

Permit approved
with signature change
to Public Work
9-12-05

PERMIT FOR LAYING OF PIPELINES WITHIN COUNTY
RIGHT-OF-WAY UPON CERTAIN COUNTY ROADS

KNOW ALL MEN BY THESE PRESENTS:

On the _____ day of _____, 2005 JOHNSON COUNTY does hereby permit _____, hereinafter identified as COMPANY, to lay or place **temporary pipelines**, for the purpose of transporting FRESH WATER for use in exploration and operations of oil well or gas well drilling equipment along the specified areas of rights-of-way adjacent to certain roadways of JOHNSON COUNTY. Such laying or maintaining of pipelines and associated activities is hereinafter identified as "pipeline operations". Said roads or roadways are shown or described in EXHIBIT "A" which is attached hereto and incorporated herein for all purposes.

The pipelines or associated equipment shall NOT be placed on or across the roadways. Pipelines or associated equipment may only be placed in the area between the bar ditch and the fence line. Said pipelines shall be located as far away from the roadway as possible.

COMPANY is liable for all duties to Johnson County expressed below.

This permit granted to COMPANY is valid from _____, 2005 until _____ (a period of not more than 8 months).

As a condition to JOHNSON COUNTY granting this permit, COMPANY agrees to the terms and conditions set forth below.

Inspection

COMPANY assumes the duty to inspect for preexisting damage on or along the roadways in JOHNSON COUNTY on which it will be conducting pipeline operations prior to initiating actual operations.

Prior to initiating any pipeline operations, or other activities, COMPANY shall make a detailed inspection of the roadway, culverts, bridges, and appurtenances thereto, and note any such structures which are, or appear to be, damaged and describe the damage thereto. Prior to COMPANY initiating pipeline operations, a detailed report of such inspection shall be delivered to the JOHNSON COUNTY PUBLIC WORKS DEPARTMENT.

Damages

COMPANY hereby agrees to compensate JOHNSON COUNTY for all damages or losses accruing to JOHNSON COUNTY as a result of damages caused to any real or personal property of JOHNSON COUNTY, including but not limited to roadways, culverts, fences, bridges, or other structures, which result directly, or indirectly from COMPANY'S operations upon the roads or roadways of JOHNSON COUNTY.

Indemnity

COMPANY hereby agrees to indemnify, release, and hold harmless JOHNSON COUNTY from all claims, suits, penalties, damages, or losses whatsoever asserted against JOHNSON COUNTY or its officials, officers, or employees arising from COMPANY conducting pipeline operations or other activities within the scope of this permit and the cost incurred by JOHNSON COUNTY as result of the defense against such claims, suits, penalties, damages or losses.

COMPANY'S duty to indemnify, release, and hold harmless JOHNSON COUNTY includes but is not limited to claims, suits, penalties, damages or losses arising from COMPANY'S acts or actions, or COMPANY'S agents or employees acts or actions.

JOHNSON COUNTY is not liable to any employee, subcontractor, assignee or any other person and or entity based upon any claim arising or alleged to arise from any harm or damage that may occur before, during or after the pipeline operations by COMPANY on the roadways of JOHNSON COUNTY as a result of the pipeline operations or incidental to the pipeline operations.

No Authority

JOHNSON COUNTY does not authorize or purport to have any authority to authorize pipeline operations on lands under or adjoining the roads in JOHNSON COUNTY which are not owned in fee simple by JOHNSON COUNTY. COMPANY MUST OBTAIN AN EASEMENT, LEASE OR OTHER PROPERTY RIGHT FROM THE PERSON WHO OWNS THE PROPERTY UPON WHICH COMPANY SEEKS TO CONDUCT PIPELINE OPERATIONS. This permit is not a substitute for such right to lay a pipeline upon the property. This permit is only for the operation of pipelines along the roadways of JOHNSON COUNTY. Any actions on the part of COMPANY which creates any liability or affects the rights of the holders of any property and or mineral interests shall be solely the responsibility of COMPANY.

Cancellation of Permit

JOHNSON COUNTY hereby expressly reserves the right to revoke or cancel this permit. COMPANY hereby agrees to immediately cease pipeline operations and exploration and remove

its employees, agents, pipelines, and equipment promptly upon notice of the cancellation or revocation of the permit by certified mail or hand delivery to any COMPANY officer or supervisor.

Safety Provisions

No activity shall be conducted in any area that may be result in any damage to the pavement or shoulder or other portions of the county road facility.

No pipelines or equipment will be used on traffic lanes or paved shoulders.

All pipelines must be arranged so that they do not create a hazardous condition. All pipelines must be securely anchored.

Adequate signs, barricades, flares, flagmen, and safety devices shall be maintained by COMPANY during installation of pipelines.

COMPANY shall take reasonable steps to insure the safety of all persons that may be traveling along roads in JOHNSON COUNTY where it is conducting pipeline operations.

COMPANY shall not unreasonably impede traffic on the roads that it will occupy for pipeline operation purposes.

All equipment shall be parked and/or operated on one side of the roadway only.

The activity shall be stopped when the ground conditions are such that operations within the right-of-way would cause extensive rutting and/or tracking of mud onto the roadway surface, or would damage the drainage ways, or damage the roadways.

COMPANY shall restore the right-of-way to its original condition, free of damage, including repair of ruts or any other structural or environmental damage caused by the activity.

Any costs incurred by Johnson County for the replacement of signs, delineators or other road or traffic features, or for the removal of debris, or for any other necessary restoration work performed by the County to place the right-of-way into a condition equal to the condition of the right-of-way prior to the COMPANY'S activity will be responsibility of COMPANY.

COMPANY also accepts full responsibility for any damage to any utility caused by the pipeline operations.

Additionally, COMPANY shall provide all reasonable safety personnel and take other reasonable precautions in the event that it is reasonably necessary to temporarily impede traffic.

Venue

In the event of a dispute concerning any aspect of this permit or any claim or dispute arising pursuant to this permit or an act or condition addressed herein, both COMPANY and JOHNSON COUNTY agree that venue for all court proceedings shall be in JOHNSON COUNTY, TEXAS.

This permit does NOT create a property right or interest in COMPANY.

Interpreting This Permit

Neither COMPANY nor JOHNSON COUNTY has made any additional oral promises, representations, or agreements not memorialized in this permit.

For JOHNSON COUNTY:

Judge Roger Harmon
Johnson County Judge
Johnson County Courthouse Annex
2 North Main Street
Cleburne, Texas 76031

Date: _____

For COMPANY:

Authorized Agent of

(Company Name)
(Company Address)

Date: _____