
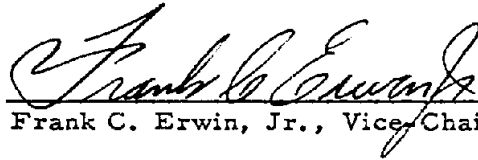


We, the undersigned members of the Board of Regents of
The University of Texas, hereby ratify and approve all
actions taken at this meeting to be reflected in the Minutes.

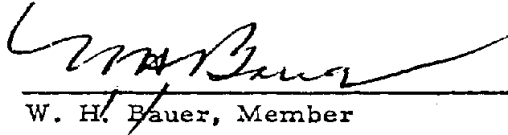
Signed this the 2nd day of April, 1966, A. D.



W. W. Heath, Chairman



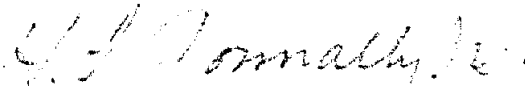
Frank C. Erwin, Jr., Vice-Chairman



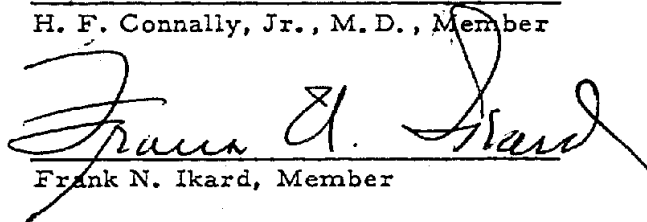
W. H. Bauer, Member



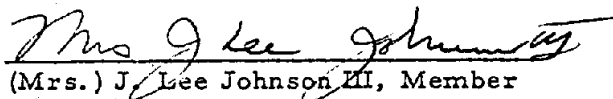
Walter P. Brennan, Member



H. F. Connally, Jr., M. D., Member



Frank N. Ikard, Member



(Mrs.) J. Lee Johnson III, Member



Jack S. Josey, Member



Levi A. Olan, Member

4-01-66

MEETING NO. 641

FRIDAY, APRIL 1, 1966.-- The Board of Regents assembled in regular session at 4:00 p.m. in Room 212, Main Building with the following in attendance:

Present

Absent

Chairman Heath, Presiding
Vice-Chairman Erwin (See Page 39)
Regent Bauer
Regent Brenan
Regent Connally
Regent Ikard
Regent (Mrs.) Johnson (See Page 39)
Regent Josey
Regent Olan

Secretary Thedford

Chancellor Ransom

Also among the University personnel present were the following:**

Doctor James C. Dolley -- Vice-Chancellor, Fiscal Affairs
Doctor Norman Hackerman -- Vice-Chancellor for Academic Affairs
Doctor L. D. Haskew -- Vice-Chancellor, Developmental Affairs
Mr. Raymond Vowell -- Vice-Chancellor for Federal and State Affairs

INVOCATION.-- Regent Olan offered the invocation.

** All the Institutional Heads, as listed below, were available for the committee meetings and the session of the Board held on Friday, April 1, 1966:

Doctor Sumter S. Arnim, Acting Dean, Graduate School of Biomedical Sciences at Houston
Truman G. Blocker, Jr., M. D., Executive Dean and Director of the Medical Branch
R. Lee Clark, M. D., Director of M. D. Anderson Hospital and Tumor Institute
A. J. Gill, M. D., Dean of Southwestern Medical School
John V. Olson, D. D. S., Dean of the Dental Branch
F. Carter Pannill, M. D., Dean of the South Texas Medical School
Doctor Joseph M. Ray, President of Texas Western College
Grant Taylor, M. D., Dean of the Division of Continuing Education, Graduate School of Biomedical Sciences at Houston
Doctor Jack R. Woolf, President of Arlington State College

REPORT OF LAND AND INVESTMENT COMMITTEE (See Page 17 for adoption). -- Committee Chairman Erwin presented the following report of the Land and Investment Committee and recommended that the Committee actions be approved and ratified and that the Chairman be authorized to execute the appropriate instruments when approved as to form by the University Attorney and as to content by the Endowment Officer.

I. Permanent University Fund

A. Investment Matters

1. Report of Purchases and Calls of Securities: The report of Purchases of Securities from January 31 through March 6, 1966, and of a call on March 1, 1966 for the Permanent University Fund was approved as follows:

COMMON STOCKS

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
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)

4-01-66

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
1/7/66	American Home Products Corp. Common Stock	600	86-1/8	\$ 51,960.66	2.31%
1/7/66	Eastman Kodak Co. Common Stock	400	119-1/4(200) 119 (200)	47,853.66	1.55
1/7/66	Public Service Co. of Indiana Inc. Common Stock	1,100	47 (1000) 46-5/8(100)	52,129.81	3.38
1/8/66	Dow Chemical Co. Common Stock	700	76-3/8(500) 76-1/8(200)	53,738.92	2.34
1/8/66	General Foods Corp. Common Stock	700	78	54,927.60	2.80
1/8/66	Pittsburgh Plate Glass Co. Capital Stock	700	78	54,927.60	3.31
1/9/66	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 California Common Stock	600	79-5/8	48,056.76	3.12

*Includes brokerage commissions paid.

**Yield at present indicated dividend rate.

4-01-66

COMMON STOCKS (Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
2/15/66	The Borden Co. Capital Stock	1,200	39-7/8(300) 39-3/4(700) 39-5/8(200)	\$ 48,179.10	2.99%
2/15/66	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.

4-01-66

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.

4-01-66

CALL OF CORPORATE SECURITIES

Date Called	Security	Total Principal Proceeds
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

4-01-66

B. Land Matters

1. Easements and Surface Leases, Material Source Permits and Water Contract: Easements and surface leases, material source permits, and a water contract were approved as follows: (All are at the standard rates, unless otherwise stated; all are on the University's standard forms, with grazing leases carrying provisions for renewal for an additional five years at negotiated terms; all payments for easements and leases have been received in advance, unless otherwise stated, and all have been approved as to form by the University Attorney and as to content by the Endowment Officer.)

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

4-01-66

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

4-01-66

EASEMENTS AND SURFACE LEASES - Continued.--

NO.	GRANTEE	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 & 6	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.

4-01-66

MATERIAL SOURCE PERMITS

NO.	GRANTEE	COUNTY	LOCATION	QUANTITY	CONSIDERATION
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

WATER CONTRACTS

NO.	GRANTEE	COUNTY	LOCATION	ACREAGE	CONSIDERATION	PERIOD
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

2. 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.-- Approval was given for Mrs. Lucille S. Smith, holder of Grazing Lease No. 949, to transfer 40.2 acres of cotton allotment within her grazing lease to Darrell S. Warren, holder of Grazing Lease No. 869, both in Pecos County. The transfer will be for a three year period, beginning with the 1966 crop. Under Federal regulations of the cotton allotment program, the transfer must be approved by the land owner, The University of Texas in this case.
3. Sale of Sulphur Leases.-- After a general discussion of the possibility of selling sulphur leases on University lands, the Committee decided that the matter should be passed at this meeting and should be placed on the agenda for the May 1966 meeting of the Board of Regents. Mr. Zimmerman was asked to advise informally the companies who have indicated interest in the sulphur leases.

C. Bond Matters

1. Permanent University Fund Bond Issue, Series 1966.-- The size of the issue of the Permanent University Fund Bonds, Series 1966 was approved in the amount of \$11,000,000. This is based upon estimates given by the Director of Facilities Planning and Construction for construction cost requirements for the period March 1, 1966 through August 31, 1967, the amount of cash and securities remaining from the 1964 and 1965 bond issues and interest to be earned on earlier bond proceeds.

Approval was given for the employment of the firm of Vinson, Elkins, Weems & Searls of Houston as bond counsel for the 1966 Series. The Chairman of the Board was authorized to execute a letter agreement with the firm for its services.

II. Trust and Special Funds

A. Investment Matters

1. Report of Purchases and Sales of Securities. -- The report of purchases of securities from February 2 through March 1, 1966 and sales of securities on February 11 and 28, 1966, for Trust and Special Funds was approved as follows:

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% Water-works 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

4-01-66

2. Funds Grouped for Investment. -- The report of cash and securities added, funds transferred and new funds added as of March 1, 1966 was approved as follows:

Fund	Recommended Addition
E. Bagby Atwood Memorial Graduate Scholarship Fund ((\$6,413.51 already in Grouped)	\$ 68.02
William 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
Hai 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	1,072.75
(Sub-total - additions to Bybee Fund)	(1,172.75)

4-01-66

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
Hilton 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.)

4-01-66

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
	<hr/>
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.

B. Gift, Bequest and Estate Matters

1. Gift of Life Insurance Policy to Chancellor's Council by Mr. and Mrs. Wales H. Madden, Jr.-- The Board accepted with appreciation the gift to the Chancellor's Council by Mr. and Mrs. Wales H. Madden, Jr. 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 is the irrevocable beneficiary under the policy which is in the custody of the University Auditor.

C. Real Estate Matters

1. Texas Western College: Lucille T. Stevens Estate, Walgreen Lease.-- Approval was given for an additional month (March 1966) of possession free of rent to Walgreen Drug Company of the Stevens Property at the corner of Mesa and Texas in El Paso, because of delay in remodeling. This lease, for a total of 30 years and 2 months, began January 1, 1966 with the first 2 months free of rent for extensive remodeling. Annual fixed rental is \$26,000 with provisions for certain additional percentage rental.

Under the terms of the lease, the lessor agreed to furnish up to \$100,000 on the cost of remodeling and improvements, which is to be repaid by Walgreen as additional rental over the first 20 years of the lease, including interest at 5% per annum. The work, which is still under way, will apparently cost approximately \$108,000 exclusive of a sprinkler system and other work to cost about \$4,700. Walgreen has pointed out that the sprinkler system, as well as 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 to complete the work and open the store, has proposed the additional month of possession free of rent.

The Chairman was authorized to execute any papers necessary to effectuate this action.

D. Revenue Bond Matters

1. Arlington State College: Student Fee Revenue Bonds, Series 1966 (Skiles Act) \$1,100,000 for Mathematics-Language Building; Employment of Bond Counsel.-- The issuance of Arlington State College Student Fee Revenue Bonds, Series 1966 (Skiles Act) in the amount of approximately \$1,100,000 for part of the cost of the Mathematics-Language Building was authorized. The statute (Skiles Act) authorizing the issuance of these bonds, \$325,000 of which were issued in 1965 with authority for additional bonds at a later time, limits the term of the issue to 30 years and the maximum

coupon rate to 4%. Under the present market conditions, it was agreed that negotiation of the sale of the presently anticipated issue of \$1,100,000 would be the most feasible method of sale. The staff was authorized to make inquiries concerning such negotiated sale rather than taking sealed bids and to make a report to the Board at a later meeting. Bond Counsel for this sale will be McCall, Parkhurst & Horton.

Adoption of Report. -- Upon motion of Vice-Chairman Erwin, seconded by Regent Brenan, the foregoing report of the Land and Investment Committee was unanimously adopted.

REPORTS BY CHANCELLOR RANSOM. -- Chancellor Ransom stated that reports designed for Board circulation had either been circulated or would be forwarded to the Secretary for distribution to the Regents and that a series of Faculty Council reports on organization, administration, and operation of the University will be consolidated and circulated to the Board for action.

APPROVAL OF MINUTES, FEBRUARY 25 - 26, 1966. -- The minutes of the last preceding meeting of the Board of Regents held in Austin, Texas, on February 25- 26, 1966, were unanimously approved as distributed by the Secretary, upon motion of Regent Josey, seconded by Regent Bauer. These minutes are in the Official Record, Volume XIII.

REPORT OF THE EXECUTIVE COMMITTEE (See Page 19 for adoption.) -- Committee Chairman Brenan presented the following report of the Executive Committee as set out below.

Since the last meeting of the Board of Regents on February 26, the Executive Committee has unanimously approved the following and recommends that the full Board ratify these actions:

1. South Texas Medical School: Lease Contract with Trinity University. -- A lease contract between Trinity University and the Board of Regents of The University of Texas covering 3,640 square feet of space in the Chapman Graduate Center at Trinity University at a monthly rental cost of \$.30 per square foot for the period March 1, 1966 through August 31, 1967 was approved.

The source of funds for payment of this rental was designated to be from account entitled "Rental of Space." Chairman Heath was authorized to execute this lease agreement when it has been approved as to form by University Attorney Waldrep and as to content by Dean Pannill.

2. Texas Student Publications, Inc.: Minutes of Board of Directors of Meeting February 14, 1966, Including Staff Appointments. -- The minutes of the meeting of the Board of Directors of Texas Student Publications, Inc., held on February 14, 1966, were unanimously approved; and by virtue of this approval, the following specific actions were approved:
 - a. 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 of Texan at \$4.00 each
Deane Spiller	")	
Sheilia Stewart	")	

4-01-66

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

All of these appointees are scholastically eligible to serve.

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

I recommend that the foregoing actions of the Executive Committee be in all things approved, confirmed, and ratified.

Adoption of Report.--Regent Johnson seconded the motion which unanimously prevailed.

4-01-66

REPORT OF THE ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE (See Page 21 for adoption.) -- Committee Chairman Olan presented the following report of the Academic and Developmental Affairs Committee:

The Academic and Developmental Affairs Committee approved the following recommendations of the Administration:

1. Retained Earnings of Campus Services, Inc.: Appropriation of \$90 for Students' Expenses to MIT Intercollegiate Conference. -- One student from the Department of Civil Engineering and one from the School of Architecture will attend the MIT Intercollegiate Conference--- The Urban Challenge. MIT will pay all expenses except the registration fee and the first \$30 of transportation costs for each student. The Academic and Developmental Affairs Committee recommends that an appropriation of \$90 from Retained Earnings of Campus Services, Inc., be approved to reimburse the two students for that portion of the travel expenses to the MIT Intercollegiate Conference that is not paid by MIT.
2. Requests to Coordinating Board for (1) Degree Programs at Main University, Southwestern Medical School, Arlington State College and (2) for Graduate School at Arlington State College. -- The Academic and Developmental Affairs Committee also recommends that the following degree programs be established at the institutions indicated and that the Administration be authorized to submit to the Coordinating Board for approval the establishment of the degree programs listed:

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

Southwestern Medical School

M. A. and Ph. D. Programs in Physiology

Arlington State College

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 Degree in Psychology

Also it is recommended that the Administration be authorized to submit to the Coordinating Board concurrently with this request the approval of a Graduate School at Arlington, which has previously been approved by the Board of Regents.

All of the recommendations herein approved were processed through appropriate channels and have the approval of the Graduate Assembly, Vice-Chancellor Hackerman and Chancellor Ransom.

3. Request to Coordinating Board for Change in Ph. D. and M. A. Degrees in Latin American Studies, Main University. -- In connection with the request to the Coordinating Board, it is recommended by the Academic and Developmental Affairs Committee that the Administration be authorized to submit to the Coordinating Board for approval a change in the Ph. D. and M. A. degrees in Latin American Studies from the various fields in which the degrees are now offered to read "M. A. and Ph. D. undifferentiated" and if this is approved by the Coordinating Board, then the Administration is authorized to change the catalog statement (Graduate School Catalog 1964-66, Page 70) at the appropriate place to conform to the authorization.
4. Report by Doctor Woolf on Academic Programs at Arlington State College. -- The Committee was happy and pleased to receive a report from Doctor Woolf on the academic programs at Arlington State College.

Adoption of Report. -- Regent Olan moved that the actions as approved of the Academic and Developmental Affairs Committee be approved and ratified by the Board. This motion, seconded by Regent Ikard, was unanimously adopted.

REPORT OF BUILDINGS AND GROUNDS COMMITTEE (See Page 26 for adoption.) -- Regent Johnson presented the following report of the Buildings and Grounds Committee:

The following items relate to the medical installations:

1. South Texas Medical School, South Texas Medical School Building: Reduction in Grant Awards and in Contingency Allowance. -- To reflect reductions in Federal grants which occurred after review by the Federal Agencies involved of the bids received for the construction of the South Texas Medical School Building, it is recommended that the grants as set up on the University's books be reduced to the amounts shown below.

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 further recommended that the Contingency Allowance of \$300,000.00 which was approved by the Board for the South Texas Medical School Building at the meeting held January 15, 1966, be reduced to \$240,000.00, with authorization to E. D. Walker to issue change orders within this amount.

2. M. D. Anderson Hospital and Tumor Institute, Additions and Alterations to M. D. Anderson Hospital and Tumor Institute Building: Increase in Contingency Allowance. -- The Contingency Allowance of \$145,000.00 which was set up at the time the contract was awarded for the construction of the Additions and Alterations to M. D. Anderson Hospital and Tumor Institute Building is now exhausted, and it is contemplated that additional funds will be needed principally because of the development of a new program of treatment which is being established at the Hospital, which will require additional shielding protection for basement area rooms now to be used for radio-therapy which were originally scheduled to be used as laboratories and offices. It is, therefore, recommended that an additional \$190,000.00 be transferred from the Allotment Account for this project to the Contingency Allowance for the construction contract, with authorization to E. D. Walker to issue additional change orders to the contract not to exceed this amount plus Architects' Fees thereon.
3. Medical Branch, Outpatient-Clinical Diagnostic Building: Award of Contract for Furniture and Furnishings for Fourth, Fifth, and Sixth Floors. -- It is recommended that a contract in the amount of \$42,725.91 be awarded to the low bidder, Dallas Office Supply Company, Dallas, Texas, for Furniture and Furnishings for Fourth, Fifth, and Sixth Floors of the Outpatient-Clinical Diagnostic Building at the Medical Branch.

4-01-66

The following recommendations relate to Main University, Arlington State College, Texas Western College, and University Lands at Midland, Texas:

1. Main University, Women's Cooperative Housing Project: Appropriation for Associate Architect's Fees. -- In order that payment can be made to the Associate Architect, Fehr and Granger, when the final plans and specifications have been completed on the Women's Cooperative Housing Project at the Main University, it is recommended that an appropriation of \$15,000.00 be made for this purpose 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, Men's Intramural Fields: Special Committee Relating to Award of Contracts. -- It is recommended that a committee, consisting of Main University Business Manager Colvin, E. D. Walker, and Vice-Chancellor Hackerman, be authorized to approve plans and specifications necessary for the Men's Intramural Fields at the Main University, with authorization to E. D. Walker to advertise for bids after this approval. It is further recommended that this committee be authorized to award contracts to the lowest responsible bidder, within the \$34,700.00 appropriated for the project at the meeting held February 26, 1966.
3. Main University, Lila B. Etter Alumni House: Landscaping. -- It is recommended that the landscaping plans for the Lila B. Etter Alumni Center at the Main University drawn by C. C. Fleming and Associates, Landscape Architects, Houston, Texas, be approved by the Board and that the \$3,606.56 balance in the Allotment Account for the Lila B. Etter Alumni House 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. It is understood that the entire landscaping project will cost in excess of \$25,000.00 and that the remainder of the money needed will be supplied by the Ex-Students' Association.
4. Main University, Physics-Mathematics and Astronomy Building: Authorization for Associate Architect's Fees. -- It is recommended that an appropriation of \$262,500.00 be made from Permanent University Fund Bond proceeds to the account for Associate Architect's Fees for the Physics-Mathematics and Astronomy Building at the Main University in order that payment can be made to the Associate Architect, George L. Dahl, Inc., when these final plans and specifications have been completed.
5. Arlington State College, Parking Lots for 600 Cars: Approval of Plans and Specifications and Appropriation. -- It is recommended that the plans and specifications as prepared by the Physical Plant Staff at Arlington State College for additional parking facilities at Arlington State to accommodate approximately 600 cars be approved and that Mr. E. D. Walker be

authorized 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.

6. Main University, Andrews, Carothers, Littlefield, Brackenridge, Roberts, and Prather Dormitories: New Roofs, Appropriation, and Special Committee. -- It is recommended that \$50,000.00 be appropriated from Account No. 28-8328-F-Reserve-Division of Housing and Food Service-Major Repairs, Remodeling and Replacement, and Operating Reserve to be added to the sum of \$25,000.00 already appropriated for repair of roofs of various dormitories at the Main University. This appropriation of \$75,000.00 is to cover the repair of roofs of Andrews, Carothers, Littlefield, Brackenridge, Roberts, and Prather Dormitories. It is further recommended that the Main University Physical Plant staff be authorized to prepare plans and specifications on this project, that E. D. Walker be authorized to advertise for bids as soon as possible, and that a committee composed of Chairman W. W. Heath, E. D. Walker, and J. H. Colvin be authorized to award a contract.

7. Main University, W. J. McDonald Observatory--Dome and Building to House Telescope, Shops, Etc.: Acceptance of National Science Foundation Grant No. GU-1580. -- It is recommended that the Board accept National Science Foundation Grant No. GU-1580 in the amount of \$1,140,750.00 in 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 and 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 further recommended that the amount of this grant be added to the appropriation on the University's books for W. J. McDonald Observatory - Dome and Building to House Telescope, Shops, and Transient Housing, etc.

8. Main University: (1) Addition to Student Health Center Building, Appointment of Associate Architect and Appropriation; (2) North Campus Classroom and Office Building, Appropriation for Associate Architect's Fees. -- It is recommended that the firm of Golemon and Rolfe, Associate Architects for the North Campus Classroom and Office Building at the Main University, also be appointed as Associate Architect for the Addition to the Student Health Center Building, since it is considered desirable that the plans and specifications for these projects 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 be made from Main University Account No. 28-2802-0000 - Student Services Fee- Unallotted for Associate Architect's Fees on the Addition to the Student Health Center Building and that an appropriation of \$78,750.00 be made from Permanent University Fund Bond proceeds for Associate Architect's Fees on the North Campus Classroom and Office Building.

9. Arlington State College, Theater Building: Approval of Issuance of Purchase Order for Equipment. -- It is recommended that a purchase order covering 300 stacking chairs and 30 dollies for the Theater Building at Arlington State College be issued to the low bidder, American Seating Company, Dallas, Texas, in the amount of \$3,702.00 to be charged against Account No. 85-9746-0180 - Arlington State College - Theater Building - Equipment.
10. Associate Architects: (1) Humanities Research Center, Main University; (2) Addition to Student Union Building, Texas Western College. -- It is recommended that the firm of Jessen, Jessen, Millhouse, Greeven, and Crume, Austin, Texas, be appointed as Associate Architect for the Humanities Research Center at the Main University.

It is recommended that the firm of Garland and Hilles, El Paso, Texas, be appointed as Associate Architect for the Addition to the Student Union Building at Texas Western College.

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: Easements to El Paso Electric Company .-- It is recommended that an easement be granted to El Paso Electric Company on two tracts of land, one containing 0.3446 acres and the other containing 0.74486 acres of land on the Texas Western College Campus for the purpose of erecting transmission and distribution lines, this easement to be for a period of 50 years, with the option of renewing for an additional period upon the written consent of both parties, subject to the negotiation of an adequate consideration, to be approved by the Board.

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

12. Central Administration, University Lands Building at Midland, Texas: Authorization for Preliminary Plans Contingent upon Board for Lease of University Lands. -- It is recommended 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 \$140,000.00.
13. Main University, Expansion of Electrical Power Generating Facilities: Award of Contract for Piping Project. -- It is recommended that a contract in the amount of \$73,960.00 be awarded to the low bidder, Young and Pratt, Austin, Texas, for the Piping Project in connection with Expansion of Electrical Power Generating Facilities at the Main University.

Adoption of Report. -- Regent Johnson moved approval of the foregoing report and the recommendations contained therein; Regent Brennan seconded the motion which unanimously prevailed.

REPORT OF MEDICAL AFFAIRS COMMITTEE. -- Upon motion of Regent Connally, seconded by Regent Johnson, the following report of the Medical Affairs Committee, as presented by Committee Chairman Connally, was unanimously adopted:

1. Medical Branch: Amendment to Contract with Automatic Retailers of America, Inc. -- The Medical Affairs Committee recommends that the contract between the Board of Regents of The University of Texas and the Automatic Retailers of America, Inc., for cafeteria and dietary operations at the Medical Branch be amended to provide that the Medical Branch pay to Automatic Retailers of America, Inc., the following patient per diem rates:

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

It was also recommended that the Chairman be authorized to execute this amendment when it has been approved as to form by University Attorney Waldrep and as to subject matter by Doctor Blocker.

2. M. D. Anderson Hospital and Tumor Institute: Ratification of Interagency Contract with Vocational Rehabilitation Division, Texas Educational Agency. -- The Medical Affairs Committee also recommends that an interagency contract between The University of Texas M. D. Anderson Hospital and Tumor Institute and the Division of Vocational Rehabilitation of the Texas Educational Agency be ratified. The purpose of this agreement is to provide vocational rehabilitation services to those cancer patients who could benefit from, and are eligible for, such services. This contract was entered into on March 8, 1966, and was signed by Doctor R. Lee Clark.

4-01-66

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS. --Regent Brenan reported that the Board for Lease of University Lands will have the next meeting at 1:00 p. m. on April 19, 1966 in the Archives and Library Building. At this meeting, among other things, the Board for Lease will check requests that have been submitted for the Oil and Gas Lease sale to be held on June 23, 1966.

COMMITTEE OF THE WHOLE

Chairman Heath stated that the Committee of the Whole had directed him to report the following actions:

THE UNIVERSITY OF TEXAS SYSTEM INSTITUTIONS IN HOUSTON: PARTICIPATION IN STUDY RELATING TO CENTRAL COOLING AND HEATING PLANT AND CENTRAL LAUNDRY, TEXAS MEDICAL CENTER. --At the request of Doctor Clark, The University of Texas units in Houston were granted permission to participate in a study to be conducted by Brown and Root, Inc., of the feasibility of a central cooling and heating plant and central laundry for the institutions in the Texas Medical Center at a cost to The University of Texas units in Houston of between \$2500 and \$3000. It was understood that Doctor Clark would bring this back to the Board specifically for the source of funds and for the allocation among the University institutions in Houston.

ADMINISTRATIVE OFFICE SPACE ASSIGNMENTS. --The Administration's recommendations relating to administrative office space assignments were approved in principle with the request that the Administration consult with the persons involved and come back with specific recommendations as to the remodeling and the cost thereof. The assignments are as follows and are to be effected in the order set out:

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. Room 209 (Regents' meeting room)--with advance notice to the Secretary--will be available alternatively with the Chancellor's Conference Room 120 for Investment Office conference room.

Step 3. Move the Comptroller's Office from Room 121 to Rooms 301, 303, and 305.

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).

ARLINGTON STATE COLLEGE: APPOINTMENT OF BARRY DOWD AS BASKETBALL COACH. --Mr. Barry Dowd was appointed basketball coach at Arlington State College, effective April 1, 1966 at an annual salary rate of \$9,000. This is a three-year appointment subject to the usual annual budgetary consideration by the Board of Regents.

4-01-66

ARLINGTON STATE COLLEGE: APPOINTMENT OF DOCTOR CHARLES GREEN AS DEAN OF LIBERAL ARTS.-- Doctor Charles Green, currently Professor of English at Arlington State College, was appointed as Dean of Liberal Arts at Arlington State College at an annual salary rate of \$18,600, effective June 1, 1966.

ARLINGTON STATE COLLEGE: SETTLEMENT OF STATE OF TEXAS VS. JOE M. THOMAS ET AL. FOR 2.08 ACRES AT \$35,000.-- The Board authorized a settlement of the litigation with Joe M. Thomas et al. which is a condemnation suit in Tarrant County, Texas, for the acquisition of 2.08 acres of land for campus expansion at Arlington State College, such settlement to be paid in an amount of \$35,000.00, funds to come from the local unappropriated funds of Arlington State College.

ARLINGTON STATE COLLEGE: PERMIT FOR TAX-FREE ALCOHOL.-- The following resolution was approved:

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.

AND BE IT FURTHER RESOLVED that the authority conferred herein by the Board of Regents shall continue in effect until amended and/or revoked.

: 4-01-66

MAIN UNIVERSITY, MEN'S INTRAMURAL FIELDS: APPROPRIATION THEREFOR AND SPECIAL COMMITTEE TO APPROVE.-- An additional appropriation of \$127,400 from the Available University Fund was approved to cover the following items in connection with the construction of the Men's Intramural Fields:

Activities Building, Showers, Toilets, etc.,	\$ 9,000.00
Chainlink Fencing	3,000.00
Backstops - 4 at \$100.00 each	400.00
Lighting Four Fields	110,000.00
Contingency	5,000.00

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

DUAL POSITIONS BY FACULTY AND ADMINISTRATION AUTHORIZED: CENTRAL ADMINISTRATION, MAIN UNIVERSITY, MEDICAL BRANCH, AND SOUTHWESTERN MEDICAL SCHOOL.-- The following resolution was adopted with respect to each below listed member of the faculty or administration of The University of Texas in connection with his service on each of the state or federal boards or commissions opposite his name:

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

4-01-66

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."

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 pur- pose of making studies and recommendations as to surface and strip mining

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
-------------------	-------------------------	--

4-01-66

James G. Hilton	Professor of Pharmacology	Member - Pharmacology and Endocrinology Fellowships Review Panel, National Institutes of Health
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

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
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

4-01-66

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

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 71.)

1. Appropriate Channel for Consulting Architect. -- The Consulting
Architect was requested to report through the Director of the Office
of Facilities Planning and Construction to the Chancellor and
through the Chancellor to the Board of Regents.
2. 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.
3. 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.

CHANCELLOR'S DOCKET NO. 6. -- Chancellor's Docket No. 6 was
approved by mail ballot as submitted to each Regent on March 15, 1966.*

REGENTAL REPRESENTATIVE, ASSOCIATION OF GOVERNING
BOARDS OF STATE UNIVERSITIES AND ALLIED INSTITUTIONS. --
Regent Jack S. Josey was appointed by the Chairman as the Board's
representative on the Association of Governing Boards of State Univer-
sities and Allied Institutions.

* The docket follows Page 61 and is attached to, and made a part
of, the minutes.

4-01-66

SYSTEM-WIDE: MODIFICATIONS AND RENEWAL OF CONSULTING ARCHITECTS' CONTRACTS. -- In accordance with instructions received at the meeting held February 26, 1966, conferences have been held between E. D. Walker and R. Max Brooks concerning modifications to the existing Consulting Architects' contract. A memorandum dated March 27, 1966, has been signed by both Mr. Walker and Mr. Brooks. This memorandum sets forth agreements which were reached after these conferences. The following recommendations concerning this memorandum and other matters concerning the Consulting Architects were made by E. D. Walker and approved by the Committee of the Whole:

1. That the provisions of the following memorandum dated March 27, 1966, as it relates to the Consulting Architects' contract, which has been signed by E. D. Walker and R. Max Brooks, be approved by the Board.
2. That the Consulting Architects' contract with Brooks, Barr, Graeber, and White be extended for the period of one year from September 1, 1966. It is further recommended that the details of the proposed contract with the Consulting Architects for 1966-67 be presented to the Board for consideration at a later meeting before signature by either of the parties. 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.
3. That the proposed arrangement of fees of 0.5% for the Consulting Architects and 5.5% for the Associate Architects as contained in the following memorandum be included in the new contract with the Consulting Architects for 1966-67 as a trial period for one year.
4. That the Consulting Architects' new contract be so written that the Board may, if it desires, appoint the Consulting Architects also as Associate Architects on projects.
5. That the Consulting Architects continue their work on the overall Master Plan for the component institutions of The University of Texas System.

MEMORANDUM

March 27, 1966

To: Mr. E. D. Walker
From: R. Max Brooks
Subject: Proposed Modifications to Existing Consulting Architects Contract

After reviewing the entire University Building Program we have endeavored to set out our understanding of the proposed modification in our present Consulting Architect relationship with the University which the Board of Regents have indicated they feel are desirable and in the best interest of the program. It is our understanding:

4-01-66

1. The Board of Regents would like to have certain projects handled under an arrangement whereby primary responsibility for development of preliminary plans would be shifted to the Associate Architect. Duties of the Consulting Architect on these particular projects would be as set forth in Item #4 of this memorandum.

2. Of the projects already authorized by the Board of Regents for development of preliminary plans by the Consulting Architects, those listed below would be placed under the proposed new arrangement.

Main Campus

Humanities Research Center	\$ 5,000,000.00
Engineering Center	6,000,000.00

Texas Western College

Student Union Addition	2,500,000.00
------------------------	--------------

Houston

Dental Science Institute	5,000,000.00*
--------------------------	---------------

*It is our wish that we be allowed to proceed with the preliminary plans on the Dental Science Institute as originally approved and in lieu thereof the Basic Science Research Building at Southwestern Medical School, at an estimated cost of \$4,000,000.00, be placed under the proposed new arrangement. We make this as a specific request, but our agreement to these proposed changes is not contingent upon this exception being made.

3. For the projects handled under the revised arrangement, the division of Architects' Fees for each project would be:

Consulting Architect	.5%
Associate Architect	5.5%

4. The responsibility of the Consulting Architects under this proposed new arrangement would be as follows:

- (a) Work with the Director of Facilities Planning and Construction in the initiation phases of all new projects to provide suitable preliminary information on space requirements (or requests) and probable budget requirements prior to Regental authorization of a project.
- (b) Recommend the location of the building in relation to the approved Campus Master Plan.
- (c) In consultation with Faculty Committees and the Director of Facilities Planning and Construction review and advise in the preparation of program requirements and prepare schematic drawings, and review the scope of the project in relationship to the approved budget.

4-01-66

- (d) Review with the Associate Architect in conjunction with the Office of Facilities Planning and Construction the program of requirements developed for the building by the University.
- (e) Periodic review of the design development and recommend approval of final design for submission to the Board of Regents.
- (f) Make recommendation of general material specifications.
- (g) Advise with the Director of Facilities Planning and Construction matters and assist in the scheduling and coordination of the various projects during their conceptual, design, working drawings, and construction phases.

Concerning the above modifications, we would like to state that we wish to cooperate with the Administration and the Board of Regents, fully and in all respects, to assure the best possible results obtainable, architecturally and financially, for the total building program of the University. We realize the immenseness of the present effort and the responsibility of the Board of Regents to carry out all areas of the program expeditiously and efficiently.

Approval Recommended:

/s/ R. Max Brooks
R. Max Brooks

/s/ E. D. Walker
E. D. Walker, Director
Facilities Planning and Construction

ITEMS FOR THE RECORD: (1) CONTRACT WITH CONTROL DATA CORPORATION FOR COMPUTER 6600; (2) C. P. PATTERSON GIFT. -
The following items have been approved by the Committee of the Whole, and are included here for ratification by the Board:

1. 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

2. Main University: Proposal of Dr. C. F. 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 (a) 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 (b) 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 (a) 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 (b) 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.)

TEXAS WESTERN COLLEGE: CONGRATULATORY RESOLUTION FOR FIRST NATIONAL BASKETBALL CHAMPIONSHIP IN TEXAS.-- A resolution extending congratulations to Texas Western College for bringing home to Texas the first national championship in basketball was adopted.

TEXAS WESTERN COLLEGE: SHELTER FOR EL PASO AND SOUTHWESTERN ENGINE NO. 1.-- Doctor Ray was granted permission to receive funds by donation in an approximate amount of \$25,000 to build a suitable glassed-in building to protect El Paso and Southwestern Engine No. 1. This locomotive has been given to Texas Western College and is presently adjacent to the Centennial Museum on Texas Western's campus. This building is to be constructed in accordance with the Tibetan architecture of Texas Western College with the plans to be approved by the President of Texas Western.

4-01-66

MAIN UNIVERSITY, LAND ACQUISITION PROGRAM: AUTHORIZATION TO INSTITUTE CONDEMNATION PROCEEDINGS AGAINST HUGH BLOCKER, EMILY MILLER AND LUCILLE ACOCK. -- We received a progress report on Land Acquisition at Main University by Attorney Denius and he was authorized to institute condemnation proceedings to acquire certain property in fee simple title to properties belonging to Hugh Blocker, Emily Miller and Lucille Acock all of which are more fully described in the following resolution adopted by the Board:

RESOLUTION

WHEREAS, the Legislature of the State of Texas enacted Chapter 206, Acts 59th Legislature, Regular Session, Page 418, and Chapter 253, Acts 59th Legislature, Regular Session, Page 491, and thereby authorized expansion of the campus of the Main University of Texas at Austin by acquiring certain adjacent lands; and

WHEREAS, the Board of Regents desires to carry out the duties thus authorized by the Texas Legislature;

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of The University of Texas:

1. That the following described lots, tracts or parcels of land situated in Austin, Travis County, Texas, are among those now needed under the aforesaid laws for The University of Texas;

2. That the Board of Regents, acting through its representatives and officials, has negotiated with the respective landowners and has failed to agree with such owners on the value of and damages to the lands described below;

3. That authorization is hereby granted and it is directed that suits be filed in eminent domain and the same prosecuted to a final judgment to obtain a fee simple title against the following lands and owners:

Lot 3, Block 2, Susan Moore
Subdivision of Outlot 10,
Division "D"

Lucille B. Acock

South 45 feet of Lots 1 and 2
and all of Lot 3, Block 1,
Susan Moore Subdivision of
Outlot 10, Division "D"

Hugh D. and Jeanette
Blocker

Lot 1, Block 2, Susan Moore
Subdivision of Outlot 10,
Division "D"

Emily Maverick Miller

All in Austin, Travis County, Texas

4. That possession of these properties be obtained at the earliest possible time.

4-01-66

STATEMENT OF CHAIRMAN HEATH RE NEW DORMITORY-ACADEMIC COMPLEX; AUTHORIZATION FOR REVISED PRELIMINARY PLANS TO INCREASE CAPACITY TO 3000 STUDENTS. -- At this point, Chairman Heath delivered the following statement relating to the New Dormitory-Academic Complex and reflecting the action of the Committee of the Whole. The Committee of the Whole instructed the Architects to present preliminary plans and specifications for the New Dormitory-Academic Complex along the conception of the revised presentation made by the Architects at this meeting, and to submit, if possible, to the Board at its meeting on April 22-23, 1966. The revised plans will increase the size and capacity of the dormitories from 2400 to 3000 students:

Statement of W. W. Heath
Chairman of the Board of Regents
of
The University of Texas

The University of Texas lags far behind the national average in the percentage of its students who have the opportunity to live in low cost, low rental University owned and supervised housing; yet the University has the same responsibilities in this area as do other universities throughout the country. We feel the public is entitled to know that we expect to meet those responsibilities as rapidly as possible. Especially, do we intend to provide as soon as possible University owned and supervised dormitories and coops for our freshmen and other younger students.

Increases in construction costs and in interest rates on revenue bonds since original planning on the new 2400 student dormitory complex to be constructed south of 21st Street have forced the Board to carefully consider the results in terms of corresponding increases in students' rental rates necessary to fund the bonds.

The Board has instructed its architects to increase the size and capacity of the dormitories from 2400 to 3000 students, so as to take care of 1700 women and 1300 men students and to revise the plans to get the estimated costs down to a basis on which rental charges to students can be kept as originally planned.

The architects have been further instructed to retain to the highest degree possible the original concept of the dormitory complex so carefully and laboriously planned by the Faculty-Student Committee.

Studies continue and will be diligently pursued on additional student housing needs, in both the dormitory and cooperative housing areas.

Adoption of the Report. -- The foregoing report of the Committee of the Whole was unanimously adopted upon motion of Regent Brenan, seconded by Regent Bauer.

4-01-66

STATEMENT OF W. W. HEATH, CHAIRMAN OF THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS.-- Below is a personal statement by Chairman Heath:

Statement of W. W. Heath
Chairman of the Board of Regents
of
The University of Texas

In consultation with Chancellor Ransom, the Board of Regents determines broad University policies.

Chancellor Ransom is charged with the responsibility of administering those policies.

No Administrative Head has ever possessed the complete confidence of his Board to a higher degree than does Chancellor Harry Ransom.

Chancellor Ransom is patient and he is fair, but anyone who is dissatisfied with his decisions may appeal to this Board just as they may appeal from decisions of his administrative staff through appropriate channels to him.

This Board will review any appeals to it and will make its decisions, based on its own judgment, after full consideration and deliberation.

RECESS.-- The Board recessed until 9:00 a. m. on Saturday, April 2, 1966

Saturday
April 2, 1966

The Regents reconvened in regular session in Room 209, with Chairman Heath presiding and the following in attendance:

Chairman Heath, Presiding
Regent Bauer
Regent Brenan
Regent Connally
Regent Ikard
Regent Josey
Regent Olan

Absent
Vice-Chairman Erwin - excused
Regent (Mrs.) Johnson - excused

Secretary Thedford

4-01-66

RECOGNITION OF GUESTS BY CHAIRMAN HEATH.-- Chairman Heath recognized Mr. Wales H. Madden, Jr., Chairman of the Special Advisory Committee on Surface Leasing Policies on University West Texas Lands and a former member of the Board of Regents of The University of Texas. Chairman Heath commented that Mr. Madden needed no introduction since he had served with distinction for six years as a member of the Board of Regents and had performed a real service as Chairman of the Special Committee.

At the request of Chairman Heath, Mr. Madden presented Mr. Hunter Akard of Dallas, Texas, and Mr. James Powell, Menard, Texas. These were the only members of the Special Advisory Committee in attendance.

REPORT OF THE SPECIAL ADVISORY COMMITTEE ON SURFACE LEASING POLICIES ON UNIVERSITY WEST TEXAS LANDS.-- Special Committee Chairman Madden briefly summarized the activities of the Special Committee in arriving at the recommendations contained in the following report:

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

4-01-66

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 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
Judge Roy D. Bennett
Dr. W. T. Hardy
Mr. W. P. Langley
Mr. H. F. Neal
Mr. James L. Powell
Mr. H. N. Smith
Mr. George C. Stillwagon

Mr. Hunter Akard
Mr. P. L. Childress
Mr. Gene Irwin
Mr. Dunn Lowery
Judge Tom H. Neely
Mr. M. C. Puckett
Judge S. E. Stout
Mr. Burch Woodward

Members of the Board of Regents:

Mr. W. W. Heath, Chairman
Mr. Frank C. Erwin, Vice Chairman
Dr. Frank H. Connally, Jr.
Mr. Jack S. Josey

Mr. W. H. Bauer
Mr. Walter P. Brennan
Dr. Levi Olan

4-01-66

RESUME (Continued)

Representatives from Central Administration:

Dr. Norman Hackerman, Vice Chancellor
Mr. Raymond W. Vowell, Vice Chancellor
Dr. L. D. Haske, 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.

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.

4-01-66

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

Length of Grazing Lease--The present policy of granting a five year lease should be continued.

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.

Rental Rates--The present policy of basing rental rates on the number of animal units the lease is capable of carrying should be continued.

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.

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.

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.

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.

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.

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.

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.)

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.

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.

4-01-66

RECOMMENDATIONS (Continued)

Subletting Grazing Lease--No lessee should be allowed to sub-let his grazing lease.

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.

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.

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.

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.

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

THE UNIVERSITY OF TEXAS

SCHEDULE OF RATES ON VARIOUS EASEMENTS, LEASES, PERMITS, ETC. ON
PERMANENT UNIVERSITY FUND LANDSPIPE LINE EASEMENTS (All measurements OD diameters)

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 | |

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

Easements for new construction shall be restricted to one County.

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

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 | |

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

Easements for new construction shall be restricted to one County.

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)

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

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

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

NO FILING FEE required.

MATERIAL SOURCE PERMITS (Caliche, etc.)

Standard rate of \$0.25 per cubic yard.

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.

MINIMUM for each permit \$50.00.

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.

THE UNIVERSITY OF TEXAS

SCHEDULE OF MAXIMUM DAMAGES TO BE PAID SURFACE LESSEES

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.

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 |

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 |

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.)

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.

FENCES

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

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)

Single shot (reflection or refraction shooting), per shot hole	\$10.00
Seismic weight-dropping, vibrators or similar operations; one unit per day	\$25.00
Each additional unit, per day	\$10.00
Gravity meter and magnetometer survey operations, per day	\$10.00
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.

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 Lands 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. WIRE, 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.

4-01-66

REPORT (Continued)

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

) 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 is 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 to 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

4-01-66

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)

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 | |

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

Easements for new construction shall be restricted to one County.

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

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 | |

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

Easements for new construction shall be restricted to one County.

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)

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

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

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

NO FILING FEE required.

MATERIAL SOURCE PERMITS (Caliche, etc.)

Standard rate of \$0.25 per cubic yard.

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

MINIMUM for each permit \$50.00.

NO FILING FEE required.

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

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.

4-01-66

THE UNIVERSITY OF TEXAS

SCHEDULE OF MAXIMUM DAMAGES TO BE PAID SURFACE LESSEES

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.

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 lines, per rod | \$ 0.25 |

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 |

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.)

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.

FENCES

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

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

4-01-66

THE UNIVERSITY OF TEXAS

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

) Single shot (reflection or refraction shooting), per shot hole	\$10.00
) Seismic weight-dropping, vibrators or similar operations; one unit per day	\$25.00
Each additional unit, per day	\$10.00
) Gravity meter and magnetometer survey operations, per day	\$10.00
) 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.

4-01-66

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>INTERFACE 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>SIGNMENTS, 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>NON-PHYSICAL PERMITS</u>		
1. INITIAL APPLICATIONS, PER PERMIT	\$300.00	\$300.00
2. SUBSEQUENT WORK PERIODS, 15 DAYS	150.00	150.00

4-01-66

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

	<u>CURRENT</u>	<u>RECOMMENDED</u>
<u>WELL LOCATIONS (As permitted by Railroad Commission)</u>		
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
<u>2. PIPE LINE CONSTRUCTION (All measurements OD diameters)</u>		
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
e. 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
<u>3. 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
<u>4. MATERIAL SOURCE PERMITS AND ACCESS ROADS</u>		
a. Per entry and use of access road	\$ 50.00	\$ 50.00
<u>5. 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 LEASINGFOREWORD:

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

4-01-66

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 CONSERVATIONKEYWORD:

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 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.

4-01-66

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

4-01-66

PORT (Continued)

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

That the University hire a qualified and experienced range scientist to work under a 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.

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

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.

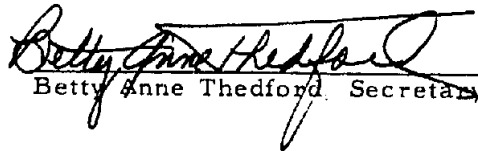
RECOMMENDATIONS:

- 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.

4-01-66

EXPRESSION OF THANKS BY CHAIRMAN AND REFERRAL OF REPORT TO LAND AND INVESTMENT COMMITTEE. -- Chairman Heath expressed personally and on behalf of the Board thanks to the Special Committee for the splendid work and careful study given to the existing surface leasing policies. Upon motion of Regent Bauer, seconded by Regent Brennan, the report of the Special Committee was unanimously received and referred to the Land and Investment Committee for study and report back to the Board of Regents.

ADJOURNMENT. -- There being no further business, thereupon the Chairman declared the meeting adjourned.


Betty Anne Thedford, Secretary

April 14, 1966