



ROAD REPAIR AGREEMENT  
BETWEEN  
THE CITY OF GRAND PRAIRIE  
AND

\_\_\_\_\_

This Road Repair Agreement, (Agreement), is made and entered into on this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the City of Grand Prairie Texas ("City"), a home rule municipal corporation of the State of Texas, located within Ellis, Johnson, Dallas and Tarrant, Counties, Texas (Hereinafter referred to as the "City") and \_\_\_\_\_ ("Operator") for the repair of certain streets and/or roadways within the City of Grand Prairie, Texas as more fully described herein.

WHEREAS, Operator is in the business drilling gas wells and, in connection therewith, shall be engaged in drilling and production activities on property known generally as \_\_\_\_\_, which abuts, is adjacent to, and/or is accessed by roadways within the City of Grand Prairie; and

WHEREAS, use of the roadways by the Operator for the purpose of performing the activities described hereinabove may cause damage to the roadways; and

WHEREAS, the City and Operator, for the mutual consideration hereinafter stated, desire to enter into this Agreement for Operator to repair said roadways for the duration of the term of this Agreement in consideration of Operator's use of said roadways for the purpose of the activities described hereinabove;

IT IS NOW THEREFORE AGREED THAT:

ARTICLE 1  
REPAIR OBLIGATION

1. Operator shall repair damages caused by Operator or its contractors, subcontractors, employees, and agents, excluding ordinary wear and tear, if any, to roadways that abut the above described property being used by Operator for the drilling and production of gas wells pursuant to a Gas Well Permit issued to the Operator for the drilling and production of gas wells pursuant to a Gas Well Permit issued to the Operator. The repair obligation shall continue even if the Gas Well Permit is amended to allow for the drilling of additional gas wells. This obligation shall continue during the term of this Agreement, and the Operator shall, prior to the termination of this Agreement, as provided herein, repair such damages to such roadways, excluding ordinary wear and tear, if any, to the condition in which such roadways existed prior to the execution of this Agreement. Operator shall make a videotape of such roadways prior to the start of Operator drilling and operation of its gas wells and shall provide a copy of the videotape to the Transportation Director. Operator shall notify the Transportation Director when drilling or fracing operations are complete so that the Transportation Director can determine if repairs are required.
2. In connection with its obligation to repair said roadways, Operator shall use materials of the same or better quality than those utilized to surface and/or repair the roadways prior to execution of this Agreement and in accordance with the current standards specifications of the City. Deviation from the materials described herein shall not be permitted without the prior written consent of the Transportation Director. Repairs shall be completed in accordance with standard engineering practices acceptable to the City.
3. Operator shall repair the damage to the roadways at its sole cost and expense.

4. During the term of this Agreement, Operator shall periodically inspect the roadways during drilling, fracture stimulation or reworking of the gas well to determine whether or not any damage has occurred as a result of Operator's activities. Immediately upon discovering the existence of any such damage to the roadways, Operator shall undertake to repair and/or remedy same. Upon discovery of damage by the Operator, the Operator will have 48 hours to contact the Transportation Director to work out a schedule of repairs. Repairs shall take place within 30 days or immediately if the damage affects the immediate health and safety of individuals.

ARTICLE 2  
TERM OF AGREEMENT

This Agreement shall commence upon the date indicated above and shall continue in full force and effect until Operator has completed and/or permanently discontinued the activities upon the roadway, as described hereinabove and completely any required repairs.

ARTICLE 3  
INSURANCE AND INDEMNITY

The Operator shall provide or cause to be provided the insurance described below for each well unless a Gas Well Permit has been issued wherein such insurance has been provided for the issuance of the Gas Well Permit under the terms and conditions described in the Grand Prairie "Gas Drilling and Production" Ordinance and such insurance to continue until the well is abandoned and the site restored.

In addition to the bond or letter of credit required pursuant to this Agreement and the Grand Prairie "Gas Drilling and Production" ordinance, the Operator shall carry a policy or policies of insurance issued by an insurance company or companies authorized to do business in Texas. In the event such insurance policy or policies are cancelled, the Gas Well Permit shall be suspended on such date of cancellation and the Operator's right to operate under such Gas Well Permit shall immediately cease until the Operator files additional insurance as provided herein.

1. **General Requirements applicable to all policies**

- a. The City, its officials, employees, agents and officers shall be endorsed as an "Additional Insured" to all policies except Employers Liability coverage under the Operator's Workers Compensation policy.
- b. All policies shall be written on an occurrence basis except for Environmental Pollution Liability (Seepage and Pollution coverage) and Excess or Umbrella Liability, which may be on a claims-made basis.
- c. All policies shall be written by an insurer with an A-: VIII or better rating by the most current version of the A. M. Best Key Rating Guide or with such other financially sound insurance carriers acceptable to the City.
- d. Deductibles shall be listed on the Certificate of Insurance and shall be on a "per occurrence" basis unless otherwise stipulated herein.
- e. Certificate of Insurance shall be delivered to the City of Grand Prairie, Legal Department, 300 West Main St, Grand Prairie, Texas 75050, evidencing all the required coverages, including endorsements, prior to the issuance of a Gas Well Permit.
- f. All policies shall be endorsed with a waiver of subrogation providing rights of recovery in favor of the City.
- g. Any failure on part of the City to request required insurance documentation shall not constitute a waiver of the insurance requirement specified herein.

- h. Each policy shall be endorsed to provide the City a minimum thirty-day notice of cancellation, non-renewal, and/or material change in policy terms or coverage. A ten days notice shall be acceptable in the event of non-payment of premium.
- i. During the term of the Gas Well Permit, the Operator shall report, in a timely manner, to the Transportation Director any known loss occurrence which could give rise to a liability claim or lawsuit or which could result in a property loss.
- j. Upon request, certified copies of all insurance policies shall be furnished to the City.

**2. Standard Commercial General Liability Policy**

This coverage must include premises, operations, blowout or explosion, products, completed operations, sudden and accidental pollution, blanket contractual liability, underground resources damage, broad form property damage, independent contractors protective liability and personal injury. This coverage shall be a minimum Combined Single Limit of \$1,000,000 per occurrence for Bodily Injury and Property Damage.

**3. Excess or Umbrella Liability**

\$5,000,000 Excess, if the Operator has a stand-alone Environmental Pollution Liability (EPL) policy.  
 \$10,000,000 Excess, if the Operator does not have a stand-alone EPL policy. Coverage must include an endorsement for sudden or accidental pollution. If Seepage and Pollution coverage is written on a “claims made” basis, the Operator must maintain continuous coverage and purchase Extended Coverage Period Insurance when necessary.

**4. Workers Compensation and Employers Liability Insurance**

- a. Workers Compensation benefits shall be Texas Statutory Limits.
- b. Employers Liability shall be a minimum of \$500,000 per accident.
- c. Such coverage shall include a waiver of subrogation in favor of the City and provide coverage in accordance with applicable State and Federal laws.

**5. Automobile Liability Insurance**

- a. Combined Single Limit of \$1,000,000 per occurrence for Bodily Injury and Property Damage.
- b. Coverage must include all owned, hired and not-owned automobiles.

**6. Certificate of Insurance**

- a. The company must be admitted or approved to do business in the State of Texas, unless the coverage is written by a Surplus Lines insurer.
- b. The insurance set forth by the insurance company must be underwritten on forms that have been approved by the Texas State Board of Insurance or ISO, or an equivalent policy form acceptable to the City.
- c. Sets forth all endorsements and insurance coverage according to requirements and instructions contained herein.
- d. Shall specifically set forth the notice of cancellation, termination, or change in coverage provisions to the City. All policies shall be endorsed to read "THIS POLICY WILL NOT BE CANCELLED OR NON-RENEWED WITHOUT 30 DAYS ADVANCED WRITTEN NOTICE TO THE OWNER AND

THE CITY EXCEPT WHEN THIS POLICY IS BEING CANCELLED FOR NONPAYMENT OF PREMIUM, IN WHICH CASE 10 DAYS ADVANCE WRITTEN NOTICE IS REQUIRED".

- e. Original endorsements affecting coverage required by this section shall be furnished with the certificates of insurance.
- 7. The cancellation of any insurance for the sole purpose of the repair of roadways will not release the obligation of the Operator to meet all requirements of insurance and bonding under the Grand Prairie "Gas Drilling and Production" Ordinance.
- 8. Operator shall and hereby does indemnify, defend and save harmless the City, its officers, agents and employees from all suits, actions or claims of any character, name and description brought for or on account of any injuries or damages received as sustained by any person, persons or property on account of the operations of the Operator, its agents, employees, contractors or subcontractors; or on account of any negligent act or fault of the Operator, its agents, employees, contractors or subcontractors in connection with the obligations under this Road Repair Agreement; and shall pay any judgment, with costs, which may be obtained against the City growing out of such injury or damage.

ARTICLE 4  
PERFORMANCE BONDS

- 1. Operator shall provide a performance bond, unless a performance bond has been provided for the issuance of a Gas Well Permit under the terms and conditions described in Grand Prairie "Gas Drilling and Production" ordinance, in an amount of \$50,000 for single wells or \$150,000 for multiple wells.
- 2. Prior to the beginning of any activity pursuant to the issuance of a Gas Well Permit, unless a performance bond has been provided for the issuance of a Gas Well Permit under the terms and conditions described in the Grand Prairie "Gas Drilling and Production" Ordinance, Operator shall provide the Gas Inspector with a security instrument in the form of a bond or an irrevocable letter of credit as follows:
  - a. Bond. A bond shall be executed by a reliable bonding or insurance institution authorized to do business in Texas, acceptable to the City. The bond shall become effective on or before the date the Gas Well Permit is issued and shall remain in force and effect for at least a period of six (6) months after the expiration of the Gas Well Permit term or until the well is plugged and abandoned and the site is restored, whichever occurs first. The Operator shall be listed as principal and the instrument shall run to the City, as obligee, and shall be conditioned that the Operator will comply with the terms and regulations of this Ordinance and the City. The original bond shall be submitted to the Director of Public Works with a copy of the same provided to the City Secretary and the Gas Inspector.
  - b. Letter of Credit. A letter of credit shall be issued by a reliable bank authorized to do business in Texas and shall become effective on or before the date the Gas Well Permit is issued. The letter of credit shall remain in force and effect for at least a period of six (6) months after the expiration of the Gas Well Permit term. The City shall be authorized to draw upon such letter of credit to recover any fines or penalties assessed under this ordinance. Evidence of the execution of a letter of credit shall be submitted to the Transportation Director from the banking institution, with a copy of the same provided to the City Secretary and the Environmental Services Director. If the Letter of Credit is for a time period less than the life of the well as required by the "Gas Drilling and Production Ordinance, \_\_\_\_\_ agrees to either renew the Letter of Credit or replace the Letter of Credit with a bond in the amount required by the City of Grand Prairie's "Gas Drilling and Production" Ordinance, on or before 45 days prior to the expiration date of the Letter of Credit. If \_\_\_\_\_ fails to deliver to the City of Grand Prairie either the renewal Letter of Credit or replacement bond in the appropriate amount on or before 45 days prior to the expiration date of the Letter of Credit, the City of Grand Prairie may draw the entire face amount of the

attached Letter of Credit to be held by the City of Grand Prairie as security for \_\_\_\_\_'s performance of its obligations under the "Gas Drilling and Production" Ordinance.

c. Whenever the Gas Inspector or the Transportation Director finds that a default has occurred in the performance of any requirement or condition imposed by this Agreement, a written notice shall be given to Operator. Such notice shall specify the work to be done, the estimated cost and the period of time deemed by the Gas Inspector or the Transportation Director to be reasonably necessary for the completion of such work. After receipt of such notice, the Operator shall, within the time therein specified, either cause or require the work to be performed, or failing to do so, shall pay over to the City one hundred twenty-five percent (125%) of the estimated cost of doing the work as set forth in the notice.

d. The City shall be authorized to draw against any irrevocable letter of credit or bond to recover such amount due from Operator. Upon receipt of such monies, the City shall proceed by such mode as deemed convenient to cause the required work to be performed and completed, but no liability shall be incurred other than for the expenditure of said sum in hand.

e. In the event Operator does not cause the work to be performed and fails or refuses to pay over to the City the estimated cost of the work to be done as set forth in the notice, or the issuer of the security instrument refuses to honor any draft by the City against the applicable irrevocable letter of credit or bond the City may proceed to obtain compliance and abate the default by way of civil action against Operator, or by criminal action against the Operator, or by both such methods.

f. The cancellation of any bond or letter of credit for the sole purpose of the repair of roadways will not release the obligation of the Operator to meet all requirements of insurance and bonding under the Grand Prairie "Gas Drilling and Production" Ordinance. Any bond required by the Grand Prairie "Gas Drilling and Production" Ordinance shall stay in full force and effect until the terms and conditions set out in the Ordinance are met.

3. If the cost of the completing the repair is an amount of \$15,000 or less, as determined by the Transportation Director, cash in the amount necessary to complete the repairs, as determined by the Transportation Director, may be deposited with a bank or escrow agent pursuant to an escrow agreement acceptable and approved by the City ensuring completion of the repair.

#### ARTICLE 5 MISCELLANEOUS PROVISIONS

1. Operator understands and agrees that Operator, its employees, servants, agents, and representatives shall at no time represent themselves to be employees, servants, agents, and/or representatives of the City. The City shall not have any control over the means or methods by which Operator shall perform its obligations hereunder. Operator shall furnish all equipment and materials necessary to perform hereunder and shall at all times be acting as an independent Operator.

2. By entering into this Agreement, the City does not waive, nor shall it be deemed to waive, any immunity or defense that would otherwise be available to it against claims arising by third parties.

3. This Agreement represents the entire agreement between the Operator and the City for repair of roadways and supersedes all prior negotiations, representations, and/or agreements, either written or oral. This Agreement may be amended only by written instrument signed by the governing body of the City or those authorized to sign on behalf of the City's governing body.

ARTICLE 6  
FORCE MAJEURE

Events of Force Majeure shall mean any contingency or cause beyond the reasonable control of a party including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, government or de facto government action (unless caused by acts or omissions of the party), fires, explosions, rain or other weather delays, floods, strikes, slowdowns or work stoppages.

ARTICLE 7  
ASSIGNABILITY/CONSENT

Except as otherwise provided herein, or except as may be hereafter determined by the parties, no party to this Agreement may sell, assign, or transfer its interest in this Agreement, or any of its right, duties, or obligations hereunder, without the prior written consent of the other party. Whenever the consent or the approval of a party is required herein, such party shall not unreasonably withhold, delay, or deny such consent or approval. Operator may assign this Agreement to any successor entity to whom the applicable Gas Well Permit has been assigned upon written notice to the City of said assignment.

ARTICLE 8  
NOTICE

Any notice given by one party to the other in connection with this Agreement shall be in writing and shall be by personal delivery; sent by registered mail or certified mail; or by United States Mail, return receipt requested, postage prepaid; to:

CITY:           Office of the City Manager  
                  City of Grand Prairie, Texas  
                  300 W. Main Street  
                  Grand Prairie, Texas 75050

OPERATOR \_\_\_\_\_  
                  \_\_\_\_\_  
                  \_\_\_\_\_

Notice shall be deemed to have been received on the date of receipt as shown on the return receipt or other written evidence of receipt.

ARTICLE 9  
MODIFICATION

No waiver or modification of this Agreement or of any covenant, condition, limitation herein contained shall be valid unless in writing and duly executed by the party to be charged therewith. No evidence of any waiver or modification shall be offered or received in evidence in any proceeding arising between the parties hereto out of or affecting this Agreement, or the rights or obligations of the parties hereunder, unless such waiver or modification is in writing, duly executed. The parties further agree that the provisions of this Article will not be waived unless as herein set forth.

ARTICLE 10  
SAVINGS/SEVERABILITY

In the event that any one or more of the provisions hereof contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not effect the other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

ARTICLE 11  
GOVERNING LAW AND AVENUE

This Agreement shall be construed under and governed by, and in accordance with the laws of the State of Texas, and venue for any action arising under the terms and conditions of this Agreement shall lie in the state courts located in Dallas County, Texas or the United States District Court for the Northern District of Texas, Dallas Division.

ARTICLE 12  
ENTIRE AGREEMENT

This Agreement and the exhibits attached hereto, constitute the entire agreement among the parties hereto with respect to the subject matter hereof, and supersede any prior understandings or written or oral agreements between the parties with respect to the subject matter of this Agreement. No amendment, modification, cancellation or alteration of the terms of this Agreement shall be binding on any party hereto unless the same is in writing, dated subsequent to the date hereof, and is duly authorized and executed by the parties hereto.

ARTICLE 13  
WAIVER OF TERMS AND CONDITIONS

The failure of either party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.

ARTICLE 14  
CAPTIONS

The captions contained in this Agreement are for informational purposes only and shall not in any way affect the substantive terms or conditions of this Agreement.

ARTICLE 15  
COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and constitute one and the same instrument.

IN WITNESS WHEREOF, the parties do hereby affix their signatures and enter into this Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

ATTEST:

CITY OF GRAND PRAIRIE

\_\_\_\_\_  
City Secretary

By: \_\_\_\_\_  
Steve Dye, Assistant City Manager

APPROVED AS TO FORM:  
Megan Mahan, City Attorney

By: \_\_\_\_\_

STATE OF TEXAS            §  
COUNTY OF \_\_\_\_\_ §

Before me, the undersigned notary public, on this day personally appeared Tom Cox, the Assistant City Manager of the City of Grand Prairie, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the instrument for the purpose and consideration therein expressed.

Given under my hand and seal of office this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

**OPERATOR NOTARIZED SIGNATURE**

By: \_\_\_\_\_  
Operating Company

\_\_\_\_\_  
Operator Signature

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

Before me, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of \_\_\_\_\_ (the corporation) and that he executed the same as the act of said \_\_\_\_\_ (corporation) for the purpose and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public



**Exhibit "A"**

**\$50,000.00 Bond**

**INSTRUCTIONS FOR COMPLETING STREET MAINTENANCE BOND**

The form provided must be completed by the insurance agency for the bonding company. It must be signed by the principal and Attorney-in-Fact must be the same name and have the same date on the bond.

The Power-of-Attorney for the Attorney-in-fact must be the same name and have the same date on the bond.

If you are a new contractor, the permit application must be completed in full; signed and dated by the applicant (principal).

**PLEASE NOTE:** If you are already licensed with the City and continuing your bond from one year to the next, **with no lapse in coverage**, a continuation certificate and power-of-attorney is all that is required. A copy of your bond must be provided with your application and the term of coverage must be at least 12 months.

Names must be written and printed on the space provided.

The insurance agency can complete the information requested on the third page. Under normal circumstances, the information is available when they are completing the bond form.

If you should have any questions, feel free to contact our office at (972)237-8055.

**\*\*SPECIAL NOTE\*\***

**THE DATE ON THE POWER-OF-ATTORNEY MUST BE THE SAME DATE AS ON THE BOND.**

**THE NAME OF THE ATTORNEY-IN-FACT MUST BE PRINTED ON THE POWER-OF-ATTORNEY AND THE SIGNATURE MUST BE LEGIBLE.**

**THE CITY OF GRAND PRAIRIE WILL NOT ISSUE OR AUTHORIZE A DRILLING PERMIT UNTIL THESE TWO ITEMS ARE COMPLETED AND SATISFACTORY.**

**CITY OF GRAND PRAIRIE, TEXAS  
GAS DRILLING AND PRODUCTION BOND**

**THE STATE OF TEXAS           §**

**KNOW ALL BY THESE PRESENTS:**

**COUNTY OF \_\_\_\_\_ §**

That     We, \_\_\_\_\_, as, principal, and \_\_\_\_\_, as surety, are held and firmly bound unto the City of Grand Prairie, Texas, in the penal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_ .00) good and lawful money of the United States of America, well and truly to be paid for the payment of which we, and each of us, hereby bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

**THE CONDITIONS OF THIS OBLIGATION ARE SUCH THAT**

**WHEREAS**, the above principal desires to drill a gas well within the corporate limits of the City of Grand Prairie and has complied with all the terms and conditions of City of Grand Prairie Ordinance No. \_\_\_\_\_ (the "Ordinance") of the City of Grand Prairie, Texas, and has applied to the Director of Development for a Gas Well Permit as provided for and defined in said Ordinance

**NOW, THEREFORE**, if said principal shall fully comply with the terms of the Ordinance, then this obligation shall be null and void, otherwise to remain in full force and effect: provided, however, this bond is executed by the surety on the condition that its liability shall be limited by and subject to the conditions and provisions hereunder contained.

Successive actions may be brought on this bond for successive breaches of its conditions or any of them; provided, however, that the total sum of all liability of the surety on any one or all of such actions shall not exceed a total sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_ .00).

This bond cannot be canceled and shall remain in effect for a period of six (6) months after the expiration of the Gas Well Permit or until the gas well is plugged and abandoned and the site of the well restored, which ever occurs earlier; provided, however, any claim against this bond may be brought within two (2) years following the expiration of the Gas Well Permit or the plugging and abandonment of the well, whichever occurs first.

The Surety waives all defenses with respect to notices of default, notice of extension of time, demand and diligence, and further waives any defense related to the City's failure to institute legal action against the Principal.

IN WITNESS WHEREOF, the said Principal and the said Surety have set their hand and seal this the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_.

\_\_\_\_\_  
Principal  
\_\_\_\_\_  
Surety  
\_\_\_\_\_  
Attorney-in-Fact

**Exhibit "B"**

**CITY OF GRAND PRAIRIE, TEXAS  
GAS DRILLING, PRODUCTION AND  
ROADWAY MAINTENANCE  
BLANKET BOND**

THE STATE OF TEXAS            §  
COUNTY OF \_\_\_\_\_       §

WHEREAS, persons performing gas drilling and production operations within the jurisdiction of the City of Grand Prairie, Texas are required to execute and file with the City of Grand Prairie Gas Inspector a bond covering those operations, pursuant to § 15-41 of the City of Grand Prairie City Code;

WHEREAS, the Principal named below is the operator of certain Texas Railroad Commission and City of Grand Prairie regulated gas drilling and production operations including but not limited to, (1) operations permitted under the Principal's permit filed with the City of Grand Prairie Gas Inspector, and/or (2) any additional wells that may be permitted prior to the expiration of this bond;

WHEREAS, the Principal desires to perform gas operations and activities within the jurisdiction of the City of Grand Prairie, and which operations and activities must be carried on in full conformance with all conditions of the ordinances of the City of Grand Prairie, including those city ordinances requiring operators to plug and abandon all wells and control, abate, and clean up associated with an operator's gas operations and activities;

WHEREAS, Principal acknowledges and agrees that, due to the acquisition of additional wells, it may be required during the effective term of this bond to provide additional financial security beyond the face amount of this bond before additional permits submitted by the Principal will be accepted and approved.

We, \_\_\_\_\_ (person's name) as Principal and \_\_\_\_\_ as Surety, duly authorized and qualified to do business in the State of Texas, are held and firmly bound unto the City of Grand Prairie, Texas in the sum of Dollars (\$ \_\_\_\_\_ ) payable at the City of Grand Prairie, \_\_\_\_\_ County, Texas, and for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

This bond is conditioned that if the Principal operates all wells in accordance with the ordinances of the City of Grand Prairie plugs and abandons all wells and control, abates, and cleans up pollution associated with its gas operations and activities in accordance with the ordinances of the City of Grand Prairie and is in full compliance with the all the regulations of the with the ordinances of the City of Grand Prairie, the Road Repair Agreement and any permit issued pursuant thereto and shall repair any damages to City streets, as determined by the City's Director of Public Works, caused by the equipment and vehicles used by the Operator in going to and from the drill site with such repairs being in compliance with specifications therefore prepared by and provided to the Operator by the Director of Public Works; then the Principal and Surety are relieved of their obligation to pay the bond amount to the City of Grand Prairie.

In the event of a failure of Principal to comply with the conditions and obligations of this bond, the Surety shall promptly remedy such non-compliance, in accordance with the ordinances of the City of Grand Prairie within 60 days of notice of non-compliance. In the event of surety's failure to remedy such non-compliance, written demand shall be made upon surety for payment of the penal sum of this bond. Sums demanded under this bond shall be paid to the City of Grand Prairie at 317 W. College Street, Grand Prairie, Texas, within thirty days after receipt of written demand for payment, which demand shall be mailed by registered or certified U.S. mail to the address shown below.

Conditions and obligations under this bond are construed in accordance with the Road Repair Agreement and all permits, rules, and regulations of the ordinances of the City of Grand Prairie, including any amendments thereto that may be made during the term of this bond, and Surety waives notice of any amendments. The City of Grand Prairie shall have the right to sue on and otherwise enforce the obligations of this bond without first resorting to or exhausting its remedies against the properties and assets of the Principal.

This bond is effective beginning on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_. The term of this bond shall expire 6 months after the expiration of the Gas Well Permit or when the gas well is plugged and abandoned and the site of the well restored, which ever occurs earlier, provided, however, any claim against this bond maybe brought within one (1) year following the expiration of the Gas Well Permit or the plugged and/or abandonment of the well, whichever occurs first. Obligations to pay part or all of the bond amount are deemed released after one (1) year from the expiration date of the bond if no non-complaint operations or activities subject to the bond have been discovered by the City of Grand Prairie or the Texas Railroad Commission during that one-year period, and no enforcement action against any operations or activities subject to the bond is pending. Principal and Surety may also be relieved of their obligations to pay part or all of the bond amount by written agreement between the City of Grand Prairie, Principal, and Surety.

If the bond amount is not paid in accordance with the terms of this bond and if judgment for any part of the bond amount is awarded through any court proceeding, then the City of Grand Prairie shall be entitled to court costs and reasonable attorney's fees awarded by the court. Surety's liability for such costs and fees shall not be limited by the amount of this bond. It is agreed and understood that this bond is executed and performable in Grand Prairie, \_\_\_\_\_ County, Texas, and venue for any cause of action construing this bond is in state courts located in Dallas County, Texas or the United States District Court for the Northern District of Texas.

A transfer, by any means, of any well covered under this bond does not relieve the Principal and Surety of any obligation under this bond until the operator acquiring the well has on file with the City of Grand Prairie an approved form of financial security covering the well. The transferred well remains covered by this bond and the Principal and Surety remain responsible for compliance with all City of Grand Prairie regulations and ordinances covering the transferred well until the City of Grand Prairie determines that the well is covered by proper financial security and the acquiring operator has assumed full responsibility for the well in accordance with all city regulations and ordinances. Obligations to pay part, or all, of the bond amount, as a result of the Principal or Surety's non-compliance with the conditions of this bond that occurred prior to the transfer and assumption of responsibility by the acquiring operator, remain enforceable in accordance with the general terms of this bond.

IN TESTIMONY WHEREOF, said PRINCIPAL has hereunto subscribed his or her name or has caused this instrument to be signed by its duly authorized officers and its corporate seal to be affixed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

IN TESTIMONY WHEREOF, said SURETY has caused this instrument to be signed by its duly authorized officers and its corporate seal to be affixed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

PRINCIPAL

(seal)

By \_\_\_\_\_

NAME & TITLE

(seal)

SURETY (ATTACH POWER OF ATTORNEY)

BY \_\_\_\_\_  
NAME & TITLE

SURETY'S FULL MAILING ADDRESS