



215 E. McKinney Street Denton, Texas 76201 (940) 349-7717 FAX (940) 349-8596

OFFICE OF THE MAYOR

February 17, 2016

Via facsimile 505.945.2010 and regular mail

Amy Leuders, Director
Bureau of Land Management
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508

Bureau of Land Management
New Mexico Office
P.O. Box 27115
Santa Fe, New Mexico 87502-0115

Re: Dallas Water Utilities' protest pursuant to 43 C.F.R. § 3120.1-3 of proposed auction by Bureau of Land Management ("BLM") of Parcel NM-201604-044 comprising approximately 259 acres in and adjacent to Lewisville Lake, Denton County, Texas (the "Lewisville Lake Property")

Dear Ms. Leuders:

On behalf of the City of Denton, Texas and pursuant to City Council Resolution No. 2016-007 dated February 16, 2016, I am authorized as Mayor of the City to file this Letter of Protest, pursuant to 43 C.F.R. section 3120.1-3, regarding the proposed auction by the Bureau of Land Management ("BLM") of Parcel NM-201604-044, comprising 259 acres in and adjacent to Lewisville Lake, Denton County, Texas (the "Lake Lewisville Property"), for purposes of oil and gas development. The City of Denton is a holder of water rights to water impounded in Lake Lewisville, and this water serves as a primary source of drinking water for our citizens. As such, our concerns revolve around protection of water quality, as well as other issues raised by North Texas cities. The City of Denton recognizes that Gas Well Drilling and Production Activities can create externalities that potentially threaten health, safety and general welfare. These externalities can include accidental releases of chemicals and fluids from the site, fire hazards, sediment discharges and similar deleterious effects. Further, the City of Denton joins the concerns of other North Texas cities in their protests to the proposed lease of this property.

Of note as an initial matter, there appears to be a discrepancy between Bureau of Land Management ("BLM") Competitive Oil and Gas Lease Sale document, and parcel NM-201604-044 as listed in Environmental Assessment DOI-BLM-NM-040-2015-61-EA ("the Environmental Assessment"). Parcel NM-201604-043 appears to reference Somerville Lake in Washington County, Texas in the Environmental Assessment DOI-BLM-NM-040-2015-61-EA, thereby creating confusion to protestors to the lease of the referenced lands. We ask that this proposed lease be withdrawn and this error corrected prior to any further proceedings in this matter.

"Dedicated to Quality Service"
www.cityofdenton.com

Nonetheless, our statements herein are directed towards Lewisville Lake, which is a major drinking water source not just for the City of Denton, but also for surrounding cities in North Texas. Water is an increasingly precious resource in our region, and we are naturally very concerned with activities that could impact these resources. We are therefore protesting the competitive oil and gas lease for the parcels related to Lewisville Lake based on the concerns outlined below. We have taken numerous actions during the course of several years to enact provisions in our local development code to address these concerns for activities that fall within our municipal jurisdiction. Since it appears that the surface areas that will be developed to access the mineral estate of the lease for the Lake Lewisville parcels will fall outside of Denton's jurisdiction, we are submitting this protest by our standing as water rights holders in the reservoir.

Concern 1: Issues Expressed by the City of Dallas by Letter Protest to the BLM dated February 9, 2016 and by the City of Highland Village by Letter Protest to the BLM dated February 10, 2016.

The City of Denton endorses the City of Dallas's Letter Protest to the BLM as it relates to surface water quality and risks to the integrity of Lewisville Dam and incorporates by reference, Dallas's Letter Protest attached hereto as Exhibit (1). The City of Denton also endorses: the City of Highland Village's Letter Protest to the BLM and incorporates by reference Highland Village's Letter Protest attached hereto as Exhibit (2); the City of Lewisville's Protest and incorporates by reference Lewisville's Letter Protest attached hereto as Exhibit (3); the Town of Flower Mound's Resolution of Protest to the BLM, incorporated herein and attached hereto as Exhibit (4); the Upper Trinity Regional Water District's Protest to the BLM, incorporated herein and attached hereto as Exhibit (5); and the Town of Hickory Creek's Protest to the BLM, incorporated herein and attached hereto as Exhibit (6).

Concern 2: Erosion, sedimentation, and other impacts from site runoff.

Section 4.3.2 entitled "Soils" of the Environmental Assessment does not list any specific management practices for mitigating site erosion, sediment migration controls, and site runoff. The City of Denton has conducted research on this topic specific to Barnett Shale drilling and production operations under standard operating conditions. This research indicates that gas well pad sites have the potential to negatively impact surface waters due to increased sedimentation rates and an increase in the presence of metals in stormwater runoff, and that pad sites also have the potential to produce other contaminants associated with equipment and general site operations (see Banks, KE and DJ Wachal. United States Environmental Protection Agency, Final Report for Catalog of Federal Domestic Assistance Grant Assistance Number 66.463 Water Quality Cooperative Agreement for Project Entitled "Demonstrating the Impacts of Oil and Gas Exploration on Water Quality and How to Minimize these Impacts Through Targeted Monitoring Activities and Local Ordinances" ID No. CP-83207101-1). Many contaminants can adhere to soil and can be transported off the site if good management practices are not imposed. Should the auction proceed over our objections, Denton requests that the lease stipulation for all gas wells accessing the mineral interest in parcels associated with Lewisville Lake should have a mandatory requirement to mitigate impacts from storm flow events by implementing management practices that are at least as stringent as those specified in the Reasonable and Prudent Practices for Stabilization (RAPPS) of Oil and Gas Construction Sites. This stipulation will help reduce degradation of surface water and groundwater quality from non-point source pollution, and will serve to minimize soil losses by erosion.

Concern 3. Reserve pits and similar uncontained fluids on site.

Section 4.3.3 of the Environmental Assessment discusses the potential for petroleum products and other chemicals used during drilling or hydraulic fracturing, if released, to cause surface and groundwater contamination. The section further states that leaks from reserve and evaporation pits could also degrade surface and groundwater quality. The current mitigation requirement of section 4.3.3 is that surface drilling and production sites will require fluid-impermeable containment systems in, under and/or around any tank, pit, drilling cellar, ditches associated with the drilling process, or other equipment that uses or has the potential to leak/spill hazardous and non-hazardous fluids. The intention of this mitigation requirement is to prevent chemicals from penetrating the soil and impacting the aquifer or from moving off-site to a surface water source. However, these requirements do not preclude open pits. Due to the proximity of these activities to a major regional drinking water source, the City of Denton requests that, if BLM pursues leasing this property despite the City of Denton's objections and that of the other North Texas cities, that no open pits be allowed. Closed loop drilling should be required to minimize the potential for contaminating surface or ground water resources. In this respect, BLM is in a position to impose stipulations through conditions in the mineral lease to insure protection of the drinking water for a multitude of cities, and we urge BLM to do so.

Concern 4. Risks for inundation and associated site releases and safety concerns.

The current stipulations required by the US Corps of Engineers, as specified in BLM Competitive Oil and Gas Lease Sale document, page 45, are a minimum setback of 3000 feet from prime facilities critical to the operation of Lewisville lake, no surface occupancy at the 522 foot National Geodetic Vertical Datum (NGVD) conservation pool elevation of the lake, and no surface occupancy of any lands lying at or below the elevation of the spillway crest elevation of 532 feet NGVD. However, analyses of historical elevations of Lake Lewisville indicates that the daily maximum surface water elevation of the lake has exceeded 532 feet for a total of 109 days since January 6, 1988. The longest consecutive number of days the surface elevation of the lake was above 532 feet was from May 24, 2015 to July 10, 2015, a span of 48 days. There are additional mutually exclusive events where the lake surface elevation exceeded 532 feet for 28 consecutive days, 21 consecutive days, and 12 consecutive days. In summary, past data on lake elevation levels indicates that restricting surface development to only the 532 foot elevation creates a substantial risk for inundation of the surface gas well sites, which could result in surface water contamination and safety risks. To minimize these risks, the City of Denton requests that the "no surface occupancy" stipulation be increased a minimum of 537 feet NGVD, plus an additional 2 feet of freeboard, for the pad site and all associated equipment.

Concern 5. Floodplain Protection.

The City of Denton is concerned about development of gas well pad sites within floodplain areas without substantial additional safety and protection measures. To protect floodplains and water courses, the City of Denton, at a minimum, requests the ORA-1 Stipulation to be added to Parcel NM-201604-44 (Lewisville Lake) for all surface activities involved with the mineral estate. This stipulation should be in addition to the currently stipulated ORA-2 (Wetland/Riparian Buffers protection), WO-ESA-7 (Endangered Species Act) and WHO-NHPA (National Historical Preservation Act Consultation). ORA-1 states: "All or portions of lands under this lease lie in and or adjacent to a major watercourse and are subject to periodic flooding. Surface occupancy of

these areas will not be allowed without the specific approval, in writing, of the BLM". This notice informs operators that surface disturbance and/or occupancy of these areas may not be allowed within 200 meters of the outer edge of the floodplain.

In sum, the City of Denton asks that the BLM withdraw the Lake Lewisville Property from auction for oil and gas development for the reasons above stated. In the event the BLM declines to withdraw the property from auction, we ask that steps be taken by the BLM to assure the City of Denton that our water supply will not suffer contamination from the drilling activities of oil and gas operations. We acknowledge the BLM has the full responsibility and authority to approve and regulate all surface disturbing and downhole activities associated with oil and gas exploration and development through analysis and approval of the surface use plan of operation component of an Application for Permit to Drill (APD). The BLM also has the authority and responsibility to provide final approval of all APDs including those for operations on federal leases on other surface management agencies lands (U.S. Department of the Interior, Environmental Assessment DOI-BLM-NM-040-2015-61-EA, October 2015, p. 4). In conclusion, the City of Denton urges withdrawal of the Lake Lewisville parcel from auction; however, if BLM chooses to proceed, the City requests that BLM use its authority to impose stipulations as herein specified in order to mitigate our concerns. These concerns are intended to protect Lake Lewisville and thus assure the health, safety and general welfare of the City of Denton's residents and businesses.

Respectfully,



Chris Watts
Mayor

cc: COL Calvin C. Hudson II, District Commander, Fort Worth District
Brian S. Kamisato, P.E., Deputy District Engineer
Rob Jordan, Lake Manager, Lewisville/Ray Roberts Lakes
Senator Jane Nelson
Congressman Michael Burgess
State Representative Tan Parker
State Representative Ron Simmons
Tom Taylor, Upper Trinity Regional Water District
Jody Puckett, Department Director, City of Dallas Water Utilities
Donna Barron, City Manager of Lewisville

Exhibit 1



dallas water utilities
city of dallas

February 9, 2016

Via fax (505-954-2010) and U.S. mail

Amy Leuders, Director
Bureau of Land Management
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508

Bureau of Land Management
New Mexico Office
P.O. Box 27115
Santa Fe, New Mexico 87502-0115

Re: Dallas Water Utilities' protest pursuant to 43 C.F.R. § 3120.1-3 of proposed auction by Bureau of Land Management ("BLM") of Parcel NM-201604-044 comprising approximately 259 acres in and adjacent to Lewisville Lake, Denton County, Texas (the "Lewisville Lake Property")

Dear Ms. Leuders:

I am the Director of Dallas Water Utilities (DWU), a department of the City of Dallas. DWU provides water and wastewater services to about 2.4 million people in Dallas and 27 nearby communities. One of DWU's primary water supply sources is Lewisville Lake in Denton County, Texas. DWU's service area extends to almost all of Denton County either directly or through its wholesale customers. As you may know, the U.S. Army Corps of Engineers ("Corps") operates Lewisville Lake to store DWU's water under a 1953 agreement with the City of Dallas. Pursuant to Article 3 of that agreement, the City has a "right to protect its water supply."

Although I regularly interact with the Corps and other federal agencies, I only recently discovered that the BLM will be conducting an oil and gas competitive lease sale in Santa Fe, New Mexico on April 20, 2016, which will include the Lewisville Lake Property. See BLM Notice of Competitive Lease Sale, Oil and Gas (January 20, 2016) (the "BLM Notice"). I am concerned that the proposed BLM action will interfere with DWU's mission to serve while protecting the health and safety of Dallas citizens and DWU's wholesale customers. In order to protect the public safety and water supply at Lewisville Lake, DWU hereby requests that the BLM withdraw the Lewisville Lake Property from its April 20, 2016 auction as authorized in the BLM Notice. This is the prudent course of action and consistent with the BLM's authority to "withdraw any and all parcels before the sale begins." See BLM Notice at p. iii.

Oil and gas production at the Lewisville Lake Property poses a significant risk to surface water quality. Surface water in the area in and around the land proposed to be auctioned flows

Our Vision: To be an efficient provider of superior water and wastewater service and a leader in the water industry

1500 Marilla, 4AN, Dallas, Texas 75201
Telephone: (214) 670-3146 • Fax: (214) 670-3154

February 9, 2016
Page 2 of 3

directly to Lewisville Lake. As a result, any spills or releases of oil and gas waste and their hazardous components have the potential to impact the drinking water of Dallas residents and DWU's wholesale customers. These direct impacts from oil and gas activities have not been adequately studied and represent an unacceptable level of risk to DWU. Hydraulic fracturing, a process often used in conjunction with directional drilling to make oil and gas wells productive, and related wastewater disposal is associated with an increased risk of seismicity. The BLM Notice (at 45) includes a stipulation from the Corps that appears to encourage "directional drilling" adjacent to and underneath Lewisville Lake for the proposed lease.

In a recent guidance document, the U.S. Environmental Protection Agency ("EPA") concluded that proximity of hydraulic fracturing activities to a drinking water resource increases the potential for impacts and that residents and drinking water resources are most likely to be affected by potential impacts. See U.S. EPA's draft "Assessment of the Potential Impacts of Hydraulic Fracturing for Oil and Gas on Drinking Water Resources" (June 2015). The potential impacts are both above and below ground, including "water withdrawals in times of, or in area with, low water availability; spills of hydraulic fracturing fluids and produced water; . . . below ground migration of liquids and gases; and inadequate treatment and discharge of wastewater." *Id.* at ES-6. The EPA further noted that in 151 spills from oil and gas production, surface water supplies were contaminated 9% of the time. *Id.* at ES-13. Property under and adjacent to Lewisville Lake is particularly high risk because of its proximity to large drinking water supply.

More specifically, the federally required Environmental Assessment ("EA") performed by BLM on October 2015 identifies a number of risks to drinking water supplies that would result from the auction sale of the Lewisville Lake Property, including the following:

- Increased surface runoff and off-site sedimentation brought about by soil disturbance.
- Increased salt loading and water quality impairment of surface waters.
- Contamination of surface waters by produced water.

EA at 56-58. The EA further recognizes that "hazardous and/or solid wastes may be used during the development phase," EA at 42, and "exploration/development of the proposed lease could have result in the introduction of hazardous and non-hazardous substances to the site." EA at 66.

Because of the environmental risks to surface water supplies resulting from the proposed oil and gas production adjacent to and under Lake Lewisville, DWU requests that the BLM withdraw the Lewisville Lake Property from its April 20, 2016 auction.

Risks to the integrity of Lewisville Dam have not been adequately considered. The Corps acknowledged that the Lewisville Dam is "high risk." See USACE Dam Safety Facts for Lewisville Dam (November 2015). The Corps is currently working diligently to address the Lewisville Dam safety issues. Nevertheless, DWU is very concerned about sending the

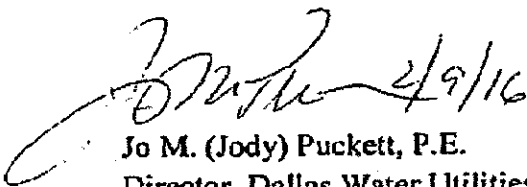
February 9, 2016
Page 3 of 3

Lewisville Lake Property to auction without consideration of crucial public safety issues. The EA performed by the BLM fails to account for any public safety or environmental impacts related to dam safety of the Corps' known issues at Lewisville Lake, so it is unclear whether the BLM properly considered the risks to Lewisville Dam. In addition, the Corps' current guidance for oil and gas activities in proximity to its dams, levees, and other facilities does not account for a dam with known safety issues, such as Lewisville Dam. Although DWU does not anticipate imminent failure of Lewisville Dam, DWU does not support activities such as oil and gas production with the potential to exacerbate the known safety issues at Lewisville Dam. Accordingly, BLM should withdraw the Lewisville Lake Property from auction.

DWU and other stakeholders have not been given an adequate opportunity to consider this proposal and voice their concerns. DWU received no notice from the BLM or any other federal agency regarding this oil and gas competitive lease sale. I understand that other stakeholders and many in the public were similarly surprised in the last week or so upon finding out about the BLM auction of the Lewisville Lake Property. In fact, the EA notes that the only notice to the public was being "posted online for a two week review period beginning August 31, 2015." EA at 73. Neither local governments nor the water-consuming public have had an adequate opportunity to review and consider the potential impacts of the BLM auction of the Lewisville Lake Property. For this reason alone, I am writing to you in haste requesting that the BLM withdraw the Lewisville Lake Property from the auction.

For the reasons listed above and others, please withdraw the Lewisville Lake Property from the April 20, 2016 auction, and contact me at the number below if you have any questions or concerns regarding this letter.

Respectfully submitted,

Handwritten signature of Jo M. (Jody) Puckett, dated 2/9/16.

Jo M. (Jody) Puckett, P.E.
Director, Dallas Water Utilities
City of Dallas
214-670-3143

cc: COL Calvin C. Hudson II, District Commander, Fort Worth District
Brian S. Kamisato, P.E., Deputy District Engineer
Rob Jordan, Lake Manager, Lewisville/Ray Roberts Lakes

Exhibit 2



OFFICE OF THE MAYOR
1000 Highland Village Road
Highland Village, TX 75077
972-899-5132 F 972-317-0237
www.highlandvillage.org

February 10, 2016

Amy Leuders, Director
Bureau of Land Management
New Mexico State Office
P.O. Box 27115
Santa Fe, New Mexico 87502-0115

Via Fax: (505) 954-2010 and
First Class Mail

Julie Ann Serrano, Lead Land Law Examiner
Bureau of Land Management
New Mexico State Office
P.O. Box 27115
Santa Fe, New Mexico 87502-0115

Via Fax: (505) 954-2010 and
First Class Mail

Re: City of Highland Village, Texas, Protest Pursuant to 43 C.F.R. §3120.1-3 of the Proposed Auction by the Bureau of Land Management ("BLM") of Parcel NM-201604-043, being 258.90 Acres Located in Denton County, Texas (Lewisville Lake)

Dear Ms. Leuders and Ms. Serrano:

The City Council of the City of Highland Village, Texas met in regular session on February 9, 2016, and took the following affirmative action:

"I move to authorize the Mayor to prepare and execute on behalf of the City a letter in protest to the Bureau of Land Management's announced sale of mineral leases for a 258.90 acre tract of land adjacent to Lewisville Lake in Denton County, Texas with copies to the property owner and other appropriate interested parties".

The preceding motion was approved by a unanimous vote of seven (7) to zero (0).

The Highland Village City Council deliberated and received public comment on the proposed Bureau of Land Management (BLM) Gas Lease NM-201604-043, 258.90 Acres Located in Denton County, TX. (Lewisville Lake). The following items were identified as the City's interest in protesting this proposed lease:

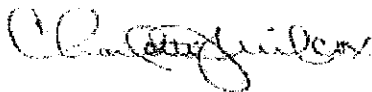
- Lewisville Lake is the City of Highland Village's primary supply of potable water to our residents. The City Council took this affirmative protest action based on the concerns about the risks of fracking beneath Lewisville Lake and the potential contamination of drinking water.
- Lewisville Lake dam is currently undergoing repairs from the May 2015 storms. The Corps of Engineers has identified the following elements that need to be addressed:

reduce underseepage and probability of internal erosion of the earthen dam structure; improve slope stability and reduce probability of sliding of the earthen dam structure; repair infrastructure at the risk of being compromised by uplift and erosion; and portions of the dam may not be stable under higher pool loadings. The USACE is proposing to modify features at the Lewisville Lake Dam in order to reduce risk associated with dam operation and extend longevity of the dam. The City Council took this affirmative protest action based on the concerns of the risks of fracking beneath Lewisville Lake and the potential that seismic activity with associated fracking could exacerbate the identified risk.

The City of Highland Village has been advised that by letter dated February 9, 2016, from Jo. M. "Jody" Puckett, P.E., Director, Dallas Water Utilities, City of Dallas, Texas, addressed to Ms Leuders, the City of Dallas has also submitted as protest of the proposed auction of the above-referenced tract. The City of Highland Village is a raw water supply customer of the City of Dallas, the source of such raw water supply being Lewisville Lake. The City of Highland Village is also a treated water customer of the Upper Trinity Regional Water District, who, in turn, obtains its raw water supply from the water owned by the City of Dallas in Lewisville Lake. In addition to the issues serving as the basis for this protest, the City of Highland Village also joins the City of Dallas and incorporates its reasons for protesting the above-referenced lease of Parcel NM-201604-043.

For the reasons listed above, the City of Highland Village hereby submits this protest and objection to the proposed auction of a mineral lease of Parcel NM-201604-043, and respectfully requests that said parcel be withdrawn from the April 20, 2016 auction. If you have any questions please feel to contact Michael Leavitt, City Manager, City of Highland Village at (972) 899-5131.

Respectfully submitted,



Charlotte J. Wilcox, Mayor
City of Highland Village, Texas

cc: COL Calvin C. Hudson II, District Commander, Fort Worth District
Brian S. Kamisato, P.E., Deputy District Engineer
Rob Jordan, Lake Manager, Lewisville/Ray Roberts Lakes
Senator Jane Nelson
Congressman Michael Burgess
State Representative Tan Parker
State Representative Ron Simmons
Tom Taylor, Upper Trinity Regional Water District

Exhibit 3

**LEWISVILLE**

Deep Roots. Broad Wings. Bright Future.

City Secretary's Office

February 15, 2016

via FACSIMILIE (505) 954-2010 and Regular U.S. Mail

Amy Leuders, Director
Bureau of Land Management
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508

Bureau of Land Management
New Mexico Office
P.O. Box 27115
Santa Fe, New Mexico 87502-0115

**RE: City of Lewisville's Protest of Proposed Auction of Oil and Gas Lease
Parcel NM-201604-043**

Dear Ms. Leuders:

This letter is being submitted on behalf of the City of Lewisville, Texas ("Lewisville") to protest the proposed auction by the Bureau of Land Management ("BLM") of an oil and gas lease on Parcel NM-201604-043 comprising approximately 259 acres in and adjacent to Lewisville Lake, Denton County, Texas (the "Lewisville Lake Property"). The Lewisville City Council met in regular session on February 15, 2016, and authorized submission of this letter of protest. Lewisville hereby requests that BLM withdraw the Lewisville Lake Property from its April 20, 2016 auction.

Lewisville is protesting the proposed lease of the Lewisville Lake Property for the following reasons:

- Lewisville Lake is Lewisville's only supply source of water through wholesale agreements with Dallas Water Utilities. Oil and gas production, including fracking, at the Lewisville Lake Property poses a potential risk to surface water quality.
- The effects of oil and gas production, including fracking, on the longevity of Lewisville Dam have not been adequately considered. The Corps of Engineers has proposed to modify features at Lewisville Dam to reduce risks associated with dam operation and to extend the longevity of the dam. Although Lewisville does not anticipate imminent failure of Lewisville Dam, Lewisville does not support oil and gas production at the Lewisville Lake Property.



Amy Leuders, Director
Bureau of Land Management
Page 2

Both the City of Dallas and the City of Highland Village have submitted letters of protest with regard to the proposed sale of an oil and gas lease on the Lewisville Lake Property. Lewisville joins the cities of Dallas and Highland Village and incorporates their reasons for protesting said oil and gas lease sale on the Lewisville Lake Property.

For the reasons listed above, Lewisville submits this protest to the proposed sale of an oil and gas lease on the Lewisville Lake Property and requests that BLM withdraw the Lewisville Lake Property (Parcel NM-201604-043) from the April 20, 2016 auction. If you have any questions, please contact Donna Barron, City Manager, at (972) 219-3451.

Sincerely,

Rudy Durham, Mayor
City of Lewisville, Texas

C: Donna Barron, City Manager

Attachments: City of Dallas Letter of protest dated February 9, 2016
City of Highland Village Letter of protest dated February 10, 2016

Exhibit 4

TOWN OF FLOWER MOUND, TEXAS

RESOLUTION NO. 04-16

RESOLUTION OF THE TOWN OF FLOWER MOUND, TEXAS, PROTESTING THE INCLUSION OF PARCEL NUMBER NM-201604-043, LOCATED IN DENTON COUNTY, TEXAS AS AVAILABLE FOR COMPETITIVE SALE TO BE USED FOR OIL AND GAS LEASING; DIRECTING THE TOWN ATTORNEY TO SUBMIT THIS PROTEST ON BEHALF OF THE TOWN OF FLOWER MOUND TO THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Flower Mound is a home rule municipality acting under its charter adopted by the electorate pursuant to Article XI, Section 5, of the Texas Constitution and Chapter 9 of the Texas Local Government Code; and,

WHEREAS, the US Bureau of Land Management intends to conduct a competitive sale, to be held on April 20, 2016, to auction certain Federal lands located in Denton County, Texas to be used for oil and gas development; and,

WHEREAS, pursuant to Title 43 CFR 3120.1-3, the Town of Flower Mound hereby protests the inclusion of parcel number NM-201604-043, composed of 258.90 acres and known as the Lake Lewisville Project, that is listed in the sale notice published by the United States Department of the Interior, Bureau of Land Management; and,

WHEREAS, the Town Council of the Town of Flower Mound is an elected body that represents the citizens of the Town whose property rights are greatly affected by the sale of parcel number NM-201604-043 to be use for oil and gas development; and,

WHEREAS, Lewisville Lake is located within the 258.90 acres of parcel number NM-201604-043; and,

WHEREAS, Lewisville Lake serves as the primary source of the Tawn's public water supply; and,

WHEREAS, the Town Council finds that permitting oil and gas operations on parcel number NM-201604-043 may negatively affect Lewisville Lake and as a result threaten the Town's largest source of water; and,

WHEREAS, the Lewisville Dam, which is located within parcel number NM-201604-043, is currently undergoing repairs from devastating May 2015 storms and the Corps of Engineers has identified numerous elements that must be addressed as the repairs are carried out, including certain structural hazards related to the integrity of the Dam; and,

WHEREAS, the Town Council finds that oil and gas development may further harm the Lewisville Dam and exacerbate the structural hazards identified by the Corps of Engineers and threaten the health, safety, and general welfare of Town citizens; and,

RESOLUTION NO. 04-16**PAGE 2**

WHEREAS, for the foregoing reasons, the Town Council of the Town of Flower Mound hereby protests the inclusion of parcel number NM-201604-043 as available for competitive sale to be used for oil and gas development.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF FLOWER MOUND, TEXAS:

SECTION 1.

That the Town of Flower Mound, Texas hereby respectfully requests that the Bureau of Land Management withdraw parcel number NM-201604-043, located in Denton County, Texas from the available parcels for competitive lease sale at the April 20, 2016 Oil & Gas Competitive Lease Sale.

SECTION 2.

That the Town Attorney is hereby directed to file this protest with the Bureau of Land Management on or before February 18, 2016.

SECTION 3.

That this Resolution shall be effective from its date of adoption.

OWN, PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF