

TRACT 44326 - Lincoln Parish, Louisiana

A certain Tract of land, excluding the beds and bottoms of all navigable waters, belonging to and not presently under mineral lease from City Of Ruston on August 12, 2015, being more fully described as follows: Beginning at a point having Coordinates of X = 1,945,377.18 and Y = 695,152.32; thence East 9,240.00 feet to a point having Coordinates of X = 1,963,617.18 and Y = 695,152.32; thence South 11,480.00 feet to a point having Coordinates of X = 1,963,617.18 and Y = 683,672.32; thence West 9,240.00 feet to a point having Coordinates of X = 1,945,377.18 and Y = 683,672.32; thence North 11,480.00 feet to the point of beginning and being more particularly described as follows:

That certain tract or parcel of land containing 0.410 acres, more or less, being situated in the Southwest Quarter of the Southwest Quarter (SW/4 of SW/4) of Section 7, Township 18 North, Range 2 West, Lincoln Parish, Louisiana, and being further identified in that certain Act of Donation, dated March 18, 2003, recorded under Entry No. 045777, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 3.00 acres, more or less, situated in the Northwest Quarter of the Northeast Quarter (NW/4 of NE/4) of Section 12, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being bounded North, East, South by Shelby Roger, et al. and West by Hickory Ridge Estates. Said tract or parcel of land is further described in that certain Deed dated March 3, 1973, recorded in Conveyance Book 165, Page 364, under Registry Number C83062 in the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.158 acres, more or less, being situated in the Northwest Quarter of the Southeast Quarter (NW/4 of SE/4) of Section 13, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Act of Donation, dated April 27, 2005, recorded under Entry No. F66235, of the Lincoln Parish, Louisiana, and being further identified in that certain Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.420 acres, more or less, being situated in the Southwest Quarter of the Northeast Quarter (SW/4 of NE/4) of Section 13, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, being more particularly described as Lot 36C of North Highland Subdivision, Unit 2, of The City of Ruston, as per plat map on file of record in Conveyance Book 1172, page 207, of the records of Lincoln Parish, Louisiana, and being further identified in that certain Act of Sale Deed, dated June 22, 2005, recorded under Entry No. F65853, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 8.950 acres, more or less, described by metes and bounds, situated in the Southwest Quarter of the Northeast Quarter (SW/4 of NE/4) of Section 13, Township 18 North, Range 3

West, Lincoln Parish, Louisiana, and being further identified in that certain Warranty Deed dated May 19, 1951, recorded in Conveyance Book 40, Page 109, under Registry Number N-105706 of the Conveyance Records of Lincoln Parish, Louisiana.

The above tracts contain approximately **12.938 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. The description is based on information provided by the State Agency regarding location and ownership of surface and mineral rights. All bearings, distances and coordinates, if applicable, are based on Louisiana Coordinate System of 1927, (North or South Zone).

NOTE: The above description of the Tract nominated for the purpose of acquiring a mineral lease or a geophysical agreement has been provided and corrected, where required, exclusively by the nominating party. Any mineral lease or geophysical agreement selected from this Tract and awarded by the Louisiana State Mineral and Energy Board shall be without warranty of any kind, either express, implied or statutory including, but not limited to, title or the implied warranties of merchantability and fitness for a particular purpose.

An error or omission in the nominating party's Tract description may require that a State mineral lease or geophysical agreement be modified, canceled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions within the Tract described. In such case, however, the Louisiana State Mineral and Energy Board shall not be obligated to refund any consideration paid by the Lessee prior to such modification, cancellation or abrogation including, but not limited to, bonuses, rentals and royalties.

NOTE: There shall be a minimum royalty of one-fourth (1/4).

NOTE: There shall be a minimum bonus of \$1000.00 per acre.

NOTE: The primary term shall be three (3) years.

NOTE: It is agreed and understood, wherever the fraction one-eighth (1/8) appears regarding royalty, it shall be deemed to read one-fourth (1/4) instead so that the Lease provides for a full 1/4 royalty.

NOTE: Should a pooled unit or units be created, either by governmental authority (compulsory units) or by voluntary action of the parties, which include all or a portion of the lands covered by this Lease, drilling operations or production from the pool, sand or formation for which such unit or units were created, all as defined by said governmental authority, or by said voluntary utilization agreement, shall maintain this Lease in force only as to that portion of the Leased Premises included in said unit

or units, whether or not said duly operations or production is on or from the leased premises. However, Lessee shall explore and develop all other pools, sands or formations within the depth limitation set forth in this Lease as may be located within the area of said pooled unit or units within a period of five (5) years beyond the primary term or for so long as production is obtained from said other pooled unit or units, whichever is less. Should Lessee fail to so explore and develop all other pools, sands or formations being held pursuant to this paragraph, then Lessee shall, by written recordable instrument, release all rights to such other pools, sands or formations.

NOTE: At the end of the primary term or any extension thereof, this lease shall terminate and be of no force and effect as to all depths below the stratigraphic equivalent of a point one hundred (100') feet below the base of the deepest formation penetrated in any well drilled on the leased premises or on lands pooled therewith; provided, however, if Lessee is then engaged in the actual drilling of a well, this lease shall continue in force as to all acreage covered hereby and it shall not terminate as long as Lessee prosecutes operations with due diligence on said well and, thereafter, commences each succeeding well within one hundred twenty (120) days after the completion date or the date of abandonment of each well hereon, and thereafter prosecutes operations with respect thereto with due diligence in a good faith attempt to discover oil and/or gas.

NOTE: Lessee nor Lessee's successors and assigns nor mineral lessees, shall conduct any operations of any kind that will affect the surface of the Property or subsurface to a depth of one hundred (100') feet which shall specifically exclude, but not be exclusively limited to, seismic tests, drilling operations, laying of pipelines, erection of structures and apartments, or ingress and egress from, over, through or across the Property or any operations whatsoever to which Lessee might otherwise be entitled to as the owner of a mineral servitude, it being the intent herein that the Property shall never be subject to any operations of any nature, description and kind by Lessee, Lessee's successors and assigns and mineral lessees, that would in any manner affect the surface of the Property of subsurface to a depth of one hundred (100') feet. However, inclusion of the Property, or any portion thereof, within any unit or units duly established is permissible and the Property may be developed by the use of directional drilling beneath the Property from a drill site located on the Property of third parties and a minimum distance of five hundred feet (500') from the Property.

NOTE: Lessee shall be responsible to Lessor for all damages to the leased premises caused by Lessee's operations, including, but not limited to, damages to roads, artificial or natural drains, utilities, and all other improvements on said land.

NOTE: It is agreed and understood that this lease specifically covers and includes only oil, gas and related hydrocarbons produced in association

with either oil or gas or a combination of oil and gas and by-products produced and refined therefrom. Furthermore this lease specifically excludes coal, sand, gravel, lignite, clay and any other hard minerals produced in association with oil or gas or refined as a by-product therefrom. Notwithstanding any wording in this lease to the contrary, it is hereby understood between LESSOR and LESSEE that this lease covers only oil and gas in liquid, gaseous or vaporous forms or states, which can or may be produced through a bore of a producing oil or gas well, excluding, however, coal bed methane gas and its associated hydrocarbons. Reference to all or any other minerals contained herein is hereby deleted. This Lease does not include any other minerals and all other minerals being are reserved to Lessor including but not limited to hard or solid minerals, subterranean fresh water, coal bed methane, sulfur (or sulphur), Fuller's Earth, bentonite, gravel, coal and lignite, nor shall be effective as to the brine rights other than those necessarily associated with the production of the minerals leased hereunder. Lessee shall also have no right to remove any of the reserved minerals, iron ore, soil, sand and timber from the leased premises regardless of reason. If Lessee desires to utilize water from the subsurface of the leased premises, that desire may be consummated by a separate agreement between Lessee and Lessor; this Lease does not give Lessee the right to utilize such water. Lessor expressly reserves the right to conduct (or to grant to others the right to conduct) surface or strip-mining operations for any mineral or other substance not covered by this Lease, but such operations shall not unreasonably interfere with and shall be subordinate to the rights of Lessee hereunder.

NOTE: It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease or by state law shall be without deduction for any cost incurred by Lessee, including, but not limited to, producing, gathering, storing, separating, treating, cleaning, dehydrating, compressing, detoxification, processing, transporting, metering, accounting and marketing the oil, gas and other products produced hereunder with the sole exception that Lessor's royalty shall bear its proportionate share of any severance & ad valorem taxes. Rather, royalties paid to Lessor herein shall be based on the value received by Lessee from the sale of such production to an unaffiliated, third-party purchaser, and in no event shall Lessor receive a price that is less than the price received by Lessee. Nor shall Lessee tender or deliver such royalty in kind in order to escape defraying the entire cost of such producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and marketing expense. Lessee shall account to and pay lessor within ninety (90) days after the last calendar day of the month in which the production is marketed and sold. Notwithstanding the foregoing, it is specifically agreed that Lessee shall have the right to utilize produced gas in its surface equipment, including compressors, and no royalties shall be due on any such utilized gas.

NOTE: After the expiration of the primary term of this Lease, in no event shall Lessee's rights be extended by the payment of shut-in gas royalty as allowed under the terms of this Lease and without drilling operations or production of oil, gas or other liquid hydrocarbons for more than two (2) consecutive years. In addition, any such shut-in royalty payments paid to Lessor shall be at the rate of \$2.50 per net mineral acre.

NOTE: Lessee hereby agrees in exercising the rights granted it under the Lease, it will comply with and be subject to all applicable environmental and other laws and regulations validly adopted or issued by the State of Louisiana or its agencies, or by the United States or its agencies. Lessee further agrees that it will comply with all minimum soil and water quality standards validly adopted by said government authorities with respect to oil pollution and noxious chemicals and waste being introduced into affected water areas. Lessee shall not manufacture, dispose of or release any hazardous materials on, under or about the leased premises, and shall not transport hazardous materials to or from the leased premises in any manner which would violate any applicable environmental laws. To the fullest extent allowed by law, Lessee shall indemnify and hold Lessor harmless from and against all costs, liabilities, fines, penalties, legal expenses (including, without limitation, Lessor's attorney fees), damages to property or injuries to persons (including death) which arise out of or are related to Lessee's failure to comply with this provision. Nevertheless, the preceding indemnification shall not apply to any costs, liabilities, fines, penalties, legal expenses (including, without limitation, Lessor's attorney fees), damages to property or injuries to persons (including death) which arise out of Lessor's gross negligence or intentional act.

NOTE: If Lessor becomes legally obligated to investigate, remove, clean up, remediate or otherwise expend funds as a result of the Lessee's activities under this Lease, Lessee agrees that it will promptly perform such investigation, clean up or remediation activities at its sole cost, risk and expense upon written request from the Lessor. Lessor's royalty herein shall be free of all charges and costs whatsoever including but not limited to, production, compression, cleaning, dehydration, metering, detoxification, transportation, accounting, and marketing; except that Lessor's royalty will be responsible for its pro rata share of all taxes imposed on severance or production by any municipal, parish, state or federal agency.

NOTE: Once a well is completed and gas, oil or other products are produced, with any portion of said lands under this lease being included in the unit, Lessor shall begin to receive royalty payments not later than 120 days from the date of the first sale of said products. Any delay in the payment of royalty from production for a period of one hundred twenty (120) days will result in interest due the Lessor at the rate of one and one-half (1 ½) percent per month.

NOTE: The price to be used in computing the market value of gas and/or liquid hydrocarbons at the well head shall be the price received by the Lessee under an arm's length sales contract with parties prudently negotiated in the light of the facts and circumstances existing at the time of the consummation of such contract. Should Lessee negotiate a sales contract with an affiliate, parent or subsidiary company of Lessee, then the price so negotiated and paid to Lessee shall be not less than the price which Lessee would have received from a third party negotiated under an arm's length sales contract prudently negotiated in the light of the facts and circumstances existing at the time of the consummation of such contract. However, should Lessee by virtue of any order of any state or federal regulatory body receive less than the price provided for in any gas and/or liquid hydrocarbons sales contract entered into by Lessee, such lesser price shall be paid.

NOTE: All gas and liquid hydrocarbons shall be measured and paid for using the same standards and factors required by the Louisiana Department of Revenue.

NOTE: This Lease is granted without any covenant of title or warranty of title of any kind whatsoever, expressed or implied, and without any recourse against the Lessor in the event of any failure of title, not even for the return of the consideration paid here for or any shut-in payments or royalties paid hereunder.

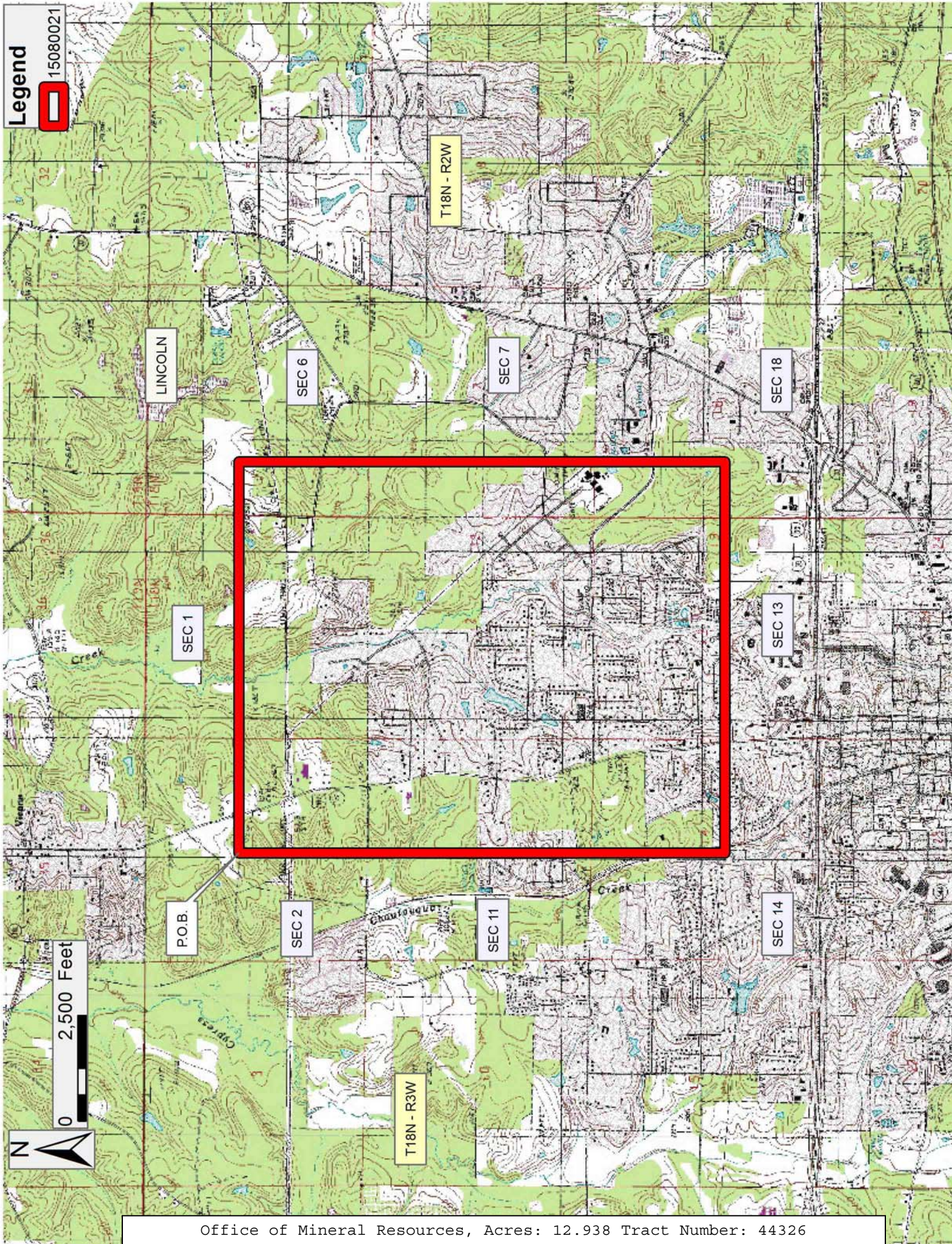
NOTE: To the fullest extent allowed by law, Lessee shall indemnify, hold harmless and defend Lessor (and Lessor's heirs, assigns, and legal representatives) from any and all losses, damages, fines, penalties, liabilities, costs, injuries, loss of life, expenses, claims and causes of action of whatsoever nature and howsoever caused including injury or death to persons or damages to property, (including without limitation, legal fees and expenses incurred in defending same or in enforcing this indemnity), resulting or arising from or incurred in connection with any operations by Lessee on the leased premises.

NOTE: This Lease may be assigned only if the assignee agrees in writing to assume all of the obligations of Lessee under this Lease. In such event all obligations of this Lease shall remain binding on Lessee unless Lessor specifically agrees to release Lessee from said obligations in writing.

NOTE: If, in the event of production, a division order is circulated by Lessee or by purchaser of production, such division order will be a simple statement of interest containing no warranty or indemnity clause and containing no clauses modifying in any way the terms of this lease. Lessor shall not be obligated to execute such division order but may acknowledge receipt of said division order to Lessee.

Applicant: HOODOO ENERGY HOLDINGS to Agency and by Resolution from the City Of Ruston authorizing the Mineral Board to act in its behalf

| Bidder | Cash Payment | Price/ Acre | Rental | Oil | Gas | Other |
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TRACT 44327 - Lincoln Parish, Louisiana

A certain Tract of land, excluding the beds and bottoms of all navigable waters, belonging to and not presently under mineral lease from City Of Ruston on August 12, 2015, being more fully described as follows: Beginning at a point having Coordinates of X = 1,942,472.38 and Y = 694,904.43; thence East 18,480.00 feet to a point having Coordinates of X = 1,960,952.38 and Y = 694,904.43; thence South 18,480.00 feet to a point having Coordinates of X = 1,960,952.38 and Y = 676,424.43; thence West 18,480.00 feet to a point having Coordinates of X = 1,942,472.38 and Y = 676,424.43; thence North 18,480.00 feet to the point of beginning and being more particularly described as follows: being Ada Street, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Alabama Avenue (East), located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Aldredge Circle, located in the City of Ruston, Louisiana, situated in Section 11, Township 18 North, Range 3 West, Alexander Avenue, located in the City of Ruston, Louisiana, situated in Section 15, Township 18 North, Range 3 West, Arabella Street, located in the City of Ruston, Louisiana, situated in Section 15, Township 18 North, Range 3 West, Arcadia Drive, located in the City of Ruston, Louisiana, situated in Section 10, Township 18 North, Range 3 West, Arkansas Street, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Arnold Street, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Ashland Street, located in the City of Ruston, Louisiana, situated in Section 15, Township 18 North, Range 3 West, Aspen Circle, located in the City of Ruston, Louisiana, situated in Section 11, Township 18 North, Range 3 West, Audubon Drive, located in the City of Ruston, Louisiana, situated in Section 11, Township 18 North, Range 3 West, Azalea Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Baldwin Street, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Bearcat Drive, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Belcara Drive, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, Belle Haven Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Bittersweet Avenue, located in the City of Ruston, Louisiana, situated in Section 15, Township 18 North, Range 3 West, Blondin Drive, located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Bocage Place, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Bold Street, located in the City of Ruston, Louisiana, situated in Section 22, Township 18 North, Range 3 West, Bonaparte Drive, located in the City of Ruston, Louisiana, situated in Section 15, Township 18 North, Range 3 West, Bonner Street (North AND South), located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Bordeaux Drive, located in the City of Ruston, Louisiana, situated in Section 15, Township 18 North, Range 3 West, Boyce Street, located in the City of Ruston, Louisiana, situated in Section 23, Township

18 North, Range 3 West, Briarhill Drive, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, Briarwood Drive, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, Broadway Avenue, located in the City of Ruston, Louisiana, situated in Section 15, Township 18 North, Range 3 West, Brookhaven Avenue, located in the City of Ruston, Louisiana, situated in Section 3, Township 18 North, Range 3 West, Brooks Street, located in the City of Ruston, Louisiana, situated in Section 15, Township 18 North, Range 3 West, Brookwood Drive, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, Calcote Avenue, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Camp Avenue, located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, Canard Ct., located in the City of Ruston, Louisiana, situated in Sections 13 and 14, Township 18 North, Range 3 West, Carolina Avenue (East AND West), located in the City of Ruston, Louisiana, situated in Sections 23 and 24, Township 18 North, Range 3 West, Carriage Way, located in the City of Ruston, Louisiana, situated in Section 11, Township 18 North, Range 3 West, Cassidy Lane, located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, Celebrity Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Center Street, located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Chantilly Drive, located in the City of Ruston, Louisiana, situated in Section 15, Township 18 North, Range 3 West, Chautauqua Road (North AND South), located in the City of Ruston, Louisiana, situated in Sections 11 and 14, Township 18 North, Range 3 West, Chase Lane, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, Christopher Lane, located in the City of Ruston, Louisiana, situated in Section 10, Township 18 North, Range 3 West, Church Street, located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, Claiborne Street, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, College Hill Drive, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Colvin Street, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Cook Street, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Cooktown Road, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Corley Street, located in the City of Ruston, Louisiana, situated in Section 15, Township 18 North, Range 3 West, Cottonwood Drive, located in the City of Ruston, Louisiana, situated in Section 11, Township 18 North, Range 3 West, Coushatta Street, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Creekwood Drive, located in the City of Ruston, Louisiana, situated in Section 11, Township 18 North, Range 3 West, Daffodil Lane, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Dauphine Drive, located in the City of Ruston, Louisiana, situated in Section 15, Township 18 North,

Range 3 West, Dayton Drive, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, Desiree Street, located in the City of Ruston, Louisiana, situated in Section 15, Township 18 North, Range 3 West, Dixie Street, located in the City of Ruston, Louisiana, situated in Section 15, Township 18 North, Range 3 West, Durden Avenue, located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Edwards Drive, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Elizabeth Avenue, located in the City of Ruston, Louisiana, situated in Section 22, Township 18 North, Range 3 West, Ellis Avenue, located in the City of Ruston, Louisiana, situated in Section 22, Township 18 North, Range 3 West, Eugene Drive, located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Evans Street, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Everett Street, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Fairview Street, located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, Farmerville Street (North AND South), located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Fisher Lane, located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, Florida Avenue (East AND West), located in the City of Ruston, Louisiana, situated in Sections 23 and 24, Township 18 North, Range 3 West, Forest Circle, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Forest Creek Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Foxwood Drive, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, Frazier Road, located in the City of Ruston, Louisiana, situated in Sections 1, 11 and 12, Township 18 North, Range 3 West, Garr Avenue, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Gains Avenue, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Georgia Avenue (West), located in the City of Ruston, Louisiana, situated in Sections 23 and 24, Township 18 North, Range 3 West, Glendale Drive, located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, Glenwood Drive, located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, Goodwin Road, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Goode Avenue, located in the City of Ruston, Louisiana, situated in Sections 23 and 24, Township 18 North, Range 3 West, Gordon Drive, located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, Goyne Street, located in the City of Ruston, Louisiana, situated in Section 22, Township 18 North, Range 3 West, Green Mountain Drive, located in the City of Ruston, Louisiana, situated in Section 1, Township 18 North, Range 3 West, Greenbriar Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Greenwood Drive, located in the City of Ruston, Louisiana, situated in Section 14, Township 18

North, Range 3 West, Greer Drive, located in the City of Ruston, Louisiana, situated in Section 10, Township 18 North, Range 3 West, Hazel Street (North AND South), located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Hidden Cove Circle, located in the City of Ruston, Louisiana, situated in Section 1, Township 18 North, Range 3 West, Hidden Valley Drive, located in the City of Ruston, Louisiana, situated in Section 1, Township 18 North, Range 3 West, High Pointe Drive, located in the City of Ruston, Louisiana, situated in Section 1, Township 18 North, Range 3 West, Hillside Drive, located in the City of Ruston, Louisiana, situated in Section 15, Township 18 North, Range 3 West, Homer Street (North AND South), located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Honeysuckle Lane, located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, Howard Street, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Huey Avenue, located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, Hundred Oaks Drive, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, James Street, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Jefferson Avenue, located in the City of Ruston, Louisiana, situated in Sections 2, 3, 10 and 11, Township 18 North, Range 3 West, Jena Street, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Jewel Street, located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, Kavanaugh Road, located in the City of Ruston, Louisiana, situated in Section 10, Township 18 North, Range 3 West, Kennon Lane, located in the City of Ruston, Louisiana, situated in Section 22, Township 18 North, Range 3 West, Kentucky Avenue (East AND West), located in the City of Ruston, Louisiana, situated in Sections 10, 11, 12, 13, 14 and 15 Township 18 North, Range 3 West, Knowles Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Lake Shore Drive, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, Lamar Avenue, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Laura Lane, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Lee Avenue, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Lewis Alley, located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Lexington Street, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Lily Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Lisa Lane, located in the City of Ruston, Louisiana, situated in Sections 14 and 15, Township 18 North, Range 3 West, Llanfair Drive, located in the City of Ruston, Louisiana, situated in Sections 11 and 12, Township 18 North, Range 3 West, Llangeler Drive, located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, Louanne Avenue, located in the City of Ruston, Louisiana, situated in

Section 11, Township 18 North, Range 3 West, Louisiana Avenue (East AND West), located in the City of Ruston, Louisiana, situated in Sections 23 and 24, Township 18 North, Range 3 West, Lovers Lane, located in the City of Ruston, Louisiana, situated in Section 11, Township 18 North, Range 3 West, Madera Street, located in the City of Ruston, Louisiana, situated in Section 15, Township 18 North, Range 3 West, Maple Street (North AND South), located in the City of Ruston, Louisiana, situated in Section 22, Township 18 North, Range 3 West, Marcus Drive, located in the City of Ruston, Louisiana, situated in Section 11, Township 18 North, Range 3 West, Marie Avenue, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Maryland Avenue (East AND West), located in the City of Ruston, Louisiana, situated in Sections 23 and 24, Township 18 North, Range 3 West, McQuay Drive, located in the City of Ruston, Louisiana, situated in Section 11, Township 18 North, Range 3 West, Melissa Street, located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Melody Lane, located in the City of Ruston, Louisiana, situated in Section 12 Township 18 North, Range 3 West, Melton Drive, located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Memorial Drive, located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Mesa Street, located in the City of Ruston, Louisiana, situated in Section 15, Township 18 North, Range 3 West, Mimosa Drive, located in the City of Ruston, Louisiana, situated in Section 15, Township 18 North, Range 3 West, Minden Street, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Mississippi Avenue (East AND West), located in the City of Ruston, Louisiana, situated in Sections 23 and 24, Township 18 North, Range 3 West, Misty Lane, located in the City of Ruston, Louisiana, situated in Section 10, Township 18 North, Range 3 West, Monroe Street (North AND South), located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Monterey Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Monticello Drive, located in the City of Ruston, Louisiana, situated in Section 2, Township 18 North, Range 3 West, Moreland Street, located in the City of Ruston, Louisiana, situated in Sections 2 and 3, Township 18 North, Range 3 West, Morrison Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Moss Hill Drive, located in the City of Ruston, Louisiana, situated in Section 11, Township 18 North, Range 3 West, Mossy Knoll Drive, located in the City of Ruston, Louisiana, situated in Section 11, Township 18 North, Range 3 West, Myrtle Street, located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Norma-Ray Drive, located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, North Forty Drive, located in the City of Ruston, Louisiana, situated in Sections 1 and 12, Township 18 North, Range 3 West, Northwood Drive, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, Northwood Place, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, Oak Park Circle, located in the City of Ruston, Louisiana,

situated in Section 11, Township 18 North, Range 3 West, Oil Mill Street, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Old Creek Road, located in the City of Ruston, Louisiana, situated in Section 11, Township 18 North, Range 3 West, Orleans Circle, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Park Avenue (East AND West), located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Pelican Blvd., located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, Pennington Lane, located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, Penny Lane, located in the City of Ruston, Louisiana, situated in Section 22, Township 18 North, Range 3 West, Pinecrest Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Pinecrest Drive (North), located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Pine Avenue, located in the City of Ruston, Louisiana, situated in Sections 23 and 24, Township 18 North, Range 3 West, Pintail Drive, located in the City of Ruston, Louisiana, situated in Sections 13 and 14, Township 18 North, Range 3 West, Quail Lane, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Ragan Street, located in the City of Ruston, Louisiana, situated in Section 22, Township 18 North, Range 3 West, Railroad Avenue (East AND West), located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Redwood Street, located in the City of Ruston, Louisiana, situated in Section 11, Township 18 North, Range 3 West, Reynolds Drive (East AND West), located in the City of Ruston, Louisiana, situated in Sections 13 and 14, Township 18 North, Range 3 West, Rhody Drive, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, Ridge Drive, located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, Ridgemont Street, located in the City of Ruston, Louisiana, situated in Section 3, Township 18 North, Range 3 West, Rita Lane, located in the City of Ruston, Louisiana, situated in Sections 14 and 15, Township 18 North, Range 3 West, Rosalie Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Rosemont Street, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Royal Oaks Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Sandy Lane, located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Scott Drive, located in the City of Ruston, Louisiana, situated in Section 22, Township 18 North, Range 3 West, Sherwood Drive, located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, Snowden Street, located in the City of Ruston, Louisiana, situated in Section 22, Township 18 North, Range 3 West, Sortor Street, located in the City of Ruston, Louisiana, situated in Sections 11 and 12, Township 18 North, Range 3 West, Soyars Circle, located in the City of Ruston, Louisiana, situated in Sections 11 and 14, Township 18 North, Range 3 West, Sparta Street (North AND South), located in the City

of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Spears Street, located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, Spencer Street, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Spring Avenue, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Standifer Avenue, located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Sunset Blvd., located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Savannah Trace, located in the City of Ruston, Louisiana, situated in Section 11, Township 18 North, Range 3 West, Sweetbriar Avenue, located in the City of Ruston, Louisiana, situated in Section 3, Township 18 North, Range 3 West, Sybil Drive, located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, Tanglewood Drive, located in the City of Ruston, Louisiana, situated in Section 11, Township 18 North, Range 3 West, Tara Drive, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, Tarreyton Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Texas Avenue (East AND West), located in the City of Ruston, Louisiana, situated in Sections 23 and 24, Township 18 North, Range 3 West, Toma Lodge Drive, located in the City of Ruston, Louisiana, situated in Sections 11 and 14, Township 18 North, Range 3 West, Turner Street, located in the City of Ruston, Louisiana, situated in Section 22, Township 18 North, Range 3 West, Valley Drive, located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, Ventura Street, located in the City of Ruston, Louisiana, situated in Section 15, Township 18 North, Range 3 West, Vernon Street, located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Vienna Street (North), located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Virginia Street (East AND West), located in the City of Ruston, Louisiana, situated in Sections 23 and 24, Township 18 North, Range 3 West, Vista Drive, located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Wales Ct., located in the City of Ruston, Louisiana, situated in Section 14, Township 18 North, Range 3 West, Wedgewood Drive, located in the City of Ruston, Louisiana, situated in Section 14 and 15, Township 18 North, Range 3 West, Western Street, located in the City of Ruston, Louisiana, situated in Section 23, Township 18 North, Range 3 West, Whispering Pines Avenue, located in the City of Ruston, Louisiana, situated in Section 11, Township 18 North, Range 3 West, Willow Drive, located in the City of Ruston, Louisiana, situated in Section 11, Township 18 North, Range 3 West, Willow Glen, located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Winchester Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Woodburn Street, located in the City of Ruston, Louisiana, situated in Section 2, Township 18 North, Range 3 West, Woodhaven Road (East AND West), located in the City of Ruston, Louisiana, situated in Sections 11 and 12, Township 18 North, Range 3 West, Wynnwood Avenue, located in the

City of Ruston, Louisiana, situated in Sections 13 and 14, Township 18 North, Range 3 West, and Zephyr Lane, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, **LESS AND EXCEPT** all that portion of State Lease No. 21565 that lies within the above described tract, containing approximately **349.0 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. The description is based on information provided by the State Agency regarding location and ownership of surface and mineral rights. All bearings, distances and coordinates, if applicable, are based on Louisiana Coordinate System of 1927, (North or South Zone).

NOTE: The above description of the Tract nominated for the purpose of acquiring a mineral lease or a geophysical agreement has been provided and corrected, where required, exclusively by the nominating party. Any mineral lease or geophysical agreement selected from this Tract and awarded by the Louisiana State Mineral and Energy Board shall be without warranty of any kind, either express, implied or statutory including, but not limited to, title or the implied warranties of merchantability and fitness for a particular purpose.

An error or omission in the nominating party's Tract description may require that a State mineral lease or geophysical agreement be modified, canceled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions within the Tract described. In such case, however, the Louisiana State Mineral and Energy Board shall not be obligated to refund any consideration paid by the Lessee prior to such modification, cancellation or abrogation including, but not limited to, bonuses, rentals and royalties.

NOTE: There shall be a minimum royalty of one-fourth (1/4).

NOTE: There shall be a minimum bonus of \$1000.00 per acre.

NOTE: The primary term shall be three (3) years.

NOTE: It is agreed and understood, wherever the fraction one-eighth (1/8) appears regarding royalty, it shall be deemed to read one-fourth (1/4) instead so that the Lease provides for a full 1/4 royalty.

NOTE: Should a pooled unit or units be created, either by governmental authority (compulsory units) or by voluntary action of the parties, which include all or a portion of the lands covered by this Lease, drilling operations or production from the pool, sand or formation for which such unit or units were created, all as defined by said governmental authority, or by said voluntary utilization agreement, shall maintain this Lease in force only as to that portion of the Leased Premises included in said unit or units, whether or not said duly operations or production is on or from

the leased premises. However, Lessee shall explore and develop all other pools, sands or formations within the depth limitation set forth in this Lease as may be located within the area of said pooled unit or units within a period of five (5) years beyond the primary term or for so long as production is obtained from said other pooled unit or units, whichever is less. Should Lessee fail to so explore and develop all other pools, sands or formations being held pursuant to this paragraph, then Lessee shall, by written recordable instrument, release all rights to such other pools, sands or formations.

NOTE: At the end of the primary term or any extension thereof, this lease shall terminate and be of no force and effect as to all depths below the stratigraphic equivalent of a point one hundred (100') feet below the base of the deepest formation penetrated in any well drilled on the leased premises or on lands pooled therewith; provided, however, if Lessee is then engaged in the actual drilling of a well, this lease shall continue in force as to all acreage covered hereby and it shall not terminate as long as Lessee prosecutes operations with due diligence on said well and, thereafter, commences each succeeding well within one hundred twenty (120) days after the completion date or the date of abandonment of each well hereon, and thereafter prosecutes operations with respect thereto with due diligence in a good faith attempt to discover oil and/or gas.

NOTE: Lessee nor Lessee's successors and assigns nor mineral lessees, shall conduct any operations of any kind that will affect the surface of the Property or subsurface to a depth of one hundred (100') feet which shall specifically exclude, but not be exclusively limited to, seismic tests, drilling operations, laying of pipelines, erection of structures and apartments, or ingress and egress from, over, through or across the Property or any operations whatsoever to which Lessee might otherwise be entitled to as the owner of a mineral servitude, it being the intent herein that the Property shall never be subject to any operations of any nature, description and kind by Lessee, Lessee's successors and assigns and mineral lessees, that would in any manner affect the surface of the Property or subsurface to a depth of one hundred (100') feet. However, inclusion of the Property, or any portion thereof, within any unit or units duly established is permissible and the Property may be developed by the use of directional drilling beneath the Property from a drill site located on the Property of third parties and a minimum distance of five hundred feet (500') from the Property.

NOTE: Lessee shall be responsible to Lessor for all damages to the leased premises caused by Lessee's operations, including, but not limited to, damages to roads, artificial or natural drains, utilities, and all other improvements on said land.

NOTE: It is agreed and understood that this lease specifically covers and includes only oil, gas and related hydrocarbons produced in association with either oil or gas or a combination of oil and gas and by-products

produced and refined therefrom. Furthermore this lease specifically excludes coal, sand, gravel, lignite, clay and any other hard minerals produced in association with oil or gas or refined as a by-product therefrom. Notwithstanding any wording in this lease to the contrary, it is hereby understood between LESSOR and LESSEE that this lease covers only oil and gas in liquid, gaseous or vaporous forms or states, which can or may be produced through a bore of a producing oil or gas well, excluding, however, coal bed methane gas and its associated hydrocarbons. Reference to all or any other minerals contained herein is hereby deleted. This Lease does not include any other minerals and all other minerals being are reserved to Lessor including but not limited to hard or solid minerals, subterranean fresh water, coal bed methane, sulfur (or sulphur), Fuller's Earth, bentonite, gravel, coal and lignite, nor shall be effective as to the brine rights other than those necessarily associated with the production of the minerals leased hereunder. Lessee shall also have no right to remove any of the reserved minerals, iron ore, soil, sand and timber from the leased premises regardless of reason. If Lessee desires to utilize water from the subsurface of the leased premises, that desire may be consummated by a separate agreement between Lessee and Lessor; this Lease does not give Lessee the right to utilize such water. Lessor expressly reserves the right to conduct (or to grant to others the right to conduct) surface or strip-mining operations for any mineral or other substance not covered by this Lease, but such operations shall not unreasonably interfere with and shall be subordinate to the rights of Lessee hereunder.

NOTE: It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease or by state law shall be without deduction for any cost incurred by Lessee, including, but not limited to, producing, gathering, storing, separating, treating, cleaning, dehydrating, compressing, detoxification, processing, transporting, metering, accounting and marketing the oil, gas and other products produced hereunder with the sole exception that Lessor's royalty shall bear its proportionate share of any severance & ad valorem taxes. Rather, royalties paid to Lessor herein shall be based on the value received by Lessee from the sale of such production to an unaffiliated, third-party purchaser, and in no event shall Lessor receive a price that is less than the price received by Lessee. Nor shall Lessee tender or deliver such royalty in kind in order to escape defraying the entire cost of such producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and marketing expense. Lessee shall account to and pay lessor within ninety (90) days after the last calendar day of the month in which the production is marketed and sold. Notwithstanding the foregoing, it is specifically agreed that Lessee shall have the right to utilize produced gas in its surface equipment, including compressors, and no royalties shall be due on any such utilized gas.

NOTE: After the expiration of the primary term of this Lease, in no event

shall Lessee's rights be extended by the payment of shut-in gas royalty as allowed under the terms of this Lease and without drilling operations or production of oil, gas or other liquid hydrocarbons for more than two (2) consecutive years. In addition, any such shut-in royalty payments paid to Lessor shall be at the rate of \$2.50 per net mineral acre.

NOTE: Lessee hereby agrees in exercising the rights granted it under the Lease, it will comply with and be subject to all applicable environmental and other laws and regulations validly adopted or issued by the State of Louisiana or its agencies, or by the United States or its agencies. Lessee further agrees that it will comply with all minimum soil and water quality standards validly adopted by said government authorities with respect to oil pollution and noxious chemicals and waste being introduced into affected water areas. Lessee shall not manufacture, dispose of or release any hazardous materials on, under or about the leased premises, and shall not transport hazardous materials to or from the leased premises in any manner which would violate any applicable environmental laws. To the fullest extent allowed by law, Lessee shall indemnify and hold Lessor harmless from and against all costs, liabilities, fines, penalties, legal expenses (including, without limitation, Lessor's attorney fees), damages to property or injuries to persons (including death) which arise out of or are related to Lessee's failure to comply with this provision. Nevertheless, the preceding indemnification shall not apply to any costs, liabilities, fines, penalties, legal expenses (including, without limitation, Lessor's attorney fees), damages to property or injuries to persons (including death) which arise out of Lessor's gross negligence or intentional act.

NOTE: If Lessor becomes legally obligated to investigate, remove, clean up, remediate or otherwise expend funds as a result of the Lessee's activities under this Lease, Lessee agrees that it will promptly perform such investigation, clean up or remediation activities at its sole cost, risk and expense upon written request from the Lessor. Lessor's royalty herein shall be free of all charges and costs whatsoever including but not limited to, production, compression, cleaning, dehydration, metering, detoxification, transportation, accounting, and marketing; except that Lessor's royalty will be responsible for its pro rata share of all taxes imposed on severance or production by any municipal, parish, state or federal agency.

NOTE: Once a well is completed and gas, oil or other products are produced, with any portion of said lands under this lease being included in the unit, Lessor shall begin to receive royalty payments not later than 120 days from the date of the first sale of said products. Any delay in the payment of royalty from production for a period of one hundred twenty (120) days will result in interest due the Lessor at the rate of one and one-half (1 ½) percent per month.

NOTE: The price to be used in computing the market value of gas and/or liquid hydrocarbons at the well head shall be the price received by the Lessee under an arm's length sales contract with parties prudently negotiated in the light of the facts and circumstances existing at the time of the consummation of such contract. Should Lessee negotiate a sales contract with an affiliate, parent or subsidiary company of Lessee, then the price so negotiated and paid to Lessee shall be not less than the price which Lessee would have received from a third party negotiated under an arm's length sales contract prudently negotiated in the light of the facts and circumstances existing at the time of the consummation of such contract. However, should Lessee by virtue of any order of any state or federal regulatory body receive less than the price provided for in any gas and/or liquid hydrocarbons sales contract entered into by Lessee, such lesser price shall be paid.

NOTE: All gas and liquid hydrocarbons shall be measured and paid for using the same standards and factors required by the Louisiana Department of Revenue.

NOTE: This Lease is granted without any covenant of title or warranty of title of any kind whatsoever, expressed or implied, and without any recourse against the Lessor in the event of any failure of title, not even for the return of the consideration paid here for or any shut-in payments or royalties paid hereunder.

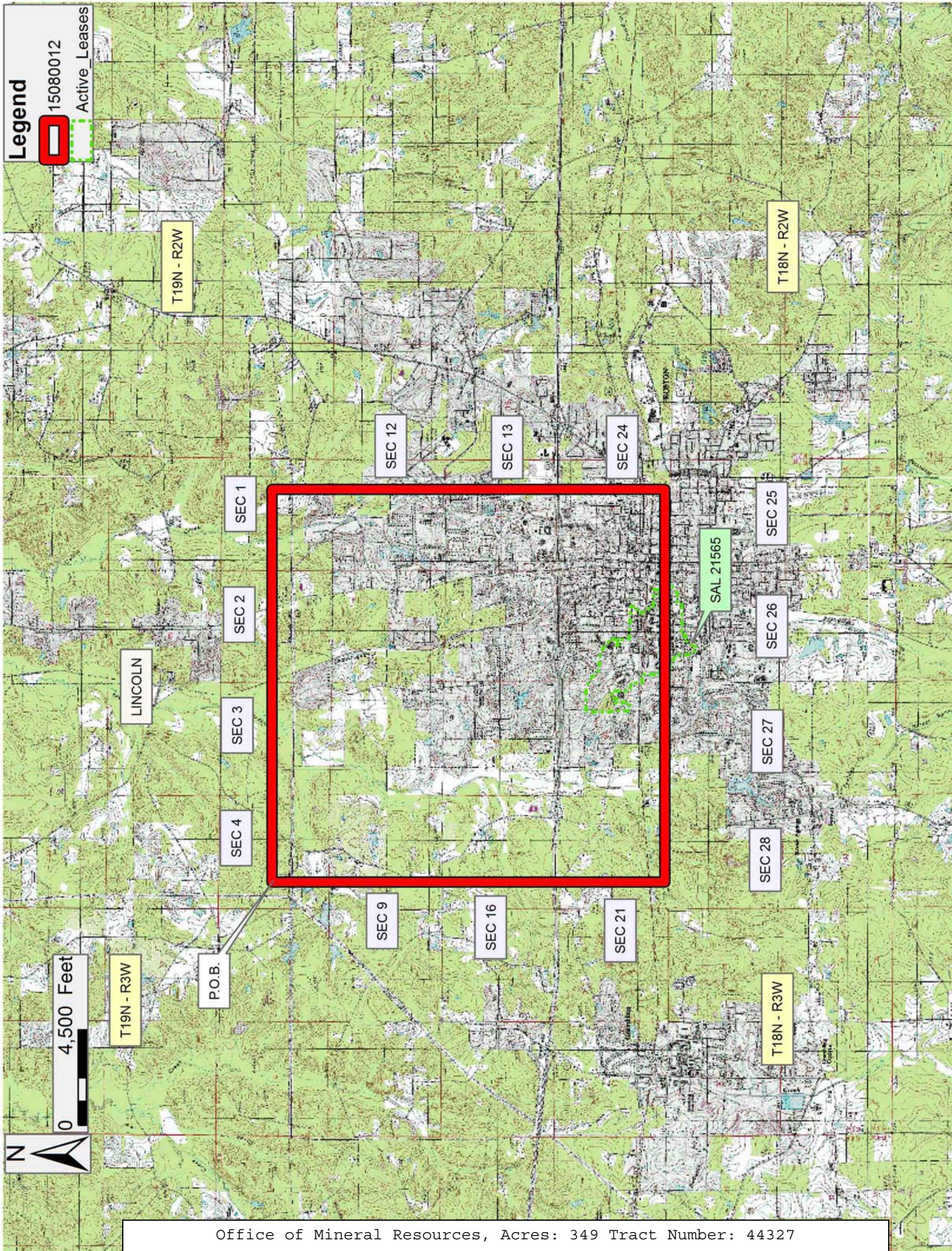
NOTE: To the fullest extent allowed by law, Lessee shall indemnify, hold harmless and defend Lessor (and Lessor's heirs, assigns, and legal representatives) from any and all losses, damages, fines, penalties, liabilities, costs, injuries, loss of life, expenses, claims and causes of action of whatsoever nature and howsoever caused including injury or death to persons or damages to property, (including without limitation, legal fees and expenses incurred in defending same or in enforcing this indemnity), resulting or arising from or incurred in connection with any operations by Lessee on the leased premises.

NOTE: This Lease may be assigned only if the assignee agrees in writing to assume all of the obligations of Lessee under this Lease. In such event all obligations of this Lease shall remain binding on Lessee unless Lessor specifically agrees to release Lessee from said obligations in writing.

NOTE: If, in the event of production, a division order is circulated by Lessee or by purchaser of production, such division order will be a simple statement of interest containing no warranty or indemnity clause and containing no clauses modifying in any way the terms of this lease. Lessor shall not be obligated to execute such division order but may acknowledge receipt of said division order to Lessee.

Applicant: HOODOO ENERGY HOLDINGS to Agency and by Resolution from the City Of Ruston authorizing the Mineral Board to act in its behalf

| Bidder | Cash Payment | Price/ Acre | Rental | Oil | Gas | Other |
|--------|-----------------|----------------|--------|-----|-----|-------|
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TRACT 44328 - Ouachita Parish, Louisiana

A certain Tract of land, excluding the beds and bottoms of all navigable waters, belonging to and not presently under mineral lease from Ouachita Parish School Board on August 12, 2015, being more fully described as follows: That certain tract or parcel of land being situated in the Southeast Quarter of the Southwest Quarter (SE/4 of SW/4) of Section 3, Township 18 North, Range 1 East, Ouachita Parish, Louisiana. Said tract being further identified in that certain Cash Deed dated February 28, 1950 and recorded in Conveyance Book 454, Page 659, Entry No. 344955, of the Conveyance Records of the office of the Clerk of Court for Ouachita Parish, Louisiana, containing approximately **4.106 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. The description is based on information provided by the State Agency regarding location and ownership of surface and mineral rights. All bearings, distances and coordinates, if applicable, are based on Louisiana Coordinate System of 1927, (North or South Zone).

NOTE: The above description of the Tract nominated for the purpose of acquiring a mineral lease or a geophysical agreement has been provided and corrected, where required, exclusively by the nominating party. Any mineral lease or geophysical agreement selected from this Tract and awarded by the Louisiana State Mineral and Energy Board shall be without warranty of any kind, either express, implied or statutory including, but not limited to, title or the implied warranties of merchantability and fitness for a particular purpose.

An error or omission in the nominating party's Tract description may require that a State mineral lease or geophysical agreement be modified, canceled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions within the Tract described. In such case, however, the Louisiana State Mineral and Energy Board shall not be obligated to refund any consideration paid by the Lessee prior to such modification, cancellation or abrogation including, but not limited to, bonuses, rentals and royalties.

NOTE: There shall be a minimum royalty of one-fourth (1/4).

NOTE: There shall be a minimum bonus of \$1000.00 per acre.

NOTE: The primary term shall be three (3) years.

NOTE: It is agreed and understood, wherever the fraction one-eighth (1/8) appears regarding royalty, it shall be deemed to read one-fourth (1/4) instead so that the Lease provides for a full 1/4 royalty.

NOTE: Should a pooled unit or units be created, either by governmental authority (compulsory units) or by voluntary action of the parties, which

include all or a portion of the lands covered by this Lease, drilling operations or production from the pool, sand or formation for which such unit or units were created, all as defined by said governmental authority, or by said voluntary utilization agreement, shall maintain this Lease in force only as to that portion of the Leased Premises included in said unit or units, whether or not said duly operations or production is on or from the leased premises. However, Lessee shall explore and develop all other pools, sands or formations within the depth limitation set forth in this Lease as may be located within the area of said pooled unit or units within a period of five (5) years beyond the primary term or for so long as production is obtained from said other pooled unit or units, whichever is less. Should Lessee fail to so explore and develop all other pools, sands or formations being held pursuant to this paragraph, then Lessee shall, by written recordable instrument, release all rights to such other pools, sands or formations.

NOTE: At the end of the primary term or any extension thereof, this lease shall terminate and be of no force and effect as to all depths below the stratigraphic equivalent of a point one hundred (100') feet below the base of the deepest formation penetrated in any well drilled on the leased premises or on lands pooled therewith; provided, however, if Lessee is then engaged in the actual drilling of a well, this lease shall continue in force as to all acreage covered hereby and it shall not terminate as long as Lessee prosecutes operations with due diligence on said well and, thereafter, commences each succeeding well within one hundred twenty (120) days after the completion date or the date of abandonment of each well hereon, and thereafter prosecutes operations with respect thereto with due diligence in a good faith attempt to discover oil and/or gas.

NOTE: Lessee nor Lessee's successors and assigns nor mineral lessees, shall conduct any operations of any kind that will affect the surface of the Property or subsurface to a depth of one hundred (100') feet which shall specifically exclude, but not be exclusively limited to, seismic tests, drilling operations, laying of pipelines, erection of structures and apartments, or ingress and egress from, over, through or across the Property or any operations whatsoever to which Lessee might otherwise be entitled to as the owner of a mineral servitude, it being the intent herein that the Property shall never be subject to any operations of any nature, description and kind by Lessee, Lessee's successors and assigns and mineral lessees, that would in any manner affect the surface of the Property or subsurface to a depth of one hundred (100') feet. However, inclusion of the Property, or any portion thereof, within any unit or units duly established is permissible and the Property may be developed by the use of directional drilling beneath the Property from a drill site located on the Property of third parties and a minimum distance of five hundred feet (500') from the Property.

NOTE: Lessee shall be responsible to Lessor for all damages to the leased premises caused by Lessee's operations, including, but not limited to, damages to roads, artificial or natural drains, utilities, and all other

improvements on said land.

NOTE: It is agreed and understood that this lease specifically covers and includes only oil, gas and related hydrocarbons produced in association with either oil or gas or a combination of oil and gas and by-products produced and refined therefrom. Furthermore this lease specifically excludes coal, sand, gravel, lignite, clay and any other hard minerals produced in association with oil or gas or refined as a by-product therefrom. Notwithstanding any wording in this lease to the contrary, it is hereby understood between LESSOR and LESSEE that this lease covers only oil and gas in liquid, gaseous or vaporous forms or states, which can or may be produced through a bore of a producing oil or gas well, excluding, however, coal bed methane gas and its associated hydrocarbons. Reference to all or any other minerals contained herein is hereby deleted. This Lease does not include any other minerals and all other minerals being are reserved to Lessor including but not limited to hard or solid minerals, subterranean fresh water, coal bed methane, sulfur (or sulphur), Fuller's Earth, bentonite, gravel, coal and lignite, nor shall be effective as to the brine rights other than those necessarily associated with the production of the minerals leased hereunder. Lessee shall also have no right to remove any of the reserved minerals, iron ore, soil, sand and timber from the leased premises regardless of reason. If Lessee desires to utilize water from the subsurface of the leased premises, that desire may be consummated by a separate agreement between Lessee and Lessor; this Lease does not give Lessee the right to utilize such water. Lessor expressly reserves the right to conduct (or to grant to others the right to conduct) surface or strip-mining operations for any mineral or other substance not covered by this Lease, but such operations shall not unreasonably interfere with and shall be subordinate to the rights of Lessee hereunder.

NOTE: It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease or by state law shall be without deduction for any cost incurred by Lessee, including, but not limited to, producing, gathering, storing, separating, treating, cleaning, dehydrating, compressing, detoxification, processing, transporting, metering, accounting and marketing the oil, gas and other products produced hereunder with the sole exception that Lessor's royalty shall bear its proportionate share of any severance & ad valorem taxes. Rather, royalties paid to Lessor herein shall be based on the value received by Lessee from the sale of such production to an unaffiliated, third-party purchaser, and in no event shall Lessor receive a price that is less than the price received by Lessee. Nor shall Lessee tender or deliver such royalty in kind in order to escape defraying the entire cost of such producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and marketing expense. Lessee shall account to and pay lessor within ninety (90) days after the last calendar day of the month in which the production is marketed and sold. Notwithstanding the

foregoing, it is specifically agreed that Lessee shall have the right to utilize produced gas in its surface equipment, including compressors, and no royalties shall be due on any such utilized gas.

NOTE: After the expiration of the primary term of this Lease, in no event shall Lessee's rights be extended by the payment of shut-in gas royalty as allowed under the terms of this Lease and without drilling operations or production of oil, gas or other liquid hydrocarbons for more than two (2) consecutive years. In addition, any such shut-in royalty payments paid to Lessor shall be at the rate of \$2.50 per net mineral acre.

NOTE: Lessee hereby agrees in exercising the rights granted it under the Lease, it will comply with and be subject to all applicable environmental and other laws and regulations validly adopted or issued by the State of Louisiana or its agencies, or by the United States or its agencies. Lessee further agrees that it will comply with all minimum soil and water quality standards validly adopted by said government authorities with respect to oil pollution and noxious chemicals and waste being introduced into affected water areas. Lessee shall not manufacture, dispose of or release any hazardous materials on, under or about the leased premises, and shall not transport hazardous materials to or from the leased premises in any manner which would violate any applicable environmental laws. To the fullest extent allowed by law, Lessee shall indemnify and hold Lessor harmless from and against all costs, liabilities, fines, penalties, legal expenses (including, without limitation, Lessor's attorney fees), damages to property or injuries to persons (including death) which arise out of or are related to Lessee's failure to comply with this provision. Nevertheless, the preceding indemnification shall not apply to any costs, liabilities, fines, penalties, legal expenses (including, without limitation, Lessor's attorney fees), damages to property or injuries to persons (including death) which arise out of Lessor's gross negligence or intentional act.

NOTE: If Lessor becomes legally obligated to investigate, remove, clean up, remediate or otherwise expend funds as a result of the Lessee's activities under this Lease, Lessee agrees that it will promptly perform such investigation, clean up or remediation activities at its sole cost, risk and expense upon written request from the Lessor. Lessor's royalty herein shall be free of all charges and costs whatsoever including but not limited to, production, compression, cleaning, dehydration, metering, detoxification, transportation, accounting, and marketing; except that Lessor's royalty will be responsible for its pro rata share of all taxes imposed on severance or production by any municipal, parish, state or federal agency.

NOTE: Once a well is completed and gas, oil or other products are produced, with any portion of said lands under this lease being included in the unit, Lessor shall begin to receive royalty payments not later than 120 days from the date of the first sale of said products. Any delay in

the payment of royalty from production for a period of one hundred twenty (120) days will result in interest due the Lessor at the rate of one and one-half (1 ½) percent per month.

NOTE: The price to be used in computing the market value of gas and/or liquid hydrocarbons at the well head shall be the price received by the Lessee under an arm's length sales contract with parties prudently negotiated in the light of the facts and circumstances existing at the time of the consummation of such contract. Should Lessee negotiate a sales contract with an affiliate, parent or subsidiary company of Lessee, then the price so negotiated and paid to Lessee shall be not less than the price which Lessee would have received from a third party negotiated under an arm's length sales contract prudently negotiated in the light of the facts and circumstances existing at the time of the consummation of such contract. However, should Lessee by virtue of any order of any state or federal regulatory body receive less than the price provided for in any gas and/or liquid hydrocarbons sales contract entered into by Lessee, such lesser price shall be paid.

NOTE: All gas and liquid hydrocarbons shall be measured and paid for using the same standards and factors required by the Louisiana Department of Revenue.

NOTE: This Lease is granted without any covenant of title or warranty of title of any kind whatsoever, expressed or implied, and without any recourse against the Lessor in the event of any failure of title, not even for the return of the consideration paid here for or any shut-in payments or royalties paid hereunder.

NOTE: To the fullest extent allowed by law, Lessee shall indemnify, hold harmless and defend Lessor (and Lessor's heirs, assigns, and legal representatives) from any and all losses, damages, fines, penalties, liabilities, costs, injuries, loss of life, expenses, claims and causes of action of whatsoever nature and howsoever caused including injury or death to persons or damages to property, (including without limitation, legal fees and expenses incurred in defending same or in enforcing this indemnity), resulting or arising from or incurred in connection with any operations by Lessee on the leased premises.

NOTE: This Lease may be assigned only if the assignee agrees in writing to assume all of the obligations of Lessee under this Lease. In such event all obligations of this Lease shall remain binding on Lessee unless Lessor specifically agrees to release Lessee from said obligations in writing.

NOTE: If, in the event of production, a division order is circulated by Lessee or by purchaser of production, such division order will be a simple statement of interest containing no warranty or indemnity clause and containing no clauses modifying in any way the terms of this lease. Lessor shall not be obligated to execute such division order but may acknowledge

receipt of said division order to Lessee.

Note: This lease shall exclude the following well(s) currently located on the advertised property - Avant #1 wellbore operated by HMR Energy Resources.

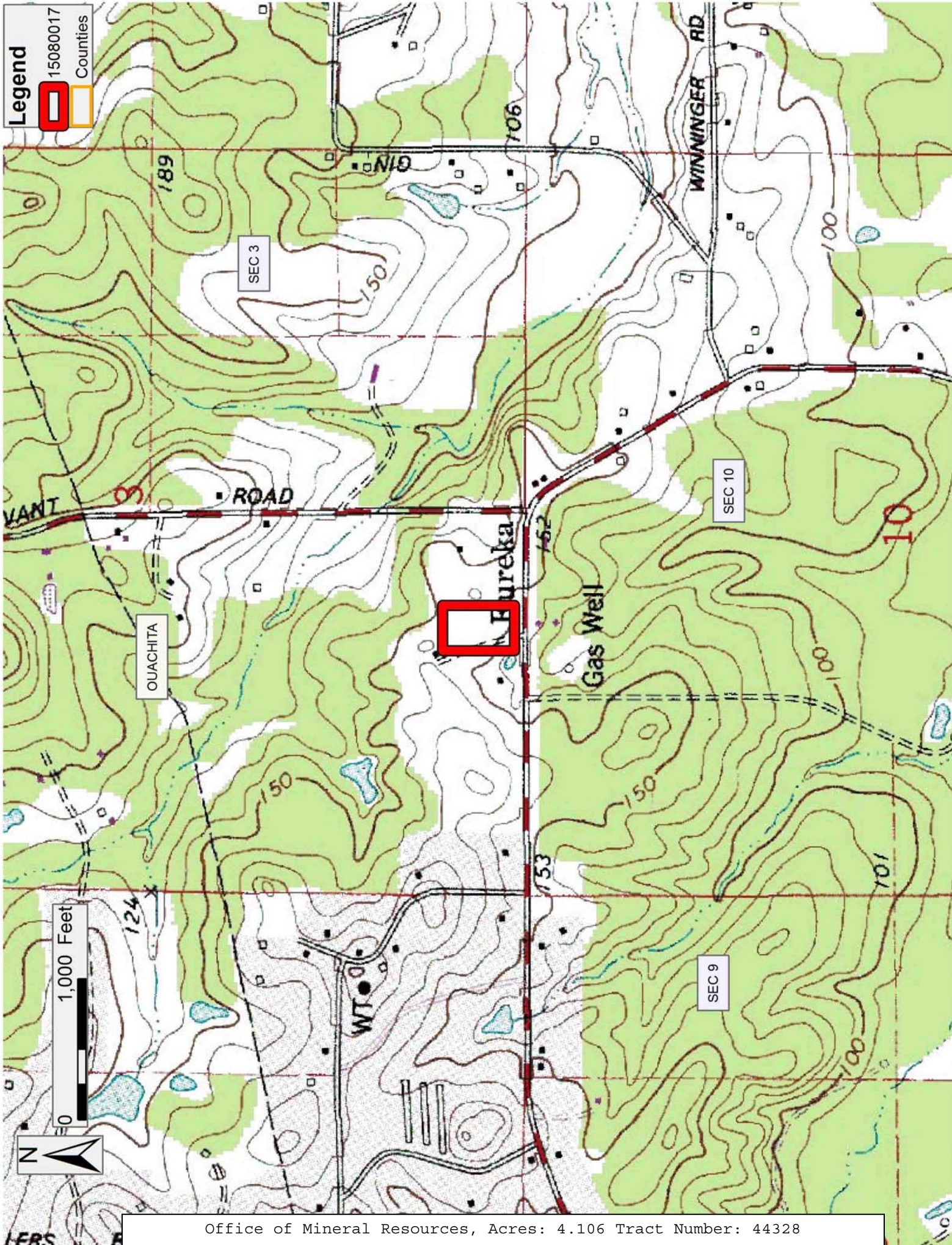
Applicant: HARDIHOOD RESOURCE DEVELOPMENT to Agency and by Resolution from the Ouachita Parish School Board authorizing the Mineral Board to act in its behalf

| Bidder | Cash Payment | Price/ Acre | Rental | Oil | Gas | Other |
|--------|-----------------|----------------|--------|-----|-----|-------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Legend

15080017

Counties



TRACT 44329 - Lincoln Parish, Louisiana

A certain Tract of land, excluding the beds and bottoms of all navigable waters, belonging to and not presently under mineral lease from City Of Ruston on August 12, 2015, being more fully described as follows: Beginning at a point having Coordinates of X = 1,960,952.38 and Y = 692,221.43; thence East 18,480.00 feet to a point having Coordinates of X = 1,979,432.38 and Y = 692,221.43; thence South 18,480.00 feet to a point having Coordinates of X = 1,979,432.38 and Y = 673,741.43; thence West 18,480.00 feet to a point having Coordinates of X = 1,960,952.38 and Y = 673,741.43; thence North 18,480.00 feet to the point of beginning and being more particularly described as follows: being Alpine Avenue, located in the City of Ruston, Louisiana, situated in Section 30, Township 18 North, Range 2 West, Atkins Road, located in the City of Ruston, Louisiana, situated in Sections 17 and 18, Township 18 North, Range 2 West, Avon Avenue, located in the City of Ruston, Louisiana, situated in Section 30, Township 18 North, Range 2 West, Barksdale Street, located in the City of Ruston, Louisiana, situated in Section 19, Township 18 North, Range 2 West, Beacon Light Road, located in the City of Ruston, Louisiana, situated in Sections 20 and 29, Township 18 North, Range 2 West, Beauregard Street, located in the City of Ruston, Louisiana, situated in Section 18, Township 18 North, Range 2 West, Bernard Street (North AND South), located in the City of Ruston, Louisiana, situated in Sections 24 and 25, Township 18 North, Range 3 West, Bernice Street, located in the City of Ruston, Louisiana, situated in Section 30, Township 18 North, Range 2 West, Biltmore Drive, located in the City of Ruston, Louisiana, situated in Section 19, Township 18 North, Range 2 West, Bourbon Street, located in the City of Ruston, Louisiana, situated in Section 7, Township 18 North, Range 2 West, Brewster Avenue, located in the City of Ruston, Louisiana, situated in Section 19, Township 18 North, Range 2 West, Bular Street, located in the City of Ruston, Louisiana, situated in Section 18, Township 18 North, Range 2 West, Burgessville Road, located in the City of Ruston, Louisiana, situated in Section 18, Township 18 North, Range 2 West, California Avenue (East), located in the City of Ruston, Louisiana, situated in Section 25, Township 18 North, Range 3 West, Campbell Street, located in the City of Ruston, Louisiana, situated in Section 18, Township 18 North, Range 2 West, Canal Street, located in the City of Ruston, Louisiana, situated in Section 7, Township 18 North, Range 2 West, Cartwright Drive, located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Catalpa Drive, located in the City of Ruston, Louisiana, situated in Section 18, Township 18 North, Range 2 West, Cedar Creek Road, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, and in Section 7, Township 18 North, Range 2 West, Cedar Street, located in the City of Ruston, Louisiana, situated in Section 25, Township 18 North, Range 3 West, and in Section 30, Township 18 North, Range 2 West, Celebrity Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, and in Section 18, Township 18 North, Range 2 West, Chase Lane, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, Circle Drive, located in the

City of Ruston, Louisiana, situated in Section 25, Township 18 North, Range 3 West, Clay Street, located in the City of Ruston, Louisiana, situated in Section 30, Township 18 North, Range 2 West, Commerce Street, located in the City of Ruston, Louisiana, situated in Section 18, Township 18 North, Range 2 West, Commons Ct., located in the City of Ruston, Louisiana, situated in Section 7, Township 18 North, Range 2 West, Decatur Drive, located in the City of Ruston, Louisiana, situated in Section 7, Township 18 North, Range 2 West, Eagle Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Eastland Avenue, located in the City of Ruston, Louisiana, situated in Section 25, Township 18 North, Range 3 West, and in Section 30, Township 18 North, Range 2 West, Edgewood Street, located in the City of Ruston, Louisiana, situated in Section 25, Township 18 North, Range 3 West, English Turn, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, Esplanade Blvd., located in the City of Ruston, Louisiana, situated in Section 7, Township 18 North, Range 2 West, Fairfield Drive, located in the City of Ruston, Louisiana, situated in Section 19, Township 18 North, Range 2 West, Foxx Creek Drive, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, Foxwood Drive, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, Franke Drive, located in the City of Ruston, Louisiana, situated in Sections 19 and 30, Township 18 North, Range 2 West, Goodwin Road, located in the City of Ruston, Louisiana, situated in Sections 12 and 13, Township 18 North, Range 3 West, Highland Street, located in the City of Ruston, Louisiana, situated in Section 18, Township 18 North, Range 2 West, Hill Avenue, located in the City of Ruston, Louisiana, situated in Section 30, Township 18 North, Range 2 West, Hodges Road, located in the City of Ruston, Louisiana, situated in Section 7, Township 18 North, Range 2 West, Hospitality Street, located in the City of Ruston, Louisiana, situated in Section 18, Township 18 North, Range 2 West, Hummingbird Lane, located in the City of Ruston, Louisiana, situated in Section 19, Township 18 North, Range 2 West, Hunt Lane, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, Illinois Avenue, located in the City of Ruston, Louisiana, situated in Section 18, Township 18 North, Range 2 West, Indiana Avenue, located in the City of Ruston, Louisiana, situated in Section 18, Township 18 North, Range 2 West, Industrial Drive, located in the City of Ruston, Louisiana, situated in Section 18, Township 18 North, Range 2 West, Johnathan Drive, located in the City of Ruston, Louisiana, situated in Section 19, Township 18 North, Range 2 West, Johnston Street, located in the City of Ruston, Louisiana, situated in Section 30, Township 18 North, Range 2 West, Kentucky Avenue (East), located in the City of Ruston, Louisiana, situated in Sections 12 and 13, Township 18 North, Range 3 West, and in Section 18, Township 18 North, Range 2 West, Kenwood Drive, located in the City of Ruston, Louisiana, situated in Section 19, Township 18 North, Range 2 West, Lafayette Street, located in the City of Ruston, Louisiana, situated in Section 19, Township 18 North, Range 2 West, Lamoyne Drive, located in the City of Ruston, Louisiana, situated in Section 18, Township 18 North,

Range 2 West, Laura Lane, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Lewis Street, located in the City of Ruston, Louisiana, situated in Section 30, Township 18 North, Range 2 West, Line Avenue (East), located in the City of Ruston, Louisiana, situated in Section 25, Township 18 North, Range 3 West, and in Section 30, Township 18 North, Range 2 West, Link Drive, located in the City of Ruston, Louisiana, situated in Section 18, Township 18 North, Range 2 West, Magazine Street, located in the City of Ruston, Louisiana, situated in Section 7, Township 18 North, Range 2 West, Marbury Drive, located in the City of Ruston, Louisiana, situated in Section 19, Township 18 North, Range 2 West, Marie Avenue, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, McAllister Street, located in the City of Ruston, Louisiana, situated in Section 25, Township 18 North, Range 3 West, McDonald Avenue, located in the City of Ruston, Louisiana, situated in Sections 24 and 25, Township 18 North, Range 3 West, and in Sections 19 and 20, Township 18 North, Range 2 West, Mississippi Avenue (East), located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, and in Section 19, Township 18 North, Range 2 West, Monrovia Drive, located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Monterey Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Morgan Street, located in the City of Ruston, Louisiana, situated in Section 19, Township 18 North, Range 2 West, Nancy Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Neal Street, located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Ohio Avenue, located in the City of Ruston, Louisiana, situated in Section 18, Township 18 North, Range 2 West, Orleans Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Pinehaven Circle, located in the City of Ruston, Louisiana, situated in Section 25, Township 18 North, Range 3 West, Poe Street, located in the City of Ruston, Louisiana, situated in Section 25, Township 18 North, Range 3 West, Ponder Street, located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Post Drive, located in the City of Ruston, Louisiana, situated in Section 18, Township 18 North, Range 2 West, Post Oak Drive, located in the City of Ruston, Louisiana, situated in Section 12, Township 18 North, Range 3 West, and in Section 7, Township 18 North, Range 2 West, Quitman Street, located in the City of Ruston, Louisiana, situated in Section 19, Township 18 North, Range 2 West, Rampart Drive, located in the City of Ruston, Louisiana, situated in Section 7, Township 18 North, Range 2 West, Road Camp Road, located in the City of Ruston, Louisiana, situated in Section 7, Township 18 North, Range 2 West, Roberta Avenue, located in the City of Ruston, Louisiana, situated in Section 19, Township 18 North, Range 2 West, Rosalie Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Santiam Road, located in the City of Ruston, Louisiana, situated in Sections 19 and 20, Township 18 North, Range 2 West, Second Street, located in the City of Ruston, Louisiana, situated in Section 25, Township

18 North, Range 3 West, Service Road (North East), located in the City of Ruston, Louisiana, situated in Section 18, Township 18 North, Range 2 West, Tarreyton Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Trade Drive, located in the City of Ruston, Louisiana, situated in Section 18, Township 18 North, Range 2 West, Troy Street, located in the City of Ruston, Louisiana, situated in Section 30, Township 18 North, Range 2 West, Victoria Drive, located in the City of Ruston, Louisiana, situated in Section 13, Township 18 North, Range 3 West, Willow Glen, located in the City of Ruston, Louisiana, situated in Section 24, Township 18 North, Range 3 West, Woodland Street, located in the City of Ruston, Louisiana, situated in Section 30, Township 18 North, Range 2 West, Woodlawn Drive, located in the City of Ruston, Louisiana, situated in Section 19, Township 18 North, Range 2 West, and Wyoming Avenue, located in the City of Ruston, Louisiana, situated in Section 19, Township 18 North, Range 2 West, Lincoln Parish, Louisiana, containing approximately **165.7 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. The description is based on information provided by the State Agency regarding location and ownership of surface and mineral rights. All bearings, distances and coordinates, if applicable, are based on Louisiana Coordinate System of 1927, (North or South Zone).

NOTE: The above description of the Tract nominated for the purpose of acquiring a mineral lease or a geophysical agreement has been provided and corrected, where required, exclusively by the nominating party. Any mineral lease or geophysical agreement selected from this Tract and awarded by the Louisiana State Mineral and Energy Board shall be without warranty of any kind, either express, implied or statutory including, but not limited to, title or the implied warranties of merchantability and fitness for a particular purpose.

An error or omission in the nominating party's Tract description may require that a State mineral lease or geophysical agreement be modified, canceled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions within the Tract described. In such case, however, the Louisiana State Mineral and Energy Board shall not be obligated to refund any consideration paid by the Lessee prior to such modification, cancellation or abrogation including, but not limited to, bonuses, rentals and royalties.

NOTE: There shall be a minimum royalty of one-fourth (1/4).

NOTE: There shall be a minimum bonus of \$1000.00 per acre.

NOTE: The primary term shall be three (3) years.

NOTE: It is agreed and understood, wherever the fraction one-eighth (1/8) appears regarding royalty, it shall be deemed to read one-fourth (1/4) instead so that the Lease provides for a full 1/4 royalty.

NOTE: Should a pooled unit or units be created, either by governmental authority (compulsory units) or by voluntary action of the parties, which include all or a portion of the lands covered by this Lease, drilling operations or production from the pool, sand or formation for which such unit or units were created, all as defined by said governmental authority, or by said voluntary utilization agreement, shall maintain this Lease in force only as to that portion of the Leased Premises included in said unit or units, whether or not said duly operations or production is on or from the leased premises. However, Lessee shall explore and develop all other pools, sands or formations within the depth limitation set forth in this Lease as may be located within the area of said pooled unit or units within a period of five (5) years beyond the primary term or for so long as production is obtained from said other pooled unit or units, whichever is less. Should Lessee fail to so explore and develop all other pools, sands or formations being held pursuant to this paragraph, then Lessee shall, by written recordable instrument, release all rights to such other pools, sands or formations.

NOTE: At the end of the primary term or any extension thereof, this lease shall terminate and be of no force and effect as to all depths below the stratigraphic equivalent of a point one hundred (100') feet below the base of the deepest formation penetrated in any well drilled on the leased premises or on lands pooled therewith; provided, however, if Lessee is then engaged in the actual drilling of a well, this lease shall continue in force as to all acreage covered hereby and it shall not terminate as long as Lessee prosecutes operations with due diligence on said well and, thereafter, commences each succeeding well within one hundred twenty (120) days after the completion date or the date of abandonment of each well hereon, and thereafter prosecutes operations with respect thereto with due diligence in a good faith attempt to discover oil and/or gas.

NOTE: Lessee nor Lessee's successors and assigns nor mineral lessees, shall conduct any operations of any kind that will affect the surface of the Property or subsurface to a depth of one hundred (100') feet which shall specifically exclude, but not be exclusively limited to, seismic tests, drilling operations, laying of pipelines, erection of structures and apartments, or ingress and egress from, over, through or across the Property or any operations whatsoever to which Lessee might otherwise be entitled to as the owner of a mineral servitude, it being the intent herein that the Property shall never be subject to any operations of any nature, description and kind by Lessee, Lessee's successors and assigns and mineral lessees, that would in any manner affect the surface of the Property or subsurface to a depth of one hundred (100') feet. However, inclusion of the Property, or any portion thereof, within any unit or units duly established is permissible and the Property may be developed by

the use of directional drilling beneath the Property from a drill site located on the Property of third parties and a minimum distance of five hundred feet (500') from the Property.

NOTE: Lessee shall be responsible to Lessor for all damages to the leased premises caused by Lessee's operations, including, but not limited to, damages to roads, artificial or natural drains, utilities, and all other improvements on said land.

NOTE: It is agreed and understood that this lease specifically covers and includes only oil, gas and related hydrocarbons produced in association with either oil or gas or a combination of oil and gas and by-products produced and refined therefrom. Furthermore this lease specifically excludes coal, sand, gravel, lignite, clay and any other hard minerals produced in association with oil or gas or refined as a by-product therefrom. Notwithstanding any wording in this lease to the contrary, it is hereby understood between LESSOR and LESSEE that this lease covers only oil and gas in liquid, gaseous or vaporous forms or states, which can or may be produced through a bore of a producing oil or gas well, excluding, however, coal bed methane gas and its associated hydrocarbons. Reference to all or any other minerals contained herein is hereby deleted. This Lease does not include any other minerals and all other minerals being are reserved to Lessor including but not limited to hard or solid minerals, subterranean fresh water, coal bed methane, sulfur (or sulphur), Fuller's Earth, bentonite, gravel, coal and lignite, nor shall be effective as to the brine rights other than those necessarily associated with the production of the minerals leased hereunder. Lessee shall also have no right to remove any of the reserved minerals, iron ore, soil, sand and timber from the leased premises regardless of reason. If Lessee desires to utilize water from the subsurface of the leased premises, that desire may be consummated by a separate agreement between Lessee and Lessor; this Lease does not give Lessee the right to utilize such water. Lessor expressly reserves the right to conduct (or to grant to others the right to conduct) surface or strip-mining operations for any mineral or other substance not covered by this Lease, but such operations shall not unreasonably interfere with and shall be subordinate to the rights of Lessee hereunder.

NOTE: It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease or by state law shall be without deduction for any cost incurred by Lessee, including, but not limited to, producing, gathering, storing, separating, treating, cleaning, dehydrating, compressing, detoxification, processing, transporting, metering, accounting and marketing the oil, gas and other products produced hereunder with the sole exception that Lessor's royalty shall bear its proportionate share of any severance & ad valorem taxes. Rather, royalties paid to Lessor herein shall be based on the value received by Lessee from the sale of such production to an unaffiliated, third-party purchaser, and

in no event shall Lessor receive a price that is less than the price received by Lessee. Nor shall Lessee tender or deliver such royalty in kind in order to escape defraying the entire cost of such producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and marketing expense. Lessee shall account to and pay lessor within ninety (90) days after the last calendar day of the month in which the production is marketed and sold. Notwithstanding the foregoing, it is specifically agreed that Lessee shall have the right to utilize produced gas in its surface equipment, including compressors, and no royalties shall be due on any such utilized gas.

NOTE: After the expiration of the primary term of this Lease, in no event shall Lessee's rights be extended by the payment of shut-in gas royalty as allowed under the terms of this Lease and without drilling operations or production of oil, gas or other liquid hydrocarbons for more than two (2) consecutive years. In addition, any such shut-in royalty payments paid to Lessor shall be at the rate of \$2.50 per net mineral acre.

NOTE: Lessee hereby agrees in exercising the rights granted it under the Lease, it will comply with and be subject to all applicable environmental and other laws and regulations validly adopted or issued by the State of Louisiana or its agencies, or by the United States or its agencies. Lessee further agrees that it will comply with all minimum soil and water quality standards validly adopted by said government authorities with respect to oil pollution and noxious chemicals and waste being introduced into affected water areas. Lessee shall not manufacture, dispose of or release any hazardous materials on, under or about the leased premises, and shall not transport hazardous materials to or from the leased premises in any manner which would violate any applicable environmental laws. To the fullest extent allowed by law, Lessee shall indemnify and hold Lessor harmless from and against all costs, liabilities, fines, penalties, legal expenses (including, without limitation, Lessor's attorney fees), damages to property or injuries to persons (including death) which arise out of or are related to Lessee's failure to comply with this provision. Nevertheless, the preceding indemnification shall not apply to any costs, liabilities, fines, penalties, legal expenses (including, without limitation, Lessor's attorney fees), damages to property or injuries to persons (including death) which arise out of Lessor's gross negligence or intentional act.

NOTE: If Lessor becomes legally obligated to investigate, remove, clean up, remediate or otherwise expend funds as a result of the Lessee's activities under this Lease, Lessee agrees that it will promptly perform such investigation, clean up or remediation activities at its sole cost, risk and expense upon written request from the Lessor. Lessor's royalty herein shall be free of all charges and costs whatsoever including but not limited to, production, compression, cleaning, dehydration, metering, detoxification, transportation, accounting, and marketing; except that Lessor's royalty will be responsible for its pro rata share of all taxes

imposed on severance or production by any municipal, parish, state or federal agency.

NOTE: Once a well is completed and gas, oil or other products are produced, with any portion of said lands under this lease being included in the unit, Lessor shall begin to receive royalty payments not later than 120 days from the date of the first sale of said products. Any delay in the payment of royalty from production for a period of one hundred twenty (120) days will result in interest due the Lessor at the rate of one and one-half (1 ½) percent per month.

NOTE: The price to be used in computing the market value of gas and/or liquid hydrocarbons at the well head shall be the price received by the Lessee under an arm's length sales contract with parties prudently negotiated in the light of the facts and circumstances existing at the time of the consummation of such contract. Should Lessee negotiate a sales contract with an affiliate, parent or subsidiary company of Lessee, then the price so negotiated and paid to Lessee shall be not less than the price which Lessee would have received from a third party negotiated under an arm's length sales contract prudently negotiated in the light of the facts and circumstances existing at the time of the consummation of such contract. However, should Lessee by virtue of any order of any state or federal regulatory body receive less than the price provided for in any gas and/or liquid hydrocarbons sales contract entered into by Lessee, such lesser price shall be paid.

NOTE: All gas and liquid hydrocarbons shall be measured and paid for using the same standards and factors required by the Louisiana Department of Revenue.

NOTE: This Lease is granted without any covenant of title or warranty of title of any kind whatsoever, expressed or implied, and without any recourse against the Lessor in the event of any failure of title, not even for the return of the consideration paid here for or any shut-in payments or royalties paid hereunder.

NOTE: To the fullest extent allowed by law, Lessee shall indemnify, hold harmless and defend Lessor (and Lessor's heirs, assigns, and legal representatives) from any and all losses, damages, fines, penalties, liabilities, costs, injuries, loss of life, expenses, claims and causes of action of whatsoever nature and howsoever caused including injury or death to persons or damages to property, (including without limitation, legal fees and expenses incurred in defending same or in enforcing this indemnity), resulting or arising from or incurred in connection with any operations by Lessee on the leased premises.

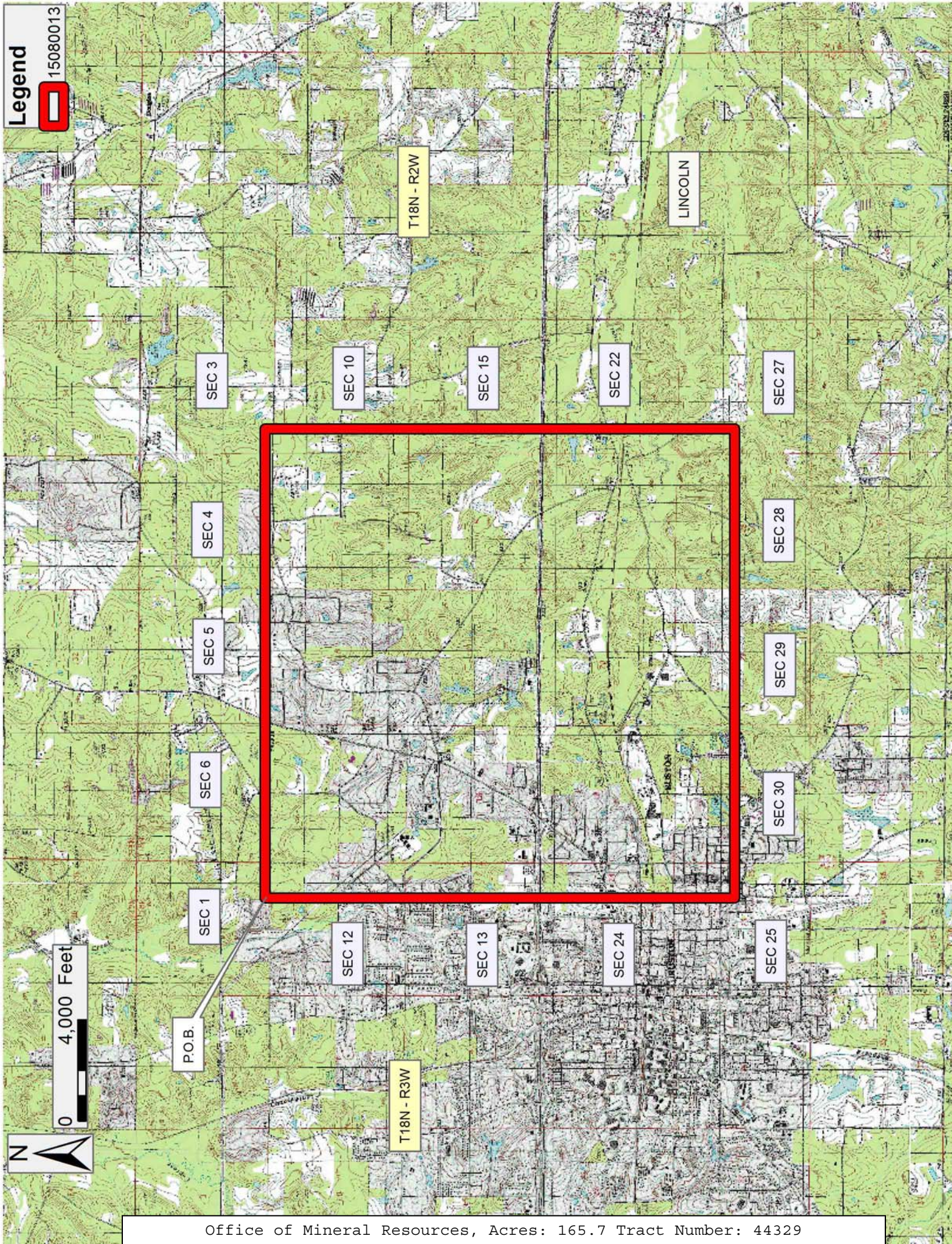
NOTE: This Lease may be assigned only if the assignee agrees in writing to assume all of the obligations of Lessee under this Lease. In such event all obligations of this Lease shall remain binding on Lessee unless Lessor

specifically agrees to release Lessee from said obligations in writing.

NOTE: If, in the event of production, a division order is circulated by Lessee or by purchaser of production, such division order will be a simple statement of interest containing no warranty or indemnity clause and containing no clauses modifying in any way the terms of this lease. Lessor shall not be obligated to execute such division order but may acknowledge receipt of said division order to Lessee.

Applicant: HOODOO ENGERGY HOLDINGS to Agency and by Resolution from the City Of Ruston authorizing the Mineral Board to act in its behalf

| Bidder | Cash Payment | Price/ Acre | Rental | Oil | Gas | Other |
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TRACT 44330 - Lincoln Parish, Louisiana

A certain Tract of land, excluding the beds and bottoms of all navigable waters, belonging to and not presently under mineral lease from Lincoln Parish Police Jury on August 12, 2015, being more fully described as follows: That certain tract or parcel of land containing 17.839 acres, more or less, situated in the Southeast Quarter (SE/4) of Section 7, Township 18 North, Range 2 West, Lincoln Parish, Louisiana. This being the same property described in that certain Cooperative Endeavor Agreement, dated October 8, 2012 and recorded in Conveyance Book 1318, Page 635, under Entry No. F-126806, of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 15.4 acres, more or less, being situated in the North Half of the Southeast Quarter (N/2 of SE/4) of Section 7, Township 18 North, Range 2 West, Lincoln Parish, Louisiana. Said tract being further identified in that certain Cash Sale Deed, dated June 21, 1974, recorded under Entry No. C-88621, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

The above tracts total **33.239** acres, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. The description is based on information provided by the State Agency regarding location and ownership of surface and mineral rights. All bearings, distances and coordinates, if applicable, are based on Louisiana Coordinate System of 1927, (North or South Zone).

NOTE: The above description of the Tract nominated for the purpose of acquiring a mineral lease or a geophysical agreement has been provided and corrected, where required, exclusively by the nominating party. Any mineral lease or geophysical agreement selected from this Tract and awarded by the Louisiana State Mineral and Energy Board shall be without warranty of any kind, either express, implied or statutory including, but not limited to, title or the implied warranties of merchantability and fitness for a particular purpose.

An error or omission in the nominating party's Tract description may require that a State mineral lease or geophysical agreement be modified, canceled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions within the Tract described. In such case, however, the Louisiana State Mineral and Energy Board shall not be obligated to refund any consideration paid by the Lessee prior to such modification, cancellation or abrogation including, but not limited to, bonuses, rentals and royalties.

NOTE: There shall be a minimum royalty of one-fourth (1/4).

NOTE: There shall be a minimum bonus of \$1000.00 per acre.

NOTE: The primary term shall be three (3) years.

NOTE: It is agreed and understood, wherever the fraction one-eighth (1/8) appears regarding royalty, it shall be deemed to read one-fourth (1/4) instead so that the Lease provides for a full 1/4 royalty.

NOTE: Should a pooled unit or units be created, either by governmental authority (compulsory units) or by voluntary action of the parties, which include all or a portion of the lands covered by this Lease, drilling operations or production from the pool, sand or formation for which such unit or units were created, all as defined by said governmental authority, or by said voluntary utilization agreement, shall maintain this Lease in force only as to that portion of the Leased Premises included in said unit or units, whether or not said duly operations or production is on or from the leased premises. However, Lessee shall explore and develop all other pools, sands or formations within the depth limitation set forth in this Lease as may be located within the area of said pooled unit or units within a period of five (5) years beyond the primary term or for so long as production is obtained from said other pooled unit or units, whichever is less. Should Lessee fail to so explore and develop all other pools, sands or formations being held pursuant to this paragraph, then Lessee shall, by written recordable instrument, release all rights to such other pools, sands or formations.

NOTE: At the end of the primary term or any extension thereof, this lease shall terminate and be of no force and effect as to all depths below the stratigraphic equivalent of a point one hundred (100') feet below the base of the deepest formation penetrated in any well drilled on the leased premises or on lands pooled therewith; provided, however, if Lessee is then engaged in the actual drilling of a well, this lease shall continue in force as to all acreage covered hereby and it shall not terminate as long as Lessee prosecutes operations with due diligence on said well and, thereafter, commences each succeeding well within one hundred twenty (120) days after the completion date or the date of abandonment of each well hereon, and thereafter prosecutes operations with respect thereto with due diligence in a good faith attempt to discover oil and/or gas.

NOTE: Lessee nor Lessee's successors and assigns nor mineral lessees, shall conduct any operations of any kind that will affect the surface of the Property or subsurface to a depth of one hundred (100') feet which shall specifically exclude, but not be exclusively limited to, seismic tests, drilling operations, laying of pipelines, erection of structures and apartments, or ingress and egress from, over, through or across the Property or any operations whatsoever to which Lessee might otherwise be entitled to as the owner of a mineral servitude, it being the intent herein that the Property shall never be subject to any operations of any nature, description and kind by Lessee, Lessee's successors and assigns and mineral lessees, that would in any manner affect the surface of the Property or subsurface to a depth of one hundred (100') feet. However,

inclusion of the Property, or any portion thereof, within any unit or units duly established is permissible and the Property may be developed by the use of directional drilling beneath the Property from a drill site located on the Property of third parties and a minimum distance of five hundred feet (500') from the Property.

NOTE: Lessee shall be responsible to Lessor for all damages to the leased premises caused by Lessee's operations, including, but not limited to, damages to roads, artificial or natural drains, utilities, and all other improvements on said land.

NOTE: It is agreed and understood that this lease specifically covers and includes only oil, gas and related hydrocarbons produced in association with either oil or gas or a combination of oil and gas and by-products produced and refined therefrom. Furthermore this lease specifically excludes coal, sand, gravel, lignite, clay and any other hard minerals produced in association with oil or gas or refined as a by-product therefrom. Notwithstanding any wording in this lease to the contrary, it is hereby understood between LESSOR and LESSEE that this lease covers only oil and gas in liquid, gaseous or vaporous forms or states, which can or may be produced through a bore of a producing oil or gas well, excluding, however, coal bed methane gas and its associated hydrocarbons. Reference to all or any other minerals contained herein is hereby deleted. This Lease does not include any other minerals and all other minerals being are reserved to Lessor including but not limited to hard or solid minerals, subterranean fresh water, coal bed methane, sulfur (or sulphur), Fuller's Earth, bentonite, gravel, coal and lignite, nor shall be effective as to the brine rights other than those necessarily associated with the production of the minerals leased hereunder. Lessee shall also have no right to remove any of the reserved minerals, iron ore, soil, sand and timber from the leased premises regardless of reason. If Lessee desires to utilize water from the subsurface of the leased premises, that desire may be consummated by a separate agreement between Lessee and Lessor; this Lease does not give Lessee the right to utilize such water. Lessor expressly reserves the right to conduct (or to grant to others the right to conduct) surface or strip-mining operations for any mineral or other substance not covered by this Lease, but such operations shall not unreasonably interfere with and shall be subordinate to the rights of Lessee hereunder.

NOTE: It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease or by state law shall be without deduction for any cost incurred by Lessee, including, but not limited to, producing, gathering, storing, separating, treating, cleaning, dehydrating, compressing, detoxification, processing, transporting, metering, accounting and marketing the oil, gas and other products produced hereunder with the sole exception that Lessor's royalty shall bear its proportionate share of any severance & ad valorem taxes. Rather, royalties

paid to Lessor herein shall be based on the value received by Lessee from the sale of such production to an unaffiliated, third-party purchaser, and in no event shall Lessor receive a price that is less than the price received by Lessee. Nor shall Lessee tender or deliver such royalty in kind in order to escape defraying the entire cost of such producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and marketing expense. Lessee shall account to and pay lessor within ninety (90) days after the last calendar day of the month in which the production is marketed and sold. Notwithstanding the foregoing, it is specifically agreed that Lessee shall have the right to utilize produced gas in its surface equipment, including compressors, and no royalties shall be due on any such utilized gas.

NOTE: After the expiration of the primary term of this Lease, in no event shall Lessee's rights be extended by the payment of shut-in gas royalty as allowed under the terms of this Lease and without drilling operations or production of oil, gas or other liquid hydrocarbons for more than two (2) consecutive years. In addition, any such shut-in royalty payments paid to Lessor shall be at the rate of \$2.50 per net mineral acre.

NOTE: Lessee hereby agrees in exercising the rights granted it under the Lease, it will comply with and be subject to all applicable environmental and other laws and regulations validly adopted or issued by the State of Louisiana or its agencies, or by the United States or its agencies. Lessee further agrees that it will comply with all minimum soil and water quality standards validly adopted by said government authorities with respect to oil pollution and noxious chemicals and waste being introduced into affected water areas. Lessee shall not manufacture, dispose of or release any hazardous materials on, under or about the leased premises, and shall not transport hazardous materials to or from the leased premises in any manner which would violate any applicable environmental laws. To the fullest extent allowed by law, Lessee shall indemnify and hold Lessor harmless from and against all costs, liabilities, fines, penalties, legal expenses (including, without limitation, Lessor's attorney fees), damages to property or injuries to persons (including death) which arise out of or are related to Lessee's failure to comply with this provision. Nevertheless, the preceding indemnification shall not apply to any costs, liabilities, fines, penalties, legal expenses (including, without limitation, Lessor's attorney fees), damages to property or injuries to persons (including death) which arise out of Lessor's gross negligence or intentional act.

NOTE: If Lessor becomes legally obligated to investigate, remove, clean up, remediate or otherwise expend funds as a result of the Lessee's activities under this Lease, Lessee agrees that it will promptly perform such investigation, clean up or remediation activities at its sole cost, risk and expense upon written request from the Lessor. Lessor's royalty herein shall be free of all charges and costs whatsoever including but not limited to, production, compression, cleaning, dehydration, metering,

detoxification, transportation, accounting, and marketing; except that Lessor's royalty will be responsible for its pro rata share of all taxes imposed on severance or production by any municipal, parish, state or federal agency.

NOTE: Once a well is completed and gas, oil or other products are produced, with any portion of said lands under this lease being included in the unit, Lessor shall begin to receive royalty payments not later than 120 days from the date of the first sale of said products. Any delay in the payment of royalty from production for a period of one hundred twenty (120) days will result in interest due the Lessor at the rate of one and one-half (1 ½) percent per month.

NOTE: The price to be used in computing the market value of gas and/or liquid hydrocarbons at the well head shall be the price received by the Lessee under an arm's length sales contract with parties prudently negotiated in the light of the facts and circumstances existing at the time of the consummation of such contract. Should Lessee negotiate a sales contract with an affiliate, parent or subsidiary company of Lessee, then the price so negotiated and paid to Lessee shall be not less than the price which Lessee would have received from a third party negotiated under an arm's length sales contract prudently negotiated in the light of the facts and circumstances existing at the time of the consummation of such contract. However, should Lessee by virtue of any order of any state or federal regulatory body receive less than the price provided for in any gas and/or liquid hydrocarbons sales contract entered into by Lessee, such lesser price shall be paid.

NOTE: All gas and liquid hydrocarbons shall be measured and paid for using the same standards and factors required by the Louisiana Department of Revenue.

NOTE: This Lease is granted without any covenant of title or warranty of title of any kind whatsoever, expressed or implied, and without any recourse against the Lessor in the event of any failure of title, not even for the return of the consideration paid here for or any shut-in payments or royalties paid hereunder.

NOTE: To the fullest extent allowed by law, Lessee shall indemnify, hold harmless and defend Lessor (and Lessor's heirs, assigns, and legal representatives) from any and all losses, damages, fines, penalties, liabilities, costs, injuries, loss of life, expenses, claims and causes of action of whatsoever nature and howsoever caused including injury or death to persons or damages to property, (including without limitation, legal fees and expenses incurred in defending same or in enforcing this indemnity), resulting or arising from or incurred in connection with any operations by Lessee on the leased premises.

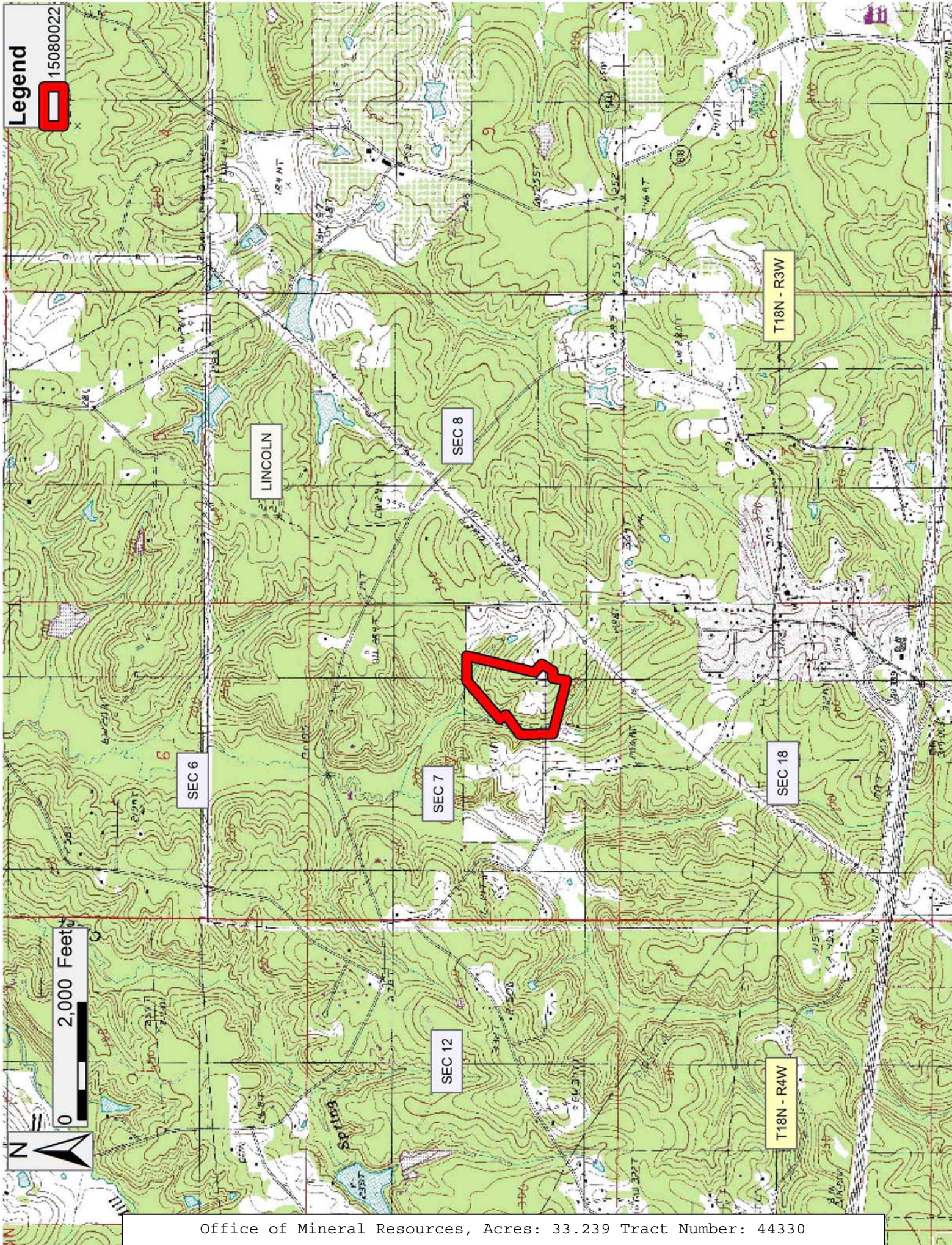
NOTE: This Lease may be assigned only if the assignee agrees in writing to

assume all of the obligations of Lessee under this Lease. In such event all obligations of this Lease shall remain binding on Lessee unless Lessor specifically agrees to release Lessee from said obligations in writing.

NOTE: If, in the event of production, a division order is circulated by Lessee or by purchaser of production, such division order will be a simple statement of interest containing no warranty or indemnity clause and containing no clauses modifying in any way the terms of this lease. Lessor shall not be obligated to execute such division order but may acknowledge receipt of said division order to Lessee.

Applicant: HARDIHOOD RESOURCE DEVELOPMENT to Agency and by Resolution from the Lincoln Parish Police Jury authorizing the Mineral Board to act in its behalf

| Bidder | Cash Payment | Price/ Acre | Rental | Oil | Gas | Other |
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Legend



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TRACT 44331 - Lincoln Parish, Louisiana

A certain Tract of land, excluding the beds and bottoms of all navigable waters, belonging to and not presently under mineral lease from Lincoln Parish Police Jury on August 12, 2015, being more fully described as follows: Beginning at a point having Coordinates of X = 1,949,336.93 and Y = 689,609.09; thence East 18,480.00 feet to a point having Coordinates of X = 1,967,816.93 and Y = 689,609.09; thence South 18,480.00 feet to a point having Coordinates of X = 1,967,816.93 and Y = 671,129.09; thence West 18,480.00 feet to a point having Coordinates of X = 1,949,336.93 and Y = 671,129.09; thence North 18,480.00 feet to the point of beginning and being more particularly described as follows:

That certain tract or parcel of land containing 1.070 acres, more or less, situated in the North West Quarter of South East Quarter (NW/4 of SE/4) of Section 23, Township 18 North, Range 3 West, Lincoln Parish, Louisiana. Said tract being the same property described in that certain Conveyance Deed, dated June 27, 2011 recorded under Entry No. F-118369, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 1.550 acres, more or less, situated in the North West Quarter of South East Quarter (NW/4 of SE/4) of Section 23, Township 18 North, Range 3 West, Lincoln Parish, Louisiana. Said being the same property described in that certain Conveyance Deed, dated June 27, 2011 recorded under Entry No. F-118369, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 4.813 acres, more or less, being a Portion of Lots 1, 2 and 3, Block 110 of the Stubb's Addition, a subdivision of the Town of Ruston and a Portion of Lots 1 and 4, Block 25 of the Town of Ruston, Lincoln Parish, Louisiana, located in the Southwest Quarter of the Northwest Quarter (SW/4 of NW/4), Section 23, Township 18 North, Range 3 West, Lincoln Parish, Louisiana. This being the same property described in that certain Cash Sale Deed, dated March 24, 1998, recorded in Conveyance Book 1018, Page 100, under Registry Number F-3263, LESS AND EXCEPT: 1.144 acres conveyed at Book 1148, Page 828, under Registry Number F-49026 and LESS AND EXCEPT: 1.379 acres conveyed at Book 1310, Page 88, under Registry Number F-122407 of the Conveyance Records of Lincoln Parish, Louisiana. Leaving a balance of 2.29 acres, more or less, described herein.

That certain tract or parcel of land containing 2.066 acres, more or less, identified as all of Block 7 of the Town of Ruston, situated in the Southwest Quarter of the Southwest Quarter (SW/4 of SW/4) of Section 24, Township 18 North, Range 3 West, owned by the Lincoln Parish Police Jury. This being the same property described in that certain Act of Cash Sale dated October 26, 2004, recorded in Conveyance Book 1166, Page 154, under Registry Number F-59732 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.413 acres, more or less, identified as Lots 4, 5, 6, 15, and 16 of Block G of the Town of Ruston, situated in the Southwest Quarter of the Southwest Quarter (SW/4 of SW/4) of Section 24, Township 18 North, Range 3 West, owned by the Lincoln Parish Police Jury. This being the same property described in that certain Cash Deed dated August 14, 1990, recorded in Conveyance Book 721, Page 282, under Registry Number E-40734 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.172 acres, more or less, identified as Lot 16 of Block E of the Town of Ruston, situated in the Southwest Quarter of the Southwest Quarter (SW/4 of SW/4) of Section 24, Township 18 North, Range 3 West, owned by the Lincoln Parish Police Jury. This being the same property described in that certain Cash Sale dated April 28, 1981, recorded in Conveyance Book 330, Page 296, under Registry Number D-34220 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.207 acres, more or less, identified as Lots 8, 9, 10, and 11 of Block E of the Town of Ruston, situated in the Southwest Quarter of the Southwest Quarter (SW/4 of SW/4) of Section 24, Township 18 North, Range 3 West, owned by the Lincoln Parish Police Jury. This being the same property described in that certain Cash Deed dated December 19, 1983, recorded in Conveyance Book 455, Page 108, under Registry Number D-52955 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.207 acres, more or less, identified as Lots 5, 6 and 7 of Block E of the Town of Ruston, situated in the Southwest Quarter of the Southwest Quarter (SW/4 of SW/4) of Section 24, Township 18 North, Range 3 West, owned by the Lincoln Parish Police Jury. This being the same property described in that certain Cash Sale Deed dated December 23, 1996, recorded in Conveyance Book 974, Page 46, under Registry Number E-86030 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.330 acres, more or less, identified as Lots 10, 11, 12, and a part of Lot 9 of Block D of the Town of Ruston, situated in the Northwest Quarter of the Southwest Quarter (NW/4 of SW/4) of Section 24, Township 18 North, Range 3 West, owned by the Lincoln Parish Police Jury and the City of Ruston. This being the same property described in that certain Cash Sale dated February 1, 1907, recorded in Conveyance Book W, Page 4 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.860 acres, more or less, located in the Town of Ruston and situated in the Northeast Quarter of the Southwest Quarter (NE/4 of SW/4) of Section 24, Township 18 North, Range 3 West, owned by the Lincoln Parish Police Jury. This being the same

property described in that certain Cash Deed dated April 14, 1950, recorded in Conveyance Book 37, Page 143, under Registry Number N-95904 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 5.003 acres, more or less, situated in the West Half of the Northwest Quarter (W/2 of NW/4) of Section 24, Township 18 North, Range 3 West, owned by the Lincoln Parish Police Jury. This being the same property described in that certain Cash Sale Deed dated February 6, 2003, recorded in Conveyance Book 1141, Page 695, under Registry Number F-44416 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.11 acres, more or less, situated in the Northeast Quarter of the Southwest Quarter (NE/4 of SW/4) of Section 26, Township 18 North, Range 3 West, Lincoln Parish Louisiana. This being the same property described in that certain Credit Deed, dated July 28, 1971 and recorded in Conveyance Book 151, Page 442, under Entry No. C-75410, of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.121 acres, more or less, situated in the Southeast Quarter (SE/4) of Section 22, Township 18 North, Range 3 West, Lincoln Parish Louisiana. This being the same property described in that certain Cash Sale Deed, dated August 8, 1964 and recorded in Conveyance Book 103, Page 670, under Entry No. C-47351, of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.126 acres, more or less, situated in the Southeast Quarter of Southeast Quarter (SE/4 of SE/4) of Section 26, Township 18 North, Range 3 West, Lincoln Parish Louisiana. This being the same property described in that certain Quitclaim Deed, dated October 24, 1957 and recorded in Conveyance Book 241, Page 25, under Entry No. D-17249, of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.172 acres, more or less, situated in the Northwest Quarter of the Southeast Quarter (NW/4 of SE/4) of Section 26, Township 18 North, Range 3 West, Lincoln Parish Louisiana. This being the same property described in that certain Cash Sale Deed, dated September 21, 1954 and recorded in Conveyance Book 48, Page 93, under Entry No. N-128078, of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.55 acres, more or less, situated in the East half of the Southwest Quarter (E/2 of SW/4) of Section 26, Township 18 North, Range 3 West, Lincoln Parish Louisiana. This being the same property described in that certain Judgment of Possession, dated November 20, 1998 and recorded in Conveyance Book 1041, Page 324, under Entry No. F-8843, of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.29 acres, more or less, situated in the Northeast Quarter of the Southwest Quarter (NE/4 of SW/4) of Section 26, Township 18 North, Range 3 West, Lincoln Parish Louisiana. This being the same property described in that certain Cash Deed, dated January 19, 1968 and recorded in Conveyance Book 127, Page 137, under Entry No. C-60992, of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.126 acres, more or less, situated in the Northeast Quarter of the Southwest Quarter (NE/4 of SW/4) of Section 26, Township 18 North, Range 3 West, Lincoln Parish Louisiana. This being the same property described in that certain Cash Sale Deed, dated NA* and recorded in Conveyance Book 713, Page 306, under Entry No. E-35905, of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.13 acres, more or less, situated in the Northeast Quarter of the Southwest Quarter (NE/4 of SW/4) of Section 26, Township 18 North, Range 3 West, Lincoln Parish Louisiana. This being the same property described in that certain Credit Deed, dated February 20, 1954 and recorded in Conveyance Book 46, Page 499, under Entry No. N-124635, of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 2.185 acres, more or less, situated in the East Half of the Southwest Quarter (E/2 of SW/4) of Section 24, Township 18 North, Range 3 West, owned by the Ruston Louisiana Hospital Company, LLC. This being the same property described in that certain Exchange Deed dated September 27, 1961, recorded in Conveyance Book 84, Page 509, under Registry Number C-31508 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 1.380 acres, more or less, identified as Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16 of Block H, and duly recorded in Block B, in the Ruston City Blocks, situated in the Southwest Quarter of the Southwest Quarter (SW/4 of SW/4) of Section 24, Township 18 North, Range 3 West, Lincoln Parish, Louisiana. This being the same property described in that certain Cash Sale dated February 18, 1885, recorded in Conveyance Book A, Page 33 of the Conveyance Records of Lincoln Parish, Louisiana, also in that certain Cash Sale dated January 11, 1892, recorded in Conveyance Book J, Page 495 of the Conveyance Records of Lincoln Parish, Louisiana, and in that Cash Sale dated April 25, 1903, recorded in Conveyance Book S, Page 495 of the Conveyance Records of Lincoln Parish, Louisiana.

The above tracts total **19.358 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. The description is based on information provided by the State Agency regarding location and ownership of surface and mineral rights. All bearings, distances and coordinates, if applicable, are based on Louisiana Coordinate System of 1927, (North or South Zone).

NOTE: The above description of the Tract nominated for the purpose of acquiring a mineral lease or a geophysical agreement has been provided and corrected, where required, exclusively by the nominating party. Any mineral lease or geophysical agreement selected from this Tract and awarded by the Louisiana State Mineral and Energy Board shall be without warranty of any kind, either express, implied or statutory including, but not limited to, title or the implied warranties of merchantability and fitness for a particular purpose.

An error or omission in the nominating party's Tract description may require that a State mineral lease or geophysical agreement be modified, canceled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions within the Tract described. In such case, however, the Louisiana State Mineral and Energy Board shall not be obligated to refund any consideration paid by the Lessee prior to such modification, cancellation or abrogation including, but not limited to, bonuses, rentals and royalties.

NOTE: There shall be a minimum royalty of one-fourth (1/4).

NOTE: There shall be a minimum bonus of \$1000.00 per acre.

NOTE: The primary term shall be three (3) years.

NOTE: It is agreed and understood, wherever the fraction one-eighth (1/8) appears regarding royalty, it shall be deemed to read one-fourth (1/4) instead so that the Lease provides for a full 1/4 royalty.

NOTE: Should a pooled unit or units be created, either by governmental authority (compulsory units) or by voluntary action of the parties, which include all or a portion of the lands covered by this Lease, drilling operations or production from the pool, sand or formation for which such unit or units were created, all as defined by said governmental authority, or by said voluntary utilization agreement, shall maintain this Lease in force only as to that portion of the Leased Premises included in said unit or units, whether or not said duly operations or production is on or from the leased premises. However, Lessee shall explore and develop all other pools, sands or formations within the depth limitation set forth in this Lease as may be located within the area of said pooled unit or units within a period of five (5) years beyond the primary term or for so long as production is obtained from said other pooled unit or units, whichever is less. Should Lessee fail to so explore and develop all other pools, sands or formations being held pursuant to this paragraph, then Lessee shall, by written recordable instrument, release all rights to such other pools, sands or formations.

NOTE: At the end of the primary term or any extension thereof, this lease shall terminate and be of no force and effect as to all depths below the stratigraphic equivalent of a point one hundred (100') feet below the base of the deepest formation penetrated in any well drilled on the leased premises or on lands pooled therewith; provided, however, if Lessee is then engaged in the actual drilling of a well, this lease shall continue in force as to all acreage covered hereby and it shall not terminate as long as Lessee prosecutes operations with due diligence on said well and, thereafter, commences each succeeding well within one hundred twenty (120) days after the completion date or the date of abandonment of each well hereon, and thereafter prosecutes operations with respect thereto with due diligence in a good faith attempt to discover oil and/or gas.

NOTE: Lessee nor Lessee's successors and assigns nor mineral lessees, shall conduct any operations of any kind that will affect the surface of the Property or subsurface to a depth of one hundred (100') feet which shall specifically exclude, but not be exclusively limited to, seismic tests, drilling operations, laying of pipelines, erection of structures and apartments, or ingress and egress from, over, through or across the Property or any operations whatsoever to which Lessee might otherwise be entitled to as the owner of a mineral servitude, it being the intent herein that the Property shall never be subject to any operations of any nature, description and kind by Lessee, Lessee's successors and assigns and mineral lessees, that would in any manner affect the surface of the Property or subsurface to a depth of one hundred (100') feet. However, inclusion of the Property, or any portion thereof, within any unit or units duly established is permissible and the Property may be developed by the use of directional drilling beneath the Property from a drill site located on the Property of third parties and a minimum distance of five hundred feet (500') from the Property.

NOTE: Lessee shall be responsible to Lessor for all damages to the leased premises caused by Lessee's operations, including, but not limited to, damages to roads, artificial or natural drains, utilities, and all other improvements on said land.

NOTE: It is agreed and understood that this lease specifically covers and includes only oil, gas and related hydrocarbons produced in association with either oil or gas or a combination of oil and gas and by-products produced and refined therefrom. Furthermore this lease specifically excludes coal, sand, gravel, lignite, clay and any other hard minerals produced in association with oil or gas or refined as a by-product therefrom. Notwithstanding any wording in this lease to the contrary, it is hereby understood between LESSOR and LESSEE that this lease covers only oil and gas in liquid, gaseous or vaporous forms or states, which can or may be produced through a bore of a producing oil or gas well, excluding, however, coal bed methane gas and its associated hydrocarbons. Reference to all or any other minerals contained herein is hereby deleted. This Lease does not include any other minerals and all other minerals being are

reserved to Lessor including but not limited to hard or solid minerals, subterranean fresh water, coal bed methane, sulfur (or sulphur), Fuller's Earth, bentonite, gravel, coal and lignite, nor shall be effective as to the brine rights other than those necessarily associated with the production of the minerals leased hereunder. Lessee shall also have no right to remove any of the reserved minerals, iron ore, soil, sand and timber from the leased premises regardless of reason. If Lessee desires to utilize water from the subsurface of the leased premises, that desire may be consummated by a separate agreement between Lessee and Lessor; this Lease does not give Lessee the right to utilize such water. Lessor expressly reserves the right to conduct (or to grant to others the right to conduct) surface or strip-mining operations for any mineral or other substance not covered by this Lease, but such operations shall not unreasonably interfere with and shall be subordinate to the rights of Lessee hereunder.

NOTE: It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease or by state law shall be without deduction for any cost incurred by Lessee, including, but not limited to, producing, gathering, storing, separating, treating, cleaning, dehydrating, compressing, detoxification, processing, transporting, metering, accounting and marketing the oil, gas and other products produced hereunder with the sole exception that Lessor's royalty shall bear its proportionate share of any severance & ad valorem taxes. Rather, royalties paid to Lessor herein shall be based on the value received by Lessee from the sale of such production to an unaffiliated, third-party purchaser, and in no event shall Lessor receive a price that is less than the price received by Lessee. Nor shall Lessee tender or deliver such royalty in kind in order to escape defraying the entire cost of such producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and marketing expense. Lessee shall account to and pay lessor within ninety (90) days after the last calendar day of the month in which the production is marketed and sold. Notwithstanding the foregoing, it is specifically agreed that Lessee shall have the right to utilize produced gas in its surface equipment, including compressors, and no royalties shall be due on any such utilized gas.

NOTE: After the expiration of the primary term of this Lease, in no event shall Lessee's rights be extended by the payment of shut-in gas royalty as allowed under the terms of this Lease and without drilling operations or production of oil, gas or other liquid hydrocarbons for more than two (2) consecutive years. In addition, any such shut-in royalty payments paid to Lessor shall be at the rate of \$2.50 per net mineral acre.

NOTE: Lessee hereby agrees in exercising the rights granted it under the Lease, it will comply with and be subject to all applicable environmental and other laws and regulations validly adopted or issued by the State of Louisiana or its agencies, or by the United States or its agencies. Lessee

further agrees that it will comply with all minimum soil and water quality standards validly adopted by said government authorities with respect to oil pollution and noxious chemicals and waste being introduced into affected water areas. Lessee shall not manufacture, dispose of or release any hazardous materials on, under or about the leased premises, and shall not transport hazardous materials to or from the leased premises in any manner which would violate any applicable environmental laws. To the fullest extent allowed by law, Lessee shall indemnify and hold Lessor harmless from and against all costs, liabilities, fines, penalties, legal expenses (including, without limitation, Lessor's attorney fees), damages to property or injuries to persons (including death) which arise out of or are related to Lessee's failure to comply with this provision. Nevertheless, the preceding indemnification shall not apply to any costs, liabilities, fines, penalties, legal expenses (including, without limitation, Lessor's attorney fees), damages to property or injuries to persons (including death) which arise out of Lessor's gross negligence or intentional act.

NOTE: If Lessor becomes legally obligated to investigate, remove, clean up, remediate or otherwise expend funds as a result of the Lessee's activities under this Lease, Lessee agrees that it will promptly perform such investigation, clean up or remediation activities at its sole cost, risk and expense upon written request from the Lessor. Lessor's royalty herein shall be free of all charges and costs whatsoever including but not limited to, production, compression, cleaning, dehydration, metering, detoxification, transportation, accounting, and marketing; except that Lessor's royalty will be responsible for its pro rata share of all taxes imposed on severance or production by any municipal, parish, state or federal agency.

NOTE: Once a well is completed and gas, oil or other products are produced, with any portion of said lands under this lease being included in the unit, Lessor shall begin to receive royalty payments not later than 120 days from the date of the first sale of said products. Any delay in the payment of royalty from production for a period of one hundred twenty (120) days will result in interest due the Lessor at the rate of one and one-half (1 ½) percent per month.

NOTE: The price to be used in computing the market value of gas and/or liquid hydrocarbons at the well head shall be the price received by the Lessee under an arm's length sales contract with parties prudently negotiated in the light of the facts and circumstances existing at the time of the consummation of such contract. Should Lessee negotiate a sales contract with an affiliate, parent or subsidiary company of Lessee, then the price so negotiated and paid to Lessee shall be not less than the price which Lessee would have received from a third party negotiated under an arm's length sales contract prudently negotiated in the light of the facts and circumstances existing at the time of the consummation of such contract. However, should Lessee by virtue of any order of any state or

federal regulatory body receive less than the price provided for in any gas and/or liquid hydrocarbons sales contract entered into by Lessee, such lesser price shall be paid.

NOTE: All gas and liquid hydrocarbons shall be measured and paid for using the same standards and factors required by the Louisiana Department of Revenue.

NOTE: This Lease is granted without any covenant of title or warranty of title of any kind whatsoever, expressed or implied, and without any recourse against the Lessor in the event of any failure of title, not even for the return of the consideration paid here for or any shut-in payments or royalties paid hereunder.

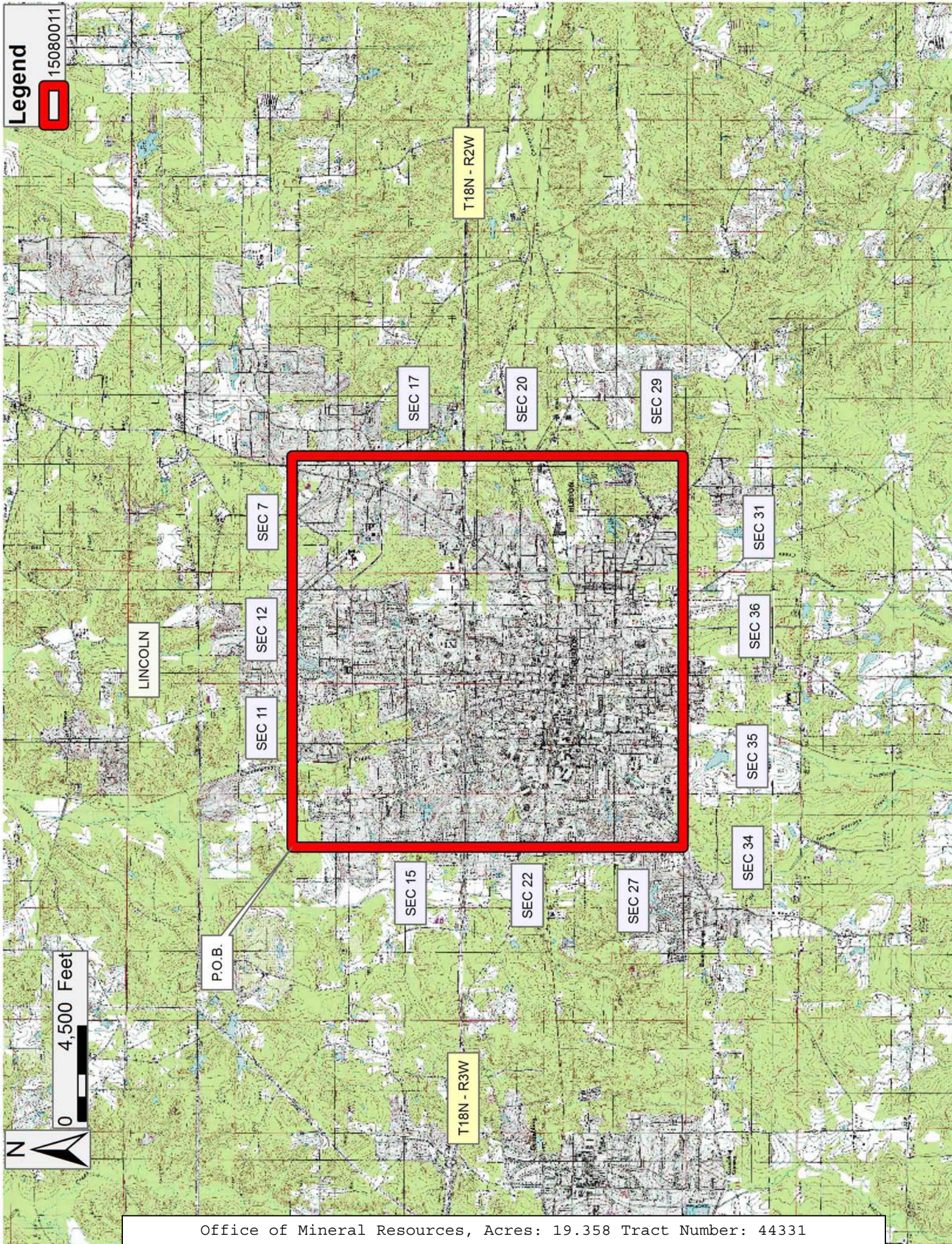
NOTE: To the fullest extent allowed by law, Lessee shall indemnify, hold harmless and defend Lessor (and Lessor's heirs, assigns, and legal representatives) from any and all losses, damages, fines, penalties, liabilities, costs, injuries, loss of life, expenses, claims and causes of action of whatsoever nature and howsoever caused including injury or death to persons or damages to property, (including without limitation, legal fees and expenses incurred in defending same or in enforcing this indemnity), resulting or arising from or incurred in connection with any operations by Lessee on the leased premises.

NOTE: This Lease may be assigned only if the assignee agrees in writing to assume all of the obligations of Lessee under this Lease. In such event all obligations of this Lease shall remain binding on Lessee unless Lessor specifically agrees to release Lessee from said obligations in writing.

NOTE: If, in the event of production, a division order is circulated by Lessee or by purchaser of production, such division order will be a simple statement of interest containing no warranty or indemnity clause and containing no clauses modifying in any way the terms of this lease. Lessor shall not be obligated to execute such division order but may acknowledge receipt of said division order to Lessee.

| Bidder | Cash Payment | Price/ Acre | Rental | Oil | Gas | Other |
|--------|-----------------|----------------|--------|-----|-----|-------|
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Applicant: HARDIHOOD RESOURCE DEVELOPMENT to Agency and by Resolution from the Lincoln Parish Police Jury authorizing the Mineral Board to act in its behalf



TRACT 44332 - Lincoln Parish, Louisiana

A certain Tract of land, excluding the beds and bottoms of all navigable waters, belonging to and not presently under mineral lease from Lincoln Parish School Board on August 12, 2015, being more fully described as follows: Beginning at a point having Coordinates of X = 1,945,009.44 and Y = 688,748.52; thence East 18,480.00 feet to a point having Coordinates of X = 1,963,489.44 and Y = 688,748.52; thence South 18,480.00 feet to a point having Coordinates of X = 1,963,489.44 and Y = 670,268.52; thence West 18,480.00 feet to a point having Coordinates of X = 1,945,009.44 and Y = 670,268.52; thence North 18,480.00 feet to the point of beginning and being more particularly described as follows:

That certain tract or parcel of land containing 1.284 acres, more or less, situated in Section 23, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further described in that certain Boundary Agreement dated January 15, 2004, recorded in Conveyance Book 1155, Page 736, under Registry Number 053364 of the Conveyance Records of the Lincoln Parish Clerk of Court, Louisiana.

That certain tract or parcel of land containing 27.420 acres, more or less, situated in Section 23, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further described in that certain Option dated August 2, 1938, recorded in Conveyance Book 13, Page 270, under Registry Number N32963 of the Conveyance Records of the Lincoln Parish Clerk of Court, Ruston, Louisiana.

That certain tract or parcel of land containing 0.784 acres, more or less, being situated in Lots #78, 79, 93, and 94 of the D.E. O'Neal Subdivision in Section 23, Township 18 North, Range 3 West, owned by Lincoln Parish School Board, being bounded on the North by Connor Reeves, bounded on the West by Jonathan Edwards, LLC, bounded on the East by James Street and bounded on the South by Lincoln Parish School Board. This being the same property described in that certain Act of Cash Sale of Immovable Property, dated September 29, 2009, recorded in Conveyance Book 1277, Page 332, under Registry Number F107276 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 11.880 acres, more or less, situated in Section 23, Township 18 North, Range 3 West Lincoln Parish, Louisiana, and being further described in that Donation dated November 28, 1936, recorded in Donation Book A, Page 238, under Registry Number N-26994 and Correction Deed dated October 23, 1939, recorded in Conveyance Book 15, Page 180, Registry Number N38632 of the Conveyance Records of the Lincoln Parish Clerk of Court, Ruston, Louisiana.

That certain tract or parcel of land containing 0.170 acres, more or less, situated in Section 26, Township 18 North, Range 3 West Lincoln Parish, Louisiana, and being further described in that certain Deed dated November 5, 1953, recorded in Conveyance Book 46, Page 89, under Registry Number N-

123050 of the Conveyance Records of the Lincoln Parish Clerk of Court, Ruston, Louisiana.

That certain tract or parcel of land containing 0.013 acres, more or less, situated in Section 26, Township 18 North, Range 3 West Lincoln Parish, Louisiana, and being further described in that certain Deed dated, August 1, 1938, recorded in Conveyance Book 13, Page 281, under Registry Number N-33028 of the Conveyance Records of the Lincoln Parish Clerk of Court, Ruston, Louisiana.

That certain tract or parcel of land containing 2.90 acres being Lots 4, 5, 6 of Block 16 and Lots 2, 3, 4, 5, 6, 8, 9, 10, 11, 12 of Block 17 in Washington Heights Subdivision, situated in Section 26, Township 18 North, Range 3 West Lincoln Parish, Louisiana, and being further described in that certain Deed, dated April 8, 1942, recorded in Conveyance Book 18, Page 640, under of the Conveyance Records of the Lincoln Parish Clerk of Court, Ruston, Louisiana.

That certain tract or parcel of land containing 0.100 acres, more or less, situated in Section 26, Township 18 North, Range 3 West, Lincoln Parish, Louisiana also known as Lot 7, Block 16 of Washington Heights Addition. This being the same property described in that certain Deed dated August 30, 1945, recorded in Conveyance Book 24, Page 245, under Registry Number N-65252 of the Conveyance Records of the Lincoln Parish Clerk of Court, Ruston, Louisiana.

That certain tract or parcel of land containing 11.60 acres, more or less, situated in Section 26, Township 18 North, Range 3 West, Lincoln Parish, Louisiana being situated in the Southwest Quarter (SW/4) of the Southeast (SE/4) of Lincoln Parish, Louisiana, and being further described in that certain Cash Sale Deed and Ordinance dated February 16, 1954, recorded in Conveyance Book 46, Page 574, under Registry Number N-124895 of the Conveyance Records of the Lincoln Parish Clerk of Court, Ruston, Louisiana.

That certain tract or parcel of land containing 0.172 acres, more or less, situated in Section 26, Township 18 North, Range 3 West Lincoln Parish, Louisiana, and being further described in that certain Deed dated October 5, 1953, recorded in Conveyance Book 46, Page 35, under Registry Number N-122767 of the Conveyance Records of the Lincoln Parish Clerk of Court, Ruston, Louisiana.

That certain tract or parcel of land containing 4.67 acres, more or less, being Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 of Block 11, of Washington Heights Subdivision, a subdivision of the Town of Ruston, Lincoln Parish, Louisiana, located in the Northeast Quarter (NE/4) of the Southeast Quarter (SE/4), Section 26, Township 18 North, Range 3 West, Lincoln Parish, Louisiana per plat and map thereof on file and of record in Conveyance Book 1 at Page 22, records of the Clerk of Court of Lincoln

Parish, Louisiana. This being the same property described in that certain Deed, dated November 7, 1940, recorded in Conveyance Book 16, Page 476, under Registry Number N-44002 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.340 acres, more or less, being Lots 4 and 5, of Block 9, of Washington Heights Subdivision, a subdivision of the Town of Ruston, Lincoln Parish, Louisiana, located in the Northeast Quarter (NE/4) of the Southeast Quarter (SE/4), Section 26, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further described in that certain Cash Deed, dated August 2, 1948, recorded in Conveyance Book 33, Page 427, under Registry Number N-84840 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 10.00 acres, more or less. Situated in the Northeast Quarter (NE/4) of the Southwest Quarter (SW/4) of Section 26, Township 18 North, Range 3 West Lincoln Parish, Louisiana, and being further described in that certain Cash Deed dated December 5, 1961, recorded in Conveyance Book 85, Page 619, Registry Number C-32632 of the Clerk of Courts office, Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.3000 acres, more or less, situated in the Southeast Quarter (SE/4) of the Northwest Quarter (NW/4) of Section 26, Township 8 North Range 3 West and being the Southern portion of Lot 6 of the Baxter Subdivision. This being the same property described in that certain Deed dated August 3, 1971, recorded in Conveyance Book 151, Page 582 of the Conveyance Records of Lincoln Parish Clerk of Court, Ruston, Louisiana.

That certain tract or parcel of land containing 0.280 acres, more or less, situated in the Northwest Corner of the Northwest Quarter of the Southeast Quarter (NWC of NW/4 of SE/4) of Section 27, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further described in that certain Warranty Deed, dated October 29, 1962 and recorded in Conveyance Book 92, Page 21, under Entry No. C-38593 and that certain Warranty Deed, dated October 29, 1962 and recorded in Conveyance Book 92, Page 22, under Entry No. C-38594, of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 15.00 acres, more or less, situated in the Northeast Quarter (NE/4) of the Southwest Quarter (SW/4) of Section 27, Township 18 North, Range 3 West, and being further described in Conveyance Book 83, Page 323 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.1856 acres, more or less, situated in the Southwest Quarter (SW/4) of the Northeast Quarter (NE/4) of Section 27, Township 18 North, Range 3 West Lincoln Parish, Louisiana, and being further described in that certain Donation Deed dated

September 6, 1968, recorded in Donation Book B, Page 470 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 11.682 acres, more or less, situated in the Northwest Quarter of the Southeast Quarter (NW/4 OF SE/4) of Section 24, Township 18 North, Range 3 West, owned by the Lincoln Parish School Board. This being the same property described in that certain Cash Deed dated December 2, 1987, recorded in Conveyance Book 638, Page 124, under Registry Number E-23713 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 4.500 acres, more or less, described by metes and bounds and situated in the Northeast Quarter of the Northwest Quarter (NE/4 of NW/4) of Section 25, Township 18 North, Range 3 West, owned by Lincoln Parish School Board. This being the same property described in that certain Cash Sale dated December 12, 1923, recorded in Conveyance Book QQ, Page 423, under Registry Number A-3856 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 7.40 acres, more or less, being Lots 51, 52, 53, 54, 55, 56, 57, 58, 76, 77, 78, 79, 80, 81, 82 and 83 of The Roberts Place, a subdivision of Ruston, and situated in the Northwest Quarter of the Southwest Quarter (NW/4 of SW/4) of Section 19, Township 18 North, Range 2 West, Lincoln Parish, Louisiana. Said tract being further identified in that certain Deed dated February 13, 1954 and recorded in Conveyance Book 46, Page 470, Entry No. N124532, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

The above description totals **110.681** acres, more or less, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. The description is based on information provided by the State Agency regarding location and ownership of surface and mineral rights. All bearings, distances and coordinates, if applicable, are based on Louisiana Coordinate System of 1927, (North or South Zone).

NOTE: The above description of the Tract nominated for the purpose of acquiring a mineral lease or a geophysical agreement has been provided and corrected, where required, exclusively by the nominating party. Any mineral lease or geophysical agreement selected from this Tract and awarded by the Louisiana State Mineral and Energy Board shall be without warranty of any kind, either express, implied or statutory including, but not limited to, title or the implied warranties of merchantability and fitness for a particular purpose.

An error or omission in the nominating party's Tract description may require that a State mineral lease or geophysical agreement be modified, canceled or abrogated due to the existence of conflicting leases,

operating agreements, private claims or other future obligations or conditions within the Tract described. In such case, however, the Louisiana State Mineral and Energy Board shall not be obligated to refund any consideration paid by the Lessee prior to such modification, cancellation or abrogation including, but not limited to, bonuses, rentals and royalties.

NOTE: There shall be a minimum royalty of one-fourth (1/4).

NOTE: There shall be a minimum bonus of \$1000.00 per acre.

NOTE: The primary term shall be three (3) years.

NOTE: It is agreed and understood, wherever the fraction one-eighth (1/8) appears regarding royalty, it shall be deemed to read one-fourth (1/4) instead so that the Lease provides for a full 1/4 royalty.

NOTE: Should a pooled unit or units be created, either by governmental authority (compulsory units) or by voluntary action of the parties, which include all or a portion of the lands covered by this Lease, drilling operations or production from the pool, sand or formation for which such unit or units were created, all as defined by said governmental authority, or by said voluntary utilization agreement, shall maintain this Lease in force only as to that portion of the Leased Premises included in said unit or units, whether or not said duly operations or production is on or from the leased premises. However, Lessee shall explore and develop all other pools, sands or formations within the depth limitation set forth in this Lease as may be located within the area of said pooled unit or units within a period of five (5) years beyond the primary term or for so long as production is obtained from said other pooled unit or units, whichever is less. Should Lessee fail to so explore and develop all other pools, sands or formations being held pursuant to this paragraph, then Lessee shall, by written recordable instrument, release all rights to such other pools, sands or formations.

NOTE: At the end of the primary term or any extension thereof, this lease shall terminate and be of no force and effect as to all depths below the stratigraphic equivalent of a point one hundred (100') feet below the base of the deepest formation penetrated in any well drilled on the leased premises or on lands pooled therewith; provided, however, if Lessee is then engaged in the actual drilling of a well, this lease shall continue in force as to all acreage covered hereby and it shall not terminate as long as Lessee prosecutes operations with due diligence on said well and, thereafter, commences each succeeding well within one hundred twenty (120) days after the completion date or the date of abandonment of each well hereon, and thereafter prosecutes operations with respect thereto with due diligence in a good faith attempt to discover oil and/or gas.

NOTE: Lessee nor Lessee's successors and assigns nor mineral lessees,

shall conduct any operations of any kind that will affect the surface of the Property or subsurface to a depth of one hundred (100') feet which shall specifically exclude, but not be exclusively limited to, seismic tests, drilling operations, laying of pipelines, erection of structures and apartments, or ingress and egress from, over, through or across the Property or any operations whatsoever to which Lessee might otherwise be entitled to as the owner of a mineral servitude, it being the intent herein that the Property shall never be subject to any operations of any nature, description and kind by Lessee, Lessee's successors and assigns and mineral lessees, that would in any manner affect the surface of the Property of subsurface to a depth of one hundred (100') feet. However, inclusion of the Property, or any portion thereof, within any unit or units duly established is permissible and the Property may be developed by the use of directional drilling beneath the Property from a drill site located on the Property of third parties and a minimum distance of five hundred feet (500') from the Property.

NOTE: Lessee shall be responsible to Lessor for all damages to the leased premises caused by Lessee's operations, including, but not limited to, damages to roads, artificial or natural drains, utilities, and all other improvements on said land.

NOTE: It is agreed and understood that this lease specifically covers and includes only oil, gas and related hydrocarbons produced in association with either oil or gas or a combination of oil and gas and by-products produced and refined therefrom. Furthermore this lease specifically excludes coal, sand, gravel, lignite, clay and any other hard minerals produced in association with oil or gas or refined as a by-product therefrom. Notwithstanding any wording in this lease to the contrary, it is hereby understood between LESSOR and LESSEE that this lease covers only oil and gas in liquid, gaseous or vaporous forms or states, which can or may be produced through a bore of a producing oil or gas well, excluding, however, coal bed methane gas and its associated hydrocarbons. Reference to all or any other minerals contained herein is hereby deleted. This Lease does not include any other minerals and all other minerals being are reserved to Lessor including but not limited to hard or solid minerals, subterranean fresh water, coal bed methane, sulfur (or sulphur), Fuller's Earth, bentonite, gravel, coal and lignite, nor shall be effective as to the brine rights other than those necessarily associated with the production of the minerals leased hereunder. Lessee shall also have no right to remove any of the reserved minerals, iron ore, soil, sand and timber from the leased premises regardless of reason. If Lessee desires to utilize water from the subsurface of the leased premises, that desire may be consummated by a separate agreement between Lessee and Lessor; this Lease does not give Lessee the right to utilize such water. Lessor expressly reserves the right to conduct (or to grant to others the right to conduct) surface or strip-mining operations for any mineral or other substance not covered by this Lease, but such operations shall not

unreasonably interfere with and shall be subordinate to the rights of Lessee hereunder.

NOTE: It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease or by state law shall be without deduction for any cost incurred by Lessee, including, but not limited to, producing, gathering, storing, separating, treating, cleaning, dehydrating, compressing, detoxification, processing, transporting, metering, accounting and marketing the oil, gas and other products produced hereunder with the sole exception that Lessor's royalty shall bear its proportionate share of any severance & ad valorem taxes. Rather, royalties paid to Lessor herein shall be based on the value received by Lessee from the sale of such production to an unaffiliated, third-party purchaser, and in no event shall Lessor receive a price that is less than the price received by Lessee. Nor shall Lessee tender or deliver such royalty in kind in order to escape defraying the entire cost of such producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and marketing expense. Lessee shall account to and pay lessor within ninety (90) days after the last calendar day of the month in which the production is marketed and sold. Notwithstanding the foregoing, it is specifically agreed that Lessee shall have the right to utilize produced gas in its surface equipment, including compressors, and no royalties shall be due on any such utilized gas.

NOTE: After the expiration of the primary term of this Lease, in no event shall Lessee's rights be extended by the payment of shut-in gas royalty as allowed under the terms of this Lease and without drilling operations or production of oil, gas or other liquid hydrocarbons for more than two (2) consecutive years. In addition, any such shut-in royalty payments paid to Lessor shall be at the rate of \$2.50 per net mineral acre.

NOTE: Lessee hereby agrees in exercising the rights granted it under the Lease, it will comply with and be subject to all applicable environmental and other laws and regulations validly adopted or issued by the State of Louisiana or its agencies, or by the United States or its agencies. Lessee further agrees that it will comply with all minimum soil and water quality standards validly adopted by said government authorities with respect to oil pollution and noxious chemicals and waste being introduced into affected water areas. Lessee shall not manufacture, dispose of or release any hazardous materials on, under or about the leased premises, and shall not transport hazardous materials to or from the leased premises in any manner which would violate any applicable environmental laws. To the fullest extent allowed by law, Lessee shall indemnify and hold Lessor harmless from and against all costs, liabilities, fines, penalties, legal expenses (including, without limitation, Lessor's attorney fees), damages to property or injuries to persons (including death) which arise out of or are related to Lessee's failure to comply with this provision. Nevertheless, the preceding indemnification shall not apply to any costs,

liabilities, fines, penalties, legal expenses (including, without limitation, Lessor's attorney fees), damages to property or injuries to persons (including death) which arise out of Lessor's gross negligence or intentional act.

NOTE: If Lessor becomes legally obligated to investigate, remove, clean up, remediate or otherwise expend funds as a result of the Lessee's activities under this Lease, Lessee agrees that it will promptly perform such investigation, clean up or remediation activities at its sole cost, risk and expense upon written request from the Lessor. Lessor's royalty herein shall be free of all charges and costs whatsoever including but not limited to, production, compression, cleaning, dehydration, metering, detoxification, transportation, accounting, and marketing; except that Lessor's royalty will be responsible for its pro rata share of all taxes imposed on severance or production by any municipal, parish, state or federal agency.

NOTE: Once a well is completed and gas, oil or other products are produced, with any portion of said lands under this lease being included in the unit, Lessor shall begin to receive royalty payments not later than 120 days from the date of the first sale of said products. Any delay in the payment of royalty from production for a period of one hundred twenty (120) days will result in interest due the Lessor at the rate of one and one-half (1 ½) percent per month.

NOTE: The price to be used in computing the market value of gas and/or liquid hydrocarbons at the well head shall be the price received by the Lessee under an arm's length sales contract with parties prudently negotiated in the light of the facts and circumstances existing at the time of the consummation of such contract. Should Lessee negotiate a sales contract with an affiliate, parent or subsidiary company of Lessee, then the price so negotiated and paid to Lessee shall be not less than the price which Lessee would have received from a third party negotiated under an arm's length sales contract prudently negotiated in the light of the facts and circumstances existing at the time of the consummation of such contract. However, should Lessee by virtue of any order of any state or federal regulatory body receive less than the price provided for in any gas and/or liquid hydrocarbons sales contract entered into by Lessee, such lesser price shall be paid.

NOTE: All gas and liquid hydrocarbons shall be measured and paid for using the same standards and factors required by the Louisiana Department of Revenue.

NOTE: This Lease is granted without any covenant of title or warranty of title of any kind whatsoever, expressed or implied, and without any recourse against the Lessor in the event of any failure of title, not even for the return of the consideration paid here for or any shut-in payments or royalties paid hereunder.

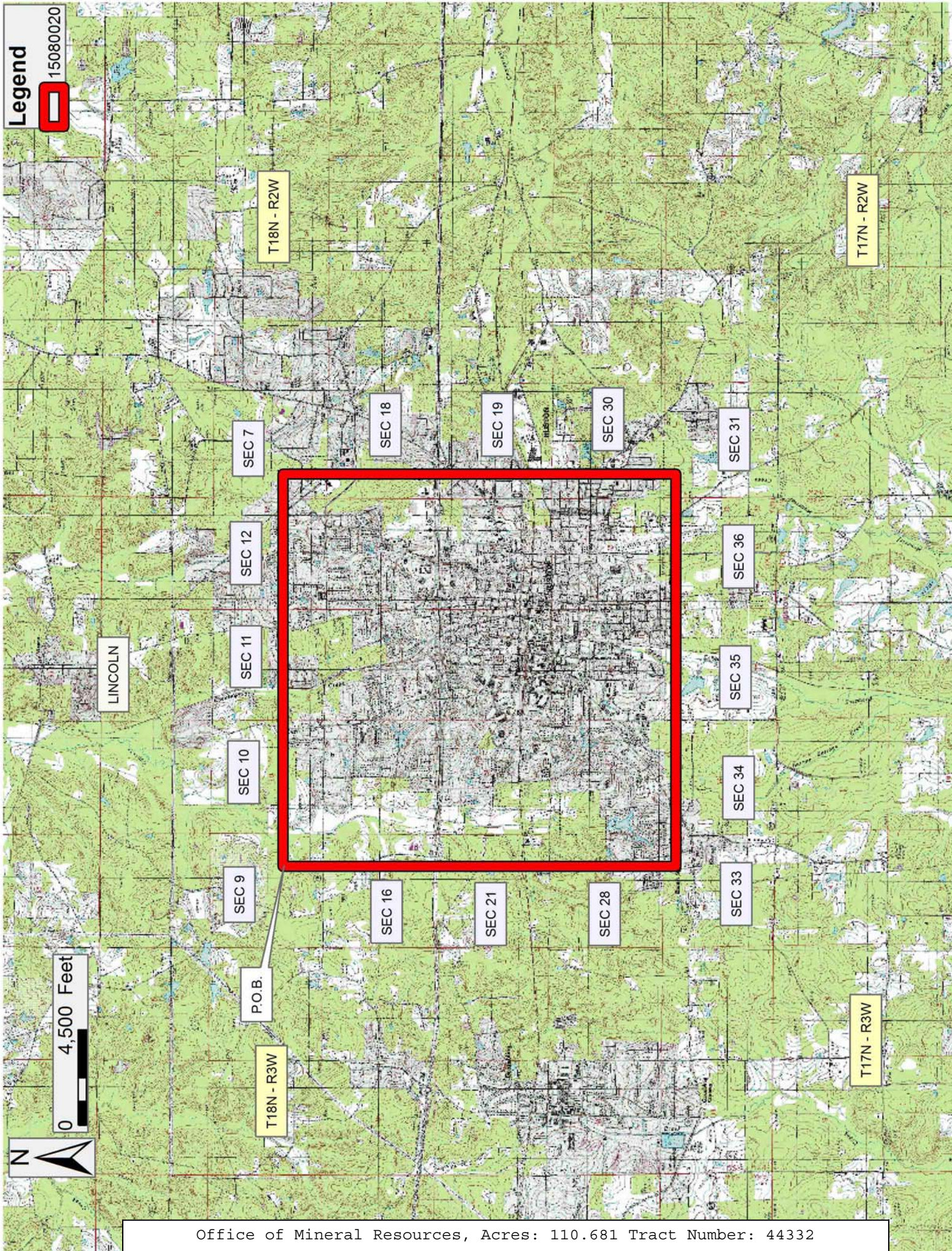
NOTE: To the fullest extent allowed by law, Lessee shall indemnify, hold harmless and defend Lessor (and Lessor's heirs, assigns, and legal representatives) from any and all losses, damages, fines, penalties, liabilities, costs, injuries, loss of life, expenses, claims and causes of action of whatsoever nature and howsoever caused including injury or death to persons or damages to property, (including without limitation, legal fees and expenses incurred in defending same or in enforcing this indemnity), resulting or arising from or incurred in connection with any operations by Lessee on the leased premises.

NOTE: This Lease may be assigned only if the assignee agrees in writing to assume all of the obligations of Lessee under this Lease. In such event all obligations of this Lease shall remain binding on Lessee unless Lessor specifically agrees to release Lessee from said obligations in writing.

NOTE: If, in the event of production, a division order is circulated by Lessee or by purchaser of production, such division order will be a simple statement of interest containing no warranty or indemnity clause and containing no clauses modifying in any way the terms of this lease. Lessor shall not be obligated to execute such division order but may acknowledge receipt of said division order to Lessee.

Applicant: ESTEBAN EXPLORATIOAN to Agency and by Resolution from the Lincoln Parish School Board authorizing the Mineral Board to act in its behalf

| Bidder | Cash Payment | Price/ Acre | Rental | Oil | Gas | Other |
|--------|-----------------|----------------|--------|-----|-----|-------|
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Legend

15080020

0 4,500 Feet

TRACT 44333 - Lincoln Parish, Louisiana

A certain Tract of land, excluding the beds and bottoms of all navigable waters, belonging to and not presently under mineral lease from Lincoln Parish School Board on August 12, 2015, being more fully described as follows: That certain tract or parcel of land containing 0.230 acres, more or less, situated in the Southwest Quarter of the Southwest Quarter (SW/4 of the SW/4) of Section 12, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified as the South 50 feet of Lot No. 38 and the North 10 feet of Lot No. 39, all in Unit 3 of Northwood Terrace Subdivision, a subdivision of Ruston, Louisiana, as per plat and map recorded in COB 88, Page 72, of the Conveyance Records of Lincoln Parish, Louisiana. This being the same property described in that certain Cash Sale Deed, dated October 14, 1965, recorded in COB 111, Page 634, under Entry No. C52157 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 15.00 acres, more or less, situated in the Southwest Quarter of the Southwest Quarter (SW/4 of the SW/4) of Section 12 Township 18 North, Range 3 West Lincoln Parish, Louisiana, and being further described in that certain Deed dated January 30, 1961, recorded in Conveyance Book 80, Page 103 of the Conveyance Records of Lincoln Parish, Louisiana.

The above description totals **15.23** acres, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. The description is based on information provided by the State Agency regarding location and ownership of surface and mineral rights. All bearings, distances and coordinates, if applicable, are based on Louisiana Coordinate System of 1927, (North or South Zone).

NOTE: The above description of the Tract nominated for the purpose of acquiring a mineral lease or a geophysical agreement has been provided and corrected, where required, exclusively by the nominating party. Any mineral lease or geophysical agreement selected from this Tract and awarded by the Louisiana State Mineral and Energy Board shall be without warranty of any kind, either express, implied or statutory including, but not limited to, title or the implied warranties of merchantability and fitness for a particular purpose.

An error or omission in the nominating party's Tract description may require that a State mineral lease or geophysical agreement be modified, canceled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions within the Tract described. In such case, however, the Louisiana State Mineral and Energy Board shall not be obligated to refund any consideration paid by the Lessee prior to such modification, cancellation or abrogation including, but not limited to, bonuses, rentals and royalties.

NOTE: There shall be a minimum royalty of one-fourth (1/4).

NOTE: There shall be a minimum bonus of \$1000.00 per acre.

NOTE: The primary term shall be three (3) years.

NOTE: It is agreed and understood, wherever the fraction one-eighth (1/8) appears regarding royalty, it shall be deemed to read one-fourth (1/4) instead so that the Lease provides for a full 1/4 royalty.

NOTE: Should a pooled unit or units be created, either by governmental authority (compulsory units) or by voluntary action of the parties, which include all or a portion of the lands covered by this Lease, drilling operations or production from the pool, sand or formation for which such unit or units were created, all as defined by said governmental authority, or by said voluntary utilization agreement, shall maintain this Lease in force only as to that portion of the Leased Premises included in said unit or units, whether or not said duly operations or production is on or from the leased premises. However, Lessee shall explore and develop all other pools, sands or formations within the depth limitation set forth in this Lease as may be located within the area of said pooled unit or units within a period of five (5) years beyond the primary term or for so long as production is obtained from said other pooled unit or units, whichever is less. Should Lessee fail to so explore and develop all other pools, sands or formations being held pursuant to this paragraph, then Lessee shall, by written recordable instrument, release all rights to such other pools, sands or formations.

NOTE: At the end of the primary term or any extension thereof, this lease shall terminate and be of no force and effect as to all depths below the stratigraphic equivalent of a point one hundred (100') feet below the base of the deepest formation penetrated in any well drilled on the leased premises or on lands pooled therewith; provided, however, if Lessee is then engaged in the actual drilling of a well, this lease shall continue in force as to all acreage covered hereby and it shall not terminate as long as Lessee prosecutes operations with due diligence on said well and, thereafter, commences each succeeding well within one hundred twenty (120) days after the completion date or the date of abandonment of each well hereon, and thereafter prosecutes operations with respect thereto with due diligence in a good faith attempt to discover oil and/or gas.

NOTE: Lessee nor Lessee's successors and assigns nor mineral lessees, shall conduct any operations of any kind that will affect the surface of the Property or subsurface to a depth of one hundred (100') feet which shall specifically exclude, but not be exclusively limited to, seismic tests, drilling operations, laying of pipelines, erection of structures and apartments, or ingress and egress from, over, through or across the Property or any operations whatsoever to which Lessee might otherwise be entitled to as the owner of a mineral servitude, it being the intent

herein that the Property shall never be subject to any operations of any nature, description and kind by Lessee, Lessee's successors and assigns and mineral lessees, that would in any manner affect the surface of the Property of subsurface to a depth of one hundred (100') feet. However, inclusion of the Property, or any portion thereof, within any unit or units duly established is permissible and the Property may be developed by the use of directional drilling beneath the Property from a drill site located on the Property of third parties and a minimum distance of five hundred feet (500') from the Property.

NOTE: Lessee shall be responsible to Lessor for all damages to the leased premises caused by Lessee's operations, including, but not limited to, damages to roads, artificial or natural drains, utilities, and all other improvements on said land.

NOTE: It is agreed and understood that this lease specifically covers and includes only oil, gas and related hydrocarbons produced in association with either oil or gas or a combination of oil and gas and by-products produced and refined therefrom. Furthermore this lease specifically excludes coal, sand, gravel, lignite, clay and any other hard minerals produced in association with oil or gas or refined as a by-product therefrom. Notwithstanding any wording in this lease to the contrary, it is hereby understood between LESSOR and LESSEE that this lease covers only oil and gas in liquid, gaseous or vaporous forms or states, which can or may be produced through a bore of a producing oil or gas well, excluding, however, coal bed methane gas and its associated hydrocarbons. Reference to all or any other minerals contained herein is hereby deleted. This Lease does not include any other minerals and all other minerals being are reserved to Lessor including but not limited to hard or solid minerals, subterranean fresh water, coal bed methane, sulfur (or sulphur), Fuller's Earth, bentonite, gravel, coal and lignite, nor shall be effective as to the brine rights other than those necessarily associated with the production of the minerals leased hereunder. Lessee shall also have no right to remove any of the reserved minerals, iron ore, soil, sand and timber from the leased premises regardless of reason. If Lessee desires to utilize water from the subsurface of the leased premises, that desire may be consummated by a separate agreement between Lessee and Lessor; this Lease does not give Lessee the right to utilize such water. Lessor expressly reserves the right to conduct (or to grant to others the right to conduct) surface or strip-mining operations for any mineral or other substance not covered by this Lease, but such operations shall not unreasonably interfere with and shall be subordinate to the rights of Lessee hereunder.

NOTE: It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease or by state law shall be without deduction for any cost incurred by Lessee, including, but not limited to, producing, gathering, storing, separating, treating, cleaning, dehydrating,

compressing, detoxification, processing, transporting, metering, accounting and marketing the oil, gas and other products produced hereunder with the sole exception that Lessor's royalty shall bear its proportionate share of any severance & ad valorem taxes. Rather, royalties paid to Lessor herein shall be based on the value received by Lessee from the sale of such production to an unaffiliated, third-party purchaser, and in no event shall Lessor receive a price that is less than the price received by Lessee. Nor shall Lessee tender or deliver such royalty in kind in order to escape defraying the entire cost of such producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and marketing expense. Lessee shall account to and pay lessor within ninety (90) days after the last calendar day of the month in which the production is marketed and sold. Notwithstanding the foregoing, it is specifically agreed that Lessee shall have the right to utilize produced gas in its surface equipment, including compressors, and no royalties shall be due on any such utilized gas.

NOTE: After the expiration of the primary term of this Lease, in no event shall Lessee's rights be extended by the payment of shut-in gas royalty as allowed under the terms of this Lease and without drilling operations or production of oil, gas or other liquid hydrocarbons for more than two (2) consecutive years. In addition, any such shut-in royalty payments paid to Lessor shall be at the rate of \$2.50 per net mineral acre.

NOTE: Lessee hereby agrees in exercising the rights granted it under the Lease, it will comply with and be subject to all applicable environmental and other laws and regulations validly adopted or issued by the State of Louisiana or its agencies, or by the United States or its agencies. Lessee further agrees that it will comply with all minimum soil and water quality standards validly adopted by said government authorities with respect to oil pollution and noxious chemicals and waste being introduced into affected water areas. Lessee shall not manufacture, dispose of or release any hazardous materials on, under or about the leased premises, and shall not transport hazardous materials to or from the leased premises in any manner which would violate any applicable environmental laws. To the fullest extent allowed by law, Lessee shall indemnify and hold Lessor harmless from and against all costs, liabilities, fines, penalties, legal expenses (including, without limitation, Lessor's attorney fees), damages to property or injuries to persons (including death) which arise out of or are related to Lessee's failure to comply with this provision. Nevertheless, the preceding indemnification shall not apply to any costs, liabilities, fines, penalties, legal expenses (including, without limitation, Lessor's attorney fees), damages to property or injuries to persons (including death) which arise out of Lessor's gross negligence or intentional act.

NOTE: If Lessor becomes legally obligated to investigate, remove, clean up, remediate or otherwise expend funds as a result of the Lessee's activities under this Lease, Lessee agrees that it will promptly perform

such investigation, clean up or remediation activities at its sole cost, risk and expense upon written request from the Lessor. Lessor's royalty herein shall be free of all charges and costs whatsoever including but not limited to, production, compression, cleaning, dehydration, metering, detoxification, transportation, accounting, and marketing; except that Lessor's royalty will be responsible for its pro rata share of all taxes imposed on severance or production by any municipal, parish, state or federal agency.

NOTE: Once a well is completed and gas, oil or other products are produced, with any portion of said lands under this lease being included in the unit, Lessor shall begin to receive royalty payments not later than 120 days from the date of the first sale of said products. Any delay in the payment of royalty from production for a period of one hundred twenty (120) days will result in interest due the Lessor at the rate of one and one-half (1 ½) percent per month.

NOTE: The price to be used in computing the market value of gas and/or liquid hydrocarbons at the well head shall be the price received by the Lessee under an arm's length sales contract with parties prudently negotiated in the light of the facts and circumstances existing at the time of the consummation of such contract. Should Lessee negotiate a sales contract with an affiliate, parent or subsidiary company of Lessee, then the price so negotiated and paid to Lessee shall be not less than the price which Lessee would have received from a third party negotiated under an arm's length sales contract prudently negotiated in the light of the facts and circumstances existing at the time of the consummation of such contract. However, should Lessee by virtue of any order of any state or federal regulatory body receive less than the price provided for in any gas and/or liquid hydrocarbons sales contract entered into by Lessee, such lesser price shall be paid.

NOTE: All gas and liquid hydrocarbons shall be measured and paid for using the same standards and factors required by the Louisiana Department of Revenue.

NOTE: This Lease is granted without any covenant of title or warranty of title of any kind whatsoever, expressed or implied, and without any recourse against the Lessor in the event of any failure of title, not even for the return of the consideration paid here for or any shut-in payments or royalties paid hereunder.

NOTE: To the fullest extent allowed by law, Lessee shall indemnify, hold harmless and defend Lessor (and Lessor's heirs, assigns, and legal representatives) from any and all losses, damages, fines, penalties, liabilities, costs, injuries, loss of life, expenses, claims and causes of action of whatsoever nature and howsoever caused including injury or death to persons or damages to property, (including without limitation, legal fees and expenses incurred in defending same or in enforcing this

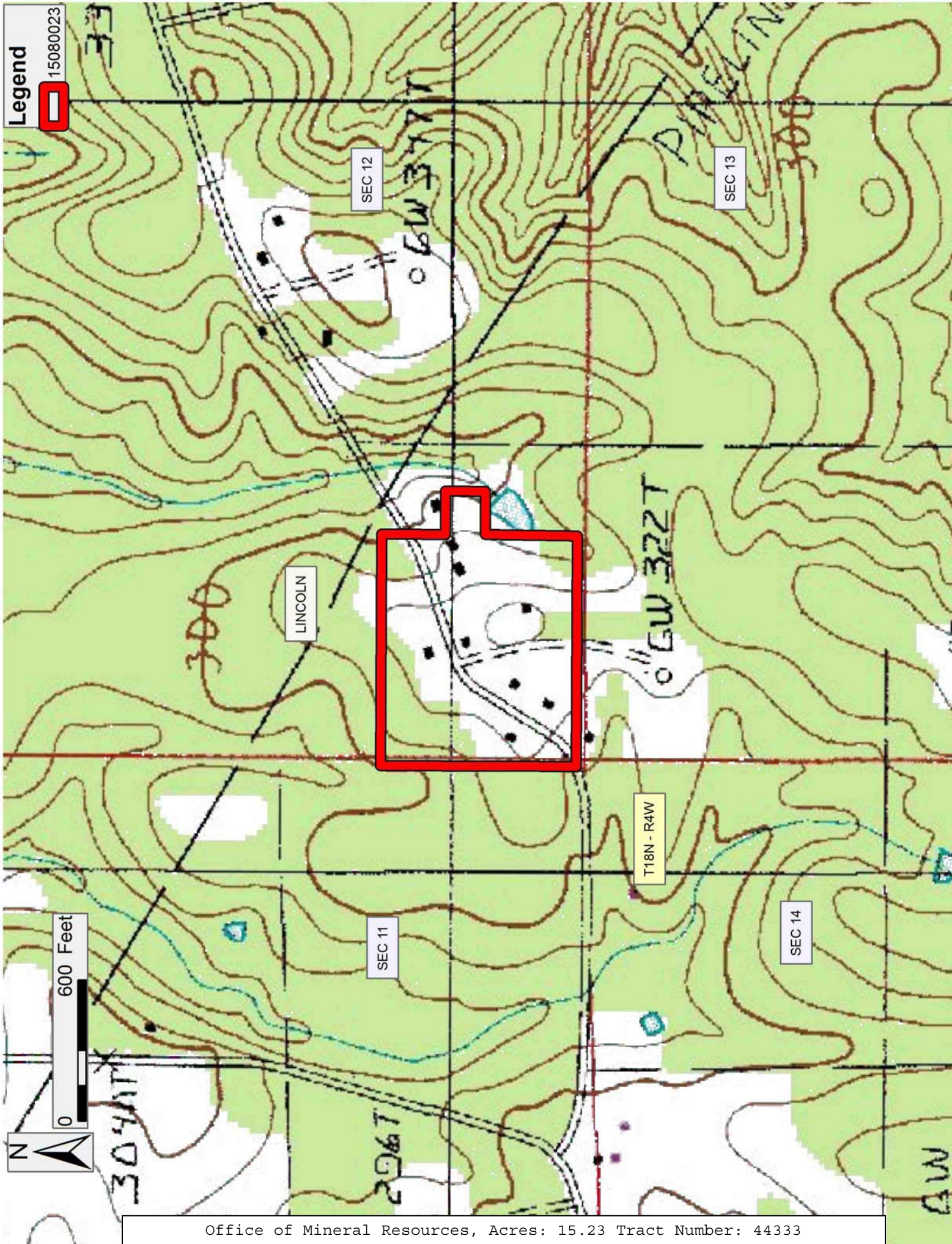
indemnity), resulting or arising from or incurred in connection with any operations by Lessee on the leased premises.

NOTE: This Lease may be assigned only if the assignee agrees in writing to assume all of the obligations of Lessee under this Lease. In such event all obligations of this Lease shall remain binding on Lessee unless Lessor specifically agrees to release Lessee from said obligations in writing.

NOTE: If, in the event of production, a division order is circulated by Lessee or by purchaser of production, such division order will be a simple statement of interest containing no warranty or indemnity clause and containing no clauses modifying in any way the terms of this lease. Lessor shall not be obligated to execute such division order but may acknowledge receipt of said division order to Lessee.

Applicant: ESTEBAN EXPLORATION to Agency and by Resolution from the Lincoln Parish School Board authorizing the Mineral Board to act in its behalf

| Bidder | Cash Payment | Price/ Acre | Rental | Oil | Gas | Other |
|--------|-----------------|----------------|--------|-----|-----|-------|
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TRACT 44334 - Lincoln and Ouachita Parishes, Louisiana

A certain Tract of land, excluding the beds and bottoms of all navigable waters, belonging to and not presently under mineral lease from Ouachita Parish Police Jury on August 12, 2015, being more fully described as follows: That certain tract or parcel of land containing 0.413 acres, more or less, being in the Southeast Quarter of the Northwest Quarter of Section 32, Township 18 North, Range 1 East. From the Southwest corner of the Southeast Quarter of the Northwest Quarter of Section 32, go North 98.44 feet, East 313 feet, North 855.89 feet, and East 30 feet to the Point of Beginning, thence East 108 feet, North 162.4 feet, West 108 feet and South 163.48 feet back to the Point of Beginning (BK 1739/117, 2038/361, 2088/787), all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. The description is based on information provided by the State Agency regarding location and ownership of surface and mineral rights. All bearings, distances and coordinates, if applicable, are based on Louisiana Coordinate System of 1927, (North or South Zone).

NOTE: The above description of the Tract nominated for the purpose of acquiring a mineral lease or a geophysical agreement has been provided and corrected, where required, exclusively by the nominating party. Any mineral lease or geophysical agreement selected from this Tract and awarded by the Louisiana State Mineral and Energy Board shall be without warranty of any kind, either express, implied or statutory including, but not limited to, title or the implied warranties of merchantability and fitness for a particular purpose.

An error or omission in the nominating party's Tract description may require that a State mineral lease or geophysical agreement be modified, canceled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions within the Tract described. In such case, however, the Louisiana State Mineral and Energy Board shall not be obligated to refund any consideration paid by the Lessee prior to such modification, cancellation or abrogation including, but not limited to, bonuses, rentals and royalties.

NOTE: There shall be a minimum royalty of one-fourth (1/4).

NOTE: The primary term shall be three (3) years.

NOTE: It is agreed and understood, wherever the fraction one-eighth (1/8) appears regarding royalty, it shall be deemed to read one-fourth (1/4) instead so that the Lease provides for a full 1/4 royalty.

NOTE: Should a pooled unit or units be created, either by governmental authority (compulsory units) or by voluntary action of the parties, which include all or a portion of the lands covered by this Lease, drilling operations or production from the pool, sand or formation for which such

unit or units were created, all as defined by said governmental authority, or by said voluntary utilization agreement, shall maintain this Lease in force only as to that portion of the Leased Premises included in said unit or units, whether or not said duly operations or production is on or from the leased premises. However, Lessee shall explore and develop all other pools, sands or formations within the depth limitation set forth in this Lease as may be located within the area of said pooled unit or units within a period of five (5) years beyond the primary term or for so long as production is obtained from said other pooled unit or units, whichever is less. Should Lessee fail to so explore and develop all other pools, sands or formations being held pursuant to this paragraph, then Lessee shall, by written recordable instrument, release all rights to such other pools, sands or formations.

NOTE: At the end of the primary term or any extension thereof, this lease shall terminate and be of no force and effect as to all depths below the stratigraphic equivalent of a point one hundred (100') feet below the base of the deepest formation penetrated in any well drilled on the leased premises or on lands pooled therewith; provided, however, if Lessee is then engaged in the actual drilling of a well, this lease shall continue in force as to all acreage covered hereby and it shall not terminate as long as Lessee prosecutes operations with due diligence on said well and, thereafter, commences each succeeding well within one hundred twenty (120) days after the completion date or the date of abandonment of each well hereon, and thereafter prosecutes operations with respect thereto with due diligence in a good faith attempt to discover oil and/or gas.

NOTE: Lessee nor Lessee's successors and assigns nor mineral lessees, shall conduct any operations of any kind that will affect the surface of the Property or subsurface to a depth of one hundred (100') feet which shall specifically exclude, but not be exclusively limited to, seismic tests, drilling operations, laying of pipelines, erection of structures and apartments, or ingress and egress from, over, through or across the Property or any operations whatsoever to which Lessee might otherwise be entitled to as the owner of a mineral servitude, it being the intent herein that the Property shall never be subject to any operations of any nature, description and kind by Lessee, Lessee's successors and assigns and mineral lessees, that would in any manner affect the surface of the Property or subsurface to a depth of one hundred (100') feet. However, inclusion of the Property, or any portion thereof, within any unit or units duly established is permissible and the Property may be developed by the use of directional drilling beneath the Property from a drill site located on the Property of third parties and a minimum distance of five hundred feet (500') from the Property.

NOTE: Lessee shall be responsible to Lessor for all damages to the leased premises caused by Lessee's operations, including, but not limited to, damages to roads, artificial or natural drains, utilities, and all other improvements on said land.

NOTE: It is agreed and understood that this lease specifically covers and includes only oil, gas and related hydrocarbons produced in association with either oil or gas or a combination of oil and gas and by-products produced and refined therefrom. Furthermore this lease specifically excludes coal, sand, gravel, lignite, clay and any other hard minerals produced in association with oil or gas or refined as a by-product therefrom. Notwithstanding any wording in this lease to the contrary, it is hereby understood between LESSOR and LESSEE that this lease covers only oil and gas in liquid, gaseous or vaporous forms or states, which can or may be produced through a bore of a producing oil or gas well, excluding, however, coal bed methane gas and its associated hydrocarbons. Reference to all or any other minerals contained herein is hereby deleted. This Lease does not include any other minerals and all other minerals being are reserved to Lessor including but not limited to hard or solid minerals, subterranean fresh water, coal bed methane, sulfur (or sulphur), Fuller's Earth, bentonite, gravel, coal and lignite, nor shall be effective as to the brine rights other than those necessarily associated with the production of the minerals leased hereunder. Lessee shall also have no right to remove any of the reserved minerals, iron ore, soil, sand and timber from the leased premises regardless of reason. If Lessee desires to utilize water from the subsurface of the leased premises, that desire may be consummated by a separate agreement between Lessee and Lessor; this Lease does not give Lessee the right to utilize such water. Lessor expressly reserves the right to conduct (or to grant to others the right to conduct) surface or strip-mining operations for any mineral or other substance not covered by this Lease, but such operations shall not unreasonably interfere with and shall be subordinate to the rights of Lessee hereunder.

NOTE: It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease or by state law shall be without deduction for any cost incurred by Lessee, including, but not limited to, producing, gathering, storing, separating, treating, cleaning, dehydrating, compressing, detoxification, processing, transporting, metering, accounting and marketing the oil, gas and other products produced hereunder with the sole exception that Lessor's royalty shall bear its proportionate share of any severance & ad valorem taxes. Rather, royalties paid to Lessor herein shall be based on the value received by Lessee from the sale of such production to an unaffiliated, third-party purchaser, and in no event shall Lessor receive a price that is less than the price received by Lessee. Nor shall Lessee tender or deliver such royalty in kind in order to escape defraying the entire cost of such producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and marketing expense. Lessee shall account to and pay lessor within ninety (90) days after the last calendar day of the month in which the production is marketed and sold. Notwithstanding the foregoing, it is specifically agreed that Lessee shall have the right to

utilize produced gas in its surface equipment, including compressors, and no royalties shall be due on any such utilized gas.

NOTE: After the expiration of the primary term of this Lease, in no event shall Lessee's rights be extended by the payment of shut-in gas royalty as allowed under the terms of this Lease and without drilling operations or production of oil, gas or other liquid hydrocarbons for more than two (2) consecutive years. In addition, any such shut-in royalty payments paid to Lessor shall be at the rate of \$2.50 per net mineral acre.

NOTE: Lessee hereby agrees in exercising the rights granted it under the Lease, it will comply with and be subject to all applicable environmental and other laws and regulations validly adopted or issued by the State of Louisiana or its agencies, or by the United States or its agencies. Lessee further agrees that it will comply with all minimum soil and water quality standards validly adopted by said government authorities with respect to oil pollution and noxious chemicals and waste being introduced into affected water areas. Lessee shall not manufacture, dispose of or release any hazardous materials on, under or about the leased premises, and shall not transport hazardous materials to or from the leased premises in any manner which would violate any applicable environmental laws. To the fullest extent allowed by law, Lessee shall indemnify and hold Lessor harmless from and against all costs, liabilities, fines, penalties, legal expenses (including, without limitation, Lessor's attorney fees), damages to property or injuries to persons (including death) which arise out of or are related to Lessee's failure to comply with this provision. Nevertheless, the preceding indemnification shall not apply to any costs, liabilities, fines, penalties, legal expenses (including, without limitation, Lessor's attorney fees), damages to property or injuries to persons (including death) which arise out of Lessor's gross negligence or intentional act.

NOTE: If Lessor becomes legally obligated to investigate, remove, clean up, remediate or otherwise expend funds as a result of the Lessee's activities under this Lease, Lessee agrees that it will promptly perform such investigation, clean up or remediation activities at its sole cost, risk and expense upon written request from the Lessor. Lessor's royalty herein shall be free of all charges and costs whatsoever including but not limited to, production, compression, cleaning, dehydration, metering, detoxification, transportation, accounting, and marketing; except that Lessor's royalty will be responsible for its pro rata share of all taxes imposed on severance or production by any municipal, parish, state or federal agency.

NOTE: Once a well is completed and gas, oil or other products are produced, with any portion of said lands under this lease being included in the unit, Lessor shall begin to receive royalty payments not later than 120 days from the date of the first sale of said products. Any delay in the payment of royalty from production for a period of one hundred twenty

(120) days will result in interest due the Lessor at the rate of one and one-half (1 ½) percent per month.

NOTE: The price to be used in computing the market value of gas and/or liquid hydrocarbons at the well head shall be the price received by the Lessee under an arm's length sales contract with parties prudently negotiated in the light of the facts and circumstances existing at the time of the consummation of such contract. Should Lessee negotiate a sales contract with an affiliate, parent or subsidiary company of Lessee, then the price so negotiated and paid to Lessee shall be not less than the price which Lessee would have received from a third party negotiated under an arm's length sales contract prudently negotiated in the light of the facts and circumstances existing at the time of the consummation of such contract. However, should Lessee by virtue of any order of any state or federal regulatory body receive less than the price provided for in any gas and/or liquid hydrocarbons sales contract entered into by Lessee, such lesser price shall be paid.

NOTE: All gas and liquid hydrocarbons shall be measured and paid for using the same standards and factors required by the Louisiana Department of Revenue.

NOTE: This Lease is granted without any covenant of title or warranty of title of any kind whatsoever, expressed or implied, and without any recourse against the Lessor in the event of any failure of title, not even for the return of the consideration paid here for or any shut-in payments or royalties paid hereunder.

NOTE: To the fullest extent allowed by law, Lessee shall indemnify, hold harmless and defend Lessor (and Lessor's heirs, assigns, and legal representatives) from any and all losses, damages, fines, penalties, liabilities, costs, injuries, loss of life, expenses, claims and causes of action of whatsoever nature and howsoever caused including injury or death to persons or damages to property, (including without limitation, legal fees and expenses incurred in defending same or in enforcing this indemnity), resulting or arising from or incurred in connection with any operations by Lessee on the leased premises.

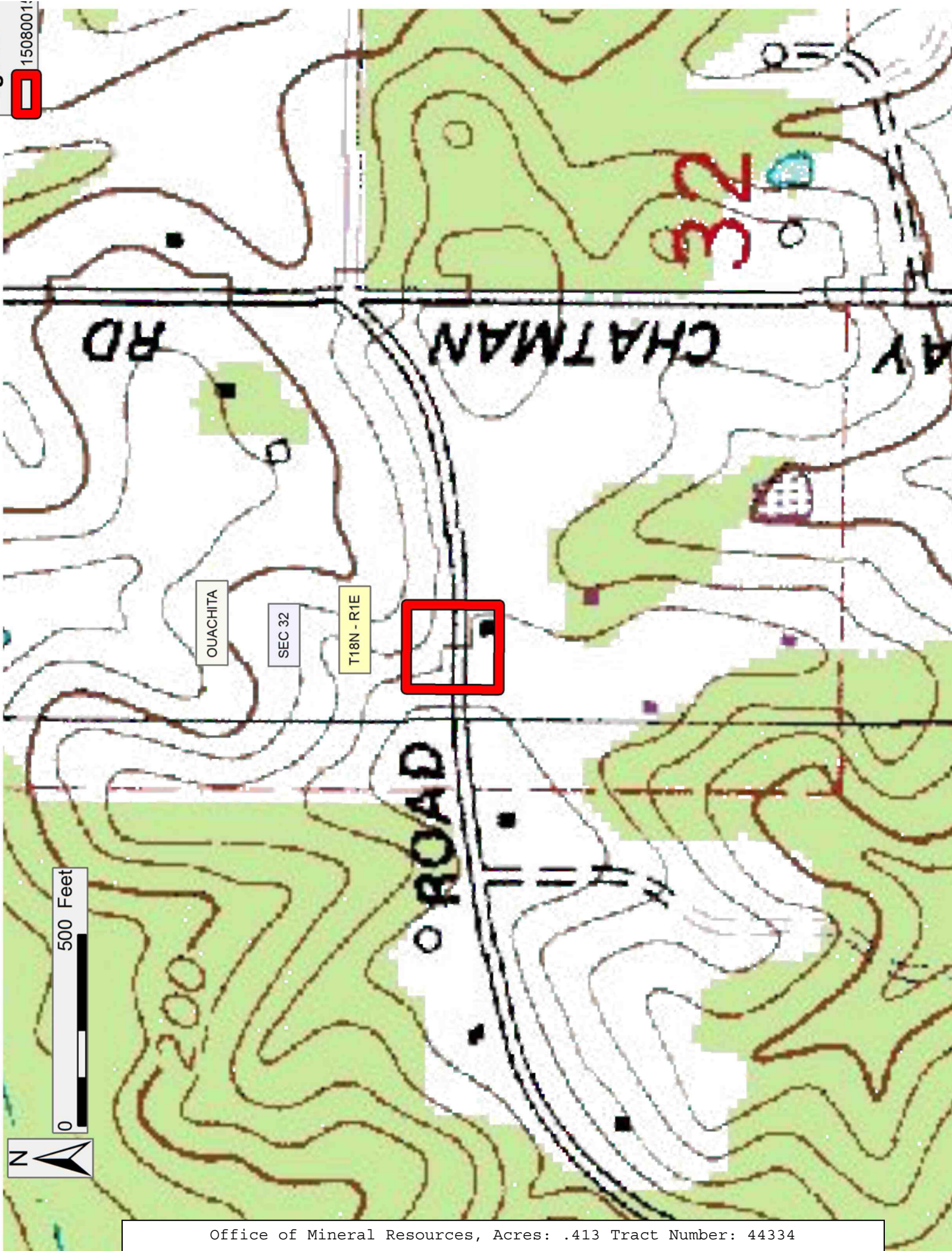
NOTE: This Lease may be assigned only if the assignee agrees in writing to assume all of the obligations of Lessee under this Lease. In such event all obligations of this Lease shall remain binding on Lessee unless Lessor specifically agrees to release Lessee from said obligations in writing.

NOTE: If, in the event of production, a division order is circulated by Lessee or by purchaser of production, such division order will be a simple statement of interest containing no warranty or indemnity clause and containing no clauses modifying in any way the terms of this lease. Lessor shall not be obligated to execute such division order but may acknowledge receipt of said division order to Lessee.

Applicant: HARDIHOOD RESOURCE DEVELOPMENT to Agency and by Resolution from the Ouachita Parish Police Jury authorizing the Mineral Board to act in its behalf

| Bidder | Cash Payment | Price/ Acre | Rental | Oil | Gas | Other |
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TRACT 44335 - Lincoln Parish, Louisiana

A certain Tract of land, excluding the beds and bottoms of all navigable waters, belonging to and not presently under mineral lease from City Of Ruston on August 12, 2015, being more fully described as follows: Beginning at a point having Coordinates of X = 1,943,137.18 and Y = 683,672.32; thence East 18,480.00 feet to a point having Coordinates of X = 1,961,617.18 and Y = 683,672.32; thence South 18,480.00 feet to a point having Coordinates of X = 1,961,617.18 and Y = 665,192.32; thence West 18,480.00 feet to a point having Coordinates of X = 1,943,137.18 and Y = 665,192.32; thence North 18,480.00 feet to the point of beginning and being more particularly described as follows:

That certain tract or parcel of land containing 0.206 acres, more or less, being situated in the Southwest Quarter of the Northeast Quarter (SW/4 of NE/4) of Section 13, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Act of Donation, dated May 14, 2004, recorded under Entry No. 056065, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.026 acres, more or less, being situated in the Northwest Quarter of the Southeast Quarter (NW/4 of SE/4) of Section 13, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Act of Dedication and Conveyance, dated September 13, 2010, recorded under Entry No. F113631, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.059 acres, more or less, being situated on the Centerline of the Southwest Quarter of the Southeast Quarter (SW/4 of SE/4) of Section 13, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Act of Dedication and Conveyance Deed, dated July 6, 2010, recorded under Entry No. F113630, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.135 acres, more or less, being situated in the Northwest Quarter of the Southeast Quarter (NW/4 of SE/4) of Section 13, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Donation of Servitude Deed, dated March 8, 1990, recorded under Entry No. E38404, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 7.666 acres, more or less, situated in the NE/4 Section 21, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Sale dated April 3, 2013, recorded in Conveyance Book 1326, Page 242, under Registry Number E131132 in the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 1.213 acres, more or less, being situated in the Northwest Quarter of the Southeast Quarter (NW/4 of SE/4) of Section 22, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Act of Exchange with Donation of Servitude, dated August 2, 1993, recorded under Entry No. E60788, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 2.92422 acres, more or less, being situated in the Northwest Quarter of the Southeast Quarter (NW/4 of SE/4) of Section 22, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Deed, dated January 10, 1972, recorded under Entry No. C77294, Less and Except 1.217 acres, described in that certain Act of Exchange with Donation of Servitude dated August 2, 1993, recorded under Entry No. E60788 of the Conveyance Records of the

office of the Clerk of Court for Lincoln Parish, Louisiana. Leaving a balance of 1.70722 acres, more or less, leased herein.

That certain tract or parcel of land containing 0.130 acres, more or less, being situated in the Southwest Quarter of the Northwest Quarter (SW/4 of NW/4) of Section 22, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Cash Sale Deed, dated April 16, 1992, recorded under Entry No. E51472, Less and Except 0.088 acres, further identified in that certain Sale, dated November 2, 1998, recorded under Entry No. 008856, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.130 acres, more or less, being situated in the Southwest Quarter of the Northwest Quarter (SW/4 of NW/4) of Section 22, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Act of Cash Sale Deed, dated October 22, 1999, recorded under Entry No. 016629, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.960 acres, more or less, being situated in the Southeast Quarter of the Southeast Quarter (SE/4 of SE/4) of Section 23, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Correction Deed, dated March 26, 1974, recorded under Entry No. C87303, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.185 acres, more or less, described by metes and bounds, situated in the Southeast Quarter of the Southeast Quarter (SE/4 of SE/4) of Section 23, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Cash Deed dated September 2, 1941, recorded in Conveyance Book 18, Page 92, under Registry Number N-49682 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.550 acres, more or less, being situated in the Northeast Quarter of the Southeast Quarter (NE/4 of SE/4) of Section 23, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified as Lot 2, Lot 3 and a portion of Lot 6, of Block V, of the Town of Ruston. Said tract being further identified in that certain Act of Sale, dated November 5, 2004, recorded under Entry No. 059887, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.090 acres, more or less, being situated in the Northeast Quarter of the Southeast Quarter (NE/4 of SE/4) of Section 23, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified as Lots 13 and 16, of Block O, of the Town of Ruston Subdivision. Said tract being further identified in that certain Deed, dated January 8, 1970, recorded under Entry No. C69173, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 2.78 acres, more or less, being situated in the Northwest Quarter of the Southeast Quarter (NW/4 of SE/4) of Section 23, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified as all of Square No. 20, of the Town of Ruston Subdivision. Said tract being further identified in that certain Deed, dated April 30, 1965, recorded under Entry No. C50283, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.269 acres, more or less, being situated in the Northwest Quarter of the Southwest Quarter (NW/4 of SW/4) of Section 23, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Act of Sale Deed, dated May 13, 2005, in COB 1175, Page 41, recorded under Entry

No. F64589, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.029 acres, more or less, being a portion in Northwest corner of Lot 3, Block 112 of the Stubb's Addition, a subdivision of the Town of Ruston, Lincoln Parish, Louisiana, located in the Southwest Quarter of the Northwest Quarter, Section 23, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Quitclaim Deed and Right-Of-Way Grant, dated March 27, 1998, recorded in Conveyance Book 1018, Page 104, under Registry Number F-3264 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.740 acres, more or less, being situated in the Northwest Quarter of the Southeast Quarter (NW/4 of SE/4) of Section 23, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified as Lot 2, of Square 21, of The Town of Ruston Subdivision. Said tract being further identified in that certain Act of Sale, dated December 16, 2008, recorded under Entry No. F101329, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.251 acres, more or less, being situated in the Southwest Quarter of the Northeast Quarter (SW/4 of NE/4) of Section 23, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Judgment of Expropriation, dated December 2, 2011, recorded under Entry No. F121325, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 3.006 acres, more or less, situated in the NE/4 of NE/4 of Section 23, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Deed dated November 11, 1986, recorded in Conveyance Book 600, Page 62, under Registry Number E17248 in the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.006 acres, more or less, being situated in the Northwest Quarter of the Southeast Quarter (NW/4 of SE/4) of Section 23, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Act of Dedication and Conveyance Deed, dated December 5, 2012, recorded under Entry No. F128427, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.346 acres, more or less, identified as a portion of Block 2 located in the Ruston City Blocks, and situated in the Northwest Quarter of the Southwest Quarter (NW/4 of SW/4) of Section 24, Township 18 North, Range 3 West, owned by the City of Ruston. This being the same property described in that certain Act of Cash Sale dated February 2, 1999, recorded in Conveyance Book 1048, Page 267, under Registry Number F-10352 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.480 acres, more or less, described by metes and bounds, situated in the Southwest Quarter of the Southeast Quarter (SW/4 of SE/4) of Section 26, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Cash Deed dated December 7, 1938, recorded in Conveyance Book 13, Page 639, under Registry Number N-34200 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.450 acres, more or less, described by metes and bounds, situated in the Southwest Quarter of the Southeast Quarter (SW/4 of SE/4) of Section 26, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Cash Deed dated December 7, 1938, recorded in Conveyance Book 13, Page 639, under Registry Number N-34200 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.241 acres, more or less, being situated in the Northeast Quarter of the Southwest Quarter (NE/4 of SW/4) of Section 26, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Deed, dated January 11, 1977, recorded under Entry No. D3676, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.370 acres, more or less, being the West 74 feet of Lots 1, 2, 3 and 4 of Block 10, of Washington Heights Subdivision, a subdivision of the Town of Ruston, Lincoln Parish, Louisiana, located in the Northeast Quarter of the Southeast Quarter, Section 26, Township 18 North, Range 3 West, per plat and map thereof on file and of record in Conveyance Book 1 at Page 22, records of the Clerk of Court of Lincoln Parish, Louisiana. This being the same property described in that certain Cash Sale, dated April 28, 1976, recorded in Conveyance Book 196, Page 403, under Registry Number C-97959 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.080 acres, more or less, being situated in the Southwest Quarter of the Northeast Quarter (SW/4 of NE/4) of Section 26, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Act of Dedication, dated November 6, 1986, recorded under Entry No. E17185, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.172 acres, more or less, being situated in the Northeast Corner of the Southeast Quarter (NEC of SE/4) of Section 26, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Warranty Deed, dated May 10, 1996, recorded under Entry No. 81674, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.060 acres, more or less, described by metes and bounds, situated in the Southeast Quarter of the Northwest Quarter (SE/4 of NW/4) of Section 26, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Cash Deed dated March 31, 1949, recorded in Conveyance Book 34, Page 400, under Registry Number N-87672 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.190 acres, more or less, described by metes and bounds, situated in the Northeast Quarter of the Northwest Quarter (NE/4 of NW/4) of Section 26, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Cash Deed dated March 30, 1949, recorded in Conveyance Book 34, Page 382, under Registry Number N-87578 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 20.190 acres, more or less, situated in the Southeast Quarter of the Northwest Quarter (SE/4 of NW/4) and situated in the Northeast Quarter of the Southwest Quarter of Section 27, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, being bounded on the North by SJC Land Company, L.L.C. and Lincoln Parish School Board, and bounded to the West by Bradley Walker, Christopher Gordon Gantt, Bryan Deoliviera, Douglas Perry, Donna Williams, Hugh Bernard and Keith Rowe, and bounded to the East by Lincoln Parish School Board, Scot Township 18 North, Range 3 West, Lincoln Parish, Louisiana t Freeling, Stacey Taylor, Gary Cox, and Charlotte King, and bounded on the South by Elinor Dean Moseley Harrington, Daniel Flowers, Judith Roberts, Forrest Clayton Peterson, Merrie Calahan Sears and Timothy Morse. This being the same property described in that certain Act of Sale dated December 16, 2004, recorded in Conveyance Book 1168, Page 30, under Registry Number F-60831 in the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.300 acres, more or less, being situated in the Northwest Quarter of the Northeast Quarter (NW/4 of NE/4) of Section 27, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that

certain Deed, dated April 19, 1966, recorded under Entry No. C45154, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 1.010 acres, more or less, situated in the Southeast Quarter of the Southeast Quarter (SE/4 of SE/4) of Section 35, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Cash Sale Deed, dated December 3, 1977 and recorded in Conveyance Book 222, Page 665, under Entry No. D-10143, of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 10.00 acres, more or less, being situated in the Southwest Quarter of the Southeast Quarter (SW/4 of SE/4) of Section 36, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Deed, dated January 4, 1982, recorded under Entry No. D39464, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 5.366 acres, more or less, being situated in the Southwest Quarter of the Southeast Quarter (SW/4 of SE/4) of Section 36, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Act of Cash Sale Deed, dated March 11, 2002, recorded under Entry No. 036883, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 1.261 acres, more or less, situated in the Southwest Quarter of the Southeast Quarter (SW/4 of SE/4) of Section 36, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Act of Sale, dated December 16, 2010 and recorded in Conveyance Book 1294, Page 249, under Entry No. F115180, of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 15.040 acres, more or less, being situated in the Southwest Quarter of the Southeast Quarter (SW/4 of SE/4) of Section 36, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Act of Sale Deed, dated July 28, 2004, recorded under Entry No. 057651, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 12.170 acres, more or less, being situated in the East half of the Southwest Quarter of the Northeast Quarter (E/2 of SW/4 of NE/4) of Section 36, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Act of Exchange Deed, dated August 27, 1968, recorded under Entry No. C63703, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 11.619 acres, more or less, being situated in the Southwest Quarter of the Northeast Quarter (SW/4 of NE/4) of Section 36, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Act of Cash Sale Deed, dated August 9, 2001, recorded under Entry No. 031293, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 6.289 acres, more or less, being situated in the Northwest Quarter of the Northeast Quarter (NW/4 of NE/4) of Section 36, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Act of Sale Deed, dated March 3, 2010, recorded under Entry No. F112015, of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 4.000 acres, more or less, described by metes and bounds, situated in the Northwest Quarter of the Northeast Quarter (NW/4 of NE/4) of Section 36, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Exchange Deed dated August 16, 1955, recorded in

Conveyance Book 50, Page 399, under Registry Number W-133508 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 15.010 acres, more or less, situated in the Southwest Quarter of the Southeast Quarter (SW/4 of SE/4) of Section 25, Township 18 North, Range 3 West, and in the Northwest Quarter of the Northeast Quarter (NW/4 of NE/4) of Section 36, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Warranty Deed dated October 27, 1947, recorded in Conveyance Book 30, Page 582, under Registry Number N-77577 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 22.830 acres, more or less, described by metes and bounds, situated in the Southwest Quarter of the Southeast Quarter (SW/4 of SE/4) of Section 25, Township 18 North, Range 3 West, and in the Northwest Quarter of the Northeast Quarter (NW/4 of NE/4) of Section 36, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further identified in that certain Warranty Deed dated March 14, 1945, recorded in Conveyance Book 23, Page 249, under Registry Number N-63194 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.230 acres, more or less, situated in the Southwest Quarter of the Northeast Quarter (SW/4 of NE/4) of Section 23, Township 18 North, Range 3 West, owned by the Town of Ruston. This being the same property described as: A lot beginning at the Southwest corner of the Southwest Quarter of the Northeast Quarter, Section 23, Township 18 North, Range 3 West, and run North 23' East 10' to the East boundary of West line (Now James) St., thence along the East boundary line of West line of street 397' to the starting point. From starting point run East 191' to the West line of Spencer Street, thence North approximately 25' but to the South line of W. Carolina Avenue, thence run West along the South line of W. Carolina Avenue 191' to the East line of West line (now James) St., thence run South along the East line of the West line (now James St.) approximately 25' to Starting Point. Also the following described property: Beginning at the Southeast corner of the above property and run East to the East line of Spencer Street for a starting point. From starting point run East approximately 208.98' to the West line of Everett Street, thence run North approximately 24' to the South line of W. Carolina Avenue, thence run West along the South line of W. Carolina Avenue approximately 208.98' to the East line of Spencer Street, thence run South along the East line of Spencer Street approximately 25' to the Starting Point.

That certain tract or parcel of land containing 0.002 acres, more or less, situated in the Northeast Quarter of the Southwest Quarter (NE/4 of SW/4) of Section 24, Township 18 North, Range 3 West, Lincoln Parish, Louisiana. This being the same property described in that certain Act of Donation, dated December 21, 1987 and recorded in Conveyance Book 649, Page 138, under Entry No. E-25213 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.103 acres, more or less, being situated in the Southwest Quarter (SW/4) of Section 24, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, being the Northern portion of Lot 9 of Block "M" of Ruston Blocks according to the original survey of the Town of Ruston filed in the Clerk of Court for Lincoln Parish, Louisiana. Said tract being further identified in that certain Cash Deed, dated December 7, 1943, recorded in Conveyance Book 21, Page 259, under Entry No. N-57592 of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish.

That certain tract or parcel of land containing 0.14 acres, more or less, situated in Section 24, Township 18 North, Range 3 West, Lincoln Parish, Louisiana. This being the same property described as Lots 7 and 8, Block M, in the Town of Ruston, in that certain Deed dated December 29, 1900, recorded in Conveyance Book P, Page 360, of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 1.250 acres, in the Southeast Quarter of the Southwest Quarter (SE/4 of SW/4), in Section 24, Township 18 North, Range 3 West, Lincoln Parish, Louisiana. This being the same property described in that certain Deed, dated January 31, 1948 and recorded in Conveyance Book 31, Page 411, under Entry No. N-79259, and that certain Donation, dated February 5, 1948, and recorded in Donation Book A, Page 391 under Entry Number N-79429 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.070 acres, being situated in Lot 6, Block M of the Town of Ruston, in the Southwest Quarter of the Southwest Quarter (SW/4 of SW/4), in Section 24, Township 18 North, Range 3 West, Lincoln Parish, Louisiana. This being the same property described in that certain Assumption Deed, dated November 3, 1903 and recorded in Conveyance Book T, Page 75, of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 1.280 acres, more or less, described by metes and bounds and situated in the Northeast Quarter of the Southwest Quarter (NE/4 of SW/4) of Section 24, Township 18 North, Range 3 West, owned by the City of Ruston. This tract being further described as: A lot or parcel of land beginning at the Southwest Corner of the Northeast Quarter of the Southwest Quarter (NE/4 of SW/4) of Section 24, Township 18 North, Range 3 West, and running in an Easterly direction along the North Boundary line of East Mississippi Avenue in Ruston, Louisiana, a distance of 413 feet to the Southwest Corner of that certain lot sold by Joe H. Crosby to Lillian M. Shrell on February 16, 1946, recorded in Conveyance Book 25, page 408 of the records of Lincoln Parish, Louisiana; thence running North 210 feet to the Northwest Corner of the said Lillian M. Shrell Lot; thence running East 337 feet for the starting point of the lot herein to be conveyed, and thence from said starting point running East 225 feet; thence North 247 feet to the Northeast Corner of that certain lot donated to the Town of Ruston, Louisiana, by Mrs. Maggie Hodges James, et als, on the 5th of February, 1948, in Donation Book A, page 341, of the records of Lincoln Parish, Louisiana; thence running West 225 feet; thence South 247 feet to the point of beginning. This being the same property described in that certain Exchange Deed dated March 15, 1948, recorded in Conveyance Book 32, Page 81, under Registry Number N-80706 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.370 acres, more or less, situated in Section 24, Township 18 North, Range 3 West, Lincoln Parish, Louisiana. This being the same property described in that certain Deed dated January 31, 1948, recorded in Conveyance Book 31, Page 411, under Registry Number N-79258 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.003 acres, more or less, situated in Section 24, Township 18 North, Range 3 West, Lincoln Parish, Louisiana. This being the same property described in that certain Act of Donation dated December 14, 1987, recorded in Conveyance Book 638, Page 303, under Registry Number E23807 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 3.490 acres, more or less, situated in the Northeast Quarter of the Southwest Quarter (NE/4 of SW/4) of Section 24, Township 18 North, Range 3 West, Lincoln Parish, Louisiana. This being the same property described in that certain Cash Deed, dated September 13, 1919 and recorded in Conveyance Book MM, Page 97, under Entry No. 18507 of the Conveyance Records of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.043 acres, more or less, being situated in the East Half (E/2) of Section 24, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, lying North of Georgia Avenue, also known as U.S. Highway 80. Said tract being further identified as Parcel 1-1, containing 0.015 acres, more or less, Parcel 1-2, containing 0.023 acres, more or less, and Parcel 1-3, containing 0.005 acres, more or less, in that certain Act of Dedication and Conveyance, dated January 8, 2009, recorded in Conveyance Book 1265, Page 700, under Entry No. F-101781 of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish.

That certain tract or parcel of land containing 0.096 acres, more or less, described by metes and bounds and situated in the Northwest Quarter of the Northeast Quarter (NW/4 of NE/4) of Section 24, Township 18 North, Range 3 West, owned by the City of Ruston. This being the same property described in that certain Credit Sale dated November 28, 1967, recorded in Conveyance Book 126, Page 256, under Registry Number C-60515 of the Conveyance Records of Lincoln Parish, Louisiana.

A tract or parcel of land, containing 24.28941 acres, more or less, situated in the Southwest Quarter of the Southeast Quarter (SW/4 of SE/4) and Northeast Quarter of the Southeast Quarter (NE/4 of SE/4) of Section 25, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, being a portion of Southwest Quarter of the Southeast Quarter (SW/4 of SE/4) of Section 25, Township 18 North, Range 3 West and Blocks G and H, of W. S. Kendall Addition to the Town of Ruston, and being more particularly described in that certain Deed, dated June 13, 1930 and recorded in Conveyance Book 1, Page 575, under Entry No. B-21614, of Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 6.03 acres, more or less, situated in the Southwest Quarter of the Northeast Quarter (SW/4 of NE/4) and the Northwest Quarter of Southeast Quarter (NW/4 of SE/4) of Section 25, Township 18 North, Range 3 West, Lincoln Parish, Louisiana. This being the same property described in that certain Act of Cash Sale dated February 2, 1954 and recorded in Conveyance Book 46, Page 417, under Entry No. N-124382, of the Conveyance Records of Lincoln Parish, Louisiana. LESS AND EXCEPT a 5.5 acre tract of land described in that certain Act of Cash Sale dated December 13, 1994 and recorded in Conveyance 903, Page 155, under Entry No. E-71377, of the Conveyance Records of Lincoln Parish, Louisiana. Leaving a balance of 0.53 acres, more or less, leased herein.

That certain tract or parcel of land containing 0.32 acres, more or less, situated in the Southwest Quarter of the Northwest Quarter (SW/4 of NW/4) of Section 25, Township 18 North, Range 3 West, Lincoln Parish, Louisiana. This being the same property described in that certain Act of Sale of Immovable Property dated December 19, 1986 and recorded in Conveyance Book 604, Page 222, under Entry No. E-17923, of the Conveyance Records of Lincoln Parish, Louisiana. LESS AND EXCEPT a 0.08 acre tract of land described in that certain Act of Sale dated January 30, 1995 and recorded in Conveyance 914, Page 12, under Entry No. E-73074, of the Conveyance Records of Lincoln Parish, Louisiana. Leaving a balance of 0.24 acres, more or less, leased herein.

That certain tract or parcel of land containing 0.059 acres, more or less, being situated on the centerline of the Southwest Quarter of the Southeast Quarter (SW/4 of SE/4) of Section 13, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further

identified in that certain Act of Dedication and Conveyance Deed, dated July 6, 2010, recorded under Entry No. F113630 of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana.

That certain tract or parcel of land containing 0.50 acres, more or less, situated in Section 24, Township 18 North, Range 3 West, Lincoln Parish, Louisiana. This being the lot described as being ninety feet by two hundred and forty three feet off the south side of Block 47 of the original plat and survey of the Town of Ruston, Lincoln Parish, Louisiana, together with all improvements thereon.

Two certain contiguous tracts or parcels, one containing 0.962 acres, and one containing 46.118 acres, containing a total of 47.08 acres, more or less, situated in the West Half of the Southeast Quarter of Section 26, Township 18 North, Range 3 West, lying West of the abandoned Chicago, Rock Island & Pacific Railway, owned by the City of Ruston. Said tract being bounded on the North by Latasha A. Walker, et al, Anthony J. Burks, Ella M. Stringfellow, Darlene H. Lightner, James Smith, et al, Bedie Jordan, and Julia Hill; bounded on the East by Hollingsworth Construction Company and Regency Field Services, Inc.; bounded on the South by a Louisiana State Board tract and a State Board of Education tract; bounded on the West by a Lincoln Parish School Board tract, Artis L. Dykes, Jessie Burton, Pinkie C. Smith, et al, Effie Colvin, E. C. Collingsworth, Cora R. Bissic, Bessie Mae Williams, A. W. Willis, et ux, Jessie P. Gill, Jr., Carolyn J. Daniels, et ux, Shelton Dunn, Mary L. Mayfield, et ux, Emma R. Tellis, et al, Kendall Theriot, Martea D. Davis, Hurshel Rushing, and Virginia H. Amos. This being the same property described in that certain Cash Deed dated February 13, 1914, recorded in Conveyance Book Z, Page 448, and that certain Credit Deed dated February 1, 1922, recorded in Conveyance Book NN, Page 117, under Registry Number 21525 of the Conveyance Records of Lincoln Parish, Louisiana. Less and Except That certain tract or parcel of land containing 11.60 of an acre, more or less, situated in Section 26, Township 18 North, Range 3 West beginning at the Southwest Corner of the Southwest Quarter (SW/4) of the Southeast Quarter (SE/4). This being the same property described in that certain Cash Sale Deed and Ordinance dated February 16, 1954, recorded in Conveyance Book 46, Page 574, under Registry Number N-124895 of the Conveyance Records of the Lincoln Parish Clerk of Court, Ruston, Louisiana. Leaving a balance of 35.48 acres, more or less, described herein.

That certain tract or parcel of land containing 38.0 acres, more or less, being described as GREENWOOD CEMETERY, being situated in the East Half of Section 23, Township 18 North, Range 3 West, Lincoln Parish, Louisiana, and being further described in Conveyance Book H, Page 113; Conveyance Book H, Page 305; Conveyance Book NC, Page 12; Conveyance Book Q, Page 9; Conveyance Book S, Page 7; Conveyance Book S, Page 567 and Conveyance Book T, Page 31 of the Conveyance Records of the Lincoln Parish Clerk of Court, Lincoln Parish, Louisiana.

The above tracts contain approximately 253.7876 acres, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. The description is based on information provided by the State Agency regarding location and ownership of surface and mineral rights. All bearings, distances and coordinates, if applicable, are based on Louisiana Coordinate System of 1927, (North or South Zone).

NOTE: The above description of the Tract nominated for the purpose of acquiring a mineral lease or a geophysical agreement has been provided and corrected, where required, exclusively by the nominating party. Any mineral lease or geophysical agreement selected from this Tract and awarded by the Louisiana State Mineral and Energy Board shall be without warranty of any kind, either express, implied or statutory including, but

not limited to, title or the implied warranties of merchantability and fitness for a particular purpose.

An error or omission in the nominating party's Tract description may require that a State mineral lease or geophysical agreement be modified, canceled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions within the Tract described. In such case, however, the Louisiana State Mineral and Energy Board shall not be obligated to refund any consideration paid by the Lessee prior to such modification, cancellation or abrogation including, but not limited to, bonuses, rentals and royalties.

NOTE: There shall be a minimum royalty of one-fourth (1/4).

NOTE: There shall be a minimum bonus of \$1000.00 per acre.

NOTE: The primary term shall be three (3) years.

NOTE: It is agreed and understood, wherever the fraction one-eighth (1/8) appears regarding royalty, it shall be deemed to read one-fourth (1/4) instead so that the Lease provides for a full 1/4 royalty.

NOTE: Should a pooled unit or units be created, either by governmental authority (compulsory units) or by voluntary action of the parties, which include all or a portion of the lands covered by this Lease, drilling operations or production from the pool, sand or formation for which such unit or units were created, all as defined by said governmental authority, or by said voluntary utilization agreement, shall maintain this Lease in force only as to that portion of the Leased Premises included in said unit or units, whether or not said duly operations or production is on or from the leased premises. However, Lessee shall explore and develop all other pools, sands or formations within the depth limitation set forth in this Lease as may be located within the area of said pooled unit or units within a period of five (5) years beyond the primary term or for so long as production is obtained from said other pooled unit or units, whichever is less. Should Lessee fail to so explore and develop all other pools, sands or formations being held pursuant to this paragraph, then Lessee shall, by written recordable instrument, release all rights to such other pools, sands or formations.

NOTE: At the end of the primary term or any extension thereof, this lease shall terminate and be of no force and effect as to all depths below the stratigraphic equivalent of a point one hundred (100') feet below the base of the deepest formation penetrated in any well drilled on the leased premises or on lands pooled therewith; provided, however, if Lessee is then engaged in the actual drilling of a well, this lease shall continue in force as to all acreage covered hereby and it shall not terminate as long as Lessee prosecutes operations with due diligence on said well and,

thereafter, commences each succeeding well within one hundred twenty (120) days after the completion date or the date of abandonment of each well hereon, and thereafter prosecutes operations with respect thereto with due diligence in a good faith attempt to discover oil and/or gas.

NOTE: Lessee nor Lessee's successors and assigns nor mineral lessees, shall conduct any operations of any kind that will affect the surface of the Property or subsurface to a depth of one hundred (100') feet which shall specifically exclude, but not be exclusively limited to, seismic tests, drilling operations, laying of pipelines, erection of structures and apartments, or ingress and egress from, over, through or across the Property or any operations whatsoever to which Lessee might otherwise be entitled to as the owner of a mineral servitude, it being the intent herein that the Property shall never be subject to any operations of any nature, description and kind by Lessee, Lessee's successors and assigns and mineral lessees, that would in any manner affect the surface of the Property of subsurface to a depth of one hundred (100') feet. However, inclusion of the Property, or any portion thereof, within any unit or units duly established is permissible and the Property may be developed by the use of directional drilling beneath the Property from a drill site located on the Property of third parties and a minimum distance of five hundred feet (500') from the Property.

NOTE: Lessee shall be responsible to Lessor for all damages to the leased premises caused by Lessee's operations, including, but not limited to, damages to roads, artificial or natural drains, utilities, and all other improvements on said land.

NOTE: It is agreed and understood that this lease specifically covers and includes only oil, gas and related hydrocarbons produced in association with either oil or gas or a combination of oil and gas and by-products produced and refined therefrom. Furthermore this lease specifically excludes coal, sand, gravel, lignite, clay and any other hard minerals produced in association with oil or gas or refined as a by-product therefrom. Notwithstanding any wording in this lease to the contrary, it is hereby understood between LESSOR and LESSEE that this lease covers only oil and gas in liquid, gaseous or vaporous forms or states, which can or may be produced through a bore of a producing oil or gas well, excluding, however, coal bed methane gas and its associated hydrocarbons. Reference to all or any other minerals contained herein is hereby deleted. This Lease does not include any other minerals and all other minerals being are reserved to Lessor including but not limited to hard or solid minerals, subterranean fresh water, coal bed methane, sulfur (or sulphur), Fuller's Earth, bentonite, gravel, coal and lignite, nor shall be effective as to the brine rights other than those necessarily associated with the production of the minerals leased hereunder. Lessee shall also have no right to remove any of the reserved minerals, iron ore, soil, sand and timber from the leased premises regardless of reason. If Lessee desires to utilize water from the subsurface of the leased premises, that desire may

be consummated by a separate agreement between Lessee and Lessor; this Lease does not give Lessee the right to utilize such water. Lessor expressly reserves the right to conduct (or to grant to others the right to conduct) surface or strip-mining operations for any mineral or other substance not covered by this Lease, but such operations shall not unreasonably interfere with and shall be subordinate to the rights of Lessee hereunder.

NOTE: It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease or by state law shall be without deduction for any cost incurred by Lessee, including, but not limited to, producing, gathering, storing, separating, treating, cleaning, dehydrating, compressing, detoxification, processing, transporting, metering, accounting and marketing the oil, gas and other products produced hereunder with the sole exception that Lessor's royalty shall bear its proportionate share of any severance & ad valorem taxes. Rather, royalties paid to Lessor herein shall be based on the value received by Lessee from the sale of such production to an unaffiliated, third-party purchaser, and in no event shall Lessor receive a price that is less than the price received by Lessee. Nor shall Lessee tender or deliver such royalty in kind in order to escape defraying the entire cost of such producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and marketing expense. Lessee shall account to and pay lessor within ninety (90) days after the last calendar day of the month in which the production is marketed and sold. Notwithstanding the foregoing, it is specifically agreed that Lessee shall have the right to utilize produced gas in its surface equipment, including compressors, and no royalties shall be due on any such utilized gas.

NOTE: After the expiration of the primary term of this Lease, in no event shall Lessee's rights be extended by the payment of shut-in gas royalty as allowed under the terms of this Lease and without drilling operations or production of oil, gas or other liquid hydrocarbons for more than two (2) consecutive years. In addition, any such shut-in royalty payments paid to Lessor shall be at the rate of \$2.50 per net mineral acre.

NOTE: Lessee hereby agrees in exercising the rights granted it under the Lease, it will comply with and be subject to all applicable environmental and other laws and regulations validly adopted or issued by the State of Louisiana or its agencies, or by the United States or its agencies. Lessee further agrees that it will comply with all minimum soil and water quality standards validly adopted by said government authorities with respect to oil pollution and noxious chemicals and waste being introduced into affected water areas. Lessee shall not manufacture, dispose of or release any hazardous materials on, under or about the leased premises, and shall not transport hazardous materials to or from the leased premises in any manner which would violate any applicable environmental laws. To the fullest extent allowed by law, Lessee shall indemnify and hold Lessor

harmless from and against all costs, liabilities, fines, penalties, legal expenses (including, without limitation, Lessor's attorney fees), damages to property or injuries to persons (including death) which arise out of or are related to Lessee's failure to comply with this provision. Nevertheless, the preceding indemnification shall not apply to any costs, liabilities, fines, penalties, legal expenses (including, without limitation, Lessor's attorney fees), damages to property or injuries to persons (including death) which arise out of Lessor's gross negligence or intentional act.

NOTE: If Lessor becomes legally obligated to investigate, remove, clean up, remediate or otherwise expend funds as a result of the Lessee's activities under this Lease, Lessee agrees that it will promptly perform such investigation, clean up or remediation activities at its sole cost, risk and expense upon written request from the Lessor. Lessor's royalty herein shall be free of all charges and costs whatsoever including but not limited to, production, compression, cleaning, dehydration, metering, detoxification, transportation, accounting, and marketing; except that Lessor's royalty will be responsible for its pro rata share of all taxes imposed on severance or production by any municipal, parish, state or federal agency.

NOTE: Once a well is completed and gas, oil or other products are produced, with any portion of said lands under this lease being included in the unit, Lessor shall begin to receive royalty payments not later than 120 days from the date of the first sale of said products. Any delay in the payment of royalty from production for a period of one hundred twenty (120) days will result in interest due the Lessor at the rate of one and one-half (1 ½) percent per month.

NOTE: The price to be used in computing the market value of gas and/or liquid hydrocarbons at the well head shall be the price received by the Lessee under an arm's length sales contract with parties prudently negotiated in the light of the facts and circumstances existing at the time of the consummation of such contract. Should Lessee negotiate a sales contract with an affiliate, parent or subsidiary company of Lessee, then the price so negotiated and paid to Lessee shall be not less than the price which Lessee would have received from a third party negotiated under an arm's length sales contract prudently negotiated in the light of the facts and circumstances existing at the time of the consummation of such contract. However, should Lessee by virtue of any order of any state or federal regulatory body receive less than the price provided for in any gas and/or liquid hydrocarbons sales contract entered into by Lessee, such lesser price shall be paid.

NOTE: All gas and liquid hydrocarbons shall be measured and paid for using the same standards and factors required by the Louisiana Department of Revenue.

NOTE: This Lease is granted without any covenant of title or warranty of title of any kind whatsoever, expressed or implied, and without any recourse against the Lessor in the event of any failure of title, not even for the return of the consideration paid here for or any shut-in payments or royalties paid hereunder.

NOTE: To the fullest extent allowed by law, Lessee shall indemnify, hold harmless and defend Lessor (and Lessor's heirs, assigns, and legal representatives) from any and all losses, damages, fines, penalties, liabilities, costs, injuries, loss of life, expenses, claims and causes of action of whatsoever nature and howsoever caused including injury or death to persons or damages to property, (including without limitation, legal fees and expenses incurred in defending same or in enforcing this indemnity), resulting or arising from or incurred in connection with any operations by Lessee on the leased premises.

NOTE: This Lease may be assigned only if the assignee agrees in writing to assume all of the obligations of Lessee under this Lease. In such event all obligations of this Lease shall remain binding on Lessee unless Lessor specifically agrees to release Lessee from said obligations in writing.

NOTE: If, in the event of production, a division order is circulated by Lessee or by purchaser of production, such division order will be a simple statement of interest containing no warranty or indemnity clause and containing no clauses modifying in any way the terms of this lease. Lessor shall not be obligated to execute such division order but may acknowledge receipt of said division order to Lessee.

Applicant: HOODOO ENERGY HOLDINGS to Agency and by Resolution from the City Of Ruston authorizing the Mineral Board to act in its behalf

| Bidder | Cash Payment | Price/Acre | Rental | Oil | Gas | Other |
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