RECITALS

EXISTING LEASE FORM
LEASE FOR OIL, GAS AND OTHER LIQUID
OR GASEOUS MINERALS

STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE

WHEREAS, under the provisions of Sub-Part A of Chapter 2, Title 30 of the Louisiana Revised Statutes of 1950, as amended, and other applicable laws, the State Mineral and Energy Board of the State of Louisiana (sometimes hereinafter referred to as “Mineral Board” or “Board”) advertised for bids for a lease covering oil, gas and other liquid or gaseous minerals in solution and produced with oil or gas on the property described below; and

WHEREAS, in response to required advertisements, bids were received and duly opened in the City of Baton Rouge, Parish of East Baton Rouge, State of Louisiana on the ^^, at a meeting of the State Mineral and Energy Board of the State of Louisiana; and

WHEREAS, by resolution duly adopted, the State Mineral and Energy Board accepted the bid of ^^ whose mailing address is ^^ (hereinafter referred to as “Lessee”) as being the most advantageous to the State of Louisiana:

NOW THEREFORE, be it known and remembered that the State Mineral and Energy Board of the State of Louisiana, acting under said authority for and in behalf of the State of Louisiana, as Lessor, does hereby lease, let, and grant exclusively unto the said Lessee, and Lessee’s successors and assigns, the property described below for the purpose of exploring by any method, including but not limited to geophysical and geological exploration for formations or structures and prospecting and drilling for and producing oil, gas, and any other liquid or gaseous minerals in solution and produced with oil or gas, hereinafter sometimes referred to for convenience as oil, gas or other liquid or gaseous mineral. In connection therewith Lessee shall have the right to use so much of the property as may be reasonably necessary for such operations, including but not limited to storing minerals and fluids in facilities or by means other than subsurface storage; laying pipelines; dredging canals; and building roads, bridges, docks, tanks, power stations, telephone and electric transmission lines, and other structures and facilities. The leased property, situated in the Parish of ^^ State of Louisiana, is more fully described as follows:

This lease excludes free sulphur, potash, lignite, salt and other solid minerals. Lessee shall not have any rights to explore, drill for, mine, produce or take any action whatsoever in regard to any such solid mineral deposits.

Notwithstanding any language herein to the contrary, the rights granted herein exclusively to the mineral Lessee shall be subject to the surface usage for seismic and geophysical exploration by any
seismic permittee of the state whose valid permit predates the effective date of this mineral lease and includes all or a portion of the surface area encompassed within the geographical boundary of the leased premises herein. The said seismic permittee shall owe the mineral Lessee no duty to share seismic or geophysical information acquired under the predating permit nor to reimburse the mineral Lessee for surface usage, but said seismic permittee shall not unreasonably interfere with the mineral Lessee’s exercise of its rights acquired hereunder and shall owe the mineral Lessee reasonable reimbursement for any actual damages caused by the seismic or geophysical operations carried out under the predating permit.

Further, in accordance with Article XII, Section 10 of the Constitution of Louisiana, and notwithstanding any language herein to the contrary, the rights granted herein exclusively to the mineral Lessee shall be subject to the surface usage for integrated coastal protection or hurricane and flood protection projects promulgated, funded and effected through the State of Louisiana, the Louisiana Coastal Protection and Restoration Authority, the Louisiana Office of Coastal Protection and Restoration, and the Department of Natural Resources and its divisions, whether solely or in conjunction with other state, local or federal governmental agencies or with private individuals or entities. Lessee shall hold the State of Louisiana, its political subdivisions, the Louisiana State Mineral and Energy Board, the Department of Natural Resources and its divisions, the Louisiana Coastal Protection and Restoration Authority, the Louisiana Office of Coastal Protection and Restoration, the United States, and each of their agents and employees, and all other relevant agencies free and harmless from any claims for loss or damages to the rights of any party arising under this lease or any other contract, lease, permit, or license granted to any individual or other entity for any purpose on state lands or water bottoms from diversions of freshwater or sediment, depositing of dredged or other materials, integrated coastal protection project, or any other actions, taken for the purpose of management, preservation, enhancement, creation, protection, or restoration of coastal wetlands, water bottoms, or related public or renewable resources. The mineral Lessee, in the exercise of its exclusive rights granted hereunder, shall utilize the best technology available, including directional drilling so as to minimize interference with the ongoing surface usage entailed in the development, construction and maintenance of the said integrated coastal protection and/or hurricane and flood protection projects which will now or may utilize all or a portion of the premises leased for mineral exploration and development herein. Rights to geothermal resources are specifically excluded from this lease.

**AUGUST 2016 DRAFT LANGUAGE**

**LEASE FOR OIL, GAS AND OTHER LIQUID OR GASEOUS HYDROCARBON MINERALS**

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

Louisiana State Lease Form Revised 2016

WHEREAS, under the provisions of Subpart A of Chapter 2, Title 30 of the Louisiana Revised Statutes, and other applicable laws, the State Mineral and Energy Board (“Board”) of the State of Louisiana (“State” or “Lessor”) advertised for bids for a lease covering oil, gas and other liquid or gaseous hydrocarbon minerals in solution produced with oil or gas on the property described below; and
WHEREAS, in response to required advertisements, bids were received and duly opened in the City of Baton Rouge, Parish of East Baton Rouge, State of Louisiana on the ___ day of ________________, 20XX at a meeting of the Board; and

WHEREAS, on the ___ day of ________________, 20XX ("Effective Date"), the Board accepted the bid of and awarded this Lease to ________________________________ ("Lessee"), whose address is _______________________________________, as the most advantageous to the State as Lessor.

NOW THEREFORE, be it known and remembered that the Board, acting under said authority for and on behalf of the State, as Lessor, does hereby lease, let and grant unto said Lessee the Leased Premises as defined below for the purpose of exploring by any method including, but not limited to seismic, geophysical and geological exploration for formations or structures, prospecting, drilling for and producing oil, gas and any other liquid or gaseous hydrocarbon minerals in solution produced with oil or gas, hereinafter sometimes referred to as oil, gas or other liquid or gaseous minerals. This grant of authority shall include the exclusive right to explore and produce oil, gas and other liquid or gaseous hydrocarbon minerals in solution produced with oil or gas on the Leased Premises at the depths covered by this Lease. In connection therewith, Lessee shall have the right to use so much of the Leased Premises as reasonably may be necessary for such operations including, but not limited to storing minerals and fluids in facilities (or by means other than subsurface storage), laying pipelines, dredging canals, building roads, bridges, docks, tanks, power stations, telephone and electric transmission lines, and other structures and/or facilities.

The property ("Leased Premises") subject to this Lease, situated in the Parish(es) of __________, State of Louisiana, is more fully described as follows:

(PROPERTY DESCRIPTION)

This Lease excludes free sulfur, potash, lignite, salt and other solid minerals, and geothermal energy. Lessee shall not have any right to explore, drill for, mine, produce or take any action whatsoever in regard to any such solid mineral deposits, nor any right under this Lease in regard to alternative energy sources as defined by La. R.S. 30:124.

Should this Lease, when executed or thereafter, not cover all depths as to the Leased Premises or a portion thereof, the rights of Lessor or another lessee to conduct operations for the exploration, development and production of oil, gas or other liquid or gaseous minerals as to such excluded depths shall be exercised with reasonable regard for the rights of Lessee (as provided in La. R.S. 31:11), and vice versa.

Notwithstanding any language herein to the contrary, the rights granted herein to Lessee shall be subject to the surface usage for seismic and geophysical exploration by any seismic permittee of the State whose valid permit predates the Effective Date of this Lease but only to the extent that such permit covers all or a portion of the surface area encompassed within the geographical boundary of the Leased Premises. The said seismic permittee shall owe Lessee no duty to share seismic or geophysical information acquired under the predating permit nor to reimburse Lessee for surface usage, but said seismic permittee shall not unreasonably interfere with Lessee’s exercise of its rights acquired hereunder.

Notwithstanding any language herein to the contrary, the rights granted herein to Lessee shall be subject and subservient to surface usage for integrated coastal protection or hurricane and flood protection projects promulgated, funded and/or effected through the State of Louisiana, the Coastal Protection and Restoration Authority, the Department of Natural Resources and/or their divisions, whether solely or in conjunction with other federal, state or local government agencies, or with private individuals or entities. Lessee shall hold the State, its departments, agencies, boards and commissions including, without limitation, the Coastal Protection and
Restoration Authority, the Department of Natural Resources, the Office of Mineral Resources ("OMR"), the Board and their officers, employees, agents and representatives, and the United States government, its departments, agencies and divisions, together with their respective officers, employees, agents and representatives, free and harmless of and from any claims, actions and/or causes of action, except as limited by law, for loss, harm or damage to the rights of any party arising under this Lease or any other contract, permit or license of Lessee related to this Lease caused by the diversion of freshwater or sediment, depositing of dredged or other materials, integrated coastal protection projects, or any other such action taken for the purpose of management, preservation, enhancement, creation, protection or restoration of coastal wetlands, water bottoms or related public or renewable resources. Lessee, in the exercise of its rights granted hereunder, shall utilize the best technology commercially available, including directional drilling, so as to minimize interference with the ongoing surface usage entailed in the development, construction and maintenance of said integrated coastal protection and/or hurricane and flood protection projects.

The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provision of this Lease.

The references in this Lease to statutes and regulations apply to the statute and regulation as such existed at the time this Lease was revised and also to any amended or successor statute or regulation.

PROPOSED RE-WRITE (TRACK CHANGES)

LEASE FOR OIL, GAS AND OTHER LIQUID OR GASEOUS HYDROCARBON MINERALS

STATE OF LOUISIANA  
PARISH OF EAST BATON ROUGE
Louisiana State Lease Form Revised 2017

WHEREAS, under the provisions of Subpart A of Chapter 2, Title 30 of the Louisiana Revised Statutes, and other applicable laws, the State Mineral and Energy Board ("Board") of the State of Louisiana ("State" or "Lessor") advertised for bids for a lease covering oil, gas and other liquid or gaseous hydrocarbon minerals in solution produced with oil or gas on the property described below; and

WHEREAS, in response to required advertisements, bids were received and duly opened in the City of Baton Rouge, Parish of East Baton Rouge, State of Louisiana on the ___ day of ________________, 20XX at a meeting of the Board; and

WHEREAS, on the ___ day of _____________, 20XX ("Effective Date"), the Board accepted the bid of and awarded this Lease to _____________________________ ("Lessee"), whose address is ________________________________________, as the most advantageous to the State as Lessor.

NOW THEREFORE, be it known and remembered that the Board, acting under said authority for and on behalf of the State, as Lessor, does hereby lease, let and grant unto said Lessee the Leased Premises as defined below for the purpose of exploring by any method including, but not limited to seismic, geophysical and geological exploration for formations or structures, prospecting, drilling for and producing oil, gas and any other liquid or gaseous hydrocarbon minerals in solution produced with oil or gas, hereinafter sometimes referred to as oil, gas or other liquid or gaseous minerals. This grant of authority shall include the exclusive right to explore and produce oil, gas and other liquid or gaseous hydrocarbon minerals in solution produced with oil or gas on the Leased Premises at the depths covered by this Lease. In connection therewith, Lessee shall have the right to use so
much of the Leased Premises as reasonably may be necessary for such operations including, but not limited to
storing minerals and fluids in facilities (or by means other than subsurface storage), laying pipelines, dredging
canals, building roads, bridges, docks, tanks, power stations, telephone and electric transmission lines, and other
structures and/or facilities.

The property (“Leased Premises”) subject to this Lease, situated in the Parish(es) of __________, State
of Louisiana, is more fully described as follows:

(Property Description)

This Lease excludes free sulfur, potash, lignite, salt and other solid minerals, and geothermal energy.
Lessee shall not have any right to explore, drill for, mine, produce or take any action whatsoever in regard to any
such solid mineral deposits, nor any right under this Lease in regard to alternative energy sources as defined by La.
R.S. 30:124.

Should this Lease, when executed or thereafter, not cover all depths as to the Leased Premises or a portion
thereof, the rights of Lessor or another lessee to conduct operations for the exploration, development and
production of oil, gas or other liquid or gaseous minerals as to such excluded depths shall be exercised with
reasonable regard for the rights of Lessee (as provided in La. R.S. 31:11), and vice versa.

Lessor makes no warranties as to the condition of the Leased Premises and Lessee accepts the
Leased Premises “AS IS”. Lessor has no obligation to make any repairs, additions or improvements to
the Leased Premises, and Lessor does not warrant the suitability of the Leased Premises for any
purposes intended by Lessee or contemplated by this Lease.

Lessor reserves the right to exclude certain sites from drilling and/or production activities in
areas having special wildlife, environmental, or recreational significance on State surface lands.

Notwithstanding any language herein to the contrary, the rights granted herein to Lessee shall be subject to
the surface usage for seismic and geophysical exploration by any seismic permittee of the State whose valid permit
predates the Effective Date of this Lease but only to the extent that such permit covers all or a portion of the
surface area encompassed within the geographical boundary of the Leased Premises. The said seismic permittee
shall owe Lessee no duty to share seismic or geophysical information acquired under the predating permit nor to
reimburse Lessee for surface usage, but said seismic permittee shall not unreasonably interfere with Lessee’s
exercise of its rights acquired hereunder.

Notwithstanding any language herein to the contrary, the rights granted herein to Lessee shall be subject and subservient to surface usage for integrated coastal protection or hurricane and flood protection projects promulgated, funded and/or effected through the State of Louisiana, the Coastal Protection and Restoration Authority, the Department of Natural Resources and/or their divisions, whether solely or in conjunction with other federal, state or local government agencies, or with private individuals or entities. Lessee shall hold the State, its departments, agencies, boards and commissions including, without limitation, the Coastal Protection and Restoration Authority, the Department of Natural Resources, the Office of Mineral Resources (“OMR”), the Board and their officers, employees, agents and representatives, and the United States government, its departments, agencies and divisions, together with their respective officers, employees, agents and representatives, free and harmless of and from any claims, actions and/or causes of action, except as limited by law, for loss, harm or damage to the rights of any party arising under this Lease or any other contract, permit or license of Lessee related to this Lease caused by the diversion of freshwater or sediment, depositing of dredged or other materials, integrated coastal protection projects, or any other such action taken for the purpose of management, preservation,
enhancement, creation, protection or restoration of coastal wetlands, water bottoms or related public or renewable resources. Lessee, in the exercise of its rights granted hereunder, shall utilize the best technology commercially available, including directional drilling, so as to minimize interference with the ongoing surface usage entailed in the development, construction and maintenance of said integrated coastal protection and/or hurricane and flood protection projects.

The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provision of this Lease.

During the term of this Lease, Lessee shall comply with all federal, state, and local laws and regulations, whether now in effect or enacted in the future, in carrying out the provisions of this Lease.

The references in this Lease to statutes and regulations apply to the statute and regulation as such existed at the time this Lease was revised and also to any amended or successor statute or regulation.

PROPOSED RE-WRITE (CLEAN VERSION)

LEASE FOR OIL, GAS AND OTHER LIQUID OR GASEOUS HYDROCARBON MINERALS

STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE
Louisiana State Lease Form Revised 2017

WHEREAS, under the provisions of Subpart A of Chapter 2, Title 30 of the Louisiana Revised Statutes, and other applicable laws, the State Mineral and Energy Board ("Board") of the State of Louisiana ("State" or "Lessor") advertised for bids for a lease covering oil, gas and other liquid or gaseous hydrocarbon minerals in solution produced with oil or gas on the property described below; and

WHEREAS, in response to required advertisements, bids were received and duly opened in the City of Baton Rouge, Parish of East Baton Rouge, State of Louisiana on the ___ day of ________________, 20XX at a meeting of the Board; and

WHEREAS, on the ___ day of ________________, 20XX ("Effective Date"), the Board accepted the bid of and awarded this Lease to ________________________________ ("Lessee"), whose address is ________________________________, as the most advantageous to the State as Lessor.

NOW THEREFORE, be it known and remembered that the Board, acting under said authority for and on behalf of the State, as Lessor, does hereby lease, let and grant unto said Lessee the Leased Premises as defined below for the purpose of exploring by any method including, but not limited to seismic, geophysical and geological exploration for formations or structures, prospecting, drilling for and producing oil, gas and any other liquid or gaseous hydrocarbon minerals in solution produced with oil or gas, hereinafter sometimes referred to as oil, gas or other liquid or gaseous minerals. This grant of authority shall include the exclusive right to explore and produce oil, gas and other liquid or gaseous hydrocarbon minerals in solution produced with oil or gas on the Leased Premises at the depths covered by this Lease. In connection therewith, Lessee shall have the right to use so much of the Leased Premises as reasonably may be necessary for such operations including, but not limited to storing minerals and fluids in facilities (or by means other than subsurface storage), laying pipelines, dredging canals, building roads, bridges, docks, tanks, power stations, telephone and electric transmission lines, and other structures and/or facilities.
The property ("Leased Premises") subject to this Lease, situated in the Parish(es) of __________, State of Louisiana, is more fully described as follows:

(Property Description)

This Lease excludes free sulfur, potash, lignite, salt and other solid minerals, and geothermal energy. Lessee shall not have any right to explore, drill for, mine, produce or take any action whatsoever in regard to any such solid mineral deposits, nor any right under this Lease in regard to alternative energy sources as defined by La. R.S. 30:124.

Should this Lease, when executed or thereafter, not cover all depths as to the Leased Premises or a portion thereof, the rights of Lessor or another lessee to conduct operations for the exploration, development and production of oil, gas or other liquid or gaseous minerals as to such excluded depths shall be exercised with reasonable regard for the rights of Lessee (as provided in La. R.S. 31:11), and vice versa.

Lessor makes no warranties as to the condition of the Leased Premises and Lessee accepts the Leased Premises "AS IS". Lessor has no obligation to make any repairs, additions or improvements to the Leased Premises, and Lessor does not warrant the suitability of the Leased Premises for any purposes intended by Lessee or contemplated by this Lease.

Lessor reserves the right to exclude certain sites from drilling and/or production activities in areas having special wildlife, environmental, or recreational significance on State surface lands.

Notwithstanding any language herein to the contrary, the rights granted herein to Lessee shall be subject to the surface usage for seismic and geophysical exploration by any seismic permittee of the State whose valid permit predates the Effective Date of this Lease but only to the extent that such permit covers all or a portion of the surface area encompassed within the geographical boundary of the Leased Premises. The said seismic permittee shall owe Lessee no duty to share seismic or geophysical information acquired under the predating permit nor to reimburse Lessee for surface usage, but said seismic permittee shall not unreasonably interfere with Lessee’s exercise of its rights acquired hereunder.

Notwithstanding any language herein to the contrary, the rights granted herein to Lessee shall be subject and subservient to surface usage for integrated coastal protection or hurricane and flood protection projects promulgated, funded and/or effected through the State of Louisiana, the Coastal Protection and Restoration Authority, the Department of Natural Resources and/or their divisions, whether solely or in conjunction with other federal, state or local government agencies, or with private individuals or entities. Lessee shall hold the State, its departments, agencies, boards and commissions including, without limitation, the Coastal Protection and Restoration Authority, the Department of Natural Resources, the Office of Mineral Resources ("OMR"), the Board and their officers, employees, agents and representatives, and the United States government, its departments and divisions, together with their respective officers, employees, agents and representatives, free and harmless of and from any claims, actions and/or causes of action, except as limited by law, for loss, harm or damage to the rights of any party arising under this Lease or any other contract, permit or license of Lessee related to this Lease caused by the diversion of freshwater or sediment, depositing of dredged or other materials, integrated coastal protection projects, or any other such action taken for the purpose of management, preservation, enhancement, creation, protection or restoration of coastal wetlands, water bottoms or related public or renewable resources. Lessee, in the exercise of its rights granted hereunder, shall utilize the best technology commercially available, including directional drilling, so as to minimize interference with the ongoing surface usage entailed in the development, construction and maintenance of said integrated coastal protection and/or hurricane and flood...
protection projects.

The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provision of this Lease.

During the term of this Lease, Lessee shall comply with all federal, state, and local laws and regulations, whether now in effect or enacted in the future, in carrying out the provisions of this Lease.

The references in this Lease to statutes and regulations apply to the statute and regulation as such existed at the time this Lease was revised and also to any amended or successor statute or regulation.