

Roadway Use and Maintenance Agreement for Horizontal Drilling Projects and Infrastructure

THIS AGREEMENT is entered into at Cadiz, Ohio, by and between the Village of Cadiz, Ohio, a political subdivision, whose mailing address is 128 Court Street, Cadiz, Ohio 43907 ("Village") and _____, whose address is _____, (Operator), and shall be as follows:

follows:

WHEREAS, the Village has control of the several village roads within its corporate boundaries, and is required by law to keep such roads in good repair for the public; and

WHEREAS, Operator is the operator of an oil and gas development site within the Village of Cadiz, including but not limited to a fractionation facility, oil and gas separation facility, and/or related production, transmission and transportation facility, (including rail); and

WHEREAS, the Operator is the operator intending on developing and/or constructing an oil and gas development site within the Village of Cadiz, including but not limited to a fractionation facility, oil and gas separation facility, and/or related production, transmission and transportation facility, (including rail); and

WHEREAS the Operator may be a purchaser of raw water from the Village of Cadiz; and

WHEREAS, the Village and Operator desire to enter into a Roadway Use and Maintenance Agreement providing for the repair and maintenance of said roads, bridges, culverts and drainage ways thereon as a result of the drilling activity and/or water sales; and

WHEREAS, if any Village roads contain any railroad crossings, Section 4 below shall apply;

NOW THEREFORE, in consideration of good faith performance by each party of the mutual covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Operator agrees to the maintenance of said roads, bridges, culverts and drainage ways to their pre-drilling activity condition or as modified to Appendix A, thereon for any damages thereto, as a result of drilling activities related to such sites.

FURTHER, all Village roads are specifically prohibited from being used as a transportation route of equipment and/or construction and operations heavy vehicles (Class 7 and above), with the exception of: Charleston Street, Country Club Road, Deersville Avenue, Dennison Avenue, Grant Street, North Main Street and Ohio Street/Reservoir Road; and

FURTHER, the use of Charleston Street, Country Club Road, Deersville Avenue, Dennison Avenue, Grant Street, North Main Street and Ohio Street/Reservoir Road as a transportation route of equipment and/or construction and operations heavy vehicles (Class 7 and above) will require the approval of a Roadway Use and Maintenance Agreement, between the Operator and the Village.

FURTHER, those companies, businesses and/or contractors purchasing raw water from the Village of Cadiz and or it's agents, and are using College Way and Reservoir Road as access to Village water sales facilities, and which may be using Charleston Street, Country Club Road,

Deersville Avenue, Dennison Avenue, Grant Street, North Main Street and Ohio Street/ Reservoir Road as a transportation route are required to enter into a Roadway Use and Maintenance Agreement, with the Village. The Village agent, will be prohibited from selling any water to a third party that has not signed a Roadway Use and Maintenance Agreement with the Village of Cadiz.

FURTHER, roads specifically permitted for being used as a transportation route of equipment and/or construction and operations heavy vehicles are St. Clair Avenue, (State Route 9), Lincoln Avenue (State Route 9/US 250), East Market Street (US 250) and Industrial Park Road.

FURTHER, Operator shall also provide for the strengthening, upgrading and where necessary, redesign of said roads, bridges, culverts and drainage ways if mutually agreed to be necessary prior to or during the drilling activity. The areas and structures required to be strengthened, upgraded or redesigned shall be determined by an engineer mutually agreed to be the parties within thirty (30) days of a written request submitted by the Operator and/or the Village (herein Engineer). The operator shall provide all costs for and related to the services of the mutually agreed upon Engineer. The Engineer shall provide a written report to the Mayor detailing the condition of the roads and appurtenances covered by this agreement along with any recommendations, if necessary.

BOTH PARTIES FURTHER AGREE to the following additional terms and conditions:

- 1) The portion of the Village road to be by the operator hereunder is that exclusive portion of _____, beginning at _____ and terminating at _____. It is understood that the Operator shall not utilize any other portion of _____ for any of its drilling activities hereunder. In the case of water sales, the water purchaser will be limited to the aforementioned roadways of Reservoir Road and College Way;
- 2) The portion of _____ to be utilized herein under is that exclusive portion beginning at _____ wherein Operator's site are to be constructed herein. It is understood and agreed that the Operator shall not utilize any of the remainder of _____ for any of its drilling activities hereunder.
- 3) Those portions of said said roads, bridges, culverts and drainage ways and their appurtenances to be used by Operator hereunder and mutually agreed to necessary strengthening, upgrading and/or redesign by the Engineer shall be strengthened, upgraded and/or redesigned by the Operator at Operator's expense. Thereafter, such roads shall be maintained by Operator for damages caused by Operator's drilling activity, at Operator's sole expense, throughout the term of this agreement to a level consistent with the condition of such roads at the commencement of its use by the by the Operator hereunder or as modified in Appendix A, as determined by the Engineer. The maintenance of aforementioned said roads, bridges, culverts and drainage ways includes the use of a commercially recognized dust palliative to control the airborne dust created and/or contributed to by the Operator and the Operator's contractors and agents. Operator shall maintain the roadway in such manner to keep the roadway free of mud and any other debris.

- 4) The Operator shall give notice to the railroad at least thirty (30) days prior to any known drilling activity utilizing a railroad crossing so that joint inspection can determine the condition of the crossing. Additionally, the Operator shall coordinate all work needing to be performed at a railroad crossing with the railroad company at least thirty (30) days prior to starting work on a railroad crossing. If the railroad company fails to respond to the Operator's notice of work needing to be performed at a railroad crossing within thirty (30) days of receipt of the notice. Work performed at a railroad crossing may include a separate agreement at the railroad's discretion. The Village shall not be liable for any incidents arising out of or related to work performed at any railroad company or lack of notification by Operator.
- 5) Either the Village or Operator may terminate this agreement with just cause following at least thirty (30) days written notice to the other of its intent to terminate. As soon as possible after receipt of such notice, the Village and Operator shall meet to inspect said roads, bridges, culverts and drainage ways and their appurtenances. Following final inspection, the parties shall meet, and all restoration resulting from Operator's drilling activity and/or water purchasing and transportation shall be identified and thereafter completed by the Operator, at Operator's sole expense. Following completion of all restoration work, and acceptance of such work by the Engineer and the Village, this Agreement shall be terminated and of no further force or effect.
- 6) Unless excepted for the reasons provided below, prior to the drilling activity on _____, Operator shall post a bond or other surety in a form satisfactory to the Village to cover the costs of any damage caused by the drilling activity, on _____ (and it's right-of-way) by Operator. The amount of the bond or surety shall be in an amount no greater than _____ dollars (\$_____.) per mile.
- 7) All motor vehicles to be utilized by Operator hereunder, whether owned by Operator or others shall comply with all legal size, load, and weight limits in accordance with State law and all non-conforming vehicles shall require the proper Village permit, if required. Operator shall provide the Village with a list of all vehicles being used on the site, including the license number, federal and state registrations numbers, weight limit, use of the vehicle and owner/operator of that vehicle.
- 8) Operator shall furnish the Village with a written letter of authority setting forth all necessary contact information, including a twenty-four (24) hour emergency contact number for the authorized local representative of the operator and such information shall be maintained and kept current at all times hereunder. Operator shall provide Village with a list of chemicals being used on the site.
- 9) If Village determines that any traffic signalization and or signage is needed, as a result of this Agreement and in the interests of safety, the Operator shall provide for such signalization and/or signage at Operator's sole expense. In the event that any oner safety concerns should arise during the course of this Agreement, Operator and Village agree that they will mutually discuss such concerns and reach a resolution satisfactory to all concerned.

APPENDIX A

Operator shall be required to:

- 1) provide for the videotaping of the road and right-of-way of the said roads, bridges, culverts and drainage ways prior to the drilling activity;
- 2) provide an engineering report detailing pavement thickness, composition, base thickness and composition, and sub-grade composition as and if reasonably determinable. Engineering report to also provide an analysis of conditions with a recommendation(s) of mutually agreed to be necessary, for upgrading said roads, bridges, culverts and drainage ways to handle anticipated drilling activity.
- 3) Upgrade Village said roads, bridges, culverts and drainage ways in accordance to with Village and/or Harrison County standards.
- 4) Maintain the Village said roads, bridges, culverts and drainage ways during drilling activities for those damages caused by said drilling activities.
- 5) Reimburse Village for minor maintenance of the said roads, bridges, culverts and drainage ways during the hauling period (or provide a contractor to perform minor maintenance on 24 hour notice) for damages caused by drilling activities.
- 6) Provide all improvement plans for work to be provided on said roads, bridges, culverts and drainage ways, prior to commencement of work.

Village shall:

- 1) Provide for minor maintenance of the road during the drilling activity for damages not caused by said drilling activity. For any work that is to be reimbursed by the Operator to the Village, Village agrees to provide 24 hour prior notice to the Operator (or agrees to notify Operator when maintenance is needed).
- 2) Provide for maintenance of said roads, bridges, culverts and drainage ways for damages not caused by the drilling activity at the Village's cost and expense, including snow removal, mowing and like maintenance activities.