SURFACE LEASE WITH SUBSURFACE AGREEMENT NO. __________

STATE OF LOUISIANA
PARISH OF

WINNITSETH THAT, under the provisions of L.R.S. 30:171, 39:11(c), 41:1 and 41:173, this agreement is entered into by and between the State of Louisiana, represented by _____________________________, Administrator of the State Land Office, hereinafter referred to as Lessor, and _____________________________ , hereinafter referred to as Lessee.

its duly authorized ________________, executed by _____________________________, et al. in favor of _____________________________, recorded in Conveyance Book __________, Page __________, under Entry No. __________, recorded in __________ Parish.

WHEREAS, Lessee is the owner of an interest in and operator of an oil, gas and mineral lease dated __________, executed by __________, et al., in favor of __________, recorded in __________ Conveyance Book __________, Page __________, under __________ Entry No. __________, recorded in __________ Parish.

Lessee, at its sole cost and expense, shall furnish Lessor with a directional survey showing the path or course of each well geologically drilled and directionally drilled in accordance with and covered by this agreement, and a surface map showing the subsurface route taken by the drill path through said lands, within thirty (30) days after receipt by Lessee of such directional survey from a responsible surveying company or contractor employed for such purposes.

The sum of ONE THOUSAND FIVE HUNDRED AND 00/100 DOLLARS, herewith paid shall constitute the full consideration for the drilling of its first well to be located and bottomed as set forth and described above.

Lessee, during the initial five (5) year term, is hereby given the right subject to written approval by Lessor prior to commencement of drilling, to drill additional directional wells under the premises described in this agreement, and Lessee agrees to pay as consideration, for each additional well drilled under the terms of this agreement, the sum of TWENTY FIVE AND 00/100 DOLLARS, plus per linear rod measured on the surface between the point at which the drill path leaves such well and the point at which the drill path leaves such tract to penetrate other lands. All such payments may be made by delivering or mailing Lessee's check to the State Land Office on or before thirty (30) days after the directional survey and other data hereinafter described shall have been furnished to Lessor.

Lessee, at its sole cost and expense, shall furnish Lessor with a directional survey showing the path or course of each well directionally drilled through the subsurface of the premises described in this agreement; data showing the horizontal distance and direction between the point of entrance and exit of each well drilled in compliance with and covered by this agreement, and a surface map showing the subsurface route taken by the drill path through said lands, within thirty (30) days after receipt by Lessee of such directional survey from a responsible surveying company or contractor employed for such purposes.

Lessee agrees to furnish copies of all electrical surveys on subject well to the State Mineral Board and further agrees that a unit well will be established within six (6) months after completion of subject well unless waived by the State Mineral Board.

Lessor shall have the right to use so much of the surface of the acreage covered hereby as is reasonably necessary in order to construct, maintain and operate any facility necessary for completion of and production resulting from the directional drilling conducted in accordance with the subsurface agreement established hereby. The rights herein granted include the right to install necessary and operate any facility necessary for completion of and production resulting from the directional drilling conducted in accordance with the subsurface agreement established hereby.

It is understood that activities conducted hereunder are subject to the approval of the State Mineral Board, the Louisiana Office of Conservation and other State and Federal agencies as may have jurisdiction in the premises.

Within one (1) year following the termination of this surface lease (whether during the original or any extended term) Lessee shall be obligated to remove from the premises all of the foregoing structures and facilities and to restore the leased premises in accordance with the Lessee's obligations under this surface lease, all at Lessee's sole risk, cost and expense and subject to compliance with all laws, rules and regulations of regulatory authority having jurisdiction over such operations.

It is agreed and understood that Lessor shall be fully protected during the terms of this agreement and the State of Louisiana is held free and harmless from and against any and all claims for damages and all costs and expenses arising out of or incidental to the rights herein granted.

Lessee is granted the right to sublease or assign, in whole or in part, the rights accruing to it by virtue of this agreement, with the written consent and approval of Lessor.
IN WITNESS WHEREOF, the Administrator of the State Land Office has executed this agreement on this ________ day of ______________________________, __________.

WITNESSES to the signature of the Administrator of the State Land Office:

________________________________________________________
Printed Name: ______________________________________
ADMINISTRATOR, STATE LAND OFFICE

Lessor

Printed Name: ______________________________________

________________________________________________________
Printed Name: ______________________________________

ACKNOWLEDGMENT FOR THE ADMINISTRATOR OF THE STATE LAND OFFICE

STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE

BEFORE ME, the undersigned authority, personally came and appeared ______________________, who by me being first duly sworn, deposed and said:

That he is one of the witnesses to the execution of the foregoing instrument and that he saw ______________________ sign said instrument as Administrator of the State Land Office, in the presence of appearer and the other subscribing witness.

Sworn to and subscribed before me on this the ________ day of ________________, ________.

________________________________________________________
Signature of Witness

Printed Name: ______________________________________

________________________________________________________
Notary Public

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IN WITNESS WHEREOF, Lessee has executed this agreement on this __________ day of ______________________________, ________.

WITNESSES:

________________________________________________________
Printed Name: ______________________________________

LESSEE

Printed Name: ______________________________________

________________________________________________________
Printed Name: ______________________________________

ACKNOWLEDGMENT FOR CORPORATE LESSEE

STATE OF ________________

______________ OF ________________

BEFORE ME, the undersigned authority, personally came and appeared ______________________, who by me being first duly sworn, deposed and said:

That he/she is one of the witnesses to the execution of the foregoing instrument and that he/she saw ______________________ execute said instrument as ______________________ of ______________________ as the free act and deed of said corporation in the presence of appearer and the other subscribing witness.

Sworn to and subscribed before me on this the ________ day of ________________, ________.

________________________________________________________
Signature of Witness

Printed Name: ______________________________________

________________________________________________________
Notary Public