G. Grossman | Assistant Professor Division of Neurology | Medical Advisory Board of Hearings and Appeals - Social Security Administration, Department of Health, Education and Welfare - Member |
| John R. Lynn | Assistant Professor | Member - Medical Advisory Board of Hearings and Appeals, Social Security Administration, Department of Health, Education and Welfare |
| Louis H. Paradies | Assistant Professor of Orthopedic Surgery | Crippled Children Division, Texas State Department of Health |
| G. Tom Shires | Professor and Chairman, Department of Surgery | Member - National Academy of Sciences, National Research Council, Committee on Resuscitative Fluids and Committee on Trauma |
| Frank Harrison | Professor of Anatomy and Associate Dean | Member - Anatomy and Pathology Fellowship Review Committee, National Institutes of Health |
| Robert L. Leon | Professor of Psychiatry | Member - Training Committee, Subcommittee on Inservice Training of Training and Manpower Resources Branch, National Institute of Mental Health |
| J. Richard Crout | Associate Professor of Pharmacology and Internal Medicine | Member - Anesthesiology Training Committee of the National Institute of General Medical Sciences - reviews grants |

THE UNIVERSITY OF TEXAS MEDICAL BRANCH
Galveston, Texas

| | | |
|-------------------|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Raymond F. Blount | Professor of Anatomy | Secretary-Treasurer, Anatomical Board of the State of Texas - The law stipulates that a member of the board shall be a professor of Anatomy or Surgery at the Medical and Dental Schools of the State |
| James G. Hilton | Professor of Pharmacology | Member - Pharmacology and Endocrinology Fellowships Review Panel, National Institutes of Health |

| <u>Name</u> | <u>Classification</u> | <u>Board or Commission</u> |
|---------------------|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ernest Burke Evans | Professor and Chief of Surgery | National Research Council, National Academy of Sciences - Member, Subcommittee on Orthotics of the Committee on Prosthetic-Orthotic Education |
| W. F. Verwey | Professor and Chairman of Microbiology | Member - Cholera Panel of the U.S.-Japan Cooperative Medical Science Program, NIH Member - Commission on Immunization, Armed Forces Epidemiological Board, 1965-67 |
| William J. McGanity | Professor and Chairman of Obstetrics and Gynecology | Member - Maternal and Child Health and Crippled Children Services Study Section of the Children's Bureau |
| T. G. Blocker, Jr. | Executive Director | Member - National Research Council Committee on Trauma Member - General Clinical Research, Centers Advisory Committee, National Institutes of Health |

CENTRAL ADMINISTRATION

| | | |
|--------------|-----------------|-----------------------------------------------------------------------------------------|
| L. D. Haskew | Vice-Chancellor | Member - National Advisory Dental Research Council, National Institutes of Health |
|--------------|-----------------|-----------------------------------------------------------------------------------------|

MAIN UNIVERSITY

| | | |
|-----------------|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| John J. McKetta | Professor and Dean of Engineering | Member of the Executive Committee of the Southern Interstate Nuclear Board |
| Peter T. Flawn | Director, Bureau of Economic Geology | Appointed by the Governor as the State representative with the U.S. Department of the Interior for the purpose of making studies and recom- mendations as to surface and strip mining |

11. SCHEDULED MEETINGS, REVISED.-- At the February session of the Regents, the following meetings were scheduled:

April 1 - 2, 1966 in Austin
 April 22 - 23, 1966 in Austin
 (Budget Meeting)
 May 27 - 28, 1966 in El Paso

Since that time Doctor Ray has suggested that the meeting not be held in El Paso in May but at a later date.

| 1966 | | | | | | | | | | | | | | |
|--------------------------------------------|---------|----|----|----|----|----|----|------|----|----|----|----|----|----|
| Holidays, Holy Days and Commemorative Days | JANUARY | | | | | | | JULY | | | | | | |
| | S | M | T | W | T | F | S | S | M | T | W | T | F | S |
| | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| Jan. 1 New Year's Day | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| Feb. 12 Lincoln's Birthday | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| Feb. 14 St. Valentine's Day | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| Feb. 22 Washington's Birthday | 30 | 31 | | | | | | 31 | | | | | | |
| Feb. 23 Ash Wednesday | | | | | | | | | | | | | | |
| Mar. 17 St. Patrick's Day | | | | | | | | | | | | | | |
| Apr. 3 Palm Sunday | | | | | | | | | | | | | | |
| Apr. 5 Jewish Passover | | | | | | | | | | | | | | |
| Apr. 8 Good Friday | | | | | | | | | | | | | | |
| Apr. 10 Easter Sunday | | | | | | | | | | | | | | |
| May 8 Mother's Day | | | | | | | | | | | | | | |
| May 21 Armed Forces Day | | | | | | | | | | | | | | |
| May 30 Memorial Day | | | | | | | | | | | | | | |
| Jun. 3 Trinity Sunday | | | | | | | | | | | | | | |
| Jun. 12 Children's Day | | | | | | | | | | | | | | |
| Jun. 14 Flag Day | | | | | | | | | | | | | | |
| Jun. 19 Father's Day | | | | | | | | | | | | | | |
| Jul. 4 Independence Day | | | | | | | | | | | | | | |
| Aug. 5 Labor Day | | | | | | | | | | | | | | |
| Aug. 15 Jewish New Year | | | | | | | | | | | | | | |
| Aug. 17 Citizenship Day | | | | | | | | | | | | | | |
| Aug. 24 Jewish Yom Kippur | | | | | | | | | | | | | | |
| Oct. 12 Columbus Day | | | | | | | | | | | | | | |
| Oct. 24 United Nations Day | | | | | | | | | | | | | | |
| Oct. 31 Halloween | | | | | | | | | | | | | | |
| Nov. 8 Election Day | | | | | | | | | | | | | | |
| Nov. 11 Veterans Day | | | | | | | | | | | | | | |
| Nov. 24 Thanksgiving Day | | | | | | | | | | | | | | |
| Nov. 27 First Sunday of Advent | | | | | | | | | | | | | | |
| Dec. 25 Christmas Day* | | | | | | | | | | | | | | |

In case you desire to change presently scheduled meetings or to schedule other meetings, a calendar is included and commencement dates for the various institutions of the University are:

Main University - June 4, 1966
 Arlington State College - May 31, 1966
 Texas Western College - May 28, 1966
 Medical Branch - June 15, 1966
 Southwestern Medical School - June 6, 1966
 Dental Branch - June 6, 1966

12. CHANCELLOR'S DOCKET NO. 6.-- Chancellor's Docket No. 6 was mailed to each Regent on March 15, 1966, and all ballots are due to be returned to the Secretary at the close of business on March 29.

13. REPORT OF THE MEETING OF THE COMMITTEE OF THE WHOLE FOLLOWING THE REGULAR MEETING ON FEBRUARY 26, 1966.-- Following the regular meeting of the Board on Saturday morning, February 26, the Committee of the Whole reassembled to discuss the Schedule of Building Projects that had been prepared by Mr. E. D. Walker. (A copy of this document is in the Secretary's Files, Volume XIII, Page ____.)

Appropriate Channel for Consulting Architect. -- The Consulting Architect was requested to report through the Director of Office of Facilities Planning and Construction to the Chancellor and through the Chancellor to the Board of Regents.

Dental Branch: Appointment of Associate Architect for Dental Science Research Building. -- The firm of MacKie and Kamrath of Houston was named as Associate Architect for the Dental Science Research Building at The University of Texas Dental Branch, Houston, Texas. This appointment is subject to the written approval of the Governor of the State of Texas after obtaining the advice of the Legislative Budget Board.

North Classroom Office Building and Physics-Mathematics-Astronomy Building. -- The North Classroom Office Building and the Physics-Mathematics-Astronomy Building were given top priority, and Mr. Walker was instructed to see that the plans were prepared and within the amount of money appropriated for these buildings.

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14. ITEMS FOR THE RECORD.-- The following items have been approved by the Committee of the Whole, and are included here for ratification by the Board:

Contract with Control Data Corporation for Computer 6600
.-- Doctor Hackerman reported that the contract with Control Data Corporation for the purchase of Model 6600 Computing System is now ready for signature. At the November 1965 meeting (Page 2 of the November minutes) the contract was approved for a total consideration not to exceed \$3,090,000 and an appropriation of \$1,926,000 was made for the first payment with other installments to be appropriated in sequence. The Chairman at that meeting was authorized to execute the contract when approved as to subject matter by Vice-Chancellor Hackerman and as to form by University Attorney Waldrep. The contract that is ready for execution shows a consideration of \$3,088,310 to be paid as follows:

| | |
|--------------------------------------------|-------------|
| July 29, 1966 | \$2,266,161 |
| During the fourth quarter of 1966 | 286,374 |
| On October 31, 1966 (Special Equipment) | 107,823 |
| On March 19, 1967 | 427,952 |

Main University: Proposal of Dr. C. P. Patterson for Establishment of The Perry Patterson Professorship of Government and The Perry and Tommie Patterson Fellowships in Political Science, and Provision for Satisfying Requirements of Gift (Stiles Endowment Fund). -- The proposal of Doctor C. P. Patterson (1) to deed to the Board of Regents of The University of Texas his residence and lots at 2503 Wooldridge Drive, Austin, Texas, together with the furniture, furnishings, libraries and other personal property therein, proceeds of which will be used to establish the Perry Patterson Professorship of Government and (2) to transfer and assign to the Board of Regents of The University of Texas certain stocks and cash to establish the Perry and Tommie Patterson Fellowships in Political Science, which are to be in the amount of \$1,500 each, was approved. The proposal provides that during his lifetime Doctor Patterson shall have the right to occupy the residence and shall receive the interest and dividends on corporate stocks and savings accounts.

Under the approved proposal (1) the University will pay the inheritance and estate taxes due on the estate (approximately \$10,000) of Mrs. Perry Patterson whose death occurred in 1965, together with any ad valorem taxes that may be due if the University is unsuccessful in placing the property on exempt tax rolls; and (2) the University will also pay insurance premiums which may become due on the home.

The market value of the stocks is approximately \$116,800, and the cash transferred under the proposal is in the amount of \$50,000.

A special account of \$16,000, transferred from the J. V. and H. A. Stiles Foundation Endowment Account, was set up to satisfy the first year requirements of the Patterson gift, and the Administration was authorized to pay out of the income from the J. V. and H. A. Stiles Endowment Fund an amount not to exceed \$1,000 per year to satisfy the annual requirements of this gift.

The Chairman of the Board was authorized to execute the necessary instruments for the acceptance of this bequest. (Three instruments were executed.)

The following listings on the Agenda have been requested:

15. NATIONAL LOAN FUND

16. DISCUSSION ON RADIO ASTRONOMY BY DOCTOR HACKERMAN
.-- Doctor Hackerman has requested an opportunity to discuss
Radio Astronomy, the problem being the leasing of lands in
West Texas. There is a secondary problem of funds.

17. PROGRESS REPORT ON DORMITORY PROJECTS, MAIN
UNIVERSITY, BY E. D. WALKER

18. PROGRESS REPORT RE NEGOTIATIONS WITH CONSULTING
ARCHITECTS BY E. D. WALKER

19. EMERGENCY ADMINISTRATIVE RECOMMENDATIONS, IF
ANY

20. CONSULTING ARCHITECTS' PRESENTATION OF PROPOSED
MASTER PLAN FOR SOUTHWESTERN MEDICAL SCHOOL

Land & Investment Committee

LAND AND INVESTMENT COMMITTEE

Date: April 1, 1966

Time: 10:15 a.m.

Place: Regents' Room 210

Members:

Regent Erwin, Chairman
Regent Bauer
Regent Brennan
Regent Ikard
Chairman Heath, Ex Officio Member

LAND AND INVESTMENT COMMITTEE

April 1, 1966

I. PERMANENT UNIVERSITY FUND

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| I N D E X | 1 |
| A. INVESTMENT MATTERS: | |
| 1. Report of Purchases and Call of Securities. | 4 |
| B. LAND MATTERS: | |
| 1. Pipe Line Easement No. 2138 (renewal of 826), El Paso Natural Gas Company, Upton County. | 9 |
| 2. Pipe Line Easement No. 2139 (renewal of 858), Phillips Pipe Line Company, Andrews County. | 9 |
| 3. Pipe Line Easement No. 2140, Pan American Petroleum Corporation, Andrews County. | 9 |
| 4. Surface Lease No. 2141 (Waste Water System Plant Site), Gulf Oil Corporation, Andrews County. | 9 |
| 5. Pipe Line Easement No. 2142, Gulf Oil Corporation, Andrews County. | 9 |
| 6. Surface Lease No. 2143 (Storage Tank Site), Pan American Petroleum Corporation, Andrews County. | 9 |
| 7. Pipe Line Easement No. 2144, Shell Pipe Line Corporation, Andrews County. | 10 |
| 8. Surface Lease No. 2145 (Road Sign Site), Ellis Chevrolet, El Paso County. | 10 |
| 9. Pipe Line Easement No. 2146 (renewal of 836), Phillips Pipe Line Company, Andrews County. | 10 |
| 10. Surface Lease No. 2147 (Road Sign Site), National Advertising Company, Ward County. | 10 |
| 11. Pipe Line Easement No. 2148 (renewal of 764), Comanche Pipe Line Company, Pecos County. | 10 |
| 12. Pipe Line Easement No. 2149 (renewal of 841), Phillips Petroleum Company, Andrews County. | 10 |
| 13. Highway Right of Way Easement No. 2150, Crane County, Crane County. | 10 |
| 14. Pipe Line Easement No. 2151 (renewal of 750), Texas New Mexico Pipe Line Company, Crane County. | 10 |
| 15. Pipe Line Easement No. 2152, El Paso Natural Gas Company, Crockett County. | 10 |
| 16. Power Line Easement No. 2153, Southwest Texas Electric Cooperative, Inc., Crockett County. | 10 |
| 17. Surface Lease No. 2154 (Residential Site), H. V. Conlee, Andrews County. | 11 |
| 18. Pipe Line Easement No. 2155, Magnolia Pipe Line Company, Andrews County. | 11 |
| 19. Surface Lease No. 2156 (Salvage Yard Site), D & S Salvage, Reagan County. | 11 |
| 20. Pipe Line Easement No. 2157, Magnolia Pipe Line Company, Andrews County. | 11 |
| 21. Power Line Easement No. 2158 (renewal of 781), Texas Electric Service Company, Andrews County. | 11 |

I. PERMANENT UNIVERSITY FUND
(Continued)

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B. LAND MATTERS (Continued):

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 22. Surface Lease No. 2159 (Cathodic Protection Unit), Pasotex Pipe Line Company, Hudspeth County. | 11 |
| 23. Surface Lease No. 2160 (Cathodic Protection Unit), Pasotex Pipe Line Company, Hudspeth County. | 11 |
| 24. Pipe Line Easement No. 2161 (renewal of 824), Phillips Petroleum Company, Ector County. | 11 |
| 25. Material Source Permit No. 292, L. C. Younger Construction Company, Inc., Andrews County. | 12 |
| 26. Material Source Permit No. 293, Globe Construction Company, Inc., Andrews County. | 12 |
| 27. Material Source Permit No. 294, Mid-Tex Construc- tion Company, Ward County. | 12 |
| 28. Material Source Permit No. 295, Clyde Construction Company, Andrews County. | 12 |
| 29. Material Source Permit No. 296, P. W. Wood Construction Co., Inc., Ward County. | 12 |
| 30. Water Contract No. 115 (renewal of 90), Marathon Oil Company, Reagan County. | 12 |
| 31. Recommendation for Approval of Transfer of Upland Cotton Allotment of 40.2 Acres from Mrs. Lucille S. Smith (Grazing Lease No. 949) to Darrell S. Warren (Grazing Lease No. 869), Pecos County. | 13 |
| 32. Prospective Sale of Sulphur Leases. | 13 |

C. BOND MATTERS:

| | |
|-------------------------------------------------------|----|
| 1. Permanent University Fund Bond Issue, Series 1966. | 14 |
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II. TRUST AND SPECIAL FUNDS

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| A. INVESTMENT MATTERS: | |
| 1. Report of Purchases and Sales of Securities. | 15 |
| 2. Funds Grouped for Investment - Recommendations re Additions. | 16 |
| B. GIFT, BEQUEST AND ESTATE MATTERS: | |
| 1. Recommendation for Acceptance of Gift of Life Insurance Policy to Chancellor's Council by Mr. and Mrs. Wales H. Madden, Jr. | 19 |
| C. REAL ESTATE MATTERS: | |
| 1. Texas Western College - Lucille T. Stevens Estate - Walgreen Lease - Recommendation for Additional Month of Possession Free of Rent. | 20 |
| D. REVENUE BOND MATTERS: | |
| 1. Arlington State College - Recommendation for Plans for Student Fee Revenue Bonds, Series 1966 (Skiles Act) in the Amount of Approximately \$1,100,000 for Part of Cost of Mathematics-Language Building, Employment of Bond Counsel, and Negotiation for Sale of Bonds. | 21 |

PERMANENT UNIVERSITY FUND -- INVESTMENT MATTERS.--

REPORT OF PURCHASES AND CALL OF SECURITIES.--The following purchases of securities from January 31 through March 7, 1966, and a call on March 1, 1966, have been made for the Permanent University Fund. We ask that the Board ratify and approve these transactions:

PURCHASES OF SECURITIES

COMMON STOCKS

| <u>Date of Purchase</u> | <u>Security</u> | <u>No. of Shares Purchased</u> | <u>Market Price at Which Purchased</u> | <u>Total Principal Cost*</u> | <u>Indicated Current Yield on Cost**</u> |
|-------------------------|-----------------------------------------------------|--------------------------------|--------------------------------------------|------------------------------|------------------------------------------|
| 1/31/66 | Cleveland Electric Illuminating Co. Common Stock | 1,200 | 42 (700) 41-7/8(200) 41-5/8(300) | \$ 50,741.81 | 3.69% |
| 1/31/66 | Coca-Cola Co. Common Stock | 600 | 87-3/8 | 52,711.44 | 1.94 |
| 1/31/66 | Federated Department Stores, Inc. Common Stock | 800 | 64-1/2 | 51,963.60 | 2.46 |
| 2/1/66 | Ex-Cell-O. Corp. Common Stock | 800 | 65 | 52,364.00 | 3.06 |
| 2/1/66 | Houston Lighting & Power Co. Common Stock | 900 | 52-1/4 | 47,423.07 | 1.90 |
| 2/1/66 | Owens-Illinois Inc. Common Stock | 800 | 59-1/2(700) 59-1/4(100) | 47,934.58 | 2.25 |
| 2/2/66 | Continental Oil Co. Common Stock | 700 | 65-1/8 | 45,906.07 | 3.66 |
| 2/2/66 | Firestone Tire & Rubber Co. Common Stock | 1,100 | 43-3/8 | 48,160.09 | 2.97 |
| 2/2/66 | Westinghouse Electric Corp. Common Stock | 800 | 61-3/4 | 49,761.44 | 2.25 |
| 2/3 & 4/66 | Pacific Gas & Electric Co. Common Stock | 1,500 | 34-3/8(100) 34-1/4(1200) 34-1/8(200) | 51,904.37 | 3.47 |
| 2/3/66 | Scott Paper Co. Common Stock | 1,300 | 38-5/8 | 50,710.53 | 2.56 |
| 2/4/66 | First National City Bank (New York) Capital Stock | 300 | 52-5/8 Net | 15,787.50 | 3.04 |
| 2/4/66 | Morgan Guaranty Trust Co. of New York Capital Stock | 200 | 99.84 Net | 19,968.00 | 4.01 |

*Includes brokerage commissions paid.

**Yield at present indicated dividend rates.

COMMON STOCKS (Continued)

| <u>Date of Purchase</u> | <u>Security</u> | <u>No. of Shares Purchased</u> | <u>Market Price at Which Purchased</u> | <u>Total Principal Cost*</u> | <u>Indicated Current Yield on Cost**</u> |
|-------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------|------------------------------|------------------------------------------|
| 2/7/66 | American Home Products Corp. Common Stock | 600 | 86-1/8 | \$ 51,960.66 | 2.31% |
| 2/7/66 | Eastman Kodak Co. Common Stock | 400 | 119-1/4(200) 119 (200) | 47,853.66 | 1.55 |
| 2/7/66 | Public Service Co. of Indiana Inc. Common Stock | 1,100 | 47 (1000) 46-5/8(100) | 52,129.81 | 3.38 |
| 2/8/66 | Dow Chemical Co. Common Stock | 700 | 76-3/8(500) 76-1/8(200) | 53,738.92 | 2.34 |
| 2/8/66 | General Foods Corp. Common Stock | 700 | 78 | 54,927.60 | 2.80 |
| 2/8/66 | Pittsburgh Plate Glass Co. Capital Stock | 700 | 78 | 54,927.60 | 3.31 |
| 2/9/66 | Detroit Edison Co. Common Stock | 1,300 | 35-3/8(200) 35-1/4(400) 35-1/8(200) 35 (500) | 46,175.52 | 3.94 |
| 2/9/66 | Insurance Co. of North America Capital Stock | 200 | 86-3/4 | 17,445.36 | 2.29 |
| 2/9/66 | Shell Oil Co. Common Stock | 800 | 62-1/4(300) 62-1/8(300) 62 (200) | 50,074.22 | 3.04 |
| 2/10/66 | Ingersoll-Rand Co. Common Stock | 900 | 55-3/8(700) 55-1/4(100) 55-1/8(100) | 50,200.82 | 3.59 |
| 2/10/66 | Oklahoma Gas & Electric Co. Common Stock | 1,700 | 29 (1600) 28-7/8(100) | 49,856.94 | 3.14 |
| 2/11/66 | Aetna Life Insurance Co. Capital Stock | 300 | 63-1/8 Net | 18,937.50 | 1.27 |
| 2/11/66 | Chemical Bank New York Trust Co. Capital Stock | 400 | 50-1/2 Net | 20,200.00 | 4.16 |
| 2/11/66 | Chase Manhattan Bank (New York) Capital Stock | 300 | 66-3/8 Net | 19,912.50 | 3.01 |
| 2/14/66 | Baltimore Gas & Electric Co. Common Stock | 1,300 | 38-3/8(500) 38-1/4(200) 38-1/8(600) | 50,208.07 | 3.73 |
| 2/14/66 | E. I. du Pont de Nemours & Co. Common Stock | 300 | 235 (200) 234-3/4(100) | 70,662.48 | 2.55 |
| 2/14/66 | General Motors Corp. Common Stock | 500 | 103-1/4(300) 103-1/8(200) | 51,846.61 | 5.06 |
| 2/15/66 | Philadelphia Electric Co. Common Stock | 1,400 | 35-1/8(1300) 35 (100) | 49,674.28 | 4.17 |
| 2/15/66 | Standard Oil Co. of Califor- nia Common Stock | 600 | 79-5/8 | 48,056.76 | 3.12 |

*Includes brokerage commissions paid.

**Yield at present indicated dividend rate.

COMMON STOCKS (Continued)

| <u>Date of Purchase</u> | <u>Security</u> | <u>No. of Shares Purchased</u> | <u>Market Price at Which Purchased</u> | <u>Total Principal Cost*</u> | <u>Indicated Current Yield on Cost**</u> |
|-------------------------|--------------------------------------------------------------------------------|--------------------------------|-------------------------------------------|------------------------------|------------------------------------------|
| 2/16/66 | The Borden Co. Capital Stock | 1,200 | 39-7/8(300) 39-3/4(700) 39-5/8(200) | \$ 48,179.10 | 2.99% |
| 2/16/66 | International Business Machines Corp. Capital Stock | 100 | 513-1/2 | 51,425.00 | 1.17 |
| 2/16/66 | Smith Kline and French Laboratories, Inc. Common Stock | 600 | 85-1/2(300) 85-3/8(300) | 51,547.77 | 2.33 |
| 2/17/66 | General Electric Co. Common Stock | 400 | 113-7/8 | 45,751.56 | 2.27 |
| 2/17/66 | Houston Lighting & Power Co. Common Stock | 1,000 | 51-1/2 | 51,941.50 | 1.93 |
| 2/17/66 | Otis Elevator Co. Common Stock | 900 | 55-5/8 | 50,463.54 | 3.57 |
| 2/21/66 | Bank of America NT&SA (San Francisco) Common Capital Stock | 200 | 55.78 Net | 11,156.00 | 3.59 |
| 2/21/66 | Continental Illinois National Bank & Trust Co. of Chicago Common Capital Stock | 500 | 37.90 Net | 18,950.00 | 3.17 |
| 2/21/66 | Public Service Electric & Gas Co. Common Stock | 1,300 | 37-3/4(500) 37-5/8(300) 37-1/2(500) | 49,404.08 | 3.84 |
| 2/21/66 | R. J. Reynolds Tobacco Co. Common Stock | 1,100 | 43-5/8(300) 43-1/2(800) | 48,335.93 | 4.55 |
| 2/21/66 | Texaco Inc. Capital Stock | 600 | 79-1/2 | 47,981.70 | 3.19 |
| 2/23/66 | Caterpillar Tractor Co. Common Stock | 1,100 | 47-1/4 | 52,443.93 | 2.52 |
| 2/23/66 | Corn Products Co. Common Stock | 1,100 | 50-3/4 | 56,309.88 | 3.13 |
| 2/23/66 | Norfolk & Western Railway Co. Common Stock | 400 | 127 | 51,006.80 | 5.10 |
| 2/24/66 | Corning Glass Works Common Stock | 200 | 254-1/2 | 51,028.90 | 0.98 |
| 2/24/66 | Ford Motor Co. Common Stock | 900 | 53 | 48,098.70 | 4.49 |
| 2/24/66 | Potomac Electric Power Co. Common Stock | 2,300 | 20-7/8 | 48,653.74 | 4.16 |
| 2/25/66 | American Telephone & Telegraph Co. Capital Stock | 900 | 60 (400) 59-7/8(500) | 54,342.45 | 3.64 |
| 2/25/66 | Commercial Credit Co. Common Stock | 1,500 | 32 | 48,525.00 | 5.56 |
| 2/25/66 | J. C. Penney Co., Inc. Common Stock | 800 | 62 (400) 61-7/8(400) | 49,911.56 | 2.76 |

*Includes brokerage commissions paid.
**Yield at present indicated dividend rate.

COMMON STOCKS (Continued)

| Date of Purchase | Security | No. of Shares Purchased | Market Price at Which Purchased | Total Principal Cost* | Indicated Current Yield on Cost** |
|----------------------------------------------------------------------|------------------------------------------------------|-------------------------|-------------------------------------------------------|-----------------------|-----------------------------------|
| 2/28/66 | American Cyanamid Co. Common Stock | 300 | 88-5/8(100) 88-1/4(200) | \$ 26,656.02 | 2.81% |
| 2/28/66 | National Lead Co. Common Stock | 400 | 70-3/4(300) 70-5/8(100) | 28,471.80 | 4.57 |
| 2/28/66 | United States Gypsum Co. Common Stock | 400 | 62-5/8(200) 62-1/4(200) | 25,155.98 | 5.09 |
| 3/1 & 2/66 | Commonwealth Edison Co. Common Stock | 500 | 50-3/8(200) 50-1/8(100) 50 (100) 49-7/8(100) | 25,295.03 | 3.95 |
| 3/1,2 & 3/66 | Ohio Edison Co. Common Stock | 900 | 27-3/8(400) 27-1/4(100) 27-1/8(400) | 24,818.63 | 4.35 |
| 3/2/66 | Gulf Oil Corp. Capital Stock | 500 | 50-7/8 Net | 25,437.50 | 3.93 |
| 3/2/66 | The Southern Co. Common Stock | 800 | 29-1/4(100) 28-7/8(500) 28-5/8(200) | 23,354.95 | 3.29 |
| 3/3/66 | Bristol-Myers Co. Common Stock | 300 | 92-7/8 | 28,007.37 | 1.45 |
| 3/3/66 | General Electric Co. Common Stock | 200 | 107-1/2 | 21,599.50 | 2.41 |
| 3/3/66 | Kimberly-Clark Corp. Common Stock | 500 | 55-3/4 | 28,097.90 | 3.56 |
| 3/7/66 | Bankers Trust Co. (New York) Capital Stock | 200 | 56-7/8 Net | 11,375.00 | 4.31 |
| 3/7/66 | National Bank of Detroit Common Capital Stock | 200 | 61-1/2 Net | 12,300.00 | 3.25 |
| 3/7/66 | St. Paul Fire & Marine Insurance Co. Capital Stock | 200 | 71-5/8 Net | 14,325.00 | 2.07 |
| 3/7/66 | The Travelers Corp. Common Stock | 300 | 36-1/8 Net | 10,837.50 | 1.62 |
| 3/7/66 | Connecticut General Life Insurance Co. Capital Stock | 100 | 123-1/2 Net | 12,350.00 | 0.97 |
| 3/7/66 | Continental Casualty Co. Common Stock | 200 | 55 Net | 11,000.00 | 2.73 |
| Total Common Stocks Purchased (TOTAL CORPORATE SECURITIES PURCHASED) | | <u>48,300</u> | | <u>\$2,708,665.13</u> | <u>3.11%</u> |

*Includes brokerage commissions paid.

**Yield at present indicated dividend rates.

CALL OF CORPORATE SECURITIES

| <u>Date Called</u> | <u>Security</u> | <u>Total Principal Proceeds</u> |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| 3/1/66 | \$3,000 par value Duquesne Light Co. 5% Sinking Fund Debentures, dated 3/1/60 due 3/1/2010, called at 100.90% plus accrued interest (Gain on call over book value \$2.67) (\$220,000 par value of \$223,000 holding not called) | \$3,027.00 |

PERMANENT UNIVERSITY FUND - LAND MATTERS.--

LEASES AND EASEMENTS.--The Land and Investment Committee has given consideration to the following applications for various leases and easements on University Lands. All are at the standard rates, unless otherwise stated, are on the University's standard forms, with grazing leases carrying provisions for renewal for an additional five years at negotiated terms. Payments for easements and material source permits have been received in advance unless otherwise stated. All have been approved as to form by the University Attorney and as to content by the Endowment Officer. Approval of the applications and execution of the instruments involved by the Chairman of the Board is recommended.

EASEMENTS AND SURFACE LEASES

| NO. | GRANTEE | TYPE OF PERMIT | COUNTY | LOCATION | DISTANCE OR AREA | PERIOD | CONSIDERATION |
|------|-------------------------------------------------|--------------------------------------------------|---------|----------|--------------------|---------------------|--------------------|
| 2138 | El Paso Natural Gas Company (renewal of 826) | Pipe Line | Upton | Block 3 | 20.727 rds. 4-1/2" | 7/1/66 - 6/30/76 | \$ 50.00 (Min.) |
| 2139 | Phillips Pipe Line Company (renewal of 858) | Pipe Line | Andrews | Block 11 | 556.6 rds. 4-1/2" | 2/1/66 - 1/31/76 | 278.30 |
| 2140 | Pan American Petroleum Corporation | Pipe Line | Andrews | Block 5 | 99.15 rds. 2-3/8" | 2/1/66 - 1/31/76 | 50.00 (Min.) |
| 2141 | Gulf Oil Corporation | Surface Lease (Waste Water System Plant Site) | Andrews | Block 5 | 5 acres | 2/1/66 - 1/31/76 | 500.00 |
| 2142 | Gulf Oil Corporation | Pipe Line | Andrews | Block 5 | 203.1 rds. 2-1/2" | 2/1/66 - 1/31/76 | 101.55 |
| 2143 | Pan American Petroleum Corporation | Surface Lease (Storage Tank Site) | Andrews | Block 5 | 2.68 acres | 2/1/66 - 1/31/76 | 500.00 |

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EASEMENTS AND SURFACE LEASES - Continued.--

| NO. | GRANTEE | TYPE OF PERMIT | COUNTY | LOCATION | DISTANCE OR AREA | PERIOD | CONSIDERATION |
|------|--------------------------------------------------------|-----------------------------------|----------|-------------------|------------------------------------|----------------------------------------------------|-----------------|
| 2144 | Shell Pipe Line Corporation | Pipe Line | Andrews | Block 9 | 198 rds. 3-1/2" 280 rds. 4-1/2" | 2/1/66 - 1/31/76 | \$ 239.00 |
| 2145 | Ellis Chevrolet | Surface Lease (Road Sign Site) | El Paso | Block L | 40' x 300' | 4/1/66 - 3/31/67 | 75.00* |
| 2146 | Phillips Pipe Line Company (renewal of 836) | Pipe Line | Andrews | Block 11 | 181.2 rds. 4-1/2" | 3/1/66 - 2/29/76 | 90.60 |
| 2147 | National Advertising Company | Surface Lease (Road Sign Site) | Ward | Block 16 | 40' x 300' | 4/1/66 - 3/31/67 | 75.00* |
| 2148 | Comanche Pipe Line Company (renewal of 764) | Pipe Line | Pecos | Block 16 | 1,364 rds. 2" | 3/1/66 - 2/29/76 | 682.00 |
| 2149 | Phillips Petroleum Company (renewal of 841) | Pipe Line | Andrews | Block 11 | 148.2 rds. 6-5/8" | 4/1/66 - 3/31/76 | 148.20 |
| 2150 | Crane County | Right-of-Way Easement | Crane | Block 35 | 17.02 acres | 4/1/66 for so long as used for highway purposes | --- |
| 2151 | Texas-New Mexico Pipe Line Company (renewal of 750) | Pipe Line | Crane | Blocks 30 & 31 | 1,206.3 rds. 6-5/8" | 4/1/66 - 3/31/76 | 1,206.30 |
| 2152 | El Paso Natural Gas Company | Pipe Line | Crockett | Block 29 | 17.45 rds. 4-1/2" | 3/1/66 - 2/29/76 | 50.00 (Min.) |
| 2153 | Southwest Texas Electric Cooperative, Inc. | Power Line | Crockett | Block 14 | 700 rds. | 1/1/66 - 12/31/75 | 350.00 |

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EASEMENTS AND SURFACE LEASES - Continued.--

| NO. | GRANTOR | TYPE OF PERMIT | COUNTY | LOCATION | DISTANCE OR AREA | PERIOD | CONSIDERATION |
|------|----------------------------------------------------|---------------------------------------------|----------|----------------------|------------------------------------------|----------------------|---------------|
| 2154 | H. V. Conlee | Surface Lease (Residential Site) | Andrews | Block 13 | 100' x 400' | 4/1/66 - 3/31/67 | \$ 50.00* |
| 2155 | Magnolia Pipe Line Company | Pipe Line | Andrews | Block 13 | 158.2 rds. 4-1/2" | 1/1/66 - 12/31/75 | 79.10 |
| 2156 | D & S Salvage | Surface Lease (Salvage Yard Site) | Reagan | Block 11 | 200' x 200' | 4/1/66 - 3/31/67 | 150.00* |
| 2157 | Magnolia Pipe Line Company | Pipe Line | Andrews | Blocks 1, 4 & 8 | 3,133.5 rds. various sized line | 1/1/66 - 12/31/75 | 1,997.65 |
| 2158 | Texas Electric Service Company (renewal of 781) | Power Line | Andrews | Blocks 9, 13 & 14 | 4,913.75 rds. | 4/1/66 - 3/31/76 | 2,456.88 |
| 2159 | Pasotex Pipe Line Company | Surface Lease (Cathodic Protection Unit) | Hudspeth | Block "L" | .86 acre more or less | 2/1/66 - 1/31/76 | 50.00 |
| 2160 | Pasotex Pipe Line Company | Surface Lease (Cathodic Protection Unit) | Hudspeth | Block "G" | .60 acre more or less | 2/1/66 - 1/31/76 | 50.00 |
| 2161 | Phillips Petroleum Company (renewal of 824) | Pipe Line | Ector | Block 35 | 187.38 rds. 4-1/2" 276.9 rds. 10-3/4" | 5/1/66 - 4/30/76 | 370.59 |

*Renewable from year to year, not to exceed a total of 10 years. Consideration shown is for the first year's rental.

MATERIAL SOURCE PERMITS

| <u>NO.</u> | <u>GRANTEE</u> | <u>COUNTY</u> | <u>LOCATION</u> | <u>QUANTITY</u> | <u>CONSIDERATION</u> |
|------------|------------------------------------------|---------------|-----------------|-------------------|----------------------|
| 292 | L. C. Younger Construction Company, Inc. | Andrews | Block 9 | 870 cubic yards | \$ 217.50 |
| 293 | Globe Construction Company, Inc. | Andrews | Block 13 | 765 cubic yards | 191.00 |
| 294 | Mid-Tex Construction Company | Ward | Block 18 | 1,248 cubic yards | 312.00 |
| 295 | Clyde Construction Company | Andrews | Block 9 | 900 cubic yards | 225.00 |
| 296 | P. W. Wood Construction Co., Inc. | Ward | Block 16 | 365 cubic yards | 91.25 |

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WATER CONTRACTS

| <u>NO.</u> | <u>GRANTEE</u> | <u>COUNTY</u> | <u>LOCATION</u> | <u>ACREAGE</u> | <u>CONSIDERATION</u> | <u>PERIOD</u> |
|------------|-----------------------------------------|---------------|-----------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| 115 | Marathon Oil Company (renewal of 90) | Reagan | Blocks 1 & 2 | 10 acres | 10¢ per 1,000 gallons of all fresh water sold, or 1/8 of any revenues received from sale of water, whichever is greater, not less than \$200 per year. | 1/1/66 - 12/31/75 |

PERMANENT UNIVERSITY FUND - LAND MATTERS

RECOMMENDATION FOR APPROVAL OF TRANSFER OF UPLAND COTTON ALLOTMENT OF 40.2 ACRES FROM MRS. LUCILLE S. SMITH (GRAZING LEASE NO. 949) TO DARRELL S. WARREN (GRAZING LEASE NO. 869), PECOS COUNTY.--Mrs. Lucille S. Smith, holder of Grazing Lease No. 949 in Pecos County, wishes to transfer to Darrell S. Warren, holder of Grazing Lease No. 869 in Pecos County, 40.2 acres of cotton allotment which she holds. The transfer would be for a three year period, effective with crop for 1966. Under Federal regulations of the cotton allotment program, the transfer must be approved by the land owner, in this case The University of Texas. There is no consideration involved. It is recommended that the transfer be approved and that the Chairman of the Board of Regents be authorized to execute the instrument of approval of this transfer.

PROSPECTIVE SALE OF SULPHUR LEASES.--Letters were sent out, over the signature of the Chairman of the Board, on March 3rd, inviting requests for lands to be put up for sale of sulphur leases, with the requests to be returned to the Geologist in Charge by March 29. Mr. Zimmerman will then study the requests and be ready at the time of the meeting of the Land and Investment Committee to review the tracts requested and make recommendation for the sale if the requests justify such a sale.

The form of the sulphur lease is in process of being worked out and copies of the suggested form, as well as the brochure to be used in advertising the sale, will be distributed to the Board, it is hoped, in advance of the April 1-2 meeting.

PERMANENT UNIVERSITY FUND - BOND MATTERS.--

PERMANENT UNIVERSITY FUND BOND ISSUE, SERIES 1966.--Mr. E. D. Walker, Director of Facilities Planning and Construction, estimates that construction cost requirements for the period March 1, 1966 through August 31, 1967 will aggregate \$19,000,000. As of March 3, 1966, there was a total of \$8,270,000 in cash and securities remaining from the 1964 and 1965 bond issues. Offsetting this latter amount against anticipated construction costs through August 31, 1967, leaves an uncovered balance of \$10,730,000. In view of the fact that there is now on hand some \$970,000 of interest earned on earlier bond proceeds, it is recommended that the size of the Permanent University Fund bond issue, Series 1966, be fixed at \$10,000,000 par value.

It is further recommended that the firm of Vinson, Elkins, Weems & Searls of Houston be employed as bond counsel for the 1966 issue and that the Chairman be authorized to execute a letter agreement with the firm for its services.

TRUST AND SPECIAL FUNDS -- INVESTMENT MATTERS.--

REPORT OF PURCHASES AND SALES OF SECURITIES.--The following purchases of securities from February 2 through March 1, 1966, and sales of securities on February 11 and 28, 1966, have been made for the Trust and Special Funds. We ask that the Board ratify and approve these transactions:

PURCHASES OF SECURITIES

| Date of Purchase | Security | Principal Cost |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 2/2/66 | \$10,000 par value City of Bowie, Texas, 3-1/2% Utilities System Revenue Bonds, dated 8/1/63, \$5,000 due 10/1/80-75 purchased at 97.751 Net and \$5,000 due 10/1/81-75 purchased at 97.637 Net, to yield 3.70% to maturity | \$ 9,769.40 |
| | \$15,000 par value City of Rosenberg, Texas, 3.80% Waterworks and Sewer System Revenue Bonds, Series 1965, dated 12/1/65, due 8/1/94, purchased at 100 Net to yield 3.80% to maturity (Albert Sidney Burleson Loan-Scholarship Fund) | 15,000.00 |
| 2/21/66 | \$2,500,000 par value U. S. 4% Treasury Notes, Series A-1966, dated 2/15/62, due 8/15/66, at an average cost of 99.5306252 Net to yield 4.96% to maturity (Proceeds from Sale of Permanent University Fund Bonds, Series 1965 - Temporary Investments) | 2,448,265.63 |
| 3/1/66 | \$13,000 maturity value U. S. Treasury Bills, dated 3/1/66, due 9/1/66, to yield 4.82% to maturity at a dollar price of 97.5632307 (Murray Case Sells Foundation - Student Loan Fund) | 12,683.22 |

SALES OF SECURITIES

| Date Sold | Security | Principal Proceeds |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 2/11/66 | 10 Shares Texas Instruments Incorporated Common Stock, sold at 200-3/4 (Astronomy Department Grants from Various Donors for Various Purposes) | \$ 1,992.05 |
| 2/28/66 | \$13,000 maturity value U. S. Treasury Bills, dated 6/30/65, due 6/30/66 at 98.4333076 (Carolyn G. and George M. Knebel Fund - Geology Foundation) | 12,796.33 |

FUNDS GROUPED FOR INVESTMENT - RECOMMENDATION RE ADDITIONS.--Pursuant to a policy adopted by the Board of Regents on February 27, 1948, as amended July 9, 1948, the Staff Investment Committee submits for approval of the Land and Investment Committee supplemental additions made to the Funds Grouped for Investment endowment account on March 1, 1966. These additions of cash and securities, funds transferred and new funds are as follows:

| Fund | Recommended Addition |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| E. Bagby Atwood Memorial Graduate Scholarship Fund (\$6,413.51 already in Grouped) | \$ 68.02 |
| Lillian Barkley Scholarship Fund (\$5,223.97 already in Grouped) | 200.00 |
| Bromberg Memorial Fund for Faculty Awards (\$40,465.66 already in Grouped) | 6,197.90 |
| The Accounting Education Fund (College of Business Administration Foundation) (\$38,158.85 already in Grouped) | 170.00 |
| Morgan and Hamah Smith Callaway Fund (\$17,302.99 already in Grouped) | 211.00 |
| Emma Frances Clark Fellowship in Psychology (Formerly Emma Dallenbach Clark Fellowship in Psychology) (\$24,525.18 already in Grouped) | 252.76 |
| Roy Crane Award in the Arts (\$10,059.43 already in Grouped) | 23.94 |
| D. A. R. Scholarship (\$10,010.00 already in Grouped) | 5.00 |
| John Wallace Dallenbach Fellowship in Psychology (\$47,035.40 already in Grouped) | 686.14 |
| Edward Louis Dodd and Alice Laidman Dodd Fellowship Fund (\$49,823.03 already in Grouped) | 44.34 |
| J. C. Dolley Finance Education Fund (\$120.72 already in Grouped) | 1.55 |
| Advisory Council - Various Donors (College of Fine Arts Foundation) (\$4,256.97 already in Grouped) | 46.63 |
| E. William Doty Scholarship Fund (College of Fine Arts Foundation) (\$2,319.83 already in Grouped) | 25.64 |
| Department of Drama Ex-Students Scholarship Fund (College of Fine Arts Foundation) (\$9,164.40 already in Grouped) | 2.35 |
| Mavis Alexander Fitzgerald Awards (\$173.13 already in Grouped) | 2.43 |
| Mary E. Gearing Bequest for Child Welfare and Parent Education Foundation (\$28,361.47 already in Grouped) | 377.09 |
| Hal P. Bybee Memorial Fund (Geology Foundation) (\$109,709.50 already in Grouped) | 100.00 |
| Common stock on hand 2/28/66 transferred at market close 2/28/66 - last business day of quarter 14 shares Standard Oil Co. (New Jersey) Capital Stock at 76-5/8 (Sub-total - additions to Bybee Fund) | 1,072.75 (1,172.75) |

FUNDS GROUPED FOR INVESTMENT - RECOMMENDATION RE ADDITIONS
(Continued)

| Fund | Recommended Addition |
|------------------------------------------------------------------------------------------------------------------|-------------------------|
| Robert H. Cuyler Memorial Scholarship in Geology (Geology Foundation) (\$11,843.42 already in Grouped) | \$ 35.00 |
| Carolyn G. and George M. Knebel Fund (\$1,979.14 already in Grouped) | 12,796.39 |
| Ed. Owen-Geo. Coates Fund (Geology Foundation) (\$102,167.20 already in Grouped) | 100.00 |
| Frederick W. Simonds Memorial Scholarship in Geology (Geology Foundation) (\$14,010.00 already in Grouped) | 25.00 |
| Dr. F. L. Whitney Memorial Scholarship Fund (Geology Foundation) (\$16,448.75 already in Grouped) | 25.00 |
| The Gilbreth Award Fund (\$323.56 already in Grouped) | 4.01 |
| Hinds-Webb Scholarship Fund (\$105.35 already in Grouped) | 1.08 |
| Thos. E. Hogg - Residuary Legacy (\$2,635.26 already in Grouped) | 54.60 |
| Bobby Layne Scholarship Fund (\$6,158.36 already in Grouped) | 65.71 |
| Library Memorial Fund - Various Donors (\$2,191.75 already in Grouped) | 10.00 |
| The Roger Q. Mills Scholarship Fund (\$53.19 already in Grouped) | 1.34 |
| Lora Lee Pederson Scholarship Fund, Graduate School of Social Work (\$2,645.75 already in Grouped) | 26.92 |
| The Senior Class Endowment Fund (Pharmaceutical Foundation) (\$7,101.95 already in Grouped) | 10.00 |
| Alma Jacobs House Piner Fund (\$6,745.81 already in Grouped) | 84.27 |
| Milton Brockett Porter Memorial Fund (\$39.43 already in Grouped) | 1.34 |
| DeWitt Reddick Journalism Scholarship Fund (\$3,244.40 already in Grouped) | 37.12 |
| Charles Morton Share Trust Graduate Fellowship Fund (\$30,000.00 already in Grouped) | 20,000.00 |
| Stiles Professorship in American Studies (NEW FUND) | 107,966.80* |
| Stiles Professorship in Comparative Literature (NEW FUND) | 107,966.80* |
| The J. V. and H. A. Stiles Foundation (FUND TRANSFERRED) | 97,824.93* |

*(The three Stiles Funds add a total of \$313,758.53 to Funds Grouped, consisting of \$286,148.00 market value of securities transferred and \$27,610.53 cash transferred.)

FUNDS GROUPED FOR INVESTMENT - RECOMMENDATION RE ADDITIONS
(Continued)

| Fund | Recommended Addition |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| The Amanda Stoltzfus Memorial Trust Fund (\$2,562.10 already in Grouped) | \$ 41.56 |
| The Robert Cantrell Feamster Foundation (Medical Branch) (\$2,591.19 already in Grouped) | 32.29 |
| The Mattie Moore and Martha Inglet Scholarship Fund (School of Nursing) (Medical Branch) (NEW FUND) | 9,625.98 |
| Doctor Charles Marc Pomerat Lectureship in Anatomy (Medical Branch) (NEW FUND) | 10,000.00 |
| Rehabilitation Clinic Endowment Fund (Medical Branch) (FUND TRANSFERRED) | 249.97 |
| Common stock on hand 2/28/66 transferred at market close 2/28/66 - last business day of quarter 361 shares Monsanto Co. Common Stock at 81-1/2 | 29,421.50 |
| (Sub-total - Rehabilitation Clinic Fund) | (29,671.47) |
| William N. and Ida Zinn Alpha Omega Alpha Scholarship Fund (Medical Branch) (\$2,663.30 already in Grouped) | 36.13 |
| Gillette Professorship of Obstetrics and Gynecology (Southwestern Medical School) (\$8,135.71 already in Grouped) | 232.09 |
| Lloyd A. Nelson Professorship in Geology (Texas Western College) (\$6,305.99 already in Grouped) | 60.49 |
| Additions made to Funds Grouped on March 1, 1966 | <u>\$406,223.86#</u> |

#The above total of \$406,223.86, submitted for approval of the Land and Investment Committee, supplements cash additions of \$160,253.82 previously approved, made to Funds Grouped for Investment on March 1, 1966, making a total of \$249,835.43 in cash and \$316,642.25 in securities - a total of \$566,477.68 added to Funds Grouped for Investment on March 1, 1966, for a new book value for the endowment account of \$3,557,617.09.

TRUST AND SPECIAL FUNDS - GIFT, BEQUEST AND ESTATE MATTERS.--

RECOMMENDATION FOR ACCEPTANCE OF GIFT OF LIFE INSURANCE POLICY TO CHANCELLOR'S COUNCIL BY MR. AND MRS. WALES H. MADDEN, JR.--Mr. and Mrs. Wales H. Madden, Jr. have made a gift to the Chancellor's Council of an insurance policy in the amount of \$15,000 on Mr. Madden's life. The annual premium of \$397.65 will be paid by Mr. Madden. The Board of Regents of The University of Texas is irrevocable beneficiary under the policy, which is in the custody of the University of Texas Auditor. It is recommended that the gift of the policy be accepted with appreciation.

TRUST AND SPECIAL FUNDS - REAL ESTATE MATTERS.--

TEXAS WESTERN COLLEGE - LUCILLE T. STEVENS ESTATE - WALGREEN LEASE - RECOMMENDATION FOR ADDITIONAL MONTH OF POSSESSION FREE OF RENT.--By lease dated May 12, 1965, the Board of Regents leased to Walgreen Drug Company the Stevens Property at the corner of Mesa and Texas in El Paso for a total term of 30 years and 2 months, possession being given on January 1, 1966, with the first 2 months free of rent for extensive remodeling. Annual fixed rental is \$26,000 (\$2,166.67 per month), and the lease carries provisions for certain additional percentage rental.

The lessor agreed to furnish up to \$100,000 on the cost of the remodeling and improvements to be repaid by Walgreen as additional rental over the first 20 years of the lease, including interest at 5% per annum. This work is still under way and apparently will cost approximately \$108,000 exclusive of a sprinkler system and other work amounting to about \$4,700. Walgreen has pointed out that the sprinkler system and some of the other work might legally be the responsibility of the lessor and as a compromise of the entire matter, including the additional time it is taking to complete the work and open the store, that they be given an additional month (March, 1966) free of rental. The staff believes this to be a fair settlement and recommends that the Board of Regents accept this proposal from Walgreen and authorize the Chairman to execute any papers recommended by the University Attorney.

TRUST AND SPECIAL FUNDS - REVENUE BOND MATTERS.--

ARLINGTON STATE COLLEGE - RECOMMENDATION FOR PLANS FOR STUDENT FEE REVENUE BONDS, SERIES 1966 (SKILES ACT) IN THE AMOUNT OF APPROXIMATELY \$1,100,000 FOR PART OF COST OF MATHEMATICS-LANGUAGE BUILDING, EMPLOYMENT OF BOND COUNSEL, AND NEGOTIATION FOR SALE OF BONDS.--The President and Director of Business and Finance of Arlington State College and Central Administration recommend pursuing plans for additional parity bonds to the Arlington State College Student Fee Revenue Bonds, Series 1965 (Skiles Act) issued in July, 1965 for improvement and equipping the power plant at Arlington State College. The amount of the 1966 issue will probably be \$1,100,000. The final plans and specifications for the Mathematics-Language Building are to be presented to the Board of Regents, through the Buildings and Grounds Committee, for approval on April 1, 1966, and it is hoped the Board will approve the plans at that time but that advertising for construction bids will be deferred until financing is assured.

Inasmuch as McCall, Parkhurst & Horton, bond attorneys of Dallas, served as bond counsel for the 1965 Series, it is recommended that they be retained for the Series 1966 and that the Chairman of the Board be authorized to sign a letter agreement with the firm.

The statute authorizing the issuance of these bonds, referred to as "The Skiles Act" limits the interest rate to 4% and the term of the bonds to 30 years. Due to present market conditions, and the interest rate in excess of 4% for the recently sold Arlington State College issue in the amount of \$1,750,000, it is recommended that the staff be authorized to explore the negotiation of the sale of the bonds rather than public sale and report to the Board of Regents at its meeting later in April, 1966.

LAND AND INVESTMENT COMMITTEE.--

PERMANENT UNIVERSITY FUND - LAND MATTERS.--

PROSPECTIVE SALE OF SULPHUR LEASES.--In line with the report given on Page L & I - 13 of the material supporting the Agenda, copies of the following are distributed herewith:

1. Letter of March 22, 1966, from Mr. Zimmerman with map attached.
2. Form of Notice and Instructions for Bidding on Sulphur Leases.
3. Draft of Sulphur Mining Lease Form.

With the report to the Land and Investment Committee on requests received for the proposed sale of leases and recommendation of tracts to be offered, the staff will submit at the meeting of the Land and Investment Committee its recommendations as to royalty rates and the like to be written in the blanks left in the attached forms.

The Commissioner of the General Land Office has announced that the School Land Board will hold a sealed bid sulphur lease sale on May 3, 1966. If the Board of Regents decides to defer its decision as to a sale of sulphur leases on University Lands until the results of the School Land Board sale are known, it is recommended that the Board of Regents consider authorizing the Executive Committee to set a sale, including the time of the sale, royalty rates and the like.



THE UNIVERSITY OF TEXAS

UNIVERSITY LANDS · P. O. DRAWER 553 · MIDLAND, TEXAS 79701

TELEPHONE MU 4-4404

JAMES B. ZIMMERMAN
GEOLOGIST IN CHARGE

BILLY CARR
LAND AGENT

BERTE R. HAIGH
CONSULTANT

March 22, 1966

| | |
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| ENDOWMENT OFFICE, U OF T | |
| Approved..... | |
| Answered..... | File..... |
| REC'D MAR 23 1966 | |
| Refer to..... | |
| Please Answer..... | |
| Read and Return..... | |

Mr. William W. Stewart
Endowment Officer
P. O. Box 7968, University Station
Austin, Texas 78712

Dear Mr. Stewart:

Mr. Sadler has announced the following terms for Sulphur leases on State lands: one-sixth royalty, a five year term with a 180 day extension clause, \$25.00 per acre minimum bid, and \$5.00 per acre per year delay rental. I thought that you would want to include his terms with the proposed University lease forms that you are mailing to the members of the Board of Regents. A map showing the area of sulphur exploration in central Pecos County is enclosed. I believe that it is self-explanatory, but it should be pointed out that the trend as mapped in this office is highly speculative and is based on rather inconclusive evidence.

Although the terms of the State leases will appear to be high to most observers, they are really rather low under the circumstances. The State lands have been cored and tested extensively. Over one hundred core tests have been drilled to date and Humble alone has five rigs presently drilling. In addition, the State has quite a bit of acreage in the area containing the best shows of sulphur. An old sulphur test, drilled adjacent to State acreage in 1900, logged 175 feet of sulphur. In view of these facts, it would be reasonable to assume that should both the State and University sell sulphur leases at this time, the State would collect the highest prices on a per acre basis.

Since the University has not allowed core testing or any other form of exploration for sulphur in any area, the State terms might be a little rugged for our purposes. It should also be borne in mind that the proposed University leases are much more stringent than those of the State, as we have included a development clause, excluded the use of potable water, called for royalty payments based on gross weight at the point of shipment, and have included numerous reporting requirements. We will be in a better position to recommend minimum terms, however, after all the nominations have been received.

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#2, Mr. William W. Stewart

March 22, 1966

I think that the University should sell some sulphur leases in the near future, carrying whatever minimum terms and provisions that the Board wishes to adopt, provided that the nominations indicate sufficient interest for profitable marketing. Of course, any unsatisfactory bids could be rejected.

There is another possible procedure which certainly merits the consideration of the Board of Regents. The Board could cancel all plans for a sale and encourage extensive exploration of the entire active area by granting coring permits (Similar to what has happened on State lands). Under the terms of such permits, the operators would be required to furnish a 1/4 cut of all cores as well as copies of all core and sample analyses to the University. Should sulphur be discovered, the University would then be in a position to ask for very high royalties and bonus monies. We could probably ask for at least one-quarter royalty, and call for hundreds of thousands of dollars worth of development yearly. If a large sulphur deposit were outlined, the Board might prefer to negotiate the best possible terms with a reputable mining company, instead of holding a sale. As previously stated, I think that the terms of the State leases are far too liberal since most of the State land will be condemned by core tests by sale time. The risk under this procedure is obvious - if no sulphur is found, no leases will be sold.

The Commissioner's sale is set for May 3, 1966, if he has anything to sell. All of the State land is mineral classified and claims have been staked on all of the better prospects. Mr. Sadler has refused to recognize some of the claims and the matter is now in court. The Courts could disallow the State sale or postpone it. The University could wait until after the State sale before holding a sale of its own, but interest in our lands might diminish if we delayed too long.

Very truly yours,

James B. Zimmerman
James B. Zimmerman,
Geologist in Charge

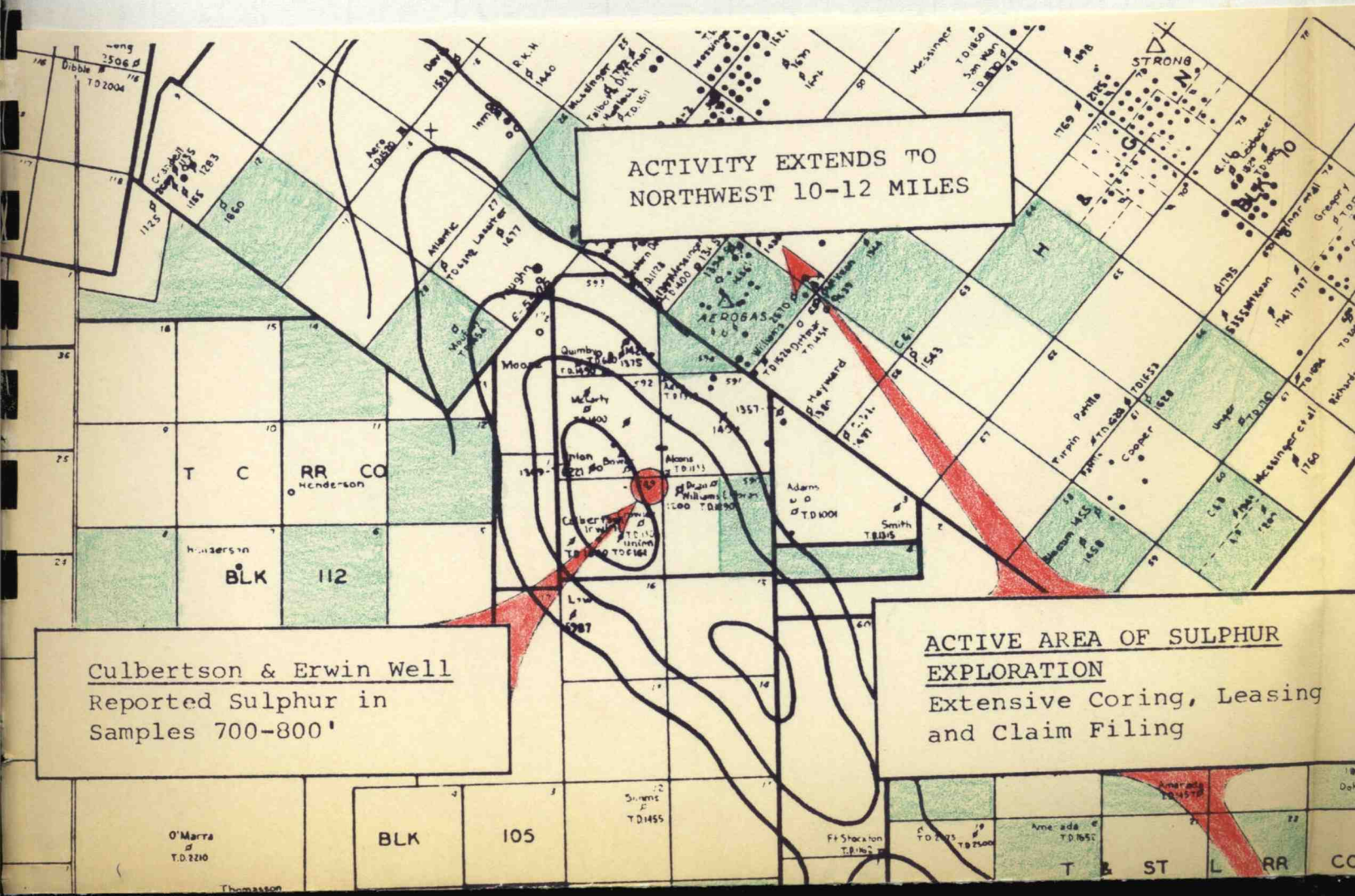
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ACTIVITY EXTENDS TO
NORTHWEST 10-12 MILES

Culbertson & Erwin Well
Reported Sulphur in
Samples 700-800'

ACTIVE AREA OF SULPHUR
EXPLORATION
Extensive Coring, Leasing
and Claim Filing

O'Marra
T.D. 2210

BLK

105

Shirley
T.D. 1455

St. Sherkston
T.D. 1000

Anne-eda
T.D. 1050

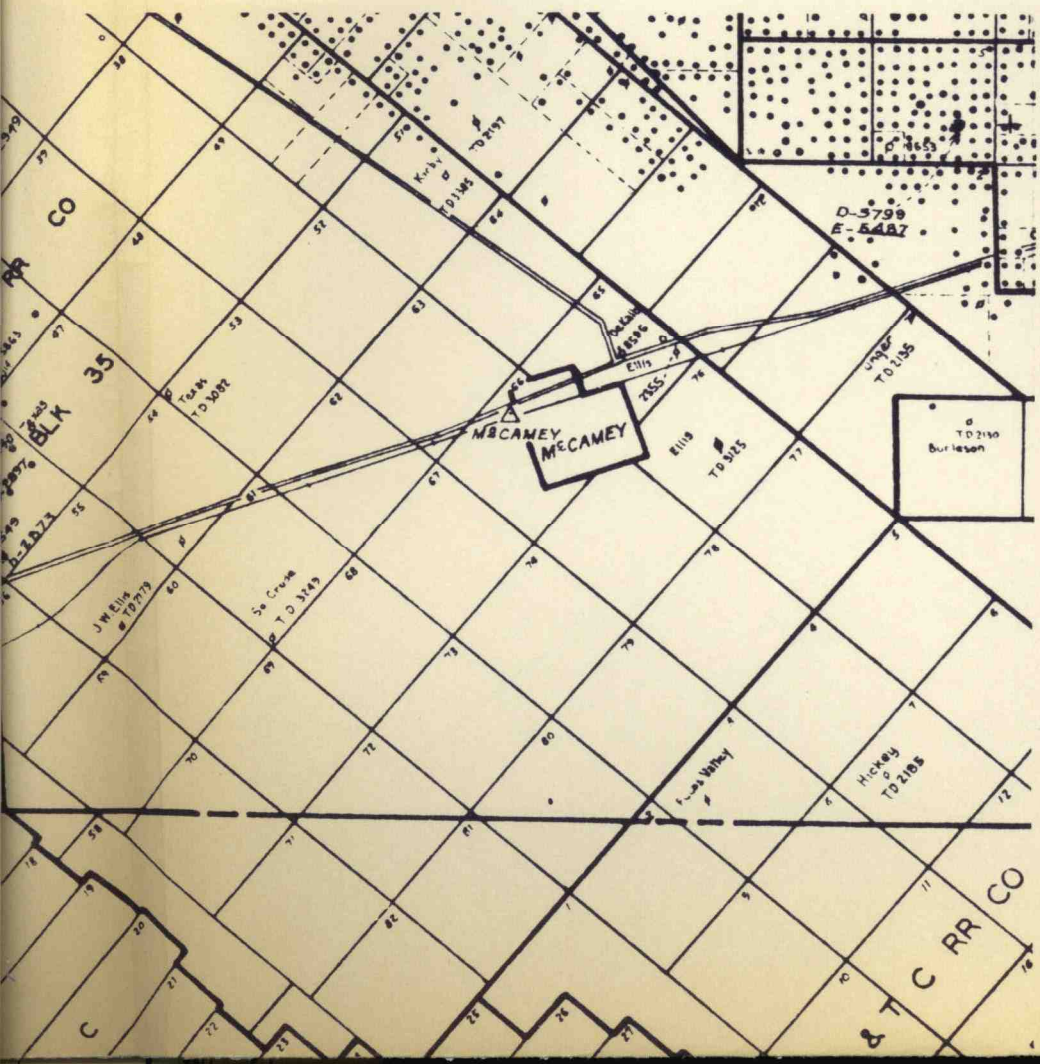
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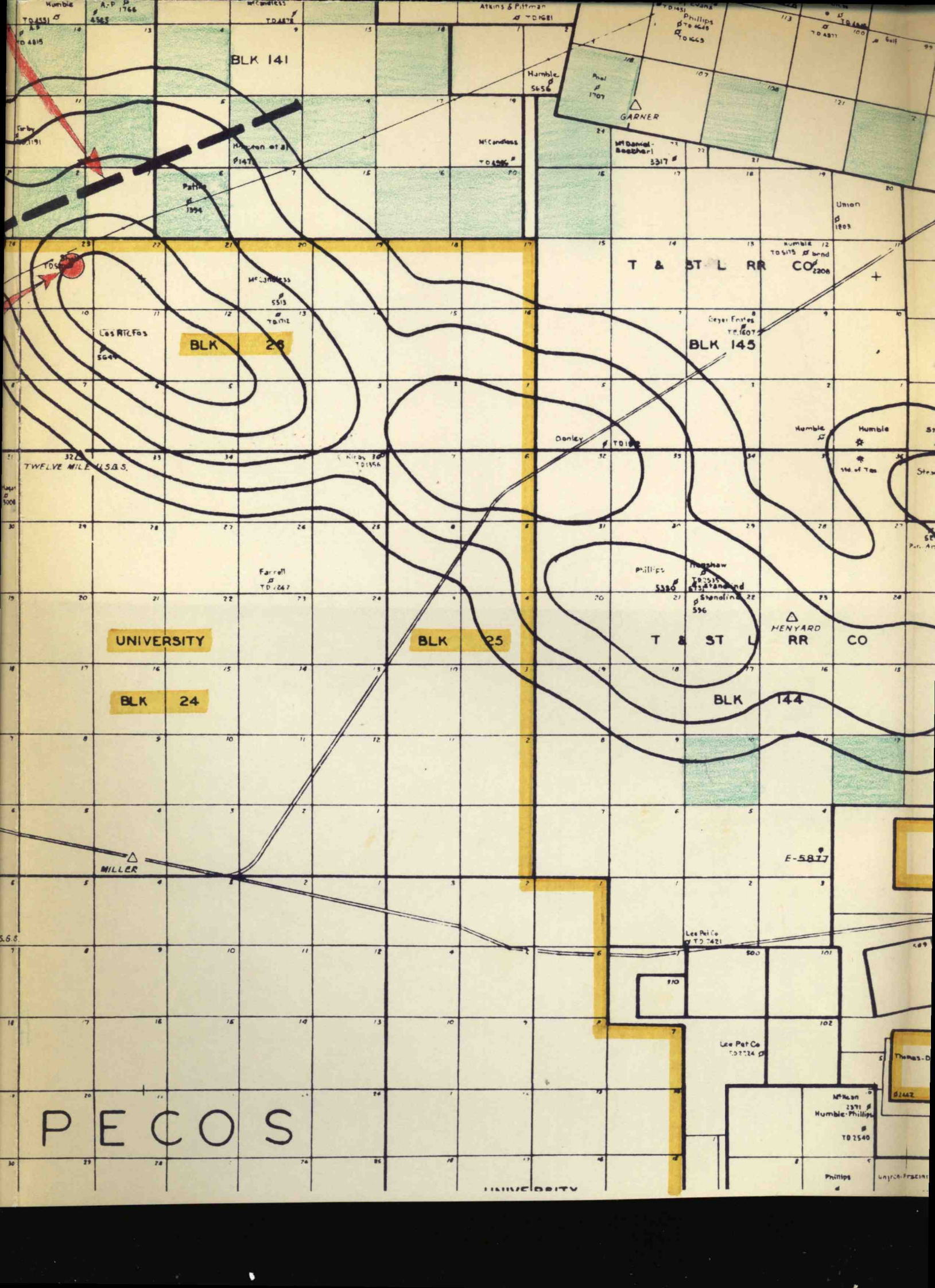


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BLK 24

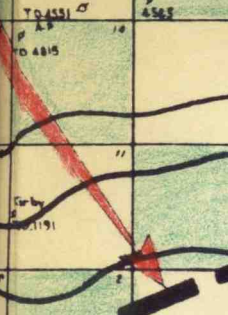
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T & ST L RR CO

T & ST L RR CO

HENYARD RR CO

PECOS



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Lee Pat Co TD 7421

Lee Pat Co TD 7424

McLean 2371 of Humble-Phillips TD 2540

Phillips Union-Francis

Thomas-D 6244Z

GARNER

McDaniel-Beecher 3317

Humble 5656

McCluskey TD 4096

McCluskey TD 4147

Patton 1394

McCluskey 5513 of TAME

Las Rivas 5644

Donley TD 1016

McCluskey TD 1956

Farrell TD 247

Phillips 5380 of Standing 596

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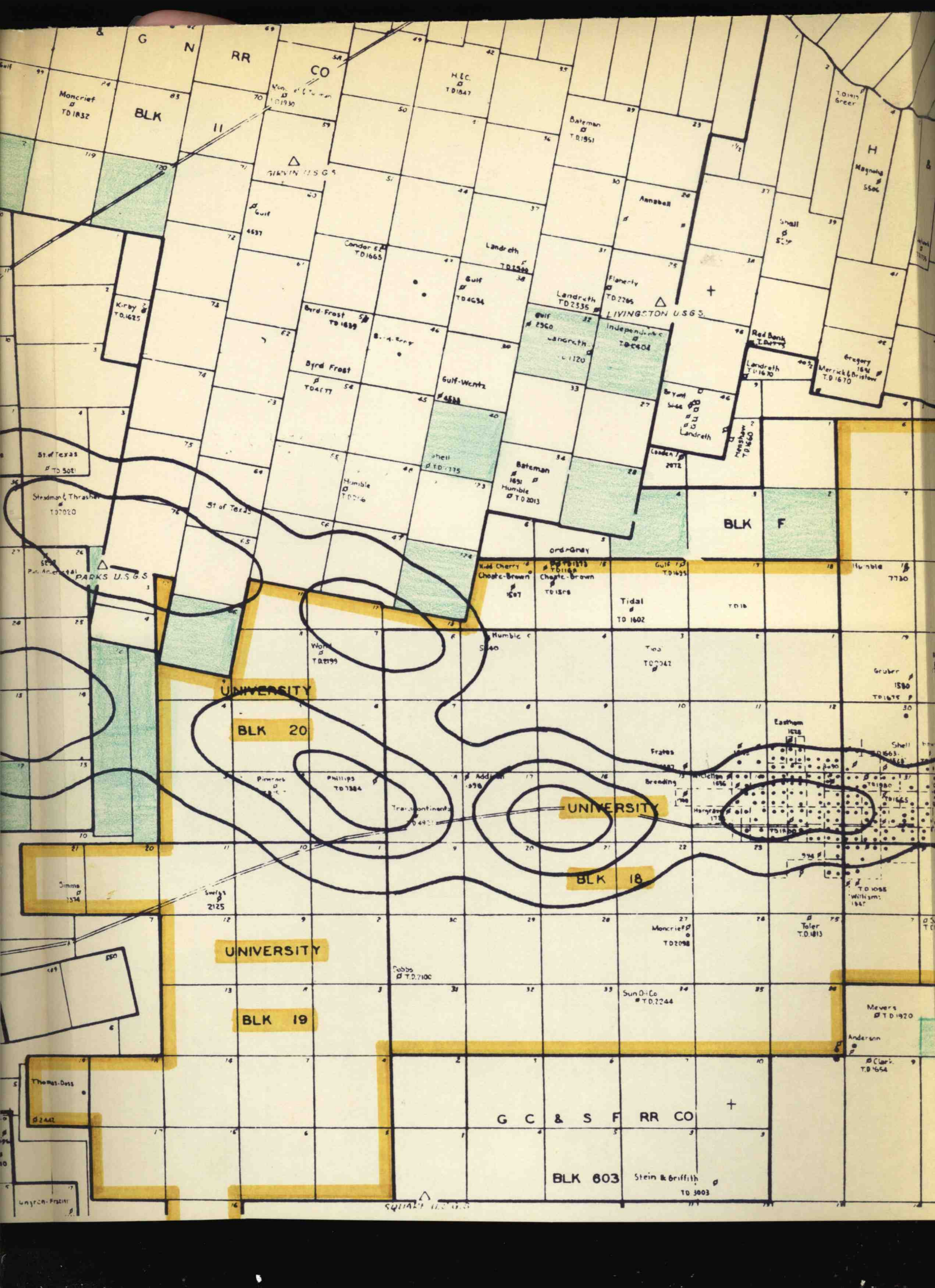
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BLK 11

CO

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Kirby
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Bird Frost
TD 1639

Landreth
TD 2399

Flanery
TD 2265

Red Bank
TD 1670

Gregory
TD 1670

St of Texas
TD 501

Steadman, Thrasher
TD 7020

Byrd Frost
TD 4177

Gulf-Wentz
4638

Landreth
TD 2335

Independence
TD 4048

Byrd
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Bateman
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TD 2013

BLK F

Chocke-Brown
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BLK 18

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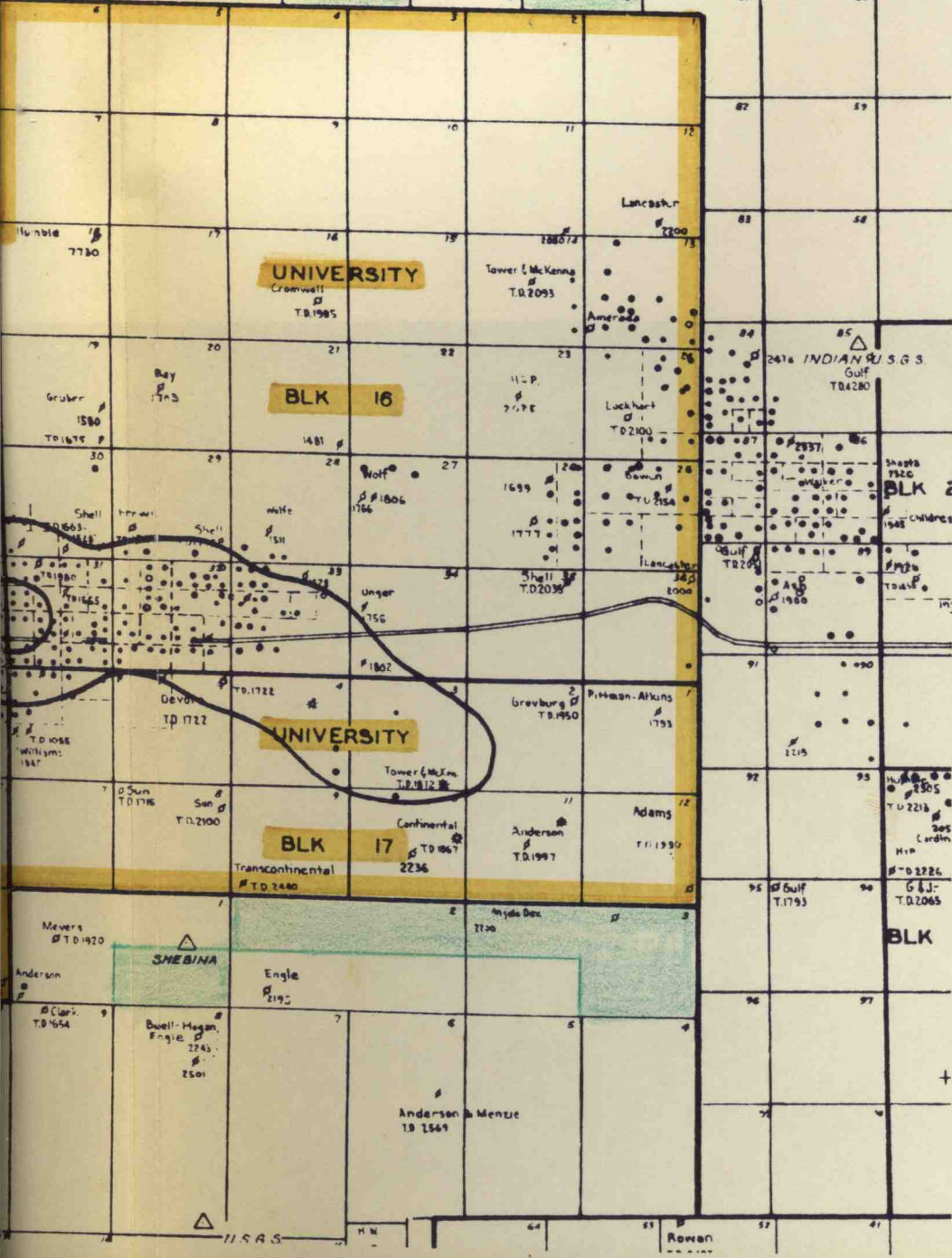
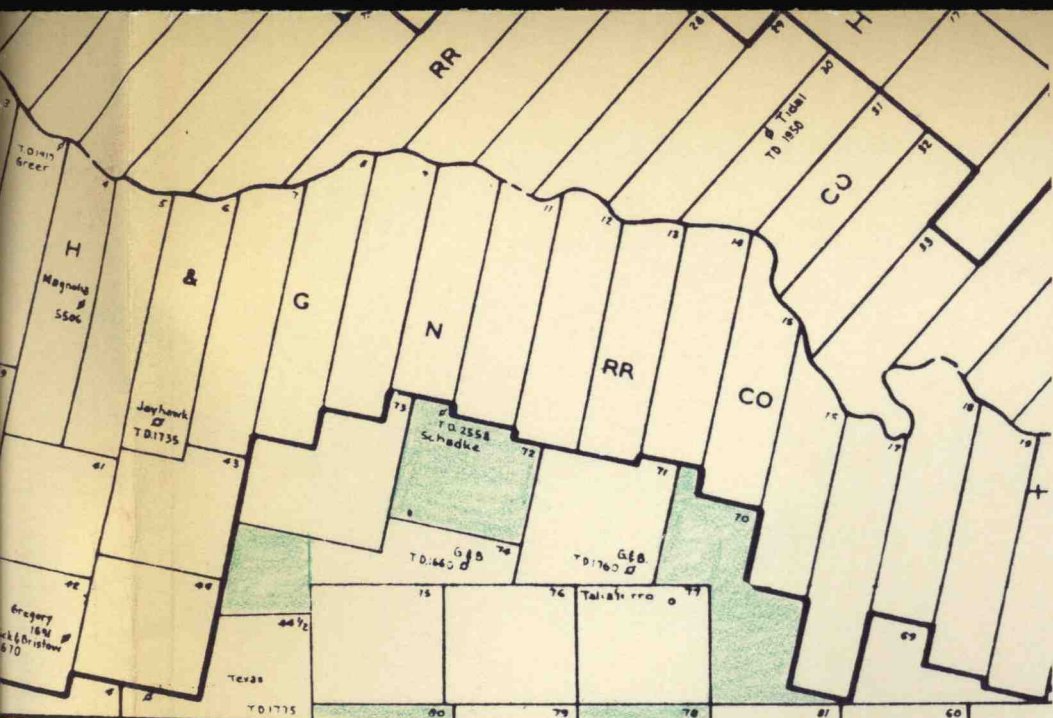
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Stein & Griffith
TD 3003

SQUARE 100 ACRES



SEALED BID SALE

THE UNIVERSITY OF TEXAS SULPHUR LEASES

TO BE OFFERED FOR LEASE
BY THE

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS

Pursuant to the provisions of Article 2597, Vernon's Civil Statutes of Texas, the Board of Regents of The University of Texas hereby offers for sale, SUBJECT TO THE RIGHT TO REJECT ANY OR ALL BIDS, in Austin, Texas, at the _____, on _____, May _____, 1966, at 10:00 A.M., the sulphur rights in and under the hereinafter described University Lands.

Sealed bids addressed to the Endowment Officer, P. O. Box 7968, Austin, Texas, 78712, will be received until 8:30 A.M. CST on May _____, 1966. Bids will be opened at 10:00 A.M. CST May _____, 1966, in the _____ room, _____ Austin, Texas. On that day, bids may be delivered in person to the Endowment Officer in the _____ room, between 8:30 and 10:00 A.M. CST. No bids will be accepted after 10:00 A.M. CST. Bids may not be modified or withdrawn unless written modifications or withdrawals are received prior to the end of the period fixed for filing of bids. A separate bid, in a separate sealed envelope, must be submitted for each tract. Each envelope should be marked "Sealed Bid for Sulphur Lease Tract No. _____."

Bidders must submit with each bid, _____ (_____) of the amount bid by cashier's check, bank draft, certified check, or money order payable to the order of The University of Texas. The successful bidder for each tract will be required to pay the remainder of the bid prior to the issuance of each lease.

All sulphur leases sold at this sale will be for a term of five (5) years, or as long thereafter as sulphur is being produced in paying quantities, unless the lease is extended under its provisions. There is no limit as to the number of such tracts that may be bid on by any party or company.

All leases shall carry a royalty during the primary term of _____
(_____) of the gross production of sulphur.

The Board has fixed an annual rental of _____ (_____) per acre on each tract offered but no advance rentals shall be added to the bid price of successful bidder. The Board will consider only cash bids; drilling obligations, payments out of production, overriding royalties, or any form of bonus bid other than cash will not be considered. However, all prospective bidders are urged to examine the provisions in the attached lease agreement concerning development, surety bonds, royalty payments, and other contractual obligations.

Unless otherwise shown in the list below, the minimum bid the Board will accept is _____ (\$_____) for a section tract. THE BOARD RESERVES THE RIGHT TO REJECT ANY AND ALL BIDS even though such bids are in excess of the minimum.

The following tracts of land will be offered for lease on the day named, to wit:

LIST OF LANDS TO BE OFFERED FOR LEASE AT
FIRST SULPHUR SALE

| Tract No. | Block | Section | Part | Acres |
|-----------|-------|---------|------|-------|
|-----------|-------|---------|------|-------|

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS

W. W. Heath, Chairman
Frank C. Erwin, Jr., Vice Chairman
W. H. Bauer, Member
Walter P. Brennan, Member
Dr. H. Frank Connally, Jr., Member
Frank N. Ikard, Member
Mrs. J. Lee Johnson, III, Member
Jack S. Josey, Member
Rabbi Levi A. Olan, Member

THE UNIVERSITY OF TEXAS

Sulphur Mining Lease

(Article 2597, Vernon's Civil Statutes of Texas)

Form No. 1

This lease made and entered into this _____ day of _____, 19____, by and between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS, acting pursuant to Article 2597, Vernon's Civil Statutes of Texas, herein called "Lessor," and _____ of _____ herein called "Lessee," WITNESSETH:

1. Lessor, in consideration of the payment by Lessee of the sum of _____ Dollars, the receipt whereof is acknowledged, the rents and royalties to be paid, the covenants and conditions to be observed and performed by Lessee, does hereby demise, grant, lease, and let unto the Lessee for five (5) years from the date hereof, said period being the primary term of this lease, and as long thereafter as sulphur is mined and marketed in paying quantities therefrom, subject to such conditions as are hereinafter set out, for the sole and only purpose of prospecting and exploring for and mining, developing, producing, removing and marketing of sulphur that may be found and produced from the following described lands, same being a part of the University Permanent Fund Lands, to-wit:

| Part | Section | Block | Grantee | Acres | County |
|------|---------|-------|------------|-------|--------|
| | | | University | | |

2. Lessee shall have the right to use so much of the surface of the land covered by this lease as may be reasonably necessary for the full exercise and enjoyment of the rights and interests hereby granted, including the right to use, free of cost, nonpotable water found and produced by Lessee on said land for its own operations thereon, except water from wells or tanks of Lessor or its surface lessees; the right to construct and maintain thereon

all necessary works, buildings, plants, roads, water lines, pipe lines, gathering lines, telephone and telegraph lines and power lines; and also the right of ingress and egress and right of way to any point of operations under conditions of least injury to the occupant of the surface or the holder of any existing oil and gas lease or easement. It is expressly provided, however, that no operations under this lease shall in any way conflict with or cause damage to any valid operation or equipment installation under any existing oil and gas lease on said lands, and the operations authorized hereunder shall not unreasonably interfere with future orderly development of oil and gas by lessees of the University when such development does not jeopardize the operations permitted hereunder.

It is further expressly provided that the use of the water granted herein shall include the use of nonpotable water only for refining or concentration plant operations or for mining by the Frasch sulphur process. As used herein, the term nonpotable water means all water obtained from depths below the top of the Permian formations which contains more than two thousand five hundred (2,500) parts per million total solids.

3. If, before the end of the primary term, sulphur shall not have been produced from the premises in paying quantities, this lease shall terminate; provided the term or life of this lease may be extended if production of sulphur, after once obtained, shall cease for any cause, and Lessee, within sixty (60) days thereafter, commences additional mining, development, producing or reworking operations, then this lease shall remain in full force and effect so long as such operations continue in good faith and in a workmanlike manner without interruptions totaling more than sixty (60) days during any one such operation; and if such operations result in the production of sulphur, this lease shall remain in full force so long as sulphur is produced therefrom in paying quantities. If, at the expiration of the primary term, production of sulphur has not been obtained in paying quantities on the leased premises but drilling operations are being conducted thereon in

good faith and in a good and workmanlike manner, the Lessee may, on or before the expiration of the primary term, file written application to Lessor for an one hundred eighty (180) day extension of this lease, such application to be accompanied by a payment of Fifty Dollars (\$50.00) per acre for each acre in the lease, and Lessor shall in writing extend this lease for an one hundred eighty (180) day period from and after the expiration of the primary term and so long thereafter as sulphur is produced in paying quantities from the premises; provided, however, Lessee may, so long as such drilling operations are being conducted in good faith, make written application to Lessor, on or before the expiration of the initial extended period of one hundred eighty (180) days for an additional extension of one hundred eighty (180) days, such application to be accompanied by payment of Fifty Dollars (\$50.00) per acre for each acre in the lease, and Lessor shall, in writing, extend this lease for an additional one hundred eighty (180) day period from and after the expiration of the initial extended period of one hundred eighty (180) days, and so long thereafter as sulphur is produced in paying quantities from the premises.

4. In consideration of the foregoing, the Lessee hereby agrees:

(a) Development. Beginning with the second year of this lease, to drill in accordance with standard sulphur industry methods at least one test hole each and every year thereafter during the primary term to a sufficient depth to completely penetrate the Salado formation or its geological equivalent, and to make a radioactivity survey (Gamma Ray-Neutron or equivalent) of each core hole or well from the surface to total depth. Provided, however, that where sulphur is being produced or deposits of sulphur are so situated that prospecting work may be effectively carried on by shafts, tunnels, open cuts or in any manner otherwise than by drilling test wells, such prospecting work may be accepted by Lessor in lieu of the drilling of a well or wells as herein provided. It is further agreed and understood, however, that no core hole or well may be drilled

into any formation known to be productive of oil or gas in the general area without permission of the Geologist in Charge of University Lands.

(b) Bond. To furnish the Lessor, before commencing any operations hereunder, a good and sufficient bond in an amount of Fifty Thousand Dollars (\$50,000.00) with surety acceptable to Lessor, conditioned upon the faithful performance by the Lessee of all and singular, the terms and conditions of this lease, and keep such bond in force and effect so long as Lessee's operations shall continue under the terms hereof.

(c) Royalty. To pay Lessor as royalty _____ of the gross value of the output of sulphur at the point of shipment to market, or _____ per short ton (2,000 pounds), whichever is the greater. Such gross value shall be equal to the highest price paid, without penalties or deductions, for like products of like quality within the same general area or the price actually paid to the Lessee or the posted price, whichever is the greater.

Where sulphur produced hereunder is used or sold by Lessee in the form of some manufactured, processed, or refined commercial product such as fertilizer, sulphuric acid, or other such product, Lessee shall pay a royalty of _____ per cent _____ of the market value of such products f.o.b. factory, refinery or plant, or the regular royalty rate for produced sulphur, whichever is the greater.

Lessee shall properly weigh or measure all sulphur produced under this lease by some standard or method of weighing or measuring such production approved by Lessor for the purpose of making settlement and payment of all royalty due or to become due and payable by Lessee to Lessor hereunder.

During the life of this lease, all royalty that may be due shall be paid to The University of Texas, at Austin, Texas, on or before the 20th day of each succeeding month, for the month in which the sulphur was sold. Such payments shall be accompanied by a sworn statement, in quintuplicate, of the amount, in standard

terms of measurement, of all ores produced, the per cent of the minerals contained in such ores, the amount of such minerals sold and the value received.

5. One year from the date of this lease and on the same date of each of the following years during the life of this lease, the Lessee shall pay to The University of Texas at Austin, Texas, an annual rental of _____ per acre payable each year in advance unless the royalties received during the preceding year shall equal or exceed the amount of annual rental, in which latter event no such annual rental will be due on the anniversary date immediately following such royalty payments.

6. In further consideration of this lease, the Lessee agrees and covenants as follows:

(a) To contact the Geologist in Charge, University Lands, Midland, Texas, before commencing any operations hereunder.

(b) To furnish the Geologist in Charge, University Lands, with the following information:

(1) A chemical analysis of the water produced from any well within sixty (60) days after completion of such well, and thereafter, from time to time and upon request, desired additional chemical analysis of such water.

(2) Two full scale copies of each electric or radio-activity survey made of the bore-hole sections, certified as to authenticity and location, within fifteen (15) days after the completion of such survey. Lessee shall include along with such survey a report of all water sands encountered and an estimate of the amount of water, if any, in each hole.

(3) A "1/4 cut" of all cores, upon request, within thirty (30) days after such request.

(4) A cut of any bore-hole samples, upon request, within thirty (30) days after such request.

(5) A copy of all analyses made or contracted for by Lessee of any cores or samples of any minerals within thirty (30) days of the making thereof.

(6) A bona fide copy of any log, report, or other data or information compiled as the result of Lessee making any geological survey on the premises covered by this lease within thirty (30) days after the making thereof.

(7) A map or maps, submitted annually, showing all prospecting and development work done on leased premises, all buildings, structures and workings placed thereon, all roads constructed and all water wells drilled thereon during the preceding twelve (12) months, together with all related information.

(c) To conduct all operations hereunder in a manner consistent with good and economical practice with due regard for good land management, avoidance of unnecessary damage or waste, and in a reasonable manner as regards the rights of the grazing lessee and lessees under existing oil and gas leases.

(d) To prosecute the operations called for herein with reasonable diligence, skill and care in such manner as to achieve and maintain maximum production of the minerals or mineral containing ores from the leased premises consistent with good mining practice, the size of the deposit, and sound economy.

(e) To comply with all requirements of pertinent state and federal laws applicable to the conduct of mining operations.

(f) To allow Lessor or the authorized representatives thereof, at all reasonable times, to enter upon the leased premises and into all parts of the mine for the purposes of inspection, drilling, sampling and mapping.

(g) To keep proper records of (1) development work and drilling performed; (2) tonnage and grade of ore developed, mined, and sold; (3) assay data pertaining thereto; (4) payments received for sale of minerals or ore; and (5) costs of transportation of minerals or ore to the point of delivery; and Lessee shall furnish a true copy of such information to Lessor quarterly, within twenty (20) days after the close of February, May, August and November of each year during the life of this lease, such report to be made to Endowment

Officer, The University of Texas, at Austin, Texas, or such other office as may be designated by Lessor in writing.

(h) To permit the Lessor or authorized representative thereof to inspect Lessee's maps and assay records relating to the leased premises and all other records specified in Items 1, 2, 3, 4 and 5 of subparagraph (g) above.

(i) To protect and indemnify the Lessor against any claims arising in connection with the activities of the Lessee under this lease.

(j) To post in a conspicuous place on the leased premises a legible notice which shall state that neither the Lessor, The University of Texas, nor the State of Texas, is or shall be held responsible for any accidents, damages to property, injuries to persons, or for debts or other liabilities incurred as a result of operations by the Lessee.

(k) To store or impound all nonpotable water in water-tight tanks or lined surface pits so as to prevent the pollution of potable surface or subsurface waters. All surface pits shall be sealed with an impervious material, and be constructed and maintained in such a manner that will prevent any leakage, seepage, or other escape of deleterious substances.

(l) To construct such fences, barricades, etc., as will adequately protect persons or livestock from injury.

(m) To pay surface damage to University's surface tenants thereon in accordance with the schedule set forth in University's "Required Operating and Reporting Procedures Under Oil and Gas Leases and Geophysical Exploration Permits" then currently in effect.

Reports on the amounts of any damages paid to surface lessees as and when same are paid, and the nature of the damages for which payment was made shall be mailed to University Land Agent, Midland, Texas. This schedule of maximum permitted charges, however, shall not in any way limit the liability of Lessee in any action at law for any damages inflicted upon the surface Lessees by reason of

acts of negligence, if any, committed by Lessee in its operations if Lessee is lawfully liable therefor.

(n) To fill and level all pits, trenches, and other excavation whenever same is abandoned or the use thereof is discontinued.

(o) To plug all holes or wells drilled on the lands in the manner required by Lessor so as to prevent any contamination of subsurface waters. All surface casing in a well used in a liquid mining process shall be set and cemented at a depth adequate to protect all fresh water sands, cementing shall be by the pump and plug method with a sufficient volume of cement used to fill the annular space back of the casing to the surface of the ground or the bottom of the cellar.

7. In all cases, the authority of a manager or agent to act for the Lessee herein must be filed with the Lessor.

8. Any easement not pertaining to or in conflict with the operation of this lease may be issued by the Lessor.

9. If the Lessee shall fail or refuse to make the payment of any sum due under the provisions of this lease, either as rental or as royalty on the production, within thirty (30) days after the due date thereof; or if the Lessee or his authorized agent should make any false report or false return concerning production, royalty, exploration or mining operations, or should fail to render any reports required to be filed or that may be requested by the Lessor as provided herein; or if the Lessee should fail to perform any of the operational obligations specified herein, or should refuse the proper authority access to the property, the mine, or the records pertaining thereto; or if any of the material terms of this lease are violated by the Lessee, this lease shall be subject to forfeiture by the Lessor by an order entered upon the minutes of the Board of Regents of The University of Texas reciting the facts constituting the default and declaring the forfeiture. Upon application made by Lessee within thirty (30) days after declaration of forfeiture and proper showing by Lessee, this lease may, at the discretion of the Lessor and upon such terms as it may prescribe, be reinstated. In

case of violations by the Lessee of the provisions of this lease, the remedy by forfeiture shall not be the exclusive remedy, but a suit for damages or specific performance, or both, may be filed by the Lessor.

10. The Lessor shall have a first lien upon all ores and minerals produced from the premises and upon all machinery, equipment, and appliances, telephone lines, power transmission lines, or other property situated on the premises, owned by the Lessee and used in the production and handling of ores and minerals produced therefrom, to secure any amount due from the Lessee herein and to secure performance of any of the provisions contained in this lease contract.

11. If this lease shall be forfeited or terminated for any cause, the Lessee shall not, in any event, remove any part of the ores, minerals, material, equipment, appliances or property owned by the Lessee and used by him in operations under this lease without the written consent of the Lessor.

12. Lessee agrees to record this lease promptly, at his own cost and expense, in the county or counties in which the leased premises are located (not more than sixty (60) days) after receipt thereof from the Lessor and to notify Lessor, by affidavit, of such recording within fifteen (15) days thereafter.

13. Assignment of this lease in whole or in part may be made only with the written consent of the Lessor. Any assignment of this lease, approved by the Lessor, shall be filed for record in the county or counties in which said leased premises are located within sixty (60) days after receipt of approval by the Lessor; and two certified copies of such recorded assignment shall be filed with the Lessor, at Austin, Texas, within sixty (60) days after such recording, accompanied by the General Land Office filing fee and an assignment fee of _____.

14. Lessee may, at any time during the term hereof, relinquish all or any part of the leased premises by recording an instrument or instruments of relinquishment in the county or counties in which the land may be situated; and two certified copies of such relinquishment

shall be filed with Lessor at Austin, Texas, accompanied by the General Land Office filing fee. Any such relinquishment shall relieve Lessee of all future obligations with respect to the released land but shall not relieve the Lessee of any past due obligations accrued thereon nor impair the Lessor's lien herein provided for.

15. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting operations on the leased premises, or from producing sulphur therefrom, by reason of war, rebellion, riots, strikes, acts of God or any law, rule, order or regulation of any governmental body or agency, or any other cause, whether similar or dissimilar, beyond the reasonable control of Lessee, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable for damages for failure to comply therewith; and the term of this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting operations on or producing sulphur from the leased premises; provided, however, that nothing herein shall be construed to suspend the payment of rentals.

16. The covenants, conditions, and agreements contained herein shall extend to and be binding upon the heirs, executors, administrators, successors, or assigns of the parties herein.

EXECUTED by the parties on the respective dates shown below.

ATTEST:

Secretary

BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS

By _____
Chairman
LESSOR

Date _____

LESSEE

Date _____

Approved as to Form:

University Attorney

Date _____

Approved as to Content:

University Endowment Officer

Date _____

THE STATE OF TEXAS }
COUNTY OF _____ }

BEFORE ME, the undersigned authority on this day personally appeared _____, Chairman of the Board of Regents of The University of Texas, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act and deed of the Board of Regents of The University of Texas and that he executed the same as the act and deed of such Board for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, A.D. 19__.

Notary Public in and for
_____ County, Texas

THE STATE OF TEXAS }
COUNTY OF _____ }

BEFORE ME, the undersigned authority, on this day personally appeared _____, of _____, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated, and the said instrument is the act and deed of the said _____.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, A.D. 19__.

Notary Public in and for
_____ County, Texas

Meeting of the Board

AGENDA
MEETING OF THE BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS

April 1, 1966
4:00 p. m.
Main Building 212

- A. INVOCATION
- B. RECOGNITION AND PRESENTATION OF GUESTS, IF ANY
- C. REPORTS AND SPECIAL ITEMS BY CHANCELLOR RANSOM
- D. CONSIDERATION OF MINUTES, February 25-26, 1966
- E. SPECIAL ITEMS

- F. REPORTS OF STANDING COMMITTEES
 - 1. Executive Committee by Committee Chairman Brenan
 - 2. Academic and Developmental Affairs Committee by Committee Chairman Olan
 - 3. Buildings and Grounds Committee by Committee Chairman Johnson
 - 4. Land and Investment Committee by Committee Chairman Erwin
 - 5. Medical Affairs Committee by Committee Chairman Connally

- G. REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS BY REGENT BRENNAN

H. REPORTS OF SPECIAL COMMITTEES, IF ANY

I. REPORT OF COMMITTEE OF THE WHOLE BY
CHAIRMAN HEATH

J. RECESS

April 2, 1966
9:00 a.m.
Main Building 212

K. RECOGNITION AND PRESENTATION OF
GUESTS, IF ANY *Walds Madden*
Jimmy Powell
Hunter Akers

L. REPORT OF THE SPECIAL ADVISORY COMMITTEE
ON SURFACE LEASING POLICIES OF THE UNIVERSITY
WEST TEXAS LANDS.-- On Pages B of R - 3 through
B of R-30 is the report of the Special Advisory Com-
mittee on Surface Leasing Policies on University West
Texas Lands. This will be presented by former
Regent Madden, Chairman of the Special Advisory
Committee at 9:00 a.m. on Saturday, April 2.

M. ADJOURNMENT

LAW OFFICES
SELECMAN AND MADDEN
700 WEST 9TH
AMARILLO, TEXAS

ED H. SELECMAN
WALES MADDEN, JR.

| | |
|--------------------------|-----------|
| ENDOWMENT OFFICE, U OF T | |
| Approved..... | |
| Answered..... | File..... |
| REC'D FEB 9 1966 | |
| Refer to..... | |
| Please Answer..... | |
| Read and Return..... | |
| DRAKE 4-2422 | |

February 7, 1966

Mr. Frank C. Erwin, Jr.
Chairman
Land and Investment Committee
Board of Regents
University of Texas
Austin, Texas

Dear Frank:

The Special Committee appointed by the Board of Regents on October 7, 1965 has completed its study of the rules and regulations pertaining to University West Texas Lands and I am pleased to enclose the committee's recommendations. These recommendations are self-explanatory and, when considered with the documentation outlining the deliberations of the three sub-committees, should afford the Board of Regents a reliable reference point for future action.

While all facets of the surface lease operations were carefully studied, the following questions received particular scrutiny:

- (1) Should the University permit lessees to hold leases covering a substantial number of acres, or would it be wise to impose a rule limiting leasable acreage, thereby increasing the number of available leases?
- (2) Should the University issue the leases on a negotiated rather than a competitive bid basis?
- (3) Should the University enter short term leases which could be re-issued upon termination on a competitive bid basis?
- (4) Should the University continue the policy of permitting a lease to remain within a family upon the death of the lessee?
- (5) Should there be a restriction on the number of leases which might be held by a family, corporation, partnership or similar entity?

I am pleased to report that in each instance the committee unanimously endorsed the existing policies of the University and complimented the University for its desire to maintain the highest possible standards in its surface leasing program. The committee was of the firm opinion that in order for the University to receive a reasonable return from the West Texas land operation and, at the same time, protect the land from unreasonable wear and tear, it would be incumbent upon the University to follow the policy of negotiated leases. Were the University to initiate a procedure of competitive bid leases, detrimental results could be anticipated, and it is not unreasonable to assume that speculators would enter the picture in an attempt to profit personally from a rapid turn-over in the leases.

The committee saw no inherent objection to the University's position of not imposing a limit on the number of acres which could be leased. Records produced by Mr. Carr clearly indicate that those lessees holding large leases

are consistently among the better operators and customarily demonstrate a sincere interest in soil conservation and good range practices. The committee likewise could see no objection to allowing a single family, corporation partnership or similar entity to hold more than one lease.

An ancillary benefit of this study is the phase of the committee's report dealing with recommended soil and range conservation practices, which recommendations merit the particular consideration of the Board of Regents. Your committee was impressed with the desire of Mr. Carr to move ahead in this area of conservation, while recognizing that this is a relatively new field and any program should be designed to permit practical compliance therewith by University lessees. In this regard, the committee has suggested that the University consider employing a qualified range scientist to work under the supervision of Mr. Carr.

The committee has urged me to convey its respect and admiration for Mr. Carr and his staff. We were impressed with the fact that the University staff is dedicated to the job assigned it and Mr. Carr enjoys the wide respect of the citizenry in the West Texas area. The University is fortunate indeed to have personnel of this caliber representing it in this important operation.

Finally, permit me this personal observation: When the Regents consider these recommendations, I urge that they not lose sight of the unusually high quality of the committee membership. Each man on the committee proved to be an active and contributing member and, collectively, the committee constituted an impressive body with broad experience in the West Texas area. While I could cite the particular qualifications of each member, I will only briefly mention the sub-committee chairman in re-emphasizing the fact that these recommendations were carefully and deliberately conceived by capable individuals.

Mr. Hunter Akard, General Agent of the Texas Pacific Land Trust has had many years of experience in dealing with damages resulting from mineral operations. As you know, Mr. Akard's firm is a substantial land owner in West Texas and it was logical that he serve as Chairman of the Sub-Committee on Easements, Rights of Way and Damages Resulting from Mineral Operations. Mr. H. N. Smith, who served as Chairman of the Range and Soil Conservation Sub-Committee, is the State Conservationist and is known throughout the southwest as a leading expert in range and soil conservation. The Chairman of our Leasing Sub-Committee, Mr. James L. Powell, is past President of the Texas Sheep and Goat Raisers Association, a graduate of the University of Texas and a widely respected rancher.

It is our sincere hope that these recommendations will be of value to future Boards of Regents as they consider and re-consider policies relating to West Texas land operations. Of course, as drilling methods, oil field operations, range conditions and other circumstances change, it will be necessary to re-view various fee schedules in order to be current with the times. It also will be advisable to maintain constant studies insofar as development of range and soil conservation practices are concerned.

It has been a distinct honor working with these gentlemen and we take considerable pleasure in submitting the attached report.

Sincerely,

Walter Madden Jr.

W M:db

cc: Mr. W. W. Heath

THE UNIVERSITY OF TEXAS

REPORT OF SPECIAL ADVISORY COMMITTEE
ON SURFACE LEASING POLICIES OF WEST
TEXAS LANDS OF THE UNIVERSITY OF TEXAS

(Appointed at October 8, 1965 meeting
of the Board of Regents)

- I. Resume
- II. Recommendations of Special Advisory Committee to Board of Regents (With schedules attached).
- III. Reports of Sub-Committees (For information):
 1. Sub-Committee on Easements, Rights-of-Way and Damages Resulting from Mineral Operations.
 2. Sub-Committee Surface Leasing.
 3. Sub-Committee on Range and Soil Conservation.

I. RESUME

I. RESUME

In response to a request by Senator H. J. Blanchard, the Land and Investment Committee of the Board of Regents met on March 11, 1965 with Senator Blanchard, Representative R. G. Pendleton and several citizens from Andrews County to discuss Board policies relating to grazing leases on University lands in West Texas. At this meeting, the Committee announced that the Board would restudy such policies.

The Board announced at the August 27, 1965 meeting that it would select a Special Committee of citizens of the West Texas area where University lands are situated to study all policies concerning these lands and advise the Board of Regents of any recommendations.

The following citizens were appointed to the Special Committee at the October 7, 1965 meeting of the Board of Regents:

| | |
|-------------------------------------------------------|--------------------------------------|
| Mr. Wales H. Madden, Jr., Chairman Amarillo, Texas | Mr. Hunter Akard Dallas, Texas |
| Judge Roy D. Bennett Andrews, Texas | Mr. P. L. Childress Ozona, Texas |
| Dr. W. T. Hardy Sonora, Texas | Mr. Gene Irwin Andrews, Texas |
| Mr. Jay Kerr El Paso, Texas | Mr. W. P. Langley Midland, Texas |
| Mr. Dunn Lowery Rankin, Texas | Mr. H. F. Neal Rankin, Texas |
| Judge Tom H. Neely Sierra Blanca, Texas | Mr. James L. Powell Menard, Texas |
| Mr. M. C. Puckett Fort Stockton, Texas | Mr. H. N. Smith Temple, Texas |
| Mr. George C. Stillwagon Midland, Texas | Judge S. E. Stout Big Lake, Texas |
| Mr. Burch Woodward Fort Stockton, Texas | |

This Special Committee met for the first time November 4, 1965 at the Scharbauer Hotel in Midland, Texas at 5:00 P. M. with the following attending:

Members of the Special Committee:

| | |
|------------------------------------|---------------------|
| Mr. Wales H. Madden, Jr., Chairman | Mr. Hunter Akard |
| Judge Roy D. Bennett | Mr. P. L. Childress |
| Dr. W. T. Hardy | Mr. Gene Irwin |
| Mr. W. P. Langley | Mr. Dunn Lowery |
| Mr. H. F. Neal | Judge Tom H. Neely |
| Mr. James L. Powell | Mr. M. C. Puckett |
| Mr. H. N. Smith | Judge S. E. Stout |
| Mr. George C. Stillwagon | Mr. Burch Woodward |

Members of the Board of Regents:

| | |
|-----------------------------------|-----------------------|
| Mr. W. W. Heath, Chairman | Mr. W. H. Bauer |
| Mr. Frank C. Erwin, Vice Chairman | Mr. Walter P. Brennan |
| Dr. Frank H. Connally, Jr. | Dr. Levi Olan |
| Mr. Jack S. Josey | |

RESUME (Continued)

Representatives from Central Administration:

Dr. Norman Hackerman, Vice Chancellor
Mr. Raymond W. Vowell, Vice Chancellor
Dr. L. D. Haskew, Vice Chancellor
Mr. Wm. W. Stewart, Endowment Officer
Mr. C. H. Sparenberg, Comptroller
Mr. Burnell Waldrep, University Attorney
Mr. W. E. Keys, Director, News and Information Service
Mr. E. D. Walker, Director, Facilities Planning and Construction

Representatives from University Lands' office in Midland, Texas:

Mr. Billy Carr, University Land Agent
Mr. James B. Zimmerman, Geologist in Charge

Mr. W. W. Heath, Chairman of the Board of Regents, extended a welcome to those in attendance and introduced Mr. Wales H. Madden, Jr., Chairman of the Special Committee. Mr. Billy Carr, University Land Agent, outlined present surface leasing policies. Mr. Frank Erwin, Chairman of the Land and Investment Committee, reviewed the policies to be studied by the Special Committee. During the general discussion, it was decided that Mr. Madden should form three sub-committees, and the following sub-committees were appointed:

SURFACE LEASING

Mr. James L. Powell, Chairman
Mr. M. C. Puckett
Mr. P. L. Childress
Judge Roy D. Bennett
Judge Tom H. Neely

RANGE AND SOIL CONSERVATION

Mr. H. N. Smith, Chairman
Mr. H. F. Neal
Mr. Jay Kerr
Mr. Burch Woodward
Dr. W. T. Hardy

EASEMENTS, RIGHTS-OF-WAY AND DAMAGES RESULTING FROM MINERAL OPERATIONS

Mr. Hunter Akard, Chairman
Mr. Dunn Lowery
Mr. George C. Stillwagon

Mr. Gene Irwin
Mr. W. P. Langley

The next meeting was scheduled for the Special Committee on January 5, 1966 at 10:00 A. M.

Meeting adjourned at 6:30 P. M.

The January 5, 1966 meeting of the Special Committee was held in the Scharbauer Hotel at Midland, Texas at 10:00 A. M. with the following in attendance:

Mr. Wales H. Madden, Jr., Chairman
Judge Roy D. Bennett
Dr. W. T. Hardy
Mr. W. P. Langley
Mr. H. F. Neal
Mr. H. N. Smith
Mr. George C. Stillwagon

Mr. Hunter Akard
Mr. P. L. Childress
Mr. Gene Irwin
Mr. Dunn Lowery
Mr. James L. Powell
Judge S. E. Stout
Mr. Burch Woodward

Mr. Billy Carr, University Land Agent, also attended.

Mr. Hunter Akard, Chairman of the Sub-Committee on Easements, Rights-of-Way and Damages Resulting from Mineral Operations, Mr. James L. Powell, Chairman of the Sub-Committee on Surface Leasing, and Mr. H. N. Smith, Chairman of the Sub-Committee on Range and Soil Conservation, each submitted his sub-committee's recommendations to members of the Special Committee. These recommendations, with minor revisions, were accepted by the Special Committee.

RESUME (Continued)

It was agreed that Mr. Madden would compile all recommendations, and present same to the Board of Regents. Accordingly, the attached recommendations are respectfully submitted.

II. RECOMMENDATIONS OF SPECIAL ADVISORY COMMITTEE TO
BOARD OF REGENTS (With Schedules Attached)

II. RECOMMENDATIONS OF SPECIAL ADVISORY COMMITTEE TO
BOARD OF REGENTS (WITH SCHEDULES ATTACHED)

1. Length of Grazing Lease--The present policy of granting a five year lease should be continued.
2. Renewal of Grazing Lease--The policy should be continued whereby a lessee is given first preference in the renewal of his grazing lease; provided, such renewal may be re-negotiated as to rental terms and provisions. However, it should be expressly understood that lessor is not in any way obligated to renew or extend the term of the lease. All renewals should be worked out at least 90 days in advance of the expiration date of the old lease.
3. Rental Rates--The present policy of basing rental rates on the number of animal units the lease is capable of carrying should be continued.
4. Livestock Limits--The University should strictly control the number of livestock carried on a lease. It should be expressly understood by the lessee, if he attempts to run more stock than the allowed rate, that the University reserves the right, at its option, to terminate the lease.
5. Stocking More Than Allowed Rate--It is recommended that the present policy of charging \$2.00 per animal unit per month for any livestock in excess of the allowed stocking rate be continued. This practice should be held to a minimum.
6. Pasturing Stock Other Than Own--The present policy of requiring a lessee to have permission from the Land Agent for the privilege of pasturing stock other than his own should be continued.
7. Size and Number of Leases--It is recommended that there be no restrictions on the size of a grazing lease or the number of leases held by a family, corporation, partnership or similar entity.
8. Farming--The University should continue the present policy of not permitting substantial dry land farming on University lands. It is also recommended that irrigated farming be permitted in those areas where water does not have commercial value or where water is being drained from under University lands by adjacent farms. Provisions should be made in the grazing lease form to permit separation of irrigated land from the basic grazing lease without permission of the lessee.
9. Oil Fields--At the discretion of the Land Agent, either the grazing area containing sizeable oil fields should be removed from the basic grazing lease, or, the rental rate of the grazing lease be reduced by one-quarter on the acreage involved. The grazing lessee receiving such rental reduction should not collect surface damages resulting from mineral operations on such involved acreage. The lessee should continue to collect damages from operators for loss of livestock resulting from negligent operations.
10. Improvements--The present policy of requiring a lessee to keep up ranch improvements at his own expense should be continued, and such improvements should become the property of the University upon the termination of the lease. In the event a lessee sells his lease within a 10 year period after making improvements, he should be allowed to depreciate the cost of such improvements at the annual rate of 10% from the bonus price before figuring the 1/2 bonus payment due the University. (See item 14, below.)
11. Ingress and Egress--The policy should be continued whereby the University is allowed to authorize its oil lessees, geophysical exploration and other permittees the right of ingress and egress over non-University land owned or controlled by the surface lessees adjacent to University land where oil lessees or permittees are working. Further, the University, its oil lease operators and other permittees should maintain the right to open roads, put in cattle guards, and cross any grazing lease to get to another lease for the same purpose.
12. Hunting Rights--It is recommended that a lessee have the privilege of controlling hunting on his grazing lease. However, the University should have the right to negotiate with the lessee for a part of the consideration received from hunting.

RECOMMENDATIONS (Continued)

13. Subletting Grazing Lease--No lessee should be allowed to sub-let his grazing lease.
14. Assignment of Grazing Lease--The grazing lease form should continue to carry a provision which requires the University's permission to assign a grazing lease. Provision should also be made in the grazing lease form for the University to receive at least 1/2 of any bonus paid by assignee. In connection with the assignment of a grazing lease, the recommendation is to continue the present policy of maintaining control in choosing desirable tenants. It is felt that awarding the grazing lease to the highest bidder would invite improper use of University lands and further deterioration of range conditions. It is also recommended that the present policy of recognizing the heir to a lessee's estate be continued.
15. Livestock Flexibility--In order to encourage range conservation, the University should consider changing to a flexible type lease whereby lessees could practice yearly livestock flexibility in number of animal units and types. This would call for some revision in the grazing lease form, and each lease would have to be evaluated yearly as to number of animal units it would be capable of carrying.
16. Range and Soil Conservation--The University should continue to give financial incentive to lessees participating in approved range and soil conservation programs which are acceptable to the University.
17. Records--When requested to do so by the University, records should be maintained by the lessee as to number of animal units and type of livestock grazed, by pastures or by the lease.
18. Damage and Rate Schedules--It is recommended that the schedules of rates due the University and damage payments to the grazing lessee be adopted, as shown in Exhibit "A" attached. Since conditions change, this schedule should be reviewed at intervals of three to five years.

The Special Committee further recommends that the University consider employing a qualified range scientist to work under the supervision of the Land Agent. One of the duties of this person would be to give assistance to lessees in carrying out plans for range and soil conservation and improvements.

Respectfully submitted,

Wales H. Madden, Jr.
Chairman

EXHIBIT "A"

THE UNIVERSITY OF TEXAS

SCHEDULE OF RATES ON VARIOUS EASEMENTS, LEASES, PERMITS, ETC. ON
PERMANENT UNIVERSITY FUND LANDS

PIPE LINE EASEMENTS (All measurements OD diameters)

A. Standard rates for varying sizes of pipe line, the rates being per rod for a 10-year period, payable in advance for the 10-year period:

| | |
|------------------------------------------------------|--------|
| 1. Lines 6 1/2 inches or under | \$0.50 |
| 2. Lines over 6 1/2 inches and under 12 inches | 1.00 |
| 3. Lines 12 inches and under 25 inches | 1.50 |
| 4. Lines 25 inches or over to be at negotiated rates | |

B. MINIMUM for a pipe line easement \$50.00 payable in advance for the 10-year period.

C. Easements for new construction shall be restricted to one County.

D. FILING FEE in the amount of \$5.00 made payable to the General Land Office must be submitted with all easements.

POWER, TELEPHONE AND TELEGRAPH LINE EASEMENTS

A. Standard rates for varying types of lines, the rates being per rod for a 10-year period, payable in advance for the 10-year period:

| | |
|---------------------------------------------|--------|
| 1. Two-wire residential type telephone line | \$0.25 |
| 2. Single pole line and buried cable | 0.50 |
| 3. H-Frame pole construction | 0.75 |
| 4. Steel towers to be at negotiated rates | |

B. MINIMUM for a power, telephone or telegraph line easement \$50.00 payable in advance for the 10-year period.

C. Easements for new construction shall be restricted to one County.

D. FILING FEE in the amount of \$5.00 made payable to the General Land Office must be submitted with all easements.

SURFACE LEASES (Other than grazing leases)

A. Standard rate of \$15.00 per acre per year, payable in advance annually for PUMP STATIONS, BOOSTER STATIONS AND CAMP SITES.

B. BUSINESS SITES, RESIDENTIAL SITES, MICROWAVE TOWERS AND OTHER MISCELLANEOUS LEASES to be at negotiated rates.

C. MINIMUM for each such lease \$50.00 per year payable in advance.

D. NO FILING FEE required.

MATERIAL SOURCE PERMITS (Caliche, etc.)

A. Standard rate of \$0.25 per cubic yard.

B. Contract for a single project in volumes of 20,000 cubic yards or over, price subject to negotiation, but in no case to be lower than \$0.10 per cubic yard.

C. MINIMUM for each permit \$50.00.

D. NO FILING FEE required.

ASSIGNMENTS, TRANSFER OR CORRECTION OF EASEMENTS, LEASES, ETC.

A charge of \$25.00 will be collected for transfer, assignment or correction of approved leases or easements, including grazing leases, where the instrument provides for approval by the Board of Regents of such assignment, transfer or correction, except in cases where there is other cash consideration paid to the University in connection with the assignment, transfer or correction.

EXHIBIT "A" (Continued)

THE UNIVERSITY OF TEXAS

SCHEDULE OF MAXIMUM DAMAGES TO BE PAID SURFACE LESSEES

1. WELL LOCATIONS (As permitted by Railroad Commission)

- | | |
|------------------------------------------------------------------------------------------------------|----------|
| a. 14,000 ft. or less, per location | \$100.00 |
| b. In excess of 14,000 ft., per location | \$250.00 |
| c. Re-entry (No charge until expiration of lease then rates shown under (a) and (b) to be followed.) | |

(The above rates include space for tank batteries.)

- | | |
|---------------------------------------------|----------|
| d. Skidding of rig, prorated per mile | \$ 50.00 |
| e. New Road construction, prorated per mile | \$ 50.00 |

ALL OPERATORS MUST CONTACT THE UNIVERSITY LAND AGENT AND OIL FIELD SUPERVISOR (AT LEAST TWO DAYS IN ADVANCE OF THE MOVE-IN) SO AS TO EXPEDITE AND COORDINATE THE MOVE-IN WITH SURFACE LESSEE.

2. PIPE LINE CONSTRUCTION (All measurements OD diameters)

- | | |
|------------------------------------------------------------------------------------------------|---------|
| a. Water and fuel lines used for drilling purposes and removed when well is completed, per rod | \$ 0.10 |
| b. Unburied lines, per rod | \$ 0.25 |
| c. Lines 6 1/2 inches or under, per rod | \$ 0.50 |
| d. Lines over 6 1/2 inches and under 12 inches, per rod | \$ 0.75 |
| e. Lines 12 inches or over, per rod | \$ 1.00 |
| f. Removal of buried line, per rod | \$ 0.25 |

3. POWER, TELEPHONE AND TELEGRAPH CONSTRUCTION

- | | |
|-------------------------------------------------------|----------|
| a. Two-wire residential type telephone line, per mile | \$ 25.00 |
| b. Single pole lines, per mile | \$ 50.00 |
| c. Buried cables, per rod | \$ 0.50 |
| d. H-Frame or steel tower line, per mile | \$ 75.00 |
| e. Removal of line, per mile | \$ 25.00 |
| f. Removal of buried cable, per rod | \$ 0.25 |

4. MATERIAL SOURCE PITS AND USE OF ACCESS ROADS (Caliche, etc.)

- | | |
|-------------------------------------|----------|
| a. Per entry and use of access road | \$ 50.00 |
|-------------------------------------|----------|

(Before caliche can be removed permission must be obtained from the University Land Agent and Oil Field Supervisor or his representative, and on his request pits must be levelled in an acceptable manner.)

5. LIABILITY OF COMPANIES AND OPERATORS

These regulations do not in any way limit the liability of a company or operator in an action at law for any damages inflicted upon a surface lessee by reason of acts of negligence.

6. FENCES

No fence can be cut or gates or cattle guards installed without permission of the University Land Agent and Oil Field Supervisor.

7. A REPORT ON THE AMOUNT OF ANY TYPE DAMAGE PAYMENT TO A SURFACE LESSEE IN CONNECTION WITH THE ABOVE SCHEDULE MUST BE SUBMITTED IN WRITING TO:

Mr. Billy Carr
University Land Agent and Oil Field Supervisor
P. O. Drawer 553
Midland, Texas 79701

EXHIBIT "A" (Continued)

THE UNIVERSITY OF TEXAS

SCHEDULE OF MAXIMUM DAMAGES TO BE PAID SURFACE LESSEES
(Geophysical Operations)

| | |
|--------------------------------------------------------------------------------|--------------------|
| (1) Single shot (reflection or refraction shooting), per shot hole | \$10.00 |
| (2) Seismic weight-dropping, vibrators or similar operations; one unit per day | \$25.00 |
| Each additional unit, per day | \$10.00 |
| (3) Gravity meter and magnetometer survey operations, per day | \$10.00 |
| (4) Pattern shooting | See Schedule below |
| 36 holes or less, per pattern | \$35.00 |
| 37 to 75 holes, incl., per pattern | \$40.00 |
| 76 to 100 holes, incl., per pattern | \$45.00 |
| 101 holes or more, per pattern | \$50.00 |

(BASED ON PATTERNS ACCEPTABLE TO THE LAND AGENT)

Permittee shall pay no more than the above rates except on improved lands.

Permittee shall be directly responsible to surface lessees and all other lessees for actual damages caused to improvements and livestock, or excessive damage to pasture or farm land. The University will arbitrate and fix all damage payments in the event of a disagreement between lessees and Permittee.

III. REPORTS OF SUB-COMMITTEES (For Information)

1. REPORT OF SUB-COMMITTEE ON EASEMENTS, RIGHTS-OF-WAY
AND DAMAGES RESULTING FROM MINERAL OPERATIONS

The University of Texas' Board of Regents appointed a Special Committee to review the surface leasing policies on the University Permanent Fund Land in West Texas. The Special Committee met with the Board of Regents on November 4 in the Scharbauer Hotel, Midland, Texas. At the meeting, Mr. Wales H. Madden, Jr., Chairman of the Special Committee, appointed three sub-committees. Those appointed to the sub-committee on easements, rights-of-way and damages are as follows:

Hunter Akard, Chairman
Gene Irwin
W. P. Langley
Dunn Lowery
George C. Stillwagon

On November 15 three members of this sub-committee; Hunter Akard, Gene Irwin and George C. Stillwagon, accompanied by Billy Carr, University Land Agent, and Z. L. Sharp, Supervisor of University lands, toured Andrews County for an on-the-ground inspection of oil operations on University lands.

On November 16, 1965, at 9:30 a.m. in Room 402, Shell Building, Midland, Texas, all members of this sub-committee met and Mr. Billy Carr, University Land Agent, was also present. This was an all day session, at which time the report furnished by the University entitled, "Report on Surface Leasing on University Lands in West Texas, October, 1965", was reviewed by the members of the sub-committee. The sub-committee then reviewed in detail the various schedules having to do with damages as a result of oil and gas operations. Attached to this report is a schedule of maximum damages to be paid surface lessees and various fees to be charged by the University as recommended by this sub-committee. In reviewing the various schedules, it was the thought of this sub-committee that the University and its lessees should receive the average of going rates and fees. There was no desire on the part of the sub-committee to see that the University received the highest price paid in any area nor was it our desire to reduce it to the lowest price. It was our intention to suggest rates to the Board of Regents that we felt were reasonable and would be fair to the land owner, the lessee and the oil operator.

Attached to this report is a schedule of our suggested fees and reference is made to the first item, Well Location. In the past, a fee of \$100 has been paid per well location. In view of the deep wells that are being drilled in the area, it is suggested the location fee be \$250 on wells drilled in excess of 14,000 feet. In such instances, the operator will undoubtedly be working in the pasture for months, rather than a shorter period for wells drilled to a lesser depth.

Generally speaking, the comments in this report will be restricted to only those items that we suggest changing. The fees that were not changed do not require any comment, but each item was carefully reviewed and discussed by the sub-committee.

2. PIPE LINE CONSTRUCTION Several items were added or covered more specifically than in the former schedule published by the University. Some of the rates may appear to be lower than the going price received for pipe line easements. In this connection, it must be borne in mind that the University receives its fee in advance every ten years. The sub-committee felt that most pipe lines have a useful life of thirty years. In actual practice, if a line is in the ground over twenty years, the University will receive three times the rate per rod as shown on this schedule.

3. POWER, TELEPHONE AND TELEGRAPH CONSTRUCTION Item a., two wire residential type telephone line, was added to take care of individuals that need lines traversing University land. Buried cables, H-frames, removal of lines and removal of buried cables were set out in the schedule to facilitate negotiations for the University Land Agent and the University's lessee, as well.

4. MATERIAL SOURCE PITS AND ACCESS ROADS AND FENCES There were no changes in this section.

REPORT (Continued)

SCHEDULE OF MAXIMUM DAMAGES TO BE PAID SURFACE LESSEE FOR GEOPHYSICAL OPERATIONS

(4) Pattern Shooting - your sub-committee recommends that the three groups of fees for patterns previously used be dropped and one schedule of fees adopted, as shown. The definition of a pattern is to be defined by the University Land Agent. Because of the new methods being adopted for geophysical work, it is suggested that this schedule be reviewed every two or three years, and in any event, not less than every five years.

The rates and fees received by the University for various easements, leases, permits, etc. on University lands require little comment. It appears each item on the schedule is self-explanatory. In preparing the various schedules, your sub-committee members have first-hand knowledge regarding a number of items, but in those cases where there was any doubt, the sub-committee members contacted University lessees or companies engaged in operations either on University lands or in the area. Your sub-committee recognizes that through the eyes of some our rates will appear low and to others the rates may appear too high. For this reason, we attempted to schedule as many items as possible so the grazing lessee, the pipe line operator or oil company will know in advance what to expect. It is, of course, impossible to cover all of the items that will come up in connection with the management of these lands; and for that reason, it is recommended that the University Land Agent have broad powers to cope with special situations. This sub-committee feels that Mr. Billy Carr and his staff have done an outstanding and excellent job in the administration of these lands. This is further evidenced by the absence of law suits and only a minimum number of complaints. It is impossible to manage two million acres of land on a businesslike basis and please all people.

Respectfully submitted,

Hunter Akard
Chairman

Gene Irwin
W. P. Langley
Dunn Lowery
George C. Stillwagon

THE UNIVERSITY OF TEXAS

SCHEDULE OF RATES ON VARIOUS EASEMENTS, LEASES, PERMITS, ETC.
ON PERMANENT UNIVERSITY FUND LANDS

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| 4. Lines 25 inches or over to be at negotiated rates | |

B. MINIMUM for a pipe line easement \$50.00 payable in advance for the 10-year period.

C. Easements for new construction shall be restricted to one County.

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|---------------------------------------------|--------|
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| 4. Steel towers to be at negotiated rates | |

B. MINIMUM for a power, telephone or telegraph line easement \$50.00 payable in advance for the 10-year period

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A. Standard rate of \$0.25 per cubic yard.

B. Contract for a single project in volumes of 20,000 cubic yards or over, price subject to negotiation, but in no case to be lower than \$0.10 per cubic yard.

C. MINIMUM for each permit \$50.00 .

D. NO FILING FEE required .

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A charge of \$25.00 will be collected for transfer, assignment or correction of approved leases or easements, including grazing leases, where the instrument provides for approval by the Board of Regents of such assignment, transfer or correction, except in cases where there is other cash consideration paid to the University in connection with the assignment, transfer or correction.

THE UNIVERSITY OF TEXAS

SCHEDULE OF MAXIMUM DAMAGES TO BE PAID SURFACE LESSEES

1. WELL LOCATIONS (As permitted by Railroad Commission)

- | | |
|------------------------------------------------------------------------------------------------------|----------|
| a. 14,000 ft. or less, per location | \$100.00 |
| b. In excess of 14,000 ft., per location | \$250.00 |
| c. Re-entry (No charge until expiration of lease then rates shown under (a) and (b) to be followed.) | |

(The above rates include space for tank batteries.)

- | | |
|---------------------------------------------|----------|
| d. Skidding of rig, prorated per mile | \$ 50.00 |
| e. New road construction, prorated per mile | \$ 50.00 |

ALL OPERATORS MUST CONTACT THE UNIVERSITY LAND AGENT AND OIL FIELD SUPERVISOR (AT LEAST TWO DAYS IN ADVANCE OF THE MOVE-IN) SO AS TO EXPEDITE AND COORDINATE THE MOVE-IN WITH SURFACE LESSEE.

2. PIPE LINE CONSTRUCTION (All measurements OD diameters)

- | | |
|------------------------------------------------------------------------------------------------|---------|
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| e. Lines 12 inches or over, per rod | \$ 1.00 |
| f. Removal of buried lines, per rod | \$ 0.25 |

3. POWER, TELEPHONE AND TELEGRAPH CONSTRUCTION

- | | |
|-------------------------------------------------------|----------|
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4. MATERIAL SOURCE PITS AND USE OF ACCESS ROADS (Caliche, etc.)

- | | |
|-------------------------------------|----------|
| a. Per entry and use of access road | \$ 50.00 |
|-------------------------------------|----------|

(Before caliche can be removed permission must be obtained from the University Land Agent and Oil Field Supervisor or his representative, and on his request pits must be levelled in an acceptable manner.)

5. LIABILITY OF COMPANIES AND OPERATORS

These regulations do not in any way limit the liability of a company or operator in an action at law for any damages inflicted upon a surface lessee by reason of acts of negligence.

6. FENCES

No fence can be cut or gates or cattle guards installed without permission of the University Land Agent and Oil Field Supervisor.

7. A REPORT ON THE AMOUNT OF ANY TYPE DAMAGE PAYMENT TO A SURFACE LESSEE IN CONNECTION WITH THE ABOVE SCHEDULE MUST BE SUBMITTED IN WRITING TO:

Mr. Billy Carr
University Land Agent and Oil Field Supervisor
P. O. Drawer 553
Midland, Texas 79701

THE UNIVERSITY OF TEXAS

SCHEDULE OF MAXIMUM DAMAGES TO BE PAID SURFACE LESSEES
(Geophysical Operations)

| | |
|--------------------------------------------------------------------------------|--------------------|
| (1) Single shot (reflection or refraction shooting), per shot hole | \$10.00 |
| (2) Seismic weight-dropping, vibrators or similar operations; one unit per day | \$25.00 |
| Each additional unit, per day | \$10.00 |
| (3) Gravity meter and magnetometer survey operations, per day | \$10.00 |
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| 36 holes or less, per pattern | \$35.00 |
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| 101 holes or more, per pattern | \$50.00 |

(BASED ON PATTERNS ACCEPTABLE TO THE LAND AGENT)

Permittee shall pay no more than the above rates except on improved lands.

Permittee shall be directly responsible to surface lessees and all other lessees for actual damages caused to improvements and livestock, or excessive damage to pasture or farm land. The University will arbitrate and fix all damage payments in the event of a disagreement between lessees and Permittee.

CURRENT RATES COMPARED WITH RECOMMENDED RATES
(Rate Schedule for Various Easements, Leases, Permits, Etc.)

| | <u>CURRENT</u> | <u>RECOMMENDED</u> |
|--------------------------------------------------------------------|----------------|-----------------------------|
| <u>PIPE LINE EASEMENTS (All Measurements OD diameters)</u> | | |
| 1. Lines 6 1/2" and under | \$ 0.50 | \$ 0.50 |
| 2. Lines over 6 1/2" and under 12" | 1.00 | 1.00 |
| 3. Lines 12" and under 25" | 1.50 | 1.50 |
| 4. Lines 25" or over | 1.50 | Negotiated |
| <u>POWER, TELEPHONE AND TELEGRAPH EASEMENTS</u> | | |
| 1. Two-wire residential type telephone line | \$ 0.50 | \$ 0.25 |
| 2. Single pole line and buried cable | 0.50 | 0.50 |
| 3. H-Frame pole construction | 0.50 | 0.75 |
| 4. Steel towers | 0.50 | Negotiated |
| <u>MINIMUM CHARGE</u> | | |
| Any type easement, per 10-year period | \$50.00 | \$50.00 |
| <u>SURFACE LEASES (Other than Grazing)</u> | | |
| A. Pump Stations, Booster Stations, Camp Sites, etc., per acre | \$10.00 | \$15.00 |
| B. Business Sites, Residence Sites, Microwave Tower Sites, etc. | Negotiated | Negotiated |
| <u>MINIMUM CHARGE</u> | | |
| Any type lease, per year | \$50.00 | \$50.00 |
| <u>MATERIAL SOURCE PERMITS (Caliche, etc.)</u> | | |
| A. Per cubic yard, under 20,000 cubic yards | \$ 0.25 | \$ 0.25 |
| B. 20,000 cubic yards or over, one project | 0.25 | Negotiated (\$0.10 min.) |
| <u>MINIMUM CHARGE</u> | | |
| Any type permit | \$50.00 | \$50.00 |
| <u>ASSIGNMENTS, TRANSFERS, CORRECTIONS</u> | | |
| Requiring Board of Regents' approval | \$25.00 | \$25.00 |
| <u>RESTRICTIONS</u> | | |
| 1. Minimum term, any easement | 10 yrs. | 10 yrs. |
| 2. Minimum term, any lease (other than grazing) | 1 yr. | 1 yr. |
| 3. New construction | None | One County |
| <u>GEOPHYSICAL PERMITS</u> | | |
| 1. INITIAL APPLICATIONS, PER PERMIT | \$300.00 | \$300.00 |
| 2. SUBSEQUENT WORK PERIODS, 15 DAYS | 150.00 | 150.00 |

CURRENT PAYMENTS COMPARED WITH RECOMMENDED PAYMENTS
(Schedule of Maximum Damages to be paid Surface Lessees)

| | <u>CURRENT</u> | <u>RECOMMENDED</u> |
|--------------------------------------------------------------------------------------------------|----------------|--------------------|
| 1. <u>WELL LOCATIONS</u> (As permitted by Railroad Commission) | | |
| a. 14,000' or less, per location | \$100.00 | \$100.00 |
| b. 14,001' or more, per location | 100.00 | 250.00 |
| c. Re-entry (After lease expiration) | None | "a" & "b" |
| d. Skidding of rig, prorated per mile | 50.00 | 50.00 |
| e. Road construction, prorated per mile | 50.00 | 50.00 |
| 2. <u>PIPE LINE CONSTRUCTION</u> (All measurements OD diameters) | | |
| a. Water and fuel lines used for drilling purposes and removed when well is complete, per rod | \$ 0.10 | \$ 0.10 |
| b. Unburied lines, per rod | 0.25 | 0.25 |
| c. Lines 6 1/2" or under, per rod | 0.50 | 0.50 |
| d. Lines over 6 1/2" and under 8", per rod | 0.50 | 0.75 |
| d. Lines 8" and under 12", per rod | 0.75 | 0.75 |
| e. Lines 12" or over, per rod | 0.75 | 1.00 |
| f. Removal of line, per rod | None | 0.25 |
| 3. <u>POWER, TELEPHONE AND TELEGRAPH CONSTRUCTION</u> | | |
| a. Two-wire residential type telephone lines, per mile | \$ 50.00 | \$ 25.00 |
| b. Single pole lines, per mile | 50.00 | 50.00 |
| c. Buried cable, per mile | 50.00 | 0.50 |
| | | (Per rod) |
| d. H-Frame or steel tower lines, per mile | 50.00 | 75.00 |
| e. Removal of line, per mile | None | 25.00 |
| f. Removal of buried cable, per rod | None | 0.25 |
| 4. <u>MATERIAL SOURCE PERMITS AND ACCESS ROADS</u> | | |
| a. Per entry and use of access road | \$ 50.00 | \$ 50.00 |
| 5. <u>GEOPHYSICAL OPERATIONS</u> | | |
| (1) Single shot (reflection or refraction shooting, per shot hole) | \$ 10.00 | \$ 10.00 |
| (2) Seismic weight-dropping, vibrators or similar operations; one unit per day | 25.00 | 25.00 |
| Each additional unit, per day | 10.00 | 10.00 |
| (3) Gravity meter and magnetometer survey operations, per day | 10.00 | 10.00 |
| (4) Pattern Shooting See Schedule Below | | |
| | Per Pattern | |
| 36 holes or less (None in excess of 60') | \$ 10.00 | \$ 35.00 |
| 36 holes or less (None in excess of 101') | 20.00 | 35.00 |
| 36 holes or less (Holes in excess of 101') | 30.00 | 35.00 |
| 37 to 75 holes (None in excess of 60') | 15.00 | 40.00 |
| 37 to 75 holes (None in excess of 101') | 25.00 | 40.00 |
| 37 to 75 holes (Hole in excess of 101') | 35.00 | 40.00 |
| 76 to 100 holes (None in excess of 60') | 20.00 | 45.00 |
| 76 to 100 holes (None in excess of 101') | 30.00 | 45.00 |
| 76 to 100 holes (Hole in excess of 101') | 40.00 | 45.00 |
| 101 holes or more (None in excess of 60') | 25.00 | 50.00 |
| 101 holes or more (None in excess of 101') | 35.00 | 50.00 |
| 101 holes or more (Hole in excess of 101') | 45.00 | 50.00 |

2. REPORT FROM SUB-COMMITTEE ON SURFACE LEASING

FOREWORD:

The Sub-Committee on Surface Leasing met in Midland, Texas on December 15, 1965. Present in addition to the sub-committee members were Mr. Billy Carr, University Land Agent; Mr. Gene Irwin, Andrews, Texas; Mr. H. F. Neal, Rankin, Texas; Mr. Burch Woodward, Fort Stockton, Texas.

The sub-committee discussed all topics directly related to surface leasing with recommendations indicated below. The topic of brush invasion of University lands was also discussed. It is indirectly related, but directly affects surface leasing. In line with the sub-committee on Range and Soil Conservation this sub-committee feels the lessee should cooperate with the University on a basis, preferably a cost-share basis, for control of brush and noxious weeds to increase the productivity of University leases.

The sub-committee feels that the University Board of Regents, its Land Agent and its lessees have thus far administered the University lands in a wise and productive manner. To continue its present general policies with minor revisions will help insure a progressive and secure future for the University and higher education in the State of Texas.

RECOMMENDATIONS:

1. Length of Grazing Lease--It is recommended that the present policy of granting a five year lease be continued.
2. Renewal of Grazing Lease--It is recommended that the present lease holder be given first preference in the renewal of his grazing lease, provided such renewal may be renegotiated as to rental terms and provisions thereof. However, it should be expressly understood and agreed that the lessor is not in any way obligated to renew or extend the term of the lease. All renewals should be worked out at least 90 days in advance of the expiration date of the old lease.

The sub-committee feels that it is important for a lessee to know that he has first preference of renewal of his lease. This will encourage the lessee to practice good range conservation.

3. Rental Rates--It is recommended the present policy of basing rental rates on the number of animal units the lease is capable of carrying be continued.
4. Livestock Limits--It is recommended that strict control of the amount of livestock a lease is capable of carrying be maintained. It should be expressly understood by the lessee, if he attempts to run more stock than the allowed rate, that the University reserves the right at its option to cancel and terminate the lease.

In connection with the recommendation from the Range and Soil Conservation Sub-Committee, the University should plan a flexible lease in the future. The livestock rate should vary from year to year according to the condition of the range.

5. Stocking More Than Allowed Rate--It is recommended that the present policy of charging \$2.00 per animal unit per month for any livestock in excess of the allowed stocking rate be continued. This practice should be held to a minimum.
6. Pasturing Stock Other Than Own--It is recommended that the present policy of requiring a lessee to have permission from the Land Agent for the privilege of pasturing stock other than his own be continued.
7. Size of Grazing Lease--It is recommended that there be no restrictions on the size of a grazing lease.

The sub-committee feels that the larger leases are better able to practice range conservation and to maintain profitable economic units.

8. Farming--It is recommended that the present policy of not permitting substantial dry land farming on grazing lands be continued. It is also recommended that irrigated farming be permitted on grazing lands in those areas where water does not have commercial

RECOMMENDATIONS (Continued)

value or where water is being drained from under University lands by adjacent farms. Provision should also be made in the grazing lease form to permit separation of irrigated acreage from the basic grazing lease without permission of the grazing lessee.

The sub-committee feels that the present policy of charging an additional \$8.00 per acre per year for irrigated farm land is an adequate rental.

9. Oil Fields--It is recommended that at the discretion of the Land Agent either the grazing area containing sizeable oil fields be removed from the basic grazing lease, or, the rental rate of the grazing lease be reduced by one-quarter on the acreage involved in the oil field area. An additional provision should be included that the grazing lessee receiving such a reduction in his rental rate should not collect damages, due to oil, gas or mineral operations on the area where rent was reduced, for damage to the grass or land. The grazing lessee should continue to collect damages from companies for loss of livestock resulting from negligent operations.

10. Improvements--It is recommended that the present policy of requiring a lessee to keep up ranch improvements at his own expense be continued, and that such improvements should become the property of the University. In the event a lessee sells his lease within a period of 10 years, after making improvements, he should be allowed to depreciate the cost of the improvements at the annual rate of 10% from the bonus price before figuring the 1/2 bonus payment due the University. (See item 14, below.)

11. Ingress and Egress--It is recommended that the University be allowed to permit its oil lessees, geophysical exploration and other permittees the right of ingress and egress over non-University land owned or controlled by the lessee adjacent to University land where oil lessees or permittees are working. Further, the University, its oil lease operators and other permittees should have reserved the right to open roads, put in gates and cattle guards, and to cross any grazing lease to get to another lease for the same purpose.

12. Hunting Rights--It is recommended that a lessee have the privilege of controlling hunting on his grazing lease. However, the University should have the right to negotiate with the lessee for a part of the consideration received from hunting.

13. Sub-Letting Grazing Lease--It is recommended that no lessee be allowed to sub-let his grazing lease.

14. Assignment of Grazing Lease--It is recommended that the grazing lease form continue to carry a provision which requires the University's permission to assign a grazing lease. Provision should be made in the grazing lease form for the University to receive at least 1/2 of any bonus paid by the assignee of a grazing lease assignment. In connection with the assignment of a grazing lease, the sub-committee recommends continuing the present policy of maintaining control in choosing desirable tenants. It is felt that awarding the grazing lease to the highest bidder would invite improper use of University lands and further deterioration of range conditions. The sub-committee recommends the present policy of recognizing the heir to a lessee's estate be continued.

Respectfully submitted,

Surface Leasing Sub-Committee:

James L. Powell, Chairman
M. C. Puckett
P. L. Childress
Roy D. Bennett
Tom H. Neely

3. REPORT OF SUB-COMMITTEE ON RANGE AND SOIL CONSERVATION

FOREWORD:

The sub-committee met at the First State Bank, Rankin, Texas on December 2, 1965. Present in addition to all sub-committee members were Mr. Hunter Akard, Advisory Committee member; Mr. Billy Carr, University Land Agent; Dr. Don L. Huss, Department of Range Science, Texas A&M University; and Mr. Rudy J. Pederson, Range Specialist, Soil Conservation Service.

Following the meeting of the Advisory Committee in Midland on November 4, 1965, the Chairman of the Range and Soil Conservation Sub-Committee had asked a group of range management specialists of the Texas A&M University System and the U. S. Soil Conservation Service to prepare technical recommendations regarding the use and improvement of The University of Texas' grazing lands. Dr. Huss, assisted by Mr. Pederson, presented the report of this group at Rankin December 2. A copy of their report is attached.

Local offices of the Soil Conservation Service furnished data regarding the condition of University of Texas' lands. This information was discussed by the sub-committee and is included in this report.

REPORT:

THE RANGE PROBLEM

The University of Texas owns approximately 2,100,000 acres of West Texas rangeland. This land, like most other rangelands in Texas, has deteriorated because of past use. This deterioration has resulted in reduced grazing capacity, brush invasion, accelerated soil erosion and inefficient plant use of rainfall.

The causes for range deterioration are many, but the most paramount cause is probably the lack of understanding and knowledge relative to plant-animal interrelationships, particularly in the past. Proper use of range can only be obtained with knowledge of how plants and animals respond to each other.

It is felt that the future of Texas' rangelands depends upon the application of the principles and fundamentals of good range management. If not, the range resource will continue to deteriorate, perhaps to the point of no return. Of all lands in the State, this must not happen on University of Texas' lands. In fact, The University of Texas is to be congratulated on its past interest in range conservation and is encouraged to develop further leadership in this area.

Generally, the University's grazing lands have not deteriorated in range condition as severely as other leased grazing lands in Texas. However, the range condition of these lands is somewhat below the average of all Texas rangeland. A survey by the Soil Conservation Service found that 13 percent of the University grasslands are in Good condition, 47 percent in Fair condition and 40 percent in Poor condition.

The invasion of these grazing lands by undersirable woody plants or brush is serious. This brush is a heavy user of the low soil-moisture supply and greatly decreases grass production. A survey by SCS found that 97 percent of University grazing land has from a light to heavy infestation of brush. Of this infestation, 25 percent is heavy, 46 percent is medium and 26 percent is light.

With presently known techniques and with available Federal cost-sharing it is practical and economically feasible to control (but not eradicate) brush on some tracts. At this time, it is not economically feasible to carry out brush control measures in some of the lower rainfall areas.

Sixty-six percent of the lessees with leases on seventy-five percent of University grazing lands have entered into voluntary cooperative agreements with local soil and water conservation districts. Through this means they have received technical assistance from the SCS in evaluating the condition of the land and vegetation on the leased land and in planning and carrying out range management measures. Their follow-through on these plans has varied from good to none.

Many, but not all, lessees are requesting and receiving Federal cost-sharing assistance, generally fifty percent of costs, on applying range management practices and improvements.

REPORT (Continued)

RECOMMENDATIONS:

1. That leases on University of Texas' grazing lands be long term, 5 to 10 years, with renewal options. Without security of tenure, lessees cannot secure the benefits of results of good range management and investments in improvements and practices to make such management feasible.

This sub-committee recognizes that this recommendation encroaches upon the assignment of the Surface Leasing Sub-Committee but believes that a long-term lease with renewal option is a prime necessity for obtaining range and soil conservation on any leased land.

2. That The University of Texas establish a flexible per-head lease based upon a grazing capacity that will either maintain or improve vegetation conditions. This grazing capacity will have to be determined on each ranch on an individual basis. Grazing capacity depends upon many physical and biological factors such as range condition, sites, trend, degree of use, livestock distribution, climate, etc. These must be assessed on each ranch. The lessee should be aided and encouraged to make adjustments in livestock numbers to prevent damage to range in years of drought and years following as well as to increase stocking in years of favorable rainfall when forage yields are above normal. He should be permitted to increase stocking when forage yields are increased as a result of brush control, range seeding, deferred grazing, etc. Such a per-head lease in contrast to the per-acre lease offers greater protection to the lessee in years of below normal forage production. It also serves to protect the capital investment (land and vegetation) of the lessor and yet provides him with returns in keeping with the annual production of his resources.

3. That the lease agreement be flexible so that the lessee can practice livestock flexibility which is altering of number and kinds or classes of animals as warranted by seasonal and yearly variations in forage production due to weather conditions.

Average rainfall is really a meaningless figure in respect to ranching. Climatological analyses show that yearly and seasonal rainfall is very variable and that more years will occur in which the total rainfall is below average than average or above. Forage production normally varies by 200 to 300 percent from year to year in West Texas. Stocking at a static level based on a numerical average will result in many years of overgrazing and consequent range deterioration as well as poor livestock production. Conversely, continued stocking under the amount of usable forage (50 percent of current year's production) is a loss of vegetation which could have been converted into livestock product. Since a majority of University land is in poor and fair range condition, under stocking is not an immediate problem.

4. That the lease agreement be of such nature that the lessee can and will carry out various needed range conservation practices such as deferred rotation grazing, brush control, range seeding, water spreaders, water and fence development, etc. The University should give some financial incentive to encourage the use of these practices, particularly permanent or enduring practices. All such practices should be accompanied by sound range management.

For example, range improvement conservation practices such as brush control or range seeding that result in increased yields can be aided by charging a reduced per-head lease or direct cost-share could be provided by the University for such practices with their costs to be recovered by increased income obtained from later increased stocking. Research and ranchmen experience has found and is finding such practices are essential to profitable and sustained ranching. And, a poor lease agreement, particularly a short term one, does not serve as an incentive to carry out such programs.

5. That the University encourage its lessees to develop and carry out soil and water conservation plans with their local soil and water conservation district and take advantage of all resource assistance such as technical, financial, research, information, loans, etc. This assistance is available from the Soil Conservation Service, Texas Agricultural Experiment Station, Texas Agricultural Extension Service, Agricultural Stabilization and Conservation Service, Texas Parks and Wildlife Department, Farmers Home Administration and others. Such assistance to the lessee can be only advisory, since only he can make and carry out plans for his operations and management practices.

6. That the University require its lessees to maintain records of kinds and amounts of livestock grazed, by pastures, and for the lease as a whole. Such records should be

REPORT (Continued)

used in adjusting stocking rates from season to season, year to year and as a basis for lease renewals.

7. That the University hire a qualified and experienced range scientist to work under the Land Agent to give assistance to the lessees in planning and carrying out the lessee's plans for range use and improvement. This man's assistance should supplement but not be in lieu of the technical assistance to lessees available in all counties from the Soil Conservation Service through local soil and water conservation districts, from the Department of Range Science and Agricultural Extension Service, Texas A&M University, the Texas Parks and Wildlife Department and others.

8. That it is not possible to establish arbitrarily for The University of Texas lands an economical size ranch unit in terms of acres. It is the amount of dependable livestock forage produced on a ranch unit that determines its size from the standpoint of income, not the number of acres. Wide variations of soils, amount and kinds of vegetation, rainfall and other weather conditions and management facilities exist on The University of Texas lands. These factors determine the wide variations in livestock feed produced per section on the different leases.

Respectfully submitted,

Range and Soil Conservation Sub-Committee:

H. N. Smith, Chairman
Jay Kerr
H. F. Neal
W. T. Hardy
S. E. Stout
Burch Woodward

Recommendations as requested by the Chairman of the Range
and Soil Conservation Sub-Committee of the Special Advisory
Committee on West Texas Lands of The University of Texas

THE RANGE PROBLEM:

The University of Texas owns approximately 2 million acres of West Texas rangeland. This land, like most other rangelands in Texas, has deteriorated because of past use. This deterioration has resulted in reduced grazing capacity, brush invasion, accelerated soil erosion and inefficient plant use of rainfall.

The causes for range deterioration are many, but the most paramount cause is probably the lack of understanding and knowledge relative to plant-animal interrelationships, particularly in the past. Proper use of range can only be obtained with knowledge of how plants and animals respond to each other. The Science of Range Management is dedicated to this end and is defined as the, "Art & Science of planning and directing range use to obtain sustained maximum animal production, consistent with perpetuation of the natural resources".

It is felt that the future of Texas' rangelands depends upon the application of the principles and fundamentals of this science. If not, the range resource will continue to deteriorate, perhaps to the point of no return. Of all lands in the State, this must not happen on University of Texas Lands. In fact, The University of Texas is to be congratulated on past interest in range conservation and is encouraged to develop further leadership in this area.

RECOMMENDATIONS:

(1) That The University of Texas hire a qualified and experienced range scientist to work under the Land Agent to give assistance to the lessees in planning and directing range use. Planning and directing proper range use is no simple matter as it requires thorough knowledge of the many ramifications involved. This is obtained only through education, training and experience. This scientist should make a thorough and scientific appraisal of University lands which is basic to the following recommendations.

(2) That The University of Texas establish a flexible per head lease based upon a grazing capacity that will either maintain or improve vegetation conditions. This grazing capacity will have to be determined on each ranch on an individual basis. Grazing capacity depends upon many physical and biological factors such as range conditions, sites, trend, degree of use, livestock distribution, climate, etc. These must be assessed on each ranch. The lessee should be aided and encouraged to make adjustments in livestock numbers to prevent damage to the range in years of drought and years following as well as to increase stocking in years of favorable rainfall when forage yields are above normal. (And also to increase stocking when forage yield is increased as a result of brush control, range seeding, deferred grazing, etc.)

(3) That the lease agreement be flexible so that the lessee can practice livestock flexibility which is defined as, "The ability to alter the number or kind or class of animals within a livestock enterprise as warranted by variability in forage and weather conditions". Flexibility is a must in western climate.

Average rainfall is really a meaningless figure in respect to ranching. Climatological analyses show that yearly and seasonal rainfall is very variable and that more years will occur in which the total rainfall is below average than average or above. Stocking at a static level based on a numerical average will result in many years of overgrazing and consequent range deterioration as well as poor livestock production. Conversely, continued stocking under the amount of usable forage (50% of current year's production) is a loss of vegetation which could have been converted into livestock product. Since a majority of University land is poor and fair range condition this is not an immediate problem.

(4) That the lease agreement be of such nature that a lessee can and will carry out various needed range conservation practices such as deferred rotation grazing, brush control, range seeding, water spreaders, water and fence development, etc. The University should give some financial incentive to encourage the use of these practices, particularly permanent or enduring practices. All such practices should be accompanied by sound range management.

RECOMMENDATIONS (Continued)

For example, range improvement conservation practices such as brush control or range seeding that result in increased yields can be aided by charging a reduced per head lease or direct cost share could be provided by the University for such practices with their costs to be recovered by increased income obtained from later increased stocking. Research and ranchmen experience has and is finding such practices are essential to profitable and sustained ranching. And, a poor lease agreement, particularly a short term one, does not serve as an incentive to carry out such programs.

(5) That the University encourage its lessees to develop and carry out soil and water conservation plans with their local soil conservation district and take advantage of all resource assistance such as technical, financial, research, information, loans, etc. This assistance is available from the Soil Conservation Service, Texas Agricultural Experiment Station, Texas Agricultural Extension Service, Agriculture Conservation and Stabilization Service, Texas Parks and Wildlife Department, Farmers Home Administration, and others.

(6) The lease should be long term with renewal options.

(7) That the University require its lessees to maintain records of kinds and amounts of livestock grazed, by pastures, and for the lease as a whole.

(8) It is recommended that this sub-committee's efforts be coordinated with the sub-committee on Surface Leasing.

Prepared by:

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