

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 13th day of June, 1959, A. D.

Merton M. Minter
Chairman

J. Lee Johnson
Vice-Chairman

Walter H. Madden Jr.
Member

Mrs. Charles Swael
Member

W. M. Keese Jr.
Member

J. P. Bryan
Member

Member

F. W. Heath
Member

Samuel H. H. H.
Member

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MEETING NO. 580

JUNE 13, 1959. -- The Board of Regents of The University of Texas convened in regular session on Saturday, June 13, 1959, at 10:15 a.m., in the Regents' Room (Main Building 209), Austin, Texas.

ATTENDANCE. --

<u>Present</u>	<u>Absent</u>
Chairman Minter, presiding	Regent Thompson--excused
Vice-Chairman Johnson	
Regent (Mrs.) Devall	
Regent Bryan	
Regent Hardie	
Regent Heath	
Regent Madden	
Regent McNeese	
President Wilson	
Secretary Thedford	

Also present among University personnel were:

Doctor Melvin A. Casberg, Vice-President for Medical Affairs
 Mr. F. Lanier Cox, Vice-President for Administrative Services
 Doctor J. C. Dolley, Vice-President for Fiscal Affairs
 Doctor L. D. Haskew, Vice-President for Developmental Services

Mr. C. H. Sparenberg, Comptroller
 Mr. W. W. Stewart, Endowment Officer
 Mr. Burnell Waldrep, Land and Trust Attorney
 Mr. W. E. Keys, Director, University News and Information Service

Doctor R. Lee Clark, Jr., Director of M. D. Anderson Hospital and Tumor Institute
 Doctor A. J. Gill, Dean of Southwestern Medical School
 Doctor John V. Olson, Dean of the Dental Branch
 Doctor Harry H. Ransom, Vice-President and Provost of the Main University
 Doctor Joseph R. Smiley, President of Texas Western College
 Doctor Grant Taylor, Dean of Postgraduate School of Medicine
 Doctor Kenneth M. Earle, Dean of Medicine (Representing Doctor John B. Truslow, Executive Director of the Medical Branch)

Mr. George Dahl, Associate Architect, Undergraduate Library and Academic Center
 Mr. H. E. Jessen and Mr. Wolf Jessen (Representing the Consulting Architects, Jessen, Jessen, Millhouse, and Greeven), Undergraduate Library and Academic Center
 Mr. John Ford, San Antonio Express
 Mr. Carl Howard, Editor, The Daily Texan

APPROVAL OF MINUTES, APRIL 16-18, 1959. --The Minutes of the meeting of the Board of Regents held in Dallas on April 16-18, 1959, were approved, in the form as distributed to each Regent by the Secretary, upon motion of Mrs. Devall, seconded by Mr. McNeese.

COMMITTEE OF THE WHOLE

The following is a report of the actions taken by the Committee of the Whole. These items were referred by the Standing Committees to the Committee of the Whole for consideration, and the action on each was reported either in the committee reports or at the regular meeting as a special item. (The Standing Committees, the Special Committee on Board Procedures, and the Committee of the Whole met on Friday, June 12, and met briefly on Saturday, June 13.)

ADMISSIONS POLICY AND PLANS FOR EXPANSION, LAW SCHOOL, MAIN UNIVERSITY. --Recommendations regarding admission to the Law School at the Main University approved by the Faculty Council (Pages 2627 and 2628 of the Documents and Proceedings of the Faculty Council) were deferred at the meeting of the Board on March 14, 1959, until the June 1959 meeting. (Permanent Minutes, Volume VI, Pp. 707 and 753)

At the Board's request, Mr. Page Keeton, Dean of the Law School, appeared before the Committee of the Whole on Friday, June 12, 1959,

It was moved by Vice-Chairman Johnson, seconded by Mrs. Devall, and adopted (1) that the proposal of Dean Keeton approved by the Faculty Council for admission to the Law School in 1959-60 requiring either a "B" average or a "C" average plus an acceptable Law School Admission Test score be approved; (2) that no present limitations be placed on enrollment at the Law School; (3) that plans be made to expand the Law School facilities to accommodate a maximum of 1,500 students with the idea that further expansion of these facilities will not be necessary.

In light of the foregoing action of the Board, Changes Nos. 1, 2, and 3 of the recommendations of the Faculty Council, Pages 2627 and 2628 of the Documents and Proceedings of the Faculty Council as presented at the March 1959 meeting, and which are incorporated in Catalogue No. 5824, School of Law for 1958-60, are ratified.

Change No. 4, in view of the decision to expand the Law School facilities to a size not to exceed 1,500, is not necessary. This change which is incorporated on Page 24 of Catalogue No. 5824 will not be enforced during 1958-60 and will be eliminated from the next published catalogue for the School of Law.

For the record, these changes are set out below.

The section entitled Provision V (Transfer from Another Law School) of the Law School catalog 1956-58 on page 25 and the section entitled "Advanced Standing" on page 26 of the same catalog are to be changed as follows:

Change 1. The two sections are combined and the heading "Advanced Standing" deleted. (Approved)

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Change 2. Provision V is changed to read as follows:

Provision V.
(Transfer from Another Law School)

An applicant who has attended but has not graduated from another law school and who has received or receives credit here for at least ninety semester hours of pre-law work, but not including all of the courses prescribed for admission to the School of Law, will be given full admission provided (1) that his grade average on pre-law work is at least 2.0 as stated in Provision II above, or, if not, that his grade average on pre-law work is at least 1.0 and he made an acceptable Law School Admission Test score before attending such law school; and (2) that he has attended such law school from which he seeks to transfer for at least two semesters; and (3) that at the time he completed his last semester at such law school from which he seeks to transfer, his grade record was such that he was not placed on scholastic probation and was not ineligible to return the following semester. In unusual cases where an applicant's scholastic record at the law school from which he seeks to transfer is outstanding, an applicant whose pre-law grade average is at least 1.0 but not as much as 2.0 but who did not take the Law School Admission Test or did not have an acceptable score on such test will be given full admission.

An applicant who qualifies for admission as a transfer student from another law school will receive advance standing credit on the following terms: (1) Credit is given not to exceed the equivalent of one year (at present twenty-eight semester hours); (2) No credit will be given for any courses completed at such law school unless the applicant has a grade average equivalent to a minimum grade of C on all work undertaken at such law school, whether passed or failed; (3) Credit will not be given for a course in which a grade of less than C was given in another law school even though the applicant's grade average on all work undertaken meets the minimum requirements for transfer credit; (4) The law school from which the applicant seeks to transfer must be a member of the Association of American Law Schools or other law school of high standing and approved by the American Bar Association; (5) Such transfer student at the end of his first two semesters of attendance in the School of Law, a summer session being counted as a semester for this purpose, will be dropped from the School and all credit cancelled if his grade average on all work undertaken at this Law School is less than 63, and if his grade average is at least 63 but not as much as 65, he may continue but on probation; (6) In any case, and except when approved for good cause by the Law Faculty, the last year of a student's work must be done in residence at this School.

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A student desiring advanced standing must present to the Registrar a full statement of the work he has done, including the work credited at entrance. After investigation, such credit, if any, as may be found just and proper will be allowed. (Approved)

The section entitled "Admission," pages 21-26 of the 1956-1958 Law School catalog is changed as follows:

Change 3. Substitute the grade average 2.0 for the grade average 1.5, wherever the latter appears in the above pages. (Approved)

Change 4. On page 22 the following new paragraph should be inserted immediately following the second paragraph, which begins, "An applicant....."

Notwithstanding compliance with the quality requirements already stated, some students may not be admitted if the number of applications exceeds the capacity of the Law School. (To be eliminated from the Catalogue.)

DEWITT C. REDDICK, DIRECTOR, SCHOOL OF JOURNALISM, MAIN UNIVERSITY. --The appointment of Dewitt C. Reddick as Director of the School of Journalism for the biennium of 1959-61 was approved upon the recommendation of the Academic and Developmental Affairs Committee and upon motion of Mrs. Devall, seconded by Mr. Heath. The details of this appointment will be presented through regular channels.

"T" LOUNGE, MEMORIAL STADIUM, MAIN UNIVERSITY. --Upon recommendation of the Athletic Council processed through proper channels, concurred in by President Wilson, and upon motion of Vice-Chairman Johnson, seconded by Mr. Heath, the request of the Longhorn Club Committee for permission to solicit funds to remodel and furnish a "T" Lounge in a large existing 45' x 100' room located at about the second-floor level on the southwest side of the Memorial Stadium was approved. The donations will be made payable to the Athletic Department of The University of Texas and will be handled through the University Auditor's Office. Details of the request are in the Secretary's Files, Volume VI, Page 216.

APPOINTMENT OF ASSOCIATE ARCHITECT, McDONALD OBSERVATORY, NEW BUILDINGS AND OTHER IMPROVEMENTS, ETC., MAIN UNIVERSITY. --It was moved by Mr. Hardie, seconded by Mr. McNeese, and adopted that the firm of Garland and Hilles, El Paso, Texas, approved by the Buildings and Grounds Committee, be designated as Associate Architects to prepare working drawings and specifications on new buildings and improvements at the McDonald Observatory as outlined in the Report of the Buildings and Grounds Committee on Page 12. The Chairman was authorized to sign the contract when it had been approved as to subject matter by Comptroller Sparenberg and as to form by Attorney Waldrep.

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APPOINTMENT OF ASSOCIATE ARCHITECT, NEW CENTRAL WATER CHILLING STATION BUILDING, MAIN UNIVERSITY. -- Grayson Gill of Dallas, Texas, was designated as Associate Architect for the New Central Water Chilling Station Building at the Main University upon motion of Mr. McNeese, seconded by Mr. Heath. The Chairman was authorized to sign the contract when it had been approved as to subject matter by Comptroller Sparenberg and as to form by Attorney Waldrep. (See Page 10.)

APPOINTMENT OF ASSOCIATE ARCHITECT, ART BUILDING AND MUSEUM, MAIN UNIVERSITY. --Mr. McNeese moved, on the basis of the recommendations of the staff, that the firm of Kuehne, Brooks, and Barr of Austin, Texas, be designated as Associate Architects for the Art Building and Museum at the Main University, Mr. Hardie seconded the motion which was adopted. The Chairman was authorized to sign the contract when it had been approved as to subject matter by Comptroller Sparenberg and as to form by Attorney Waldrep. (See Page 11.)

INFORMATION RE ARCHITECTS AND/OR ARCHITECTURAL FIRMS. --The Board requested that the following information be presented by the Comptroller and/or Administration for all architects or architectural firms submitted for consideration:

1. Contracts awarded by The University of Texas during the last ten years.
2. Fees paid for any contracts awarded by The University of Texas.
3. Professional training and institutions granting degrees.

POSTGRADUATE SCHOOL OF MEDICINE, STATUS OF. --The following summary of the Postgraduate School of Medicine presented by Doctor Minter dated June 4, 1959, had been distributed to each Regent prior to the meeting. Upon motion of Mr. Bryan, seconded by Mrs. Devall, the recommendations contained in this summary were adopted as the policy of the Board:

For some time, the Regents of The University of Texas and the Administration have realized that some realistic decisions had to be made regarding the Postgraduate Medical School. The appraisal of the Committee of 75 that the school "has never developed in the manner intended by the Board of Regents and would clearly rank as 'less than satisfactory'" makes improvement or abandonment necessary.

The legislature has never appropriated any money for the support of the school in spite of complete University backing for such appropriations. (This may need to be changed depending upon this year's legislative action.)

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Three possible courses have been considered:

1. To abandon the school
2. To leave it as it is
3. To operate it in a manner and within an attainable budget to bring its rating to at least the "superior" level

The last is hereby accepted by the Regents as a goal to be attained with the proviso that if ways and means can not be found to raise the level of the school very decidedly that The University of Texas should no longer continue to operate it.

Steps deemed necessary included:

1. That the budget presented to the legislature amounting to \$105,964.00 be considered the minimum necessary operating budget.
2. That any difference in the legislative appropriations and the budget be raised by the Postgraduate Medical School.
3. That this minimal amount be apportioned so that a superior level of performance be obtained soon and that eminence be sought thereafter.
4. That failing in legislative and gift money necessary to obtain the proper objectives, the futility of continuing another less than satisfactory drain on our reputation, time, and effort be recognized, the school abandoned, and Postgraduate Medical Education be placed equally among our medical schools.

If the school is continued, we recommend as steps to correct over expansion and improving standards:

1. That no further expansion be contemplated until "excellence" is recognized.
2. That all "silent" divisions be immediately disbanded. See following page for comments on silent divisions.
3. That all other divisions be given one year in which to inaugurate at least a well rounded, active educational program or be dropped.
4. That no more agreements formal or informal be made with any hospital until the status of the school is better determined.
5. Finally, that the Postgraduate Medical School of The University of Texas should be much more than a coordinating agency with much paper activity. It should be a closely knit, University type, dynamic force for medical education of which the University and all physicians can be proud, or, frankly, it should not exist.

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Comments on Silent Divisions are as follows:

The Calendar of Courses listed in the 1958-59 catalogue of the Postgraduate School of Medicine by Divisions is listed below:

Houston	31	
Temple	43	
San Antonio	3	
Austin	2	
Corpus Christi	1	
San Angelo	1	(1 day)
El Paso	2	(2 days)
Lubbock	0	
Tyler	0	

We have 15 affiliated hospitals in 7 cities, giving a total of only 9 courses usually of one or two days duration. Two cities with Postgraduate Divisions with 3 affiliated hospitals gave no courses. We have more than 500 members of the faculty.

In Houston, there are 24 full time professors and at the M. D. Anderson Hospital and Tumor Institute 14 full professors. All other divisions now carry all the Faculty as Lecturers. A thorough evaluation should be made of the titles carried in the Houston Division and a solution of academic rank necessary in certain instances at the M. D. Anderson Hospital and Tumor Institute so that titles at Houston in all other instances should be comparable to titles elsewhere.

REVIEW OF COTTON ESTATE, TEXAS WESTERN COLLEGE. -- The Board declined to consider at this time the renewal of any existing leases on Cotton Estate property, El Paso, Texas. At the same time, the Board agreed that a review should be made of all the property of the Cotton Estate.

COMMITTEE REPORTS

At the request of Chairman Minter, the committee chairmen submitted reports of their respective committees.

REPORT OF ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE. -- In addition to the recommendation for the selection of a Director of the School of Journalism at the Main University (Page 4), the committee discussed with Doctor Ransom and Doctor Smiley matters relating to their units, Committee Chairman Devall reported.

Surveys: (1) Report of Extension Division (2) Teaching Evaluation. -- As a matter of information, Doctor Ransom distributed at the meeting, and commented briefly on, a summary of two surveys, namely, (1) Report of Extension Division and (2) Teaching Evaluation.

The committee agreed with Doctor Ransom that one or two reports of this type should be presented to and discussed with the committee at intervals when the consideration of policy matters is not too pressing and that these reports be circulated through proper channels to each member of the Board.

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REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE. --Mr. Hardie, in the absence of Committee Chairman Thompson, submitted the Report of the Buildings and Grounds Committee. He pointed out the changes that had been made in the recommendations as distributed to each Regent in the Material Supporting the Agenda and in the Supplementary Material Supporting the Agenda. See P. 25 for adoption.

Amendment to Consulting Architect's Contract. -- Mr. Harold E. Jessen, of the firm of Jessen, Jessen, Millhouse and Greeven, has requested that there be a reconsideration of that part of the current Consulting Architect's agreement relating to "Payment" for "Consulting Architect's Services on Campus Development Plans". In the present method of payment no direct payment is made for the principals' time; it is considered as covered by the charge made for overhead and profit. In view of the fact that increasingly more of the time of the principals, and correspondingly less of the time of their employees, is being spent on these Campus Development Plans, it seems only fair that some adjustment be made. After several discussions with Mr. Jessen, the following recommendation is made by Comptroller Sparenberg, which has been approved by Vice-President Dolley and President Wilson:

Amend Paragraph B. --2. a so that hereafter it will read as follows:

- "a. The actual cost of salaries of employees and materials involved in this work plus one hundred per cent of the cost of these items to cover overhead and profit, plus eight dollars (\$8.00) per hour for the time actually put in on work specifically related to these Campus Development Plans by the four principals (meaning the full partners). Invoices covering these services are to be presented for payment at the end of each three-months period during the term of this agreement."

This recommendation does not contemplate any increase at this time in the maximum amounts set out in the contract for work on "Campus Development Plans" (\$10,000.00 for the first twelve months and \$7,500.00 for the second twelve months.)

Main University - Approval of Final Plans and Specifications for Business Administration - Economics Building. --In accordance with authorization by the Board of Regents at the meeting held May 30, 1958, the final plans and specifications for the Business Administration - Economics Building at the Main University have been prepared by the Associate Architect, Page, Southerland, and Page, and submitted for consideration. They have now been approved by the Main University

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Faculty Building Committee, the Special Building Committee and the Dean of the College of Business Administration, the Chairman of the Department of Economics, Vice-President Ransom, Comptroller Spareberg, and President Wilson. It is recommended that the Board of Regents approve these plans and specifications and authorize Comptroller Spareberg to advertise for bids, and that authority be delegated to the Executive Committee of the Board to award contracts within the funds allocated in case the Board does not have a meeting to consider building matters within ten days after the bid opening.

Main University - Approval of Final Plans and Specifications for Addition to Chemistry Building. --In accordance with authorization by the Board of Regents at the meeting held September 20, 1958, the final plans and specifications for the Addition to the Chemistry Building at the Main University have been prepared by the Associate Architect, Preston M. Geren, and submitted for consideration. They have now been approved by Page, Southerland, and Page, Consulting Architects, the Main University Faculty Building Committee, the Chairman of the Department of Chemistry, Comptroller Spareberg, Vice-President Ransom, and President Wilson. It is recommended that the Board of Regents approve these plans and specifications and authorize Comptroller Spareberg to advertise for bids, and that authority be delegated to the Executive Committee of the Board to award contracts within the funds appropriated in case the Board does not have a meeting to consider building matters within ten days after the bid opening.

Main University - Approval of Specifications for Movable Furniture and Equipment for Addition to Physics Building. -- It is contemplated that the Addition to the Physics Building at the Main University will be ready for occupancy in the Fall Semester, and in order that the movable furniture and equipment necessary for its use may be on hand at that time, specifications for this furniture and equipment have been prepared in the Office of the Comptroller. It is estimated that about \$40,000.00 will be available for this purpose, and the specifications have been prepared so as not to exceed this amount. It is recommended that approval be given to these specifications as prepared, and that authorization be given to Comptroller Spareberg to advertise for bids and together with Vice-President Dolley award a contract within the funds available for the Movable Furniture and Equipment for the Addition to the Physics Building, Main University.

Main University - Appointment of Committee for Approval of Specifications for Movable Furniture and Equipment for New Engineering Building. --In order that the movable furniture and equipment necessary for occupancy of the New Engineering Building will be ready at the time they are needed,

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the following recommendations are made:

Authorize the Office of the Comptroller to prepare specifications for Movable Furniture and Equipment for the New Engineering Building.

Approve the appointment of a Committee, consisting of Professor M. J. Thompson (voting member of Faculty Building Committee for this particular building), Dean of the College of Engineering, Comptroller Sparenberg, and Vice-President Ransom, to approve the specifications between meetings of the Board, if necessary.

Authorize Comptroller Sparenberg to advertise for bids to be presented to the Board for consideration at a later meeting.

Main University - Appointment of Committee for Final Inspection and Acceptance of Laboratory Theater Building, Addition to Power Plant, and Addition to Physics Building. --It is contemplated that the Laboratory Theater Building, the Addition to the Power Plant, and the Addition to the Physics Building, all at the Main University, will be completed at various times during the summer. In order that these buildings may be accepted as they are finished, it is recommended that a Committee, consisting of Comptroller Sparenberg, Vice-President Dolley, Vice-President Ransom, President Wilson, and Mr. Joe C. Thompson, Chairman of the Regents' Buildings and Grounds Committee, or Mr. W. W. Heath in the event Mr. Thompson is not present, be appointed to make final inspection and acceptance of these buildings upon their completion by the Contractors and proper certification by the Architects.

Main University - Demolition of X Hall. --X Hall, a temporary building on the Campus of the Main University, will need to be removed at the proper time to make way for the erection of the Addition to the Chemistry Building, final plans and specifications for which are being presented for approval at this meeting. After discussion of various ways to handle this matter, it has been agreed that the most expeditious and economical way for this work to be performed is to add it as an addendum to the General Contract for the Addition to the Chemistry Building. It is, therefore, recommended that authorization be given to the Associate Architect, Preston M. Geren, to issue an addendum to the plans and specifications for the Addition to the Chemistry Building as approved by the Board to cover the work of removing X Hall from the site of the Addition to the Chemistry Building, with all salvageable materials to go to the Contractor.

Main University - Appointment of Committee to Approve Preliminary Plans and Appointment of Associate Architect for New Central Water Chilling Station Building. --In accordance with authorization given by the Board at the meeting held October 11, 1957, the Consulting Architects, Page, Southerland, and Page,

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have been preparing preliminary plans on the New Central Water Chilling Station Building at the Main University. Little progress could be made on the design of this building until after the specifications had been prepared, bids taken, and contracts awarded, on the major equipment to be housed in this building. These things have now been done, and it is contemplated that the preliminary plans will be finished shortly.

In view of the fact that the next regular Board meeting may be two or three months away, and in order that work can be started on the working drawings and specifications for this building as soon as possible, it is recommended that a Committee be appointed, consisting of Comptroller Sparenberg, Vice-President Dolley, Vice-President Ransom, President Wilson, and Mr. Joe C. Thompson, to approve the preliminary plans after they have been completed by Page, Southerland, and Page, and it is further recommended that an Associate Architect for this building be appointed by the Board at this meeting. A joint recommendation of the Comptroller and the Consulting Architect in regard to the choice of an Associate Architect was submitted to the Regents' Buildings and Grounds Committee at the time of the Committee meeting and later to the Board as a whole. (Grayson Gill of Dallas was approved. See Page 5 .)

Main University - Authorization to Consulting Architect to Prepare Preliminary Plans on New Drama Building. --Since the decision has been reached to demolish the old Drama Building because of the fire on January 23, 1959, it has become urgent to construct another building in order to take care of the needs of the Drama Department. It is, therefore, recommended that authorization be given to the Consulting Architect, Jessen, Jessen, Millhouse, and Greeven, to proceed with the preparation of preliminary plans for a new Drama Building, with the understanding that the total cost of this project will not exceed \$800,000.00. It is contemplated that this building will be on the east side of the campus, the exact location to be approved by the President's Office on recommendation of the Comptroller's Office and the Consulting Architect.

Main University - Appointment of Associate Architect for Art Building and Museum. --At the Regents' Meeting held May 30, 1958, the preliminary plans for the Art Building and Museum, as prepared by the Consulting Architect, Page, Southerland, and Page, were approved. No authorization to proceed with working drawings and specifications was given, since the appropriation set up for the building included only preliminary expenses and Consulting Architect's fees. It is contemplated that the funds for this building will come from two sources: The Archer M. Huntington Museum Fund and the Permanent University Fund bond issue. It is also contemplated that the building will be built in two units, with the estimated cost of the first unit being \$1,500,000.00. Since so much time has elapsed since the date of the approval of the preliminary plans,

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and since it is expected that part of the Permanent University Fund bonds will be issued this summer, it is recommended that an Associate Architect be appointed with authorization to proceed with working drawings and specifications on the first unit, based on the preliminary plans which were approved earlier. A joint recommendation of the Comptroller and the Consulting Architect in regard to the choice of an Associate Architect was submitted to the Regents' Buildings and Grounds Committee at the time of the Committee meeting and later to the Board as a whole. (The firm of Kuehne, Brooks, and Barr of Austin was approved. See Page 5.)

Main University - Recommendations Re: McDonald Observatory - Repairs and Improvements of Residences and Other Physical Plant Items, Modernization and Completion of Telescope Attachments, Authority for Consulting Architect to Prepare Preliminary Plans on New Buildings and Other Improvements, Appointment of Associate Architect to Prepare Working Drawings and Specifications on New Buildings and Other Improvements, Etc. -- These recommendations are being made following a conference held in the Office of the Comptroller, Friday, May 22, 1959, which included the following persons:

Doctor Gerard P. Kuiper
 Director, McDonald and Yerkes Observatories
 Doctor Frank N. Edmonds, Jr.
 Associate Professor of Mathematics and Astronomy
 Doctor L. D. Haskew
 Vice-President for Developmental Services
 Mr. Graves W. Landrum
 Business Manager, Main University
 Mr. Harold E. Jessen
 Consulting Architect
 Mr. Walter C. Moore
 Architect and Assistant to the Comptroller
 Mr. Charles H. Sparenberg
 Comptroller

1. It is recommended that \$30,000.00 be appropriated from the Available University Fund Unappropriated Balance to an account entitled "McDonald Observatory - Repairs and Improvements of Residences and other Physical Plant Items". The estimated cost of the major items which, it is contemplated, will be paid for out of this appropriation, is shown below:

Repairs and Rehabilitation of six residences
 (including the \$12,028.00 contract already
 awarded and set up as Account No. 27459 under
 Main University General Budget Appropriations). \$17,500.00

Construction work on repairs of and improve-
 ments to, walls, walks, drives, drainage, and
 other site work 7,500.00

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Heating of offices, library, and other rooms on the first two floors of Main Observatory Building	<u>5,000.00</u>
Total	<u><u>\$30,000.00</u></u>

It is recommended that this work be handled under the supervision of the Business Manager and Physical Plant Director of the Main University, except for new construction work which can be advantageously included in the construction work to be handled by the Comptroller's Office, in accordance with the usual practice, set out in section No. 3 below.

2. It is recommended that the amount of \$61,000.00 be appropriated from account No. 77160, Endowment Funds - W. J. McDonald Observatory Fund, to an account entitled "McDonald Observatory - Modernization and Completion of Telescopes and Attachments", approximately \$50,000.00 of which is to be used for modernization of telescope attachments which can be used on both the 82" and 36" telescopes, and approximately \$11,000.00 of which is to be used for completion of the work on the 36" telescope. It is further recommended that, if necessary, the Endowment Officer be instructed to sell securities from this Endowment Fund to furnish sufficient cash to finance this appropriation.

3. It is further recommended that authority be granted to instruct the Consulting Architect to prepare preliminary plans on new buildings and other improvements to be erected at McDonald Observatory, to cost not more than a maximum of \$260,000.00, including Architects' fees and movable furniture and equipment.

It is also recommended that the Board appoint an Associate Architect to prepare the working drawings and specifications on these new buildings and improvements. (The firm of Garland and Hilles of El Paso was approved. See Page 4.)

Main University - Approval of Inscription on Plaque in New Engineering Building. --It is the established policy of the Board of Regents to place a cornerstone on all new buildings throughout The University of Texas System; in some cases, however, where it was not considered desirable or structurally feasible to use a cornerstone, a plaque has been used in the building with the inscription following the same standard pattern as that used on cornerstones. In the case of the New Engineering Building, the design of the building does not lend itself to the use of a cornerstone, and it is, therefore, recommended that a metal plaque with the following inscription be placed in the

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building:

1958

Board of Regents

Leroy Jeffers, Chairman

Logan Wilson, President

J. R. Sorrell, Vice-Chairman

Charles H. Sparenberg, Comptroller

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J. P. Bryan

Harry H. Ransom, Vice-President and
Provost of Main University

Mrs. Charles Devall

Robbin C. Anderson, Chairman

Thornton Hardie

Faculty Building Committee of
Main University

J. Lee Johnson, III

---000---

Lee Lockwood

Page, Southerland, and Page,
Consulting Architects

Dr. Merton M. Minter

Jessen, Jessen, Millhouse, and Greeven
Architects

Joe C. Thompson

B. L. McGee Construction Company
General Contractor

This inscription conforms exactly to the standard pattern approved by the Board.

Main University - Modernization and Conversion of Tower Elevators in Main Building. --Among the Major Repairs and Rehabilitation Projects for the Main University for 1958-59, which were approved by the Board at the meeting held October 25, 1958, there was an appropriation of \$40,000.00 for Modernization and Conversion of Tower Elevators in the Main Building. This appropriation was for the purpose of modernizing and converting the two elevators in the Main Building Tower to automatic operation.

These elevators were manufactured by Otis Elevator Company, and it has been agreed by all concerned that any changes or replacements of parts of the installations should be made by Otis for several reasons, particularly because of the great desirability of avoiding a division of responsibility in the future for anything that might need correction. If a complete replacement were made, it is estimated by Mr. Eckhardt that the cost would be approximately \$150,000.00. A bid has been received from Otis Elevator Company in the amount of \$35,432.00, which is less than the appropriation for the project, and based on a recommendation from Mr. Eckhardt and Mr. Landrum, Comptroller Sparenberg recommends that a contract be awarded to Otis Elevator Company on the basis of the bid for this work as quoted above.

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Main University - Report of Settlement with Continental Casualty Company on Drama Building Fire Loss. -- The final conference in regard to this matter was held in the Comptroller's Office on May 5, 1959, between representatives of Continental Casualty Company of Chicago, representatives of General Adjustment Bureau, Inc., Comptroller Sparenberg, et al. The final amount of the settlement agreed to is summarized below. In accordance with the terms of our blanket system-wide fire and extended coverage policy, all figures are on the basis of replacement new values, without depreciation.

Loss and Damage to Contents (Including movable furniture and equipment and expendable materials and supplies)	\$ 25,654.97
Damage to Drama Building Proper (Including an allowance of 6% for architects' fees plus a small contingency allowance)	<u>193,939.99</u>
Total loss and damage agreed to by Comptroller Sparenberg (concurrent in by Vice-President Dolley)	\$219,594.96
Less the \$100,000 Deductible in accordance with our contract with Continental Casualty Company	<u>100,000.00</u>
Net amount of proceeds received from Continental Casualty Company	<u>\$119,594.96</u>

The check covering the net amount of the proceeds has been deposited in the Central Administration Construction Funds Bank Account, The American National Bank, Austin, Texas. From these proceeds we have paid the fees to J. C. Evans Construction Company, Inc. and Worth Cottingham, Structural Engineer, for their services in assisting in settling the fire loss on the building, and we have yet to pay from these proceeds the cost of demolition of the building, plus any other proper charges which may develop.

It is recommended that the amount of \$25,654.97 be transferred from Central Administration Construction Funds Bank Account to a Main University General Funds Bank Account and be credited to Main University Unappropriated Balance, with the understanding that recommendations as to the allocation of all or part of this money will be forwarded from Mr. Landrum, Main University Business Manager, to Vice-President Ransom for his approval.

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It is felt that a very satisfactory settlement has been reached on this loss, in view of the fact that we managed to get a 6% allowance for Architects' fees on damages to the building, plus a small contingency allowance, and the further fact that no serious challenge was raised to any of the detailed lists of loss and damage prepared by the various Main University departments involved.

(At the close of the Buildings and Grounds Committee Report, Mr. Heath commended Mr. Sparenberg for the splendid job in handling the settlement of the insurance on the Drama Building.)

Medical Branch - Ratification of Award of Contract for Remodeling of Two Laboratories on Second Floor of Keiller Building. --In accordance with authorization given by the Board at the meeting held March 14, 1959, bids were called for, opened, and tabulated, on May 26, 1959, as shown on Page 38, for Remodeling of the Pathology and Neuro-Pathology Laboratories on the Second Floor of the Keiller Building at the Medical Branch. The total amount of the appropriation for this project was \$46,163.00, \$12,000.00 to come from Medical Branch Funds and \$34,163.00 from United States Public Health Service Funds. In order to accept any of the additive alternates which were included as a part of the bids on this project, it was necessary that additional funds be appropriated. After consideration of the bids, it was decided that it would be highly desirable to accept Alternate No. 1-C, and in order that this might be done, upon recommendation of Dr. Truslow and Mr. Walker, concurred in by Comptroller Sparenberg and Vice-President Dolley, the sum of \$2,600.00 is being transferred from Medical Branch Current Restricted Funds - Account No. 965303 - "Pathology Department Gifts for Operating Expenses from Professional Fees" to the appropriation for this project. On the basis of this transfer of funds, Comptroller Sparenberg, with the concurrence of Dr. Truslow and Mr. Walker, made a contract award to the low bidder, as follows:

Meyerson Construction Company, Houston, Texas	
Base Bid	\$44,350.00
Add Alternate No. 1-C	<u>2,600.00</u>
Total Contract Award	<u>\$46,950.00</u>

It is recommended that the Board ratify the actions taken as reported above.

Medical Branch - \$130,000.00 Grant from Sealy and Smith Foundation for Remodeling of Wards 5-A and 5-B of New John Sealy Hospital Building: Acceptance and Procedures for Handling. --On May 13, 1959, a request was made of The Sealy and Smith Foundation for a grant of \$130,000.00 to remodel Wards 5-A and 5-B of the New John Sealy Hospital into private patient rooms, and the Foundation granted this request. It is contemplated that these two wards, each of which is a 39-bed ward now, would be remodeled to provide approximately

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30 two-bed rooms to accommodate 60 private patients. Each of the rooms will have locker or closet facilities and a private bath consisting of a lavatory and commode. Central shower facilities will be provided in each of the remodeled units. Existing diet kitchens and nurses' stations will be modified to provide a more functional operating unit. All required construction and installed equipment will be of like quality and design to that presently in existence in the New John Sealy Hospital.

Past experience has shown that these rooms will be in much more demand than the ward beds, and a considerable increase in income will be provided by these additional two-bed rooms. It is hoped to proceed with the work as quickly as possible so that this additional income may be available to the hospital. The following recommendations, which have been approved by Mr. Walker, Dr. Truslow, Comptroller Sparenberg, Dr. Dolley, and Dr. Wilson, are, therefore, made:

That the grant of \$130,000.00 made by the Sealy and Smith Foundation for this Remodeling be accepted by the Board

That authorization be given for plans and specifications to be prepared by the Medical Branch Physical Plant staff

That authorization be given to a Committee, consisting of Mr. Walker, Dr. Truslow, and Comptroller Sparenberg, to approve the plans and specifications when they are completed

That the Comptroller be given authority to advertise for bids and award whatever contracts are necessary within the amount of money available, with the concurrence of Mr. Walker and Dr. Truslow.

These recommendations are being made only with the understanding that the Board of Regents will approve the acceptance of this \$130,000.00 grant, in accordance with a letter from The Sealy and Smith Foundation dated May 22, 1959, signed by Mr. John W. McCullough, President, and addressed to Dr. John B. Truslow, Executive Director of the Medical Branch. See Page 31.

Medical Branch - Authorization to Consulting Architect to Prepare Preliminary Plans for Building or Building Addition to House Cobalt 60 Teletherapy Unit. --Senate Concurrent Resolution No. 33, passed by the 55th Legislature, Regular Session, 1957, gave permission to the Board of Regents, on behalf of the Medical Branch, to construct a small building or building addition of approximately 5,200 square feet to house a Cobalt 60 Teletherapy Unit, all funds for the construction and equipping of this structure to be gifts from private sources.

The Sealy and Smith Foundation has made a grant in the amount of \$200,000.00 to cover the cost of construction, and a grant of \$50,000.00 has been made from the Babe Didrikson Zaharias Foundation, for the "Cobalt 60" apparatus. In accordance with the Senate Concurrent Resolution, it is recommended that the Consulting Architect be authorized to proceed with the preparation of preliminary plans for this structure, the estimated cost of which is between \$150,000.00 and \$200,000.00, provided the Board of Regents approves the acceptance of the grant for this project, in accordance with a letter from The Sealy and Smith Foundation dated May 22, 1959, signed by Mr. John W. McCullough, President, and addressed to Dr. John B. Truslow, Executive Director of the Medical Branch. See Page 31.

Texas Western College - Appointment of Committee for Final Inspection and Acceptance of Remodeling and Enlarging of Library Building. --The Remodeling and Enlarging of the Library Building at Texas Western College should be completed shortly, and in order that the work may be finally inspected and accepted as soon as possible after it is completed, it is recommended that a Committee be appointed, consisting of President Smiley, Comptroller Sparenberg, Vice-President Dolley, President Wilson, and Mr. Thornton Hardie to make final inspection and acceptance of the work after its completion by the Contractor and proper certification by the Architect.

Texas Western College - Authorization to Consulting Architect to Prepare Preliminary Plans on Classroom and Office Building. --Last Fall an ad hoc Faculty Committee was appointed at Texas Western College to make a study of plans for a new Classroom-Office Building. Mr. H. E. Jessen of the firm of Jessen, Jessen, Millhouse, and Greeven, Consulting Architect, has also visited the campus of the College and discussed this building, as a part of their work on "Campus Development Plans". Dr. Smiley, the Comptroller's Office, and President Wilson recommend that authorization be given to the Consulting Architect to prepare preliminary plans for this building, it being understood that the building will contain approximately 90,000 square feet of space, and that the total cost of the project will not exceed \$1,500,000.00, this money to come, of course, from the Permanent University Fund bond issue.

Main University - Policies and Procedures for the Acquisition of the Archway Property Authorized by Senate Bill No. 142, 56th Legislature, Regular Session, 1959. --The recommendation shown below has been made by Mr. G. W. Landrum, Business Manager, Main University, Mr. Burnell Waldrep, University Attorney, and Dr. J. C. Dolley, Vice-President for Fiscal Affairs, and has been approved by Dr. H. H. Ransom, Vice-President and Provost, for Main University and by Dr. Logan Wilson, President, for Central Administration:

Senate Bill No. 142 of the 56th Legislature authorizes the Board of Regents of The University of Texas to

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acquire by purchase or otherwise, any part, parcel, or all of the lands adjacent to the University campus described as follows:

"Being Lots 1-25, inclusive, in Archway, a sub-division of Out Lot #9, Division D, in the City of Austin, Travis County, Texas, as shown by a plat or map recorded in Volume 2, page 208 of the Travis County Plat Records, and being bounded on the east by San Jacinto Street; on the west by Speedway; on the south by East 26 Street; and on the north by East 26 1/2 Street (Laurel Street)."

We wish to request that the Business Manager of the Main University be authorized to proceed with the acquisition of the Archway property in accordance with the provisions of Senate Bill No. 142, 56th Legislature, observing the following policies and procedures:

1. Engage a qualified appraiser to furnish a complete, written appraisal of the fair market value of each piece of property to be acquired. Authorize the Main University Business Manager to negotiate a contract with Mr. Harold Legge for this service at a fee not to exceed \$5,100.00. The contract shall also provide, if court preparation and testimony is required in the acquisition of described properties, payment to Mr. Legge as follows:
 - a. \$100 per day, on an actual time basis, for court preparation.
 - b. \$100 per day for each day Mr. Legge testifies in court.
2. Engage a local realtor to act as the University's representative in negotiation for each piece of property to be acquired. Authorize the Main University Business Manager to negotiate a contract with the firm of Harrison Wilson Pearson for this service at a fee of \$8,500. The contract with Harrison Wilson Pearson shall further provide:
 - a. that Mr. Forest Pearson will act as the negotiator for the University.
 - b. that, if court preparation and testimony is required in the acquisition of the described properties, additional payment to Harrison Wilson Pearson will be as follows:
 - (1) \$100.00 per day, on an actual time basis, for court preparation
 - (2) \$100.00 per day for each day Mr. Pearson testifies in court.

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3. Main University Business Manager is to notify, by letter, each property owner of the University's intent to purchase the property, and advise the property owners of the appraiser selected by the University to appraise each property and the realtor selected by the University to negotiate each sale.
4. The earliest possession or occupancy date would not be sooner than July 1, 1960.
5. All sales contracts are to be submitted to the Board of Regents for approval before closing.
6. Appropriate the sum of \$10,000.00 from the Available University Fund - Unappropriated Balance to an account entitled "Acquisition of Archway Property" as an initial appropriation to cover incidental expenses, including fees to our agents, that might be required during the remainder of this fiscal year.
7. The balance of the appropriation required for the acquisition of the Archway property will be requested from the Available University Fund - Unappropriated Balance during the 1959-60 fiscal year.

Main University - Repairs and New Construction Work on Old K. C. Miller Residence at 2211 Red River Street for University Press. -- Part of the University Press is now housed in Pearce Hall on the Main Campus of the Main University, and part is housed in the residence at 2211 Red River Street which is owned by the University. In order that the Press may be housed in one location and at the same time release some space in Pearce Hall for academic purposes, it is recommended that the following work be done:

	<u>Estimated</u> <u>Cost</u>
1. Construction of a warehouse with approximately 2,486 square feet of space and a shipping room with approximately 836 square feet of space, plus site work, including the removal of the present garage and cutting down the hill	\$16,000.00
2. Paving drive and loading area	2,000.00
3. Replacement of roof on the residence	2,000.00
4. Dismantling, moving, and re-erecting present shelves and providing additional shelves	<u>1,500.00</u>
Total Estimated Cost	<u><u>\$21,500.00</u></u>

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It is contemplated that Item No. 4 will be handled by the Main University Physical Plant staff, but that Items Nos. 1, 2, and 3 will be handled on a contract basis. In order to perform the work as outlined above, the following recommendations are made by Mr. G. W. Landrum, Business Manager of the Main University, which have been concurred in by Vice-President Ransom, Comptroller Sparenberg, and President Wilson:

1. Appropriate \$21,500 from the Available University Fund Unappropriated Balance to an account entitled "Repairs and New Construction at 2211 Red River for the University Press", to be set up in the Central Administration's Plant Funds section - Available University Fund Appropriations for the Main University.
2. Authorize the Main University Physical Plant staff to prepare the necessary plans and specifications.
3. Authorize Comptroller Sparenberg to approve the plans and specifications, advertise for bids, and award whatever contracts are necessary within the money available, with the understanding that Item No. 4 above will be handled by the Main University Physical Plant staff rather than by contract.

Medical Branch - Award of Contract for Repair and Remodeling of Galveston State Psychopathic Hospital and Negro Hospital Buildings. --In accordance with authorization given by the Board at the meeting held April 16, 1959, bids were called for, and were opened and tabulated on June 4, 1959, as shown on Page 39. A thorough study has been made by all concerned of the bids and especially of the numerous alternates called for in relation to the amount of money available for the project. Listed on the following page is one possible contract award in the amount of \$933,200.00, which will give usable buildings but which will omit some features which are considered highly desirable and almost necessary. Also listed is a second possible contract award in the amount of \$987,900.00, which it is believed will give a much better and more effective job, and will incorporate several desirable features which will have to be omitted if the first award is made, some of which would have to be provided otherwise later. It is, therefore, recommended by Mr. E. D. Walker, Business Manager and Comptroller of Hospitals at the Medical Branch, Dr. E. G. Troutman, Chairman of the Faculty Building Committee and Assistant Director for Planning of the Medical Branch, Dr. John B. Truslow, Executive Director of the Medical Branch, George Pierce and Abel B. Pierce, Associate Architect, Page, Southerland, and Page, Consulting Architect, Mr. Walter C. Moore, Architect and Assistant to the Comptroller, and Charles H. Sparenberg, Comptroller,

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which recommendation is concurred in by Dr. James C. Dolley, Vice-President for Fiscal Affairs, and Dr. Logan Wilson, President, that the Board award a contract on the basis of the second proposed award listed below. In each case the award would be to the low bidder:

Contract Award No. 1:

Southwestern Construction Company, Houston, Texas

Base Bid

\$918,000.00

Alternates:

Negro Hospital Building:

No. A-1 - New Roof, Insulation and Flashing; Waterproof and Caulk Exterior Walls; Related Demolition and Masonry Work - Add	\$20,000.00
No. A-3 - Wardrobe Cabinets - Add	11,000.00
No. A-9 - Fiberglas Acoustical Ceiling Board in Lieu of Metal Pans at Corridors - Deduct	(400.00)
No. A-10 - Change Metal Cabinet Work Items to Wood Millwork, with Certain Exceptions - Deduct	(2,300.00)
No. A-11 - Omit Ceramics Unit from Room 218 - Deduct	(1,000.00)
No. A-13 - Add Ventilating Systems at Dishwasher in Room 137 and Sterilizer in Room 122 - Add	600.00

Galveston State Psychopathic Hospital Building:

No. B-1 - Tuckpoint, Membrane Flash, Recaulk and Waterproof Exterior Walls, New Flashings at Existing Parapets, Patch Existing Roof, Etc. - Add	21,000.00
No. B-10 - Fiberglas Acoustical Ceiling Board in Lieu of Metal Pans at Corridors - Deduct	(800.00)
No. B-11 - Change Metal Cabinet Work Items to Wood Millwork, with Certain Exceptions - Deduct	(2,000.00)
No. B-12 - Omit 2 Electric Powered Dumbwaiters - Deduct	(9,000.00)
No. B-13 - Omit all Built-in Items of Kitchen Equipment from Room 165 - Deduct	(4,400.00)
No. B-14 - Omit Ceramics Unit from Room 251 - Deduct	(1,000.00)
No. B-15 - Omit Painting of Interior Surfaces, with Certain Exceptions - Deduct	<u>(16,500.00)</u>

Net Additions

15,200.00

Total Contract Award

\$933,200.00

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Contract Award No. 2:

Southwestern Construction Company, Houston, Texas

Base Bid

\$918,000.00

Alternates:

Negro Hospital Building:

No. A-1 - New Roof, Insulation and
Flashing; Waterproof and Caulk
Exterior Walls; Related Demolition
and Masonry Work - Add \$20,000.00

No. A-3 - Wardrobe Cabinets - Add 11,000.00

No. A-10 - Change Metal Cabinet Work
Items to Wood Millwork, with Certain
Exceptions - Deduct (2,300.00)

No. A-11 - Omit Ceramics Unit from
Room 218 - Deduct (1,000.00)

No. A-13 - Add Ventilating Systems
at Dishwasher in Room 137 and
Sterilizer in Room 122 - Add 600.00

Galveston State Psychopathic Hospital Building:

No. B-1 - Tuckpoint, Membrane Flash,
Recaulk and Waterproof Exterior Walls,
New Flashings at Existing Parapets,
Patch Existing Roof, Etc. - Add 21,000.00

No. B-3 - Wardrobe Cabinets - Add 15,000.00

No. B-4 - Detention Screens - Add 22,000.00

No. B-11 - Change Metal Cabinet Work
Items to Wood Millwork, with Cer-
tain Exceptions - Deduct (2,000.00)

No. B-12 - Omit 2 Electric Powered
Dumbwaiters - Deduct (9,000.00)

No. B-13 - Omit all Built-in Items of
Kitchen Equipment from Room 165 -
Deduct (4,400.00)

No. B-14 - Omit Ceramics Unit from
Room 251 - Deduct (1,000.00)

Net Additions

69,900.00

Total Contract Award

\$987,900.00

The acceptance of the second contract award as listed above will result in a smaller amount of money remaining in the total allotment account for the Remodeling of the Rebecca Sealy Nurses' Residence for use by the School of Nursing, after it has been vacated by the Out-Patient Department, than was originally estimated. It is believed that in view of the uncertainties involved in the legislative situation, particularly in regard to the construction of the new Out-Patient Department Addition and the remodeling of the Old Out-Patient Building, as well as other factors involved, it will probably be at least three years before it will be feasible to start the permanent remodeling of the nurses' residence. It is also believed that because of the temporary remodeling being done at this time on this building, a smaller amount will be needed for the permanent

remodeling than was originally contemplated. It is the feeling of all those making this recommendation that the needs of the Medical Branch would be better served if the contract award as set forth in No. 2 is made, so that additional repairs and remodeling will not have to be provided for in the near future, from other sources. (Recommendation No. 2 was approved.)

Main University - Appointment of Consulting Engineers for Proposed \$800,000.00 Expansion of Utilities Distribution Systems. --It is recommended by the Director of Physical Plant and the Business Manager of the Main University, the Comptroller's Office, and the President's Office that the Board of Regents choose at this meeting Consulting Engineers to start to work immediately on the preparation of plans and specifications for the proposed \$800,000.00 expansion of the utilities distribution systems at the Main University. This work should get under way as quickly as possible, in order that the needed expansion and changes in the utilities distribution systems may properly keep pace with the construction of new buildings, including those contemplated to be built during the next three to five years (principally out of the new Permanent University Fund Bond issue) and the Union Building Addition now under construction.

It is contemplated that approximately \$600,000.00 or more of this work will be new construction which can be paid out of the bond money, and that approximately \$200,000.00 or less of this work may be of such a nature that it will have to be paid out of the Available University Fund income, rather than the bond proceeds.

It is recommended that the plans and specifications for this work be done as follows:

Mechanical and tunnels: by Zumwalt and Vinther, Consulting Engineers, Dallas

Sanitary sewers: by Julian Montgomery, Consulting Engineer, Austin

Electrical: by Physical Plant Staff of Main University

Zumwalt and Vinther are being recommended for the mechanical and tunnel work, because practically all of this work will tie in to work already done or now being done by Zumwalt and Vinther, such as the new central water chilling station, other chilled water lines, etc.

Main University - Authorization to Consulting Architect to Prepare Preliminary Plans for New Printing Division Building. --Following a series of conferences between the Comptroller's Office, the President's Office, and the Main University Business Manager, it is recommended that the Consulting

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Architect, Jessen, Jessen, Millhouse, and Greeven, be authorized to start to work on preparation of preliminary plans for a new Printing Division Building of inexpensive type of construction, the estimated cost of which is not to exceed \$200,000.00. It is contemplated that the money for this project will come from the proceeds of the new Permanent University Fund Bond issue, and that the location for this building will be on the K. C. Miller property, the exact location to be determined later on the recommendation of the Consulting Architect and the Comptroller's Office. It is also contemplated that the site presently occupied by the old Press Building will be occupied as quickly as possible by a new structure, in order to provide urgently needed space for other activities.

Adoption of Report. --It was moved by Mr. Hardie that the foregoing report of the Buildings and Grounds Committee be adopted. This motion was duly seconded and carried.

Mr. Hardie then presented the following items that had been referred by the Buildings and Grounds Committee without recommendation to the Board for consideration:

Texas Memorial Museum, Air Conditioning. --According to Mr. Walter C. Moore, Architect and Assistant to the Comptroller, the preliminary plans for the Art Building and Museum, to be constructed south of the Memorial Museum, contemplate the construction of a rather large basement, with the thought in mind that air conditioning equipment for the Art Building could be oversized to provide chilled water for the Memorial Museum. It is further contemplated that the air conditioning equipment now located in Moore-Hill Hall could be moved to the Art Building to supply these chilled water requirements, (this move to be made after completion of Central Water Chilling Station No. 2). These two conditions were considered in the planning in order to save initial installation cost as well as operating cost. On this basis the cost of air conditioning the Memorial Museum would be approximately \$55,000. Unfortunately, however, it will be fifteen months before either of the above two projects can be completed.

In order to air condition the Memorial Museum at this time, it will be necessary to provide a temporary structure to house the air conditioning machinery, since space in the Memorial Museum mechanical room is not available for this purpose. After the Art Building is completed, the equipment can be moved there. On this basis the cost would be approximately \$75,000.

It was moved by Mr. Bryan and seconded by Mr. Heath that air conditioning the Texas Memorial Museum proceed immediately. The following vote was recorded:

For the Motion: Regents Bryan, (Mrs.) Devall, Heath, and Johnson

Against the Motion: Regents Hardie, Madden, and McNeese

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Policy re Plaques to Existing Buildings. --It was moved by Mr. Hardie, seconded by Mr. Heath, and adopted that a plaque or cornerstone be used on any major addition to a building if, in the judgment of the Administration, the addition is large enough to indicate more or less a separate building.

Main University - Approval of Preliminary Studies and Plans for the Undergraduate Library and Academic Center Prepared by the Consulting Architect and the Associate Architect. --In accordance with instructions issued by the Board, three sets of preliminary studies and plans for the Undergraduate Library and Academic Center at the Main University were prepared by the Consulting Architect, Jessen, Jessen, Millhouse, and Greeven, and the Associate Architect George L. Dahl. A copy of these three plans was distributed to each Regent at the Committee of the Whole on Friday, June 12. On Saturday morning Preliminary Plan No. 4, incorporating the best features of the three, was presented and discussed in detail by Vice-President Haskew, Vice-President and Provost Ransom, and the Consulting Architect.

Upon motion of Mrs. Devall, seconded by Mr. Madden, Preliminary Plan No. 4, as prepared by the Consulting Architect and the Associate Architect, was approved and the Associate Architect was authorized to proceed with the working drawings and specifications based on the plan adopted.

Mr. George L. Dahl commenting on the studies and plans adopted remarked that from his observation of many colleges in the nation, The University of Texas is one step ahead of the others in adopting this type of preliminary plan.

REPORT OF EXECUTIVE COMMITTEE - INTERIM ACTIONS (February 23-May 25, 1959). --The following report of the interim actions of the Executive Committee was included in the Material Supporting the Agenda for ratification by the Board:

The Executive Committee during the period February 23 through May 25, 1959, approved the following items:

1. Budgetary Items

- a. Medical Branch. --Upon recommendation of Doctor Truslow, concurred in by President Wilson, the Executive Committee approved six budgetary items for the Medical Branch. These items are listed in the Medical Branch portion of the docket for the June, 1959, meeting as Nos. 5, 6 (Page G-1), 12 (Page G-2), 60 and 61 (Page G-7), and 69 (Page G-8).
- b. M. D. Anderson Hospital and Tumor Institute. -- Upon recommendation of Doctor Clark, concurred in by President Wilson, the Executive Committee approved one budgetary item for the M. D. Anderson Hospital and Tumor Institute. This item is listed in

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the M. D. Anderson Hospital and Tumor Institute portion of the docket for the June 1959 meeting as No. 7 (Page A-1).

- c. Southwestern Medical School. -- Upon recommendation of Doctor Gill, concurred in by President Wilson, the Executive Committee approved five budgetary items for the Southwestern Medical School portion of the June 1959 docket as Nos. 5, 6, 9, 14, and 18 (Pages S-1, S-2, and S-3, respectively).
2. Approval of a Building Bond Issue. -- The Executive Committee has approved a building bond issue in the amount of \$4,000,000, bids to be opened on July 8, 1959. The sale of the bonds will be officially approved at the joint meeting of the Board of Regents of The University of Texas and the Board of Directors of The Texas Agricultural and Mechanical College System to be held in Austin on July 9, 1959, at 2:30 p.m.
 3. Revision of Organizational Chart, Medical Branch (Joint Report of Executive Committee and Medical Affairs Committee). -- Attached to the Medical Branch portion of the docket is an organizational chart and the administrative reorganization that were approved as interim actions by the Executive Committee and the Medical Affairs Committee. The approval of this revised organizational chart and the administrative reorganization amends all previous action relating thereto. (See the page following page G-25 of Attachment No. 2.)

Adoption of Report. -- The foregoing actions were ratified by the Board upon a motion duly made and seconded.

REPORT OF LAND AND INVESTMENT COMMITTEE. -- Vice-Chairman Johnson in presenting the Report of the Land and Investment Committee called attention only to the revisions in the proposed recommendations for the Land and Investment Committee as distributed to each Regent in the Material Supporting the Agenda and to the additional items as listed below and as included in the attached report (Attachment No. 1).

1. Revisions

- a. Permanent University Fund Investment Program - Proposed Replacement for Member of Investment Advisory Committee Whose Term Expires on August 31, 1959. (Page L-7)
- b. Highway Right-of-Way Easements (Page L-20)
- c. Archer M. Huntington Museum Fund (Huntington Lands) - Proposal from Standard Oil Company of Texas for Oil and Gas Shooting Option on Entire Huntington Lands (Page L-30)

2. Additional Items

- a. Texas Western College - Proposed Renewal of Farm Lease to Mr. John T. Bean on Cotton Estate Property, City of El Paso, Texas (Page L-35). This was distributed in the Supplementary Material Supporting the Agenda.
- b. Permanent University Fund Investment Program - Proposed Switching Transaction for Holdings of Government Securities (Pages L-7, L-7a, and L-8)

Adoption of Report. -- Upon motion of Vice-Chairman Johnson, seconded by Mr. McNeese, the report as attached (Attachment No. 1, Pages L-1 through L-35 including L-7a and L-20a) following Page 43 of the Minutes was adopted. The attachments to the Report of the Land and Investment Committee which did not require action of the Board are not a part of the Minutes. The copies referred to are in the Land and Investment Committee files in the Office of the Board of Regents.

(Following the approval of the Report of the Land and Investment Committee, Mr. Clifton E. Spier, an attorney with the State Highway Department, asked that the Board reconsider the request of the State Highway Department for a fee simple title to those University lands to be used for right-of-ways in the construction of the new Interstate Highway in El Paso and Ward counties as covered in the easements referred to on Page L-20.

(Inasmuch as there was no motion to rescind the action after Mr. Spier had explained his request with emphasis on a right-of-entry, Chairman Minter, upon Mr. Madden's suggestion, issued a directive that Mr. Spier in conjunction with Attorney Waldrep submit to the Administration for the Board's consideration, well in advance of the Board meeting on July 9, an instrument for a limited conveyance with a determinable fee and with the right to revert title if the highway should be abandoned.)

REPORT OF MEDICAL AFFAIRS COMMITTEE. -- At the request of Committee Chairman Bryan, who was not present for all of the meeting of the Medical Affairs Committee, Chairman Minter presented the following report of the committee:

Medical Branch

Revision in Bylaws of Staff of Medical Branch Hospitals, Medical Branch. -- Each Regent was furnished in the Material Supporting the Agenda proposed amendments to the Bylaws of the Medical Staff of The University of Texas Medical Branch Hospitals which had been approved through proper channels.

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It is the recommendation of the Medical Affairs Committee that these amendments, as set out below, to the Bylaws of the Medical Staff of The University of Texas Medical Branch Hospitals, adopted November 1957 (Permanent Minutes, Volume V, Pages 331-345) be adopted:

1. Amend Article VI, Section 1, to read as follows: *

The officers of the Medical Staff shall be the Chief-of-Staff, the Chief-of-Staff Elect, and the Secretary-Treasurer. These officers shall be elected at the annual meeting of the medical staff and shall hold office until the next annual meeting or until their successors are elected. The Chief-of-Staff shall call and preside at all meetings and he shall be a member, ex officio, of all standing committees, except the Executive Committee. He shall be Chairman of the Executive Committee. Should the position of Chief-of-Staff become vacant, the Chief-of-Staff Elect will fill this vacancy and a successor to the Chief-of-Staff Elect shall be elected at the next regular meeting or at a meeting called solely for that purpose.

The Chief-of-Staff Elect, in the absence of the Chief-of-Staff, shall assume all of the duties and have all of his authority. He shall be expected to perform such duties or supervision as may be assigned to him by the Chief-of-Staff. The Chief-of-Staff Elect shall be Chairman of the Program Committee and a member of the Executive and Joint Advisory Committees. The Secretary-Treasurer shall keep accurate and complete minutes of all meetings, call meetings on order of the Chief-of-Staff, attend to all correspondence, collect dues, render disbursements, and maintain a current record of finances. He shall perform such other duties as assigned to him by the Chief-of-Staff.

2. Amend Article VI, Section 2, Paragraph 2, to read as follows: *

The Executive Committee shall consist of the Chief-of-Staff as Chairman, the Chief-of-Staff Elect, the Chairman of the Departments of Medicine, Surgery, Pediatrics, Obstetrics and Gynecology, Neurology and Psychiatry, Radiology, Anesthesiology and Pathology; and four members elected at large from the active staff at the annual meeting. The ex officio members shall include the Executive Director, Dean of the School of Medicine, Director of Hospitals, and chairmen of all standing committees.

* The underlined portions indicate the changes approved.

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3. Amend Article VI, Section 2, by adding immediately after the paragraph on the Intern Committee and immediately preceding the paragraph on Special Committees an additional paragraph to read as follows:

The Infection Committee shall consist of members of the medical staff, administration, nursing service, and others having to do primarily with investigation, control, and prevention of infections. It is urged that this committee collaborate closely with local health and state health officers as well as resort freely to the use of consultants. The Infection Committee will meet regularly at monthly or more frequent intervals and submit monthly reports to the Chief-of-Staff at the regular Executive Committee meeting. The responsibilities of the Infection Committee include the following:

1. To develop a system of reporting diseases and keeping records which can serve as a basis for studying infections.
2. To investigate cases of infection and review infection rates.
3. To establish infectious disease control procedures and policies and make recommendations relative to their enforcement.
4. To determine that adequate bacteriological laboratory facilities are available.
5. To develop an infectious disease prevention orientation program including a continuing educational program for medical and hospital personnel.
6. To recommend to the Executive Committee of the Medical Staff control measures relative to the indiscriminate use of antibiotics, and rules and regulations relative to infectious disease medical practice.
7. To foster investigative efforts relative to infectious disease control.
8. To serve in an advisory capacity to the hospital administrator in the organization, planning, and control of the infectious disease program.

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Acceptance of Grants from The Sealy and Smith Foundation
Totaling \$605,000. --It is recommended that the following grants from The Sealy and Smith Foundation totaling \$605,000 be accepted as outlined in the letter from Mr. John W. McCullough, President of The Sealy and Smith Foundation, dated May 22, 1959, addressed to Doctor John B. Truslow:

1. \$75,000 for hospital equipment to include primarily replacement items: surgical instruments (\$6,100) treatment equipment (\$7,700), diagnostic equipment (\$1,500), and General Services Equipment (\$59,700).
2. \$200,000 for operating funds primarily to supplement operating budgets, particularly Nursing Service, Operating Room, Radiology, Clinical Laboratories and Housekeeping.
3. \$130,000 for remodeling of Wards 5-A and 5-B in the new John Sealy Hospital as outlined in the Report of the Buildings and Grounds Committee on Page 16.
4. \$200,000 for new construction to house Cobalt 60 Teletherapy Unit as set out in the Report of the Buildings and Grounds Committee on Page 17.

M. D. Anderson Hospital and Tumor Institute

Report on Tax Status, M. D. Anderson Hospital and Tumor Institute. --The Medical Affairs Committee received, and it is included in this report as a matter of record, a ruling, in reply to a request of January 1958, from the Commissioner of Internal Revenue on the tax status of the M. D. Anderson Hospital and Tumor Institute and all of its facilities to the effect that ". . . you are an activity of The University of Texas. You are, therefore, not subject to Federal income tax and are not required to file income tax returns." This ruling is in the Secretary's Files, Volume VI, Page 206

Amendments to Director's Regulations, M. D. Anderson Hospital and Tumor Institute. --It is recommended that the amendments to the Director's Regulations of the M. D. Anderson Hospital and Tumor Institute as furnished to each Regent in the Material Supporting the Agenda be adopted.

(The Director's Regulations were originally adopted in November 1957 and are in the Secretary's Files, Volume Va, Page 121. These amendments as approved by the Medical Affairs Committee and adopted are in the Secretary's Files, Volume VI, Page 209.)

6-13-59

Southwestern Medical School

Structural Changes, Fort Worth Laboratory for Research and Postgraduate Education, Southwestern Medical School. --The Medical Affairs Committee approved the recommendation regarding structural changes of The University of Texas Southwestern Medical School Fort Worth Laboratory for Surgical Research as set out in Attachment No. 2 on Page S-6 of the Southwestern Medical School's portion of the docket.

Overall Plan of Edwin A. Salmon, Southwestern Medical School. --A copy of A Planning Program for the Southwestern Medical Center as prepared by Edwin A. Salmon was furnished to each Regent under date of May 20, 1959.

The Medical Affairs Committee approved the Administration's recommendation that the Salmon Report on the Southwestern Medical Center, particularly that portion of the Report relating to The University of Texas, be accepted in principle. Such acceptance in principle shall not necessarily be considered as implicit acceptance either of specific functional units or their location as designated in the Report.

Postgraduate School of Medicine

The status of the Postgraduate School of Medicine was referred by the Medical Affairs Committee to the Committee of the Whole. The policy as adopted is on Page 5.

The South Texas Medical Branch
(H. B. No. 9, 56th Legislature, R. S., 1959)

(The South Texas Medical School, authorized by H. B. No. 9, 56th Legislature, R. S., 1959, is to be a medical branch or department of The University of Texas and is commonly referred to as the Third Medical School.)

Recommendation of Consultant Requested. --Chairman Minter reported to the Medical Affairs Committee a letter from Dr. Hollers, President of the San Antonio Medical Foundation, expressing the Foundation's willingness to cooperate in every way possible in the establishment of a medical school in San Antonio, Bexar County, as authorized in House Bill No. 9, 56th Legislature, R. S., 1959. He further reported that he, President Wilson and Vice-President Cox, together with Dr. Hollers, have looked over various sites and teaching facilities in San Antonio that might be available and acceptable for the medical school.

The Medical Affairs Committee recommends that a survey of the available sites and teaching facilities in San Antonio, to be financed by private sources, be made by a consultant or consultants expert in medical school planning. It is requested that the Administration recommend at the July meeting an outside, disinterested consulting service to undertake this survey and to report at the first meeting of 1959-60. (See Page 35.)

Adoption of Report. --The foregoing report of the Medical Affairs Committee was adopted upon motion of Mr. Heath, seconded by Mrs. Devall.

6-13-59

REPORT OF SPECIAL COMMITTEE ON BOARD PROCEDURES. --
(The Special Committee on Board Procedures, composed of Regents Hardie, Johnson, and Madden, was appointed by Chairman Minter in accordance with P1 of System-Wide Policies adopted at the April 1959 meeting recorded in the Permanent Minutes, Volume VI, Page 890.)

Committee Chairman Hardie presented the following report:

The Committee gave consideration to the items in an outline entitled "Investigations Which Might be Undertaken re Board Procedures" that was distributed in the Supplementary Material Supporting the Agenda.

Signatures on Official Documents. --An opinion submitted by Attorney Waldrep as to signatures on contracts authorized by the Board of Regents was read. The Secretary was instructed to furnish each Regent with a copy of this opinion.

The Committee requests that the Administration be asked to present specific recommendations with reference to signatures on documents authorized by the Board and further that the Administration check carefully the acceptability and the legality of signatures being imprinted on these documents in a manner similar to cashier's checks.

Policy re Submission of Material. --The Committee emphasized the necessity of following the established policy of mailing to the Regents ten days in advance documentation on all matters to be considered at the meeting and further emphasized the necessity of keeping at a minimum all emergency or late matters.

Regularly Scheduled Meetings of the Board. --It is recommended by the Committee that the Board meet every two months for two full days, Friday and Saturday, beginning at 9:00 a. m.

Attendance at Board Meetings. --It is recommended by the Committee:

1. That every effort be made to schedule the appearance of institutional heads before the Board so that they will not have to remain for the entire duration of a meeting and
2. That attendance of representatives other than institutional heads be only when absolutely essential and when authorized by the Office of the President.

Miscellaneous Comments. --The Committee made the following comments or suggestions:

1. All material should be transmitted through the Secretary's Office in order to prevent duplication in the distribution of material to Regents.

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2. Favorable comment was made on the idea of identifying items in the Docket which involve policy decisions of major or minor character.
3. Central Administration was asked to explore the feasibility of separating the Administrative actions from matters requiring Board consideration in the Docket presented to the Regents.
4. When recommendations are made to the Board, pros and cons should be stated in the documentation.
5. The Board should devote a major portion of its time to policy matters.

Continuation of Committee. --It is recommended that the Special Committee on Board Procedures continue for one more regular meeting in order to receive administrative recommendations.

Adoption of Report. --The foregoing report of the Special Committee on Board Procedures was adopted upon motion of Vice-Chairman Johnson, seconded by Mr. Bryan.

CENTRAL ADMINISTRATION

APPROVAL OF DOCKET (INCLUDING A TRAVEL SUPPLEMENT FOR MAIN UNIVERSITY AND FOR M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE). --On June 3, 1959, President Wilson mailed to each Regent a docket for Central Administration to which he had attached and incorporated a docket from each of the component units of The University of Texas. At the meeting there were distributed a travel supplement for Main University and for M. D. Anderson Hospital and Tumor Institute.

(Upon recommendation of the Medical Affairs Committee, the Board deferred action on "Increase in Patient Charges (Hospital Rates)" as set out as the last item on Page G-12, for future consideration because of further study needed in light of the overall charges being made.)

Upon motion of Mrs. Devall, seconded by Vice-Chairman Johnson, the Docket including the travel supplements for Main University and the M. D. Anderson Hospital and Tumor Institute, was approved with the exception of the last item on Page G-12 entitled "Increase in Patient Charges (Hospital Rates)." This item was deferred for future consideration because of further study needed in light of the overall charges being made.

This docket together with the travel supplements is attached following Page L-35 and is labeled Attachment No. 2.

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SCHEDULED MEETINGS OF THE BOARD. --The Board adopted the following schedule of meetings:

July 9, 1958-59, 2:30 p.m., Driskill Hotel, Austin, Texas, a special meeting to transact such business as may come before the Board, including the following:

1. To adopt a resolution authorizing the issuance of Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1959, dated July 1, 1959, in the principal amount of \$4,000,000.00, for the purpose of constructing, equipping or acquiring buildings or other permanent improvements for The University of Texas System, to the extent and in the manner provided by law; and to consider bids for the sale of such bonds and adopt such resolutions with respect to the sale thereof as may be advisable.
2. To adopt such other resolutions and take such action in connection with the issuance and sale of said Bonds as may be necessary or advisable.

August, 1959, Austin, Texas, a full two-day regular meeting with priority given to the consideration of the operating budgets for 1959-60. (The members are to be circularized as to the possible dates for the meeting.)

October, 1959, San Antonio, Texas, a three-day regular meeting with one full day set aside for detailed inspection of sites and teaching facilities that might be available for The South Texas Medical School as authorized by H. B. No. 9, 56th Legislature, R. S., 1959. (The Regents will be circularized as to their preference for this three-day meeting.)

FINAL APPROVAL, AMENDMENT TO THE RULES AND REGULATIONS OF THE BOARD OF REGENTS: LEAVES OF ABSENCE. -- Under date of April 27, 1959, each Regent was furnished in accordance with the Rules and Regulations a notice of a proposed change in the leaves of absence policy, recommended by Vice-President and Provost Ransom and concurred in by President Wilson.

Upon motion of Mr. McNeese, seconded by Mr. Madden, the Board gave final approval to the proposed recommendation that the budget term "military leave" be abolished, and that members of the faculty on leave for a year or more for military purposes be subject to the same rules concerning leaves of absence as other members of the faculty. (This amendment will be incorporated in the rules and regulations now in the process of being revised.)

6-13-59

MAIN UNIVERSITY

JOINT PROGRAM WITH THE UNIVERSITY OF CHICAGO, THE UNIVERSITY OF CHILE, AND THE UNIVERSITY OF TEXAS.-- Upon motion of Vice-Chairman Johnson, duly seconded, the Board adopted the recommendation of the Administration that the University enter into an arrangement as outlined below with the University of Chile and The University of Chicago to engage in cooperative research in astronomy, and authorized Vice-President and Provost H. H. Ransom to execute the necessary agreements on behalf of the Board of Regents to make this arrangement effective.

Proposed Program

The University of Chile located in Santiago, Chile, The University of Chicago and The University of Texas contemplate a contractual arrangement wherein the parties will collaborate in the construction, equipping, and operating of an observatory in the vicinity of Santiago, Chile, for the purpose of astronomical observation and research, to exchange programs and to encourage the education and training of personnel in astronomy. The University of Chile has agreed to provide a site and to advance approximately \$100,000 in buildings, utilities, excess roads, etc., and such personnel as may be necessary for effective operation. The University of Chicago will (1) furnish the installation with telescopes and other scientific equipment, (2) furnish the services of a director and other members of the scientific staff, and (3) collaborate in the maintenance of a comprehensive student exchange program. The program contemplates advance training in astronomy at The University of Chicago and The University of Texas for Chilean scholars and scientists. By the same token, scholars and scientists from the United States will go to Chile for study at the observatory there.

In the proposed contract The University of Texas agrees only to collaborate with the parties in the establishment and operation of the observatory.

In conferences with interested parties the staff of The University of Texas stipulated that no State funds can be utilized in this project, but such funds as may be needed by the University will come from gifts and grants. The technical program will be implemented at a later date by mutual agreement as funds become available.

TEXAS WESTERN COLLEGE

CONTRACT BETWEEN TEXAS WESTERN COLLEGE AND FORT BLISS (NO. DA 41-014-AIV-2122). -- Upon a motion duly made and seconded, the Board approved

Contract No. DA 41-014-AIV-2122 with Fort Bliss, Texas, calling for partial payment of tuition by the United States Government for the military personnel enrolled for academic study at Texas Western College during the period July 13, 1959, to July 15, 1960, and authorized President J. R. Smiley to execute the contract.

6-13-59

CENTRAL ADMINISTRATION

MEMBERSHIP, BOARD FOR LEASE OF UNIVERSITY LANDS. --The Board accepted the resignation of Mr. J. P. Bryan as a member of the Board for Lease of University Lands, and Chairman Minter appointed Mr. Heath to replace Mr. Bryan.

RESOLUTIONS OF APPRECIATION: SAN ANTONIO MEDICAL FOUNDATION AND AUSTIN CHAMBER OF COMMERCE. --It was moved by Mr. Madden, duly seconded and unanimously adopted that a resolution of appreciation be sent to the San Antonio Medical Foundation for their expression of willingness to cooperate in helping to establish The South Texas Medical School and to the Austin Chamber of Commerce for the hospitality extended to the Regents on the occasion of the banquet in their honor on Friday, June 12, 1959. These resolutions will be a matter of record at the subsequent meeting.

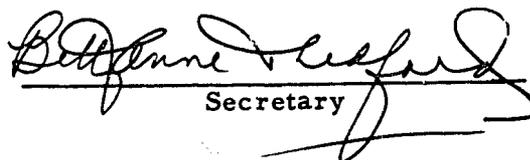
STATEMENT RE HOUSE BILL NO. 495. --The following statements agreed to by all members of the Board concerning House Bill No. 495 and transmitted to the Chairman of the State Affairs Committee of the House of Representatives is reported for the record:

The use of any phase of The University of Texas program for advocacy or espousal of atheism or of any sectarian religious belief would be contrary to University regulations and policy. We want to make this point quite clear. This is official policy and it is enforced by administrative action. The University Administration knows of no violations of such regulations or policy and none would be knowingly tolerated. Against this background we feel it our duty to present a statement regarding H. B. 495.

We feel that it would be neither proper nor wise to single out teachers as a suspect group by requiring them to execute an oath that they believe in a Supreme Being. To most American citizens, such an oath would be an offensive invasion of privacy, certain to be resented by many deeply religious persons. Requirement of such an oath would be a symbol of religious intolerance in American academic circles and would be given many meanings not intended.

Separation of church and state and protection of the individual's right to religious freedom are strong bulwarks of our way of life. We believe, therefore, that the proposed oath is unwise and would be ineffectual in achieving its intended purpose.

ADJOURNMENT. --There being no further business, the meeting was adjourned at 12:30 p.m., Saturday, June 13, 1959.


Secretary

6-13-59

TABULATION OF BIDS

PHOLOGY AND NEURO-PATHOLOGY LABORATORIES, SECOND FLOOR,
 MILLER BUILDING, Repair and Remodeling - Medical Branch, Galveston,
 Texas

Opened - 2:00 p. m., May 26, 1959
 Galveston, Texas

<u>Bidders</u>	<u>Base Bid</u>	<u>Alt. No. 1-A Vinyl Fl. Cov.</u>	<u>Alt. No. 1-B Acous Clg.</u>	<u>Alt. No. 1-C Add'l Plumb.</u>
J. J. Appenbrink Galveston	\$50,880	/\$601	/\$572	/\$1,973
Adolph G. Johnson Galveston	\$51,700	/\$588	/\$848	/\$2,280
Meyerson Construc- tion Company Houston	\$44,350	/\$435	/\$475	/\$2,600
Oliver Eriksson Company Galveston	\$50,845	/\$375	/\$1,461	/\$1,850

<u>Bidders</u>	<u>Working Days</u>	<u>Bond</u>
J. J. Appenbrink Galveston	60	\$5,000
Adolph G. Johnson Galveston	90	\$3,000
Meyerson Construc- tion Company Houston	60	5%
Oliver Eriksson Company Galveston	100	5%

PRO HOSPITAL AND THE STATE PSYCHOPATHIC HOSPITAL, Remodeling -
 Medical Branch, Galveston, Texas.

Opened - 2:00 p.m., June 4, 1959

Galveston, Texas

<u>Contractor</u>	<u>Base Bid *</u>	<u>A-1</u>	<u>A-2</u>	<u>A-3</u>	<u>A-4</u>
Baxter Construction Co., Inc. Houston	\$957,000	†22,100	†2,400	†11,700	†14,700
Calendar Days to Completion	380	†28	†14	†21	†14
Fisher Construction Company Houston	\$969,000	†23,000	†2,800	†13,300	†19,000
Calendar Days to Completion	400	NC	NC	NC	NC
Meyerson Construc- tion Company Houston	\$926,000	†22,700	†3,500	†10,500	†19,000
Calendar Days to Completion	540	0	0	0	0
Oliver-Eriksson Company Galveston	\$938,264	†25,000	†4,570	†10,670	†18,000
Calendar Days to Completion	730	†30	-	†40	†20
Robert H. Smith & Company Houston	\$989,700	†20,900	†4,600	†10,400	†14,300
Calendar Days to Completion	400	0	0	0	0
Southwestern Con- struction Company Houston	\$918,000	†20,000	†2,700	†11,000	†16,000
Calendar Days to Completion	420	0	0	0	0
Tellepsen Con- struction Company Houston	\$952,777	†21,750	†3,200	†14,000	†18,975
Calendar Days to Completion	480	0	0	0	0
Texas Gulf Con- struction Co., Inc. Galveston	\$914,206	†23,998	†2,632	†13,216	†18,278
Calendar Days to Completion	450	0	0	0	0

All bids accompanied by Bidder's Bond in the amount of 5% of total amount bid.

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TO HOSPITAL AND THE STATE PSYCHOPATHIC HOSPITAL (Continued)

<u>Contractor</u>	<u>A-5</u>	<u>A-6</u>	<u>A-7</u>	<u>A-8</u>	<u>A-9</u>	<u>A-10</u>	<u>A-11</u>
Waxter Construction Co., Inc. Houston	1,100	-200	700	-1550	-650	NC	-850
Calendar Days to Completion	7		7	NC	NC	NC	NC
Fisher Construction Company Houston	1,200	-700	700	-600	-370	-500	-900
Calendar Days to Completion	NC	NC	NC	NC	NC	NC	NC
Meyerson Construction Company Houston	1,600	200	700	-1,200	-650	-1,350	-950
Calendar Days to Completion	0	0	0	0	0	0	0
Oliver-Eriksson Company Galveston	1,600	-620	725	-2064	-400	-1,670	-850
Calendar Days to Completion	30	0	5	0	0	0	0
Robert H. Smith & Company Houston	1,100	-700	800	-2,200	-600	-1,200	-1,000
Calendar Days to Completion	0	0	0	0	0	0	0
Southwestern Construction Company Houston	1,100	-200	700	-1,400	-400	-2,300	-1,000
Calendar Days to Completion	0	0	0	0	0	0	0
Tellepsen Construction Company Houston	1,625	1,255	1485	-1,500	-600	-514	-900
Calendar Days to Completion	0	0	0	0	0	0	0
Texas Gulf Construction Co., Inc. Galveston	1,055	-520	683	-1,542	-1,151	-922	-919
Calendar Days to Completion	0	0	0	0	0	0	0

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PRO HOSPITAL AND THE STATE PSYCHOPATHIC HOSPITAL (Continued)

<u>Contractor</u>	<u>A-12</u>	<u>A-13</u>	<u>A-14</u>	<u>B-1</u>	<u>B-2</u>	<u>B-3</u>
Maxter Construction Co., Inc. Houston	-10,400	†570	†550	†25,650	†6,900	†16,300
Calendar Days to Completion	-14	†7	†7	†28	†14	†21
Fisher Construction Company Houston	-9,000	†950	†550	†25,000	†7,200	†19,000
Calendar Days to Completion	NC	NC	NC	NC	NC	NC
Meyerson Construc- tion Company Houston	-12,300	†950	†550	†22,500	†8,700	†14,900
Calendar Days to Completion	0	0	0	0	0	0
Oliver-Eriksson Company Galveston	-8,702	†875	†650	†27,996	†9,626	†15,615
Calendar Days to Completion	-30	0	0	†30	†30	†30
Robert H. Smith & Company Houston	-8,800	†900	†500	†24,500	†9,400	†17,500
Calendar Days to Completion	0	0	0	0	0	0
Southwestern Con- struction Company Houston	-9,000	†600	†600	†21,000	†7,000	†15,000
Calendar Days to Completion	0	0	0	0	0	0
Tellepsen Construc- tion Company Houston	-13,500	†612	†850	†23,500	†5,200	†20,100
Calendar Days to Completion	0	0	0	0	0	0
Texas Gulf Con- struction Co., Inc. Galveston	-9,913	†906	†525	†25,629	†6,990	†18,844
Calendar Days to Completion	0	0	0	0	0	0

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PRO HOSPITAL AND THE STATE PSYCHOPATHIC HOSPITAL (Continued)

<u>Contractor</u>	<u>B-4</u>	<u>B-5</u>	<u>B-6</u>	<u>B-7</u>	<u>B-8</u>	<u>B-9</u>
Baxter Construction Co., Inc. Houston	\$18,300	\$6,200	\$9,700	NC	\$1,620	-2,300
Calendar Days to Completion	\$14	\$21	\$21	NC	\$7	NC
Fisher Construction Company Houston	\$22,000	\$7,400	\$9,800	-270	\$1,700	-730
Calendar Days to Completion	NC	NC	NC	NC	NC	NC
Meyerson Construction Company Houston	\$22,500	\$6,000	\$7,400	\$1,580	\$1,650	-1,750
Calendar Days to Completion	0	0	0	0	0	0
Oliver-Eriksson Company Galveston	\$22,306	\$5,566	\$5,981	-200	\$1,650	-2,227
Calendar Days to Completion	\$15	\$1	\$10	0	\$5	0
Robert H. Smith & Company Houston	\$20,400	\$6,900	\$7,600	-300	\$1,600	-2,100
Calendar Days to Completion	0	0	0	0	0	0
Southwestern Construction Company Houston	\$22,000	\$7,000	\$10,000	-20	\$1,700	-2,200
Calendar Days to Completion	0	0	0	0	0	0
Tellepsen Construction Company Houston	\$22,220	\$5020	\$8,620	-2,095	\$3,571	-2,412
Calendar Days to Completion	0	0	0	0	0	0
Texas Gulf Construction Co., Inc. Galveston	\$21,403	\$4,623	\$8,550	-155	\$1,612	-2,527
Calendar Days to Completion	0	0	0	0	0	0

6-13-59

MEMORIAL HOSPITAL AND THE STATE PSYCHOPATHIC HOSPITAL (Continued)

<u>Contractor</u>	<u>B-10</u>	<u>B-11</u>	<u>B-12</u>	<u>B-13</u>	<u>B-14</u>	<u>B-15</u>	<u>B-16</u>
1. Baxter Construction Co., Inc. Houston	-1,250	NC	-9,000	-4,600	-850	-19,200	1,760
Calendar Days to Completion	NC	NC	NC	NC	NC	-14	14
2. Fisher Construction Company Houston	-760	-400	-8,600	-4,100	-900	-17,000	1,700
Calendar Days to Completion	NC						
3. Meyerson Construction Company Houston	-1,400	-4,100	-9,800	-4,300	-950	-17,400	1,725
Calendar Days to Completion	0	0	0	0	0	0	0
4. Oliver-Eriksson Company Galveston	-800	-1,850	-8,900	-4,560	-850	-16,895	1,800
Calendar Days to Completion	0	0	0	0	0	-30	0
5. Robert H. Smith & Company Houston	-700	-4,700	-9,100	-4,100	-1,000	-16,700	1,700
Calendar Days to Completion	0	0	0	0	0	0	0
6. Southwestern Construction Company Houston	-800	-2,000	-9,000	-4,400	-1,000	-16,500	1,800
Calendar Days to Completion	0	0	0	0	0	0	0
7. Tellepsen Construction Company Houston	-1,150	-1,485	-9,000	-4,212	-900	-22,299	1,509
Calendar Days to Completion	0	0	0	0	0	0	0
8. Texas Gulf Construction Co., Inc. Galveston	-2,319	-397	-8,633	-4,281	-1,010	-18,280	1,680
Calendar Days to Construction	0	0	0	0	0	0	0

ATTACHMENT NO. 1

PERMANENT UNIVERSITY FUND--INVESTMENT MATTERS.--

6-13-59 1016

REPORT OF PURCHASES AND SALES OF SECURITIES.--The following purchases and sales of securities have been made for the Permanent University Fund since the report of March 13, 1959. Ask that the Board ratify and approve these transactions:

PURCHASE OF SECURITIES

CORPORATE BONDS

Date of Purchase	Security	Par Value of Bonds Purchased	Market Price at Which Purchased	Total Principal Cost	Indicated Current Yield on Cost**
3/25/59	The Montana Power Co. 4-1/2% 1st Mtge. Bonds, due 4/1/89	\$ 250,000	101.155 Net	\$ 252,887.50	4.43%
3/25/59	Ohio Edison Co. 4-1/2% First Mtge. Bonds, due 4/1/89	250,000	101.155 Net	252,887.50	4.43
3/31/59	Ohio Power Co. 4-5/8% First Mtge. Bonds, due 4/1/89	250,000	102.547 Net	256,367.50	4.47
4/1/59	Monongahela Power Co. 4-3/4% 1st Mtge. Bonds, due 4/1/84	250,000	101.469 Net	253,672.50	4.65
4/14/59	Central Power & Light Co. 1st Mtge. Bonds, 4-3/4% Ser. I, due 4/1/89	250,000	102.427 Net	256,067.50	4.60
4/15/59	Wisconsin Power & Light Co. 1st Mtge. Bonds, 4-5/8% Ser. J, due 3/1/89	250,000	100.567 Net	251,417.50	4.59
4/21/59	The Montana Power Co. 4-1/2% 1st Mtge. Bonds, due 4/1/89	100,000	98.25 Net	98,250.00	4.61
4/21/59	Ohio Edison Co. 4-1/2% First Mtge. Bonds, due 4/1/89	100,000	98.50 Net	98,500.00	4.60
4/21/59	Ohio Power Co. 4-5/8% First Mtge. Bonds, due 4/1/89	100,000	99.625 Net	99,625.00	4.65
4/29/59	Public Service Co. of Colorado 4-5/8% 1st Mtge. Bonds, due 5/1/89	250,000	101.22 Net	253,050.00	4.55
5/8/59	The Detroit Edison Co. 4-5/8% First Mtge. Bonds, due 6/1/89	500,000	98.01 Net	490,050.00	4.75
5/13/59	Southwestern Electric Power Co. 1st Mtge. Bonds, Ser. H 5-1/8%, due 5/1/89	<u>250,000</u>	101 Net	<u>252,500.00</u>	<u>5.06</u>
	Total Corporate Bonds Purchased	<u>2,800,000</u>		<u>2,815,275.00</u>	<u>4.61</u>

**Yield to maturity for bonds.

6-13-59

COMMON STOCKS

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
2/24/59	American Cyanamid Company Common Stock	1,000	49-7/8(200) 49-3/4(800)	\$ 50,213.92	3.19%
2/24/59	Marine Midland Corporation Common Stock	800	25	20,252.00	3.95
2/25/59	Caterpillar Tractor Company Common Stock	600	91-1/4(100) 91-1/8(100) 91 (300) 90-7/8(100)	54,913.63	3.28
2/25 & 26/59	Owens-Illinois Glass Company Common Stock	600	89-7/8(200) 89-3/4(200) 89-5/8(100) 89 (100)	54,075.30	2.77
2/25/59	J. C. Penney Co., Inc., Common Stock	400	112-1/2(200) 112-1/4(100) 112 (100)	45,125.93	3.77
2/26/59	General Motors Corporation Common Stock	1,000	47	47,425.00	4.22
2/26/59	Inland Steel Company Capital Stock	400	139-1/2(300) 139 (100)	55,961.75	3.43
2/26/59	International Business Machines Corporation Capital Stock	100	521	52,175.00	0.57
2/27/59	Central & South West Corpora- tion Common Stock	800	58-3/4(200) 58-1/2(600)	47,208.86	3.05
2/27 & 3/2/59	National Biscuit Company Common Stock	800	54-5/8(400) 54-3/8(200) 54-1/4(200)	43,930.58	4.01
3/2/59	American Electric Power Company Common Stock	900	49-5/8	45,056.79	3.36
3/2/59	Shell Oil Company Common Stock	600	81 (300) 80-3/4(100) 80-3/8(200)	48,732.46	2.46
3/3/59	Philadelphia Electric Company Common Stock	1,000	52-3/4(300) 52-1/2(200) 52-1/4(100) 52 (400)	52,792.37	4.24
3/3/59	R. J. Reynolds Tobacco Com- pany New Class B Common Stock	500	104	52,247.00	3.83
3/4 & 5/59	Crown Zellerbach Corporation Common Stock	900	56-1/4(300) 56 (300) 58 (300)	51,477.09	3.15
3/4/59	The Texas Company Capital Stock	600	80-3/4(200) 80-1/2(200) 80-1/4(200)	48,582.32	2.96

*Includes brokerage commissions paid.

**Yield at present indicated dividend rate.

6-13-59

COMMON STOCKS (Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
3/3/59	United States Gypsum Company Common Stock	500	108-5/8(300) 108 (200)	\$ 54,436.68	2.62%
3/5 & 6/59	Virginia Electric & Power Company Common Stock	1,300	39-5/8(1000) 39-1/2(200) 39-3/8(100)	51,966.79	2.75
3/6 & 9/59	Parke, Davis & Company Capital Stock	1,300	40-3/8(200) 40-1/4(500) 40-1/8(100) 40 (200) 39-5/8(300)	52,607.52	3.21
3/9/59	Minnesota Mining & Manufacturing Company Common Stock	400	133 (200) 132 (200)	53,209.00	1.05
3/9/59	Mellon National Bank & Trust Company Common Capital Stock	100	175 Net	17,500.00	2.29
3/9/59	The First National Bank of Boston Capital Stock	200	89-1/4 Net	17,850.00	3.70
3/11/59	American Telephone & Telegraph Company Capital Stock	200	240-3/4	48,276.16	4.10
3/11/59	C. I. T. Financial Corporation Common Stock	900	52-1/8(400) 51-3/4(300) 51-5/8(200)	47,097.70	4.97
3/11/59	National Lead Company Common Stock	400	114	45,801.60	2.84
3/12, 13, & 17/59	Oklahoma Gas & Electric Company Common Stock	1,400	33-5/8(1200) 33-1/2(200)	47,551.22	2.94
3/12/59	Pittsburgh Plate Glass Company Capital Stock	600	89-7/8(300) 89-5/8(300)	54,137.85	2.44
3/13/59	The Atchison, Topeka & Santa Fe Railway Company Common Capital Stock	1,700	30	51,578.00	4.78
3/13/59	Gulf Oil Corporation Capital Stock	400	117-3/4	47,303.12	2.11
3/16/59	The Goodyear Tire & Rubber Company Common Stock	400	132 (200) 131-1/2(200)	52,908.70	1.81
3/16/59	United Gas Corporation Common Stock	1,300	42-1/2(200) 42-3/8(900) 42-1/4(200)	55,609.97	3.51
3/17/59	Smith Kline & Frence Laboratories, Inc., Common Stock	500	115-3/4(100) 115-5/8(100) 115-1/2(200) 115-1/4(100)	58,015.27	2.59
3/17/59	The Southern Company Common Stock	1,400	35-3/8	50,038.66	3.64

*Includes brokerage commissions paid.

**Yield at present indicated dividend rate.

6-13-59

COMMON STOCKS (Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
3/18/59	Consumers Power Company Common Stock	800	60 (100) 59-7/8(700)	\$ 48,272.43	3.98%
3/18/59	Westinghouse Electric Corporation Common Stock	700	80	56,329.00	2.49
3/19/59	Corn Products Company Common Stock	900	55-3/4(200) 55-1/4(100) 55 (100) 54-3/4(100) 54-5/8(200) 54-1/2(200)	49,875.49	3.61
3/19 & 20/59	Texas Utilities Company Common Stock	700	67 (100) 66-3/4(300) 68 (200) 67-3/4(100)	47,420.12	2.60
3/20/59	Phelps Dodge Corporation Capital Stock	700	66-1/2(200) 66-1/4(500)	46,744.45	4.49
3/20/59	Republic Steel Corporation Common Stock	800	72 (500) 71-7/8(300)	57,932.07	4.14
3/23/59	The Dow Chemical Company Common Stock	600	86 (500) 85-3/4(100)	51,860.58	1.39
3/23/59	Southern California Edison Company Common Stock	900	62-3/4	56,882.52	4.11
3/24/59	The Chase Manhattan Bank Capital Stock	300	60-3/4 Net	18,225.00	3.95
3/24/59	National Bank of Detroit Common Capital Stock	300	62 Net	18,600.00	3.23
3/25/59	Federal Insurance Company Common Capital Stock	300	61-3/4 Net	18,525.00	1.62
3/25/59	The Lincoln National Life Insurance Company Capital Stock	100	213 Net	21,300.00	0.94
4/6, 7, & 8/59	The Kroger Co. Common Stock	1,600	31 (400) 30-7/8(200) 30-3/4(500) 30-5/8(300) 30-1/2(200)	49,787.71	2.89
4/6/59	Union Carbide Corporation Capital Stock	400	132	53,008.80	2.72
4/8/59	Scott Paper Company Common Stock	600	81 (500) 80-7/8(100)	48,870.09	2.46
4/8/59	Standard Oil Company (New Jersey) Capital Stock	1,000	51-7/8	52,316.90	4.30
4/10/59	Caterpillar Tractor Company Common Stock	500	90-3/4(300) 90-1/4(200)	45,515.30	3.30

*Includes brokerage commissions paid.

**Yield at present indicated dividend rate.

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COMMON STOCKS (Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
1/10 & 13/59	The Southern Company Common Stock	1,300	37-7/8(600) 37-3/4(600) 37 (100)	\$ 49,667.92	3.40%
4/13/59	Continental Can Company, Inc., Common Stock	1,000	47 (700) 46-3/4(200) 46-1/2(100)	47,324.51	3.80
4/13 & 14/59	General Foods Corporation Common Stock	600	78-3/8(200) 78-1/8(100) 79 (100) 78-3/4(200)	47,418.65	3.29
1/15/59	Continental Oil Company Capital Stock	800	63	50,762.40	2.52
1/15/59	General Electric Company Common Stock	600	81-3/4	49,333.08	2.43
4/17 & 20/59	Aluminum Company of America Common Stock	600	88-1/2(100) 88 (300) 88-3/4(200)	53,287.01	1.35
4/17 & 20/59	Baltimore Gas & Electric Company Common Stock	1,000	46-3/4(700) 46-7/8(300)	47,211.48	3.81
4/20/59	Johns-Manville Corporation Common Stock	1,000	59 (700) 58-7/8(300)	59,411.47	3.37
4/20/59	Libbey-Owens-Ford Glass Company Common Stock	500	109-1/2(400) 108 (100)	54,849.60	3.65
4/22/59	Commonwealth Edison Company Common Stock	800	62-1/4	50,161.84	3.19
4/22/59	United States Steel Corporation Common Capital Stock	600	92-7/8(200) 92-3/4(100) 92-1/2(100) 92-3/8(200)	55,864.59	3.22
4/24/59	The National Cash Register Company Common Stock	700	74-1/4(100) 74-1/8(100) 74 (200) 73-3/4(100) 73-1/2(100) 73-1/4(100)	52,012.20	1.62
4/28/59	Bankers Trust Company Capital Stock	300	80-5/8 Net	24,187.50	3.72
4/28/59	The First National City Bank of New York Capital Stock	300	78-3/8 Net	23,512.50	3.83
4/28/59	Bank of America National Trust & Savings Association Common Capital Stock	500	46-5/8 Net	23,312.50	3.86
4/29/59	Aetna Life Insurance Company Capital Stock	100	249 Net	24,900.00	1.37

*Includes brokerage commissions paid.

**Yield at present indicated dividend rate.

6-13-59

COMMON STOCKS (Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
4/29/59	St. Paul Fire & Marine Insurance Company Capital Stock	300	59-3/4 Net	\$ 17,925.00	2.18%
5/1/59	Houston Lighting & Power Company Common Stock	700	72-1/2	51,073.75	2.19
5/12/59	International Paper Company Common Stock	500	116-1/2	58,503.25	2.56
5/13/59	Consolidated Natural Gas Company Capital Stock	1,000	53 (300) 52-3/4(300) 52-1/2(400)	53,167.74	3.95
5/15/59	Bethlehem Steel Corporation Common Stock	1,000	52-7/8(300) 52-3/4(200) 52-5/8(300) 52-1/2(100) 52-3/8(100)	53,130.20	4.52
5/15/59	Sinclair Oil Corporation Common Stock	800	62-1/4(400) 62-1/8(200) 62 (200)	50,086.74	4.79
5/15/59	Potomac Electric Power Company Common Stock	2,160	25 plus 5 rights	54,000.00	4.80
5/18/59	Marine Midland Corporation Common Stock	180	22 plus 20 rights	3,960.00	4.55
5/19/59	Union Pacific Railroad Company Common Capital Stock	1,400	35 (300) 34-3/4(400) 34-5/8(700)	49,146.69	4.56
5/19 & 20/59	The American Tobacco Company Common Stock	500	97-1/2(200) 98 (300)	49,143.90	5.09
5/21/59	McGraw-Edison Company Common Stock	1,000	44 (600) 43-3/4(400)	44,309.52	3.16
5/21/59	Shell Oil Company Common Stock	600	89	53,687.40	2.24
	Total Common Stock Purchased	<u>56,040</u>		<u>3,568,875.14</u>	<u>3.19</u>
	Total Corporate Securities Purchased			<u>\$6,384,150.14</u>	<u>3.82%</u>

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

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SALE OF SECURITIES

Security Sold	Net Proceeds
32400/100,000ths of fractional share of National Bank of Detroit Common Capital Stock received in 10.444% stock dividend	\$ 19.72
16/100ths of a fractional share of Mellon National Bank and Trust Company Common Capital Stock received in 2% stock dividend	27.33
7600 rights to subscribe for Baltimore Gas and Electric Company 4-1/4% Convertible Debentures, due July 1, 1974, sold 1000 at 13/64ths (0.20313) 6600 at 16/64ths (0.25) (Based on holding of Baltimore Gas and Electric Company Common Stock)	1,711.04

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - PROPOSED CONTINUATION OF INVESTMENT ADVISER SERVICE OF LIONEL D. EDIE & COMPANY, INC., FOR 1959-60 FISCAL YEAR.--After further investigation of the services afforded by other advisory firms, the Staff Investment Committee is of the opinion that continuation of the services for the 1959-60 fiscal year is advisable. Accordingly, it is recommended that the Endowment Officer be authorized to execute a renewal contract with the Edie firm for a period from September 1, 1959, through August 31, 1960, at the same annual rate of \$7,500.00, payable quarterly at the end of each quarter after performance of the work called for under the contract as required by the State Comptroller.

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - PROPOSED REPLACEMENT FOR MEMBER OF INVESTMENT ADVISORY COMMITTEE WHOSE TERM EXPIRES ON AUGUST 31, 1959.--Pursuant to action of the Board of Regents in September, 1958, the four members of the Investment Advisory Committee for the Permanent University Fund Investment Program were placed on a rotation system with the term of one member expiring on August 31, 1959. To take the place of Mr. DeWitt Ray whose term expires at the end of this fiscal year, it is recommended by the Staff Investment Committee and concurred in by the Land and Investment Committee that Mr. L. Smiley White, Vice President of the Frost National Bank, San Antonio, Texas, be appointed to the advisory committee for a four-year term beginning September 1, 1959, if he is available to serve. Should Mr. White not be able to do so, Dr. Dolley will designate a qualified banker from San Antonio to do so. (Mr. L. Smiley White accepted the appointment.)

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - PROPOSED SWITCHING TRANSACTION FOR HOLDINGS OF GOVERNMENT SECURITIES.--At the present time, the Permanent University Fund holds \$67,700,000 par value of the non-marketable Treasury 2-3/4% Investment Series B Bonds, due 4/1/80-75. These bonds were received in 1951 in the amount of \$61,700,000 and in 1952 in the amount of \$6,000,000 par value by direct exchange with the Treasury of the 2-1/2% Treasury Bonds of June and December 15, 1972-67 held by the fund. These bonds are now carried on the University's books at an average amortized book cost of 100.37% of par value. This ownership constitutes our largest holding of a single bond issue, and the resulting heavy concentration in one maturity has been a matter of some concern from the viewpoint of sound investment management.

The pattern of prices and yields in the market for Treasury securities now is such as to permit a very advantageous switch out of the 2-3/4% Series B Bonds into either of two long-term Treasury Bonds, neither of which is now held by the Permanent University Fund. This situation has obtained for several months past, and present indications suggest that it will continue for some time to come. An indication of the yield advantage provided by such a switch is afforded by the following schedule which is based on recent market prices:

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Switch from Series B 2-3/4s into 3-1/2s of 1990

Exchange \$1,000,000 par value 2-3/4s for \$1,000,000 par value 5-year 1-1/2% Treasury Notes. Sell notes at 88-1/8 to realize \$881,250. Reinvest \$881,250 in 3-1/2s of 1990 at 89-3/8 obtaining \$986,000 par value of the latter bonds (plus some cash left over).

Cash income comparison (coupon interest only) --

\$ 986,000 par value of 3-1/2s	\$34,510.00
\$1,000,000 par value of 2-3/4s	<u>27,500.00</u>

Income Gain on Switch \$ 7,010.00

Yield to maturity comparison if the acquired 3-1/2s are carried at amortized book cost of the 2-3/4s (\$1,003,700) --

\$ 986,000 par value of 3-1/2s	\$33,939.03
\$1,000,000 par value of 2-3/4s	<u>27,268.75</u>

Income Gain on Switch \$ 6,670.28

Total possible income gain on net yield basis if \$30,000,000 par value of the 2-3/4s are switched into 3-1/2s at these prices --

30 times \$6,670.28 = \$200,108.40 income gain for one year
21 times \$200,108.40 = \$4,202,276.40 income gain for 21 years

The Staff Investment Committee has hesitated heretofore to recommend approval of this switching transaction because of the apparent necessity of realizing and recording a substantial principal loss. Recently, however, we have come up with the idea of handling this transaction as an exchange transaction rather than as a routine sale and purchase. If the transaction is considered to be an exchange of Treasury securities for Treasury securities and if it is accounted for on that basis, then no principal loss would be involved and a substantial income gain would be realized. In addition, some improvement in the maturity distribution of the Treasury security portfolio would be achieved. Preliminary conferences with representatives of the State Comptroller's Office and the State Treasurer's Office indicate no objection to this accounting for the transaction.

It is proposed that the switching transaction be recorded in the same manner as in the case of a direct exchange with the Treasury. In such an exchange with the Treasury, the bonds acquired in the exchange would be carried on our books at the amortized cost of the bonds surrendered to the Treasury. In the present instance, it is proposed that the Treasury bonds bought with the proceeds of the sale of our present holdings would be carried on our books at the amortized cost of the bonds (notes) sold, plus or minus any principal cash adjustment which might be involved in the transaction. In this manner, no principal gain or loss would be recorded on the transaction.

If this procedure is followed, the schedule below illustrates the carrying value of the bonds acquired (using recent market prices), and the amortization from income necessary to avoid any principal loss:

Switch of \$1,000,000 Par Value from 2-3/4s to 3-1/2s

If transaction is treated as an exchange of Treasury Bonds --

Book value of 2-3/4s sold	\$1,003,700.00
Book value of 3-1/2s bought*. . .	\$1,003,700.00

*Plus or minus any principal cash involved in the switch transaction

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Amortization on new bonds acquired in exchange --	
Book value of 2-3/4s sold	\$1,003,700.00
Par value (maturity value) of 3-1/2s acquired in exchange	<u>986,000.00</u>
Amount of Premium to Be Amortized from Income . .	<u>\$ 17,700.00</u>
Amount of Amortization per Year for 31 Years . .	<u>\$ 570.97</u>

The significant advantages to the Permanent University Fund of a switching transaction on this basis are obvious. Accordingly, with the distinct understanding that all details of the proposed transaction(s) meet with the prior approval of the State Comptroller's Office, the State Treasurer's Office, and the State Auditor's Office, the following recommendations are presented:

1. It is recommended that the Endowment Officer be authorized to exchange up to \$30,000,000 par value of the non-marketable Investment Bonds, Series B, due 4/1/80-75, now held by the Permanent University Fund, for Treasury 1-1/2% Notes, due 4/1/64, and to sell the notes thus received at the then current market price, the timing of such exchanges and sales to be determined by the Staff Investment Committee. It is contemplated that these sale and purchase transactions will be made in such block sizes as will not disturb the market prices of the securities sold and bought.
2. It is further recommended that the proceeds realized from the sale of the 2-3/4% bonds (1-1/2% notes) be reinvested promptly in the Treasury 3-1/4s of 5/15/85 or in the Treasury 3-1/2s of 2/15/90, or in other Treasury securities which afford comparable advantages.
3. It is further recommended that the Treasury securities thus acquired be carried on the University's books at the amortized cost of the bonds (notes) sold (which is now an average of 100.37% of par value), adjusted for any principal cash involved in the transactions, and that this cost value be amortized out of the income from the bonds acquired over the remaining life of the bonds, to the end that the entire amortized cost value at the time of the switch of the non-marketable 2-3/4% Investment Series B bonds which are exchanged and sold will eventually be returned to the principal of the Permanent University Fund.

PERMANENT UNIVERSITY FUND--BOND MATTERS--

AUTHORIZATION TO REQUEST BIDS FOR \$4,000,000 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1959, AND RELATED MATTERS.--The Board of Regents at its April 16-18, 1959, meeting authorized its Executive Committee to determine the size of the Permanent University Fund bond issue to be dated July 1, 1959, with a minimum of \$4,000,000 and a maximum of \$15,000,000, and to determine the date on which the bids for the bond issue will be opened. Vice-President Dolley polled the Executive Committee on May 21-22, and the Committee set \$4,000,000 as the amount of the issue and July 8 at 10 a.m. as the date for opening bids on the issue. Bids to the Board of Directors of A.&M. College on its issue of Permanent University Fund Bonds in the amount of \$6,000,000 will be opened at the same time, and the respective Boards will consider the bids at a joint meeting on July 9. As further authorized at the April meeting of the Board, bids are being requested for printing the bonds and for paying agency services, and these bids will be considered by the Board of Regents at the same time as the bids on the bonds.

It is recommended that the Board of Regents approve and ratify the action of the Executive Committee in setting the amount of the Bond issue at \$4,000,000.

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PERMANENT UNIVERSITY FUND--LAND MATTERS.--

LEASES AND EASEMENTS.--The Land and Investment Committee has given consideration to the following applications for various leases and easements on University lands. All are at the standard rate unless otherwise stated, are on the University's standard forms, and have been approved as to form by the University Land and Trust Attorney and as to content by the University Endowment Officer. The Land and Investment Committee asks that the Board approve these applications and authorize the Chairman of the Board to execute the instruments involved:

BUSINESS SITE EASEMENT NO. 1333, ALVIN HAY, TRUSTEE OF THE RHEINHARDT TRUST, REAGAN COUNTY, TEXAS.--This application for a business site easement to Alvin Hay, Trustee of the Rheinhardt Trust, covers a tract 200 feet by 200 feet in Section 7, Block 11, University Lands, Reagan County, for a period of one year beginning February 1, 1959, and ending January 31, 1960, with option to extend and renew from year to year, but not to exceed a period of ten years from February 1, 1959, upon payment in advance of annual rental of \$200.00. The site covered by this easement was formerly under Church Easement No. 383 to the Brownwood Presbytery. Consideration of \$200.00 for the first year's rental has been received.

POWER LINE EASEMENT NO. 1334, TEXAS ELECTRIC SERVICE COMPANY, ANDREWS, CRANE, ECTOR AND WARD COUNTIES, TEXAS.--This application for a power line easement to Texas Electric Service Company covers 1,596.30 rods of power line at \$0.50 per rod for the 10-year period beginning March 1, 1959 and ending February 28, 1969, located in the following University Lands: Sections 17, 18, 19, Block 5, Sections 39 and 46, Block 9, and Sections 21 and 28, Block 11, Andrews County; Section 11, Block 35, Crane and Ector Counties; Sections 2 and 3, Block 35, Ector County; and Section 21, Block 17, Ward County. Consideration of \$798.15 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1335, CONTINENTAL OIL COMPANY, REAGAN COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 405).--This application for a pipe line easement to Continental Oil Company covers 210 rods of 4-inch line for each of two pipe lines, or a total of 420 rods, at \$0.25 per rod for the 10-year period beginning May 1, 1959, and ending April 30, 1969. These lines are located in Sections 7 and 18, Block 11, University Lands, Reagan County. Consideration of \$105.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1336, GILCREASE OIL COMPANY, CROCKETT COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 410).--This application for a pipe line easement to Gilcrease Oil Company covers 938 rods of 3-inch line at \$0.25 per rod for the 10-year period beginning July 1, 1959, and ending June 30, 1969, located in Sections 12, 13, 17 and 18, Block 14, University Lands, Crockett County. Consideration of \$234.50 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1337, TEXAS-NEW MEXICO PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Texas-New Mexico Pipe Line Company covers 943.38 rods of 4½-inch line at \$0.50 per rod for the 10-year period beginning April 1, 1959, and ending March 31, 1969, located in Sections 1, 2, 12 and 13, Block 13, University Lands, Andrews County. Consideration of \$471.69 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1338, PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Phillips Petroleum Company covers 1,676.2 rods of 2-3/8 - inch line at \$0.25 per rod for the 10-year period beginning April 1, 1959, and ending March 31, 1969, located in Sections 30, 31 and 42, Block 5, and Sections 6, 7 and 18, Block 8, University Lands, Andrews County. Consideration of \$419.05 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1339, PHILLIPS PETROLEUM COMPANY, PECOS COUNTY, TEXAS.--This application for a pipe line easement to Phillips Petroleum Company covers 3,370.1 rods of 3-inch line at \$0.25 per rod for the 10-year period beginning April 1, 1959, and ending March 31, 1969, located in Sections 1, 2, 7, 8, 9, 14, 15 and 16, Block 19, and Sections 1, 6, 7 and 12, Block 20, University Lands, Pecos County. Consideration of \$842.53 for the 10-year period has been received.

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PIPE LINE EASEMENT NO. 1340, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 424).--This application for a pipe line easement to El Paso Natural Gas Company covers 797.44 rods of 8-5/8 - inch line at \$1.00 per rod for the 10-year period beginning September 1, 1959, and ending August 31, 1969, located in Sections 6, 7 and 18, Block 13, University Lands, Andrews County. Consideration of \$797.44 for the 10-year period has been received.

DEHYDRATOR SITE EASEMENT NO. 1341, EL PASO NATURAL GAS COMPANY, WARD COUNTY, TEXAS.--This application covers a site 100 feet by 100 feet in the SE/4 of NE/4, Section 34, Block 17, University Lands, Ward County, for a dehydrator plant to be used in the operation of the lessee's gas pipe lines. This easement is for a 10-year period beginning March 1, 1959, and ending February 28, 1969, at a total consideration of \$100.00. Consideration of \$100.00 for the 10-year period has been received.

TANK BATTERY SITE EASEMENT NO. 1342, EL PASO NATURAL GAS COMPANY, WARD COUNTY, TEXAS.--This application covers a site 200 feet by 200 feet in the E/2 of Section 34, Block 17, University Lands, Ward County, for a tank battery to be used in the operation of the lessee's pipe lines. This easement is for a period of one year beginning March 1, 1959, and ending February 29, 1960, with an option to extend and renew from year to year but not to exceed ten years from March 1, 1959, upon payment in advance of annual rental of \$50.00. Consideration of \$50.00 for the first year's rental has been received.

CATHODIC PROTECTION UNIT EASEMENT NO. 1343, EL PASO NATURAL GAS COMPANY, REAGAN AND IRION COUNTIES, TEXAS.--This application covers installation and operation of a cathodic protection unit and necessary equipment in the SW/4 of Section 17, Block 43, University Lands, Reagan and Irion Counties, for the period beginning March 1, 1959, and ending May 31, 1967. The expiration date of this easement is the same as that for Pipe Line Easement No. 958 inasmuch as the unit will service pipe lines under Easement No. 958. Consideration of \$50.00 for the entire period of the easement has been received.

CATHODIC PROTECTION UNIT EASEMENT NO. 1344, PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY, TEXAS.--This application covers installation and operation of a cathodic protection unit and necessary equipment in the SW/4 of Section 1, Block 13, University Lands, Andrews County, for a period of 10 years beginning April 1, 1959, and ending March 31, 1969. Consideration of \$50.00 for the 10-year period has been received.

BUSINESS SITE EASEMENT NO. 1345, D. D. POYNOR, REAGAN COUNTY, TEXAS.--This application for a business site easement to D. D. Poynor covers a site 200 feet by 200 feet in Section 7, Block 11, University Lands, Reagan County, for a period of one year beginning April 1, 1959, and ending March 31, 1960, with option to extend and renew from year to year, but not to exceed a period of ten years from April 1, 1959, upon payment in advance of annual rental of \$150.00. This site, to be used for a construction shop, has been under Easement No. 776 to John R. Sumrall. Consideration of \$150.00 for the first year's rental has been received.

PIPE LINE EASEMENT NO. 1346, TRANSWESTERN PIPELINE COMPANY, WARD, WINKLER AND PECOS COUNTIES, TEXAS.--This application for a pipe line easement to Transwestern Pipeline Company covers 4,766.7 rods of 24-inch line and 4,541.0 rods of 20-inch line at \$1.50 per rod in the following University lands: Sections 23, 24, 27, 28 and 29, Block 16, Ward County; Sections 7, 8, 9 and 10, Block 17, Ward and Winkler Counties; Sections 5, 8, 9, 16, 21, 28, 33, 39, 40 and 46, Block 21, Winkler County; Sections 18 and 19, Block 21, Sections 3, 4, 10, 11, 14, 23, 24 and 25, Block 23, Sections 4, 8, 9, 17, 20, 29, 30 and 31, Block 24, and Section 8, Block 26, Pecos County. This easement is for a 10-year period beginning June 1, 1959 and ending May 31, 1969. Consideration of \$13,961.55 for the 10-year period has been received.

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PIPE LINE EASEMENT NO. 1347, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS (APPROVED BY BOARD OF REGENTS 4/16/59).--At the request of El Paso Natural Gas Company this easement was submitted for approval of the Board of Regents April 16, 1959 in order to expedite the work to be performed under the easement in relation to the effective date of a gas purchase contract under which the line is to be built. It was approved by the Board of Regents on that date and is reported herein for information only. This easement covers 3,716.049 rods of 8-5/8 - inch line at \$1.00 per rod in Sections 20, 21, 22, 23, 24, 29 and 30, Block 9, and Sections 25, 26, 27, 31, 32, 33 and 34, Block 10, University Lands, Andrews County, for a period of 10 years beginning April 1, 1959, and ending March 31, 1969. Consideration of \$3,716.05 for the 10-year period was received.

PIPE LINE EASEMENT NO. 1348, MAGNOLIA PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Magnolia Pipe Line Company covers 2,279.15 rods of 4½-inch line and 315.88 rods of 5½-inch line at \$0.50 per rod, and 113.45 rods of 6-5/8 - inch line at \$0.75 per rod for a 10-year period beginning March 1, 1959, and ending February 28, 1969. These lines are to be located in Section 13, Block 1, Section 9, Block 2, Sections 11, 13, 14 and 24, Block 4, Sections 5, 6, 8, 17, 18 and 19, Block 5, and Section 4, Block 11, University Lands, Andrews County. Consideration of \$1,382.60 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1349, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 32.546 rods of 4½-inch line at \$0.50 per rod for the 10-year period beginning May 1, 1959 and ending April 30, 1969, located in Sections 31 and 36, Block 9, and Section 21, Block 1, University Lands, Andrews County. Minimum consideration of \$50.00 for the 10-year period has been received.

BUSINESS SITE EASEMENT NO. 1350, GULF INTERSTATE COMPANY, WARD COUNTY, TEXAS.--This application for a business site easement to Gulf Interstate Company covers a tract of 4.8 acres in Section 35, Block 16, University Lands, Ward County, for a period of one year beginning April 1, 1959, and ending March 31, 1960, with option to renew from year to year for a period of five years from April 1, 1959, upon payment in advance of annual rental of \$100.00. This site is to be used as a storage lot for pipe and related materials. Consideration of \$100.00 for the first year's rental has been received.

PIPE LINE EASEMENT NO. 1351, ATLANTIC PIPE LINE COMPANY, WARD COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 407).--This application for a pipe line easement to Atlantic Pipe Line Company covers 2,282.73 rods of 6-5/8 - inch line at \$0.75 per rod and 115.15 rods of 4½-inch line at \$0.50 per rod for the 10-year period beginning July 1, 1959 and ending June 30, 1969, located in Sections 5, 6, 7, 8, 9, 13, 14, 18 and 19, Block 16, University Lands, Ward County. The number of rods and size of lines covered by this easement differ from those covered by Easement No. 407, of which it is a renewal, due to construction of Interstate Highway No. 20 through Ward County. Consideration of \$1,769.63 for the 10-year period has been received.

SPECIAL TELEPHONE LINE EASEMENT NO. 1352, ATLANTIC PIPE LINE COMPANY, UPTON, REAGAN AND CROCKETT COUNTIES, TEXAS (RENEWAL OF EASEMENT NO. 409).--This application for a special telephone line easement authorizes Atlantic Pipe Line Company to install and operate telephone lines on poles erected and maintained by Humble Pipe Line Company on the right of way and under provisions of Pipe Line Easements No. 1139 through No. 1148 to Humble in the following University blocks: Blocks 4 and 15, Upton County; Blocks 1, 4, 8, 11, 48 and 49, Reagan County; and Blocks 41, 42, 44, 45, 47 and 48, Crockett County. The Atlantic telephone lines on Humble property are continuations of telephone lines erected by Atlantic under rights granted it under Easement No. 1278, and are installed and maintained for the purpose of economy and with the necessary permission from Humble. No consideration is involved in this easement.

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PIPE LINE EASEMENT NO. 1353, SHELL OIL COMPANY, CROCKETT COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 412).--This application for a pipe line easement to Shell Oil Company covers one 6-inch line 273 rods in length, and two 4-inch lines each 273 rods in length, in Section 30, Block 46, University Lands, Crockett County. This easement is for a period of one year only, beginning June 1, 1959 and ending May 31, 1960, inasmuch as the gasoline plant which these lines have serviced is to be removed in the near future. A fourth line covered under Easement No. 412, of which this is a renewal, has already been removed and is therefore not covered by the renewal. The minimum consideration of \$50.00 for the 1-year period, based upon a rate of \$0.50 per rod per 10-year period for the 6-inch line and \$0.25 per rod per 10-year period for the 4-inch lines, has been received.

PIPE LINE EASEMENT NO. 1354, EL PASO NATURAL GAS COMPANY, CRANE COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 427).--This application for a pipe line easement to El Paso Natural Gas Company covers 1,991.03 rods of 10-3/4 - inch line at \$1.00 per rod for the 10-year period beginning September 20, 1959, and ending September 19, 1969, located in Sections 8, 17, 20, 29, 32, 41, 44 and 45, Block 30, University Lands, Crane County, Texas. Consideration of \$1,991.03 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1355, SHELL OIL COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Shell Oil Company, for use in connection with a salt water disposal site under Easement No. 1356, covers 217.94 rods of 6-5/8 - inch line at \$0.75 per rod in the S/2 of Section 20, Block 1, University Lands, Andrews County. The 217.94 rods of line are a portion of a pipe line in Sections 15, 16, 21 and 22, Block 1, University Lands, Andrews County, and are the only part of the line that is not on Shell Oil Company oil leases and therefore the only part of the line for which an easement is needed. This easement is for a period of 10 years beginning April 1, 1959 and ending March 31, 1969. Consideration of \$163.46 for the 10-year period has been received.

SALT WATER DISPOSAL SITE EASEMENT NO. 1356, SHELL OIL COMPANY, ANDREWS COUNTY, TEXAS.--This application covers a 5-acre tract in Section 20, Block 1, University Lands, Andrews County, to be used in connection with a salt water disposal system whereby the lessee will have the right to inject into Well No. 1, Humble-University "O" Lease, and into other disposal wells the lessee may elect to drill upon the 5-acre tract, salt water produced by lessee and other operators in connection with oil and gas production in the Midland Farms NE (Ellenburger) Field, Andrews County. This easement is for a period of 10 years beginning April 1, 1959 and ending March 31, 1969. Consideration of \$500.00 for the 10-year period has been received.

WATER PIPE LINE EASEMENT NO. 1357, CRANE COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1, CRANE COUNTY, TEXAS.--This application for a pipe line easement to the Crane County Water Control and Improvement District No. 1 covers water lines located in Sections 29, 30, 32, 33, 34 and 35, Block 31, University Lands, Crane County, for a period of 10 years beginning April 1, 1959 and ending March 31, 1969. The University has been informed that the Crane County Water Control and Improvement District No. 1 contemplates assigning this easement to the City of Crane, lessee under Water Contract No. 55, when all indebtedness has been paid. No consideration is involved.

PIPE LINE EASEMENT NO. 1358, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 10.436 rods of 4 1/2 - inch line at \$0.50 per rod for the 10-year period beginning May 1, 1959 and ending April 30, 1969, located in Section 43, Block 9, University Lands, Andrews County. Minimum consideration of \$50.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1359, PHILLIPS PETROLEUM COMPANY, CRANE AND ECTOR COUNTIES, TEXAS.--This application for a pipe line easement to Phillips Petroleum Company covers 882.0 rods of 12-3/4 - inch line at \$1.50 per rod and 11.4 rods of 4 1/2 - inch line at \$0.50 per rod for the 10-year period beginning June 1, 1959 and ending May 31, 1969, located in Sections 6, 7, 9, 10, and 12, Block 35, University Lands, Ector and Crane Counties, and Section 11, Block 35, University Lands, Crane County. Consideration of \$1,328.70 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1360, PHILLIPS PETROLEUM COMPANY, ANDREWS AND ECTOR COUNTIES, TEXAS.--This application for a pipe line easement to Phillips Petroleum Company covers 90.3 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod and 87.2 rods of $2\text{-}3/8$ - inch line at \$0.25 per rod for the 10-year period beginning April 1, 1959 and ending March 31, 1969, located in Section 1, Block 11, University Lands, Andrews County, and Section 11, Block 35, University Lands, Ector County. Consideration of \$66.95 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1361, PHILLIPS PETROLEUM COMPANY, CRANE AND ECTOR COUNTIES, TEXAS (RENEWAL OF EASEMENT NO. 415).--This application for a pipe line easement to Phillips Petroleum Company covers 122.2 rods of 16-inch line at \$1.50 per rod, 264.6 rods of $6\text{-}5/8$ - inch line at \$0.75 per rod, and 445.3 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning July 1, 1959 and ending June 30, 1969, located in Sections 5, 6, 7, 8 and 14, Block 35, University Lands, Crane and Ector Counties. Consideration of \$604.40 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1362, PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Phillips Petroleum Company covers 346.4 rods of $6\text{-}5/8$ - inch line at \$0.75 per rod for the 10-year period beginning June 1, 1959 and ending May 31, 1969, located in Sections 2 and 3, Block 9, University Lands, Andrews County. Consideration of \$259.80 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1363, PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Phillips Petroleum Company covers 429.8 rods of $10\text{-}3/4$ - inch line and 433.8 rods of $8\text{-}5/8$ - inch line at \$1.00 per rod, 422.7 rods of $6\text{-}5/8$ - inch line at \$0.75 per rod and 631.7 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning June 1, 1959 and ending May 31, 1969, located in Section 36, Block 4 and Sections 17, 18, 19, 20, 30 and 31, Block 5, University Lands, Andrews County. Consideration of \$1,496.48 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1364, HUMBLE OIL & REFINING COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Humble Oil & Refining Company covers 298 rods of 2-inch line at \$0.25 per rod and 298 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning June 1, 1959 and ending May 31, 1969, located in Section 4, Block 11, University Lands, Andrews County. Consideration of \$223.50 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1365, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 5.685 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning June 1, 1959 and ending May 31, 1969, located in Section 31, Block 9, University Lands, Andrews County. Minimum consideration of \$50.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1366, SHELL PIPE LINE CORPORATION, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Shell Pipe Line Corporation covers 382 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning May 1, 1959 through April 30, 1969, located in Sections 3 and 10, Block 9, University Lands, Andrews County. Consideration of \$191.00 for the 10-year period has been received.

CORRECTION OF PIPE LINE EASEMENT NO. 1177, APPROVED 12/11/58, HUMBLE PIPE LINE COMPANY, UPTON AND REAGAN COUNTIES, TEXAS.--This easement is to be corrected at the request of Humble Pipe Line Company so that the 7,033.46 rods of 18-inch line at \$1.50 per rod covered by this easement shall be shown to be located only in Upton and Reagan Counties, instead of Upton, Reagan and Crane Counties. Therefore, the following shall hereafter be the location covered by Pipe Line Easement No. 1177, which was granted for the 10-year period beginning December 1, 1956 and ending November 30, 1966: Sections 13, 20, 21, 22, 23, 24, 29 and 30, Block 2; Sections 1, 2, 3, 4, 5, 7 and 8, Block 3; Sections 5 and 6, Block 8; Sections 23, 24, 26, 27, 28, 32 and 33, Block 9; Sections 1, 11 and 12, Block 11; and Sections 7 and 8, Block 58, University Lands, Upton and Reagan Counties. The location in Crane County, previously included under Pipe Line Easement No. 1177, is the location of line under Pipe Line Easement No. 1367 to be granted to Humble Pipe Line Company below. Consideration of \$10,550.19 covering the 7,033.46 rods of line under Pipe Line Easement No. 1177 was received at the time that easement was approved.

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PIPE LINE EASEMENT NO. 1367, HUMBLE PIPE LINE COMPANY, CRANE COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 2,575.69 rods of 18-inch line at \$1.50 per rod for the 10-year period beginning December 1, 1956 and ending November 30, 1966, located in Sections 4, 9, 16, 21, 28, 33, 40 and 45, Block 30, University Lands, Crane County. This location was inadvertently included by Humble in its description of the location of pipe lines under Pipe Line Easement No. 1177, which is being corrected. Consideration of \$3,863.54 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1368, WARREN PETROLEUM CORPORATION, CRANE COUNTY, TEXAS (RENEWAL OF NO. 421).--This application for a pipe line easement to Warren Petroleum Corporation covers 187.87 rods of 3-inch line at \$0.25 per rod and 166.66 rods of 6-inch line at \$0.50 per rod for the 10-year period beginning June 1, 1959 and ending May 31, 1969, located in Section 3, Block 31, University Lands, Crane County. Consideration of \$130.30 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1369, PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Phillips Petroleum Company covers 820.3 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod and 373.5 rods of $6\frac{5}{8}$ -inch line at \$0.75 per rod for the 10-year period beginning June 1, 1959 and ending May 31, 1969, located in Sections 41, 42, 43 and 44, Block 9, University Lands, Andrews County. Consideration of \$690.28 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1370, HUMBLE PIPE LINE COMPANY, ECTOR COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 108 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning January 1, 1959 and ending December 31, 1968, located in Section 2, Block 35, University Lands, Ector County. Consideration of \$54 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1371, HUMBLE PIPE LINE COMPANY, CRANE COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 317.82 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod and 278.79 rods of $6\frac{5}{8}$ -inch line at \$0.75 per rod for the 10-year period beginning November 1, 1958 and ending October 31, 1968, located in Sections 38, 46 and 47, Block 30, University Lands, Crane County. Consideration of \$368.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1372, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 371.27 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning November 1, 1958 and ending October 31, 1968, located in Sections 22 and 23, Block 10, University Lands, Andrews County. Consideration of \$185.64 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1373, HUMBLE PIPE LINE COMPANY, CROCKETT COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 202.35 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning October 1, 1958 and ending September 30, 1968, located in Sections 9, 12 and 13, Block 47, University Lands, Crockett County. Consideration of \$101.18 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1374, HUMBLE PIPE LINE COMPANY, CROCKETT COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 345.57 rods of $2\frac{3}{8}$ -inch line at \$0.25 per rod for the 10-year period beginning October 1, 1958 and ending September 30, 1968, located in Sections 13 and 14, Block 47, University Lands, Crockett County. Consideration of \$86.39 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1375, HUMBLE PIPE LINE COMPANY, CROCKETT COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 366.92 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning October 1, 1958 and ending September 30, 1968, located in Sections 8 and 9, Block 47, University Lands, Crockett County. Consideration of \$183.46 for the 10-year period has been received.

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PIPE LINE EASEMENT NO. 1376, HUMBLE PIPE LINE COMPANY, CROCKETT COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 161.06 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning October 1, 1958 and ending September 30, 1968, located in Section 9, Block 47, University Lands, Crockett County. Consideration of \$80.53 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1377, HUMBLE PIPE LINE COMPANY, CROCKETT COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 53.36 rods of $3\frac{1}{2}$ -inch line at \$0.25 per rod for the 10-year period beginning October 1, 1958 and ending September 30, 1968, located in Section 8, Block 47, University Lands, Crockett County. Minimum consideration of \$50.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1378, HUMBLE PIPE LINE COMPANY, CROCKETT COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 27.31 rods of $3\frac{1}{2}$ -inch line at \$0.25 per rod for the 10-year period beginning October 1, 1958 and ending September 30, 1968, located in Sections 8 and 9, Block 47, University Lands, Crockett County. Minimum consideration of \$50.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1379, HUMBLE PIPE LINE COMPANY, ECTOR COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 63.45 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning January 1, 1959 and ending December 31, 1968, located in Section 2, Block 35, University Lands, Ector County. Minimum consideration of \$50.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1380, HUMBLE PIPE LINE COMPANY, REAGAN COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 260.37 rods of $6\frac{5}{8}$ - inch line at \$0.75 per rod for the 10-year period beginning January 1, 1959 and ending December 31, 1968, located in Sections 2 and 3, Block 48, University Lands, Reagan County. Consideration of \$195.28 for the 10-year period has been received.

BUSINESS SITE
PIPE LINE EASEMENT NO. 1381, SEMINOLE TRANSPORT SERVICE, ANDREWS COUNTY, TEXAS.--This application for a business site easement to Seminole Transport Service covers a tract 400 feet by 400 feet in Section 16, Block 13, University Lands, Andrews County, for use as a truck lot for a period of one year beginning June 1, 1959 and ending May 31, 1960, with the option to extend and renew from year to year but not to exceed a total period of 10 years from June 1, 1959, upon payment in advance of the annual rental of \$100.00. Consideration of \$100.00 for the first year's rental has been received.

CALICHE PERMIT NO. 138, D. S. & R. CONSTRUCTION COMPANY, CRANE COUNTY, TEXAS.--This application for a caliche permit to D. S. & R. Construction Company provides for the removal of 1,972 cubic yards of caliche from Block 30, University Lands, Crane County, at the rate of \$0.25 per cubic yard. The full consideration of \$493.00 has been received.

CALICHE PERMIT NO. 139, W. A. (BILL) FARMER CONSTRUCTION COMPANY, ANDREWS COUNTY, TEXAS.--This application for a caliche permit to W. A. (Bill) Farmer Construction Company provides for the removal of 437 cubic yards of caliche from Block 13, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. The full consideration of \$109.25 has been received.

CALICHE PERMIT NO. 140, PARKER & PARKER, INC., ANDREWS COUNTY, TEXAS.--This application for a caliche permit to Parker & Parker, Inc. provides for the removal of 312 cubic yards of caliche from Section 46, Block 9, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. The full consideration of \$78.00 has been received.

CALICHE PERMIT NO. 141, H. F. SMOOT CONSTRUCTION COMPANY, CRANE COUNTY, TEXAS.--This application for a caliche permit to H. F. Smoot Construction Company provides for the removal of 774 cubic yards of caliche from Block 30, University Lands, Crane County, at the rate of \$0.25 per cubic yard. The full consideration of \$193.50 has been received.

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CALICHE PERMIT NO. 142, FRANK MONTGOMERY, ANDREWS COUNTY, TEXAS.-- This application for a caliche permit to Frank Montgomery provides for the removal of 908 cubic yards of caliche from Block 11, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. The full consideration of \$227.00 has been received.

CALICHE PERMIT NO. 143, NEW-MEX CONSTRUCTION COMPANY, ANDREWS COUNTY, TEXAS.-- This application for a caliche permit to New-Mex Construction Company provides for the removal of 612 cubic yards of caliche from Block 13, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. The full consideration of \$153.00 has been received.

CALICHE PERMIT NO. 144, MONTEREY OIL COMPANY, ANDREWS COUNTY, TEXAS.-- This application for a caliche permit to Monterey Oil Company provides for the removal of 3,241 cubic yards of caliche from Section 3, Block 13, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. The full consideration of \$810.25 has been received.

CALICHE PERMIT NO. 145, FRANK MONTGOMERY, ANDREWS COUNTY, TEXAS.-- This application for a caliche permit to Frank Montgomery provides for the removal of 938 cubic yards of caliche from Block 11, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. The full consideration of \$234.50 has been received.

CALICHE PERMIT NO. 146, W. A. (BILL) FARMER, ANDREWS COUNTY, TEXAS.-- This application for a caliche permit to W. A. (Bill) Farmer provides for the removal of 352 cubic yards of caliche from Block 14, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. The full consideration of \$88.00 has been received.

GRAZING LEASE NO. 767, CLIFFORD G. VANCOURT, CROCKETT AND IRION COUNTIES, TEXAS (RENEWAL OF GRAZING LEASE NO. 633).-- This application for renewal of a grazing lease to Clifford G. VanCourt covers 5,777.5 acres in Blocks 38 and 52, University Lands, Crockett and Irion Counties, for a period of five years beginning July 1, 1959, and ending June 30, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.42 per acre per year, the aggregate sum of which is \$12,132.80, to be paid in semi-annual installments of \$1,213.38 on the first day of January and July during the term of the lease. Grazing Lease No. 633, of which this is a renewal, carried a rental of \$0.35 per acre per year.

GRAZING LEASE NO. 768, MACK L. VANCOURT, CROCKETT, IRION AND SCHLEICHER COUNTIES, TEXAS (RENEWAL OF GRAZING LEASE NO. 634).-- This application for renewal of a grazing lease to Mack L. VanCourt covers 5,777.6 acres in Block 52, University Lands, Crockett, Irion and Schleicher Counties, for a period of five years beginning July 1, 1959 and ending June 30, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.42 per acre per year, the aggregate sum of which is \$12,133.00, to be paid in semi-annual installments of \$1,213.30 on the first day of January and July during the term of the lease. Grazing Lease No. 634, of which this is a renewal, carried a rental of \$0.35 per acre per year.

GRAZING LEASE NO. 769, W. W. ADAMS, CROCKETT AND SCHLEICHER COUNTIES, TEXAS (RENEWAL OF GRAZING LEASE NO. 635).-- This application for renewal of a grazing lease to W. W. Adams covers 7,288.5 acres in Blocks 52, 54 and 55, University Lands, Crockett and Schleicher Counties, for a period of five years beginning July 1, 1959 and ending June 30, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.42 per acre per year, the aggregate sum of which is \$15,305.90, to be paid in semi-annual installments of \$1,530.59 on the first day of January and July during the term of the lease. Grazing Lease No. 635, of which this is a renewal, carried a rental of \$0.35 per acre per year.

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GRAZING LEASE NO. 770, B. G. OWENS, CROCKETT COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 636).--This application for renewal of a grazing lease to B. G. Owens covers 18,596.6 acres in Blocks 40, 41, 44, 45 and 47, University Lands, Crockett County, for a period of five years beginning July 1, 1959 and ending June 30, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.42 per acre per year, the aggregate sum of which is \$39,052.90, to be paid in semi-annual installments of \$3,905.29 on the first day of January and July during the term of the lease. Grazing Lease No. 636, of which this is a renewal, carried a rental of \$0.35 per acre per year.

GRAZING LEASE NO. 771, BILL WYCHE, ANDREWS COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 637).--This application for renewal of a grazing lease to Bill Wyche covers 26,631.46 acres in Blocks 10 and 11, University Lands, Andrews County, for a period of five years beginning July 1, 1959 and ending June 30, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.20 per acre per year, the aggregate sum of which is \$26,631.50, payable in semi-annual installments of \$2,663.15. However, since 19,690.6 acres covered by this lease are under oil production, the rental on that acreage is reduced 25% per year, in accordance with the University's policy, with the understanding that the lessee shall not collect damages from oil operators. Consequently, the semi-annual rental payments, due on the first day of January and July during the term of the lease, will be \$2,170.88. Grazing Lease No. 637, of which this is a renewal, carried a rental of \$0.10 per acre per year.

GRAZING LEASE NO. 772, McELROY RANCH COMPANY, CRANE AND UPTON COUNTIES, TEXAS (RENEWAL OF GRAZING LEASE NO. 632).--This application for renewal of a grazing lease to McElroy Ranch Company covers 60,959.8 acres in Blocks 30 and 31, University Lands, Crane and Upton Counties, for a period of five years beginning July 1, 1959 and ending June 30, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.20 per acre per year, the aggregate sum of which is \$60,959.80, to be paid in annual payments of \$12,191.96, due on the first day of July during the term of the lease. Grazing Lease No. 632, of which this is a renewal, carried a rental of \$0.13 per acre per year and covered a total of 61,117.66 acres. The difference in acreage in the renewal is due to expansion in the acreage occupied by a tank farm and a gas plant on the premises, which are under easement to Atlantic Refining Company, and additional highway right of way through this grazing lease.

GRAZING LEASE NO. 773, PORTION OF 50-LEAGUE TRACT - LAMAR COUNTY, TEXAS.--At the March, 1959 meeting of the Board of Regents, lease was approved to Blake Bonham for 433.6 acres in Lamar County for a five-year period beginning January 1, 1959, which has been given No. 773. Mr. Bonham had for many years had 80 acres of this land (tract (b) as listed in the March docket) under lease which lease expired December 31, 1957, but he continued to use the land through 1958. He has tendered rental of \$40 for the year 1958 for such use and its acceptance is recommended.

GRAZING LEASE NO. 774, PORTION OF 50-LEAGUE TRACT - LAMAR COUNTY, TEXAS.--The lease approved at the March, 1959 meeting to Doyle Wheeler for 80 acres in Lamar County has been assigned No. 774.

CANCELLATION OF AUTHORIZATION FOR FARMING LEASE NO. 756 TO KERMIT DYCHE, PECOS COUNTY, TEXAS.--At the September, 1958 meeting of the Board of Regents, a farming lease was granted to Mr. Kermit Dyche of Fort Stockton, Texas, for a period of five years on Sections 9 and 16, Block 28, University Lands, Pecos County, comprising a total of 781.53 acres at a rental of \$5.00 per acre. The instrument was prepared by the University Land and Trust Attorney but after many delays and inquiries, it has now been ascertained by the University Land Agent that Mr. Dyche will not go through with the proposal as approved. It is, therefore, recommended that the authorization for the lease to Mr. Dyche be cancelled.

6-13-59

AMENDMENT TO GRAZING LEASE NO. 757 TO DAVID KER, WARD COUNTY, TEXAS.--

At the October, 1958 meeting of the Board of Regents, approval was given for a grazing lease on the remainder of the Pyote Airfield Area in Block 16, University Lands, Ward County, except the portion for warehouse purposes and that retained by the Government, to David Ker. At that time it was stated the exact area would be determined after other leases were settled. The area has now been designated as 2,248.23 acres, with rental at \$0.25 per year for a period of five years, January 1, 1959 through December 31, 1963. Aggregate rental will be \$2,810.30 payable annually in advance in installments of \$562.06.

To make this lease consistent with Business Site Easement No. 1186, Mr. Ker has requested it be issued in the name of Three Kers Co., Ltd., with right to sublet to Texas Interior Warehouses, Inc., and such amendment is so recommended, with the grazing lease to be executed by the Chairman of the Board upon approval as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

SALVAGE AT PYOTE AIRFIELD - EASEMENT NO. 186, WARD COUNTY, TEXAS.--

At the October, 1958 meeting of the Land and Investment Committee, the proposed procedure for salvage of material at the Pyote Airfield being released by the Federal Government was reviewed. The University Land Agent was then authorized to proceed with the salvage of pipe, lumber, plumbing fixtures, etc., in and around the buildings that had been so relinquished and which had been determined unnecessary for the University or its lessees. Mr. Compton, University Land Agent, has been very diligent and most successful in proceeding with this project and thus far has realized the sum of \$7,334.39. The major portion of the material was sold on sealed bids. This has been credited to the Available Fund not divisible with A. & M. College. Additional sales are yet to be made, principally of power lines, underground pipe, and the railroad spur, after final needs of the University and the Lessee are determined. Approval of the Board of Regents is recommended, with additional sales to be reported later.

SALVAGE UNDER EASEMENT NO. 352, O. M. KIRKEBY, REAGAN COUNTY, TEXAS.--

At the March, 1958 meeting of the Board of Regents, the business site easement to O. M. Kirkeby for a drive-in theatre was cancelled for non-payment of rent of \$300 annually effective September 1, 1957. The University Land Agent was authorized to dispose of such improvements as remained on the property with demand to be made of Mrs. Kirkeby, widow of O. M. Kirkeby, for the balance due and owing after salvage. Mr. Compton, University Land Agent, has been successful in disposing of the materials on the site and has forwarded \$355 for the sale, which amount has been deposited with the University Auditor to cover the rental due and interest thereon at 10%. There will, therefore, be no necessity of requesting additional payment from Mrs. Kirkeby.

EXTENSION OF PLANT SITE EASEMENT NO. 1153, TO J. S. PATTESON, JR., ANDREWS COUNTY, TEXAS.--At the September, 1958 meeting of the Board of Regents, Plant Site Easement No. 1153 (an extension of terminated Plant Site Easement No. 480) was granted to Mr. J. S. Patteson, Jr., of Duncan, Oklahoma covering a tract of five acres in Section 8, Block 14, University Lands, Andrews County, Texas, for the period July 1 through December 31, 1958 for a total rental of \$250. The easement was granted for that period to allow time for removal of buildings from the site of Easement No. 480. The removal was not accomplished within the time specified and an extension of Easement No. 1153 for the period January 1 through June 30, 1959 is recommended. The total consideration of \$500 for the additional period has been received.

CANCELLATION OF AUTHORIZATION FOR BUSINESS SITE EASEMENT NO. 1185 TO STRUCTURE-LITE, INC., WARD COUNTY, TEXAS.--At the September, 1958 meeting of the Board of Regents, approval was given to lease to Structure-Lite, Inc. a portion of former Pyote Airfield Site in Block 16, University Lands, Ward County, Texas. At the March, 1959 meeting of the Board the proposal was amended at the request of Structure-Lite for less area and at less rental. The hangars on the property were to be used for the storage of gypsum and gypsum products. Draft of the lease agreement, as amended, was forwarded to the attorneys for the company but has been returned to us with information that the Company has decided not to enter into the lease agreement. As indicated at the March, 1959 meeting, the company has undergone several re-organizations since the lease negotiations were begun. It is recommended that the Regents' authorization for the lease be cancelled. (See recommendation below for lease of same premises to Three Kers Co., Ltd.)

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AMENDMENT TO BUSINESS SITE EASEMENT NO. 1186 TO THREE KERS CO., LTD.--

At the September, 1958 meeting of the Board of Regents approval was given to a lease to David Ker for a portion of former Pyote Airfield, Ward County, Texas which lease was assigned, as approved at the December, 1958 meeting of the Board, to Three Kers Co., Ltd., a limited partnership. At the March, 1959 meeting of the Board, this lease was amended to include a portion of the area originally to have been leased to Structure Lite, Inc.

Since the authorization of lease to Structure-Lite, Inc., Easement No. 1185, is now being cancelled as reported above, we have received application from Mr. Ker, on behalf of Three Kers Co., Ltd. for the lease of that area which covers approximately fifteen acres and on which buildings numbered 286, 292, and 296 are situated. Mr. Ker proposes rental of \$1,500 annually for the fifteen acres and buildings numbered 286 and 296. Due to the condition of building No. 292, it is proposed that it shall be salvaged by the University. The period of this second amendment to the lease to Three Kers Co., Ltd. would be June 15, 1959 through October 19, 1968, the expiration date of the term of the original lease, with rental prorated to October 20, 1959 payable in advance. This will make the total annual rental of Three Kers Co., Ltd. \$4,200. It is recommended that such an amendment be approved and the signature of the Chairman be authorized when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

BORROW PITS AND MATERIAL SOURCE EASEMENT NO. 1382, TEXAS HIGHWAY DEPARTMENT, REAGAN COUNTY, TEXAS.--This application for a borrow pits and material source easement to the Texas Highway Department covers six borrow pits and one material source, aggregating a total of 36.463 acres in Section 31, Block 58, and Sections 5, 8, 17, 19, 20, 30 and 31, Block 10, University Lands, Reagan County, to be used for a construction project on R. M. Road No. 33 from R. M. Road No. 1800 south to Big Lake, Texas. No consideration is involved in this easement.

PARTIAL RELEASE OF EASEMENT NO. 549 BY COMMISSIONERS' COURT OF REAGAN COUNTY, REAGAN COUNTY, TEXAS.--The Commissioners' Court of Reagan County has released to the University a tract 140 feet by 200 feet out of 197.2 acres in Section 7, Block 11, University Lands, Reagan County, under Easement No. 549, which was granted for use of an airport and playground for a period of 20 years beginning December 1, 1952. The site released is to be placed under Business Site Easement No. 1383, below, to Bert F. Deusing, Inc., which holds an adjoining tract under Business Site Easement No. 1076.

BUSINESS SITE EASEMENT NO. 1383, BERT F. DEUSING, INC., REAGAN COUNTY, TEXAS.--This application for a business site easement covers a tract 140 feet by 200 feet in Section 7, Block 11, University Lands, Reagan County, for use as a storage lot for a period of one year beginning June 1, 1959 and ending May 31, 1960, with the option to extend and renew the lease from year to year, but not to exceed a total period of 10 years from June 1, 1959, upon payment in advance of annual rental of \$100.00. This site has been a part of the acreage covered under Easement No. 549 to Commissioners' Court of Reagan County, but it is being released so that it can be used for storage purposes in connection with an adjoining site under Easement No. 1076 to Bert F. Deusing, Inc. Rental of \$100.00 for the first year has been received.

POWER LINE EASEMENT NO. 1384, TEXAS ELECTRIC SERVICE COMPANY, ANDREWS AND ECTOR COUNTIES, TEXAS.--This application for a power line easement to Texas Electric Service Company covers 2,140.12 rods of line at \$0.50 per rod for the 10-year period beginning May 1, 1959 and ending April 30, 1969 to be located in Section 6, Block 3; Sections 24 and 42, Block 4; Sections 7, 18, 19, 30 and 37, Block 5; Section 49, Block 6; Section 7, Block 7; Section 2, Block 10; Sections 2 and 21, Block 13 and Section 26, Block 14, University Lands, Andrews County; and Sections 4 and 7, Block 35, University Lands, Ector County. Consideration of \$1,070.06 for the 10-year period has been received.

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POWER LINE EASEMENT NO. 1385, PAN AMERICAN PETROLEUM CORPORATION, ANDREWS COUNTY, TEXAS.--This application for a power line easement to Pan American Petroleum Corporation covers 112.4 rods of line at \$0.50 per rod for a 10-year period beginning May 1, 1959, and ending April 30, 1969, located in Section 6, Block 5, University Lands, Andrews County. The location of the easement is along the North line of Block 5 that is in question as to boundary. Consideration of \$56.20 for the 10-year period has been received.

HIGHWAY RIGHT OF WAY EASEMENT NO. 1193, TEXAS HIGHWAY DEPARTMENT, EL PASO COUNTY, TEXAS, AND PROPOSED HIGHWAY EASEMENT IN WARD COUNTY, TEXAS.--On December 12, 1958, the Board of Regents authorized a right of way easement containing 341.67 acres in Block L, University Lands, El Paso County, for construction of Interstate Highway No. 10 for which the University would receive \$5,566.00. Later the Texas Highway Department has asked for right of way containing 374.38 acres through Block 16, Ward County, for construction of Interstate Highway No. 20, offering to pay the University \$19,527.00 for fee simple title, all minerals to be reserved by the University. Representatives of the Highway Department state that the Department must have fee simple title, rather than an easement as has been the policy of the Board of Regents, on both right of way tracts. Therefore, the instrument covering the El Paso County right of way has not been signed and delivered, and the staff is not ready to submit the proposal on the Ward County right of way for final action to the Board of Regents. Letting of a contract for the El Paso County construction is set for June 16, and it is possible that the Highway Department will want to let a contract on the Ward County construction prior to the next regular business meeting of the Board of Regents. Therefore, it is recommended that the Highway Department be advised that easements will be granted so long as the land is used for road purposes at the prices stated with each instrument, but in keeping with the policy of the Board of Regents, this will not be a conveyance or grant of fee title. (See Page 28.)

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WATER LEASE NO. 70, CITY OF MIDLAND - REQUEST FOR APPROVAL OF NEW WATER RATES AFFECTING UNIVERSITY'S ROYALTY.--The University's water lease with the City of Midland effective August 1, 1958, and covering 27,513.41 acres of University Lands in Andrews and Martin Counties provides for royalty to the University at 3-1/8¢ per 1,000 gallons, or 12 1/2% of the rate charged by Midland to commercial users per 1,000 gallons, whichever is greater; and the lease further provides that if the City increases its residential consumer rate during the life of the lease, the commercial consumer rate will be increased "by the same amount". The lease provides for minimum annual royalty of \$40,000 and further provides for a scale of rental payments, based on range of annual royalty, on acreage held under the lease except when annual royalty amounts to \$160,000 or above. Royalty received so far by the University since the effective date of the lease, covering water produced during the months of August, 1958 to April, 1959, inclusive, amounts to \$28,850.13.

Midland proposes to increase its water rates and wishes the Board of Regents to agree that the proposed increase of the commercial rate to 35¢ per 1,000 gallons from the present 25¢ is in keeping with the royalty provisions of the lease. Effective at the same time as the increase in the commercial rate, there will be the following increases in the residential consumer rates:

	Present	Proposed
First 2,000 gallons (minimum)	\$1.50	\$1.75
Next 8M gallons	.40 per M	.50 per M
Next 40M gallons	.30 per M	.45 per M
All over 50M gallons	.25 per M	
50M to 100M gallons		.40 per M
All over 100M		.35 per M

The increase of 10¢ per 1,000 gallons in the commercial rate will raise the University's royalty from the present 3-1/8¢ per thousand gallons to 4-3/8¢ per thousand gallons, and it is recommended that the Board of Regents agree with the City of Midland that the proposed increases, both residential and commercial, are in keeping with the terms of the lease, and that appropriate evidence of the consent and agreement by the Board of Regents be furnished to the City.

REQUEST BY PAN AMERICAN PETROLEUM CORPORATION FOR PERMISSION TO DEVELOP AND TRANSPORT WATER FOR PILOT WATER FLOOD PROJECT IN TAYLOR LINK FIELD, PECOS COUNTY, TEXAS.--Pan American Petroleum Corporation requests the University's permission to drill a water well on the SE/4 of Section 12, Block 18, Pecos County, from which water will be produced for the operation of a pilot water flood project covering a small area in the Taylor Link Field, all of which area is on University Lands. They have oral approval of the pilot project from the operators involved, and it is recommended that the University furnish Pan American appropriate evidence of the consent of the Board of Regents to the drilling of the well and the use of the water, with no charge to be made for the water.

6-13-59

TRUST AND SPECIAL FUNDS--INVESTMENT MATTERS.--

REPORT OF PURCHASES, REDEMPTION, EXCHANGES AND SALES OF SECURITIES.--The following purchases, redemption, exchanges and sales of securities have been made for the Trust and Special Funds since the report of March 13, 1959. We ask that the Board ratify and approve these transactions:

Date	Security	Principal Cost
2/25/59	\$25,000 maturity value U. S. 91-Day Treasury Bill, due May 21, 1959, purchased at 99.608 to yield 2.52% to maturity (Albert Sidney Burleson Scholarship Fund of the John Charles Townes Foundation)	\$ 24,902.00
	\$11,000 par value U. S. 2-1/2% Treasury Bonds, due November 15, 1961, purchased at 99.50 Net to yield 3.90% to maturity (Murray Case Sells Foundation Student Loan Fund)	10,615.00
2/26/59	\$40,000 par value The Montana Power Company First Mortgage Bonds, 4-1/2% Series due 1989, due April 1, 1989, purchased at 101.155 Net to yield 4.43% to maturity	40,462.00
	\$40,000 par value Ohio Edison Company First Mortgage Bonds, 4-1/2% Series of 1959 due 1989, due April 1, 1989, purchased at 101.155 Net to yield 4.43% to maturity (Hogg Foundation: W. C. Hogg Estate Fund)	40,462.00
3/3/59	\$250,000 maturity value U. S. Treasury Bills, dated 1/2/59 due July 2, 1959, purchased at 99.331111 to yield 2.80% to maturity (M. D. Anderson Hospital & Tumor Institute - University Cancer Foundation)	248,327.80
4/21/59	\$30,000 par value Ohio Edison Company First Mortgage Bonds, 4-1/2% Series of 1959 due 1989, due April 1, 1989, purchased at 98-1/2 Net to yield 4.60% to maturity	29,550.00
	\$30,000 par value Ohio Power Company First Mortgage Bonds, 4-5/8% Series due 1989, due April 1, 1989, purchased at 99-5/8 Net to yield 4.65% to maturity (Funds Grouped for Investment)	29,887.50
7/1/59	\$10,000 par value U. S. 4% Treasury Bonds due October 1, 1969, purchased at 98.875 Net to yield 4.14% to maturity (Littlefield Fund for Southern History - First Fund)	9,887.50
	\$95,000 par value U. S. 2-1/4% Treasury Bonds due June 15, 1959-62, purchased at 94.75 Net to yield 4.06% to maturity (The W. J. McDonald Observatory Fund)	90,012.50
	\$10,000 par value Central Power and Light Company First Mortgage Bonds, Series I, 4-3/4%, due April 1, 1989, purchased at 100-3/4 Net to yield 4.71% to maturity (Wilbur S. Davidson Educational Fund)	10,075.00
	\$10,000 par value Ditto (Will C. Hogg Memorial Scholarships Fund)	10,075.00
	\$10,000 par value The Montana Power Company First Mortgage Bonds, 4-1/2% Series due 1989, due April 1, 1989, purchased at 97-7/8 Net to yield 4.63% to maturity	9,787.50
	\$10,000 par value Ohio Edison Company First Mortgage Bonds, 4-1/2% Series of 1959 due 1989, due April 1, 1989, purchased at 98-1/2 Net to yield 4.59% to maturity (Wilbur S. Davidson Educational Fund)	9,850.00

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PURCHASES (Continued)

<u>Date</u>	<u>Security</u>	<u>Principal Cost</u>
1/59	\$10,000 par value Ohio Edison Company First Mortgage Bonds, 4-1/2% Series of 1959 due 1989, due April 1, 1989, purchased at 98-1/2 Net to yield 4.59% to maturity (Will C. Hogg Memorial Scholarships Fund)	\$ 9,850.00
	\$10,000 par value Ohio Power Company First Mortgage Bonds, 4-5/8% Series due 1989, due April 1, 1989, purchased at 99-7/8 Net to yield 4.62% to maturity (Wilbur S. Davidson Educational Fund)	9,987.50
	\$10,000 par value Ditto (E. D. Farmer International Scholarship Fund)	9,987.50
	\$10,000 par value Ditto (Will C. Hogg Memorial Scholarships Fund)	9,987.50
	100 Shares Baltimore Gas & Electric Company Common Stock, purchased at 45-3/4 (Will C. Hogg Memorial Scholarships Fund)	4,616.88
	100 Shares Ditto 40 Shares Bethlehem Steel Corporation Common Stock, purchased at 51-1/4 (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	4,616.88 2,075.50
4/59	100 Shares Central & South West Corporation Common Stock, purchased at 58-3/4 (Will C. Hogg Memorial Scholarships Fund)	5,919.88
8/59	100 Shares Southern California Edison Company Common Stock, purchased at 61 (William Heuermann Fund for Cancer Research)	6,145.10
13/59	\$6,000 par value Commercial Bank 3% Certificate of Deposit, dated May 15, 1959, due August 15, 1960 (Toreador Trust Fund for Salary Supplementation of the School of Law - Temporary Investment)	6,000.00

REDEMPTION

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<u>Date</u>	<u>Security</u>	<u>Net Proceeds</u>
7/1/59	\$15,000 par value Northern States Power Company (a Minnesota Corporation) First Mortgage 5% Bonds, due August 1, 1989, called for payment at 104.83 plus accrued interest (Profit on Call - \$434.31) (Hogg Foundation: Varner Properties)	\$15,724.50

EXCHANGES

<u>Date</u>	<u>Security</u>	<u>Exchange Cost after Discount</u>
7/12/59	\$321,000 par value U. S. 1-1/4% Certificates of Indebtedness of Series B-1959, due May 15, 1959, for U. S. 4% Certificates of Indebtedness of Series B-1960, due May 15, 1960, exchanged at 99.95 (50¢ discount per \$1,000) (Archer M. Huntington Museum Fund)	\$320,839.50
	\$40,000 par value Ditto (Ford Foundation Grant for School of Law)	39,980.00
	\$20,000 par value Ditto (Estate of Lila Belle Etter)	19,990.00

SALES

<u>Date</u>	<u>Security</u>	<u>Net Proceeds</u>
4/1/59	104 Shares Irving Trust Company Capital Stock, sold at 38 Net	\$ 3,950.40
	50 Shares Liggett & Myers Tobacco Company Common Stock, sold at 87-1/4	4,319.84
	200 Shares Montgomery Ward & Co., Inc., Common Stock, sold at 44-1/8	8,731.18
7/2/59	200 Shares The Timken Roller Bearing Company Capital Stock, sold at 49	9,700.88
7/3/59	100 Shares The Home Insurance Company Capital Stock, sold at 51-3/8 Net	5,135.46
	200 Shares F. W. Woolworth Company Capital Stock, sold at 55	10,898.38
4/13/59	100 Shares Philip Morris, Inc., Common Stock, sold at 62	6,148.19
4/16/59	4/100ths of a fractional share of Irving Trust Company Capital Stock received in 2% stock dividend (Funds Grouped for Investment)	1.54
7/29/59	5,000 Shares Petty Geophysical Engineering Company Capital Stock, sold at \$1.25 (Geology Foundation: Hal P. Bybee Memorial Fund)	6,250.00
5/14/59	200 rights to subscribe for Baltimore Gas and Electric Company 4-1/4% Convertible Debentures, due July 1, 1974, sold at 16/64ths (0.25) (Funds Grouped for Investment)	46.00
	300 rights Ditto (Hogg Foundation: Varner Properties)	68.99
	200 rights Ditto (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	46.00
	100 rights Ditto (The James W. McLaughlin Fellowship Fund)	23.00
	100 rights Ditto (Will C. Hogg Memorial Scholarships Fund)	23.00

6-13-59

REVIEW OF FOLLOWING FUNDS WITH SUMMARY RECOMMENDATION RE SALE OF
SELECTED COMMON STOCKS.--The following trust and special endowment funds have
been reviewed as of March 31, 1959, copies of such reviews being attached as
separate documents:

1. Wilbur S. Davidson Educational Fund
2. E. D. Farmer International Scholarship Fund
3. Will C. Hogg Memorial Scholarships Fund
4. Archer M. Huntington Museum Fund
5. Littlefield Fund for Southern History - First Fund
6. The W. J. McDonald Observatory Fund
7. Rosalie B. Hite Endowment Fund for Cancer Research
8. William Heuermann Fund for Cancer Research
9. The William Orville Bullington Memorial Fund
10. The James W. McLaughlin Fellowship Funds -
 - a. Reserve for Depletion (from oil royalties in Colorado estate)
 - b. Endowment Fund (from residuary California estate)

It is recommended that the Endowment Officer be authorized to effect the sale of
the following selected common stocks from the above funds as shown below; the
timing of such sales to be subject to the approval of the Staff Investment
Committee:

Common Stock Held Fund in Which Held	No. Shares Held	Book Value 5/26/59	Market Value 5/26/59*	Indicated Annual Income (1)	Current Yield	
					On Book	On Market
Chrysler Corporation#					1.56%	1.45%
W. S. Davidson Fund	36	\$2,313.06	\$2,475.00	\$ 36.00	1.25	1.45
W. O. Bullington Fund	30	2,404.23	2,062.50	30.00		
International Harvester E. D. Farmer Fund	100	3,733.50	4,587.50	200.00	5.36	4.36
F. W. Woolworth Wm. Heuermann Fund	100	4,462.13	5,537.50	250.00	5.60	4.51
Texas Gulf Sulphur# W. O. Bullington Fund	75	2,396.08	1,715.63	75.00	3.13	4.37
Timken Roller Bearing J. W. McLaughlin - Reserve for Depl.	100	4,545.52	5,325.00	200.00	4.40	3.76

*Based on market close 5/26/59, The Wall Street Journal.
#Reaffirmation of sale authorization approved 5/30/58.

It is further recommended that the Endowment Officer be authorized to sell any of
the above-listed common stocks that are held in other trust and special endowment
funds, the timing of each sale to be subject to the approval of the Staff Invest-
ment Committee.

LILA BELLE ETTER ESTATE AND TRUST - REVIEW OF PRESENT STATUS.--For 6-13-59
 information, the provisions of Mrs. Etter's Will relating to the University
 are as follows:

" . . . After the death of my husband, all property belonging to said trust estate then remaining in the hands of the trustee shall be continued to be held by the said trustee for the benefit of the University of Texas upon the following conditions: All income from said trust shall be paid to the University of Texas in quarterly installments, said income to be used by the Board of Regents of the University of Texas for educational and scientific purposes as they may deem best.

"It is my desire that the trustee reduce to cash all of the assets of my estate as promptly as can be done without undue sacrifice to my estate, the times and terms of such liquidation of my estate to be in the sole discretion of the trustee but not to exceed a period of ten years. As such assets are reduced to cash, the trustee shall pay over the cash to the University of Texas, such cash to be used by the University of Texas for education and scientific purposes as the Board of Regents may deem best, and all to be expended by the University of Texas within fifteen (15) years of receiving same. When all assets are reduced to cash and the cash is paid to the University of Texas, the trust shall terminate."

At this point, it has not been fully determined as to whether the ten-year period runs from Mrs. Etter's death on April 10, 1954, or from the time when administration on the Estate was completed, approximately a year and a half later. The Endowment Officer has been authorized by the Board of Regents to instruct the Republic National Bank which acts as trustee as to liquidation of any of the assets in the trust as needed to take care of appropriations approved by the Board of Regents.

For information, the following three tables reviewing the Etter Estate and Trust are attached as separate documents:

TABLE I - Residuary Portion Bequeathed to The University of Texas, Review as of March 31, 1959.

TABLE II - Cash Distributions, made by the Trustee from 2/22/55 through 2/15/59, reflecting liquidation of certain assets.

TABLE III - Cash Appropriations and Investments, from 2/22/55 through 3/31/59, with footnote added to show appropriation made by Board of Regents on April 16-18, 1959, in the amount of \$25,000 to an account entitled "75th Year Implementation," which will require further liquidation of assets in the trust.

The Republic National Bank as trustee charges a fee of 5% of the income from the trust which amounts to approximately \$400 annually plus 1% of principal cash distributions to the University.

The review of the Etter Trust as presented herewith is for information to all concerned in the long-range planning of disposition of the proceeds from the remainder of the trust, with perhaps a reasonable amount of the remainder being used in a manner that will serve as an appropriate memorial to Mrs. Etter and/or her family.

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GEORGE STUART HEYER SCHOLARSHIP FUND AND GEOLOGY FOUNDATION: GEORGE STUART HEYER MEMORIAL FUND - RECOMMENDATION RE SALE OF GENERAL CRUDE OIL COMPANY CAPITAL STOCK.--The table following presents the current holdings of General Crude Oil Company Capital Stock:

Fund and Date of Gift	No. Shs.	Book Value	Market Value 5/15/59*	Annual Income
George Stuart Heyer Scholarship Fund (Government):				
Received 7/25/56	300	\$12,900.00	\$10,200.00	\$ 300.00
Received 1/21/57	200	7,537.50	6,800.00	200.00
Received 6/4/57	200	7,637.50	6,800.00	200.00
Totals	<u>700</u>	<u>\$28,075.00</u>	<u>\$23,800.00</u>	<u>\$ 700.00</u>
George S. Heyer Memorial Fund (Geology Foundation):				
Received 12/17/58	<u>2,000</u>	<u>\$56,375.00</u>	<u>\$68,000.00</u>	<u>\$2,000.00</u>

*Latest quote available is 34 bid on May 15, 1959, Barron's.

In making the above stock gifts, the donor has stated that the stock is subject to sale and that the proceeds from such sales can be invested and reinvested in other income bearing stock or other securities at the discretion of the Board of Regents.

At its meeting on May 30, 1958, the Board of Regents authorized sale of the 700 shares held in the government scholarship fund but the Staff Investment Committee has deferred sale pending possible improvement in price. It is recommended that the Board of Regents authorize the Endowment Officer to effect the sale of the General Crude held in each fund over the period of time necessary to obtain the best price possible, the timing of such sale or sales to be subject to the approval of the Staff Investment Committee. It is further recommended that the proceeds from such sales be added to Funds Grouped for Investment for the credit of the respective funds involved.

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE - THE ROBERT AND ESTHER STADTLER LECTURES - RECOMMENDATION RE EXECUTION OF RELEASE AND INVESTMENT OF BEQUEST.--At the September 19, 1958, meeting of the Board of Regents, there was reported through the Land and Investment Committee the following bequest under the Will of Mrs. Esther Slevin Stadtler (Mrs. Robert C. H. Stadtler) of Houston who died on March 26, 1958, the Board of Regents having accepted the bequest subject to payment at a later date:

"SECOND

I give, devise and bequeath to University of Texas M. D. Anderson Hospital and Tumor Institute, 6723 Bertner Street, Houston, Texas, the sum of Twelve Thousand Five Hundred (\$12,500.00) Dollars for the following uses and purposes to wit: Such sum is to be invested and reinvested and the interest therefrom is to be used exclusively within the State of Texas to provide a lecture each year on some subject related to cancer research by a speaker to be chosen by the Director of the M. D. Anderson Hospital, such series of lectures to be known as 'The Robert and Esther Stadtler Lectures.' If the interest derived from the bequest should be insufficient to provide a lecture each year by an eminent authority on the subject, such lectures may, in the discretion of the said Director, be provided at longer intervals. If on the other hand, any surplus should remain after the provision of an annual lecture, such surplus may be used at the discretion of the Director of the Hospital to supply any need of the said Hospital."

This bequest recently was paid in full by the Executor, Houston Bank and Trust Company, and receipt and release executed by the Chairman of the Board of Regents. It is recommended that the Board of Regents ratify the execution of the instrument.

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information from the Executor and from the attorney who prepared the Will indicates that Mrs. Stadtler did not intend to restrict, by use of the term "interest," the investment of the fund to interest bearing securities. Accordingly, it is recommended that the Board of Regents approve placing the entire bequest of \$12,500.00 in Funds Grouped for Investment as of June 1, 1959.

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE: UNIVERSITY CANCER FOUNDATION - RECOMMENDATION RE POLICIES GOVERNING INVESTMENT PROGRAM FOR ENDOWMENT FUND.--At the present meeting of the Board, recommendation has been made by the Director of the M. D. Anderson Hospital and Tumor Institute for the establishment of an endowment fund for the University Cancer Foundation, the initial sum for such endowment to be in the amount of \$250,000 which has already been put on deposit in a Central Administration account and invested in Treasury Bills pending action of the Board.

Subject to approval by the Board of the establishment of such an endowment account, it is recommended that the policies governing the University Cancer Foundation Investment Program be adopted by the Board of Regents as outlined below:

I. Percentage distribution of investments on long-range basis to be as follows (percentages to be based on book value, i. e. cost or amortized cost, of all securities purchased):

- Fixed Income Securities (including Government bonds, corporate bonds, and preferred stocks) 50%
- Common Stocks 50

II. The general investment standards and policies to follow those adopted by the Board of Regents for the various trust and special funds under control of the Board. Currently such standards and policies in effect are those amended on May 30, 1958.

III. Percentage distribution for types of common stocks purchased to be in general as follows, it being pointed out that classifications for certain stocks may overlap over a long-range period of time:

- Defensive Common Stocks 66-2/3%
- Cyclical Common Stocks 16-2/3
- Growth Common Stocks 16-2/3

MEDICAL BRANCH - ZIEGLER HOSPITAL FUND - REPORT ON RECEIPT OF SHARES OF WESLACO BOX & SUPPLY COMPANY STOCK IN LIEU OF RESERVE INTEREST IN TEXSUN SUPPLY CORPORATION AND RECOMMENDATION RE SALE.--As residuary legatee under the Will of Rosa H. Ziegler, the University received in connection with ownership of Mrs. Ziegler of certain real estate in McAllen, Texas, Mrs. Ziegler's membership interest in the reserves of the McAllen Citrus Association, a marketing cooperative concern, the University's interest amounting to \$1,700.88, divided as follows: McAllen Citrus Association, \$1,156.09; Texsun Exchange, \$73.66; Juice Plant, \$401.85; and Texsun Supply Corporation, \$69.28.

In 1950, the University received refunds in the amount of \$19.65 and \$26.22 from the Texsun Exchange and the Juice Plant, respectively. In 1957, the University received 42 shares of Class C Stock of the newly reorganized Texsun Corporation to replace the \$429.64 balance due on the reserves held in the Texsun Exchange and Juice Plant. The Board accepted this stock and later on May 30, 1958, approved sale of the stock which to date has not been sold.

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The Texsun Supply Corporation has recently been reorganized into the Weslaco Box and Supply Company, the University being tendered, in lieu of its reserve interest of \$69.28 in the old company, 202-83/100 shares of Weslaco Box and Supply Company Capital Stock in the form of a certificate for 202 shares valued at \$202.00 and cash in the amount of \$0.83 for the fractional share. Accompanying the stock were checks in payment of accumulated dividends for 1957 and 1958 at the rate of \$0.06 per share per year and current dividends of \$0.04 per share per annum.

It is recommended that the Board of Regents approve acceptance of the Weslaco Box and Supply Company Capital Stock and that the execution by the Endowment Officer of an affidavit of ownership necessary for the release of the stock to the University be ratified. It is further recommended that the Endowment Officer be authorized to sell the stock at the best price available along with the Class C stock of the Texsun Corporation.

FUNDS GROUPED FOR INVESTMENT AND HOGG FOUNDATION: W. C. HOGG ESTATE FUND - RECOMMENDATION RE EXECUTION OF BOND CONSENT TO MODIFICATION OF INDENTURE OF MORTGAGE UNDER WHICH GULF STATES UTILITIES COMPANY FIRST MORTGAGE BONDS HAVE BEEN ISSUED.--The Board of Regents as trustee of the above two funds holds \$10,000 par value 3-1/8% due 1982 and \$30,000 par value 2-3/4% due 1980 of Gulf States Utilities Company first mortgage bonds. Approximately 58% of the company's property subject to the mortgage bonds is situated in the State of Louisiana which requires that the Indenture of Mortgage under which the bonds and other bonds of the company are issued recite that the aggregate principal amount of bonds at any one time outstanding shall not exceed \$200,000,000. After issuance of first mortgage bonds in January, 1959, the principal amount of bonds outstanding under the indenture amounted to \$154,000,000. The company is now asking the holders of first mortgage bonds to execute a supplemental indenture changing the maximum amount from \$200,000,000 to \$1,000,000,000.

It is recommended that the Endowment Officer be authorized to execute the supplemental indenture as requested by the Gulf States Utilities Company.

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE - REPORT ON VARIOUS STOCKS HELD AND RECOMMENDATION RE SALE OF THOSE HELD FOR CURRENT RESTRICTED FUND ACCOUNTS.--The Director of the M. D. Anderson Hospital and Tumor Institute has forwarded to the Endowment Officer for deposit in Central Administration accounts the following common stocks held for various funds as indicated:

The Harmon Whittington Fund (Current Restricted Fund):

700 Shares Anderson, Clayton & Company Common Stock, total book value \$26,375.00.

Various Donors for Building and Equipment Fund (Current Restricted Fund):

1,354 Shares Anderson, Clayton & Company Common Stock, total book value \$53,474.50.

26 Shares Humble Oil & Refining Company Capital Stock, total book value \$958.75.

University Cancer Foundation (Endowment Fund):

1,355 Shares Anderson, Clayton & Company Common Stock, total book value \$53,250.00.

100 Shares Phillips Petroleum Company Common Stock total book value \$5,212.50.

University Cancer Foundation - The Agnes Vaughan Boazman Memorial Fund for Cancer Research (Endowment Fund):

100 Shares United Gas Corporation Common Stock, total book value \$4,100.00.

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It is recommended that the Endowment Officer be authorized to sell the Anderson, Clayton & Company Common Stock and the Humble Oil & Refining Company Capital Stock held in the two current restricted accounts upon request of the Director of the M. D. Anderson Hospital and Tumor Institute that funds are needed for either or both of the two funds, the timing of such sales to be subject to the approval of the Staff Investment Committee. The Administrator of the Hospital has pointed out that the donors of the Anderson, Clayton stock have requested that the University notify them in the event any of the stock is to be sold and have further requested that all of the stock not be sold at one time.

It is also recommended that the 1,355 shares of Anderson, Clayton & Company Common Stock and 100 shares of Phillips Petroleum Company Common Stock held for the University Cancer Foundation be made a part of the investment portfolio for the endowment fund of the Foundation subject, of course, to approval by the Board of Regents at this meeting of the establishment of the endowment fund.

The Director of the Hospital has advised that it is not anticipated that additional funds or stock will be donated in the near future to The Agnes Vaughan Hazman Memorial Fund. Accordingly, it is recommended that the 100 shares of United Gas Corporation Common Stock held for that fund be transferred to the University's Funds Grouped for Investment as of September 1, 1959, at the market close for August 31, 1959.

TRUST AND SPECIAL FUNDS--REAL ESTATE MATTERS--

TEXAS WESTERN COLLEGE - COTTON ESTATE: CANCELLATION OF CONTRACT FOR PURCHASE OF LOT 20, BLOCK 1, CORONADO COUNTRY CLUB ESTATES, EL PASO, TEXAS.--On December 12, 1958, the Board of Regents authorized cancellation of the contract dated November 18, 1957, as supplemented by agreement dated December 27, 1957, between Coronado Golf and Country Club Development Company, Inc., and the Board of Regents for purchase out of Cotton Estate funds of Lot 20, Block 1, Coronado Country Club Estates, in El Paso. Such contract has been cancelled by correspondence approved by Mr. Hardie and by Land and Trust Attorney Waldrep.

ARCHER M. HUNTINGTON MUSEUM FUND (HUNTINGTON LANDS) - CANCELLATION OF AUTHORITY FOR OIL AND GAS SHOOTING OPTION AGREEMENT WITH PORTER INVESTMENT COMPANY, INC.--On December 12, 1958, the Board of Regents authorized the execution of an oil and gas shooting option with Porter Investment Company, Inc., of Houston covering approximately 800 acres of the Huntington Lands in the S. C. Indick League, Galveston County. The University was to receive \$1.00 per acre for the shooting privileges with Porter to have an option to select and lease all or part of the acreage covered for one year, at \$10 per acre and 1/8 royalty. The lease was to be forfeited unless a well was started in ninety days from date of lease. After extended negotiations on the matter, it is recommended that the authority for the agreement be cancelled due to inability to agree with the Company on other provisions of the instrument.

ARCHER M. HUNTINGTON MUSEUM FUND (HUNTINGTON LANDS) - PROPOSAL FROM STANDARD OIL COMPANY OF TEXAS FOR OIL AND GAS SHOOTING OPTION ON ENTIRE HUNTINGTON LANDS.--The Standard Oil Company of Texas makes two alternate proposals to the Board of Regents concerning an oil and gas lease on the entire Huntington lands amounting to approximately 3,355 acres. The first proposal is for a five-year commercial lease, with special provisions as to use of the surface, at a bonus of \$5 per acre and an annual rental of \$5 per acre and 1/6 royalty. The other proposal is for a six months shooting option for which they will pay \$1.50 per acre, with minimum lease selection under the option of 1,000 acres at bonus of \$10 per acre, rental of \$5 per acre, and royalty of 1/6 for a five-year commercial lease with special provisions as to use of the surface.

It is recommended that both proposals be declined, and that the Board of Regents offer to lease to Standard Oil Company of Texas all, but not part, of the acreage, under a five-year commercial lease, with special provisions as to use of the surface, at \$25 per acre bonus, \$5 per acre rental, and 1/6 royalty, this proposal to be accepted by Standard Oil Company of Texas on or before June 30, 1959, by deposit of earnest money amounting to 5% of the total bonus. It is further recommended that the Chairman be authorized to execute the lease when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer, if the Board's offer to lease is accepted by Standard Oil Company of Texas.

ARCHER M. HUNTINGTON MUSEUM FUND (HUNTINGTON LANDS) - GEOPHYSICAL EXPLORATION PERMIT TO PAN AMERICAN PETROLEUM CORPORATION.--Pan American Petroleum Corporation recently requested that they be allowed to conduct geophysical exploration on the Huntington Lands in order to tie in with exploration on adjoining acreage which they control under operating agreements and stated that awaiting action at the June meeting of the Board of Regents would put them under time pressure and additional expense. The Endowment Officer has issued Pan American a geophysical exploration permit, similar to the form used on the West Texas lands but providing for a confidential report of findings and interpretations to the University, for a period of 60 days beginning May 25, 1959, upon payment of \$150 for the first 15 days of work on the ground and payments at the same rate for any additional time. It is recommended that the Board of Regents approve this permit.

ARCHER M. HUNTINGTON MUSEUM FUND (HUNTINGTON LANDS) - RECOMMENDATION RE GRAZING LEASE WITH JOE M. AND H. C. ROBINSON.--The University has leased for grazing purposes all of the Huntington Lands, not under other types of leases, to Joe M. and H. C. Robinson since 1949, first under a lease for two years at approximately 80¢ per acre and since 1951 under a lease at \$1 per acre. Present rental amounts to \$3,355 annually, less 5% commission paid to Kellner, Ayers & Schmitt, agents in Texas City. The current lease continues in force from year to year, beginning May 15, unless cancelled by either party at the end of a lease year. Inquiries from other prospective tenants have been received, and rates paid by some

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in the area for similar land are above \$1.00 per acre. However, taking into account the amount of the University's acreage that is under water for periods of time each year, it appears that no better total annual rental could be obtained from a responsible tenant. It is recommended that the Board of Regents approve continuing the Robinson lease under its present terms to May 15, 1960, prior to which date another report and recommendation will be made.

ARCHER M. HUNTINGTON MUSEUM FUND (HUNTINGTON LANDS) - PROPOSAL FOR PURCHASE OF CAMP SITE AREA.--Kellner, Ayers & Schmitt of Texas City have submitted on behalf of the camp site tenants at Virginia Point on the Huntington Lands a proposal to purchase the immediate area surrounding their sites, comprising approximately seven acres for \$2,100 per acre. Due to the fact that sale of this area could seriously interfere with advantageous sale of a good portion of the lands, it is recommended that the offer be declined.

ARCHER M. HUNTINGTON MUSEUM FUND (HUNTINGTON LANDS) - VARIOUS CAMP SITE LEASES.--For several years the University has leased for camp sites small tracts approximately 50 x 100 feet on Virginia Point, the southeastern tip of the Huntington Lands on Galveston Bay. There are now 17 of these sites, one at \$35.00 annually and the others at \$50.00 annually, under leases running from year to year with right of cancellation by either party at the end of each lease year and subject to cancellation by the University at any time in the event of sale or lease for five years or longer. Base rental was increased from \$25.00 annually to the present \$50.00 in 1954. An increase to \$60.00 per year is now justified (\$40.00 for the one smaller site); and it is recommended that the Board of Regents authorize these increases to be effective for each lease at its first annual rental date falling on or after January 1, 1960. It is further recommended that each of such leases be renewed, effective with date of rental increase, under a new lease for three years and to run from year to year thereafter unless cancelled at the end of the three years or any year thereafter by either party and with right of cancellation by the University at any time in the event of sale or lease for five years or longer.

No new sites have been leased in recent years, but requests have been received and a few additional sites are available. It is recommended that the Board of Regents authorize leasing these additional sites at rental of \$60.00 annually under the same terms as the proposed new leases with present tenants, and that it approve continuing the arrangement with Kellner, Ayers & Schmitt for collection of rental and supervision of the sites at commission of 5% of rentals, with authorization to the Endowment Officer to sign all such new leases and renewals when approved as to form by the Land and Trust Attorney.

ESTATE OF HAMAH SMITH CALLAWAY - RECOMMENDATION FOR RENTAL OF PROPERTY AT 1206 GUADALUPE, AUSTIN, TEXAS.--As authorized and as reported to the Board of Regents, the improvements have been removed from the lot at 1206 Guadalupe devised to the Board of Regents by Mrs. Callaway for the benefit of the Main University. A sign offering the property for sale will continue on the property, and it is quoted at \$65,000, subject to approval by the Board, as reported earlier.

Mr. Joe Lundell who operates several parking lots in the Capitol area, including one on the adjoining property, offers to pay rental of \$50.00 per month under a lease for one year beginning July 1, 1959, with any expenditures necessary to use the lot for parking to be made by the tenant. The lease will be subject to cancellation by the University on 60 days' notice in the event of sale or of use by the University or a tenant of the property for purposes other than parking. It is recommended that Mr. Lundell's proposal be accepted, and that the Chairman of the Board be authorized to sign the lease when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

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HOGG FOUNDATION: W. C. HOGG FUND - LEASE TO FRANK G. CADENA, MAIN AND CLAY, HOUSTON, TEXAS.--At the March, 1959 meeting of the Board of Regents, approval was given for the reduction of rent to Mr. Cadena for the remainder of the term of his lease from \$2,400 to \$1,500 per month beginning April 1, 1959 through February 29, 1960 and providing for the deposit of \$14,400 to be applied to unpaid rental with the remainder of the unpaid rental to be waived. Upon advice of the University Land and Trust Attorney and for the protection of both parties, a supplement to the original lease was executed by Mr. Cadena and by Dr. Minter setting forth the agreement outlined above. After check in the Auditor's Office, the amount of rental to be waived was changed from \$3,600 as reported in March to \$3,990. Your ratification of these actions is recommended.

BRACKENRIDGE TRACT - TENTATIVE PROPOSAL FROM SAFEWAY STORES, INC., FOR LONG-TERM LEASE ON AREA AT EXPOSITION BOULEVARD AND WEST SEVENTH STREET.--Sterling Sasser and Son, real estate and insurance agents, have presented a tentative proposal by Safeway Stores, Inc. for a lease on the rectangular tract out of the Brackenridge Tract bounded by Exposition Boulevard, West Seventh Street, West Eighth Street and Newman Street, the lease to be for not less than 50 years. The tract is approximately 550 feet by 256 feet and comprises approximately 3.23 acres. It is perhaps the best possible commercial tract out of the Brackenridge gift. The rental to the University suggested in the tentative proposal is \$6,750.00 annually, or 5% on estimated value of \$135,000.

The tentative proposal is being brought to the attention of the Board of Regents at the insistence of Safeway and Mr. Sasser. Due to legal questions involved in long-term commercial leases as related to provisions in the Brackenridge Deed and due to inquiries received from other prospective tenants on this tract, as well as the question of over-all planning for the Brackenridge property, it is recommended that the Board of Regents decline the proposal.

BRACKENRIDGE TRACT - RENEWAL OF BOAT DOCK LEASE WITH W. W. BENNETT.--On October 25, 1958, the Board of Regents decided that the Bennett Boat Dock property, being part of the Brackenridge Tract, would be leased to a commercial operator for a period of five years or more, with the lease to provide for some desirable concessions to student and faculty users of the facilities and for the lessee to make necessary improvements to the property. Mr. W. W. Bennett has had two 10-year leases on the property, the second of which expires on December 31, 1959; and the University staff has considered Mr. Bennett entitled to first opportunity for a new lease on terms satisfactory to the University. Negotiation with Mr. Bennett has been under way since the October action of the Board, and it is recommended that the Board of Regents authorize a new lease with Mr. Bennett carrying principal terms and conditions as follows:

1. The lease will run from July 1, 1959, to December 31, 1969, thus superseding the current lease for period of six months, at rental of \$150 per month which is the rental paid under the current lease.
2. Plans and specifications for improvements and repairs to the property will be made a part of the lease with an agreement by Mr. Bennett that such work and any additional improvements that can be made for a total expenditure of \$20,000 will be done by April 1, 1960. All work will be of good quality by qualified contractors and subject to inspection and audit by the University.

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3. All improvements and the premises will be kept in good condition throughout the term of the lease, with primary consideration to safety.
4. The lessee will acknowledge that all improvements now on the property are the property of the University, and that present improvements and all additions will remain on the property upon termination of the lease.
5. The lessee will pay all taxes lawfully assessed against the improvements and/or land and will carry fire and extended coverage insurance on the improvements for full insurable value with policies payable to the University and will carry public liability, property damage, and related types of coverage for an enterprise of this type in amounts and forms satisfactory to the University.
6. Sufficient supervisory personnel and other employees will be used in the business to assure the conduct of a safe, reputable business, commensurate with first class operations of a business of this type; and reasonable consideration will be given to the employment of University students.
7. Priority will be given to students, faculty, and staff of the University for rental of 1/3 of the boat stalls.
8. University students will be given a discount of 15% on rental of boat stalls and equipment.
9. Every reasonable consideration will be given the University in arranging from time to time for activities in the way of intramural sports, water safety programs, and the like.
10. There will be no sub-letting or assignment of the lease, as to all or part of the premises, without prior approval by the Board of Regents. The lessee will agree that, in the event of a proposal requiring such approval, he will make full disclosure to the University of all terms of such sub-letting or assignment and will understand that the University may expect to share in the benefits if the terms, taking into account the rental paid and other obligations under the lease, are sufficiently beneficial to the lessee to justify additional revenue to the University.
11. Other provisions of the lease will be those customary and/or in keeping with the above principal terms.

It is further recommended that the Chairman of the Board of Regents be authorized to execute the lease agreement when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

HOGG FOUNDATION: THOS. E. HOGG ESTATE - PROPOSED EXCHANGE OF MINERAL INTERESTS WITH MRS. MARGARET WELLS HOGG.--Thos. E. Hogg, who died in 1949, devised his residue estate, subject to life estate in his widow, Mrs. Margaret Wells Hogg, to the Board of Regents as Trustee of the Hogg Foundation; and the residue estate was so deeded by Mrs. Hogg and Miss Ima Hogg, Independent Executrices of the Estate, in 1954. These deeds were executed as accepted by the Board of Regents as Trustee and set out that all royalties, bonuses, rentals, and oil payments under leases then made or thereafter made would constitute income and be payable entirely to Mrs. Hogg during her lifetime.

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Under the will and deeds, the Board of Regents as Trustee owns, subject to Mrs. Hogg's life estate, an undivided interest in the minerals under about 4,000 acres, known as the Ingleside Land Company land in San Patricio and Aransas Counties, Texas, and, subject to the life estate, an undivided interest in the minerals under several tracts in Ashley, Ouachita, and Union Counties, Arkansas. The interest under the Ingleside land amounts to approximately 300 royalty and/or mineral acres, and the interest under the Arkansas tracts amounts to approximately 75 royalty and/or mineral acres.

Mrs. Hogg owns 1/6 of the capital stock of Ingleside Land Company, which was formed in 1924 by the Hogg and Picton families for the purpose of acquiring the land mentioned above, and the Company is still engaged in various trading and title clearing work preparatory to selling off the surface of the land. It has been necessary for the Board of Regents as remainderman under the Thos. E. Hogg Will to join in some instruments involving the minerals so as to cooperate with Mrs. Hogg and the Company.

Mrs. HOGG now proposes to exchange to the Board of Regents as Trustee her life interest in the Arkansas properties for the Board's remainder interest in the Ingleside Land Company minerals so that she will have complete control of the Ingleside minerals and thus be able to carry out her obligations to Ingleside Land Company as to such minerals, be free from any appearance of conflict of interest, and cooperate with the Company and its other stockholders in any transactions necessary to clear the title to the land and dispose of it profitably. Several deep dry holes have been drilled on the Ingleside land. Small production is now obtained from three wells on the shore of Corpus Christi Bay, and gas and distillate production is being credited to the subject mineral interest under pooling agreements from wells located on State lands in the Bay. Mrs. Hogg expresses the opinion that the Board's remainder interest in this property is practically worthless, and that present production can be expected to be fully depleted during her life expectancy. Such statements appear reasonable.

The Ouachita and Union Counties, Arkansas, interests are in the area of the old Smackover Field and have brought some royalty for many years. The Board holds as Trustee from the Estate of W. C. Hogg a 1/4 interest, as compared with the 3/16 interest in the same properties owned by Thos. E. Hogg, and has received an average of about \$580.00 in each of the past five years, confirming Mrs. Hogg's statement that her Arkansas interest has brought around \$425.00 annually. Though prospects of new production seem remote, production at about the present level may hold up for several years.

It is recommended that, under the circumstances, the Board of Regents accept the exchange proposal of Mrs. Margaret Wells Hogg and authorize the Chairman to execute the appropriate instruments when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

EDITH FLY HILDEBRAND ESTATE - SALE OF LAND IN GONZALES COUNTY, TEXAS, TO MALCOLM GESCHEIDLE.--On September 20, 1958, the Board of Regents authorized sale of the tract of approximately 300 acres in Gonzales County to Malcolm Gescheidle for \$60.00 per acre, one-half of the minerals to be retained. Various title requirements were made by the examining attorney, all of which it is believed have been cleared adequately except for his requirement as to execution of the deed. The pertinent provision of Mrs. Hildebrand's Will is as follows:

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"I give, devise, and bequeath all the rest, residue, and remainder of my property and estate, real, personal or mixed, and wheresoever situated, in trust to the persons who at the time of my death compose the Board of Regents of the University of Texas as trustees for the use hereinafter set out."

The examining attorney now requires, as was done when Mrs. Hildebrand's home was sold several years ago, that all members of the Board of Regents execute the deed as Trustees; and it is recommended that the Board of Regents agree to comply with this requirement in the execution of a deed approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

TEXAS WESTERN COLLEGE - PROPOSED RENEWAL OF FARM LEASE TO MR. JOHN BEAN ON COTTON ESTATE PROPERTY, CITY OF EL PASO, TEXAS.--Mr. A. A. Smith, Business Manager, has recommended, and Dr. J. R. Smiley, President, has approved the renewal of the farm lease to Mr. John T. Bean on a 109.212 acre tract of land out of the Cotton Estate Property in the City of El Paso, Texas, for the 1959 calendar year. The property has been leased to Mr. Bean for several years and the terms of the lease are the same as those for the past 10 years. Texas Western College is to receive one-third of the gross proceeds from all crops and will pay one-third of the cost of fertilizer used and the total cost of electricity required for operation of the irrigation pump on the premises. It is recommended that the Board approve the renewal for 1959 as outlined above, with the lease to be signed by the Chairman after approval as to content by the Endowment Officer and as to form by the Land and Trust Attorney.