

**TRACT 45053 - Pointe Coupee 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 Louisiana Department Of Transportation And Development on December 12, 2018, being more fully described as follows: Parcel No. 1. Beginning at the point of interesection of the west line of the present right of way of the Texas AND Pacific Railway Company and the east line of the proposed new right of way of the said Texas AND Pacific Railway Company, which said point of intersection is opposite Survey Station 824 61.51 of the Morganza Floodway, State Project No. 4809 (1), and Railroad Station 2539 35.96; thence run South 29 degrees 34 minutes 30 seconds East along said west line of the present right of way of the Texas AND Pacific Railway Company, a distance of 1,665.60 feet, more or less, to a point on the lower right of way line of the Morganza Floodway upper guide levee; thence North 80 degrees 13 minutes West along said lower right of way line, a distance of 172.66 feet to a point on the east line of the proposed now right of way of the Texas AND Pacific Railway Company; thence North 26 degrees 17 minutes 30 seconds West along said east line, a distance of 593.46 feet to a point; thence North 23 degrees 12 minutes 06 seconds West, a distance of 501.15 feet to a point; thence North 24 degrees 21 minutes 25 seconds West, a distance of 464.04 feet, more or less, to the point of beginning, and containing 2.718 acres, and being situated in Section 63 and 64, Township 3 South Range 8 East.

Parcel No. 2. Beginning at the point of intersection of the west line of the proposed now right of way of the Texas AND Pacific Railway Company and the upper right of way line of the Morganza Floodway Upper guide levee; thence North 80 degrees 13 minutes West along said upper right of way line, a distance of 201.31 feet, more or less, to a point; thence South 09 degrees 47 minutes West, a distance of 150 feet to a point; thence North 80 degrees 13 minutes West , a distance of 850 feet to a point; thence North 16 degrees 56 minutes West, a distance of 1,805.7 feet, more or less, to a point which is south of and 50 feet distance at right angles from the Grantor's north property line; thence North 44 degrees 49 minutes 30 seconds East, parallel to and 50 feet from said property line, a distance of 718.8 feet more or less, to a point on the west line of the proposed new right of way of the Texas AND Pacific Railway Company; thence South 22 degrees 31 minutes 04 seconds East, a distance of 359.49 feet, more or less, to a point; thence South 26 degrees 01 minutes 39 seconds East, a distance of 2,145.03 feet, more or less, to the point of beginning, and containing 41.49 acres and being situated in Section 64, Township 3 South, Range 8 East.

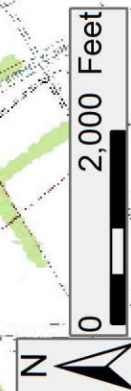
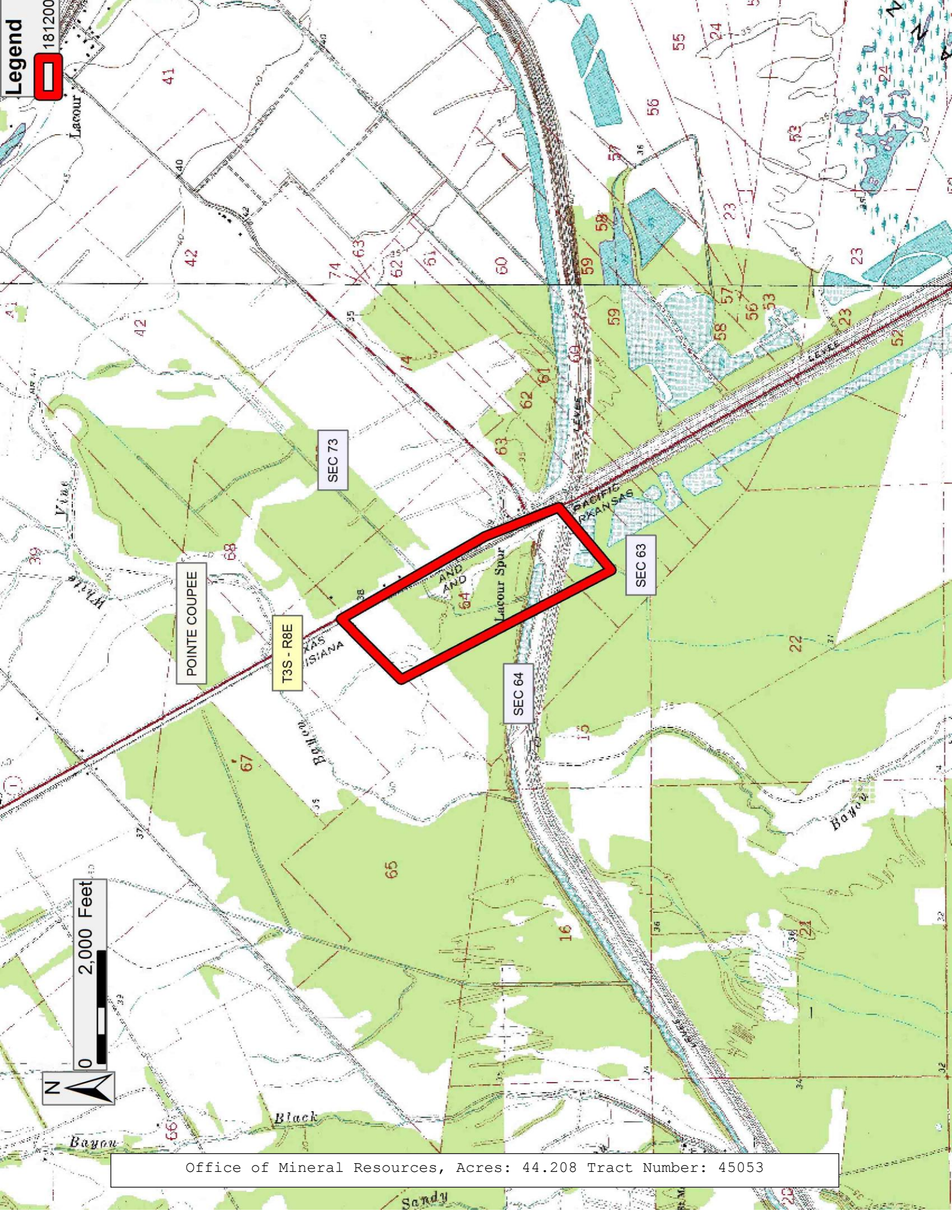
Parcel No. 1 and No. 2 estimated to comprise **44.208 acres**, more or less, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. The description is based on information provided by the State Agency regarding location and ownership of 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 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 and Energy 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 and Energy 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 and Energy Board, nor shall the Louisiana State Mineral and Energy 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: No surface operations will be allowed on the property.

Applicant: ALJ ENERGY to Agency and by Resolution from the Louisiana Department Of Transportation And Development authorizing the Mineral Board to act in its behalf

| Bidder | Cash Payment | Price/Acre | Rental | Oil | Gas | Other |
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Office of Mineral Resources, Acres: 44.208 Tract Number: 45053

**TRACT 45054 - 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 December 12, 2018, being more fully described as follows: Beginning at a point having Coordinates of X = 1,967,603.36 and Y = 686,867.18; thence South 89 degrees 09 minutes 52 seconds East 5,337.70 feet to a point having Coordinates of X = 1,972,940.49 and Y = 686,789.33; thence South 00 degrees 35 minutes 09 seconds East 5,343.25 feet to a point having Coordinates of X = 1,972,995.11 and Y = 681,446.36; thence South 01 degrees 37 minutes 18 seconds East 5,252.94 feet to a point having Coordinates of X = 1,973,143.77 and Y = 676,195.52; thence South 01 degrees 11 minutes 54 second West 2,700.09 feet to a point having Coordinates of X = 1,973,087.30 and Y = 673,496.02; thence North 89 degrees 54 minutes 04 seconds West 5,472.71 feet to a point having Coordinates of X = 1,967,614.60 and Y = 673,505.46; thence North 00 degrees 50 minutes 25 seconds West 2,749.58 feet to a point having Coordinates of X = 1,967,574.27 and Y = 676,254.74; thence North 00 degrees 31 minutes 16 seconds East 5,209.81 feet to a point having Coordinates of X = 1,967,621.65 and Y = 681,464.33 feet thence; North 00 degrees 11 minutes 39 seconds West 5,402.88 feet to the point of beginning and being more particularly described as follows: Atkins Road, located in the City of Ruston, Louisiana, situated in Sections 17, 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, Burgessville Road, located in the City of Ruston, Louisiana, situated in Section 17, Township 18 North, Range 2 West, Liner Street Road, located in the City of Ruston, Louisiana, situated in Section 17, Township 18 North, Range 2 West, Par Road 408, located in the City of Ruston, Louisiana, situated in Section 17, Township 18 North, Range 2 West, McDonald Avenue, located in the City of Ruston, Louisiana, situated in Section 20, Township 18 North, Range 2 West, Santiam Road, located in the City of Ruston, Louisiana, situated in Section 20, Township 18 North, Range 2 West, Lincoln Parish, Louisiana; containing approximately **26.80 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 and Energy 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 and Energy 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 and Energy Board, nor shall the Louisiana State Mineral and Energy 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.

**THE FOLLOWING NOTES SHALL BE ATTACHED TO THE LEASE FORM AS A RIDER.**

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.

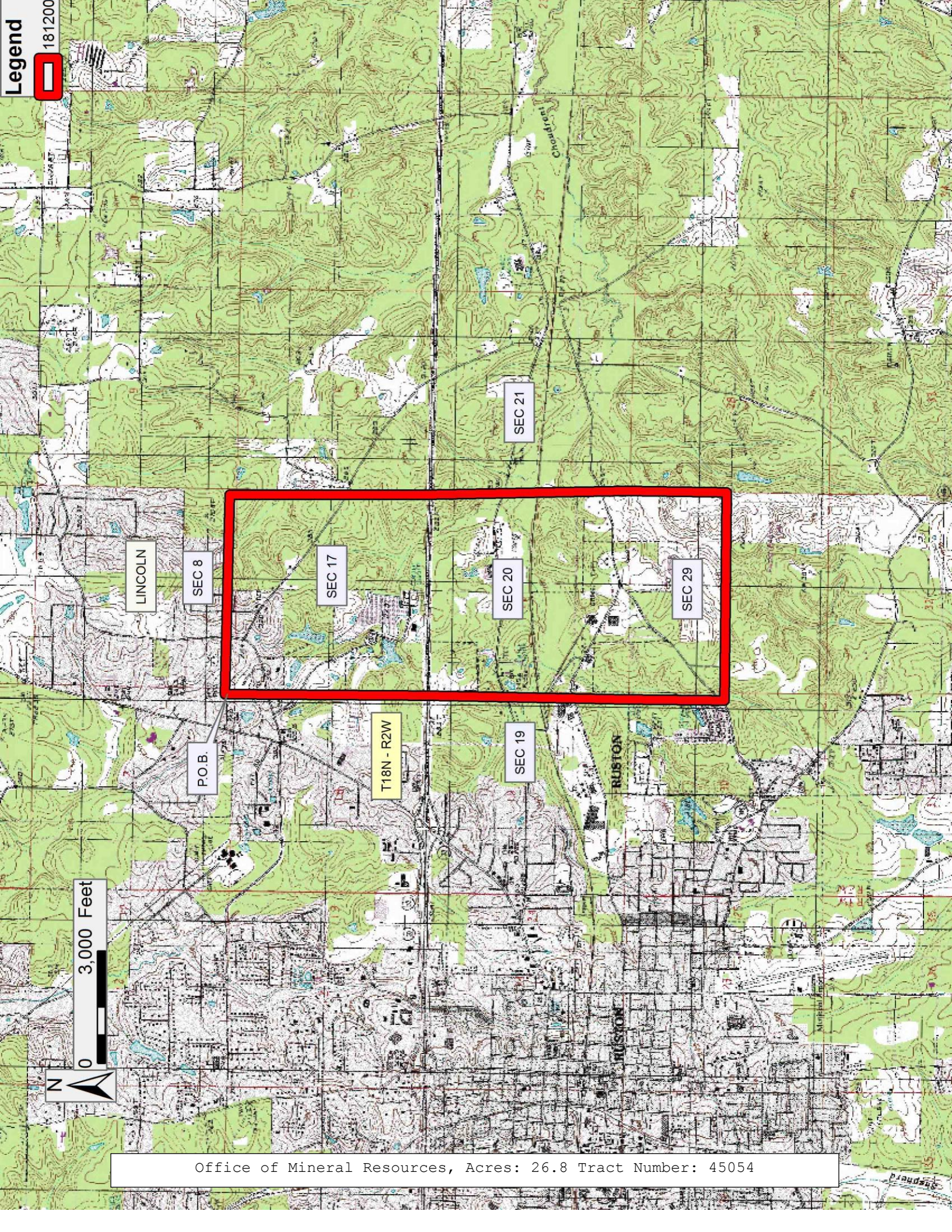


NOTE: This Lease may be assigned only if the assignee agrees in writing to assume all of the obligations of Lessee under this Lease. In such event all obligations of this Lease shall remain binding on Lessee unless Lessor specifically agrees to release Lessee from said obligations in writing.

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: HUNTER ENERGY CORPORATION 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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Office of Mineral Resources, Acres: 26.8 Tract Number: 45054

**TRACT 45055 - 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 Louisiana Department Of Transportation And Development on December 12, 2018, being more fully described as follows: Beginning at a point having Coordinates of X = 1,988,978.30 and Y = 683,220.97; thence South 89 degrees 38 minutes 38 seconds East 5,116.05 feet to a point having Coordinates of X = 1,994,094.25 and Y = 683,189.17; thence South 01 degrees 04 minutes 52 seconds West 2,008.91 feet to a point having Coordinates of X = 1,994,056.35 and Y = 681,180.62; thence South 01 degrees 17 minutes 14 seconds East 5,326.73 feet to a point having Coordinates of X = 1,994,176.01 and Y = 675,855.24; thence North 89 degrees 08 minutes 11 seconds West 5,206.84 feet to a point having Coordinates of X = 1,988,969.76 and Y = 675,933.72; thence North 00 degrees 04 minutes 43 seconds West 5,302.39 feet to a point having Coordinates of X = 1,988,962.48 and Y = 681,236.10; thence North 00 degrees 27 minutes 24 seconds East 1,984.93 feet to the point of beginning and being more particularly described as follows: Tract 1, US Highway 80, which contains approximately 8.798 acres, and Tract 2, US Interstate I-20, which contains approximately 34.271 acres, for a total of **43.069 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 and Energy 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 and Energy 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 and Energy Board, nor shall the Louisiana State Mineral and Energy 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.

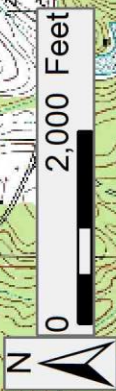
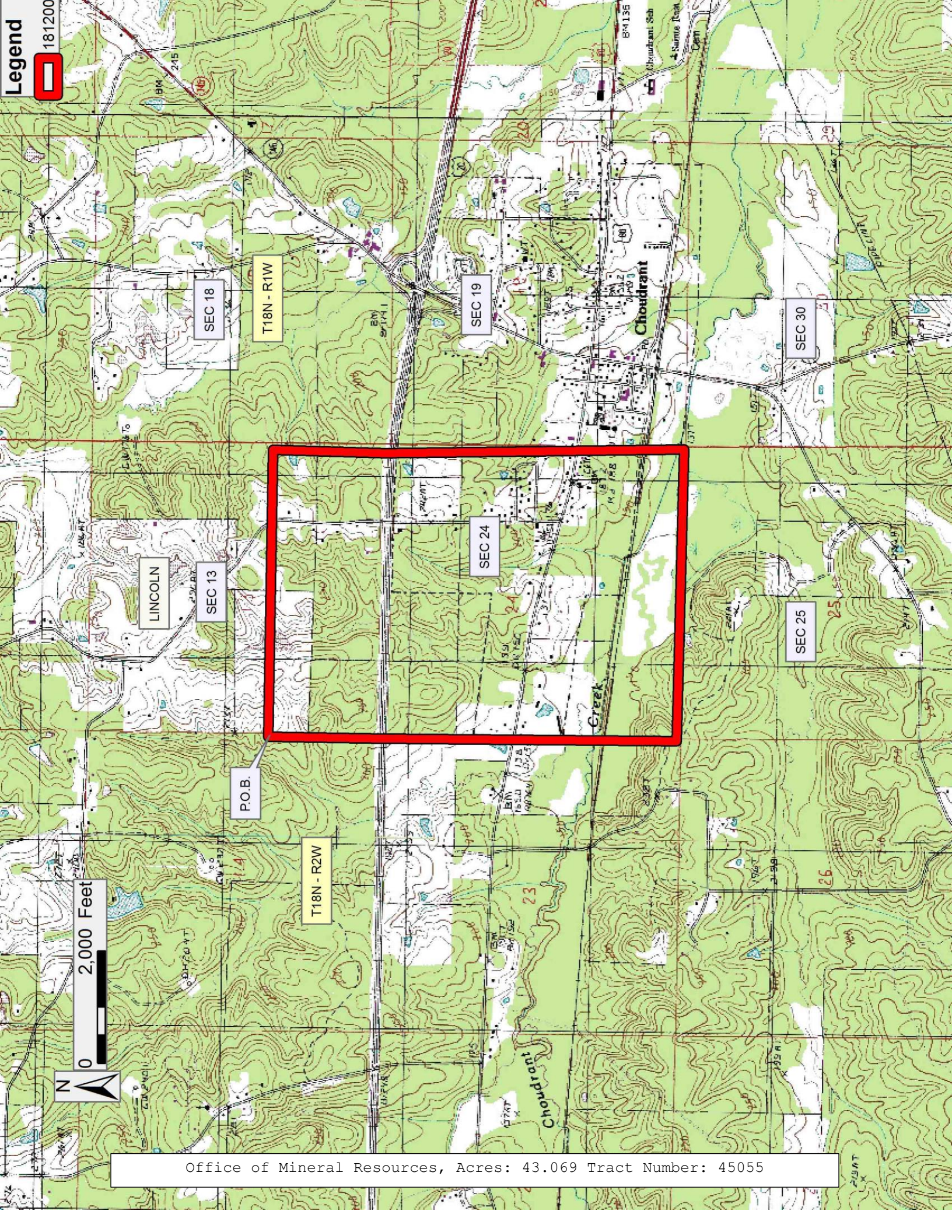
NOTE: No surface operations will be performed on the property.

Applicant: HUNTER ENERGY CORPORATION to Agency and by Resolution from the Louisiana Department Of Transportation And Development 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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Office of Mineral Resources, Acres: 43.069 Tract Number: 45055

**TRACT 45056 - 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 December 12, 2018, being more fully described as follows: Beginning at a point having Coordinates of X = 1,988,978.30 and Y = 683,220.97; thence South 89 degrees 38 minutes 38 seconds East 5,116.05 feet to a point having Coordinates of X = 1,994,094.25 and Y = 683,189.17; thence South 01 degrees 04 minutes 52 seconds West 2,008.91 feet to a point having Coordinates of X = 1,994,056.35 and Y = 681,180.62; thence South 01 degrees 17 minutes 14 seconds East 5,326.73 feet to a point having Coordinates of X = 1,994,176.01 and Y = 675,855.24; thence North 89 degrees 08 minutes 11 seconds West 5,206.84 feet to a point having Coordinates of X = 1,988,969.76 and Y = 675,933.72; thence North 00 degrees 04 minutes 43 seconds West 5,302.39 feet to a point having Coordinates of X = 1,988,962.48 and Y = 681,236.10; thence North 00 degrees 27 minutes 24 seconds East 1,984.93 feet to the point of beginning and being more particularly described as follows: All of the lands occupied by Choudrant High School, located in the Town of Choudrant and within Sections 13 & 24, Township 18 North, Range 2 West, Lincoln Parish, Louisiana, and being more particularly described in the following instruments recorded in the Lincoln Parish Clerk of Court, to wit:

**TRACTS 1 & 2:**

**10.00 acres**, more or less, being those lands described in that certain Deed, dated April 28, 1914, by and between W.E. Madden and the Lincoln Parish School Board, and being recorded under, Book A1, at Page 382, of the Conveyance Records of Lincoln Parish, Louisiana, and being more particularly described as follows: Commencing at the Southeast corner of the Northeast Quarter of Southeast Quarter (NE/4 of SE/4) of Section 24, Township 18 North, Range 2 West, and running North 233 yards; thence West 60 yards; thence North 100 yards; thence West 70 yards; thence South 100 yards; thence West 38 yards; thence South 233 yards; thence East 168 yards to the Point of Beginning; and Commencing at the Southeast corner of the Northeast Quarter of Southeast Quarter (NE/4 of SE/4) of Section 24, Township 18 North, Range 2 West, and running South 48 yards; thence West 51 yards; thence North 48 yards; thence East 51 yards, making a rectangular plat 48 yards deep and 51 yards wide in the Northeast corner of the Southeast Quarter of Southeast Quarter (SE/4 of SE/4), containing in all ten (10) acres, more or less;

**TRACT 3:**

**0.14 acres**, more or less, being those lands described in that certain Exchange Deed, dated February 11, 1957, by and between Mrs. Ollie M. Easterling and the Lincoln Parish School Board, and being recorded under Registry No. C3553, Book 55, at Page 166, of the Conveyance Records of Lincoln Parish, Louisiana, and being more particularly described as follows: Commencing at the NE Corner of that part of NE/4 of NE/4 of SE/4 of Section 24, Township 18 North, Range 2 West lying South of the Jackson Road and run

West 50 feet, thence run South 120 feet, thence run East 50 feet and thence run North 120 feet to beginning point;

**TRACT 4:**

**0.16 acres**, more or less, being those lands described in that certain Act of Cash Sale of Immovable Property, dated June 12, 2009, by and between John W. Crowell and the Lincoln Parish School Board, and being recorded under Registry No. F105125, Book 1273, at Page 38, of the Conveyance Records of Lincoln Parish, Louisiana, and being more particularly described as follows: A tract of land in the Northeast Quarter of Southeast Quarter (NE/4 of SE/4) of Section 24, Township 18 North, Range 2 West, Lincoln Parish, Louisiana, more particularly described as follows, to wit: From the Northeast corner of Section 24, measure South 00° 06' 14" a distance of 3,358.59 feet to an iron pin on the southerly right of way line of U.S. Highway 80; thence run North 81°21'30" West along the southerly right of way line of U.S. Highway 80 a distance of 180.00 feet to an iron pin for the point of beginning. From said point of beginning, thence continue to run North 81°21'30" West along said southerly right of way of U.S. Highway 80 a distance of 70 feet; thence run South 02°18' 00" West a distance of 100.00 feet; thence run South 81°21'30" East a distance of 70 feet; thence run North 02°18'00" East a distance of 100.00 feet, to the South right of way line of U.S. Highway 80 and to the point of beginning, containing 0.16 acre, more or less;

**TRACT 5:**

**1.232 acres**, more or less, being those lands described in that certain Act of Cash Sale of Immovable Property, dated June 12, 2009, by and between Greater Choudrant Association and the Lincoln Parish School Board, and being recorded under Registry No. F105124, Book 1273, at Page 34, of the Conveyance Records of Lincoln Parish, Louisiana, and being more particularly described as follows: A tract of land situated in the Northeast Quarter of Southeast Quarter (NE/4 of SE/4) of said Section 24, more particularly described as follows: Beginning at the Northeast corner of Section 24 South 00°06'14" West a distance of 3,358.59 feet and to an iron pin set on the southerly right of way line of U.S. Highway 80 and the point of beginning. From said point of beginning thence run North 81°21'30" West along the South right-of-way line of said highway for a distance of a distance of 180.00 feet; thence run South 02°18'00" West a distance of 300.00 feet; thence run South 81°21'30" East a distance of 180 feet; thence run North 02°18' East for a distance of 300.00 feet and back to the point of beginning, containing 1.232 acres, more or less; and

**TRACT 6:**

**1.00 acres**, more or less, being those lands described in that certain Deed, dated June 17, 1943, by and between African Methodist Episcopal Church and the Lincoln Parish Church, and being recorded under Registry No. N56297, Book 20, at Page 443, of the Conveyance Records of Lincoln Parish, Louisiana, and being more particularly described as follows: All that

portion of the following described property located in Section 24, Township 18 North, Range 2 West: Commencing at the Southwest corner of Block V as per plat of Town of Choudrant, LA., running West 209 feet, thence north 209 feet, thence East 240 feet to town line of said Block, thence South 209 feet along West boundary line of said Block V to place of beginning, containing one (1) acre, more or less, in Section 19, Township 18 North, Range 1 West.

Total nominated tract containing approximately **12.532 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 and Energy 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 and Energy 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 and Energy Board, nor shall the Louisiana State Mineral and Energy 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.

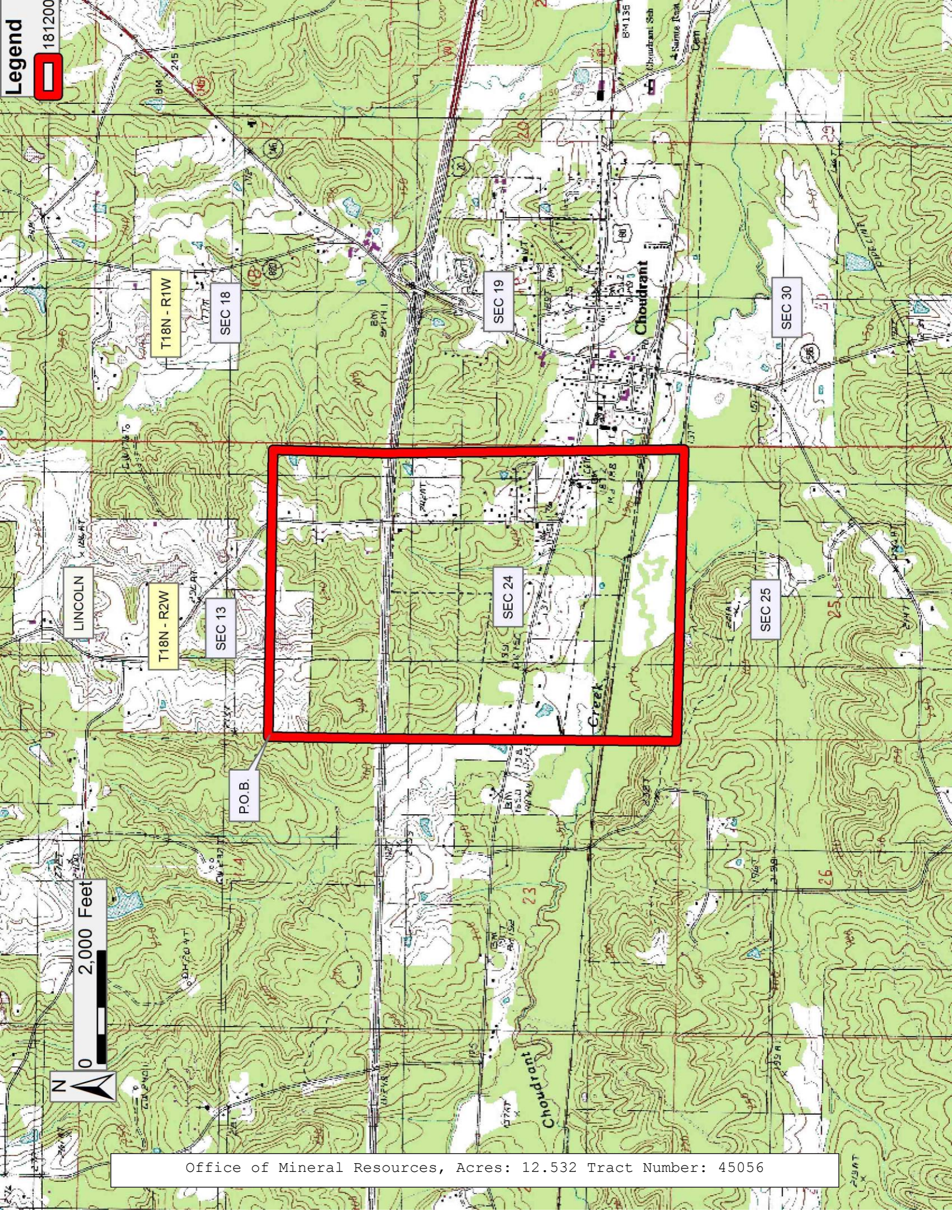
Applicant: HUNTER ENERGY CORPORATION to Agency and by Resolution from the Lincoln Parish School Board authorizing the Mineral Board to act in its behalf

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

181200



2,000 Feet



Office of Mineral Resources, Acres: 12.532 Tract Number: 45056

**TRACT 45057 - 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 Village Of Choudrant on December 12, 2018, being more fully described as follows: Beginning at a point having Coordinates of X = 1,988,978.30 and Y = 683,220.97; thence South 89 degrees 38 minutes 38 seconds East 5,116.05 feet to a point having Coordinates of X = 1,994,094.25 and Y = 683,189.17; thence South 01 degrees 04 minutes 52 seconds West 2,008.91 feet to a point having Coordinates of X = 1,994,056.35 and Y = 681,180.62; thence South 01 degrees 17 minutes 14 seconds East 5,326.73 feet to a point having Coordinates of X = 1,994,176.01 and Y = 675,855.24; thence North 89 degrees 08 minutes 11 seconds West 5,206.84 feet to a point having Coordinates of X = 1,988,969.76 and Y = 675,933.72; thence North 00 degrees 04 minutes 43 seconds West 5,302.39 feet to a point having Coordinates of X = 1,988,962.48 and Y = 681,236.10; thence North 00 degrees 27 minutes 24 seconds East 1,984.93 feet to the point of beginning and being more particularly described as follows: All of the lands lying under Madelyn Lane, Ty Drive, Haley Lane, Tes Drive and Sarah Drive, all located in the Town of Choudrant, all as lying within the boundaries of Sheldon's View Subdivision Units 1, 2 and 3, located in Section 24, Township 18 North, Range 2 West, Lincoln Parish, Louisiana, as more particularly described in the following documents, to wit: That certain Declaration of Building Restrictions and Covenants Sheldon's View Subdivision, Lincoln Parish, Louisiana, dated August 9, 2005 and filed under File No. F67226, in Conveyance Book 1180, at Page 316, of the Records of the Clerk of Court, Lincoln Parish, Louisiana; That certain Act of Proces Verbal of Sheldon's View Subdivision, Unit No. 2, dated June 26, 2006 and filed under File No. F75771, in Conveyance Book 1199, at Page 361, of the Records of the Clerk of Court of Lincoln Parish, Louisiana; That certain Act of Proces Verbal of Sheldon's View, Unit No. 3 and filed under File No. F87732, in Conveyance Book 1229, at Page 265, of the Records of the Clerk of Court of Lincoln Parish, Louisiana; containing approximately **5.40 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 and Energy 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 and Energy 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 and Energy Board, nor shall the Louisiana State Mineral and Energy 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.

**THE FOLLOWING NOTES SHALL BE ATTACHED TO THE LEASE FORM AS A RIDER.**

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.

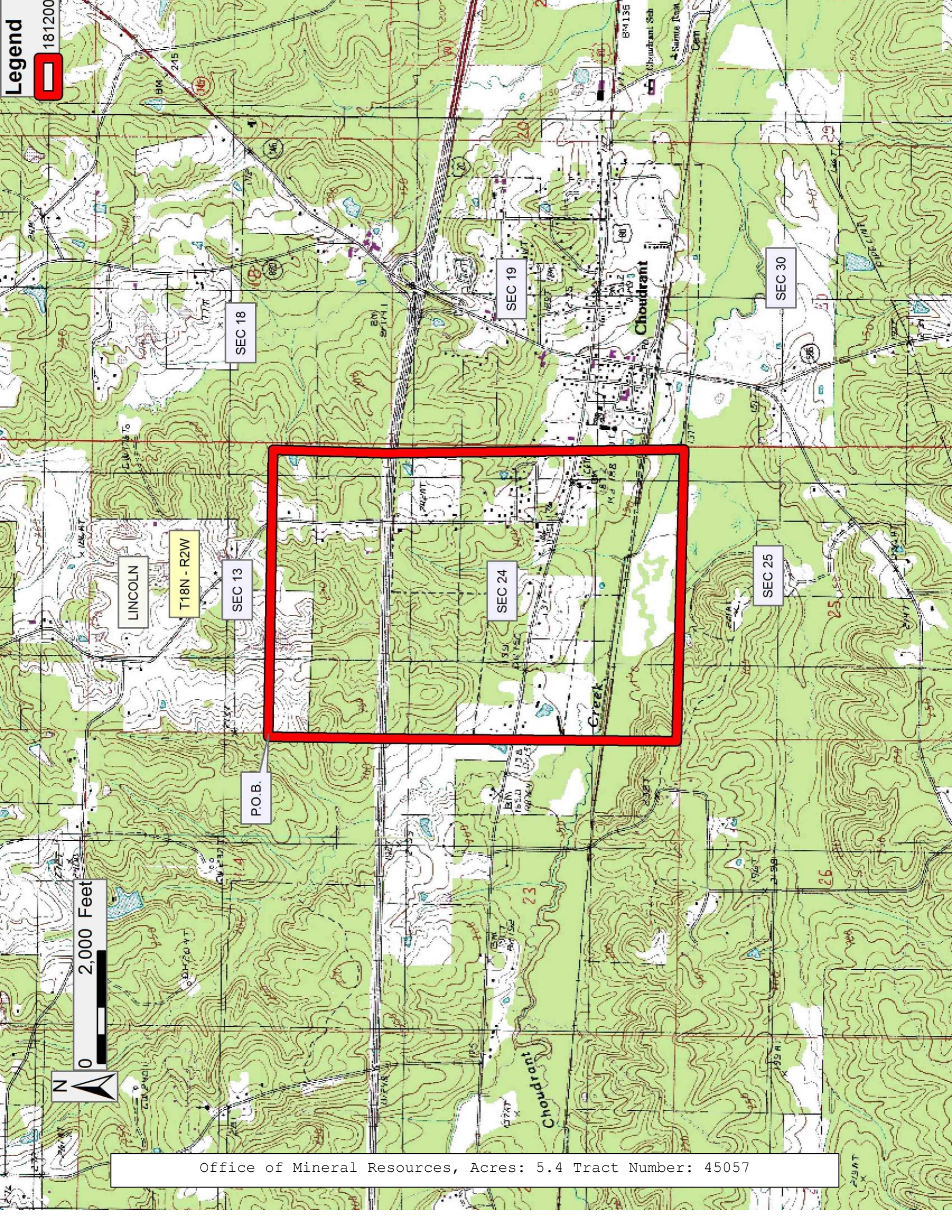
NOTE: If, in the event of production, a division order is circulated by Lessee or by purchaser of production, such division order will be a simple statement of interest containing no warranty or indemnity clause and containing no clauses modifying in any way the terms of this lease. Lessor shall not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

Applicant: HUNTER ENERGY CORPORATION to Agency and by Resolution from the Village Of Choudrant authorizing the Mineral Board to act in its behalf

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

181200



Office of Mineral Resources, Acres: 5.4 Tract Number: 45057



**TRACT 45058 - Lincoln Parish, Louisiana**

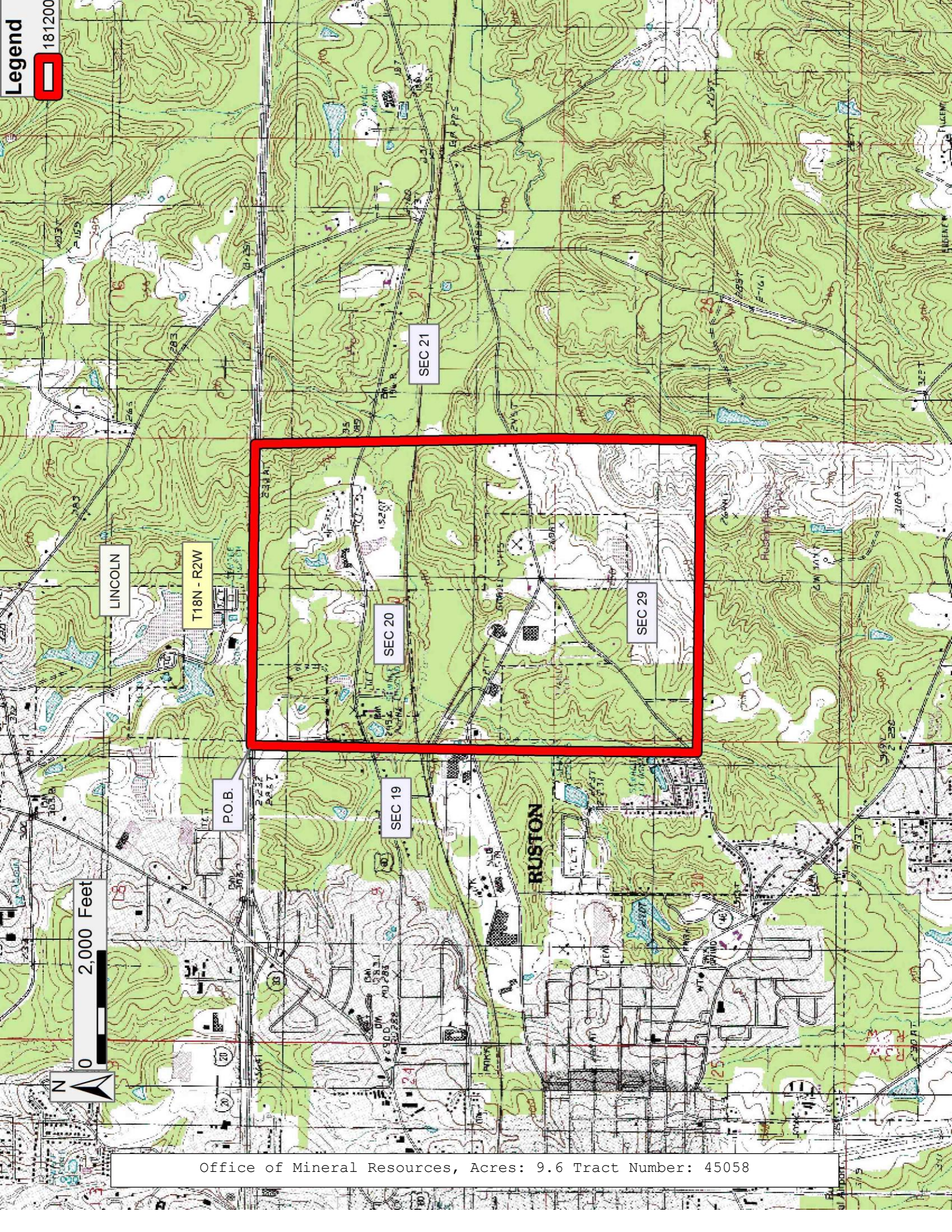
A certain Tract of land, excluding the beds and bottoms of all navigable waters, belonging to and not presently under mineral lease from Louisiana Department Of Transportation And Development on December 12, 2018, being more fully described as follows: Beginning at a point having Coordinates of X = 1,967,621.65 and Y = 681,464.33; thence South 89 degrees 48 minutes 30 seconds East 5,373.49 feet to a point having Coordinates of X = 1,972,995.12 and Y = 681,446.36; thence South 01 degrees 39 minutes 16 seconds East 5,523.03 feet to a point having Coordinates of X = 1,973,146.78 and Y = 676,195.52; thence South 01 degrees 15 minutes 44 seconds West 2,700.16 feet to a point having Coordinates of X = 1,973,087.30 and Y = 673,496.02; thence North 89 degrees 54 minutes 04 seconds West 5,472.71 feet to a point having Coordinates of X = 1,967,614.60 and Y = 673,505.46; thence North 00 degrees 50 minutes 25 seconds West 2,749.31 feet to a point having Coordinates of X = 1,967,574.28 and Y = 676,254.47; thence North 5,210.08 feet to the point of beginning and being more particularly described as follows: US Highway 80; containing approximately **9.60 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 and Energy 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 and Energy 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 and Energy Board, nor shall the Louisiana State Mineral and Energy 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: No surface operations will be performed on the property.

Applicant: HUNTER ENERGY CORPORATION to Agency and by Resolution from the Louisiana Department Of Transportation And Development authorizing the Mineral Board to act in its behalf

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

T18N - R2W

SEC 20

SEC 21

SEC 29

SEC 19

P.O.B.

RUSTON

0 2,000 Feet



**TRACT 45059 - 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 December 12, 2018, being more fully described as follows: That certain tract or parcel of land being part of the Southwest Quarter of the Southeast Quarter (SW/4 of SE/4) of Section 20 and the Northwest Quarter of the Northeast Quarter (NW/4 of NE/4) of Section 29, Township 18 North, Range 2 West, Lincoln Parish, Louisiana and being further identified in that certain Conveyance dated January 6, 1939, recorded in Volume 14, Page 42 of the Conveyance Records of the office of the Clerk of Court for Lincoln Parish, Louisiana, containing **80.00 gross acres and 40.00 net mineral 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 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 and Energy 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 and Energy 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 and Energy Board, nor shall the Louisiana State Mineral and Energy 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.

**THE FOLLOWING NOTES SHALL BE ATTACHED TO THE LEASE FORM AS A RIDER.**

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.

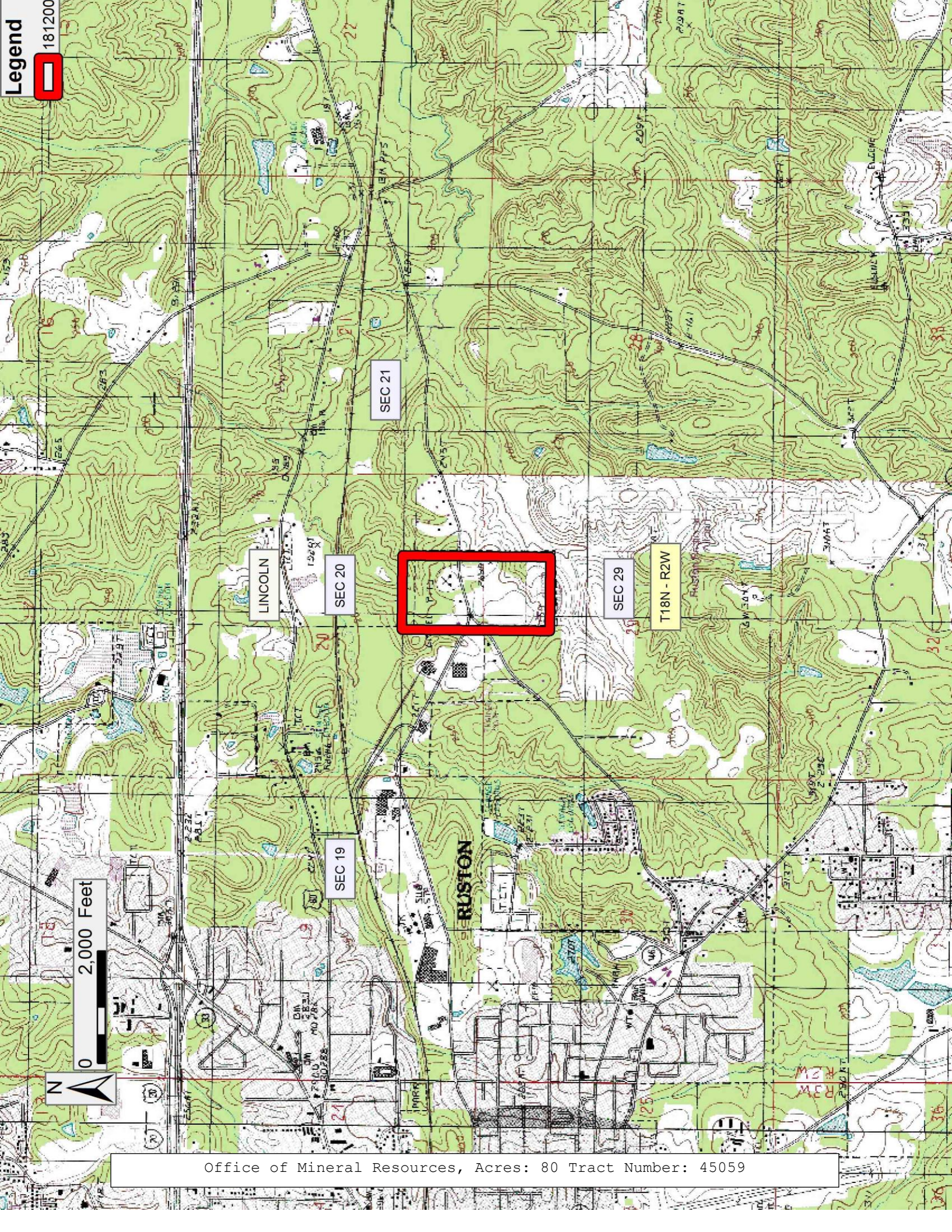
NOTE: If, in the event of production, a division order is circulated by Lessee or by purchaser of production, such division order will be a simple statement of interest containing no warranty or indemnity clause and containing no clauses modifying in any way the terms of this lease. Lessor shall not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



Applicant: HUNTER ENERGY CORPORATION 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 |
|--------|--------------|------------|--------|-----|-----|-------|
|        |              |            |        |     |     |       |
|        |              |            |        |     |     |       |
|        |              |            |        |     |     |       |
|        |              |            |        |     |     |       |

Legend 181200



0 2,000 Feet



Office of Mineral Resources, Acres: 80 Tract Number: 45059