

RESOLUTION

AUTHORIZING THE LOUISIANA STATE MINERAL AND ENERGY BOARD AND THE OFFICE OF MINERAL RESOURCES TO ACCEPT NOMINATIONS, ADVERTISE FOR, ACCEPT AND AWARD BIDS, AND EXECUTE ALL OIL, GAS AND MINERAL LEASES IN THE MANNER PRESCRIBED BY LAW ON ALL OF THE MINERAL RIGHTS, TITLE AND INTEREST IN LANDS OWNED BY AND NOT PRESENTLY UNDER MINERAL LEASE FROM THE CITY OF BATON BOUGE AND/OR THE PARISH OF EAST BATON ROUGE SITED IN SECTION 44, TOWNSHIP 5 SOUTH, RANGE 1 WEST, GREENSBURG LAND DISTRICT, ST. HELENA MERIDIAN, EAST BATON ROUGE PARISH, LOUISIANA, CONTAINING 1.84 ACRES, MORE OR LESS.

WHEREAS, application has been received by the Parish requesting all of the mineral rights, title and interest in lands owned by and not presently under mineral lease from the City of Baton Rouge and/or the Parish of East Baton Rouge situated in Section 44, Township 5 South, Range 1 West, Greensburg Land district, St. Helena Meridian, East Baton Rouge Parish, Louisiana, containing 1.84 acres, more or less, be offered for mineral lease; and

WHEREAS, the Louisiana State Mineral and Energy Board has a procedure providing for such, and this Council is of the opinion that referring same to that Board for proper action is in the public interest;

NOW, THEREFORE, BE IT RESOLVED by the Metropolitan Council of the Parish of East Baton Rouge and City of Baton Rouge that:

Section 1. The request that the following described properties be referred to the Louisiana State Mineral and Energy Board for appropriate action is hereby approved:

A certain Tract of Land, excluding the beds and bottoms of all navigable waters, belonging to and not presently under mineral lease from the City of Baton Rouge and/or Parish of East Baton Rouge on _____, being more particularly described as follows: A certain

Tract of Land situated in Section 44, T5S-R1W, Greensburg Land District, St. Helena Meridian, East Baton Rouge Parish, Louisiana, and being a part of the "G. C. Mills" tract as shown on the Kaiser and Swensen map of East Baton Rouge Parish dated 1895, more particularly described as follows: Commence at a point formed by the intersection of the northerly side of Mills Lane with the westerly side of the right of way of the South Shore Railway Co., thence North 24 degrees 30 minutes West 960.00 feet along the westerly side of said right of way; thence North 81 degrees 07 minutes West 2,400.00 feet to the point of beginning; thence continue North 81 degrees 07 minutes West 200.00 feet to a point and corner; thence South 08 degrees 53 minutes West 400 feet to a point and corner; thence South 81 degrees 07 minutes East 200.00 feet to a point and corner; thence North 08 degrees 53 minutes East 400.00 feet to the point of beginning; including any and all portions of said lands in or underlying any public or private servitude, easement or right-of-way, any public or private road, highway, street, or railroad, and any canal, coulee or ditch situated on or adjacent to or which traverses the lands described above, whether or not specifically described herein, said tract having been adjudicated to the State of Louisiana for the benefit of East Baton Rouge Parish for unpaid 2003 taxes assessed in the name Philly Tax Group, L.L.C. by Tax Adjudication dated July 9, 2004, recorded in Original 394, Bundle 11629 of the public records of East Baton Rouge Parish, Louisiana. The aforescribed tract contains approximately **1.84 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).

Section 2. The Louisiana State Mineral and Energy Board be advised that such offer must contain the following lease provisions:

1. No surface operations of any manner shall be conducted on the leased premises for any purpose incident to the exploration for, and production of oil, gas, sulphur, and all other minerals.
2. Royalties to be paid by Lessee on oil, gas, and all other minerals at a minimum amount of one-quarter (1/4) or 25%.
3. Three (3) year primary term lease. Bonus payment at a minimum amount of Four Hundred Dollars (\$400) an acre. Annual lease rental payments at a minimum amount of Two Hundred Dollars (\$200) an acre. Pugh Clause rental payments no more than two (2) years beyond end of primary term.
4. Lessee and its successors and assigns shall fully protect, defend, indemnify, and hold harmless the City of Baton Rouge and Parish of East Baton Rouge from and against any and all suits, claims, demands, and causes of action (including attorney's fees and court costs) that may be brought by any person, firm, corporation, or other entity which arises

out of, or is in any way connected with, Lessee or Lessee's contractors and/or subcontractors activities, operations, equipment, or facilities on leased premises.

Section 3. The Louisiana State Mineral and Energy Board and the Office of Mineral Resources are hereby authorized to accept nominations, advertise for, accept and award bids, and execute all oil, gas and mineral leases in the manner prescribed by law on the said tract mentioned herein on behalf of Metropolitan Council of the Parish of East Baton Rouge and City of Baton Rouge.

Section 4. The \$400.00 deposit by check made by the applicant to the Parish for each application in the matter shall be forwarded to the State Mineral Board, all in accordance with statutory requirements.