

# SPECIAL NOTICE

On Wednesday, November 12, 2008, the Office of Mineral Resources on behalf of the State Mineral Board advertised in the "Notice of Publication", for receipt of sealed bids on or before **12 noon, on Tuesday, December 9, 2008**, for State Leases to be awarded upon **Tract Nos. 40590 through 40730, inclusive**, at its **December 10, 2008** Lease Sale. Within the said advertisement was an incorrect note. By virtue of this public notice, **Tract No. 40703, DeSoto Parish, Louisiana**, is hereby corrected as follows:

## **TRACT 40703 - De Soto 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 Mansfield on December 10, 2008, being more fully described as follows: Beginning at a point having Coordinates of X = 1,619,620.00 and Y = 508,660.00; thence East for a distance of 4,520.00 feet to a point having Coordinates of X = 1,624,140.00 and Y = 508,660.00; thence South for a distance of 3,540.00 feet to a point having Coordinates of X = 1,624,140.00 and Y = 505,120.00; thence West for a distance of 4,520.00 feet to a point having Coordinates of X = 1,619,620.00 and Y = 505,120.00; thence North 3,540.00 feet to the Point of Beginning, to include but not limited to the following lands: Tract 1: That certain tract or parcel of land containing approximately 3.634 acres, more or less, being described as beginning in the Northwest Corner of the Northeast Quarter of the Southwest Quarter (NE/4 of SW/4) in Section 5, Township 12 North, Range 13 West of DeSoto Parish, Louisiana. Tract 2: That certain tract or parcel of land containing approximately 7.5 acres, more or less, being described as beginning in the center of Section 5, Township 12 North, Range 13 West of DeSoto Parish, Louisiana. Tract 3: That certain tract or parcel of land containing approximately 97.895, more or less being described as the Northeast Quarter of the Southwest Quarter (NE/4 of SW/4) and the Northwest Quarter of the Southeast Quarter (NW/4 of SE/4) and the North Half of the Southwest Quarter of the Southeast Quarter (N/2 of SW/4 of SE/4) less 2.105 acres described in COB 288 Page 839 all in Section 5, Township 12 North, Range 13 West in DeSoto Parish Louisiana. Tract 4: That certain tract or parcel of land containing approximately 2.753 acres, more or less, being described as beginning in Southwest Corner of the East Half of the Southwest Quarter of the Northeast Quarter (E/2 of SW/4 of NE/4) in Section 5, Township 12 North, Range 13 West of DeSoto Parish, Louisiana. Tract 5: That certain tract or parcel of land containing approximately 1.218 acres, more or less, being described as beginning in Southwest Corner of the Northwest Quarter of the Southeast Quarter (NW/4 of SE/4) in Section 5, Township 12 North, Range 13 West of DeSoto Parish, Louisiana. Being further referred to as Exhibit 1 on that resolution from the City of Mansfield to the State of Louisiana Mineral Board. The five (5) tracts described above contain an aggregate of approximately **113.00 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 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: There shall be a minimum royalty of 25%. Lessor's royalty herein is free of all charges and costs whatsoever including, but not limited to, production, compression, cleaning, dehydration, metering, detoxification, transportation, accounting and marketing.

NOTE: The lease will only cover the depths from 100 feet below the stratigraphic equivalent of the Cotton Valley Formation to 100 feet below the stratigraphic equivalent of the base of the Haynesville Shale Formation.

NOTE: Anything in this lease to the contrary notwithstanding, upon the expiration of the primary term herein provided, drilling or other operations on, or the existence of a unit well producing commercially, or capable of commercial production, from any unit established in any manner so as to include all or any part of the leased premises, and whether or not the unit well be located on the leased premises, shall maintain this lease in force only as to the portion of the leased premises which is included in such unit. If, however, Lessee is conducting drilling operations on the leased premises or on any land which is included with any of the leased premises in any unit at the end of the primary term, or if a well located on such lands is completed or abandoned within 90 days prior to the expiration of the primary term, then the entire lease shall be continued in force as long as Lessee conducts continuous drilling operations, as defined under the terms of this lease, on such lands.

NOTE: If the lease, or any portion thereof, is extended beyond the primary term by production, and the well or wells from which this production comes are shut-in for a period of in excess of sixty (60) days for any reason, this lease will not terminate if Lessee pays Lessor, their heirs or assigns, a shut-in royalty in the amount of \$10.00 per acre per month for each affected mineral acre during the shut-in period with the first shut-in payment due within thirty (30) days after the initial 60-day shut-in period and monthly thereafter. These shut-in payments will terminate when production is re-established. The maximum length of time this lease can be maintained by these shut-in payments for any single shut-in period is one (1) year. The amount of shut-in royalty will increase at a rate of five percent (5%) per annum compounded following the first year after the expiration of the primary term of this lease.

NOTE: If Lessee conducts tests or drilling on the leased lands or on lands unitized or pooled therewith, Lessee, upon receiving thirty (30) days written notice from the Lessor, agrees to supply Lessor all data and information obtained from such tests and drilling including, but

not limited to, seismograph reports, electric logs, core analysis, drill stem test data and reservoir engineering studies. Lessor agrees

to keep any data or information provided by the Lessee in strict confidence.

NOTE: The lease shall cover only oil, gas condensate, and other hydrocarbons normally produced in association with oil and gas.

Applicant: SUNCOAST LAND SERVICES, INC. to Agency and by Resolution from the City Of Mansfield authorizing the Mineral Board to act in its behalf

