

PROJECT: Chesapeake City of Euless 6" Well Connect
TRACT NUMBER: TC-01
Tarrant County

PERMANENT EASEMENT AGREEMENT

This Agreement, dated _____, 2010, is between City of Euless, (hereinafter referred to as "Grantor", whether one or more), and ETC Texas Pipeline, LTD., 800 E. Sonterra Blvd., Suite 400, San Antonio, Texas 78258, and its successors and assigns (such entity and its successors and assigns are collectively referred to as the "Grantee"). For the consideration of TEN AND No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby grants, sells and conveys unto Grantee a nonexclusive Twenty-foot (20') wide permanent easement in order to construct, operate and maintain multiple pipelines of any diameter and any appurtenant facilities in, over, through, across, under, and along land owned by the Grantor described in the attached **Exhibit A and B** ("the Permanent Easement Property"). Grantor hereby grants, sells and conveys unto Grantee a Temporary Construction Easement described in the attached **Exhibits C and D** in order to construct pipelines of any diameter and any appurtenant facilities in, over, through, across, under, and along land that is also described in the attached Exhibit A owned by the Grantor.

It is further agreed as follows:

1. The right to use this Easement shall belong to the Grantee and its agents, employees, designees, contractors, guests, invitees, successors and assigns, and all those acting by or on behalf of it for the purposes of establishing, laying, constructing, reconstructing, installing, realigning, modifying, replacing, improving, adding, altering, substituting, operating, maintaining, accessing, inspecting, patrolling, protecting, repairing, changing the size of, relocating and changing the route or routes of, abandoning in place and removing at will, in whole or in part, multiple pipelines, for the transportation of oil, gas and other fluids or substances, or any of them, and the products thereof, together with above and below-ground appurtenances as may be necessary or desirable for the operation of the pipelines, over, across, under and upon the Permanent Easement Property. Grantee shall have the right of ingress and egress over and across the Temporary Construction Easement Property to survey, conduct reasonable and necessary construction activities, to remove structures and objects located within the Temporary Construction Easement Property. . The term of this Temporary Construction Easement shall be for a period of Twelve (12) months from the commencement of construction. However, if Grantee has completed its use of this Temporary Construction Easement prior to the Twelve (12) month period and so states in writing, then the Temporary Construction Easement shall immediately terminate.
2. Grantee shall have the right to select the exact location of the pipelines within the Permanent Easement Property. Further, Grantee shall have the right to construct, maintain and change slopes of cuts and fills to ensure proper lateral and subjacent support for and drainage for the pipelines and appurtenant facilities related to this pipeline project. Grantee shall also have the right to have a right of entry and access in, to, through, on, over, under, and across the Permanent Easement Property for all purposes necessary and at all times convenient and necessary to exercise the rights granted to it by this Easement
3. The consideration paid by Grantee in this agreement includes the market value of the easements, both permanent and temporary, conveyed by Grantor and any and all damages to the Grantor's remaining property. However, Grantee will pay Grantor (or if leased to Grantor's tenant) for any damages caused to livestock and growing crops during the periods of the original construction of each pipeline.
4. Grantee will, insofar as practicable, restore the ground disturbed by the Grantee's use of the Permanent Easement Property and will construct and maintain soil conservation devices on the Permanent Easement Property as may be reasonably required to prevent damage to the property of Grantor from soil erosion resulting from operations of Grantee hereunder. Grantee shall leave the surface as nearly as reasonably possible as it was prior to the construction of the pipelines and will restore all fences as nearly as possible to as good, or better, condition as they were prior to the construction of each pipeline. Grantee shall have the right to install, maintain and use gates in all fences which now cross or shall cross the easement or which provide access to Grantor's property. Grantor shall allow Grantee to install its own lock if Grantee so chooses.
5. Grantor may use the Permanent Easement Property for any and all purposes not inconsistent with the purposes set forth in this Easement. Grantor's uses may include but shall not be limited to using the Permanent Easement Property for agricultural, open space, set-back, density, street and roadway purposes. Grantor is permitted, after review by Grantee, to construct any and all streets and roadways, at any angle of not less than forty five (45) degrees to Grantee's pipelines, across the Permanent Easement Property which do not damage, destroy or alter the operation of the pipelines and its appurtenant facilities. Grantor may also construct and/or install water, sewer, gas, electric, cable TV, telephone or other utility lines across the Permanent Easement Property at any angle of not less than forty five (45) degrees to Grantee's pipeline, provided that all of Grantee's required and applicable spacings, including depth separation limits and other protective requirements are met by Grantor. The use of the Permanent Easement Property by Grantor shall be regulated by all appropriate ordinances, regulations, resolutions or laws of the governmental entity with authority over the Permanent Easement Property. Grantor must notify Grantee in writing before streets, roadways, utilities or other encroachments are installed.

6. Grantor may not use any part of the Permanent Easement Property if such use may damage, destroy, injure, and/or interfere with the Grantee's use of the Permanent Easement Property for the purposes for which the permanent easement is being sought by Grantee. Grantor is not permitted to conduct any of the following activities on the Permanent Easement Property without the written permission of Grantee: (1) construct any temporary or permanent building or site improvements, other than streets and roads; (2) drill or operate any well; (3) remove soil or change the grade or slope; (4) impound surface water; or (5) plant trees or landscaping. Grantor further agrees that no above or below ground obstruction that may interfere with the purposes for which this Easement is being acquired may be placed, erected, installed or permitted upon the Permanent Easement Property without the written permission of Grantee. In the event the terms of this paragraph are violated, such violation shall immediately be eliminated upon receipt of written notice from Grantee or Grantee shall have the immediate right to correct or eliminate such violation at the sole expense of Grantor. Grantor shall promptly reimburse Grantee for any expense related thereto. Grantor further agrees that it will not interfere in any manner with the purposes for which the Easement is conveyed. Any improvements, whether above or below ground, installed by Grantor subsequent to the date that Grantee acquires possession of the Permanent Easement Property, may be removed by Grantee without liability to Grantor for damages.

7. Grantee has the right to trim or cut down or eliminate trees or shrubbery to the extent, in the sole judgment of Grantee, its successors and assigns, as may be necessary to prevent possible interference with the operation of the pipelines and to remove possible hazard thereto, and the right to remove or prevent the construction of, any and all buildings, structures, reservoirs or other obstructions on the Permanent Easement Property which, in the sole judgment of the Grantee, may endanger or interfere with the efficiency, safety, or convenient operation of the pipelines and appurtenant facilities.

8. Grantor shall retain all the oil, gas, and other minerals in, on and under the Permanent Easement Property; provided, however, that Grantor shall not be permitted to drill or operate equipment for the production or development of minerals on the Permanent Easement Property, but it will be permitted to extract the oil and other minerals from and under the Permanent Easement Property by directional drilling and other means, so long as such activities do not damage, destroy, injure, and/or interfere with the Grantee's use of the Permanent Easement Property for the purposes for which the permanent easement is being sought by Grantee.

9. Upon completion of the project construction, permanent fencing destroyed or disturbed by project construction activities shall be installed by Grantee, at its sole expense, along the same alignment and approximate location of the Grantor's existing fences. Grantee and its designated contractors, employees and invitees agree to keep all gates in fences closed at all times so that cattle, horses and/or other livestock located on the remainder portion of Grantor's property cannot stray from the fenced pastures.

10. Grantee will maintain the pipelines, facilities or structures that it installs on the Permanent Easement Property. Grantor shall maintain the surface of the Permanent Easement Property only so that its condition does not interfere in any manner with the purposes for which the Easement is conveyed.

11. Grantee agrees that after it has exercised its rights to use this Easement in any manner that disturbs the surface of the Permanent Easement Property, it will restore the surface to the condition in which it was in prior to the use of this Easement except as the surface may be permanently modified by the use of this Easement. Any surface area of the Temporary Construction Easement Property that is damaged or disturbed during the construction shall be restored by the Grantee in a reasonably similar manner to its condition immediately preceding Grantee's use of this Temporary Construction Easement to the extent that the surface is not permanently modified by the use of this easement.

12. Grantee agrees to protect, indemnify, and hold harmless Grantor from any and all claims, demands, expenses, losses, damages or injuries (including death) to persons or property to the extent caused by Grantee its successors, assigns and its designated contractors, employees and invitees in the construction operation and maintenance of the pipeline and any appurtenant facilities or use of the Easement."

13. Grantee shall have the right to assign this permanent easement, in whole or in part, to one or more assignees. The provisions of this Easement, including all benefits and burdens, shall run with the land. The undersigned warrant that they are authorized to execute this agreement on behalf of the parties to this agreement.

EXECUTED this ____ day of ____, 2010.

GRANTOR

By: _____

STATE OF TEXAS

County OF Tarrant

The foregoing instrument was acknowledged before me this ____ day of _____ 2010, by _____, as Owner of Said Property

NOTARY PUBLIC