



BAY CITY

MINUTES • FEBRUARY 9, 2017

Council Chambers

Regular Meeting

7:00 PM

**1901 5TH STREET
BAY CITY, TX 77414**

1. CALL TO ORDER & CERTIFICATION OF QUORUM

Attendee Name	Title	Status	Arrived
Mark Bricker	Mayor	Present	
Chrystal Folse	Mayor Pro-Tem	Excused	
William Cornman	Councilman	Present	
Julie Estlinbaum	Councilwoman	Present	
Steven Johnson	Councilman	Present	
Carolyn Thames	Councilwoman	Present	

2. INVOCATION & PLEDGE OF ALLEGIANCE - COUNCILMAN BILL CORNMAN

Texas State Flag Pledge:

"Honor The Texas Flag; I Pledge Allegiance To Thee, Texas, One State Under God, One And Indivisible."

3. PUBLIC COMMENTS

State Law prohibits any deliberation of or decisions regarding items presented in public comments. City Council may only make a statement of specific factual information given in response to the inquiry; recite an existing policy; or request staff places the item on an agenda for a subsequent meeting.

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Becca Sitz addressed Mayor and Council as a member of Main Street. She informed everyone that all had a wonderful time and turn out at Camo Fest. She stated that it brought in about \$30,000, which would be put back into town.

4. REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL:

1. Policy

CONDUCT A PUBLIC HEARING AND THEN CONSIDER FOR APPROVAL MAGNUM PRODUCING DRILLING PERMIT FOR WELL SITES LOCATED SOUTH OF CITY OF BAY CITY, APPROXIMATELY 650' NORTH OF THOMPSON ROAD, AND APPROXIMATELY 345' WEST OF ROBERTS ROAD.

Alan Prigge, Magnum Producing, L.P.

Alan Prigge explained that this permit for drilling was pretty much the same as last time. Mr. Prigge stated that this well would be approximately 600-700 feet from the

previous well. Mr. Prigge went on to state that they would drill down about 8,000 feet and kick out directionally.

Mayor opened the public hearing at 8:17 p.m.

No public comment

Mayor closed the public hearing at 8:17 p.m.

Mr. Kackley informed Mayor and Council that the application was administratively complete.

MOTION BY COUNCILMAN CORNMAN, SECOND BY COUNCILWOMAN ESTLINBAUM, TO APPROVE MAGNUM PRODUCING DRILLING PERMIT FOR WELL SITES LOCATED SOUTH OF CITY OF BAY CITY, APPROXIMATELY 650' NORTH OF THOMPSON ROAD, AND APPROXIMATELY 345' WEST OF ROBERTS ROAD. MOTION CARRIED BY UNANIMOUS VOTE.

Councilman Cornman asked Mr. Prigge when they would start, and Mr. Prigge stated that it depended on when they received the permit; approximately March 15th.

2. Report

DISCUSS STREET CONDITIONS ON MARGUERITE STREET AND INCREASED TRAFFIC CAUSED BY THE PROPOSED NEW SUBDIVISION ALONG MARGUERITE STREET AND ITS FINANCING UNDER PROPOSED TAX INCREMENT REIMBURSEMENT ZONE NUMBER 3.

Amy Burnside

Amy Burnside resident of the Oak Grove Subdivision, addressed Mayor and Council with the concerns of the residents of Marguerite. Ms. Burnside yielded to Mike Popek and Bill Frontz. Mr. Popek and Mr. Frontz addressed the following as concerns of the Marguerite Street residents:

1.) Road Repairs. Mr. Popek stated that with the recent road repairs, the road has turned to dust. The Mayor was thanked for sending the Street Sweeper out to clean up some of the rock and debris. Mr. Popek pointed out that when the Street Sweeper came out it caused a dust storm.

2.) Speed limit. Mr. Popek stated that in 1981 when he purchased his home, the speed limit was 25 mph. It was taken down for whatever reason and never replaced. The PD brought out their radar at one point, but it was set to 30 mph. Mr. Popek suggested that the speed limit be 20 mph, or the City should place speed humps on their street.

3.) Street lights. There are currently four street lights in the subdivision. Mr. Popek pointed out that there needed to be more lights within the subdivision.

4.) Needs Study. Mr. Popek asked if a needs study had been done for this type of housing. The Mayor stated that in the Vision 2040 Plan there was a need for housing. Mr. Popek informed the Mayor and Council of research that he had done that did not show where that type of home was needed and was selling.

Mr. Popek stated that it was mentioned that Pearl Street and Sycamore did not want the traffic, but no one asked Marguerite if they wanted traffic, because they do not. The Mayor mentioned that he had spoken with the Director of Public Works about a

traffic study, but added that we had not performed one. Mr. Popek pointed out that the Code states that a development over 5 acres, must have a traffic study.

5.) Drainage. Mr. Popek asked if there had been any engineering done for the drainage, because they are currently experiencing issues with drainage in their area. The Mayor stated that the City's Code yields to the Drainage District, but we have not gotten to the part yet. The Mayor added that the Planning Commission would be the one approving the plat for the subdivision.

6.) Electrical concerns. Mr. Popek asked if the lines in the subdivision were adequate enough to handle the new voltage. Councilman Johnson stated that it would be up to AEP because they own the lines. Mr. Popek stated that he understood that, but it was the City that blessed the project.

7.) Construction. Mr. Popek asked about when they start bring in the construction materials, who would be responsible for fixing the road.

8.) Deed restrictions. Mr. Popek asked about the type of pets will be allowed in the new subdivision, and if the restrictions will be the same as the current restrictions. He also wanted to know what type of siding the homes would have. Mr. Grover informed everyone that the deed was 40 pages and much more restrictive than that of Oak Grove. Mr. Popek stated that they would like a copy of it when it is available.

9.) Mr. Popek asked what if the homes did not sell; what would become of the property; and if they did not finish building, who would be responsible for maintaining the property.

The Mayor stated that the City would work to get the speed limit sign up soon. He asked that Mr. Calhoun address the residents about the roads. Mr. Calhoun explained that the seal coat project was to buy time, and help maintain the streets until the City could get funds to reconstruct the streets. He added that he was aware and agreed that the project was not great. Mr. Calhoun went on to say that he was working with the contractor to repair some of the areas.

Resident Dewayne Littleton requested that his yard be addressed first, because there was about three feet of black rock blown in his yard by the Street Sweeper.

Resident Lynn Cooper pointed out that the entrance for the new subdivision was about 20 feet from her driveway.

Mr. Grover addressed Mayor and Council. He stated that the subdivision has two access points into the subdivision. The City's Code calls for it and they meet it. Mr. Grover stated that they already stated they would go as far as adding an inch coat on the road, up to Oak Drive. Mr. Grover went on to state that they have completed a drainage study. It was done by Jones & Carter. They do not have a retention need, they have a detention need. Mr. Grover stated that he had no clue what the issue was with the electrical. They will go underground with electrical, there will be no poles. Mr. Grover stated that he would be happy to discuss this with anyone. He provided his contact number, 979-245-2245.

3. Ordinance

DISCUSS, CONSIDER AND/OR APPROVE AN ORDINANCE AMENDING CHAPTER 18, AVIATION, OF THE CITY OF BAY CITY CODE OF ORDINANCES.

James Mason, Airport Manager

Councilman Johnson recused himself because he was a renter at the Airport.

Mr. Mason provided Mayor and Council with a brief overview of the last meeting where they discussed the proposed changes.

Council was polled.

RESULT:	APPROVED [3 TO 0]
MOVER:	Carolyn Thames, Councilwoman
SECONDER:	Julie Estlinbaum, Councilwoman
AYES:	Cornman, Estlinbaum, Thames
EXCUSED:	Folse
RECUSED:	Johnson

ORDINANCE

Enacted and approved this 9th day of February, 2017, at Bay City

4. Resolution

DISCUSS, CONSIDER AND/OR APPROVE A RESOLUTION APPROVING A REVISED GENERAL AVIATION AGREEMENT.

James Mason, Airport Manager
Mr. Mason discussed the proposed changes.

RESULT:	APPROVED [3 TO 0]
MOVER:	Julie Estlinbaum, Councilwoman
SECONDER:	Carolyn Thames, Councilwoman
AYES:	Cornman, Estlinbaum, Thames
EXCUSED:	Folse
RECUSED:	Johnson

RESOLUTION

Enacted and approved this 9th day of February, 2017, at Bay City

5. Resolution

DISCUSS, CONSIDER AND/OR APPROVE A RESOLUTION AUTHORIZING THE BAY CITY COMMUNITY DEVELOPMENT CORPORATION TO CONTRIBUTE APPROXIMATELY \$75,327.25 TO THE CITY OF BAY CITY TO ADD TO THE TEXAS CAPITAL FUND GRANT TO IMPROVE MCCROSKY ROAD AT MCCROSKY ROAD AND 7TH STREET, BAY CITY, TEXAS (FIRST READING).

DC Dunhman, BCCDC Executive Director

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Steven Johnson, Councilman
SECONDER:	Carolyn Thames, Councilwoman
AYES:	Cornman, Estlinbaum, Johnson, Thames
EXCUSED:	Folse

RESOLUTION

Enacted and approved this 9th day of February, 2017, at Bay City

6. Bid

DISCUSS, CONSIDER AND/OR APPROVE AWARDING THE CONSTRUCTION BID FOR THE 2016 TEXAS CAPITAL FUND CONTRACT 7216112 FOR STREET IMPROVEMENTS TO MCCROSKY ROAD FOR THE SCHULMAN MOVIE BOWL GRILL DEVELOPMENT TO LESTER CONTRACTING, INC. IN THE AMOUNT OF \$290,299.00 FOR THE BASE BID; AND AWARD AN ADDITIONAL \$115,855.25 FOR THE ADDITIVE ALTERNATE BID CONTINGENT UPON APPROVAL BY THE BAY CITY COMMUNITY DEVELOPMENT CORPORATION'S BOARD; AND AUTHORIZE THE MAYOR TO EXECUTE A CONTRACT APPROVED TO FORM BY THE CITY ATTORNEY BETWEEN THE CITY OF BAY CITY AND LESTER CONTRACTING, INC.

Barry Calhoun, Director of Public Works

Mr. Calhoun reminded Council that they approved the drainage portion of the grant, this item is for the road construction.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Julie Estlinbaum, Councilwoman
SECONDER:	Carolyn Thames, Councilwoman
AYES:	Cornman, Estlinbaum, Johnson, Thames
EXCUSED:	Folse

Enacted and approved this 9th day of February, 2017, at Bay City

7. Report

DISCUSS A POTENTIAL PROJECT FOR CONSTRUCTING A NEW NATATORIUM IN THE CITY OF BAY CITY FOR MATAGORDA COUNTY WIDE USE.

Councilman Bill Cornman

Councilman Cornman informed Mayor and Council that they had a discovery meeting to discuss the project. He stated that they would like to figure out if they have wide spread community support in developing a project. Councilman Cornman stated their model was the El Campo model. They have theirs as county wide.

The Mayor stated that he had spoken with Loy Sneary and he let him know that it comes down to funding and that he did not think that the City would be able to do it alone.

8. Ordinance

DISCUSS, CONSIDER AND/OR APPROVE AN ORDINANCE CREATING THE HUMAN RESOURCES DEPARTMENT; PROVIDING A SEVERABILITY CLAUSE; REPEALING ALL

ORDINANCES AND PARTS THEREOF IN CONFLICT HERewith; AND PROVIDING FOR AN EFFECTIVE DATE.

Mayor Mark A. Bricker

Tabled. The Mayor stated that he did not have time to review the item.

RESULT:	TABLED	Next: 3/9/2017 7:00 PM
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9. Ordinance

DISCUSS, CONSIDER AND/OR APPROVE AN ORDINANCE ORDERING A GENERAL ELECTION OF THE QUALIFIED VOTERS OF THE CITY OF BAY CITY, TEXAS, ON SATURDAY, MAY 6, 2017, FOR THE PURPOSES OF ELECTING THREE (3) CITY COUNCIL MEMBERS AND APPOINTING ELECTION JUDGES; DESIGNATING THE DATE FOR A RUNOFF ELECTION, IF NEEDED; REPEALING ALL OR PART OF ORDINANCES AND RESOLUTIONS WHICH CONFLICT; PROVIDING A SEVERABILITY CLAUSE; AND AN EFFECTIVE DATE.

Rhonda Clegg, City Secretary

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Steven Johnson, Councilman
SECONDER:	Carolyn Thames, Councilwoman
AYES:	Cornman, Estlinbaum, Johnson, Thames
EXCUSED:	Folse

ORDINANCE

Enacted and approved this 9th day of February, 2017, at Bay City

10. Agreement

DISCUSS, CONSIDER, AND/OR APPROVE A JOINT ELECTION AGREEMENT BETWEEN THE CITY OF BAY CITY AND THE BAY CITY INDEPENDENT SCHOOL DISTRICT.

Rhonda Clegg, City Secretary

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Julie Estlinbaum, Councilwoman
SECONDER:	Carolyn Thames, Councilwoman
AYES:	Cornman, Estlinbaum, Johnson, Thames
EXCUSED:	Folse

Enacted and approved this 9th day of February, 2017, at Bay City

5. ITEMS / COMMENTS & MAYOR AND COUNCIL MEMBERS

Mayor Pro Tem Folse reminded everyone that the softball opening ceremony would be on Saturday.

Councilman Cornman informed everyone that he would not be at the February 16th meeting. He stated that on the next agenda he would like to discuss a Bay City Cleanup Day. He added that there were issues with the trash pick up and we are not doing anything about it. Councilman Cornman stated that he felt it was an education issue as well.

6. ADJOURNMENT**AGENDA NOTICES:**Action by Council Authorized:

The City Council may vote and/or act upon any item within this Agenda. The Council reserves the right to retire into executive session concerning any of the items listed on this Agenda, pursuant to and in accordance with Texas Government Code Section 551.071, to seek the advice of its attorney about pending or contemplated litigation, settlement offer or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflict with the Open Meetings Act and may invoke this right where the City Attorney, the Mayor or a majority of the Governing Body deems an executive session is necessary to allow privileged consultation between the City Attorney and the governing body, if considered necessary and legally justified under the Open Meetings Act. The City Attorney may appear in person, or appear in executive session by conference call in accordance with applicable state law.

Attendance By Other Elected or Appointed Officials:

It is anticipated that members of other city board, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the other city boards, commissions and/or committees. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of the other boards, commissions and/or committees of the City, whose members may be Agenda City Council August 8, 2013 in attendance. The members of the boards, commissions and/or committees may participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless such item and action is specifically provided for on an agenda for that board, commission or committee subject to the Texas Open Meetings Act.

Executive Sessions Authorized:

This agenda has been reviewed and approved by the City's legal counsel and the presence of any subject in any Executive Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

This is to certify that the above notice of a Regular Called Council Meeting was posted on the front window of the City Hall of the City of Bay City, Texas on Monday, February 6, 2017, before 7:00 p.m. Any questions concerning the above items, please contact Mayor Mark A. Bricker at (979) 245-2137.

Rhonda Clegg
City Secretary



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

Meeting: 02/09/17 07:00 PM
Department: City Secretary
Category: Policy
Prepared By: Rhonda Clegg
Initiator: Rhonda Clegg
Sponsors:
DOC ID: 2526

DISCUSSION ITEM (ID # 2526)

**CONDUCT A PUBLIC HEARING AND THEN CONSIDER FOR
APPROVAL MAGNUM PRODUCING DRILLING PERMIT FOR
WELL SITES LOCATED SOUTH OF CITY OF BAY CITY,
APPROXIMATELY 650' NORTH OF THOMPSON ROAD, AND
APPROXIMATELY 345' WEST OF ROBERTS ROAD.**



City of Bay City
Application for Drilling Permit
 Oil and Gas Pursuant to Ordinance No. 959



Permit No. _____

Fee Schedule:

\$1500.00 - Drilling and operating a well for production of oil, gas and other minerals.

\$1500.00 - Re-entering plugged well to operate.

No Charge - Amendment to Permit No. _____

\$200.00 - Extension of Permit No. _____

\$200.00 - Seismic Survey

 Fee of \$ 1,500.⁰⁰

_____ Cash

☒ _____ Cahier's Check

Check No. _____

Filing Fee aattached:

☒ Yes

_____ No

APPLICANT INFORMATION:

 Name: MAGNUM PRODUCING, L. P.

 Mailing Address: 500 N. SHORELINE BLVD., STE. 322
CORPUS CHRISTI, TX 78401

 Business Mailing Address:
 (if different from above) _____

 Phone Number: (361) 882-3858

 Emergency Number: (361) 882-3858 (24 HRS)

Party seeking permit:

☐ Individual

☐ Private Corporation Incop. In state of _____

☒ Partnership

☐ Public Association (Name: _____)

WELL DATA (RAILROAD COMMISSION W-1):

Projected Date to begin Drilling: 1-15-17 to 3-15-17Number of Acres for this Application: 80.0 LEASED ACRESVertical Depth: 10,358'Straight Hole: NODirectionally Drilled: YES - NOT HORIZONTALAre there any unusual circumstances?: ☒ No
☐ Yes (if so, please explain)Surface location outside city limits - directionally drilling
to bottomhole location within city limits

EXHIBITS ATTACHED: (Check if attached or write N/A for 'Not Applicable.')

- ☒ Exhibit A - A sketch of:
 (a.) Proposed surface drill site and bottom hole location
 (b.) Distance to all streets, alleys, and utility easements within 50' of the well
 (c.) Distance to all permanent structures within 400' of the well
 (d.) Distance to exterior land boundaries of churches, schools, parks, hospitals and public buildings within 400' of the well.
- ☒ Exhibit B - A true copy of the W-1 form and plat filed with the Texas Railroad Commission and any other PRC permits pertaining to this application.
- ☒ Exhibit C - A true copy of a letter from the Texas Water Quality Board stating depth in fee to which fresh water sands should be protected.
- ☒ Exhibit D - A Binder for Insurance dated not more than ten (10) day prior to filing this application showing compliance with the Bay City ordinance Section 62-44.
 (or refer to Certificate of Insurance attached to Application No. _____)
- ☒ Exhibit E - Is the ☒ Bond, _____ Blanket Bond, _____ Indemity Agreement, or _____ Letter of Credit required by Bay City Ordinance No. _____.
- ☒ Exhibit F - A list by Ordinance No. _____, Section Numbers of variances requested and a brief reason for each variance.
- ☒ Exhibit G - A true copy of the notice to the Federal Aviation Administration and Municipal Airport Managers of intention to drill said well, if required.

APPLICANT'S WARRANTIES AND AGREEMENTS

(SEE Exhibit "O" attached)

- 1.) Applicant warrants that all things stated or represented as factual in this application and any Exhibits attached hereto are true and correct, and that all material representations of Applicant made in connection therewith are and will be true and correct; at the penalty of any permit granted herein being null and void.
- 2.) Applicant understands that any permit granted pursuant to this application is and will be subject to all valid ordinances, rules and regulations of the City of Bay City governing the subject matter, as well as all other valid and applicable laws, rules and regulations of other governmental bodies having jurisdiction. Applicant is familiar with these, or has notice of same, and agrees to comply therewith.
- 3.) Applicant will submit to the City Council, or its duly authorized agent, any and all other information or data respecting this application required to be furnished; and Applicant will appear before any such body or person for conference, public or private hearing, and give testimony reasonably required hereunder.
- 4.) Applicant agrees during normal working hours to admit to the location covered by this application for the purpose of any inspection of said location and facilities situated thereon conducted by the Mayor or his duly authorized agent; provided that no extra duty of care is thereby imposed on Applicant.

SUBMITTED this _____ day of _____, 20____ in duplicate originals with nine copies for use of the Council, Mayor, City Attorney and local news media.

APPLICANT(S) _____

(CORPORATE ACKNOWLEDGEMENT)

THE STATE OF TEXAS §
COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared _____ of _____, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER my hand and seal of office on this the _____ day of _____, 20____.

NOTARY PUBLIC FOR THE STATE OF TEXAS,
_____ COUNTY
Commission Expires _____

(INDIVIDUAL ACKNOWLEDGEMENT)

THE STATE OF TEXAS §
COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me or proven to me on the oath of _____ to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER my hand and seal of office on this the _____ day of _____, 20____.

NOTARY PUBLIC FOR THE STATE OF TEXAS,

COUNTY

Commission Expires _____

TO BE COMPLETED BY CITY SECRETARY

Dated Filed 1/3/2017

Filing Fee \$ 1500.00

☐ Cash
☒ Cashier's Check

Date Notice published _____ Date Published Affidavit received _____

Date of Council Hearing _____ Date of Rehearing _____

Date Written Protest received _____

Date Copy of Protest _____
☐ Mailed
☐ Delivered to Applicant

Date Permit granted _____
☐ As applied
☐ With conditions

Date Permit denied _____
☐ Mailed
☐ Delivered to Applicant

Date Applicant's Written Acceptance of Permit received _____

Date Applicant's Written Rejection of Permit received _____

Date Applicant's Resubmission of Application received _____

TO BE COMPLETED BY CITY ATTORNEY

INCLUSIONS: (Check all the items included)

Exhibit A: A reasonably accurate sketch of the drill site which displays the following:
☐ Proposed surface drill site and bottom hole location;
☐ Distance to all streets, alleys and utility easements within 50 feet of the well;
☐ Distance to all permanent structures within 400 feet of the well, and
☐ Distance of exterior land boundaries of all churches, schools, hospitals, public parks and public buildings within 100 feet of the well.

Exhibit B : (A true copy of the W-1 form and plat filed with the Texas Railroad Commission.)
☐ W-1 Form
☐ Plat

Other Permits

Exhibit C: (A true copy of a letter from TCEQ board stating depth in feet to which freshwater sands should be protected.)
☐ Texas Water Quality Board Letter

Exhibit D: (Proof of insurance dated not more than ten days prior to filing this application showing compliance with Section 62-4 of the City's Code of Ordinances.)
☐ Certificate of Insurance
☐ City Co-Insured

Exhibit E: (Bond as required by Section 62-45 of the City's Code of Ordinances, or the blanket bond, or letter of credit and indemnity agreement.)
☐ Bond
☐ Blanket Bond
☐ Letter of Credit
☐ Indemnity Agreement

Exhibit F: (A list by section number of variances from the article requested and a brief reason for each variance.)
☐ Variances Requested

Exhibit G: (A notice to the FAA and Municipal Airport Manager of intention to drill well, if required.)
☐ FAA and Airport Notice

Date	City Attorney City of Bay City, Texas
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CORPUS CHRISTI, TEXAS 78466-6469 361 / 992-9911

Purchaser's Copy

AmericanBank

NOTICE TO CUSTOMER: Texas State Law requires a 90 day waiting period before the bank can accept a Declaration of Loss on a Cashier's Check without an Indemnity Bond. American Bank retains the right to require the remitter or payee to purchase an Indemnity Bond at any time.

4.1.a
315817

Cashier's Check

Date: 12/08/2016

Amount: \$1,500.00

American Bank Shoreline

Fee Paid: \$0.00

Payee: The City of Bay City, Texas
Remitter: Magnum Producing LP

*** One Thousand Five Hundred Dollars and Zero Cents



CORPUS CHRISTI, TEXAS 78466-6469
361 / 992-9911

AmericanBank

ABC 4024 (5/04)

Cashier's Check

Date: 12/08/2016

315817

Pay
Exactly

\$1,500.00

PAY One Thousand Five Hundred Dollars and Zero Cents

TO THE
ORDER OF The City of Bay City, Texas

Void If Over: \$1,500.00

Remitter: Magnum Producing LP

NOTICE TO CUSTOMER: Texas State Law requires a 90 day waiting period before the bank can accept a Declaration of Loss on a Cashier's Check without an Indemnity Bond. American Bank retains the right to require the remitter or payee to purchase an Indemnity Bond at any time.

Andrea Perez
Authorized Signature

⑈ 3 1 5 8 1 7 ⑈ ⑆ 1 1 4 9 0 3 2 8 4 ⑆ ⑈ 1 0 0 0 0 4 0 0 6 ⑈

This document is printed on white paper with colored ink and contains document protective watermark on reverse side.

Attachment: Magnum Producing LP - 20170103 (2526 : Drilling Permit - Magnum Drilling)

MAGNUM

MAGNUM PRODUCING, LP

500 N. Shoreline Blvd., Suite 322
Corpus Christi, Texas 78401-0313
Office 361/882-3858 / Fax 361/884-9355
Direct 361/826-0128
alan@magnumproducing.com

December 20, 2016

City of Bay City, Texas
1901 5th Street
Bay City, Texas 77414
Att: Ms. Rhonda Clegg, City Secretary

Re: Application for Drilling Permit
Magnum Producing, L.P. – Anderson No. 3 Well

Dear Ms. Clegg:

Magnum Producing, L.P. wishes to submit this Application for Drilling Permit to the City of Bay City, Texas for consideration and approval. Our proposed well's situation and operations are almost identical to the previous permit application we submitted in November of 2014. That application was prepared pursuant to discussions with attorneys from Denton, Navarro, Rocha, Bernal, Hyde & Zoch, representatives of Bay City, Texas. In this regard, our compliance with the existing drilling ordinances and the proposed drilling ordinances we herewith submit the following information:

IN SUMMARY:

1. Magnum's proposed oil and gas well is anticipated to encounter multiple targets, lying between the depths 8,000' and 10,358'. The proposed well's surface site is to be located just south of Bay City proper, approximately 650' north of Thompson Road, and approximately 345' west of Roberts Road, as depicted on the plat attached to this letter.
2. The well's proposed surface location is not within the city limits. The well is scheduled to be a straight hole down to approximately 8,000' where it will test a shallow oil formation. From there the less than ten inch (10") in diameter wellbore path will become directional and turn in an east-northeasterly direction and drill down to approximately 10,358' vertical depth (10,600 total measured depth) beneath the surface of the earth.
3. The proposed bottomhole location is projected to be within the city limits, approximately 715' east of Roberts Road and approximately 885' north of Thompson Road, somewhere around 10,600' total measured depth beneath the surface of the earth. The depth at which the wellbore path enters into the city's limits is estimated to be around 9,250' beneath the surface of the earth.

Attachment: Magnum Producing LP - 20170103 (2526 : Drilling Permit - Magnum Drilling)

4. The initial drilling should take approximately twenty-five (25) days, and drilling should be continuous (24 hours a day). Thereafter traffic should diminish significantly and depending on the type of production, oil and/or gas, subsequent traffic may be minimal. There will not be a need for gas compression during drilling operations and there is no fracing anticipated for this well at this time nor in the future, but we never want to rule it out is a possible solution should we run into a tight formation. Magnum will drill their own water well on the padsite to approximately 400' and will utilize earthen mud pits. In the event we make a productive well we anticipate a dehydrator will be located on the premises for treating the gas, and initially there will be no need for a compressor, but there may be a need for one in the future.

5. The proposed production unit for the well consists of two (2) oil and gas mineral leases covering a combined total of 80.0 acres described as follows:

A. An oil and gas lease dated August 14, 2012 covering 76.0 contiguous acres of land, near the shape of a square, which are carved out of a larger 578 acre tract. (Anderson Lands)

B. An oil and gas lease dated May 16, 2016 covering 4.0 contiguous acres of land, which are located adjacent to the northeast corner of the aforesaid 76 acre lease. (Anderson, et al Lands)

Physical Description of the Lands: All lands lying between Hwy. 60 and Roberts Road, and between Thompson Road and the Nile Valley Road. Plus, the adjacent approximate 30 acres lying west of Roberts Road, between Nile Valley Road and Thompson Road. Less and Except 4.0 acres being located at the corner of Nile Valley Road and Hwy. 60.

The 76 acre lease is described as being an 84 acre square with four (4) two (2) acre parcels less and excepted out of the northeast corner, leaving 76 acres which are covered by our first above referenced oil and gas lease.

The western 1/3rd of the 76 acres is separated from the eastern 2/3rds by Roberts Road. The western 1/3rd is all pasture lands and is where the surface location for the well and drillsite will be located. The surface of this portion of the 76 acres is owned by Ira Anderson, our lessor under our oil and gas lease.

The eastern 2/3rds is comprised of several surface tracts with the bottomhole tract being pasture land that is owned by our lessor Ira Anderson. The non-Anderson owned surface tracts making up the eastern 2/3rds are as follows:

1. **Northwest quarter** - U.S. Post Office (6.429 acres); balance owned by our Lessor, Ira Anderson. *Please note that our proposed wellbore will cross under the southeast corner of the US Post Office tract for about 80' (between the depths of 9,410' and 9,430') and continue to the bottomhole location on Ira Anderson's adjacent lands to the immediate east of the Post Office tract;*

2. **Southwest quarter** - Bay Ranch Apartments (5.45 acres); balance owned by our Lessor, Ira Anderson;

3. **Southeast quarter** - Bay City Community Development Corp. (7.529 acres and a 4.72 acre tract), 4040 Dental Arts Building (0.61 acres); balance owned by our Lessor, Ira Anderson;

4. Northeast quarter - Matagorda County Teachers Credit Union (1.99 acres); less and except the four (4) two (2.0) acre parcels located at the corner of Nile Valley and Hwy. 60 described in the 76 acre legal description above.

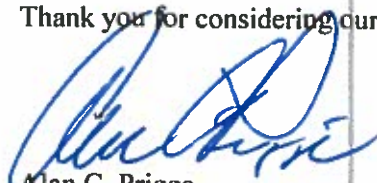
The 4 acre lease is described as being the southernmost two (2), two (2) acre parcels that were less and excepted out of the 84 acre square noted above. The surface of these two (2), two (2) acre parcels are owned by E. Ward Properties No. 2, Ltd, LLP (1.82 acres); CTX Restaurants, Inc. (2.18 acres); Prosperity Bank (0.0323 acres); Matagorda County Teachers Credit Union (1.99 acres); balance owned by our Lessor, Ira Anderson.

As noted above at the time of our 2014 application Bay City was in the process of revising their drilling ordinances and requested that we incorporate numerous provisions contained in the proposed ordinances into our permit application. While the ordinances have not been revised at this time, we are submitting this permit application utilizing the same basis as the 2014 application by incorporating the requested proposed ordinances that were agreed upon.

Attached to this application is an Exhibit M. Exhibit M is a list of variances covering both the existing and proposed ordinances which we wish to have the city council consider in reviewing our permit. Magnum's fundamental request is that we be made subject to the existing ordinances and incorporate most of the proposed new ordinances' provisions into our permit application, rather than having to wait for the council to approve the proposed ordinances. In addition to the Drilling Permit, Magnum herein also requests the city's consent and approval to any subsurface exploration activities conducted under any of its existing utility easements within the Lands above.

We look forward to working expeditiously with the council and their representatives and are available to answer any questions you may have in this regard.

Thank you for considering our proposal,



Alan C. Prigge
Magnum Producing, LP

MAGNUM PRODUCING, L.P. – DRILLING PERMIT APPLICATION

November 15, 2016

1. Applicant Operator name, address, phone number, and emergency phone number:

Magnum Producing, L.P.
 500 N. Shoreline Blvd., Suite 322
 Corpus Christi, Texas 78401
 (361) 882-3858 (Main Phone)
 (361) 884-9355 (Facsimile)
 (361) 882-3858 (Emergency Phone)

Magnum Producing, L.P., a Texas limited partnership, by **Magnum O & G, Inc.**, its General Partner, a Texas corporation, Avinash C. Ahuja, President.

Magnum O & G, Inc.
 500 N. Shoreline Blvd., Suite 322
 Corpus Christi, Texas 78401
 (361) 882-3858 (Main Phone)

2. Well Data, including Texas Railroad Commission (TRRC) form W-1:

- a) Proposed total vertical depth is 10,358’;
- b) Well is to be drilled as a straight hole down to approximately 8,000’ to test shallow oil formation, then it will directional in an east-northeasterly direction to total vertical depth of 10,358’ (10,600’ total measured depth) to test deeper gas formation;
- c) Estimated date to begin drilling: Within 3 to 4 months following issuance of last of required City Permits;
- d) Legal Description of total acreage leased for the application: 80 gross acres – See **Exhibit A** for legal description;
- e) Amount of acreage to be used for production unit: 40 acres if oil, 80 acres if gas;
- f) Proposed Well Name: “Anderson #3 Well”.
- g) Number of gas wells to be drilled: One (1)

3. Drillsite Surface Owner name and address:

Ira T. Anderson, Jr.
 1120 Texas Street, Apt. 7A
 Houston, Texas 77002

4. Name and address of individual designated to receive notice:

Alan C. Prigge
 c/o Magnum Producing, L.P.
 500 N. Shoreline Blvd., Suite 322
 Corpus Christi, Texas 78401
 (361) 882-3858 (Main Phone)
 (361) 826-0128 (Direct)
 (361) 884-9355 (Facsimile)
 (281) 850-7826 (Cell Phone)

5. Name of representative to contact in an emergency and who has supervisory authority over all gas operation-site activities and a 24-hour phone number:

Ken J. Ahuja
 c/o Magnum Producing, L.P.
 500 N. Shoreline Blvd., Suite 322
 Corpus Christi, Texas 78401
 (361) 882-3858 (Main Phone)
 (361) 826-0122 (Direct)
 (361) 884-9355 (Facsimile)
 (281) 446-2414 (Cell Phone)

6. Owner and address of each parcel within 600 feet of the proposed drillsite:

- a) United States Post Office (P12271) 0045-0000-0006B0 - 6.429 acs
 425 L'Enfant Plaza West
 S W Washington, DC 20260-6430
- b) Ira T. Anderson Estate (Lessor) (P12269) 0045-0000-000600 – 290.595 acs (being
 311.77 acres less 21.175 acres in road)
 1120 Texas Avenue, Apt. 7A
 Houston, Texas 77002-3135
- c) Bay City Bay Ranch Apartments, L.P. (P78454) 0045-0000-0006G1 – 5.45 acs
 6633 Portwest Drive, Ste. 120
 Houston, Texas 77024

7. Location and description of all improvements and structures within 600' of the well (See sketch attached – **Exhibit B**):

- a) Matagorda County Drainage District Ditch (590')
- b) Roberts Road (344')
- c) Baywood Road (approximately 385')
- d) Central Power and Light Utility Easement (381')
- e) Bay City Water and Sewer Lines (372')

- f) US Post Office parking lot (approximately 468')
- g) Overhead Telephone Lines (379')
- h) Bay City sidewalk (311')

8. A description of public utilities required during drilling and operation:

None

9. A description of the water source to be used during drilling:

Operator is to drill its own water well at the wellsite location, estimated depth to be around four hundred feet, plus or minus (400'+-).

10. Site Plan of Proposed Operation Site showing the location of all improvements and equipment, including the well and other facilities, including tanks, pipelines, compressors, separators, lights, storage sheds, fencing and access roads. Must also include floodways, floodplains, city drainage ways, elevation and slope of the padsite:

(See Exhibit C)

11. Map of Proposed Transportation Route and road for equipment, chemicals or waste products used or produced by the gas operation:

(See Exhibit D)

12. An Accurate Legal Description of the Lease Property to be used for the operation, the parcel and the production unit and name of geologic formation as used by the commission:

(See Exhibit E)

13. Attach copies of all reports required by the commission:

(See Exhibit F)

14. An Original Executed City-Wide Road Maintenance Agreement signed and approved by the city must be filed with the City secretary that provides that we will repair at our own expense, any damage to roads, streets or highways caused by the use of heavy vehicles for any activity associated with the preparation, drilling, production, and operation of gas wells:

(See Exhibit G)

15. Attach a copy of the Approved Commission Permit to drill together with attachments and survey plats which are applicable to the drill and operation sites:

(See Exhibit H)

16. Attach a true copy of the TCEQ Letter setting out fresh water protection sand depths:

(See Exhibit I)

17. Attach Proof of Insurance dated not more than 10 days prior to date of filing:

(See Exhibit J)

18. Attach a copy of the Stormwater Pollution Prevention Plan as required by the EPA. A copy of the Notice of Intent shall be submitted to the City three (3) days prior to the commencement of any on-site activity: (VARIANCE REQUESTED)

(See Exhibit K)

19. Attach Bond or Letter of Credit:

(See Exhibit L)

20. Attach a List by Section Number of Variances from the article requested and a brief reason for each variance:

(See Exhibit M)

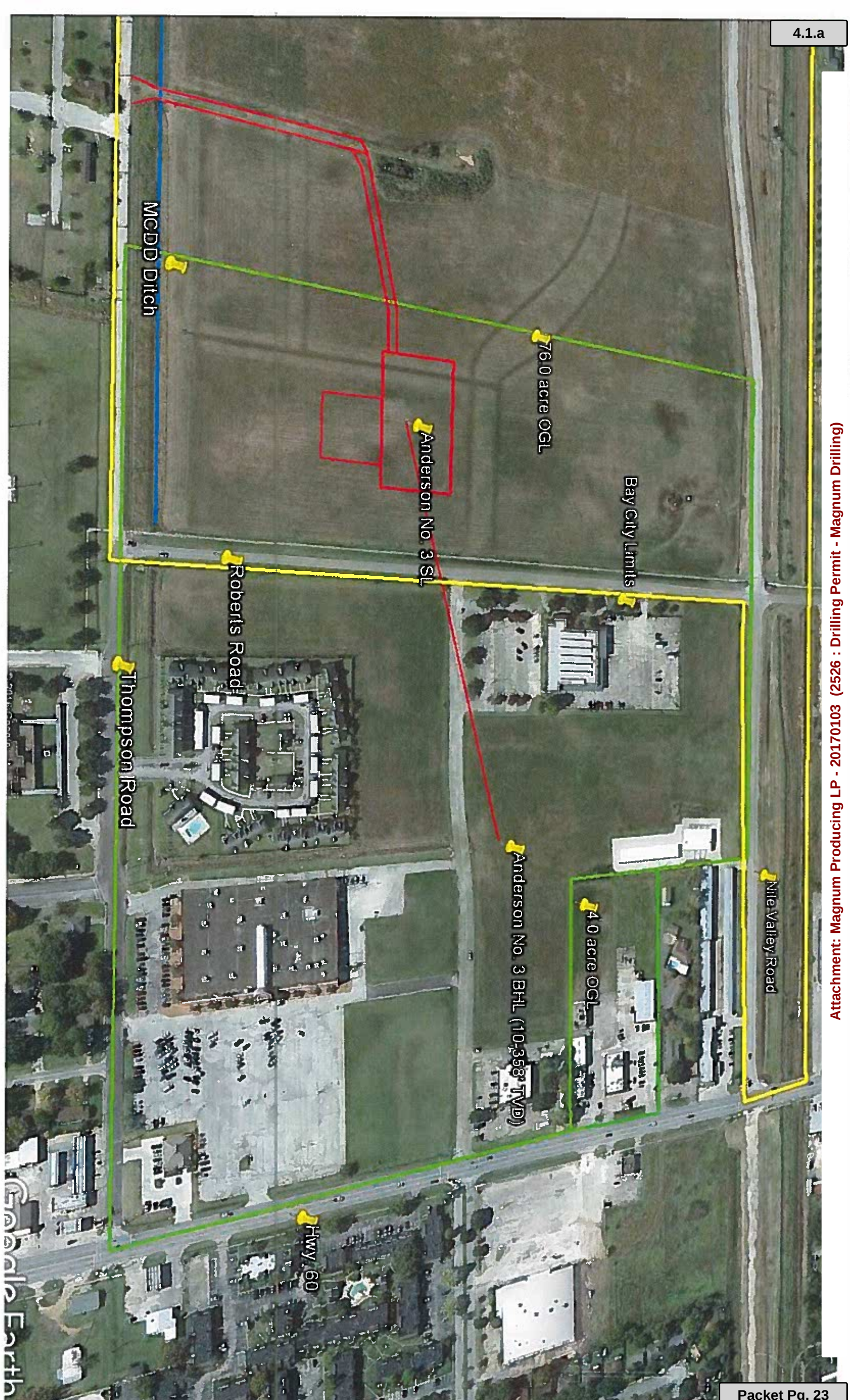
21. Attach FAA Notice of Intent to drill.

(See Exhibit N)

22. Attach a Statement, under oath, signed by Operator, or designated representative, stating that the information submitted with the application is to the best of knowledge and belief to be true and correct.

(See **Exhibit O**)

23. Attach all required application and permit fees:



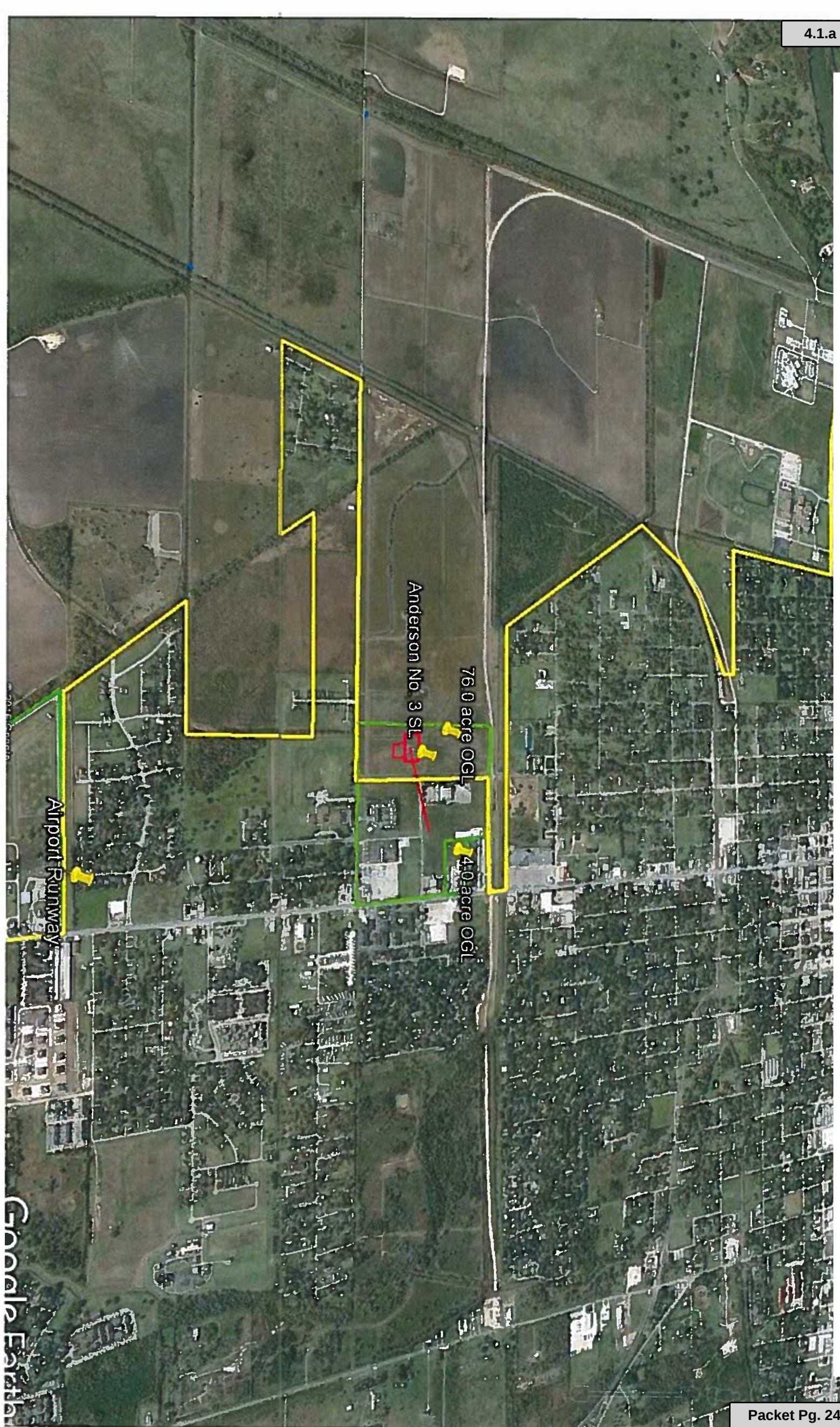


EXHIBIT A

**LEGAL DESCRIPTION OF THE TOTAL ACREAGE LEASED FOR THE APPLICATION
(MAGNUM PRODUCING, L.P.)**

FIRST PARCEL (Drillsite and Bottomhole Tract):

76.0 acres of land, more or less, out of the Elisha Hall Survey, A-45, Matagorda County, Texas, and being the easternmost 84.0 acres of that certain 578.26 acres of land described in that certain Deed dated July 26, 1928 from Annie Z. Higgins, widow of James R. Higgins, deceased, to Ira T. Anderson, recorded in Volume 83, Page 638 of the Deed Records of Matagorda County, Texas, said 84.0 acres, more or less, being more particularly described by metes and bounds as follows, to wit:

BEGINNING at a stake for corner, the same being the Northeast corner of the above referenced 578.26 acre tract of which this tract is a part, THENCE North 89 degrees 21 minutes W 2,075 feet along the North line of said 578.26 acre tract and along the South edge of canal right of way to a point for the Northwest corner of this tract; THENCE South 0 degrees 5 minutes East 1,758.5 feet to a point for the Southwest corner of this tract; THENCE South 89 degrees 21 minutes East 2,075 feet (along the South line of said 578.26 acre tract) to a point for the Southeast corner of this tract and the said 578.26 acre tract; THENCE North 0 degrees 5 minutes West 1,758.5 feet the same being the east line of the 578.26 acre tract to the PLACE OF BEGINNING and containing 84.0 acres, more or less, LESS AND EXCEPT from said 84.0 acres the following four (4) tracts of land, to wit:

Tract 1: 2.0 acres of land, more or less, out of the Elisha Hall Survey, A-45, Matagorda County, Texas, being more particularly described in that certain Deed dated January 30, 1937 from Ira T. Anderson to E. D. Bettes, recorded in Volume 115, Page 503 of the Deed Records of Matagorda County, Texas; and,

Tract 2: 2.0 acres of land, more or less, out of the Elisha Hall Survey, A-45, Matagorda County, Texas, being more particularly described in that certain Deed dated March 1, 1937 from Ira T. Anderson to Mike Kadebsky, recorded in Volume 116, Page 416 of the Deed Records of Matagorda County, Texas; and,

Tract 3: 2.0 acres of land, more or less, out of the Elisha Hall Survey, A-45, Matagorda County, Texas, being more particularly described in that certain Deed dated January 31, 1931 from Ira T. Anderson to Walter D. Mayer, recorded in Volume 91, Page 561 of the Deed Records of Matagorda County, Texas; and,

Tract 4: 2.0 acres of land, more or less, out of the Elisha Hall Survey, A-45, Matagorda County, Texas, being more particularly described in that certain Deed dated October 20, 1932 from Ira T. Anderson to Mart V. McKelvey, recorded in Volume 98, Page 370 of the Deed Records of Matagorda County, Texas; leaving 76.0 acres of land, more or less, being described herein.

(Ira T. Anderson, Jr., Trustee Lands – Memorandum of Oil and Gas Lease recorded in Instrument No. 2012-125014, as amended in 2015-3288 and in 2016-3196)

SECOND PARCEL:

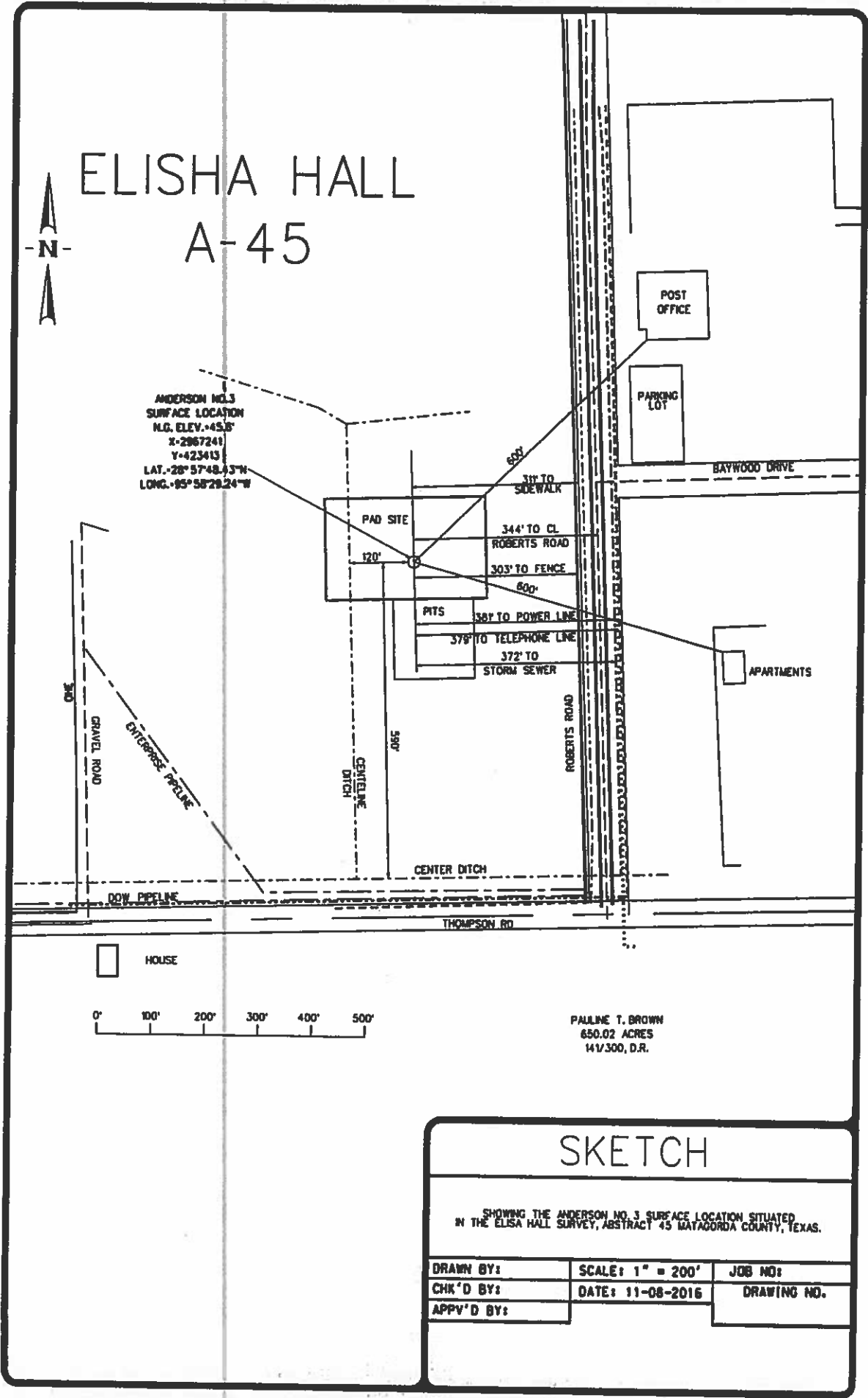
4.0 acres of land, more or less, out of the Elisha Hall Survey, A-45, Matagorda County, Texas and being more particularly described in the following two (2) tracts of land:

TRACT ONE: 2.0 acres of land, more or less, and being that same land described in that certain Warranty Deed dated January 30, 1937 from Ira T. Anderson to E. D. Bettes, recorded in Volume 115, page 503 of the Deed Records of Matagorda County, Texas; and,

TRACT TWO: 2.0 acres of land, more or less, and being that same land described in that certain Warranty Deed dated March 1, 1937 from Ira T. Anderson to Mike Kadebsky, et ux, recorded in Volume 116, page 416 of the Deed Records of Matagorda County, Texas;

leaving 4.0 acres of land, more or less, being described herein. Reference to said deeds and the records thereof is herein made for descriptive purposes only.

(Ira T. Anderson, Jr., Trustee, ET AL Lands – Memorandum of Oil and Gas Lease recorded in Instrument No. 2016-3197)



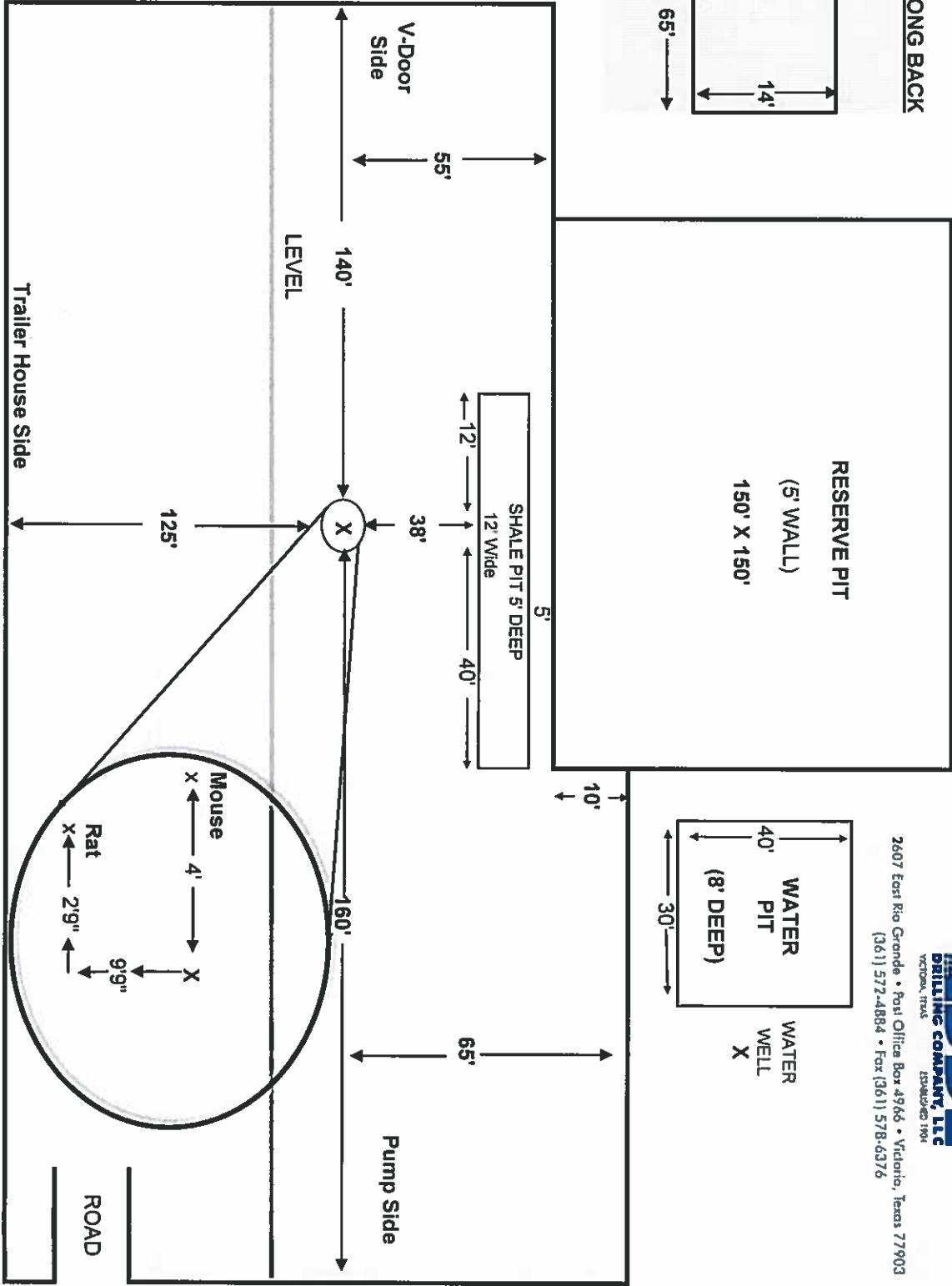
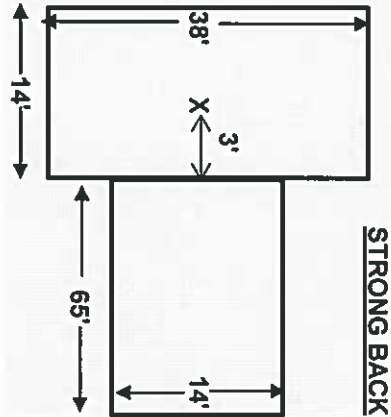
Attachment: Magnum Producing LP - 20170103 (2526 : Drilling Permit - Magnum Drilling)

EXHIBIT C – DRILL SITE

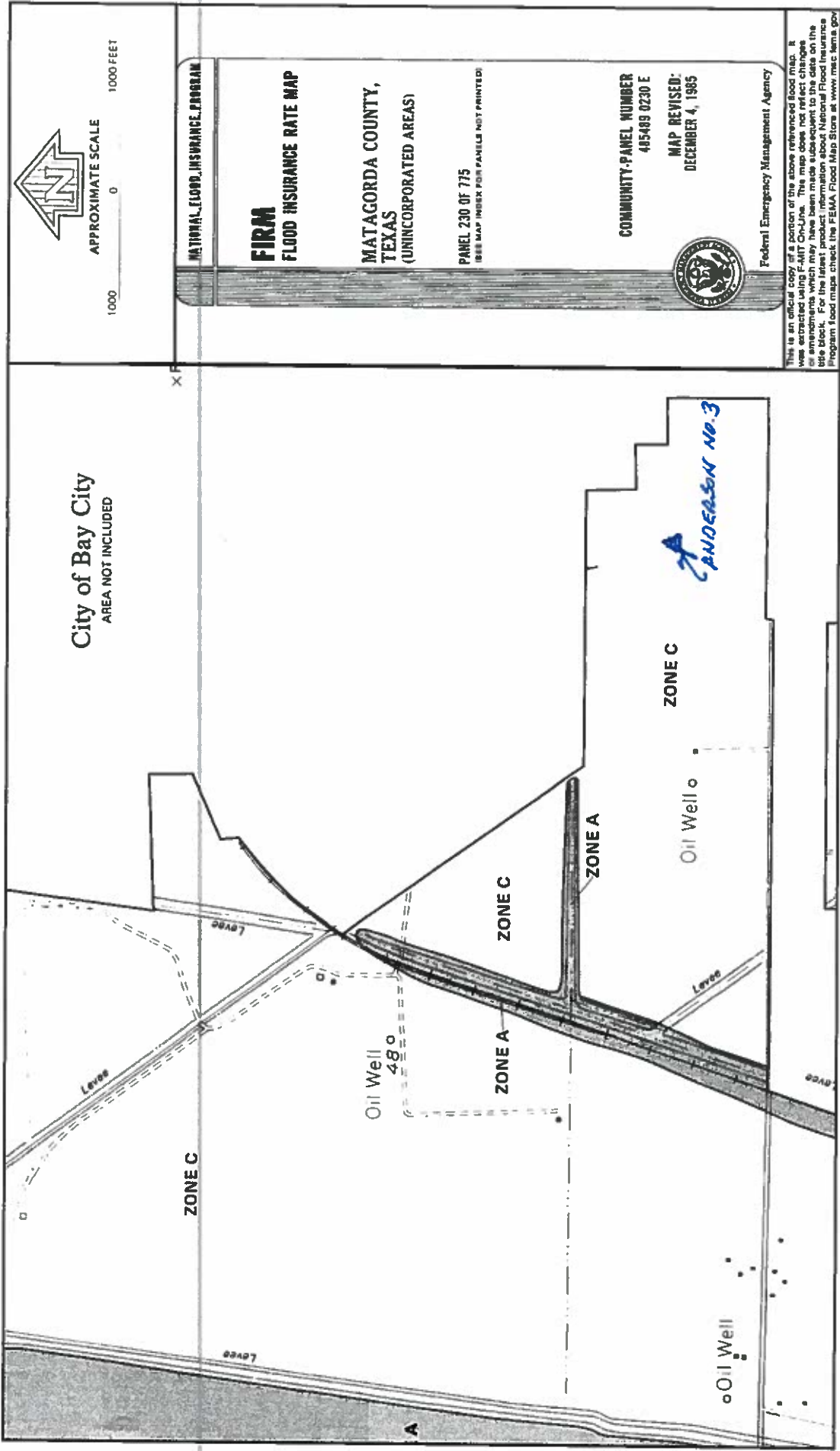
RIG # 3 and RIG #4



2607 East Rio Grande • Post Office Box 4966 • Victoria, Texas 77903
(361) 572-4884 • Fax (361) 578-6376



REQUIRE ALL WEATHER
ROAD AND LOCATION



Outside Floodplain

EXHIBIT C -- PRODUCTION SITE

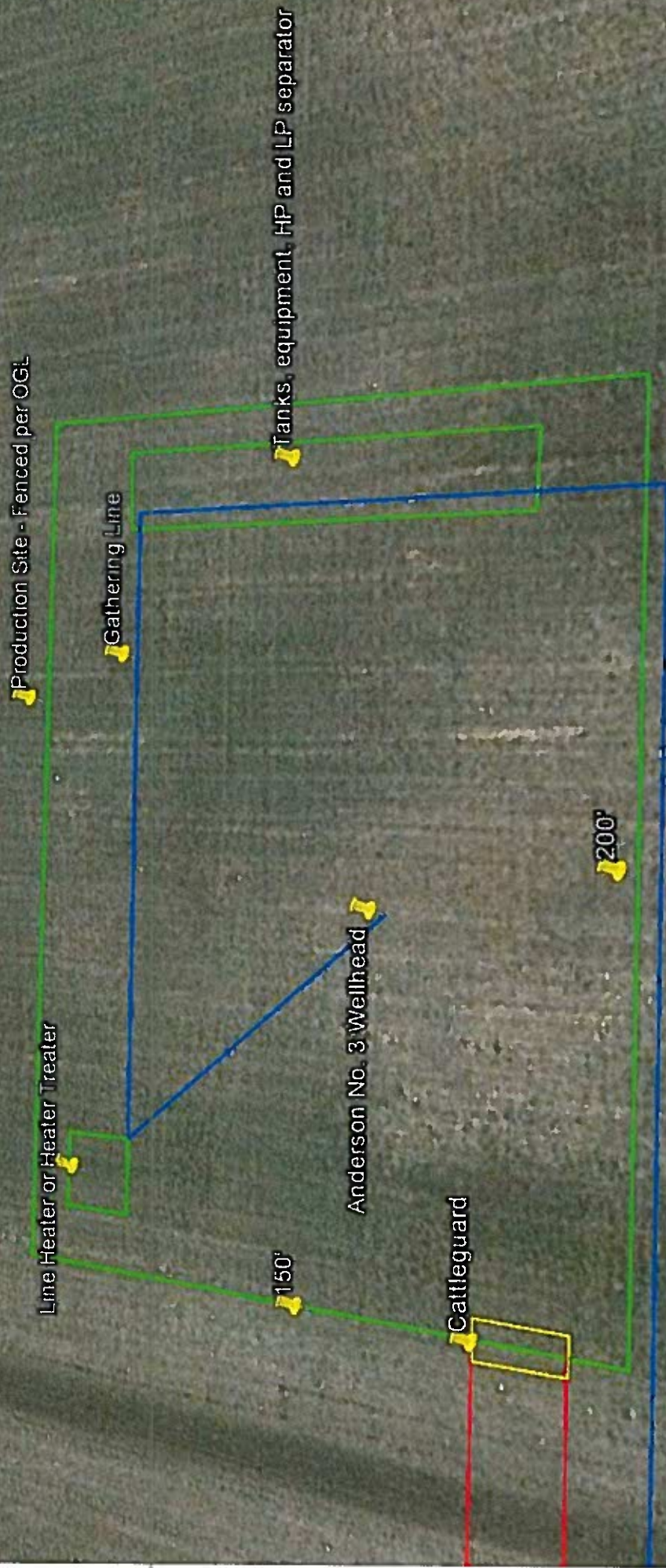
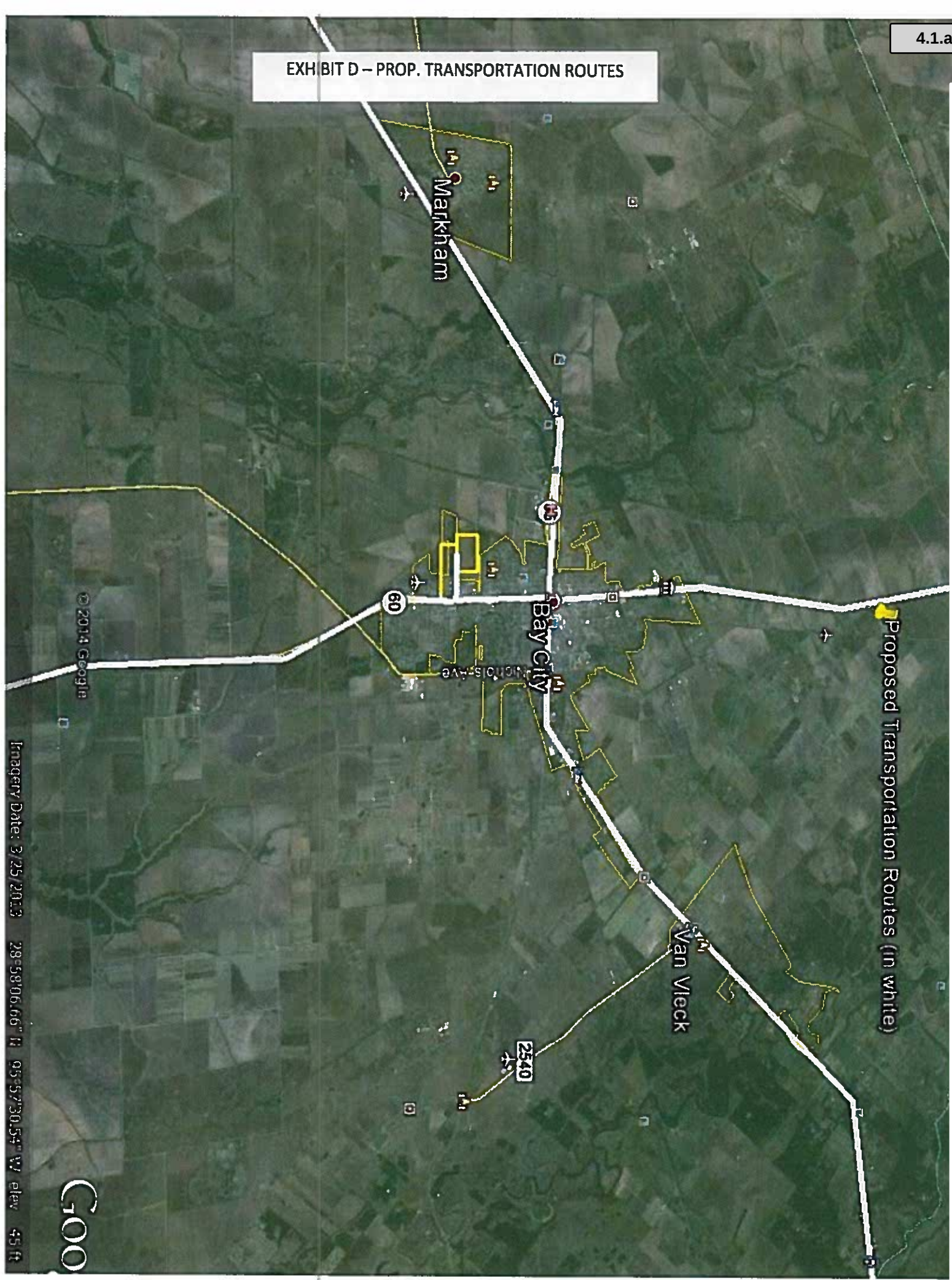


EXHIBIT D – PROP. TRANSPORTATION ROUTES



Proposed Transportation Routes (in white)

Attachment: Magnum Producing LP - 20170103 (2526 : Drilling Permit - Magnum Drilling)

EXHIBIT E**ACCURATE LEGAL DESCRIPTION OF THE LEASE PROPERTY TO BE USED FOR THE OPERATION, THE
PARCEL, AND THE PRODUCTION UNIT AND NAME OF GEOLOGIC FORMATION USED BY THE
COMMISSION****I. LEGAL DESCRIPTION OF LEASE PROPERTY TO BE USED FOR THE OPERATION:****A. DRILLSITE AND BOTTOMHOLE LEASE (Actual drillsite will be on western 1/3rd portion lying west of Roberts Road, outside city limits):**

76.0 acres of land, more or less, out of the Elisha Hall Survey, A-45, Matagorda County, Texas, and being the easternmost 84.0 acres of that certain 578.26 acres of land described in that certain Deed dated July 26, 1928 from Annie Z. Higgins, widow of James R. Higgins, deceased, to Ira T. Anderson, recorded in Volume 83, Page 638 of the Deed Records of Matagorda County, Texas, said 84.0 acres, more or less, being more particularly described by metes and bounds as follows, to wit:

BEGINNING at a stake for corner, the same being the Northeast corner of the above referenced 578.26 acre tract of which this tract is a part, THENCE North 89 degrees 21 minutes W 2,075 feet along the North line of said 578.26 acre tract and along the South edge of canal right of way to a point for the Northwest corner of this tract; THENCE South 0 degrees 5 minutes East 1,758.5 feet to a point for the Southwest corner of this tract; THENCE South 89 degrees 21 minutes East 2,075 feet (along the South line of said 578.26 acre tract) to a point for the Southeast corner of this tract and the said 578.26 acre tract; THENCE North 0 degrees 5 minutes West 1,758.5 feet the same being the east line of the 578.26 acre tract to the PLACE OF BEGINNING and containing 84.0 acres, more or less, LESS AND EXCEPT from said 84.0 acres the following four (4) tracts of land, to wit:

Tract 1: 2.0 acres of land, more or less, out of the Elisha Hall Survey, A-45, Matagorda County, Texas, being more particularly described in that certain Deed dated January 30, 1937 from Ira T. Anderson to E. D. Bettes, recorded in Volume 115, Page 503 of the Deed Records of Matagorda County, Texas; and,

Tract 2: 2.0 acres of land, more or less, out of the Elisha Hall Survey, A-45, Matagorda County, Texas, being more particularly described in that certain Deed dated March 1, 1937 from Ira T. Anderson to Mike Kadebsky, recorded in Volume 116, Page 416 of the Deed Records of Matagorda County, Texas; and,

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Tract 4: 2.0 acres of land, more or less, out of the Elisha Hall Survey, A-45, Matagorda County, Texas, being more particularly described in that certain Deed dated October 20, 1932 from Ira T. Anderson to Mart V. McKelvey, recorded in Volume 98, Page 370 of the Deed Records of Matagorda County, Texas; leaving 76.0 acres of land, more or less, being described herein.

(Ira T. Anderson, Jr., Trustee Lands)

B. NON-DRILLSITE LEASE:

4.0 acres of land, more or less, out of the Elisha Hall Survey, A-45, Matagorda County, Texas and being more particularly described in the following two (2) tracts of land:

TRACT ONE: 2.0 acres of land, more or less, and being that same land described in that certain Warranty Deed dated January 30, 1937 from Ira T. Anderson to E. D. Bettes, recorded in Volume 115, page 503 of the Deed Records of Matagorda County, Texas; and,

TRACT TWO: 2.0 acres of land, more or less, and being that same land described in that certain Warranty Deed dated March 1, 1937 from Ira T. Anderson to Mike Kadebsky, et ux, recorded in Volume 116, page 416 of the Deed Records of Matagorda County, Texas;

leaving 4.0 acres of land, more or less, being described herein. Reference to said deeds and the records thereof is herein made for descriptive purposes only.

(Ira T. Anderson, Jr., Trustee, ET AL Lands)

II. THE PRODUCTION UNIT AND NAME OF GEOLOGIC FORMATION USED BY THE COMMISSION:

Anderson No. 3 Well, anticipated to encounter various known productive sands within the Frio formation located above 12,000' beneath the surface of the earth.

EXHIBIT F – COPIES OF ALL REPORTS REQUIRED BY COMMISSION

(SEE ATTACHED)

API No. 42-321-32401
Drilling Permit # 819991
SWR Exception Case/Docket No.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER
*This facsimile W-1 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.*

FORM W-1 07/2004

Permit Status: Approved

1. RRC Operator No. 521516	2. Operator's Name (as shown on Form P-5, Organization Report) MAGNUM PRODUCING, LP	3. Operator Address (include street, city, state, zip) 500 N SHORELINE BLVD STE 322 CORPUS CHRISTI, TX 78401-0000
4. Lease Name ANDERSON	5. Well No. 3	

GENERAL INFORMATION

6. Purpose of filing (mark ALL appropriate boxes): ☒ New Drill ☐ Recompletion ☐ Reclass ☐ Field Transfer ☐ Re-Enter ☐ Amended ☐ Amended as Drilled (BHL) (Also File Form W-1D)		
7. Wellbore Profile (mark ALL appropriate boxes): ☐ Vertical ☐ Horizontal (Also File Form W-1H) ☒ Directional (Also File Form W-1D) ☐ Sidetrack		
8. Total Depth 10500	9. Do you have the right to develop the minerals under any right-of-way?	10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)?
	☒ Yes ☐ No	☐ Yes ☒ No

SURFACE LOCATION AND ACREAGE INFORMATION

11. RRC District No. 03	12. County MATAGORDA	13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore
14. This well is to be located 1.5 miles in a SW direction from Bay City which is the nearest town in the county of the well site.		
15. Section 16. Block 17. Survey	18. Abstract No. A-45	
19. Distance to nearest lease line: ft. 754		20. Number of contiguous acres in lease, pooled unit, or unitized tract. 80
21. Lease Perpendiculars: 355 ft from the WEST line and 663 ft from the SOUTH line.		
22. Survey Perpendiculars: 5224 ft from the SOUTH line and 7016 ft from the EAST line.		
23. Is this a pooled unit? ☒ Yes ☐ No		24. Unitization Docket No:
25. Are you applying for Substandard Acreage Field? ☐ Yes ☒ No		(attach Form W-1A)

FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.

26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir
03	00006001	WILDCAT	Oil or Gas Well	10500	0.00	1

BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1D attachment)

Remarks
[RRC STAFF Nov 9, 2016 8:37 AM]: Changed distance to nearest lease line to match plat.

Certificate:
I certify that information stated in this application is true and complete, to the best of my knowledge.

RRC Use Only		Data Validation Time Stamp: Nov 15, 2016 2:24 PM (Current Version)	
Name of filer Ken Ahuja, Operations Manager		Date submitted Nov 02, 2016	
Phone (361)8823858, X122		E-mail Address (OPTIONAL) ken@magnumproducing.com	

Permit Status: Approved

The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

Form W-1D 07/2004

Supplemental Directional Well Information

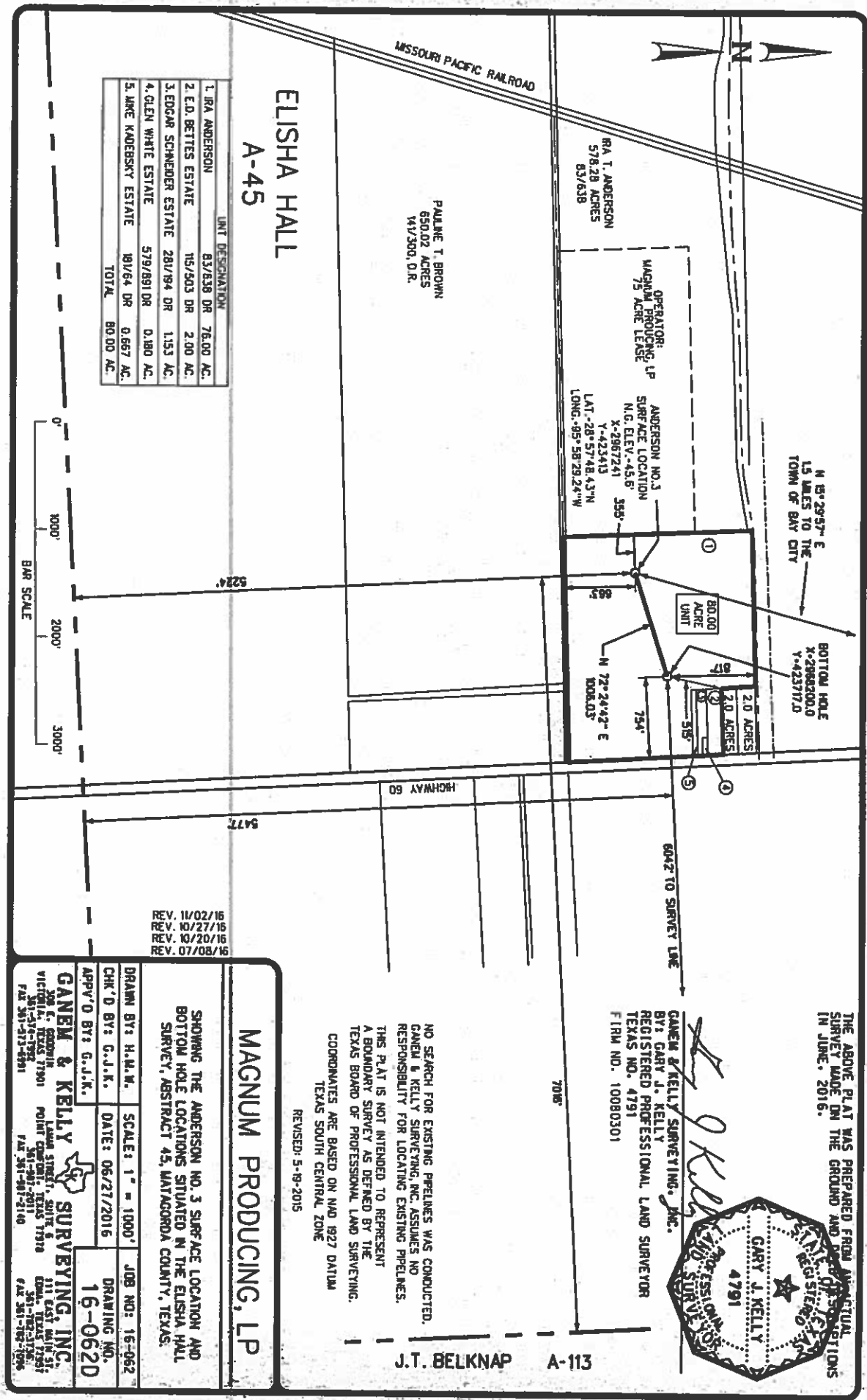
APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

This facsimile W-1 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.

Permit # 819991

Approved Date: Nov 09, 2016

1. RRC Operator No. 521516	2. Operator's Name (exactly as shown on form P-5, Organization Report) MAGNUM PRODUCING, LP	3. Lease Name ANDERSON	4. Well No. 3
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 WILDCAT (Field # 00006001, RRC District 03)			
6. Section	7. Block	8. Survey HALL, E	9. Abstract 45
11. Bottom hole Lease Line Perpendiculars 817 ft. from the North line, and 754 ft. from the East line		10. County of BHL MATAGORDA	
12. Bottom hole Survey Line Perpendiculars # 5477 ft. from the South line, and 6042 ft. from the East line			



RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
PO Box 12967
Austin, Texas 78711-2967
www.rrc.state.tx.us

CERTIFICATE OF
POOLING AUTHORITY
Revised 05/2001

P-12
DBC1001

1. Field Name(s) Wildcat	2. Lease/D Number (if assigned)	3. RRC District Number 03
4. Operator Name Magnum Producing, LP	5. Operator P-5 Number 521516	6. Well Number 3
7. Pooled Unit Name Anderson	8. API Number	9. Purpose of Filing ☒ Drilling Permit (W-1) ☐ Completion Report
10. County Matagorda	11. Total acres in pooled unit 80	

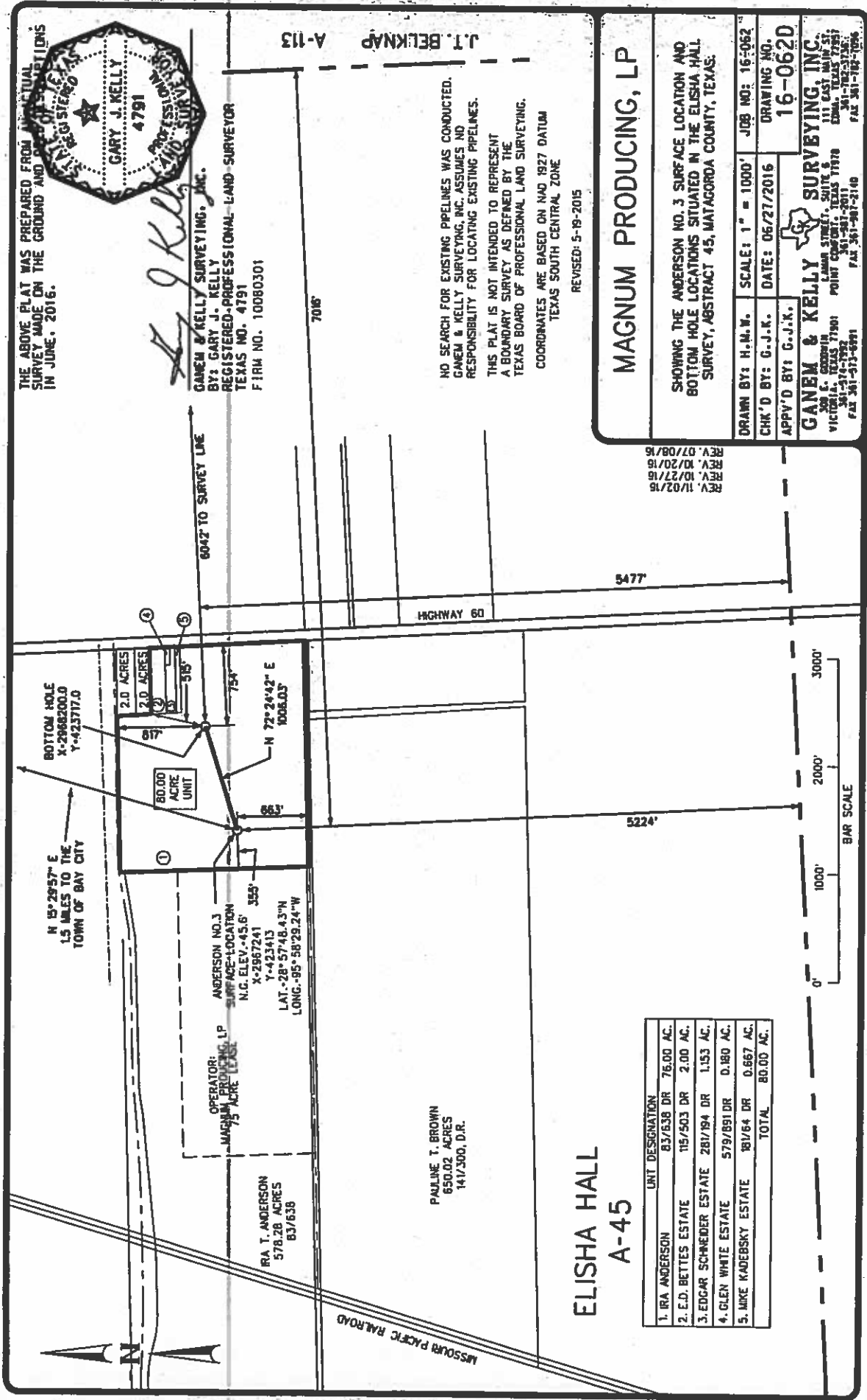
DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

TRACT/PLAT IDENTIFIER	TRACT NAME	ACRES IN TRACT (See Inst. #7 below)	INDICATE UNDIVIDED INTERESTS	
			UNLEASED	NON-POOLED
1	Ira Anderson	76.00	☐	☐
2	E.D. Bettles Estate	2.00	☐	☐
3	Edgar Schneider Estate	1.153	☐	☐
4	Glen White Estate	0.180	☐	☐
5	Mike Kadebsky Estate	0.667	☐	☐
	Total	80.00	☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐

CERTIFICATION:
I declare under penalties prescribed pursuant to the Sec. 91.143, Texas Natural Resources Code, that I am authorized to make the foregoing statements and that the information provided by me or under my direction on this Certificate of Pooling Authority is true, correct, and complete to the best of my knowledge.

Signature 	Jeff Krack Print Name
Petroleum Engineer Title	jeff@magnumproducing.com E-Mail (if available)
	11/02/2016 Date
	(361)882-3858 Phone

- INSTRUCTIONS — Reference: Statewide Rules 31, 38 and 40
- When two or more tracts are pooled to form a unit to obtain a drilling permit, file completion paperwork, or reform a pooled unit pursuant to Rule 38(d)(3) the operator must file an original Certificate of Pooling Authority and certified plat.
 - The certified plat shall designate each tract with an outline and a tract identifier. The tract identifier on the plat shall correspond to the tract identifier and associated information listed on the Certificate.
 - If within an individual tract, a non-pooled and/or unleased interest exists, indicate by checking the appropriate box.
 - If the Purpose of Filing is to obtain a drilling permit, in box #1 list all applicable fields separately or enter "All Fields" if the Certificate pertains to all fields requested on Form W-1.
 - If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.
 - Identify the drill site tract with an * to the left of the tract identifier.
 - The total number of acres in the pooled unit in #11 should equal the total of all acres in the individual tracts listed.





RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Issued
Date: 11/04/2016
GAU No.: 162769
Version: 3
Pymt Trace No: 455RM00115821BK

4.1.a

GROUND WATER APPLICATION REPORT

PREPARER INFORMATION			
Preparer Name:	Ken Ahuja	Phone Number:	361-882-3858
E-mail Address:	ken@magnumproducing.com	Fax Number:	
FILING INFORMATION			
Reason for Filing:	New Drill	Expedite:	N
API Number:	Previous GAU No. for this Well:		
Areal Extent:	Well Location	Radius:	DP Number:
OPERATOR INFORMATION			
Operator Name:	MAGNUM PRODUCING, LP	Operator Number:	521516
Address Line 1:	500 N SHORELINE BLVD STE 322		
Address Line 2:		City:	CORPUS
State:	TX	Zip Code:	78401
WELL IDENTIFICATION INFORMATION			
County:	MATAGORDA	District:	03
Lease Name:	Anderson	Lease ID:	
Alternate Well ID:		Well Number:	3
GPS COORDINATES INFORMATION			
NAD:	27	State Plane Zone:	
Latitude Degrees:	28	Longitude Degrees:	-95
Latitude Minutes:	57	Longitude Minutes:	58
Latitude Seconds:	48.43	Longitude Seconds:	29.24
Decimal Degrees Latitude:		Decimal Degrees Longitude:	
State Plane X-Coordinate:		State Plane Y-Coordinate:	
SURVEY INFORMATION			
Survey Name:	Elisha Hall	Abstract Number:	45
Block:		Township:	Section:
Tract:		Lot:	League:
Labor:		Porcion:	Share:
REFERENCE LINES INFORMATION			
Reference Line:	Survey	First Direction:	South
First Distance:	5224	Second Direction:	East
Second Distance:	7016		
ADDITIONAL INFORMATION			
Elevation:	45		
Total Vertical Depth:	10500		
Formation at Total Vertical Depth:	Frio		
Remarks:			

Attachment: Magnum Producing LP - 20170103 (2526 : Drilling Permit - Magnum Drilling)

EXHIBIT G – ORIGINAL EXECUTED CITY-WIDE ROAD MAINTENANCE AGREEMENT

(PENDING)

EXHIBIT H

COPY OF APPROVED COMMISSION PERMIT TOGETHER WITH ATTACHMENTS AND SURVEY
PLATS WHICH ARE APPLICABLE TO DRILL AND OPERATION SITES

(SEE ATTACHED)

Railroad Commission of Texas

PERMIT TO DRILL, RE-COMPLETE, OR RE-ENTER ON REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

CONDITIONS AND INSTRUCTIONS

Permit Invalidation. It is the operator's responsibility to make sure that the permitted location complies with Commission density and spacing rules in effect on the spud date. The permit becomes invalid automatically if, because of a field rule change or the drilling of another well, the stated location is not in compliance with Commission field rules on the spud date. If this occurs, application for an exception to Statewide Rules 37 and 38 must be made and a special permit granted prior to spudding. Failure to do so may result in an allowable not being assigned and/or enforcement procedures being initiated.

Notice Requirements. Per H.B 630, signed May 8, 2007, the operator is required to provide notice to the surface owner no later than the 15th business day after the Commission issues a permit to drill. Please refer to subchapter Q Sec. 91.751-91.755 of the Texas Natural Resources Code for applicability.

Permit expiration. This permit expires two (2) years from the date of issuance shown on the original permit. The permit period will not be extended.

Drilling Permit Number. The drilling permit number shown on the permit MUST be given as a reference with any notification to the district (see below), correspondence, or application concerning this permit.

Rule 37 Exception Permits. This Statewide Rule 37 exception permit is granted under either provision Rule 37 (h)(2)(A) or 37(h)(2)(B). Be advised that a permit granted under Rule 37(h)(2)(A), notice of application, is subject to the General Rules of Practice and Procedures and if a protest is received under Section 1.3, "Filing of Documents," and/or Section 1.4, "Computation of Time," the permit may be deemed invalid.

Before Drilling

Fresh Water Sand Protection. The operator must set and cement sufficient surface casing to protect all usable-quality water, as defined by the Railroad Commission of Texas (RRC) Groundwater Advisory Unit (GWAU). Before drilling a well, the operator must obtain a letter from the Railroad Commission of Texas stating the depth to which water needs protection, Write: Railroad Commission of Texas, Groundwater Advisory Unit (GWAU), P.O. Box 12967, Austin, TX 78711-3087. File a copy of the letter with the appropriate district office.

Accessing the Well Site. If an OPERATOR, well equipment TRANSPORTER or WELL service provider must access the well site from a roadway on the state highway system (Interstate, U.S. Highway, State Highway, Farm-to-Market Road, Ranch-to-Market Road, etc.), an access permit is required from TxDOT. Permit applications are submitted to the respective TxDOT Area Office serving the county where the well is located.

Water Transport to Well Site. If an operator intends to transport water to the well site through a temporary pipeline laid above ground on the state's right-of-way, an additional TxDOT permit is required. Permit applications are submitted to the respective TxDOT Area Office serving the county where the well is located.

*NOTIFICATION

The operator is **REQUIRED** to notify the district office when setting surface casing, intermediate casing, and production casing, or when plugging a dry hole. The district office **MUST** also be notified if the operator intends to re-enter a plugged well or re-complete a well into a different regulatory field. Time requirements are given below. The drilling permit number **MUST** be given with such notifications.

During Drilling

Permit at Drilling Site. A copy of the Form W-1 Drilling Permit Application, the location plat, a copy of Statewide Rule 13 alternate surface casing setting depth approval from the district office, if applicable, and this drilling permit must be kept at the permitted well site throughout drilling operations.

***Notification of Setting Casing.** The operator **MUST** call in notification to the appropriate district office (phone number shown the on permit) a minimum of eight (8) hours prior to the setting of surface casing, intermediate casing, AND production casing. The individual giving notification **MUST** be able to advise the district office of the drilling permit number.

***Notification of Re-completion/Re-entry.** The operator MUST call in notification to the appropriate district office (phone number shown on permit) a minimum of eight (8) hours prior to the initiation of drilling or re-completion operations. The individual giving notification MUST be able to advise the district office of the drilling permit number.

Completion and Plugging Reports

Hydraulic Fracture Stimulation using Diesel Fuel: Most operators in Texas do not use diesel fuel in hydraulic fracturing fluids. Section 322 of the Energy Policy Act of 2005 amended the Underground Injection Control (UIC) portion of the federal Safe Drinking Water Act (42 USC 300h(d)) to define "underground Injection" to *EXCLUDE* "...the underground injection of fluids or propping agents (*other than diesel fuels*) pursuant to hydraulic fracturing operations related to oil, gas, or geothermal production activities." (italic and underlining added.) Therefore, hydraulic fracturing may be subject to regulation under the federal UIC regulations if diesel fuel is injected or used as a propping agent. EPA defined "diesel fuel" using the following five (5) Chemical Abstract Service numbers: 68334-30-5 Primary Name: Fuels, diesel; 68476-34-6 Primary Name: Fuels, diesel, No. 2; 68476-30-2 Primary Name: Fuel oil No. 2; 68476-31-3 Primary Name: Fuel oil, No. 4; and 8008-20-6 Primary Name: Kerosene. As a result, an injection well permit would be required before performing hydraulic fracture stimulation using diesel fuel as defined by EPA on any well in Texas. Hydraulic fracture stimulation using diesel fuel as defined by EPA on a well in Texas without an injection well permit could result in enforcement action.

Producing Well. Statewide Rule 16 states that the operator of a well shall file with the Commission the appropriate completion report within thirty (30) days after completion of the well or within ninety (90) days after the date on which the drilling operation is completed, whichever is earlier. Completion of the well in a field authorized by this permit voids the permit for all other fields included in the permit unless the operator indicates on the initial completion report that the well is to be a dual or multiple completion and promptly submits an application for multiple completion. All zones are required to be completed before the expiration date on the existing permit. Statewide Rule 40(d) requires that upon successful completion of a well in the same reservoir as any other well previously assigned the same acreage, proration plats and P-15s (if required) must be submitted with no double assignment of acreage.

Dry or Noncommercial Hole. Statewide Rule 14(b)(2) prohibits suspension of operations on each dry or non-commercial well without plugging unless the hole is cased and the casing is cemented in compliance with Commission rules. If properly cased, Statewide Rule 14(b)(2) requires that plugging operations must begin within a period of one (1) year after drilling or operations have ceased. Plugging operations must proceed with due diligence until completed. An extension to the one-year plugging requirement may be granted under the provisions stated in Statewide Rule 14(b)(2).

Intention to Plug. The operator must file a Form W-3A (Notice of Intention to Plug and Abandon) with the district office at least five (5) days prior to beginning plugging operations. If, however, a drilling rig is already at work on location and ready to begin plugging operations, the district director or the director's delegate may waive this requirement upon request, and verbally approve the proposed plugging procedures.

***Notification of Plugging a Dry Hole.** The operator MUST call in notification to the appropriate district office (phone number shown on permit) a minimum of four (4) hours prior to beginning plugging operations. The individual giving the notification MUST be able to advise the district office of the drilling permit number and all water protection depths for that location as stated in the Texas Commission on Environmental Quality letter.

DIRECT INQUIRIES TO: DRILLING PERMIT SECTION, OIL AND GAS DIVISION

PHONE
(512) 463-6751

MAIL:
PO Box 12967
Austin, Texas, 78711-2967

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 819991	DATE PERMIT ISSUED OR AMENDED Nov 09, 2016	DISTRICT * 03			
API NUMBER 42-321-32401	FORM W-1 RECEIVED Nov 02, 2016	COUNTY MATAGORDA			
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Directional	ACRES 80			
OPERATOR MAGNUM PRODUCING, LP 500 N SHORELINE BLVD STE 322 CORPUS CHRISTI, TX 78401-0000		521516 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: (713) 869-5001			
LEASE NAME ANDERSON		WELL NUMBER 3			
LOCATION 1.5 miles SW direction from BAY CITY		TOTAL DEPTH 10500			
Section, Block and/or Survey SECTION ⚡ SURVEY ⚡ HALL, E		BLOCK ⚡ ABSTRACT ⚡ 45			
DISTANCE TO SURVEY LINES 5224 ft. SOUTH 7016 ft. EAST		DISTANCE TO NEAREST LEASE LINE 754 ft.			
DISTANCE TO LEASE LINES 355 ft. WEST 663 ft. SOUTH		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below			
FIELD(s) and LIMITATIONS:		* SEE FIELD DISTRICT FOR REPORTING PURPOSES *			
FIELD NAME LEASE NAME		ACRES NEAREST LEASE	DEPTH NEAREST LEASE	WELL # NEAREST WE	DIST
WILDCAT ANDERSON		80.00 754	10,500	3 0	03
WELLBORE PROFILE(s) FOR FIELD: Directional					
RESTRICTIONS: Bottom Hole: BH1 Lease Lines: 817.0 F NORTH L 754.0 F EAST L Survey Lines: 5477.0 F SOUTH L 6042.0 F EAST L					
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. This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.					

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
SWR #13 Formation Data

MATAGORDA (321) County

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
CAPROCK	2,100	2,100	disposal	1	12/17/2013
GRANT	1,750	1,750	disposal	2	12/17/2013
WILLIS	1,850	1,850	disposal	3	12/17/2013
MIOCENE	1,530	6,430	disposal	4	12/17/2013
FRIO	1,510	5,900	disposal	5	12/17/2013
FRIO, LOWER	7,000	8,120		6	12/17/2013
GRETТА	5,200	5,350	disposal	7	12/17/2013
ANAHUAC	5,640	7,160		8	12/17/2013
NODOSARIA	8,960	8,960		9	12/17/2013
TEX MISS	9,940	9,940		10	12/17/2013
TEX MISS 3 SAND	10,420	10,420		11	12/17/2013
VICKSBURG	12,450	12,450		12	12/17/2013
JACKSON	14,330	14,330		13	12/17/2013
SPARTA	15,770	15,770		14	12/17/2013
WILCOX	16,610	23,000		15	12/17/2013

The above list may not be all inclusive, and may also include formations that do not intersect all wellbores. Formation "TOP" information listed reflects an estimated range based on geologic variances across the county. To clarify, the "Deep Top" is not the bottom of the formation; it is the deepest depth at which the "TOP" of the formation has been or might be encountered. This is a dynamic list subject to updates and revisions. It is the operator's responsibility to make sure that at the time of spudding the well the most current list is being referenced. Refer to the RRC website at the following address for the most recent information.
<http://www.rrc.texas.gov/oil-gas/compliance-enforcement/rule-13-geologic-formation-info>

Attachment: Magnum Producing LP - 20170103 (2526 : Drilling Permit - Magnum Drilling)

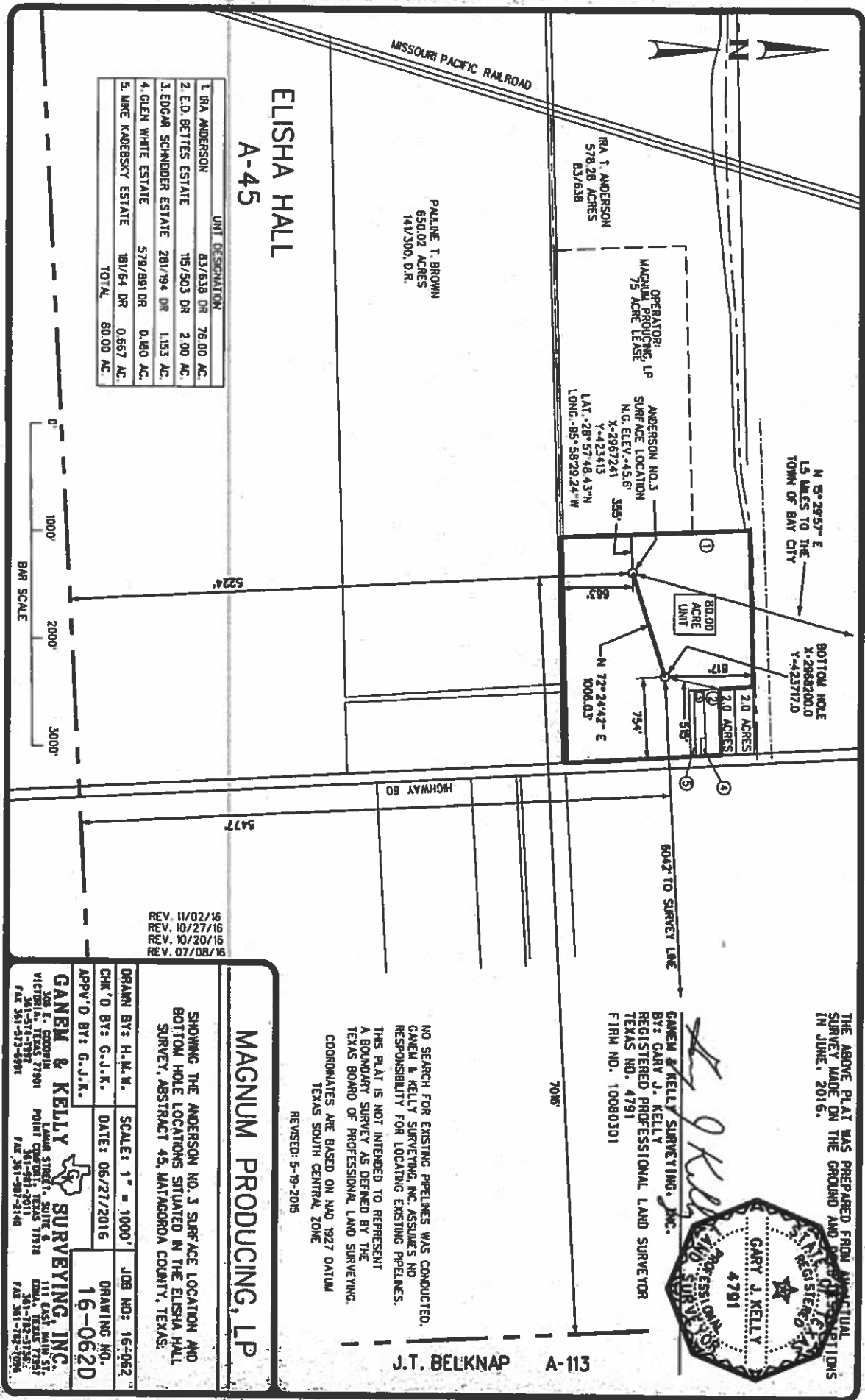


EXHIBIT I – A TRUE COPY OF THE TCEQ LETTER

(SEE ATTACHED)

GROUNDWATER PROTECTION DETERMINATION

Form GW-2



Groundwater Advisory Unit

Date Issued: 07 November 2016 GAU Number: 162769

Attention:	MAGNUM PRODUCING, LP	API Number:	
	500 N SHORELINE BLVD STE	County:	MATAGORDA
	CORPUS CHRISTI, TX 78401	Lease Name:	Anderson
Operator No.:	521516	Lease Number:	
		Well Number:	3
		Total Vertical Depth:	10500
		Latitude:	28.963453
		Longitude:	-95.974789
		Datum:	NAD27

Purpose: New Drill
Location: Survey-Elisha Hall; Abstract-45

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

Usable-quality water occurs from the land surface to a depth of 1200 feet. Moreover, the CHICOT, which is estimated to occur from 450 feet to 1000 feet, contains water of superior quality which must be isolated from water in overlying and underlying beds.

This recommendation is applicable to all wells within a radius of 200 feet of this location.

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

This determination is based on information provided when the application was submitted on 11/04/2016. If the location information has changed, you must contact the Groundwater Advisory Unit, and submit a new application if necessary. If you have questions, please contact us at 512-463-2741 or gau@rrc.texas.gov.

Groundwater Advisory Unit, Oil and Gas Division

Form GW-2 P.O. Box 12967 Austin, Texas 78771-2967 512-463-2741 Internet address: www.rrc.texas.gov
Rev. 02/2014

Attachment: Magnum Producing LP - 20170103 (2526 : Drilling Permit - Magnum Drilling)

EXHIBIT J - PROOF OF INSURANCE

(SEE ATTACHED)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/15/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
MCGRIFF, SEIBELS & WILLIAMS OF TEXAS, INC.
818 Town & Country Blvd, Suite 500
Houston, TX 77024-4549

INSURED
Magnum Producing, LP
Magnum Operating, LLC
Magnum Engineering Company
500 North Shoreline, Suite 322
Corpus Christi, TX 78401-0313

CONTACT NAME:
PHONE (A/C, No, Ext): 713-877-8975 FAX (A/C, No): 713-877-8974
E-MAIL ADDRESS:
INSURER(S) AFFORDING COVERAGE
INSURER A :Gemini Insurance Company NAIC # 10833
INSURER B :Berkley Regional Insurance Co.
INSURER C :Tri-State Insurance Company of Minnesota 31003
INSURER D :
INSURER E :
INSURER F :

COVERAGES

CERTIFICATE NUMBER:GYZBLSHT

REVISION NUMBER:

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.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC OTHER:			JGH2002969	09/30/2016	09/30/2017	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000 \$
B	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS			ECA312040812	09/30/2016	09/30/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	☒ UMBRELLA LIAB ☒ EXCESS LIAB ☐ DED ☐ RETENTION \$			JUH2002661	09/30/2016	09/30/2017	EACH OCCURRENCE \$ 25,000,000 AGGREGATE \$ 25,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) ☐ Y/N N/A If yes, describe under DESCRIPTION OF OPERATIONS below			EWC312039912	09/30/2016	09/30/2017	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	CONTROL OF WELL Control of Well/Redrill/Extra Expense Pollution & Clean Up			JCH2001887	09/30/2016	09/30/2017	See Attached \$ \$ \$ \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The Certificate Holder is included as Additional Insured (except for the worker's compensation policy) and provided with a Waiver of Subrogation to the extent required by written contract subject to policy terms, conditions, and exclusions.

CERTIFICATE HOLDER

CANCELLATION

City of Bay City
Building and Development Department
207 South Third Street, Suite 100
City of Bay City, TX 78622

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Attachment: Magnum Producing LP - 20170103 (2526 : Drilling Permit - Magnum Drilling)

AGENCY CUSTOMER ID: _____
LOC #: _____



ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

PRODUCER MCGRIFF, SEIBELS & WILLIAMS OF TEXAS, INC.		INSURED Magnum Producing, LP Magnum Operating, LLC Magnum Engineering Company	
POLICY NUMBER			
CARRIER		NAIC CODE	
		ISSUE DATE: 12/15/2016	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: _____ FORM TITLE: _____

CONTROL OF WELL
Carrier: Gemini Insurance Company
Policy No.: JCH2001887
Effective: 09/30/2016 - 09/30/2017

Section 1) A)Control of Well
B)Redrill/Extra Expense
C)Pollution and Cleanup
D)Care,Custody and Control

Section 1)
Drilling:
\$10,000,000 (100%) any one Occurrence Combined Single Limit

Workover
\$5,000,000 (100%) any one Occurrence Combined Single Limit in respect of wells in Rating Area 1 and 2
\$15,000,000 (100%) any one Occurrence Combined Single Limit in respect of wells in Rating Area 2 Wet

Producing, Shut-in, Temporarily Abandoned and Saltwater Disposal:
\$1,000,000 (100%) any one Occurrence Combined Single Limit in respect of Scheduled Wells in Rating Area 1 and 2
\$3,000,000 (100%) any one Occurrence Combined Single Limit in respect of Scheduled Wells in Rating Area 1 and 2
\$15,000,000 (100%) any one Occurrence Combined Single Limit in respect of Wells in Rating Area 2 Wet

In no event shall Company's liability exceed the single highest Limit of Liability shown above in any one Occurrence.

Care, Custody and Control
\$5,000,000 (100%) any one Occurrence

ACORD 101 (2008/01)

The ACORD name and logo are registered marks of ACORD

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CERTIFICATE NUMBER: GYZBLSHT

Attachment: Magnum Producing LP - 20170103 (2526 : Drilling Permit - Magnum Drilling)

EXHIBIT K – COPY OF STORMWATER POLLUTION PREVENTION PLAN

(VARIANCE REQUESTED)

STORMWATER POLLUTION PREVENTION PLAN

Magnum Producing, LP

November 22, 2016

SITE DESCRIPTION:

PROJECT LIMITS: (List project location)

The surface location of Magnum's proposed oil and gas well (Anderson No. 3 Well) is to be located just south of Bay City proper, approximately 1,840' west of Highway 60 (344' west of Roberts Road), and approximately 590' north of Thompson Road, outside the city limits' boundaries. The XY coordinates for the surface location are X = 2,967,241 Y = 423,413. The property where the surface location is situated is a part of a 330+ acre surface parcel owned by Ira Anderson, Jr. and is pastureland covered with native grasses.

PROJECT DESCRIPTION: (Provide description of work prospect)

The proposed well has multiple targets, both oil and gas objectives, with the primary target being a deep gas Frio Sand prospect. There are multiple secondary targets that are located at shallower depths. The well is scheduled to be a straight hole, approximately 10" in diameter, drilled down to approximately 8,000' and from there the wellbore path will become directional and turn in an east-northeasterly direction where it will begin to encounter the shallower target and continuing down to 10,358' total vertical depth (10,600 total measured depth) beneath the surface of the earth. As stated, the proposed bottomhole location is projected to be within the city limits, somewhere around 10,600' total measured depth beneath the surface of the earth.

MAJOR SOIL DISTURBING ACTIVITIES: (List soil disturbing activities)

Within the Project Area

- 1) An approximate 6" thick 500' X 15' limestone Access Road is being built to access padsite (Magnum will also be utilizing approximately 540' of existing access road which may require some additional limestone as well);
- 2) A 350' X 200' X 6" — 8" thick limestone Padsite;
- 3) Within the padsite a 12' wide and 5' deep Shale Pit is dug (acts as part of reserve pit);

- 4) Outside the padsite an earthen Reserve Pit 150’ X 150’ with a 5’ earthen wall surrounding it;
- 5) Outside the padsite a 40’ X 30’ earthen Water Pit 8’ deep;
- 6) Outside the padsite and adjacent to the water pit a Water Well will be drilled to approximately 400’.
- 7) There will be an earthen ring levee surrounding the entire project area except for the access road.
- 8) There is a small drainage ditch that runs north-south through the W/4 of the proposed padsite that will be re-routed outside the western perimeter of the padsite during the drilling stage. Once drilling is complete and after the padsite is reduced in size, the ditch will be restored to its original place and condition.
- 9) During Production Stage the padsite and road is reduced in area to approximately 1 to 1 ½ acres.

(For schematics and details on Items 1 through 7 see Exhibits B and C in Application)

TOTAL PROJECT AREA: (List project area in acres)

Magnum’s surface padsite will be approximately 350’ X 350’ (2.81 acres) and its access road will be approximately 500’ in length and 15’ in width (0.172 acres). However, approximately 175’’ of the access road has an existing rock/shell base in place that will require slight improvement. The total project area is 2.8726 acres.

TOTAL AREA TO BE DISTURBED: (List area to be disturbed in acres)

The total surface area to be disturbed is 2.8726 acres.

WEIGHTED RUNOFF COEFFICIENT:
(AFTER CONSTRUCTION): (Provide combined runoff coefficient)

<u>TOTAL AREA</u>	2.8726 acs
<u>BEFORE CONSTRUCTION</u>	
Impervious Area	0
Impervious Runoff Coefficient	0.95
Pervious Area – Pad site	2.7006 acs

Pervious Area – Road	0.172 acs
Total Pervious Area	2.8726 acs
Pervious Runoff Coefficient	0.32
Percent Impervious Area	0%

DURING CONSTRUCTION AND DRILLING

Impervious Area– Pad site	2.02550 acs
Impervious Area - Road	0.172 acs
Total Impervious Area	2.1975 acs
Total Impervious Runoff Coefficient	0.32
Pervious Area	0.6751 acs
Pervious Runoff Coefficient	0.32
Percent Impervious Area	76.497%

DURING PRODUCTION

Impervious Area– Pad site	0.6614 acs
Impervious Area - Road	0.172 acs
Total Impervious Area	0.8334 acs
Total Impervious Runoff Coefficient	0.95
Pervious Area	2.0392 acs
Pervious Runoff Coefficient	0.32
Percent Impervious Area	29.012%

EXISTING CONDITION OF SOIL & VEGETATIVE COVER AND PERCENTAGE OF EXISTING VEGETATIVE COVER: (List existing soil types based on soil mapping and estimated vegetative cover)

The surface site is a relatively flat pastureland site (less than 2 percent slopes) and does not contain any major slopes. The on-site soils, according to the USDA Natural Resources Conservation Service’s maps, are clayey and loamy soils of the upland prairies, being further defined as Edna – Texana – Telferner soils which are in an area where it is moderately well-drained. The natural vegetation is 100% an open prairie of native grass.

NAME OF RECEIVING WATERS: (Name and identification number of the receiving outfall facility as listed in Segment Identification Maps for Texas Rivers and Coastal Basins)

Brazos - Colorado Coastal Basin - 13

EROSION AND SEDIMENT CONTROLS:

SOIL STABILIZATION PRACTICES

- ☐ Temporary Seeding
- ☒ Permanent planting, sodding, or seeding
- ☐ Mulching
- ☐ Soil Retention Blanket
- ☐ Buffer zones
- ☒ Preservation of natural resources

Other:

Magnum is required under the governing oil and gas lease to construct terraces across portions of the lands so as to prevent erosion. In addition, any padsite or roads we construct, as well as pipelines we lay, must be installed such that erosion is avoided. All excavations and pits are to be leveled and after completion of any operations. Magnum must restore the surface to as near its original condition as is practicable (including, but not limited to, reseeding any area disturbed by our operations with grass seed native to the area).

STRUCTURAL PRACTICES:

- ☐ Silt fences
- ☐ Hay bales
- ☒ Rock berms
- ☐ Diversion, interceptor, or perimeter dikes
- ☐ Diversion, interceptor, or perimeter swales
- ☐ Diversion dike and swale combinations

- ☐ Pipe slope drains
- ☐ Paved flumes
- ☒ Rock bedding at construction exit
- ☐ Timber matting at construction exit
- ☐ Channel liners
- ☐ Sediment traps
- ☐ Sediment basins
- ☐ Storm inlet sediment trap
- ☐ Stone outlet structures
- ☐ Curbs and gutters
- ☐ Storm sewers
- ☐ Velocity control devices
- ☐ Erosion control logs

Other:

A ring levee approximately 12" in height will be constructed surrounding the padsite with adequate and maintained drainage. Culverts will be utilized on our access road where needed to assure no blockage of drainways.

NARRATIVE – SEQUENCE OF CONTRUCTION (STORM WATER MANAGEMENT) ACTIVITIES: (Provide narrative of construction sequencing)

During the "Site Preparation Stage" materials are transported to the site and placed to form the padsite, access road, and any berms and levees to hold fluids. The equipment consists of loaders, haulers, maintainers and similar equipment for building an approximate 500' limestone access road and approximate 350' X 200' limestone padsite. This process takes approximately 2 weeks.

During the "Rig-Up Stage" the drilling rig and support facilities are moved onto the site and assembled. This process involves five (5) permitted load vehicles and approximately fifteen (15) non-permitted load vehicles and can include large cranes that lift the components into place. This process usually takes 3 to 4 days.

During the "Drilling Stage" components such as drill pipe and drilling fluids are delivered to the site, maintenance vehicles and passenger vehicles will visit the site on a regular basis. At the end of the drilling Stage logging trucks come into log to determine if the well is productive. If the well is deemed a commercial well, casing and cement trucks come in to case the wellbore. This process should not take more than 25 days.

During the "Rig-Down Stage" the drilling rig and support facilities are disassembled and moved off the site in the same manner as the parts were brought in. This process usually takes 3 to 4 days.

During the "Completion Stage" a smaller workover rig moves in to run tubing that has been delivered and the well is completed so that production can commence. This process usually takes 7 days.

During the "Production Stage" oil product is removed from the site by tanker trucks and gas production is via pipeline. The traffic generated is dependent upon the actual production amount. If there is gas production a pipeline has to be constructed and the amount of time to do so depends on the location of the nearest transport line. In this case the nearest tie-in is located to the southwest approximately 600' from the well location.

During the "Workover Stages" the well gets reworked to increase production. This generally requires a smaller rework rig (same size as the completion rig) to be brought in on the location. Depending on the well this stage may not be required at all, however, historically almost all wells will experience some decrease in production giving rise for the need to rework. Reworks can take anywhere from a couple of days to 2 weeks and can be a reoccurring event for certain wells over its life.

During the "Plugging and Abandonment Stage" the well gets plugged in accordance with the Texas Railroad Commission's regulations, and all production facilities are removed from the location. Surface restoration guidelines of the premises (reseeding, planting trees, padsite and road removal, etc.) are generally directed by the surface owner. This process can take anywhere from 10 to 20 days.

STORM WATER MANAGEMENT: (State manner in which storm water runoff will be adequately conveyed during construction)

Stormwater will be channeled off the padsite to the two small drainage ditches that are located east and west of the padsite. These ditches drain into the much larger MCDD#1 drainage ditch which in turn flows into the Colorado River. These ditches shall remain cleaned and opened at times and will be inspected regularly for debris and blockage.

OTHER EROSION AND SEDIMENT CONTROLS:

MAINTENANCE: All erosion and sediment controls will be maintained in good working order. If a repair is necessary it will be done at the earliest date possible, but no later than 7 calendar days after

the surrounding exposed ground has dried sufficiently to prevent further damage from heavy equipment. The area adjacent to creeks and drainage ways shall have priority followed by devices protecting storm sewer inlets.

INSPECTION: All inspections will be performed by a Magnum's location consultant on a periodic basis with particular emphasis during the drilling, completion and workover stages. Any deficiencies are addressed immediately in accordance with the governing oil and gas lease's stringent erosion and surface use provisions, and per the Texas Railroad Commission's guidelines.

WASTE MATERIALS: The dumpster used to store all waste materials will meet all state and local city solid waste management regulations. All trash and construction debris will be deposited in the dumpster. The dumpster will be emptied as necessary or as required by local regulation and the trash will be hauled to a local dump. In accordance with the agreement of the surface owner/mineral owner Magnum has the right to landfarm its drilling muds and cuttings once they are analyzed by an outside certified laboratory to be within the limits for such disposal. Magnum is required under its lease to keep the surface of the premises neat, clean and free of debris. All debris and litter will be hauled off the premises and disposed of properly.

HAZARDOUS WASTE: All spills will be reported to and handled in accordance with the Texas Railroad Commission's regulations and guidelines. Magnum will have a contract with an emergency response company for any clean up that is necessary. In the event of a spill which may be considered hazardous, one of Magnum's field representatives, Henry Day (979) 241-5115, will be contacted initially to be on location.

Under Magnum's governing oil and gas lease, Magnum is not allowed to store salt water, sulphur water, chemicals, sludge, oil, hazardous, harmful, polluting substances in surface pits for any unreasonable length of time. And, any pit in which such substance is temporarily stored shall be lined with impervious material and maintained with utmost care to prevent releases. Magnum, in addition to being required to use utmost care to protect all surface and fresh water, tanks, reservoirs and wells from contamination or other damage arising out of our operations, it must also obtain all permits, licenses and other approvals necessary to remain in compliance with all environmental Laws affecting its operations under its lease.

SANITARY WASTE: Commencing with the Site Preparation Stage and running through and including the Completion Stage portable facilities for handling sanitary matters will be on the premises and checked on a regular schedule.

OFFSITE VEHICLE TRACKING:

- ☐ Haul roads dampened for dust control
- ☐ Loaded haul trucks to be covered with tarpaulin
- ☐ Excess dirt on road removed daily
- ☐ Stabilized construction entrance

Other:

A 15 mile per hour maximum speed limit while on location will be observed by all vehicles so as to minimize dust and noise.

REMARKS: Disposal areas, stockpiles, and haul roads shall be constructed in a manner that will minimize and control the sediment that may enter receiving waterways. Disposal areas shall not be located in any waterway, water body or streambed. Construction staging areas and vehicle maintenance areas shall be constructed by the contractor in a manner which minimizes the runoff of all pollutants. All waterways shall be cleared as soon as practical of temporary embankments, temporary bridges, matting, falsework, piling, debris, and other obstructions placed during construction operations that are not a part of the finished work. Pursuant to the governing oil and gas lease Magnum is not allowed to utilize more than 3 acres around a well in connection with Drilling Operations or more than 1 acre around a well for any other purposes. Under the lease we are restricted on the amount of land we are allowed to use and for what purposes.

SIGNED THIS ____ DAY OF _____, 2016.

MAGNUM PRODUCING, LP

BY: _____

EXHIBIT L – BOND OR LETTER OF CREDIT

(We have a Bond currently in place with Bay City, please see a copy attached)

CITY OF BAY CITY, TEXAS
DRILLING AND PRODUCTION BOND

BOND NO. LPM9107599

THE STATE OF TEXAS §
COUNTY OF MATAGORDA §

KNOW ALL BY THESE PRESENTS:

That We, Magnum Producing, L.P., as,
principal, and Fidelity and Deposit Company of Maryland, as surety,
are held and firmly bound unto the City of Bay City, Texas, in the penal sum of
One Hundred Thousand and 00/100 Dollars (\$ 100,000 .00) good and lawful money of
the United States of America, well and truly to be paid for the payment of which we, and
each of us, hereby bind ourselves, our heirs, executors, administrators and successors,
jointly and severally, firmly by these presents

THE CONDITIONS OF THIS OBLIGATION ARE SUCH THAT

WHEREAS, the above principal desires to drill an oil and gas well within the
extraterritorial jurisdiction of the City of Bay City and has complied with all the terms and
conditions of City of Bay City Oil & Gas Well Ordinances (the "Ordinances") and has
applied to the City for an Oil and Gas Well Permit as provided for and defined in said
ordinances.

NOW, THEREFORE, if said principal shall fully comply with the terms of the
Ordinance, then this obligation shall be null and void, otherwise to remain in full force
and effect: provided, however, this bond is executed by the surety on the condition that
its liability shall be limited by and subject to the conditions and provisions hereunder
contained.

POVIDED, HOWEVER, that this bond is executed pursuant to the provisions of
Chapter 2253, of the Texas Government Code and all liabilities on this bond shall be
determined in accordance with such Code to the same extent as if it were copied at
length herein.

This bond cannot be canceled and shall remain in effect for a period of six (6)
months after the expiration of the Oil and Gas Well Permit or until the well is plugged
and abandoned and the site of the well restored, whichever occurs earlier; provided,
however, any claim against this bond may be brought within two (2) years following the

expiration of the Oil and Gas Well Permit or the plugging and abandonment of the well, whichever occurs first.

Surety, for value received, stipulates and agrees that no change, extension of time, alteration or addition to the terms of the permit, or to the work performed thereunder, or the plans, specifications or drawings accompanying same, shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the permit or the work to be performed thereunder. This bond is performable and enforceable in Matagorda County, Texas.

IN WITNESS WHEREOF, the said Principal and the said Surety have set their hand and seal this the 7th day of November 2014.

Magnum Producing, L.P.

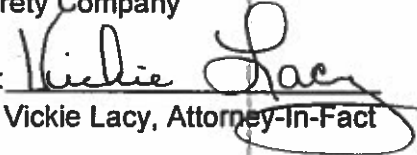


Principal Avinash C. Ahuja
President of Magnum O & G, Inc.
General Partner of Magnum Producing, LP

Fidelity and Deposit Company of Maryland

Surety Company

By:



Vickie Lacy, Attorney-In-Fact

ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Maryland, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Maryland (herein collectively called the "Companies"), by THOMAS O. MCCLELLAN, Vice President, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint Vickie LACY, Richard COVINGTON, Maria D. ZUNIGA, Marc W. BOOTS, P. T. OSBURN and Joseph R. AULBERT, all of Houston, Texas, EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings, EXCEPT bonds on behalf of Independent Executors, Community Survivors and Community Guardians. and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York, the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland., and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 17th day of May, A.D. 2013.

ATTEST:

ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND



By: Eric D. Barnes
Assistant Secretary
Eric D. Barnes

Thomas O. McClellan
Vice President
Thomas O. McClellan

State of Maryland
City of Baltimore

On this 17th day of May, A.D. 2013, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, THOMAS O. MCCLELLAN, Vice President, and ERIC D. BARNES, Assistant Secretary, of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, depose and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

Constance A. Dunn

Constance A. Dunn, Notary Public
My Commission Expires: July 14, 2015



POA-F 168-7158

Attachment: Magnum Producing LP - 20170103 (2526 : Drilling Permit - Magnum Drilling)

EXTRACT FROM BY-LAWS OF THE COMPANIES

"Article V, Section 8, ~~Attorneys-in-Fact~~. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority at any time."

CERTIFICATE

I, the undersigned, Vice President of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By-Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this 7th day of November, 2014.



Geoffrey Delisio

Geoffrey Delisio, Vice President

EXHIBIT M – LIST BY SECTION NUMBER OF VARIANCES

(SEE SPREADSHEET ATTACHED)

EXHIBIT M - LIST OF VARIANCES BY SECTION

CHAPTER 62 (Existing Ordinances)	
Section	
62-123	Pumping Unit Prime Movers - <u>Variance Requested</u> to allow for gas powered prime movers in addition to electric prime movers.
62-124	Vented Gas - <u>Variance Requested</u> to also allow for venting during TRRC permitted testing periods.

CHAPTER 14 (Proposed Ordinances)	
Section	
14-2	Definitions - <u>Partial Variance Requested</u> to not be made subject to all definitions as we have made requests below for variances on particular sections/items that are subject to definitions in this section. Setback distances, confusion on drillsite, padsite, well versus wellbore, residence versus protected use, makes our acceptance of the definitions conflict. We look to you for direction on this matter.
14-7	Gas Well Permit Application - <u>Partial Variance Requested</u> . Variance Requested to not be made subject to classification of well [see 14-8 (c) below - request variance]
14-8	Gas Well Permit Classifications - <u>Variance Requested</u> - Do not wish to be subject to classification due to surface location being outside city limits. Not sure which one we would be classified because Proposed Ordinances do not specifically address our situation, however if we had to be classified we would prefer to be classified as a "Rural Gas Well". (a) High Impact Gas Well Permit - <u>Variance Requested</u> to not be classified as High Impact Gas Well. Our well site is more than 600' from a mobile home; Not real clear on distances whether from well site or wellbore, what is meant by straight line. Use of word "protected use" and "wellbore" as defined conflicts with distances quoted from residences, etc. Landscaping, fencing, work hours compliance not applicable since our drillsite is out of city limits on open, rural lands. The tract we are drilling on is a part of a 578 acre tract (rural by any measure) used for cattle. Closed loop mud systems are cost prohibitive. (b) Urban Gas Well Permit - <u>Variance Requested</u> to not be classified as Urban Gas Well (if between 600' and 1,000' of a residence). See above.

Attachment: Magnum Producing LP - 20170103 (2526 : Drilling Permit - Magnum Drilling)

(c) Rural Gas Well Permit - Variance Requested - See above. If we are to be made subject to classification, this is the permit we would like to be granted. (If on open space 25 acres or more and no operations within 1,000' of a residence)

14-13 **Bonds, Letters of Credit, Indemnity, Insurance - Partial Variance Requested.** Would like to see the default payment to 100% rather than 125% in item (g). Please change the 30 days notice of cancellation from the underwriter's requirement to the Operator's requirement. 1) Under clause (c) (2) h., a 30-day notice of cancellation, etc. is no longer available without underwriters agreeing to same. Please advise if we should seek to have a notice to The City endorsed, as reflected in the contract.

14-14

Technical Regulations - Partial Variance Requested.
 (6) Variance - on open hole formation tests these need to be able to be run at any time in a 24 hour period;
 (12) Variance - Downhole perforations (completions), we have to use explosives;
 (14) Variance - Contractor's have their own fire fighting requirements, plus we have no where to keep such equipment;
 (17) Partial Variance - Freshwater wells - would like to delete "wellbore" and use "well" for measuring distances, surface location is outside city limits, we are on rural land, lease calls for Lessor to have right to take over, OK with TCEQ letter and required offset water well info to be provided to gas inspector, OK with water analysis and P&A reports;
 (20) Partial Variance - Please delete the word "dehydrating" from the provision as we may need to install a dehydrator;
 (22) Variance - Hazardous plan - Surface location is outside city limits;
 (25) Variance - Please delete b. and e., and g needs to eliminate the word chainlink fence, expensive and our lessor may not allow;
 (26) Variance - Private roads - Our surface owner has set out in his lease what type of road he wishes on his lands;
 (30) Partially Variance - Storage Tanks - No required level controls in tanks;
 (33) Partial Variance - valves are not automated;
 (35) Variance - Surface owner has his own requirements in his lease regarding security and watchmen

14-15

Noise - Variance Requested. Outside city limits, will agree to keep noise down to minimum, but do want to be required to monitor, cost prohibitive. Will try to accommodate pipe deliveries only during daytime except emergencies; walkie-talkie for derrick man and driller; no horns; do not want to be subject to backup audible alarms being prohibited at night.

14-16

Well Setbacks - Partial Variance Requested. Variances requested on these specific items. It shall be unlawful to drill any well, the center of which, "at the surface of the ground", is located:
 a(3) - 600' of any "protected use" (defined as residentially zoned property, building) - there is no zoning in Bay City, so technically any piece of property could be deemed residential, we would prefer the setback to be 600' of any residence, building, school, etc., not a parcel and not something that does not exist - zoned residential.
 (b) - "Distance shall be calculated from the wellbore, in a straight line" - appears to conflict with "at the surface of the ground" - please define what this means - we request to not be made subject to this item;
 (c) - Distance waivers from a "protected use" - we request to not be made subject to having to obtain such waivers.

14-18

Fences - Variance Requested. Drill site is not on lands within city limits, lands are open and pasture. Surface owner has a tough lease form with his own gate and fencing preferences that we have to abide by.

14-19

Landscaping - Variance Requested. Lands are used for cattle and farming. Owner's lease requires reseeding, leveling and restoring land back to original condition; landscaping, trees and maintaining canopys are not provided for in his use of his surface. No trees presently on lands.

14-24

Penalty - Variance Requested. This may be acceptable if it provided for notification to be sent to Operator and granted him a period of time to cure. We would like to strike the whole Section 14-24, however if this cannot be done we recommend adding the following language as Item (c): "If an operator (or its officers, employees, agents, contractors, or representatives) is found to be in violation of any of the provisions set forth under this chapter, the gas inspector shall give written notice to the operator specifying the violation, and shall give the operator a reasonable time to cure, taking into consideration the nature and extent of the violation, the extent of the efforts required to cure, and the potential impact on the health, safety, and welfare of the community. Should the operator undertake reasonable measures to remedy the violation after receiving the notice described herein, no penalty and/or fine shall be assessed against the operator."

EXHIBIT N – FAA NOTICE OF INTENT TO DRILL

(SEE ATTACHED)



Mail Processing Center
Federal Aviation Administration
Southwest Regional Office
Obstruction Evaluation Group
10101 Hillwood Parkway
Fort Worth, TX 76177

Aeronautical Study No.
2016-ASW-11347-OE

Issued Date: 11/29/2016

ALAN PRIGGE
ALAN PRIGGE
500 N. SHORELINE BLVD., STE. 322
Corpus Christi, TX 78401

****DETERMINATION OF NO HAZARD TO AIR NAVIGATION FOR TEMPORARY STRUCTURE****

The Federal Aviation Administration has conducted an aeronautical study under the provisions of 49 U.S.C., Section 44718 and if applicable Title 14 of the Code of Federal Regulations, part 77, concerning:

Structure:	Drilling Rig Anderson No. 3
Location:	BAY CITY, TX
Latitude:	28-57-48.43N NAD 83
Longitude:	95-58-29.24W
Heights:	48 feet site elevation (SE) 125 feet above ground level (AGL) 173 feet above mean sea level (AMSL)

This aeronautical study revealed that the temporary structure does not exceed obstruction standards and would not be a hazard to air navigation provided the condition(s), if any, in this letter is (are) met:

****SEE ATTACHMENT FOR ADDITIONAL CONDITION(S) OR INFORMATION****

This determination is based, in part, on the foregoing description which includes specific coordinates and heights. Any changes in coordinates and/or heights will void this determination. Any future construction or alteration, including increase to heights, requires separate notice to the FAA.

This determination does include temporary construction equipment such as cranes, derricks, etc., which may be used during actual construction of a structure. However, this equipment shall not exceed the overall heights as indicated above. Equipment which has a height greater than the studied structure requires separate notice to the FAA.

This determination concerns the effect of this temporary structure on the safe and efficient use of navigable airspace by aircraft and does not relieve the sponsor of compliance responsibilities relating to any law, ordinance, or regulation of any Federal, State, or local government body.

Any failure or malfunction that lasts more than thirty (30) minutes and affects a top light or flashing obstruction light, regardless of its position, should be reported immediately to (877) 487-6867 so a Notice to Airmen (NOTAM) can be issued. As soon as the normal operation is restored, notify the same number.

A copy of this determination will be forwarded to the Federal Aviation Administration Flight Procedures Office if the structure is subject to the issuance of a Notice To Airman (NOTAM).

If you have any questions, please contact our office at (817) 222-5933. On any future correspondence concerning this matter, please refer to Aeronautical Study Number 2016-ASW-11347-OE

Signature Control No: 309984562-311264146

(TMP)

Andrew Hollie
Specialist

Additional Condition(s) or Information for ASN 2016-ASW-11347-OE

Proposal: To construct and/or operate a(n) Drilling Rig to a height of 125 feet above ground level, 173 feet above mean sea level.

Location: The structure will be located 0.66 nautical miles north of T84 Airport reference point.

Case Description for ASN 2016-ASW-11347-OE

Wish to obtain FAA Determination of No Hazard Letter for our temporary drilling rig operations.

Part 77 Obstruction Standard(s) Exceeded and Aeronautical Impacts, if any:

Aeronautical study revealed that the temporary structure will not exceed any Part 77 obstruction standard. Aeronautical study confirmed that the temporary structure will have no effect on any existing or proposed arrival, departure or en route instrument/visual flight rules (IFR/VFR) operations or procedures. Additionally, aeronautical study confirmed that the temporary structure will have no physical or electromagnetic effect on the operation of air navigation and communications facilities and will not impact any airspace and routes used by the military. Based on this aeronautical study, the FAA finds that the temporary structure will have no adverse effect on air navigation and will not impact any aeronautical operations or procedures.

Preliminary FAA study indicates that the above mentioned structure would:

have no effect on any existing or proposed arrival, departure, or en route instrument flight rules (IFR) operations or procedures.

have no effect on any existing or proposed arrival, departure, or en route visual flight rules (VFR) operations.

have no effect on any existing or proposed arrival, departure, or en route instrument/visual flight rules (IFR/VFR) minimum flight altitudes.

not exceed traffic pattern airspace

have no physical or electromagnetic effect on the operation of air navigation and communications facilities.

have no effect on any airspace and routes used by the military.

Based on this aeronautical study, the structure would not constitute a substantial adverse effect on aeronautical operations or procedures because it will be temporary. The temporary structure would not be considered a hazard to air navigation provided all of the conditions specified in this determination are strictly met.

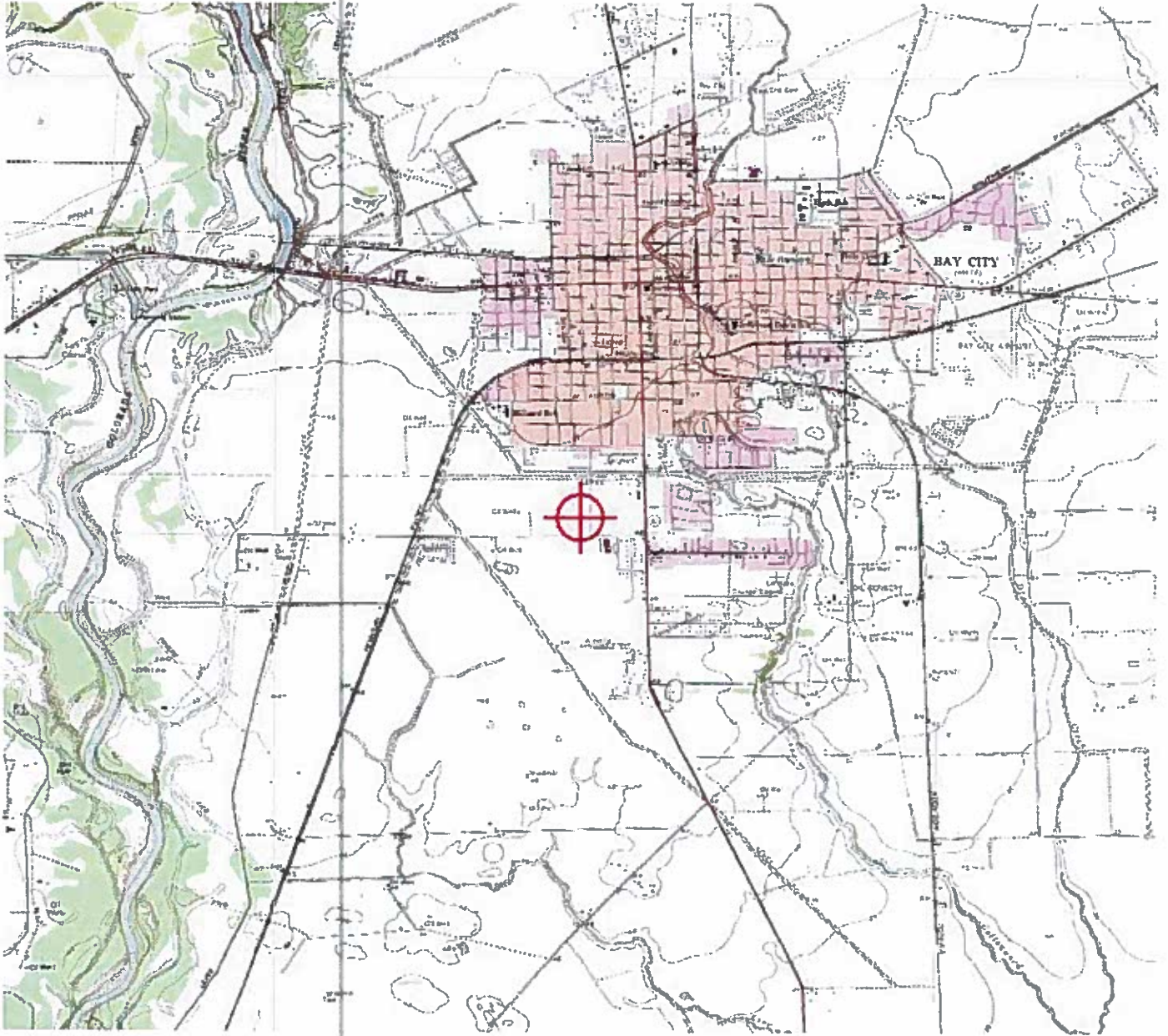
As a condition to this Determination, the structure is to be marked/lighted in accordance with FAA Advisory circular 70/7460-1 L Change 1, Obstruction Marking and Lighting, flags/red lights - Chapters 3(Marked),4,5(Red),&12.

It is required that the manager of FEHMEL DUSTING SERVICE, 979-245-3481 be notified at least 3 business days prior to the temporary structure being erected and again when the structure is removed from the site.

This determination expires on 05/29/2018 unless extended, revised, or terminated by the issuing office.

NOTE: REQUEST FOR EXTENSION OF THE EFFECTIVE PERIOD OF THIS DETERMINATION MUST BE E-FILED AT LEAST 15 DAYS PRIOR TO THE EXPIRATION DATE. AFTER RE-EVALUATION OF CURRENT OPERATIONS IN THE AREA OF THE STRUCTURE TO DETERMINE THAT NO SIGNIFICANT AERONAUTICAL CHANGES HAVE OCCURRED, YOUR DETERMINATION MAY BE ELIGIBLE FOR ONE EXTENSION OF THE EFFECTIVE PERIOD.

TOPO Map for ASN 2016-ASW-11347-OE



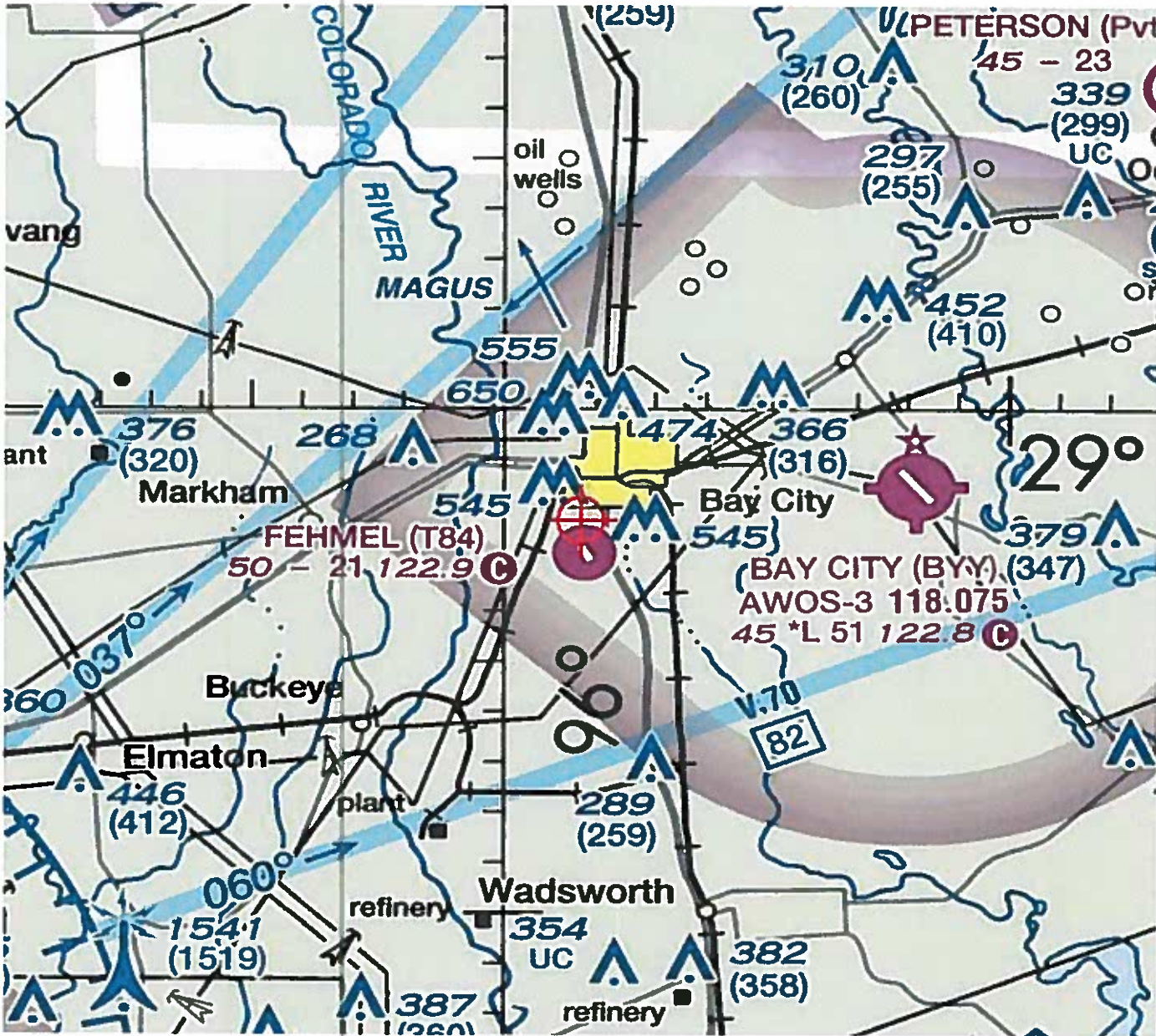


EXHIBIT O – OPERATOR’S STATEMENT

(SEE ATTACHED)

APPLICANT'S WARRANTIES AND AGREEMENTS

- 1.) Applicant warrants that all things stated or represented as factual in this application and any Exhibits attached hereto are true and correct, and that all material representations of Applicant made in connection therewith are and will be true and correct; at the penalty of any permit granted herein being null and void.
- 2.) Applicant understands that any permit granted pursuant to this application is and will be subject to all valid ordinances, rules and regulations of the City of Bay City governing the subject matter, as well as all other valid and applicable laws, rules and regulations of other governmental bodies having jurisdiction. Applicant is familiar with these, or has notice of same, and agrees to comply therewith.
- 3.) Applicant will submit to the City Council, or its duly authorized agent, any and all other information or data respecting this application required to be furnished; and Applicant will appear before any such body or person for conference, public or private hearing, and give testimony reasonably required hereunder.
- 4.) Applicant agrees during normal working hours to admit to the location covered by this application for the purpose of any inspection of said location and facilities situated thereon conducted by the Mayor or his duly authorized agent; provided that no extra duty of care is thereby imposed on Applicant.

SUBMITTED this 20 day of December, 2016 in duplicate originals with nine copies for use of the Council, Mayor, City Attorney and local news media.

APPLICANT(S) :

MAGNUM PRODUCING, L.P.,
By: Magnum O&G, Inc., its general partner

By: Ken Ahuja
Ken Ahuja, Vice President – Operations Manager

THE STATE OF TEXAS §

COUNTY OF NUECES §

This instrument was acknowledged before me on the 20 day of December 2016 by KEN AHUJA, Vice President – Operations Manager of MAGNUM O&G, INC., said corporation acting as general partner of Magnum Producing, L.P., a Texas limited partnership, on behalf of said limited partnership.



Laura Kelly Holland
NOTARY PUBLIC, STATE OF TEXAS

EMERGENCY RESPONSE PLAN

Magnum Producing, L.P.

Anderson No. 3 Well

(located approximately one-half mile west of Hwy. 60 on Thompson Road in the south part of Bay city, Texas)

November 16, 2016

PURPOSE:

The goals of this emergency response plan are to protect the lives and health of not only Magnum Producing, LP's employees, contractors and subcontractors, but also the general public's lives and health, and to protect and minimize damage to property in the event of an emergency.

EMERGENCY OPERATIONS COORDINATOR:**Primary Contact:**

Ken Ahuja

(361) 826-0122 Work

(361) 446-2414 Mobile

ken@magnumproducing.com

Secondary Contact:

Alan Prigge

(361) 826-0128 Work

(281) 850-7826 Mobile

alan@magnumproducing.com

EMERGENCY CONTACT NUMBERS:

Fire Station: (979) 245-8313

Ambulance: (979) 323-7911 or (979) 244-0911

Police: (979) 245-8500

Sheriff: (979) 245-5526

Hospital: (979) 245-6383

Dir. Public Works: Barry Calhoun (979) 245-2322 Ext. 1637 Work/(979) 453-1900 Mobile

Ira Anderson (Land Owner): (713) 828-2772 Mobile / (713) 782-8841 Home
Worth Lucas (Tenant): (979) 429-6784
Matagorda County Drainage District No. 1 - Wade Schulz: (979) 240-6112

POTENTIAL EMERGENCIES:

The following potential emergencies have been identified in hazard assessments:

1. Well blowout
2. Spill(s)
3. Fire
4. Hurricane/flooding
5. Work related injuries

COMMUNICATIONS:

In the event of an emergency, or a situation which could become an emergency, we will communicate with employees, contractors and subcontractors in the following way:

1. Via phone, and/or
2. Via messaging, and/or
3. Via e-mail.

EMERGENCY RESPONSE PROCEDURES:

1. Management Notification: If an emergency, or situation that could become an emergency, occurs immediately inform management by contacting the Primary Contact and/or Secondary Contact shown above. Both of these parties will maintain an up-to-date emergency notification contact list.
2. Employee/Contractor/Subcontractor Notification: Direct supervisory contact would be used to notify employees and/or contractors/subcontractors.
3. Emergency Response Notification: The immediate determination of what type of emergency is taking place will determine which external Emergency Contact Numbers (above) to call.

LOCATION OF EMERGENCY EQUIPMENT:*During construction/drilling/reworking/completing operations:*

Magnum's contractors are to maintain specific OSHA and/or industry standardized emergency equipment at all locations.

During normal production operations:

Magnum Producing, LP's field gauger and contractors are to maintain first aid kits in their vehicles in the event of an emergency.

FIRST AID AND FIRE FIGHTING:

During the drillsite construction, drilling, reworking, completion, and pipeline installation stages a first aid kit is always available on location by one of the employees, contractors or subcontractors then working on the premises. During normal production periods, when there are no personnel on the premises, a small first aid kit and fire extinguisher are maintained on location in one of the panels within the production facility site.

No employee, contractor or subcontractor shall (i) fight a fire that is beyond the incipient stage (able to be put out with a fire extinguisher), (ii) enter a building or area that is on fire to conduct search and rescue, or (iii) provide advanced medical care and treatment. These situations must be left to the emergency services professionals who have the necessary training, equipment and experience (see Emergency Contact Numbers).

PROCEDURES FOR EVACUATION AND RESCUE:

1. After it is determined evacuation is necessary, either the Primary Contact or the Secondary Contact initiates, or causes to be initiated, calls, e-mails and/or text messaging to all parties then located on the premises and/or scheduled to be on premises.
2. If management is not on location at the time evacuation is required, the Primary Contact or the Secondary Contact then appoints a Lead Party from among the persons on location to be the responsible party for making sure all personnel are safely off the premises. Generally the Lead Party would be one of Magnum's Field Representatives, Steve Smith or Hampton O'Neill, or Magnum's Gauger, Hector Perez.
3. The Lead Party is to assist any person(s) with disabilities and is to then escort all personnel to a then designated assembly area away from the area to be evacuated.

4. After all persons are safely evacuated from the premises and are accounted for, the Lead Party then contacts either the Primary Contact or the Secondary Contact to let them know all are accounted for and if there were any incidents in the evacuation.
5. If there is a necessity for rescue, and depending on the situation, the Primary Contact, the Secondary Contact, or the Lead Party shall make the determination immediately as to which Emergency Contact Number is needed to be called for rescue.

Edde Drilling Co., LLC
EMERGENCY ACTION PLAN

Edde Drilling Co, LLC
2607 E. Rio Grande Street

Victoria, TX 77901

Emergency Action Plan

Edde Drilling Co. LLC, has devised an Emergency Action Plan which is required and designed to protect employees from injury or death in case of emergency situations such as a fire or other emergency. Instructions have been written for each scenario for employees to follow. This plan shall be in writing and kept in the Right-to-Know area for employees to view. The plan includes procedures to be followed in case of all types of emergencies including fire, potential flooding, or approaching hurricane or tornado, hazardous chemical leak, or other emergency situation. For more information about the plan or an explanation of their duties under the plan contact Raymond Bubak, Operations Manager.

Emergency contact phone numbers must be listed and posted in the rig and tool pusher's office in a highly visible location. Local phone numbers for the sheriff's department, DPS, EMS, hospital and police department must be included at each site. In case of emergency, contact Raymond Bubak (979-732-1013) or Randy Brown (361-649-1376) as quickly as possible.

FIRE & HAZARDOUS CHEMICAL LEAK - Inside Buildings or Plants

Whoever notices a fire or hazardous chemical release in the field or inside a building should sound the emergency alarm, dial 911, order an evacuation - and notify Raymond Bubak and Randy Brown as soon as possible.

Procedures for Reporting a Fire or Other Emergency

1. Once a fire or other emergency is observed the observing person shall report the Emergency to the receptionist who will then dial 911 and report the incident to the local emergency response system. If an alarm system is in place, it is distinctive and recognizable as a signal to evacuate the work area or perform actions designated under the emergency action plan. In some cases, direct voice communication is an acceptable procedure for alerting employees.
2. Designated company first responders shall notify employees throughout the facility. The receptionist will notify shop employees with the intercom system. If contact cannot be made a supervisor shall go to the shop and inform them through direct voice communication. For emergencies in the field, a horn or other type of alarm system shall be used.

Procedures for Emergency Evacuation.

1. All employees should exit the building or field location in a brisk but calm, orderly fashion, and congregate with our employees in established muster locations. Route Assignments, drawings of approved EXIT Routes are posted by each door of the

building. Emergency in-the-field evacuations will be determined on each location and the muster area shall be discussed during the daily JSA and Tail Gate Safety Meeting. Electric overhead doors are not to be used during emergency evacuations. Only hinged doors are to be used. Signs are posted in the designated muster areas.

2. Supervisors shall stand at the front of the designated muster areas where they can be seen and report a headcount to the Safety Coordinator of the muster station, identifying any employee who cannot be accounted for.
3. The names of any employees who are unaccounted for and the location last seen will be given to the local emergency responders when they arrive.
4. First Aid or CPR will be provided by employees who are qualified to do so until advanced medical help arrives.
5. Every employee of this company is required to evacuate the building, rig or other facility.
6. No employee is to remain behind for any reason.

Accounting for Employees

Once everyone has evacuated the danger area, a head count will be made determining if anyone remains in the building, what department they work in, and where they were last seen. All employees must be accounted for. This information will be passed on to emergency services when they arrive.

Rescue Personnel

No one in this Company shall attempt to rescue another employee unless that person has been trained in rescue operations.

Under NO circumstance shall an employee jeopardize his/her life or subject themselves to potential injury in order to make a rescue. At this time there is no one in the Company who has adequate training to perform rescues in a fire. Only Outside Emergency Rescue Personnel are allowed to perform a rescue mission.

Employees who are adequately trained in respiratory protection, confined space entry, First Aid, CPR, and possess any other necessary certifications may perform rescues *only* in those situations for which they are qualified.

Training

All new employees shall receive training on the use of fire extinguishers and orderly evacuation procedures prior to being given their job assignment. All employees receive annual training on evacuation procedures as well as training on fire extinguisher which provides them with knowledge of using 5lb. and 10lb. fire extinguishers. Only trained employees shall try to extinguish a fire in the incipient stage if it can be done so safely. Once the fire extinguishers are used, the employee must exit the building or work area and proceed to the designated muster area with everyone else. Once fire extinguishers have been used they must be taken out of service and recharged.

Fire extinguishers shall be checked monthly to insure they are in good operating condition. This inspection shall be documented. Fire extinguishers which are out of date or if the pressure gauge does not read in the green, or if the canister is bent or damaged, must be taken out of service and replaced with one which is in good working order and the defective one shall be checked by an approved fire extinguisher company and either be tagged and/or recharged, or discarded.

TORNADO

In the event of a tornado warning, all office personnel shall be moved to rooms inside the facility away from areas where there may be broken or flying glass and other debris. Employees will be encouraged to remain calm and orderly while waiting for the tornado to pass. Once the storm is passed and provided there is no significant damage, all employees shall return to their duty stations. If there is major damage inflicted on the building management shall determine the extent of the damage and ascertain whether or not it is feasible for employees to return to work.

Field employees should seek shelter in low lying areas. DO NOT get in a vehicle to ride out the tornado. If available, try to congregate inside a sturdy structure.

HURRICANE

It is difficult to predict a hurricane's course. Management shall gather information from the National Weather Bureau, the Local Emergency Planning Commission as well as staying in tune with reliable radio and/or television stations. If it is eminent that a hurricane is most likely to strike in our working areas, depending on the category of the storm, management will determine when the rig shall be shut down in order for employees to go home to be with their loved ones or to evacuate. The management of Edde Drilling Co. LLC. is concerned for all employee's safety in all situations and will take appropriate action to insure the paramount safety of each employee in each situation.

In case a hurricane does strike in the South Texas area and employees are requested to evacuate, employees should contact the office, Raymond Bubak (361-649-1436) and Randy Brown (361-649-1376) to find out when they are expected to return to work. If telephones are not working, each employee should try several times each day to contact the office and listen to radio station 107.9 (Victoria) for information regarding returning to work.

Emergency Action Plan Review

The Emergency Action Plan shall be reviewed at least annually. It shall also be reviewed when situations change which would affect prompt and efficient means or conducting a safe evacuation of our employees in case of an emergency.

The plan shall be reviewed with employees when the plan is initially developed or prior to initial assignment of an employee to a job and/or when the employee's responsibilities under the plan change and/or when the plan is changed.

Field Emergencies

All personnel who work in the field under the direction of host companies are required to follow those companies' Emergency Action Plan. The host companies' plan may be very similar to ours. Details should be covered in the daily tailgate safety meeting. It is important that we work together with the host company and other companies who may be on location to insure that there is minimal danger or exposure to employees and equipment.

The incident should be reported to this office should be notified as quickly as possible once the scene is secured. Appropriate paperwork and reports should be submitted to the operations manager within 24 hours following the incident.



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

Meeting: 02/09/17 07:00 PM
Department: City Secretary
Category: Report
Prepared By: Rhonda Clegg
Initiator: Rhonda Clegg
Sponsors:
DOC ID: 2525

DISCUSSION ITEM (ID # 2525)

**DISCUSS STREET CONDITIONS ON MARGUERITE STREET
AND INCREASED TRAFFIC CAUSED BY THE PROPOSED
NEW SUBDIVISION ALONG MARGUERITE STREET AND ITS
FINANCING UNDER PROPOSED TAX INCREMENT
REIMBURSEMENT ZONE NUMBER 3.**

**CITY OF BAY CITY**

1901 FIFTH STREET
BAY CITY, TEXAS 77414
(979) 245-2137
FAX: (979) 323-1626

AGENDA ITEM REQUEST FORM**Complete Submissions Required:**

Any item, to be considered for action by the City Council, must be presented on this form, along with any unprivileged documentation and must be filed and complete to have an item placed on the City Council Agenda for consideration (This process is not required for members of the governing body, but it is encouraged). Before being considered filed for placement on the agenda, a summary of the item, all supporting documentation and review of the item from each City Department must be performed for the request to be complete. If the request is from a citizen, the City shall expedite review through internal means. Request forms must be complete and received by the City Secretary's office no later than 5:00 p.m. on the Wednesday of the week prior to the Regular Council meeting to be placed on that meeting's agenda. The item may be placed on workshop or special council meeting agenda if deemed appropriate by the City. Only completed request forms are considered for placement on the agenda.

Regular Council meetings are held on the second and fourth Thursday of the month at 7:00 p.m. in the Council Chambers at City Hall. Agenda items shall be set for consideration pursuant to City Code Section 2-47, as amended.

Requestor: Amy Burnside/Marguerite Street (Oak Grove Subdivision) Residents
PRINTED NAME and/or CITY DEPARTMENT

Date Submitted: 01/18/17

☒ Citizen

☐ City Department

☐ Council Member

Address: 2421 Marguerite Street
Bay City, TX 77414

Preferred contact: ☒ Cell (979) 244-6399
☐ E-mail _____

☐ Work phone _____
☐ Fax _____

I respectfully request the below item be placed on the 01/26/2017 AG Agenda for City Council consideration.
2/9/2017

1) Describe Item to be considered and area of City involved, if any: _____
Discuss concerns of residents of Marguerite Street (Oak Grove Subdivision)

2) Executive Summary of Item and action by council sought: Need for increased and properly functioning
street lighting, installation of speed humps, need for remedy of the poor street condition after maintenance was performed,
discussion of why speed limit was increased from 20 mph to 30 mph, discussion of concerns of increased traffic due to new
subdivision, and need for alternate entrance for new subdivision.

3) Do you need time to present this item? ☒ Yes ☐ No If so, how much? 30 minutes

ADMIN / OFFICIAL USE ONLY:

Consent Item: ☐ Yes ☐ NoAny Prior City Council Action: ☐ Yes ☐ No

Deadline for City Council Action: _____

Projected Future City Council Action: _____

Fiscal Impact: _____

Staff Recommendation on this requested item:

Mayor's Office ☒ Yes ☐ No ☐ Na
 City Attorney's Office ☐ Yes ☐ No ☐ Na
 City Secretary Department ☐ Yes ☐ No ☐ Na
 Finance Department ☐ Yes ☐ No ☐ Na
 Police Department ☐ Yes ☐ No ☐ Na

Public Works ☐ Yes ☐ No ☐ Na
 Community Service ☐ Yes ☐ No ☐ Na
 (AP, PR, MS, and LB)
 Utility Department ☐ Yes ☐ No ☐ Na

Staff Comments: _____

Anticipated Time necessary for Item: _____

TRACKING:Received by City Secretary: 1/18/2017Administratively Complete: 1/24/2017Date of Agenda placed for consideration: 2/9/2017

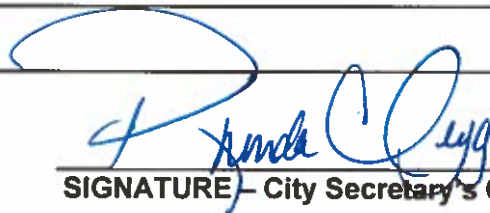
Council action taken: _____ on _____

☐ Yes ☐ No ☐ Na

Staff Initial

Staff Initial

Staff Initial


 SIGNATURE - City Secretary's Office



City Council
1901 5Th Street
Bay City, TX 77414

Meeting: 02/09/17 07:00 PM
Department: City Secretary
Category: Amendment
Prepared By: Rhonda Clegg
Initiator: Rhonda Clegg
Sponsors:
DOC ID: 2530

ADOPTED

ORDINANCE (ID # 2530)

**DISCUSS, CONSIDER AND/OR APPROVE AN ORDINANCE
AMENDING CHAPTER 18, AVIATION, OF THE CITY OF BAY
CITY CODE OF ORDINANCES.**

RESULT:	APPROVED [3 TO 0]
MOVER:	Carolyn Thames, Councilwoman
SECONDER:	Julie Estlinbaum, Councilwoman
AYES:	William Cornman, Julie Estlinbaum, Carolyn Thames
EXCUSED:	Chrystal Folse
RECUSED:	Steven Johnson

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF BAY CITY, TEXAS, AMENDING THE CITY CODE OF ORDINANCES, CHAPTER 18 (TITLED “AVIATION”) BY AMENDING VARIOUS SECTIONS; PROVIDING FOR A CUMULATIVE & CONFLICTS CLAUSE, PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR AN EFFECTIVE DATE; AND DIRECTING THE CITY SECRETARY TO PUBLISH THE CAPTION IN ACCORDANCE WITH THE CITY CHARTER.

WHEREAS, Section 2.02 of the City of Bay City (City) City Charter permits the City to enact and enforce ordinances, not inconsistent with the Charter and State law, upon any subject expedient for the life; general welfare; health, morals; comfort; safety; amusement; quiet; prosperity; and convenience of the City, its inhabitants, and property; and permits the assessment of penalties for the violations of any ordinance;

WHEREAS, Chapter 18 of the City’s Municipal Code of Ordinances regulates aviation within the City and the City’s Regional Airport (Airport); and

WHEREAS, various sections in Chapter 18 need to be revised to reflect current law and economic circumstances to facilitate the leasing of space at the Airport; and

WHEREAS, the City Council finds that the amendments to Chapter 18 is in the best interests of the City and its residents.

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

Section one. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes and findings of fact.

Section two. Various sections of the City Code of Ordinances, Chapter 18 (titled “Aviation”), are hereby amended by adding language that is underlined (underlined) and deleting language that is stricken (~~stricken~~) as follows:

...

Sec. 18-36. - Definitions.

The following words, terms and phrases, when used in this ~~article~~ chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Airport means the Bay City ~~Municipal~~ Regional Airport.

Airport elevation means the established elevation of the highest point on the usable landing area.

Airport hazard means a structure or object of natural growth that obstructs the air space required for the taking off, landing, and flight of aircraft or that interferes with visual, radar, radio, or other systems for tracking, acquiring data relating to, monitoring, or controlling aircraft.

Airport reference point means the point established as the approximate geographic center of the airport landing area and so designated.

Height, for the purpose of determining the height limits in all zones set forth in this article and shown on the zoning map, the datum shall be mean sea level elevation unless otherwise specified.

Joint airport zoning board means a board consisting of five members, two members appointed by the city council and two members appointed by the county commissioners' court, the four members so appointed shall elect a fifth member, the chairman.

Landing area means the surface of the airport used for the landing, take off or taxiing of aircraft.

Nonconforming use means any structure, tree or use of land which is lawfully in existence at the time the regulation is prescribed in this article or an amendment thereto becomes effective and does not then meet the requirements of such regulation.

Object of natural growth means any tree, shrub or other vegetation.

Runway means the paved surface of an airport landing strip.

Structure means an object constructed or installed by man, including, but not limited to, buildings, towers, smokestacks and overhead transmission lines.

...

Sec. 18-100. - Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Accident means an unintentional happening which results in property damage, personal injury or death.

Airport means all lands within the legal boundaries of the Bay City ~~Municipal~~ Regional Airport and under the control of the city.

Airport manager means the official employed by the city ~~council~~ to manage, control, maintain and protect the airport.

~~*City Council* means the duly elected and certified governing body of the city.~~

Federal Aviation Administration (FAA) means the federal agency established by the Federal Aviation Act of 1958 and reestablished in 1967 under the department of transportation.

Fixed base operator (FBO) means any person, partnership, or corporation engaged in business of an aviation nature under provisions, contracts or lease with the city and in accordance with applicable Federal Air Regulations.

Flying club means a nonprofit flying organization with a charter, bylaws and elected officials.

Motor vehicle means any self-propelled ground conveyance other than an aircraft.

Person means any individual, firm, partnership, corporation, joint stock association, or body politic, and includes any trustee, receiver, assignees or other similar representative.

Sec. 18-101. - Airport information.

- (a) *Description.* Bay City ~~Municipal~~ Regional Airport (3RI) is a public general aviation airport owned, administered and maintained by the city.
- (b) *Location.* Six miles east of the city at the intersection of Highways 457 and 2540. Coordinates are 28 degrees 56 minutes north and 95 degrees 5 minutes west.
- (c) *Elevation.* 45 feet MSL.
- (d) *Runways.* 13/31, 5107 feet by 75 feet; asphalt.
- (e) *Lighting.* 13/31 are lighted from dusk to dawn, MIRL. Runway 13 has REIL lighted dusk to dawn. Beacon and wind indicator are lighted from dusk to dawn.
- (f) *Communication.* Bay City UNICOM is 122.8. Houston Center is 128.0.
- (g) *Approaches.* R NAV RWY 13-31.
- ~~(h) *Services.* Attended 8:00 a.m. to 6:00 p.m. Monday through Saturday. Closed on Sunday. Fuel (100 LL and Jet A). Automated fuel terminal for 100 LL. Airframe powerplant repairs, tie downs, hangar, aircraft rental, flight instruction, public terminal facilities and rental cars.~~
- (i) ~~(h)~~ *Telephone.* Weather and NOTAMS (Montgomery County FSS): 1-800-WX-BRIEF. Airport manager: 979-244-5037.

...

Sec. 18-135. – Fueling, flammable fluids, and fire safety.

...

Rule 135-1. Fueling Aircraft

- A. All aircraft fueling, fuel equipment, and procedures ~~will be in accordance~~ shall comply with Manual 407 — "Standard for Aircraft Fuel Servicing, 2001~~7~~ edition," as amended ~~(or as revised), published by the National Fire Protection Association, 1-Batterymarch Park, Quincy MA 02169-7474, 800-344-3555. A copy can be obtained at <http://catalog.nfpa.org>~~
- B. All transportation, storage and other handling of aircraft and vehicle fuel shall comply with the International Fire Code, 2000 Edition ~~(or current edition)~~ as amended as published by the International Code Council, Inc. and FAA Advisory Circular 150/5230-4 ~~(latest change), as amended.~~
- C. All aircraft shall be fueled at least fifty (50) feet from ~~clear of~~ all hangars ~~o~~ and buildings.
- D. Fueling trucks shall not be parked within any building or hangar or within 50 feet of any building, or hangar, ~~or parked aircraft, as determined by the local Fire Marshall. Fuel trucks shall be parked with at least ten (10) feet separation between vehicles.~~
- E. Aircraft fuel storage tanks for below-ground or above-ground use ~~will~~ shall be constructed, ~~and~~ installed, registered as required, monitored for leakage, operated, and maintained in accordance with ~~F~~ederal and ~~S~~tate statutes, rules, and regulations promulgated by the Environmental Protection Agency and the Texas Commission on Environmental Quality.

- F. Aviation or auto fuels shall not be stored within a hangar or building except in approved five gallon or smaller containers manufactured and marked for such purpose and only within the an approved of the local Fire Marshal fire rated cabinet.
- G. Persons or businesses wishing to dispense fuel into their ~~privately owned~~ aircraft shall not be denied; however, they ~~must~~ shall meet all ~~reasonable~~ requirements the ~~City of Bay City~~ places on other fuel suppliers, public or private. Private fueling facilities located on leased or private property ~~must~~ shall be installed and the fuel dispensed in accordance with all rules applicable to aircraft fueling and fire safety contained herein.
- H. Public sale of automobile gasoline for use in aircraft ~~will not be permitted on~~ is prohibited at the Airport without written approval of the Airport Manager. Aircraft authorized by the FAA to use auto gasoline may be privately fueled by the owner in a location designated by the Airport Manager in accordance with all rules appertaining to aircraft fueling and fire safety contained herein.
- I. All aviation fuel storage tanks, aviation fuel pumps, hydrant fuel services, and aircraft fuel service vehicles, whether publicly or privately owned, ~~must~~ shall have the type of aviation fuel dispensed printed in large block letters, including octane level, if aviation gasoline, plus the fuel I.D. number, and "NO SMOKING" signs. This information shall be printed on all sides of the fueling tanks, pumps, etc. so the information is visible from any direction on the ground.
- J. Fuel spills in excess of one gallon ~~must~~ shall be reported ~~by the spilling entity~~ to the Airport Manager and immediate action taken to clean up the spill in accordance with all local, state, and federal regulations.
- K. Other than in exigent circumstances, no aircraft shall be fueled or defueled while the engine is running.
- L. No aircraft shall be fueled or defueled during an electrical storm.
- M. No person shall smoke within 100 feet of an aircraft being fueled or defueled.
- N. During fueling or defueling, the aircraft and dispensing apparatus shall both be properly grounded.
- O. No person shall operate a radio transmitter or electrical system in an aircraft while it is being fueled or defueled.
- P. Fueling hoses and equipment shall be maintained in a safe, operational, and nonleaking condition and shall meet the National Board of Fire Underwriters, or equivalent, standard.
- Q. No person shall start any engine where there is fuel spillage in the vicinity of the aircraft.
- R. Adequate fire extinguishers shall be within reach of all persons engaged in fueling or defueling operations. All extinguishers shall be inspected and recertified as required by law. All persons engaged in fueling of an aircraft shall be familiar with the proper use of fire extinguishers.
- S. No aircraft shall be fueled while parked in a closed hangar.

...

Rule 135-3. Fire Safety

- A. Every person using the Airport ~~or its facilities~~ in any manner shall exercise the greatest care and caution to avoid and prevent fire.
- B. Smoking or open flame within fifty (50) feet of any fuel tank, fuel pump, or fuel truck is prohibited.
- C. Compressed flammable gas shall not be kept or stored ~~upon~~ at the Airport, except at such place as may be designated by the Airport Manager.
- D. No flammable substance shall be used for the cleaning of any aircraft part or anything inside a hangar, T-hangar, or other building ~~upon~~ at the Airport.
- E. No one shall smoke or ignite a match or lighter in any building, hangar, or public ramp area except in posted "Designated Smoking Areas" identified by the Airport Manager.
- F. Hangar entrances ~~must be clear in~~ shall be identified in such a manner ~~such~~ so that emergency or fire/rescue personnel and equipment can immediately access the hangar without hindrance.
- G. The floors in all buildings shall be kept clean and free of oil, and drip pans shall be used on all aircraft that are having maintenance performed on them. Volatile or flammable substances shall not be used to clean floors, walls or any portion of a hangar structure.
- H. All Airport tenants and lessees shall supply and maintain such adequate and readily accessible fire extinguishers as may be required by applicable fire codes and regulations. Each fire extinguisher shall carry a suitable tag showing the date of its most recent inspection.
- I. No person shall keep or store waste oils in or about the hangars. Waste oils shall be disposed of in the approved waste oil container provided by the Airport.
- J. No person shall keep or store more than one (1) case of oil in or about the hangars. All oil shall be stored in an approved fire rated cabinet.
- K. No boxes, crates, cans bottles, paper, tall grass/weeds or other litter shall be permitted to accumulate in or about a hangar.
- L. The process of "doping" shall be accomplished only in properly designated, fireproof and ventilated facilities or open areas of the ramp as designated by the Airport Manager.
- M. All empty oil, paint and varnish cans, bottles or other containers shall be removed immediately from the premises and not allowed to remain in or about hangars, shops and other buildings, and shall be disposed of in accordance with all applicable state and federal laws and city ordinances.
- N. All containers holding flammable liquids shall be manufactured and marked for such purpose and only stored within an approved fire rated cabinet.
- O. No explosive, toxic or corrosive substances shall be stored at the Airport unless approved by the Airport Manager and stored in accordance with the manufacturers recommendations and specifications as well as in a fire rated cabinet.
- P. No open flame, flame-producing device or other source of ignition shall be permitted in any hangar, building or shop.
- Q. All repairing of aircraft requiring the use of open flame, spark-producing devices or the heating of parts above 500 degrees Fahrenheit shall be done in the open or in an area conforming to the provisions of the building code for hazardous occupancy.
- R. All applied provisions or regulations of the city fire prevention code and referenced National Fire Protection Association standards shall be complied with.

...

Sec. 18-166. - Leases.

Hangars and other buildings or structures owned by the city may be leased to private individuals, companies, or corporations on a monthly or yearly basis for the storage of aircraft and ancillary equipment or to conduct a commercial fixed base operation (FBO).

The city may lease property within the building area or other portions of the airport for the construction of hangars, buildings, lean-tos, aprons, taxiways, and auto parking lots in accordance with an approved airport master plan/airport layout plan and design guidelines. Aviation related use must be given priority in the use of all leased or privately owned property, buildings or structures. If the aviation needs of the airport are sufficiently met, the city council may authorize non-aviation use of any portion of the airport or any building on the airport on a case-by-case basis. Application of such non-aviation use shall be made to the city; and approval from Texas Department of Transportation Aviation Division must be received prior to granting authorization for non-aviation use. The Airport Manager is authorized to execute all General Lease Agreements on behalf of the City. All Commercial Lease Agreements require City Council approval.

...

Rule 166-3. Assignment and Sub-letting — Subletting or assignment of any leased premises, all or part, is prohibited. All leased premises shall not be sublet or assign all or any part of Any sublet or assignment of all or any part of any leased premises shall void the lease. In addition, the tenant/lessee shall not allow any aircraft not registered to the tenant/lessee for the leased premises to occupy or remain within the leased premises. Such occupation in the leased premises of an aircraft not registered to tenant/lessee for the leased premises shall void the lease.

~~Without the prior written consent of City Council, the leased premises or any rights there under (except to a leasehold mortgagee as herein provided) may not be assigned. Any assignment or subletting shall be expressly subject to all the terms and provisions of the original lease.~~

...

Rule 166-5. Environmental Issues and Indemnification — Any tenant/lessee of the Airport, including its agents, employees, independent contractors, or sub lessee, shall not install, store, use, treat, transport or dispose of any:

- A. Asbestos in any form.
- B. Urea formaldehyde foam insulation.
- C. Transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million; or
- D. Any other chemical, material, air pollutant, toxic pollutant, waste, or substance which is regulated as toxic or hazardous or exposure to which is prohibited, limited or regulated by the Resource Conservation Recovery Act, the Comprehensive and Environmental Response Compensation and Liability Act, the Hazardous Materials Transportation Act, the Toxic

Substances Control Act, the Clean Air Act, and/or the Clean Water Act or any other federal, state, county, regional, local or other governmental authority or which, even if not so regulated, may or could pose a hazard to the health and safety of the occupants of the Leased Premises, and which is either:

1. In amounts in excess of that permitted or deemed safe under applicable law;
2. Or in any manner which is prohibited or deemed unsafe under applicable law.
(The substances referred to in (A), (B), (C) or (D) are collectively referred to hereinafter as "Hazardous Materials").

E. No fuels, oils, dopes, paints, solvents or acids shall be disposed of or dumped on the ramp area, agricultural lands or elsewhere at the Airport. All disposal shall be in accordance with city ordinances, Environmental Protection Agency, Texas Commission on Environmental Quality and Federal Aviation Administration standards.

...

Rule 166-11. Insurance — ~~An Airport tenants/lessees shall continuously maintain in effect during the term of a lease, during the term of lease maintain at their cost and expense insurance relating to the leased premises as follows:~~ at their sole expense, the following insurance coverage:

A. Insurance against claims for bodily injury, death or property damage occurring on, in, or about the Airport and leased premises, such insurance to afford protection to the City of not less than \$1,000,000.00. The insurance policy shall include aircraft liability to include loss or damage to improvements by fire, lighting, and other risks included under standard extended coverage policies \$1,000,000.00 single limit liability.

~~B. General public liability insurance against claims for bodily injury, death or property damage occurring on, in, or about the leased premises, such insurance to afford protection to City of not less than \$500,000.00 with respect to any one person, \$1,000,000.00 with respect to any one accident and not less than \$200,000.00 with respect to property damage.~~

~~C. Hangar keeper's liability insurance providing coverage for aircraft not owned by the tenant in the following limits: \$200,000.00 per aircraft and \$400,000.00 per occurrence on property damage to aircraft in the care, custody, or control of tenant.~~

B. All such policies of insurance shall be issued by insurance companies acceptable to the City, shall name the City of Bay City as an additional insured or loss payee, as the case may be, and shall provide for at least ten (10) days written notice prior to cancellation, material changes, or lapse of such policies. The Airport Manager may cancel any lease with no less than ten (10) days' written notice should insurance lapse for a period of ten (10) days or more or modification a tenant/lessee fail to comply with this rule.

...

~~Sec. 18.203 — Fire prevention.~~

~~All persons using the airport, or the facilities of the airport in any way, shall exercise the utmost care to guard against fire and injury to persons and property.~~

- ~~(1) Smoking or open flames within 100 feet of any aircraft refueling island or fuel truck is prohibited~~

- ~~(2) Compressed flammable gas shall not be kept or stored upon the airport, except at such place as may be designated by the airport manager~~
- ~~(3) No flammable substance shall be used in cleaning motors or other parts of an aircraft inside a hangar or other building~~
- ~~(4) No person may smoke, or ignite a match or lighter in any building, office, or hangar at the airport~~
- ~~(5) Hangar entrances shall be kept clear at all times~~
- ~~(6) The floors in all buildings shall be kept clean and free from oil, and drip pans shall be used on all aircraft that are having maintenance performed on them. Volatile, flammable substances shall not be used for cleaning floors~~
- ~~(7) No boxes, crates, cans, bottles, paper, tall grass/weeds or other litter shall be permitted to accumulate in or about a hangar~~
- ~~(8) Aircraft or motor vehicles shall not be parked in front of hangar doors or in such a manner to restrict evacuation in case of a fire~~
- ~~(9) The process of "doping" shall be accomplished only in properly designated, fireproof and ventilated facilities or open areas on the ramp~~
- ~~(10) ——— All empty oil, paint and varnish cans, bottles or other containers shall be removed immediately from the premises and not allowed to remain on the floors, wall stringers or overhead storage areas in or about hangars, shops and other buildings~~
- ~~(11) ——— Containers of gasoline, kerosene or other flammable liquids, explosives, toxic or corrosive substances shall not be stored in hangars~~
- ~~(12) ——— No open flame, flame producing device or other source of ignition shall be permitted in any hangar~~
- ~~(13) ——— All repairing of aircraft requiring the use of open flames, spark producing devices or the heating of parts above 500 degrees Fahrenheit (260 degrees Celsius) shall be done in the open or in an area conforming to the provisions of the building code for a hazardous occupancy~~
- ~~(14) ——— All applied provisions or regulations of the city fire prevention code and referenced National Fire Protections Association (NFPA) standards shall be complied with~~

Secs. 18-2043—18-2259. - Reserved.

~~DIVISION 5. FUELING AND FLAMMABLES~~

- ~~(a) Other than in exigent circumstances, no aircraft shall be fueled or defueled while the engine is running~~
- ~~(b) No aircraft shall be fueled or defueled during an electrical storm~~
- ~~(c) No person shall smoke within 100 feet of an aircraft being fueled or defueled~~
- ~~(d) During fueling or defueling, the aircraft and dispensing apparatus shall both be properly grounded~~
- ~~(e) No person shall operate a radio transmitter or electrical systems in an aircraft while it is being fueled or defueled~~
- ~~(f) Fueling hoses and equipment shall be maintained in a safe, operational and nonleaking condition and shall be approved by the National Board of Fire Underwriters, or equivalent standard~~
- ~~(g) No person shall start any engine where there is fuel spillage on the ground in the vicinity of the aircraft~~
- ~~(h) Adequate fire extinguishers shall be within reach of all persons engaged in fueling or defueling operations. All extinguishers shall be inspected and recertified as required by law. All persons engaged in fueling of an aircraft shall be familiar with the proper use of fire extinguishers~~
- ~~(i) Persons or aviation businesses wishing to supply and dispense aviation fuel for their private use must first obtain permission from the city council. Private fueling facilities must be located on leased property and the fueling system installed and fuel dispensed in accordance with aircraft fueling rules and regulations~~
- ~~(j) Aviation or auto fuels will not be stored within a hangar~~
- ~~(k) No aircraft shall be fueled while parked in a closed hangar~~

~~Sec. 18-231. Cleaning of aircraft.~~

~~No person shall use volatile liquids in the cleaning of an aircraft, aircraft engines, propellers, parts, or for any other purposes, unless such operations are conducted in the open or in a facility specifically equipped and approved for that purpose~~

~~Sec. 18-232. Storage.~~

- ~~(a) No person shall keep or store any flammable liquids, gases, signal flares or other similar material in the hangars or in any buildings on the airport, unless such materials are kept in an aircraft in the proper receptacles installed in the aircraft for such purpose or in rooms or areas specifically approved for such storage~~
- ~~(b) No person shall keep or store waste oils in or about the hangars~~

~~Sec. 18-233. Liquid disposal.~~

~~No fuels, oils dopes, paints, solvents or acids shall be disposed of or dumped on the ramp area, agricultural lands or elsewhere on the airport. All disposal shall be in accordance with city~~

ordinances, Environmental Protection Agency (EPA), and Federal Aviation Administration (FAA) standards.

~~Secs. 18-234 – 18-259 – Reserved.~~

...

Sec. 18-352. - Penalty for violation.

- (a) Any person operating or handling an aircraft in violation of any of these rules or refusing to comply herewith, ~~or may for any period of time, not exceeding 15 days, be denied use of the airport by the airport manager,~~ may be ejected ~~at once~~ immediately from the airport, and upon a hearing by the city council, may be deprived of the further use of the airport and its facilities for such period of time as may appear necessary for the protection of life and property. The Airport Manager may void terminate any General Lease or Commercial Lease for any violation of this article ordinance.
- (b) Any violation of this chapter shall be a misdemeanor, punishable by a fine up to \$500.00 as provided in section 1-16.

Section three. Cumulative and Conflicts. This Ordinance shall be cumulative of all provisions of ordinances of the City of Bay City, Texas, except where the provisions of the Ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed. Any and all previous versions of this Ordinance to the extent that they are in conflict herewith are repealed.

Section four. Severability. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause sentence, paragraph or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

Section five. Directive to City Secretary. The City Secretary is hereby authorized and directed to provide all documents and notices required by state law to effect this Ordinance.

Section six. Effective Date. This Ordinance shall become effective upon its adoption by the City Council and publication of the caption hereof in accordance with Section 5.01(i) of the City Charter.

PASSED AND APPROVED on this 9th day of February 2017.

Mark A. Bricker, Mayor
City of Bay City, Texas

ATTEST:

Rhonda Clegg, City Secretary
City of Bay City, Texas

APPROVED AS TO FORM:

M. Shannon Kackley, Asst. City Attorney
DENTON NAVARRO ROCHA BERNAL HYDE & ZECH,
PC

<u>Council Member:</u>	<u>Voted Aye</u>	<u>Voted No</u>	<u>Absent</u>
Julie L. Estlinbaum	_____	_____	_____
Bill Cornman	_____	_____	_____
Chrystal Folse Mayor Pro Tem	_____	_____	_____
Steven Johnson	_____	_____	_____
Carolyn Thames	_____	_____	_____

City of Bay City

Mark A. Bricker, Mayor,

ATTEST:

Rhonda Clegg, City Secretary

APPROVED AS TO FORM:

M. Shannon Kackley, Assistant City Attorney
City of Bay City
DENTON, NAVARRO, ROCHA,
BERNAL, HYDE & ZECH, P.C.



City Council
1901 5Th Street
Bay City, TX 77414

Meeting: 02/09/17 07:00 PM
Department: City Secretary
Category: Agreement
Prepared By: Rhonda Clegg
Initiator: Rhonda Clegg
Sponsors:
DOC ID: 2529

ADOPTED

RESOLUTION (ID # 2529)

**DISCUSS, CONSIDER AND/OR APPROVE A RESOLUTION
APPROVING A REVISED GENERAL AVIATION AGREEMENT.**

RESULT:	APPROVED [3 TO 0]
MOVER:	Julie Estlinbaum, Councilwoman
SECONDER:	Carolyn Thames, Councilwoman
AYES:	William Cornman, Julie Estlinbaum, Carolyn Thames
EXCUSED:	Chrystal Folse
RECUSED:	Steven Johnson

GENERAL AVIATION LEASE AGREEMENT

STATE OF TEXAS §
 §
 COUNTY OF MATAGORDA §

This General Aviation Lease Agreement (Lease) is hereby made and entered into effective as of _____ (Effective Date) by and between the City of Bay City (Lessor), a Texas home-rule municipality, and _____ (Lessee or **Tenant**). For convenience, Lessor and Lessee may sometimes be referred to herein individually as a "Party" and collectively as the "Parties."

Commented [SK1]: Ch. 18 uses the term tena

WITNESSETH

WHEREAS, Lessor owns the Bay City Regional Airport located in Bay City, Matagorda County, Texas with a street address of 3598 FM 2540 N, Bay City, TX 77414 (the Airport); and

WHEREAS, Lessor desires to lease the Leased Premises (as defined in Section 1.1) located at the Airport to Lessee for general aviation purposes; and

WHEREAS, Lessee desires to lease the Leased Premises from Lessor in accordance with the terms and conditions expressed in this Lease; and

NOW, THEREFORE, for and in consideration of the mutual agreements and covenants of the Parties as expressed in this Lease, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby mutually agree as follows:

SECTION 1. LEASED **PREMISES**.

Commented [SK2]: Matches term in Ch. 18.

1.1 Lessor, for and in consideration of the rents, covenants and promises herein contained to be kept, performed, and observed by Lessee, and subject to the terms, conditions and considerations stated herein, does hereby lease to Lessee and Lessee does hereby accept from Lessor the following premises (the "Leased Premises"), located at the Airport:

- a) That certain area known as T-hangar ____;
- b) An unassigned parking space in the Main Hangar;
- c) T-hangar suite ____, (T-hangar suite is a T-hangar and endcap that are modified. These modifications have made the two units inseparable. Therefor they are always rented as one unit. The cost is based on what the current t-hangar rate is as well as the current endcap rate.)
- d) That certain area known as Endcap ____;

(Lessor shall mark through one of the above that does not apply (subsection (c) and/or (d) and both Parties shall initial).

SECTION 2. REGISTERED AIRCRAFT.

2.1 Lessee will use the Leased Premises for the storage of an aircraft identified as:

TYPE OF AIRCRAFT: _____ NUMBER: _____

REGISTERED OWNER: _____ COLOR: _____

This aircraft is hereinafter referred to as "Registered Aircraft."

SECTION 3. TERM.

3.1 The term of this Lease shall be month to month, commencing on the later to occur of (i) the Effective Date, or (ii) substantial completion of the Fixtures, if any, and continuing for successive months unless terminated in accordance with the provisions of this Lease.

3.2 Lessee has the option to terminate this Lease at any time without incurring a penalty or fee and without being responsible for Rent after the effective date of such termination. Lessee may exercise this option by providing Lessor with thirty (30) days' written notice.

3.3 Lessee agrees that upon the expiration or termination of this Lease, the Fixtures and any other fixtures or permanent improvements attached to and located on the Leased Premises shall become the property of Lessor.

3.4 Any holding over by Lessee after the expiration or termination of this Lease, in whatever manner the termination may be brought about, shall not operate as a renewal of this Lease, but during the period of such holding over Lessee shall be a tenant at will of Lessor and shall pay to Lessor a sum equal to one fifty percent (150%) of the calculated daily Rent in effect on the day prior to termination of the Lease for each day Lessee occupies the Leased Premises after such termination. In addition, Lessor retains all rights allowable by law and equity to remove Lessee, and Lessee's property, from the Leased Premises and recover damages therefrom.

3.5 In the event that the Leased Premises are abandoned or vacated by Lessee, Lessor shall have the right, but not the obligation, to re-let the Leased Premises for the remainder of the Term. If the payments received through such re-letting are less than the Rent provided for herein for such periods, Lessee shall pay the deficiency between the Rent for such periods and the payments received through re-letting; provided that such payments for re-letting are at a fair market rate.

SECTION 4. CONSIDERATION.

4.1 As consideration for the lease of the Leased Premises, Lessee agrees to pay the following in monthly installments (collectively, the "Base Rent"):

- a) T-Hangar - \$ _____ dollars per month.
- b) An unassigned parking space in the Main Hangar - \$ _____ dollars a month.
- c) T-Hangar Suite - \$ _____ dollars a month.
- d) Endcap - \$ _____.
- e) Utility Fee - \$ _____ dollars per month, which is equivalent to \$ _____ per year ("Utility Fee"). The Utility Fee payment includes all utility fees (electricity, water, sewer, garbage collection, disposal of waste oil, and routine maintenance).

4.2 Lease rates are subject to change by City Council with 30 days' written notice. City Council reviews lease rates annually and adjusts rates to comply with state law and federal regulations.

4.3 Lessee shall have no more than one (1) aircraft on the Leased Premises, which is the Registered Aircraft. Lessee shall have the option to lease additional T-hangar space at the established and/or approved rate per month, subject to availability of space. Lessee promises and agrees to pay all Ramp fees and Tie down fees on any other aircraft utilized by or owned by Lessee that utilize Airport services. In addition, Lessee promises and agrees to pay all Ramp fees for each of its customers, clients, associates, agents, licensees, invitees, and guests (on a per day, per aircraft basis) who arrive at the Airport and do not purchase fuel. In addition, Lessee promises and agrees to pay all Tie down fees (on a per day, per aircraft basis) for each of its customers, clients, associates, agents, licensees, invitees, and guests who which utilize tie downs at the Airport. Ramp fees and Tie down fees are to be paid according to the established and/or approved rates. Amounts for additional T-hangar space shall be payable as additional rent (collectively "Additional Rent"). Amounts for Ramp fees and Tie down fees shall be payable at the time of service.

4.4 Base Rent shall be payable in monthly installments on or before the *first day* of each month during the Term with the first such installment being due on or before the Effective Date. Additional Rent, if any, shall be due and payable at the same time as the next scheduled payment of Base Rent. All Base Rent and Additional Rent (collectively the "Rent") shall be paid as the same become due. Payment of the rent is accepted in several ways:

- (a) Set up an account online at www.cityofbaycity.org. There you will click on the City Services tab at the top, choose Pay A Bill Online, and then Accounts Receivable.
- (b) Mail your payment monthly to either the Airport at 3598 FM 2540 N, Bay City, Texas 77414 or the City of Bay City Finance 1901 5th Street, Bay City, Texas 77414.

- (c) Contact your bank and have the payment automatically drafted out of your account and sent to either one of the above addresses before the 1st day of the month.
- (d) Come to either the Airport or City Hall Finance Dept. and pay in person via check, money order, cash (exact amount), or credit card.

In the event Lessee fails to remit Rent when the same is due, and such payment remains unpaid for ten (10) days after the date due, a late payment fee of \$50.00 shall be charged to Lessee. Failure to pay Rent or any late payments as provided for in this Lease for a period of thirty (30) days after the date said payment is due shall be considered a condition of default.

SECTION 5. DEPOSIT

5.1 Prior to the Effective Date, Lessee shall deposit, equal to one month's rent for the Leased Premises, with Lessor. Lessor shall return the deposit to the Lessee within 30 days of the termination of the Lease provided: (i) Lessee's rent payment is not in arrears; (ii) Lessee has not damaged the Leased Premises; (iii) the Leased Premises are left in a clean condition; (iv) Lessee has provided in writing a 30 day notice to terminate this Lease; and (v) Lessee is not otherwise in breach of this Lease.

SECTION 6. COVENANTS AND CONDITIONS

6.1 Lessee covenants and agrees that it will use the Leased Premises solely for general aviation related purposes. Lessee further covenants and agrees to comply with Chapter 18 (Aviation) of the Bay City Code of Ordinances, as amended, and all policies and procedures implemented by the Airport. Lessee shall have exclusive right to occupy the Leased Premises and to use the Leased Premises for the uses and purposes described in this paragraph as long as Lessee is not in default of this Lease or in violation of Chapter 18 (Aviation) of the Bay City Code of Ordinances, as amended. Chapter 18 (Aviation), as amended, of the Bay City Code of Ordinances is fully incorporated herein for all purposes. A copy of Chapter 18 of the Bay City Code of Ordinances is attached hereto as **Exhibit A**. Lessee acknowledges and agrees that they are responsible for obtaining and understanding any amendments to Chapter 18 (Aviation) of the Code of Ordinances.

6.2 Lessee shall maintain the Leased Premises and the improvements and appurtenances thereto, in a presentable condition consistent with good business practice and in a safe, neat, slightly, and good physical condition; provided that, in no event shall Lessee be required to make any capital improvements or repairs to the Leased Premises and Lessor shall remain responsible for all routine maintenance, the roof, floors, walls and all major building systems. Lessee shall repair all damages to the Leased Premises and equipment located thereon caused by Lessee, its employees, patrons, clients, customers, associates, contractors, vendors, and its operation thereon.

6.3 Lessee shall make no make changes to the wiring or similar installations in the Leased Premises. Lessor represents and warrants that the Leased Premises will be in accordance with all Applicable Laws on the Effective Date.

6.4 If either Party fails to undertake its maintenance obligations hereunder within thirty (30) days after receipt of the other Party's written notice, then such Party shall have the right to perform such maintenance for the non-performing Party at the non-performing Party's expense.

6.5 Lessee shall use the provided garbage dumpsters for the handling and disposal of all trash, garbage, and any other refuse. Piling of items such as boxes, cartons, barrels or other similar items in an unsightly or unsafe manner on or about the Leased Premises is prohibited.

6.6 Lessee shall store and maintain in proper condition readily accessible fire extinguishers in a number and of a type required by the Airport Manager.

6.7 Lessee covenants and agrees to comply with all Applicable Laws, rules, and regulations of the Police, Fire and Health Departments, all rules and regulations established by Lessor for the operation of the Airport. It is understood and agreed that if Lessor gives notice to Lessee of any such violation on the part of Lessee or any of its officers, agents, employees, contractors, subcontractors, licensees or invitees, Lessee shall immediately cease and desist from such violations, take all necessary steps to ensure that such violation is corrected, and take actions necessary to in order that such violation does not reoccur.

6.8 Lessee shall comply with all applicable Federal Aviation Administration and Texas Department of Transportation rules and regulations. All activities of Lessee shall be conducted so as not to unreasonably interfere with other Airport traffic, including, but not limited to, runway(s), taxiways, ramps, aprons, and fueling points.

SECTION 7. INDEPENDENT CONTRACTOR.

7.1 It is expressly understood and agreed: (a) that Lessee shall operate hereunder as an independent contractor as to all rights and privileges granted herein and not as an agent, representative, or employee of Lessor; (b) that Lessee shall have exclusive control of and the exclusive right to control the details of its operations on the Leased Premises and shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors, or subcontractors; (c) that the doctrine of respondent superior shall not apply as between Lessor and Lessee, its officers, agents, employees, contractors, and subcontractors; and (d) that nothing herein shall be construed as creating a relationship of employer-employee, principal-agent, partner or joint venture or enterprise or any such similar relationship between Lessor and Lessee.

SECTION 8. INDEMNIFICATION.

8.1 Lessee agrees to indemnify and hold harmless Lessor and its elected officials, directors, managers, agents, employees, and representatives from and against all liability for any and all claims, suits, demands, and/or actions arising from or based upon negligent acts or omissions arising out of Lessee's use and occupancy of the Leased Premises, its use of the Airport, and its activities conducted in connection with this Lease. Such indemnification shall include, but is not limited to, acts or omissions on the part of Lessee's contractors, subcontractors, and sub-lessee. Lessee shall also indemnify Lessor against any and all mechanic's and materialmen's

liens or any other types of liens imposed upon the Leased Premises arising as a result of Lessee's conduct or activity.

Lessee's indemnity obligations extend to any and all such claims, suits, demands, and/or actions regardless of the type of relief sought thereby, and whether such relief is in the form of damages, judgments, court costs, and reasonable attorney's fees and expenses, or any other legal or equitable form of remedy. This Indemnity Provision shall apply regardless of the nature of the injury or harm alleged, whether for injury or death to persons or damage to property, and whether such claims be alleged at common law, or statutory or constitutional claims, or otherwise.

Lessor assumes no responsibility or liability for harm, injury, or any damaging event which is directly or indirectly attributable to defects or conditions which may now exist or which may hereafter arise upon the Leased Premises except to the extent that such defects or conditions are due solely to the negligence of Lessor or its employees or agents.

It is expressly understood and agreed that Lessor shall not be liable or responsible for the negligence of Lessee, its agents, servants, employees and customers. Lessee further agrees that Lessee shall at all times exercise reasonable precautions for the safety of, and shall be solely responsible for the safety of Lessee's elected officials, directors, managers, agents, representatives, employees, members, patrons, visitors, contractors, and subcontractors (if any), and/or sub-lessee, and other persons, as well as for the protection of supplies and equipment and the property of Lessee or other persons.

8.2 Lessor shall in no way be responsible for any property belonging to Lessee, its officers, agents, employees, contractors, subcontractors, licensees, or invitees which may be stolen, destroyed or in any way damaged, and Lessee hereby indemnifies and holds harmless Lessor, its officers, agents, servants and employees from and against any and all such claims.

SECTION 9. INSURANCE.

9.1 Lessee shall continuously maintain in effect during the term of this Lease, at Lessee's sole expense, the following insurance coverage:

- a) Insurance against claims for bodily injury, death, or property damage occurring on, in, or about the leased premises, such insurance to afford protection to the City of not less than \$1,000,000.00. The insurance policy must meet aircraft liability to include \$1,000,000.00 single limit liability.

9.2 All policies shall name Lessor as an additional named insured and provide for a minimum of ten (10) days written notice to the Lessor prior to the effective date of any cancellation, material change, or lapse of such policies. Notwithstanding other provisions herein contained, Lessor may cancel this Lease with notice to Lessee should Lessee's insurance lapse for a period of ten (10) days or more. Lessor may elect to reinstate and revive such Lease after such insurance obligation is cured by Lessee. Lessor shall be listed as a Certificate Holder on Lessee's insurance and shall receive notification of any lapse.

9.3 Any insurance policy herein required or procured by Lessee shall contain an express waiver of any right or subrogation by the insurance company against the Lessor.

9.4 Proof of insurance is required before Lessor can enter this Lease.

9.5 Lessee acknowledges and agrees that is shall not be within protection or coverage of Lessor's workers' compensation insurance, health insurance, liability insurance or any other insurance that Lessor, from time to time, may have in force and effect.

SECTION 10. ENVIRONMENTAL PROVISIONS.

10.1 Lessee agrees to properly position and tie down its aircraft and property on the Leased Premises and to adequately collect and clean all amounts of oil or other fluids which may drip or leak from such aircraft or property.

10.2 Lessee agrees to properly store, collect, clean, and dispose of all chemicals and chemical residues, and petroleum products and residues, including oil and gas samples; to properly store, confine, collect, clean, and dispose of all paint, including paint spray in the atmosphere, and paint products; and to comply with all local, state and federal regulations governing the storage, handling, collection, cleaning, and disposal of such chemicals, petroleum products, and paints. In the event of any accident or spillage by Lessee of any petroleum product, chemical, toxic compound, Hazardous Materials (as defined below) on or at the Leased Premises, Lessee shall comply with all federal, state, and local laws, rules, and regulations pertaining thereto, including notification of proper authorities, safety of all persons potentially affected, evacuation of the Leased Premises, if necessary, clean-up and disposal. Additionally, Lessee shall be solely responsible for all costs associated with its spillage, clean-up, and disposal of any such fluids, compounds, Hazardous Materials, or wastes on or at the Leased Premises. All clean-ups and disposals shall be in accordance will Applicable Laws.

10.3 Lessee agrees to comply with all Environmental Requirements (as defined below).

10.4 As used in this Section 8, the following terms have the meanings set forth below:

"Hazardous Materials" shall mean any substance which is or contains (a) any "hazardous substance" as now or hereafter defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. 59601 et seq.) ("CERCLA") or any regulations promulgated under or pursuant to CERCLA; (b) any "hazardous waste" as now or hereafter defined in the Resource Conservation and Recovery Act (42 U.S.C 56901 et seq.) ("RCRA") or regulations promulgated under or pursuant to CERCLA; (c) any substance regulated by the Toxic Substance Control Act (15 U.S.C. 525 et seq.); (d) asbestos and asbestos containing material, in any form, whether friable or non-friable; (e) polychlorinated biphenyls; (f) radon gas; (g) any additional substances or materials which are now or hereafter classified or considered to be hazardous or toxic under Environmental Requirements (as hereinafter defined) or the common law, or any other applicable laws relating to

the Property. Hazardous Materials, shall also include, without limitation, any substance, the presence of which on the Leased Premises: (i) requires reporting, investigation or remediation under Environmental Requirements; (ii) causes or threatens to cause a nuisance on the Leased Premises or adjacent property or poses or threatens to pose a hazard to the health or safety of persons on the Leased Premises or adjacent property; or (iii) which, if emanated or migrated from the Leased Premises, could constitute trespass; (h) storm water pollution prevention plan (SW3P); and (i) spill prevention, control, and countermeasure (SPCC) plan.

"Environmental Requirements" shall mean all laws ordinances, statutes, codes, rules, regulations, agreements, judgments, orders, and decrees, now or hereafter enacted, promulgated, or amended, of the United States, the states, the counties, the cities, or any other political subdivision in which the Leased Premises is located, and any other political subdivision, agency or instrumentality exercising jurisdiction over the owner of the Property, the Property, or the use of the Property, relating to pollution, contaminants, chemicals, or industrial, toxic or hazardous substances or waste or Hazardous Materials into the environment (including, without limitation, ambient air, surface water ground water or land or soil).

10.5 Lessee may dispense fuel into their aircraft on the condition that Lessee meets all of the requirements the City of Bay City places on other fuel suppliers, public or private. All private fueling facilities shall be installed and the fuel dispensed in accordance with rules applicable to aircraft fueling and fire safety contained in accordance with Manual 407 — "Standard for Aircraft Fuel Servicing, 2017 edition," (as amended) published by the National Fire Protection Association.

SECTION 11. NO ASSIGNMENT/NO UNREGISTERED AIRCRAFT.

11.1 Lessee shall not sublet or assign all or any part of the Leased Premises. Any sublet or assignment of all or any part of the Leased Premises shall void this Lease. In addition, Lessee shall not allow any aircraft not registered to Lessee for the Leased Premises to occupy or remain within the Leased Premises. Such occupation in the Leased Premises of an aircraft not registered to Lessee for the Leased Premises shall void the Lease.

SECTION 12. INSPECTION.

12.1 Upon reasonable notice, Lessor shall have the right to enter the Leased Premises for inspection during normal business hours.

Commented [SK3]: Here, you can provide ver notice.

SECTION 13. DEFAULT.

13.1 Each of the following shall constitute an event of default by Lessee:

- A. Lessee shall fail to pay Rent as provided for in this Lease and such failure shall continue for a period of ten (10) days after the date said payment is due.
- B. Lessee neglects, or fails to perform or observe any of the terms, provisions, conditions or covenants herein contained and on Lessee's part to be performed or

any way observed, other than non-payment of Rent, and if such neglect or failure should continue for a period of ten (10) days after delivery to Lessee of written notice of such neglect or failure.

13.2 In the event of failure to pay Rent, Lessor will have the option to:

- A. Terminate this Lease, resume possession of the Leased Premises, and recover immediately from Lessee the amount, if any, that the Rent exceeds the fair rental value of the Leased Premises for the remainder of the Term, reduced to present worth; or
- B. Terminate this Lease, resume possession, and re-let the Leased Premises for the remainder of the Term and recover any outstanding amounts at the end of the Term or at the time each payment of Rent comes due under this Lease, whichever Lessor may choose.

13.3 If either Party fails to perform or breaches any provision of this Lease, other than the payment of Rent, and after giving ten (10) days' written notice the failure or breach continues for ten (10) days after said written notice specifying the required performance has been given to the Party failing to perform, either:

- A. The Party giving notice may terminate this Lease; or
- B. The Party may correct any failure or breach, with the costs of the compliance payable on demand to that Party.

SECTION 14. TERMINATION.

14.1 Lessee agrees and covenants that it will, at the end of the Term or upon the earlier termination of this Lease pursuant to the provisions hereof, peaceably deliver up unto Lessor the Leased Premises and all appurtenances or improvements thereon in a good state of repair, ordinary wear and tear excepted, and vacant, unencumbered and in good and tenantable condition.

SECTION 15. ATTORNEYS FEES AND COSTS

15.1 The prevailing Party in any action arising between Lessor and Lessee under this Lease shall be entitled to its reasonable attorney fees and costs.

SECTION 16. NOTICE.

16.1 Any notice required by this Lease to be sent to Lessor shall be sufficient if hand delivered or sent by registered mail, postage prepaid, addressed to: James Mason, Airport Manager, 3598 FM 2540 North, Bay City, Texas, 77414. Any notice required by this Lease to be sent to Lessee shall be sufficient if sent by registered mail, postage prepaid, addressed to: the given address by Lessee in Section 20 (Personal Information).

SECTION 17. GOVERNING LAW AND VENUE.

17.1 This Lease shall be enforceable and construed under the laws of the State of Texas and venue for any action brought to interpret or enforce this agreement shall lie in a district court that has jurisdiction in Matagorda County, Texas.

SECTION 18. SOVEREIGN IMMUNITY.

18.1 Nothing in this Lease is intended to or shall have the effect of waiving any privileges or immunities afforded the Lessor under the laws of the State of Texas including, but not limited to, sovereign immunity and official immunity, and it is expressly agreed that the Lessor retains all such privileges and immunities afforded under such laws.

SECTION 19. MISCELLANEOUS PROVISIONS.

19.1 This Lease and any attachments or Exhibits hereto constitute the entire agreement by the Parties hereto concerning the lease of the Leased Premises. Any prior or contemporaneous oral or written agreements which purport to vary from the terms hereof shall be void. Any change or modification hereof shall be in writing signed by both Parties.

19.2 The "Section" captions and headings are inserted solely for the convenience of reference and are not part of nor intended to govern, limit, or aid in the construction of any provision hereof.

19.3 The Parties hereby acknowledge and agree that they have the power, right, and authority to enter into this Lease.

19.4 If any section, paragraph, sentence, or phrase entered in this Lease is held to be illegal or unenforceable by a court of competent jurisdiction, such illegality or unenforceability shall not affect the remainder of this Lease and, to this end, the provisions of this Lease are declared to be severable.

19.5 The Lessor shall not be required to perform any term, condition, or covenant in the Lease so long as such performance is delayed or prevented by force majeure, which shall mean acts of God, civil riots, floods, actions of the State or Federal government and any other cause not reasonably within the control of the Lessor.

19.6 Lessee shall pay to Lessor the standard commercial rate for fuel plus all federal state and local taxes, if applicable. If there are any provisions existing for any type of tax exemptions, the burden shall be on the Lessee to provide any and all documents for such exemption.

19.7 Lessor specifically reserves the right to reject any and all of Lessor's employees, representatives, contractors, sub-contractors, agents, invitees, and licensees for any cause, should the presence of any such person on the Leased Premises or Airport, or their interaction

with Lessor's employees, be found not in the best interest of Lessor, harassing, or is found to interfered with the effective and efficient operation of the Airport.

SECTION 20. LESSEE'S CONTACT INFORMATION.

Name: _____

Mailing Address: _____

Work Phone Number: _____

Cell Phone Number: _____

Home Phone Number: _____

Email Address: _____

CONTACT IN CASE OF EMERGENCY:

Name: _____

Work Phone Number: _____

Cell Phone Number: _____

Home Phone Number: _____

Email Address: _____

SECTION 21. NON-DISCRIMINATION.

21.1 Lessee acknowledges and agrees that no person on the grounds of race, color, sex, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises.

21.2 Lessee acknowledges and agrees that in the construction of any improvements on, over, or under the Leased Premises or Airport and the furnishing of services thereon, no person, on the grounds of race, color, sex, or national origin, shall be excluded from participation in, denied benefits of, or otherwise subject to discrimination.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Lease on the _____ day of _____ 20____.

CITY OF BAY CITY, TEXAS	_____
BY: _____ James Mason, Airport Manager	BY: _____
Date: _____	Date: _____

Attachment: General Aviation Lease Agreement (2529 : General Aviation Agreement)

RESOLUTION _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BAY CITY, TEXAS
APPROVING AN AMENDED GENERAL AVIATION LEASE AGREEMENT**

WHEREAS, the City of Bay City, Texas (City) owns and operates the Bay City Regional Municipal Airport (Airport); and

WHEREAS, the City leases hangar spaces located at the Airport to members of the general public; and

WHEREAS, from time to time, it becomes necessary to update and amend the City's General Aviation Lease for the lease of hangar spaces at the Airport.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BAY CITY, TEXAS THAT:

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. General Aviation Lease Agreement Approved. The City Council approves the General Aviation Lease Agreement attached as **Exhibit A** to this Resolution, which is fully incorporated herewith for all purposes.

APPROVED AND ADOPTED on this the 9th day of February 2017.

MARK A. BRICKER, MAYOR
CITY OF BAY CITY, TEXAS

ATTEST

RHONDA CLEGG, CITY SECRETARY
CITY OF BAY CITY, TEXAS

APPROVED AS TO FORM:

M. SHANNON KACKLEY, ASST. CITY ATTORNEY
DENTON NAVARRO ROCHA BERNAL HYDE & ZECH, PC

Attachment: R-2017- General Aviation Lease (2529 : General Aviation Agreement)

EXHIBIT A

General Aviation Lease Agreement

Attachment: R-2017- General Aviation Lease (2529 : General Aviation Agreement)



City Council
1901 5Th Street
Bay City, TX 77414

ADOPTED

RESOLUTION (ID # 2531)

Meeting: 02/09/17 07:00 PM
Department: City Secretary
Category: Agreement
Prepared By: Rhonda Clegg
Initiator: Rhonda Clegg
Sponsors:
DOC ID: 2531

**DISCUSS, CONSIDER AND/OR APPROVE A RESOLUTION
AUTHORIZING THE BAY CITY COMMUNITY DEVELOPMENT
CORPORATION TO CONTRIBUTE APPROXIMATELY
\$75,327.25 TO THE CITY OF BAY CITY TO ADD TO THE
TEXAS CAPITAL FUND GRANT TO IMPROVE MCCROSKY
ROAD AT MCCROSKY ROAD AND 7TH STREET, BAY CITY,
TEXAS (FIRST READING) .**

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Steven Johnson, Councilman
SECONDER:	Carolyn Thames, Councilwoman
AYES:	William Cornman, Julie Estlinbaum, Steven Johnson, Carolyn Thames
EXCUSED:	Chrystal Folse

RESOLUTION _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BAY CITY, TEXAS AUTHORIZING THE BAY CITY COMMUNITY DEVELOPMENT CORPORATION TO CONTRIBUTE FUNDS TO THE CITY OF BAY CITY FOR A TEXAS CAPITAL FUND GRANT TO IMPROVE MCCROSKY ROAD PURSUANT TO SECTION 505.158(b) OF THE TEXAS LOCAL GOVERNMENT CODE CONTINGENT.

WHEREAS, the City of Bay City, Texas is a home-rule municipality governed by its City Charter, and has a population of less than 20,000 inhabitants; and

WHEREAS, the Bay City Community Development Corporation (BCCDC) is a Type B development corporation established pursuant to Chapter 505, subchapter B, of the Texas Local Government Code, and the City Council of the City of Bay City, Texas is the BCCDC's authorizing unit; and

WHEREAS, in accordance with Section 505.158(b) of the Texas Local Government Code, the BCCDC may not undertake a Project authorized under Section 505.158 that requires an expenditure of more than \$10,000.00 until the City Council of the City of Bay City, Texas (City) adopts a resolution authorizing the Project after giving the resolution at least two separate readings; and

WHEREAS, the City received a grant from the Texas Department of Agriculture Capital Fund in the amount of \$508,654.00 to improve McCrosky Road Project located at the corner of McCrosky Road and 7th Street, Bay City, Texas (Project); and

WHEREAS, the BCCDC desires to contribute approximately \$75,327.25 to the City as additional funds for the Project; and

WHEREAS, the Project meets the requirements of Chapter 501, subchapter C, Authorized Projects, and Chapter 505, subchapter D, Authorized Projects, of the Texas Local Government Code and

WHEREAS, the BCCDC held a public hearing on this Project on February 9, 2017 in compliance with Section 505.159(a) of the Texas Government Code; and

WHEREAS, the Board of Directors of the BCCDC determined the Project promotes new and expanded business development and approved the contribution of \$75,327.25 by a vote of ____ on February 9, 2017; and

WHEREAS, the cost of the Project exceeds \$10,000.00; and

WHEREAS, City Council finds the Project will promote new and expanded business enterprises in and near the City of Bay City, Texas; and

Attachment: R-2017- BCCDC Fund Match for TCF (2531 : SMBG McCrosky CDC Match)

WHEREAS, the action authorized by this Resolution is in furtherance of the public interest, for good government, peace, order, trade and commerce of the City and necessary for properly carrying out the authority granted by law to the City and the BCCDC.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BAY CITY, TEXAS THAT:

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Authorization. In accordance with Section 505.158 (b) of the Texas Local Government Code, the City Council hereby authorizes the Project as described in the recitals above.

PASSED AND APPROVED ON FIRST READING AT THE CITY OF BAY CITY, TEXAS THE 9TH DAY OF FEBRUARY 2017 AND ON SECOND READING AT THE CITY OF BAY CITY, TEXAS THIS 16TH DAY OF FEBRUARY 2017.

APPROVED AND ADOPTED on this the 16th day of February 2017.

MARK A. BRICKER, MAYOR
CITY OF BAY CITY, TEXAS

ATTEST

RHONDA CLEGG, CITY SECRETARY
CITY OF BAY CITY, TEXAS

APPROVED AS TO FORM:

M. SHANNON KACKLEY, ASST. CITY ATTORNEY
DENTON NAVARRO ROCHA BERNAL HYDE & ZECH, PC

Attachment: R-2017- BCCDC Fund Match for TCF (2531 : SMBG McCrosky CDC Match)



City Council
1901 5Th Street
Bay City, TX 77414

ADOPTED

AGENDA ITEM (ID # 2528)

Meeting: 02/09/17 07:00 PM
Department: Public Works
Category: Bid
Prepared By: Barry Calhoun
Initiator: Barry Calhoun
Sponsors:
DOC ID: 2528

DISCUSS, CONSIDER AND/OR APPROVE AWARDING THE CONSTRUCTION BID FOR THE 2016 TEXAS CAPITAL FUND CONTRACT 7216112 FOR STREET IMPROVEMENTS TO MCCROSKY ROAD FOR THE SCHULMAN MOVIE BOWL GRILL DEVELOPMENT TO LESTER CONTRACTING, INC. IN THE AMOUNT OF \$290,299.00 FOR THE BASE BID; AND AWARD AN ADDITIONAL \$115,855.25 FOR THE ADDITIVE ALTERNATE BID CONTINGENT UPON APPROVAL BY THE BAY CITY COMMUNITY DEVELOPMENT CORPORATION'S BOARD; AND AUTHORIZE THE MAYOR TO EXECUTE A CONTRACT APPROVED TO FORM BY THE CITY ATTORNEY BETWEEN THE CITY OF BAY CITY AND LESTER CONTRACTING, INC.

The City of Bay City was awarded grant funds through the 2016 Texas Community Development Block Grant (CDBG) Fund Contract No. 7216112 for Street Improvements to McCrosky Rd and Drainage Improvements for the Schulman Movie Bowl Grill (SMBG) Development.

This agenda item is to award a bid for the street improvements only. There were three bidders and the bid tab is attached. The lowest base bid amount is \$290,299.00 which is \$40,528 below the engineer's estimate. There also was an additive alternate bid which extends the length of the project to capture all 3 driveways into the SMBG development instead of the first 2 driveways. The lowest additive alternate bid is \$115,855.25. The Bay City Community Development Corporation (BCCDC) is responsible for any overages on this particular project and awarding the additive alternate bid is pending approval by the BCCDC Board. The BCCDC Board would need to approve additional funding in the amount of \$75,327.25 to cover the additive alternate bid. A special called meeting for the BCCDC is scheduled for February 9, 2017 at 5:00 p.m. It is my recommendation that the base bid and additive alternate bid be awarded concurrently.

The drainage improvements portion of this project was awarded by City Council at the October 13, 2016 Regular City Council meeting. The project was awarded to Rexco Construction Services, Inc. in the amount of \$177,827.00.

The grant original budget and revised budget is shown below.

Original Budget

Contract Funds: \$611,004

Administration: \$50,000

Engineering: \$52,350

Construction: \$508,654 (Street-\$381,150 & Drainage-\$127,504)

Revised Budget

Contract Funds: \$611,004

Administration: \$50,000

Engineering: \$52,350

Construction: \$508,654 (Street-\$330,827 & Drainage-\$177,827)

RESULT: APPROVED [UNANIMOUS]**MOVER:** Julie Estlinbaum, Councilwoman**SECONDER:** Carolyn Thames, Councilwoman**AYES:** William Cornman, Julie Estlinbaum, Steven Johnson, Carolyn Thames**EXCUSED:** Chrystal Folse

G&W ENGINEERS, INC.

205 W. Live Oak • Port Lavaca, TX 77979 • p: (361)552-4509 • f: (361)552-4987
TBPE Firm Registration No. F04188

January 2, 2016

Mark A. Bricker
Mayor, City of Bay City
1901 5th Street
Bay City, Texas 77414

Re: McCrosky Road Improvements – TXCDBG Contract No. 7216112
RECOMMENDATION FOR AWARD

Dear Mayor and City Council,

On Tuesday, January 31 at 2:00 pm sealed bids for the above referenced project were received and publically opened at the City Hall of Bay City. Three (3) bids were received.

The project was advertised twice in the Bay City Tribune per public procurement procedures and listed on www.civcastusa.com. A non-mandatory pre-bid meeting was held on January 19th with three potential bidders in attendance.

Attached are copies of the Bid Opening Table and the detailed Bid Tabulation. A satisfactory Bid Bond, as well as all other documents required for submission with the Bid, was included with all bids received. There was one Addenda issued for this bid, which made a correction to a typo in a quantity of the Base Bid. There were no mathematical errors found in any of the bids.

LESTER CONTRACTING, INC. from Port Lavaca, Texas is the apparent **LOW BIDDER** with a **Total Base Bid Amount of \$290,299.00**.

I have personally worked with Lester Contracting, Inc. on a variety of utility projects over the past 15 years and have always found them to be an excellent contractor - professional, conscientious, and easy to work with. I contacted the City of Port Lavaca and the City of Victoria to inquire of their work on road construction projects. Oscar Pena, the Public Works Director in Port Lavaca indicated that they completed a major renovation of George Street in Port Lavaca two years ago and did a good job and had no issues. Darrell Seibert, the Public Works Engineer for the City of Victoria stated that Lester Contracting has done many street projects in the City and are very capable of successfully performing a project such as this road improvement project. I have notified Grantworks of the results of the bid, so they can verify Lester's eligibility with the Texas Department of Agriculture (TDA).

The grant construction budget is broken down as follows:

Total available for construction:	\$ 508,654.00
Contract Award for Detention Pond Pump Station:	(\$ 177,827.00)
Potential Award of Base Bid for McCrosky Road Improvements:	<u>(\$ 290,299.00)</u>
Remaining Funds	\$ 40,528.00

The Base Bid amount provides new road construction through the second driveway into the SMBG parking lot. Additive Alternate No. 1 is an additional \$115,855.25, which would extend the improvements to just past the road behind the SMBG building. It will therefor require a commitment of additional funding in the amount of \$75,327.25 (\$115,855.25 - \$40,528.00) in order to award the Additive Alternate No. 1 as well. It should be noted that this is a Unit Price contract and the final contract amount will be based upon actual installed quantities, so the additional funds needed could be more (or potentially less), once the final quantities are determined at the completion of the project.

We therefore **RECOMMEND** the City of Bay City **AWARD** a construction contract to **LESTER CONTRACTING, INC.** of Port Lavaca, Texas in the amount of \$290,299.00, being the **BASE BID** amount of the above referenced project, contingent upon approval of the TDA.

IF the BCCDC commits to contributing the additional funds needed to complete the construction of Additive Alternate No. 1 (estimated to be \$75,327.25), **THEN** we would recommend the City of Bay City award a construction contract to **LESTER CONTRACTING, INC.** of Port Lavaca, Texas in the amount of \$406,154.25, being the sum of the **BASE BID** and **ADDITIVE ALTERNATE NO. 1** of the above referenced project, contingent upon approval of the TDA.

We look forward to beginning the construction phase of this project. If we can be of further assistance at this time, please let me know.

Sincerely,



JoAnna P. "Jody" Weaver, P.E.
Sr. Project Engineer
G&W Engineers, Inc.
jweaver@gwengineers.com

Attachments

- Bid Opening Table
- Detailed Bid Tabulation

xc: bcalhoun@cityofbaycity.org, file 6536.007

G & W Engineers, Inc.
205 W. Live Oak
Port Lavaca, TX 77979

BID OPENING TABLE SHEET

Date: January 31, 2017
Time: 2:00 p.m.
Job No. 6536.007

McCROSKY ROAD IMPROVEMENTS
for the
CITY OF BAY CITY, TEXAS – SMBG-BAY CITY – TX CDBG CONTRACT NO. 7216112

BIDDER'S	JAMES CONSTRUCTION GROUP, LLC	LESTER CONTRACTING, INC.	REXCO CONSTRUCTION SERIVCES, INC.	
TOTAL BASE BID	\$335,155.00	\$290,299.00	\$340,525.15	
TOTAL ADDITIVE ALTERNATE BID NO. 1, being Items A1 through A13, LESS Base Bid Item No. 4 is:	\$157,486.00	\$115,855.25	\$127,725.16	
GREATEST AMOUNT BID UPON WHICH 5% BID BOND IS BASED: SUM OF BASE BID + TOTAL ADDITIVE ALTERNATE BID NO. 1 is:	\$492,641.00	\$406,154.25	\$468,250.31	
% PROFIT OF LABOR & MATL'S COSTS	6%	15%	5%	
BID BOND	YES	YES	YES	
ACKNOWLEDGES ADDENDUM NO. 1	YES	YES	YES	

Attachment: Recommendation for Award - McCrosky (2528 : Award Construction Bid - TCF Grant

G & W Engineers, Inc.
205 W. Live Oak
Port Lavaca, TX 77979

ITEMIZED BID TABULATION SHEET

Date: January 31, 2017
Time: 2:00 p.m.
Job No. 6536.007

McCROSKY ROAD IMPROVEMENTS FOR THE CITY OF BAY CITY, TEXAS
SMBG-BAY CITY – TX CDBG CONTRACT NO. 7216112

BASE BID

BID ITEM	DESCRIPTION	QTY	UNIT	JAMES CONSTRUCTION GROUP, LLC		LESTER CONTRACTING, INC.		REXCO CONSTRUCTION SERIVCES, INC.	
				UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
1	Mobilization, Bonds and Insurance (Not to exceed 10% of the Total Base Bid Amount)	1	LS	\$ 32,000.00	\$ 32,000.00	\$ 29,000.00	\$ 29,000.00	\$ 27,302.10	\$ 27,302
2	Traffic Control / Detour Construction and Maintenance	3	MO	\$ 2,500.00	\$ 7,500.00	\$ 3,200.00	\$ 9,600.00	\$ 2,400.00	\$ 7,200
3	EXCAVATION (includes approximately 186 CY of base material that is to be legally disposed of off-site)	287	CY	\$ 60.00	\$ 17,220.00	\$ 66.00	\$ 18,942.00	\$ 22.00	\$ 6,314
4	FILL, (includes approximately 186 imported fill) compacted in place, as required to establish grades	287	CY	\$ 60.00	\$ 17,220.00	\$ 75.00	\$ 21,525.00	\$ 61.95	\$ 17,779
5	LIME for subgrade treatment	40	TONS	\$ 205.00	\$ 8,200.00	\$ 190.00	\$ 7,600.00	\$ 170.00	\$ 6,800
6	TREATMENT of Subgrade to a depth of 6" with 7% lime	2,401	SY	\$ 15.00	\$ 36,015.00	\$ 6.50	\$ 15,606.50	\$ 6.99	\$ 16,782
7	BASE: Type A, Grade 1, FLEXIBLE BASE	1,035	TONS	\$ 80.00	\$ 82,800.00	\$ 63.00	\$ 65,205.00	\$ 120.00	\$ 124,200
8	Construct new concrete CURB & GUTTER	1,276	LF	\$ 30.00	\$ 38,280.00	\$ 20.00	\$ 25,520.00	\$ 28.65	\$ 36,557
9	Furnish and Install PRIMER: MC-30 Cut Back Asphalt	39	GAL	\$ 20.00	\$ 780.00	\$ 50.00	\$ 1,950.00	\$ 45.00	\$ 1,755
10	Furnish and Install SEALCOAT ASPHALT: CRS-2P	931	GAL	\$ 5.00	\$ 4,655.00	\$ 5.50	\$ 5,120.50	\$ 7.21	\$ 6,712
11	Furnish and Install SEALCOAT AGGREGATE: PB, GR 3	20	CY	\$ 550.00	\$ 11,000.00	\$ 600.00	\$ 12,000.00	\$ 474.10	\$ 9,482
12	Furnish and Install 2.5" thick HMA	265	TONS	\$ 150.00	\$ 39,750.00	\$ 160.00	\$ 42,400.00	\$ 131.60	\$ 34,874
13	Furnish and Install 4" TRAFFIC STRIPING	630	LF	\$ 3.00	\$ 1,890.00	\$ 5.00	\$ 3,150.00	\$ 2.50	\$ 1,575
14	Furnish and Install 8" TRAFFIC STRIPING	75	LF	\$ 8.00	\$ 600.00	\$ 10.00	\$ 750.00	\$ 3.00	\$ 225
15	Furnish and Install 24" Pre-fabricated TRAFFIC STOPBAR	20	LF	\$ 24.00	\$ 480.00	\$ 40.00	\$ 800.00	\$ 15.00	\$ 300
16	Furnish and install Pre-fabricated TRAFFIC ARROWS	3	EA	\$ 300.00	\$ 900.00	\$ 400.00	\$ 1,200.00	\$ 280.00	\$ 840
17	Construct concrete spillways, miscellaneous concrete and other incidentals	1	LS	\$ 12,500.00	\$ 12,500.00	\$ 11,000.00	\$ 11,000.00	\$ 20,000.00	\$ 20,000
18	Furnish and install 7" thick concrete driveway aprons per plans and specifications for a unit price of (lime stabilization is paid under Items 5 and 6)	161	SY	\$ 125.00	\$ 20,125.00	\$ 105.00	\$ 16,905.00	\$ 125.50	\$ 20,205
19	Furnish and Install Seeding and Cellulose Fiber Mulch	810	SY	\$ 4.00	\$ 3,240.00	\$ 2.50	\$ 2,025.00	\$ 2.00	\$ 1,620
TOTAL BASE BID				\$335,155.00		\$290,299.00		\$340,525.15	

Attachment: Recommendation for Award -McCrosky (2528 : Award Construction Bid - TCF Grant

G & W Engineers, Inc.
205 W. Live Oak
Port Lavaca, TX 77979

ITEMIZED BID TABULATION SHEET

McCROSKY ROAD IMPROVEMENTS FOR THE CITY OF BAY CITY, TEXAS
SMBG-BAY CITY – TX CDBG CONTRACT NO. 7216112

Date: January 31, 2017
Time: 2:00 p.m.
Job No. 6536.007

ADDITIVE ALTERNATE BID NO. 1

BID ITEM	DESCRIPTION	QTY	UNIT	JAMES CONSTRUCTION GROUP, LLC		LESTER CONTRACTING, INC.		REXCO CONSTRUCTION SERIVCES, INC.	
				UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
A1.	EXCAVATION (includes approximately 188 CY of base material that is to be legally disposed of off-site)	475	CY	\$ 60.00	\$ 28,500.00	\$ 54.00	\$ 25,650.00	\$ 20.00	\$ 9,500
A2.	FILL, for the work of the Base Bid AND Additive Alternate No. 1, (including approximately 50 CY of imported Fill) compacted in place, as required to establish grades in accordance with plans and specifications, for a unit price of: [NOTE: If Additive Alternate No. 1 is awarded, then Bid Item No. 4 will be deleted and this Bid Item A2. will include the fill for the entire project]	337	CY	\$ 60.00	\$ 20,220.00	\$ 68.00	\$ 22,916.00	\$ 41.50	\$ 13,985
A3.	LIME for subgrade treatment	20	TONS	\$ 205.00	\$ 4,100.00	\$ 190.00	\$ 3,800.00	\$ 170.00	\$ 3,400
A4.	TREATMENT of Subgrade to a depth of 6" with 7% lime in accordance with plans and specifications	1,189	SY	\$ 15.00	\$ 17,835.00	\$ 6.50	\$ 7,728.50	\$ 6.99	\$ 8,311
A5.	BASE: Type A, Grade 1, FLEXIBLE BASE	495	TONS	\$ 80.00	\$ 39,600.00	\$ 63.00	\$ 31,185.00	\$ 120.00	\$ 59,400
A6.	Construct new concrete CURB & GUTTER	688	LF	\$ 30.00	\$ 20,640.00	\$ 20.00	\$ 13,760.00	\$ 28.65	\$ 19,711
A7.	Furnish and Install PRIMER: MC-30 Cut Back Asphalt	20	GAL	\$ 20.00	\$ 400.00	\$ 18.00	\$ 360.00	\$ 21.00	\$ 420
A8.	Furnish and Install SEALCOAT ASPHALT: CRS-2P	468	GAL	\$ 5.00	\$ 2,340.00	\$ 4.00	\$ 1,872.00	\$ 7.00	\$ 3,276
A9.	Furnish and Install SEALCOAT AGGREGATE: PB, GR 3	10	CY	\$ 550.00	\$ 5,500.00	\$ 150.00	\$ 1,500.00	\$ 71.00	\$ 710
A10.	Furnish and Install 2.5" thick HMA	134	TONS	\$ 150.00	\$ 20,100.00	\$ 120.00	\$ 16,080.00	\$ 91.00	\$ 12,194
A11.	Furnish and Install 4" TRAFFIC STRIPING	424	LF	\$ 3.00	\$ 1,272.00	\$ 3.50	\$ 1,484.00	\$ 2.50	\$ 1,060
A12.	Furnish and install 7" thick concrete driveway aprons per plans and specifications for a unit price of (lime stabilization is paid under Items 5 and 6)	103	SY	\$ 125.00	\$ 12,875.00	\$ 100.00	\$ 10,300.00	\$ 125.00	\$ 12,875
A13.	Furnish and Install Seeding	331	SY	\$ 4.00	\$ 1,324.00	\$ 2.25	\$ 744.75	\$ 2.00	\$ 662
TOTAL ADDITIVE ALTERNATE BID NO. 1, being Items A1 through A13, LESS Base Bid Item No. 4 is:				\$ 157,486.00		\$ 115,855.25		\$ 127,725	
GREATEST AMOUNT BID UPON WHICH 5% BID BOND IS BASED: SUM OF BASE BID + TOTAL ADDITIVE ALTERNATE BID NO. 1 is:				\$492,641.00		\$406,154.25		\$468,250	

Attachment: Recommendation for Award -McCrosky (2528 : Award Construction Bid - TCF Grant

G & W Engineers, Inc.
205 W. Live Oak
Port Lavaca, TX 77979

BID OPENING TABLE SHEET

McCROSKY ROAD IMPROVEMENTS
for the
CITY OF BAY CITY, TEXAS - SMBG-BAY CITY - TX CDBG CONTRACT NO. 7216112

Date: January 31, 2017
Time: 2:00 p.m.
Job No. 6536.007

4.6.b

Attachment: Bid Tab Form - McCrosky Road Improvements (2528 : Award Construction Bid - TCF Grant

BIDDER'S	JAMES CONSTRUCTION	LESTER CONTRACT	REXCO	
TOTAL BASE BID	335,155.00	290 290,299.00	340,525.15	
TOTAL ADDITIVE ALTERNATE BID NO. 1, being Items A1 through A13, LESS Base Bid Item No. 4 is:	492,641.00 157,486.00	115,855.25	127,725.16	
GREATEST AMOUNT BID UPON WHICH 5% BID BOND IS BASED: SUM OF BASE BID + TOTAL ADDITIVE ALTERNATE BID NO. 1 is:	492,641.00	406,154.25	468,250.31	
% PROFIT OF LABOR & MAT'L'S COSTS	6%	15%	5%	
BID BOND	yes	yes	yes	
ACKNOWLEDGES ADDENDUM NO. 1	yes no	yes	yes	



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

Meeting: 02/09/17 07:00 PM
Department: City Secretary
Category: Report
Prepared By: Rhonda Clegg
Initiator: Rhonda Clegg
Sponsors:
DOC ID: 2527

DISCUSSION ITEM (ID # 2527)

**DISCUSS A POTENTIAL PROJECT FOR CONSTRUCTING A
NEW NATATORIUM IN THE CITY OF BAY CITY FOR
MATAGORDA COUNTY WIDE USE.**



City Council
1901 5Th Street
Bay City, TX 77414

Meeting: 02/09/17 07:00 PM
Department: City Secretary
Category: Policy
Prepared By: Rhonda Clegg
Initiator: Rhonda Clegg
Sponsors:
DOC ID: 2518

TABLED

ORDINANCE (ID # 2518)

**DISCUSS, CONSIDER AND/OR APPROVE AN ORDINANCE
CREATING THE HUMAN RESOURCES DEPARTMENT;
PROVIDING A SEVERABILITY CLAUSE; REPEALING ALL
ORDINANCES AND PARTS THEREOF IN CONFLICT
HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.**

RESULT: TABLED

Next: 3/9/2017 7:00 PM

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF BAY CITY, TEXAS, AMENDING THE CITY CODE OF ORDINANCES, CHAPTER 2 (ENTITLED “ADMINISTRATION”), ARTICLE IV (ENTITLED “DEPARTMENTS”) CREATING A HUMAN RESOURCES DEPARTMENT; PROVIDING FOR A CUMULATIVE & CONFLICTS CLAUSE, PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Section 7.05(b) of the City Charter authorizes City Council to create departments; and

WHEREAS, the City Council desires to establish the Human Resources Department and set forth its organization and procedures for its operations; and

WHEREAS, City Council finds that the establishment of the Human Resources Department is in the best interest of the public welfare;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF BAY CITY, TEXAS, THAT:

Section one. The Code of Ordinances, Chapter 2 (entitled “Administration”), Article IV (entitled “Departments”) is hereby amended by creating Division 3, Human Resources Department and adding the language that is set out in **Exhibit “A”** attached hereto and incorporated by reference as if fully set forth herein.

Section two. Cumulative and Conflicts. This Ordinance shall be cumulative of all provisions of ordinances of the City of Bay City, Texas, except where the provisions of the Ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed. Any and all previous versions of this Ordinance to the extent that they are in conflict herewith are repealed.

Section three. Severability. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause sentence, paragraph or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

Section four. Effective Date. This Ordinance shall become effective immediately upon its passage, approval, and publication as provided by law.

PASSED AND APPROVED on this _____ day of January 2017.

Mark Bricker, Mayor
City of Bay City

ATTEST:

APPROVED AS TO FORM:

Rhonda Clegg, City Secretary
City of Bay City

M. Shannon Kackley, Asst. City Attorney
DENTON NAVARRO ROCHA BERNAL HYDE & ZECH,
PC

<u>Council Member:</u>	<u>Voted Aye</u>	<u>Voted No</u>	<u>Absent</u>
Julie L. Estlinbaum	_____	_____	_____
Bill Cornman	_____	_____	_____
Chrystal Folse Mayor Pro Tem	_____	_____	_____
Steven Johnson	_____	_____	_____
Carolyn Thames	_____	_____	_____

City of Bay City

Mark A. Bricker, Mayor,

ATTEST:

Rhonda Clegg, City Secretary

APPROVED AS TO FORM:

M. Shannon Kackley, Assistant City Attorney
City of Bay City
DENTON, NAVARRO, ROCHA,
BERNAL, HYDE & ZECH, P.C.

EXHIBIT A

CHAPTER 2

ARTICLE IV – DEPARTMENTS

DIVISION 3 – HUMAN RESOURCES DEPARTMENT

Section 2-168. Established, composition. The Human Resources Department is established pursuant to Section 7.05 of the City Charter.

Section 2-169. Director of Human Resources; appointment and qualifications. There shall be a Human Resources Department, the head of which shall be the Director of Human Resources, who is appointed by the Mayor, with the approval of the City Council as set forth in section 7.05 of the City Charter. The Director of Human Resources shall have the proper knowledge of human resources to properly perform the duties of the office.

Section 2-170. Personnel. The Director of Human Resources shall have the authority to appoint deputies, assistants, and employees in the department as approved by the Mayor.

Section 2-171. Powers and duties. The Director of Human Resources shall administer and supervise all human resources affairs of the City and shall:

- a). Responsible for the administration of employee benefits.
- b). Responsible for compliance with federal, state and local legislation pertaining to all personnel matters.
- c). Work directly with Department Directors to assist them in carrying out their responsibilities on personnel matters.
- d). Maintain and update personnel files, both file and the Human Resources Information System (Incode).
- e). Hire, train, evaluate, develop and discipline assigned personnel.
- f). Develop long term goals for recruitment and selection, employee compensation, benefits administration, employee relations and retention, training and development, and risk management.
- g). Annually review and discuss personnel policy amendments with Department Directors.

Sec. 2-172. Surety bonds. In accordance with Section 7.03 of the City Charter, any director of administrative department whose duties include the handling of moneys and any employee whose duties include the handling of moneys belonging to the City shall, before entering upon the duties of their office or employment, make bond in some responsible surety company, acceptable to the City Council for such amount as the City Council may prescribe. The premium of the bond shall be paid by the City. The City Council may also require any such surety bond to be further conditioned that the principal thereon will faithfully perform and discharge the duties of their office, and if there are provisions of State law bearing upon the functions of their office under

which the execution of a surety bond is required, it shall be further conditioned to comply therewith.



City Council
1901 5Th Street
Bay City, TX 77414

Meeting: 02/09/17 07:00 PM
Department: City Secretary
Category: Policy
Prepared By: Rhonda Clegg
Initiator: Rhonda Clegg
Sponsors:
DOC ID: 2510

ADOPTED

ORDINANCE (ID # 2510)

DISCUSS, CONSIDER AND/OR APPROVE AN ORDINANCE ORDERING A GENERAL ELECTION OF THE QUALIFIED VOTERS OF THE CITY OF BAY CITY, TEXAS, ON SATURDAY, MAY 6, 2017, FOR THE PURPOSES OF ELECTING THREE (3) CITY COUNCIL MEMBERS AND APPOINTING ELECTION JUDGES; DESIGNATING THE DATE FOR A RUNOFF ELECTION, IF NEEDED; REPEALING ALL OR PART OF ORDINANCES AND RESOLUTIONS WHICH CONFLICT; PROVIDING A SEVERABILITY CLAUSE; AND AN EFFECTIVE DATE.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Steven Johnson, Councilman
SECONDER:	Carolyn Thames, Councilwoman
AYES:	William Cornman, Julie Estlinbaum, Steven Johnson, Carolyn Thames
EXCUSED:	Chrystal Folse

ORDINANCE NO. _____

AN ORDINANCE ORDERING A GENERAL ELECTION OF THE QUALIFIED VOTERS OF THE CITY OF BAY CITY, TEXAS, ON SATURDAY, MAY 6, 2017, FOR THE PURPOSES OF ELECTING THREE (3) CITY COUNCIL MEMBERS AND APPOINTING ELECTION JUDGES; DESIGNATING THE DATE FOR A RUNOFF ELECTION, IF NEEDED; REPEALING ALL OR PART OF ORDINANCES AND RESOLUTIONS WHICH CONFLICT; PROVIDING A SEVERABILITY CLAUSE; AND AN EFFECTIVE DATE.

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

1. In compliance with the Texas Election Codes, Texas Local Government Code, City of Bay City Home Rule Charter, and Constitution of the State of Texas, a General Election is hereby called and ordered for the first Saturday in May 2017, the same being the 6th day of said month, at which election all qualified voters may vote for the purpose of electing a three (3) Council Members.

2. That the City Secretary shall prepare optical scan ballots to be used in said election and shall stamp same "official ballot" on which ballot shall be printed the names of the candidates for each position. The places of the different Council Members shall be designated on the official ballot Council Positions No. 3, 4, and 5.

Section 61.012 of the Texas Election Code requires that the City of Bay City must provide at least one accessible voting system in each polling place used in a Texas election on or after January 1, 2006. This system must comply with state and federal laws setting the requirements for voting systems that permit voters with physical disabilities to cast a secret ballot.

The Office of the Texas Secretary of State has certified that the 24 HAVA ADA AutoMARK Voter Assistance machine provided by Election Systems & Software (ES&S) is an accessible voting system that may legally be used in Texas elections.

Sections 123.032 and 123.035 of the Texas Election Code authorize the acquisition of voting systems by local political subdivisions and further mandate certain minimum requirements for contracts relating to the acquisition of such voting systems.

As chief elections officer of the City of Bay City, the City Secretary shall provide at least one 24 HAVA ADA AutoMARK Voter Assistance machine in each polling place in every polling location used to conduct any election ordered on or after January 1, 2006. The 24 HAVA ADA AutoMARK Voter Assistance machine may be acquired by any legal means available to the City of Bay City, including but not limited to lease or

rental from the County of Matagorda or from any other legal source, as authorized or required by Sections 123.032 and 123.035 of the Texas Election Code.

3. That no person's name shall be placed upon the official ballot as a candidate for any position unless such person has filed a sworn application, as provided by the laws of Texas, with the City Secretary at least seventy-eight (78) days prior to the election date, and it must appear on the face of said application, the position and the number of the place that said candidate is seeking.

4. That in the event that there are two or more candidates for the same position and place, the position of such candidates names on the ballot shall be determined by drawing names according to the laws of Texas and placing them on such ballot in the order determined by the draw.

5. That each voter shall vote for his choice for candidate for each position or place by placing an "X" in the square beside the name and shall vote for one candidate only for each position or place.

6. That any candidate receiving a majority of all the votes cast for the office for which he is a candidate shall be elected to such office. In the event of a lack of a majority, the Mayor shall, not later than the fifth day after the completion of the official count of ballots, issue a call for a second election, to be held on June 10, 2017, at which second election the two candidates receiving the most votes in the first election shall again be voted for, and the candidate receiving the majority of all votes cast for that office shall be elected to such office.

7. The polling place shall be kept open from 7:00 a.m. until 7:00 p.m. and that due return be made to the City Council showing the number of votes cast for each candidate for each of the positions.

8. That this Ordinance, signed by the Mayor and attested by the City Secretary, shall constitute the proclamation of the City Council calling and ordering said election. The notice for the General Election shall be published in a newspaper of general circulation in the City of Bay City at least one (1) time, not more than thirty (30) days nor less than ten (10) days before the election, and that the said City Secretary is hereby directed to post or cause to be posted in a public place within the City of Bay City limits, said proclamation at least twenty-one (21) days before said election.

9. There shall be only one polling place on Election Day, which shall be the Service Center, 2105 Ave. M, Bay City, Texas and the personnel and officers who are to hold that same, except insofar as they may be changed by the City Council of the City of Bay City, Texas shall be as follows:

NAME

POSITION

Carolyn Scott

Presiding Judge

10. That the Election Judge shall appoint at least four (4) clerks to assist her in the election. Additional clerks may be appointed as necessary.

11. There shall be an Early Voting Ballot Board (EVBB), which shall comprise of an Early Voting Ballot Board Judge and two clerks. The EVBB Judge shall appoint clerks for the EVBB.

There shall be a Resolution Board which shall be the same members that comprise the EVBB.

12. There shall be only one polling place for early voting ballots, which shall be at City Hall, 1901 5th Street, Bay City, Texas. The City Secretary shall appoint at least four Temporary Deputy Early Voting Clerks for the General Election to be held May 6, 2017, and the City Council hereby approves that appointment and does authorize compensation for work.

As required under Section 85.005(d) of the Election Code, early voting by personal appearance at the main early voting polling place shall be conducted for at least 12 hours on two weekdays, if the early voting period consists of six or more weekdays; therefore, early voting by personal appearance shall be conducted for 12 hours on the last two days of early voting (May 1, 2017 and May 2, 2017).

13. City Hall located at 1901 5th Street, Bay, City, Texas, is hereby designated as the Central Counting Station.

A Station Manager of the Central Counting Station shall be appointed.

A Tabulation Supervisor of the Central Counting Station shall be appointed.

A Presiding Judge of the Central Counting Station shall be appointed.

14. Repealing Clause: That all Ordinances, Resolutions, or part thereof, in conflict herewith are repealed to the extent of such conflict.

15. Severability Clause: If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, or invalid, and the validity of the remaining portions or sets of circumstances shall not be affected hereby, it being the intent of the City Council in adopting this Ordinance that no portion thereof or provision or regulation contained herein shall become inoperative or fail by reason of an unconstitutionality and all provisions of this Ordinance are declared to be severable.

15. Effective Date: This Ordinance was passed, approved and effective on the 9th day of February 2017.

COUNCIL MEMBER	VOTED AYE	VOTED NO	ABSENT
William Cornman	_____	_____	_____
Julie Estlinbaum, Mayor Pro Tem	_____	_____	_____
Chrystal Folse	_____	_____	_____
Steven Johnson	_____	_____	_____
Carolyn Thames	_____	_____	_____

Mark A. Bricker, Mayor
City of Bay City, Texas

ATTEST:

Rhonda Clegg, City Secretary

APPROVED AS TO FORM:

Shannon Kackley, Assistant City Attorney
City of Bay City
DENTON, NAVARRO, ROCHA,
BERNAL, HYDE & ZECH, P.C.

Attachment: ORDINANCE NO. - General Election (2510 : Election Ordinance)



City Council
1901 5Th Street
Bay City, TX 77414

ADOPTED

AGENDA ITEM (ID # 2511)

Meeting: 02/09/17 07:00 PM
Department: City Secretary
Category: Agreement
Prepared By: Rhonda Clegg
Initiator: Rhonda Clegg
Sponsors:
DOC ID: 2511

DISCUSS, CONSIDER, AND/OR APPROVE A JOINT ELECTION AGREEMENT BETWEEN THE CITY OF BAY CITY AND THE BAY CITY INDEPENDENT SCHOOL DISTRICT.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Julie Estlinbaum, Councilwoman
SECONDER:	Carolyn Thames, Councilwoman
AYES:	William Cornman, Julie Estlinbaum, Steven Johnson, Carolyn Thames
EXCUSED:	Chrystal Folse

JOINT ELECTION AGREEMENT BETWEEN THE CITY OF BAY CITY AND THE BAY CITY INDEPENDENT SCHOOL DISTRICT

This joint election agreement is made this ____ day of _____, 2017, by and between the *City of Bay City, a Texas home rule municipality, ("City") and the Bay City Independent School District, a Texas Independent School District, ("District") (collectively "Entities" or "Participating Entities")*.

WHEREAS, the **City** plans to hold a General Election on May 6, 2017, for the purpose of electing a city council members for Place 3, Place 4 and Place 5;

WHEREAS, the **District** plans to hold a General Election on May 6, 2017, for the purpose of electing two (2) trustees one (1) for Position 4 and one (1) for Position 5.

WHEREAS, Texas Election Code section 271.002 authorizes the governing bodies of political subdivisions to enter into an agreement to hold joint elections in election precincts that can be served by common polling places;

WHEREAS, the parties to this agreement serve voters within the same boundaries, and it would be to the benefit of the City and the District, and the citizens and voters thereof to hold the elections jointly.

NOW, THEREFORE, IT IS AGREED that a joint election will be held by City and District under the following terms and conditions:

THIS AGREEMENT is subject to the written approval of all parties and shall not be binding on the parties until such written approval is obtained.

THIS AGREEMENT will require the City of Bay City's Deputy City Secretary to be appointed as the Joint Early Voting Clerk.

THIS AGREEMENT requires the City and the District to share costs associated with this joint election proportionally as more specifically stated in Section B.2., of this agreement.

THIS AGREEMENT requires the City and the District to be responsible for ordering its own election and each Party shall be responsible for the following:

1. Publishing notice of their respective elections, which shall be published separately;
2. The production of respective elections ballots;
3. Issuance of their own certificate of election to the candidates.

THIS AGREEMENT will require joint Early Voting and Election Day locations, dates, and times to be used by the City and the District.

THIS AGREEMENT will require the City of Bay City Elections Administrator to tabulate the precinct results and canvassing separately for the City and the District. The results will be delivered to each entity by facsimile.

THIS AGREEMENT will require the City of Bay City Elections Administrator to be responsible for the safekeeping of election records for this joint election.

THIS AGREEMENT will require the City of Bay City Elections Administrator to be responsible for performing the following duties and to furnish the following services and equipment:

1. Recommend election judges, alternate judges and clerks.
2. Pay election judges and other election workers.
3. Procure and distribute all necessary election supplies.
4. Supply all necessary voting equipment; transport equipment to and from the polling places, and prepare the voting equipment for use at the polling places.
5. Issue Writs of Election to the election judges appointed.
6. Perform early voting clerk duties.
7. Publish the legal notice of the date, time, and place of the electronic tabulating equipment test and conduct such test and provide copies to entities.
8. Arrange for the use of a central counting station and for the tabulating personnel needed at the counting station and assist in the preparation of programs and the test materials for tabulation of the ballots to be used with electronic voting equipment.
9. Assist in providing the general overall supervision of the election and will provide to the Canvassing Authority the prescribed election records and reports as required when a central counting station is used:
 - (a) Canvassing Summary Report,
 - (b) Accumulated Totals Report of early voting and Election Day, and
 - (c) Electronically submit results to the Secretary of State.
10. Ballot type: (For use with mail ballots.) Optical scan.
11. Ballot tabulating equipment to be used:
 - Premier Touch Screens,
 - Premier Optical Scan for paper ballots.

GENERAL CONDITIONS

A. Common Early Voting and Election Day Polling Locations

Early voting by personal appearance will be conducted at the following location at the specified dates and times:

City of Bay City - City Hall
1901 5th Street
Bay City, Texas

Dates: Monday, April 24, 2017 – Friday, April 28, 2017

Hours: 8:00 a.m. – 5:00 p.m.

Monday, May 1, 2017 - Tuesday, May 2, 2017

Hours: 7:00 a.m. – 7:00 p.m.

Election Day Locations: The polling places listed below will be open from **7:00 a.m. to 7:00 p.m. on May 9, 2015.**

**Bay City Service Center
2107 Avenue M.
Bay City, Texas**

B. Joint Election Costs: Payment

1. Costs. Access to the common polling location(s) set out herein will be provided at no charge. However, each Entity remains responsible for all costs associated with their respective elections (including but not limited to production of ballots and posting of notices), save and except those costs specified in Section B.2., immediately below.

All funds expended by each Entity will be from current revenues.

2. Shared costs. The District shall reimburse the City for one-half (1/2) of costs incurred by the City for the following:
 - a) Salaries of election workers, including hours of City employees for work directly related to this election; and
 - b) All cost associated with use of leasing Matagorda County's JBC's, DAU and eScan; and
 - c) All cost associated with use of City's ePollbooks (District's obligation for this item is estimated to be \$3,312.00); and
 - d) Miscellaneous Costs (i.e. election worker breakfast and lunch).

Cancellation. In the event any of the parties to this Agreement cancel their election because of unopposed candidates under Subchapter C of Title I of the Texas Election Code, the remaining parties shall be responsible for their respective elections, including all associated costs. The canceling party shall be responsible for its respective share of election expenses incurred through the date that the election is canceled as allocated to that Entity. In the event that a party cancels its election, the other parties shall continue to have access to the polling locations at no charge.

If an election is to be canceled by one of the parties, notice will be given within two (2) days of cancellation.

Run-Off Election. This agreement shall not extend to run-off elections. If District requires a run-off election, District shall be responsible for arranging all matters necessary for the conduct and administration of a run-off election.

C. General Provisions

- A. Communications.** Throughout the term of this Agreement, the Participating Entities will engage in ongoing communications concerning the conduct of the Joint Election and discuss and resolve any problems which might arise regarding the Joint Election.
- B. Effective Date.** This Agreement takes effect upon the complete execution of this Agreement by all Participating Entities.
- C. Custodian of Records.** Each Participating Entity will serve as their individual custodian for purposes of election records as required by law. Each Participating Entity shall appoint a qualified person to act as Custodian of Records for the Entity to perform the duties imposed by the Election Code on the custodian of records for its respective entity.

D. Miscellaneous Provisions

- A. Venue and Choice of Law.** The Entities agree that venue for any dispute arising under this Agreement will lie in the appropriate courts of Matagorda County, Texas. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and the United States of America.
- B. Entire Agreement.** This Agreement contains the entire agreement of the parties relating to the rights herein granted and the obligations herein assumed and supersedes all prior agreements, including prior election services contracts relating to each Entity's May 6, 2017 election. Any prior agreements, promises, negotiations, or representations not expressly contained in this Agreement are of no force and effect. Any oral representations or modifications concerning this Agreement shall be of no force or effect, excepting a subsequent modification in writing as provided herein.
- C. Severability.** If any provision of this Agreement is found to be invalid, illegal or unenforceable by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect the remaining provisions of this Agreement; and, parties to this Agreement shall perform their obligations under this Agreement in accordance with the intent of the parties to this Agreement as expressed in the terms and provisions of this Agreement.
- D. Breach.** In the event that any Participating Entity breaches any of its obligations under this Agreement, the non-breaching party shall be entitled to

pursue any and all rights and remedies allowed by law. Nothing in this Agreement shall be construed as a waiver of any immunity or defense to which any Participating Entity is entitled under statutory or common law.

- E. Other Instruments. The Entities agree that they will execute other and further instruments or any documents as may become necessary or convenient to effectuate and carry out the purposes of this Agreement.
- F. Mediation. When mediation is acceptable to both parties in resolving a dispute arising under this Agreement, the parties agree to use a mutually agreed upon mediator, or a person appointed by a court of competent jurisdiction, for mediation as described in Section 154.023 of the Texas Civil Practice and Remedies Code. Unless both parties are satisfied with the result of the mediation, the mediation will not constitute a final and binding resolution of the dispute. All communications within the scope of the mediation shall remain confidential as described in Section 154.023 of the Texas Civil Practice and Remedies Code, unless both parties agree, in writing, to waive the confidentiality. Notwithstanding the foregoing, the parties intend to fully comply with the Texas Open Meetings Act and the Texas Public Information Act, whenever applicable. The term “confidential” as used in this Agreement has the same meanings as defined and construed under the Texas Public Information Act and the Texas Open Meetings Act.
- G. Amendment/Modification. Except as otherwise provided, this Agreement may not be amended, modified, or changed in any respect whatsoever, except by a further Agreement in writing, duly executed by the parties hereto. No official, representative, agent, or employee of any Participating Entity has any authority to modify this Agreement except pursuant to such expressed authorization as may be granted by the governing body of the respective Participating Entity.
- H. Counterparts. This Agreement may be executed in multiple counterparts, all of which shall be deemed originals and with the same effect as if all parties hereto had signed the same document. All of such counterparts shall be construed together and shall constitute one and the same Agreement.

*****REMAINDER OF PAGE INTENTIONALLY LEFT BLANK***

The undersigned are the duly authorized representatives of the parties' governing bodies, and their signatures represent adoption and acceptance of the terms and conditions of this agreement.

APPROVED, this _____ day of _____, 2017, by the City Council of the
CITY OF BAY CITY.

Mark A. Bricker, Mayor
City of Bay City

ATTEST:

Rhonda Clegg, City Secretary

APPROVED AS TO FORM:

DNRBH&Z P. C,

APPROVED, this _____ day of _____, 2017, by the Board of Trustees
for the Bay City Independent School District

Name, Title
Bay City Independent School District