

STATE MINERAL AND ENERGY BOARD
EXCLUSIVE GEOPHYSICAL AGREEMENT TYPE III
WITH EXCLUSIVITY RIGHTS RELATED TO
OIL AND GAS EXPLORATION AND CARBON CAPTURE AND SEQUESTRATION

WHEREAS, under the provisions of Subpart A of Chapter 2 and Chapter 3, Title 30 of the Louisiana Revised Statutes of 1950, as amended, and other applicable law, the State Mineral and Energy Board of the State of Louisiana (Board), acting as the duly authorized agent of both the State of Louisiana (State) and the Louisiana Department of Wildlife & Fisheries and the Louisiana Wildlife & Fisheries Commission (DWF) (herein State and DWF are jointly Grantor or Lessor), has determined that it will enter into Exclusive Geophysical Agreements (EGA) on a public bid basis in order to have 3D or other more advanced forms of geological or geophysical surveys and operations (advanced seismic) conducted on lands and water bottoms owned by the State and DWF; obtain for itself, where applicable, as confidential material, the data resulting from said advanced seismic surveys; and administer, based on such data, the mineral leasing of State and DWF lands and water bottoms; and

WHEREAS, under the provisions of La. R.S. 30:212, the Board has the exclusive authority to grant exclusive and non-exclusive permits to conduct geophysical and geological surveys of any kind on state-owned lands and water bottoms; and

WHEREAS, La. R.S. 56:1 delegates the Louisiana Wildlife & Fisheries Commission with the responsibility for protecting, conserving, and replenishing the natural resources of the State, subject to its supervision and control; and

WHEREAS, La. R.S. 56:6(19) requires that the Louisiana Wildlife & Fisheries Commission, through its Secretary, shall in every possible way develop to their fullest proportions the natural resources of the State that are under its jurisdiction; and

WHEREAS, La. R.S. 56:8(117) defines Secretary as the secretary of the Department of Wildlife and Fisheries; and

WHEREAS, the Louisiana Department of Wildlife & Fisheries is an agency of the State as defined by La. R.S. 30:151; and

WHEREAS, DWF and the Board have entered into an Inter-Agency Agreement (IAA) which authorizes the Board to administer the properties owned by or under the jurisdiction of DWF for purposes of subsurface storage and pore space rights; and

WHEREAS, the IAA authorizes the Board to negotiate, award, administer and manage the existing and future oil and gas leases, operating agreements, subsurface storage agreements, and related activities/operations on DWF agency lands, and the Board, through the Office of Mineral Resources, has agreed to perform such services; and

WHEREAS, under the provisions of La. R.S. 30:214 and 36:609, any person conducting geophysical exploration in any lake, river, stream bed or other bottoms, the title to which is in the public, shall comply with the rules and regulations for the protection of oysters, fish and wildlife promulgated by the Louisiana Department of Wildlife and Fisheries; and

WHEREAS, pursuant to and in compliance with all applicable laws, the Board has advertised for bids for an Exclusive Geophysical Agreement Type III covering the property more particularly set forth hereinbelow; and

WHEREAS, in response to the 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 November 8, 2023 at a meeting of the Board; and

WHEREAS, by Resolution duly adopted that day, the Board accepted the bid of _____, a Louisiana limited liability company (Grantee), whose mailing address is _____, as the most advantageous to the State.

NOW THEREFORE be it known and remembered that the Board, acting for and on behalf of the State and DWF, as Grantor, does hereby grant, convey and assign unto Grantee, subject to the specified duties and obligations and for the definite term set forth hereinbelow, the exclusive right to enter upon and conduct 3D and other more advanced forms of geophysical or geological surveys and operations on the State and DWF owned lands and water bottoms including, without limitation, non-severed lands, accreted lands, dried-lake lands and vacant lands (Property), consisting of approximately 640,671.77 acres¹ net unleased acres situated within the Parish(es) of Vermillion, Iberia, Saint Mary and Terrebonne, State of Louisiana, more particularly detailed on the plat on file with the Office of Mineral Resources (OMR) and as more fully described as follows:

PROPERTY DESCRIPTION

ARTICLE 1. SEISMIC FEE

Grantee has paid, via certified funds, to the order of OMR, acting on behalf of Grantor, a Seismic Fee in the amount of _____ Dollars and ___/100 Cents (\$_____) for an Exclusive Geophysical Agreement Type III as authorized by La. R.S. 30:216, which agreement grants unto Grantee the exclusive right to conduct geophysical or geological surveys of any kind for the term and upon the area specified in this Agreement. This Seismic Fee, the additional obligations to conduct 3D or other more advanced forms of geological or geophysical surveys and operations and present for review to OMR all final, processed and migrated 3D or other seismic data obtained from the Property, along with the additional benefits and advantages that shall accrue to Grantor pursuant to the terms and conditions hereinafter set forth, are accepted and acknowledged by the parties to be full and adequate consideration for the rights granted hereby.

ARTICLE 2. MINERAL LEASE ROYALTY, BONUS AND RENTAL PAYMENTS

If Grantee, in accordance with LAC 43:V.103 et seq. and Article 8 of this Agreement, selects for mineral leasing acreage within the geographical boundaries of the Property that is owned by the State, then a mineral lease(s) entered into by and between Grantor (as Lessor) and Grantee (as Lessee) on the State mineral lease form, shall reflect the following within the lease form as consideration for said lease(s):

- (a) Royalty of XXXXX Percent (xx%);
- (b) Bonus of XXXXXXXX Dollars (\$xxx) per acre; and
- (c) Annual rental of XXXXXXXX Dollars (\$xxx) per acre.

If Grantee, in accordance with LAC 43:V.103 et seq. and Article 8 of this Agreement, selects for mineral leasing acreage within the geographical boundaries of the Property that is owned by DWF, then a mineral lease(s) entered into by and between Grantor (as Lessor) and Grantee (as Lessee) on the State Agency mineral lease form, shall reflect the following within the lease form as consideration for said lease(s):

- (a) Royalty of XXXXXX Percent (xx%);
- (b) Bonus of XXXXXXXX Dollars (\$xxx) per acre; and
- (c) Annual rental of XXXXXXXX Dollars (\$xxx) per acre.

ARTICLE 3. ADMINISTRATIVE AND REQUIRED FEES

The following administrative and statutorily required fees shall be submitted if and when the exclusive selection of mineral lease acreage is made by Grantee in accordance with the terms of this Agreement:

- (a) Ten (10%) Percent of the Bonus required for each mineral lease;
- (b) The per acre fee for deposit into the Louisiana Wildlife and Fisheries Conservation Fund required by La. R.S. 30:136.1.D; and

¹ Based on acreage in plat version 5, which excludes McIlhenny and Russell Sage Tracts.

- (c) The per acre fee for deposit into the Oil and Gas Regulatory Fund required by La. R.S. 30:136.1.D.

These fees, payable via personal or business check to the order of OMR, shall accompany each lease selection property description and plat, and must be paid before any mineral lease(s) is authorized by the Board.

ARTICLE 4. EFFECTIVE DATE AND TERM

Effective Date: This Agreement shall be effective commencing _____, 20XX.

Initial Term: This Agreement shall be for a term of eighteen (18) months from the Effective Date or until 12:00 p.m. on _____ DATE.

Option Term: This Agreement shall automatically terminate at the end of the Initial Term unless Grantee, on or before the expiration of that period, pays to OMR, acting on behalf of Grantor, the sum of (\$ xxx) Dollars (Additional Fee), which sum shall not be less than one-half (1/2) of the Seismic Fee. Payment of this Additional Fee shall extend the term of this Agreement for six (6) months or until 12:00 p.m. on _____ DATE. Payment of this Additional Fee shall be made in the same manner as the Seismic Fee via certified funds to the order of OMR.

ARTICLE 5. GRANTEE SEISMIC OBLIGATIONS

Grantee is obligated to conduct 3D seismic or other more advanced forms of geological or geophysical surveys to obtain full fold seismic coverage over the entirety of the Property, and do so within the Initial Term or Option Term, if activated. Grantee will provide to OMR, within ninety (90) days of receipt from the Processor, a copy of all final, processed and migrated 3D or other seismic data obtained from the Property. The data provided shall be the actual data acquired over all state and DWF owned lands and water bottoms and shall include a one-half (1/2) mile buffer zone surrounding said lands and water bottoms. If Grantee reprocesses this seismic data within five (5) years of the date of the end of this Agreement, Grantee shall provide a copy of the final reprocessed seismic data to OMR within ninety (90) days of receipt from the Processor covering the same area as covered by the original data delivered. Grantee is responsible for keeping OMR informed, in a timely manner, of all phases of ongoing operations, including commencement and completion of data acquisition, processing, reprocessing and other schedules of activities affecting the final processed seismic data. Failure by Grantee to provide OMR with information and documentation as required hereby and in the manner set forth herein shall place Grantee in default of the terms of this Agreement. Notwithstanding any such failure, Grantee remains obligated to fully perform in accordance with the terms of this Agreement.

NOTE: Except for this Agreement, associated documents and the accompanying plat, all information, maps, plats and other data provided by Grantee to OMR pursuant to the terms of this Agreement shall be confidential in accordance with La. R.S. 44:18 and maintained as such by OMR as an exception to the laws identifying and requiring the production of public records, and shall not be released by OMR to any other person, agency or entity absent a valid court order from a court of competent jurisdiction or written permission from the owner of the data.

ARTICLE 6. RULES GOVERNING AND RESERVATIONS

Grantee's exercise of rights granted hereunder shall be subject to and governed by the rules and regulations promulgated by the Louisiana Department of Wildlife and Fisheries under the authority of La. R.S. 30:214 and 36:609 for the protection of oysters, fish and wildlife insofar as the geological or geophysical surveying activity granted hereby occurs in any water bottom the title to which is in the public trust. Noteworthy are the requirements that Grantee secure a permit from and satisfy the insurance, bonding, fee and other obligations mandated by LAC 76:1:301.

Grantee's exercise of rights granted hereunder shall be subject to and not interfere in any way with any public works or public improvement projects by the State of Louisiana, its departments, agencies, boards and commissions, whether solely or in conjunction with other state, local or federal government agencies.

IF APPLICABLE, the State and DWF do hereby reserve, and this EGA and selected leases shall be subject to the imprescriptible right of surface use, in the nature of a servitude, for the purposes of integrated coastal zone protection, management and restoration projects and hurricane and flood protection projects by the State of Louisiana, its departments, agencies, boards and commissions, whether solely or in conjunction with other state, local or federal governmental agencies.

IF APPLICABLE, this tract encompasses in part an area designated by the Louisiana Legislature or the Louisiana Wildlife and Fisheries Commission as a Public Oyster Seed Ground or Reservation. Surface activity within the boundaries of such an area is prohibited.

IF APPLICABLE, this tract encompasses in part Sixteenth Section or Indemnity Lands over which the State possesses trustee title. In furtherance of its fiduciary responsibilities, OMR is required to notify the appropriate Parish School Board(s) of this nomination to determine the School Board's interest in participating in this seismic agreement and mineral leasing process. In accordance with La. R.S. 30:153(A), no lease can be granted on such lands without a valid Resolution from the School Board directing the Board to lease its Property.

Grantor's and Grantee's rights and obligations provided for hereunder additionally shall be subject to any and all state and federal laws and regulations applicable to geological or geophysical surveys/operations.

ARTICLE 7. PRE-EXISTING RIGHTS

Grantee's rights hereunder shall not cover, shall be subject to and shall not supersede any existing valid oil and gas lease(s) or other agreement(s) for oil and gas development on the Property, such as an operating agreement or other exclusive geophysical agreement (Prior Agreements), whose effective date predates the Effective Date of this Agreement. Grantee must deal with said prior lessees or contractees separately and independently from this Agreement. Should any Prior Agreements terminate as to all depths, either fully or partially, before the end of the Initial Term or the Option Term, if activated, Grantee shall have the right to conduct 3D or other more advanced forms of geological or geophysical surveys or operations on the acreage of the terminated Prior Agreements subject to the following:

(a) If Grantee has already entered into an agreement with the Prior Agreements party before termination and paid for the right to conduct geophysical surveying across the acreage subject to the Prior Agreements, Grantee shall not be required to pay Grantor any further fee to conduct geophysical surveying on said acreage once the Prior Agreements has terminated, either totally or in part; but

If Grantee has not so entered into an agreement with the Prior Agreements party, then Grantee shall pay Grantor an additional fee stipulated as the per acre Seismic Fee set forth above in Article 1, multiplied by the number of terminated acres of the Prior Agreements.

Additionally, there shall exist a buffer zone of one-half ($\frac{1}{2}$) mile around each pre-existing mineral lease or operating agreement, or portion thereof, within the geographical area covered by this Agreement. Grantee shall have the right, concurrent with, but separate from the right of each such pre-existing mineral Lessee, during the Initial Term or the Option Term, if activated, to nominate acreage within the buffer zone for mineral leasing, by public bid, which leasing nomination shall be subject to the size restrictions set by law or the Board.

ARTICLE 8. EXCLUSIVITY AND LEASING RIGHTS

(a) During the Initial Term of this Agreement or the Option Term, if applicable, the Board will not accept any nominations for mineral leases, grant any operating agreements (or similar contractual grants) for the purpose of injecting carbon dioxide (or oxides) into certain geological strata or formations for permanent storage ("CCS"), grant any seismic

permits, nor enter into any other geophysical agreements upon any acreage, in whole or in part, within the geographical boundaries of the Property subject to this Agreement. Following the Initial Term of this Agreement or the Option Term, if applicable, or upon the termination of this agreement for any reason, any rights to exclusivity granted to the Grantee herein will terminate and the Board may grant any agreement on the Property that the Board has authority to enter into, including but not limited to, mineral leases, CCS operating agreements or leases and seismic or geophysical agreements.

(b) In addition to the nomination rights relative to the required buffer zone set forth in Article 7 above, Grantee shall have the exclusive right, prior to the end of the Initial Term or the Option Term, if applicable, to nominate and/or select, for a mineral lease(s), acreage within the geographical boundaries of the Property. The acreage nominated and/or selected shall not exceed fifteen hundred (1,500) acres for each tract and shall not be more than one-third (1/3) in the aggregate of the entire acreage within the geographical area covered by this Agreement, unless additional acreage is approved by the Board. The acreage selected for mineral leasing shall be through the Board using the current standard State mineral lease form. Any such lease(s) shall not be for a primary term in excess of three (3) years or five (5) years, depending upon location. The bonus, rental and royalty percentage to be paid Lessor shall reflect the bonus, rental and royalty set forth hereinabove in this Agreement. However, Grantee shall not be authorized to select any acreage for mineral leasing until it has completed 3D seismic or other more advanced forms of geological or geophysical surveys to obtain full fold seismic coverage on at least 350,000 acres of the Property. Additionally, Grantee shall only be authorized to select acreage for mineral leasing with respect to portions of the Property on which Grantee has completed 3D seismic or other more advanced forms of geological or geophysical surveys to obtain full fold seismic coverage and provided OMR a copy of the processed and migrated 3D seismic data and OMR has had the opportunity to review such seismic data. In exercising its option to nominate acreage for mineral leasing, Grantee shall comply with the nomination procedures and requirements prescribed by OMR.

(c) In accordance with La. R.S. 30:209, the State and DWF have the authority, upon a two-thirds vote of the members of the Board and after public hearing pursuant to La. R.S. 30:6, to enter into operating agreements whereby the State and DWF receive a share of revenues for the purpose of injecting carbon dioxide (or oxides) into certain geological strata or formations for permanent storage, as may be agreed upon by the parties, and in those situations where the Board determines it is in the best interest of the State and/or DWF either in equity or in the promotion of conservation to do so. Grantee shall have the exclusive right during the Initial Term or the Option Term, if applicable, to enter into negotiations with OMR for CCS operating agreements within the geographical boundaries of the Property (CCS OA(s)). Nonetheless, the Board and OMR have the discretion whether to proceed with the negotiations and whether to grant a CCS OA on any area the Grantee chooses to enter into negotiations. However, Grantee shall not be authorized to enter into negotiations for any CCS OA on the Property until it has completed 3D seismic or other more advanced forms of geological or geophysical surveys to obtain full fold seismic coverage on at least 350,000 acres of the Property. Additionally, Grantee shall only be authorized to enter into negotiations for a CCS OA with respect to portions of the Property on which Grantee has completed 3D seismic or other more advanced forms of geological or geophysical surveys to obtain full fold seismic coverage and provided OMR a copy of the processed and migrated 3D seismic data and OMR has had the opportunity to review such seismic data. Grantee shall comply with the procedures and requirements prescribed by OMR for the negotiation and possible granting of a CCS OA.

(d) Grantee/Lessee shall exercise its right to acquire mineral leases hereunder by notifying the Board of its election, in writing, enclosing a legal description of the property to be covered by each mineral lease, together with a plat reflecting the boundaries of the area to be covered. The required plat shall be based on the most recent edition of the 7-1/2 minute United States Geological Survey quadrangle map having a scale of 1:24,000 or 1 inch equals 2,000 feet, except for those areas which are situated within a defined block system, in which case a map having a scale of 1 inch equals 4,000 feet or 1 inch equals 2,000 feet clearly showing said block system shall be used. The boundaries of the area to be covered by each lease shall be clearly delineated and outlined on the required plat, and the plat shall indicate the point of beginning, the X and Y coordinates of all corners based upon the Louisiana Coordinates System of 1927 (South Zone), the

parish(es), any adjacent existing State mineral lease(s), and any other graphical information which will assist in more fully defining the description of the property to be covered by each mineral lease. The notice and description shall also specify the extent of the State and/or DWF owned lands and water bottoms within the delineated boundary, based upon Grantee's/Lessee's careful estimation of such State and/or DWF owned lands and water bottoms.

In exercising its option to acquire mineral leases hereunder and accompanying each lease selection, Grantee/Lessee shall submit, in the manner prescribed, to OMR the initial payments set forth within Article 1 and the administrative and required fees set forth in Article 3. The Grantee/Lessee will not receive the mineral lease(s) executed by the Board until the required fees are received by OMR.

(e) Recognizing that the extent of the Property to be covered by the mineral lease(s) are estimated by Grantee/Lessee and the payments made are based upon such estimate, if Grantor/Lessee disagrees with the extent of the State and/or DWF owned lands and water bottoms within the boundaries of the area to be covered by a lease(s), within fifteen (15) days from its receipt of the selection notice regarding that lease, Grantor/Lessor shall notify Grantee/Lessee, in writing, stating the extent of State and/or DWF owned lands and water bottoms it believes to be included within the lease boundaries selected by Grantee/Lessee. The parties then, in good faith, shall attempt to reconcile any differences within thirty (30) days from the date of Grantee's/Lessee's original notice regarding that mineral lease. If such differences are amicably resolved, within forty-five (45) days from the date of Grantee's/Lessee's original notice regarding that lease, a reconciliation of payment shall be made with either the payment of additional bonus/rental by Grantee/Lessee to cover additional acreage agreed upon, or the refund by Grantor/Lessor for excessive bonus/rental paid which exceeds the acreage agreed upon. If the parties are unable to amicably resolve differences concerning the extent of State and/or DWF owned lands and water bottoms to be covered by any mineral lease within sixty (60) days from the date of Grantee's/Lessee's original notice regarding that lease, Grantee/Lessee may either withdraw its notices of lease election, with Grantor/Lessor refunding all sums submitted with the selection, or Grantee/Lessee shall accept Grantor's/Lessor's good faith estimate of the acreage content of State and/or DWF owned lands and water bottoms to be covered by the mineral lease and make such supplemental payments as necessary.

(f) Promptly after receipt of each notice that Grantee/Lessee has exercised its option to acquire a mineral lease, with appropriate payments included, the Board will prepare (by inserting the appropriate terms and provisions regarding the primary term, initial payment, annual delay rentals and royalties as specified above), execute and deliver to Grantee/Lessee, in triplicate originals, a mineral lease covering the property included in the area specified in Grantee's/Lessee's notice. Each mineral lease shall be dated effective as of the date of the Grantee's/Lessee's notice of its election to acquire same. Within twenty (20) days from its receipt of each mineral lease, Grantee/Lessee shall execute and return to the Board two (2) fully executed and recorded copies of each lease.

(g) Grantee's/Lessee's exclusive right to acquire mineral leases hereunder shall not apply to acreage already covered by a pre-existing valid mineral lease or operating agreement unless, prior to the termination of the Initial Term or the Option Term, if activated, said pre-existing valid mineral lease(s) terminates according to its terms, in which case Grantee/Lessee may select for lease such terminated acreage as above set forth, provided that the effective date of the selected lease on such terminated acreage shall be the date a release of the terminated acreage is secured, and no payment shall be due until such release is secured. If Grantor/Lessor is, for any reason, despite diligent effort, unable to secure a release, either by affidavit from the parties or by judicial decree, the terminated acreage shall not be subject to selection for lease by Grantee/Lessee.

ARTICLE 9. LIQUIDATED DAMAGES

Failure of Grantee to timely conduct the advanced seismic operations required hereby, and/or secure the full and complete acquisition of data from at least 550,000 acres therefrom, and to make such data available to OMR for view or use as allowed by law shall be construed as an active default of this Agreement such that Grantee shall be liable to the Board for liquidated

damages in the amount equal to the Seismic Fee required by this Agreement, which amount shall be payable in full within thirty (30) days after notice.

IF APPLICABLE, failure of Grantee to timely provide to OMR a copy of all final, processed and migrated 3D or other seismic data obtained from the Property shall be construed as an active default of this Agreement such that Grantee shall be liable to the Board for liquidated damages in the amount equal to the Seismic Fee required by this Agreement, which amount shall be payable in full within thirty (30) days after notice. This damage provision equally applies to Grantee's duty to provide OMR a copy of any reprocessed data obtained within five (5) years of the date of the end of this Agreement.

The payment of liquidated damages as required hereby, if such occurs, shall not in any way negate the obligations of Grantee nor the right of Grantor to secure any of the benefits provided under the terms of this Agreement. Should litigation become necessary to enforce the terms, requirements or obligations of this Agreement, Grantee shall be liable for all costs and attorney fees incurred by the State and/or DWF.

ARTICLE 10. INDEMNITY

Grantee agrees to protect, defend, indemnify, save and hold harmless Grantor, its employees, officers, agents and representatives from and against any and all claims, demands, expenses, damages, responsibility and liability arising out of harm, injury or death to any person, or damage, loss or destruction of any property which may occur or in any way result from any act or omissions by Grantee, its employees, officers, agents and representatives. Additionally, Grantee shall indemnify Grantor, its employees, officers, agents and representatives for any and all costs, expenses and/or attorney fees incurred as a result of any claim, demand and/or cause of action, regardless of nature, related to or resulting from any act or omission by Grantee, its employees, officers, agents and representatives.

ARTICLE 11. FORCE MAJEURE

If at any time during the term of this Agreement, Grantee/Lessee is prevented, through no fault of its own and despite diligent effort to so perform, as determined by the Board, from commencing, continuing or resuming any of the activities necessary to conduct the geophysical and geological surveys and other such seismic activities on all or any portion of the area covered by this Agreement because of a storm, flood or any other such natural disaster, an accident beyond Grantee's control, or any governmental law, order, rule, regulation or ordinance, this Agreement may be extended by the Board for an amount of time, on a day-for-day basis, equal to the amount of time during which Grantee was so prevented from performing the duties and obligations specified, for a period not to exceed one (1) additional year beyond the Initial Term or Option Term, if activated, of this Agreement. To exercise the benefit of this provision, Grantee shall:

- a) Provide written notice, in timely fashion, to OMR of the force majeure event causing Grantee's inability to perform. To be timely, barring consequential extenuating circumstances, such notice shall be given no later than three (3) months following onset of the force majeure event; and
- b) Provide an affidavit containing the date and nature of the force majeure event; its effects in preventing commencement, continuation or resumption of the seismic activities required hereby; the action taken by Grantee to mitigate or eliminate those effects; the efforts and activities by Grantee to resume seismic activities; and the extension of time requested by Grantee.

Should any such occurrence prevent Grantee from performing its required duties and obligations for a period exceeding one (1) year beyond the Initial Term or Option Term, if activated, then Grantee shall be released from any obligations required by this Agreement except, however, Grantee shall forfeit to Grantor the Seismic Fee previously paid which shall remain the property of Grantor and, if applicable, provide to Grantor any advanced seismic data thus far acquired, collected and/or processed by Grantee.

Nothing herein shall be construed to extend the amount of time within which Grantee/Lessee may be required to perform duties and obligations specified in other agreements or contracts unrelated to this EGA.

ARTICLE 12. MISCELLANEOUS

- a) Notwithstanding any provisions to the contrary in this Agreement or in any mineral lease granted pursuant to this Agreement, this Agreement is granted and accepted without any warranty of title and without any recourse against Grantor/Lessor whatsoever, either express or implied. It is expressly agreed that Grantor/Lessor shall not be required to return any payments received under the terms of this Agreement or any mineral lease granted pursuant to this Agreement, or be otherwise responsible to Grantee/Lessee for any such payments.
- b) Within ninety (90) days after expiration or termination by its own terms of this EGA, Grantee shall execute and record an appropriate Release evidencing such expiration or termination, and shall also supply Grantor a copy thereof properly certified by the recorder(s) of the parish(es) in which the premises are located. Any such Release shall have no affect upon any exercise by Grantee/Lessee of the option to acquire a mineral lease(s) under this Agreement nor affect the rights and interests of Grantee/Lessee as to any mineral lease(s) acquired pursuant to the terms of this Agreement. In the event Grantee/Lessee fails to timely comply with this requirement, Grantee/Lessee shall be liable for the reasonable attorney fees and costs incurred by Grantor/Lessor for processing and/or in bringing suit for such cancellation, and for all damages, compensatory or otherwise, as Grantor/Lessor may prove. It is further understood and agreed that additionally, liquidated damages in the amount of One Hundred (\$100.00) Dollars per day for each day of non-compliance subsequent to expiration of this ninety (90) day period, after notice, shall be paid by Grantee/Lessee to Grantor/Lessor, regardless of whether litigation is required, with Grantee/Lessee hereby confessing judgment as regards this stipulated liquidated damage requirement.
- c) The rights, duties or obligations of Grantee/Lessee under this Agreement, except as to any mineral lease(s) or CCS OA(s) acquired pursuant to this Agreement, shall not be assignable or transferable, in whole or in part, without prior, express consent of the Board.
- d) In all suits arising under this Agreement, the parties agree that Louisiana law shall govern, and that proper venue shall be the 19th Judicial District Court in and for the Parish of East Baton Rouge, unless suit is required to be filed or is rightfully removed to a federal court of this State.
- e) Grantor makes no warranties as to the condition or suitability of the Property and Grantee accepts the Property “AS IS”. Further, Grantor has no obligation to make any repairs, additions or improvements to the Property subject to this Agreement.
- f) The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision of this Agreement.

ARTICLE 13. GRANTOR’S RIGHTS NOT WAIVED

No delay or failure by Grantor, in any one or more instances, to exercise any right or remedy or enforce any term or condition of this Agreement shall impair, prejudice or in any way be construed as waiving any such right, remedy, term or condition, and the same shall continue and remain in force and effect in the same manner and to the same extent as if such delay or failure had not occurred.

ARTICLE 14. RELATIONSHIP OF PARTIES

In the exercise of their respective rights and obligations under this Agreement, Grantor and Grantee act independently such that neither is to be considered an employee, contractor, officer or agent of the other.

ARTICLE 15. SEVERABILITY

In the event any provision within this Agreement is held to be void, unenforceable or illegal under the laws of the State of Louisiana, all remaining provisions shall continue to be valid and binding upon the parties who agree that the Agreement shall be reformed to replace such stricken provision with a valid, lawful and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

ARTICLE 16. CONFLICTING TERMS

In the event of a conflict between the plat(s) and the property description(s) of the Property subject to this Agreement, the property description of record with OMR shall control.

ARTICLE 17. AMENDMENT

This Agreement represents the entirety of the Agreement between Grantor and Grantee, with any change, modification or amendment to the terms and provisions of this Agreement requiring a formal writing signed and dated by both parties.

SIGNATURE PAGE FOLLOWS

[INSERT SIGNATURE PAGE]