

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?	A. Official Tract Number:		
Please write "Entire" or "Portion" for item B. Must enter acreage bid	B. Bid on Entire Tract or Portion:		
regardless. Acreage is limited to 3 decimal places.	C. Tract Acreage Bid:	Acres	
Step 2 of 4	BIDDER INFORMATION		
	A. Bidder Name, Registration Number and Address:		
In item A, enter Bidder's name, physical or mailing address and telephone number.	Bidder's OMR Prospective Leasehold Registration No.: Name: Address:		
	City: Zi	p Code:	
	Tel. No.:		
	B. Legal Notice – Address and Contact Information		
In item B, enter name, physical or mailing address, telephone number and email	Name:		
address of the individual to answer questions and receive all notifications required by Article 26 of the Lignite Lease.	City: State: Zi	ip Code	
	Email:		

Item B, found in Artic of the Lignite Lease, the maximum term granted to Lessee to conduct mining operations. The time period specified in B includes the Primary Term. NOTE: In accordance with La. I 31:115(C)(4), a lignite coal lease may not be extended for a period greater than forty (40 years unless there ar ongoing mining operations or production on the Leased Premises.

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.

Items D, E & 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. **NOTE: The annual rental payment cannot be less than the initial rental payment.**

Item G is found in Article 6 of the Lignite Lease.

Items H & 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. **NOTE: The production royalties paid Lessor must comply with the minimum requirements of La. R.S. 30:127.**

Items J, K, L, M & N are described in the "Bidder Notices" section below.

Lease Period A. Primary Term:10(Years) B. Maximum Term of Lease:40(Years) Lease - Mining Parameters					
B. Maximum Term of Lease:40(Years) Lease – Mining Parameters C. Maximum Mining Depth:(feet) Bonus and Annual Rental Payments D. Bonus Payment:(Total Dollars) (Dollars per Acre) E. Initial Rental Payment:(Total Dollars) (Dollars per Acre) F. Annual Rental Payment:(Dollars per Acre) Minimum Guaranteed Production Royalty G. Minimum Guaranteed Production Royalty H. Lignite Sold to Third Party:% F.O.B. the mine site 1. Lignite used by Lessee or an affiliate:(Dollars per Ton) Other Minerals J. Other Minerals and Substances Sold:% F.O.B. the mine K. Liquidated Damages:(Dollars per Acre) K. Liquidated Damages:(Dollars per Acre) Annual Reclamation Rental Payments:(Dollars per Acre)					
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L. Annual Reclamation Rental Payments: (Dollars per /	e)				
Coal Bed Gas	Dollars per Acre)				
M. Coal Bed Gas Royalties (Lessee Sells):% value of sale	alue of sale				
N. Coal Bed Gas Royalties (Lessee Uses): % of fair marke Value at Time Production	llue at Time of				

Step 4 of 4 BIDDER ACKNOWLEDGEMENT AND SIGNATURE			
	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.		

BIDDER NOTICES (continued)

DONOTSUBMITTHISPAGEWITHTHE 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 to state mineral lessees and 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	B. For Bid Questions		
	Office of Mineral Resources La. Department of Natural Resources Attention: State Mineral & Energy Board	Brandy Arledge Petroleum Lands Division Office of Mineral Resources		
	Baton Rouge Office Physical Address: 617 North 3rd Street 8th Floor Baton Rouge, Louisiana 70802	Email Address: <u>brandy.arledge@la.gov</u> Phone: (225) 342-2792 or (225) 342-1080 Fax: (225) 342-4527		
	Baton Rouge Office Mail Address: P.O. Box 2827			
	Baton Rouge, Louisiana 70821-2827			