

## OPTION AND RIGHT OF WAY AGREEMENT

STATE OF TEXAS

§

§

COUNTY OF GALVESTON

§

KNOW ALL MEN BY THESE PRESENTS that we, Leonard W. Groce and Julie Groce, a married couple, of Galveston County, Texas, (hereinafter called **OPTIONORS** and **GRANTORS**) whose physical address is 640 Hewitt Avenue, League City, Texas 77573, and whose mailing address is PO Box 66, League City, Texas, 77574, for and in consideration of Five Hundred and Five 26/100 dollars (\$505.26), the receipt and sufficiency of which is hereby acknowledged, paid by **OPTIONEE** to **OPTIONOR**, do hereby grant, sell, and convey, to Forza Operating, LLC, (hereinafter called **OPTIONEE** and **GRANTEE**), whose address is 16801 Greenspoint Park Drive, Suite 140, Houston, Texas 77060, its successors and assigns, the exclusive **OPTION** to purchase a Right of Way and Easement, under the terms and as described below, for the purpose of laying, maintaining, and operating a pipeline or pipelines, to be used for transporting substances capable of being transported through such pipeline or pipelines, over, under and across the following described tract or parcel of land:

3.241 acres of land, more or less, Block 38, Division B of the City of League City, Galveston County, Texas, more particularly described as 5.9 acres in that certain Deed dated June 8, 1983, from William Moratto, et al, to L. W. Groce, and recorded under Microfilm Code Number 002-35-1490, less and except 2.659 acres, more or less, described in that certain Deed dated September 27, 2001, from Leonard W. Groce, Jr., to Rebecca Pinion, et al, and recorded under Microfilm Code Number 016-09-2436, both in the Official Public Records of Galveston County, Texas.

2. It is understood and agreed between or among the parties hereto that the **OPTION** herein conveyed may be exercised by **OPTIONEE** at any time during the primary period of this agreement from the date of execution of this instrument on the 8<sup>th</sup> day of December, 2009, and extending thereafter for a period of one (1) year by giving notice, whether oral or in writing, to **OPTIONOR** at any time during the primary or any extended term at **OPTIONOR**'s address above, if in writing, or if notice is given orally then in person or telephonically.

3. **OPTIONEE** shall be deemed to have exercised its **OPTION** if Notice of Exercise is given to one or more of **OPTIONOR** by telephone, in person or by mail to **OPTIONOR**'s address above postmarked on or before the last day of the **OPTION** term.

It is understood and agreed between or among the parties hereto that the sum described above as consideration for this **OPTION** shall not be deducted from the agreed purchase price for the Right of Way and Easement described below.

4. It is understood and agreed between or among the parties hereto that if the **OPTION** herein conveyed is exercised by **OPTIONEE** then this instrument will serve as the **RIGHT OF WAY AGREEMENT** and shall convey the below described Right of Way and Easement unto **OPTIONEE/GRANTEE**.

5. It is understood and agreed between or among the parties hereto that this **OPTION** shall be a covenant running with the land during the primary term and any subsequent extension, and shall bind **OPTIONOR**'s heirs, executors, administrators and assigns. **OPTIONOR** further agree to notify **OPTIONEE** in writing of the sale, or other transfer of title whether by Deed or through intestacy, of all or any portion of the above-described lands within ten (ten) days of any such sale or conveyance.

6. It is understood and agreed between or among the parties hereto that **OPTIONEE/GRANTEE** herein shall have the right to assign and convey this **OPTION** in whole or in part.

7. **OPTIONOR/GRANTOR** agree that if **OPTIONEE/GRANTEE** exercises the **OPTION** herein conveyed, **GRANTOR** agree to execute any further instrument requested to perfect or correct **GRANTEE**'s Right of Way and Easement hereunder, and to execute a **MEMORANDUM** to describe this agreement and to represent it in the records of the County Clerk of Galveston County, Texas, within two weeks of notice by **GRANTEE** to **GRANTOR** of such request.

8. It is understood and agreed between or among the parties hereto that consideration for the purchase of the Right of Way and Easement herein described shall be One Hundred Twenty-Five Dollars (\$125.00) per rod of pipeline as **OPTIONEE/GRANTEE** plans to install the pipeline at the

time OPTIONEE/GRANTEE exercises the option. However, if after the pipeline or pipelines are laid and installed, and the "As Built" survey is completed, the actual length of the Easement or Right of Way herein granted is longer than was contemplated at that time, then OPTIONEE/GRANTEE agrees to pay GRANTOR any additional sums such that GRANTOR is compensated One Hundred Twenty-Five Dollars (\$125.00) per actual rod of Right of Way and Easement as installed. Tender of OPTIONEE's valid check for the purchase price, as defined above, mailed to GRANTOR's address not more than fifteen (15) days after the expiration of the primary term of this option will constitute sufficient tender.

9. It is understood and agreed between or among the parties hereto that the Right of Way and Easement herein optioned and or conveyed shall substantially follow the centerline indicated on Tract "B" on the "Preliminary Plan" attached hereto as Exhibit "A," and shall extend two and a half (2 1/2) feet on each side of the pipeline centerline as built, for a total width of five (5) feet. However, it is further understood and agreed between or among the parties hereto that, the preliminary plat attached hereto notwithstanding, after the installation and construction of the pipeline or pipelines, GRANTEE will prepare an "As Built" survey and plat which will define and describe the permanent right of way or easement. The "As Built" centerline survey will be attached hereto and made a part hereof as a new corrected Exhibit "A," as an additional Exhibit "B," or may be recorded in a supplemental filing.

10. It is understood and agreed between or among the parties hereto that the right of way and easement herein granted shall remain in force and effect as long as the pipeline constructed hereunder is used by GRANTEE, its heirs or assigns, to transport oil, gas, or associated hydrocarbons, through said pipeline or pipelines. This right of way and easement shall fully terminate and all rights granted hereunder shall revert to GRANTOR, their heirs, executors, administrators or assigns, when all pipelines constructed hereunder have not been in use by GRANTEE, its heirs and assigns, for a period of twelve (12) consecutive months.

11. It is understood and agreed between or among the parties hereto that the right of way and easement herein conveyed shall include the right to enter and depart over, upon and across GRANTOR's land described above other than the permanent right of way for reasonable access to construct, lay, maintain, inspect, alter and remove said pipeline or pipelines, or to otherwise effect the purposes of the Right of Way and Easement herein granted. GRANTEE agrees to use wood pallets or other technique or equipment in common use in the industry to avoid damage to unimproved ground, and to otherwise avoid unreasonable damage to GRANTOR's land and to compensate GRANTOR for any such damage. But, it is understood and agreed that the consideration referred to in the first paragraph above includes payment for normal damages associated with the initial construction of the pipeline or pipelines hereunder.

12. GRANTEE agrees to clean up all trash, smooth and level any mounds of dirt or ruts, and to replace all ornamental and fruit bearing trees and plants resulting from or related to operations by GRANTEE on the surface of GRANTOR's land described above.

13. GRANTEE shall have free ingress and egress to, over and across the Right of Way and Easement for the purpose of cutting trees, undergrowth, and other obstructions that may in the opinion of GRANTEE injure, endanger, or interfere with GRANTEE's use of said Right of Way and Easement.

14. GRANTEE shall have no duty to maintain, clear or otherwise keep free of debris any portion of the Right of Way and Easement herein granted that is located within an area which at the time this agreement is executed is being maintained by GRANTOR.

15. Prior to entry upon the land herein described, GRANTEE agrees to notify GRANTOR by telephone, or by mail or in person at the above address.

16. GRANTEE agrees to bury any pipeline or pipelines constructed hereunder a minimum of thirty-six (36) inches below the surface of the ground at the time said pipeline or pipelines are constructed.

17. GRANTEE agrees that no employee, agent, or representative of GRANTEE shall hunt or fish, nor carry any weapon, firearm, fishing rod, or other implement commonly used to hunt or fish on GRANTOR's land described herein.

18. GRANTOR reserves the right to use the Right of Way and Easement for purposes which will not interfere with GRANTEE's rights hereunder. However, GRANTOR may not erect or construct any permanent building or structure, drill or operate any well, or construct a reservoir or other obstruction, or diminish or substantially add to the ground cover over the pipelines. If GRANTOR elects to erect a non-permanent structure on the easement or right of way, GRANTOR shall be solely responsible for removal of said structure if reasonably necessary to

allow GRANTEE access to, use of, or enjoyment of the Right of Way and Easement, and GRANTOR agrees to bear any costs associated with removal of any such structure.

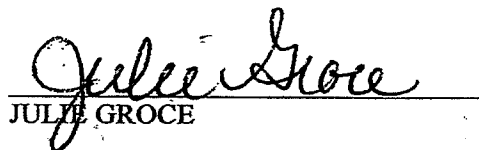
19. It is understood and agreed between or among the parties hereto that this Right of Way and Easement shall be a covenant running with the land, and shall bind GRANTOR's heirs and assigns.

20. It is understood and agreed between or among the parties hereto that GRANTEE herein shall have the right to assign and convey this Right of Way and Easement in whole or in part.

22. TO HAVE AND TO HOLD the above-described property, Right of Way and Easement together with and singular the rights and appurtenances thereto in anywise belonging unto said GRANTEE, its successors and assigns, as long as the rights and easements herein granted, or any one of them, shall be used by GRANTEE under the terms hereof, and the undersigned hereby bind themselves, theirs heirs, executors, administrators, successors and assigns to warrant and forever defend all and singular said premises unto GRANTEE, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part hereof.

IN WITNESS WHEREOF, the undersigned herein have executed this Option and Right of Way Agreement on this the \_\_\_\_\_ day of December 2009.

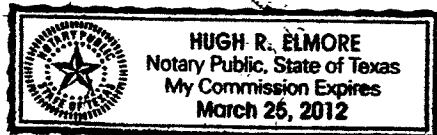
  
LEONARD W. GROCE

  
JULIE GROCE

STATE OF TEXAS

COUNTY OF GALVESTON

This instrument was acknowledged before me by Leonard W. Groce on this the 8<sup>th</sup> day of December, 2009.

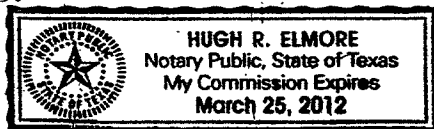



  
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF GALVESTON

This instrument was acknowledged before me by Julie Groce on this the 8<sup>th</sup> day of December, 2009.

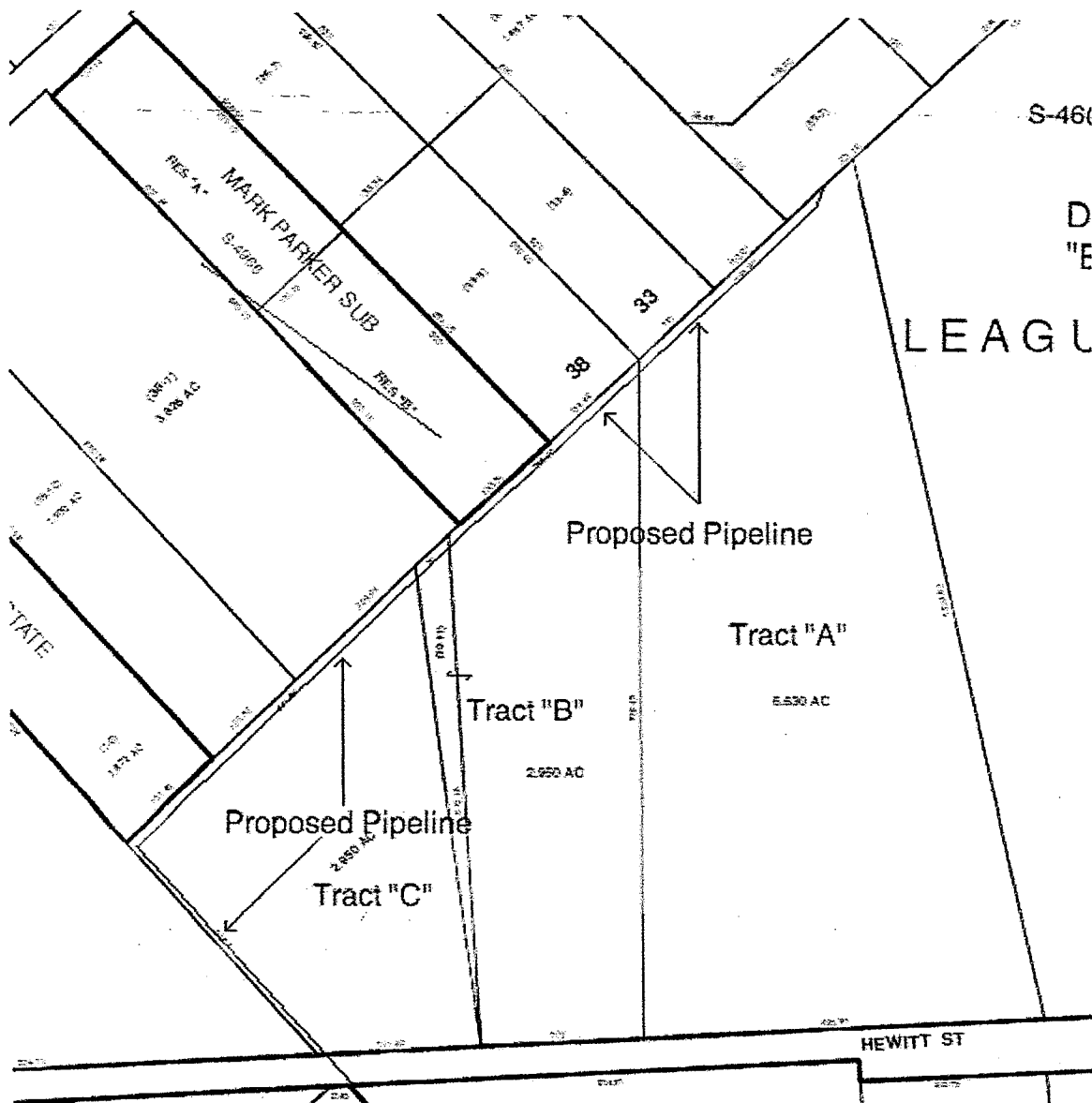


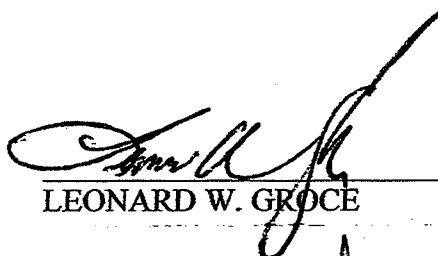
  
Notary Public, State of Texas

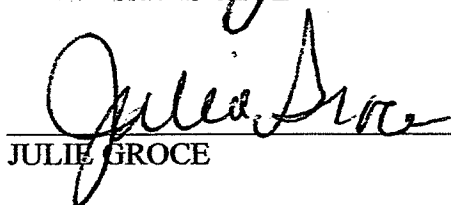
## EXHIBIT "A"

Attached to and made a part of that certain Option and Right of Way Agreement dated the \_\_\_\_\_ day of December, 2009, by and between Leonard W. and Julie Groce, as Optionors/Grantors, and Forza Operating, LLC., as Optionee/Grantee.

### Preliminary Plan



  
LEONARD W. GROCE

  
JULIE GROCE

## **OPTION AND RIGHT OF WAY AGREEMENT**

STATE OF TEXAS                   §  
  §  
COUNTY OF GALVESTON       §

KNOW ALL MEN BY THESE PRESENTS that we, J. Edwin and wife Sharon Coins Schmalz of Galveston County, Texas, (hereinafter called **OPTIONOR** and **GRANTOR**) whose address is 951 Power St.; League City, Texas 77573; for and in consideration of Two Thousand Dollars (\$2,000.00), the receipt and sufficiency of which is hereby acknowledged, paid by **OPTIONEE** to **OPTIONOR**, do hereby **GRANT SELL AND CONVEY**, to Forza Operating, LLC, (hereinafter called **OPTIONEE** and **GRANTEE**), whose address is 16801 Greenspoint Park Drive, Suite 140, Houston, Texas 77060, its successors and assigns, the exclusive **OPTION** to purchase a Right of Way and Easement, under the terms and as described below, and or a **RIGHT OF WAY AND EASEMENT** for the purpose of laying, maintaining, and operating a pipeline, to be used for transporting natural gas only, under and across the following described tract or parcel of land:

0.833 acres of land, more or less, out of Block 33 of Division B of the City of League City, Galveston County, Texas, more particularly described in that certain Deed dated April 16, 1981 from Billy W. Eason, et al, to J. Edwin Schmalz and wife Sharon H. Schmalz, and recorded under Microfilm Code Number 001-14-2314, of the Official Public Records of Galveston County, Texas.

1. It is understood and agreed between or among the parties hereto, that the **OPTION** herein conveyed may be exercised by **OPTIONEE** at any time during the primary period of this agreement, that the Primary Term of this agreement begins on the date of execution of this instrument on the 5<sup>th</sup> day of April, 2010, and extends thereafter for a period of one (1) year, and that **OPTIONEE** may exercise the Option by giving notice, whether oral or in writing, to **OPTIONOR** at any time during the primary or any extended term at **OPTIONOR**'s address above, if in writing, or if notice is given orally then in person or telephonically.
2. **OPTIONEE** shall be deemed to have effectively exercised its **OPTION** if Notice of Exercise is given to one or more of **OPTIONORS** by telephone, in person or by mail to **OPTIONORS**' address above postmarked on or before the last day of the **OPTION** term.
3. It is understood and agreed between or among the parties hereto that the sum described above as consideration for this **OPTION** shall not be deducted from the agreed purchase price for the Right of Way and Easement described below.
4. It is understood and agreed between or among the parties hereto that if the **OPTION** herein conveyed is exercised by **OPTIONEE**, then this instrument will serve as the **RIGHT OF WAY AGREEMENT** and shall convey the below described Right of Way and Easement unto **OPTIONEE/GRANTEE**.
5. It is understood and agreed between or among the parties hereto that this **OPTION** shall be a covenant running with the land during the primary term and any subsequent extension, and shall bind **OPTIONOR**'s heirs, executors, administrators and assigns. **OPTIONOR** further agree to notify **OPTIONEE** in writing of the sale, or other transfer of title whether by Deed, Will or through intestacy, of all or any portion of the above-described lands within ten (ten) days of any such sale or conveyance.
6. It is understood and agreed between or among the parties hereto that **OPTIONEE/GRANTEE** herein shall have the right to assign and convey this **OPTION** in whole or in part.
7. **OPTIONOR/GRANTORS** agree that if **OPTIONEE/GRANTEE** exercise the **OPTION** herein conveyed, **GRANTORS** agree to execute any further instrument requested to perfect or correct **GRANTEE**'s Right or Way and Easement hereunder, and to execute a **MEMORANDUM** to describe this agreement and to represent it in the records of the County Clerk of Galveston County, Texas, within two weeks of notice by **GRANTEE** to **GRANTOR** of such request.
8. It is understood and agreed between or among the parties hereto that consideration for the purchase of the Right of Way and Easement described herein shall be Three Thousand Five Hundred Dollars (\$3,500.00). Tender of **OPTIONEE**'s valid check for the purchase price, as defined above, mailed to **OPTIONOR**' address not more than fifteen (15) days after the

expiration of the primary term of this option will constitute sufficient tender and full payment to GRANTOR.

9. It is understood and agreed between or among the parties hereto, that the Right of Way and Easement herein optioned and or conveyed shall substantially follow the centerline indicated on Tract "A" on the "Preliminary Plan" attached hereto as Exhibit "A," and shall extend the width of the pipe only. However, the preliminary plat attached hereto notwithstanding, after the installation and construction of the pipeline, GRANTEE will prepare an "As Built" survey and plat which will define and describe the permanent right of way or easement. The "As Built" centerline survey will be attached hereto and made a part hereof as a new corrected Exhibit "A," as an additional Exhibit "B," or may be recorded in a supplemental filing.

10. The pipeline shall not be closer than 3 feet, nor further than 10 feet from the South line of the above-described tract of land. Should the pipeline as constructed be found to be closer than three feet or further than 10 feet from the South property line, then GRANTOR shall notify GRANTEE in writing, and GRANTEE shall have ninety (90) days to remedy such encroachment. For each day after the above-described ninety-day period that the pipeline encroaches beyond the above described boundary, GRANTEE shall pay to GRANTOR the sum of Ten Dollars (\$10.00) per day until the encroachment is remedied.

11. It is understood and agreed between or among the parties hereto that the Right of Way and Easement granted hereby is a subsurface easement only, and does NOT include the right to enter upon or across the surface of GRANTOR's land described above, including the Right of Way.

12. GRANTEE shall have no duty to maintain, clear or otherwise keep free of debris any portion of the Right of Way and Easement herein granted.

13. GRANTEE shall have no right to enter upon the surface of the lands covered by this Right of Way and Easement, without prior written permission of GRANTOR, which will not be unreasonably withheld.

14. GRANTEE agrees to bury any pipeline or pipelines constructed hereunder a minimum of thirty-six (36) inches below the surface of the ground at the time said pipeline or pipelines are constructed.

15. GRANTEE agrees that no employee, agent, or representative of GRANTEE shall hunt, fish, nor carry any weapon, firearm, fishing rod, or other implement commonly used to hunt or fish on GRANTOR's land described herein.

16. No pipeline constructed hereunder shall be of greater than three (3) inches in diameter.

17. No fence or fences on the covered lands may be cut or otherwise damaged by GRANTEE.

18. It is understood and agreed between or among the parties hereto that the Right of Way and Easement herein granted shall remain in force and effect for a period of ten (10) years from date the Right of Way and Easement becomes effective. However, GRANTORS agree that GRANTEE shall have an option to extend the term of the Right of Way and Easement granted herein for an additional period of ten (10) years for an additional payment of Seven Thousand Dollars (\$7,000.00). The option to extend the term of the Right of Way and Easement for an additional period of ten (10) years may be exercised at any time during the initial ten (10) year term.

19. This agreement shall terminate, and all rights conferred to GRANTEE hereunder shall terminate as follows:

(a.) At the end of the primary term of ten (10) years from the date the Easement and Right of Way becomes effective, unless GRANTEE exercises its option to extend the term for an additional ten (10) year period, and pays additional consideration as described above,

(b.) At the end of the second ten (10) year term, or,

(c.) At the end of any period of twelve (12) consecutive months during which GRANTEE fails to use the pipeline to transmit natural gas.

20. GRANTOR reserves the right to use the Right of Way and Easement for purposes which will not interfere with GRANTEE's rights hereunder. However, GRANTOR may not erect or construct any permanent building or structure, drill or operate any well, or construct a reservoir or other obstruction, or diminish or substantially add to the ground cover over the pipelines. If GRANTOR elects to erect a non-permanent structure on the easement or right of way, GRANTOR shall be solely responsible for removal of said structure if reasonably necessary to

allow GRANTEE access to, use of, or enjoyment of the Right of Way and Easement, and GRANTOR agrees to bear any costs associated with removal of any such structure.

21. It is understood and agreed between or among the parties hereto that this Right of Way and Easement shall be a covenant running with the land, and shall bind GRANTOR's heirs and assigns for the period described herein.

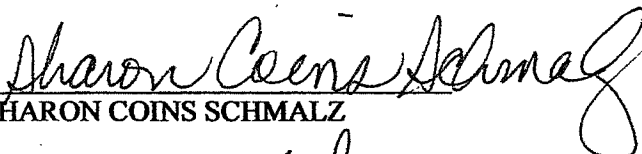
22. It is understood and agreed between or among the parties hereto that GRANTEE herein shall have the right to assign and convey this Right of Way and Easement in whole or in part.

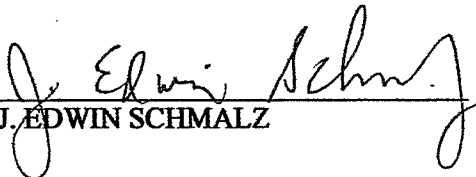
23. All operations of GRANTEE, and/or its assigns, shall be conducted at the sole cost, risk and expense of GRANTEE. GRANTEE shall indemnify and hold GRANTOR harmless against all claims, causes of action, liability for injury, impairment of health or death of persons, and for damages to property that may arise from or be due to any acts or omissions of GRANTEE or of GRANTEE's agents and employees conducting operations under this Right of Way or in operations on the conveyed premises or on the lands similarly utilized.

24. It is understood and agreed between the parties hereto, that upon exercise of the Option described above, GRANTORS hereby grant, sell and convey unto GRANTEES, the exclusive Right of Way and Easement described above under the terms described herein.

TO HAVE AND TO HOLD the above-described property, Right of Way and Easement together with and singular the rights and appurtenances thereto in anywise belonging unto said GRANTEE, its successors and assigns, as long as the rights and easements herein granted, or any one of them, shall be used by GRANTEE under the terms hereof, and the undersigned hereby bind themselves, theirs heirs, executors, administrators, successors and assigns to warrant and forever defend all and singular said premises unto GRANTEE, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part hereof.

IN WITNESS WHEREOF, the undersigned herein have executed this conveyance on this the 5<sup>th</sup> day of April, 2010.

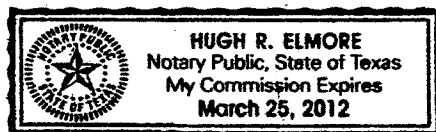
  
SHARON COINS SCHMALZ

  
J. EDWIN SCHMALZ

STATE OF TEXAS

COUNTY OF GALVESTON

This instrument was acknowledged before me by Sharon Coins Schmalz on the 5<sup>th</sup> day of April, 2010.

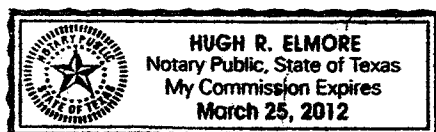


  
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF GALVESTON

This instrument was acknowledged before me by J. Edwin Schmalz on the 5<sup>th</sup> day of April, 2010.

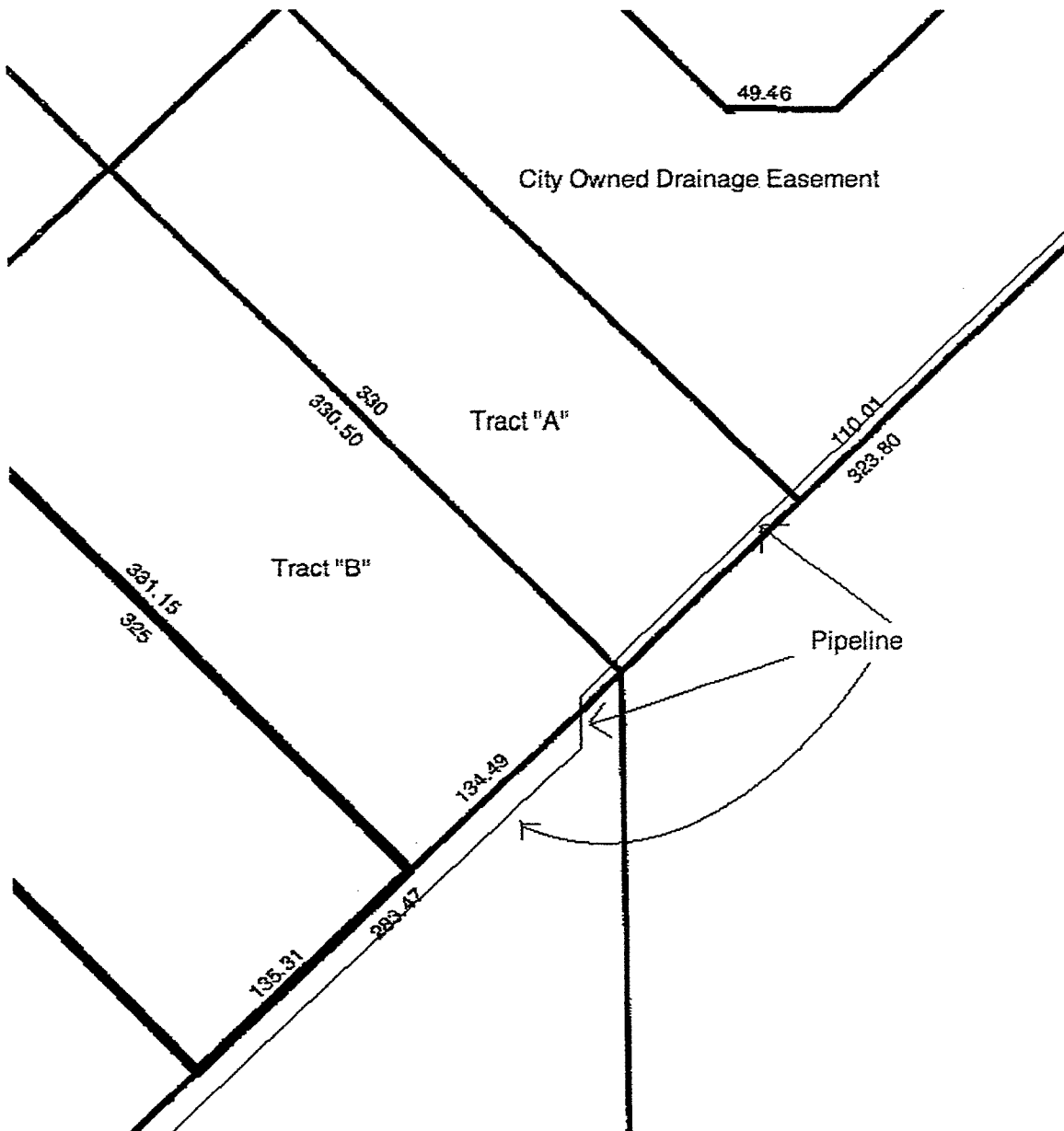


  
Notary Public, State of Texas

## EXHIBIT "A"

Attached to and made a part of that certain Option and Right of Way Agreement dated the \_\_\_\_\_ day of April 2010, by and between J. Edwin Schmalz and wife Sharon Coins Schmalz, as Optionors/Grantors, and Forza Operating, LLC., as Optionee/Grantee.

### Pipeline Plan



Signed for identification:

J. Edwin Schmalz  
J. EDWIN SCHMALZ

Sharon Coins Schmalz  
SHARON COINS SCHMALZ



## OPTION AND RIGHT OF WAY AGREEMENT

STATE OF TEXAS                   §  
  §  
COUNTY OF GALVESTON       §

KNOW ALL MEN BY THESE PRESENTS that we, Benjamin L. Cowey and wife Betty L. Cowey, both of Galveston County, Texas, (hereinafter called OPTIONOR and GRANTOR) whose address is 949 Power St.; League City, Texas 77573; for and in consideration of One Thousand Dollars (\$1,000.00), the receipt and sufficiency of which are hereby acknowledged, paid by OPTIONEE to OPTIONOR, do hereby GRANT AND CONVEY unto Forza Operating, LLC, (hereinafter called OPTIONEE and GRANTEE), whose address is 16801 Greenspoint Park Drive, Suite 140; Houston, Texas 77060; its successors and assigns, the exclusive OPTION to purchase a Right of Way and Easement, under the terms and as described below, and/or a RIGHT OF WAY AND EASEMENT (if the OPTION herein described is exercised by GRANTEE) for the purpose of laying, maintaining, and operating a pipeline to be used for transporting natural gas only, under and across the following described tract or parcel of land:

1.02 acre of land, more or less, out of Block 38 of Division B of the City of League City, Galveston County, Texas, more particularly described in that certain Deed dated October 3, 1995, from Henry Kebodeaux to Benjamin Lee Cowey, Jr. and recorded under Microfilm Code Number 010-79-2158 of the Official Public Records of Galveston County, Texas.

EXERCISE OF OPTION. It is understood and agreed between or among the parties hereto that (a) the OPTION herein granted may be exercised by OPTIONEE at any time during term of the OPTION agreement (the OPTION TERM); (b) the OPTION TERM begins on the date of execution of this document, the 24<sup>th</sup> day of March, 2010, and (c) extends thereafter for a period of one (1) year, plus any term which may be agreed among OPTIONORS and OPTIONEE at a later time; and (d) OPTIONEE may exercise the Option by giving notice in writing to OPTIONOR at any time during the OPTION TERM at OPTIONOR's address above.

OPTIONEE shall be deemed to have effectively exercised its OPTION if Notice of Exercise is given to one or more of OPTIONORS, in person or by mail to OPTIONOR's address above postmarked on or before the last day of the OPTION term.

It is understood and agreed between or among the parties hereto that the sum described above as consideration for this OPTION shall not be deducted from the agreed purchase price for the Right of Way and Easement described below.

It is understood and agreed between or among the parties hereto that if the OPTION herein conveyed is exercised by OPTIONEE, then this instrument will serve as the RIGHT OF WAY AGREEMENT and shall convey the below described Right of Way and Easement unto OPTIONEE/GRANTEE.

It is understood and agreed between or among the parties hereto that this OPTION shall be a covenant running with the land during the OPTION TERM and any subsequent extension, and shall bind OPTIONOR's heirs, executors, administrators and assigns. OPTIONOR further agree to notify OPTIONEE in writing of the sale, or other transfer of title whether by Deed, Will or through intestacy, of all or any portion of the above-described lands within fourteen (14) days of any such sale, conveyance, or transfer.

It is understood and agreed between or among the parties hereto that OPTIONEE/GRANTEE herein shall have the right to assign and convey this OPTION in whole or in part.

OPTIONOR/GRANTORS agree that if OPTIONEE/GRANTEE exercises the OPTION herein conveyed, GRANTORS agree to execute any further instrument requested to perfect or correct GRANTEE's Right or Way and Easement hereunder, and to execute a MEMORANDUM to describe this agreement and to represent same in the records of the County Clerk of Galveston County, Texas, within two weeks of notice by GRANTEE to GRANTOR of such request.

**CONSIDERATION FOR RIGHT OF WAY AND EASEMENT.** It is understood and agreed between or among the parties hereto that consideration to be paid by GRANTEE to GRANTOR for the Right of Way and Easement herein conveyed shall be Three Hundred Dollars (\$300.00) per calendar year, payable on or before the first day of each calendar year, beginning on the date the OPTION is exercised by GRANTEE and the Right of Way and Easement Agreement becomes effective. If such payment is not received by GRANTOR, its heirs or assigns, by the specified date, GRANTOR shall inform GRANTEE by Certified Mail, and GRANTEE shall then have fifteen (15) business days after the receipt of such notification to make payment. In the event that GRANTEE fails to make such payment after notification by GRANTOR, GRANTEE agrees to pay any such unpaid amount plus interest at a rate. Tender of OPTIONEE's valid check for the amount of Three Hundred Dollars (\$300.00), representing consideration for the Right of Way and Easement for the first year, as described above, mailed to GRANTOR's above address not more than fifteen (15) days after the expiration of the OPTION TERM will constitute sufficient tender for the period covered by such payment to GRANTOR. GRANTORS agree that they will accept payments for multiple years at any time such payments are offered by GRANTEE.

It is understood and agreed between or among the parties hereto, that the Right of Way and Easement herein optioned and or conveyed shall substantially follow the centerline indicated on Tract "B" on the "Preliminary Plan" attached hereto as Exhibit "A," and shall extend the width of the pipe only. However, it is further understood and agreed between or among the parties hereto that, the plat attached hereto notwithstanding, after the installation and construction of the pipeline, GRANTEE will prepare an "As Built" survey and plat which will define and describe the Right of Way and Easement herein conveyed. The "As Built" centerline survey will be attached hereto and made a part hereof as a new corrected Exhibit "A," as an additional Exhibit "B," or may be recorded in a supplemental filing.

It is understood and agreed between or among the parties hereto that the Right of Way and Easement herein granted shall remain in force and effect for as long as GRANTEE continuously utilizes said Right of Way and Easement for the purposes and under the terms described herein, and shall in no way be diminished nor extinguished until the pipeline have remained unused by GRANTEE, its successors and assigns, for a period of greater than six (6) months.

It is understood and agreed between or among the parties hereto that the Right of Way and Easement granted hereby is a subsurface easement, but includes the reasonable right to enter upon the above described lands for the purposes of installing said pipeline, as herein described. GRANTEE shall notify GRANTOR of its intention to enter the above-described tract at least two days before any such entry. GRANTOR agrees that such notice may be made in person, by telephone or by telephone voice message.

GRANTEE shall have no duty to maintain, clear or otherwise keep free of debris any portion of the Right of Way and Easement herein granted.

GRANTEE agrees to bury any pipeline constructed hereunder a minimum of thirty-six (36) inches below the surface of the ground at the time said pipeline are constructed.

GRANTEE agrees that no employee, agent, or representative of GRANTEE shall hunt, fish, nor carry any weapon, firearm, fishing rod, or other implement commonly used to hunt or fish on GRANTOR's land described herein.

GRANTOR reserves the right to use the Right of Way and Easement for purposes which will not interfere with GRANTEE's rights hereunder. However, GRANTOR may not erect or construct any permanent building or structure, drill or operate any well, or construct a reservoir or other obstruction, or diminish or substantially add to the ground cover over the pipeline. If GRANTOR elects to erect a non-permanent structure on the easement or right of way, GRANTOR shall be solely responsible for removal of said structure if reasonably necessary to allow GRANTEE access to, use of, or enjoyment of the Right of Way and Easement, and GRANTOR agrees to bear any costs associated with removal of any such structure.

It is understood and agreed between or among the parties hereto that this Right of Way and Easement shall be a covenant running with the land, and shall bind GRANTOR's heirs and assigns for the period described herein.

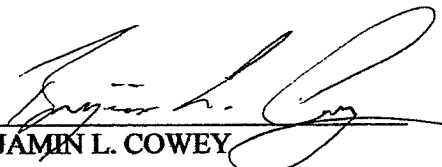
It is understood and agreed between or among the parties hereto that GRANTEE herein shall have the right to assign and convey this Right of Way and Easement in whole or in part.

**INDEMNIFICATION.** TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, OPTIONEE AND GRANTEE SHALL AND DOES HEREBY AGREE TO INDEMNIFY, PROTECT, HOLD HARMLESS AND DEFEND OPTIONOR AND GRANTOR, THEIR HEIRS, EXECUTORS, ADMINISTRATORS, AND ASSIGNS – HEREINAFTER REFERRED TO AS “COWEY INDEMNITEES” – FROM AND AGAINST ALL CLAIMS, DEMANDS, DAMAGES, INJURIES, LOSSES, LIENS, CAUSES OF ACTION, SUITS, JUDGMENTS, PENALTIES, LIABILITIES, DEBTS, COSTS AND EXPENSES INCLUDING COURT COSTS AND ATTORNEY’S FEES (COLLECTIVELY, “LIABILITIES”), OF ANY NATURE, KIND OR DESCRIPTION – WHETHER ARISING OUT OF CONTRACT, TORT, STRICT LIABILITY, MISREPRESENTATION, VIOLATION OF APPLICABLE LAW, AND OR ANY CAUSE WHATSOEVER – INCLUDING WITHOUT LIMITATION, CLAIMS FOR INJURIES TO OR DEATH OF ANY PERSON OR DAMAGES TO AND/OR LOSS OF ANY PROPERTY OF ANY PERSON OR ENTITY DIRECTLY OR INDIRECTLY – ARISING OUT OF, CAUSED BY, IN CONNECTION WITH OR RESULTING FROM ANY ACT OR OMISSION OF OPTIONEE AND GRANTEE, ANY OF ITS RESPECTIVE EMPLOYEES, AGENTS, SERVANTS, OFFICERS, DIRECTORS, MEMBERS OR ANYONE THAT EITHER OPTIONEE AND GRANTEE CONTROLS OR EXERCISES CONTROL OVER.

**CONFIDENTIALITY.** GRANTOR/OPTIONOR agrees to keep strictly confidential all information related to the terms of this Agreement and all details regarding the negotiation of this agreement including, but not limited to, details relating to consideration for the OPTION, consideration for the Right of Way and Easement, the term of the OPTION, the term of the Right of Way and Easement Agreement. Under no circumstances may GRANTOR/OPTIONOR sell, trade, release, or otherwise disclose such information to any third party or parties without the prior written consent of GRANTEE/OPTIONEE. GRANTOR/OPTIONOR agrees that such information is valuable, and that GRANTEE/OPTIONEE has a financial interest in maintaining confidentiality between GRANTOR and GRANTEE as against third parties. Further, THIS PROVISION SHALL SURVIVE ALL OTHER TERMS OF THIS AGREEMENT FOR THE MAXIMUM PERIOD ALLOWED BY LAW. Excepted from this provision are communications relating to the existence of the Right of Way and Easement herein granted, GRANTORS’ rights herein and which are directly related to the sale or prospective sale of the above-described tract of land, including those among GRANTORS and real estate professionals listing the tract for sale, and all facts contained in documents filed at the Official Public Records in the office of the Galveston County Clerk.

It is understood and agreed between the parties hereto, that upon exercise of the Option described above, GRANTORS hereby grant, and convey unto GRANTEES, the Right of Way and Easement described above under the terms described herein, TO HAVE AND TO HOLD the above-described Right of Way and Easement, together with and singular the rights and appurtenances thereto in anywise belonging unto said GRANTEE, its successors and assigns, as long as the rights and easements herein granted, or any one of them, shall be used by GRANTEE under the terms hereof, and the undersigned hereby bind themselves, theirs heirs, executors, administrators, successors and assigns to warrant and forever defend all and singular said premises unto GRANTEE, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part hereof.

IN WITNESS WHEREOF, the undersigned herein have executed this conveyance on this the 24<sup>th</sup> day of March 2010.

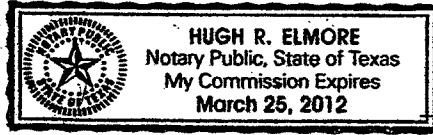
  
BENJAMIN L. COWEY


  
BETTY L. COWEY

STATE OF TEXAS

COUNTY OF GALVESTON

This instrument was acknowledged before me by Benjamin L. Cowey on the 24<sup>th</sup> day of March, 2010.

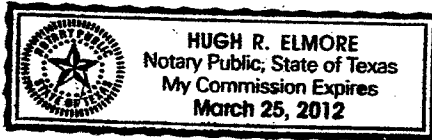


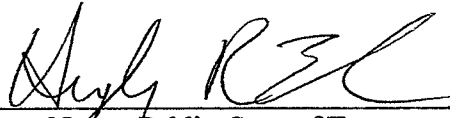
  
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF GALVESTON

This instrument was acknowledged before me by Betty L. Cowey on the 24<sup>th</sup> day of March, 2010.

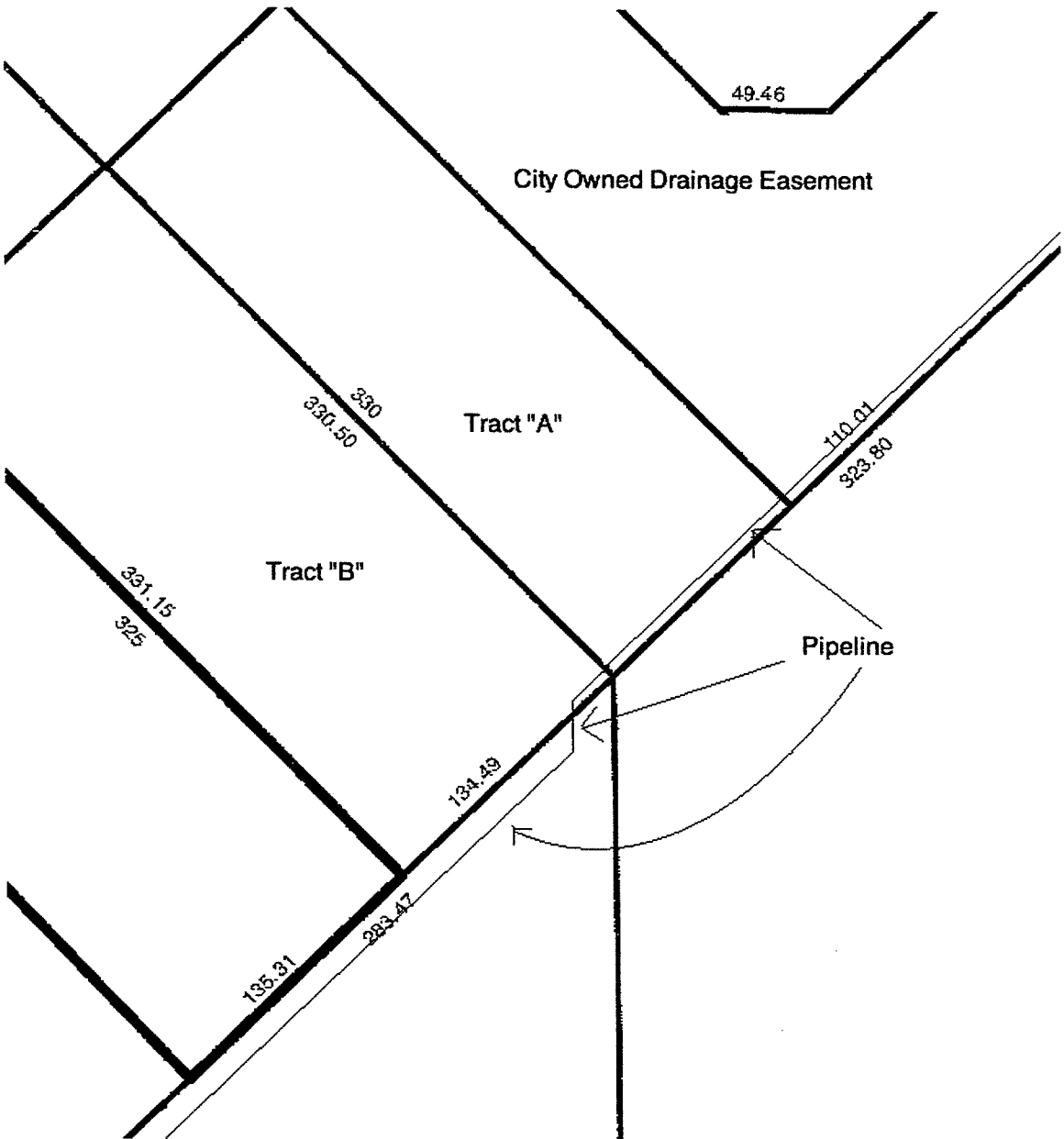


  
Notary Public, State of Texas

**EXHIBIT "A"**

Attached to, and made a part of, that certain Option and Right of Way Agreement dated the \_\_\_\_\_ day of March, 2010, by and between Benjamin L. Cowey and wife Betty L. Cowey , as OPTIONORS/GRANTORS, and Forza Operating, LLC., as OPTIONEE/GRANTEE.

**Pipeline Plan**



Signed for identification:

\_\_\_\_\_  
BENJAMIN L. COWEY

\_\_\_\_\_  
BETTY L. COWEY

## OPTION AND SURFACE LEASE

STATE OF TEXAS §

COUNTY OF GALVESTON §

### KNOW ALL MEN BY THESE PRESENTS THAT:

The undersigned, Ray B. Miller, of Harris County, Texas (referred to as "Lessor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other good valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby grants and conveys to WR Production, LLC, ("Lessee") an Option to Lease the following lands (the "Lands") located in the county and state named above:

2.115 acres of land, more or less, out of the M. Muldoon Survey, Abstract 18, Galveston County, Texas, more particularly described in that certain Deed dated December 18, 1995, from the Citizen's State Bank of Dickinson to J. Mark Gresham, and recorded in under microfilm code number 010-79-2155 of the Official Public Records of Galveston County, Texas

For adequate consideration, this agreement is entered into and an Option to Lease (the "Option") is granted by Lessor and accepted by Lessee on the following terms:

1. The term of this option shall be for a period of one year from April 22, 2009, (the, "Effective Date").
2. If exercised, the Lease will begin on a date to be named by Lessee, and will continue for six months from that date.
3. Lessor acknowledges that Lessee has paid to Lessor the sum of \$2,500.00 as full and adequate consideration for this option.
4. Lessor and Lessee agree that if Lessee opts to exercise its option as herein described, Lessee will meet the following obligations to Lessor:
  - a. Lessee agrees to pay to Lessor the sum of \$2,500.00 prior to the date named by Lessee as the beginning date of the lease term.
  - b. Lessee agrees to erect along the Southern, Eastern and Northern boundaries of the Lands a "cyclone" style fence not less than six (6) feet in height. The fence must be erected prior to the end date of the lease term.
5. The Lease is granted for the purpose of allowing Lessee the right to construct, operate, and maintain, on the Lands, a twenty-foot wide roadway consisting of wooden pallet construction over, and across the above described land owned by Lessor. It is agreed between Lessor and Lessee that the materials used in constructing, operating and maintaining the roadway are the property of Lessee.
6. Upon expiration of this Lease, Lessee shall have a reasonable time, not to exceed one hundred and twenty days (120 days), in which to remove all of Lessee's equipment, fixtures, and facilities. Following the termination of the Lease, Lessee shall restore the Lands, as nearly as practicable, to their original condition.
7. Lessor shall pay the ad valorem taxes on the Lands. Lessee shall pay all taxes assessed against any structure, material, equipment, fixtures, and facilities placed on the Lands by Lessee.
8. In further consideration of the aforementioned good and valuable consideration from Lessee, Lessor does hereby release, discharge and acquit Lessee, its employees, associates, affiliated companies, partners, successors and assigns of any and all liability for damages, existing now or done hereafter to the surface of said lands arising from the clearing, use of and all operations conducted on said lands.
9. Lessee shall conduct its operations on the Lands in compliance with all applicable laws, rules, and regulations of state agencies, regulatory commissions, and other governmental or regulatory authorities having jurisdiction over Lessee's operations.


10. Lessee shall hold Lessor harmless from any losses, damages, liabilities, or claims of any kind which may be suffered by or brought against Lessor as a consequence of, in connection with, or resulting from the existence and/or operations on this Lease, the wells, and Lessee's related facilities and operations.

11. This Lease, and all of its terms and provisions shall extend to and be binding on the heirs, devisees, executors, administrators, representatives, successors and assigns of Lessor and Lessee.

12. This Option and incorporated lease agreement includes all terms agreed between Lessor and Lessee.

This Option to Lease is executed by Lessor and Lessee as of the date of acknowledgment of their signatures, but shall be effective as of the Effective Date stated above.

**LESSOR**

  
RAY B. MILLER  
9717 Sumerlin St.  
Houston, Texas 77075

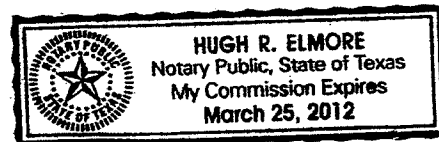
**LESSEE**

\_\_\_\_\_


**ACKNOWLEDGMENTS**

STATE OF TEXAS §

COUNTY OF HARRIS §



This instrument was acknowledged before me on the 22 day of April, 2009,  
by Ray B. Miller.

  
\_\_\_\_\_  
Notary Public in and for the State of Texas

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on the \_\_\_\_\_ day of April, 2009,  
by

\_\_\_\_\_  
Notary Public in and for the State of Texas

## OPTION AND RIGHT OF WAY AGREEMENT

STATE OF TEXAS                      §  
COUNTY OF GALVESTON        §

**KNOW ALL MEN BY THESE PRESENTS** that I, Billy Pinion and Rebecca Pinion, married persons, of Galveston County, Texas, (hereinafter called **OPTIONOR** and **GRANTOR**) whose address is 600 Hewitt St., League City, Texas 77573, for and in consideration of One Thousand One Hundred and Forty-eight and 94/100 dollars (\$1,148.94), the receipt and sufficiency of which is hereby acknowledged, paid by **OPTIONEE** to **OPTIONOR**, do hereby **GRANT SELL AND CONVEY**, to Forza Operating, LLC, (hereinafter called **OPTIONEE** and **GRANTEE**), whose address is 16801 Greenspoint Park Drive, Suite 140, Houston, Texas 77060, its successors and assigns, the exclusive **OPTION** to purchase a Right of Way and Easement, under the terms and as described below, and or and or a permanent **RIGHT OF WAY AND EASEMENT** for the purpose of laying, maintaining, and operating a pipeline or pipelines, to be used for transporting substances capable of being transported through such pipeline or pipelines, over, under and across the following described tract or parcel of land:

2.95 acres of land, more or less, out of Block 38 of Division B of the City of League City, Galveston County, Texas, more particularly described in that certain Deed dated September 27, 2001, from Leonard W. Groce, Jr., to Rebecca Pinion, et al, and recorded under Microfilm Code Number 016-09-2436, of the Official Public Records of Galveston County, Texas.

It is understood and agreed between or among the parties hereto that the OPTION herein conveyed may be exercised by OPTIONEE at any time during the primary period of this agreement from the date of execution of this instrument on the 3<sup>rd</sup> day of December, 2009, and extending thereafter for a period of one (1) year by giving notice, whether oral or in writing, to OPTIONOR at any time during the primary or any extended term at OPTIONOR's address above, if in writing, or if notice is given orally then in person or telephonically.

OPTIONEE shall be deemed to have exercised its OPTION if Notice of Exercise is given to one or more of OPTIONOR by telephone, in person or by mail to OPTONOR's address above postmarked on or before the last day of the OPTION term.

It is understood and agreed between or among the parties hereto that the sum described above as consideration for this OPTION shall not be deducted from the agreed purchase price for the Right of Way and Easement described below.

It is understood and agreed between or among the parties hereto that if the OPTION herein conveyed is exercised by OPTIONEE then this instrument will serve as the RIGHT OF WAY AGREEMENT and shall convey the below described Right of Way and Easement unto OPTIONEE/GRANTEE.

It is understood and agreed between or among the parties hereto that this OPTION shall be a covenant running with the land during the primary term and any subsequent extension, and shall bind OPTIONOR's heirs, executors, administrators and assigns. OPTIONOR further agree to notify OPTIONEE in writing of the sale, or other transfer of title whether by Deed or through intestacy, of all or any portion of the above-described lands within ten (ten) days of any such sale or conveyance.

It is understood and agreed between or among the parties hereto that **OPTIONEE/GRANTEE** herein shall have the right to assign and convey this **OPTION** in whole or in part.

OPTIONOR/GRANTOR agree that if OPTIONEE/GRANTEE exercises the OPTION herein conveyed, GRANTOR agree to execute any further instrument requested to perfect or correct GRANTEE's Right or Way and Easement hereunder, and to execute a MEMORANDUM to describe this agreement and to represent it in the records of the County Clerk of Galveston County, Texas, within two weeks of notice by GRANTEE to GRANTOR of such request.

It is understood and agreed between or among the parties hereto that consideration for the purchase of the Right of Way and Easement herein described shall be One Hundred Twenty-Five Dollars (\$125.00) per rod of pipeline as it is contemplated to be installed at the time OPTIONEE/GRANTEE exercises the option. However, if after the pipeline or pipelines are laid and installed, and the "As Built" survey is completed, the actual length of the Easement or Right of Way herein granted is longer than was contemplated at that time, then OPTIONEE/GRANTEE



agrees to pay GRANTOR any additional sums such that GRANTOR is compensated One Hundred Twenty-Five Dollars (\$125.00) per actual rod of Right of Way and Easement as installed. Tender of OPTIONEE's valid check for the purchase price, as defined above, mailed to OPTIONOR's address not more than fifteen (15) days after the expiration of the primary term of this option will constitute sufficient tender.

It is understood and agreed between or among the parties hereto that the Right of Way and Easement herein optioned and or conveyed shall substantially follow the centerline indicated on Tract "C" on the "Preliminary Plan" attached hereto as Exhibit "A," and shall extend two and a half (2 1/2) feet on each side of the pipeline centerline as built, for a total width of five (5) feet. However, it is further understood and agreed between or among the parties hereto that, the preliminary plat attached hereto notwithstanding, after the installation and construction of the pipeline or pipelines, GRANTEE will prepare an "As Built" survey and plat which will define and describe the permanent right of way or easement. The "As Built" centerline survey will be attached hereto and made a part hereof as a new corrected Exhibit "A," as an additional Exhibit "B," or may be recorded in a supplemental filing.

It is understood and agreed between or among the parties hereto that the right of way and easement herein granted shall remain in force and effect as long as the pipeline constructed hereunder is used by GRANTEE, its heirs or assigns, to transport oil, gas, or associated hydrocarbons, through said pipeline or pipelines. This right of way and easement shall fully terminate and all rights granted hereunder shall revert to GRANTOR, their heirs, executors, administrators or assigns, when all pipelines constructed hereunder have not been in use by GRANTEE, its heirs and assigns, for a period of twelve (12) consecutive months.

It is understood and agreed between or among the parties hereto that the right of way and easement herein conveyed shall include the right to enter and depart over, upon and across GRANTOR's land described above other than the permanent right of way for reasonable access to construct, lay, maintain, inspect, alter and remove said pipeline or pipelines, or to otherwise to effect the purposes of the Right of Way and Easement herein granted. GRANTEE agrees to use wood pallets or other technique or equipment in common use in the industry to avoid damage to unimproved ground, and to otherwise avoid unreasonable damage to GRANTOR's land and to compensate GRANTOR for any such damage. But, it is understood and agreed that the consideration referred to in the first paragraph above includes payment for normal damages associated with the initial construction of the pipeline or pipelines hereunder.

GRANTEE agrees to clean up all trash, smooth and level any mounds of dirt or ruts, and to replace all ornamental and fruit bearing trees and plants resulting from or related to operations by GRANTEE on the surface of GRANTOR's land described above.

GRANTEE shall have free ingress and egress to, over and across the Right of Way and Easement for the purpose of cutting trees, undergrowth, and other obstructions that may in the opinion of GRANTEE injure, endanger, or interfere with GRANTEE's use of said Right of Way and Easement.

GRANTEE shall have no duty to maintain, clear or otherwise keep free of debris any portion of the Right of Way and Easement herein granted that is located within an area which at the time this agreement is executed is being maintained by GRANTOR.

Prior to entry upon the land herein described, GRANTEE agrees to notify GRANTOR by telephone, or by mail or in person at the above address.

GRANTEE agrees to bury any pipeline or pipelines constructed hereunder a minimum of thirty-six (36) inches below the surface of the ground at the time said pipeline or pipelines are constructed.

GRANTEE agrees that no employee, agent, or representative of GRANTEE shall hunt or fish, nor carry any weapon, firearm, fishing rod, or other implement commonly used to hunt or fish on GRANTOR's land described herein.


GRANTOR reserves the right to use the Right of Way and Easement for purposes which will not interfere with GRANTEE's rights hereunder. However, GRANTOR may not erect or construct any permanent building or structure, drill or operate any well, or construct a reservoir or other obstruction, or diminish or substantially add to the ground cover over the pipelines. If GRANTOR elects to erect a non-permanent structure on the easement or right of way, GRANTOR shall be solely responsible for removal of said structure if reasonably necessary to allow GRANTEE access to, use of, or enjoyment of the Right of Way and Easement, and GRANTOR agrees to bear any costs associated with removal of any such structure.

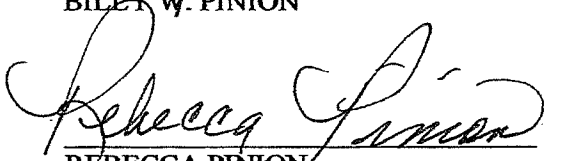
It is understood and agreed between or among the parties hereto that this Right of Way and Easement shall be a covenant running with the land, and shall bind GRANTOR's heirs and assigns.

It is understood and agreed between or among the parties hereto that GRANTEE herein shall have the right to assign and convey this Right of Way and Easement in whole or in part.

TO HAVE AND TO HOLD the above-described property, Right of Way and Easement together with and singular the rights and appurtenances thereto in anywise belonging unto said GRANTEE, its successors and assigns, as long as the rights and easements herein granted, or any one of them, shall be used by GRANTEE under the terms hereof, and the undersigned hereby bind themselves, theirs heirs, executors, administrators, successors and assigns to warrant and forever defend all and singular said premises unto GRANTEE, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part hereof.

IN WITNESS WHEREOF, the undersigned herein have executed this conveyance on this the \_\_\_\_\_ day of December 2009.

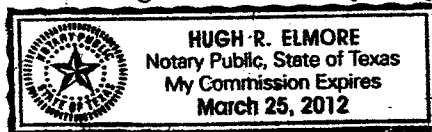
  
BILLY W. PINION

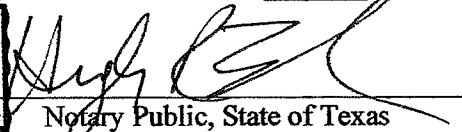
  
REBECCA PINION

STATE OF TEXAS

COUNTY OF GALVESTON

This instrument was acknowledged before me by Billy W. Pinion on the 3<sup>rd</sup> day of December 2009.

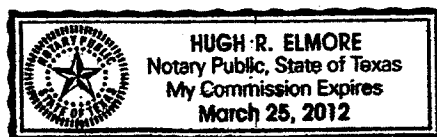


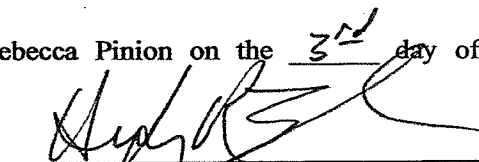
  
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF GALVESTON

This instrument was acknowledged before me by Rebecca Pinion on the 3<sup>rd</sup> day of December, 2009.

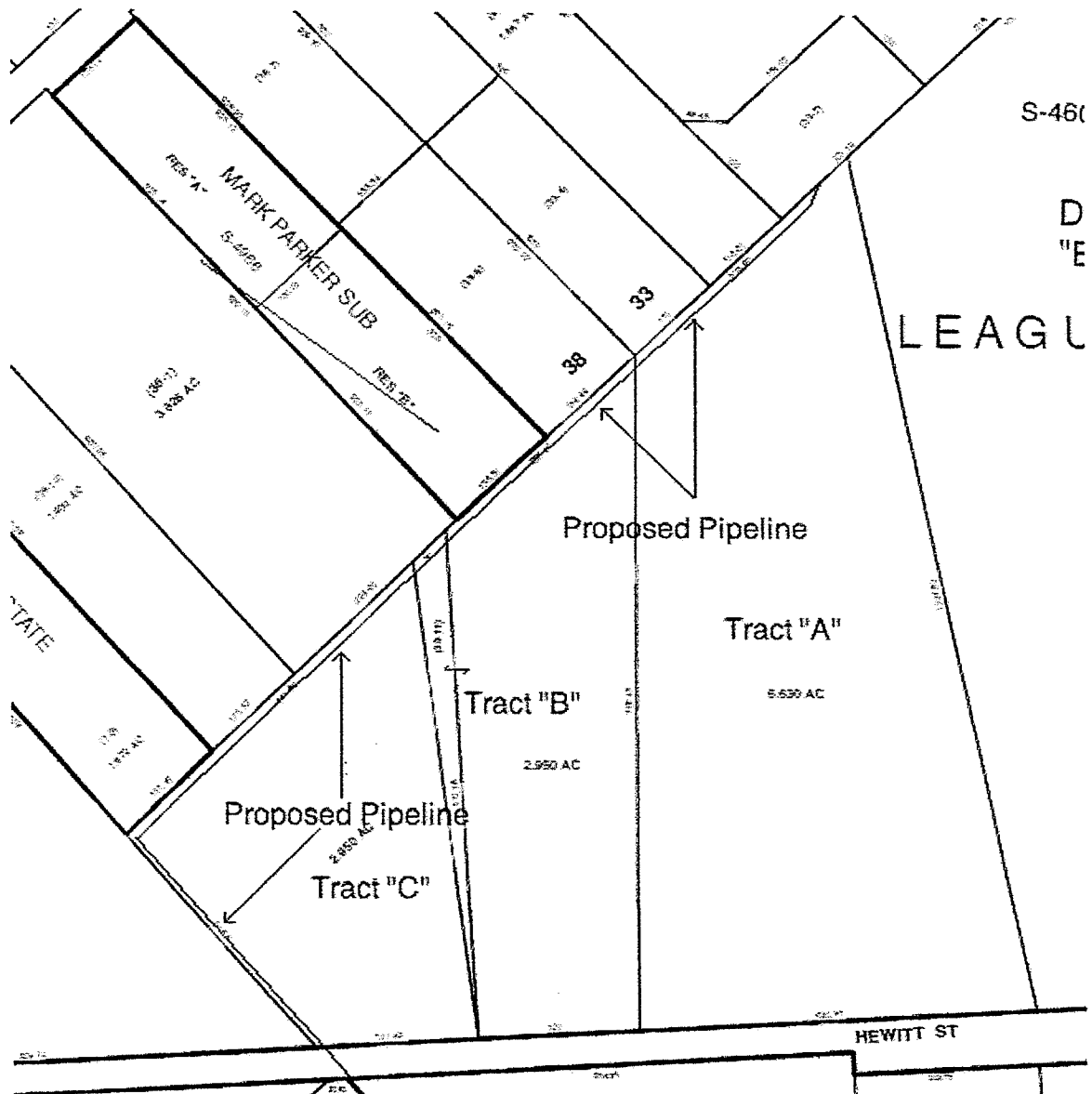


  
Notary Public, State of Texas

**EXHIBIT "A"**

Attached to and made a part of that certain Option and Right of Way Agreement dated the \_\_\_\_\_ day of December, 2009, by and between Billy and Rebecca Pinion, as Optionor/Grantor, and Forza Operating, LLC., as Optionee/Grantee.

## Preliminary Plan



*Billy Pinion*  
BILLY PINION

Rebecca Pinion  
REBECCA PINION