

RESOLUTION NO. 00 OF 2020

BY THE CADDO PARISH COMMISSION:

A RESOLUTION TO AUTHORIZE THE CADDO PARISH ADMINISTRATOR TO REQUEST AND AUTHORIZE THE LOUISIANA STATE MINERAL AND ENERGY BOARD AND THE OFFICE OF MINERAL RESOURCES TO ACCEPT NOMINATIONS AND ADVERTISE FOR OIL, GAS AND MINERAL LEASES, ACCEPT BIDS, AND AWARD AND EXECUTE OIL, GAS AND MINERAL LEASES ON CERTAIN MINERAL INTERESTS OWNED BY THE PARISH OF CADDO, AND OTHERWISE PROVIDING WITH RESPECT THERETO

WHEREAS, the Parish of Caddo may own certain mineral rights underlying the following described property, to-wit:

Those certain road dedications located in Section 3, Township 15 North, Range 15 West, known as Cedar Hill Road, Post Oak Road, Pine Grove Road and Sparks Davis Road, all located in Caddo Parish, Louisiana, and containing 23.71 acres, more or less, and those certain adjudicated properties described as that part of NW/4 of the SW/4 of Section 3 lying West of Dana Farms, Unit 5, with a Geo. #151503-006-0101, containing .31 acres and Lot 2, Self Acres Subdivision, with a Geo. #151503-014-0002, containing .76 acres, and the South 52.5 feet of Lot 3, Self Acres Subdivision, with a Geo. #151503-014-0006, containing .38 acres, said adjudicated property total acreage being 1.45 acres, more or less, with Section 3, T15N, R15W containing a total of 25.16 acres, more or less, all in Caddo Parish, Louisiana.

Those certain road dedications located in Section 4, Township 15 North, Range 15 West, known as Cedar Hill Road, all located in Caddo Parish, Louisiana and containing .45 acres, more or less, with Section 4, T15N, R15W containing a total of .45 acres, more or less, all in Caddo Parish, Louisiana.

Those certain road dedications located in Section 10, Township 15 North, Range 15 West, known as Farmette Drive, Roberts Drive, Williams Road and Stoer Road, all located in Caddo Parish, Louisiana and containing 7.79 acres, more or less, with Section 10, T15N, R15W containing a total of 7.79 acres, more or less, all in Caddo Parish, Louisiana.

WHEREAS, the Parish of Caddo has received a written request from Cypress Energy Corporation, that the Parish seek public bids for an oil, gas and mineral lease covering said property; and

WHEREAS, the Parish of Caddo does not have the knowledge or resources available to determine if it owns the mineral rights and the Parish of Caddo will rely on the expertise and experience of the lessee in determining ownership; and

WHEREAS, it is expressly agreed that any lease granted by the Parish of Caddo and accepted by lessee is without any warranty of title and without any recourse against the Parish of Caddo whatsoever, either express or implied, and it is expressly agreed that the Parish of Caddo shall not be required to return any payments received or be otherwise responsible t lessee therefore; and

WHEREAS, the Louisiana State Mineral and Energy Board and the Office of Mineral Resources, is available upon the request of Caddo Parish to lease the aforesaid property for oil, gas and other minerals if requested to do so by Caddo Parish.

NOW, THEREFORE, BE IT RESOLVED by the Caddo Parish Commission in due, regular and legal session convened, that the Louisiana State Mineral and Energy Board and the Office of Mineral Resources, be and it is hereby requested and authorized to accept nominations and advertise for oil, gas and mineral leases, accept bids and award and execute oil, gas and mineral leases on the aforesaid properties of certain mineral interests owned by the Parish of Caddo.

BE IT FURTHER RESOLVED that any such lease contain a no surface operations provision as follows: Lessee, its successors or assigns, may produce oil, gas and other minerals from the leased premises by drilling from a surface location on other lands, but notwithstanding any other provision of this lease, Lessee, its successors or assigns, shall not use the surface of the Lessor's property for drilling or any other operations without prior written permission of Lessor, which permission may be withheld at Lessor's discretion.

BE IT FURTHER RESOLVED that any such lease contain a horizontal pugh provision as follows: Notwithstanding anything to the contrary herein contained, at the end of the primary term or any extension thereof by operations, if the Commission of Conservation of the State of Louisiana establishes a drilling unit which includes a part of the land herein leased, the production of oil, gas and other minerals from such unit shall maintain this lease in full force and effect only as to such portions of the leased land

embraced in said pooled unit; and this lease shall expire as to that part of the land herein leased not included in such unit; and lessee, its successors and assigns agrees to relinquish by formal instrument any portion of the leased land not included in a unit created by the Commission of Conservation while this lease is in effect

BE IT FURTHER RESOLVED that any such lease contain a vertical pugh provision as follows: Upon the expiration of the primary term hereof or any extension thereof by operations, this lease shall automatically terminate and be of no further force or effect except as to all that part of the leased premises then included within the geographical boundaries of a producing unit duly established by governmental agency or authority having jurisdiction, from the surface of the earth to a depth of 100 feet below the deepest depth from which any well commenced during the primary term hereof on the leased premises or on lands pooled therewith is completed and from which there is production in paying quantities, such depth determination to be made on a unit by unit basis. In the absence of units so established, this lease shall terminate except as to 40 acres around each producing oil well and 160 acres around each producing or shut-in gas well located on the leased premises, in as near the form of a square as is practicable, from the surface of the earth down to a depth of 100 feet below the deepest depth from which said well or wells are completed and from which there is production in paying quantities, such depth determination to be made on a well by well basis.

BE IT FURTHER RESOLVED that any such lease contain a minimum royalty provision as follows: Royalty of not less than 1/4th or 25%.

BE IT FURTHER RESOLVED that any such lease contain a minimum bonus provision as follows: Bonus of not less than \$1,250.00 per acre.

BE IT FURTHER RESOLVED that any such lease contain a hard or solid mineral exclusion provision as follows: This lease shall exclude free sulphur, potash, lignite, salt and any other hard or solid mineral. Lessee shall not have any rights to explore, drill for, mine, produce or take any action whatsoever in regard to any such hard or solid mineral deposits.

BE IT FURTHER RESOLVED that any such lease contain a maximum term provision as follows: Primary term of lease shall not exceed three (3) years.

BE IT FURTHER RESOLVED if any provision or item of this resolution or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications which can be given effect without the invalid provisions, items or applications, and to this end, the provisions of this resolution are hereby declared severable.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately.

BE IT FURTHER RESOLVED that all resolutions or parts thereof in conflict herewith are hereby repealed.

Approved as to legal form:

Office Of The Parish Attorney

Date
