

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS TO ACCEPT BIDS AND TO AUTHORIZE THE CITY MANAGER TO EXECUTE A PAID UP OIL AND GAS LEASE.

WHEREAS, the City Council of the city of Abilene, Texas, has determined that it is to the City's benefit to enter into an Oil and Gas Lease covering its interest in the following described land in Taylor, County, Texas, to-wit:

Being 510 acres of land described as the North Half (N/2) and the Southwest Quarter (SW/4) of Section 81, Block 14, T. & P. Ry. Co. Survey, Abstract No. 388, Taylor County, Texas, SAVE AND EXCEPT 60 acres out of the Northwest corner of said Section 81.

WHEREAS, the prerequisite notices, according to law, were published and bids were received and opened on the 27<sup>th</sup> day of November, 2001; and,

WHEREAS, the bid of RIO-TEX, Inc. is the highest and best bid, and said bid represents the fair value of said lease, said bid being a bonus consideration of Forty Dollars (\$40.00) per mineral acre and being the sum of \$20,400.00 Dollars plus 1/5<sup>th</sup> royalty; now therefore,

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

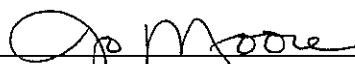
PART 1: The bid by RIO-TEX Inc. of \$20,400.00 Dollars plus 1/5<sup>th</sup> royalty for a Paid Up Oil and Gas Lease for the above described property, be and the same is hereby accepted.

PART 2: The City Manager be, and hereby is authorized and directed to execute a Paid Up Oil and Gas Lease in compliance with Tex. Loc. Gov't Code Ann. Section 253.005 (Vernon 1988) and Tex. Nat. Res. Code Ann. Section 71 et seq. (Vernon 1978)

PART 3: That this resolution shall become effective immediately upon its passage.

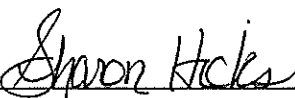
ADOPTED this 13 day of December, AD, 2001.

ATTEST:

  
JO MOORE, City Secretary

  
GRADY BARR, Mayor

APPROVED:

  
City Attorney