



RATE & FEE SCHEDULE

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I. Introduction

The Texas A&M University System (“TAMUS”) System Real Estate Office is responsible for the management and administration of those properties owned by TAMUS. In furtherance of this mandate, the System Real Estate Office (“SREO”) publishes this Rate & Fee Schedule (“Schedule”) to provide guidelines in the assessment of rates and fees for the use of TAMUS’ real property (“Property”) by a third-party entity (“Requestor”). This Schedule is to serve as an aid to any such Requestor considering engaging in surface operations of any kind and/or mineral exploration and production operations on the Property (“Operations”). This Schedule is meant to help any such Requestor estimate its minimum financial exposure based upon rates and fees associated with its Operations on the Property and to also establish certain administrative guidelines covering such Operations.

II. Effective Date

The effective date for this Rate & Fee Schedule is August 17, 2015. This Schedule is subject to change without notice. Please contact the SREO to ensure that you are viewing the most up-to-date Schedule.

III. Implementation

- A. Pursuant to TEXAS EDUCATION CODE, TITLE 3, CHAPTER 85, SECTION 26(c), with the exception of public roadway easements, all grants and renewals of easements are limited to a maximum term of 10 years.
- B. As a condition of approval for all Operations, all structures located at the surface (i.e. tank batteries, risers, pad sites, utility lines, and similar), all structures located below the surface (i.e. utility lines, all pipelines including flow, gathering, feeder, transmission, and distribution lines, and similar), all roads located on the Property (i.e. lease roads, public access roads, temporary access roads, and similar), and all other structures or planned disturbances on the Property must be memorialized by a separate easement, permit, contract or other agreement and each will be subject to this Schedule.
- C. TAMUS requires that all administrative fees be paid prior to processing any easement, right-of-way, contract or other agreement. Additional administrative costs may be assessed as additional consideration during a negotiation.
- D. All Operations, including construction, production, maintenance, repair, removal, and remediation, require negotiation of terms, restrictions, and fees, as well as execution of relevant documents granting access, permission, and approval for the Operations. All fees are payable prior to entry on the Property.
- E. Approval for entry on the Property will not be granted for construction to begin until TAMUS has received fully executed copies of all relevant documents, which MUST subsequently be filed, at the expense of the requesting party, in the Official Records of the county in which the

- Property is located. Additionally, approval to proceed with construction will not be granted until TAMUS has received payment for all anticipated damages and fees. All additional payments, including those for damages not anticipated prior to beginning of construction, must be received within 30 days following completion of construction.
- F. Prepayment of anticipated damage fees does not preclude additional damage fees that may be charged in the event damages are greater than anticipated.
 - G. SREO is to be notified by grantee or permittee no less than 72 hours prior to entry on the Property and immediately after Operations have ceased. In an emergency situation, the appropriate local agencies and/or authorities should be notified immediately to manage the emergency, followed by contacting the SREO as soon as reasonably possible. The surface lessee, surface owner, mineral lessee, and/or mineral owners, if applicable, should also be notified prior to entry on the Property.
 - H. Sand, gravel, rock, caliche, and other materials may not be used or removed from the Property without the express written consent of TAMUS.
 - I. Unless otherwise stated in the instrument, easements, permits, contracts and other agreements cannot be assigned without the prior written consent of TAMUS.
 - J. TAMUS reserves the right to assign one or more of its employees, agents, or contractors to accompany work crews during Operations in order to inspect and oversee TAMUS' interests.
 - K. TAMUS reserves the right to require grantees and permittees to follow certain restrictions during Operations.
 - L. All fees and rates stated in this Schedule are suggested minimums and actual charges may vary.
 - M. Damage settlement fees are calculated based upon the reduction in the value of all real and personal property of TAMUS due to Operations, TAMUS' loss of revenue due to Operations, and direct damage such as loss of trees and crops, and such fees will be determined and assessed through direct negotiation between TAMUS and the Requestor. **Notwithstanding the foregoing, the value of TAMUS' property being used for research activities is very difficult to determine and far exceeds the market value for typical property; therefore, the value of TAMUS' research property for damage purposes shall be determined in TAMUS' sole and absolute discretion.**
 - N. All other fees will be determined and assessed through direct negotiation between TAMUS and the Requestor.

IV. Administrative Fees

NOTE: Administrative fees apply to each individual instrument and cover those costs associated with SREO personnel’s administration of the internal processing, filing, and management of requests within the TAMU System. Administrative fees are to be paid by the Requestor before research and/or processing will begin. No refunds will be issued once processing has begun. Certain fees may be eligible for waiver.

1.	Easement	\$500
2.	Access Permit	\$500
3.	Assignment	\$500 (per assignee)
4.	Consent to Assignment	\$500 (per assignee)
5.	Water Use Agreement	\$500
6.	Site Permit or Site License	\$500
7.	Amendment	\$1,000
8.	Surface Use Agreement	\$1,000
9.	Surface Lease	\$1,000
10.	Oil, Gas and Mineral Lease	\$1,500
11.	Geophysical Survey Permit	\$1,500
12.	Other	\$500 (minimum)

V. Easements

- A. Easement fees are intended to compensate TAMUS for the loss of use of the property, damages, and/or the detrimental effects resulting in loss of value to the easement property itself. Easement fees do not include any other damage, nor do they include future damages related to the maintenance, repair, replacement, or removal of the line/improvements in the easement.
- B. Easement fees are independent and separate from Administrative fees.
- C. Certain entities such as political subdivisions, governmental agencies, and quasi-governmental entities may be eligible for an exemption from fees for public utility easements, depending on the benefit provided to TAMUS. For purposes of this guideline, quasi-governmental entities will be defined as not-for-profit entities created by Federal or State law for purposes of providing a public good.
- D. Certain fees may be waived for certain situations and for qualified entities at the sole discretion of TAMUS.
- E. Public utilities constructed at TAMUS’ request and that serve solely TAMUS’ interests will be exempt from fees.
- F. Fee rates vary and may be greater than the minimums listed herein based upon multiple factors, including, but not limited to the following: geographic location, current land use,

- planned future development, proximity to or location within research and/or campus lands, benefit of easement to TAMUS, purpose and size of pipeline, utility line or road effecting the Property, and many other factors.
- G. Upon expiration of an easement, unless otherwise directed in writing by TAMUS, all equipment should be removed from the Property and the Property should be returned to its original state, prior to the beginning of Operations.
 - H. An easement fee shall not total less than \$500, unless the fee is waived by TAMUS.
 - I. The minimum rate for a road, pipeline, or utility easement and all other types of easement is **\$100 per rod**. Pipeline and utility easement fees are calculated by taking the fee rate multiplied by the total length of ALL lines to be placed in the easement and are independent of the length of the easement. The fee for easements wider than the standard width may be negotiated based on the square footage of the easement, but not less than \$100 per rod.
 - J. Easements may be assigned only with prior written consent of TAMUS and payment of an Administrative Fee.
 - K. The standard easement width for all pipeline and utility easements is 10 feet. Standard pipeline and utility easements include a temporary construction easement with a maximum total width of 40 feet (the 40 feet will include the term-easement width of 10 feet).
 - L. The standard easement width for all road easements is 20 feet.
 - M. The easement width may not be changed nor may additional lines be added without a new easement being negotiated and executed.
 - N. All sub-surface easements must use double-ditch construction methods, be leveled, inspected and re-leveled after a settling period, and seeded with grass mixtures and methods approved by TAMUS.

VI. Oil & Gas Leases, Pad Site Locations and Associated Appurtenances

- A. The minimum bonus consideration for a directly-negotiated or an auctioned Oil & Gas Lease is market value, but in no event will it total less than \$1,000.
- B. Bonus considerations are independent and separate from Administrative fees.
- C. As part of the process to nominate a parcel for an Oil & Gas Lease Auction, an advertising fee to cover the estimated costs of required public notices will be required to be submitted along with the nomination package.
- D. After an Oil and Gas Lease is executed, the lessee will sign a Surface Use Agreement with TAMUS if TAMUS' property is required for Operations. The Surface Use Agreement will address items such as Pad Site Location Fees, access road construction, pipelines and flowlines, compensation for water use, and other issues.

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- E. The Pad Site Location Fee will include damages **exclusively** for the applicable pad site location. For example, only tank batteries, flow-lines, power lines, and other standard fixtures and equipment typically located on an oil/gas pad site which are located entirely on the applicable pad site will be included in the Pad Site Location Fee. The Pad Site Location Fee may also include the use of a single existing road (if one exists) for ingress/egress (as approved by TAMUS), for which the lessee will assume responsibility of maintaining throughout the duration of the term of the lease.
- F. The Pad Site Location Fee does not include any damages occurring outside the boundaries of the Pad Site Location and does not include any atypical, unplanned or unforeseen, long-term, irreparable damages occurring on the applicable Pad Site Location that cannot be corrected at the time of reclamation, and that were not originally accounted for in the predetermined estimate of damage costs.
- G. TAMUS may assess additional damages for areas outside the Pad Site Location such as drilling and reserve pits (pre-approval required on the use of pits), any laydown area, and any area of TAMUS' property that is recognizably disturbed or rendered unusable by TAMUS for any period of time greater than 12 hours due to the Operations.
- H. All appurtenances not located within the boundaries of the Pad Site Location will require pre-approval by TAMUS and separate easements or commercial surface leases.
- I. Caliche is **NOT** included in the Pad Site Location Fee. Any caliche removed from TAMUS' property, except for reclaimed caliche, requires pre-approval from TAMUS and consideration.
- J. Any new road access to a location on TAMUS' property requires pre-approval from TAMUS and consideration.
- K. A minimum of 72 hours' advanced notification to the appropriate TAMUS personnel is required prior to any work beginning on TAMUS' property. Failure to properly notify TAMUS may subject the lessee/operator to a penalty of \$1,000 per occurrence.
- L. The Pad Site Location Fee is calculated at a rate of \$0.10 per square foot of pad site area, up to an area of 200,000 square feet. For pad site areas greater than 200,000 square feet, the Pad Site Location Fee will be calculated at a rate of \$0.11 per square foot of pad site area.
- M. The Pad Site Location Fee includes the drilling of a single wellbore, borehole or drill hole on the pad site location. Each additional wellbore, borehole or drill hole which is drilled from within the boundary of an existing Pad Site Location footprint will require an additional payment of \$7,000 per each additional hole drilled.
- N. Damages for re-entry into a wellbore, borehole or drill hole on an existing Pad Site Location, but under a new lease, are calculated at a rate of \$1.00 per foot of total measured depth of the well to be re-entered, including the horizontal section of the wellbore.

- O. After drilling operations are completed, a drilling pad site should be reduced to a production pad site of no more than two acres in area, unless otherwise approved in writing by TAMUS.

VII. Geophysical Survey Permits

Minimum consideration for a Geophysical Survey Permit is calculated at a rate of \$25 per acre for 3-D surveys and at a rate of \$4,000 per mile for 2-D surveys.

VIII. Water Use

Use of surface water and/or groundwater is prohibited unless expressly approved in writing by TAMUS. All requests for water use will be handled on a case-by-case basis.

IX. Payment Information

- A. All consideration, fees and damages payments should be made payable to:

THE TEXAS A&M UNIVERSITY SYSTEM

- B. Unless otherwise noted within this Schedule, the MINIMUM CONSIDERATION will be **\$500**.
C. Remit payment to:

**The Texas A&M University System
Attn: System Real Estate Office
301 Tarrow Street, 6th Floor
College Station, Texas 77840-7896
(979) 458-6350**

X. The Texas A&M University System Representatives

(979) 458-6350

sreo@tamus.edu

<http://www.tamus.edu/legal/real-estate/>

For oil and gas matters:

John Sodolak – Landman – jsodolak@tamus.edu

For all other matters:

Melody Meyer – Senior Real Estate Analyst – melody@tamus.edu

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