

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ABILENE, TEXAS TO EXTEND AN OIL AND GAS LEASE.**

WHEREAS, on January 16, 2002, the City Council of the City of Abilene, Texas, approved an Oil and Gas Lease with RIO-TEX. Inc., for 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, RIO-TEX has requested that the Lease be extended on a portion of the Lease described as:

Being 160 acres of land described as the Southwest Quarter (SW/4) of Section 81, Block 14, T. & P. Ry. Co. Survey, Abstract No. 388, Taylor County, Texas.

WHEREAS, RIO-TEX, Inc. has requested a six-month extension, and further understands that it obtain a permit from the City of Abilene prior to commencement of drilling; now therefore,

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

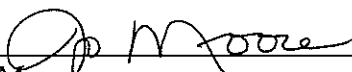
PART 1: That the Lease with RIO-TEX Inc. be extended and amended as described above, for a period of six months, ending July 16, 2004.

PART 2: The City Manager is authorized to execute the extension and amendment.

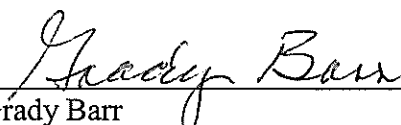
PART 3: That this resolution shall become effective immediately upon its passage.

ADOPTED this 25 day of September, AD, 2003.

ATTEST:




Jo Moore
City Secretary



Grady Barr
Mayor

APPROVED:



City Attorney