

**STATE
AGENCY
TRACTS**

TRACT 32521 - STATE AGENCY - Caddo Parish, Louisiana

A certain tract of land belonging to and not under mineral lease from the Caddo Levee District, on May 10, 2000, being more fully described as follows: The South Half of the Northeast Quarter of Section 3, Township 21 North, Range 15 West, Caddo Parish, Louisiana, excluding beds and bottoms of all navigable waters, containing approximately 80 acres, as shown outlined in red on a plat on file in the Office of Mineral Resources, Department of Natural Resources.

NOTE: The fair market value shall be paid to Lessor for all merchantable timber removed or destroyed in conducting operations on the above described tract.

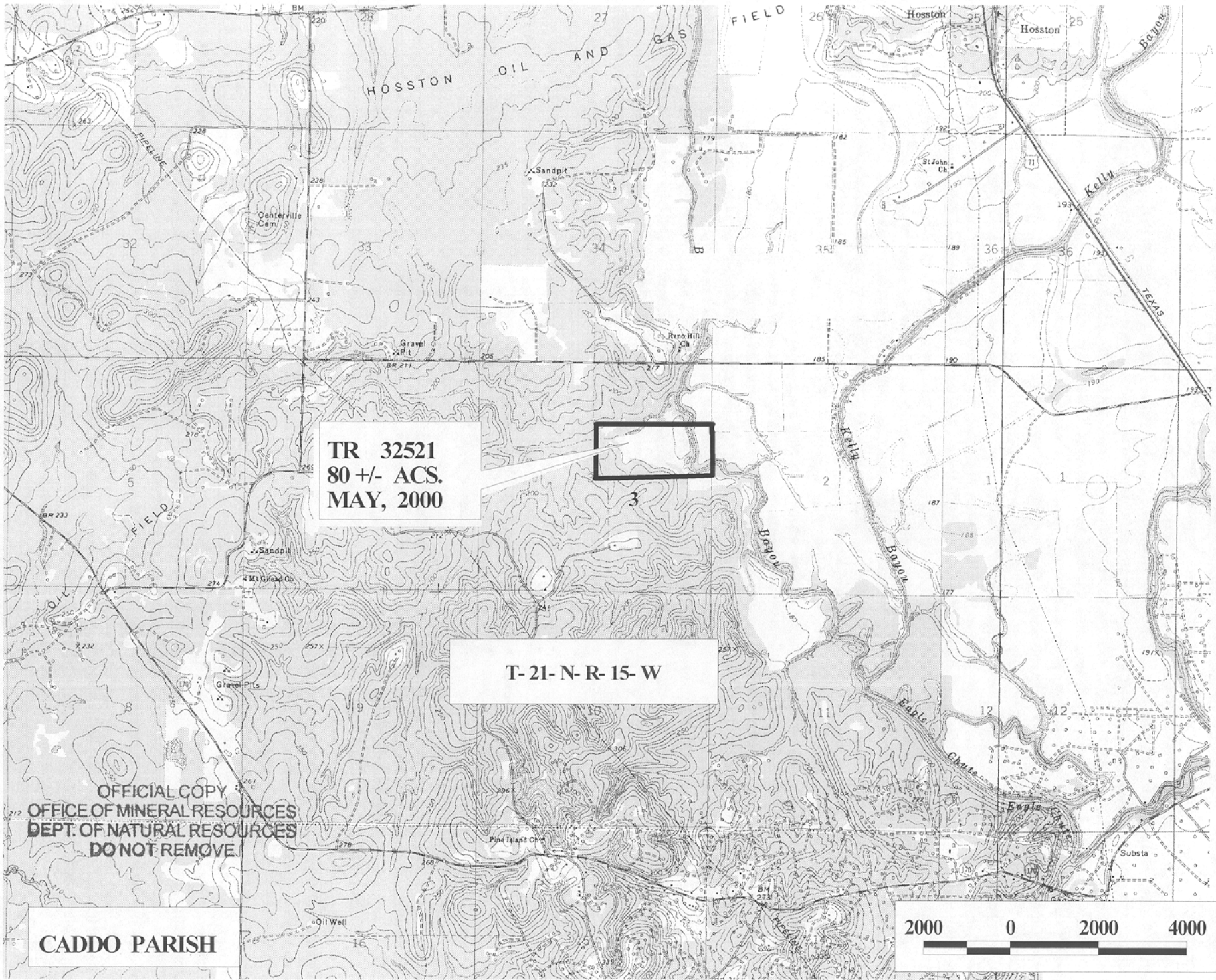
NOTE: Following the expiration of the primary term, this lease shall be released as to all depths more than 100 feet below the total depth of the deepest well drilled, or for which actual drilling operations have begun, on the leased premises or lands pooled or unitized therewith, whether any such unit order or pooling agreement is effective before or after the expiration date.

NOTE: Deferred Development provision of the Revised 1981 Louisiana State and State Agency Forms Rider - "Notwithstanding anything to the contrary herein contained, it is understood and agreed that in the event during the primary term of this Lease, or within one (1) year thereafter (if the Lease is then in force and effect), a portion of the property covered hereby is integrated and included or placed with other lands in a pooled contract, then unit drilling operations or unit reworking operations or unit production from a well situated on lands or properties embraced in such unit or units (hereinafter collectively called "unitized operations"), shall serve to maintain this Lease in force and effect as to the entirety of the leased premises, subject however to the following express requirements in lieu of reasonable development of the "outside acreage", as hereinafter defined, which is not otherwise maintained under the terms of this Lease all as set out more completely hereinbelow in the Paragraph. If on the anniversary date of the Lease next ensuing after the commencement of unitized operations (or if the first date of unitized operations is less than 90 days prior to the anniversary date, then on the expiration of 90 days such first date of unitized operations) the Lease is not being maintained under its terms by means other than unitized operations, the Lease shall terminate on said anniversary date (or at the end of said 90 day period, as the case may be) as to all outside acreage unless on or before such anniversary date (or the end of said 90 day period, as the case may be) Lessee pays to tenders to Lessor, as a deferred development payment, a sum of money equal to one-half of the rate per acre of the cash payment paid for the Lease multiplied by the number of acres then comprising the outside acreage, which tender or payment shall maintain this Lease in effect as to such outside acreage not otherwise maintained under the terms of the Lease until the next ensuing anniversary date. By similar tender or payment of a deferred development payment on or before each succeeding anniversary date this Lease may so be maintained in force during the remainder of the primary term (if any) and for two years thereafter as to such outside acreage. After the expiration of the periods during which the Lease may be maintained by deferred development payments as above provided,

if this Lease at any time is not being maintained in effect by other than unitized operations, it shall terminate as to all outside acreage not otherwise so maintained under the provisions of this Lease, provided that if a unit or units are created after the expiration of said periods the effect of which is to convert non-unitized operations as hereinafter defined, into unitized operations, it shall be regarded for all purposes of the Lease as though there had been on the effective date of such unit or units a cessation of production on the outside acreage. If at any time during the primary term of the Lease or within one year thereafter there is a cessation of all non-unitized operations as hereinafter defined, whether the same occurs as the result of the actual cessation of such operations or as the result of non-unitized operations being converted into unitized operations, then Lessee, in lieu of resuming non-unitized operations as provided in this Lease, may elect to maintain the Lease in effect as to the outside acreage by tendering or paying a deferred development payment, computed as hereinabove provided, on the next ensuing anniversary date of this Lease (or within 90 days from the cessation of non-unitized operations if such cessation should occur less than 90 days prior to such anniversary date). If at any time during the seconds year after the primary term of the Lease, there is a cessation of non-unitized operations as hereinafter defined, whether same occurs as the result of the actual cessation of such operations or as the result of non-unitized operations being converted into unitized operations, then the entire Lease shall nevertheless remain in effect until the next ensuing anniversary date."

Applicant: Dallas Exploration to Agency and by Resolution from the Caddo Levee District authorizing the Mineral Board to act in its behalf.

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other

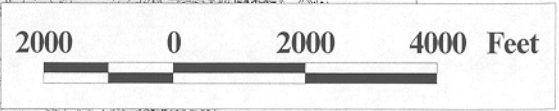


**TR 32521
80 +/- ACS.
MAY, 2000**

T-21-N-R-15-W

**OFFICIAL COPY
OFFICE OF MINERAL RESOURCES
DEPT. OF NATURAL RESOURCES
DO NOT REMOVE**

CADDO PARISH



116

TRACT 32522 - STATE AGENCY - Ouachita Parish, Louisiana

A certain tract of land belonging to and not under mineral lease from the Louisiana Department of Wildlife and Fisheries, on May 10, 2000, being more fully described as follows: All of Section 24, Township 17 North, Range 4 East, Ouachita Parish, Louisiana, **LESS AND EXCEPT** the Northwest Quarter of the Northwest Quarter and all of Section 19, Township 17 North, Range 5 East, Ouachita Parish, Louisiana, **LESS AND EXCEPT** any portion of State Agency Lease No. 6842, as amended, that may lie within the above described tract, excluding beds and bottoms of all navigable waters, containing approximately **1,135.53 gross acres and 567.77 net acres**, as shown outlined in red on a plat on file in the Office of Mineral Resources, Department of Natural Resources.

- NOTE:
1. No activities will be allowed without written authorization of the Louisiana Department of Wildlife and Fisheries. All projects will be coordinated and approved by the Russell Sage Wildlife Management Area Supervisor prior to any activities on the wildlife management area.
 2. Proposed projects will be evaluated on a case by case basis. Modifications to proposed project features including but not limited to access routes, well sites, flowlines and appurtenant structures may be required by the Louisiana Department of Wildlife and Fisheries.
 3. Compliance with the Russell Sage Management Area and mineral regulations will be required unless otherwise specified by the Department.
 4. Compensatory mitigation will be required to offset unavoidable habitat impacts.
 5. Removal of all structures, facilities and equipment will be required within 120 days of abandonment unless otherwise agreed to by the Department.
 6. No activities will be allowed during the hunting season unless approved by the Department.
 7. Prior to submitting applications for wetland permits to Federal and State permitting agencies, the lease holder shall coordinate project details with the Department.

NOTE: The Department will require a minimum bonus of \$150.00 per acre and a minimum royalty of 25 percent.

Applicant: Caruthers Producing Company, Inc. to Agency and by Letter from the Louisiana Department of Wildlife and Fisheries authorizing the Mineral Board to act in its behalf.