

DENTON COUNTY FRESH WATER SUPPLY DISTRICT NO. 1-B  
C/O SANFORD KUHL HAGAN KUGLE PARKER KAHN LLP  
1980 POST OAK BOULEVARD, SUITE 1380  
HOUSTON, TEXAS 77056

February 16, 2016

**VIA FACSIMILE (505) 954-2010**

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

Re: Protest of April 20, 2016 Lease Sale;  
Denton County Fresh Water Supply District No. 1-B;

Ladies and Gentlemen:

It has come to the attention of the Board of Directors (the "Board") of Denton County Fresh Water Supply District No. 1-B (the "District") that the Bureau of Land Management ("BLM") will conduct an oil and gas competitive lease sale on April 20, 2016 (the "Sale"), inclusive of a parcel identified as NM-201603-43 (the "Parcel"), which consists of 258.90 acres of land within or around Lake Lewisville. On behalf of the Board, and pursuant to 43 C.F.R. § 3120.1-3, please accept this letter as the District's formal protest of the inclusion of the Parcel in the Sale.

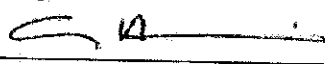
The District is a political subdivision of the State of Texas, located within the extraterritorial jurisdiction of the City of Lewisville, Texas, and is tasked with providing water services to the residents within its boundaries. The District's water supply comes from, among other sources, water from Lake Lewisville, as well as public water wells in the area. Moreover, Lake Lewisville is an important and widely used amenity for the surrounding community, including the District. The proximity of Lake Lewisville to the District, and the opportunities for recreation that it affords, help to increase and maintain District property values, essential to property tax revenues and collections.

The Board is protesting the BLM's inclusion of the Parcel in the Sale because it is concerned about the negative economic impact, realized by decreases in property values consistent with diminished availability or quality of recreational use of Lake Lewisville, as well as the Board's concern about integrity of the District's water supply. Potential contamination from drilling or fracking compounds and the related runoff could impact the water quality of Lake Lewisville; and contaminant migration through the surrounding aquifers could impact public water wells that serve the District. Further, fracking could lead to an increase in seismic activity, threatening the structural integrity of the dam.

While the Board files this protest for the District, and its residents as a whole, each and every member, including the undersigned, also live in the District. Every concern outlined herein is shared by the Board, not only as members of the governing body of a political subdivision, but also as residents of this impacted community. With this in mind, we implore the BLM to remove the Parcel from consideration in the Sale.

Thank you for your consideration of this protest.

Best regards,

  
Guy Harris  
President, Board of Directors  
713-850-9000