ROADWAY USE AND MAINTENANCE AGREEMENT

COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF WYOMING  
KNOW ALL MEN BY THESE PRESENTS:


WHEREAS, Chesapeake Appalachia LLC. whose address is 6100 N. Western Avenue, Oklahoma City, OK 73118, (hereafter “Operator”), is the Operator of certain oil and gas wells located in Wyoming County, State of Pennsylvania.

WHEREAS, Borough and Operator desire to enter into an agreement for use of said roadways for purposes of ingress and egress onto adjoining leasehold(s) for excess traffic necessary for the development of oil and gas wells on said leasehold, including construction, drilling, and completion. Both parties agree that excess maintenance cost will be shared among all operators utilizing said roads. Operator agrees to assume all liability for subcontractors working on Operators behalf.

NOW, THEREFORE, in consideration of the faithful performance of 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 reimburse Borough for any additional costs incurred, associated with the maintenance and repair of said roadways as a result of Operator’s activities, during construction, drilling, and completion of said wells including additional dust suppression needed during peak activity periods. Borough agrees to provide additional maintenance and repair cost estimates to Operator prior to maintenance and repairs being completed.

Both parties agree to the following special provisions:

1. The portions of Borough roads and appurtenances shall be maintained and restored to a level consistent with conditions of said road(s) prior to use of operator.

2. The Operator shall have no obligation for maintenance to remedy damage directly resulting from acts of God or war or for routine removal of snow and ice.

3. Except in the event of an emergency Borough shall advise Operator of the need for excess maintenance or road repair. Operator shall notify the Borough within seven days that it (1) elects to perform the work itself or (2) requests that the Borough perform the work.

4. The Operator shall submit payment to the Borough for performance of work within 60 days from the date of invoice.

5. This Agreement shall not prohibit the Borough from closing a highway to any vehicle or combination if such closing is authorized by law and is necessary for safety or is a temporary closing due to climatic conditions or an act of God or war.

6. The Operator and the Borough retain the right to terminate their future obligations under this Agreement 30 days after submitting a written notice of intent to terminate. As soon as possible after receipt of such notice the Borough and the Operator shall inspect the Borough roads and appurtenances. Following final inspection all identified restoration shall be conducted. Thereafter, this agreement shall be terminated and of no further force or effect.
WHEREAS, Operator agrees it will protect and save and keep Borough harmless and indemnified against and from any penalty or damage or charges imposed for any violation of any laws or ordinances, whether occasioned by the neglect of Operator or those holding under, and Operator will at all times protect, indemnify and save and keep harmless the Borough against and from any and all loss, damage or expense, including any injury to any person or property whomsoever or whatsoever arising out of or caused by any negligence of Operator or those holding under Operator.

WHEREAS, should Operator breach this Agreement, and should Borough incur expenses to enforce this Agreement, and should a judgment be entered against Operator for a breach of said Agreement, Operator agrees to reimburse Borough for all expenses incurred in enforcing this Agreement, including but not limited to attorney’s fees and court costs.

WHEREAS, Both parties agree that the enforcement of the bonding of said roads upon Operator by Borough will result in the nullification of this agreement.

WHEREAS, this agreement shall be binding upon the successors and assigns of the parties hereto and shall be deemed to be a covenant running with the roads described above.

IN WITNESS WHEREOF, this instrument has been executed by the undersigned the Day of August, 2010.

BOROUGH
Laceyville Borough

By: _______________________

By: _______________________

By: _______________________

OPERATOR
Chesapeake Appalachia, LLC.

By: _______________________
Brad Wittrock, Field Superintendent