

SPECIAL ROAD USE INDEMNITY AGREEMENT AND PERMIT

THE STATE OF TEXAS
COUNTY OF MADISON

KNOWN ALL MEN BY THESE
PRESENTS

The undersigned, hereinafter called Applicant, enters into and makes this agreement with the Commissioners Court of Madison County, Texas, pursuant to Article 623.018 of the Texas Transportation Code, in order to obtain a permit to use public roads and bridges in Madison County, Texas, for vehicles or combinations of vehicles that have gross weight greater than thirty thousand (30,000) pounds or a weight greater than ten thousand (10,000) pounds carried on any one axle.

I.

VEHICLES means any vehicles, tractor or combination of vehicles, with or without loads, that have a gross weight greater than thirty thousand (30,000) pounds or a weight greater than ten thousand (10,000) pounds carried on any one axle, and includes any such vehicles operated by Applicant or its agents, employees, servants or independent contractors in the course of Applicant's business.

II.

It is understood and agreed that the provisions of this agreement apply to Applicant's vehicles operating on any Madison County road, whether with or without a permit. Applicant hereby agrees that it is its responsibility and obligation to determine, in consultation with the County, (1) the weight limits for any roads traveled by Applicant's vehicles and (2) the strength and design sufficiency of the roads and bridges and culverts on the roads to carry and withstand the weight of Applicant's vehicles traveling on the roads.

III.

Applicant hereby agrees to pay Madison County for the reasonable, actual cost of repairing damages to the road bed, road surface, bridges, culverts, signs, structures, fences, right-of-ways that are caused by the movement of Applicant's vehicles over the roads described in this agreement or any other Madison County road. Applicant further agrees that its liability for any such damage is not limited to the amount of the bond required for the issuance of the permit.

Applicant hereby agrees to promptly report any such damage to the County Commissioner of the precinct where the damage occurred.

Applicant hereby agrees that his failure to either (i) repair any such damaged or pay the cost of repairing any such damages as described within thirty (30) days after billing to Applicant at the address shown on this agreement, or (ii) reasonably dispute that such damages were

caused by Applicant, shall be grounds for the Madison County Commissioners Court to revoke Applicant's permit hereunder without hearing, and to immediately file suit for such damages. Applicant hereby agrees that venue for any such suit lies in Madison County, Texas.

IV.

Any violation of this "Special Road Use Indemnity Agreement and Permit" by undersigned Applicant, its employees, or anyone validly acting on its behalf, may result in its temporary suspension by the County Commissioner of the precinct in which the road agreement applies. In the event of such temporary suspension, the Commissioners' Court shall, at its next regularly scheduled meeting, and after notice to the undersigned Applicant, determine whether to reinstate, or revoke this road use agreement and permit.

V.

Applicant hereby agrees that once a permit has been suspended or if Applicant operates vehicles on county roads without a permit, damages are not an adequate remedy at law for the enforcement of Madison County's rights, and the Madison County may maintain an action for injunctive relief to prohibit Applicant's vehicles from using any Madison County roads without a permit. Applicant further agrees that Madison County shall be held harmless for any actual, incidental, consequential or other damages Applicant may suffer as a result of any action of Madison County involving any such injunctive relief.

Applicant hereby agrees that no action or inaction by Madison County shall be considered an election of its rights and remedies, and Madison County is free to seek all remedies available at law or inequity to enforce its legal rights or the terms of this agreement.

VI.

To insure performance of this Agreement, the Applicant hereby agrees to do one of the following:

1. Post a surety bond in accordance with § 623.012 of the Texas Transportation Code.
2. Provide a commercial umbrella liability insurance policy, or self-insurance, in the amount of at least \$1,000,000.00 valid until production ceases.
3. If more than one well site is established and serviced from same road the provision of this agreement are in effect until production ceases at all locations.

All surety bonds and umbrella liability insurance policies shall meet the requirements as set out in Exhibit No. 1 attached hereto; and shall be approved by Commissioner Court before any permit is issued under this agreement.

EXHIBIT 1

1. The bond or insurance policy must be written by an insurance company licensed to do business in the State of Texas.
2. The bond to be set by the Commissioner(s) whose precinct the Applicant will be operating shall be sufficient to guarantee the payment of any damage to a road or bridge as a consequence of the road use, but no less than \$40,000.00.
3. The bond amount must also be sufficient to cover all damage which might be incurred during the term of the bond.
4. The bond shall be payable to Madison County, Texas.
5. The bond shall be conditioned that the applicant will pay Madison County, Texas for any damage sustained to any county roads or bridges because of the movement of applicant's vehicles on such roads or bridges.

VII.

Nothing herein shall be construed as a waiver by a Commissioner, the Commissioners Court or the County Judge of the authority granted by the Texas Transportation Code.

Applicant understands this is for County Road(s)_____.

 APPLICANT'S SIGNATURE

 APPLICANT'S EMAIL ADDRESS

 APPLICANT'S NAME

 APPLICANT'S PHONE

 APPLICANT'S ADDRESS

PERMIT

Applicant is hereby approved and a permit is granted for road use by Applicant's vehicles over Madison County roads for a period of one year, unless permit is issued (order 623.018(c)) from the date hereof. Applicant must maintain a copy of this permit in each of its vehicles and produce such copy for inspection upon request.

Permit effective this _____ day of _____, _____.

 MADISON COUNTY JUDGE

 COMMISSIONER PCT. #____

Original to be returned to the County Commissioner.