

TRACT 35079 - SCHOOL BOARD - Terrebonne Parish, Louisiana

The State Mineral Board acting on behalf of the Terrebonne Parish School Board, pursuant to Resolution adopted by that body and in accordance with Louisiana Revised Statutes 30:121-136 and 151-156, as amended, and Article XIV, Section 16(A)(9) and (B) of the Louisiana Constitution of 1974, as same may be continued and promulgated in proper statutory form and, further, amended from time to time, advertises the lands not under mineral lease on November 13, 2002, excluding the beds and bottoms of all navigable water bodies located within the following: All of Section 16, Township 20 South, Range 16 East in Terrebonne Parish, Louisiana, containing approximately **630.28 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources, as provided by the applicant.

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The Terrebonne Parish School Board, in its Resolution authorizing the State to lease on its behalf, has further indicated that any lease given to a successful bidder shall contain a minimum royalty of 25% on oil, gas and other liquid and gaseous minerals, a "favored nations" clause, special offset well provisions and a requirement of approval by the School Board prior to the transfer of any interest in the lease; all of which provisions are more specifically set forth in the Resolution of the Terrebonne Parish School Board on file and available for viewing in the Office of Mineral Resources, Department of Natural Resources, 617 N. 3rd Street, 8th Floor, Baton Rouge, Louisiana.

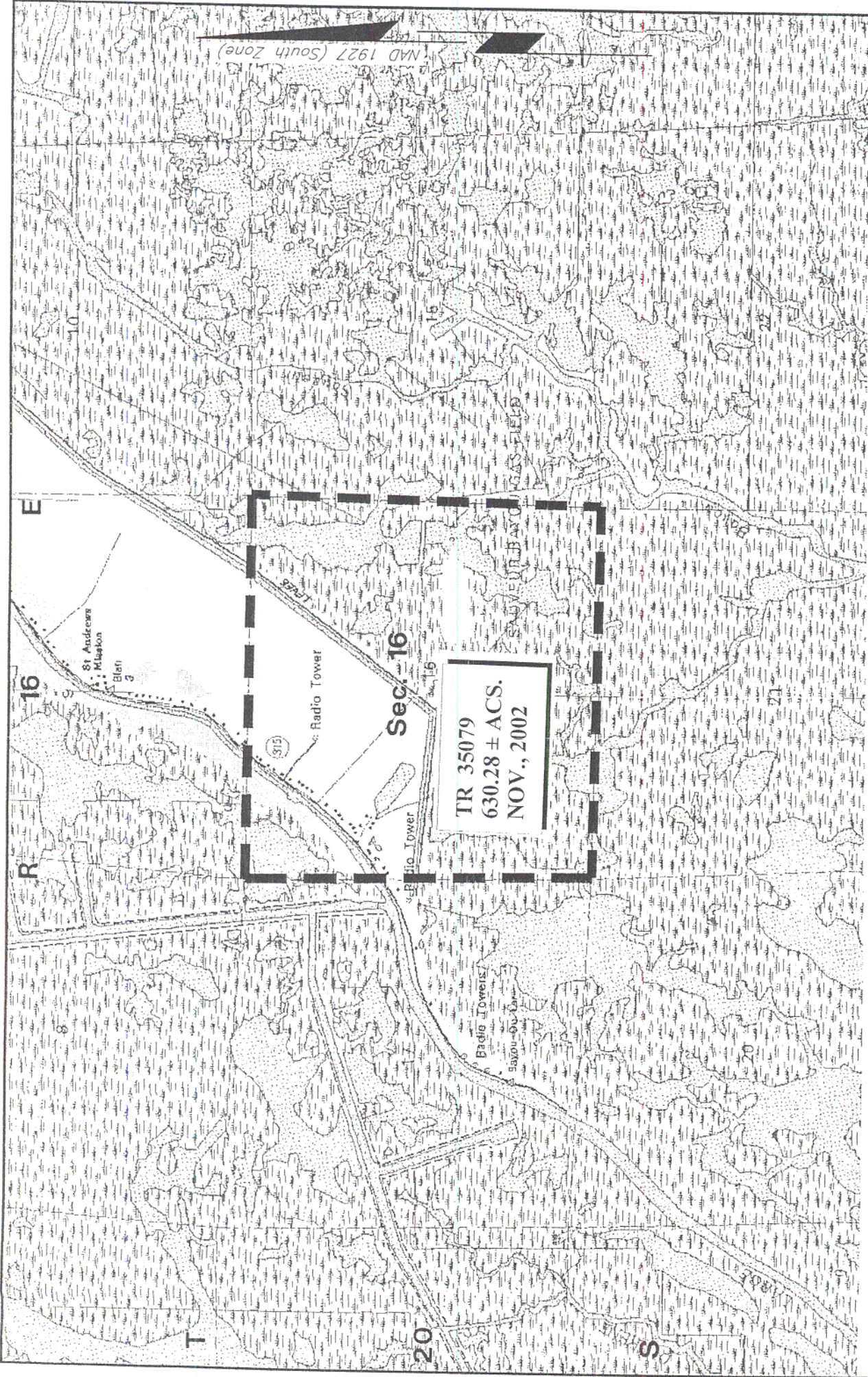
NOTE: The Department of Wildlife and Fisheries has designated certain areas in the coastal waters of the State of Louisiana as Oyster Seed Bed Areas. The exact location of those Seed Bed Areas must be obtained from the Department of Wildlife and Fisheries and any work done under a mineral lease from the State of Louisiana may necessarily be conducted in

conformity with the rules and regulations promulgated by the said Department of Wildlife and Fisheries for Oyster Seed Bed Areas.

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as herein above reserved.

Applicant: James J. Pharis Oil and Gas Properties to Agency and by Resolution from the Terrebonne Parish School Board authorizing the Mineral Board to act in its behalf.

Bidder	Cash Payment	Price / Acre	Rental	Oil	Gas	Other



TR 35079
630.28 ± ACS.
NOV., 2002