City Council
Agenda Memo

City Council
Meeting Date: 12-6-12

TO: **Larry D. Gilley, City Manager**

FROM: **Stan Standridge, Chief of Police**

SUBJECT: **METAL RECYCLING ENTITIES AND PRECIOUS METAL BUYERS ORDINANCE**

GENERAL INFORMATION

This proposed ordinance was tabled during the City Council meeting on October 25, 2012. The Mayor requested staff visit with business owners and address concerns they had concerning the ordinance. This meeting occurred on November 1st. Thereafter, staff revised the ordinance to ensure business owners did not have to report the purchase of scrap metal from manufacturing, industrial, commercial, retail, or other sellers that sell regulated material in the ordinary course of the seller's business (a major point of concern for the business owners); changed the language from required reporting of personal property to precious metals or regulated metals (consistent with State law); and eliminated the requirement to obtain and report a phone number from those selling scrap or precious metals. In addition to these ordinance revisions, staff created an email notification system that fosters increased communication between the police department and vendors.

SPECIAL CONSIDERATIONS

Vendors expressed concern with increased costs they may incur from this ordinance. Staff advised vendors that LeadsOnline will create a software interface for them at no additional cost.

FUNDING/FISCAL IMPACT

The Police Department already contracts with LeadsOnline, so no new expenses are expected. Some vendors may incur costs if they try to upgrade their point of sale systems, in lieu of contacting LeadsOnline.

STAFF RECOMMENDATION

Staff recommends City Council pass the proposed ordinance.

ATTACHMENTS:

Prepared by:		Disposition by City Council
Name___Stan Standridge_____		❑ Approved Ord/Res# ❑ Denied _____ ❑ Other
Title____Chief of Police _____	Item No._7.1_____	_____ City Secretary

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ABILENE REPLACING CHAPTER 17, "MISCELLANEOUS PROVISIONS", ARTICLE II, "PAWN SHOPS", OF THE ABILENE MUNICIPAL CODE IN ITS ENTIRETY AS SET OUT BELOW; PROVIDING A SEVERABILITY CLAUSE; DECLARING A PENALTY; AND CALLING FOR A PUBLIC HEARING.

WHEREAS, the Abilene Police Department routinely investigates criminal offenses in which precious or scrap metals are targeted because of their high value; and,

WHEREAS, the current provisions of Chapter 17, "Miscellaneous Provisions", Article II, "Pawn Shops" are out of date and no longer adequate to meet the needs of the community;

NOW, THEREFORE, **BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:**

PART 1: That Chapter 17, "Miscellaneous Provisions", Article II, "Pawn Shops" of the Code of Ordinances, City of Abilene, Texas, is hereby replaced as set out in Exhibit A, attached and made a part of this ordinance for all purposes.

PART 2: That if the provisions of any section, subsection, paragraph, subdivision or clause of this ordinance shall be adjudged invalid by a court of competent jurisdiction, such judgment shall not effect or invalidate the remainder of any section, subsection, paragraph, subdivision, or clause of this ordinance.

PART 3: That any person, firm, or corporation violating the provisions of this Ordinance, shall be deemed to have committed a misdemeanor, and upon conviction thereof shall be fined in accordance with Chapter 1 (Section 1-9) of this Code.

PART 4: Each day such violation shall continue, or be permitted to continue, shall be deemed a separate offense. Said ordinance, being a penal ordinance, becomes effective ten (10) days after its publication in the newspaper, as provided by Section 19 of the Charter of the City of Abilene.

PASSED ON FIRST READING this 11th day of October, 2012.

A notice of the time and place, where and when said ordinance would be given a public hearing and considered for final passage was published in the Abilene Reporter-News, a daily newspaper

of general circulation in the City of Abilene, said publication being on the 2nd day of December, 2012, the same being more than 24 hours prior to a public hearing being held in the Council Chamber of City Hall in Abilene, Texas, at 8:30 a.m. on the 6th day of December, 2012, to permit the public to be heard. Said Ordinance, being a penal ordinance, becomes effective ten (10) days after its publication in the newspaper, as provided by Section 19 of the Charter of the City of Abilene.

PASSED ON SECOND AND FINAL READING this 6th day of December, 2012.

ATTEST:

_____ _____

CITY SECRETARY MAYOR

APPROVED:

_____

CITY ATTORNEY

ORDINANCE NO. _____

EXHIBIT A

Replace CHAPTER 17 "Miscellaneous Provisions", Article II. "Pawn Shops", in its entirety with the following:

ARTICLE II. PAWN SHOPS

Sec. 17-51. Hold period for personal property purchased by pawn shops.

(a) Each item of personal property purchased from the general public by any local pawn shop under the regulation of the Texas Pawn Shop Act and the Consumer Credit Commissioner must be held at the licensed pawn shop location for a period from the purchase date before being modified, changed, sold, or disposed of in any manner for at least eleven (11) days.

(b) The City of Abilene Police Department shall have the authority to extend the hold period on any particular personal property if the interest of justice so requires, from eleven (11) days, to a period not exceeding twenty (20) days, by providing written notice to the local pawn shop, (under the regulation of the Consumer Credit Commissioner,) in possession of the personal property on or before the 11th day of the hold period.

ARTICLE III. METAL RECYCLING ENTITIES AND PRECIOUS METAL BUYERS

Sec. 17-52. Definitions.

The following words or phrases, whenever used in this article, shall be construed as defined in this section:

Business Days. Every official working day of the week, including Monday through Friday. This shall exclude any day in which the City of Abilene administration offices are closed due to holidays, inclement weather days, etc.

Chief of Police. The Chief of Police of the City of Abilene, Texas, or designated representative.

City Secretary. The City Secretary of the City of Abilene, Texas, or designated representative.

Consignment Store. A retail store that sells secondhand items on behalf of others and receives a percentage of the sales price.

Fixed Location. _ A location that is owned or leased solely as a storefront location to sell or purchase precious metals or regulated metals.

Metal recycling entity. Anyone who operates or maintains a scrap metal yard or other place in which used or previously purchased metal items or scrap metal is collected or kept for shipment, sale, or transfer or engages in the business of utilizing machinery or equipment for the processing of or manufacturing of iron, steel, or nonferrous metallic scrap and whose principal product is scrap iron, scrap steel or nonferrous metallic scrap for re-melting purposes.

Precious Metal. Metals as defined by the Texas Occupations Code § 1956.051, as amended.

Precious metal buyer. Any person engaged in the business of buying gold, silver, platinum, palladium, iridium, rhodium, osmium, ruthenium, or an alloy of those metals as defined in Texas Occupations Code § 1956.051, as amended.

Regulated Metal. Metals as defined by the Texas Occupations Code § 1956.001, as amended.

Sec. 17-53. Exceptions.

This Article shall not be applicable to:

(a) The sale of aluminum cans.

(b) Trade or purchase of firearms.

(c) Entities licensed as a pawn shop with the State of Texas.

(d) The sale or purchase of coins.

(e) Consignment stores with the exception of transactions of precious metals.

(f) Secondhand personal property businesses with the exception of transactions of precious metals.

(g) Items purchased at auctions or estate sales.

Sec. 17-54. Permit required.

All persons transacting business as a metal recycling entity or a precious metal buyer shall have a current Metal and Precious Metal Permit to operate issued by the City of Abilene.

Sec. 17-55. Permit Application.

Applicants for permits under this article must file with the City Secretary an application in writing on a form obtained from the City Secretary and provide the following:

(a) A valid Texas Driver's License or state issued photo identification.

(b) A valid email address.

(c) The number of the limited sales tax permit issued to the business by the state comptroller's office, if applicable.

(d) A brief description of the activity or business to be conducted.

(e) The appropriate fee.

Any application made pursuant to the provisions of this article may be presented to the Better Business Bureau of Abilene or the Abilene Police Department for investigation.

Sec. 17-56. Required fee.

The fees and charges for permits furnished by the city shall be determined from time to time and placed on file in the office of the City Secretary. No application for a permit will be processed until the required fees are tendered to the City Secretary. Permit fees are nonrefundable and shall not be prorated.

Sec. 17-57. Issuance.

Upon completion and presentation of the application, the City Secretary shall issue a permit to the applicant within 5 business days unless grounds for denial exist under Section 17-61 of this Article.

Sec. 17-58. Contents.

(a) Each permit issued under this article shall show the name of the permitted individual, business address, the date of issuance, and the expiration date of such permit.

(b) The permit shall be numbered and printed in black; except, that the following shall be printed prominently thereon in red: "The issuance of this License is not an endorsement by the City of Abilene, or any of its officers or employees, and expires _____."

Sec. 17-59. Permit Expiration

The permit will be valid through December 31 of the year the permit is issued. The permit will only be valid for the address for which it is issued and will become void if the location of the business is changed.

Sec. 17-60. Transfer.

No permit issued under the provision of this article shall be transferred or assigned to any person or business entity.

Sec. 17-61. Denial.

An application for permit may be denied to a person under this article for the following reasons.

(a) An investigation reveals that the applicant falsified information on the application.

(b) Permit for same business has been revoked within the past 6 months.

(c) The applicant has been convicted within the previous five years of felony offense under Chapters 30 through 32 of the Texas Penal Code as amended and is not clear of community supervision or parole for the last five years.

Sec. 17-62. Revocation.

(a) Permits issued under the provision of this article may be revoked for any of the following causes by any official of the City of Abilene:

1. Fraud, misrepresentation or false statement contained in the application for permit.

2. Fraud, misrepresentation or false statement made in the course of carrying on his business.

3. Any violation of this article.

4. Applicant is convicted of a felony offense under Chapters 30 through 32 of the Texas Penal Code, as amended.

(b) Notice of revocation of a permit shall be given in writing, and specify the grounds of the revocation.

(c) When notice is received that a permit has been revoked, the person shall immediately surrender their permit to the revoking official and the business operations governed by the permit shall cease to operate.

Sec. 17-63. Appeals

(a) An appeal from any act of denial or revocation of any permit shall be filed with the City Manager or his designee within five (5) business days from the date of denial or revocation.

(b) Such appeal shall be taken by filing with the City Manager or his designee a written statement setting forth fully the grounds for the appeal.

(c) The City Manager or his designee shall issue a decision on the denial or revocation in writing within 5 business days of receipt of the appeal.

(d) The revocation or denial is not stayed pending the City Manager's or his designee's decision.

(e) The decision and order of the City Manager or his designee on such appeal shall be final and conclusive.

Sec. 17-64. Exhibition of Permit Required.

All persons transacting business as a metal recycling entity or precious metal buyer shall conspicuously display the current permit to operate issued by the City of Abilene.

"Conspicuously displayed" shall mean displayed so that it is visible to any customer conducting business with the metal recycling entity or precious metal buyer.

Sec. 17-65. Recordkeeping requirements.

(a) Except as otherwise provided herein, every person licensed or transacting any business as a metal recycling entity or precious metal buyer within the city shall use the entity designated by the Chief of Police to maintain an electronic inventory-tracking system and transmit all information required by this Article via computer to the entity designated by the Chief of Police.

(b) The information required to be transmitted by this section must include:

1. The date and time of each transaction in which precious metal or regulated metal is purchased, pledged, or received monetary value for said item (s).

2. An accurate and detailed description of any and all precious metal or regulated metal purchased or acquired during the regular course of business for any

Comment [TJ1]: Changed from" personal property" to "precious metal or regulated metal"

Comment [TJ2]: Changed from "personal property" to "precious metal or regulated metal"

monetary value, including any and all trademarks, identification numbers, serial numbers, model numbers, brand names, and other identifying marks.

3. The full name, address, date of birth, driver's license number or state-issued identification card, and physical description of the person with whom each such purchase or transaction is consummated. The person must present their driver's license or state issued identification card to vendor at the time of each transaction.

Comment [TJ3]: Deleted telephone number requirement

4. A digital photograph is required of any item precious metal or regulated metal purchased by a precious metal buyer or metal recycling entity acquired during the course of business. This digital photograph shall be uploaded to the entity designated by the Chief of Police which will be associated with the transaction. Photographs shall clearly depict the item(s). No more than (10) ten pieces of precious metal may be photographed together. They must be photographed in a manner in which they can easily be identified

(c) The information required to be transmitted by subsection (b) of this section shall be transmitted within 24 hours of the transaction.

(d) Failure to obtain such information or to falsify such information may result in a citation issued to the individual completing the transaction or the onsite manager or supervisor.

(e) **Exception to Photograph Requirements.** Metal recycling entities with a fixed location shall not be required to photograph and upload their purchases if they have a Digital Video Recorder that captures day to day activities and transaction within the business that will be made available within three business days upon request of the Chief of Police. If the entities do not have a DVR system they will be required to photograph and upload each transaction. Video evidence will be retained 90 days; photographs will be retained 180 days.

(f) **Exception to Reporting Requirements.** The exceptions found in §1956.002 of the Texas Occupations Code, as amended, shall apply to this Section provided any payment made for the regulated materials excepted under this Section is paid to the utility or business and not to an individual seller. The excepted transactions include:

1. a purchase of regulated material from a public utility or a manufacturing, industrial, commercial, retail, or other seller that sells regulated material in the ordinary course of the seller's business;

2. a purchase of regulated material by a manufacturer whose primary business is the manufacture of iron and steel products made from melting scrap iron and scrap steel; or

3. the transport or hauling of recyclable materials to or from the metal recycling entity.

Comment [TJ4]: Inserted language at request of industry representatives

Sec. 17-66. Police Hold Binder Required.

(a) All metal recycling entities or precious metal buyers within the City of Abilene shall maintain a police hold binder to log all property believed to be stolen or that is under investigation.

(b) This binder shall consist of a three ring notebook containing a current copy of this ordinance, and a property log on a form approved by the Abilene Police Department, and signed statements from each employee acknowledging they have been provided a copy of this ordinance and they understand the provisions.

(c) Signed statements from each employee acknowledging they have been provided a copy of this ordinance and they understand the provisions.

Sec. 17-67. Stolen Property or Property Under Investigation.

(a) Any item deemed as stolen property or under law enforcement investigation shall be placed away from public view, shall be moved separate from other purchased items and identified as "Police Hold" item(s) and shall be noted in the Police Hold binder provided by the Abilene Police Department. Pursuant to the Texas Occupations Code § 1956.037, property subject to "Police Hold" shall be held a minimum of 60 days unless directed otherwise by a peace officer.

(b) Any law enforcement agency other than Abilene Police Department that requests items to be placed on hold due to an ongoing investigation shall be directed to Abilene Police Department Criminal Investigations Division upon placing said item on Police Hold.

(c) Property subject to "police hold" shall be held a minimum of 60 days. Property may be released before the expiration of 60 days if directed by a peace officer.

Sec. 17-68. Acceptance of government or utility property by a metal recycling entity.

(a) It shall be unlawful for any person licensed or transacting any business as a metal recycling entity within the city to purchase or receive any item of property on which words or markings appear indicating ownership of such item by the United States, the

State of Texas, or any of its political subdivisions or agencies, any government entity or any public utility company, except where the person offering such item for sale or transfer provides:

1. Written authorization from the governmental entity, agency, or utility to convey the item on behalf of the entity , agency, or utility; or

2. A valid receipt from the governmental entity , agency, or utility evidencing such entity , agency, or utility has conveyed or relinquished ownership of the item.

(b) It shall not be a defense to prosecution that an item of property contains no words or markings indicating ownership if the person who purchased or received the item knows or should reasonably be expected to know such item is owned by the United States, the State of Texas, or any of its political subdivisions or agencies,any government entity or any public utility company.

Sec. 17-69. Acceptance of property sealed or unopened in its original packaging by a metal recycling entity.

It shall be unlawful for any person licensed or transacting any business as a metal recycling entity within the city to purchase or receive an item of property sealed or unopened in its original packaging unless the person conveying such item presents a receipt or proof of purchase for the item. Evidence of ownership must be retained with the item.

Sec. 17-70. Acceptance of property inscribed with a company name by a metal recycling entity.

(a) It shall be unlawful for any person licensed or transacting any business as a metal recycling entity within the city limits to purchase or receive an item of property identified as the property of a business entity unless the person conveying such item provides at the time of conveyance a valid receipt indicating lawful ownership, a signed statement attesting to lawful ownership, or written authorization from the owner to convey the item on such owner’s behalf.

(b) Evidence of ownership or written authorization to convey the item must be retained with the item, unless otherwise authorized by the Chief of Police.

Sec. 17-71. Hold period for personal property.

Each item of personal property purchased from the general public by any precious metal buyer must be held at the dealer's location for a period from the purchase date before being modified, changed, sold, or disposed of in any manner for at least eleven (11) days. Exceptions can be granted by the Chief of Police for unique circumstances.

Sec. 17-72. Hold period for personal property for metal recycling entities.

Section 17-71 of this Article does not apply to metal recycling entities. Those entities shall hold all personal property for the time period required by state law.

Sec. 17-73. Extension of Hold Period.

The Chief of Police shall have the authority to extend the hold period on any particular personal property if the interest of justice so requires by providing written notice to the precious metal buyer or metal recycling entity in possession of the personal property on or before the expiration of the hold period.

Sec. 17-74. Additional requirements for precious metal buyers without a fixed location.

In addition to the other requirements of this article any precious metal buyer without a fixed location operating in the city shall make all purchases available for inspection at request of the Chief of Police within three (3) business days. This request can be either by phone, email or fax.

Comment [TJ5]: Changed from "days" to "business days"

Sec. 17-75. Enforcement; Inspections; Access to Records.

The Chief of Police shall have the authority, in accordance with applicable law, to do the following to enforce the provisions of this ordinance:

(a) Issue any orders, directives, or warnings required to carry out the intent and purpose of this Article and its particular provisions.

(b) Enter and inspect any premises covered by the provisions of this Article to determine compliance with the provisions of this Article and all applicable laws, rules, regulations, standards or directives of the State.

(c) Request and receive any records necessary to establish the premises are covered by a valid permit.

Sec. 17-76. Penalty.

(a) A violation of this ordinance shall constitute a misdemeanor and, upon conviction thereof, shall be punishable by a fine not to exceed five hundred dollars ($500.00). Each transaction and each day shall be considered a separate offense.

(b) Nothing herein contained shall prevent the City from taking such other lawful action as is necessary to prevent or remedy any violation of this Article, including seizure of goods.

City Council
Agenda Memo

City Council
Meeting Date: Dec. 6th, 2012

TO: **Larry D. Gilley, City Manager**

FROM: **Danette Dunlap, City Secretary**

SUBJECT: **Resolution approving the Fee Schedule for the metal recycling entities, crafted precious metal dealers and precious metal buyers ordinance.**

GENERAL INFORMATION

By approving item 7.1 of this agenda, the City Council revised Chapter 17, "Miscellaneous Provisions, Article II Pawn Shops, of the Abilene Municipal Code for the purpose of assisting the Police Department's efforts to successfully investigate crimes that often involve precious or scrap metals and return said merchandise to its rightful owner.

STAFF RECOMMENDATION

Staff is making this recommendation for fees based on research that was compiled during the solicitation ordinance update. Fees are attached in Exhibit A.

Comparable City Rates of our Sister cities:

City	Year updated	Fee &other information
Carrollton	2010	No
Denton	1966	No
Grand Prairie	1964	Yes ($25.00 + $1,000 bond)
Killeen	1994	Yes ($25.00 for 2 yrs)
Midland	1988	Yes ($25.00 $10.00 each yr thereafter $1,000 bond)
Odessa	2007	Yes ($50.00 for 5 yrs) Jewelry & Precious metal
San Angelo	1959	No
Waco	2011	No
Wichita Falls	1966	Yes $15.00 + 5,000 bond)

ATTACHMENT

Resolution
Exhibit "A" Fees

Prepared by:		Disposition by City Council
Name: Danette Dunlap		❑ Approved Ord/Res#
Title: City Secretary	Item No. 7.2	❑ Denied _____
		❑ Other
		_____ City Secretary

RESOLUTION NO. ___-2012

A RESOLUTION OF THE CITY OF ABILENE, TEXAS ESTABLISHING FEES FOR THE METAL RECYCLING ENTITIES, CRAFTED PRECIOUS METAL DEALERS AND PRECIOUS METAL BUYERS ORDINANCE.

WHEREAS, on December 6th, 2012, the City Council revised Chapter 17, "Miscellaneous Provisions" Article II, "Pawn Shops" in its entirety, of the Abilene Municipal Code, this ordinance will enable the Police Department to successfully investigate crimes that often involve precious or scrap metals and return said merchandise to its rightful owner; and

WHEREAS, the fees for precious metal dealers and precious metal buyers ordinance can from time to time be revised by the City Council; and

WHEREAS, at this time there is a need to establish said Fee Schedule for the Precious Metal Dealers/Buyers Ordinance; now therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

PART 1: That the Fee Schedule for Precious Metal Dealers/Buyers Ordinance is attached hereto as Exhibit "A."

PART 2: Application/Permit is effective January 1 – December 31st each year.

PART 3: That this Fee Schedule for the Precious Metal Dealers/Buyers Ordinance shall be kept on file in the City Secretary's Office.

PART 4: That the effective date is January 1, 2013.

ADOPTED the 6th day of December, 2012.

ATTEST:

_____ _____

City Secretary Mayor

Approved:

_____

City Attorney

RESOLUTION NO. --2012

Exhibit "A"

FEE SCHEDULE

Non- Refundable Application Permit Fee	$100.00	Jan 1 – Dec 31
Renewable before expiration of December 31	$ 25.00	
Fee if not renewed before Jan. 15 each year	$ 50.00	

City Council
Agenda Memo

City Council
Meeting Date: 12/06/2012

TO: **Larry D. Gilley, City Manager**

FROM: **Jon James, AICP**
Director of Planning and Development Services

SUBJECT: **Final reading and public hearing of an ordinance for Case No. Z-2012-27, a request from Abilene Bone & Joint Clinic, LLP, agent Tino Martinez, to rezone property from MD (Medium Density) to GR (General Retail), located at 1641 Cottonwood Street.**

GENERAL INFORMATION

The property is zoned MD. The property was rezoned in 2008 as part of a request to develop a series of duplexes on the property to the south. The surrounding area is developed with industrial and heavy commercial uses both across Cottonwood St on the properties along N. Treadaway Blvd to the west and the properties to the east across the railroad right-of-way. The applicant is developing the property to the south with a medical office as well as a physical fitness & training facility. The applicant has now purchased this property is requesting the GR (General Retail) zoning to conform to the zoning on the property to the south.

The Future Land Use section of the Comprehensive Plan designates this general area as low density residential. This area is just to the east of the N. Treadaway Boulevard commercial corridor and is bounded by a railroad right-of-way on the east. The residential uses in this area were originally zoned for industrial uses. While there are existing residential uses in this area, staff believes the proximity to N. Treadaway Blvd and the railroad would lend itself for commercial development throughout this area.

STAFF RECOMMENDATION

Staff recommends approval as requested.

BOARD OR COMMISSION RECOMMENDATION

The Planning and Zoning Commission recommends approval by a vote of 6 in favor (Bixby, Famble, Glenn, Rosenbaum, Yungblut, and McClarty) and none opposed.

ATTACHMENTS

Ordinance
Staff Report with Maps

Prepared by:		Disposition by City Council
Name: Ben Bryner		❑ Approved Ord/Res# ❑ Denied _____ ❑ Other
Title: Planning Services Manager	Item No. 7.3	_____
November 21, 2012		City Secretary

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, AMENDING CHAPTER 23, SUBPART E, "LAND DEVELOPMENT CODE," OF THE ABILENE MUNICIPAL CODE, BY CHANGING THE ZONING DISTRICT BOUNDARIES AFFECTING CERTAIN PROPERTIES; CALLING A PUBLIC HEARING; PROVIDING A PENALTY AND AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

PART 1: That Chapter 23, Subpart E, known as the Land Development Code of the City of Abilene, is hereby amended by changing the zoning district boundaries as set out in Exhibit "A," attached hereto and made a part of this ordinance for all purposes.

PART 2: That any person, firm or corporation violating any of the provisions of this chapter shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not more than Five Hundred Dollars ($500.00). Each day such violation shall continue or be permitted to continue, shall be deemed a separate offense.

PART 3: That the Planning Director be, and is hereby authorized and directed to change the official Zoning Map of the City of Abilene to correctly reflect the amendments thereto.

PASSED ON FIRST READING this 13th day of November, A.D. 2012.

A notice of the time and place, where and when said ordinance would be given a public hearing and considered for final passage, was published in the Abilene Reporter-News, a daily newspaper of general circulation in the City of Abilene, said publication being on the 19th day of October, 2012, the same being more than fifteen (15) days prior to a public hearing to be held in the Council Chamber of the City Hall in Abilene, Texas, at 8:30 a.m., on the 6th day of December, 2012 to permit the public to be heard prior to final consideration of this ordinance. Said ordinance, being a penal ordinance, becomes effective ten (10) days after its publication in the newspaper, as provided by Section 19 of the Charter of the City of Abilene.

PASSED ON SECOND AND FINAL READING THIS 6th day of December, A.D. 2012.

ATTEST:

_____
CITY SECRETARY

_____
MAYOR

APPROVED:

_____
CITY ATTORNEY

ORDINANCE NO. _____

EXHIBIT "A"

Rezone property from MD (Medium Density) to GR (General Retail) District.

Legal Description:

COLLEGE DRIVE REPLAT, BLOCK 31, LOT 7

Location:

1641 Cottonwood Street

-END-

ZONING CASE Z-2012-27
STAFF REPORT

APPLICANT INFORMATION:
Abilene Bone & Joint Clinic, LLP

HEARING DATES:
Planning & Zoning Commission: November 5, 2012
City Council 1st Reading: November 13, 2012
City Council 2nd Reading: December 6, 2012

LOCATION:
1641 Cottonwood Street

REQUESTED ACTION:
Rezone property from MD to GR

SITE CHARACTERISTICS:
The subject property is approximately 0.96 acres and is currently zoned MD (Medium Density). The property is currently developed with a house. The adjacent properties have MD zoning to the north, HC (Heavy Commercial) zoning to the west across Cottonwood St, and GR (General Retail) to the south.

ZONING HISTORY:
The property was annexed in 1911. The property was zoned LI sometime after. It was rezoned to RM-3 in 2008. The zoning was re-designated to MD with adoption of the LDC in 2010.

ANALYSIS:
- Current Planning Analysis

  The property is zoned MD. The property was rezoned in 2008 as part of a request to develop a series of duplexes on the property to the south. The surrounding area is developed with industrial and heavy commercial uses both across Cottonwood St on the properties along N. Treadaway Blvd to the west and the properties to the east across the railroad right-of-way. The applicant is developing the property to the south with a medical office as well as a physical fitness & training facility. The applicant has now purchased this property is requesting the GR (General Retail) zoning to conform to the zoning on the property to the south.

- Comprehensive Planning Analysis

  The Future Land Use section of the Comprehensive Plan designates this general area as low density residential. This area is just to the east of the N. Treadaway Boulevard commercial corridor and is bounded by a railroad right-of-way on the east. The residential uses in this area were originally zoned for industrial uses. While there are existing residential uses in this area, staff believes the proximity to N. Treadaway Blvd and the railroad would lend itself for commercial development throughout this area.

PLANNING STAFF RECOMMENDATION:
Staff recommends approval as requested.

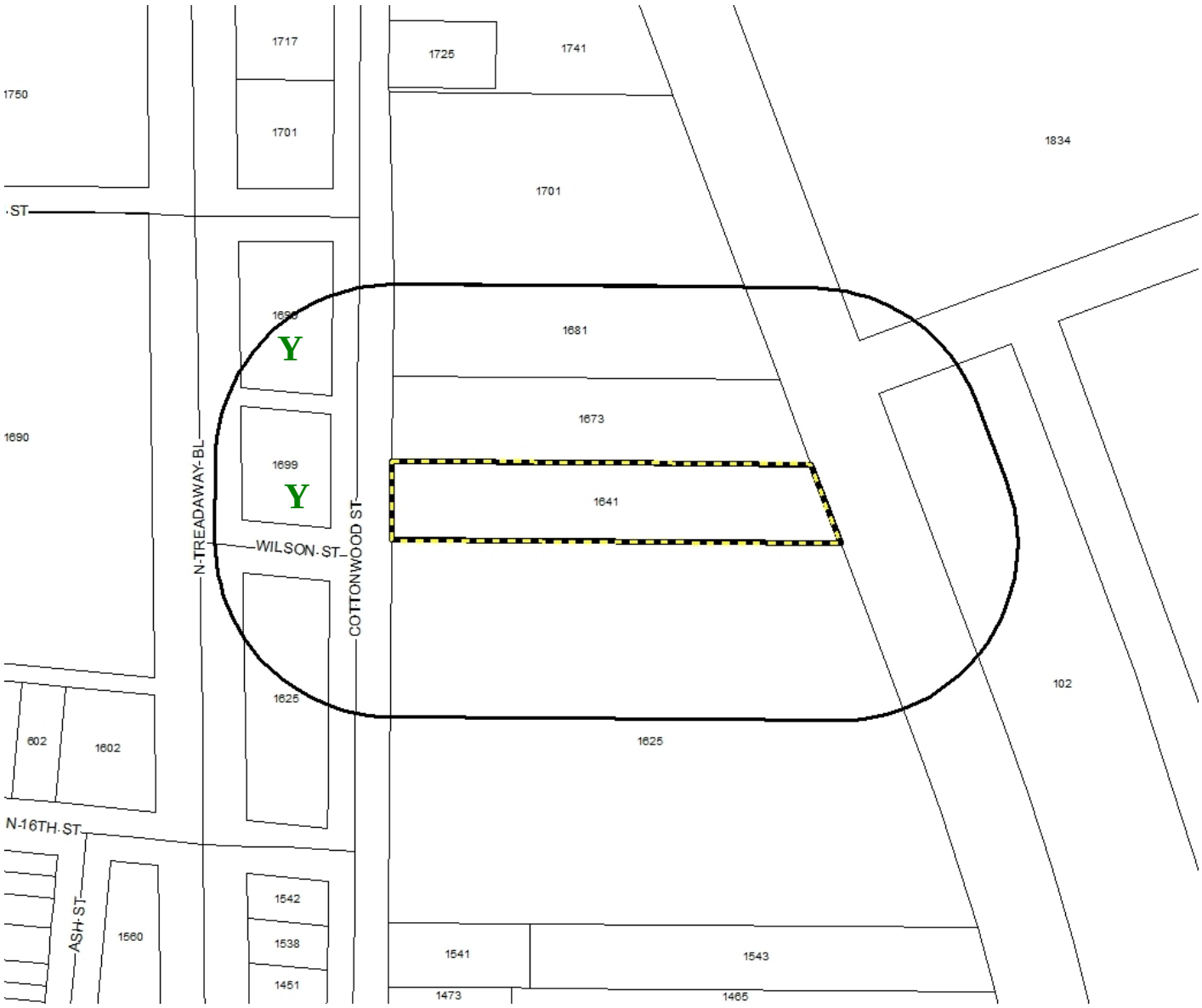
PLANNING AND ZONING COMMISSION RECOMMENDATION:
The Planning and Zoning Commission recommends approval by a vote of 6 in favor (Bixby, Famble, Glenn, Rosenbaum, Yungblut, and McClarty) and none opposed.

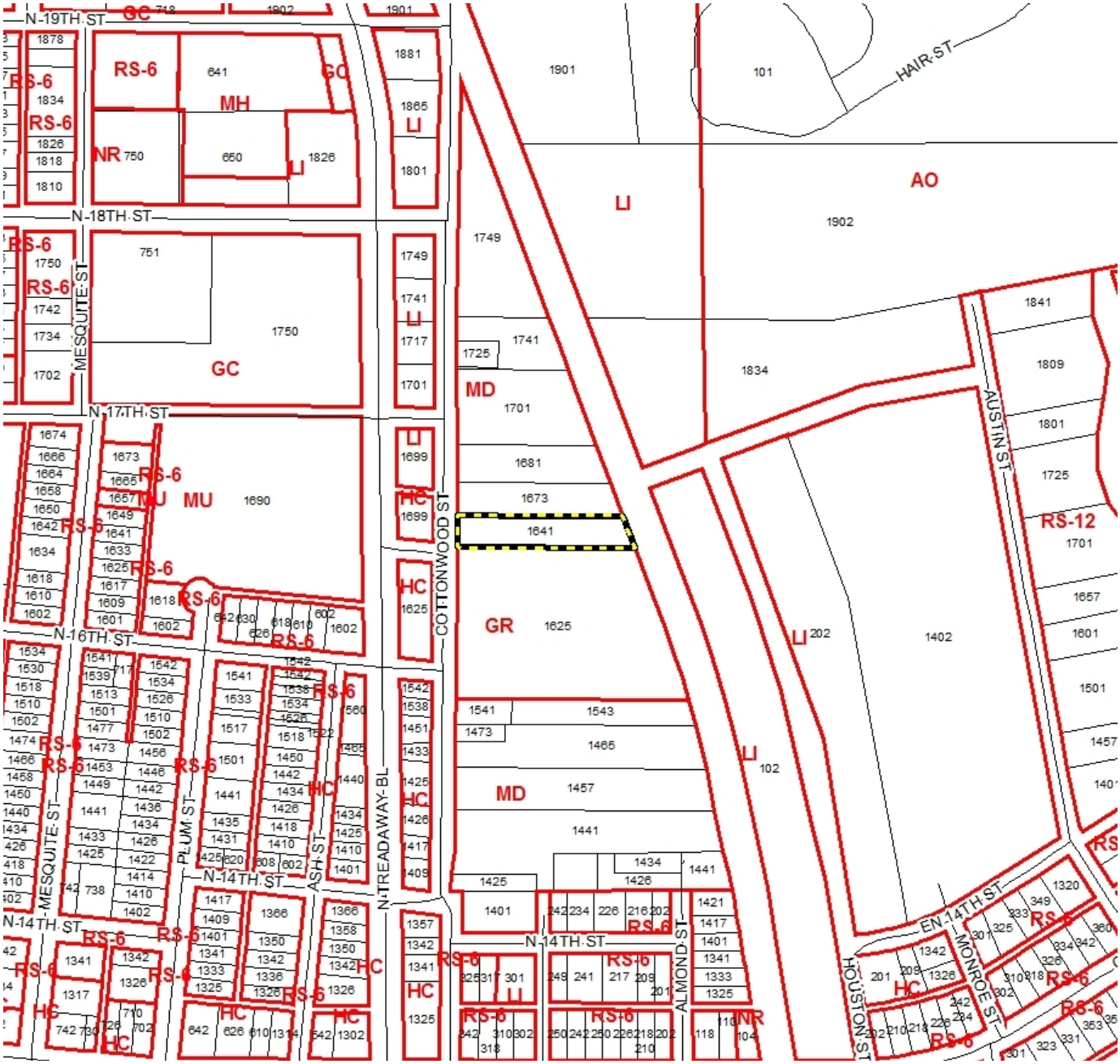
NOTIFICATION:

Property owners within a 200-foot radius were notified of the request.

OWNER	ADDRESS	RESPONSE
LEAL LUPE T	1699 N TREADAWAY BL	In Favor
LEAL LUPE T	1699 N TREADAWAY BL	In Favor
ABILENE BONE & JOINT PROPERTIES	1625 N TREADAWAY BL	
FREEMAN MARK	1834 AUSTIN ST	
STOCKDELL CAROLYN R	1673 COTTONWOOD ST	
ABILENE BONE & JOINT PROPERTIES	1641 COTTONWOOD ST	
MARINES JULIO TREVINO & ELIZABETH ANN	1681 COTTONWOOD ST	
ABILENE BONE & JOINT PROPERTIES	1625 COTTONWOOD ST	
BONTKE BROTHERS CONST CO	102 COLLEGE DR	

2 in Favor- **Y**
0 Opposed- **N**

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HOUSTON-ST
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N 16TH ST
ASH ST
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City Council
Agenda Memo

City Council
Meeting Date: 12/06/2012

TO: **Larry D. Gilley, City Manager**

FROM: **Jon James, AICP**
Director of Planning and Development Services

SUBJECT: **Final reading and public hearing of an ordinance for Case No. Z-2012-28, a request from Village Investment Partners/Windmill Circle Partners, Agent Tony Conder, to rezone property from PD (Planned Development) and LI (Light Industrial) to GR (General Retail), located north of Covenant Drive between S. Clack Street and Memorial Drive.**

GENERAL INFORMATION

The property is zoned PD-31, PD-100, and LI. The property is currently vacant and no business activity has occurred on the property for several years. The applicant is proposing to rezone the property in order to market the property for retail development. The PD districts generally allow for GC uses in the area within 400 feet Highway 83/84. The remaining area to the west allows for HC uses. The requested GR zoning would be more consistent with the desired uses for the area. Large single-family residential homes are being developed to the west. A transition to less intensive retail zoning, such as NR (Neighborhood Retail) zoning, would be appropriate. However, the GR zoning is less intensive and is desired over the existing zoning.

The Future Land Use section of the Comprehensive Plan designates this general area as business/industrial. This area is just to the north of a Special Activity Area that includes Abilene Regional Hospital. There is an existing retirement community and a proposed Sam's Club to the south. There are existing residential subdivisions to the west. The request would not have a negative impact on the surrounding properties and would be compatible with the City's plans for this area.

STAFF RECOMMENDATION

Staff recommends approval.

BOARD OR COMMISSION RECOMMENDATION

The Planning and Zoning Commission recommends approval of GR by a vote of 6 in favor (Bixby, Famble, Glenn, Rosenbaum, Yungblut, and McClarty) and none opposed.

ATTACHMENTS

Ordinance
Staff Report with Maps

Prepared by:		Disposition by City Council
Name: Ben Bryner		❑ Approved Ord/Res#
Title: Planning Services Manager	Item No. 7.4	❑ Denied _____
November 21, 2012		❑ Other
		_____ City Secretary

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, AMENDING CHAPTER 23, SUBPART E, "LAND DEVELOPMENT CODE," OF THE ABILENE MUNICIPAL CODE, BY CHANGING THE ZONING DISTRICT BOUNDARIES AFFECTING CERTAIN PROPERTIES; CALLING A PUBLIC HEARING; PROVIDING A PENALTY AND AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

PART 1: That Chapter 23, Subpart E, known as the Land Development Code of the City of Abilene, is hereby amended by changing the zoning district boundaries as set out in Exhibit "A," attached hereto and made a part of this ordinance for all purposes.

PART 2: That any person, firm or corporation violating any of the provisions of this chapter shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not more than Five Hundred Dollars ($500.00). Each day such violation shall continue or be permitted to continue, shall be deemed a separate offense.

PART 3: That the Planning Director be, and is hereby authorized and directed to change the official Zoning Map of the City of Abilene to correctly reflect the amendments thereto.

PASSED ON FIRST READING this 13th day of November, A.D. 2012.

A notice of the time and place, where and when said ordinance would be given a public hearing and considered for final passage, was published in the Abilene Reporter-News, a daily newspaper of general circulation in the City of Abilene, said publication being on the 19th day of October, 2012, the same being more than fifteen (15) days prior to a public hearing to be held in the Council Chamber of the City Hall in Abilene, Texas, at 8:30 a.m., on the 6th day of December, 2012 to permit the public to be heard prior to final consideration of this ordinance. Said ordinance, being a penal ordinance, becomes effective ten (10) days after its publication in the newspaper, as provided by Section 19 of the Charter of the City of Abilene.

PASSED ON SECOND AND FINAL READING THIS 6th day of December, A.D. 2012.

ATTEST:

_____
CITY SECRETARY

_____
MAYOR

APPROVED:

_____
CITY ATTORNEY

ORDINANCE NO. _____

EXHIBIT "A"

Rezone property from PD (Planned Development) & LI (Light Industrial) to GR (General Retail) district.

Legal Description:

A1355 SUR 10 L A L NE/4, TRACT 2 FASSHAUER, ACRES 29.87
SUPERIOR SUPPLY ADDN, BLOCK A, LOT 5.483 ACRES OF LT 1
WALDEN ADDN, BLOCK A, LOT 1 & 2 LESS E PART

Location:

North of Covenant Drive between S. Clack Street and Memorial Drive

-END-

C-SC.

ORDINANCE NO. 48-1985

AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, AMENDING CHAPTER 23, SUBPART E, ZONING, OF THE ABILENE MUNICIPAL CODE, CONCERNING SOUTH CLACK PLANNED DEVELOPMENT DISTRICT; CALLING A PUBLIC HEARING; PROVIDING A PENALTY AND AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

PART 1: That Chapter 23, Subpart E, known as the Zoning Ordinance of the City of Abilene, is hereby amended; as set out in Exhibit "A," attached hereto and made a part of this ordinance for all purposes.

PART 2: That any person, firm or corporation violating any of the provisions of this chapter shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not more than One Thousand Dollars ($1,000.00). Each day such violation shall continue or be permitted to continue, shall be deemed a separate offense.

PASSED ON FIRST READING this 9 day of May, A.D. 19 85.

A notice of the time and place, where and when said ordinance would be given a public hearing and considered for final passage, was published in the Abilene Reporter-News, a daily newspaper of general circulation in the City of Abilene, said publication being on the 5 day of May, 19 85, the same being more than fifteen (15) days prior to a public hearing to be held in the Council Chamber of the City Hall in Abilene, Texas, at 9:00 a.m., on the 23 day of May, 19 85, to permit the public to be heard prior to final consideration of this ordinance. Said ordinance, being a penal ordinance, becomes effective ten (10) days after its publication in the newspaper, as provided by Section 19 of the Charter of the City of Abilene.

PASSED ON SECOND AND FINAL READING this 23 day of May, A.D. 19 85.

ATTEST:

Patricia Patton
CITY SECRETARY

David Stubbeman
MAYOR

APPROVED:

Karen L. Anderson
CITY ATTORNEY

00128

Exhibit "A"

ORDINANCE NO. 48-1985

PART 1: Land Title. Title to land not dedicated to public use and services or for utility purposes and not otherwise designatd for development purposes shall remain in the owner thereof, his heirs, assigns, lessees and successors in interest and shall not be the responsibility of the City of Abilene for any purpose.

PART 2: Development Specifications. All development in the Planned Development District shall be in accordance with the maps, topographical and drainage plans, utility plans, architectural drawings, site plan, plat, and any other required plans filed in connection with this requested Planned Development District and are hereby incorporated by referece and included as part of this ordinance.

Further, all agreements, provisions, or covenants which govern the use, maintenance, and continued protection of this P.D.D. are hereby incorporated by reference and included as part of this ordinance. (Some of these documents may be attached as Exhibit B.)

All use and development within the Planned Development District must be in compliance with the general Comprehensive Zoning Ordinance of the City of Abilene except as otherwise specifically provided herein.

PART 3: Building Specifications. All structures in the herein said Planned Development District shall be constructed in accordance with all pertinent building and construction codes of the City of Abilene.

PART 4: Zoning. That Chapter 23, Subpart E, Abilene Municipal Code, known as the Zoning Ordinance of the City of Abilene, is hereby further amended by changing the zoning district boundaries, as hereinafter set forth: From PI (Park Industrial) District to PD MX (Planned Development Mixed Use) District.

That the Planning Director be, and is hereby authorized and directed to change the official Zoning Map of the City of Abilene to correctly reflect the amendments thereto.

PART 5: Legal Description. The legal description of this P.D.D. is as follows:

Legal Description:

BEING 38.895 acres of land out of and a part of Lots 1 & 2, Alfred & Mary Fasshauer Subdivision of Survey No. 10, Lunatic Asylum Lands as shown by plat recorded in Volume 1, Page 274, Plat Records, Taylor County, Texas, and described by metes and bounds as follows:

BEGINNING at a point a 1 1/2" iron pipe, found, by a corner post for the most westerly northeast corner of this tract, and from said point the NW corner of Survey No. 10, Lunatic Asylum Lands bears S 89°49' W 2272.06 feet;

THENCE S 0°04'35" E along a property fence 667.60 feet to a 3/8" iron rod, found, by a corner post for the SW corner of a tract of land formally in the name of Gilchrist Drilling Company, and being an interior corner of this tract;

THENCE N 89°49' E 736.22 feet along a property fence on the south line of said Gilchrist Tract to a point on the west R.O.W. of access road on U.S. Highway 83-84, and being the most easterly NE corner of this tract;

THENCE S 18°53'41" E 402.17 feet along said R.O.W. to a concrete highway marker, found, for the P.C. of a curve to the right;

THENCE Southeast along said curve having a central angle of 19°00' and a radius of 2864.93 feet, a distance of 566.66 feet to a 3/8" iron rod, found, on the west R.O.W. of said access road for the SE corner of this tract and the NE corner of E.E. Goodrich 17.00 acre tract;

THENCE S 89°23'45" W 1670.34 feet along the north line of said 17.00 acre tract to a 3/8" iron rod, found, on the east R.O.W. of Abilene & Southern Railroad for the SW corner of this tract and the NW corner of E.E. Goodrich 17.00 acre tract;

THENCE N 8°20' E along the east R.O.W. of said Railroad 1370.97 feet to a 3/8" iron rod, set, for the most westerly NW corner of this tract, same being the SW corner of a 0.88 acre West Texas Utilities Sub-Station Tract;

THENCE N 89°49' E 150 feet to a 3/8" iron rod, set, for an interior corner of this tract;

THENCE N 8°20' E 260 feet to a 3/8" iron rod, set, for the most easterly NW corner of this tract, same being the NE corner of said W.T.U. Sub-Station Tract;

THENCE N 89°49' E along the north line of this tract 292.79 feet to the POINT OF BEGINNING, and containing 38.895 acres of land, more or less.

00130

PART 6: Purpose. The purpose of the South Clack Planned Development district is to provide space for commercial development on available land beside a major thoroughfare, while at the same time achieving the following objectives.

A. Help improve the overall appearance of commercial use at this highly visible location beside a major entrance to the city.

B. Mitigate the sometimes unsightly, sometimes obtrusive appearance of commercial activity from future residential development directly to the west.

C. Ensure a degree of environmental quality that is comparable with that required of development in nearby commercial/industrial zoning districts.

PART 7: Specific Modifications.

A. Within an area extending approximately 400 feet from the right-of-way boundary for U.S. Hwy 83-84, use and development of land shall conform with regulations applicable to the General Commercial zoning classifications, except for the following features:

1. The following principal activities shall not be permitted:

automobile and small truck repair, painting, body work and servicing
building construction services
cabinet making
electrical applicance repair, large
furniture repair and storage services
electrical installation and repair
landscaping services
painting, paperhanging services
sales of gasoline (with and including automobile services)
sales of mobile homes, camping trailers and motor homes
sales of plant materials, other than flowers and household plants

2. Outdoor storage of material, inventory and equipment shall be screened by a solid, opaque wall or fence at least six (6) feet in height.

3. Free-standing business or identification signs shall be limited to one such sign per business, no larger than 150 square feet in area or more than 35 feet in height. Roof-type signs shall be prohibited. Free-standing business or identification signs shall be set back from any streetside boundary by a minimum of ten (10) feet.

4. All areas for truck loading and storage shall have a storage composed of asphaltic or portland cement binder pavement.

All buildings or structures (except for unattached accessory buildings, fences, walls, hedges and signs) shall be set back from streetside boundaries the distance set forth within the Zoning Ordinance and Subdivision Regulations. Setback lines from other lot boundaries shall be as follows:

interior side yard . . . . . 10 feet
rear yard . . . . . 20 feet

5. Sales, rental and leasing of automobiles and small trucks shall be permitted only under the following conditions:

   a. Any secondary activities (accessory to sales, rental and leasing) and involving automotive servicing or repair shall be located on the (interior) side or rear of the tract on which it is located, so that such activities are not generally visible from direct street view.
   b. A landscaped area shall be extended around the streetside boundary of any portion of the tract used for parking, display or storage of automobiles or trucks. Such landscaped area shall be at least 10 feet wide and be located entirely on private property. Landscaping shall mean the planting of living materials such as grass, trees or shrubs.
   c. A minimum of 10 percent of the tract shall be landscaped. Landscaping shall mean the planting of living materials such as grass, trees or shrubs. The required landscaped area extended around the streetside boundary (and described in item b directly above) may be included in the required 10% landscaped area.
   d. Lighting of such activities shall not include exposed, bare bulbs.

B. Within the remainder of the Planned Development district, use and development of land shall conform with regulations applicable to the Heavy Commercial zoning classification, except for the following features:

1. Outdoor storage of materials, equipment and inventory shall be screened by a solid, opaque fence at least six (6) feet high.

2. Free-standing business or identification signs shall be limited to one such sign per business, no larger than 100 square feet in area and standing at a height no taller than 25 feet. No roof signs or marquees shall be permitted for business or identification purposes.

3. All areas for automobile and truck loading shall have a surface composed of asphaltic or portland cement binder pavement, except that areas intended for truck loading and storage (only) may be surfaced by gravel, so long as such areas are screened by a solid, opaque wall or fence at least six (6) feet high.

4. All buildings or structures (except for unattached accessory buildings, fences, walls, hedges and signs) shall be set back from lot boundaries as follows:

   from streetside lot boundaries . . . . . 25 feet
   from interior side boundaries . . . . . 20 feet
   from rear lot boundaries . . . . . 25 feet

5. The maximum height of all structures on the site shall be twenty-five (25) feet.

C. Subdivision or resubdivision of any one or more lots in the South Clack Planned Development district shall be undertaken in conformance with Subdivision Regulations of the City of Abilene applicable at the time of subdivision. Amendment of this Planned Development ordinance shall not be necessary for subdivision; however, above-described regulations regarding use and development shall remain applicable to the lots represented on the attached site plan, unless such regulations are modified by amendment to this ordinance.

-END-

ZONING CASE Z-2012-28
STAFF REPORT

APPLICANT INFORMATION:
Village Investment Partners/Windmill Circle Partners, Agent: Tony Conder

HEARING DATES:
Planning & Zoning Commission: November 5, 2012
City Council 1st Reading: November 13, 2012
City Council 2nd Reading: December 6, 2012

LOCATION:
North of Covenant Drive between S. Clack Street and Memorial Drive

REQUESTED ACTION:
PD & LI to GR

SITE CHARACTERISTICS:
The property is approximately 36.33 acres and is currently zoned PD-31 (Planned Development), PD-100, & LI (Light Industrial). The property is currently vacant. The adjacent properties have RS-12 (Single-Family Residential) zoning to the west, PD zoning to the south, and AO (Agricultural Open Space) to the north. Highway 83/84 bounds the property to the east.

ZONING HISTORY:
The property was annexed in 1978. It was rezoned to PD-31 in 1985, PD-100 in 2005, and LI sometime after 1978.

ANALYSIS:
- Current Planning Analysis

  The property is zoned PD-31, PD-100, and LI. The property is currently vacant and no business activity has occurred on the property for several years. The applicant is proposing to rezone the property in order to market the property for retail development. The PD districts generally allow for GC uses in the area within 400 feet Highway 83/84. The remaining area to the west allows for HC uses. The requested GR zoning would be more consistent with the desired uses for the area. Large single-family residential homes are being developed to the west. A transition to less intensive retail zoning, such as NR (Neighborhood Retail) zoning, would be appropriate. However, the GR zoning is less intensive and is desired over the existing zoning.

- Comprehensive Planning Analysis

  The Future Land Use section of the Comprehensive Plan designates this general area as business/industrial. This area is just to the north of a Special Activity Area that includes Abilene Regional Hospital. There is an existing retirement community and a proposed Sam's Club to the south. There are existing residential subdivisions to the west. The

request would not have a negative impact on the surrounding properties and would be compatible with the City's plans for this area.

PLANNING STAFF RECOMMENDATION:

Staff recommends approval.

PLANNING AND ZONING COMMISSION RECOMMENDATION:

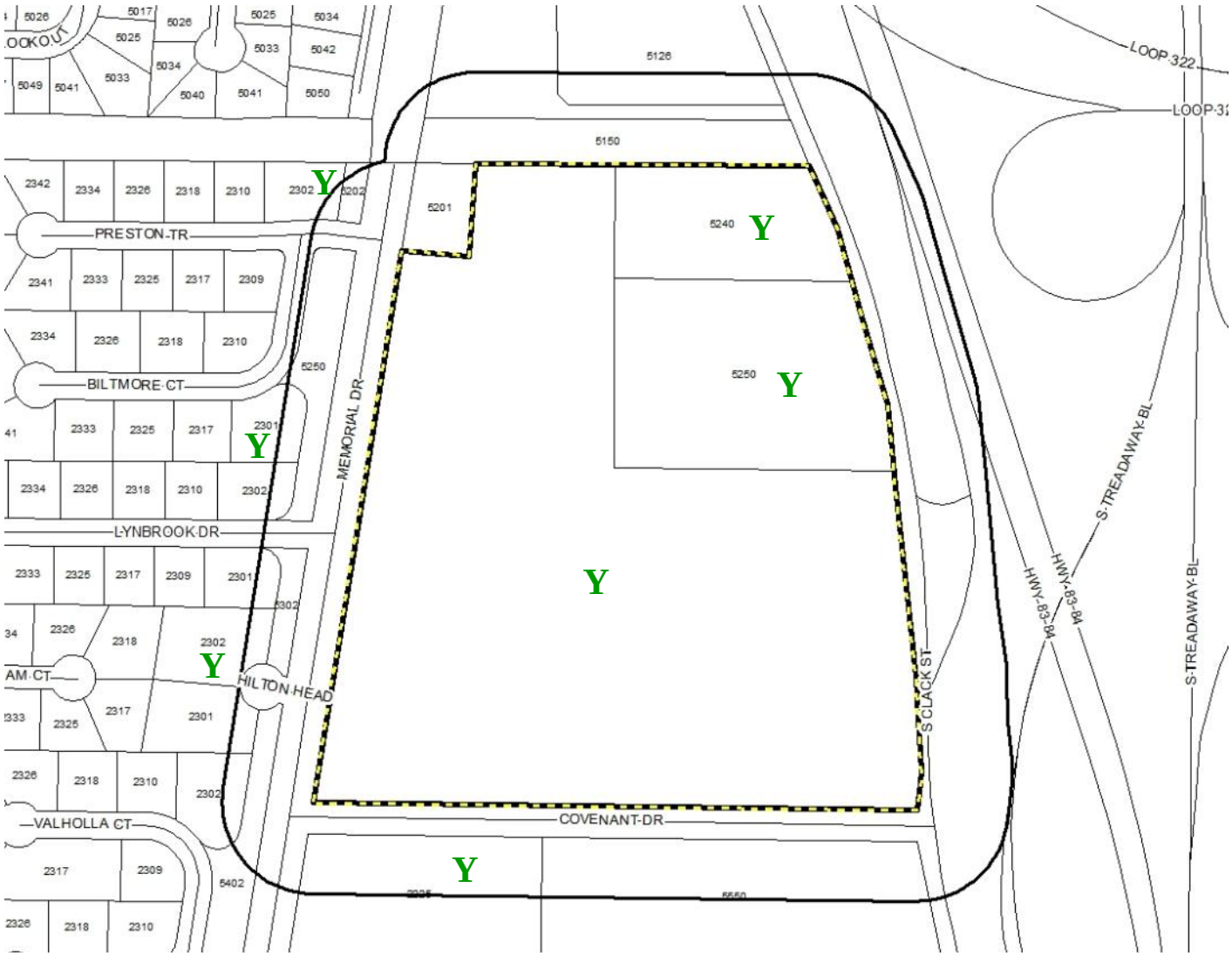
The Planning and Zoning Commission recommends approval of GR by a vote of 6 in favor (Bixby, Famble, Glenn, Rosenbaum, Yungblut, and McClarty) and none opposed.

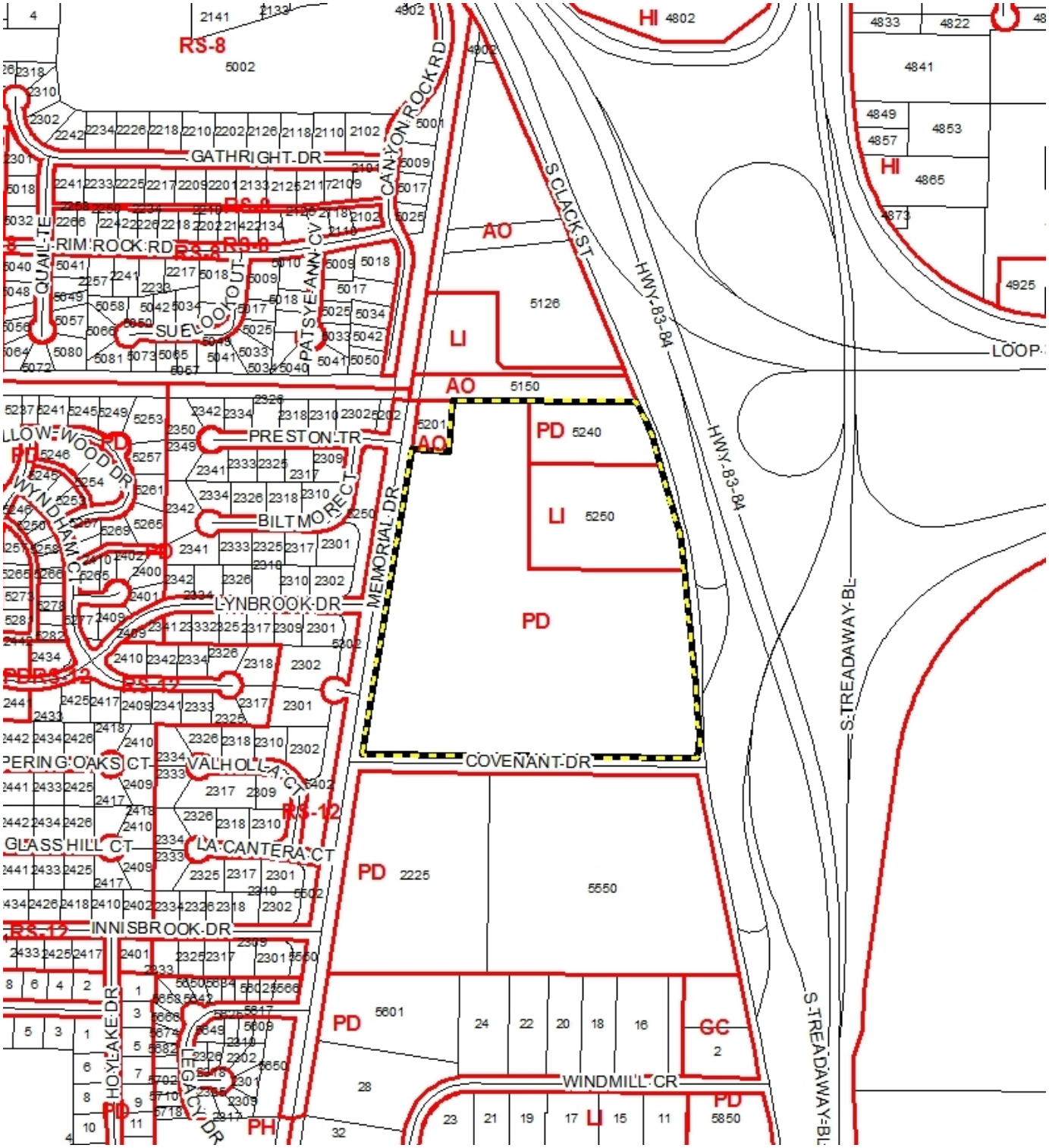
NOTIFICATION:

Property owners within a 200-foot radius were notified of the request.

OWNER	ADDRESS	RESPONSE
VILLAGES OF ABILENE MEADOWS LP	5250 MEMORIAL DR	
VILLAGES OF ABILENE MEADOWS LP	5202 MEMORIAL DR	
MORROW JOHN & SHANNON	2302 LYNBROOK DR	
KUSCHEL MARK H & TRACY L	2301 LYNBROOK DR	
VILLAGE INVESTMENT PARTNERS LP	5250 S CLACK ST	In Favor
OLSON SCOTT	2302 VALHOLLA CT	
CONDER TONY	2301 BILTMORE CT	In Favor
HIGGINBOTHAM VINSON		
WEST TEXAS UTILITIES CO	5201 MEMORIAL DR	
CARAVEO LOUIE & SUSIE	2302 PRESTON TR	In Favor
CHEVRON USA INC	5150 S CLACK ST	
VILLAGE INVESTMENT PARTNERS LP	5240 S CLACK ST	In Favor
CARLYNN ENTERPRISE	5126 S CLACK ST	
ABILENE CHARGER PROPERTIES LP	2225 COVENANT DR	In Favor
VILLAGES OF ABILENE MEADOWS LP	5302 MEMORIAL DR	
VILLAGES OF ABILENE MEADOWS LP	5402 MEMORIAL DR	
SHANNON MICHAEL J	2301 HILTON HEAD	
WHITEHEAD DONALD R	2302 HILTON HEAD	In Favor
	5550 S CLACK ST	
VILLAGE INVESTMENT PARTNERS LP		In Favor

7 in Favor- **Y**
0 Opposed- **N**

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QUAIL-TR
SUE-LOO-TOUT-
PATSYE-ANN-CV
CANYON ROCK RD
S CLACK ST
HWY-83-84
AO
LI
5126
5150
PD 5240
LI 5250
PD
5201
PRESTON-TR
BILTMORE CT
WYNDHAM-CT
LYNBROOK-DR
MEMORIAL-DR
COVENANT-DR
S TREADAWAY-BL
PD 2225
5550
PD 5601
GC
WINDMILL-CR
PD 5850
LI
PH
HOYLAKE-DR
INNISBROOK-DR
GLASS HILL CT
LA CANTERA CT
VALHOLLA CT
PERING OAKS CT
LOOP-

GATHRIGHT DR
CANYON ROCK RD
S CLACK ST
HWY 83-84
LOOP 322
RIM ROCK RD
QUAIL TE
ROBERTSON DR
SUE LOO OUT
PATSYE ANN CV
PRESTON TR
WILLOW WOOD DR
WYNDHAM CT
BILTMORE CT
MEMORIAL DR
LYNBROOK DR
PEPPERMILL LN
WHISPERING OAKS CT
VALHOLLA CT
COVENANT DR
SPYGLASS HILL CT
LA CANTERA CT
INNISBROOK DR
HOYLAKE DR
MEADOW DR
WINDMILL CR
S TREADAWAY BL

LOOP 322
LOOP 3
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PRESTON TR
BILTMORE CT
LYNBROOK DR
HILTON HEAD
VALHOLLA CT
COVENANT DR
MEMORIAL DR
SCLACK ST
STREADAWAY BL
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City Council
Agenda Memo

CITY OF ABILENE

City Council
Meeting Date: 12/06/2012

TO: **Larry D. Gilley, City Manager**

FROM: **Jon James, AICP**
Director of Planning and Development Services

SUBJECT: **Final reading and public hearing of an ordinance for Case No. Z-2012-29, a request from Village Investment Partners/Windmill Circle Partners, Agent Tony Conder, to rezone property from PD (Planned Development) to GR (General Retail), located at 28, 32, 34, & 36 Windmill Circle, 5601 Memorial Drive, and 5850, 5950, & 6042 S. Clack Street.**

GENERAL INFORMATION

The property is zoned PD-34and all lots are currently vacant. The applicant is proposing to rezone the property in order to market the property for retail development. The PD districts generally allow for GC uses in area #1 adjacent to Highway 83/84. Area #2 to the west allows for HC uses. The requested GR zoning would be more consistent with the desired uses for the area. Large single-family residential homes are being developed to the west. A transition to less intensive retail zoning, such as NR (Neighborhood Retail) zoning, would be appropriate. However, the GR zoning is less intensive and is desired over the existing zoning.

The Future Land Use section of the Comprehensive Plan designates this general area as business/industrial. This area is just to the north of a Special Activity Area that includes Abilene Regional Hospital. There is an existing retirement community and a proposed Sam's Club to the north. There are existing residential subdivisions to the west. The request would not have a negative impact on the surrounding properties and would be compatible with the City's plans for this area.

STAFF RECOMMENDATION

Staff recommends approval.

BOARD OR COMMISSION RECOMMENDATION

The Planning and Zoning Commission recommends approval of GR by a vote of 6 in favor (Bixby, Famble, Glenn, Rosenbaum, Yungblut, and McClarty) and none opposed.

ATTACHMENTS

Ordinance
Staff Report with Maps

Prepared by:		Disposition by City Council
Name: Ben Bryner		❑ Approved Ord/Res# ❑ Denied _____ ❑ Other
Title: Planning Services Manager	Item No. 7.5	_____ City Secretary
November 21, 2012		

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, AMENDING CHAPTER 23, SUBPART E, "LAND DEVELOPMENT CODE," OF THE ABILENE MUNICIPAL CODE, BY CHANGING THE ZONING DISTRICT BOUNDARIES AFFECTING CERTAIN PROPERTIES; CALLING A PUBLIC HEARING; PROVIDING A PENALTY AND AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

PART 1: That Chapter 23, Subpart E, known as the Land Development Code of the City of Abilene, is hereby amended by changing the zoning district boundaries as set out in Exhibit "A," attached hereto and made a part of this ordinance for all purposes.

PART 2: That any person, firm or corporation violating any of the provisions of this chapter shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not more than Five Hundred Dollars ($500.00). Each day such violation shall continue or be permitted to continue, shall be deemed a separate offense.

PART 3: That the Planning Director be, and is hereby authorized and directed to change the official Zoning Map of the City of Abilene to correctly reflect the amendments thereto.

PASSED ON FIRST READING this 13th day of November, A.D. 2012.

A notice of the time and place, where and when said ordinance would be given a public hearing and considered for final passage, was published in the Abilene Reporter-News, a daily newspaper of general circulation in the City of Abilene, said publication being on the 19th day of October, 2012, the same being more than fifteen (15) days prior to a public hearing to be held in the Council Chamber of the City Hall in Abilene, Texas, at 8:30 a.m., on the 6th day of December, 2012 to permit the public to be heard prior to final consideration of this ordinance. Said ordinance, being a penal ordinance, becomes effective ten (10) days after its publication in the newspaper, as provided by Section 19 of the Charter of the City of Abilene.

PASSED ON SECOND AND FINAL READING THIS 6th day of December, A.D. 2012.

ATTEST:

_____
CITY SECRETARY

_____
MAYOR

APPROVED:

_____
CITY ATTORNEY

ORDINANCE NO. _____

EXHIBIT "A"

Rezone property from PD (Planned Development) to GR (General Retail) district.

Legal Description:

WINDMILL ACRES, BLOCK A, LOT 1 & 2 PART
WINDMILL ACRES, BLOCK B, LOT 8, 107, 108, 109, 304, & 305 REP

Location:

28, 32, 34, & 36 Windmill Circle, 5601 Memorial Drive, and 5850, 5950, & 6042 S. Clack Street

-END-

ORDINANCE NO. 68-1985

AN ORDINANCE AMENDING CHAPTER 23, "PLANNING AND COMMUNITY DEVELOPMENT," SUBPART E, "ZONING," OF THE ABILENE MUNICIPAL CODE, BY CHANGING THE ZONING DISTRICT BOUNDARIES AFFECTING CERTAIN PROPERTIES, AS DESCRIBED BELOW; DECLARING A PENALTY, AND CALLING A PUBLIC HEARING.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

PART 1: That Chapter 23, Subpart E, known as the Zoning Ordinance of the City of Abilene, is hereby amended by changing the zoning district boundaries as set out in Exhibit "A," attached hereto and made a part of this ordinance for all purposes.

PART 2: That any person, firm or corporation violating any of the provisions of this chapter shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not more than One Thousand Dollars ($1,000.00). Each day such violation shall continue or be permitted to continue, shall be deemed a separate offense.

PASSED ON FIRST READING this 8 day of August, A.D. 19 85.

A notice of the time and place, where and when said ordinance would be given a public hearing and considered for final passage, was published in the Abilene Reporter-News, a daily newspaper of general circulation in the City of Abilene, said publication being on the 4 day of August, 19 85, the same being more than fifteen (15) days prior to a public hearing to be held in the Council Chamber of the City Hall in Abilene, Texas, at 9:00 a.m., on the 22 day of August, 19 85, to permit the public to be heard prior to final consideration of this ordinance. Said ordinance, being a penal ordinance, becomes effective ten (10) days after its publication in the newspaper, as provided by Section 19 of the Charter of the City of Abilene.

PASSED ON SECOND AND FINAL READING this 22 day of August, A.D. 19 85.

ATTEST:

Patricia Patton
CITY SECRETARY

David Stubbeman
MAYOR

APPROVED:

ORDINANCE 80-11[illegible]
APPROVED 8/22/80

POSTED

	DATE	INITIAL
ZONING CHANGE		
THOROUGHFARE CLOSURE	MYLAR BASE MAP	
STREET NAME CHANGE	MYLAR ZONING MAP	9-9-80
PLAT	CLOTH ZONING MAP	9-10-80
	Color Cloth Zoning Map	9-9-80
	SUBDIVISION MAP	
	PLAT BOOK	

EXHIBIT A

1. **Z-05985** (710) PDD-14

PARK INDUSTRIAL (PI)

Rezone the following property from ~~Residential Single-Family (RS-6)~~ to Planned Development Mixed Use (PDMX) district:

Lots 201-207 and Lots 102-109 and Lot 8, Block B; and Lots 1 and 2, Block A, all in Windmill Acres Subdivision, Abilene, Taylor County, Texas, and located on Windmill Circle.

SUBJECT TO the design criteria and development conditions stipulated below:

NAME. This PDMX district shall hereafter be known and referred to as the "Oaks Planned Development Mixed Use" district.

SUBDIVISION AND PLATTING. Except as otherwise specified herein and on the attached site plan, land within this PDMX district shall be resubdivided according to the City of Abilene's Subdivision Regulations in effect at the time of resubdivision. Amendment of this Planned Development ordinance shall not be necessary for resubdivision; however, the regulations herein described and regarding land use and development shall remain applicable to the areas described below, unless such regulations are modified by amendment to this ordinance.

BUILDING SPECIFICATIONS. All structures in the Oaks Planned Development Mixed Use district shall be constructed in accordance with all pertinent building and construction codes of the City of Abilene.

DEVELOPMENT SPECIFICATIONS. All use and development within the Oaks Planned Development Mixed Use district must be in compliance with the Zoning Ordinance of the City of Abilene, except as may otherwise be specified herein for Areas 1 and 2.

AREA 1 (Mixed [illegible] 8/80)

Use and development of land shall conform with regulations applicable to the General Commercial (GC) zoning classification, except for the following features.

1. The following principal activities shall not be permitted:

   automobile and small truck repair, painting, body work and servicing
   building construction services
   cabinet making
   electrical appliance repair, large
   furniture repair and storage services
   electrical installation and repair
   landscaping services
   painting, paperhanging services
   sales of gasoline (with and including automobile services)
   sales of mobile homes, camping trailers and motor homes
   sales of plant materials, other than flowers and household plants.

2. Outdoor storage of material, inventory and equipment shall be screened by a solid, opaque wall or fence at least six (6) feet in height.

3. Free-standing business or identification signs shall be limited to one such sign per business, no larger than 150 square feet in area or more than 35 feet in height. Roof-type signs shall be prohibited. Free-standing business or identification signs shall be set back from any streetside boundary by a minimum of ten (10) feet.

4. All areas for truck loading and storage shall have a surface composed of asphaltic or portland cement binder pavement, except that areas intended for truck loading and storage (only) may be surfaced by gravel, so long as such areas are screened by a solid, opaque wall or fence at least six (6) feet

5. All buildings shall be set back from lot boundaries as set forth below:

from boundaries adjoining Windmill Circle	25 feet
from boundaries adjoining U.S. Hwy 83/84	30 feet
from (interior) side boundaries	10 feet
from rear boundaries	20 feet

6. Sales, rental and leasing of automobiles and small trucks shall be permitted only under the followng conditions:

   a. Any secondary activities (accessory to sales, rental and leasing) and involving automotive servicing or repair shall be located on the (interior) side or rear of the tract on which it is located, so that such activities are not generally visible from direct street view.
   b. A landscaped area shall be extended around the streetside boundary of any portion of the tract used for parking, display or storage of automobi or trucks. Such landscaped area shall be at least 10 feet wide and be located entirely on private property. Landscaping shall mean the plantin of living materials such as grass, trees or shrubs.
   c. A minimum of 10 percent of the tract shall be landscaped. Landscaping shall mean the planting of living materials such as grass, trees or shrub: The required landscaped area extended around the streetside boundary (and described in item b directly above) may be included in the required 10% landscaped area.
   d. Lighting of such activities shall not include exposed, bare bulbs.

AREA 2

Use and development of land shall conform with regulations applicable to the Heavy Commercial zoning classification, except for the following features:

1. Manufacturing activity permitted within the Park Industrial classification sha also be permitted within this Area 2 of the proposed PDMX.

2. Outdoor storage of materials, equipment and inventory shall be screened by a solid, opaque fence at least six (6) feet high.

3. Free-standing business or identification signs shall be limited to one such sign per business, no larger than 100 square feet in area and standing at a height no taller than 25 feet. No roof signs or marquees shall be permitted for business or identification purposes.

4. All areas for automobile and truck loading shall have a surface composed of asphaltic or portland cement binder pavement, except that areas intended for truck loading and storage (only) may be surfaced by gravel, so long as such areas are screened by a solid, opaque wall or fence at least six (6) feet high.

5. All buildings or structures (except for unattached accessory buildings, fences, walls, hedges and signs) shall be set back from lot boundaries as follows:

from streetside lot boundaries	25 feet
from interior side boundaries	10 feet (minimum)
total of both interior side setbacks	30 feet
from rear lot boundaries	25 feet

6. The maximum height of all structures on the site shall be two (2) stories or 30 feet, whichever is less.

7. In addition to operational and performance standards set forth by the Zoning Ordinance (and any other applicable code of the City) for Heavy Commercial districts, the following standards shall also be applicable within this Area 2 of the proposed PDMX:

   a. Any condition or operation which results in the creation of odor of such intensity and character as to unreasonably interfere with the comfort of the public shall be removed, stopped or modified so as to remove the odor.
   b. Any unreasonable or disturbing vibration causing material discomfort, distress or injury to persons of ordinanry sensibility shall be prohibite
   c. Heat processes used in welding shall not be discernible at the lot line.
   d. Materials or equipment stored out-of-doors shall not exceed 12 feet in height (except of mobile vehicles, trailers and attachments).

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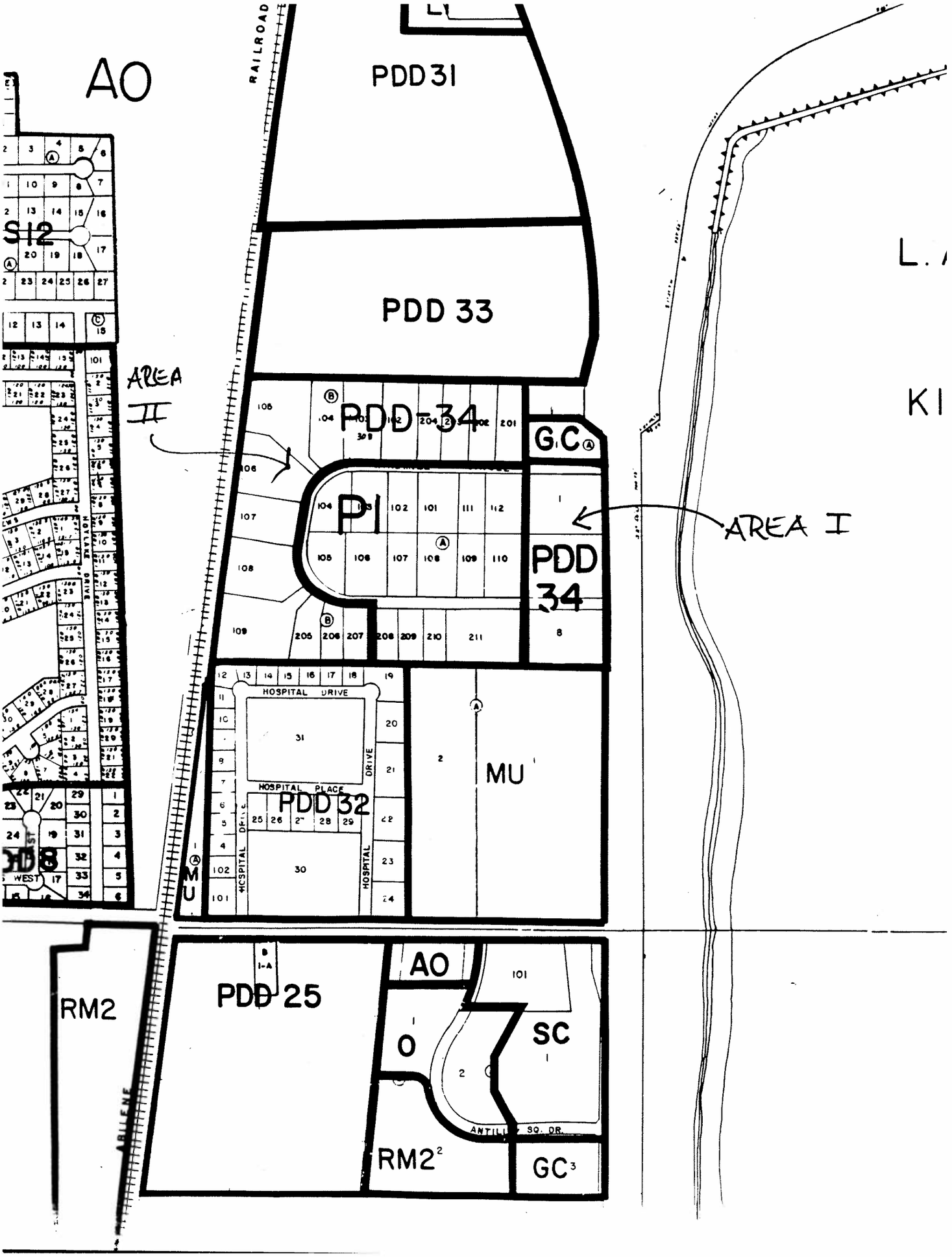

AO
RAILROAD
PDD 31
PDD 33
PDD 34
AREA II
AREA I
P1
GC
PDD 34
HOSPITAL DRIVE
HOSPITAL PLACE
PDD 32
MU
RM2
PDD 25
I-A
AO
O
SC
RM2
GC
ANTILLEY SQ. DR.
ABILENE

ZONING CASE Z-2012-29
STAFF REPORT

APPLICANT INFORMATION:
Village Investment Partners/Windmill Circle Partners, Agent: Tony Conder

HEARING DATES:
Planning & Zoning Commission: November 5, 2012
City Council 1st Reading: November 13, 2012
City Council 2nd Reading: December 6, 2012

LOCATION:
28, 32, 34, & 36 Windmill Circle, 5601 Memorial Drive, and 5850, 5950, & 6042 S. Clack Street

REQUESTED ACTION:
PD to GR

SITE CHARACTERISTICS:
The property area totals approximately 22.10 acres and is currently zoned PD-34 (Planned Development). The lots are currently vacant. The adjacent properties have RS-12 (Single-Family Residential) zoning to the west, PD & MU (Medical Use) zoning to the south, and PD to the north. Highway 83/84 bounds the property to the east.

ZONING HISTORY:
The property was annexed in 1978. It was rezoned to PD-34 in 1985.

ANALYSIS:
- Current Planning Analysis

  The property is zoned PD-34and all lots are currently vacant. The applicant is proposing to rezone the property in order to market the property for retail development. The PD districts generally allow for GC uses in area #1 adjacent to Highway 83/84. Area #2 to the west allows for HC uses. The requested GR zoning would be more consistent with the desired uses for the area. Large single-family residential homes are being developed to the west. A transition to less intensive retail zoning, such as NR (Neighborhood Retail) zoning, would be appropriate. However, the GR zoning is less intensive and is desired over the existing zoning.

- Comprehensive Planning Analysis

  The Future Land Use section of the Comprehensive Plan designates this general area as business/industrial. This area is just to the north of a Special Activity Area that includes Abilene Regional Hospital. There is an existing retirement community and a proposed Sam's Club to the north. There are existing residential subdivisions to the west. The request would not have a negative impact on the surrounding properties and would be compatible with the City's plans for this area.

PLANNING STAFF RECOMMENDATION:
Staff recommends approval.

PLANNING AND ZONING COMMISSION RECOMMENDATION:
The Planning and Zoning Commission recommends approval of GR by a vote of 6 in favor (Bixby, Famble, Glenn, Rosenbaum, Yungblut, and McClarty) and none opposed.

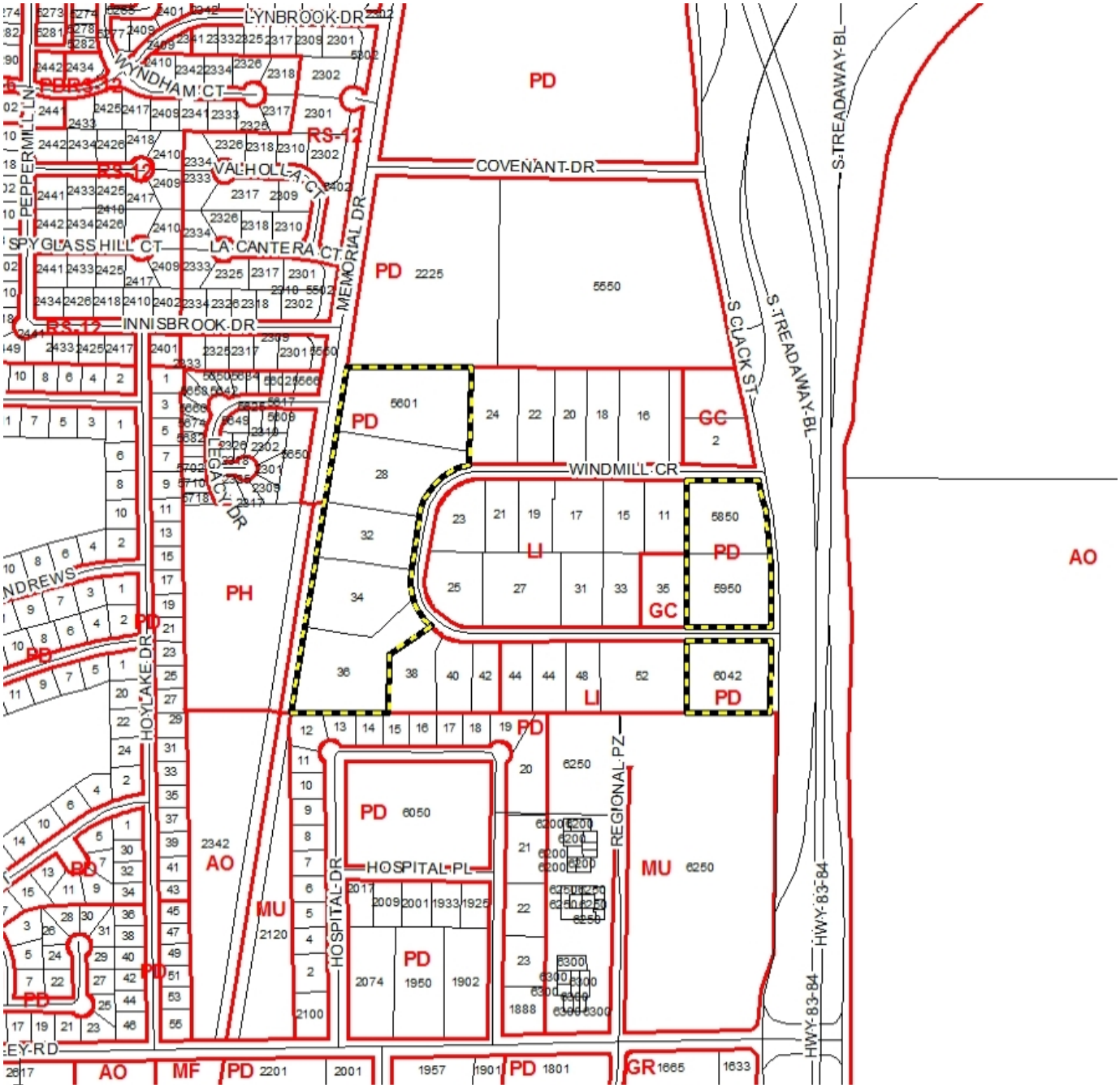
NOTIFICATION:

Property owners within a 200-foot radius were notified of the request.

OWNER	ADDRESS	RESPONSE
KAERWER FLOYD	11 WINDMILL CR	
HUMANA WEST LTD	11 HOSPITAL DR	
RANDALL DAVID D O PA	35 WINDMILL CR	
KAERWER FLOYD	15 WINDMILL CR	
WINDMILL CIRCLE PARTNERS LP	5850 S CLACK ST	In Favor
RANDALL DAVID D O PA	33 WINDMILL CR	
WINDMILL CIRCLE PARTNERS LP	34 WINDMILL CR	In Favor
TSCHAAR MIKE HEATING & AIR CONDITIONING INC	25 WINDMILL CR	
WINDMILL CIRCLE PARTNERS LP	5950 S CLACK ST	In Favor
HUMANA WEST LTD	13 HOSPITAL DR	
SELBY VIRGINIA	42 WINDMILL CR	
SELBY VIRGINIA	40 WINDMILL CR	
AEI PROPERTIES LLC	2120 ANTILLEY RD	
SELBY VIRGINIA	38 WINDMILL CR	
HUMANA WEST LTD	12 HOSPITAL DR	
WINDMILL CIRCLE PARTNERS LP	36 WINDMILL CR	In Favor
AEI PROPERTIES LLC		
WALDROP C AARON		
CITY OF ABILENE		
WALDROP C AARON	5650 MEMORIAL DR	
CIC INVESTMENTS INC	2342 ANTILLEY RD	In Favor
VILLAGES OF ABILENE MEADOWS LP	5550 MEMORIAL DR	
WALDROP C AARON	5566 MEMORIAL DR	
ABILENE CHARGER PROPERTIES LP	2225 COVENANT DR	In Favor
WINDMILL CIRCLE PARTNERS LP	32 WINDMILL CR	In Favor
CITY OF ABILENE		
SMITH KEVIN A & CONNIE F	23 WINDMILL CR	
SMITH KEVIN A & CONNIE F	21 WINDMILL CR	
HUMANA WEST LTD	15 HOSPITAL DR	
NC SCHI INC	52 WINDMILL CR	
WINDMILL CIRCLE PARTNERS LP	6042 S CLACK ST	In Favor
WINDMILL CIRCLE PARTNERS LP	5601 MEMORIAL DR	In Favor
WINDMILL CIRCLE PARTNERS LP	28 WINDMILL CR	In Favor

WINDMILL CIRCLE PARTNERS LP	22 WINDMILL CR	In Favor
	5550 S CLACK ST	
PRICE DALE K & JANICE W	2 WINDMILL CR	
	16 WINDMILL CR	
SHERROD PAUL BLAKE JR & CINDY M	24 WINDMILL CR	
NC SCHI INC	6250 HWY 83-84	
WHITEHEAD DONALD R	2301 INNISBROOK DR	In Favor
HUMANA WEST LTD	14 HOSPITAL DR	
HUMANA WEST LTD	16 HOSPITAL DR	

12 in Favor- **Y**
0 Opposed- **N**


LYNBROOK DR
WYNDHAM CT
PDR4-12
RS-12
PEPPERMILL LN
VAL HOLLA CT
SPYGLASS HILL CT
LA CANTERA CT
INNISBROOK DR
MEMORIAL DR
COVENANT DR
PD
2225
5550
S CLACK ST
S TREADAWAY BL
WINDMILL CR
GC
LI
PH
HOYLAKE DR
HOSPITAL PL
HOSPITAL DR
REGIONAL PZ
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2342
AO
2120
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2074
1950
1902
1888
HWY 83-84
MF
PD 2201
2001
1957
1901
PD 1801
GR 1665
1633

LYNBROOK DR
WYNDHAM CT
PEPPERMILL LN
VALHOLLA CT
SPYGLASS HILL CT
LA CANTERA CT
MEMORIAL DR
COVENANT DR
S TREADAWAY BL
INNISBROOK DR
S CLACK ST
WINDMILL CR
LEGACY DR
HOYLAKE DR
HOSPITAL PL
HOSPITAL DR
REGIONAL PZ
HWY 83-84
5601
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6050
6250
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1888
2201
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INNISBROOK DR
LEGACY DR
MEMORIAL DR
WINDMILL CR
HOSPITAL DR
REGIONAL PZ
S CLACK ST
STREADAWAY BL
HWY 83-84
HWY 83-84

City Council
Agenda Memo

City Council
Meeting Date: 12/06/2012

TO: **Larry D. Gilley, City Manager**

FROM: **Jon James, AICP**
Director of Planning and Development Services

SUBJECT: **Final reading and public hearing of an ordinance for Case No. Z-2012-30, a request from Cherryl McNally to rezone property from MD (Medium Density) to MD/H (Medium Density/Historic Overlay), located at 1343 S. 3rd Street.**

GENERAL INFORMATION

The property is zoned MD and has been developed with a residential dwelling unit: The Miller-McNalley house has been identified as a significant resource for Abilene in every historic resource survey conducted since 1977. It has been included on the City Council official Landmarks list, and is one of the oldest private residences in the Old Town neighborhood. This Folk Victorian residence has many of its original features including windows, doors, siding, and sawn wood ornament decorations. The metal fencing on 3rd Street and part of Poplar is original. It was built c. 1900 as a single story wood frame dwelling, and was expanded to the 1-1/2 story residence, as shown, by two additions, both prior to 1915. It is a contributing structure to the neighborhood with several historic homes. It is in good condition. They are requesting Historic Overlay Zoning after gaining more information regarding the responsibilities and benefits of the zoning.

The Future Land Use section of the Comprehensive Plan designates this general area as medium-density residential. The requested zoning is an overlay zoning that would not affect the underlying residential zoning and would be compatible with the surrounding land uses. This request could encourage other properties in the area to request Historic Overlay Zoning.

STAFF RECOMMENDATION

Staff recommends approval as requested.

BOARD OR COMMISSION RECOMMENDATION

The Landmarks Commission recommended approval by a vote of five (5) in favor to none (0) in opposition.

The Planning and Zoning Commission recommends approval by a vote of 6 in favor (Bixby, Famble, Glenn, Rosenbaum, Yungblut, and McClarty) and none opposed.

ATTACHMENTS

Ordinance
Staff Report with Maps

Prepared by:		Disposition by City Council
Name: Ben Bryner		❑ Approved Ord/Res#
Title: Planning Services Manager	Item No. 7.6	❑ Denied _____
November 21, 2012		❑ Other
		_____ City Secretary

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, AMENDING CHAPTER 23, SUBPART E, "LAND DEVELOPMENT CODE," OF THE ABILENE MUNICIPAL CODE, BY CHANGING THE ZONING DISTRICT BOUNDARIES AFFECTING CERTAIN PROPERTIES; CALLING A PUBLIC HEARING; PROVIDING A PENALTY AND AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

PART 1: That Chapter 23, Subpart E, known as the Land Development Code of the City of Abilene, is hereby amended by changing the zoning district boundaries as set out in Exhibit "A," attached hereto and made a part of this ordinance for all purposes.

PART 2: That any person, firm or corporation violating any of the provisions of this chapter shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not more than Five Hundred Dollars ($500.00). Each day such violation shall continue or be permitted to continue, shall be deemed a separate offense.

PART 3: That the Planning Director be, and is hereby authorized and directed to change the official Zoning Map of the City of Abilene to correctly reflect the amendments thereto.

PASSED ON FIRST READING this 13th day of November, A.D. 2012.

A notice of the time and place, where and when said ordinance would be given a public hearing and considered for final passage, was published in the Abilene Reporter-News, a daily newspaper of general circulation in the City of Abilene, said publication being on the 19th day of October, 2012, the same being more than fifteen (15) days prior to a public hearing to be held in the Council Chamber of the City Hall in Abilene, Texas, at 8:30 a.m., on the 6th day of December, 2012 to permit the public to be heard prior to final consideration of this ordinance. Said ordinance, being a penal ordinance, becomes effective ten (10) days after its publication in the newspaper, as provided by Section 19 of the Charter of the City of Abilene.

PASSED ON SECOND AND FINAL READING THIS 6th day of December, A.D. 2012.

ATTEST:

_____
CITY SECRETARY

_____
MAYOR

APPROVED:

_____
CITY ATTORNEY

ORDINANCE NO. _____

EXHIBIT "A"

MD (Medium Density) to MD/H (Medium Density/Historic Overlay) District

Legal Description:

OT ABILENE, BLOCK 82, LOT W94 OF LT 11-12

Location:

1343 S. 3rd Street

-END-

ZONING CASE Z-2012-30
STAFF REPORT

APPLICANT INFORMATION:
Cherryl Scott

HEARING DATES:
Planning & Zoning Commission: November 5, 2012
City Council 1st Reading: November 13, 2012
City Council 2nd Reading: December 6, 2012

LOCATION:
1343 S. 3rd Street

REQUESTED ACTION:
Rezone property from MD to MD/H

SITE CHARACTERISTICS:
The subject property is approximately 0.2158 acres and is currently zoned MD (Residential Medium Density). The property has been developed with a residential dwelling unit. The adjacent properties have MD zoning to the south and west, and CB (Central Business District) to the North and east.

ZONING HISTORY:
The property is part of the Original Town South established in 1895.

ANALYSIS:
- Current Planning Analysis

  The property is zoned MD and has been developed with a residential dwelling unit: The Miller McNalley house has been identified as a significant resource for Abilene in every historic resource survey conducted since 1977. It has been included on the City Council official Landmarks list, and is one of the oldest private residences in the Old Town neighborhood. This Folk Victorian residence has many of its original features including windows, doors, siding, and sawn wood ornament decorations. The metal fencing on 3rd Street and part of Poplar is original. It was built c. 1900 as a single story wood frame dwelling, and was expanded to the 1-1/2 story residence, as shown, by two additions, both prior to 1915. It is a contributing structure to the neighborhood with several historic homes. It is in good condition. They are requesting Historic Overlay Zoning after gaining more information regarding the responsibilities and benefits of the zoning.

- Comprehensive Planning Analysis

  The Future Land Use section of the Comprehensive Plan designates this general area as medium-density residential. The requested zoning is an overlay zoning that would not affect the underlying residential zoning and would be compatible with the surrounding land uses. This request could encourage other properties in the area to request Historic Overlay Zoning.

PLANNING STAFF RECOMMENDATION:
Staff recommends approval as requested.

LANDMARKS COMMISSION RECOMMENDATION:
The Landmarks Commission recommended approval by a vote of five (5) in favor to none (0) in opposition.

PLANNING AND ZONING COMMISSION RECOMMENDATION:
The Planning and Zoning Commission recommends approval by a vote of 6 in favor (Bixby, Famble, Glenn, Rosenbaum, Yungblut, and McClarty) and none opposed.

NOTIFICATION:

Property owners within a 200-foot radius were notified of the request.

OWNER	ADDRESS	RESPONSE
STONEHENGE INVESTMENTS LLC	340 BUTTERNUT ST	
MC NALLY CHERRYL	1343 S 3RD ST	In Favor
MACMILLAN MICHAEL A JR	318 POPLAR ST	
WOLFE LANCE	242 BUTTERNUT ST	
CARMONA JORGE & SYLVIA	1418 S 3RD ST	
FIRST UNITED METHODIST CHURCH	242 POPLAR ST	
COOK ALEX & TAMMY L	341 POPLAR ST	
SMITH CHARLES & BENNETT KATHRYN	302 POPLAR ST	
ACKER DAVID P & PAMELA R	342 POPLAR ST	
MC NALLY MERCY M	1330 S 3RD ST	Opposed
RASLEY SEAN & ALISA M	326 POPLAR ST	
GALLION GIULIA	317 POPLAR ST	
RAINS KEITH & PIERCE GARRY	1325 S 3RD ST	
ABILENE COMMUNITY CHURCH	1417 S 3RD ST	
MATTEA ROGER	325 POPLAR ST	
MC NALLY MERCY M	302 BUTTERNUT ST	Opposed
ORTIZ JESUS & FRANCISCA	310 POPLAR ST	
FIRST UNITED METHODIST CHURCH	202 BUTTERNUT ST	
MC NALLY MERCY	326 BUTTERNUT ST	Opposed

1 – In Favor- **Y**
3 – Opposed- **N**

S 1ST ST
CEDAR ST
S 2ND ST
S 3RD ST
S 4TH ST
S 5TH ST
PEACH ST
PALM ST
POPLAR ST
BUTTERNUT ST
ELM ST
SYCAMORE ST
JEANETTE ST
PD 1699
GC
CB
MD
MD/H
NR

POPLAR ST
S 3RD ST
BUTTERNUT ST

City Council
Agenda Memo

City Council
Meeting Date: 12/06/2012

TO: **Larry D. Gilley, City Manager**

FROM: **Jon James, AICP**
Director of Planning and Development Services

SUBJECT: **Final reading and public hearing of an ordinance for Case No. CUP-2012-04, a request from Jan Kidd Engelke for a Conditional Use Permit to allow a Vacation Travel Trailer Park on property zoned GC (General Commercial), located at 1125 Elmdale Road.**

GENERAL INFORMATION

Currently the property is zoned GC and has been developed with a restaurant. The property to the south has been developed as a single family residence. There is a retail store to the east of the property. The majority of the surrounding area is undeveloped. The request is to allow for a Vacation Travel Trailer Park to be developed on the remaining area of the property to the south. The site plan requirement has been deferred by the Planning Director. However, a site exhibit has been provided showing the proposed development.

The Future Land Use section of the Comprehensive Plan designates this general area for commercial activity and is also designated as a Gateway into the City of Abilene. The applicant proposes to add a Vacation Travel Trailer Park to the property. The request would allow the applicant to develop their property as they intend, and would be compatible with the surrounding uses.

STAFF RECOMMENDATION

Staff recommends approval as requested.

BOARD OR COMMISSION RECOMMENDATION

The Planning and Zoning Commission recommends approval with a 6' solid, opaque fence along the south property line by a vote of 6 in favor (Bixby, Famble, Glenn, Rosenbaum, Yungblut, and McClarty) and none opposed.

ATTACHMENTS

Ordinance
Staff Report with Maps

Prepared by:		Disposition by City Council
Name: Ben Bryner		❑ Approved Ord/Res#
Title: Planning Services Manager	Item No. 7.7	❑ Denied _____
November 21, 2012		❑ Other
		_____ City Secretary

ORDINANCE NO._____

AN ORDINANCE AMENDING CHAPTER 23, "PLANNING AND COMMUNITY DEVELOPMENT," SUBPART B, "LAND DEVELOPMENT CODE," OF THE ABILENE MUNICIPAL CODE, BY AMENDING CERTAIN SECTIONS AS SET OUT BELOW; PROVIDING A SEVERABILITY CLAUSE; DECLARING A PENALTY AND CALLING A PUBLIC HEARING.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

PART 1: That Chapter 23, Subpart B, "Land Development Code," of the Abilene Municipal Code be amended as set out in Exhibit "A," attached hereto and made a part of this ordinance for all purposes.

PART 2: That if any provision or any section of this ordinance shall be held to be void or unconstitutional, such holding shall in no way affect the validity of the remaining provisions or sections of this ordinance, which shall remain in full force and effect.

PART 3: That any person, firm or corporation violating any of the provisions of this chapter shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not more than Five Hundred Dollars ($500.00). Each day such violation shall continue or be permitted to continue, shall be deemed a separate offense.

PASSED ON FIRST READING this 13th day of November A.D. 2012.

A notice of the time and place, where and when said ordinance would be given a public hearing and considered for final passage, was published in the Abilene Reporter-News, a daily newspaper of general circulation in the City of Abilene, said publication being on the 19th day of October, 2012, the same being more than fifteen (15) days prior to a public hearing to be held in the Council Chamber of the City Hall in Abilene, Texas, at 8:30 a.m., on the 6th day of December, 2012, to permit the public to be heard prior to final consideration of this ordinance. Said ordinance, being a penal ordinance, becomes effective ten (10) days after its publication in the newspaper, as provided by Section 19 of the Charter of the City of Abilene.

PASSED ON SECOND AND FINAL READING THIS 6th day of December, A.D. 2012.

ATTEST:

_____ _____

CITY SECRETARY MAYOR

APPROVED:

_____

CITY ATTORNEY

ORDINANCE NO. _____

EXHIBIT "A"

Approve a Conditional Use Permit for a Vacation Travel Trailer Park on property zoned GC (General Commercial).

Location:

1125 Elmdale Road

Legal Description:

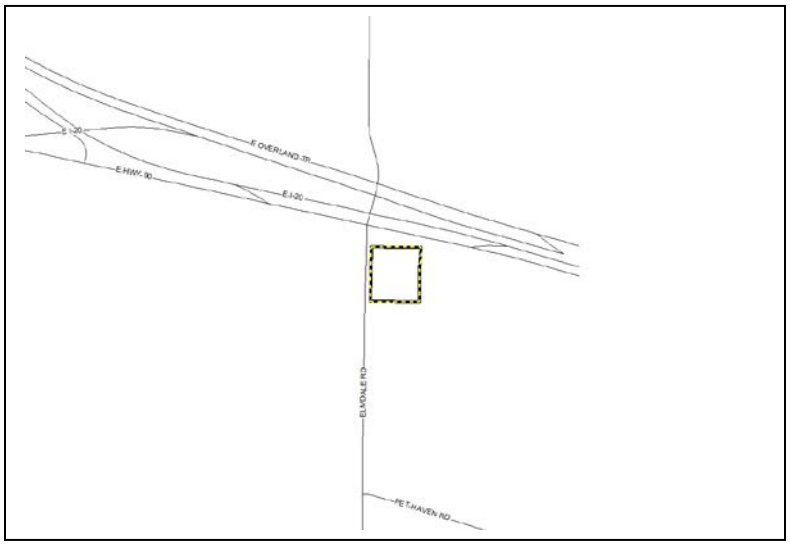
ELMDALE COMMUNITY CENTER, BLOCK 1, LOT S PT OF 2 & ALL OF 3, ACRES 3.9

With the following conditions:

- A 6’ solid, opaque fence shall be required along the south property line.

-END-

ZONING CASE CUP-2012-04
STAFF REPORT



APPLICANT INFORMATION:
Jan Kidd Engelke

HEARING DATES:
Planning & Zoning Commission: November 5, 2012
City Council 1st Reading: November 13, 2012
City Council 2nd Reading: December 6, 2012

LOCATION:
1125 Elmdale Road

REQUESTED ACTION:
Conditional Use Permit to allow a Vacation Travel Trailer Park on property zoned GC

SITE CHARACTERISTICS:
The subject parcel totals approximately 3.0 acres and is currently zoned GC (General Commercial). The property has been developed with a restaurant. The adjacent properties have LI zoning to the east, west, and south, and AO (Agricultural Open Space) and GR (General Retail) zoning to the north across I-20. This property is right along the merger of E HWY 80 and I-20.

ZONING HISTORY:
The property was annexed in 1964 and was zoned AO when it was annexed. The property was zoned LI sometime after. The property was rezoned to GC zoning last year in preparation for this request.

ANALYSIS:
- Current Planning Analysis
  Currently the property is zoned GC and has been developed with a restaurant. The property to the south has been developed as a single family residence. There is a retail store to the east of the property. The majority of the surrounding area is undeveloped. The request is to allow for a Vacation Travel Trailer Park to be developed on the remaining area of the property to the south. The site plan requirement has been deferred by the Planning Director. However, a site exhibit has been provided showing the proposed development.

- Comprehensive Planning Analysis
  The Future Land Use section of the Comprehensive Plan designates this general area for commercial activity and is also designated as a Gateway into the City of Abilene. The applicant proposes to add a Vacation Travel Trailer Park to the property. The request would allow the applicant to develop their property as they intend, and would be compatible with the surrounding uses.

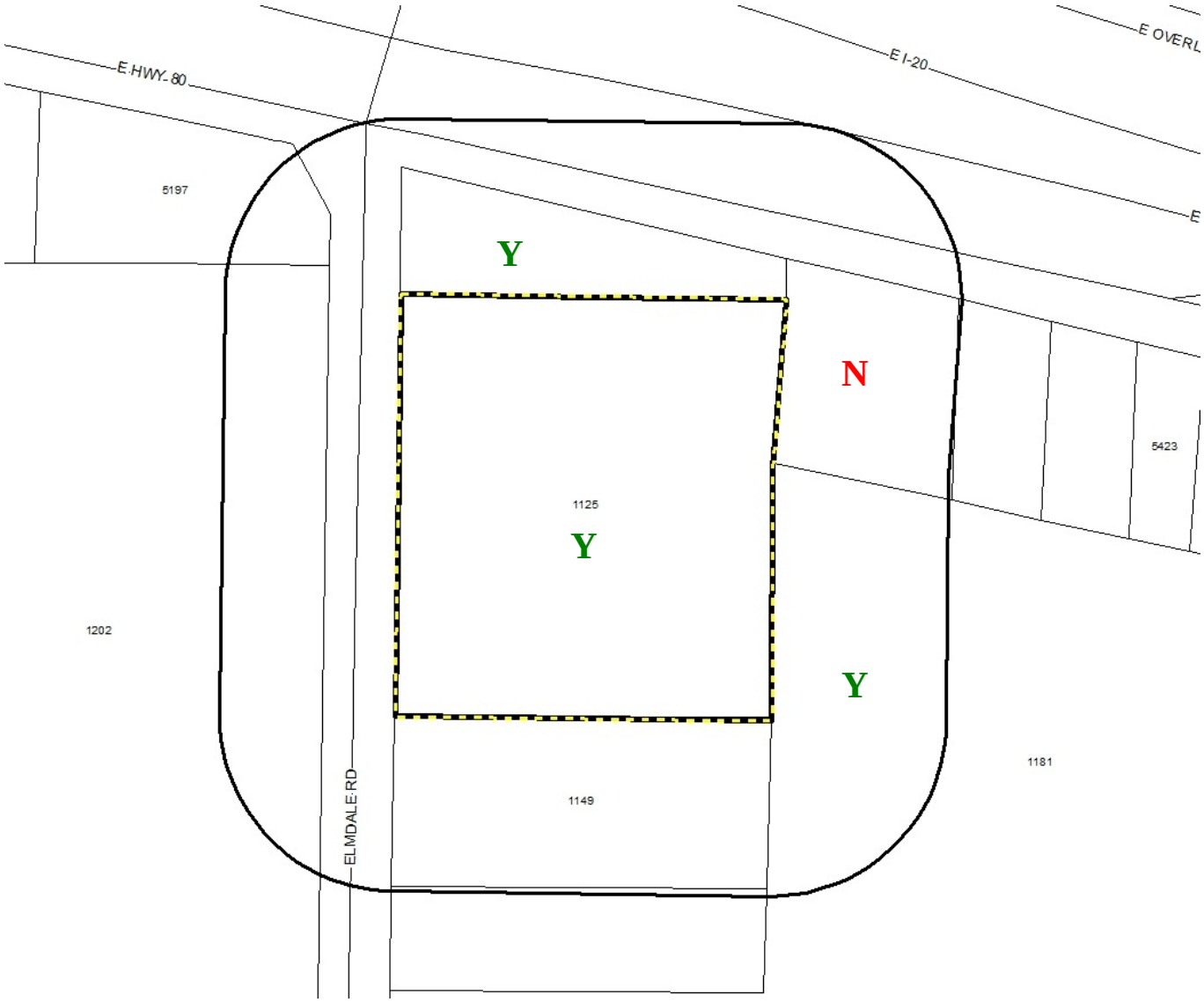
PLANNING STAFF RECOMMENDATION:
Staff recommends approval as requested.

PLANNING AND ZONING COMMISSION RECOMMENDATION:
The Planning and Zoning Commission recommends approval with a 6' solid, opaque fence along the south property line by a vote of 6 in favor (Bixby, Famble, Glenn, Rosenbaum, Yungblut, and McClarty) and none opposed.

NOTIFICATION:
Property owners within a 200-foot radius were notified of the request.

OWNER	ADDRESS	RESPONSE
BLACKBURN RUTH BROOKS	5197 E HWY 80	
BLACKBURN RUTH BROOKS	1202 ELMDALE RD	
CITY OF ABILENE		
HAILEY ROBERT		Opposed
ENGLELKE JAN KIDD	1181 ELMDALE RD	In Favor
GUERRERO FREDRICK	1149 ELMDALE RD	
ENGLELKE JAN KIDD	1125 ELMDALE RD	In Favor
ENGLELKE JAN KIDD		In Favor
KMBD INC		

3 in Favor- **Y**
1 Opposed- **N**

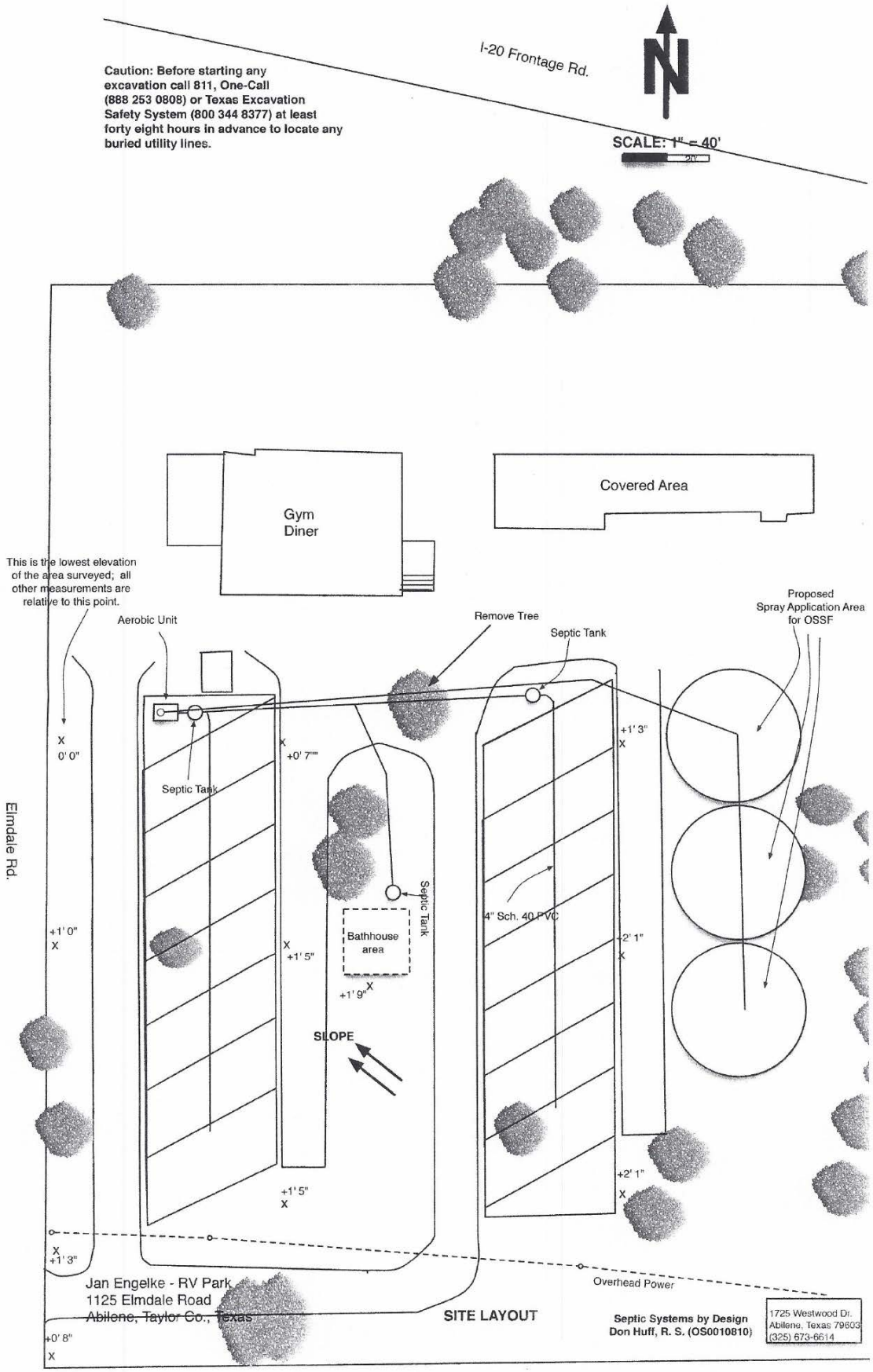


AO
HC
5198
5566
AO
5350
GR
GR
E OVERLAND TR
E I-20
5197
TAYLOR
GC 1125
5423
5425
5441
5457
5505
1149
LI
1181
1202
1225
ELMDALE RD
LI
1257
150
1233
134
AO
PETTHAVEN RD
5150
144
5210

E I-20
E OVERLAND TR
E HWY 80
E I-20
ELMDALE RD
PETTHAVEN RD
1125
1202
1233
5350
5425
5441
5505
1225
663
835

E HWY 80
E I-20
E OVERLAND TR
E I-20
5197
1125
1202
1161
ELMDALE RD

Proposed Concept Plan



City Council
Agenda Memo

CITY OF ABILENE

City Council
Meeting Date: 12/6/12

TO: **Larry D. Gilley, City Manager**

FROM: **Megan R. Santee, Director of Public Works**

SUBJECT: **Oral Resolution – Application/Permit to Drill and/or Operate an Oil and/or Gas well (4) – Bob Hughes Oil Co., LLC: "Hantman A #4", "Hantman A #5", "Hantman A #6" and "Hantman A #7" wells, Permit No.'s 748553, 748554, 748555 and 748556**

GENERAL INFORMATION

Chapter 21, Oil and Gas, of the City Code requires a permit for drilling and operating oil/gas wells within the city limits. As part of the review process, the City Council is to conduct a public hearing and then approve or deny the permit.

Bob Hughes Oil Company, LLC of San Angelo, Texas has submitted applications to drill the Hantman A #4, Hantman A #5, Hantman A #6 and Hantman A #7 wells on property owned by Joseph Hantman, located north of I-20, east of Highway 83/277 and west of Old Anson Road, as shown on the attached map. These applications have been reviewed and approved by City Staff. All owners of real property within 500 feet of the proposed drill sites have been notified of these applications and of the City Council meeting to consider their approval, as required by City ordinance.

The original applications and supporting documentation are on file with the City Secretary.

STAFF RECOMMENDATION

Because all prerequisites and requirements of Chapter 21, Oil and Gas; have been met, including no anticipated adverse effect on the health, safety and welfare of the public, staff recommends that the City Council vote to approve the applications for these drilling permits and authorize the Mayor to execute permits #748553, #748554, #748555 and #748556 for Bob Hughes Oil Company, LLC.

ATTACHMENTS

Site Map

The Application/Permit to Drill and/or Operate an Oil and/or Gas Well for each well location, including all supporting documentation, is on file with the City Secretary.

Prepared by:		Disposition by City Council
Name: Travis McClure		☐ Approved Ord/Res# _____
Title: Land Agent	Item No. 7.8	☐ Denied _____
		☐ Other
		_____ City Secretary

CITY OF ABILENE

APPLICATION/PERMIT TO DRILL AND/OR OPERATE AN OIL AND/OR GAS WELL

Bond/Letter of Credit # _____ RRC Permit # 748553

1. Date 10-2-12 Lease Name & Well No.: HANTMAN A #4

2. Applicant/Permit Holder Bob Hughes Oil Co LLC

   Address 6050 SIDE VIEW RD

   SAN ANGELO, TEXAS 76901

   Phone 325-653-0693

3. Local 24 hour phone contact, in case of emergency:

   Name JIM HUGHES

   Phone 325-450-2134

4. Legal description of drill site including copy of survey by licensed surveyor: Survey plat should show the locations of any buildings, type of construction and use, including residences, within 200 feet of proposed drill site, and flood zone elevation lines (lines of 100 year floodplain and floodway) in relation to the proposed drill site.

5. Applicant _____ **IS/** X **IS NOT** requesting a variance, per sections 21-26 and 21-27 of Chapter 21 of the City of Abilene Code of Ordinances, Oil and Gas, to drill within 200 feet of any existing building or buildings.

   The proposed well location _____ **IS/** X **IS NOT** within 200 feet of any residence or residences. If the proposed well location **IS** within 200 feet of any residence or residences, applicant should attach a list of the names of the owners of each residence corresponding to each address lying within a 200 foot radius of the proposed well location, indicating their approval/disapproval of the proposed well location.

   The notarized written consent of the owner of each residence within a 200 foot radius of the proposed well location should be attached to this application.

   Applicant should also attach copies of documentation of any granted exceptions to the Railroad Commission's statewide spacing rules that apply to the proposed well.

6. Proposed date to commence drilling WITHIN 6 MONTHS

   The height of the rig used to drill/re-enter this well will be approximately 60 feet.

7. Proposed depth of well 1999'

   This well is planned/anticipated to be primarily an **OIL** X or **GAS** _____ well.

8. Attached as **EXHIBIT 1** the names of the
   (a) Surface owners
   (b) Mineral owners
   (c) Royalty owners

9. Attached as **EXHIBIT 2** approved Railroad Commission Form W-1 including required plat of lease and approval letter from Texas Water Development Board.

10. Attached as **EXHIBIT 3** a Certificate of Insurance evidencing the applicant as insured under the following:

Type		Amount
(1)	Workers Compensation (where Required by State law)	Statutory
	Employer's Liability	$100,000
(2)	Comprehensive General Public Liability to include (but not Limited to):	$1 million – per Occurrence for Property Damage OR Combined single limit million – Per Occurrence
	a) Premises/Operations	
	b) Independent Contractors	
	c) Personal Injury Liability	
	d) Products/Completed Operations	
	e) Contractual Liability	
	f) Coverage for Explosion, Collapse, and Underground Property Damage (to include seepage, pollution and contamination coverage)	

Said Insurance Policy must insure all activities contemplated under this permit application and must be in effect at all times during production operations. The City must be notified 30 days prior to cancellation of insurance coverage and City shall be named as additional insured.

11. Indemnity

A. Definitions

For the purpose of this section the following definitions apply:

"Applicant/Permit Holder" includes the corporation, company, partnership, or other entity, its owners, officers, and/or partners, and their agents, successors, and assigns.

"Applicant/Permit Holder's employees" shall mean any employees, officers, agents, subcontractors, licensee and invitees of Applicant/Permit Holder.

"City" shall mean all officers, agents and employees of the City of Abilene.

"Claims" shall mean all claims, liens, suits, demands, accusations, allegations, assertions, complaints, petitions, proceedings and causes of action of every kind and description brought for damages.

"Damages" shall mean each and every injury, wound, hurt, harm, fee, damage, cost, expense, outlay, expenditure or loss of any and every nature, including but not limited to:

(i) injury or damage to any property or right

(ii) injury, damage, or death to any person or entity

(iii) attorneys fees, witness fees, expert witness fees and expenses, and

(iv) all other costs and expenses of litigation

"Premise Defects" shall mean any defect, real or alleged, which now exists or which may hereafter arise upon the premises.

"Proven" shall mean that a court of competent jurisdiction has entered a final unappealable judgment on a claim adjudging an entity or person liable for a monetary judgment.

"Sole negligence" shall mean negligence of a party that is unmixed with the fault of any other person or entity.

B. Indemnity

The Applicant/Permit Holder must indemnify, hold harmless, and defend the City from and against liability for any claims arising out of the Applicant/Permit Holder's work and activities conducted in connection with this Contract.

The Applicant/Permit Holder is an independent Applicant/Permit Holder and is not, with respect to its acts or omissions, an agent or employee of the City.

Applicant/Permit Holder must at all times exercise reasonable precautions on behalf of, and be solely responsible for, the safety of Applicant/Permit Holder's employees while in the vicinity where the work is being done. The City is not liable or responsible for the negligence or intentional acts or omissions of the Applicant/Permit Holder or Applicant/Permit Holder's employees.

The City assumes no responsibility or liability for damages which are directly or indirectly attributable to premise defects. Responsibility for all such defects is expressly assumed by the Applicant/Permit Holder.

The City and Applicant/Permit Holder must provide the other prompt and timely notice of any covered event which in any way affects or might affect the Applicant/Permit Holder or City. The City has the right to compromise and defend the same to the extent of its own interests.

BOTH CITY AND APPLICANT/PERMIT HOLDER EXPRESSLY INTEND THIS CONTRACT'S INDEMNITY PROVISION TO REQUIRE APPLICANT/PERMIT HOLDER TO INDEMNIFY AND PROTECT THE CITY FROM THE CONSEQUENCES OF THE CITY'S OWN NEGLIGENCE WHILE CITY IS PARTICIPATING IN THIS CONTRACT, WHERE THAT NEGLIGENCE IS A CONCURRING CAUSE OF THE DAMAGES. THIS CONTRACT'S INDEMNITY PROVISION DOES NOT APPLY TO ANY CLAIM WHERE DAMAGE IS PROVEN TO RESULT FROM THE SOLE NEGLIGENCE OF THE CITY.

12. Attached as **EXHIBIT 4** - $10,000 performance bond or an Irrevocable Letter of Credit from a Federally insured bank to meet the performance payment, penalty, abandonment and other provisions as required by City Council and by the Oil/Gas Ordinance, Chapter 21 of the City Code of Ordinances (This amount may be raised in appropriate circumstances).

13. Special requirements for this permit, if any, as set by City Council (drill site lighting, pits/tanks, hours of operation, fencing, buried lines, approved truck routes, noise buffers, pump type, etc.). Attachment EXHIBIT A.

14. The City of Abilene has required standards for drilling and production as provided by Chapter 21 of City Code, Oil and Gas Ordinance. Applicant/Permit Holder shall observe and obey all federal, state, and local laws and regulations. Violation of these or any requirements imposed by ordinance or the City Council will result in the termination of the permit.

15. By signing this application/permit, Applicant/Permit Holder certifies that he has received and read City code provisions, Chapter 21, Oil and Gas Ordinance.

16. THIS PERMIT EXPIRES SIX (6) MONTHS FROM THE DATE OF CITY COUNCIL APPROVAL. Actual drilling must commence within six (6) months from that date. Cessation of drilling or production for thirty (30) days shall cancel this permit.

17. If the City owns any mineral interest in the location of the proposed well, this permit is subject to compliance with an oil and gas lease obtained from the City.

18. The City Land Agent's office shall be notified prior to commencement of drilling operations.

19. If operation of the well is transferred, the City shall be notified in writing thirty (30) days prior to the transfer of the lease.

20. Applicant/Permit Holder shall make full payment for any and all damages or losses to City's Surface Lessee if the property is City owned, which shall include but not be limited to damages to and/or loss of crops, livestock, or improvements or a part thereof which loss may be the result of the Applicant's/Permit Holder's negligence or use of land.

21. This Application, upon approval, shall become the Drilling Permit.

THIS PERMIT IS NOT TRANSFERRABLE OR ASSIGNABLE

Signature:		Date:
	Review & Approval of Planning Director	11-1-2012
	Review & Approval of Airport Director	11/5/12
	Review & Approval of City Engineer	10-23-12
	Review & Approval of Water Director	11-15-12
	Review & Approval of Stormwater Administrator	10/24/12
	Review & Approval of Risk Manager	11/1/12
	Review & Approval of City Attorney	11/9/12
	Review & Approval of Land Agent	11/9/12

This permit issued this _____ day of _____ 20__.

CITY OF ABILENE

MAYOR

ATTEST:

City Secretary

City Seal:

Bob Hughes Oil Co, LLC
Applicant/Permit Holder

By: Larry Wellhausen

Agent
Title

ATTEST: (If Corporation)

Secretary

Corporate Seal

EXHIBIT A

SPECIAL REQUIREMENTS

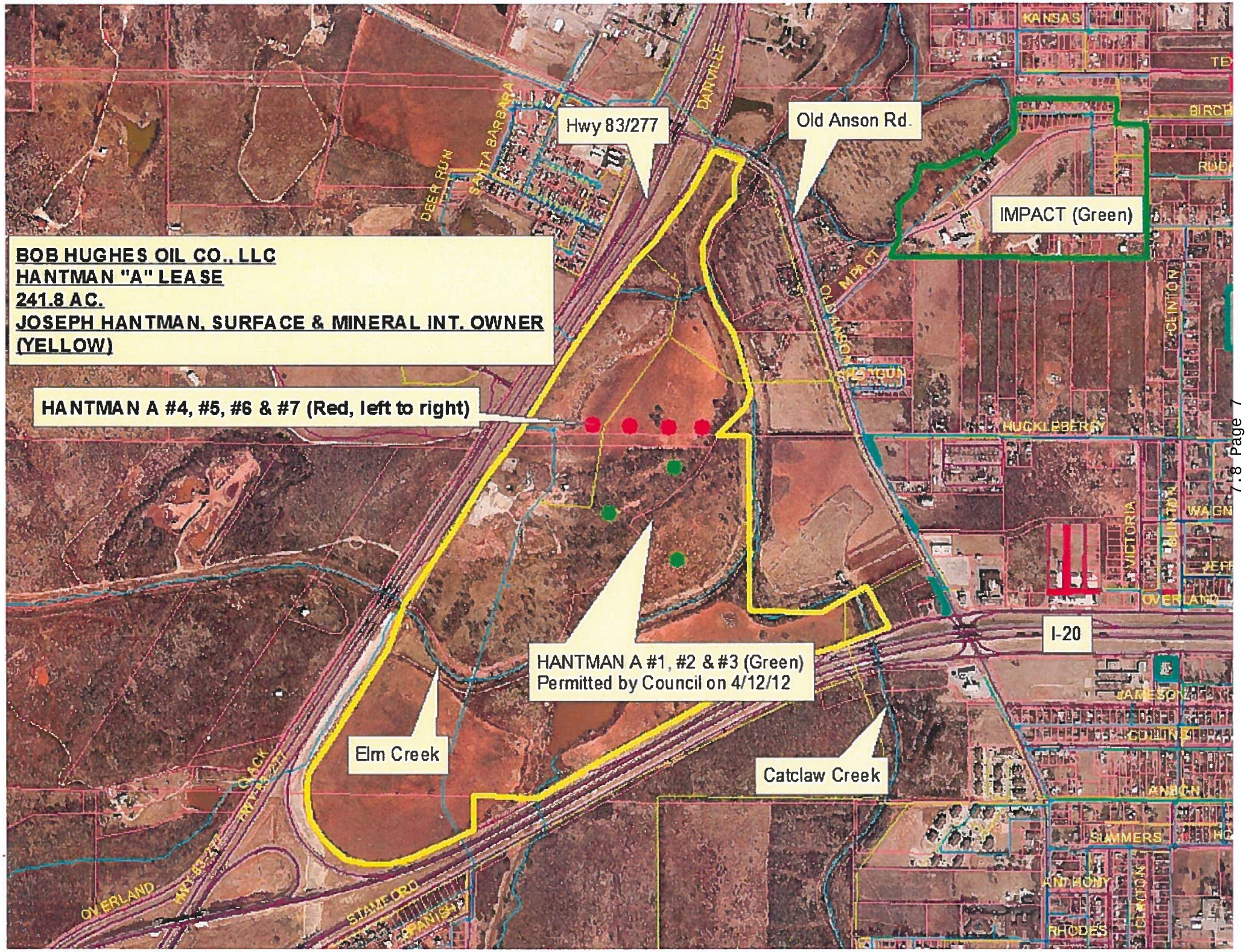
BOB HUGHES OIL CO., LLC

HANTMAN A #5, #6 & #7 WELLS:

BECAUSE THE LOCATIONS OF THESE WELLS ARE ALL WITHIN THE 100 YEAR FLOODPLAIN, ALL PERMANENT STRUCTURES, INCLUDING BUT NOT LIMITED TO PUMPJACKS, TANK BATTERIES, SEPARATION/TREATMENT FACILITIES, ETC MUST BE CONSTRUCTED A MINIMUM OF ONE FOOT (1') ABOVE THE BASE FLOOD ELEVATION (1676.5' NAVD 88), OR AT/ABOVE 1677.5' NAVD 88.

HANTMAN A #4 & #5 WELLS:

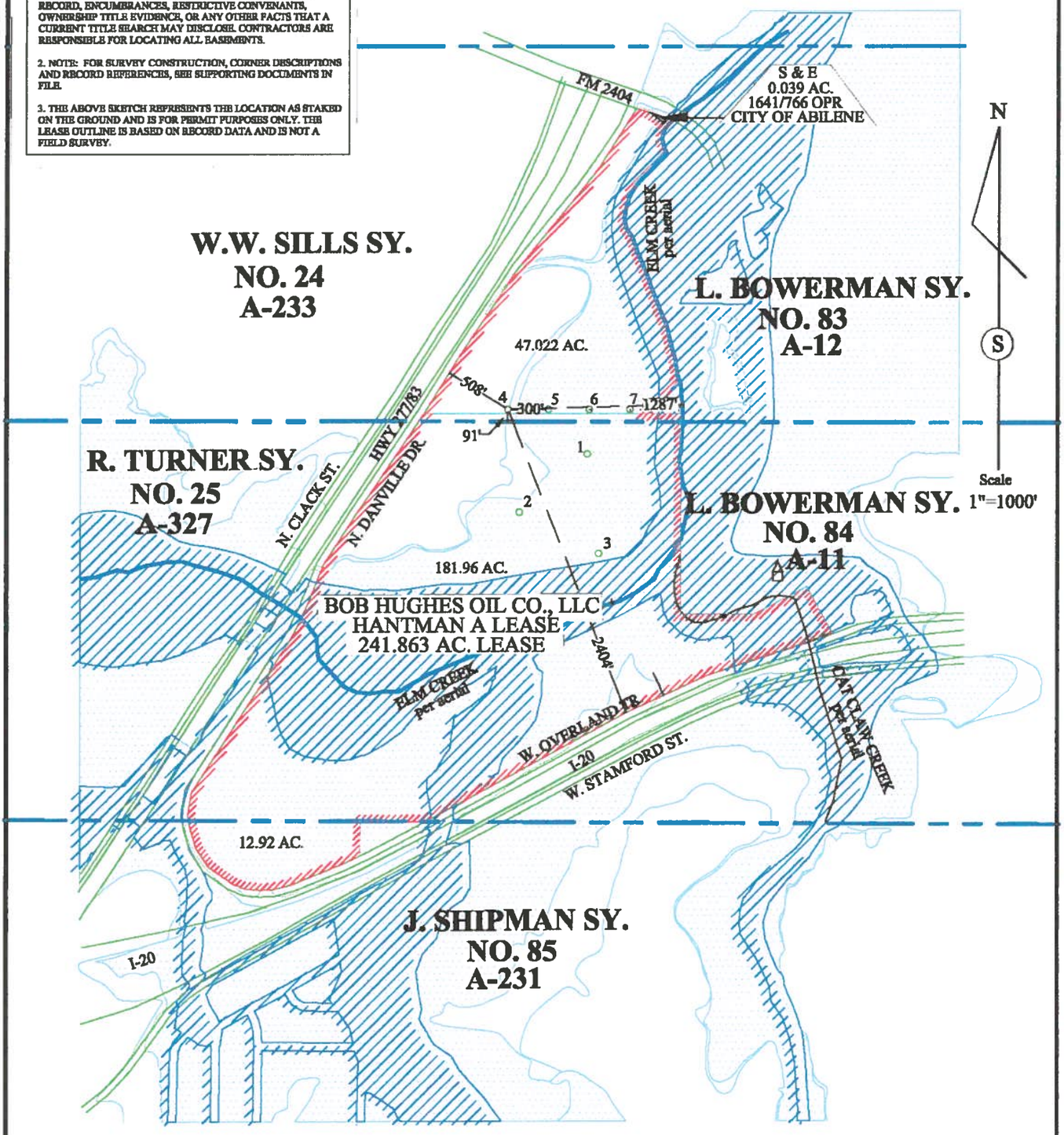
THE APPLICANT/PERMIT HOLDER/OPERATOR IS TO CONTACT THE CITY OF ABILENE WATER DEPARTMENT PRIOR TO COMMENCEMENT OF DRILLING ACTIVITIES IN REGARD TO THE PROXIMITY OF TWO WATER UTILITY PIPELINES, ONE BEING THE CITY'S EIGHT (8) INCH SEWER MAIN & MANHOLES, AND ONE BEING THE CITY'S TWELVE (12) INCH WATER MAIN, TO THE STAKED LOCATION OF THESE WELLS, AND IS TO KEEP ALL SITE CLEARING AND DRILLING ACTIVITIES, INCLUDING BUT NOT LIMITED TO PIT CONSTRUCTION, EQUIPMENT AND TRAFFIC AT A MINIMUM DISTANCE OF 50 FEET FROM SAID SEWER MAIN AND WATER MAIN.


BOB HUGHES OIL CO., LLC
HANTMAN "A" LEASE
241.8 AC.
JOSEPH HANTMAN, SURFACE & MINERAL INT. OWNER
(YELLOW)
HANTMAN A #4, #5, #6 & #7 (Red, left to right)
Hwy 83/277
Old Anson Rd.
IMPACT (Green)
HANTMAN A #1, #2 & #3 (Green)
Permitted by Council on 4/12/12
Elm Creek
Catclaw Creek
I-20
KANSAS
DEER RUN
SANTA BARBARA
DANVILLE
OLD ANSON RD
IMPACT
CLINTON
HUCKLEBERRY
VICTORIA
WAGN
OVERLAND
STAMFORD
SPANISH
JAMESON
SUMMERS
ANTHONY
RHODES

1. THE SURVEYOR HAS MADE NO INVESTIGATION OR INDEPENDENT SEARCH FOR LEASE LINES, EASEMENTS OF RECORD, ENCUMBRANCES, RESTRICTIVE CONVENANTS, OWNERSHIP TITLE EVIDENCE, OR ANY OTHER FACTS THAT A CURRENT TITLE SEARCH MAY DISCLOSE. CONTRACTORS ARE RESPONSIBLE FOR LOCATING ALL EASEMENTS.

2. NOTE: FOR SURVEY CONSTRUCTION, CORNER DESCRIPTIONS AND RECORD REFERENCES, SEE SUPPORTING DOCUMENTS IN FILE.

3. THE ABOVE SKETCH REPRESENTS THE LOCATION AS STAKED ON THE GROUND AND IS FOR PERMIT PURPOSES ONLY. THE LEASE OUTLINE IS BASED ON RECORD DATA AND IS NOT A FIELD SURVEY.



LOC. IS 3.5 MILES NORTHWEST OF ABILENE, TX
LOC. IS 91' FSL & 1287' FEL OF W.W. SILLS SY., NO.24, A-233
LOC. IS 2404' FSL & 508' FNWL OF THE LEASE
LOC. N-6865348 E-1580648 NAD 83
LOC. X-1303975 Y-308783 NAD 27
LAT. 32.494999° LONG. 99.758006° NAD83
LAT. 32° 29' 42.00" LONG. 99° 45' 28.82" NAD 83
ELEVATION-1678'

=FLOODWAY

=FLOODPLAIN

LEGEND:

- SURVEY LINE
- HANTMAN A LEASE 241.863 AC.
- FENCE LINE
- PROPOSED LATERAL
- AS-DRILLED LATERAL
- GAS WELL
- GAS WELL PER DOCS. PROVIDED
- PROPOSED LOCATION
- DRY HOLE
- OIL WELL
- HOUSE
- BARN

PROPOSED LOCATION IS LOCATED WITHIN THE CITY LIMITS OF ABILENE. THE FLOOD WAY IS SHOWN ON THIS PLAT AS PER FEMA MAPS. THIS LOCATION IS OVER 700 FEET FROM THE NEAREST HOUSE OR BARN.

1000' 0' 1000'

STATE OF TEXAS REGISTERED ERIC BRENNAN 5560 PROFESSIONAL LAND SURVEYOR

ERIC BRENNAN, TEXAS
REGISTERED PROFESSIONAL
LAND SURVEYOR
NUMBER 5560

BOB HUGHES OIL CO., LLC
HANTMAN A LEASE
#4 LOCATION

LOCATION PLAT
TAYLOR COUNTY, TEXAS

OWEN SURVEYING CO.
3574 FM 2231 WEST, BRECKENRIDGE, TX 76424
PHONE (254)559-9898 FAX (254)559-7372 CELL (254)559-0128

Scale	Date	Print Number
1"=1000'	09/04/2012	TAY-33L4

EXHIBIT 1

Bob Hughes Oil Company, LLC

Hantman A

Surface, Mineral and Royalty owner:

Joseph Hantman
10855 Wellworth Ave
Los Angeles, Ca. 90024

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
748553	Sep 28, 2012	* 7B
API NUMBER	**FORM W-1 RECEIVED**	**COUNTY**
42-441-34392	Sep 19, 2012	TAYLOR
TYPE OF OPERATION	**WELLBORE PROFILE(S)**	**ACRES**
NEW DRILL	Vertical	241.86

OPERATOR	NOTICE
078050 BOB HUGHES OIL COMPANY, LLC 6050 SIDEVIEW RD SAN ANGELO, TX 76901	This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. **District Office Telephone No:** (325) 677-3545

LEASE NAME	WELL NUMBER
HANTMAN A	4
LOCATION	**TOTAL DEPTH**
0 miles Within direction from ABILENE	1999

Section, Block and/or Survey
SECTION 24 BLOCK ABSTRACT 233
SURVEY SILLS, W W

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
91 ft. SOUTH 1287 ft. EAST	508 ft.
DISTANCE TO LEASE LINES	**DISTANCE TO NEAREST WELL ON LEASE**
508 ft. NW 2404 ft. SE	See FIELD(s) Below

FIELD(s) and LIMITATIONS:
* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST
POTTS LUCK (TANNEHILL)	241.86	1,999	4	7B
HANTMAN A	508		0	

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.

Groundwater Advisory Unit

GROUNDWATER PROTECTION DETERMINATION

Date: September 24, 2012

GAU File No.: SC- 8454

***** EXPEDITED APPLICATION *****

API Number: 44100000

Attention: LARRY WELLHAUSEN

RRC Lease No.: 000000

SC_078050_44100000_000000_8454.pdf

BOB HUGHES OIL CO LLC
6050 SIDEVIEW RD
SAN ANGELO TX 76901

P-5# 078050

--Measured--
1287 ft FEL
91 ft FSL
MRL:SURVEY

Digital Map Location:
X-coord/Long: 99.75800
Y-coord/Lat: 32.49500
Datum: 83 Zone:

County: TAYLOR

Lease & Well No.: HANTMAN A #4&ALL

Purpose: ND

Location: SUR-SILLS W.,A-233,SEC-24,--[TD=1999],[RRC 7B],

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Texas Railroad Commission recommends:

The interval from the land surface to a depth of 100 feet must be protected.

This recommendation is applicable to all wells drilled in this LEASE IN SECTION 24.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. **This recommendation is intended for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).**

If you have any questions, please contact us at 512-463-2741 gau@rrc.state.tx.us, or by mail.

Sincerely,

Digitally signed by Gale Baker
DN: c=US, st=TEXAS, l=Austin, o=Railroad Commission of Texas, cn=Gale Baker, email=gale.baker@rrc.state.tx.us
Date: 2012.09.24 15:43:49 -05'00'

Gale L. Baker, P.G.

Geologist, Groundwater Advisory Unit
Oil & Gas Division

GEOLOGIST SEAL

STATE OF TEXAS
GALE L. BAKER
GEOLOGY
2847
LICENSED
PROFESSIONAL GEOSCIENTIST

The seal appearing on this document was authorized by *Gale L. Baker* on 9/24/2012
Note: Alteration of this electronic document will invalidate the digital signature.

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY): 02/07/2012

PRODUCER

WINK INSURANCE AGENCY
P O BOX 800
ROBERT LEE, TX 76945
915 453-4551

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

HUGHES, JIM
dba BOB HUGHES OIL CO.LLC
6026 SIDEVIEW RD
SAN ANGELO, TX 76901

COMPANIES AFFORDING COVERAGE

COMPANY A: Hudson Ins. Co
COMPANY B:
COMPANY C:
COMPANY D:

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY [X] COMPREHENSIVE FORM [ ] PREMISES/OPERATIONS [ ] UNDERGROUND EXPLOSION & COLLAPSE HAZARD [ ] PRODUCTS/COMPLETED OPER [ ] CONTRACTUAL [ ] INDEPENDENT CONTRACTORS [ ] BROAD FORM PROPERTY DAMAGE [ ] PERSONAL INJURY	WSK1100021	12/19/11	12/19/12	BODILY INJURY OCC BODILY INJURY AGG PROPERTY DAMAGE OCC PROPERTY DAMAGE AGG BI & PD COMBINED OCC BI & PD COMBINED AGG PERSONAL INJURY AGG Med. Exp.	$ $ $ $ $ 1,000,000 $ 1,000,000 $ 1,000,000 5000
	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] ALL OWNED AUTOS (Private Pass) [ ] ALL OWNED AUTOS (Other than Private Passenger) [ ] HIRED AUTOS [ ] NON-OWNED AUTOS [ ] GARAGE LIABILITY				BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE BODILY INJURY & PROPERTY DAMAGE COMBINED	$ $ $ $
	EXCESS LIABILITY [ ] UMBRELLA FORM [ ] OTHER THAN UMBRELLA FORM				EACH OCCURRENCE AGGREGATE	$ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE. [ ] INCL [ ] EXCL				[ ] WC STATU-TORY LIMITS [ ] OTH-ER EL EACH ACCIDENT EL DISEASE - POLICY LIMIT EL DISEASE - EA EMPLOYEE	$ $ $
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Oil or Gas Lease Operations
Cert. Holder is Additional Insured w/waiver of subrogation

CERTIFICATE HOLDER

City of Abilene
P.O. Box 60
Abilene, Tx 79604

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE: Robert L. Wink

© ACORD CORPORATION 1988

ACORD 25-N (1/95)

Texas Mutual® Insurance Company

6210 E Highway 290
Austin, Texas 78723-1098

WORKERS' COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

INFORMATION PAGE

ITEM 1 — INSURED NAME AND ADDRESS

BOB HUGHES OIL LLC
6060 SIDE VIEW RD
SAN ANGELO, TX 76901-5438

OTHER WORKPLACES NOT SHOWN ABOVE:
see attached schedule of operation.

PRODUCER
26164

WINK INSURANCE AGENCY
P O BOX 800
ROBERT LEE, TX 76945-0800

POLICY NUMBER
SBP-0001055714 20120210

Federal Tax ID	275161032
Bureau Number	
Branch	DALLAS
Renewal of	0001055714
Entity	LIMITED LIABILI
Interim Adjustment	
Group	

ITEM 2 — The Policy Period is from: 2-10-2012 To: 2-10-2013 12:01 A.M. standard time at the insured's mailing address

ITEM 3

A. Workers' Compensation Insurance: Part One of the policy applies to the Workers' Compensation Law of the states listed here: TEXAS

B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in item 3A. The Limits of our Liability under Part Two are:

Bodily Injury by Accident	$	100,000	Each Accident
Bodily Injury by Disease	$	100,000	Each Employee
Bodily Injury by Disease	$	500,000	Policy Limit

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here: NONE

D. This policy includes these endorsements and schedules:

See Schedule of Endorsements attached

ITEM 4

The premium for this policy will be determined by our manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

TOTAL ESTIMATED STANDARD PREMIUM	$	3,610.00
WAIVER OF SUBROGATION		.00
INCREASED EMPLOYERS LIABILITY LIMITS		.00
TOTAL PREMIUM SUBJECT TO MODIFICATIONS		3,610.00
PREMIUM MODIFIED TO REFLECT PREM INCENTIVE OF (.85)		542.00-
PREMIUM MODIFIED TO REFLECT SCHEDULE RATING OF (.85)		430.00-
WORKERS' COMP HEALTH CARE NETWORK DISCOUNT (.12)		317.00-
DEDUCTIBLE PREMIUM		.00
ADMIRALTY/FELA OR L & H W		.00
PREMIUM DISCOUNT, IF APPLICABLE ( )		.00
EXPENSE CONSTANT CHARGE		150.00
TOTAL ESTIMATED ANNUAL PREMIUM	$	2,471.00

MINIMUM PREMIUM 250.00
DEPOSIT PREMIUM 2,471.00

Countersigned by Ron Wright

Issue Date: 3-05-2012

The Texas Mutual Insurance Company is required by law to provide its policyholders with certain accident prevention services as required by Texas Labor Code, §411.066, at no additional charge and return-to-work coordination services as required by Texas Labor Code §413.021. If you would like more information, call Texas Mutual Insurance Company's loss control division at 1-800-859-5995 for accident prevention services or 1-800-859-5995 for return-to-work coordination services. If you have any questions about this requirement, call the Texas Department of Insurance, Division of Workers' Compensation, Workplace Safety, at 1-800-687-7080.

WC000001A (ED. 07-11)

EXHIBIT 4

A $10,000 Performance Bond or Irrevocable Letter of Credit will be provided by the Applicant/Permit Holder upon approval/granting of the permit by City Council, as allowed by the City's Oil and Gas Ordinance, Chapter 21, Section 21-32. Drilling operations **shall not be allowed to commence** until the required Performance Bond or Irrevocable Letter of Credit, conditioned to fully comply with Chapter 21, Section 21-32 of the Oil and Gas Ordinance, is provided.

CITY OF ABILENE

APPLICATION/PERMIT TO DRILL AND/OR OPERATE AN OIL AND/OR GAS WELL

Bond/Letter of Credit # _____ RRC Permit # 748554

1. Date 10-2-12 Lease Name & Well No.: HANTMAN A #5

2. Applicant/Permit Holder Bob Hughes Oil Co LLC

   Address 6050 SIDE VIEW RD

   SAN ANGELO, TEXAS 76901

   Phone 325-653-0693

3. Local 24 hour phone contact, in case of emergency:

   Name JIM HUGHES

   Phone 325-450-2134

4. Legal description of drill site including copy of survey by licensed surveyor: Survey plat should show the locations of any buildings, type of construction and use, including residences, within 200 feet of proposed drill site, and flood zone elevation lines (lines of 100 year floodplain and floodway) in relation to the proposed drill site.

5. Applicant _____ IS/ X IS NOT requesting a variance, per sections 21-26 and 21-27 of Chapter 21 of the City of Abilene Code of Ordinances, Oil and Gas, to drill within 200 feet of any existing building or buildings.

   The proposed well location _____ IS/ X IS NOT within 200 feet of any residence or residences. If the proposed well location IS within 200 feet of any residence or residences, applicant should attach a list of the names of the owners of each residence corresponding to each address lying within a 200 foot radius of the proposed well location, indicating their approval/disapproval of the proposed well location.

   The notarized written consent of the owner of each residence within a 200 foot radius of the proposed well location should be attached to this application.

   Applicant should also attach copies of documentation of any granted exceptions to the Railroad Commission's statewide spacing rules that apply to the proposed well.

6. Proposed date to commence drilling WITHIN 6 MONTHS

   The height of the rig used to drill/re-enter this well will be approximately 60 feet.

7. Proposed depth of well 1999'

   This well is planned/anticipated to be primarily an **OIL** X or **GAS** _____ well.

8. Attached as **EXHIBIT 1** the names of the
   (a) Surface owners
   (b) Mineral owners
   (c) Royalty owners

9. Attached as **EXHIBIT 2** approved Railroad Commission Form W-1 including required plat of lease and approval letter from Texas Water Development Board.

10. Attached as **EXHIBIT 3** a Certificate of Insurance evidencing the applicant as insured under the following:

Type		Amount
(1)	Workers Compensation (where Required by State law)	Statutory
	Employer's Liability	$100,000
(2)	Comprehensive General Public Liability to include (but not Limited to):	$1 million – per Occurrence for Property Damage OR Combined single limit million – Per Occurrence
	a) Premises/Operations	
	b) Independent Contractors	
	c) Personal Injury Liability	
	d) Products/Completed Operations	
	e) Contractual Liability	
	f) Coverage for Explosion, Collapse, and Underground Property Damage (to include seepage, pollution and contamination coverage)	

Said Insurance Policy must insure all activities contemplated under this permit application and must be in effect at all times during production operations. The City must be notified 30 days prior to cancellation of insurance coverage and City shall be named as additional insured.

11. Indemnity

A. Definitions

For the purpose of this section the following definitions apply:

"Applicant/Permit Holder" includes the corporation, company, partnership, or other entity, its owners, officers, and/or partners, and their agents, successors, and assigns.

"Applicant/Permit Holder's employees" shall mean any employees, officers, agents, subcontractors, licensee and invitees of Applicant/Permit Holder.

"City" shall mean all officers, agents and employees of the City of Abilene.

"Claims" shall mean all claims, liens, suits, demands, accusations, allegations, assertions, complaints, petitions, proceedings and causes of action of every kind and description brought for damages.

"Damages" shall mean each and every injury, wound, hurt, harm, fee, damage, cost, expense, outlay, expenditure or loss of any and every nature, including but not limited to:

(i) injury or damage to any property or right

(ii) injury, damage, or death to any person or entity

(iii) attorneys fees, witness fees, expert witness fees and expenses, and

(iv) all other costs and expenses of litigation

"Premise Defects" shall mean any defect, real or alleged, which now exists or which may hereafter arise upon the premises.

"Proven" shall mean that a court of competent jurisdiction has entered a final unappealable judgment on a claim adjudging an entity or person liable for a monetary judgment.

"Sole negligence" shall mean negligence of a party that is unmixed with the fault of any other person or entity.

B. Indemnity

The Applicant/Permit Holder must indemnify, hold harmless, and defend the City from and against liability for any claims arising out of the Applicant/Permit Holder's work and activities conducted in connection with this Contract.

The Applicant/Permit Holder is an independent Applicant/Permit Holder and is not, with respect to its acts or omissions, an agent or employee of the City.

Applicant/Permit Holder must at all times exercise reasonable precautions on behalf of, and be solely responsible for, the safety of Applicant/Permit Holder's employees while in the vicinity where the work is being done. The City is not liable or responsible for the negligence or intentional acts or omissions of the Applicant/Permit Holder or Applicant/Permit Holder's employees.

The City assumes no responsibility or liability for damages which are directly or indirectly attributable to premise defects. Responsibility for all such defects is expressly assumed by the Applicant/Permit Holder.

The City and Applicant/Permit Holder must provide the other prompt and timely notice of any covered event which in any way affects or might affect the Applicant/Permit Holder or City. The City has the right to compromise and defend the same to the extent of its own interests.

BOTH CITY AND APPLICANT/PERMIT HOLDER EXPRESSLY INTEND THIS CONTRACT'S INDEMNITY PROVISION TO REQUIRE APPLICANT/PERMIT HOLDER TO INDEMNIFY AND PROTECT THE CITY FROM THE CONSEQUENCES OF THE CITY'S OWN NEGLIGENCE WHILE CITY IS PARTICIPATING IN THIS CONTRACT, WHERE THAT NEGLIGENCE IS A CONCURRING CAUSE OF THE DAMAGES. THIS CONTRACT'S INDEMNITY PROVISION DOES NOT APPLY TO ANY CLAIM WHERE DAMAGE IS PROVEN TO RESULT FROM THE SOLE NEGLIGENCE OF THE CITY.

12. Attached as **EXHIBIT 4** - $10,000 performance bond or an Irrevocable Letter of Credit from a Federally insured bank to meet the performance payment, penalty, abandonment and other provisions as required by City Council and by the Oil/Gas Ordinance, Chapter 21 of the City Code of Ordinances (This amount may be raised in appropriate circumstances).

13. Special requirements for this permit, if any, as set by City Council (drill site lighting, pits/tanks, hours of operation, fencing, buried lines, approved truck routes, noise buffers, pump type, etc.). Attachment EXHIBIT A.

14. The City of Abilene has required standards for drilling and production as provided by Chapter 21 of City Code, Oil and Gas Ordinance. Applicant/Permit Holder shall observe and obey all federal, state, and local laws and regulations. Violation of these or any requirements imposed by ordinance or the City Council will result in the termination of the permit.

15. By signing this application/permit, Applicant/Permit Holder certifies that he has received and read City code provisions, Chapter 21, Oil and Gas Ordinance.

16. THIS PERMIT EXPIRES SIX (6) MONTHS FROM THE DATE OF CITY COUNCIL APPROVAL. Actual drilling must commence within six (6) months from that date. Cessation of drilling or production for thirty (30) days shall cancel this permit.

17. If the City owns any mineral interest in the location of the proposed well, this permit is subject to compliance with an oil and gas lease obtained from the City.

18. The City Land Agent's office shall be notified prior to commencement of drilling operations.

19. If operation of the well is transferred, the City shall be notified in writing thirty (30) days prior to the transfer of the lease.

20. Applicant/Permit Holder shall make full payment for any and all damages or losses to City's Surface Lessee if the property is City owned, which shall include but not be limited to damages to and/or loss of crops, livestock, or improvements or a part thereof which loss may be the result of the Applicant's/Permit Holder's negligence or use of land.

21. This Application, upon approval, shall become the Drilling Permit.

THIS PERMIT IS NOT TRANSFERRABLE OR ASSIGNABLE

Signature:		Date:
	Review & Approval of Planning Director	11-1-2012
	Review & Approval of Airport Director	11/5/12
	Review & Approval of City Engineer	10-23-12
	Review & Approval of Water Director	11-9-12
	Review & Approval of Stormwater Administrator	10/24/12
	Review & Approval of Risk Manager	11/1/12
	Review & Approval of City Attorney	11/9/12
	Review & Approval of Land Agent	11/9/12

This permit issued this _____ day of _____ 20__.

CITY OF ABILENE

MAYOR

ATTEST:

City Secretary

City Seal:

Bob Hughes Oil Co, LLC
Applicant/Permit Holder

By: Larry Wellhausen

Agent
Title

ATTEST: (If Corporation)

Secretary

Corporate Seal

EXHIBIT A

SPECIAL REQUIREMENTS

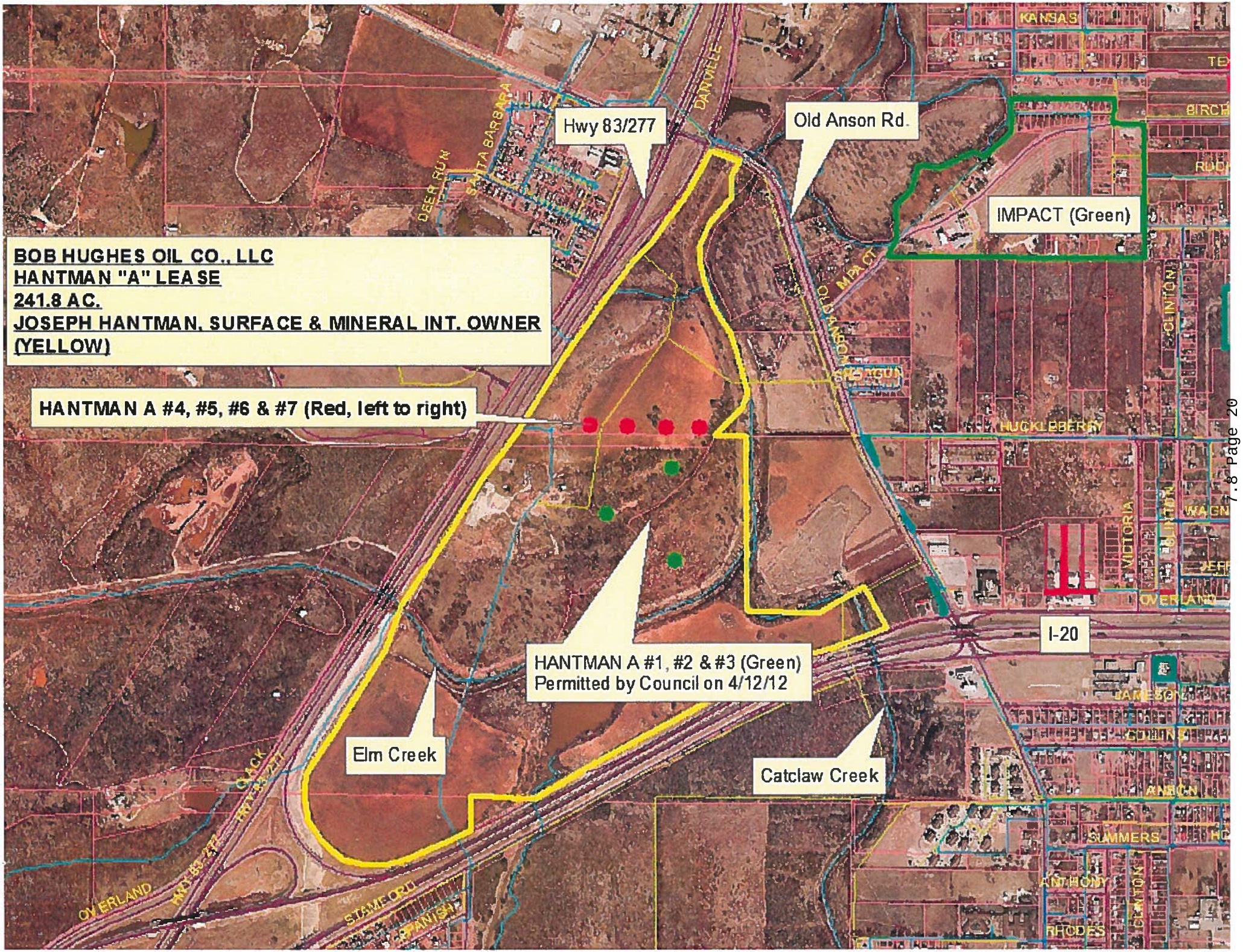
BOB HUGHES OIL CO., LLC

HANTMAN A #5, #6 & #7 WELLS:

BECAUSE THE LOCATIONS OF THESE WELLS ARE ALL WITHIN THE 100 YEAR FLOODPLAIN, ALL PERMANENT STRUCTURES, INCLUDING BUT NOT LIMITED TO PUMPJACKS, TANK BATTERIES, SEPARATION/TREATMENT FACILITIES, ETC MUST BE CONSTRUCTED A MINIMUM OF ONE FOOT (1') ABOVE THE BASE FLOOD ELEVATION (1676.5' NAVD 88), OR AT/ABOVE 1677.5' NAVD 88.

HANTMAN A #4 & #5 WELLS:

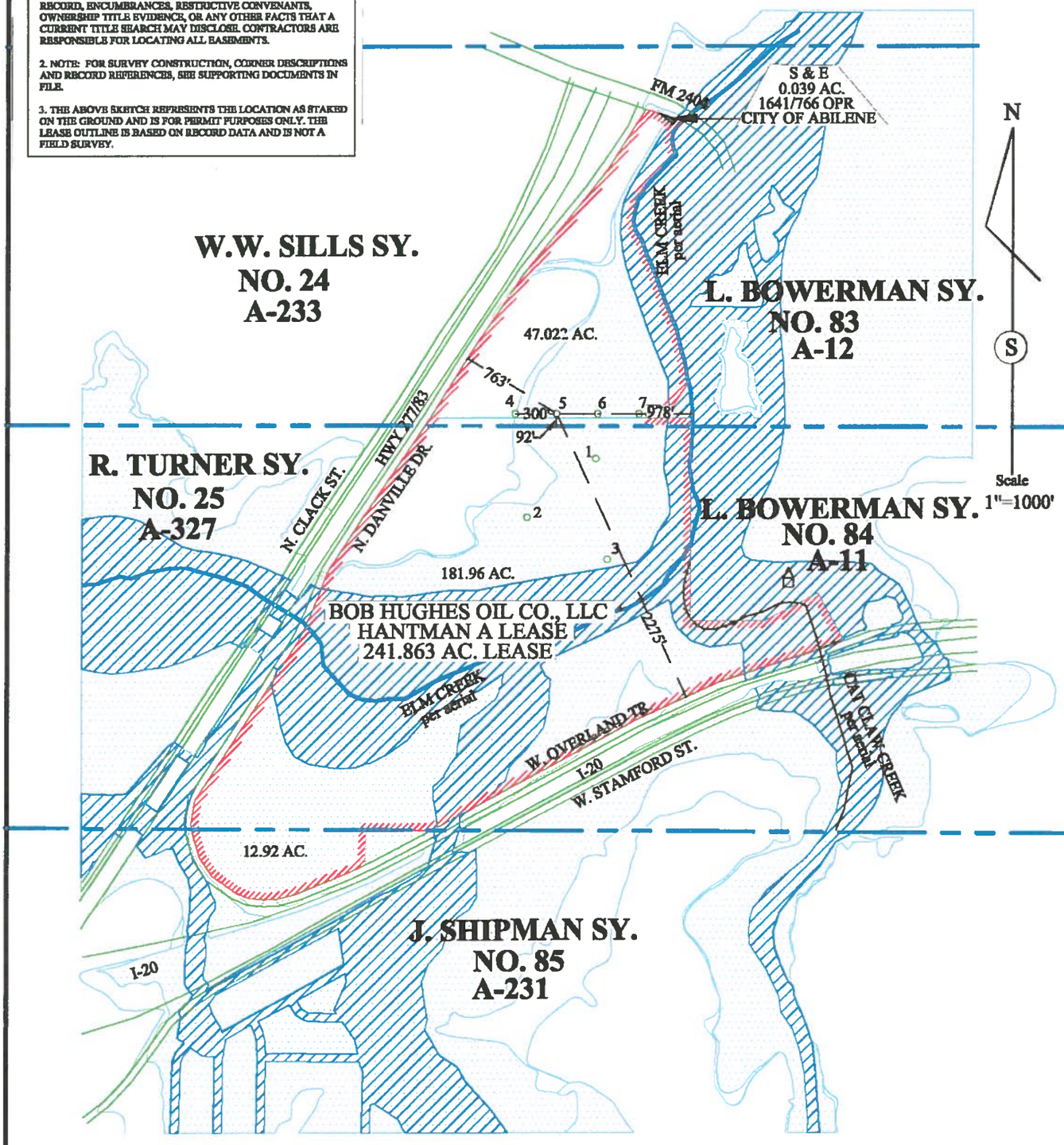
THE APPLICANT/PERMIT HOLDER/OPERATOR IS TO CONTACT THE CITY OF ABILENE WATER DEPARTMENT PRIOR TO COMMENCEMENT OF DRILLING ACTIVITIES IN REGARD TO THE PROXIMITY OF TWO WATER UTILITY PIPELINES, ONE BEING THE CITY'S EIGHT (8) INCH SEWER MAIN & MANHOLES, AND ONE BEING THE CITY'S TWELVE (12) INCH WATER MAIN, TO THE STAKED LOCATION OF THESE WELLS, AND IS TO KEEP ALL SITE CLEARING AND DRILLING ACTIVITIES, INCLUDING BUT NOT LIMITED TO PIT CONSTRUCTION, EQUIPMENT AND TRAFFIC AT A MINIMUM DISTANCE OF 50 FEET FROM SAID SEWER MAIN AND WATER MAIN.


BOB HUGHES OIL CO., LLC
HANTMAN "A" LEASE
241.8 AC.
JOSEPH HANTMAN, SURFACE & MINERAL INT. OWNER
(YELLOW)
HANTMAN A #4, #5, #6 & #7 (Red, left to right)
Hwy 83/277
Old Anson Rd.
IMPACT (Green)
HANTMAN A #1, #2 & #3 (Green)
Permitted by Council on 4/12/12
Elm Creek
Catclaw Creek
I-20
KANSAS
DEER RUN
SANTA BARBARA
DARVELLE
OLD ANSON RD
IMPACT
CLINTON
HUCKLEBERRY
VICTORIA
OVERLAND
SUMMERS
ANTHONY
RHODES
STAMFORD
HWY 83-277
QUACK
RIVER

1. THE SURVEYOR HAS MADE NO INVESTIGATION OR INDEPENDENT SEARCH FOR LEASE LINES, EASEMENTS OF RECORD, ENCUMBRANCES, RESTRICTIVE CONVENANTS, OWNERSHIP TITLE EVIDENCE, OR ANY OTHER FACTS THAT A CURRENT TITLE SEARCH MAY DISCLOSE. CONTRACTORS ARE RESPONSIBLE FOR LOCATING ALL EASEMENTS.

2. NOTE: FOR SURVEY CONSTRUCTION, CORNER DESCRIPTIONS AND RECORD REFERENCES, SEE SUPPORTING DOCUMENTS IN FILE.

3. THE ABOVE SKETCH REPRESENTS THE LOCATION AS STAKED ON THE GROUND AND IS FOR PERMIT PURPOSES ONLY. THE LEASE OUTLINE IS BASED ON RECORD DATA AND IS NOT A FIELD SURVEY.



LOC. IS 3.5 MILES NORTHWEST OF ABILENE, TX
LOC. IS 92' FSL & 978' FEL OF W.W. SILLS SY., NO.24, A-233
LOC. IS 2275' FSEL & 763' FNWL OF THE LEASE
LOC. N-6865348 E-1580948 NAD 83
LOC. X-1304275 Y-308781 NAD 27
LAT. 32.495008° LONG. 99.757033° NAD83
LAT. 32° 29' 42.03" LONG. 99° 45' 25.32" NAD 83
ELEVATION-1676'

=FLOODWAY

=FLOODPLAIN

LEGEND:

- SURVEY LINE
- HANTMAN A LEASE 241.863 AC.
- FENCE LINE
- PROPOSED LATERAL
- AS-DRILLED LATERAL
- GAS WELL
- GAS WELL PER DOCS. PROVIDED
- PROPOSED LOCATION
- DRY HOLE
- OIL WELL
- HOUSE
- BARN

PROPOSED LOCATION IS LOCATED WITHIN THE CITY LIMITS OF ABILENE. THE FLOOD WAY IS SHOWN ON THIS PLAT AS PER FEMA MAPS. THIS LOCATION IS OVER 700 FEET FROM THE NEAREST HOUSE OR BARN.

STATE OF TEXAS
REGISTERED
ERIC BRENNAN
5560
PROFESSIONAL
LAND SURVEYOR

ERIC BRENNAN, TEXAS
REGISTERED PROFESSIONAL
LAND SURVEYOR
NUMBER 5560

1000' 0' 1000'

BOB HUGHES OIL CO., LLC
HANTMAN A LEASE
#5 LOCATION

LOCATION PLAT
TAYLOR COUNTY, TEXAS

OWEN SURVEYING CO.
3574 FM 2231 WEST, BRECKENRIDGE, TX 76424
PHONE (254)559-9898 FAX (254)559-7372 CELL (254)559-0128

Scale	Date	Print Number
1"=1000'	09/04/2012	TAY-33L5

EXHIBIT 1

Bob Hughes Oil Company, LLC

Hantman A

Surface, Mineral and Royalty owner:

Joseph Hantman
10855 Wellworth Ave
Los Angeles, Ca. 90024

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
748554	Sep 28, 2012	* 7B
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-441-34395	Sep 19, 2012	TAYLOR
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Vertical	241.86

OPERATOR 078050
BOB HUGHES OIL COMPANY, LLC
6050 SIDEVIEW RD
SAN ANGELO, TX 76901

NOTICE
This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored.
District Office Telephone No:
(325) 677-3545

LEASE NAME	WELL NUMBER
HANTMAN A	5
LOCATION	TOTAL DEPTH
0 miles Within direction from ABILENE	1999

Section, Block and/or Survey
SECTION 24 BLOCK ABSTRACT 233
SURVEY SILLS, W W

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
92 ft. SOUTH 978 ft. EAST	754 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
2275 ft. SE 754 ft. E	See FIELD(s) Below

FIELD(s) and LIMITATIONS:
* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST
POTTS LUCK (TANNEHILL)	241.86	1,999	5	7B
HANTMAN A	754		300	

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.

Groundwater Advisory Unit

GROUNDWATER PROTECTION DETERMINATION

Date: September 24, 2012

GAU File No.: SC- 8454

***** EXPEDITED APPLICATION *****

API Number: 44100000

Attention: LARRY WELLHAUSEN

RRC Lease No.: 000000

SC_078050_44100000_000000_8454.pdf

BOB HUGHES OIL CO LLC
6050 SIDEVIEW RD
SAN ANGELO TX 76901

P-5# 078050

--Measured--
1287 ft FEL
91 ft FSL
MRL:SURVEY

Digital Map Location:
X-coord/Long: 99.75800
Y-coord/Lat: 32.49500
Datum: 83 Zone:

County: TAYLOR Lease & Well No.: HANTMAN A #4&ALL Purpose: ND

Location: SUR-SILLS W.,A-233,SEC-24,--[TD=1999],[RRC 7B],

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Texas Railroad Commission recommends:

The interval from the land surface to a depth of 100 feet must be protected.

This recommendation is applicable to all wells drilled in this LEASE IN SECTION 24.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. **This recommendation is intended for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).**

If you have any questions, please contact us at 512-463-2741 gau@rrc.state.tx.us, or by mail.

Sincerely,

Digitally signed by Gale Baker
DN: c=US, st=TEXAS, l=Austin, o=Railroad Commission of Texas, cn=Gale Baker, email=gale.baker@rrc.state.tx.us
Date: 2012.09.24 15:43:49 -05'00'

Gale L. Baker, P.G.
Geologist, Groundwater Advisory Unit
Oil & Gas Division

GEOLOGIST SEAL

STATE OF TEXAS
GALE L. BAKER
GEOLOGY
2847
LICENSED PROFESSIONAL GEOSCIENTIST

The seal appearing on this document was authorized by *Gale L. Baker* on 9/24/2012
Note: Alteration of this electronic document will invalidate the digital signature.

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY): 02/07/2012

PRODUCER

WINK INSURANCE AGENCY
P O BOX 800
ROBERT LEE, TX 76945
915 453-4551

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY A: Hudson Ins. Co
COMPANY B:
COMPANY C:
COMPANY D:

INSURED

HUGHES, JIM
dba BOB HUGHES OIL CO.LLC
6026 SIDEVIEW RD
SAN ANGELO, TX 76901

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY [X] COMPREHENSIVE FORM [ ] PREMISES/OPERATIONS [ ] UNDERGROUND EXPLOSION & COLLAPSE HAZARD [ ] PRODUCTS/COMPLETED OPER [ ] CONTRACTUAL [ ] INDEPENDENT CONTRACTORS [ ] BROAD FORM PROPERTY DAMAGE [ ] PERSONAL INJURY	WSK1100021	12/19/11	12/19/12	BODILY INJURY OCC BODILY INJURY AGG PROPERTY DAMAGE OCC PROPERTY DAMAGE AGG BI & PD COMBINED OCC BI & PD COMBINED AGG PERSONAL INJURY AGG Med. Exp.	$ $ $ $ $ 1,000,000 $ 1,000,000 $ 1,000,000 5000
	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] ALL OWNED AUTOS (Private Pass) [ ] ALL OWNED AUTOS (Other than Private Passenger) [ ] HIRED AUTOS [ ] NON-OWNED AUTOS [ ] GARAGE LIABILITY				BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE BODILY INJURY & PROPERTY DAMAGE COMBINED	$ $ $ $
	EXCESS LIABILITY [ ] UMBRELLA FORM [ ] OTHER THAN UMBRELLA FORM				EACH OCCURRENCE AGGREGATE	$ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: [ ] INCL [ ] EXCL				[ ] WC STATU-TORY LIMITS [ ] OTH-ER EL EACH ACCIDENT EL DISEASE - POLICY LIMIT EL DISEASE - EA EMPLOYEE	$ $ $
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Oil or Gas Lease Operations
Cert. Holder is Additional Insured w/ waiver of subrogation

CERTIFICATE HOLDER

City of Abilene
P.O. Box 60
Abilene, Tx 79604

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE: Robert L. Wink

ACORD 25-N (1/95)

© ACORD CORPORATION 1988

Texas Mutual® Insurance Company

6210 E Highway 290
Austin, Texas 78723-1098

WORKERS' COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

INFORMATION PAGE

ITEM 1 — INSURED NAME AND ADDRESS

BOB HUGHES OIL LLC
6050 SIDE VIEW RD
SAN ANGELO, TX 76901-5438

POLICY NUMBER
SBP-0001055714 20120210

Federal Tax ID 275161032
Bureau Number
Branch DALLAS
Renewal of 0001055714
Entity LIMITED LIABILI
Interim Adjustment
Group

OTHER WORKPLACES NOT SHOWN ABOVE:
see attached schedule of operation.

PRODUCER 26164

WINK INSURANCE AGENCY
P O BOX 800
ROBERT LEE, TX 76945-0800

ITEM 2 — The Policy Period is from: 2-10-2012 To: 2-10-2013 12:01 A.M. standard time at the Insured's mailing address

ITEM 3

A. **Workers' Compensation Insurance:** Part One of the policy applies to the Workers' Compensation Law of the states listed here: TEXAS

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WC000001A (ED. 07-11)

EXHIBIT 4

A $10,000 Performance Bond or Irrevocable Letter of Credit will be provided by the Applicant/Permit Holder upon approval/granting of the permit by City Council, as allowed by the City's Oil and Gas Ordinance, Chapter 21, Section 21-32. Drilling operations **shall not be allowed to commence** until the required Performance Bond or Irrevocable Letter of Credit, conditioned to fully comply with Chapter 21, Section 21-32 of the Oil and Gas Ordinance, is provided.

CITY OF ABILENE

APPLICATION/PERMIT TO DRILL AND/OR OPERATE AN OIL AND/OR GAS WELL

Bond/Letter of Credit # _____ RRC Permit # 748555

1. Date 10-2-12 Lease Name & Well No.: HANTMAN A #6

2. Applicant/Permit Holder Bob Hughes Oil Co LLC

   Address 6050 SIDE VIEW RD

   SAN ANGELO, TEXAS 76901

   Phone 325-653-0693

3. Local 24 hour phone contact, in case of emergency:

   Name JIM HUGHES

   Phone 325-450-2134

4. Legal description of drill site including copy of survey by licensed surveyor: Survey plat should show the locations of any buildings, type of construction and use, including residences, within 200 feet of proposed drill site, and flood zone elevation lines (lines of 100 year floodplain and floodway) in relation to the proposed drill site.

5. Applicant _____ **IS/** X **IS NOT** requesting a variance, per sections 21-26 and 21-27 of Chapter 21 of the City of Abilene Code of Ordinances, Oil and Gas, to drill within 200 feet of any existing building or buildings.

   The proposed well location _____ **IS/** X **IS NOT** within 200 feet of any residence or residences. If the proposed well location **IS** within 200 feet of any residence or residences, applicant should attach a list of the names of the owners of each residence corresponding to each address lying within a 200 foot radius of the proposed well location, indicating their approval/disapproval of the proposed well location.

   The notarized written consent of the owner of each residence within a 200 foot radius of the proposed well location should be attached to this application.

   Applicant should also attach copies of documentation of any granted exceptions to the Railroad Commission's statewide spacing rules that apply to the proposed well.

6. Proposed date to commence drilling WITHIN 6 MONTHS

   The height of the rig used to drill/re-enter this well will be approximately 60 feet.

7. Proposed depth of well 1999'

   This well is planned/anticipated to be primarily an **OIL** X or **GAS** _____ well.

8. Attached as **EXHIBIT 1** the names of the
   (a) Surface owners
   (b) Mineral owners
   (c) Royalty owners

9. Attached as **EXHIBIT 2** approved Railroad Commission Form W-1 including required plat of lease and approval letter from Texas Water Development Board.

10. Attached as **EXHIBIT 3** a Certificate of Insurance evidencing the applicant as insured under the following:

Type		Amount
(1)	Workers Compensation (where Required by State law)	Statutory
	Employer's Liability	$100,000
(2)	Comprehensive General Public Liability to include (but not Limited to):	$1 million – per Occurrence for Property Damage OR Combined single limit million – Per Occurrence
	a) Premises/Operations	
	b) Independent Contractors	
	c) Personal Injury Liability	
	d) Products/Completed Operations	
	e) Contractual Liability	
	f) Coverage for Explosion, Collapse, and Underground Property Damage (to include seepage, pollution and contamination coverage)	

Said Insurance Policy must insure all activities contemplated under this permit application and must be in effect at all times during production operations. The City must be notified 30 days prior to cancellation of insurance coverage and City shall be named as additional insured.

11. Indemnity

A. Definitions

For the purpose of this section the following definitions apply:

"Applicant/Permit Holder" includes the corporation, company, partnership, or other entity, its owners, officers, and/or partners, and their agents, successors, and assigns.

"Applicant/Permit Holder's employees" shall mean any employees, officers, agents, subcontractors, licensee and invitees of Applicant/Permit Holder.

"City" shall mean all officers, agents and employees of the City of Abilene.

"Claims" shall mean all claims, liens, suits, demands, accusations, allegations, assertions, complaints, petitions, proceedings and causes of action of every kind and description brought for damages.

"Damages" shall mean each and every injury, wound, hurt, harm, fee, damage, cost, expense, outlay, expenditure or loss of any and every nature, including but not limited to:

(i) injury or damage to any property or right

(ii) injury, damage, or death to any person or entity

(iii) attorneys fees, witness fees, expert witness fees and expenses, and

(iv) all other costs and expenses of litigation

"Premise Defects" shall mean any defect, real or alleged, which now exists or which may hereafter arise upon the premises.

"Proven" shall mean that a court of competent jurisdiction has entered a final unappealable judgment on a claim adjudging an entity or person liable for a monetary judgment.

"Sole negligence" shall mean negligence of a party that is unmixed with the fault of any other person or entity.

B. Indemnity

The Applicant/Permit Holder must indemnify, hold harmless, and defend the City from and against liability for any claims arising out of the Applicant/Permit Holder's work and activities conducted in connection with this Contract.

The Applicant/Permit Holder is an independent Applicant/Permit Holder and is not, with respect to its acts or omissions, an agent or employee of the City.

Applicant/Permit Holder must at all times exercise reasonable precautions on behalf of, and be solely responsible for, the safety of Applicant/Permit Holder's employees while in the vicinity where the work is being done. The City is not liable or responsible for the negligence or intentional acts or omissions of the Applicant/Permit Holder or Applicant/Permit Holder's employees.

The City assumes no responsibility or liability for damages which are directly or indirectly attributable to premise defects. Responsibility for all such defects is expressly assumed by the Applicant/Permit Holder.

The City and Applicant/Permit Holder must provide the other prompt and timely notice of any covered event which in any way affects or might affect the Applicant/Permit Holder or City. The City has the right to compromise and defend the same to the extent of its own interests.

BOTH CITY AND APPLICANT/PERMIT HOLDER EXPRESSLY INTEND THIS CONTRACT'S INDEMNITY PROVISION TO REQUIRE APPLICANT/PERMIT HOLDER TO INDEMNIFY AND PROTECT THE CITY FROM THE CONSEQUENCES OF THE CITY'S OWN NEGLIGENCE WHILE CITY IS PARTICIPATING IN THIS CONTRACT, WHERE THAT NEGLIGENCE IS A CONCURRING CAUSE OF THE DAMAGES. THIS CONTRACT'S INDEMNITY PROVISION DOES NOT APPLY TO ANY CLAIM WHERE DAMAGE IS PROVEN TO RESULT FROM THE SOLE NEGLIGENCE OF THE CITY.

12. Attached as **EXHIBIT** 4 - $10,000 performance bond or an Irrevocable Letter of Credit from a Federally insured bank to meet the performance payment, penalty, abandonment and other provisions as required by City Council and by the Oil/Gas Ordinance, Chapter 21 of the City Code of Ordinances (This amount may be raised in appropriate circumstances).

13. Special requirements for this permit, if any, as set by City Council (drill site lighting, pits/tanks, hours of operation, fencing, buried lines, approved truck routes, noise buffers, pump type, etc.). Attachment Exhibit A.

14. The City of Abilene has required standards for drilling and production as provided by Chapter 21 of City Code, Oil and Gas Ordinance. Applicant/Permit Holder shall observe and obey all federal, state, and local laws and regulations. Violation of these or any requirements imposed by ordinance or the City Council will result in the termination of the permit.

15. By signing this application/permit, Applicant/Permit Holder certifies that he has received and read City code provisions, Chapter 21, Oil and Gas Ordinance.

16. THIS PERMIT EXPIRES SIX (6) MONTHS FROM THE DATE OF CITY COUNCIL APPROVAL. Actual drilling must commence within six (6) months from that date. Cessation of drilling or production for thirty (30) days shall cancel this permit.

17. If the City owns any mineral interest in the location of the proposed well, this permit is subject to compliance with an oil and gas lease obtained from the City.

18. The City Land Agent's office shall be notified prior to commencement of drilling operations.

19. If operation of the well is transferred, the City shall be notified in writing thirty (30) days prior to the transfer of the lease.

20. Applicant/Permit Holder shall make full payment for any and all damages or losses to City's Surface Lessee if the property is City owned, which shall include but not be limited to damages to and/or loss of crops, livestock, or improvements or a part thereof which loss may be the result of the Applicant's/Permit Holder's negligence or use of land.

21. This Application, upon approval, shall become the Drilling Permit.

THIS PERMIT IS NOT TRANSFERRABLE OR ASSIGNABLE

Signature:		Date:
	Review & Approval of Planning Director	11-1-2012
	Review & Approval of Airport Director	11/5/12
	Review & Approval of City Engineer	10-23-12
	Review & Approval of Water Director	11-5-12
	Review & Approval of Stormwater Administrator	10/24/12
	Review & Approval of Risk Manager	11/1/12
	Review & Approval of City Attorney	11/9/12
	Review & Approval of Land Agent	11/9/12

This permit issued this _____ day of _____ 20__.

CITY OF ABILENE

MAYOR

ATTEST:

City Secretary

City Seal:

Bob Hughes Oil Co, LLC
Applicant/Permit Holder

By: Larry Wellhausen

agent
Title

ATTEST: (If Corporation)

Secretary

Corporate Seal

EXHIBIT A

SPECIAL REQUIREMENTS

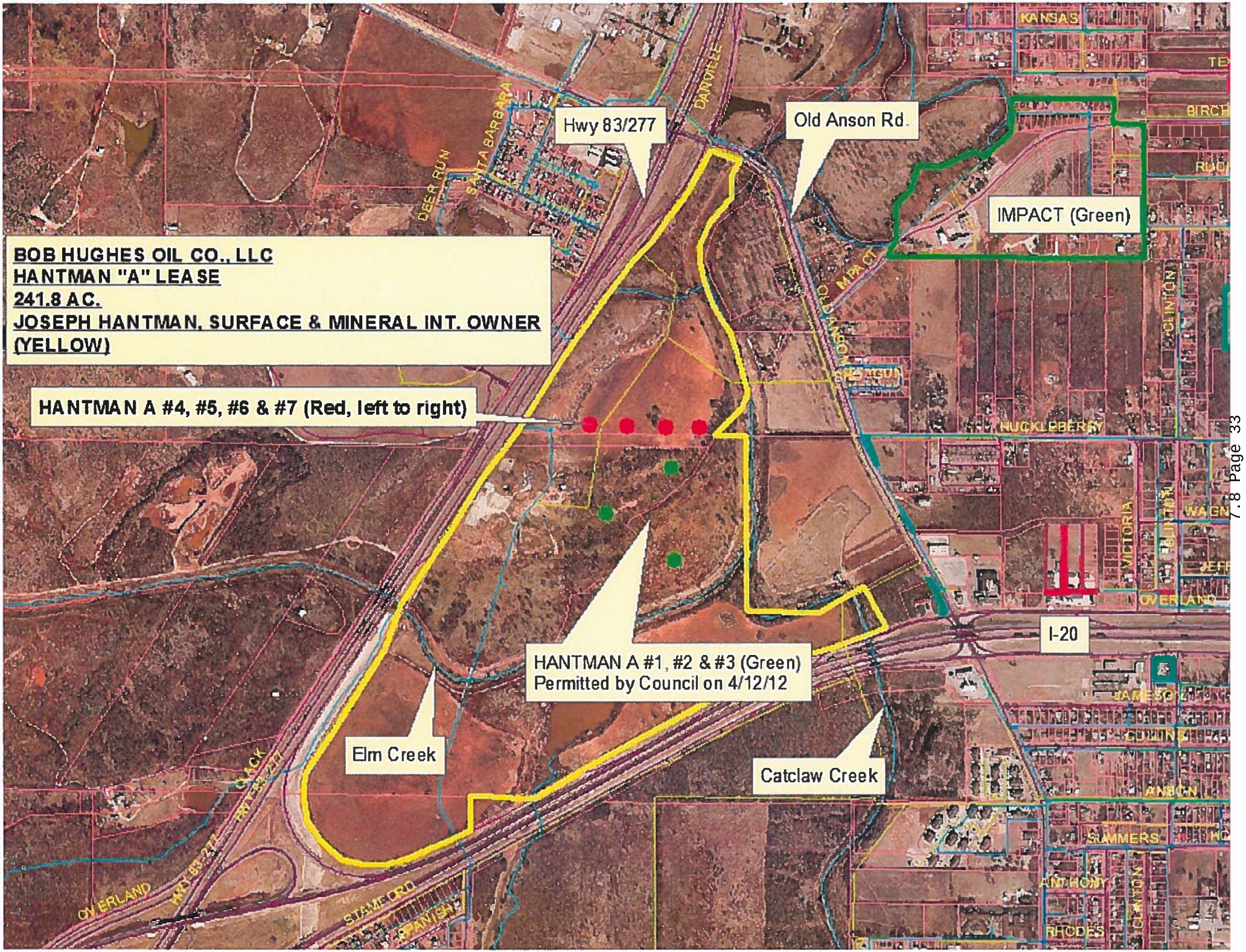
BOB HUGHES OIL CO., LLC

HANTMAN A #5, #6 & #7 WELLS:

BECAUSE THE LOCATIONS OF THESE WELLS ARE ALL WITHIN THE 100 YEAR FLOODPLAIN, ALL PERMANENT STRUCTURES, INCLUDING BUT NOT LIMITED TO PUMPJACKS, TANK BATTERIES, SEPARATION/TREATMENT FACILITIES, ETC MUST BE CONSTRUCTED A MINIMUM OF ONE FOOT (1') ABOVE THE BASE FLOOD ELEVATION (1676.5' NAVD 88), OR AT/ABOVE 1677.5' NAVD 88.

HANTMAN A #4 & #5 WELLS:

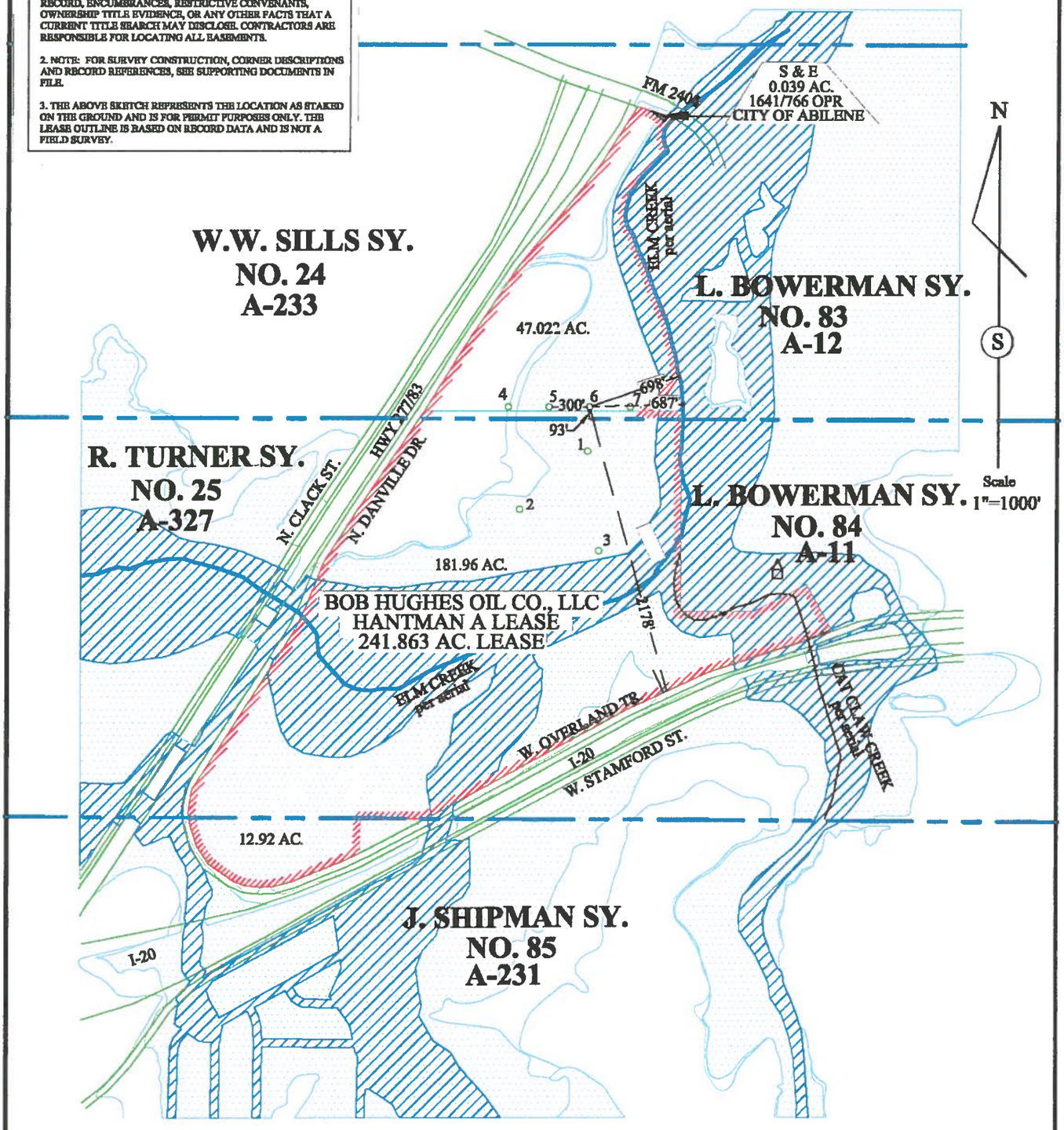
THE APPLICANT/PERMIT HOLDER/OPERATOR IS TO CONTACT THE CITY OF ABILENE WATER DEPARTMENT PRIOR TO COMMENCEMENT OF DRILLING ACTIVITIES IN REGARD TO THE PROXIMITY OF TWO WATER UTILITY PIPELINES, ONE BEING THE CITY'S EIGHT (8) INCH SEWER MAIN & MANHOLES, AND ONE BEING THE CITY'S TWELVE (12) INCH WATER MAIN, TO THE STAKED LOCATION OF THESE WELLS, AND IS TO KEEP ALL SITE CLEARING AND DRILLING ACTIVITIES, INCLUDING BUT NOT LIMITED TO PIT CONSTRUCTION, EQUIPMENT AND TRAFFIC AT A MINIMUM DISTANCE OF 50 FEET FROM SAID SEWER MAIN AND WATER MAIN.


BOB HUGHES OIL CO., LLC
HANTMAN "A" LEASE
241.8 AC.
JOSEPH HANTMAN, SURFACE & MINERAL INT. OWNER
(YELLOW)
HANTMAN A #4, #5, #6 & #7 (Red, left to right)
Hwy 83/277
Old Anson Rd.
IMPACT (Green)
HANTMAN A #1, #2 & #3 (Green)
Permitted by Council on 4/12/12
Elm Creek
Catclaw Creek
I-20
KANSAS
DARVELLE
SANTA BARBARA
DEER RUN
OLD ANSON RD
IMPACT
CLINTON
HUCKLEBERRY
VICTORIA
JAMESON
ANSON
SUMMERS
ANTHONY
OVERLAND
STAMFORD
SPANISH
CRACK

1. THE SURVEYOR HAS MADE NO INVESTIGATION OR INDEPENDENT SEARCH FOR LEASE LINES, EASEMENTS OF RECORD, ENCUMBRANCES, RESTRICTIVE CONVENANTS, OWNERSHIP TITLE EVIDENCE, OR ANY OTHER FACTS THAT A CURRENT TITLE SEARCH MAY DISCLOSE. CONTRACTORS ARE RESPONSIBLE FOR LOCATING ALL EASEMENTS.

2. NOTE: FOR SURVEY CONSTRUCTION, CORNER DESCRIPTIONS AND RECORD REFERENCES, SEE SUPPORTING DOCUMENTS IN FILE.

3. THE ABOVE SKETCH REPRESENTS THE LOCATION AS STAKED ON THE GROUND AND IS FOR PERMIT PURPOSES ONLY. THE LEASE OUTLINE IS BASED ON RECORD DATA AND IS NOT A FIELD SURVEY.



LOC. IS 3.5 MILES NORTHWEST OF ABILENE, TX
LOC. IS 93' FSL & 687' FEL OF W.W. SILLS SY., NO.24, A-233
LOC. IS 2178' FSEL & 698' FNEL OF THE LEASE
LOC. N-6865348 E-1581248 NAD 83
LOC. X-1304575 Y-308778 NAD 27
LAT. 32.495018° LONG. 99.756060° NAD83
LAT. 32° 29' 42.07" LONG. 99° 45' 21.82" NAD 83
ELEVATION-1675'

=FLOODWAY

=FLOODPLAIN

LEGEND:

- SURVEY LINE
- HANTMAN A LEASE 241.863 AC.
- FENCE LINE
- PROPOSED LATERAL
- AS-DRILLED LATERAL
- GAS WELL
- GAS WELL PER DOCS. PROVIDED
- PROPOSED LOCATION
- DRY HOLE
- OIL WELL
- HOUSE
- BARN

PROPOSED LOCATION IS LOCATED WITHIN THE CITY LIMITS OF ABILENE. THE FLOOD WAY IS SHOWN ON THIS PLAT AS PER FEMA MAPS. THIS LOCATION IS OVER 700 FEET FROM THE NEAREST HOUSE OR BARN.

STATE OF TEXAS REGISTERED ERIC BRENNAN 5560 PROFESSIONAL LAND SURVEYOR

ERIC BRENNAN, TEXAS
REGISTERED PROFESSIONAL
LAND SURVEYOR
NUMBER 5560

1000' 0' 1000'

BOB HUGHES OIL CO., LLC
HANTMAN A LEASE
#6 LOCATION

LOCATION PLAT
TAYLOR COUNTY, TEXAS

OWEN SURVEYING CO.
3574 FM 2231 WEST, BRECKENRIDGE, TX 76424
PHONE (254)559-9898 FAX (254)559-7372 CELL (254)559-0128

Scale	Date	Print Number
1"=1000'	09/04/2012	TAY-33L6

EXHIBIT 1

Bob Hughes Oil Company, LLC

Hantman A

Surface, Mineral and Royalty owner:

Joseph Hantman
10855 Wellworth Ave
Los Angeles, Ca. 90024

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
748555	Sep 28, 2012	* 7B
API NUMBER	**FORM W-1 RECEIVED**	**COUNTY**
42-441-34393	Sep 19, 2012	TAYLOR
TYPE OF OPERATION	**WELLBORE PROFILE(S)**	**ACRES**
NEW DRILL	Vertical	241.86

OPERATOR 078050

BOB HUGHES OIL COMPANY, LLC
6050 SIDEVIEW RD
SAN ANGELO, TX 76901

NOTICE
This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored.
District Office Telephone No:
(325) 677-3545

LEASE NAME	WELL NUMBER
HANTMAN A	6
LOCATION	**TOTAL DEPTH**
0 miles Within direction from ABILENE	1999

Section, Block and/or Survey
SECTION 24 BLOCK ABSTRACT 233
SURVEY SILLS, W W

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
93 ft. SOUTH 687 ft. EAST	455 ft.
DISTANCE TO LEASE LINES	**DISTANCE TO NEAREST WELL ON LEASE**
2178 ft. SE 455 ft. E	See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST
POTTS LUCK (TANNEHILL)	241.86	1,999	6	7B
HANTMAN A	455		300	

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.

Data Validation Time Stamp: Oct 1, 2012 6:08 PM(Current Version)

Groundwater Advisory Unit

GROUNDWATER PROTECTION DETERMINATION

Date: September 24, 2012

GAU File No.: SC- 8454

***** EXPEDITED APPLICATION *****

API Number: 44100000

Attention: LARRY WELLHAUSEN

RRC Lease No.: 000000

SC_078050_44100000_000000_8454.pdf

BOB HUGHES OIL CO LLC
6050 SIDEVIEW RD
SAN ANGELO TX 76901

P-5# 078050

--Measured--
1287 ft FEL
91 ft FSL
MRL:SURVEY

Digital Map Location:
X-coord/Long: 99.75800
Y-coord/Lat: 32.49500
Datum: 83 Zone:

County: TAYLOR

Lease & Well No.: HANTMAN A #4&ALL

Purpose: ND

Location: SUR-SILLS W.,A-233,SEC-24,--[TD=1999],[RRC 7B],

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Texas Railroad Commission recommends:

The interval from the land surface to a depth of 100 feet must be protected.

This recommendation is applicable to all wells drilled in this LEASE IN SECTION 24.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. **This recommendation is intended for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).**

If you have any questions, please contact us at 512-463-2741 gau@rrc.state.tx.us, or by mail.

Sincerely,

Digitally signed by Gale Baker
DN: c=US, st=TEXAS, l=Austin, o=Railroad Commission of Texas, cn=Gale Baker, email=gale.baker@rrc.state.tx.us
Date: 2012.09.24 15:43:49 -05'00'

Gale L. Baker, P.G.

Geologist, Groundwater Advisory Unit
Oil & Gas Division

GEOLOGIST SEAL

STATE OF TEXAS
GALE L. BAKER
GEOLOGY
2847
LICENSED
PROFESSIONAL GEOSCIENTIST

The seal appearing on this document was authorized by *Gale L. Baker* on 9/24/2012
Note: Alteration of this electronic document will invalidate the digital signature.

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY): 02/07/2012

PRODUCER

WINK INSURANCE AGENCY
P O BOX 800
ROBERT LEE, TX 76945
915 453-4551

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

HUGHES, JIM
dba BOB HUGHES OIL CO.LLC
6026 SIDEVIEW RD
SAN ANGELO, TX 76901

COMPANIES AFFORDING COVERAGE

COMPANY A: Hudson Ins. Co
COMPANY B:
COMPANY C:
COMPANY D:

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY [X] COMPREHENSIVE FORM [ ] PREMISES/OPERATIONS [ ] UNDERGROUND EXPLOSION & COLLAPSE HAZARD [ ] PRODUCTS/COMPLETED OPER [ ] CONTRACTUAL [ ] INDEPENDENT CONTRACTORS [ ] BROAD FORM PROPERTY DAMAGE [ ] PERSONAL INJURY	WSK1100021	12/19/11	12/19/12	BODILY INJURY OCC BODILY INJURY AGG PROPERTY DAMAGE OCC PROPERTY DAMAGE AGG BI & PD COMBINED OCC BI & PD COMBINED AGG PERSONAL INJURY AGG Med. Exp.	$ $ $ $ $ 1,000,000 $ 1,000,000 $ 1,000,000 5000
	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] ALL OWNED AUTOS (Private Pass) [ ] ALL OWNED AUTOS (Other than Private Passenger) [ ] HIRED AUTOS [ ] NON-OWNED AUTOS [ ] GARAGE LIABILITY				BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE BODILY INJURY & PROPERTY DAMAGE COMBINED	$ $ $ $
	EXCESS LIABILITY [ ] UMBRELLA FORM [ ] OTHER THAN UMBRELLA FORM				EACH OCCURRENCE AGGREGATE	$ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: [ ] INCL [ ] EXCL				[ ] WC STATUTORY LIMITS [ ] OTHER EL EACH ACCIDENT EL DISEASE - POLICY LIMIT EL DISEASE - EA EMPLOYEE	$ $ $
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Oil or Gas Lease Operations
Cert. Holder is Additional Insured w/ waiver of subrogation

CERTIFICATE HOLDER

City of Abilene
P.O. Box 60
Abilene, Tx 79604

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE: Robert L. Wink

ACORD 25-S (1/95) © ACORD CORPORATION 1988

Texas Mutual® Insurance Company

6210 E Highway 290
Austin, Texas 78723-1098

WORKERS' COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

INFORMATION PAGE

ITEM 1

INSURED NAME AND ADDRESS

BOB HUGHES OIL LLC
6060 SIDE VIEW RD
SAN ANGELO, TX 76901-5438

POLICY NUMBER
SBP-0001055714 20120210

Federal Tax ID 275161032
Bureau Number
Branch DALLAS
Renewal of 0001055714
Entity LIMITED LIABILI
Interim Adjustment
Group

OTHER WORKPLACES NOT SHOWN ABOVE:
see attached schedule of operation.

PRODUCER
26184

WINK INSURANCE AGENCY
P O BOX 800
ROBERT LEE, TX 76945-0800

ITEM 2

The Policy Period is from: 2-10-2012 To: 2-10-2013 12:01 A.M. standard time at the Insured's mailing address

ITEM 3

A. **Workers' Compensation Insurance:** Part One of the policy applies to the Workers' Compensation Law of the states listed here: TEXAS

B. **Employers Liability Insurance:** Part Two of the policy applies to work in each state listed in item 3A. The Limits of our Liability under Part Two are:

Bodily Injury by Accident	$	100,000	Each Accident
Bodily Injury by Disease	$	100,000	Each Employee
Bodily Injury by Disease	$	500,000	Policy Limit

C. **Other States Insurance:** Part Three of the policy applies to the states, if any, listed here: NONE

D. **This policy includes these endorsements and schedules:**

See Schedule of Endorsements attached

ITEM 4

The premium for this policy will be determined by our manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

TOTAL ESTIMATED STANDARD PREMIUM	:$	3,610.00
WAIVER OF SUBROGATION	:	.00
INCREASED EMPLOYERS LIABILITY LIMITS	:	.00
TOTAL PREMIUM SUBJECT TO MODIFICATIONS	:	3,610.00
PREMIUM MODIFIED TO REFLECT PREM INCENTIVE OF (.85)	:	542.00-
PREMIUM MODIFIED TO REFLECT SCHEDULE RATING OF (.85)	:	430.00-
WORKERS' COMP HEALTH CARE NETWORK DISCOUNT (.12)	:	317.00-
DEDUCTIBLE PREMIUM	:	.00
ADMIRALTY/FELA OR L & H W	:	.00
PREMIUM DISCOUNT, IF APPLICABLE ( )	:	.00
EXPENSE CONSTANT CHARGE	:	150.00
TOTAL ESTIMATED ANNUAL PREMIUM	:$	2,471.00

MINIMUM PREMIUM 260.00
DEPOSIT PREMIUM 2,471.00

Countersigned by Ron Wright

Issue Date: 3-05-2012

The Texas Mutual Insurance Company is required by law to provide its policyholders with certain accident prevention services as required by Texas Labor Code, §411.066, at no additional charge and return-to-work coordination services as required by Texas Labor Code §413.021. If you would like more information, call Texas Mutual Insurance Company's loss control division at 1-800-859-5995 for accident prevention services or 1-800-859-5995 for return-to-work coordination services. If you have any questions about this requirement, call the Texas Department of Insurance, Division of Workers' Compensation, Workplace Safety, at 1-800-687-7080.

WC000001A (ED. 07-11)

EXHIBIT 4

A $10,000 Performance Bond or Irrevocable Letter of Credit will be provided by the Applicant/Permit Holder upon approval/granting of the permit by City Council, as allowed by the City's Oil and Gas Ordinance, Chapter 21, Section 21-32. Drilling operations **shall not be allowed to commence** until the required Performance Bond or Irrevocable Letter of Credit, conditioned to fully comply with Chapter 21, Section 21-32 of the Oil and Gas Ordinance, is provided.

CITY OF ABILENE

APPLICATION/PERMIT TO DRILL AND/OR OPERATE AN OIL AND/OR GAS WELL

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   SAN ANGELO, TEXAS 76901

   Phone 325-653-0693

3. Local 24 hour phone contact, in case of emergency:

   Name JIM HUGHES

   Phone 325-450-2134

4. Legal description of drill site including copy of survey by licensed surveyor: Survey plat should show the locations of any buildings, type of construction and use, including residences, within 200 feet of proposed drill site, and flood zone elevation lines (lines of 100 year floodplain and floodway) in relation to the proposed drill site.

5. Applicant _____ **IS/** X **IS NOT** requesting a variance, per sections 21-26 and 21-27 of Chapter 21 of the City of Abilene Code of Ordinances, Oil and Gas, to drill within 200 feet of any existing building or buildings.

   The proposed well location _____ **IS/** X **IS NOT** within 200 feet of any residence or residences. If the proposed well location **IS** within 200 feet of any residence or residences, applicant should attach a list of the names of the owners of each residence corresponding to each address lying within a 200 foot radius of the proposed well location, indicating their approval/disapproval of the proposed well location.

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   Applicant should also attach copies of documentation of any granted exceptions to the Railroad Commission's statewide spacing rules that apply to the proposed well.

6. Proposed date to commence drilling WITHIN 6 MONTHS

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(1)	Workers Compensation (where Required by State law)	Statutory
	Employer's Liability	$100,000
(2)	Comprehensive General Public Liability to include (but not Limited to):	$1 million – per Occurrence for Property Damage OR Combined single limit million – Per Occurrence
	a) Premises/Operations	
	b) Independent Contractors	
	c) Personal Injury Liability	
	d) Products/Completed Operations	
	e) Contractual Liability	
	f) Coverage for Explosion, Collapse, and Underground Property Damage (to include seepage, pollution and contamination coverage)	

Said Insurance Policy must insure all activities contemplated under this permit application and must be in effect at all times during production operations. The City must be notified 30 days prior to cancellation of insurance coverage and City shall be named as additional insured.

11. Indemnity

A. Definitions

For the purpose of this section the following definitions apply:

"Applicant/Permit Holder" includes the corporation, company, partnership, or other entity, its owners, officers, and/or partners, and their agents, successors, and assigns.

"Applicant/Permit Holder's employees" shall mean any employees, officers, agents, subcontractors, licensee and invitees of Applicant/Permit Holder.

"City" shall mean all officers, agents and employees of the City of Abilene.

"Claims" shall mean all claims, liens, suits, demands, accusations, allegations, assertions, complaints, petitions, proceedings and causes of action of every kind and description brought for damages.

"Damages" shall mean each and every injury, wound, hurt, harm, fee, damage, cost, expense, outlay, expenditure or loss of any and every nature, including but not limited to:

(i) injury or damage to any property or right

(ii) injury, damage, or death to any person or entity

(iii) attorneys fees, witness fees, expert witness fees and expenses, and

(iv) all other costs and expenses of litigation

"Premise Defects" shall mean any defect, real or alleged, which now exists or which may hereafter arise upon the premises.

"Proven" shall mean that a court of competent jurisdiction has entered a final unappealable judgment on a claim adjudging an entity or person liable for a monetary judgment.

"Sole negligence" shall mean negligence of a party that is unmixed with the fault of any other person or entity.

B. Indemnity

The Applicant/Permit Holder must indemnify, hold harmless, and defend the City from and against liability for any claims arising out of the Applicant/Permit Holder's work and activities conducted in connection with this Contract.

The Applicant/Permit Holder is an independent Applicant/Permit Holder and is not, with respect to its acts or omissions, an agent or employee of the City.

Applicant/Permit Holder must at all times exercise reasonable precautions on behalf of, and be solely responsible for, the safety of Applicant/Permit Holder's employees while in the vicinity where the work is being done. The City is not liable or responsible for the negligence or intentional acts or omissions of the Applicant/Permit Holder or Applicant/Permit Holder's employees.

The City assumes no responsibility or liability for damages which are directly or indirectly attributable to premise defects. Responsibility for all such defects is expressly assumed by the Applicant/Permit Holder.

The City and Applicant/Permit Holder must provide the other prompt and timely notice of any covered event which in any way affects or might affect the Applicant/Permit Holder or City. The City has the right to compromise and defend the same to the extent of its own interests.

BOTH CITY AND APPLICANT/PERMIT HOLDER EXPRESSLY INTEND THIS CONTRACT'S INDEMNITY PROVISION TO REQUIRE APPLICANT/PERMIT HOLDER TO INDEMNIFY AND PROTECT THE CITY FROM THE CONSEQUENCES OF THE CITY'S OWN NEGLIGENCE WHILE CITY IS PARTICIPATING IN THIS CONTRACT, WHERE THAT NEGLIGENCE IS A CONCURRING CAUSE OF THE DAMAGES. THIS CONTRACT'S INDEMNITY PROVISION DOES NOT APPLY TO ANY CLAIM WHERE DAMAGE IS PROVEN TO RESULT FROM THE SOLE NEGLIGENCE OF THE CITY.

12. Attached as **EXHIBIT 4** - $10,000 performance bond or an Irrevocable Letter of Credit from a Federally insured bank to meet the performance payment, penalty, abandonment and other provisions as required by City Council and by the Oil/Gas Ordinance, Chapter 21 of the City Code of Ordinances (This amount may be raised in appropriate circumstances).

13. Special requirements for this permit, if any, as set by City Council (drill site lighting, pits/tanks, hours of operation, fencing, buried lines, approved truck routes, noise buffers, pump type, etc.). Attachment EXHIBIT A.

14. The City of Abilene has required standards for drilling and production as provided by Chapter 21 of City Code, Oil and Gas Ordinance. Applicant/Permit Holder shall observe and obey all federal, state, and local laws and regulations. Violation of these or any requirements imposed by ordinance or the City Council will result in the termination of the permit.

15. By signing this application/permit, Applicant/Permit Holder certifies that he has received and read City code provisions, Chapter 21, Oil and Gas Ordinance.

16. THIS PERMIT EXPIRES SIX (6) MONTHS FROM THE DATE OF CITY COUNCIL APPROVAL. Actual drilling must commence within six (6) months from that date. Cessation of drilling or production for thirty (30) days shall cancel this permit.

17. If the City owns any mineral interest in the location of the proposed well, this permit is subject to compliance with an oil and gas lease obtained from the City.

18. The City Land Agent's office shall be notified prior to commencement of drilling operations.

19. If operation of the well is transferred, the City shall be notified in writing thirty (30) days prior to the transfer of the lease.

20. Applicant/Permit Holder shall make full payment for any and all damages or losses to City's Surface Lessee if the property is City owned, which shall include but not be limited to damages to and/or loss of crops, livestock, or improvements or a part thereof which loss may be the result of the Applicant's/Permit Holder's negligence or use of land.

21. This Application, upon approval, shall become the Drilling Permit.

THIS PERMIT IS NOT TRANSFERRABLE OR ASSIGNABLE

Signature:		Date:
	Review & Approval of Planning Director	11-1-2012
	Review & Approval of Airport Director	11/5/12
	Review & Approval of City Engineer	10-23-12
	Review & Approval of Water Director	11-9-12
	Review & Approval of Stormwater Administrator	10/24/12
	Review & Approval of Risk Manager	11/1/12
	Review & Approval of City Attorney	11/9/12
	Review & Approval of Land Agent	11/9/12

This permit issued this _____ day of _____ 20__.

CITY OF ABILENE **ATTEST:**

_____ _____

MAYOR **City Secretary**

City Seal:

Bob Hughes Oil Co, LLC **ATTEST: (If Corporation)**

Applicant/Permit Holder

By: Larry Wellhausen _____

Agent Secretary

Title Corporate Seal

EXHIBIT A

SPECIAL REQUIREMENTS

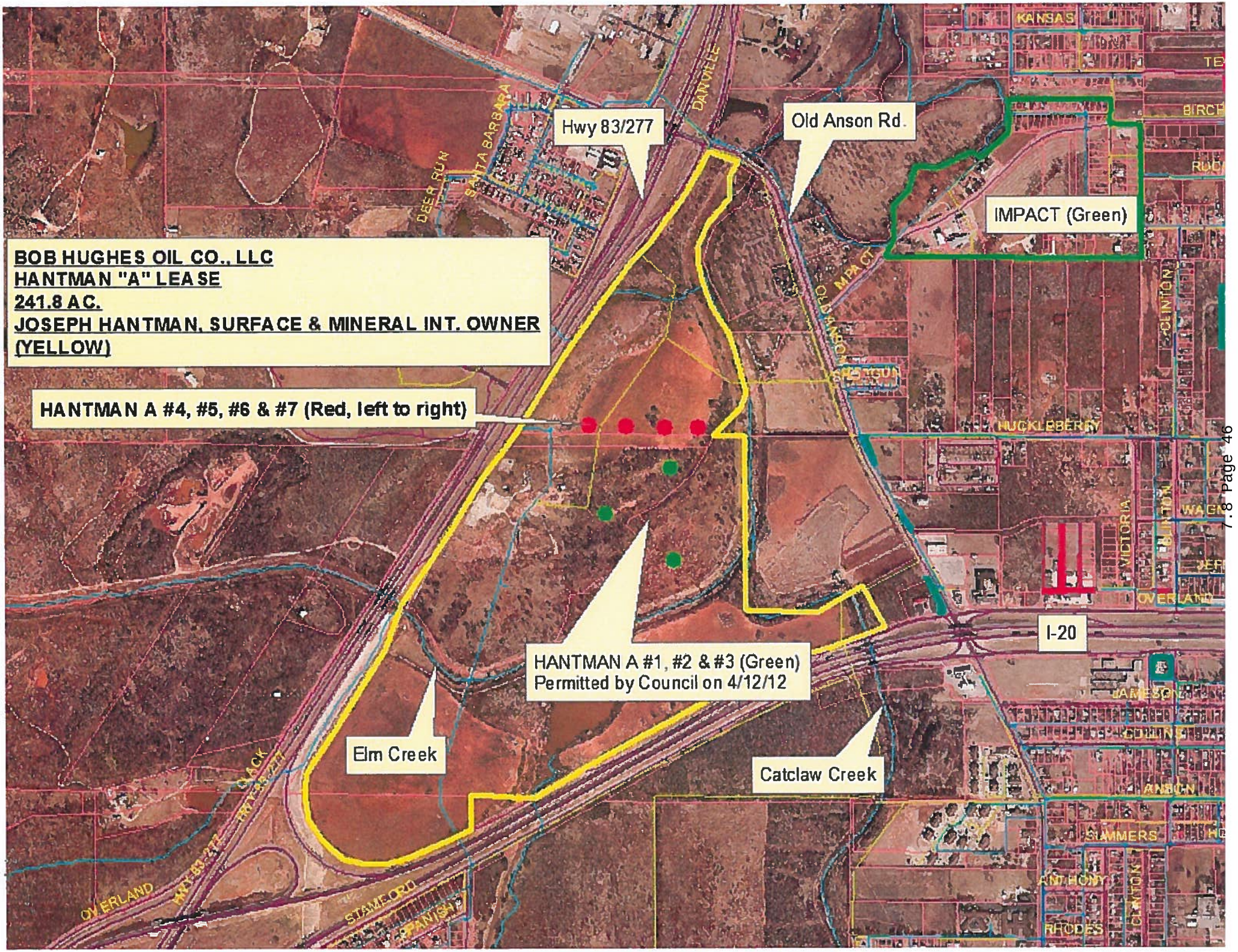
BOB HUGHES OIL CO., LLC

HANTMAN A #5, #6 & #7 WELLS:

BECAUSE THE LOCATIONS OF THESE WELLS ARE ALL WITHIN THE 100 YEAR FLOODPLAIN, ALL PERMANENT STRUCTURES, INCLUDING BUT NOT LIMITED TO PUMPJACKS, TANK BATTERIES, SEPARATION/TREATMENT FACILITIES, ETC MUST BE CONSTRUCTED A MINIMUM OF ONE FOOT (1') ABOVE THE BASE FLOOD ELEVATION (1676.5' NAVD 88), OR AT/ABOVE 1677.5' NAVD 88.

HANTMAN A #4 & #5 WELLS:

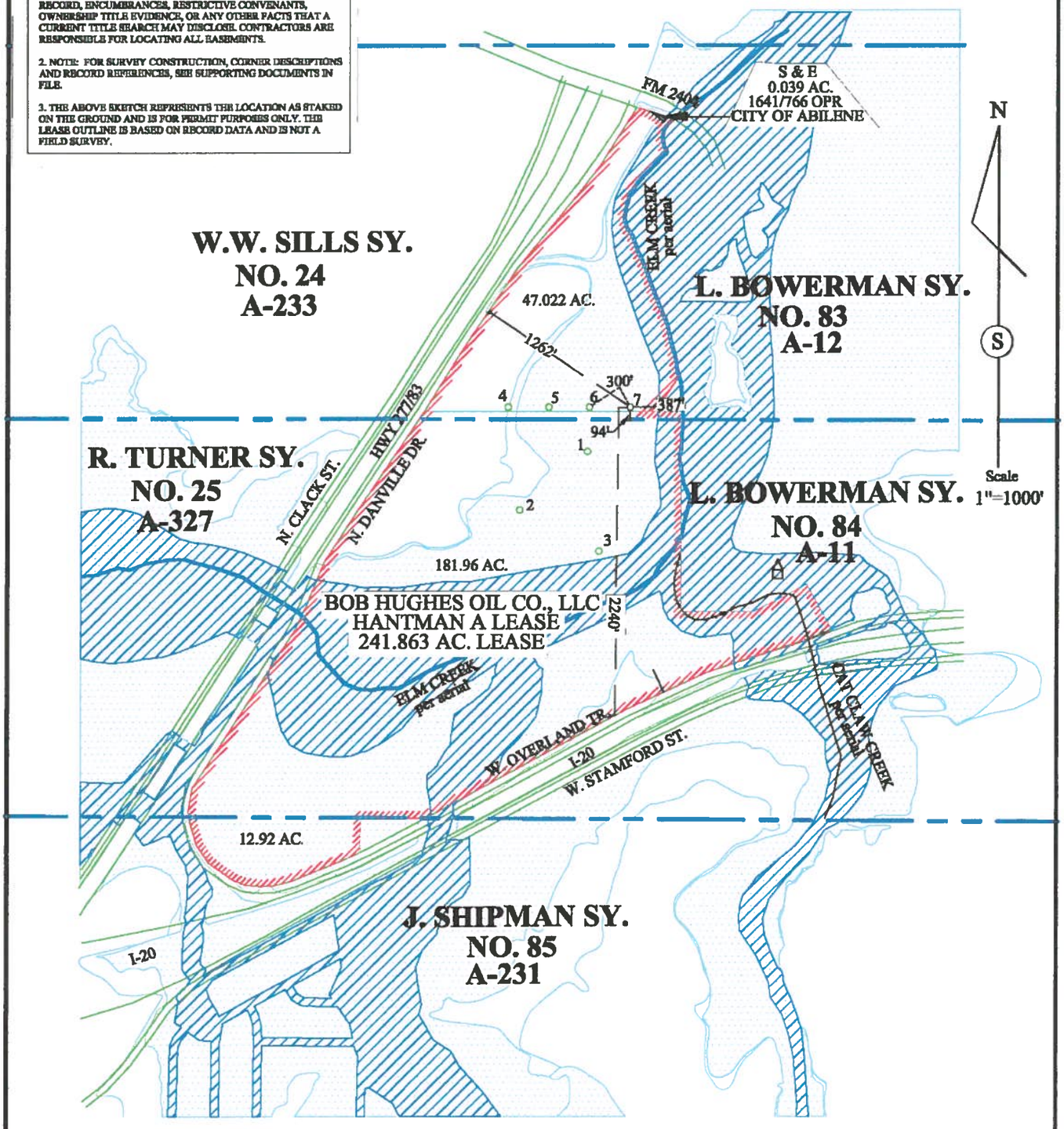
THE APPLICANT/PERMIT HOLDER/OPERATOR IS TO CONTACT THE CITY OF ABILENE WATER DEPARTMENT PRIOR TO COMMENCEMENT OF DRILLING ACTIVITIES IN REGARD TO THE PROXIMITY OF TWO WATER UTILITY PIPELINES, ONE BEING THE CITY'S EIGHT (8) INCH SEWER MAIN & MANHOLES, AND ONE BEING THE CITY'S TWELVE (12) INCH WATER MAIN, TO THE STAKED LOCATION OF THESE WELLS, AND IS TO KEEP ALL SITE CLEARING AND DRILLING ACTIVITIES, INCLUDING BUT NOT LIMITED TO PIT CONSTRUCTION, EQUIPMENT AND TRAFFIC AT A MINIMUM DISTANCE OF 50 FEET FROM SAID SEWER MAIN AND WATER MAIN.


BOB HUGHES OIL CO., LLC
HANTMAN "A" LEASE
241.8 AC.
JOSEPH HANTMAN, SURFACE & MINERAL INT. OWNER
(YELLOW)
HANTMAN A #4, #5, #6 & #7 (Red, left to right)
Hwy 83/277
Old Anson Rd.
IMPACT (Green)
HANTMAN A #1, #2 & #3 (Green)
Permitted by Council on 4/12/12
Elm Creek
Catclaw Creek
I-20
KANSAS
BIRCH
HUCKLEBERRY
VICTORIA
OVERLAND
SAMMERS
ANTHONY
RHODES
DEER RUN
SANTA BARBARA
DARVELLE
OLD ANSON RD
IMPACT
CLINTON
STAMFORD
SPANISH

1. THE SURVEYOR HAS MADE NO INVESTIGATION OR INDEPENDENT SEARCH FOR LEASE LINES, EASEMENTS OF RECORD, ENCUMBRANCES, RESTRICTIVE CONVENANTS, OWNERSHIP TITLE EVIDENCE, OR ANY OTHER FACTS THAT A CURRENT TITLE SEARCH MAY DISCLOSE. CONTRACTORS ARE RESPONSIBLE FOR LOCATING ALL EASEMENTS.

2. NOTE: FOR SURVEY CONSTRUCTION, CORNER DESCRIPTIONS AND RECORD REFERENCES, SEE SUPPORTING DOCUMENTS IN FILE.

3. THE ABOVE SKETCH REPRESENTS THE LOCATION AS STAKED ON THE GROUND AND IS FOR PERMIT PURPOSES ONLY. THE LEASE OUTLINE IS BASED ON RECORD DATA AND IS NOT A FIELD SURVEY.



LOC. IS 3.5 MILES NORTHWEST OF ABILENE, TX
LOC. IS 94' FSL & 387' FEL OF W.W. SILL SY., NO.24, A-233
LOC. IS 2240' FSL & 1262' FNWL OF THE LEASE
LOC. N-6865348 E-1581548 NAD 83
LOC. X-1304875 Y-308775 NAD 27
LAT. 32.495028° LONG. 99.755087° NAD83
LAT. 32° 29' 42.10" LONG. 99° 45' 18.31" NAD 83
ELEVATION-1675'

=FLOODWAY

=FLOODPLAIN

LEGEND:

- SURVEY LINE
- HANTMAN A LEASE 241.863 AC.
- FENCE LINE
- PROPOSED LATERAL
- AS-DRILLED LATERAL
- GAS WELL
- GAS WELL PER DOCS. PROVIDED
- PROPOSED LOCATION
- DRY HOLE
- OIL WELL
- HOUSE
- BARN

PROPOSED LOCATION IS LOCATED WITHIN THE CITY LIMITS OF ABILENE. THE FLOOD WAY IS SHOWN ON THIS PLAT AS PER FEMA MAPS. THIS LOCATION IS OVER 700 FEET FROM THE NEAREST HOUSE OR BARN.

STATE OF TEXAS REGISTERED ERIC BRENNAN 5560 PROFESSIONAL LAND SURVEYOR

ERIC BRENNAN, TEXAS
REGISTERED PROFESSIONAL
LAND SURVEYOR
NUMBER 5560

1000' 0' 1000'

BOB HUGHES OIL CO., LLC
HANTMAN A LEASE
#7 LOCATION

LOCATION PLAT
TAYLOR COUNTY, TEXAS

OWEN SURVEYING CO.
3574 FM 2231 WEST, BRECKENRIDGE, TX 76424
PHONE (254)559-9898 FAX (254)559-7372 CELL (254)559-0128

Scale	Date	Print Number
1"=1000'	09/04/2012	TAY-33L7

EXHIBIT 1

Bob Hughes Oil Company, LLC

Hantman A

Surface, Mineral and Royalty owner:

Joseph Hantman
10855 Wellworth Ave
Los Angeles, Ca. 90024

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
748556	Sep 28, 2012	* 7B
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-441-34394	Sep 19, 2012	TAYLOR
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Vertical	241.86

OPERATOR 078050
BOB HUGHES OIL COMPANY, LLC
6050 SIDEVIEW RD
SAN ANGELO, TX 76901

NOTICE
This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored.
District Office Telephone No:
(325) 677-3545

LEASE NAME	WELL NUMBER
HANTMAN A	7
LOCATION	TOTAL DEPTH
0 miles Within direction from ABILENE	1999

Section, Block and/or Survey
SECTION 24 BLOCK ABSTRACT 233
SURVEY SILLS, W W

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
94 ft. SOUTH 387 ft. EAST	157 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
2240 ft. SE 157 ft. E	See FIELD(s) Below

FIELD(s) and LIMITATIONS:
* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST
POTTS LUCK (TANNEHILL)	241.86	1,999	7	7B
HANTMAN A	157		300	

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.

Groundwater
Advisory Unit

GROUNDWATER PROTECTION DETERMINATION

Date: September 24, 2012

GAU File No.: SC- 8454

***** EXPEDITED APPLICATION *****

API Number: 44100000

Attention: LARRY WELLHAUSEN

RRC Lease No. 000000

SC_078050_44100000_000000_8454.pdf

BOB HUGHES OIL CO LLC
6050 SIDEVIEW RD
SAN ANGELO TX 76901

P-5# 078050

--Measured--
1287 ft FEL
91 ft FSL
MRL:SURVEY

Digital Map Location:
X-coord/Long 99.75800
Y-coord/Lat 32.49500
Datum 83 Zone

County: TAYLOR

Lease & Well No.: HANTMAN A #4&ALL

Purpose: ND

Location: SUR-SILLS W.,A-233,SEC-24,--[TD=1999],[RRC 7B],

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Texas Railroad Commission recommends:

The interval from the land surface to a depth of 100 feet must be protected.

This recommendation is applicable to all wells drilled in this LEASE IN SECTION 24.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. **This recommendation is intended for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).**

If you have any questions, please contact us at 512-463-2741 gau@rrc.state.tx.us, or by mail.

Sincerely,

Digitally signed by Gale Baker
DN: c=US, st=TEXAS, l=Austin, o=Railroad Commission of Texas, cn=Gale Baker, email=gale.baker@rrc.state.tx.us
Date: 2012.09.24 15:43:49 -05'00'

Gale L. Baker, P.G.

Geologist, Groundwater Advisory Unit
Oil & Gas Division

GEOLOGIST SEAL

STATE OF TEXAS
GALE L. BAKER
GEOLOGY
2847
LICENSED
PROFESSIONAL GEOSCIENTIST

The seal appearing on this document was authorized by *Gale L. Baker* on 9/24/2012
Note: Alteration of this electronic document will invalidate the digital signature.

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY): 02/07/2012

PRODUCER

WINK INSURANCE AGENCY
P O BOX 800
ROBERT LEE, TX 76945
915 453-4551

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY A: Hudson Ins. Co
COMPANY B:
COMPANY C:
COMPANY D:

INSURED

HUGHES, JIM
dba BOB HUGHES OIL CO.LLC
6026 SIDEVIEW RD
SAN ANGELO, TX 76901

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY X COMPREHENSIVE FORM PREMISES/OPERATIONS UNDERGROUND EXPLOSION & COLLAPSE HAZARD PRODUCTS/COMPLETED OPER CONTRACTUAL INDEPENDENT CONTRACTORS BROAD FORM PROPERTY DAMAGE PERSONAL INJURY	W9K1100021	12/19/11	12/19/12	BODILY INJURY OCC BODILY INJURY AGG PROPERTY DAMAGE OCC PROPERTY DAMAGE AGG BI & PD COMBINED OCC BI & PD COMBINED AGG PERSONAL INJURY AGG Med. Exp.	$ $ $ $ $ 1,000,000 $ 1,000,000 $ 1,000,000 5000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS (Private Pass) ALL OWNED AUTOS (Other than Private Passenger) HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE BODILY INJURY & PROPERTY DAMAGE COMBINED	$ $ $ $
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE AGGREGATE	$ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: INCL / EXCL				WC STATU-TORY LIMITS / OTH-ER EL EACH ACCIDENT EL DISEASE - POLICY LIMIT EL DISEASE - EA EMPLOYEE	$ $ $
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Oil or Gas Lease Operations
Cert. Holder is Additional Insured w/ waiver of subrogation

CERTIFICATE HOLDER

City of Abilene
P.O. Box 60
Abilene, Tx 79604

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE: Robert L. Wink

© ACORD CORPORATION 1988

ACORD 25-N (1/95)

Texas Mutual® Insurance Company

6210 E Highway 290
Austin, Texas 78723-1098

WORKERS' COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

INFORMATION PAGE

ITEM 1

INSURED NAME AND ADDRESS

BOB HUGHES OIL LLC
6060 SIDE VIEW RD
SAN ANGELO, TX 76901-5438

POLICY NUMBER
SBP-0001055714 20120210

Federal Tax ID 275161032
Bureau Number
Branch DALLAS
Renewal of 0001055714
Entity LIMITED LIABILI
Interim Adjustment
Group

OTHER WORKPLACES NOT SHOWN ABOVE:
see attached schedule of operation.

PRODUCER
26164

WINK INSURANCE AGENCY
P O BOX 800
ROBERT LEE, TX 76945-0800

ITEM 2

The Policy Period is from: 2-10-2012 To: 2-10-2013 12:01 A.M. standard time at the Insured's mailing address

ITEM 3

A. **Workers' Compensation Insurance:** Part One of the policy applies to the Workers' Compensation Law of the states listed here: TEXAS

B. **Employers Liability Insurance:** Part Two of the policy applies to work in each state listed in Item 3A. The Limits of our Liability under Part Two are:

Bodily Injury by Accident	$	100,000	Each Accident
Bodily Injury by Disease	$	100,000	Each Employee
Bodily Injury by Disease	$	500,000	Policy Limit

C. **Other States Insurance:** Part Three of the policy applies to the states, if any, listed here: NONE

D. **This policy includes these endorsements and schedules:**

See Schedule of Endorsements attached

ITEM 4

The premium for this policy will be determined by our manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

TOTAL ESTIMATED STANDARD PREMIUM	$	3,610.00
WAIVER OF SUBROGATION		.00
INCREASED EMPLOYERS LIABILITY LIMITS		.00
TOTAL PREMIUM SUBJECT TO MODIFICATIONS		3,610.00
PREMIUM MODIFIED TO REFLECT PREM INCENTIVE OF (.85)		542.00-
PREMIUM MODIFIED TO REFLECT SCHEDULE RATING OF (.86)		430.00-
WORKERS' COMP HEALTH CARE NETWORK DISCOUNT (.12)		317.00-
DEDUCTIBLE PREMIUM		.00
ADMIRALTY/FELA OR L & H W		.00
PREMIUM DISCOUNT, IF APPLICABLE ( )		.00
EXPENSE CONSTANT CHARGE		150.00
TOTAL ESTIMATED ANNUAL PREMIUM	$	2,471.00

MINIMUM PREMIUM 260.00
DEPOSIT PREMIUM 2,471.00

Countersigned by Ron Wright

Issue Date: 3-05-2012

The Texas Mutual Insurance Company is required by law to provide its policyholders with certain accident prevention services as required by Texas Labor Code, §411.066, at no additional charge and return-to-work coordination services as required by Texas Labor Code §413.021. If you would like more information, call Texas Mutual Insurance Company's loss control division at 1-800-859-5995 for accident prevention services or 1-800-859-5995 for return-to-work coordination services. If you have any questions about this requirement, call the Texas Department of Insurance, Division of Workers' Compensation, Workplace Safety, at 1-800-687-7080.

WC000001A (ED. 07-11)

EXHIBIT 4

A $10,000 Performance Bond or Irrevocable Letter of Credit will be provided by the Applicant/Permit Holder upon approval/granting of the permit by City Council, as allowed by the City's Oil and Gas Ordinance, Chapter 21, Section 21-32. Drilling operations **shall not be allowed to commence** until the required Performance Bond or Irrevocable Letter of Credit, conditioned to fully comply with Chapter 21, Section 21-32 of the Oil and Gas Ordinance, is provided.