

# PLANNING & ZONING COMMISSION

AGENDA: MAY 26, 2015



**LAREDO, TEXAS**  
**1755**

**CITY OF LAREDO  
PLANNING AND ZONING COMMISSION**

**NOTICE OF MEETING**

The City of Laredo Planning and Zoning Commission will convene in special session open to the public at 5:30 pm on Tuesday, May 26, 2015 in the City Council Chambers at City Hall, 1110 Houston Street, Laredo, Texas to consider the following:

I. CALL TO ORDER

II. REVISION OF A MASTER PLAN


- A. Loop Master Plan, located east of Bob Bullock Loop south of Bayside Blvd.  
District V – Cm. Roque Vela, Jr.

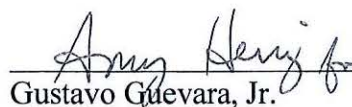
III. PUBLIC HEARING AND RECOMMENDATION OF THE FOLLOWING ZONE CHANGES

- B. Amending the Zoning Ordinance (Map) of the City of Laredo by authorizing a Special Use Permit and Drilling Permit for Oil and/or Gas Extraction and Production for Hachar 5H Well on a 2.62 acre pad site out of a 6,132.06 acre tract known as the Hachar Lease, located East of F.M. 1472. District VII-Cm. George Altgelt
- C. Amending the Zoning Ordinance (Map) of the City of Laredo by authorizing a Special Use Permit and Drilling Permit for Oil and/or Gas Extraction and Production for Hachar 6H Well on a 2.62 acre pad site out of a 6,132.06 acre tract known as the Hachar Lease, located East of F.M. 1472. District VII-Cm. George Altgelt

IV. ADJOURNMENT

THIS NOTICE WAS POSTED AT THE MUNICIPAL GOVERNMENT OFFICES, 1110 HOUSTON STREET, LAREDO, TEXAS, AT A PLACE CONVENIENT AND READILY ACCESSIBLE TO THE PUBLIC AT ALL TIMES. SAID NOTICE WAS POSTED ON FRIDAY, MAY 22, 2015 BY 5:00 PM.

  
Nathan R. Bratton  
Director of Planning

  
Gustavo Guevara, Jr.  
City Secretary

**Planning & Zoning Commission  
Communication**

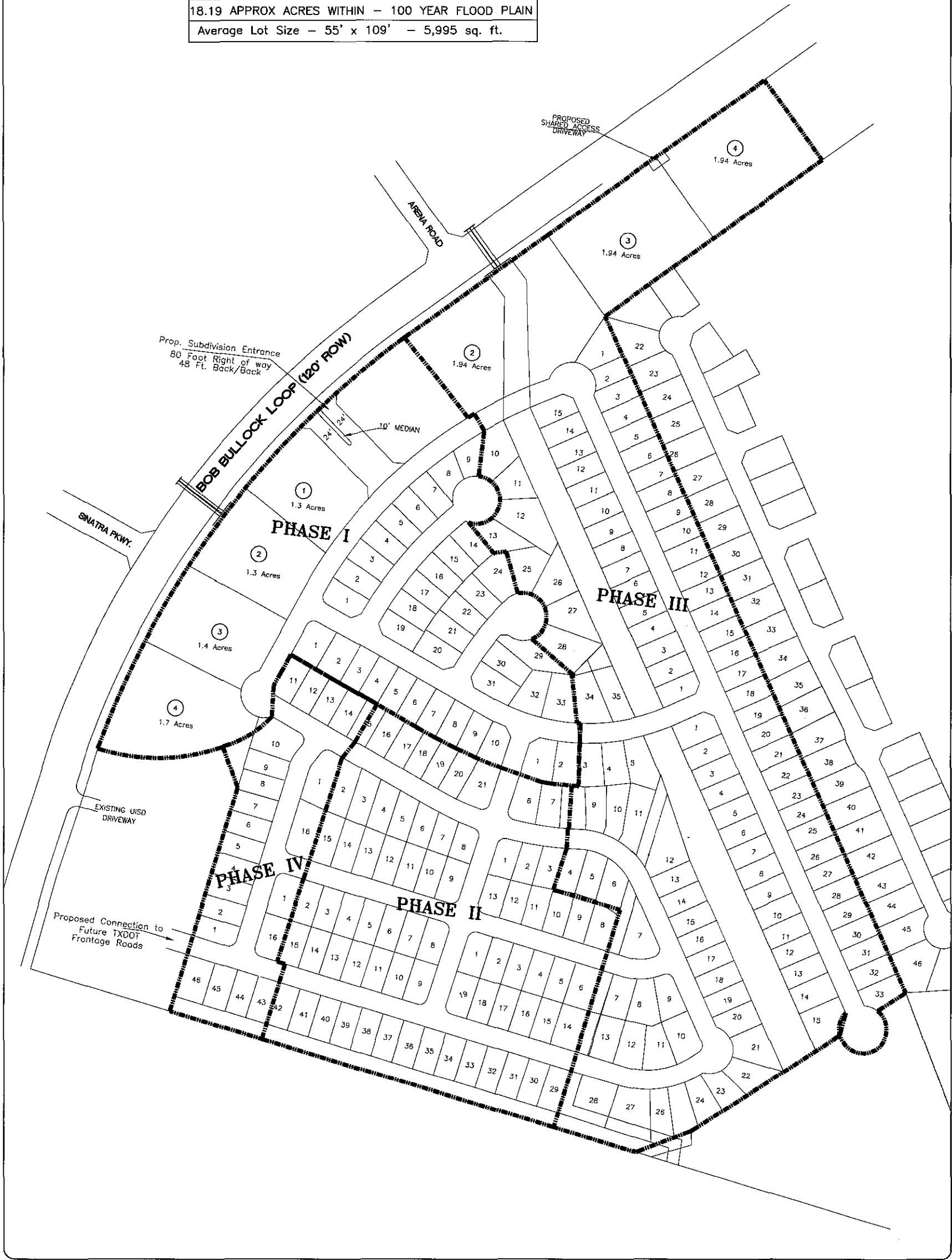
<b>AGENDA ITEM:</b> II-A	<b>DATE:</b> 05/26/15
<b>APPLICANT:</b> KRK, Ltd.	<b>ENGINEER:</b> Sherfey Engineering Co.
<b>REQUEST:</b> Revision and consideration of the Loop Master Plan. The intent is residential and commercial.	
<b>SITE:</b> This master plan consists of approximately 237 lots on 73.77 acres and is located east of Bob Bullock Loop south of Bayside Blvd. This is located in District V- Cm. Roque Vela Jr.	
<b>PREVIOUS COMMISSION ACTION:</b> This master plan was postponed time certain by the Planning & Zoning Commission on 05/21/15.	
<b>PROPOSED ACTION:</b> <u>APPROVE SUBJECT TO THE FOLLOWING COMMENTS:</u>	
<ol style="list-style-type: none"> <li>1. Provide a revised approved master plan with a revision date of 05/21/15 to include any previously recorded plats prior to any subsequent plat submittal in accordance to Section 2-3.2(a) 4 of the Subdivision Ordinance Handbook.</li> <li>2. Provide a second means of access to the development. (Fire Dept.) Also provide street names.</li> <li>3. Provide R.O.W. widths for any streets designated collectors or higher, i.e. the entrance to the subdivision, if applicable.</li> <li>4. Conform to Section 24-57 of the Laredo Land Development Code regarding Green Space Preservation, if applicable.</li> <li>5. Conform to Section 24-69 of the Laredo Land Development Code regarding Flood Plain Management Standards.</li> <li>6. Request for street variances may be required as the street in Phase III exceeds the maximum block length requirement as Per Section 3-2 (N), of the City of Laredo Subdivision Ordinance.</li> </ol>	
<u>Notice to the Developer:</u>	
Request for variances will be required as phases are developed which may result in a possible redesign of the master plan with increased right of way. The location and nature of the traffic calming devices will be reviewed and approved in conjunction with the phasing.	




DEVELOPMENT SUMMARY			
PHASE	RESIDENTIAL	COMMERCIAL	AREA
PHASE I	37	5	16.58 ACRES
PHASE II	73	0	14.04 ACRES
PHASE III	106	3	38.26 ACRES
PHASE IV	24	0	4.89 ACRES
TOTALS:	240	8	73.77 ACRES
PHASE III PARK AREA - 6.08 ACRES			
18.19 APPROX ACRES WITHIN - 100 YEAR FLOOD PLAIN			
Average Lot Size - 55' x 109' - 5,995 sq. ft.			



SCALE 1"=120'



Designed By: J.P.S.  
 Drawn By: R.X.L.  
 Checked By: J.P.S.  
 Approved By: J.P.S.  
 File: X:\Open Projects\1002.00 Kinshel Lakeside\8.0 con\1002.dwg

 **SHERFEY ENGINEERING COMPANY, L.L.C.**  
 104 Del Court Suite 400 Laredo, Texas 78041 (956) 791-3511  
 TYPE FIRM REGISTRATION No: F-3132

CONCEPTUAL MASTER PLAN

**THE LOOP SUBDIVISION**

PRJ. NO. 8202.00  
**1**

Scale: 1" = 120' Date: 10/01/13 Rev: 03/31/15 SHEET 1 OF 1

**PLANNING AND ZONING COMMUNICATION**

<b>Date:</b>  5/26/15	<b>SUBJECT: PUBLIC HEARING AND RECOMMENDATION OF AN ORDINANCE</b>  Amending the Zoning Ordinance (Map) of the City of Laredo by authorizing a Special Use Permit and Drilling Permit for Oil and/or Gas Extraction and Production for Hachar 5H Well on a 2.62 acre pad site out of a 6,132.06 acre tract known as the Hachar Lease, located East of F.M. 1472.
<b>Item</b> III. <b>B.</b>	ZC-31-2015

<b>Initiated by:</b> Laredo Energy VI, LP, applicant	<b>Staff source:</b> Horacio De Leon, Asst. City Manager Nathan R. Bratton, Planning Director
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**Prior action:** The Commission recommended approval of this item at the regular meeting of April 2, 2015. The Council requested reconsideration of this item by the Commission at the regular meeting of May 18, 2015.

**BACKGROUND**

**Council District:** VII

**Proposed use:** Oil and / or Gas Extraction & Production

**Site:** Existing wells and proposed new well

**Surrounding land uses:** Properties in every direction are vacant and undeveloped. Green Ranch Subdivision is to the south west of the site.

**Comprehensive Plan:** The Comprehensive Plan identifies this area as Light Industrial.

**Transportation Plan:** The Long Range Thoroughfare Plan identifies F.M. 1472 as an Expressway.

**Letters sent to surrounding property owners:** 1            In Favor: 0            Opposed: 0

**STAFF COMMENTS**

A Special Use Permit (SUP) is used for those types of uses that warrant individual attention on a case by case basis and should not be categorized in a zoning district. A Special Use Permit is basically an overlay on top of the existing zoning designation and can be limited in many respects such as time, fencing, setbacks, landscaping, etc.

(Continued on next page...)

<b>P&amp;Z COMMISSION RECOMMENDATION:</b> The P & Z Commission, in a <u>7</u> to <u>1</u> vote, recommended <b><u>approval</u></b> of the Special Use Permit.	<b>STAFF RECOMMENDATION:</b> Staff <b><u>supports</u></b> the proposed Special Use Permit.
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## PLANNING AND ZONING COMMUNICATION

### STAFF COMMENTS

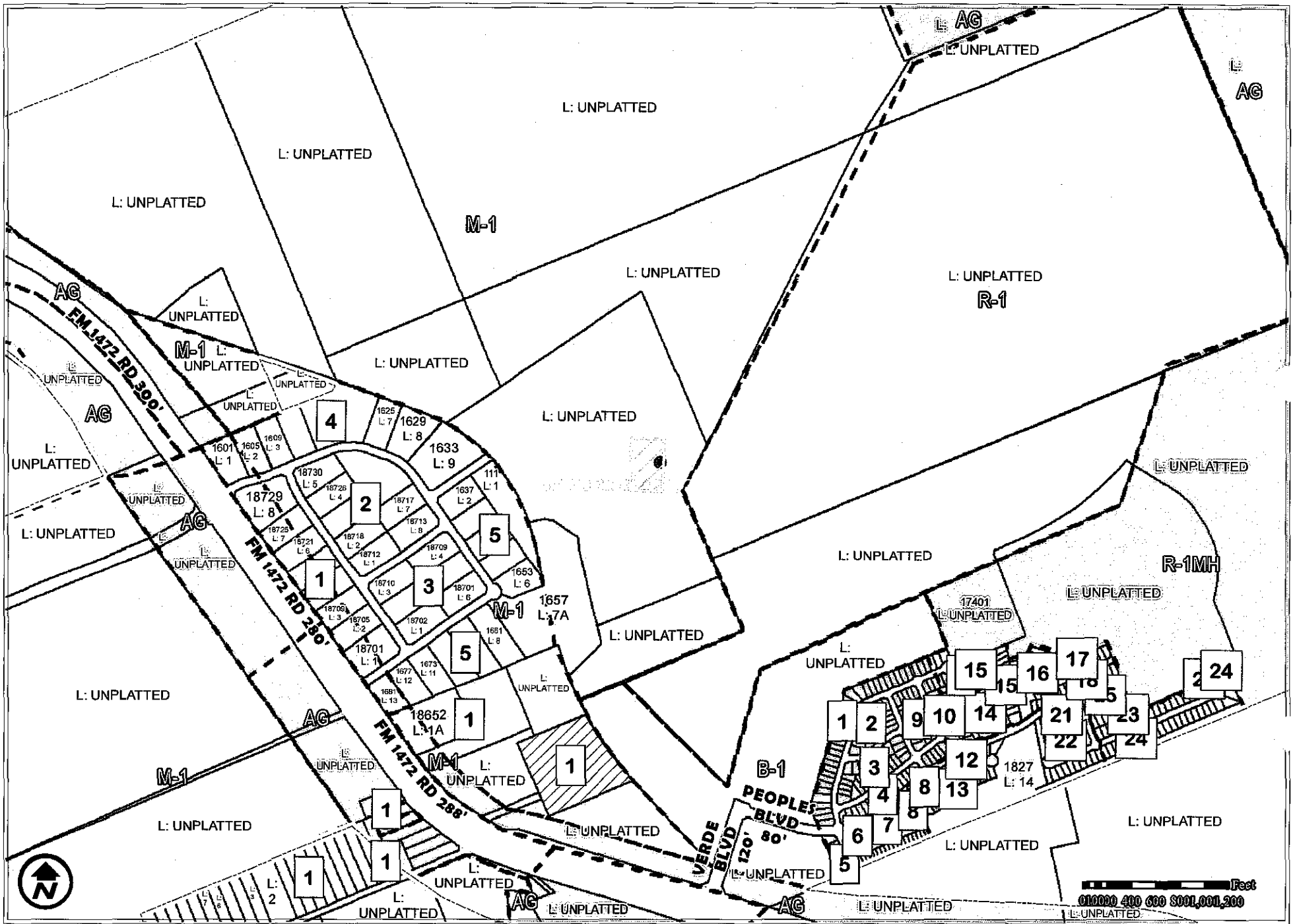
A Special Use Permit (SUP) is used for those types of uses that warrant individual attention on a case by case basis and should not be categorized in a zoning district. A Special Use Permit is basically an overlay on top of the existing zoning designation and can be limited in many respects such as time, fencing, setbacks, landscaping, etc.

Staff supports the request of the proposed SUP at this location for the following reasons:

1. The proposed SUP is compatible with the surrounding uses and zones.
2. The proposed use is consistent with the Comprehensive Plan's designation for this area as Light Industrial.
3. The proposed drilling site is a considerable distance from any other development.

Should the Commission recommend approval of the proposed SUP, staff suggests the following conditions:

1. The Special Use Permit is issued to Laredo Energy VI, LP, and is non-transferable.
2. The Special Use Permit is restricted to the site plan, Exhibit "A", which is made part hereof for all purposes.
3. The Special Use Permit must abide by statements made in letter, Exhibit "B", which is made part hereof for all purposes.
4. The Special Use Permit shall comply with all Fire Code requirements including the location and treatment of the premises.
5. The Special Use Permit shall comply with all rules and regulations of the Laredo Land Development Code Section 24-73: Oil & Gas Extraction & Production Specific Use Zoning Overlay District and Permit Requirements.
6. The Special Use Permit shall be subject to an annual inspection.



**ZONING MAP 5H; HACHAR PAD SITE OUT OF 6132.06 ACRES**  
 1 inch = 1,000 feet  
 Date: 3/5/2015  
**COUNCIL DISTRICT 7**  
 ZC-31-2015

**APPLICATION FOR S.U.P. (SPECIAL USE PERMIT) TO OIL AND/ OR GAS EXTRACTION & PRODUCTION**

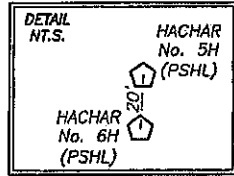
- S.U.P. (SPECIAL USE PERMITS)
- C.U.P. (CONDITIONAL USE PERMITS)
- S.U.P. & C.U.P.



# EXHIBIT "A"

**LAREDO ENERGY OPERATING, LLC**  
 HACHAR No. 5H AND HACHAR No. 6H PAD SITE  
 SITUATED IN  
 PORCION 13, JOSE MIGUEL GARCIA, ABSTRACT 51  
 CITY OF LAREDO, WEBB COUNTY, TEXAS

ZON-E



PORCION 13  
 JOSE MIGUEL GARCIA  
 ABSTRACT 51  
 CITY OF LAREDO  
 WEBB COUNTY, TEXAS

COMMENCING  
 From a found 6 inch fence corner  
 post being the West corner of a  
 6.132.06 Acre Tract  
 S 69°23'44" E - 6,302.55'

POINT OF BEGINNING

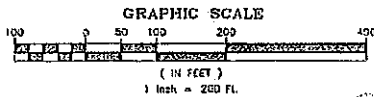
LAREDO ENERGY  
 HACHAR LEASE  
 6,132.06 ACRES (CALLED)  
 VOLUME 3196, PAGE 529  
 O.P.R.W.C.T.

PAD SITE  
 2.62 ACRES

LAREDO ENERGY  
 OPERATING, LLC  
 (OPERATOR)



R.P.L.S. No. 5726  
**02-17-15**  
 CURRENT DATE



100 YEAR FLOODPLAIN ZONE

PORCION 13  
 PORCION 14

PORCION 14  
 JOSE GUAJARDO  
 ABSTRACT 56  
 CITY OF LAREDO

## HOWLAND

ENGINEERING AND SURVEYING CO.  
 TBPE Firm Registration No. P-4097 TBPLS Firm Registration No. 100424-00  
 7815 N Barkett Avenue, Laredo, TX 78041 P. 956.722.4411  
 www.howlandcompanies.com

**WARNING:** BASIS OF BEARING: G.P.S. T<sub>x</sub> South Zone, NAD-27  
 THIS PLAN MAY NOT SHOW ALL CROSSINGS OF PIPELINES OR CABLES. HOWLAND ENGINEERING AND SURVEYING CO., INC. ASSUMES NO RESPONSIBILITY TO LOCATE PIPELINE OR CABLE CROSSINGS. NO CLAIM IS HEREBY MADE REGARDING CURRENT OR ACTUAL SURFACE, MINERAL, FEE, WATER, OR LESSOR. THIS DRAWING IS MADE EXCLUSIVELY FOR LAREDO ENERGY OPERATING, LLC  
 COPYRIGHT HOWLAND ENGINEERING AND SURVEYING CO., INC. 2015 ©

### LEGEND

- ◻ (PSHL) = PROPOSED SURFACE HOLE LOCATION
- = PAD LINE
- - - = PERPENDICULAR TIES
- ⋯ = SURVEY LINE
- ⋯ = FENCE LINE

Revision	Date
1	01-07-15
2	02-11-15
3	02-12-15
4	02-13-15

FIELD DATE	BOOK	PAGE(s)	DRAWN BY:
01-09-15	944	64	J.V.
01-29-15	940	15	J.S./L.O.T.
			CHECKED BY:
			J.S./L.O.T.
			JOB No. 23411.1-159
			SHEET: 2 OF 3

**EXHIBIT "A"**

**FIELD NOTES  
FOR  
LAREDO ENERGY OPERATING, LLC  
HACHAR LEASE  
2.62 ACRE PAD SITE**

A TRACT OF LAND CONTAINING 2.62 ACRES, more or less, being out of the Hachar Lease, 6,132.06 Acres (Called), recorded in Volume 3196, Page 529, Official Public Records of Webb County, Texas, situated in Porcion 13, Jose Miguel Garcia, Abstract 51, City of Laredo, Webb County, Texas, and being more particularly described as follows;

COMMENCING from a found 6 inch fence corner post, being the West corner of said Hachar Lease, 6,132.06 Acres (Called); Thence, S 68°23'44" E, a distance of 6,302.55 feet, for the Northwest corner hereof, and the POINT OF BEGINNING;

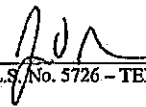
THENCE, S 87°18'00" E, a distance of 265.00 FEET, to a point for the Northeast corner hereof;

THENCE, S 02°42'00" W, a distance of 430.00 FEET, to a point for the Southeast corner hereof;

THENCE, N 87°18'00" W, a distance of 265.00 FEET, to a point for the Southwest corner hereof;

THENCE, N 02°42'00" E, a distance of 430.00 FEET, to the POINT OF BEGINNING and containing 2.62 acres of land, more or less.

Basis of Bearing: G.P.S., TX, South Zone, NAD-27

  
R.P.L.S. No. 5726 - TEXAS



02-17-15  
Current Date

SHEET 2 OF 2

S:\HOWLAND SURVEYING\DEPARTMENT\VOBS\2015\23411.1-15\23411.1-15B.docx

[www.howlandcompanies.com](http://www.howlandcompanies.com)

7615 N. Bartlett Avenue P.O. Box 451128 (78045) Laredo, TX 78041 P. 956.722.4411 F. 956.722.5414  
TBPE Firm Registration No. F-4097 TBPLS Firm Registration No. 100464-00



www.laredoenergy.com

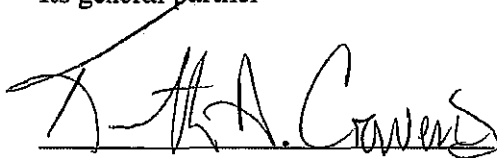
City Centre Four  
840 W. Sam Houston Pkwy N.  
Suite 400  
Houston, Texas 77024  
713-600-6000  
713-600-6001 Fax

The undersigned, on behalf of Laredo Energy VI, L.P. ("Laredo Energy"), hereby states as follows:

1. Laredo Energy agrees to present any evidence to the Laredo City Council, in addition to that which is required under Section 24-73 of the Land Development Code, as may be requested by the City Council.
2. To the best of Laredo Energy's belief, the proposed drilling, completion, and production operations can be conducted safely.
3. Laredo Energy hereby authorizes the City of Laredo to expend such funds as may be necessary under the direction and advice of the Texas Railroad Commission, under the circumstances, to regain well control.
4. Laredo Energy hereby agrees to file with the Office of the Superintendent and/or Planning and Zoning Department the reports required under Section 24-73 of the Land Development Code.

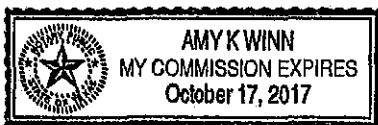
Signed on this the 21<sup>st</sup> day of January, 2015.

LAREDO ENERGY VI, L.P.  
By: Laredo Energy VI GP, LLC  
Its general partner

By:   
Kenneth A. Cravens, VP-Land

THE STATE OF TEXAS §  
COUNTY OF HARRIS §

Subscribed and sworn to before me, by Kenneth A. Cravens, Vice President-Land, Laredo Energy VI, L.P., this 21<sup>st</sup> day of January, 2015, in the capacity stated.



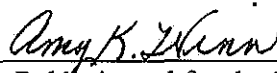
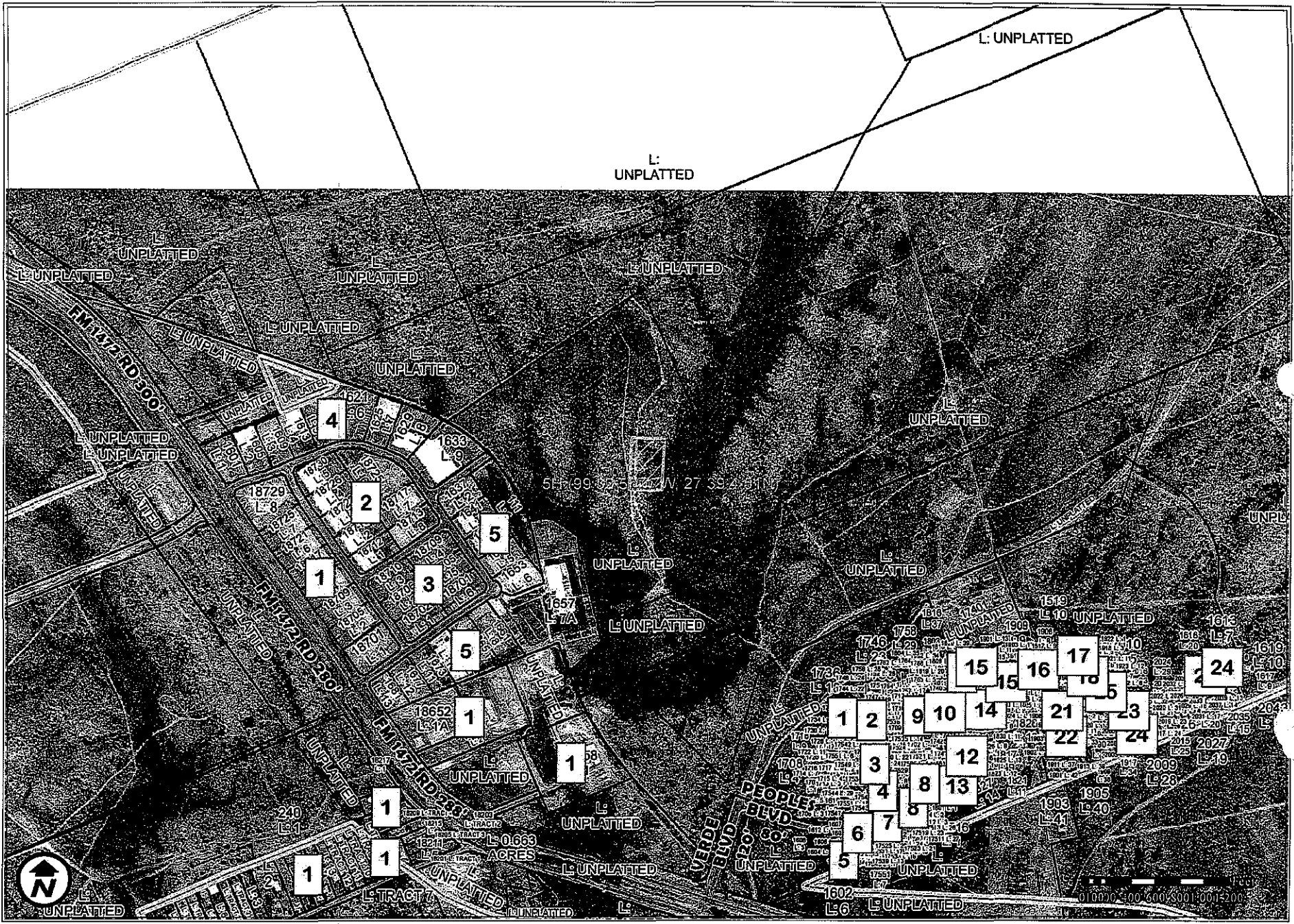
  
Notary Public in and for the State of TEXAS

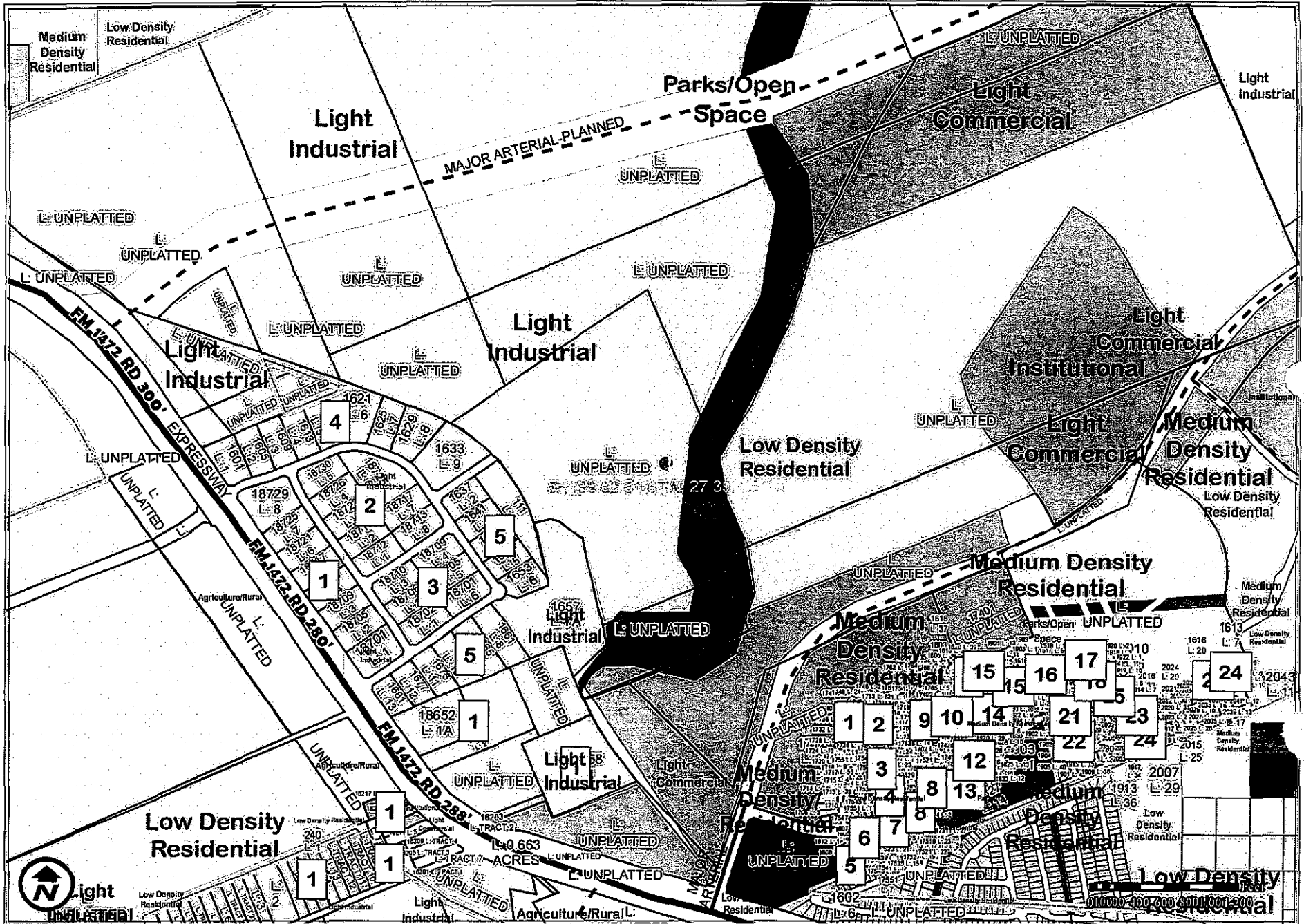
Exhibit B



**AERIAL MAP** 5H; HACHAR PAD SITE OUT OF 6132.06 ACRES  
 1 inch = 1,000 feet  
 Date: 3/5/2015

**COUNCIL DISTRICT 7**  
 ZC-31-2015

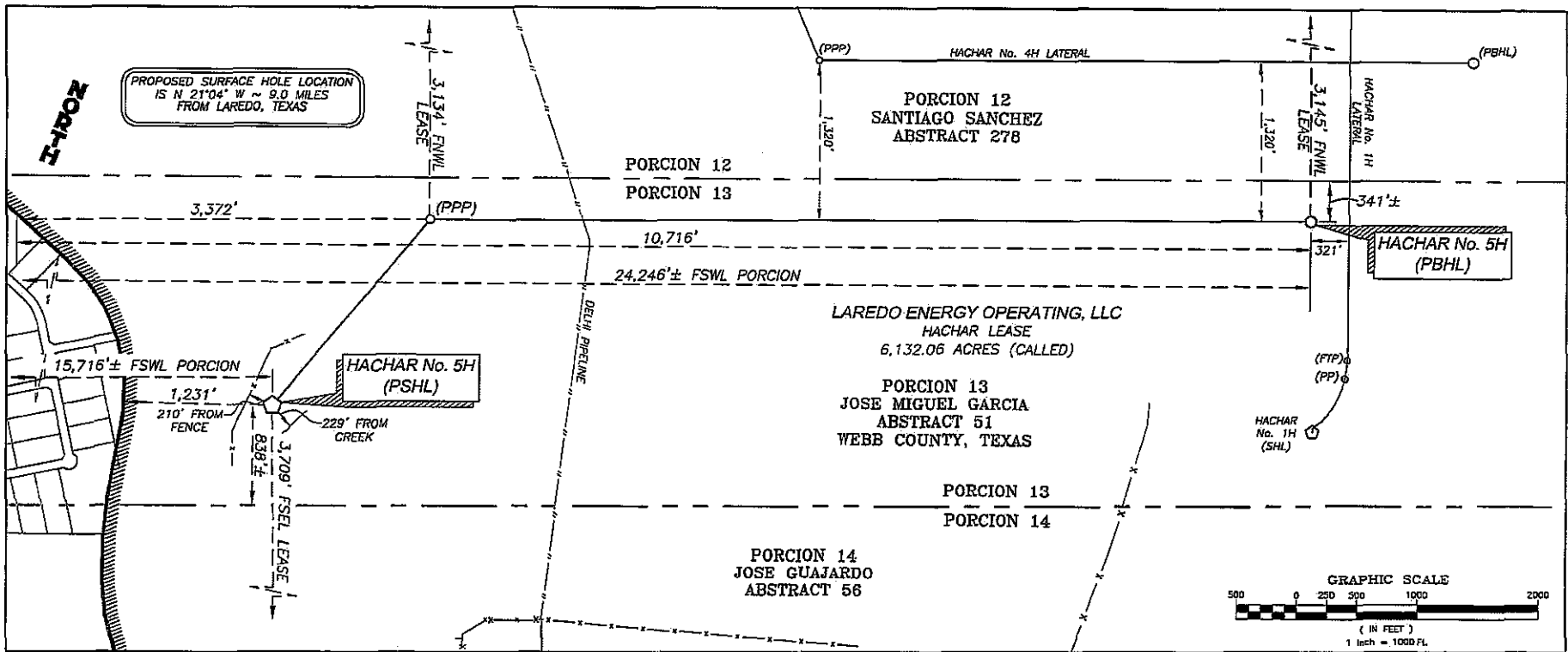
**APPLICATION FOR**  
**S.U.P. (SPECIAL USE PERMIT)**  
**TO OIL AND/ OR GAS EXTRACTION & PRODUCTION**



**FUTURE LAND USE MAP FOR HACHAR PAD SITE OUT OF 6132.06 ACRES**  
 1 inch = 1,000 feet  
 Date: 3/5/2015

COUNCIL DISTRICT 7  
 ZC-31-2015

**APPLICATION FOR S.U.P. (SPECIAL USE PERMIT) TO OIL AND/ OR GAS EXTRACTION & PRODUCTION**



**HACHAR No. 5H**  
STATE PLANE COORDINATES - TEXAS SOUTH ZONE - NAD 1927:  
**PROPOSED SURFACE HOLE LOCATION (PSHL)**  
N: 722660 E: 1661078  
GEOGRAPHIC NAD 27: Lat.: 27°39'03.46" Long.: 99°32'46.91"  
GEOGRAPHIC NAD 83: Lat.: 27°39'04.51" Long.: 99°32'50.07"  
ELEVATION: 479'  
LEASE: 3,709' FSEL & 1,231' FSWL  
PORCION: 838'± FSEL & 15,716'± FSWL  
**Proposed Penetration Point (PPP)**  
N: 724585 E: 1661694  
LEASE: 3,134' FNWL & 3,372' FSWL  
**PROPOSED BOTTOM HOLE LOCATION (PBHL)**  
N: 727377 E: 1668438  
LEASE: 3,145' FNWL & 10,716' FSWL  
PORCION: 341'± FNWL & 24,246'± FSWL

**LAREDO ENERGY OPERATING, LLC**  
HACHAR LEASE  
6,132.06 ACRES (CALLED)  
SITUATED IN  
PORCION 13, JOSE MIGUEL GARCIA, ABSTRACT 51  
WEBB COUNTY, TEXAS

FIELD DATE	BOOK	PAGE(S)	Revision	Date
08-18-14	931	48	1	08-17-14
01-29-15	940	14	2	09-23-14
			3	02-05-15

**LEGEND**  
 (PSHL) = PROPOSED SURFACE HOLE LOCATION  
 (PPP) = PROPOSED PENETRATION POINT  
 (PBHL) = PROPOSED BOTTOM HOLE LOCATION  
 --- = LEASE LINE  
 --- = PORCION LINE  
 --- = WELL BORE PATH  
 --- = PERPENDICULAR TIES

**Path Information**  
 (PSHL) N 174° E ~ 2,021'  
 (PPP) N 6731' E ~ 7,289'  
 (PBHL)

DRAWN BY: L.O.T.  
CHECKED BY: J.S.  
JOB No.: 23411-14  
QUAD NAME: CUERVO CREEK  
SHEET: 1 OF 1

**WARNING:** THIS PLAT MAY NOT SHOW ALL CROSSINGS OF PIPELINES OR CABLES. USE THE TEXAS ONE CALL SYSTEM BEFORE EXCAVATION ON THIS PROPERTY.

**HOWLAND**  
ENGINEERING AND SURVEYING CO.  
7815M, Bartlett Avenue Laredo, TX 78041 P. 956.777  
www.howlandcompany.com

STATE OF TEXAS  
COUNTY OF WEBB  
LAREDO  
5726  
02-05-15  
R.P.L.S. No. 5726 - TEXAS

*James Ornelas*

# CAMPERO & ASSOCIATES, P.C.

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ATTORNEYS AND COUNSELORS  
315 CALLE DEL NORTE, SUITE 207  
LAREDO, TEXAS 78041  
(956) 796-0330  
(956) 796-0399 FAX

May 22, 2015

Nathan Bratton  
Director  
City of Laredo  
Planning and Zoning Department  
1120 San Bernardo Ave.  
Laredo, Texas 78040

Re: Special Use Permit Applications – Laredo Energy Wells #5H and #6H

Dear Mr. Bratton:


Enclosed please find Laredo Energy's responses to the items mentioned by Councilman George Altgelt at the Laredo City Council meeting on Monday, which you listed in your correspondence to me on May 19, 2015.

As you know, at the most recent Council Meeting, Laredo Energy requested that there be no further delay with respect to the vote on the permit applications. There have been three postponements which have resulted in a serious risk of substantial economic harm. Frankly, at this point, economic losses due to the delays are probably unavoidable. Moreover, we do not understand, and frankly take exception to, the current status of the applications in approval process. We believe that it was inappropriate to remand these permit applications because they comply with Section 24-73 of the City of Laredo Land Development Code and were already approved by city staff and the Planning and Zoning Commission. Importantly, we further believe the remand is improper because its explicit purpose is the consideration of items, many of which are not part of the subject ordinance or inconsistent with governing law.

With all of that said, Laredo Energy is participating in the upcoming Commission and Council meetings with the intent of expediting approval of the permit applications and mitigating damages. Incidentally, we appreciate your efforts to schedule special meetings to keep the permit applications on track for final approval on June 1, 2015. Moreover, Laredo Energy representatives may acknowledge at the meeting that there is already conformity with some of the items as part of current standard procedure. They may even say that Laredo Energy is willing to comply with other items. These statements should not be construed as formal and binding commitments. Instead, Laredo Energy does not intend to negotiate or execute a contractual relationship with the City of Laredo and reserves all rights under applicable law.

May 22, 2015  
Mr. Bratton  
Page 2

Sincerely,



Adolfo Campero, Jr.

Enclosures



1. Does the company have a water management plan for handling fluids that flow back to the surface? If so, please provide copy to Fire Department and Environmental Services Department.

There is no "water management plan" for handling flowback fluids. All fluids from flowback operations are contained in surface tanks and subsequently transported via vacuum trucks to a licensed commercial disposal facility. The tanks are inspected prior to use. There are crews on-site on a 24 hours basis during the flowback period which lasts 7-10 days.

2. Does the company have a drainage plan to control the release of stormwater and to maintain the quality of the released stormwater? If so, please provide copy of the plan to Fire Department and Environmental Services Department.

Once a permit is issued, a site assessment is conducted. At this time, a determination is made on the location and size of a retention pond to catch storm water. The water is hauled off to a licensed commercial facility.

3. Please provide the Fire Department and the Environmental Services Department with the chemical composition of any liquids anticipated to be used in fracking activities on the proposed drilling site.

Pursuant to Statewide Rule 29 and Natural Resources Code Section 91.851, Laredo Energy reports the chemicals used in the frac fluid to a national database known as Frac Focus. The composition of the frac fluids is not determined until after the well is drilled. At that time, Laredo Energy shall provide the chemical composition to the City of Laredo.

4. Please provide the Parks and Recreation Department and the Environmental Services Department with site closure and restoration plans to natural conditions after the proposed well is removed.

The subject well may be operational for more than twenty years. Site closure and restoration plans have not been contemplated at this time. Laredo Energy customarily confers with the landowner to restore the site to the original or other desired condition.

5. Please provide the City Attorney's office with proof of liability insurance providing coverage for damages caused to public streets, sidewalks, water and sewer lines, and other public or private property, that might result from the proposed drilling activity.

Attached is a copy of the insurance certificate previously provided to the City of Laredo.

6. Please provide the Environmental Services Department with the company's plans to address noise and light pollution, and dust control, as a result of the proposed drilling activities.

Twenty foot noise abatement walls will be installed on the edge of the pad to reduce noise and will also be positioned to help reduce the impact of lighting. Vacuum trucks with sprayers are utilized to control dust on the pad site and roads.

7. Will the company provide the Environmental Services Department with a geotechnical study inspecting subsoil conditions on the affected property and potential for contamination from the proposed drilling activities?

Laredo Energy will conduct a Pre-Drill Site Assessment to analyze the subsoil conditions.

8. Will the company provide the Fire Department with a Topographical map showing locations of any proposed temporary ponds on the drilling site and route of downstream water/sludge flow in case of the rupture of a levee?

This will be included in the Pre-Drill Environmental Site Assessment. The site assessment will determine the best approach for runoff/discharge.

9. Is it likely that these wells will ever require compression, and if so, is it feasible to use electric compressors rather than diesel?

These wells may require compression in the future. If so, the compressor will most likely be fueled by natural gas produced on the lease. Laredo Energy typically confers with the landowner to determine the site for a compressor.

10. What air emissions are expected during the drilling process and during the production phase, including emissions that may come from compressors and from produced water storage, and what monitoring devices are available to identify exposures?

Emissions during drilling operations will be from fuel combustion engines and tank emissions will be vented during the production phase.

11. Will the company agree to monitor and report to the Environmental Services Department the air quality of the drilling site and the surrounding area both during and after completion?

Before, during, and after completion, Laredo Energy will conduct an air quality assessment of the drilling site and at least one more site in the surrounding area. The results of these assessments will be shared with the City of Laredo.

12. Will the company agree to use a lightning arrester?

Flame arresters are installed on storage tanks. Lightning rods will also be used. Also, it is standard practice to ground all steel tanks.

13. Will the company agree to on-site, unannounced, random inspections by both code enforcement and/or the Laredo Fire Department?

To the extent that the City of Laredo is requesting consent for additional or different inspections that exceed the current parameters of the governing ordinances, then Laredo Energy is willing to consider any proposals. For safety reasons, all city inspectors must be escorted on the lease premises.

14. Will the company agree to setup multiple air quality monitoring stations that provide real-time online data?

Laredo Energy believes that the installation and operation of air quality monitoring stations is the purview of TCEQ, which already maintains three such stations in the City of Laredo.

15. Will the company agree to use an entrance other than the Green Ranch neighborhood entrance?

For clarity, Laredo Energy and its subcontractors have never used the Green Ranch neighborhood entrance (Peoples Blvd), only Verde Blvd off of Mines Road. However, we previously advised residents of Green Ranch that Laredo Energy would voluntarily seek an alternate entrance.

16. Will the company agree to use a closed system to mitigate contamination and air emissions?

A closed loop system will be used in lieu of an earthen pit during drilling operations.

17. Will the company agree to use an all-electric rig to drill the well and to setup wind socks at the green ranch neighborhood?

The city ordinance requires an "all-electric" rig where any residential structure is within six hundred (600) feet of the well. The proposed well site is greater than twenty three hundred (2300) feet from any residential structure.

There is no such thing as an "all-electric" rig. There are alternating current (AC), silicon-controlled rectifiers (SCR) and mechanical rigs, all of which are powered by diesel engines. The specifications for the drilling unit were previously submitted with the permit application, as requested. The proposed drilling unit is powered by four Caterpillar diesel engines.

Laredo Energy will setup wind socks where we are permitted to do so and subject to landowner approval.

18. Will the company agree to only use potable water to wet down the drilling pad and caliche road in order to mitigate dust contamination?

Laredo Energy will use water from one of the existing water wells on the Hachar lease to reduce dust from operations. In addition, an alternate entrance to the lease has been selected which will significantly reduce the amount of dust generated by traffic near the Green Ranch neighborhood.

19. Will the company agree to monitor the venting of any tank batteries that are located on site?

Laredo Energy will continue to have tank battery monitoring in a manner that is consistent with standard operating procedure, industry practices, and TCEQ regulations.

20. Will the company agree to keep post completion activities isolated to only during working hours unless an emergency?

Yes, post completion activities being defined as after the well has been turned to sales and activities to be conducted during daylight hours.

21. Will the company agree to use an electric compressor if one is needed?

Please see response to Question 9.

22. How far is the drilling site from the proposed residential development that the land-owners plan on building?

Laredo Energy has not been provided this information by the landowner and is not privy to future development plans.

**PLANNING AND ZONING COMMUNICATION**

<p><b>Date:</b> 5/26/15  Item III. <b>C.</b></p>	<p><b>SUBJECT: PUBLIC HEARING AND RECOMMENDATION OF AN ORDINANCE</b>  Amending the Zoning Ordinance (Map) of the City of Laredo by authorizing a Special Use Permit and Drilling Permit for Oil and/or Gas Extraction and Production for Hachar 6H Well on a 2.62 acre pad site out of a 6,132.06 acre tract known as the Hachar Lease, located East of F.M. 1472.  <span style="float: right;">ZC-32-2015</span></p>
<p><b>Initiated by:</b> Laredo Energy VI, LP, applicant</p>	<p><b>Staff source:</b> Horacio De Leon, Asst. City Manager Nathan R. Bratton, Planning Director</p>
<p><b>Prior action:</b> The Commission recommended approval of this item at the regular meeting of April 2, 2015. The Council requested reconsideration of this item by the Commission at the regular meeting of May 18, 2015.</p>	
<p><b>BACKGROUND</b></p> <p><b>Council District:</b> VII</p> <p><b>Proposed use:</b> Oil and / or Gas Extraction &amp; Production</p> <p><b>Site:</b> Existing wells and proposed new well</p> <p><b>Surrounding land uses:</b> Properties in every direction are vacant and undeveloped. Green Ranch Subdivision is to the south west of the site.</p> <p><b>Comprehensive Plan:</b> The Comprehensive Plan identifies this area as Light Industrial.</p> <p><b>Transportation Plan:</b> The Long Range Thoroughfare Plan identifies F.M. 1472 as an Expressway.</p> <p><b>Letters sent to surrounding property owners:</b> 1                      In Favor: 0                      Opposed: 0</p>	
<p><b>STAFF COMMENTS</b></p> <p>A Special Use Permit (SUP) is used for those types of uses that warrant individual attention on a case by case basis and should not be categorized in a zoning district. A Special Use Permit is basically an overlay on top of the existing zoning designation and can be limited in many respects such as time, fencing, setbacks, landscaping, etc.</p> <p align="right">(Continued on next page...)</p>	
<p><b>P&amp;Z COMMISSION RECOMMENDATION:</b> The P &amp; Z Commission, in a <u>7</u> to <u>1</u> vote, recommended <b><u>approval</u></b> of the Special Use Permit.</p>	<p><b>STAFF RECOMMENDATION:</b> Staff <b><u>supports</u></b> the proposed Special Use Permit.</p>

## PLANNING AND ZONING COMMUNICATION

### STAFF COMMENTS

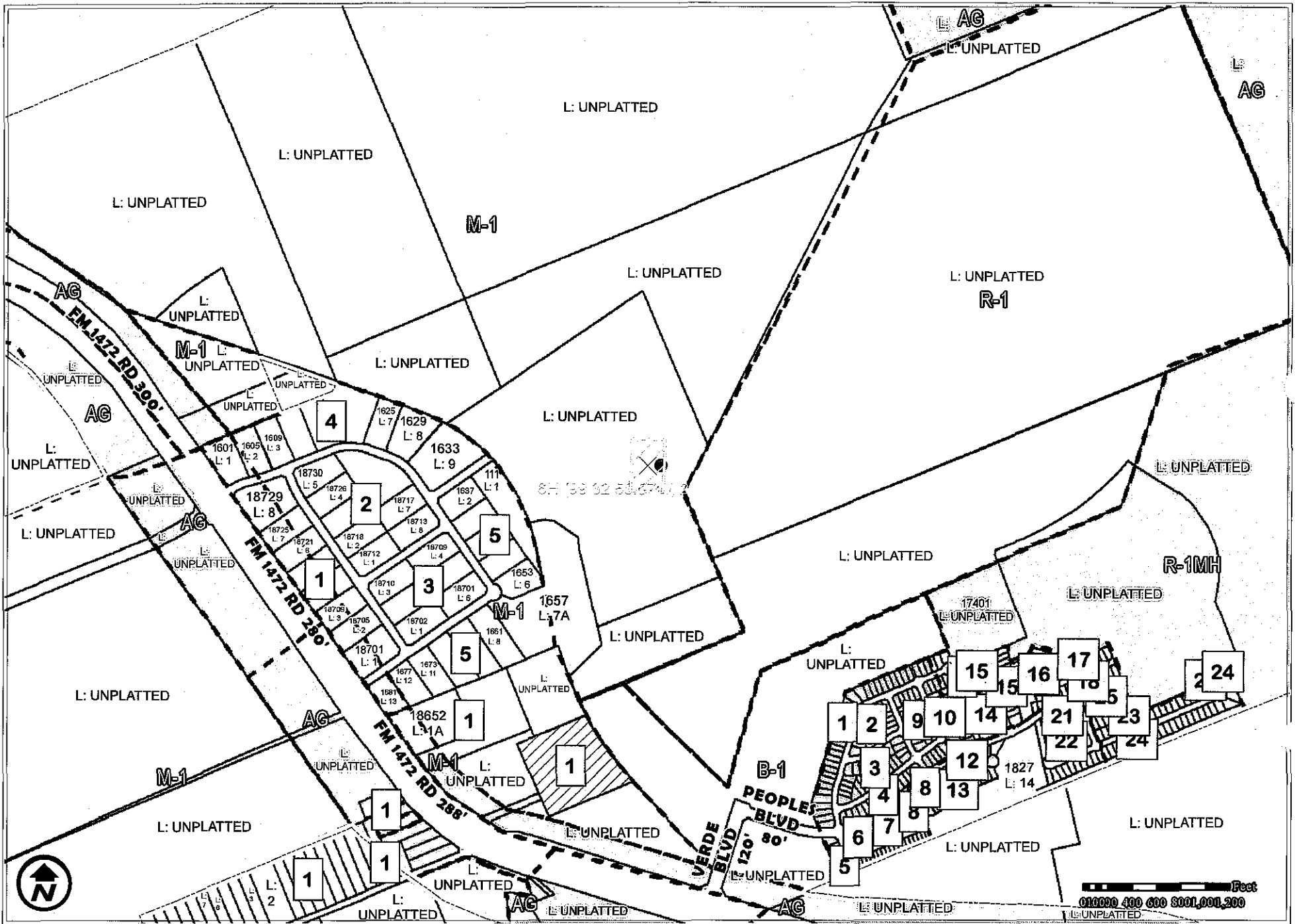
A Special Use Permit (SUP) is used for those types of uses that warrant individual attention on a case by case basis and should not be categorized in a zoning district. A Special Use Permit is basically an overlay on top of the existing zoning designation and can be limited in many respects such as time, fencing, setbacks, landscaping, etc.

Staff supports the request of the proposed SUP at this location for the following reasons:

1. The proposed SUP is compatible with the surrounding uses and zones.
2. The proposed use is consistent with the Comprehensive Plan's designation for this area as Light Industrial.
3. The proposed drilling site is a considerable distance from any other development.

Should the Commission recommend approval of the proposed SUP, staff suggests the following conditions:

1. The Special Use Permit is issued to Laredo Energy VI, LP, and is non-transferable.
2. The Special Use Permit is restricted to the site plan, Exhibit "A", which is made part hereof for all purposes.
3. The Special Use Permit must abide by statements made in letter, Exhibit "B", which is made part hereof for all purposes.
4. The Special Use Permit shall comply with all Fire Code requirements including the location and treatment of the premises.
5. The Special Use Permit shall comply with all rules and regulations of the Laredo Land Development Code Section 24-73: Oil & Gas Extraction & Production Specific Use Zoning Overlay District and Permit Requirements.
6. The Special Use Permit shall be subject to an annual inspection.

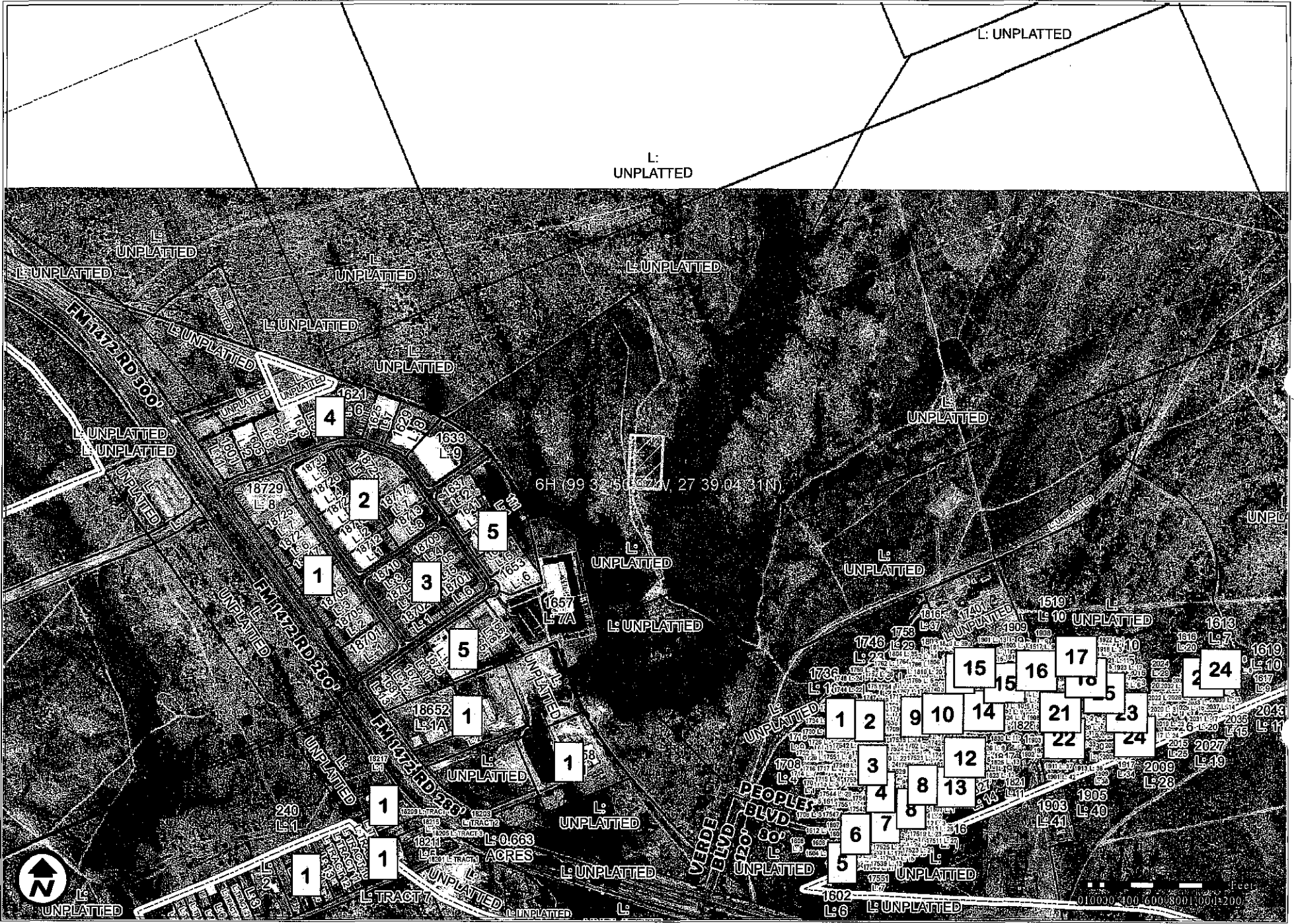


ZONING MAP 6H; HACHAR PAD SITE OUT OF 6132.06 ACRES  
 1 inch = 1,000 feet  
 Date: 3/5/2015  
 COUNCIL DISTRICT 7  
 ZC-32-2015

APPLICATION FOR  
 S.U.P. (SPECIAL USE PERMIT)  
 TO OIL AND/ OR GAS EXTRACTION & PRODUCTION



- S.U.P. (SPECIAL USE PERMITS)
- C.U.P. (CONDITIONAL USE PERMITS)
- S.U.P. & C.U.P.

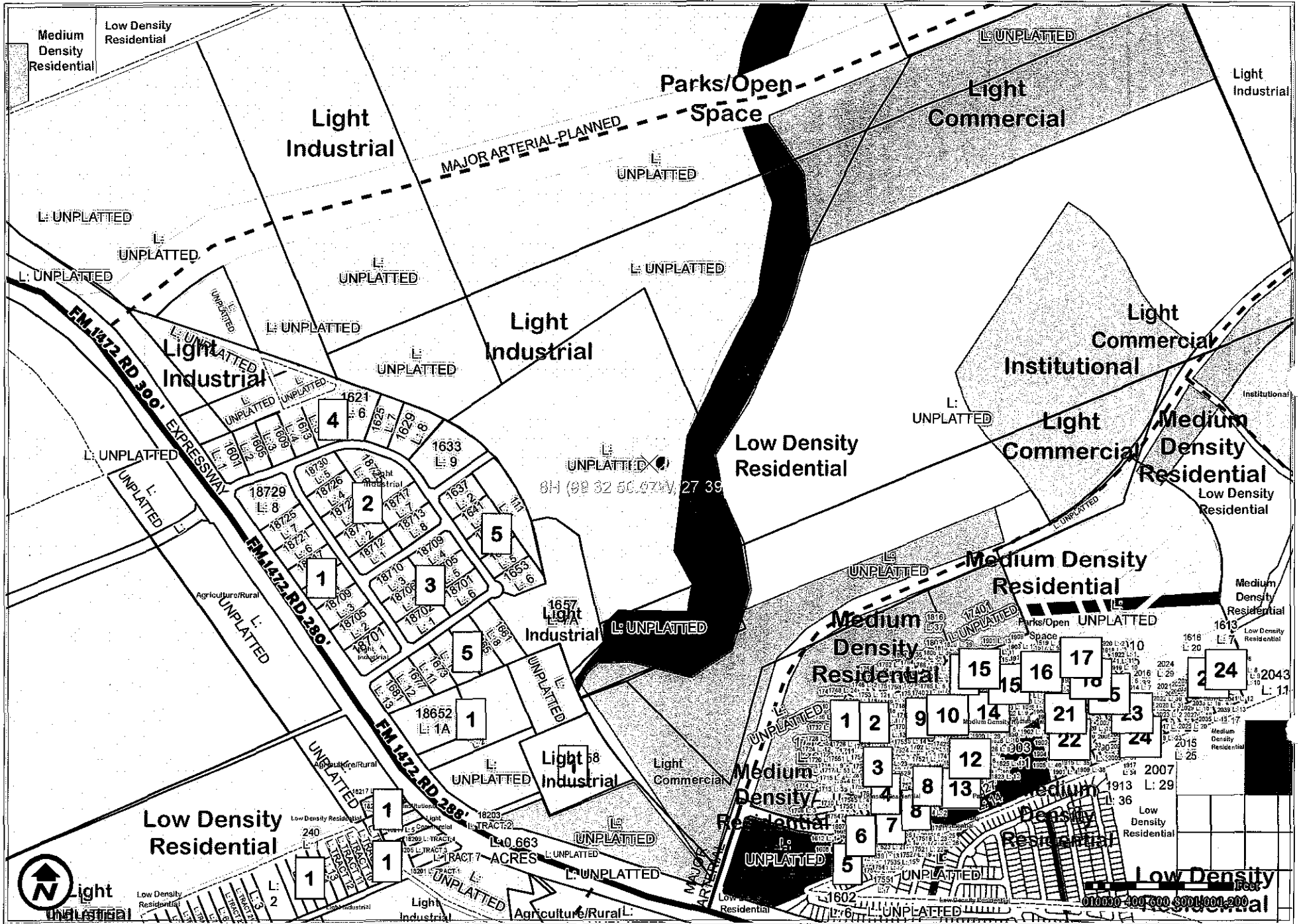


**AERIAL MAP** 6H; HACHAR PAD SITE OUT OF 6132.06 ACRES  
 1 inch = 1,000 feet  
 Date: 3/5/2015

**COUNCIL DISTRICT 7**  
 ZC-32-2015

**APPLICATION FOR**  
**S.U.P. (SPECIAL USE PERMIT)**  
**TO OIL AND/ OR GAS EXTRACTION & PRODUCTION**





FUTURE LAND USE MAP FOR PAD SITE OUT OF 6132.06 ACRES

1 inch = 1,000 feet  
Date: 3/5/2015

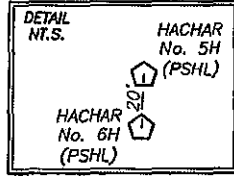
COUNCIL DISTRICT 7  
ZC-32-2015

APPLICATION FOR  
S.U.P. (SPECIAL USE PERMIT)  
TO OIL AND/ OR GAS EXTRACTION & PRODUCTION

**EXHIBIT "A"**

**LAREDO ENERGY OPERATING, LLC**  
 HACHAR No. 5H AND HACHAR No. 6H PAD SITE  
 SITUATED IN  
 PORCION 13, JOSE MIGUEL GARCIA, ABSTRACT 51  
 CITY OF LAREDO, WEBB COUNTY, TEXAS

**T-1702**



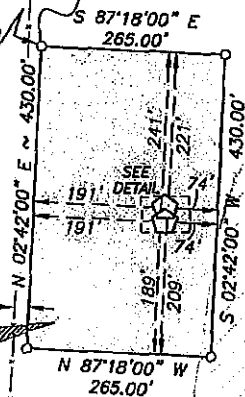
PORCION 13  
 JOSE MIGUEL GARCIA  
 ABSTRACT 51  
 CITY OF LAREDO  
 WEBB COUNTY, TEXAS

COMMENCING  
 From a found 6" inch fence corner  
 S 68°23'44" E ~ 6,302.55'  
 the West corner of a  
 6,132.06 Acre Tract

POINT OF BEGINNING

LAREDO ENERGY  
 HACHAR LEASE  
 6,132.06 ACRES (CALLED)  
 VOLUME 3196, PAGE 529  
 O.P.R.W.C.T.

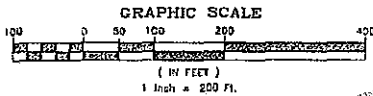
PAD SITE  
 2.62 ACRES



LAREDO ENERGY  
 OPERATING, LLC  
 (OPERATOR)



R.P.L.S. No. 5726  
**02-17-15**  
 CURRENT DATE



PORCION 13  
 PORCION 14

PORCION 14  
 JOSE GUAJARDO  
 ABSTRACT 56  
 CITY OF LAREDO

**HOWLAND**  
 ENGINEERING AND SURVEYING CO.  
 TBP&E Firm Registration No. P-4097 TBP&E Firm Registration No. 100464-00  
 7815 N. Bardahl Avenue Laredo, TX. 78041 P. 956.722.4411  
 www.howlandcompanies.com

**WARNING:** BASIS OF BEARING: G.P.S. Tx. South Zone, NAD-27  
 THIS PLAT MAY NOT SHOW ALL CROSSINGS OF PIPELINES OR CABLES. HOWLAND ENGINEERING AND SURVEYING CO., INC. ASSUMES NO RESPONSIBILITY TO LOCATE PIPELINE OR CABLE CROSSINGS. NO CLAIM IS HEREBY MADE REGARDING CURRENT OR ACTUAL SURFACE, MINERAL FEE OWNERSHIP OR LESSOR. THIS DRAWING IS MADE EXCLUSIVELY FOR LAREDO ENERGY OPERATING, LLC. COPYRIGHT HOWLAND ENGINEERING AND SURVEYING CO., INC. 2015 ©

LEGEND			Revision	Date
	(PSHL)	= PROPOSED SURFACE HOLE LOCATION	1	01-07-15
		= PAD LINE	2	02-11-15
		= PERPENDICULAR TIES	3	02-12-15
		= SURVEY LINE	4	02-13-15
		= FENCE LINE		

FIELD DATE	BOOK	PAGE(S)	DRAWN BY: J.V.
01-03-15	944	64	CHECKED BY: J.S./L.O.T.
01-29-15	940	15	JOB No. 23411.1-159
			SHEET: 2 OF 3

**EXHIBIT "A"**

**FIELD NOTES  
FOR  
LAREDO ENERGY OPERATING, LLC  
HACHAR LEASE  
2.62 ACRE PAD SITE**

**A TRACT OF LAND CONTAINING 2.62 ACRES**, more or less, being out of the Hachar Lease, 6,132.06 Acres (Called), recorded in Volume 3196, Page 529, Official Public Records of Webb County, Texas, situated in Porcion 13, Jose Miguel Garcia, Abstract 51, City of Laredo, Webb County, Texas, and being more particularly described as follows;

**COMMENCING** from a found 6 inch fence corner post, being the West corner of said Hachar Lease, 6,132.06 Acres (Called); Thence, S 68°23'44" E, a distance of 6,302.55 feet, for the Northwest corner hereof, and the **POINT OF BEGINNING**;

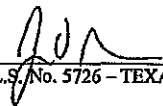
**THENCE, S 87°18'00" E**, a distance of 265.00 FEET, to a point for the Northeast corner hereof;

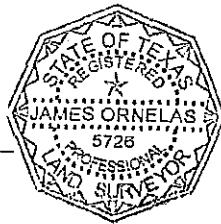
**THENCE, S 02°42'00" W**, a distance of 430.00 FEET, to a point for the Southeast corner hereof;

**THENCE, N 87°18'00" W**, a distance of 265.00 FEET, to a point for the Southwest corner hereof;

**THENCE, N 02°42'00" E**, a distance of 430.00 FEET, to the **POINT OF BEGINNING** and containing 2.62 acres of land, more or less.

Basis of Bearing: G.P.S., TX. South Zone, NAD-27

  
R.P.L.S. No. 5726 - TEXAS



02-17-15  
Current Date

**SHEET 2 OF 2**

SAHOWLANDSURVEYINGDEPARTMENT\JOBS\2015\23411.1-15\23411.1-15B.docx

[www.howlandcompanies.com](http://www.howlandcompanies.com)

7615 N. Bartlett Avenue P.O. Box 451128 (78045) Laredo, TX 78041 P. 956.722.4411 F. 956.722.5414  
TBPE Firm Registration No. F-4097 TBPLS Firm Registration No. 100464-00



[www.laredoenergy.com](http://www.laredoenergy.com)

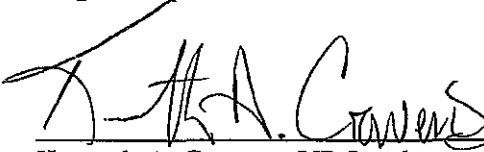
City Centre Four  
840 W. Sam Houston Pkwy N.  
Suite 400  
Houston, Texas 77024  
713-600-6000  
713-600-6001 Fax

The undersigned, on behalf of Laredo Energy VI, L.P. ("Laredo Energy"), hereby states as follows:

1. Laredo Energy agrees to present any evidence to the Laredo City Council, in addition to that which is required under Section 24-73 of the Land Development Code, as may be requested by the City Council.
2. To the best of Laredo Energy's belief, the proposed drilling, completion, and production operations can be conducted safely.
3. Laredo Energy hereby authorizes the City of Laredo to expend such funds as may be necessary under the direction and advice of the Texas Railroad Commission, under the circumstances, to regain well control.
4. Laredo Energy hereby agrees to file with the Office of the Superintendent and/or Planning and Zoning Department the reports required under Section 24-73 of the Land Development Code.

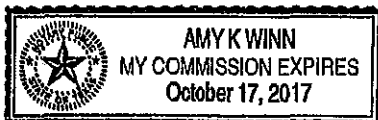
Signed on this the 21st day of January, 2015.


LAREDO ENERGY VI, L.P.  
By: Laredo Energy VI GP, LLC  
Its general partner

By:   
Kenneth A. Cravens, VP-Land

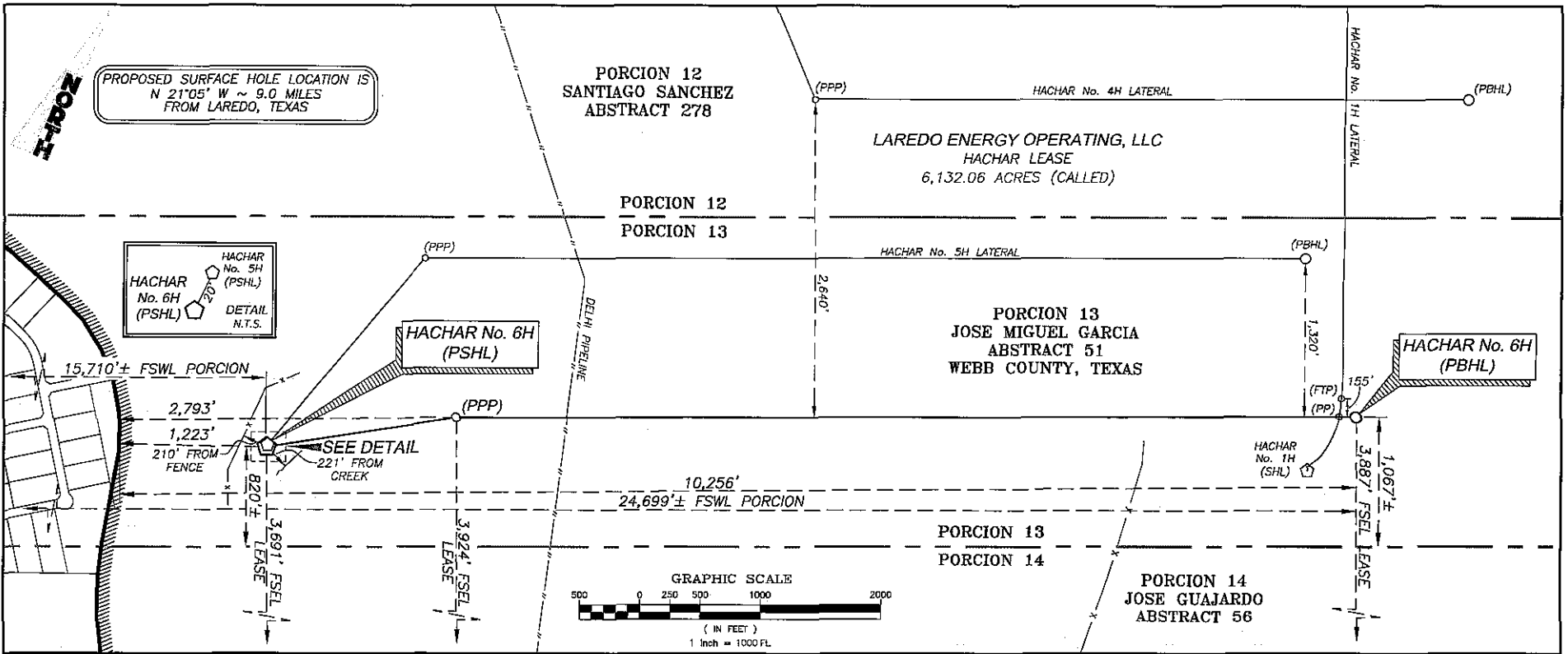
THE STATE OF TEXAS §  
COUNTY OF HARRIS §

Subscribed and sworn to before me, by Kenneth A. Cravens, Vice President-Land, Laredo Energy VI, L.P., this 21st day of January, 2015, in the capacity stated.



  
Notary Public in and for the State of TEXAS

**Exhibit B**



**HACHAR No. 6H**  
 STATE PLANE COORDINATES - TEXAS SOUTH ZONE - NAD 1927:  
**PROPOSED SURFACE HOLE LOCATION (PSHL)**  
 N: 722640 E: 1661078  
 GEOGRAPHIC NAD 27: Lat.: 27°39'03.26" Long.: 99°32'48.92"  
 GEOGRAPHIC NAD 83: Lat.: 27°39'04.31" Long.: 99°32'50.07"  
 ELEVATION: 479'  
 LEASE: 1,223' FSWL & 3,691' FSEL  
 PORCION: 820'± FSEL & 15,710'± FSWL  
**Proposed Penetration Point (PPP)**  
 N: 723466 E: 1662440  
 LEASE: 2,793' FSWL & 3,924' FSEL  
**PROPOSED BOTTOM HOLE LOCATION (PBHL)**  
 N: 726320 E: 1669336  
 LEASE: 3,887' FSEL & 10,256' FSWL  
 PORCION: 1,067'± FSEL & 24,699'± FSWL

**LAREDO ENERGY OPERATING, LLC**  
 HACHAR LEASE  
 6,132.06 ACRES (CALLED)

SITUATED IN  
 PORCION 13, JOSE MIGUEL GARCIA, ABSTRACT 51  
 WEBB COUNTY, TEXAS

FIELD DATE	BOOK	PAGE(S)	Revision	Date
01-09-15	944	64	1	01-12-15
01-29-15	940	14	2	02-02-15
			3	

**Path Information**

- (PSHL) = PROPOSED SURFACE HOLE LOCATION
- (PPP) = PROPOSED PENETRATION POINT
- (PBHL) = PROPOSED BOTTOM HOLE LOCATION
- = LEASE LINE
- = PORCION LINE
- = WELL BORE PATH
- = PERPENDICULAR TIES

**LEGEND**

DRAWN BY: L.O.T.  
 CHECKED BY: J.S.  
 JOB No.: 23710-15  
 QUAD NAME: CUERVO CREEK  
 SHEET: 1 OF 1

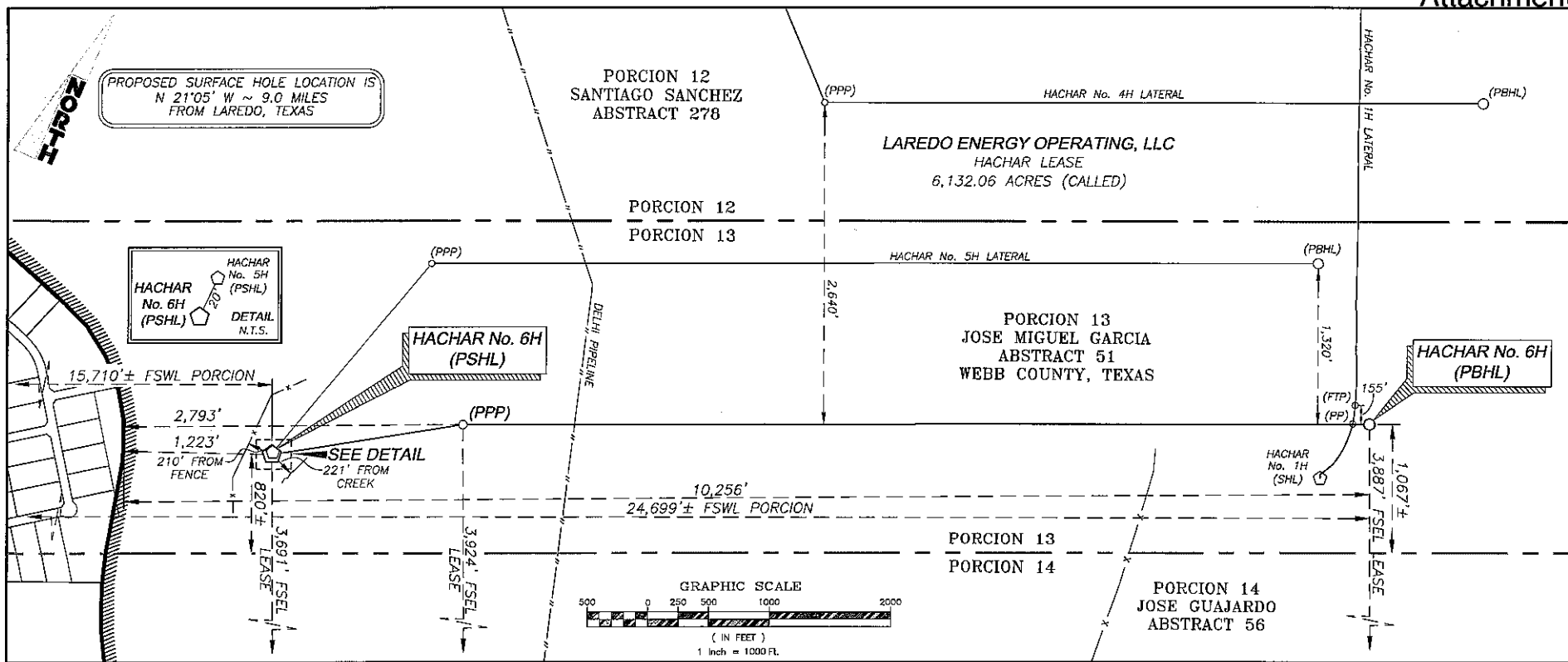
**WARNING:** THIS PLAT MAY NOT SHOW ALL CROSSINGS OF PIPELINES OR CABLES. USE THE TEXAS ONE CALL SYSTEM BEFORE EXCAVATION ON THIS PROPERTY.

**HOWLAND**  
 ENGINEERING AND SURVEYING CO.  
 TPPE Firm Registration No. F-4887 TPPLS Firm Registration No. 10001  
 7615 N. Bartlett Avenue Laredo, TX 78041 P. 366.722.2222  
 www.howlandcompanies.com

This Plat represents a WELL LOCATION survey prepared in reliance on a ground survey, deeds and other available information. This is not intended to be a boundary survey, but for the sole purpose of filing with the Texas Railroad Commission for a drilling permit. This plat is for the exclusive use of the permittee.

*Jane O'neal*  
 R.P.L.S. No. 5726 - TEXAS

STATE OF TEXAS  
 REGISTERED PROFESSIONAL SURVEYOR  
 5726  
 02-02-15



**HACHAR No. 6H**  
STATE PLANE COORDINATES - TEXAS SOUTH ZONE - NAD 1927:  
**PROPOSED SURFACE HOLE LOCATION (PSHL)**  
N: 722640 E: 1661078

GEOGRAPHIC NAD 27: Lat.: 27°39'03.26" Long.: 99°32'48.92"  
GEOGRAPHIC NAD 83: Lat.: 27°39'04.31" Long.: 99°32'50.07"  
ELEVATION: 479'  
LEASE: 1,223' FSWL & 3,691' FSEL  
PORCION: 820' ± FSEL & 15,710' ± FSWL

**Proposed Penetration Point (PPP)**  
N: 723466 E: 1662440  
LEASE: 2,793' FSWL & 3,924' FSEL

**PROPOSED BOTTOM HOLE LOCATION (PBHL)**  
N: 726320 E: 1669336  
LEASE: 3,887' FSEL & 10,256' FSWL  
PORCION: 1,067' ± FSEL & 24,699' ± FSWL

**LAREDO ENERGY OPERATING, LLC**  
HACHAR LEASE  
6,132.06 ACRES (CALLED)

SITUATED IN  
PORCION 13, JOSE MIGUEL GARCIA, ABSTRACT 51  
WEBB COUNTY, TEXAS

FIELD DATE	BOOK	PAGE(s)	Revision	Date
01-09-15	944	64	1	01-12-15
01-29-15	940	14	2	02-02-15
			3	

DRAWN BY: L.O.T.  
CHECKED BY: J.S.  
JOB No.: 23710-15  
QUAD NAME: CUERVO CREEK  
SHEET: 1 OF 1

**WARNING:** THIS PLAT MAY NOT SHOW ALL CROSSINGS OF PIPELINES OR CABLES. USE THE TEXAS ONE CALL SYSTEM BEFORE EXCAVATION ON THIS PROPERTY.

**HOWLAND**  
ENGINEERING AND SURVEYING CO.  
TSPS Firm Registration No. F-4097 TSPS Firm Registration No. 1000000000  
7815 N. Burdett Avenue Laredo, TX 78041 P. 956.7722  
www.howlandcompanies.com

This Plat represents a WELL LOCATION survey prepared from an existing ground survey, deeds and other available information. This Plat is not intended to be a boundary survey, but for the sole purpose of filing with the Texas Railroad Commission for a drilling permit. This plat is for the exclusive use of the client.

5726  
02-05-15  
R.P.L.S. No. 5726 --TEXAS

# CAMPERO & ASSOCIATES, P.C.

---

ATTORNEYS AND COUNSELORS  
315 CALLE DEL NORTE, SUITE 207  
LAREDO, TEXAS 78041  
(956) 796-0330  
(956) 796-0399 FAX

May 22, 2015

Nathan Bratton  
Director  
City of Laredo  
Planning and Zoning Department  
1120 San Bernardo Ave.  
Laredo, Texas 78040

Re: Special Use Permit Applications – Laredo Energy Wells #5H and #6H

Dear Mr. Bratton:


Enclosed please find Laredo Energy's responses to the items mentioned by Councilman George Altgelt at the Laredo City Council meeting on Monday, which you listed in your correspondence to me on May 19, 2015.

As you know, at the most recent Council Meeting, Laredo Energy requested that there be no further delay with respect to the vote on the permit applications. There have been three postponements which have resulted in a serious risk of substantial economic harm. Frankly, at this point, economic losses due to the delays are probably unavoidable. Moreover, we do not understand, and frankly take exception to, the current status of the applications in approval process. We believe that it was inappropriate to remand these permit applications because they comply with Section 24-73 of the City of Laredo Land Development Code and were already approved by city staff and the Planning and Zoning Commission. Importantly, we further believe the remand is improper because its explicit purpose is the consideration of items, many of which are not part of the subject ordinance or inconsistent with governing law.

With all of that said, Laredo Energy is participating in the upcoming Commission and Council meetings with the intent of expediting approval of the permit applications and mitigating damages. Incidentally, we appreciate your efforts to schedule special meetings to keep the permit applications on track for final approval on June 1, 2015. Moreover, Laredo Energy representatives may acknowledge at the meeting that there is already conformity with some of the items as part of current standard procedure. They may even say that Laredo Energy is willing to comply with other items. These statements should not be construed as formal and binding commitments. Instead, Laredo Energy does not intend to negotiate or execute a contractual relationship with the City of Laredo and reserves all rights under applicable law.

May 22, 2015  
Mr. Bratton  
Page 2

Sincerely,



Adolfo Campero, Jr.

Enclosures



1. Does the company have a water management plan for handling fluids that flow back to the surface? If so, please provide copy to Fire Department and Environmental Services Department.

There is no "water management plan" for handling flowback fluids. All fluids from flowback operations are contained in surface tanks and subsequently transported via vacuum trucks to a licensed commercial disposal facility. The tanks are inspected prior to use. There are crews on-site on a 24 hours basis during the flowback period which lasts 7-10 days.

2. Does the company have a drainage plan to control the release of stormwater and to maintain the quality of the released stormwater? If so, please provide copy of the plan to Fire Department and Environmental Services Department.

Once a permit is issued, a site assessment is conducted. At this time, a determination is made on the location and size of a retention pond to catch storm water. The water is hauled off to a licensed commercial facility.

3. Please provide the Fire Department and the Environmental Services Department with the chemical composition of any liquids anticipated to be used in fracking activities on the proposed drilling site.

Pursuant to Statewide Rule 29 and Natural Resources Code Section 91.851, Laredo Energy reports the chemicals used in the frac fluid to a national database known as Frac Focus. The composition of the frac fluids is not determined until after the well is drilled. At that time, Laredo Energy shall provide the chemical composition to the City of Laredo.

4. Please provide the Parks and Recreation Department and the Environmental Services Department with site closure and restoration plans to natural conditions after the proposed well is removed.

The subject well may be operational for more than twenty years. Site closure and restoration plans have not been contemplated at this time. Laredo Energy customarily confers with the landowner to restore the site to the original or other desired condition.

5. Please provide the City Attorney's office with proof of liability insurance providing coverage for damages caused to public streets, sidewalks, water and sewer lines, and other public or private property, that might result from the proposed drilling activity.

Attached is a copy of the insurance certificate previously provided to the City of Laredo.

6. Please provide the Environmental Services Department with the company's plans to address noise and light pollution, and dust control, as a result of the proposed drilling activities.

Twenty foot noise abatement walls will be installed on the edge of the pad to reduce noise and will also be positioned to help reduce the impact of lighting. Vacuum trucks with sprayers are utilized to control dust on the pad site and roads.

7. Will the company provide the Environmental Services Department with a geotechnical study inspecting subsoil conditions on the affected property and potential for contamination from the proposed drilling activities?

Laredo Energy will conduct a Pre-Drill Site Assessment to analyze the subsoil conditions.

8. Will the company provide the Fire Department with a Topographical map showing locations of any proposed temporary ponds on the drilling site and route of downstream water/sludge flow in case of the rupture of a levee?

This will be included in the Pre-Drill Environmental Site Assessment. The site assessment will determine the best approach for runoff/discharge.

9. Is it likely that these wells will ever require compression, and if so, is it feasible to use electric compressors rather than diesel?

These wells may require compression in the future. If so, the compressor will most likely be fueled by natural gas produced on the lease. Laredo Energy typically confers with the landowner to determine the site for a compressor.

10. What air emissions are expected during the drilling process and during the production phase, including emissions that may come from compressors and from produced water storage, and what monitoring devices are available to identify exposures?

Emissions during drilling operations will be from fuel combustion engines and tank emissions will be vented during the production phase.

11. Will the company agree to monitor and report to the Environmental Services Department the air quality of the drilling site and the surrounding area both during and after completion?

Before, during, and after completion, Laredo Energy will conduct an air quality assessment of the drilling site and at least one more site in the surrounding area. The results of these assessments will be shared with the City of Laredo.

12. Will the company agree to use a lightning arrester?

Flame arresters are installed on storage tanks. Lightning rods will also be used. Also, it is standard practice to ground all steel tanks.

13. Will the company agree to on-site, unannounced, random inspections by both code enforcement and/or the Laredo Fire Department?

To the extent that the City of Laredo is requesting consent for additional or different inspections that exceed the current parameters of the governing ordinances, then Laredo Energy is willing to consider any proposals. For safety reasons, all city inspectors must be escorted on the lease premises.

14. Will the company agree to setup multiple air quality monitoring stations that provide real-time online data?

Laredo Energy believes that the installation and operation of air quality monitoring stations is the purview of TCEQ, which already maintains three such stations in the City of Laredo.

15. Will the company agree to use an entrance other than the Green Ranch neighborhood entrance?

For clarity, Laredo Energy and its subcontractors have never used the Green Ranch neighborhood entrance (Peoples Blvd), only Verde Blvd off of Mines Road. However, we previously advised residents of Green Ranch that Laredo Energy would voluntarily seek an alternate entrance.

16. Will the company agree to use a closed system to mitigate contamination and air emissions?

A closed loop system will be used in lieu of an earthen pit during drilling operations.

17. Will the company agree to use an all-electric rig to drill the well and to setup wind socks at the green ranch neighborhood?

The city ordinance requires an "all-electric" rig where any residential structure is within six hundred (600) feet of the well. The proposed well site is greater than twenty three hundred (2300) feet from any residential structure.

There is no such thing as an "all-electric" rig. There are alternating current (AC), silicon-controlled rectifiers (SCR) and mechanical rigs, all of which are powered by diesel engines. The specifications for the drilling unit were previously submitted with the permit application, as requested. The proposed drilling unit is powered by four Caterpillar diesel engines.

Laredo Energy will setup wind socks where we are permitted to do so and subject to landowner approval.

18. Will the company agree to only use potable water to wet down the drilling pad and caliche road in order to mitigate dust contamination?

Laredo Energy will use water from one of the existing water wells on the Hachar lease to reduce dust from operations. In addition, an alternate entrance to the lease has been selected which will significantly reduce the amount of dust generated by traffic near the Green Ranch neighborhood.

19. Will the company agree to monitor the venting of any tank batteries that are located on site?

Laredo Energy will continue to have tank battery monitoring in a manner that is consistent with standard operating procedure, industry practices, and TCEQ regulations.

20. Will the company agree to keep post completion activities isolated to only during working hours unless an emergency?

Yes, post completion activities being defined as after the well has been turned to sales and activities to be conducted during daylight hours.

21. Will the company agree to use an electric compressor if one is needed?

Please see response to Question 9.

22. How far is the drilling site from the proposed residential development that the land-owners plan on building?

Laredo Energy has not been provided this information by the landowner and is not privy to future development plans.