

DATE: APRIL 6, 2009

CLERK: MARY BETH BAILEY

MASSILLON CITY COUNCIL
CITY OF MASSILLON, OHIO
GLENN E. GAMBER, PRESIDENT

COUNCIL CHAMBERS

LEGISLATIVE DEPARTMENT

ORDINANCE NO. 59 - 2009

BY: PUBLIC UTILITIES COMMITTEE

TITLE: AN ORDINANCE authorizing the Director of Public Service and Safety of the City of Massillon, Ohio, to enter into a Non-Surface Development Gas & Oil Lease with Range Resources Appalachia, LLC for a 7.52 acre parcel owned by the City of Massillon, and declaring an emergency.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MASSILLON, STATE OF OHIO, THAT:

Section 1:

The Council of the City of Massillon, Ohio, hereby determines it to be necessary in the public health, safety and welfare to enter into a Non-Surface Development Gas & Oil Lease with Range Resources Appalachia, LLC for a 7.52 acre parcel owned by the City of Massillon.

Section 2:

The Director of Public Service and Safety of the City of Massillon, Ohio, is hereby authorized to enter into a Non-Surface Development Gas & Oil Lease with Range Resources Appalachia, LLC for a 7.52 acre parcel owned by the City of Massillon. A copy of the Non-Surface Development Oil & Gas Lease and map is attached hereto as Exhibit "A".

Section 3:

This Ordinance is hereby declared to be an emergency measure necessary for the preservation of the health, safety and welfare of the community and for the additional reason that it is necessary that this oil and gas lease is signed. Provided it receives the affirmative vote of two-thirds of the elected members to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

PASSED IN COUNCIL THIS 4th DAY OF May 2009

APPROVED: Mary Beth Bailey Glenn E. Gamber
MARY BETH BAILEY, CLERK OF COUNCIL GLENN E. GAMBER, PRESIDENT

APPROVED: May 5, 2009 Francis H. Cicchinelli, Jr.
FRANCIS H. CICCHINELLI, JR., MAYOR

I hereby certify that the foregoing ordinance
is a true copy of the original, as passed by
the Council of the City of Massillon, Ohio,
and approved as noted thereon:

Mary Beth Bailey
Clerk of Council

Date 5/4/09

NON-SURFACE DEVELOPMENT OIL & GAS LEASE

THIS LEASE, made this ____ day of _____, 2008, by and between the CITY OF MASSILLON, OHIO, a municipal Corporation, of 151 Lincoln Way East, Massillon, OH 44646, hereinafter called Lessor, and Range Resources-Appalachia, LLC, 125 St. Rte 43, P.O. Box 550, Hartsville, OH 44632, hereinafter called Lessee, do agree:

1. Lessor, for and in consideration of One dollar (\$1.00) in hand paid by Lessee, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, grants to Lessee all the oil and gas in the lands described below, with the exclusive right to operate for, produce and market same from a well or wells on other lands; and the right to unitize Lessor's lands, or any portion, or strata, with other lands into a drilling unit of no more than one hundred sixty (160) acres. This Lease is for five (5) years, and as long thereafter as operations are being conducted on any such unit or oil or gas can be produced in paying quantities in Lessee's judgment from any such unit. This lease covers all of Lessor's land in and adjoining Part of Out Lot 425 and Lots 12387 & 10502 in the City of Massillon, Stark County, Ohio, containing 7.52 acres, more or less, and bounded substantially, now or formerly, as follows:

Parcel ID #(s) 0680395 0680617 0680616

Or further described as: Portion of Sippo Park at 17th St & Hankins Road, Massillon

Being the property described in Deed Volume(s)/Page(s) 3992/617

SEE EXHIBIT "A" attached hereto and made a part hereof

2. Lessor shall be paid as royalties a proportional share of one-eighth (1/8) of "Proceeds Realized" by Lessee on all the oil and gas produced and marketed from each well drilled and unitized, as the amount of the Lessor's acreage in the unit bears to total acreage in the unit, the same to be paid by the end of the next month following Lessee's receipt of payment for same, less any tax imposed by any government body, including but not limited to the severance tax. "Proceeds Realized" shall mean the price received by Lessee for oil and gas marketed and sold at the delivery point less any charges for transportation, dehydration, compression and marketing paid by Lessee to deliver the oil and gas for sale.

3. No well shall be drilled on Lessor's property, nor shall Lessee enter upon or install any installation of any nature whatsoever on the leased property. The within Lease being granted for the purpose of permitting Lessee to unitize the leased property with other properties, which other properties shall bear all the burden of surface development. Lessor understands and gives consent that, due to slant (directional) drilling originating from surface entry on a parcel not owned by Lessor, the wellbore may pass through or terminate below the surface of Lessor's property.

4. This Lease shall be binding on all heirs, successors and assigns of Lessor and Lessee. If the leased land is hereinafter owned in separate tracts, the premises, nevertheless, shall be treated as an entirety and all payments due shall be paid proportionally (on an acreage basis) to each separate owner, and if Lessor owns less than the entire fee, Lessor shall be paid only his proportional share of any payment due. Lessee may at any time assign or surrender this Lease in whole or in part.

5. No change of ownership in the leased premises or in the rentals or royalties hereunder shall be binding on Lessee until after notice to the Lessee either by delivery of notice in writing duly signed by the parties to the instrument of conveyance or assignment and delivery of such original instrument or a duly certified copy thereof to the Lessee.

6. In the event Lessor considers Lessee has not complied with its expressed or implied obligations hereunder, Lessor shall notify Lessee in writing indicating specifically what Lessee allegedly has breached. Lessee shall have 30 days after receipt of said notice to meet or commence to meet any part of the breached alleged by Lessor. Lessor shall not bring any action against Lessee until after 30 days after service of such notice on Lessee.

7. Lessor hereby warrants and agrees to defend title to the land herein described and agrees that Lessee, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied or assessed on or against the said lands and, in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself for any payments due hereunder.

8. Lessee agrees to indemnify, protect, save harmless and defend Lessor from and against any loss, claim or expense, including without limitation claims for injury or death to persons or damage to property occurring as a result of Lessee's use of the premises, or as a result of loss, expense, injury, death or damage, which would not have occurred but for Lessee's use of the premises, except to the extent any such damage or injury is caused by Lessor's negligence.

9. Lessee agrees to pay a one-time signing bonus of \$ 300.00 payable within 90 day of execution of this lease.

Signatures of Lessor(s):

THE CITY OF MASSILLON, OHIO

Michael J. Loudiana, Director of Public Safety and Service, for the
City of Massillon, Ohio, a municipal corporation

CORPORATE ACKNOWLEDGEMENT

STATE OF OHIO

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) SS:

COUNTY OF STARK

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On this, the _____ day of _____, 2008 before me, the undersigned officer, personally appeared Michael J. Loudiana as Director of Public Safety and Service of The City of Massillon, OHIO, a municipal corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the free act and deed of said City of Massillon, OHIO, a municipal corporation, and that he executed the same as an act of said City for the purpose and consideration therein expressed, and in the capacity therein stated.

In witness whereof, I hereunto set my hand and official seal.

My Commission Expires: _____

Notary Public _____

EXN.D11 A



STARK COUNTY TAX MAP

MASSILLON
MAP NUMBER 16
TAX DISTRICT 06
SCALE 1"=100'

REVISED 04-04-07 JMS
CDS JAMES 04-03-04MS BPT

Dear Property Owner:

Thank you for entering into an oil and gas lease with our firm. We are pleased to add your property to our exploration and development program Range Resources-Appalachia, LLC pays an initial "bonus" payment to each property owner as consideration for executing the lease. This payment is made after the lease has been properly executed by each interest owner and our representative completes a title check at the courthouse of the county in which your land lies. We check to insure the proper persons have executed the lease, that the oil and gas rights are intact, and the status of other oil and gas leases that may be in term on the leased premises (a complete title examination is done by an attorney prior to drilling). Our landperson then submits the results of his title check along with your lease and a detailed map of your lands to our office in Hartsville for processing. In the office your lease is reviewed by an analyst, the location is placed upon our land maps, and the lease information is input into our computer system. Our accounting department then issues all bonus and other lease payments when due. This process helps protect us from erroneously making bonus payments and safeguards the property owner from accepting monies which may not be theirs due to bad title, reservations of oil and gas, and other existing leases, all of which invalidate our lease. Should you have any question regarding payments or your lease status, please contact our land department at the Hartsville address or telephone number.

Range Resources-Appalachia, LLC hereby agrees to pay the following oil and gas owner the amount below set forth subject to approval of title and management lease review:

LESSOR(S): City of Massillon, OHIO, a municipal corporation

BONUS AMOUNT: \$ 300.00, which shall be paid to Lessor within 90 days from lease date.

LEASE DATE: _____,

LANDMAN: Kathryn D. Borroel

LESSOR: _____ DATE: _____

Michael J. Loudiana, Director of Public Safety and Service