## TEXAS RAILROAD COMMISSION FINANCIAL ASSURANCE Restrictive Covenant

STATE OF TEXAS	§
	§
COUNTY OF	§

This Restrictive Covenant is filed pursuant to the Railroad Commission of Texas rule requiring financial assurance for commercial facilities found at 16 Texas Administrative Code (TAC) Section 3.78(l), and affects the real property (Property) described as follows:

[Insert legal description and/or a reference to an attached Exhibit A. This legal description needs to include the entire recorded tract of land held by the owner executing this restrictive covenant. It must be accompanied by a certification from a registered professional land surveyor so registered by the Texas Board of Professional Surveying attesting to the accuracy of the descriptions. It is not a legal description of the Property Reserved for Closure Fill Material as set forth below. If the Property Reserved for Closure Fill Material that is being made subject to the restrictive covenant impacts the land of more than one owner, a separate restrictive covenant needs to be filed for each tract by its owner.]

[Operator] operates a commercial facility on the Property pursuant to control/permit number \_\_\_\_\_\_\_ issued by the Texas Railroad Commission. In accordance with 16 TAC 3.78(l), \_\_\_\_[Operator] \_\_\_\_\_must file with the Commission a bond or letter of credit as financial security equal to or greater than the maximum amount necessary to close the facility, exclusive of plugging costs for any well or wells at the facility, at any time during the permit term in accordance with all applicable state laws, commission rules and orders, and the permit. The amount of financial security to be filed must be based on a written estimate prepared by a qualified professional engineer licensed by the state of Texas that shows all assumptions and calculations used to develop the estimate. With respect to the facility covered by control/permit number \_\_\_\_\_\_, [Operator] filed a closure cost estimate that assumes part of the Property will be available to provide \_\_\_\_\_\_ cubic yards of fill material [ at \_\_\_\_\_ price per cubic yard] during closure of the facility, causing a portion of the Property to be considered Reserved for Closure Fill Material. The portion considered to be Reserved for Closure Fill Material can be described as follows:

## IF THE FACILITY IS A COLLECTING PIT, THEN EXHIBIT "B" MAY BE A GENERAL DESCRIPTION AND DOES NOT REQUIRE CERTIFICATION FROM A REGISTERED PROFESSIONAL LAND SURVEYOR

[Insert legal description and reference to an attached Exhibit B. Exhibit B needs to include a plat map clearly outlining the portions of the Property which will be the source of fill material. The map must contain a north arrow, a correlating map scale, and a legend identifying any used symbols or abbreviations. It must be accompanied by a certification from a registered professional land surveyor so registered by the Texas Board of Professional Surveying attesting to the accuracy of the descriptions.]

This restrictive covenant is required to assure that the amount and source of fill material described in <u>[Operator's]</u> closure cost estimate for the facility covered by control/permit number <u>shall</u> shall be available for use in closing the facility in accordance with all applicable state laws, commission rules and orders, and the permit.

(Owner) is the owner of the Property. In consideration of promises by <u>[Operator]</u> leading to approval of the closure cost estimate, the Owner has agreed to place the following restrictions on the Property in favor of the Texas Railroad Commission and the State of Texas. Now therefore, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the following restrictive covenants in favor of the Texas Railroad Commission and the State of Texas are placed on the Property described in Exhibit "A", to-wit:

## SHELL CLOSURE COST RESTRICTIVE COVENANT

Revised 09/03/04 to Reflect Rule 78 Amendments that Re-Letter 78(o) to 78(l)

1. The portion of the Property designated as Reserved for Closure Fill Material shall be preserved so that when it is time to close the facility covered by control/permit number \_\_\_\_\_ in accordance with all applicable state laws, commission rules and orders, and the permit,  $\underline{x}$  yards of fill material at  $\underline{x}$  price per cubic yard shall be available for use in properly closing the facility.

2. These restrictions shall be a covenant running with the land.

For additional information, contact:

Texas Railroad Commission Technical Permitting P O Box 12967 1701 N. Congress Austin, Texas 78711-2967

Railroad Commission Commercial Control/Permit No.:

As of the date of this Notice, the record owner of fee title to the Property is [NAME] with an address of [ADDRESS]

This Restrictive Covenant may be rendered of no further force or effect only by a release executed by the Railroad Commission and filed in the same Real Property Records as those in which this Restrictive Covenant is filed.

Executed this day of,	<u> </u>
	[OWNER]
	Ву:
	Name:
	Title:
Executed this day of,	
	[OPERATOR]
	Ву:
	Name:
	Title:
Accepted as Third Party Beneficiary this	day of,
	Texas Railroad Commission
	Ву:
	Name:
	Title:
L CLOSURE COST RESTRICTIVE COVENA	NT

Revised 06/17/02

STATE OF TEXAS
(\_\_\_\_\_) COUNTY

BEFORE ME, on this the \_\_\_\_\_ day of \_\_\_\_\_\_, personally appeared \_\_\_\_\_\_, [*title*] \_\_\_\_\_, of \_\_\_[*owner/company*] \_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and they acknowledged to me that they executed the same for the purposes and in the capacity herein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

Notary Public in and for the State of Texas, County of

My Commission Expires:

STATE OF TEXAS
(\_\_\_\_\_) COUNTY

BEFORE ME, on this the \_\_\_\_\_ day of \_\_\_\_\_, personally appeared \_\_\_\_\_\_, [*title*]\_\_\_\_\_\_, of \_\_\_\_\_\_, of \_\_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and they acknowledged to me that they executed the same for the purposes and in the capacity herein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

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

My Commission Expires:

STATE OF TEXAS
(\_\_\_\_\_) COUNTY

BEFORE ME, on this the \_\_\_\_ day of \_\_\_\_\_, personally appeared \_\_\_\_\_, [*title*]\_\_\_\_\_, of the Texas Railroad Commission, known to me to be the person whose name is subscribed to the foregoing instrument, and they acknowledged to me that they executed the same for the purposes and in the capacity herein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

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

My Commission Expires:

SHELL CLOSURE COST RESTRICTIVE COVENANT Revised 06/17/02