

APPENDIX A

BEST MANAGEMENT PRACTICES FOR LOCATIONS WITHIN HUDSON TOWN LIMITS or USE OF TOWN ROADS

Pursuant to the terms of this MOU, KMG shall include the best management practices listed below on all Form 2s, Application for Permit to Drill, and Form 2As, Oil and Gas Location Assessment (for new wellsites only), submitted to the Commission for new wells KMG drills after the Effective Date within Hudson's town limits or for wells in which KMG must use Hudson Town roads.

Due to the significant number of horizontal wells to be developed in close proximity to the Town of Hudson and the fact that several of these wells will be drilled at the same time, KMG will work with the Town of Hudson to ensure many of the issues brought up by the Town Administrator are addressed in a manner agreeable to both KMG and the Town of Hudson. This will include the following:

1. KMG will perform a road impact study for all roads belonging to the Town of Hudson prior to operations and then a second road impact study subsequent to drilling and completion operations. Findings from the study will be submitted to the Town prior to KMG commencing operations or use of Town roads.
2. KMG will pay for all required repairs to ensure any damaged roads are promptly brought back to their condition prior to operations.
3. KMG will take appropriate steps to adequately protect water and wastewater valve boxes and manholes located along any of its access roads.
4. As appropriate, in conjunction with the Town of Hudson, Anadarko will develop and Anadarko and its subcontractors shall comply with a site specific traffic management plan that will address the following: (1) expected traffic route and timing of such traffic, (2) how traffic in busy or sensitive intersections will be managed and mitigated, and (3) what truck traffic restrictions will be put in place, if any. This plan will be included in Appendix B to this MOU, and shall be amended, as necessary, from time to time. Nothing herein shall prevent KMG from using traffic route (s) not identified herein in the event of emergency or other due to any other lack of access. KMG will act in good faith and communicate any change in access to the Town, to the extent such revised access includes Town Roads.
5. Anadarko will provide the Town of Hudson an emergency response plan prior to commencing operations.