## SPECIAL NOTICE

On Monday, July 2, 2007, the Office of Mineral Resources on behalf of the State Mineral Board advertised in the "Notice of Publication," for receipt of sealed bids on or before 12:00 noon on Tuesday, August 7, 2007, for State Leases to be awarded upon Tract Nos. 39272 through 39354, inclusive at its August 8, 2007 Lease Sale. Within said advertisement was an incorrect note advertised for Tract No. 39342, Iberia Parish. By virtue of this public notice, Tract No. 39342 in Iberia Parish, Louisiana is hereby corrected as follows:

### TRACT 39342 - Iberia Parish School Board - Iberia Parish, Louisiana

The State Mineral Board acting on behalf of the Iberia Parish School Board, pursuant to Resolution(s) adopted by that (those) body(ies) and in accordance with Louisiana Revised Statutes 30:121-136 and 151-156, as amended, and Article XIV, Section 16(A)(9) and (B) of the Louisiana Constitution of 1974, as same may be continued promulgated in proper statutory form and, further, amended from time to time, advertises the lands not under mineral lease on August 8, 2007, excluding the beds and bottoms of all navigable water bodies located within the following: All or a portion of Section 16 and 15, Township 18 South, Range 6 East in Iberia Parish, Louisiana, All of Section 16, Township 18 South, Range 6 East in Iberia Parish, Louisiana, containing approximately 57 acres, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (North or South Zone).

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of

conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: Iberia Parish School Board desires mineral exploration pursuant to oil an gas leases on the Property to be performed in such a manner that the lands located in Marsh Island will remain and are restored to such condition as shall preserve it and under such conditions as will ensure to the satisfaction of the Board that minimum disturbance will occur, as set forth on the "Provisions and Conditions Governing Drilling and Production Operations on Marsh island " and the "General provisions Governing Drilling and Production Operations on marsh Island" (the "Provisions"), attached hereto as Exhibit B;

#### EXHIBIT B

## A. PROVISIONS AND CONDITIONS GOVERNING DRILLING AND PRODUCTION OPERATIONS ON MARSH ISLAND

- 1. There shall be no discharges, including oil fluids, drilling muds, oilfield brine or other pollutants, except into injection wells approved by the Louisiana Department of Natural Resources (hereinafter "DNR") and Louisiana Department of Wildlife and Fisheries (hereinafter) "W&F"). A containerized closed loop system will be required and the construction of pits will not be allowed.
- 2.. All tank batteries shall conform to all rules and regulations of DNR and W&F, particularly with reference to construction and maintenance of levee fire walls; Inspection reports on the condition of pipes and pipeline carriers shall be prepared and submitted to W&F and DNR twice annually. All pipelines must be buried at least 3 feet deep in push ditches that must be backfilled upon installation. Plugs will be required at all waterway crossings and

- all shoreline crossings will be directionally drilled. Construction on any tank batteries or pipelines must be approved in a manner set froth in these provisions and conditions prior to commencement of construction operations.
- 3. All State and Federal laws and all governmental regulations must be strictly complied with, including, but not limited to regulations of DNR and W&F.
- 4. No flares may be burned and no volatile substances may be released into the atmosphere except as permitted by W&F and DNR, and under the supervision of both departments. All permitted flares shall be burned into a containerized site during daylight hours only, unless nighttime burning is specifically permitted by W&F. No other fires may be burned in the refuge area except as permitted by W&F.
- 5. All damages caused by the mineral operations or explorations of Lessee or his assigns or permittees to levees, water control structures, bulkheads, or any other facilities owned or operated by W&F shall be restored, as near as practicable, to original condition by Lessee.
- Access to proposed well locations shall be through 6. existing waterways. No canal construction will be allowed in emergent vegetated wetlands except for navigation safety purposes which the proposed well location may be relocated a maximum of a key way distance (350ft.) outside the existing waterway. the event a waterway has to be deepened, W&F shall have discretion over spoil placement and hydraulic dredging may be required. In general, no spoil will allowed to be placed on emergent vegetated wetlands. Spoil materials will be placed in open water at an elevation conducive to vegetated wetlands development. In the event sufficient spoil is not available for marsh creation, spoil will be spread on water bottoms at an elevation not to exceed .5 ft. above the water bottom. Spoil materials generated from management unit canals may be utilized to repair or refurbish existing levees as determined by W&F on a case by case basis.

- 7. Board road access will be allowed across emergent vegetated wetlands dependent upon the specific site, however, W&F shall have discretion to require fill materials to be transported from offsite rather than constructing borrow canals.
- In the event W&F determines that hauled in fill is not 8. practicable for a specific site, road beds will be constructed from staggered borrow pits. These shall be evenly alternated on each side of the road bed and each individual pit shall not exceed 300 feet length and 40 ft. in width. A minimum of 15 ft. of berm shall be maintained between the road bed and the edge of the borrow pit. Drainage and water control will be provided for by means of culverts with drop gates under all road beds unless otherwise directed by W&F and DNR. In the event of a dry hole or upon abandonment of the well, the road bed and drill site shall be returned to pre-project conditions determined by W&F.
- 9. No telephone, telegraph or power lines shall be constructed above marsh level without specific prior approval of W&F and DNR.
- 10. No tank batteries, rigging, or other permanent structure shall be installed within 2,000 ft. of the main headquarters or within a distance that may prove damaging to any of the wood, concrete, steel or other water control structures on the area, without prior specific approval of W&F.
- 11. In order to prevent excessive construction of access facilities, Lessee agrees that W&F and DNR shall have authority to permit or require use of existing access facilities by any party otherwise entitled to travel on the leased premises. If appropriate, W&F and DNR may order the joint use of said access facilities upon payment of a fair and proportionate share of the cost and maintenance of said facility.
- 12. All development and work sites shall be kept clean and free of debris and litter, to the maximum extent practicable, as may be required by W&F. All abandoned development or work sites shall be restored as near as practicable to original condition, as may be required by W&F.

- 13. All drilling and production operations shall be conducted under the strict supervision of W&F and DNR, and W&F shall have the right to have a representative present at all drilling and production operations. All salaries and expenses of such representative shall be borne by Lessee.
- 14. Lessee and its assigns shall be responsible for and shall repair, to the maximum extent practicable as determined by W&F and DNR, all damages caused by its operations or the operations of its assigns.
- 15. The rights granted herein are personal to the Lessee, its agents, employees, and subcontractors. Lessee may not grant to other parties the right to use road beds, waterways, or other portions of the Leased premises without the written consent of W&F, and under no circumstances shall there be any such except for the purposes of the lease.
- 16. There shall be no development or use of the leased premises not specified above.
- 17. The willful and repeated violation of any of these provisions and conditions shall constitute cause for revocation of the lease.
- 18. Compensatory mitigation will be required for unavoidable wetland losses.
- 19. Seasonal restrictions may be imposed dependent upon the level of disturbance associated with the activity and the wildlife population levels present.
- 20. the event of a non-producing will or abandonment of a producing well all structures, flowlines facilities, and appurtenances shall removed within 120 days and the site shall be returned to pre-project conditions as determined by W&F.
- 21. Prior to submitting applications for wetlands permits to federal and state permitting agencies, the Lessee shall coordinate and obtain approval from W&F. Final approval of W&F will be contingent upon Lessee obtaining all necessary regulatory permits.

Lessor shall be entitled to injunctive relief against the Lessee for violation of any of its obligations hereunder, without showing irreparable harm or the absence of other legal remedies, and without the requirement of posting any bond necessity or security therefor. If the Lessee be adjudicated to have breached any obligation assumed herein or if injunctive relief be granted against Lessee, Lessor shall be entitled to full reimbursement of its court costs, reasonable attorneys fees and reasonable fees witnesses incident of expert to such proceedings.

# B. GENERAL PROVISIONS GOVERNING BOTH GEOPHYSICAL EXPLORATION & DRILLING AND PRODUCTION OPERATIONS ON MARSH ISLAND

- 1. Individual application must be submitted to W&F for approval for the Lessee to conduct any type of surface construction or surface development on Marsh Island. Any mineral activity conducted within 1,000 ft. of the South or Gulf side of Marsh Island shall be conducted in close cooperation with W&F and shall be conducted so as not to damage or destroy any existing reefs, oyster beds or other sensitive underwater habitat and to preserve fish, birds and other wildlife. A minimum of 15 days must be allowed for W&F to consider the applications and reply, where applicable.
- 2. Bringing firearms, bows arrows, and liquor and substances (drugs) the controlled dangerous onto leased premises is prohibited. All boats and vehicles are subject to search by all authorized employees of W&F.
- 3. Hunting, pursuing, killing, molesting or intentionally disturbing any type of wildlife is prohibited.
- 4. Trapping is permitted only by designated individuals assigned by W&F.
- 5. Use of boats, marsh buggies, and airboats, except as for the sole purposes specified in conditions pertaining to geophysical operations or drilling and production operations is prohibited.

- 6. Employees or representatives of the Lessee must have proper identification in their possession while working on the leases premises and be prepared to display same if requested to do so by a representative of W&F.
- 7. All operations shall be conducted to avoid pollution.
- 8. The burning of marsh is prohibited. Water control structures shall not be tampered with or altered by anyone other than an employee of W&F.
- 9. No littering is allowed.
- 10. Lessee shall comply with all current rules and regulations of W&F for the protection of game and wildlife, and particularly, no hunting, fishing or other activities harmful or destructive to game or wildlife shall be permitted on the leased premises.

Applicant: SUMMIT ENERGY COMPANY, LLC to Agency and by Resolution from the Iberia Parish School Board authorizing the Mineral Board to act in its behalf

Bidder	Cash	Price/	Rental	Oil	Gas	Other
	Payment	Acre				

