



Louisiana Department of Natural Resources  
 Office of Mineral Resources (OMR)  
 Telephone: (225) 342-4615

FOR INTERNAL USE ONLY	
Awarded	
State Agency Lease Number:	
Number of Lease Copies to prepare	

## BID FORM

### Lignite or Coal Mining Lease (Lignite Lease)

In accordance with La. R.S. 30:127(A), all prospective leaseholders (bidders) must be registered with the Office of Mineral Resources in order to submit a bid for a mineral lease. If you are not registered, please register now by completing a Registration Form and attaching the required current certificate from the Louisiana Secretary of State that the Corporation, Partnership or LLC is in good standing and is authorized to do business in Louisiana.

#### Step 1 of 4

#### TRACT INFORMATION

What tract is this bid submitted for?  
  
 Please write "Entire" or "Portion" for item B. Must enter acreage bid regardless. Acreage is limited to 3 decimal places.

A. Official Tract Number: \_\_\_\_\_  
  
 B. Bid on Entire Tract or Portion: \_\_\_\_\_  
  
 C. Tract Acreage Bid: \_\_\_\_\_ Acres

#### Step 2 of 4

#### BIDDER INFORMATION

In item A, enter Bidder's name, physical or mailing address and telephone number.

##### A. Bidder Name, Registration Number and Address:

Bidder's OMR Prospective Leasehold Registration No.: \_\_\_\_\_  
  
 Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
  
 Tel. No.: \_\_\_\_\_

In item B, enter name, physical or mailing address, telephone number and email address of the individual to answer questions and receive all notifications required by Article 26 of the Lignite Lease.

##### B. Legal Notice – Address and Contact Information

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code \_\_\_\_\_  
  
 Tel. No.: \_\_\_\_\_  
  
 Email: \_\_\_\_\_

Step 3 of 4	BID INFORMATION
<p>Item B, found in Article 1 of the Lignite Lease, is the maximum term granted to Lessee to conduct mining operations. The time period specified in B includes the Primary Term. <b>NOTE:</b> In accordance with La. R.S. 31:115(C)(4), a lignite or coal lease may not be extended for a period greater than forty (40) years unless there are ongoing mining operations or production on the Leased Premises.</p> <p>Item C, the Maximum Mining Depth is the maximum depth Lessee may mine for coal and is usually measured from the surface to the bottom of the coal seam.</p> <p>Items D, E &amp; F are found in Article 5 of the Lignite Lease. The initial and annual rental payment grants Lessee the right to use the Leased Premises' surface. <b>NOTE: The annual rental payment cannot be less than the initial rental payment.</b></p> <p>Item G is found in Article 6 of the Lignite Lease.</p> <p>Items H &amp; I are found in Article 7 of the Lignite Lease. Item H is calculated on the percent of the Gross Sales Price F.O.B. the mine. For Item I, a ton is 2,000 pounds. <b>NOTE: The production royalties paid Lessor must comply with the minimum requirements of La. R.S. 30:127.</b></p> <p>Items J, K, L, M &amp; N are described in the "Bidder Notices" section below.</p>	<p style="text-align: center;"><b>Lease Period</b></p>
	<p>A. Primary Term:            <u>  10  </u> (Years)</p>
	<p>B. Maximum Term of Lease:    <u>  40  </u> (Years)</p>
	<p style="text-align: center;"><b>Lease – Mining Parameters</b></p>
	<p>C. Maximum Mining Depth: _____ (feet)</p>
	<p style="text-align: center;"><b>Bonus and Annual Rental Payments</b></p>
	<p>D. Bonus Payment:            _____ (Total Dollars)</p> <p style="padding-left: 150px;">_____ (Dollars per Acre)</p>
	<p>E. Initial Rental Payment: _____ (Total Dollars)</p> <p style="padding-left: 150px;">_____ (Dollars per Acre)</p>
	<p>F. Annual Rental Payment: _____ (Dollars per Acre)</p>
	<p style="text-align: center;"><b>Minimum Guaranteed Production Royalty</b></p>
	<p>G. Minimum Guaranteed Production Royalty: _____ (Dollars per Acre)</p>
	<p style="text-align: center;"><b>Production Royalty</b></p>
	<p>H. Lignite Sold to Third Party: _____ % F.O.B. the mine site</p>
	<p>I. Lignite used by Lessee or an affiliate: _____ (Dollars per Ton)</p>
	<p style="text-align: center;"><b>Other Minerals</b></p>
	<p>J. Other Minerals and Substances Sold: _____ % F.O.B. the mine site</p>
<p style="text-align: center;"><b>Liquidated Damages</b></p>	
<p>K. Liquidated Damages: _____ (Dollars per Acre)</p>	
<p style="text-align: center;"><b>Annual Reclamation Rental Payments</b></p>	
<p>L. Annual Reclamation Rental Payments: _____ (Dollars per Acre)</p>	
<p style="text-align: center;"><b>Coal Bed Gas</b></p>	
<p>M. Coal Bed Gas Royalties (Lessee Sells): _____ % value of sale</p>	
<p>N. Coal Bed Gas Royalties (Lessee Uses): _____ % of fair market Value at Time of Production</p>	

The undersigned acknowledges that he/she has reviewed the Lignite Lease and all Bidder Notices and respectfully submits this bid in accordance with Louisiana law (*Bidder or authorized agent required to sign*).

**Bidder**

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

**BIDDER NOTICES**

**Read carefully the notices set forth in A through O.**

A. Bidders should download and review the Lignite Lease before completing this bid form. A copy of the Lignite Lease may be viewed and downloaded from the Office of Mineral Resources' website at: [Lignite or Coal Mining Lease](#)

B. The descriptions provided in the margin are for convenience only and in no way define, limit or describe the scope or intent of any lease terms and conditions. The Lignite Lease shall govern any conflicts.

C. The Primary Term for a lease of solid minerals is Ten (10) years.

D. **Royalties:** Statutory minimum royalties for solid minerals are as follows: **1.** Sulphur-1/8 value per long ton produced and saved which shall not yield <\$2 dollars per long ton; **2.** Potash-1/8 value per ton produced and saved which shall not yield <\$.10 cents per ton; **3.** Lignite-5% of all lignite produced and saved; **4.** Salt-5% value per ton on a dry salt basis for all salt produced and saved which shall not yield <\$.10 cents per ton; and **5.** Other solid minerals-1/8 of all other solid minerals produced and saved.

E. Item J of the Bid Information section is found in Article 8 of the Lignite Lease and applies to other minerals and substances which Lessor has not specifically granted rights to Lessee under the Lignite Lease.

F. Item K of the Bid Information section is found in Article 10 of the Lignite Lease. Lessee shall pay Lessor liquidated damages for each acre from which lignite is to be mined and removed as identified in the Notice of Intent.

G. Item L of the Bid Information section above is found in Article 33 of the Lignite Lease. This payment is for the right to access and use the surface of the Leased Premises upon expiration and termination of the Lease in order for Lessee to comply with reclamation obligations.

H. Items M & N of the Bid Information section are found in Article 34 of the Lignite Lease. Item N is calculated as the fair market value at the time of production or equal to the sale price Lessee would have received.

I. **Ten Percent (10%) Leasing Fee:** The State Mineral & Energy Board is authorized to collect a fee for leasing state and state agency lands or water bottoms in the amount of ten (10%) percent of the total Bonus paid at the lease sale. This fee shall be in addition to the Bonus and Initial Rental Payment (La. R.S. 30:124). This fee shall be submitted with the bid and payable to the Office of Mineral Resources via check (personal or business). If payment is not made or the check not honored for payment, the State Mineral & Energy Board may not execute the Lignite Lease and may rescind it.

**DO NOT SUBMIT  
THIS PAGE WITH  
THE BID FORM.**

**J. Thirty (\$30.00) Dollars Per Acre Payment by State Mineral Lessees pursuant to La. R.S. 30:136.1(D):** The following applies only to state mineral lessees and not to state agency mineral lessees: Fifteen (\$15.00) Dollars per acre shall be collected from state mineral lessees for deposit into the Louisiana Wildlife and Fisheries Conservation Fund, and an additional Fifteen (\$15.00) Dollars per acre shall be collected from state mineral lessees for deposit into the Oil and Gas Regulatory Fund. Payment of these sums shall be combined into one (1) payment known as the Thirty (\$30.00) Dollars Per Acre Payment. This payment shall be submitted with the bid payable to the Office of Mineral Resources via check (personal or business). If payment is not made or the check not honored for payment, the State Mineral & Energy Board may not execute the Lignite Lease and may rescind it.

**K. Mineral Lease Award Conditions:** (1) The successful bidder to whom the Lignite Lease is awarded has twenty (20) days from receipt of the Lease, properly executed by the State Mineral & Energy Board, to execute, record in the appropriate parish(es), and return the recorded Lease to the Office of Mineral Resources. Failure to return the Lease, properly executed and recorded, within such period may result in forfeiture of the Lease, including the Bonus, Initial Rental Payment and the Ten (10%) Percent Leasing Fee. (2) All state and state agency mineral leases shall be executed upon the terms and conditions provided in the current Lignite Lease which is available for review at: [Lignite or Coal Mining Lease](#). (3) Notwithstanding any provisions to the contrary, the Lease awarded shall be granted and accepted without any warranty of title and without any recourse against Lessor whatsoever, either express or implied. Further, Lessor shall not be required to return any payments received under the Lease or otherwise be responsible to Lessee therefor.

**L. Portion Bid Acreage and Location Documentation:** If submitting a portion bid, provide an 8 ½" x 11" sheet depicting the acreage portion bid and a CDROM or DVD containing (1) Portion Bid Written Property Description, (2) a plat as a .pdf file, and (3) if the tract was advertised using bearings, distances and X-Y coordinates based on the Louisiana Coordinate System of 1927, a .dxf file containing only the boundary of the acreage portion bid shown within the advertised tract boundary on the portion bid, labeled as required.

**M. Payment Information:** Include one check for the Bonus and the Initial Rental Payment in the bid packet in the form of a certified check, cashier's check or bank money order payable as indicated below:

- The Office of Mineral Resources for an Offshore, Inland, LDWF Area/State Owned (except Marsh Island), School Indemnity Lands, or White Lake tract;
- The School Board for Section 16 School Lands tract (with exception below);
- The State Treasurer for Section 16 School Lands tract falling in a township lying within more than one (1) parish (LSA-R.S. 41:640(B)).

**N. Seal the Bid Packet:** Place all items required to be included in the bid packet in an envelope, completely seal the envelope, write the official tract number on the outside of the envelope, and notate on the outside of the envelope that **Sealed Bid Is Enclosed**. If submitting multiple bids, place the individual sealed bid packet envelopes into a larger envelope and notate on the outside of the envelope that **Sealed Bids Are Enclosed**.

**BIDDER NOTICES (continued)**

**O. OMR Contact Information:**

**A. For Bid Submission**

**Office of Mineral Resources  
La. Department of Natural Resources  
Attention: State Mineral & Energy Board**

***Baton Rouge Office Physical Address:*  
617 North 3rd Street  
8th Floor  
Baton Rouge, Louisiana 70802**

***Baton Rouge Office Mail Address:*  
P.O. Box 2827  
Baton Rouge, Louisiana 70821-2827**

**B. For Bid Questions**

**Elaine Williams  
Petroleum Lands Division  
Office of Mineral Resources**

**Email Address: [elaine.williams@la.gov](mailto:elaine.williams@la.gov)  
Phone: (225) 342-0213 or 342-4615  
Fax: (225) 242-3722 or 342-4527**