

**NON-EXCLUSIVE TERM**  
**PIPELINE RIGHT-OF-WAY**

THE STATE OF TEXAS §  
  §  
COUNTY OF LA SALLE §

KNOW ALL MEN BY THESE PRESENTS:

THAT, COUNTY OF LA SALLE, TEXAS, P.O. Box 340, Cotulla, Texas 78014, hereinafter called "Grantor", for a good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby GRANT unto \_\_\_\_\_, its successors and assigns, of \_\_\_\_\_, hereinafter called "Grantee", a non-exclusive right-of-way and easement twenty (20') feet in width and temporary workspace (hereinafter called "right-of-way") for the purpose of constructing, laying, inspecting, maintaining, altering, repairing, operating, replacing and removing one (1) pipeline only, which shall be no larger than \_\_\_\_\_ (\_\_\_\_") inches in diameter, which shall be underground as hereinafter more particularly specified, for the transportation of natural gas and natural gas products, over, through and across Grantor's lands, situated in La Salle County, Texas, as described on Exhibit "A" and illustrated on Exhibit "B" attached hereto and made a part hereof for all purposes.

This pipeline right-of-way provides for a final easement of twenty (20') feet in width; provided further that during construction, repair, alter and replacement of the said pipeline, Grantee shall have a temporary forty (40') foot construction easement, which construction easement shall revert to the above mentioned twenty (20') foot final easement upon completion of construction, repair, altering or replacement operations. The pipeline shall be situated as close as reasonably possible to the existing boundary fences and not on any part of the traveled portion of the county road adjacent to the pipeline.

This grant is subject to the following terms and conditions, to-wit:

1. **TERM, CONSIDERATION AND RESTRICTION ON USE:** In consideration of the cash payment made by Grantee to Grantor, and to be made in the future as called for herein, Grantor grants to Grantee, its successors and assigns the right-of-way and other rights herein described for a term of one (1) year beginning of even date herewith and continuing as long thereafter as natural gas and natural gas products are actually transported through such pipeline without cessation of more than twelve (12) consecutive months, but only so long as the consideration hereinafter provided is paid by Grantee to Grantor. Grantee agrees that unless prior written consent is obtained from Grantor, the pipeline and right-of-way will be restricted to the transportation of natural gas and natural gas products produced from wells located in La Salle County, Texas. Grantee understands that as a condition of the granting of this easement that Grantee shall commencing on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, and every four (4) years thereafter that it shall pay to Grantor the sum of \$\_\_\_\_\_ per foot for the continuation of the easement and rights granted hereunder and such \$\_\_\_\_\_ per foot payments shall continue every four years thereafter as a condition for the continuation of the rights granted hereunder. Said monies shall be paid on or before the four (4) year anniversary date of the effective date of



this easement. However, the rights granted hereunder cannot be extended unless Grantee complies with transportation of gas requirements and conditions as provided in this Paragraph 1 and all of the terms of this Agreement.

2. **REVERSION:** Notwithstanding anything to the contrary herein, if Grantee ceases maintenance of cathodic protection (or equivalent corrosion protection) of the pipeline for twelve (12) consecutive months, then this grant shall terminate at the expiration of said twelve (12) months and all rights shall revert to Grantor and Grantee shall, within 180 days thereafter, remove the pipeline and all damages occasioned thereby shall be paid to Grantor. At any time after two (2) years after the date of this Agreement, but not more than one (1) time per calendar year, Grantor and its successors and assigns may request that Grantee certify, in writing, whether there has been a cessation of maintenance of cathodic protection (or equivalent corrosion protection) of the pipeline for twelve (12) months or more and Grantee covenants and agrees to respond in writing to such request, within ninety (90) days after Grantee received such written request, confirming whether such a cessation has occurred. Upon obtaining the requisite permits from the County of La Salle, removal of the pipeline, the Grantee obligates itself to fill any and all ditches or depressions occasioned thereby, and to restore the surface of the land to as near its original condition as practical and to maintain such refilling and restoring operations until such time as the surface of the land has settled uniformly with the surface of adjacent land. Also Grantee shall disc all disturbed areas. In the event Grantee fails to timely remove the pipeline or abandons same, then Grantor shall have the option but not the obligation of either removing same or rendering the pipeline inert by severing and sealing it at both ends of that portion of the pipeline situated within Grantor's lands and doing so in accordance with applicable Railroad Commission of Texas rules, regulations and procedures (provided an environmental assessment confirms to Grantor that the pipeline is inert). In any event, Grantee shall remain liable to Grantor for all expenses and costs including any environmental claim relating to the pipeline as provided under Section 9 hereof. However, Grantee shall obtain all permits necessary to comply with the requirements of LaSalle County for the cutting of the LaSalle County road.

Notices and responses shall be mailed to the addresses indicated in Paragraph 12 below and mailed certified mail return receipt requested.

3. **ACCESS:** During the period of this grant, Grantor grants to Grantee and those persons or entities who own the largest single interest in the pipeline and easement granted herein and his/her or its agents, contractors, subcontractors and employees, but not to any other person or party, the right to use only that portion of the existing county road, access, ingress and egress along a reasonable route designated by Grantor to get to the pipeline easement, or in case of emergency such route as may be reasonably necessary in Grantee's opinion to avoid or minimize the risk of damage, injury or loss to persons, property, or the general public. Upon reaching this easement, Grantee's access to this grant shall be limited to and along this grant. Grantee must enter and exit Grantor's lands at the designated point or points as established by Grantor. Grantee shall be solely responsible for erecting all necessary barricades, safety signs, and furnish appropriate securing and safety personnel during construction. Grantee shall insure that the pipeline shall at all times be maintained to the highest standards of safety. Grantee shall be responsible and liable to repair and maintain the roads used by it on Grantor's lands to service its pipeline and shall not damage the county road abutting the pipeline easement. Grantee shall



obtain all permits required by the County of La Salle for such maintenance. Grantee agrees to conduct at its sole expense all maintenance and repairs on the county road and county property that may be damaged by Grantee's operations. If other operators or third parties are authorized to use such road for commercial purposes, then Grantee shall only be responsible for its proportionate part of such repairs and maintenance but the burden shall be on Grantee to establish its responsibility. The granting of permission by Grantee to third parties to use Grantor's lands as access to other lands shall be a breach of this grant and if such breach occurs twice during the term of this grant, then Grantor shall send written notice to Grantee and this grant shall terminate. Grantee shall maintain and repair all road damages caused by third parties who are acting under authority of this grant. Anyone apprehended on Grantor's lands who is not authorized to enter but either has a key to Grantee's locks or has gained entry through a gate or gates using Grantee's locks shall be deemed to be proof of a breach of this provision.

4. **RESERVATIONS**: Grantor, his/her heirs, successors and assigns reserve all rights to the above lands except the non-exclusive rights herein granted. Specifically, but not by way of limitation, Grantor reserves the right to use and operate on the surface of the above lands and right-of-way and to grant and enter into leases, contracts, liens, mortgages, rights-of-way, easements and permits on or across said lands, and develop and improve same so long as such other grants, usage and operations do not interfere with Grantee's quiet enjoyment of this easement and the use of the rights herein granted. Grantee's joinder or consent shall never be required as a condition of Grantor entering into any other agreements affecting Grantor's lands.

5. **NO SURFACE FACILITIES**: None of the facilities, valves or equipment installed or constructed in connection with such pipeline shall extend above the surface of the ground, except in the vicinity of the point of interconnect with the existing pipeline system located on Grantor's land, and except that Grantee shall be permitted to place line posts, cathodic protection, test leads and markers along the fence lines abutting Grantor's county road alongside this pipeline. Grantee shall not: a) fence or otherwise enclose said right-of-way or any part thereof; b) install any telephone lines, telegraph lines, electric lines or any other surface or overhead lines on, over or across said right-of-way; and c) construct, operate and maintain cathodic protection units (anodes, etc.) ground bed equipment and related surface site appurtenances thereto on any part of the traveled or shoulder portion of the county road without the prior written consent of Grantor.

6. **INITIAL CONSTRUCTION AND REPAIR**: Grantee agrees to consult with Grantor in designating the location of the pipeline but it shall not be situated on the traveled portion of the County Road. Grantee agrees to accommodate Grantor's and the public use of the surface and roadway and cause as little disturbance to Grantor's operations and to the general public as possible.

6.1 Grantee shall not damage nor cut any fence along Grantor's county road, and is solely responsible for any such damage.

6.2 Grantee is authorized, subject to the foregoing, during construction of its pipeline, to cut fences of Grantor, but not of any third parties, where necessary, placing a gap in each place where fences are cut (after first taking precautions) to protect each such fence.



Grantee shall first obtain the abutting landowner's consent at all times. Each such wire gap is to be reinforced so as to be strong enough to prevent livestock from passing through same. Upon the completion of such pipeline, each wire gap will be removed and the fence restored between the aforementioned brace posts and all damages to abutting landowners or the county shall be paid by Grantee. Grantee shall not place gates or gaps at either end of the pipeline right-of-way herein granted without the prior written consent of Grantor herein.

6.3 The fences along the county road shall not be cut by Grantee without the specific written consent of the abutting property owner. However, before such fence is cut Grantee shall notify and obtain the consent of the adjoining property owner to cut same and Grantee agrees that the procedure set out in 6.1 above shall be followed for cutting and restoring boundary fences. Such fence shall be sufficiently braced so that fence wires shall not slacken during and after construction. After construction such fence shall be restored between the aforementioned brace posts.

6.4 Grantee agrees to bury any pipeline so that the top thereof will be at least sixty (60) inches below the existing ground level contour; except and provided that, where said line crosses rock, the top of such line shall be at least sixty (60) inches below the surface. Further, where such line crosses any drainage ditch, creek, slough or other waterway, the same shall be buried at the place of such crossing at least sixty (60") inches below the bottom of such drainage ditch, creek, slough or other waterway.

6.5 During the period of construction of said pipeline and during the period of any subsequent altering, repairing, replacing or removing thereof, Grantee shall leave or arrange for reasonable crossings over and across said right-of-way for any vehicles, equipment, cattle and/or livestock of Grantor, his/her tenants, lessees, successors or assigns. Upon completion of construction of said pipeline, Grantee agrees to provide a sufficient caliche base road crossing to accommodate vehicles and equipment at all locations where the pipeline crosses existing roads.

6.6 Grantee agrees to stack all trees and brush which are cut from the cleared right-of-way at the time any necessary clearing is performed, so as to leave the cleared right-of-way free of all trees, stumps, brush and debris, except for the stacked vegetation. All brush and other material which is stacked on the right-of-way shall be reasonably free of dirt so as to be capable of being burned completely and that no mounds of dirt or debris shall be left on or adjacent to the cleared right-of-way. Any trees, brush or other growth damaged outside the cleared right-of-way shall be removed.

6.7 During any construction, repair, removal or other operations by Grantee within the right-of-way, all ditching or trenching shall be done in such a manner so that the top soil will be separated from the balance of the dirt removed in making the ditch or trench and so that any caliche or other rock will be separated from any dirt so removed. If Grantee does not encounter caliche during excavation, then the above requirement of double ditching shall not be applicable. In backfilling after any such operation, the top soil first removed shall be used as cover soil in such a manner as to result in it being returned to the top of the ditch as top soil and Grantee agrees to leave the right-of-way area free of any unearthed rock larger than three (3") inches in diameter.





6.8 Following any such construction, repair, removal or other operations, Grantee agrees to backfill (in the manner aforesaid), pack and level any such ditch or trench opened and fill, grade and restore the surface of the right-of-way as near as practicable to its original level and contour as when entered upon and in such a manner that surface or rain water may pass and flow undisturbed and unimpeded from one side of the right-of-way to the other side of the right-of-way.

6.9 Grantee agrees to level all ruts, mounds, ridges and depressions caused by any operations upon said lands and property and to return at any time and from time to time, upon request by Grantor to correct, level and restore to the original ground level, any further settlement of the soil that shall occur following the previous filling or leveling of the same. Terraces shall be constructed at such locations along the right-of-way after completion of construction to prevent or minimize erosion.

6.10 Grantee agrees to remove all stakes, posts, welding rods and parts thereof, pipe coating material, paper, rubbish and other material used in construction, repair and removal of the pipeline, so as to leave the entire cleared area free of deleterious material.

6.11 After the installation, any removal or replacement of a pipeline, Grantee, at the option of Grantor, agrees to seed the area affected by such operations with five (5) pounds of buffel seed per acre.

7. **MAINTENANCE**: If necessary, Grantee has the right to periodically remove or eradicate brush from the right-of-way. Unless otherwise agreed to by Grantor, Grantee may only spray such right-of-way to control brush. Grantee agrees to notify Grantor of Grantee's intention to conduct repairs or maintenance on the pipeline. If Grantee is required to repair or replace such pipe or any part thereof, Grantor shall be paid surface damages for the disturbed area, based on the prevailing rates being paid in the area at the time.

8. **HUNTING. FISHING AND RECREATION**: Neither Grantee, nor its successors, assigns, employees, contractors, agents or permittees shall be allowed to bring firearms or fishing equipment onto any of Grantor's land and hunting, fishing and any other recreational activities are excluded from this grant and reserved by Grantor. Further, neither Grantee nor its successors, assigns, employees, contractors, agents or permittees shall be allowed to hunt for or remove artifacts. Anyone violating this provision shall be permanently excluded from Grantor's lands. In addition, if a deer is killed under circumstances which a reasonably prudent person would assume was done by those entering Grantor's land under authority of this grant, then Grantee shall pay Grantor the fair market value of such deer, using prevailing rates being paid by current deer hunters to hunt deer in La Salle County, Texas.

9. **ENVIRONMENTAL**: As used in this Agreement, the term, "Hazardous Materials" means any substance defined or identified as a hazardous, extra hazardous or toxic substance, waste, or material under any applicable federal, state, or local statute or regulation. "Remedial Work" is defined as any site investigation or monitoring, any cleanup, containment, remedial, removal, or restoration work performed in response to any federal, state or local



government authority or private attorney general action, or pursuant to any federal, state or local statute, rule regulation or other laws.

Grantee agrees (1) to remove from the premises covered by this Agreement, if, as, and when required by law, any Hazardous Materials placed or released thereon by Grantee, (2) to perform Remedial work where the need therefore arises in connection with Grantee's operations or activities on the premises, and (3) to comply in all respects with all federal, state and local governmental laws and regulations governing operations by Grantee and Remedial Work on or associated with this Agreement. Such Remedial Work shall be performed by one or more contractors selected by Grantee. All costs and expenses of Remedial Work made necessary by Grantee's operations shall be paid by Grantee. If Grantee shall fail to timely commence or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Grantor may, but shall not be required to, cause such Remedial Work to be performed at Grantee's expense. Grantee upon written request by Grantor shall provide Grantor with notice of any claim or other action by any governmental agency or other third party received by Grantee involving the actual or alleged existence of Hazardous Materials on the premises covered by this Agreement, or on Grantor's adjoining property, and to provide Grantor with copies of (1) any notice of any release of Hazardous Materials given to Grantee pursuant to any law or regulation, and (2) any report of and response to any such incident given to Grantee. Grantee agrees to indemnify, pay and protect, defend and save Grantor harmless from all claims, liabilities, fees and expenses of any kind that arise from the actual or alleged presence or release of any Hazardous Material in connection with Grantee's operations on the Grantor's lands. This indemnification shall include costs in connection with any Remedial Work pertaining to such Hazardous Material in connection with Grantee's operation when performed by Grantor or any third party in response to any federal, state or local governmental authority, laws or regulations, due and payable upon demand therefor by Grantor. The provisions of this Section 9 shall survive the termination or expiration of this Agreement.

10. **INSURANCE:** Grantee shall carry a minimum of : (a) commercial general public liability insurance of at least \$3,000,000.00 such insurance shall provide coverage for premises operations, explosion and collapse hazard, underground hazard, products/completed operations hazard, contractual insurance, broad form property damage, independent contractors and personal injury coverage including coverage for construction, operation and maintenance of pipelines for gathering, transporting or storing natural gas, including time element limited pollution liability coverage; (b) Operator's Extra Expense Indemnity Insurance, with a combined single limit of at least \$3,000,000.00 including coverage for control of well, clean-up, seepage, pollution, underground blowouts; and (c) Excess Umbrella Liability Policy of at least \$3,000,000.00, which coverage shall be at least as broad as the insurance policies required in (a) above. Grantor shall be furnished, as proof of such coverage before commencement of operations hereunder and on or before the anniversary date of the effective date of this right-of-way agreement, a certificate of insurance providing for thirty (30) days prior written notice to Grantor of cancellation of coverage. To the extent allowed by law and only to the extent of Grantee's indemnity obligations contained in this agreement, Grantee shall name Grantor as Additional Insured under all liability insurance policies required above, which policies shall include specific endorsements providing Waiver of Subrogation in favor of Grantor but only to the extent of Grantee's indemnity obligations contained herein. If Grantee fails to carry said



insurance during the term of this right-of-way as provided herein, Grantor may seek to terminate this right-of-way subject to and in accordance with the written notice and right to cure provisions and all other provisions of Paragraph 13 below.

11. **INDEMNITY**: Grantee agrees to indemnify, protect and hold Grantor harmless of and from any and all claims, demands, costs (including but not limited to reasonable attorney's fees), expenses, damages, losses, and causes of action or suits for damages arising out of injury to persons (including death) and injury or damage to or loss of any property or improvements caused by the negligence, gross negligence, strict liability or other acts or omissions of Grantee, its agents, employees, servants, contractors or any person acting under its direction or contract. Further, Grantor shall never be liable for any claims, demands, costs, expenses, damages, losses and causes of action or suits for damages because of injury to persons or property arising out of the negligence, gross negligence, strict liability or other acts or omissions of Grantee, its agents, employees, servants, contractors, or any person acting under its direction and control on Grantor's lands.

12. **NOTICE**: Grantor and Grantee designate the following persons and/or addresses for all notices:

**GRANTOR**

COUNTY OF LA SALLE  
P.O. Box 340  
Cotulla, Texas 78014

**GRANTEE**

13. **BREACH**: Except for the provisions of Paragraphs 1 and 2 above, should Grantee fail to perform any covenant, undertaking or obligation arising hereunder, or should Grantee breach or fail to perform any of the agreements contained herein, then and in that event, and at the option of the Grantor, the Grantor may give the Grantee written notice of such failure to perform as aforesaid, via certified mail at the above address, or such address designated in writing by Grantee. Grantee will have sixty (60) days to commence the remedy of same and prosecute such effort with reasonable diligence until concluded. In the event that Grantee fails to timely remedy such breach within a reasonable time and perform in the agreed manner, then, and in that event, all rights and privileges granted to the Grantee hereby shall terminate.



14. **ASSIGNMENT AND SUBLETTING:**

14.1 Grantee may, with the prior written notice to Grantor, assign or transfer this Agreement or interests therein. Further, Grantee shall provide Grantor with a copy of any such assignment within thirty (30) days from the effective date of such assignment, and full details as to said assignment including name, address, phone number and proof of financial responsibility as to any prospective assignee. Grantor reserves the right to not release Grantee of its obligations hereunder in the event of an assignment consented to by Grantor.

14.2 Grantor may fully assign or transfer any of its rights hereunder but in such event, it is agreed that any such change, transfer or division of Grantor's rights hereunder shall not operate to enlarge the obligations or diminish the rights of Grantee. In no event may any assignment of this Agreement ever operate to reduce or extinguish obligations of Grantee which accrued prior to such assignment or partial assignment.

15. **MECHANIC'S LIENS:** Grantee agrees to promptly discharge (either by payment or by filing of the necessary bond, or otherwise) any mechanic's, materialmen's, or other lien against the premises covered by this Agreement and/or Grantor's interest therein, which liens may arise out of any payment due for, or purported to be due for, any labor, services, materials, supplies, or equipment alleged to have been furnished to or for the Grantee in, upon or about the premises covered by this Agreement.

16. **MISCELLANEOUS CLAUSES:**

16.1 It is agreed that this instrument includes all of the agreements between the parties and no representations or statements, verbal or written, have been made modifying, adding to, or changing the terms of this agreement. The terms and provisions hereof shall inure to the benefit of and be binding upon Grantor and Grantee and their respective heirs, representatives, successors and assigns.

16.2 This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and La Salle County shall be the proper venue for any matter arising under this Non- Exclusive Term Pipeline Right-of-Way Agreement.

16.3 In the event Grantee herein is a mineral Lessee on any lands owned by Grantor, this Agreement shall be independent of, and in no way shall be construed as perpetuating said mineral lease(s). Further, the execution of this Agreement shall not constitute a waiver, acceptance, ratification, revivor or adoption of any mineral lease(s). Nothing herein, including, but not limited to the acceptance of the considerations provided for herein, shall estop Grantor from questioning the validity of any presently existing or future oil gas and mineral lease(s) on any lands owned by Grantor, including any mineral lease(s) to which Grantee herein is a party.

16.4 All exhibits attached hereto are incorporated herein by reference and made a part hereof as if fully rewritten or reproduced herein. Any discrepancy between a map or plat and a legal description shall be resolved in favor of the legal description.





16.5 Grantor reserves the right to grant other easements across other property which it owns to other third parties so long as said easements do not interfere with Grantee's rights hereunder.

16.6 Grantee herein agrees that as a material consideration and condition to the granting of this Pipeline Right-of-Way that Grantee shall fully comply with all of the terms and conditions provided for in this document together with all of the terms and conditions of the County of La Salle Pipeline Permit Process and all of the terms and conditions reflected in the Application to Permit Pipeline Process adopted by the County of La Salle either now or in the future.

DATED this the \_\_\_\_ day of \_\_\_\_\_, 2011.

COUNTY OF LA SALLE, TEXAS

BY: \_\_\_\_\_  
Its Authorized Representative

“GRANTOR”

BY: \_\_\_\_\_  
Its Authorized Representative

“GRANTEE”



THE STATE OF TEXAS §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2011,  
by \_\_\_\_\_, Authorized Representative of \_\_\_\_\_,  
a \_\_\_\_\_, on behalf of said \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of Texas

THE STATE OF TEXAS §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2011,  
by \_\_\_\_\_, Authorized Representative of \_\_\_\_\_,  
a \_\_\_\_\_, on behalf of said \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of Texas

