

**TOWN ROAD UPGRADE AND RIGHT OF WAY PERMIT
TOWN OF COOKS VALLEY
Permit No. _____**

This Permit is hereby approved and issued by the Town of Cooks Valley, a Wisconsin Municipal entity located in Chippewa County, Wisconsin, (the "Town") and issued to EOG Resources, Inc., an entity incorporated in the state of Delaware (the "Operator").

WHEREAS, it is the desire of the Operator to mine sand from a quarry located on that real property (the "Property") in the Town of Cooks Valley described on Exhibit A; and

WHEREAS, the desired haul route for sand on roads within the Town encompass a route between the Property and 20th Street, which travels southerly to the intersection of 135th Street. 135th Street is accessed at 20th Street and travels easterly and intersects 40th Street and travels to State Highway 40; and

WHEREAS, the Town has agreed that Operator shall be granted a Right of Way Permit relative to the Town road bed, improvements and right of way to allow the Operator to perform all functions incidental and necessary to reconstruct and improve that roadway that is the subject of this Right of Way Permit (the "Permit"); and

WHEREAS, Town and Operator have, of even date herewith, entered into a Town Road Maintenance Agreement which further delineates the rights and responsibilities of Town and Operator with regard to the Town Roads; and

WHEREAS, Operator will supply at no cost to the Town, all labor, materials and equipment necessary to reconstruct and improve the Town Roads to a standard consistent with the proposed use and dedicate the improvements thereafter to the Town; and

WHEREAS, the Town will agree that during the pendency of construction and thereafter the weight limits and frost bans will not be imposed by the Town.

NOW THEREFORE, the Town hereby grants this Right of Way Permit subject to the conditions described below.

CONDITIONS

1. The proposed haul route is attached and marked as Exhibit B and encompasses a route between the Property and 20th Street, which travels southerly to the intersection of 135th Street. 135th Street is accessed at 20th Street and travels easterly and intersects 40th Street and travels to State Highway 40,

2. All work done on the Right of Way shall be performed by Wisconsin Department of Transportation (“WIDOT”) approved contractors rated for the type of work performed. Operator shall bear full financial responsibility for the design phase of the improvement contemplated herein, and shall submit such plans and specifications as may be required by the Town or by state or local regulations for the improvement of Town Roads in Wisconsin. All such plans shall be prepared at Operator’s sole cost and expense and shall be prepared by a licensed civil engineer. Construction shall not commence until both the Town Engineer and the Chippewa County Highway Department have reviewed and approved the submittal. This Permit shall run from the commencement period described above until the completion of the improvements. The project improvements shall be dedicated to the Town upon final inspection by the Town Engineer.
3. This Right of Way Permit shall become effective upon (i) the date it is approved by the Town of Cooks Valley Town Board and that Operator is compliant with all conditions precedent hereto, and (ii) upon the execution of the Town Road Maintenance Agreement of even date herewith.
4. A site layout plan demonstrating improvements and a traffic control and design plan shall also be submitted to both the Town and Chippewa County prior to the commencement of construction.
5. The upgrading of pavement Sections on the Town Roads will be to a design standard as directed by the WIDOT Facilities Development Manual Section 11-40, to withstand the hauling of products and equipment that are necessary for the project. This includes improvements at entrances, intersections and to the typical cross-section. Geometric improvements shall also include any improvements to Structures and Culverts that are necessary to accommodate the increased traffic from the Project.
6. The Operator shall pay the legal fees associated with entering into the Town of Cooks Valley and the Town Road Maintenance Agreement. The legal fees associated with this shall be paid by the Operator directly to Attorney Glenn Stoddard prior to the commencement of construction. The legal fees associated with this Permit are Two Thousand One Hundred and Thirty Dollars (\$2,130.00).
7. Operator agrees to incur all costs related to the recruitment, supervision and payment of a private contractor who shall rebuild the Town Roads consistent with the standard set forth in this Permit. The chosen contractor shall be fully insured, bonded and in good corporate and financial standing and shall not have been debarred from public employment. Operator shall provide assurance to Town that contractor is fully compliant with all state and federal employment regulations including but not limited to prevailing wage regulations and equal employment provisions. Operator shall at all times direct, oversee and maintain control over contractor in order to assure Town the Town Roads are built consistent with Section 5, in addition to being completed in a timely manner and consistent with best management practices in the road construction industry.

8. Operator agrees the Town Engineer will be required to provide design advice in addition to inspecting the rebuilding of the Town Roads conducted by Operator. Operator agrees the Town Engineer's costs related to a design and final inspection of the improvements will be paid for by Operator.
9. Operator shall, during the term of this Permit, procure a performance bond for the purpose of securing Operator's obligation and performance hereunder. The performance bond shall be available to the Town in the event that Operator is unable or unwilling to finish the improvements on the road. The bond shall be of sufficient surety to cover Operator's anticipated costs under this Permit. A certified copy of the performance bond shall be filed with the Town Clerk prior to the commencement of construction.
10. Operator shall pay a pro rata portion for the Town's engineering fees spent in consideration for a commercially generated engineering report conducted in preparation for frac sand mining activities. The Operator's cost shall be pro rata based upon the evaluation of the roadway on 20th Street and only the portion of 135th Street described in Exhibit B. The cost for this fee is One Thousand Sixty-Seven Dollars and Fifty Cents (\$1,067.50) and shall be paid to the Town prior to the commencement of construction.
11. Operator shall procure and maintain throughout the Term of this Permit, Commercial General Liability insurance including bodily injury, property damage and personal injury in an amount not less than Five Million Dollars (\$5,000,000.00) per occurrence. The policy shall also provide contractual liability in the same amount. Operator's coverage shall to the extent of the liability and indemnity obligations assumed by Operator under this Permit; (1) be primary and (2) list Town of Cooks Valley, its officers, officials, agents and employees as additional insureds. Operator shall, at the time of execution of this Permit, provide the Town of Cooks Valley with certificate(s) of insurance showing the type, amount, class of operations covered, effective dates and expiration dates of the policy. A certified copy of the certificate of insurance shall be filed with the Town Clerk prior to construction.
12. Operator shall provide Town a schedule of planned activities that affect the Town Roads. The Schedule shall reasonably indicate the estimated number of trucks that will be hauling products and equipment and daily hours of operation. Operator shall submit the Schedule to Town within two (2) weeks of execution of this Permit. Operator shall further provide Town with an updated Schedule within two (2) weeks of any material changes being made with the Project. Operator understands that Town Road construction activities will be on-going while Project hauling is occurring, and that while Town Roads will be open to traffic, Operator acknowledges these activities may slow hauling operations. The work associated with the acquisition of any additional right of way and costs related to the acquisition of limited easements shall be borne by the Operator.
13. Operator guarantees that the improvements to the Town Roads will be free from defects due to faulty workmanship or materials for a one (1) year time period. The one (1) year time period commences at the final inspection and approval from the Town Engineer. The guaranty covers all improvements done in the right of way consistent with Exhibit B.

14. Operator agrees to indemnify and hold harmless the Town for any costs, claim, suit, liability and/or award which might come, be brought or be assessed, because of the issuance or exercise of the access permit, or because of any adverse effect upon any person or property which is attributed to the partially or entirely completed works of the Operator. This indemnification language shall also include any prevailing wage claim filed in conjunction with this project.
15. Operator is hereby further granted all necessary rights of ingress, egress and access to the right of way, road bed, subsurface and improvements located within the Town Road as may be necessary to fulfill Operator's obligations hereunder.

TOWN:

Town of Cooks Valley

By: Darrel Fehr
Chairman

By: Victoria Trinko
Town Clerk

EXHIBIT A

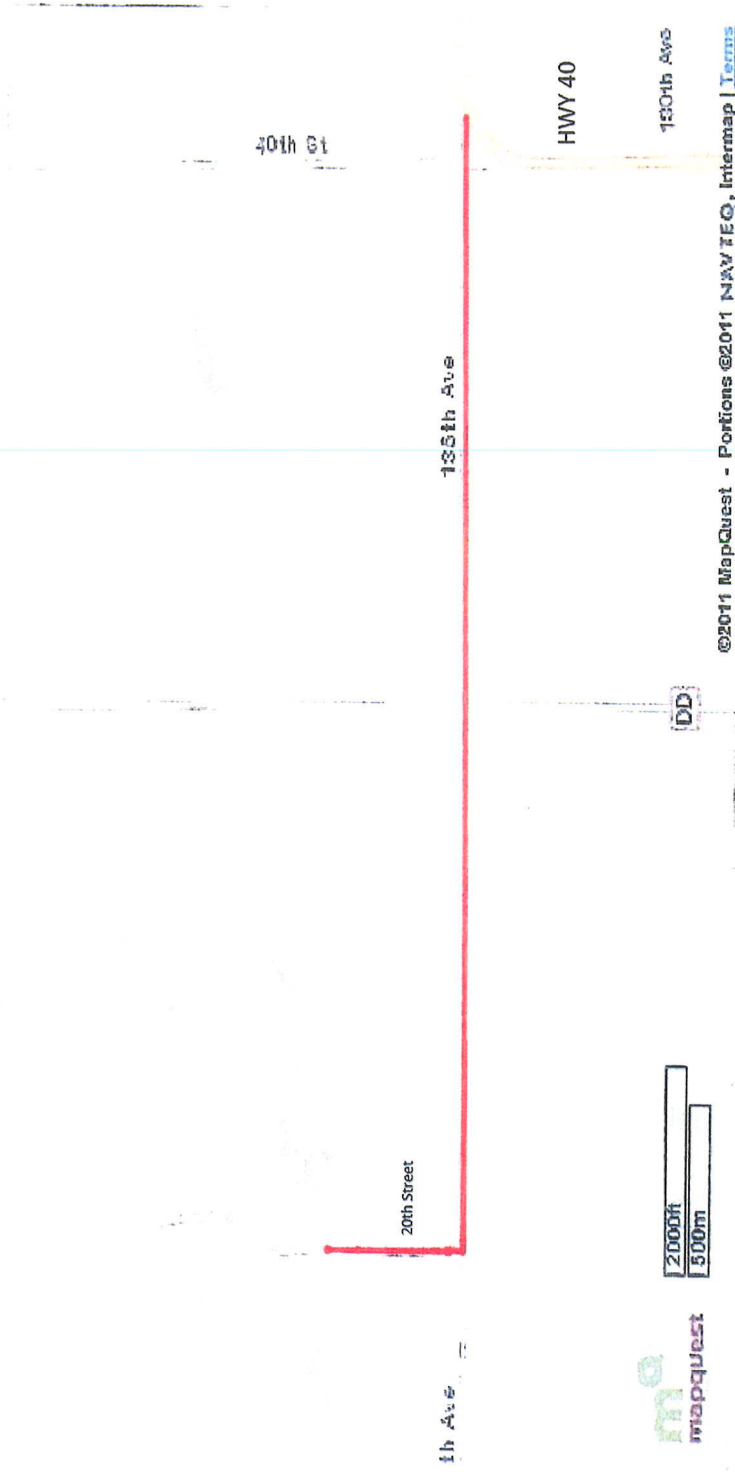


12/2/2011
 Avres Associates, Inc.
 518 W. Lincoln
 Viroqua, WI 54685
 608.785.3333

DATE	2011.11.03
BY	AVRES
DATE	NOV 2011
BY	AVRES

DUNN COUNTY
 CHIPPEWA COUNTY
 COUNTY HWY AA
 COUNTY HWY DD
 148 TH AVE
 135TH AVE
 20TH AVE
 DENNIS SCHINDLER
 13806 20TH ST
 COLFAX, WI 54730
 DS SAND MINE
 EOG RESOURCES, INC.
 TOWN OF COOKS VALLEY, CHIPPEWA COUNTY, WISCONSIN
 AVRES ASSOCIATES
 518 W. LINCOLN
 VIROQUA, WISCONSIN
 DENNIS SCHINDLER PROPERTY
 FIGURE NO 1

EXHIBIT B



Proposed Road Upgrade Alignment: —

Town of Cook's Valley