

## OIL AND GAS WELL PLUGGING AGREEMENT

This Oil and Gas Well Plugging Agreement (“Plugging Agreement”) is entered into on this \_\_\_ day of November, 2016, by and between the Norton City School District (“District”) Board of Education (“Board of Education”) and Transcontinental Oil & Gas, Inc. (“Transcontinental”).

WHEREAS, Transcontinental and the Board of Education are parties to an Agreement for the Release of Lease, entered into on November \_\_, 2016, a copy of which is attached hereto and incorporated herein by reference, whereby, for the consideration of Fifty Thousand Dollars (\$50,000.00), Transcontinental agreed to release, relinquish, and surrender all right, title, and interest in and to the oil and gas lease described in Summit County, Ohio, Official Record 1910, beginning on page 817, concerning property situated on Lot 35 in the City of Norton, Ohio, containing 9.9092 acres (“Oil and Gas Lease”); and

WHEREAS, pursuant to the Agreement for the Release of Lease, Transcontinental tendered to the Board of Education a Release of the aforementioned Oil and Gas Lease, which the Board of Education accepted and filed in the Summit County, Ohio, Recorder’s Office; and

WHEREAS, Transcontinental has been paid Fifty Thousand Dollars (\$50,000.00) by the Board of Education as consideration for the Release of Lease; and

WHEREAS, pursuant to a General Warranty Deed, signed October 18, 2012, and on file in the Summit County, Ohio, Recorder’s Office, the Board of Education legally possesses all right, title, and interest in and to the property which was subject to the Oil and Gas Lease; and

WHEREAS, there remains on the property which was subject to the Oil and Gas Lease an oil and gas well, identified by the Ohio Department of Natural Resources as the “Milkovich Well No. 1.” The Board of Education desires for Transcontinental to supervise and direct the plugging of the Milkovich Will No. 1, in accordance with Chapter 1509 of the Ohio Revised Code, Chapter 1501:9-11 of the Ohio Administrative Code, and all applicable rules, regulations, and procedures set forth by the Ohio Department of Natural Resources; and

WHEREAS, Transcontinental desires to supervise and direct the plugging of the Milkovich Well No. 1, pursuant to the Board of Education’s request, in accordance with the terms and conditions set forth in this Plugging Agreement.

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein, the parties hereby agree as follows:

1. Description of Work:

Transcontinental shall supervise and direct the plugging of the Milkovich Well No. 1 (“Well”), which is situated on the property of the Board of Education, in accordance with Ohio law, specifically including Chapter 1509 of the Ohio Revised Code, Chapter 1501:9-11 of the Ohio Administrative Code, and all applicable rules, regulations, and

procedures set forth by the Ohio Department of Natural Resources (the “Work”). Transcontinental shall be solely responsible for and shall have control over the plugging means, methods, techniques, sequences, and procedures, and for coordinating all portions of the Work” under this Plugging Agreement with any contractors or subcontractors hired by Transcontinental to complete such work.

2. Restoration:

During the plugging of the Well, Transcontinental shall keep the work site and surrounding area free from any unreasonable accumulation of debris and waste materials. Upon completion of the work, Transcontinental shall be responsible to remove all debris, waste, and surplus materials or rubbish remaining on the plugging work site, and shall restore the site to its natural condition.

3. Schedule of Work:

Work on the plugging of the Well shall begin by \_\_\_\_\_, 2016, and shall be completed by \_\_\_\_\_, 2016, excepting delays beyond Transcontinental’s control. “Complete” shall mean that the Well is plugged, in accordance with this Plugging Agreement, and that the work site is restored to its natural condition.

4. Payment:

The Board of Education shall pay to Transcontinental a total sum of Twenty-Five Thousand Dollars (\$25,000.00), as consideration for the performance of the plugging of the Well (“total sum”). Half of the total sum, Twelve Thousand Five Hundred Dollars (\$12,500.00), is to be paid in advance of the start of plugging work, in the form of a check made payable to Transcontinental. The remaining half of the total sum, Twelve Thousand Five Hundred Dollars (\$12,500.00), is to be placed in a mutually agreeable escrow account, and shall not be released to Transcontinental by the Board of Education until the final completion of the Work described in this Plugging Agreement as determined by the Board of Education.

5. Liability:

Transcontinental shall be solely responsible for the acts and omissions of Transcontinental’s employees, contractors, subcontractors, and their agents and employees, and other persons performing portions of the Description of Work under this Plugging Agreement. The Board of Education shall not be contractually liable to any of Transcontinental’s employees, contractors, subcontractors, their agents or employees, or other persons performing portions of the Description of Work.

6. Indemnification:

Transcontinental shall protect, indemnify, and hold harmless the Board of Education, its members, administrators, employees, and agents from any and all claims, losses, fines,

penalties, and damages for injury to person or property of any individual or entity directly or indirectly caused or resulting from Transcontinental, its employees or contractors or subcontractors' performance of work pursuant to this Plugging Agreement. This provision does not eliminate, limit, or reduce any other immunity or defense that the Board of Education or its members, administrators, employees, or agents may be entitled to under Chapter 2744 of the Ohio Revised Code or any other applicable state or federal law.

7. Insurance:

Transcontinental shall maintain general liability insurance in the amount of \$1,000,000.00. Transcontinental shall also maintain workers compensation coverage in the minimum amounts required by Ohio law and automobile liability insurance coverage in the minimum amount of \$1,000,000.00 each. Excess or umbrella coverage may be used to meet these levels of insurance. Transcontinental shall provide a certificate of insurance showing the required coverages. Transcontinental also agrees to provide the Board of Education with at least thirty (30) days' notice prior to any changes in coverage of the required insurance.

8. Compliance with Laws:

Transcontinental shall comply with all federal, state, and municipal laws, rules, regulations, use permits and all conditions and restrictions regarding the use and condition of the property of the Board of Education and regarding Transcontinental's activities thereon. Transcontinental agrees to handle, store, use or dispose of hazardous materials associated with the well plugging process to the extent customary or necessary for use of the property by the Board of Education for the education of children. Transcontinental further agrees to handle, store, use and dispose of any such hazardous materials in a safe and lawful manner, and in compliance with state and federal law, including, but not limited to, relevant environmental protection laws.

9. Safety:

Transcontinental shall take all reasonable precautions for the safety of, and shall provide protection to prevent damage, injury, or loss to: (a) persons who may be directly injured during the work; (b) the Well and all associated structures; and (c) all Board of Education property and improvements at the site of the Well or adjacent thereto.

10. Warranty:

Transcontinental warrants and guarantees that:

(a) The Board of Education will have good title to the Work and all materials and equipment incorporated into the work will be new;

(b) The Work and all materials and equipment incorporated into the Work will be free from all defects, including any defects in workmanship or materials;

(c) The Work and all equipment incorporated into the Work will be fit for the purpose for which intended;

(d) The Work and all materials and equipment incorporated into the Work will be merchantable; and.

(e) The Work and all materials and equipment incorporated into the Work will conform in all respects to Ohio law.

11. Entire Agreement:

This Plugging Agreement contains the entire agreement between the parties hereto with respect to the subject matter, and there are no oral promises or other representations inducing its execution or qualifying its terms.

12. Amendment:

This Plugging Agreement may not be revised, altered, or modified in any way by any practice or course of dealing, but may be modified or amended only by an instrument in writing duly executed by both parties hereto.

13. Assignment:

Neither party may assign or otherwise transfer, voluntarily or by operation of law, its rights or obligations under this Plugging Agreement.

14. Governing Law:

The laws of the State of Ohio shall govern the validity, performance, and enforcement of this Plugging Agreement.

15. Severability:

Each provision of this Plugging Agreement, and any portion thereof, shall be considered severable. If, for any reason, any provision or portion thereof is determined to be invalid or contrary to any applicable law, rule, or regulation by a court of law, the remaining provisions and unaffected portions thereof shall be unimpaired, remain binding on the parties, and continue to be given full force and effect.

16. Authority:

Each party hereto represents and warrants to the other that the individual signing this Plugging Agreement has the full authority to bind the party for which the individual is signing.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

NORTON CITY SCHOOL  
DISTRICT BOARD OF EDUCATION

TRANSCONTINENTAL OIL & GAS, INC.

By: \_\_\_\_\_  
Board President

By: \_\_\_\_\_  
President/C.E.O.

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