

**RFB No: 10-228-00-00CGV**

**Buyer III: Griselda (Cris) Villarreal**

**Tel. No: (956) 318-2626**

**REQUEST FOR BIDS**

**Hidalgo County**  
Edinburg, Texas

**“Notice of Intention to Lease of Land for Mineral Development”**  
September 00, 2010

Contact Person:

Martha L. Salazar, CPPB, Purchasing Agent  
Hidalgo County Purchasing Department  
2802 So. Bus., Hwy 281- New Administration Building  
Edinburg, Texas 78539

(956) 318-2626

Form HCPD-04

## REQUEST FOR BID (RFB) CHECKLIST

**HIDALGO COUNTY**  
**“NOTICE OF INTENTION TO LEASE LAND**  
**FOR MINERAL DEVELOPMENT”**  
**RFB NO: 10-228-00-00CGV**

1. Request For Bid Letter.
2. Request For Bid Checklist, consisting of 1 page.
3. Request for Bid, “Order Authorizing Notice of Intent to Lease for Mineral Development”, consisting of 3 pages.
4. Exhibit “A”- Mineral Acreage Descriptions, consisting of 2 pages.
5. Exhibit “B”- Paid-Up Oil, Gas and Mineral Lease Form, consisting of 5 pages.
6. Exhibit “C”-“Notice of Intention to Lease Land for Mineral Development”, consisting of 1 page.
7. Bidder /Vendor Application and W-9 form consisting of 7 pages.
8. Conflict of Interest Questionnaire, consisting of 1 page.

The above mentioned items shall be found in the Request for Bid (RFB) packet that is attached herewith. Should you find that any of the items are not attached in its entirety please contact Purchasing by calling (956) 318-2626, advise of missing documentation, and Purchasing will forward information either through facsimile or by U.S. Mail.

Thank you.

---

Martha L. Salazar, CPPB  
Hidalgo County Purchasing Agent

---

Date

August , 2010

Re: **HIDALGO COUNTY**  
Request For Bids -

**“Notice of Intention to Lease Land for Mineral  
Development”**  
**Bid No: 10-228-00-00CGV**

Dear Respondents:

Enclosed please find a Request for Bids (RFB) packet for you review and consideration.

Hidalgo County Purchasing Department welcomes and appreciates your participation in the RFB process.

If any further assistance is required, please do not hesitate to call the Purchasing Department at (956) 318-2626.

Sincerely,

Martha L. Salazar, CPPB  
Hidalgo County Purchasing Agent

MLS/cgv

Enclosures

**ORDER AUTHORIZING NOTICE OF INTENT TO LEASE FOR MINERAL DEVELOPMENT OF LAND, WHICH PARCELS AS LISTED AND MORE PARTICULARLY DESCRIBED IN NOMINATION/BID PACKETS (EXHIBIT A), SITUATED IN HIDALGO COUNTY, TEXAS.**

THE STATE OF TEXAS                   §  
HIDALGO COUNTY                       §

On this the \_\_\_ day of \_\_\_\_\_ 2010, the Hidalgo County Commissioner’s Court, Texas, being duly convened at a regular meeting of the Commissioner’s Court, a quorum being present, upon motion of Commissioner Flores, and seconded by Commissioner Garza, duly put and carried, the following was adopted:

WHEREAS, Hidalgo County, owns the hereinafter described land (also being part of) and

WHEREAS, Commissioner’s Court of Hidalgo County has determined, and hereby determines, that it is advisable to lease the hereinafter described land for mineral development.

NOW, THEREFORE, BE IT ORDERED, ADJUDGED AND DECREED by the Hidalgo County Commissioner’s Court of Hidalgo County, Texas.

1. That the matters recited in the preamble hereof are true and correct.
2. That Martha L. Salazar, Hidalgo County Purchasing Agent, be, and she is hereby, authorized to give public notice of intent to lease for mineral development the following described land, (and more particularly described in Exhibit A) situated in the County of Hidalgo and the State of Texas, to-wit:

**Tract I: “That portion of Lots Three (3) and Four (4), Ebony Grove and River Side Subdivisions, Hidalgo County, Texas as per map or plat thereof recorded in Volume 1, Page 59, Map Records, Hidalgo County, Texas and being more particularly described by metes and bounds.”**

3. That said notice of intent to lease said land for mineral development be given by publication of such notice in a newspaper published in Hidalgo County, Texas, having general circulation therein, once a week for a period of three (3) consecutive weeks, designating the \_\_\_ of \_\_\_\_\_ 2010, at 9:30 A.M., as the said time at Hidalgo County New Administration Building, 2802 S. Bus. Hwy 281, Edinburg, Texas 78539, as the place where Bids received for such lease will be opened. **ALL BIDS WILL BE IN WRITING AND WILL BE ACCOMPANIED BY A CASHIER’S CHECK PAYABLE TO: HIDALGO COUNTY TREASURER, HIDALGO COUNTY, TEXAS IN THE AMOUNT OF THE CONSIDERATION OFFERED.** One (1) original and three (3) copies of RFB’s must be enclosed in a sealed envelope and/or package with vendor’s name and return address clearly typed/printed on the upper left hand corner and the proper

notation clearly typed/printed on the lower left-hand corner: **“REQUEST FOR BIDS No.: 10-228-00-00CGV-NOTICE OF INTENT TO LEASE OF LAND FOR MINERAL DEVELOPMENT-HIDALGO COUNTY”** AND WILL BE DELIVERED TO THE **HIDALGO COUNTY PURCHASING DEPARTMENT, NEW ADMINISTRATION BUILDING, 2802 S. Bus. Hwy 281, EDINBURG, TEXAS 78539. NO LATER THAN 9:30 A.M., WEDNESDAY, SEPTEMBER 00, 2010.** NO FACSIMILES OR LATE ARRIVALS WILL BE ACCEPTED. ANY RFB’S RECEIVED AFTER THAT TIME WILL NOT BE OPENED AND WILL BE RETURNED. OVERNIGHT MAIL MUST ALSO BE PROPERLY LABELED ON THE OUTSIDE OF EXPRESS ENVELOPE OR PACKAGE IN REFERENCE TO RFB NO.: **10-228-00-00-CGV-“NOTICE OF INTENT TO LEASE OF LAND FOR MINERAL DEVELOPMENT-HIDALGO COUNTY”**. WRITTEN QUESTIONS WILL BE ACCEPTED NO LATER THAN Wednesday, \_\_\_\_\_, 2010 at 5:00 p.m. Responses will be sent to all applicants via facsimile by Friday, \_\_\_\_\_ 2010 by 5:00 P.M. **TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.** Each BID will identify the proposer and state the amount of consideration BID.

4. That no bid with a bonus money consideration of less than \$200.00 per mineral acre will be considered. Said minimum bid amount will be based on Hidalgo County having a full interest in and to the minerals in and under said acre tracts of land described herein in Item 2 and no reduction or adjustment in said amount will be made by reason of Hidalgo County ownership of a lesser interest in the minerals.
5. That the lease will be paid-up lease in substantially the form attached hereto as **Exhibit “B”**, with a royalty on oil, gas and other minerals, and such other terms, as therein provided.
6. Bids received which are in proper form and accompanied by the appropriate attachments will be considered at a public hearing to be held during the Hidalgo County Commissioner’s Court session occurring at 9:00 A.M. on \_\_\_\_\_ September , 2010.
7. That Hidalgo County, acting through its Commissioner’s Court Members reserves the right to reject any and all bids, to take new bids, to waive irregularities, and to accept the bid most advantageous.
8. All costs and expenses associated with the preparation and submission of (bids, proposals and/or quotes) shall be the responsibility of the bidder and no reimbursements for such charges or expenses shall be passed onto Hidalgo County.

**9. Disclosure of Conflict of Interest**

. Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor, person, consultant or contractor considering doing business with Hidalgo County (“the County”) to disclose in the Conflict of Interest Questionnaire (the “CIQ”) attached as Exhibit D, the vendor, person, consultant or contractor’s affiliation or business relationship that might cause a conflict of interest with the County. By law, the CIQ must be filed with the Hidalgo County clerk’s Office no later than the seventh business day after the date the person

becomes aware of facts that require that statement to be filed. The disclosure requirement applies to a person or business who contracts or seeks to contract with Hidalgo County for the sale or purchase of property, goods or service. Any purchase order or contract resulting from this process shall be considered null and void if the successful bidder fails to comply with Texas Local Government Code Chapter 176. Vendors, consultants, contractors and others who desire to conduct business with Hidalgo County are encouraged to refer to Texas Local Government Code Chapter 176 for the details of this law. An offense under Texas Local Government Code Chapter 176 is a Class C Misdemeanor.

Please Submit completed CIQ forms to the Hidalgo County Clerk's Office located at 100 N. Clossner, Edinburg, Texas 78539-Hidalgo County Courthouse

**COMPLETION AND SUBMISSION OF FORM CIQ IS THE SOLE RESPONSIBILITY OF THE PROSPECTIVE BIDDER.**

DRAFT

RFB  
for  
**Hidalgo County**  
**RFB No: 10-228-00-00CGV**  
September 00, 2010

To: Martha L. Salazar, CPPB, Purchasing Agent  
Hidalgo County Purchasing Department  
2802 So. Business Hwy. 281 -New Administration Building  
Edinburg, Texas 78539

In accordance with the Requirements, and subject to all laws and regulations of the United States and state and local laws, the undersigned Bidder proposes and commits to furnish all labor, equipment, material, software and services as set forth in the documents hereinbefore mentioned. The undersigned Bidder further agrees, upon acceptance of its bids, to execute a contract and/or Purchase Order issued by Hidalgo County for performing and completing the work described in the Requirements within the time stated and for the prices proposed in the documents attached hereto and made a part hereof.

Bidder acknowledges receipt of all of the pages of the documents referenced in the Invitation to Bid Checklist presented in connection with this procurement. Bidder understands that Hidalgo County reserves the right to reject any or all bids and further reserves the right to design the evaluation criteria to be used in selecting the lowest and best bids.

Bidder agrees that this bid shall be good and may not be withdrawn for a period of ninety (90) calendar days after the scheduled closing time for receiving bids, as contained in the Requirements.

Respectfully submitted,

Bidder: \_\_\_\_\_

Address: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

## FOR MINERAL DEVELOPMENT

THE STATE OF TEXAS §  
COUNTY OF HIDALGO §

Notice is hereby given by the Hidalgo County Commissioner's Court ("County"), has determined that it would be in the best interest of the County to "Lease of Land for Mineral Development" the following land, which parcels are listed and more particularly described in nomination/proposal packets (Exhibit A) and as listed as follows:

**Tract I: "That portion of Lots Three (3) and Four (4), Ebony Grove and River Side Subdivisions, Hidalgo County, Texas as per map or plat thereof recorded in Volume 1, Page 59, Map Records, Hidalgo County, Texas and being more particularly described by metes and bounds."**

**NOMINATION/BID PACKETS** which include details and requirements (more particularly described in Exhibit A, included in the bid packets), may be obtained by calling the Hidalgo County Purchasing Department at (956) 318-2626, requested via email to: [cris.villarreal@co.hidalgo.tx.us](mailto:cris.villarreal@co.hidalgo.tx.us), or may be picked up at the Hidalgo County Purchasing Department, 2802 S. Bus. Hwy 281, **(Southeast Corner of Canton and Business Highway 281)** New Administration Building, Edinburg, Texas 78539.

All vendors interested in bidding on the "Lease of Land for Mineral Development" described above shall submit sealed original bids properly addressed and deliver to Martha L. Salazar, CPPB/Hidalgo County Purchasing Agent, 2802 S. Bus. Hwy 281, New Administration Building, Edinburg, Texas 78539. One (1) original and three (3) copies are required with the bidder's name and return address clearly typed/printed on upper left hand corner and the proper notation cleared typed/printed on the lower left hand corner of the envelope and/or package: **RFB NO.: 10-228-00-00CGV "LEASE OF LAND FOR MINERAL DEVELOPMENT - HIDALGO COUNTY"**. **Bids will be accepted until 9:30 a.m., Wednesday, September 00, 2010**, (specifying the proposed yearly lease rental amount, and including all obligations as stated in the specifications/requirements), at which time they will be opened in the Hidalgo County Purchasing Department at 2802 S. Bus. Hwy 281, New Administration Building, Edinburg, Texas. **NO FACSIMILES OR LATE ARRIVALS WILL BE ACCEPTED. ANY BIDS RECEIVED AFTER THAT TIME WILL NOT BE OPENED AND WILL BE RETURNED. OVERNIGHT MAIL/PACKAGES MUST ALSO BE PROPERLY LABELED ON THE OUTSIDE OF EXPRESS ENVELOPE OR PACKAGE IN REFERENCE TO BID NO: RFB NO.: 10-228-00-00CGV "LEASE OF LAND FOR MINERAL DEVELOPMENT - HIDALGO COUNTY"**.

**HIDALGO COUNTY** reserves the right to refuse and reject any/all bids and to waive any/all formalities and technicalities, or to accept the bid considered the best and most advantageous to Hidalgo County.

**BY ORDER OF THE HIDALGO COUNTY COMMISSIONER'S COURT OF HIDALGO COUNTY, TEXAS, on this the \_\_\_ day of \_\_\_\_\_, 2010.**

Martha L. Salazar  
Hidalgo County Purchasing Agent

**REPORT ROAD HAZARDS @ 1-866-HCR-SAFE or 1-866-427-7233**

**EXHIBIT “A”**

**MINERAL ACREAGE DESCRIPTIONS**

**HIDALGO COUNTY  
REQUEST FOR BIDS**

**“NOTICE OF INTENTION TO LEASE LAND  
FOR MINERAL DEVELOPMENT”**

**RFB No: 10-228-00-00CGV**

# Exhibit "A"

**HIDALGO COUNTY  
RFB-"NOTICE OF INTENTION TO LEASE LAND  
FOR MINERAL DEVELOPMENT"  
RFB NO: 10-228-00-00CGV**

## **Hidalgo County Mineral Acreage Descriptions:**

**Tract I: "That portion of Lots Three (3) and Four (4), Ebony Grove and River Side Subdivisions, Hidalgo County, Texas as per map or plat thereof recorded in Volume 1, Page 59, Map Records, Hidalgo County, Texas and being more particularly described by metes and bounds."**

**EXHIBIT “B”**

**PAID-UP  
OIL, GAS AND MINERAL LEASE**

**HIDALGO COUNTY  
REQUEST FOR BIDS**

**“NOTICE OF INTENTION TO LEASE LAND  
FOR MINERAL DEVELOPMENT”**

**RFB No.: 10-228-00-00CGV**

# Exhibit "B"

## PAID-UP OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2010, between Hidalgo County hereinafter called "Lessor" (whether one or more), whose address is 2802 S. Bus. Hwy 281, New Administration Building, Edinburg, Texas 78539 and \_\_\_\_\_ hereinafter called "Lessee," whose address is \_\_\_\_\_

1. Lessor, in consideration of ten and no/100's and other valuable consideration Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged, of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets, exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas, and other minerals, injecting gas, waters, other fluids, air and other gaseous substances into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, electric transmission lines, telephone lines, and other structures and things thereon to produce, save, take care of treat, process, store and transport said minerals and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land in HIDALGO County, Texas, to wit:

**"Tract I: "That portion of Lots Three (3) and Four (4), Ebony Grove and River Side Subdivisions, Hidalgo County, Texas as per map or plat thereof recorded in Volume 1, Page 59, Map Records, Hidalgo County, Texas and being more particularly described by metes and bounds."**

Notwithstanding any particular description, it is nevertheless the intention of Lessor to include this lease, and Lessor does hereby lease, not only the land so described but also any and all other land owned or claimed by Lessor in the herein named survey or surveys, or in adjoining surveys, the herein described land up to the boundaries of the abutting landowners, the lease lands being hereinafter referred to as "said land." For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain \_\_\_\_\_ acres, whether actually containing more or less. Lessor agrees to execute any supplemental instrument(s) requested by Lessee for a more complete or accurate description of said land or instrument(s) to perfect title deficiencies.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of \_\_\_\_\_ years from this date (called "primary term"), and as long as thereafter as oil, gas or other mineral is produced from said physical land or land with which said land or any part thereof is pooled, or this lease is maintained by virtue of some other provision hereof.

3. This a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term.

4. The royalties to be paid by Lessee are: (a) deliver in kind to lessor, at the well, or to the credit of lessor into the pipeline or storage tank to which the well may be connected, the \_\_\_\_\_ part of all oil (including condensate) produced and saved from the leased premises. In lieu thereof, lessee shall have the option, at any time, to sell lessor's oil, in which case lessor's royalty shall be based on lessee's net proceeds at the lease, or to purchase lessor's oil for the value of such oil at the lease, In any event, lessor's interest shall be free of all costs of production, but shall bear its proportionate part of production and similar taxes, and shall share proportionately with lessee in any costs to market, transport, or condition the oil, (b) to pay lessor for gas, (including casing head gas, all gaseous substances, and all other constituents thereof) produced and sold from the leased premises, \_\_\_\_\_ part of the net proceeds at the lease from the sale of such gas, after deducting lessor's proportionate part of production, and other similar taxes; lessor's interest to be free of all costs of production, but to bear proportionately with lessee any costs incurred by lessee to market the gas, to deliver the gas to a market off the leased premises, or to dehydrate, compress, process, treat, or otherwise place such gas marketable condition; (c) on gas, including casing head gas and all gaseous substances, produced from said land and used of said land by Lessee and not benefitting Lessor, the market at the mouth of the well of \_\_\_\_\_ of the gas so used of f said land; (d) on all minerals mined and marketed, \_\_\_\_\_, either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be One Dollar (\$1.00) per long ton; and (e) if at any time while there is a gas well or wells on the said land or land pooled therewith (for the purposes of this clause (e) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are shut-in, and this lease is not being maintained otherwise as provided herein, this lease shall nevertheless remain in force and effect following the shutting-in of the well(s), whether it be during or after the primary term (unless released by Lessee), and it shall be considered that gas is being produced from the land covered by this lease. When the lease is continued in force in this manner and the well or wells are shut-in for a period of at least ninety (90) consecutive days, Lessee shall pay or tender as advanced annual royalty to the parties who at the time of such payment would be entitled to receive royalty hereunder if the well were producing, or deposit to their credit in the \_\_\_\_\_ **SEND DIRECTLY TO LESSOR'S ADDRESS** Bank (Account No. \_\_\_\_\_), \_\_\_\_\_ Dollars \$.00 per net acre for the acreage then held under this lease by the party making such payment or tender. The first payment of sum shall be made on or before either, (1) ninety (90) days from the date such well or wells are shut-in; (2) ninety (90) days from the effective date for inclusion of said land or a portion thereof within a unit on which is located a shut-in gas well; or (3) ninety (90) days from the date this lease ceases to be otherwise maintained as provided herein, whichever is the later date, and it shall be considered that gas is being produced from said land in paying quantities within the meaning of Paragraph 2 hereof for one (1) year from the date of such payment, and in like manner subsequent advance annual royalty payments may be made or tendered and it will be considered that gas is being produced from said land in paying quantities within the meaning of said Paragraph 2 during any annual period for which such royalty is so paid or tendered; such advanced annual royalty payment shall be credited against any royalty accruing to the owners thereof any production from said land during any annual period for which such advanced annual payment has been made. Lessee's failure to pay or tender or to pay or tender properly or timely any such sum as royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease. All royalty interest, whether or not owned by the undersigned, shall be paid out of the royalty as provided for in said lease.

5. 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 interest, 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 at its sole discretion deems it necessary or proper to do in order to develop or operate prudently the lease 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 term "horizontal completion" means a well in which the horizontal component of the gross completion interval in the reservoir is at least one hundred (100) feet. 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, completion, 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, completion, 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. 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, so long as the total acreage therein or produced therefrom, may from time to time be enlarged and extended by Lessee to include additionally any other formation or formations and any other mineral or minerals therein or produced therefrom. In making such a revision, Lessee shall file or 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. Lessee may place and use on each unit created hereunder common measuring and reworking tanks for production from such unit. 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.

6. If, at the expiration of the primary term oil, gas or other mineral is not being produced from said land or land pooled therewith but Lessee is then engaged in operations for drilling, mining or reworking of any well or mine thereon or shall have completed a dry hole thereon within ninety (90) days prior to the end of the primary term this lease shall remain in force so long as operations on said well or for the drilling or reworking of an additional well are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than ninety (90) consecutive days, and, if the result in production, so long thereafter as oil, gas or other mineral is produced from said land or land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas or other mineral is produced from said land or land pooled therewith, production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within ninety (90) days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than ninety (90) consecutive days, and if the result in production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said land or land pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in or adjacent land and within two hundred (200) feet of and draining said land, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances. The judgement of the Lessee, when not fraudulently exercised, in carrying out the purpose of this lease shall be conclusive.

7. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder including re-pressuring, pressure maintenance, cycling and secondary recovery operations, and the royalty shall be computed after deducting any so used. Any structures and facilities placed on said land by Lessee for operations hereunder and any well or wells on said land drilled or used for the injection of salt water or other fluids may also be used for Lessee's operations on other lands in the same area. Lessee shall have the right at any time during this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipelines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, representatives, successors and assigns, but no change or division in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No such change or division in the ownership of the land or royalties shall be binding upon Lessee for any purpose until such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting the chain of title from the original Lessor. An assignment of this lease, in whole, or in part, shall, to the extent of such assignment, relieve and discharge Lessee of any obligations thereunder, and, if Lessee or assignee of part or parts hereof shall fail to comply with any provision of this lease, such default shall not affect this lease insofar as it covers a part of said land upon which Lessee or any assignee thereof shall not be in default. Should more than six parties become entitled to royalties hereunder, Lessee may require the appointment of a single agent to receive payment for all and may withhold payment until such appointment has been made.

9. When drilling or other operations are delayed or interrupted by storm, flood or other act of God, fire war, rebellion, insurrection, riot strikes, differences with workmen, unavailability of material or equipment, failure of carriers to transportation, some order, requisition or necessity of the government or as a result of any cause

whatsoever beyond the control of the Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State Laws. Executive order, rules or regulations and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith if compliance is prevented by, or if such failure is the result of, any such law, order, rule or regulation. If from such causes Lessee is prevented from conducting drilling or reworking operations on, or producing oil or gas from said land or land pooled therewith, the time while Lessee is so prevented shall not be counted against Lessee, and this lease shall be extended for a period of time equal to that during which such Lessee is so prevented from conducting drilling or reworking operations on, or producing oil or gas from said land or land pooled therewith, notwithstanding any other provision hereof.

10. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty (60) days after receipt of notice in which to commence the compliance with the obligations imposed by virtue of this instrument. After the discovery of oil, gas or other mineral in paying quantities on said land, Lessee shall reasonably develop the acreage retained hereunder, but in discharging this obligation it shall in no event be required to drill more than one (1) well per forty (40) acres, plus an acreage tolerance not to exceed ten per cent (10%) of forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one (1) well per six hundred forty (640) acres, plus an acreage tolerance not to exceed ten per cent (10%) of six hundred forty (640) acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities.

11. Lessor hereby warrants and agrees to defend the title to said land, and agrees that Lessee, at its option, may discharge any tax, mortgage or other lien upon said land in the event of default of payment by Lessor, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title, it is agreed that, if Lessor owns an interest in said land less than the entire fee simple estate, whether stated herein above as a whole or partial interest, then the royalties to be paid Lessor shall be reduced proportionately. All royalty interest covered by this lease (whether or not owned by lessor) shall be paid out of the royalty herein provided. Should anyone or more of the parties named herein above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

12. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor or Lessor's heirs, representatives, successors and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, express or implied, of this agreement as to the acreage so surrendered, and thereafter the advance annual royalties payable hereunder shall be reduced in the portion that the acreage covered hereby is reduced by said release or releases.

13. Notwithstanding anything contained herein to the contrary, if, at the expiration of the primary term of this lease or any portion thereof, is not being maintained in effect in any manner provided herein, including, but not limited to operations upon or production from the leased premises or on land pooled therewith, or through the payment of shut-in gas royalties, Lessee shall have the exclusive right and option to renew and extend this lease as to the lands then covered thereby or any portion chosen by Lessee for an additional \_\_\_\_\_ ( ) year primary term, commencing \_\_\_\_\_, by payment or tender to Lessor or to the credit of Lessor in the above named depository bank, on or before said date, a sum of money equal to \_\_\_\_\_ Dollars (\$.00) per net mineral acre, provided that such sum, shall be reduced under the applicable lease provisions, including but not limited to proportionate reduction based on ownership of Lessor.

IN WITNESS WHEREOF, this instrument is executed as of the date above written.

**HIDALGO COUNTY**

Tax I.D. Number

**CORPORATE ACKNOWLEDGMENT**

THE STATE OF TEXAS

COUNTY OF HIDALGO

The instrument was acknowledged before me on \_\_\_\_\_ by  
in the capacity therein stated purposes and consideration therein expressed and on behalf of the  
said Hidalgo County.

Notary Public Signature

DRAFT



**HISTORICALLY UNDERUTILIZED BUSINESS (HUB) DECLARATION**

The primary objective of the Hidalgo County HUB Program is to ensure Historically Underutilized Businesses receive a fair and equal opportunity for participation in the County’s procurement process. This fact holds true for Services (Professional & Non-Professional), Commodities, and Construction contracts and any subcontracts thereto. The program strongly encourages Prime Contractors to provide subcontracting opportunities to Certified Hub Contractors/Vendors. Our goal for HUB contractor/vendor participation, as well as HUB subcontractor participation is 30%. To be considered as a “Certified HUB Contractor/Vendor” the contractor/vendor must have been certified by, and hold a current and valid certification with any of the three agencies listed below.

Have you been Certified as a HUB or an MBE/WBE source?:  Yes  No If yes, by whom?:  
 State Building and Procurement Commission  Other

Indicate Certification No(s): \_\_\_\_\_ or Are Certificate(s) Attached?:  Yes  No

---

**LIST OF CERTIFIED HUB SUBCONTRACTORS**  
(Attach additional pages if necessary)

What percentage of the Bid or RFQ is to be subcontracted with Certified HUB sources?: \_\_\_\_\_%  
(List HUB Subcontractor information below).

HUB Subcontractor Name: \_\_\_\_\_ HUB Status: \_\_\_\_\_

Certifying Agency (Check all applicable):

State Building and Procurement Commission  Other

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_ Phone No.: ( \_\_\_\_\_ )

Subcontract Amount: \$\_\_\_\_\_ Description of Work to be Performed: \_\_\_\_\_

---

HUB Subcontractor Name: \_\_\_\_\_ HUB Status: \_\_\_\_\_

Certifying Agency (Check all applicable):

State Building and Procurement Commission  Other

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_ Phone No.: ( \_\_\_\_\_ )

Subcontract Amount: \$\_\_\_\_\_ Description of Work to be Performed: \_\_\_\_\_

---

HUB Subcontractor Name: \_\_\_\_\_ HUB Status: \_\_\_\_\_

Certifying Agency (Check all applicable):

State Building and Procurement Commission  Other

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_ Phone No.: ( \_\_\_\_\_ )

Subcontract Amount: \$\_\_\_\_\_ Description of Work to be Performed: \_\_\_\_\_

---