

Line No. \_\_\_\_\_

R/W No. \_\_\_\_\_

**PIPELINE RIGHT-OF-WAY OPTION AGREEMENT**

This Pipeline Right-of-Way Option Agreement, made this        **day of**        , **20**        , between:        , whose address is        (hereinafter “Landowner”), and **Appalachia Midstream Services, L.L.C.**, whose address is        (hereinafter “AMS”)

**WITNESSETH:**

**GRANT.** For and in consideration of **Five hundred and 00/100 Dollars (\$500.00)**, the receipt of which is hereby acknowledged, and in consideration of the premises, and the mutual covenants and agreements hereinafter set forth, Landowner grants to AMS and its successors and assigns the right to construct, maintain, operate, replace or alter the size of, without interruption of service, and remove or abandon pipelines for transporting of gas or fluids, whether hydrocarbon or non-hydrocarbon, including water used in or resulting from oil and gas well drilling and production operations, gas or fluids produced or derived from wells, lands and/or formations not owned or controlled by Landowner herein, and appurtenant above-ground facilities including temporary surface water lines for drilling, completion, testing and production operations when necessary, and appurtenant above-ground facilities, including cathodic protection, fluid removal, and data acquisition facilities, using methods and techniques not restricted to current technology; to perform necessary pre-construction work; to install electric power and telephone service, and to have reasonable off right-of-way ingress to and egress from its facilities across lands herein described or on lands contiguous thereto which are owned by Landowner; across and through the Landowner’s lands located all or in part in the **Township of**        ,        **County, State/Commonwealth of**        , and described as follows:

Tax Map No.        -

bounded currently or formerly as follows:

- On the North by lands of        ;
- On the East by lands of        ;
- On the South by lands of        ;
- On the West by lands of        ;

including lands acquired by Deed from        , dated        , and recorded in Book/Page        , and including contiguous or appurtenant lands owned by Landowner.

**AMS’S RIGHT OF POSSESSION.** At the time of pipeline construction, or during times of pipeline maintenance, replacement, or removal, AMS is granted reasonable temporary off right-of-way use of the above-described lands while exercising its operations. Once the initial pipeline is constructed hereunder, a Right-of-Way Area will be established which will occupy all of the lands herein described which lie within twenty-five (25) feet on each side of said pipeline, and this Right-of-Way Area or parts thereof will be maintained by AMS. In the event that the original Right-of-Way Area becomes unsuitable for existing or future pipeline facilities, AMS is granted the right to reasonably relocate the Right-of-Way Area away from said unsuitable area.

**LANDOWNER’S RIGHT OF POSSESSION.** All pipelines installed by AMS will be buried to a depth of at least three (3) feet below the surface, where reasonably possible. Landowner may fully use and enjoy the premises, except for AMS’s rights under this Agreement. However, Landowner shall not change the depth of cover over pipelines or obstruct the Right-of-Way Area in a manner which would impede AMS’s ability to operate and maintain its facilities. Landowner further agrees to be observant to AMS’s facilities in instances where Landowner’s actions might result in an unsafe situation.

**LANDOWNER’S WARRANTY.** Landowner warrants that, to their knowledge, the lands encompassed by this Right-of-Way Area have not been used as a dump site and contain no substances or materials which if disturbed would cause or threaten to cause impairment to human health or the environment.

**DAMAGES.** AMS will remove unnecessary equipment and materials and reclaim the Right-of-Way Area at the completion of construction activities, and will repair any damaged improvements to the land, such as fences, drain tiles and the like.

**PAYMENT TERMS.** Landowner and AMS mutually agree this Agreement is an option agreement. In the event AMS does not exercise this option within two (2) years from the date hereof, this Agreement shall become null and void. The parties agree that AMS shall exercise the option by

commencing operations on the subject lands. Within 60 days of the date operations commence, AMS agrees to pay the sum of **\$6,500.00** per disturbed acre as a one-time payment for consideration and actual surface damages incurred by Landowner (including damages to crops and marketable timber) as a result of AMS's occupation and use of the Right-of-Way. The acreage figure used in this calculation shall be determined by multiplying **one hundred (100)** feet by the total length of pipeline installed across the described premises. In the event actual surface damages incurred by Landowner exceed the damages amount provided for by the per disturbed acre damage calculation formula referenced above, upon receipt of appropriate documentation evidencing same AMS agrees to issue Landowner a supplemental damage payment for additional damages incurred.

**TITLE CURATIVE.** Landowner agrees to execute affidavits, ratifications, amendments, permits and other instruments as may be necessary to carry out the purpose of this Agreement.

**COUNTERPART AGREEMENTS.** This Agreement may be executed in one or more counterparts, each of which shall be deemed original, and all of which together shall constitute one and the same instrument. If, for any reason, any party named herein fails to execute this contract, it shall, nevertheless, be binding upon the signing parties.

**SUCCESSORS.** AMS, and AMS’s successors and assigns, will have the right to assign or transfer this Pipeline Option Right-of-Way Agreement in whole or in part. All rights and duties under this Pipeline Right-of-Way Option Agreement benefit and bind Landowner and AMS, and its heirs, successors and assigns.

**See addendum attached hereto and by this reference made a part herof.**

**IN WITNESS WHEREOF,** Landowner hereunto sets hand and seal on the date appearing above.

Subscribing Witness \_\_\_\_\_ (Seal)

Subscribing Witness \_\_\_\_\_ (Seal)

Document prepared by: Appalachian Midstream Services, LLC

**ACKNOWLEDGMENT**

STATE OF **Pennsylvania**)  
 ) SS:  
COUNTY OF )

On this, the      day of      , 20      , before me a notary public, the undersigned officer, personally appeared known to me (or satisfactorily proven) to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged that he/she/they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: \_\_\_\_\_  
Signature/Notary Public: \_\_\_\_\_  
Name/Notary Public (print): \_\_\_\_\_

## **ADDENDUM**

This Addendum is attached to and made a part of that certain Pipeline Right-of-Way Option Agreement made this       day of       , 20       , between       ;, whose address is       (hereinafter “Landowner”), and Appalachia Midstream Services, L.L.C., whose address is       (hereinafter “AMS”). If any of the following provisions conflict with or are inconsistent with any of the printed provisions or terms of this Pipeline Right-of-Way Agreement, the following provisions shall control.

### **Pipeline location approval**

Provided Landowner is the surface owner of the affected lands at the time of AMS’s construction/installation operations, AMS and Landowner shall mutually agree on all pipeline locations, which consent shall not be unreasonably withheld, delayed or conditioned by Landowner.

### **Rider requiring PL to be buried below plow depth**

AMS will bury and maintain all pipelines below ordinary plow depth in such a manner so as not to interfere with the usual farming and agricultural practices conducted on the premises.

### **Rider requiring PL to be buried below plow depth [36 inches below surface]**

All pipelines which AMS may place on cultivated land shall be buried so that the top of the line is at least thirty-six (36) inches below the surface of the ground, where reasonably possible.

### **Fencing**

In the event AMS temporarily removes a fence or a portion of a fence in connection with its pipeline construction/installation operations on the premises, AMS agrees to replace said fence with that of a like kind and quality upon completion of its operations. Stone fences will be replaced with fences and gates.

### **Fence “Repair” Clause**

In the event AMS temporarily removes a fence or a portion of a fence in connection with its pipeline construction/installation operations on the premises, AMS agrees to replace said fence with that of a like kind and quality upon completion of its temporary operations. In the event AMS removes a fence or a portion of a fence in an area where AMS will need future access, AMS shall, within a reasonable time, install a gate at the entry point on the property which was previously isolated by the fence.

### **Gate Clause**

Upon the written request of Landowner, AMS shall install a gate at the entrance of any opening/clearing constructed by AMS on the premises. Any locks installed are to allow AMS access to Right of Way. AMS shall comply with all reasonable rules and regulations imposed by Landowner with regard to opening, closing, and locking of gates.

### **Reclamation**

Within six (6) months of completion of operations, weather permitting, AMS shall restore the disturbed areas to as near as possible the condition which existed prior to commencement of operations.

### **Reclamation**

AMS shall construct or install all Rights of Way in a manner which would minimize any related soil erosion. Further, any related surface reclamation shall be done in a manner which restores said land as nearly to original contours as reasonably practical.

### **Stack timber at accessible location**

If requested to do so by Landowner, AMS will stack off of the Right-of-Way in a location accessible by Landowner any/all merchantable timber cut by AMS on the premises.

### **Rider re. cooperation with timber operations**

AMS acknowledges the value of the timber on the subject premises, and agrees to cooperate with the Landowner with regard to the location of the proposed pipeline in an effort to minimize the impact to present and/or future logging operations.

### **Indemnification**

AMS agrees it will protect and save and keep landowner harmless and indemnified against and from any penalty or damage or charges imposed for any violation of any laws or ordinances, whether occasioned by

the neglect of AMS or those holding under, and AMS will at all times protect, indemnify and save and keep harmless the landowner against and from any and all loss, damage or expense, including any injury to any person or property whomsoever or whatsoever arising out of or caused by any negligence of AMS or those holding under AMS.

#### Reburial of pipeline

In the event the pipeline installed under the terms of this agreement becomes exposed due to erosion, upon request by Landowner, and within a reasonable period of time, AMS shall cover or re-bury said exposed section.

#### Compliance with regulations

AMS agrees to maintain knowledge of those federal and state regulations, orders, rules and laws, environmental and otherwise, which govern the construction and use of said pipeline, and further agrees to comply with same.

#### Pipeline markers

The location(s) of any pipeline(s) constructed/installed by AMS on the premises under the terms of this agreement shall be indicated by proper markers. Pipeline markers shall be installed at intervals to allow visual sighting from consecutive markers.

#### Ad valorem tax clause

In the event AMS's activities upon the premises under the terms of this agreement results in the assessment of additional taxes or an increase of existing taxes, AMS agrees to reimburse Landowner for same, but only to the extent that those additional or increased taxes are directly attributable to AMS's operations.

#### Protection of livestock & damages

During pipeline construction/installation operations, AMS agrees to take all reasonable measures to protect the livestock located on the premises so none of the livestock are injured or killed. In the event any livestock are injured or killed during pipeline construction/installation operations as a result of AMS's operations, AMS shall pay Landowner for the livestock injured and/or killed at an amount equal to the reasonable market price for the livestock.

#### Water Damage

In the event any activity carried on by AMS pursuant to the terms of the Pipeline Right-of-Way Option Agreement damages, disturbs, or injures Landowner's fresh water well or source located on the Landowner's premises, AMS shall at its sole cost and expense use its best efforts to correct any such damage, disturbance or injury.

#### CRP, Clean & Green, etc.

AMS understands that the lands described herein may be under and subject to Federal and/or State Agricultural programs and, AMS, its successors and assigns accepts responsibility for and agrees to pay any and all roll-back real estate taxes and/or any and all assessments related to Clean & Green, CRP, or CREP (and including, but not limited to, interest and penalties thereon) which are assessed on that portion of the lands affected as a result of AMS's operations hereunder.

#### Abandonment

To have and to hold said Right-of-Way unto AMS, its survivors and assigns, until the pipeline or pipelines have deteriorated to the extent it is no longer operable, or when the pipeline no longer has any source of natural gas to transport or when AMS permanently removes or abandons the pipeline. In the event there is an abandonment of pipeline AMS or its successors will turn over Right-of-Way to landowner of record.

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