

PUBLIC NOTICE

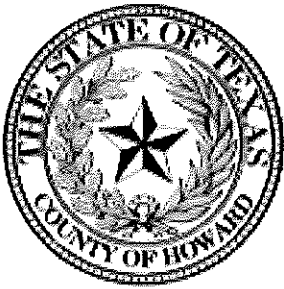
Howard County will be accepting sealed bids for Oil and Gas Lease for county owned property. Specifications and bid documents may be obtained from the County Attorney's Office, 2nd floor, 300 S Main St., Big Spring, TX 79720. You may also visit our website at www.co.howard.tx.us.

Mark the envelope "Oil and Gas Lease Bid 2024-01" and return to the Howard County Auditor's office at 300 S Main St., Room 101, Big Spring, TX 79720. You can also mail the sealed bid to Jackie Olson, Howard County Auditor, P O Box 1949, Big Spring, TX 79721.

Bids must be received by 10:00 AM, August 9, 2024 in the Auditor's office.

Commissioners will consider the bids on August 12, 2024 at 10:00 AM in Commissioners Court.

The Commissioners reserve the right to refuse any or all bids. If you have any questions, you may call the Howard County Attorney's Office at 432-264-2205.



**BID
OIL & GAS
LEASE
2024-01**

The Howard County Commissioners Court hereby determines that it is advisable to lease the oil & gas lease interests of the following county owned property:

Includes 1.2 acres, more or less, being a tract in Section 43, Block 34, T1S, T&P RR Co. Survey, A-424, Howard County, Texas, and being more particularly described in Volume 114, Page 80 of the Deed Records of Howard County, Texas

The Howard County Commissioners Court hereby gives notice of the intention to lease the above described land and the Howard County Commissioners Court hereby designates August 12, 2024, at 10:00 AM, in the Commissioners Courtroom of the Howard County Courthouse, 300 S Main St., Big Spring, Texas 79720, as the time and place at which the Howard County Commissioners Court will receive and consider bids for the lease of the above described land.

Bids will be received for said lease no later than 10:00 AM, August 9, 2024 in the office of the Howard County Auditor, 300 S Main St. Room 101, Big Spring, Texas 79720. No late bids will be received. Specifications may be obtained from the County Attorney's Office, 2nd Floor, 300 S Main St., Big Spring, Texas 79720. Instructions for bid are included within the specifications. Bids will be received and considered at the Commissioners Court Public Meeting and Howard County reserves the right to award to the highest and best bidder or to reject all bids according to the provisions of Chapter 71 of the Texas Natural Resources Code.

Interested bidders shall submit bids on this form and include a proposed contract.

The County of Howard does not discriminate on the basis of race, color, national origin, sex, religion, age, and disability in employment or the provision of service.

I. INSTRUCTIONS

A. SUBMIT ONE ORIGINAL OF YOUR SUBMITTAL TO:

THE OFFICE OF THE COUNTY AUDITOR
300 S MAIN ST., ROOM 101
BIG SPRING, TX 79720

Sealed bids shall be received until 10:00 AM: on Friday, August 9, 2024.

MARK ENVELOPE: OIL & GAS LEASE 2024-01

- B. IT IS UNDERSTOOD THAT Howard County reserves the right to accept or reject any and/or all bids as it shall deem to be in the best interest of Howard County. Receipt of any proposal shall under no circumstances obligate Howard County to accept the highest bid.
- C. PROPOSALS SHALL include all required documents. Each original bid and all required copies shall be placed in a sealed envelope, manually signed in ink by a person having the authority to bind the firm in a contract and marked clearly on the outside. Facsimile and electronic transmittals shall not be accepted.
- D. LATE PROPOSALS: Bids received after submission deadline shall be returned unopened and will be considered void and unacceptable. Howard County is not responsible for lateness of mail, carrier, etc., and time/date stamp in Auditor's Office shall be the official time of receipt.
- E. WITHDRAWAL OF PROPOSAL: A proposal may not be withdrawn or cancelled by the offeror for a period of ninety (90) days following the date designated for the receipt of proposal, and offeror so agrees upon submittal of their proposal.
- F. BIDS WILL BE received and publicly acknowledged at the location, date, and time stated above. Offerors, their representatives and interested persons may be present.
- G. DISCLOSURE OF CERTAIN RELATIONSHIPS: Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of Howard County no later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed as defined in 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor. A copy of the law is available at:

<http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>

The forms for reporting are available at: <https://www.ethics.state.tx.us/forms/CIQ.pdf>

By submitting a response to this request, the vendor represents that it is in compliance with the requirements of Chapter 176 of the Texas Local Government Code.

- H. INFORMATION/QUESTIONS: All questions shall be directed to the Howard County Attorney's Office. Bidders are responsible for ensuring all answers to questions are reviewed prior to bid submittal. Answers provided to posted questions address minor irregularities and are for clarification purposes only and do not revise or modify the specification requirements. Answers to questions that result in revisions to the specifications will be addressed by Addendum. No oral statement of any person shall modify or otherwise change, or affect the specifications.
- I. BIDDER RESPONSIBILITY: It is the responsibility of each vendor before submitting a proposal:
1. To examine thoroughly the contract documents and other related data identified in the bid documents, to visit the site to become familiar with and satisfy vendor as to the general, local and site conditions that may affect cost, progress, performance, etc.
 2. To consider federal, state and local laws and regulations that may affect costs, progress, performance or furnishing of the work.
 3. To study and carefully correlate vendor's knowledge and observations with the contract documents and such other related data.
 4. To promptly notify the County Auditor's Office of all conflicts, errors, ambiguities, or discrepancies which vendor has discovered in or between the contract documents and such other related documents.

II. GENERAL CONTRACT TERMS AND CONDITIONS

- A. ADDENDA: Addenda are written changes, additions, alterations, corrections or revisions to specifications which change the scope of work. Any addenda issued during the time allowed for the preparation of bids shall be covered in the proposal and, in executing the contract; they shall become a part thereof. Bidders are responsible for insuring all addendums are reviewed prior to bid submittal. All addenda can be reviewed at www.co.howard.tx.us.
- B. ASSIGNMENT: The successful offeror shall not sell, assign, transfer or convey any contract resulting from solicitation, in whole or in part, without the prior written consent of Howard County Commissioners.

- C. VENUE: This agreement will be governed and construed according to the laws of the State of Texas. This agreement is performable in Howard County, Texas.
- D. SUCCESSFUL OFFEROR SHALL: Successful offeror shall defend, indemnify and save harmless Howard County and all its officers, agents and employees from all suits, actions, or other claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the successful offeror, or of any agent, employee, subcontractor or supplier in the execution of, or performance under, any contract which may result from proposal award. Successful offeror shall pay any judgment with cost which may be obtained against Howard County growing out of such injury or damages.
- E. BIDS/OFFERORS MUST COMPLY WITH: All federal, state, county and local laws governing or covering this type of service.
- F. PERFORMANCE OF CONTRACT: Howard County reserves the right to enforce the performance of this contract in any manner prescribed by law or deemed to be in the best interest of the County in the event of breach or default or resulting contract award.
- G. INSURANCE: The awarded Respondent will maintain such insurance as will protect the Respondent and the County from claims under the Workers' Compensation Acts, and any amendments thereof, and from any other claims for damages from personal injury, including death, which may arise from operations under this agreement, whether such operations be by themselves or by any Subcontractor, or anyone directly or indirectly employed by either of them. Current Certificate of such insurance shall be furnished to Howard County and shall show all applicable coverage(s). Any subcontractor must adhere to the same requirements listed above and below (with the exception of the pollution liability).

Other insurance requirements are:

- General Liability (including completed operations) with a \$1,000,000 per occurrence limit and \$2,000,000 general aggregate.
- Commercial Automobile Liability with a limit of no less than \$1,000,000. The coverage will also extend liability to hired and non-owned autos.
- Workers' Compensation with limit of \$1,000,000 for Employers Liability.
- We also require a minimum umbrella (or follow form excess policy covering over general liability, auto liability and workers compensation) of no less than \$2,000,000. - Pollution liability coverage for any cleanup cost and damage to third parties in an amount of no less than \$1,000,000 per occurrence. Howard County will require the selected Respondent to name Howard County as an additional insured for both the general liability and auto liability. A waiver of subrogation in favor of the County is required for the workers compensation. Thirty day notice of cancellation for other than non-payment premium required.

Howard County will require the selected Respondent to name Howard County as an additional insured and provide a waiver of subrogation prior to making a contract. All insurance must be placed through an insurance carrier licensed to operate in Texas and have an AM Best Rating greater than A-VI.

SPECIFICATONS

PURPOSE: County is seeking sealed proposals for a lease of the oil, gas, and minerals underlying the properties owned by Howard County specified in this document.

LEASE: The lease entered into will be a Non Surface Use Oil, Gas, and Mineral Lease. No drilling or other activities will be allowed on the surface of any property owned by Howard County. No drilling or other activities will be allowed on the surface of any property owned by any other governmental entity without express written permission from that governmental entity.

PROPERTIES: County does not make any representations or guarantees regarding the number of net mineral acres it owns in the designated properties. Each Respondent has the responsibility of performing the necessary research and due diligence to reach its own conclusion regarding this information.

Howard County

BID FORM

**Oil & Gas Lease
Bid #2024-01**

Paid Up Bonus: \$ _____ Per acre \$ _____ Total

Royalty \$ _____

Primary Term: _____ Years

Company Name

Authorized Signature

Name / Title

PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the ____ day of _____, 2024, between: The County of Howard, as Lessor, whose address is 300 S. Main Street, Ste. 207, Big Spring, Texas 79720 and _____ whose mailing address is _____, as Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

FOR LEGAL DESCRIPTION AND ADDITIONAL PROVISIONS SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF:

in the County of HOWARD, State of Texas, containing 1.21 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be **one-fourth (1/4)** of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be **one-fourth (1/4)** of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due but shall not operate to terminate this lease.

4. All shut-in royalty payments under his lease shall be paid or tendered to Lessor or to Lessor's credit in, DIRECTLY TO LESSOR AT ABOVE ADDRESS, or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mail in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. If Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being

maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered

by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved. In the event the leased lands are encumbered by a mortgage, then prior to the payment of any royalties due hereunder, Lessor agrees to obtain a subordination of mortgage, at Lessor's expense, in a form acceptable to Lessee.

15. Lessee shall have the option, but not the obligation of extending the primary term of this lease in whole or in part for an additional two (2) years from the expiration of the primary term by the payment to Lessor on or

before the expiration of said primary term, a sum equal to four-hundred dollars (\$400.00), per net mineral acre. THIS IS A PAID-UP LEASE.

16. **DISCLAIMER OF REPRESENTATIONS:** Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR

Randy Johnson, County Judge

ACKNOWLEDGMENT

COUNTY OF HOWARD

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STATE OF TEXAS

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This instrument was acknowledged before me on the _____ day of _____, 2024, by Randy Johnson, County Judge on behalf of the County of Howard, State of Texas.

Notary Public in and for the State of Texas

(PRINT NAME OF NOTARY PUBLIC HERE)

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated _____, 2024, between The County of Howard, State of Texas, as Lessor, and _____, Inc., as Lessee.

LEGAL DESCRIPTION:

1.21 acres, more or less, being a tract in Section 43, Block 34, T1S, T&P RR Co. Survey, A-424, Howard County, Texas, and being more particularly described in Volume 114, Page 80 of the Deed Records of Howard County, Texas.

ADDITIONAL PROVISIONS:

1. Wherever the fraction one-eighth (1/8) is employed by the forgoing lease agreement, the fraction one-fourth (1/4) shall be substituted in its stead; a similar fractional royalty of the sulphur mined shall be payable to the Lessor herein.
2. At the expiration of the primary term hereof; this lease shall terminate as to all lands covered hereby not then included in or otherwise allocated to a "well unit", as hereinafter defined, unless Lessee is producing oil, gas or other hydrocarbons from any well on the leased premises, or then engaged in the drilling or reworking of any well on the leased premises and does not allow more than 180 days to elapse between the completion or abandonment of one well on such land and the commencement of another well thereon until the leased premises have been "fully developed", as hereinafter defined. Operations for drilling of the first such development well must be commenced within 180 days after the expiration of the primary term if production is established under this lease prior to the expiration of the primary term. Should Lessee fail to timely commence a well in accordance with the aforesaid 180-day continuous drilling or development program prior to the point in time the leased premises have been fully developed then this lease shall terminate as to all lands not included in or otherwise allocated to a well unit. For the purpose hereof, the term "well unit" shall mean the proration or spacing unit created for a well capable of producing oil and/or gas in paying quantities as prescribed and permitted by the applicable rules and regulations of the governmental authority having jurisdiction, and the term "fully developed" shall mean the point in time when the entirety of the leased premises has been included in a well unit, or units as prescribed and permitted by the applicable rules and regulations of the governmental authority having jurisdiction. Completion as defined herein shall be the date of the official potential test. At the expiration of the primary term or this continuous development program, whichever is later, Lessee shall release this lease as to all depths one hundred (100) feet below the deepest producing formation in each "well unit". At the expiration of the primary term or this continuous development program, each such "well unit" shall be treated as a separate oil and gas lease.
3. Lessee agrees to conduct any operations upon the leased premises as a reasonable and prudent operator. Within a reasonable period of time after completion of any drilling operations on the leased premises, Lessee shall proceed with reasonable diligence to endeavor to restore the surface of the leased premises to as near its original condition as reasonably practicable in the sole judgment of Lessee, and shall pay Lessor in full for all actual permanent damages caused by Lessee's operations to crops, livestock, land or improvements situated on the leased premises.

Lessee agrees to pay surface damage for the specific operations state below, as follows:

- (A) Well Locations: \$7,500.00 per location. If the location exceeds two acres, then the damages shall be increased by an amount equal to \$3,750.00 per acre for all area more than two acres which is utilized in such location. Such well location damages shall include damages for any tank battery located on the well location, but not for any tank battery located elsewhere.
- (B) Tank Batteries Not Located on Well Sites: \$3,750.00 per acre for all land included in the pad for each tank battery which is not located on the same pad or location as a well.
- (C) Roads: \$30.00 per rod for all roads which may be placed or constructed on the land, provided that no such road shall exceed 20 feet in width.
- (D) Pipelines, Power Lines and Communication Lines: \$20.00 per rod for all pipelines, power lines and communication lines laid or constructed on or under the land.
- (E) Frac-Pits: \$3,750.00 per frac pit not located on the well location, not to exceed one-half (1/2) acre.
- (F) Seismic Operations: \$30.00 per acre for all surface acres covered by this lease for each separate seismic operation. If seismic operations are conducted on any part of the land covered by this lease more

than once, an additional payment of the amount provided above shall be payable for each separate seismic operation conducted on such land.

4. Lessee agrees that the Lessee or its assigns shall not have the right to use fresh water for the purposes of drilling, producing or secondary recovery operations for the production of minerals without obtaining the consent of the owner of the surface. Lessee further agrees that the owner of the surface shall have the option, but not the obligation, to sell to Lessee, at a price mutually agreeable to both parties, water to be used for the drilling of any well or wells on the lands that are the subject of this Lease.

MEMORANDUM GIVING NOTICE OF PAID UP OIL AND GAS LEASE

County of Howard §
State of Texas §

This Memorandum Giving Notice of Paid Up Oil and Gas Lease is made and entered into on this the ___ day of ___, 2024, by and between the County of Howard, State of Texas whose address is 300 S. Main Street, Ste. 207, Big Spring, Texas 79720 as Lessor, and ___ whose address is ___ as Lessee.

Signed for Identification

Randy Johnson, County Judge

WITNESSETH:

WHEREAS, on the date of ___, Lessor exclusively granted to Lessee a Paid Up Oil and Gas Lease covering 1.21 acres of land, more or less, situated in Howard County, Texas, being, more particularly described as follows:

1.21 acres, more or less, being a tract in Section 43, Block 34, T1S, T&P RR Co. Survey, A-424, Howard County, Texas, and being more particularly described in Volume 114, Page 80 of the Deed Records of Howard County, Texas.

WHEREAS, Lessor and Lessee have executed this Memorandum for the purpose of creating an instrument which may be recorded in the Public Records of said County and thereby constitute actual and/or constructive notice of the granting of said Paid Up Oil and Gas Lease pursuant to the laws of said State.

NOW, THEREFORE, in consideration of the premises and the consideration paid to Lessor by Lessee for said Paid Up Oil and Gas Lease, the receipt and sufficiency of which are hereby acknowledged, the parties hereto state the following:

- 1. Lessor grants exclusively to Lessee the lands described above for the purpose of exploring, drilling, producing, and owning, oil, gas, and all other minerals produced with them, and conducting all activities necessary or reasonably incident to the exploration for, operations in search of, and production of oil, gas, and other minerals.
2. Said Paid Up Oil and Gas Lease is for a term of Three (3) years from the execution date described above, and Lessee may have the option to extend said lease for an additional Two (2) years. This lease will remain in force and effect for so long thereafter as leased substances are produced from said described lands, subject, however, to the conditions and agreements contained in said Lease.
3. It is the sole purpose of this Memorandum of Paid Up Oil and Gas Lease to give actual and constructive notice of said the existence of the Paid Up Oil and Gas Lease.
4. This instrument shall be binding on the parties hereto and their respective heirs, personal representatives, successors and assigns.

LESSOR:

Randy Johnson, County Judge

ACKNOWLEDGMENT

County of Howard §
State of Texas §

This instrument was acknowledged before me on the ___ day of ___, 2024 by Randy Johnson, County Judge, on behalf of the County of Howard, State of Texas.

Notary Public in and for the State of Texas

(PRINT NAME OF NOTARY PUBLIC HERE)

VENDOR ACKNOWLEDGEMENT

The undersigned hereby certifies that he/she understands the specifications and any addendums, has read the document in its entirety and the prices submitted in this bid/proposal have been carefully reviewed and are submitted as correct and final.

The undersigned hereby certifies the foregoing proposal submitted by the company listed below hereinafter called "Bidder" is the duly authorized agent of said company and the person signing said proposal has been duly authorized to execute the same. Bidder affirms that they are duly authorized to execute this contract; this company, corporation, firm, partnership or individual has not prepared this bid in collusion with any other Bidder; and that the contents of this bid as to prices, terms or conditions of said bid have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this bid.

Company Name	
Address of Principal Place of Business	
Street	
City, State, Zip	
Phone of Principal Place of Business	
Fax of Principal Place of Business	
E-mail Address of Representative	
Federal ID	
Date	
Acknowledgement of Addenda	#1 #2 #3 #4 #5
Authorized Representative Name	
Authorized Representative Title	
Authorized Signature	

**HOWARD COUNTY
SENATE BILL 13 VERIFICATION FORM**

This section applies only to a contract that:

- 1) is between a government entity and a company with 10 or more full-time employees;
- 2) has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the governmental entity.

I _____ (Person's Name), the undersigned Representative of _____ (Company Name or Business Name; hereafter referred to as Company) being an adult over the age of eighteen (18) years, after being duly sworn by the undersigned notary, do hereby depose and verify under oath that the company named-above, under the provisions of Subtitle A, Title 8, Government Code Chapter 809:

- 1. Does not boycott Energy Companies; and
- 2. Will not boycott energy companies during the term of the contract.

For a full text version of Subtitle F, Title 10, Government Code Chapter 809 please visit:
<https://statutes.capitol.texas.gov/Docs/GV/htm/GV.809.htm>.

DATE

SIGNATURE OF COMPANY REPRESENTATIVE

On this the ____ day of _____, 20____, personally appeared _____, the above-named person, who after by me being duly sworn, did swear and confirm that the above is true and correct.

NOTARY SEAL

NOTARY SIGNATURE

DATE

**HOWARD COUNTY
SENATE BILL 19 VERIFICATION FORM**

This section applies only to a contract that:

- 1) is between a government entity and a company with 10 or more full-time employees;
- 2) has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the governmental entity.

I _____ (Person's Name), the undersigned Representative of _____ (Company Name or Business Name; hereafter referred to as Company) being an adult over the age of eighteen (18) years, after being duly sworn by the undersigned notary, do hereby depose and verify under oath that the company named above, under the provisions of Subtitle F, Title 10, Government Code Chapter 2274:

- 1. Does not have a practice, policy guidance, or directive that discriminates against a firearm entity or firearm trade association; and
- 2. Will not discriminate between companies during the term of the contract.

For a full text version of Subtitle F, Title 10, Government Code Chapter 2274 please visit: <https://statutes.capitol.texas.gov/Docs/GV/htm/GV.2274.v3.htm>.

DATE

SIGNATURE OF COMPANY REPRESENTATIVE

On this the ____ day of _____, 20____, personally appeared _____, the above-named person, who after by me being duly sworn, did swear and confirm that the above is true and correct.

NOTARY SEAL

NOTARY SIGNATURE

DATE

(AMENDED) HOUSE BILL 89 VERIFICATION

I, _____ (Person name), the undersigned representative of (Company or Business name) _____ (hereafter referred to as company) being an adult over the age of eighteen (18) years of age, after being duly sworn by the undersigned notary, do hereby depose and verify under oath that the company named-above, under the provisions of Subtitle F, Title 10, Government Code Chapter 2270:

- 1. Does not boycott Israel currently; and
- 2. Will not boycott Israel during the term of the contract.

Pursuant to Section 2270.001, Texas Government Code:

- 1. "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and
- 2. "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or any limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of those entities or business associations that exist to make a profit.

DATE

SIGNATURE OF COMPANY REPRESENTATIVE

On this the _____ day of _____, 20_____, personally appeared _____, the above-named person, who after by me being duly sworn, did swear and confirm that the above is true and correct.

EXEMPTIONS APPLY TO THE FOLLOWING:

This section applies only to a contract that:

- 1) is between a government entity and a company with 10 or more full-time employees;
- 2) has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the governmental entity.

NOTARY SEAL

NOTARY SIGNATURE

DATE

SENATE BILL 252 VERIFICATION

I, _____ (Person's name), the undersigned representative of (Company or Business name) _____ (hereafter referred to as company) being an adult over the age of eighteen (18) years of age, after being duly sworn by the undersigned notary, do hereby depose and verify under oath that the company named-above, under the provisions of Subtitle F, Government Code Chapter 2252:

- 3. Is not engaged in business by Contracts or Investments with Iran, Sudan, or Foreign Terrorist Organizations; and
- 4. Will not engage to do business by Contracts or Investments with Iran, Sudan, or Foreign Terrorist Organizations during the term of the contract.

Pursuant to Section 2252.151, Texas Government Code:

- 3. "Foreign Terrorist Organization" means an organization designed as a foreign terrorist organization by the United States Secretary of State as authorized by 8 U. S. C. Section 1189.
- 4. "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association whose securities are publicly traded, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit.

DATE

SIGNATURE OF COMPANY REPRESENTATIVE

On this the _____ day of _____, 20____, personally appeared _____, the abovenamed person, who after by me being duly sworn, did swear and confirm that the above is true and correct.

NOTARY SEAL

NOTARY SIGNATURE

DATE