

REQUEST FOR BID 2014-416

Approved by CC:

JUN 09 2014

MINERAL LEASE
C.L. JACO SURVEY

DUE DATE: July 2, 2014
10:00 A.M.

Johnson County
1102 E. Kilpatrick, Ste. B
Cleburne, TX 76031
(817) 556-6384
www.johnsoncountytexas.org

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Instructions

- ✓ SUBMISSION OF BIDS: **Two (2) complete sets** of all bid documents (original and one (1) copy) shall be **sealed** and submitted to:

Johnson County Purchasing
Kelli Davis, CPPB, Purchasing Agent
1102 E. Kilpatrick, Suite B
Cleburne, Texas 76031

BID DEADLINE:

- ✓ **Sealed bids shall be received no later than: 10:00 a.m. July 2, 2014**
- ✓ Bids will be opened in the Purchasing Conference Room, located at 1102 East Kilpatrick, Suite B, Cleburne, Texas 76031. Bids will be received and publicly acknowledged at the location, date and time stated above. Vendors, their representatives and interested persons may be present.
- ✓ Any questions relating to this Request for Bid shall be directed to Kelli Davis, CPPB, Purchasing Agent, in writing by fax (817-556-6385) or by email pur@johnsoncountytexas.org.
- ✓ Carefully read all portions of this bid packet and fill out all forms completely.
- ✓ Original bid packages with original signatures must be submitted to the Johnson County Purchasing Department, 1102 East Kilpatrick, Suite B, Cleburne, Texas 76031. Hand delivered bids will be received at the same address mentioned above. Bids WILL NOT be accepted by fax or email.
- ✓ All bids must be sealed when returned to Johnson County and the Bid Number and Bid Title must be noted on the outside of the sealed envelope.
- ✓ LATE PROPOSALS: Bids received in the County Purchasing Department after submission deadline will be considered void and unacceptable. Johnson County is not responsible for lateness or non-delivery by mail service/carrier, etc., and the date/time stamp in the Purchasing Department shall be the official time of receipt.
- **BID SUBMITTAL SHALL INCLUDE:** This bid return and any additional documents submitted; including all forms attached. Each bid shall be placed in a sealed envelope, **signed by a person having authority to bind the firm in a lease** and marked clearly on the outside as directed in the above instructions. The Vendor shall also include **a map showing the mineral lease of interest, the proposed Lease Agreement with signatures on signature page and a memorandum on company letterhead stating your submittal.**

STANDARD TERMS & CONDITIONS

Bids are solicited for mineral lease located at the address listed below in Cleburne, Texas. By returning this bid with price quoted, bidders/respondents certify, and agree to the following:

Property Address:

3.05 acres, more or less situated in the C.L. Jaco, Survey, Abstract No. 461, Johnson County Texas, and being all of those two tracts of land described below:

- (a) **1.717 acres situated in the C. L. Jaco Survey, Abstract 461, and being more, particularly described in that certain Warranty Deed dated October 30, 1975, recorded in Volume 679, Page 50, Deed Records, from the Board of Trustees of the Cleburne Independent School District to Johnson County, Texas and**
- (b) **1.294 acres situated in the C.L. Jaco Survey, Abstract NO. 461, and being more particularly described in the certain Warranty Deed dated October 30, 1975, recorded in Volume 679, Page 74, Deed Records, from R.E. Roberts and wife, Mrs. Doris Roberts, and J.R. Clark and wife, Mrs. Wynon Clark, to Johnson County , Texas.**

Sealed bids shall be received no later than: 10:00 a.m., July 2, 2014.

- **IT IS UNDERSTOOD** that the Commissioners Court of Johnson County, Texas reserves the right to reject any or all bids as it may deem to be in the best interests of Johnson County. The award of the lease if any, shall be made to the responsible vendor, whose bid is determined to be the best evaluated offer. Johnson County also reserves the right to award all or part of a bid unless otherwise stated in the specifications.
- **WITHDRAWAL OF BID:** A bid may not be withdrawn or canceled by the vendor without the permission of the County for a period of thirty (30) days following the date designated for the opening of bids, and vendor so agrees upon submittal of vendor's bid. Bids may be withdrawn at any time prior to the official opening by notifying the Johnson County Purchasing Department in writing.
- **CONTRACT LEASE:** This bid, accompanying documents, and any negotiated terms, when properly accepted by the Johnson County Commissioners Court, shall constitute a lease equally binding between the successful vendor and Johnson County.
- **CONFLICT OF INTEREST:** No public official shall have interest in this bid and subsequent lease except in accordance with Vernon's Texas Codes Annotated, Local Government Code Title 5, Subtitle C, Chapter 171. State Law (CHAPTER 176 of the Local Government Code) requires the filing of a **CONFLICT OF INTEREST QUESTIONNAIRE** by certain individuals and businesses.
- **ETHICS:** The vendor and/or vendor's representatives shall not offer nor accept gifts or anything of value, nor enter into any business arrangement with any employee, official or agent of Johnson County.

- **EXCEPTION/SUBSTITUTIONS:** Vendors taking exception to the specifications, or offering substitutions, shall state these exceptions in the section provided or by attachment as part of the submission. If offering other than specification, vendor must certify article offered is equivalent to specifications. When offering other than specified brand, vendor shall submit as part of the Bid, specifications, illustrations, and complete descriptive literature. The absence of such a list shall indicate that the vendor has not taken exception(s) and the vendor shall be responsible for performing in strict accordance with the specifications of the Bid. Johnson County Commissioners' Court reserves the right to accept any and all or none of the exception(s)/substitution(s) it deems to be in the best interest of the County.
- **ADDENDUM:** Any interpretations, corrections or changes to this Bid and Specifications will be made by addendum, unless otherwise stated. Issuing authority of addendum shall be the Johnson Commissioners Court. Addendum will be mailed, emailed, or faxed to all that are known to have received a copy of the Bid. Vendors shall acknowledge receipt of all addenda and include receipt and response to addenda with submission.
- **BID MUST COMPLY** with all federal, state, county and local laws concerning the type of article and/or service being offered/or property lease.
- **VENDOR SHALL PROVIDE** with this response, all documentation required in this Bid. Failure to provide this information could result in rejection of submission.
- **SUCCESSFUL VENDOR SHALL** defend, indemnify and save harmless Johnson County and all its officers, agents and employees from all suits, actions, or other claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the successful vendor, or of any agent, employee, subcontractor or supplier in the execution of, or performance under, any contract which may result from bid award. Successful vendor shall pay any judgment with costs, which may be obtained, against Johnson County growing out of such injury or damages.
- **REPRESENTATIVE SUBMITTING OFFER** affirms that they are duly authorized to execute a lease, that this company, corporation, firm partnership or individual has not prepared this bid in collusion with any other vendor, unless clearly outlined, and further affirms that the contents hereof have not been communicated by the undersigned or by any employee or agent to any other vendor or to any other persons engaged in this type of business prior to the official opening of this offer. And further, that the manager, secretary or other agent or officer signing this bid is not and has not been for the past six months directly nor indirectly concerned in any pool or agreement or combination to control the price of supplies, services or equipment bid on, or to influence any person to bid or not to bid thereon.
- The undersigned declares that the amount and nature of the lease to be furnished is understood and that the nature of this offer is in strict accordance with the conditions set forth in this document and is

a part of the bid, and that there will at no time be a misunderstanding as to the intent of the specifications or conditions to be overcome or pleaded after the bids are opened.

- **CONTRACT ADMINISTRATOR:** The contract administrator, Purchasing Agent, will serve as sole liaison between the Johnson County Commissioners Court and affected Johnson County Departments and the successful vendor. Unless directly outlined in this specification the vendor shall consider no one but the Contract Administrator authorized to communicate, by any means, information or suggestions regarding or resembling this BID throughout the proposal process. The Contract Administrator has been designated the responsibility to ensure compliance with lease requirements, such as but not limited to, acceptance, inspection and delivery.
- **VENUE:** This agreement will be governed and construed according to the laws of the State of Texas. This agreement is performable in Johnson County, Texas.
- Non-performance or non-compliance of the Lease Terms, or non-performance or non-compliance with the Specifications shall be basis for termination by Johnson County of the bid. Termination in whole or in part, by the County may be made solely at the County's option and without prejudice to any other remedy to which Johnson County may be entitled by law or in equity, or elsewhere under this Bid, by giving thirty (30) days written notice to the vendor.
- Respondent shall make all inquiries necessary to be thoroughly informed as to the information and all other requirements proposed in the bid. Any apparent omission or silence of detail in the description concerning any point in the specifications shall be interpreted on the basis of best commercial practices, and best commercial practices shall prevail.
- Only the Commissioners Court of Johnson County, Texas acting as a body may enter into any type of agreement, or contract, or lease on behalf of Johnson County. Department heads, other elected or appointed officials are not authorized to enter into any type of agreement, or contract, or lease on behalf of Johnson County, or to agree to any type of supplemental agreements, or contracts, or leases for goods or services. Contracts and leases are subject to review by the County's attorney prior to Commissioners Court approval and signature by the authorized County official.
- Bids may be withdrawn prior to the official opening. Alterations made before the time of official opening must be initialed by Respondent guaranteeing authenticity. Bids may not be amended, altered or withdrawn after the official opening, except upon the explicit recommendation of the Purchasing Agent and the formal approval of the Commissioners Court.
- The Respondent shall be considered an independent Contractor and not an agent, servant, employee or representative of the County in the performance of the work. No term or provision, hereof, or act of the Respondent shall be construed as changing that status.
- The Respondent agrees, during the performance of the work, to comply with all applicable municipal codes and ordinances, and state statutes of State of Texas as they may apply, as these laws may now read or as they may hereafter be changed or amended.

- The Respondent shall obtain from the appropriate Municipal , Johnson County, or State of Texas the necessary permit(s) required by the ordinances of the City, County, or State, for performance of the work.
- The agreement embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to matters herein, and except as otherwise provided herein cannot be modified without written agreement of the parties. Lease documents will be executed after determination of the award; if any.
- Johnson County reserves the right to accept or reject any or all proposals, with or without cause, to waive technicalities, or to accept the proposal which, in its sole judgment, best serves the interest of the County, or to award a lease to the next most qualified Respondent if a successful Respondent does not execute a lease within 10 business days after approval of the selection by the Johnson County Commissioners Court.
- Johnson County reserves the right to request clarification of information submitted and to request additional information of one or more Respondents.
- Costs of preparation of a response to this request for proposals are solely those of the Respondent. Johnson County assumes no responsibility for any such costs incurred by the Respondent. The Respondent also agrees that Johnson County assumes no responsibility for any costs associated with any administrative or judicial proceedings resulting from the solicitation process.
- Bidder understands and agrees that in returning a response to this proposal/bid that it is neither an "offer" nor an "acceptance" until such time a formal lease is authorized/awarded by the Johnson County Commissioners Court; if any.
- Right to Assurance - Whenever one party to this lease in good faith has reason to question the other party's intent to perform, he may demand that the other party give written assurance of his intent to perform. In the event a demand is made and no assurance is given within five (5) days, the demanding party may treat this failure as an anticipatory repudiation of the lease.
- No negotiations, decisions, or actions shall be executed by the vendor as a result of any discussions with any public service official, employee and/or consultant. Only those transactions provided in written form may be considered binding
- **NOTE: The completion and award; if any; of this bid process to the successful bidder will involve the execution of additional legal documents commonly called leasing documents. All leasing costs shall be paid by the successful purchaser/bidder.**

Johnson County Addendum to any Gas Lease

1. **No Cost Deduction.** It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this lease or by state law shall be without deduction, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements from a non-affiliated third party purchaser. In this manner, Lessor's royalty shall never be based on a price less than the price that would have been received without the cost of such enhancements. In no event shall the price received by Lessor be any more than or any less than the price received by Lessee.
2. **No Water Use.** Lessee shall **not** have the right to use any water from the surface ponds or existing water wells upon the above described property without the express written consent of the Lessors.
3. **Exception of Other Minerals and Materials.** There is excepted from this lease and reserved to Lessor, its heirs and/or assigns, all mineral and materials other than oil, gas and other liquid or gaseous hydrocarbons and their constituent parts. Specifically, but without limitation, this lease does not convey rights to sand, gravel, rock, caliche, coal vanadium, uranium, thorium, fissionable mineral and minerals, coal, lignite, iron, iron ore, sulphur which is not produced in conjunction with oil, gas or other hydrocarbons, and it is understood and agreed that the words "mineral", "minerals", "other mineral" and/or "other minerals" whenever and wherever used in this lease agreement, shall only refer to and shall include only oil, gas and other liquid or gaseous hydrocarbons and their constituent parts, including sulphur produced in conjunction with oil and gas.
4. **Regulatory Compliance.** Lessee shall comply with all rules and regulations of the Railroad Commission of Texas, and any other governmental regulatory agencies having jurisdiction over mineral production and water, and properly plug off all fresh water sands in any well drilled.
5. **Environmental Compliance.** Lessee must comply with all valid laws, ordinances and regulations, whether state, federal or municipal, applicable to the premises. The use which lessee makes and intends to make of the premises will not result in the disposal or release of any hazardous substance or solid waste on or to the premises. In the event that any hazardous substances, solid wastes or other pollutants are disposed or released on and/or under the premises resulting in the contamination or pollution to the premises or any adjoining property, arising out of said contamination or pollution, caused by or consented to by the lessee, then lessee shall indemnify and hold harmless the Lessor and Lessor's heirs, executors, administrators, successors, and assigns, from and against any and all liability from the rules and regulations of the Texas Railroad Commission, the comprehensive environmental response, compensation, and liability act of 1980, the resource conservation and recovery act of 1976, or any other state or federal statute, rule or regulation now in existence or hereinafter enacted relating to such substances or waste and lessee has the absolute responsibility for all cleanup of said pollution or contamination or reclamation of the premises and all costs and expenses thereof. Lessee shall conduct all activities so as not to pollute or contaminate all fresh water sources including adjacent or nearby lakes and streams.

6. **Electrical Lines.** Lessee shall conduct its operations so as not to damage or come in close proximity to any electrical lines. Lessee shall comply with all codes, laws and regulations as to work around electrical lines.

7. **No Easement for Non-Pooled Operations or Boring.** Lessor **DOES NOT GRANT** any subsurface well bore easement under and through the leased premises for the placement of well bores from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit.

8. **No Surface Operations.** It is understood and agreed, between Lessor and Lessee, that there will be no surface operations, including the laying of pipelines, for the production or transport of oil or gas upon the above described lands without the express written consent of the surface owner; however, Lessee shall have the right to drill under, or through, produce from and inject substances into the subsurface of the lands covered by this lease, from wells which are located on lands pooled therewith.

9. **Conflict of documents.** In the event of a conflict between the terms of this addendum and the terms of the printed form lease, the terms of this addendum shall control.

Specifications and Bid Form

Description of Johnson County, Texas property considered for mineral development

JACO SURVEY ABSTRACT #461

Property Address:

3.05 acres, more or less situated in the C.L. Jaco, Survey, Abstract No. 461, Johnson County Texas, and being all of those two tracts of land described below:

- (a) 1.717 acres situated in the C. L. Jaco Survey, Abstract 461, and being more, particularly described in that certain Warranty Deed dated October 30,1975, recorded in Volume 679, Page 50, Deed Records, from the Board of Trustees of the Cleburne Independent School District to Johnson County, Texas and
- (b) 1.294 acres situated in the C.L. Jaco Survey, Abstract 461, and being more particularly described in the certain Warranty Deed dated October 30 ,1975, recorded in Volume 679, Page 74, Deed Records, from R.E. Roberts and wife, Mrs. Doris Roberts, and J.R. Clark and wife, Mrs. Wynon Clark, to Johnson County ,

Minimum Bid Requirements:

Johnson County will accept a minimum of \$750.00 per acre and a minimum of 25% royalties at the Well Head AND NO DRILLING WILL BE PERMITTED ON THIS PROPERTY.

- ATTACH THIS DOCUMENT TO YOUR BID PROPOSAL OF COST.

NET MINERAL ACRES: 3.05 Acres

BONUS (\$) PER ACRE: \$

TOTAL BONUS \$: \$

ROYALTY: 25% @ the well head

PRIMARY TERM: years

Bid Packet must include all items in the packet received and the following:

- A map showing the mineral lease of interest
- Proposed Lease Agreement with signatures on signature page
- Letter memorandum on company letterhead stating your submittal.

Additional Information:

- Properties will be leased “AS IS”.
- Vendor and/or individual shall have means to lease property.
- Any leasing costs shall be paid by the successful vendor and/or individual.

Respondents/Bidders shall provide the following information as part of this bid:

- Completed Bid Forms

Bid Award shall be based on the following:

- Price
- Bid completion
- Bidder responsibility
- Any other factor as deemed in the “best of interest of Johnson County”.

Required Bid Forms

Vendor Acknowledgment Form

Until a lease resulting from this process is executed, no employee agent or representative of any professional services provider shall make available or discuss it BID with the press, any elected official or appointed official or officer of the district, or any employee, agent or other representative of the county, unless given permission to do so in writing by the Johnson County Purchasing Agent, Kelli Davis, CPPB.

The Bidder hereby offers to furnish and deliver terms there stated and in strict accordance with the specifications and general conditions of bidding all of which are made a part of this offer.

The undersigned affirms that they are duly authorized to execute this lease, that this company, corporation, firm, partnership or individual has not prepared this bid in collusion with any other Respondent, and that the contents of this bid as to prices, terms or conditions of said bid have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this bid. Further, the manager, secretary or other agent or officer signing this bid is not and has not been for the past six months directly nor indirectly concerned in any pool or agreement or combination to control the price of supplies or to influence any person.

Firm/Bidder: _____

Authorized Signature: _____

Printed Name: _____

Title: _____

Address: _____

City/State/Zip: _____

Telephone: _____ Cell#: _____

Email: _____

Residence Certification Form

Pursuant to Texas Government Code §2252.001 *et seq.*, as amended, Johnson County requires a Residence Certification. §2252.001 *et seq.* of the Texas Government Code provides some restrictions on the awarding of governmental contracts; pertinent provisions of §2252.001 are stated below:

- (3) "Nonresident bidder" refers to a person who is not a resident.
- (4) "Resident bidder" refers to a person whose principal place of business is in this state, including a contractor whose ultimate parent company or majority owner has its principal place of business in this state.

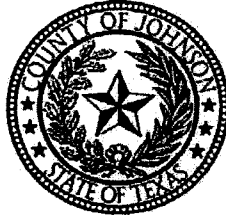
I certify that _____ is a Resident Bidder of Texas
(Company Name)
as defined in Texas Government Code §2252.001.

I certify that _____ is a Nonresident Bidder as
(Company Name)
defined in Texas Government Code §2252.001 and our principal place of business is

(City and State)

County of Johnson, Texas

Kelli L. Davis, CPPB
Purchasing Agent
kdavis@johnsoncountytexas.org



Pam Causey
Assistant Purchasing Agent
pamc@johnsoncountytexas.org

1102 E. Kilpatrick, Suite B
Cleburne, Texas 76031
(817) 556-6384

To: Vendors of Johnson County, Texas
From: Kelli Davis, CPPB *KD*
Re: Conflict of Interest Form (CIQ)

Vendor,

Attached, please find a Conflict of Interest Questionnaire. Please complete this form if you have an applicable Conflict of Interest with any Johnson County Official, Employee, or Department. The questionnaire should reflect the name of the individual with whom the conflict of interest occurs. Please **DO NOT** complete this form if you do not have a viable conflict. If you have any questions, contact the Purchasing Office at 817-556-6384.

Original completed forms should be sent/mailed to the Johnson County Purchasing Office located at the address listed below and or emailed to pur@johnsoncountytexas.org

Johnson County Purchasing Office
1102 East Kilpatrick, St. B
Cleburne, TX 76031

By submitting a response to this the request a vendor represents that it is in compliance with the requirements of Chapter 176 of the Texas Local Government Code.

Applicable Law

Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of Johnson County no later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code. Please see attached questionnaire.

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of person who has a business relationship with local governmental entity.

2 Check this box if you are filing an update to a previously filed questionnaire.

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 Name of local government officer with whom filer has employment or business relationship.

Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

Yes No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

Yes No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

Yes No

D. Describe each employment or business relationship with the local government officer named in this section.

4

Signature of person doing business with the governmental entity

Date

DATE: June 6, 2014

PURCHASE ORDER # _____

RUN AD: June 11, 2014
 June 18, 2014
 June 25, 2014

LEGAL NOTICE

Johnson County is accepting sealed bid for the following and the closing date is July 2, 2014 at 10:00a.m.

Request for sealed bids 2014-416 Johnson County is taking sealed bids for land mineral development. 3.05 acres, more or less situated in the C.L. Jaco, Survey, Abstract No. 461, Johnson County Texas, and being all of those two tracts of land described below:

- (a) 1.717 acres situated in the C. L. Jaco Survey, Abstract 461, and being more, particularly described in that certain Warranty Deed dated October 30,1975, recorded in Volume 679, Page 50, Deed Records, from the Board of Trustees of the Cleburne Independent School District to Johnson County, Texas and**
- (b) 1.294 acres situated in the C.L. Jaco Survey, Abstract NO. 461, and being more particularly described in the certain Warranty Deed dated October 30 ,1975, recorded in Volume 679, Page 74, Deed Records, from R.E. Roberts and wife, Mrs. Doris Roberts, and J.R. Clark and wife, Mrs. Wynon Clark, to Johnson County ,**

Johnson County reserves the right to award by unit cost or lump sum discounted and to waive formalities for the best interest of Johnson County. Johnson County reserves the right to reject any and all bids. For additional information contact Kelli Davis, CPPB, Johnson County Purchasing Agent at (817) 556-6384.

Bill to Johnson County Purchasing at address listed above.

SCHEDULE 24

Unit Tract 24

A. EXISTING OIL AND GAS LEASE:

Lease No. 24:

* Unit Tract 24 appears to be unleased at this time as to the mineral interest owned by Johnson County, Texas. See Title Requirement No. 2.

B. ASSIGNMENTS OF OIL AND GAS LEASE:

* None reflected in the title materials.

C. EASEMENTS AND RIGHTS OF WAY:

None reflected in the title materials.

D. LIENS AND ENCUMBRANCES:

None reflected in the title materials.

E. TAXES:

Ad Valorem taxes are not assessed against governmental entities in the State of Texas.

F. TITLE REQUIREMENTS:

1.

* By Warranty Deed dated October 30, 1975, recorded in Volume 679, Page 50, Deed Records, the Board of Trustees of the Cleburne Independent School District conveyed 1.717 acres to Johnson County, Texas, being a portion of Unit Tract 24. By Warranty Deed dated October 30, 1975, recorded in Volume 679, Page 74, Deed Records, from R. E. Roberts and wife, Mrs. Doris Roberts, and J. R. Clark and wife, Mrs. Wynon Clark, conveyed 1.294 acres to Johnson County, Texas, being the remainder of Unit Tract 24. Based upon the descriptions contained in 679/50 and 679/74, Unit Tract 24 is that part of Nolan River Road lying in the C. L. Jaco Survey, Abstract No. 461 not located within Unit Tract 10, herein. The above-described deeds conveyed the entire fee simple interest to Unit Tract 24 and did not indicate that said conveyances were for road purposes only, nor did said deeds contain mineral reservations. As such, we have treated said deeds (679/50 and 679/74) as conveying the full fee simple interest in Unit Tract 24 to Johnson County, Texas.

However, we have not treated that portion of Nolan River Road situated in the William Spears Survey, Abstract No. 777, as being owned by Johnson County, Texas, and instead, we have allocated said road to the adjoining tract owners, being Unit Tracts 15 through 22 and a portion of Unit Tract 14. We note that the City of Cleburne acquired all of the William Spears Survey by Warranty Deed dated August 19, 1938, recorded in Volume 420, Page 551, Deed Records, from Edna Earl Saunders. By Warranty Deed dated June 1, 1978, recorded in Volume 761, Page 240, Deed Records, the City of Cleburne conveyed Unit Tracts 15 through 22 and a portion of Unit Tract 14 to R. E. Roberts and wife, Doris Roberts, and J. R. Clark and wife, Wynon Clark. Said tracts were described by metes and bounds as two tracts, with a small tract separated said lands, which we have assumed the City of Cleburne had dedicated for Nolan River Road. As such, we have credited the successors in interest through R. E. Roberts and wife, Doris Roberts, and J. R. Clark and wife, Wynon Clark, with ownership of the minerals of the part of Nolan River Road lying adjacent to said tracts, under the strip and gore doctrine in effect in the State of Texas.

REQUIREMENT: Advisory.

2.

* As noted under "Existing Oil and Gas Lease," above, Unit Tract 24 appears to be unleased at this time as to the mineral interest owned by Johnson County, Texas.

REQUIREMENT: Obtain, file for record, and furnish us a photocopy of an Oil and Gas Lease from Johnson County, Texas, as to their mineral interest in Unit Tract 24.

Chesapeake Exploration, L.L.C.
January 30, 2008

Unit Tract 22:

23.76 acres situated in the William Spears Survey, Abstract No. 777, Johnson County, Texas, and being the same land described in that certain Warranty Deed dated February 28, 2005, recorded in Volume 3894, Page 883, Official Public Records, from Joseph Randolph Clark and wife, Wynon Clark to Cleburne Bible Church.

Unit Tract 23:

79.22 acres situated in the C. L. Jaco Survey, Abstract No. 461, Johnson County, Texas, and being all of those three tracts of land described below:

- (a) 80.0 acres situated in the C. L. Jaco Survey, Abstract No. 461, and being more particularly described in that certain Warranty Deed dated February 16, 1974, recorded in Volume 635, Page 672, Deed Records, from R. E. Roberts, et al, to the Cleburne Independent School District, SAVE AND EXCEPT the following tracts: (i) 1.294 acres more particularly described in a Warranty Deed dated October 24, 1975, recorded in Volume 679, Page 50, Deed Records, from the Cleburne Independent School District to Johnson County, Texas, being a portion of Unit Tract 24, herein; and (ii) 2.649 acres more particularly described in a Warranty Deed dated August 15, 1979, recorded in Volume 814, Page 349, Deed Records, from the Cleburne Independent School District to R. E. Roberts, et al, being a portion of Unit Tracts 13 and 14, herein; and
- (b) 3.514 acres situated in the C. L. Jaco Survey, Abstract No. 461, and being more particularly described in that certain Warranty Deed dated August 15, 1979, recorded in Volume 814, Page 424, Deed Records, from R. E. Roberts, et al, to the Cleburne Independent School District.

1975
1975
*
}

Unit Tract 24:

3.05 acres, more or less, situated in the C. L. Jaco Survey, Abstract No. 461, Johnson County, Texas, and being all of those two tracts of land described below:

- (a) 1.717 acres situated in the C. L. Jaco Survey, Abstract No. 461, and being more particularly described in that certain Warranty Deed dated October 30, 1975, recorded in Volume 679, Page 50, Deed Records, from the Board of Trustees of the Cleburne Independent School District to Johnson County, Texas; and
- (b) 1.294 acres situated in the C. L. Jaco Survey, Abstract No. 461, and being more particularly described in that certain Warranty Deed dated October 30, 1975, recorded in Volume 679, Page 74, Deed Records, from R. E. Roberts and wife, Mrs. Doris Roberts, and J. R. Clark and wife, Mrs. Wynon Clark, to Johnson County, Texas.

}
}

OWNERSHIP OF CAPTIONED LANDS

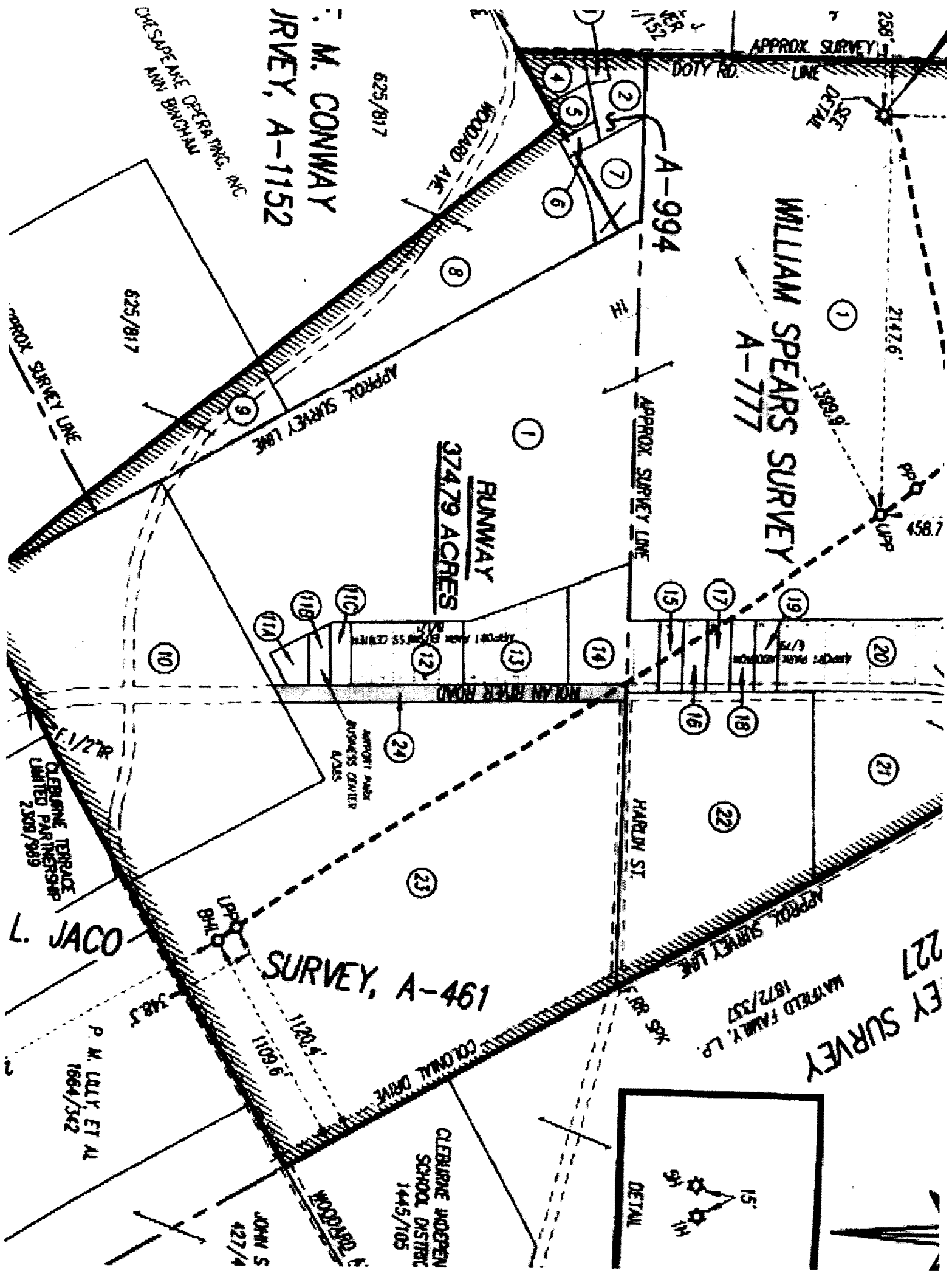
Unit Tract 1:

All of Unit Tract 1 SAVE AND EXCEPT that portion of Unit Tract 1 lying within that certain 0.01-acre tract of land described in Special Warranty Deed dated May 31, 2005, recorded in Volume 3559, Page 85, Official Public Records, from the City of Cleburne to Bence Storage, L.L.C.

Surface and Minerals:

City of Cleburne _____ All

That portion of Unit Tract 1 lying within that certain 0.01-acre tract of land described in Special Warranty Deed dated May 31, 2005, recorded in Volume 3559, Page 85, Official Public Records, from the City of Cleburne to Bence Storage, L.L.C.



WILLIAM SPEARS SURVEY
A-777

M. CONWAY
JRVEY, A-1152

SURVEY, A-461

EY SURVEY
227

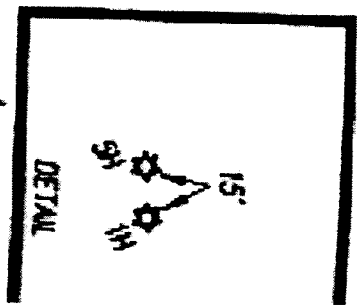
374.79 ACRES
RUNWAY

CHESAPEAKE OPERATING, INC.
ANN BIRCHALL

CLERBINE TERRACE
UNITED PARTNERSHIP
2300/2009

P. M. LULLY ET AL
1864/342

CLERBINE MODERN
SCHOOL DISTRICT
1445/105



625/817

625/817

625/817

JOHN S
427/4

WARRD FAMILY, LP
1872/337

258'

2147.6'

458.7'

21

22

23

24

25

1

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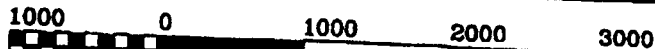
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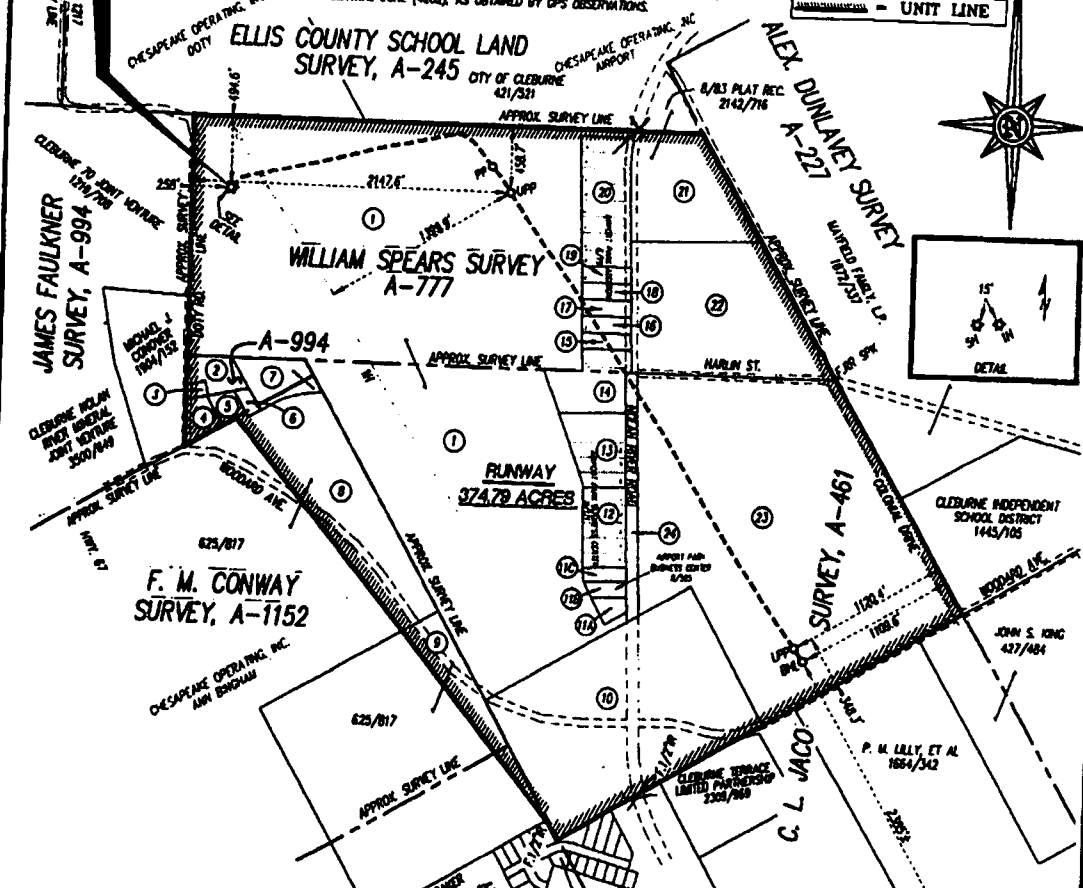


GRAPHIC SCALE - FEET

BEARINGS AND COORDINATES REFER TO THE TEXAS COORDINATE SYSTEM OF 1927, NORTH CENTRAL ZONE (4302), AS OBTAINED BY GPS OBSERVATIONS.

LEGEND

UNIT LINE



SUBJECT TO UNIT

1 CITY OF CLEBURNE	162.04 ACRES	2731/57
2 MORVA SUE GRANT	1.80 ACRES	1748/296
3 MORVA SUE MORGAN	0.32 ACRE	1873/595
4 FRANKIE MOLLINGER	1.24 ACRES	1767/860
5 TERRY WADE	0.80 ACRE	1873/591
6 DARWIN W. OROH	0.89 ACRE	878/418
7 JOEL VICTORY	2.97 ACRES	690/800
8 LAURA ELLEN BAILEY ROGERS, ET AL	17.27 ACRES	625/817
9 ANN BINGHAM, ET AL	5.26 ACRES	3289/319
10 ANN BINGHAM, ET AL	38.85 ACRES	3289/319
11A. BARRY G. MOORE	0.70 ACRE	2382/427
11B. ROBERT A. GRACEY	0.62 ACRE	2503/333
11C. BARNEY T. MADDOX	0.69 ACRE	2482/409
12. BIRD PROPERTIES	3.71 ACRES	3123/232
13. SMITH MUSTANG, LTD	4.30 ACRES	2985/707
14. HARRY V. DULOCK	4.49 ACRES	1156/385
15. RAMTREE HOMES, INC	0.88 ACRE	2651/824
16. KIMBALL BEND OF CLEBURNE, LP	0.87 ACRE	3368/815
17. KIMBALL BEND OF CLEBURNE, LP	0.87 ACRE	3368/818
18. D. R. TARKER	0.87 ACRE	1337/275
19. SUREN SIMON	0.87 ACRE	1929/506
20. STEVEN C. JONES	7.02 ACRES	2057/486
21. CLEBURNE PHYSICAL THERAPY & SPORTS REHABILITATION, INC.	11.98 ACRES	761/240
22. JOHN RANDOLPH CLARK, ET AL	23.75 ACRES	2142/721
23. CLEBURNE I.S.D	78.22 ACRES	2142/716
24. JOHNSON COUNTY, TEXAS	3.05 ACRES	3436/743
		3474/14
		679/508/74

SURFACE NOTE

NAD 27	NAD 83
LAT: 32.351812°N	LAT: 32.351856°N
LONG: 97.435583°W	LONG: 97.435580°W
X: 2,018,892.8	Y: 6,812,450.8
Y: 248,265.7	E: 2,297,105.0

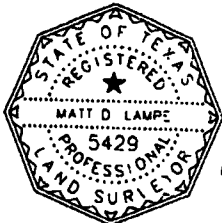
AS DRILLED DATA

SL TO PP	N83°02'44"E 1771.80'
PP TO UPP	S38°14'37"E 221.46'
UPP TO BML	S33°59'47"E 3733.43'

SURVEY LINE TIES

SL	258' W	494.6' N
BML	1108.6' NE	2385' SE

NAD 27	X	Y	LATITUDE	LONGITUDE
PP	2,021,651.5	248,480.2	32.352399°N	97.429086°W
UPP	2,021,782.4	248,301.6	32.351907°N	97.429465°W
LPP	2,023,808.8	246,292.4	32.343832°N	97.422917°W
BML	2,023,868.7	246,206.6	32.343386°N	97.422715°W



AS DRILLED PLAT
CHESAPEAKE OPERATING, INC.
RUNWAY 5H
 CITY OF CLEBURNE
 JOHNSON COUNTY, TEXAS
 Surface location is approximately 2.9 miles west of Cleburne, Johnson County, Texas.

LAMPE SURVEYING, INC
PROFESSIONAL LAND SURVEYORS
 1408 WEST MAIN STREET
 P. O. BOX 2037
 BRENNHAM, TEXAS 77834
 (979) 836-8677 • FAX (979) 836-1177
 MO 2422 2422RRC144-S.DWG 2422CCL.CCC

Title & As Drilled data furnished by CHESAPEAKE OPERATING, INC.
 Prepared from a partial on the ground survey, prior unit plots, deeds and other instruments furnished by CHESAPEAKE OPERATING, INC.
 I, Matt D. Lampe, Registered Professional Land Surveyor No. 5429 of the State of Texas, do hereby certify that this plat shows the surface location of the subject well as staked on the ground under my direction.
 Dated this the 26th day of August, 2011.
 Matt D. Lampe
 R.P.L.S. No. 5429
 Lampe Surveying, Inc

50

The State of Texas,

County of JOHNSON

} Know All Men by These Presents:

That the Board of Trustees of the Cleburne Independent School District, acting herein by and through its President, duly authorized to execute these presents,

of the County of Johnson State of Texas for and in consideration
of the sum of (\$10.00) TEN AND NO/100-----

and other good and valuable considerations, DOLLARS
to it in hand paid by Johnson County, Texas, the receipt of which is
hereby acknowledged.

xxxxxxxx

have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey, unto the said

Johnson County, Texas

of the County of Johnson State of Texas all that certain
tract or parcel of land, being a part of the C. L. Jaco Survey, Abstract
461 and part of a tract conveyed by Carl Fambrough to R. E. Roberts et al.
deed recorded in Volume 444, Page 559 and 560, Deed Records of Johnson
County, Texas, and by R. E. Roberts et al to Cleburne Independent School
District by deed recorded in Vol. 635, Page 672, Deed Records of Johnson
County, Texas;

BEGINNING at a steel pin being North 30 degrees and 50 minutes West, 739.16
feet from the Northeast corner of a 37.5 acre tract as conveyed
by Three B Dev. Corp. to C. Bingham and F. N. Bingham as re-
corded in Volume 563, Page 303, and being in the West line of
the Cleburne Independent School Property;

THENCE -- North 30 degrees and 50 minutes West, 162.6 feet to a steel pin
for corner;

THENCE -- North 1 degree and 22 minutes West, 634.9 feet to a steel pin
in a County Road, being in the North right-of-way of the Jaco
Survey;

THENCE -- East, along a County Road, 80 feet to a steel pin for corner;

THENCE -- South 1 degree and 22 minutes East, 774.6 feet to the place of
beginning and containing 1.294 acres of land, as surveyed by
C. E. Reeser, Registered Public Surveyor, September, 1973.

60

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Johnson County, Texas, its SUCCESSORS

does and assigns forever and it /s/thereby bind itself, its successors and assigns to Warrant and Forever Defend, all and singular the said premises unto the said Johnson County, Texas, its successors

and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

the Board of Trustees of the Cleburne Independent School District

WITNESS the hand of /s/

this 24 day of October, 1975.

[Faint circular stamp]

ATTEST: _____
Secretary *[Signature]*

BOARD OF TRUSTEES, CLEBURNE INDEPENDENT SCHOOL DISTRICT

BY *[Signature]*
President

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF JOHNSON

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared
H. K. BALDWIN-PRICE, President

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 and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE,
this the 24 day of October A. D. 19 75.



R. A. McDonald
Notary Public in and for Johnson County, Texas

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared

known to me to be the person whose name 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,
this the day of A. D. 19

(L. S.)

Notary Public in and for County, Texas

CORPORATION ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE,
this the day of A. D. 19

(L. S.)

Notary Public in and for County, Texas

THE STATE OF TEXAS,
COUNTY OF

I HEREBY CERTIFY that the foregoing instrument of writing with its certificate of authentication, was filed for record in my office on the day of A. D. 19 at o'clock M., and was duly recorded by me on the day of A. D. 19 in Vol. , page , of the Records of said County.

WITNESS MY HAND and the Seal of the County Court of said County, at my office in the day and year last above written.

(L. S.)

County Clerk County, Texas
By Deputy.

145 2
Warranty Deed
FROM

BOARD OF TRUSTEES OF THE
CLERBINE INDEPENDENT SCHOOL DISTRICT
TO

JOHNSON COUNTY, TEXAS
FILED FOR RECORD
This day of _____ A.D. 19____
at _____ M.
County Clerk
By _____ Deputy

RECORDED

A. D. 19____
Is FILED FOR RECORD AT 10:52 AM Records
In Book DEC 23 1975 on Page _____
COUNTY CLERK, JOHNSON COUNTY, TEXAS
By _____ DEPUTY
Deputy

Recording Fee \$ _____
This instrument should be filed immediately with
the County Clerk for Record.
Angela 310
Cherry
County Clerk, Johnson County, Texas

RECORDED
DEC 23 1975
JOHNSON COUNTY
CLERK'S OFFICE

STATE OF TEXAS
COUNTY OF JOHNSON
I hereby certify that this instrument was FILED on the
date and at the time stamped herein by me and was duly
RECORDED in the Volume and Page of the record RECORDS
of Johnson County, Texas, as stamped herein by me.



Joe L. Towres
County Clerk, Johnson County, Texas
VOL 699 PAGE 50

The State of Texas,

County of JOHNSON

} Know All Men by These Presents:

That We, R. E. ROBERTS and wife, MRS. DORIS ROBERTS, and J. R. CLARK and wife, MRS. WYNON CLARK,

of the County of Johnson State of Texas for and in consideration

of the sum of (\$10.00) TEN AND NO/100-----

and other good and valuable considerations DOLLARS

to us in hand paid by Johnson County, Texas, the receipt of which is hereby acknowledged

acknowledged

have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey, unto the said

Johnson County, Texas

of the County of Johnson State of Texas all that certain tract or parcel of land, being a part of the C. L. Jaco Survey, Abstract 461, and part of a tract conveyed by Carl Fambrough to R. E. Roberts et al, deed recorded in Volume 444, Page 559 and 560, Deed Records of Johnson County, Texas.

BEGINNING at a steel pin in the South line of the Roberts Tract and being South 60 degrees West, 414.93 feet from the Northeast corner of the F. N. Bingham 37.5 acre tract as recorded in Volume 563, Page 303, Deed Records of Johnson County, Texas.

THENCE -- South 60 degrees West, with the South line of the Roberts Tract and the North line of the Bingham Tract, 91.14 feet to a steel pin for corner;

THENCE -- North 1 degree and 22 minutes West, 1,027.7 feet to a steel pin for corner, being the West line of the Cleburne Independent School Tract, (Volume 635, Page 672, Deed Records, Johnson County, Texas);

THENCE -- South 30 degrees and 50 minutes East, 162.6 feet to a steel pin for corner;

THENCE -- South 1 degree and 22 minutes East, 842.5 feet to the place of beginning and containing 1.717 acres of land, as surveyed by C. E. Rezer, Registered Public Surveyor, September, 1978.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Johnson County, Texas, its successors and

do hereby bind ourselves, our heirs, executors and administrators, to Warrant and Forever Defend, all and singular the said premises unto the said Johnson County, Texas, its successors and

do hereby assign, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

WITNESS our hands and seals
this 5th day of October, 19 75.

Witness at request of Grantor:

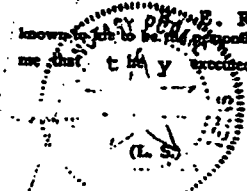
[Signature]
R. E. Roberts
[Signature]
Mrs. Doris Roberts
[Signature]
R. Clark
[Signature]
Mrs. Wynon Clark

THE STATE OF TEXAS,
COUNTY OF JOHNSON

SINGLE ACKNOWLEDGMENT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared E. ROBERTS and wife, MRS. DORIS ROBERTS, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE,
this the 30th day of October A. D. 1975.



Mary Nell Bellinger
Notary Public in and for JOHNSON County, Texas

THE STATE OF TEXAS,
COUNTY OF REEVES

SINGLE ACKNOWLEDGMENT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared J. R. CLARK and wife, MRS. WYNON CLARK, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE,
this the 21 day of October A. D. 1975.



Joe Richmond
Notary Public in and for REEVES County, Texas

THE STATE OF TEXAS,
COUNTY OF

CORPORATION ACKNOWLEDGMENT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____, whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said _____ a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE,
this the _____ day of _____ A. D. 19 _____

(L. S.)

Notary Public in and for _____ County, Texas

THE STATE OF TEXAS,
COUNTY OF

I HEREBY CERTIFY that the foregoing instrument of writing with its certificate of authentication, was filed for record in my office on the _____ day of _____, A. D. 19 _____ at _____ o'clock _____ M., and was duly recorded by me on the _____ day of _____, A. D. 19 _____ in Vol. _____, page _____, of the Records of said County.

WITNESS MY HAND and the Seal of the County Court of said County, at my office in _____ the day and year last above written.

(L. S.)

County Clerk _____ County, Texas

By _____ Deputy.

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Warranty Deed

FROM

R. E. ROBERTS ET AL

TO

JOHNSON COUNTY, TEXAS

FILED FOR RECORD

This day of _____, A.D. 19____
at _____ o'clock _____ M.

By _____
County Clerk

Deputy

RECORDED
A. D. 19____

In Book _____ County Records
FILED FOR RECORD AT 12:52 PM
on Page _____

DEC-23-1975
County Clerk

By _____
COUNTY CLERK, JOHNSON COUNTY
DEPUTY

Recording Fee \$ _____
This instrument should be filed immediately with
the County Clerk for Record.

[Handwritten signatures]

RECORDED
DEC 23 1975
JOHNSON COUNTY
CLERKS OFFICE

STATE OF TEXAS
COUNTY OF JOHNSON
I hereby certify that this instrument was filed on the
date and at the time stamped hereon by me and was duly
RECORDED in the Volume and Page of the same RECORDS
of Johnson County, Texas, as stamped hereon by me.



Joe L. Tolman
County Clerk, Johnson County, Texas
VOL 619 PAGE 174