

**AFFIDAVIT OF LOUIE D. BARBE, III**

**STATE OF LOUISIANA**

**PARISH OF CALCASIEU**

BEFORE ME, the undersigned Notary Public, duly commissioned and qualified in and for the above parish and state, personally came and appeared **LOUIE D. BARBE, III**, and after being duly sworn, stated as follows:

1. My name is Louie D. Barbe, III. I am over the age of eighteen (18) years and I am competent and qualified to make this Affidavit.

2. The statements contained in this Affidavit are true and correct, and are based on my own personal knowledge, my background, my training, and my experience.

3. The H.C. Drew Estate is the named plaintiff in the lawsuit captioned *H. C. Drew Estate v. Neumin Production Company and Stokes & Spiehler, Inc.*, Docket No. 2019-4925 “F,” which is currently pending in the 14th Judicial District Court, Calcasieu Parish, Louisiana (the “Lawsuit”).

4. I am a co-trustee of the H.C. Drew Estate. I have been active in this capacity for over thirty (30) years. During these decades, I have overseen the management and affairs of the H.C. Drew Estate.

5. Through my involvement as a co-trustee over the years, I have become personally familiar with the H.C. Drew Estate’s assets, including the property at issue in the Lawsuit.

6. The H.C. Drew Estate is a Louisiana non-profit corporation qualified under 26 U.S.C. § 501(c)(4). It exists to provide support—primarily in the form of monetary support and donations—to educational institutions across southwest Louisiana.

7. The H.C. Drew Estate is the owner of the property at issue in the Lawsuit. This property consists of approximately 175 acres of land and is located in Section 15 of Township 10 South, Range 11 West of Calcasieu Parish, Louisiana.

8. H.C. Drew, his heirs, and successors (either directly or indirectly) have owned this property continuously since at least 1917. Thus, this property has been in the H.C. Drew family for over 100 years.

9. The H.C. Drew Estate entered into an Oil and Gas Lease with Neumin Production Company (“Neumin”), effective as of August 23, 2000, that covers the property at issue in the Lawsuit (the “Neumin Lease”). A true and correct copy of this lease is attached to this Affidavit as **Exhibit 1**.

10. I was personally involved in the negotiations and events leading up to the execution of the Neumin Lease. I also executed this lease on behalf of the H.C. Drew Estate in my capacity as its co-trustee.

11. As Neumin itself admitted in its deposition in this case under article 1442 of the Louisiana Code of Civil Procedure, the H.C. Drew Estate had its own lease form in 2000 and insisted that its form be used if Neumin wanted to come onto the property at issue in the Lawsuit to explore for oil and gas.

12. Neumin ultimately made a conscious decision to accept H.C. Drew Estate’s terms, as reflected in its then-existing lease form and thereafter in the Neumin Lease.

13. The Neumin Lease contains important provisions that govern the restoration of the property at issue in the Lawsuit. Among other provisions, the Neumin Lease provides:

- Section 1: “It is specifically understood, however, that **Lessee shall be responsible for any damage done to the surface of Lessor’s property** as set forth hereinafter.”

- Section 17: “**Lessee shall be responsible to Lessor and to Lessor’s tenants for all damages caused by Lessee’s operations**, including but not limited to damages to the surface of the land, timber, crops, pasture, domestic animals, roads, canals, ditches, artificial or natural drains, fences, buildings, water wells, and improvements on said land. It is to be understood that Lessee shall be liable for such damages even if same are incurred in the normal and necessary operations including but not limited to the construction and maintenance of pipelines, retaining ponds, storage facilities, etc.”
- Section 30: “The **restoration of the premises** shall include plugging any wells in strict accordance with the law and **removing all contaminants including removal and replacement of all contaminated soil**.

14. Because of these clear provisions requiring Neumin to restore the property at issue in the Lawsuit to its pre-oil and gas condition, the H.C. Drew Estate vigorously objects to having its property restored to any other standard or regulatory requirement.

15. By way of example only, the H.C. Drew Estate objects and does not consent to the application of the Statewide Order 29-B regulations issued and administered by the Louisiana Department of Natural Resources, Office of Conservation.

16. The H.C. Drew Estate also objects and does not consent to the application of any exceptions to the Statewide Order 29-B regulations, including, but certainly not limited to, the RECAP regulations issued and administered by the Louisiana Department of Environmental Quality.

17. The H.C. Drew Estate further objects and does not consent to the application of any other standard or regulatory requirement that does not require Neumin to fully restore the property at issue in the Lawsuit to its pre-oil and gas condition.

18. In sum, the H.C. Drew Estate believes that the Neumin Lease is the law between the parties and that lease alone controls what Neumin is obligated to do to restore the property at issue in the Lawsuit.

19. The property at issue in the Lawsuit is currently used for agriculture purposes and as pasture land.

20. The property has historically been used to grow a number of crops, including rice, soybeans, wheat, and milo.

21. The potential future uses of the property at issue in the Lawsuit are limitless, but include agriculture, pasture land, industrial use, commercial use, residential development, enrollment in the Wetlands Reserve Easement Program (or other similar conservation program), and other unanticipated uses.

22. At the specific request of the H.C. Drew Estate and other neighboring landowners, Calcasieu Parish re-zoned a large portion of land in this area—including the property at issue in the Lawsuit—to light industrial in 2018.

23. There are currently plans to establish a Louisiana Economic Development Certified Site, which is an industrial site ready for development, approximately one mile west of the property at issue in the Lawsuit.

24. Depending on the success of this project, the H.C. Drew Estate could do the same with respect to the property at issue in the Lawsuit.

25. The H.C. Drew Estate has successfully converted another tract of land in the area into a Louisiana Economic Development Certified Site and thereafter sold it.

26. The H.C. Drew Estate believes that the only way to ensure that it can use the property at issue in the Lawsuit for any purpose in the future is to restore the soil and groundwater on the site to its pre-oil and gas condition.

27. I certify under the penalty of perjury that the statements contained in this Affidavit are true and correct.

  
\_\_\_\_\_  
**LOUIE D. BARBE, III**

SWORN TO AND SUBSCRIBED before me, this 14th day of February, 2022.

  
\_\_\_\_\_  
NOTARY PUBLIC

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Notary ID/Bar Roll No.

**Yvonne Hankins  
Notary Public  
State of Louisiana  
Notary ID# 6612  
My Commission is Issued for Life**

OIL AND GAS LEASE

FILED

OCT 18 2019

*Kristen Leung*  
Deputy Clerk  
Calcasieu Parish, Louisiana

The following constitutes the oil and gas lease agreement between **H.C. DREW ESTATE**, REPRESENTED BY Louie D. Barbe, III and C. W. Shaddock, Jr., sole Trustees, hereinafter referred to as "Lessor," and Neumin Production Company, hereinafter referred to as "Lessee", to be effective as of the 23rd day of August, 2000, to wit:

1. The Lease in General.

Lessor, in consideration of the payment by Lessee of ONE THOUSAND AND NO/100 (\$1,000.00) DOLLARS, and other good and valuable consideration, and subject to the provisions hereinafter, hereby leases exclusively unto Lessee the premises hereinafter described for the purpose of the exploration for and the production of oil and gas, and derivatives therefrom, it being understood that Lessor reserves all other minerals in, under and appertaining to the premises.

Lessee's rights shall include the reasonable use of the surface of the premises in order to accomplish the exploration for and the production of oil or gas. It is specifically understood, however, that Lessee shall be responsible for any damage done to the surface of Lessor's property as set forth hereinafter.

2. The Premises.

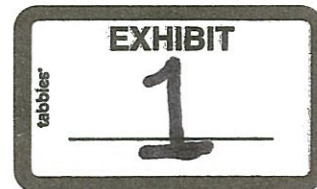
- a) The land to which this lease applies is described in Exhibit "A" attached hereto and made a part hereof.
- b) Lessee's rights shall extend only to all formations lying above the deeper of the following:
  - i A depth of one hundred (100) feet below the maximum depth drilled to by Lessee in any well, the actual drilling of which shall have begun on the leased land, or on acreage pooled therewith, during the primary term hereof, regardless of whether the well proves to be productive of oil or gas in paying quantities; or
  - ii The Stratigraphic Equivalent of the base of the deepest producing formation encountered in the drilling of any well, the actual drilling of which shall have been on the leased land, or on acreage pooled therewith, during the primary term hereof.
- c) For the purpose of this agreement, it is understood that the premises contain 175.55 acres, more or less.

3. Term

This lease shall be for a Primary Term of three (3) years from this date, and for so long thereafter as oil or gas is being produced or drilling operations are being conducted on the premises in accordance with the provisions hereof.

4. Pre-Production Rights and Obligations.

Prior to production, the rights and obligations of the parties are as follows:



- (a) This lease shall terminate on the August 23, 2001, unless on or before that date Lessee either:
- (i) Commences operations and continues same to completion or abandonment; or
  - (ii) Pays to Lessor a rental of TWO HUNDRED FIFTY AND NO/100 (\$250.00) DOLLARS per acre, which rental shall maintain Lessee's rights in effect without drilling operations for an additional twelve-month period from the date last above-written. The same will apply for one (1) additional twelve-month period, i.e., until the end of the primary term.
- (b) After beginning operations, but prior to production, Lessee may maintain its rights by continuing such operations without a lapse of more than ninety (90) days between the abandonment of work on one well, and the beginning of operations on another well.

If such operations are discontinued, the right of Lessee may be maintained by resuming rental payments within ninety (90) days from the discontinuance of operations. In this instance the rental shall be paid proportionately on the basis of the number of days between the end of the said ninety (90) days and the next ensuing rental payment date [or the end of the Primary Term, if said ninety (90) days expires after the last rental payment date] bears to 365 days. If said ninety (90) days should expire during either the initial year or any year for which rentals have been paid, no further rental shall be due until the next fixed rental payment date.

- (c) All rental payments shall be paid in advance.

5. Drilling Units.

In the event a portion, or portions, of the land herein leased is included in a voluntary or compulsory drilling (i.e., as ordered by the commissioner) unit with other lands, operations conducted in such unit but off of the leased premises shall not have the same effect as operations conducted on the leased premises and shall not maintain this lease in force even as to the portion, or portions, of the leased premises included in such unit. Should there be an off-premises producing well which leads to the creation of a voluntary or compulsory unit encompassing a portion of the premises, then the provisions of Section 6 will be applicable.

6. Post-Production Rights and Obligations.

Upon achieving production, the rights and obligations of the parties will be as follows:

- (a) Upon completion of a well producing oil, Lessee shall designate from the leased premises a block which shall not exceed substantially forty (40) acres; and upon the completion of a well producing gas or gas derivatives, Lessee shall designate from the leased premises a block which shall not exceed substantially one hundred sixty (160) acres. Each block so designated shall consist of

governmental township subdivisions wherever practicable. Each block shall include the well in question.

The area or configuration of any such block may be altered only by agreement of Lessor or by order of the Commissioner.

Lessee shall prepare an instrument describing the well and the acreage comprising the block and, within thirty (30) days after the completion of the well, said instrument shall be recorded in the conveyance records of the parish where the well is situated and a copy of same shall be mailed or delivered to Lessor.

- (b) The production obtained from each said well will maintain this contract in force only as to the area included in the block or included in a subsequent unit authorized by the Commissioner.
- (c) The classification by the commissioner as to whether a well is an "oil well" or "gas well" shall be controlling.
- (d) Lessee may maintain its rights as to the leased premises located outside any such block if, within ninety (90) days of the completion of a well within a block, Lessee either:
  - (i) commences operations on acreage outside the block and continues same to completion or abandonment; or
  - (ii) pays to Lessor that proportion of annual rental (\$250.00 per acre) which the total number of days between the end of the 90 days following the completion of such well and the next rental payment anniversary date bears to 365 days. Under no circumstances shall the provisions of this subpart extend the lease as to areas lying outside the previously created blocks beyond two (2) years from the expiration of the Primary Term hereof.

If any well is completed during any year for which the bonus or annual rental has been paid, Lessee shall not be required to commence operations or to make a rental payment until the expiration of such year.

If Lessee elects to drill an additional well or wells, Lessee may continue its rights in force as to all of the land held hereunder outside of any previously created blocks by conducting continuous operations on the leased premises provided that not more than ninety (90) days shall elapse between the completion or abandonment of one well, and the commencement of operations for the drilling of another.

The forfeiture of this lease as to any acreage outside of the producing block or blocks through failure of Lessee to maintain its rights as to that acreage in force by rental payments or operations as set forth herein shall not affect Lessee's rights as to any block or blocks previously created



under the terms hereof and which are being maintained by production as hereinabove provided.

- (e) In the event that production from any block created in accordance with the provisions hereof should cease for any cause, this lease shall terminate as to the acreage included in such block unless, within ninety (90) days after such cessation, Lessee shall either:
  - (i) resume or commence the payment of rentals as provided in subparagraph (d) above, provided, however, Lessee's rights shall not extend beyond two (2) years from the expiration of the primary term hereof.
  - (ii) resume or restore such production; or
  - (iii) commence additional operations and continue such operations to restore production without the lapse of more than ninety (90) days between the abandonment of work on one well and the commencement of operations on another well; and, so long as such continuous operations are being conducted, it shall be considered for all purposes of this lease that the block affected is a producing block.
- (f) Once any well has been completed, i.e., brought to a productive state (capable of producing in paying quantities), Lessee shall promptly begin paying royalty payments to Lessor and in no event shall said payments be made later than ninety (90) days from date of completion. Under no circumstances shall the royalty payments due Lessor be deferred pending the pooling or unitization of the completed well.

7. Pooling and Unitization.

- (a) There shall be no unitization or pooling of any part of the leased premises for any purpose without the prior written consent of Lessor. Should there be pooling, each pooled tract shall form one contiguous body of land, and each such unit so created shall not exceed substantially forty (40) acres surrounding each oil well and substantially one hundred sixty (160) acres surrounding each gas or distillate well.
- (b) It is understood, of course, that drilling or production units may be established by order of the Commissioner or any regulatory body.
- (c) Lessee shall execute and record in the conveyance records of the parish or parishes in which the unitized tract is situated and mail to Lessor an instrument identifying and describing the pooled acreage. Royalties payable to Lessor from the production attributable to any such unit shall be proportioned based on the amount the leased premises' acreage placed in the unit bears to the total acreage in the unit.
- (d) It is understood that production attributable to any such unit formed hereunder shall not be deemed attributable to any acreage or strata lying outside of the unit insofar

as it pertains to the maintenance of Lessee's rights as to such outside acreage.

8. Royalties.

The royalties to be paid by Lessee are as follows:

- (a) On oil, 25% of all oil produced from the leased premises.
- (b) On gas, 25% of the amount realized at the market value at the wellhead established by a third party arms-length transaction of all gas produced from the leased premises.
- (c) Lessee agrees that any and all royalty of Lessor provided for herein is reserved by and shall be delivered or paid to Lessor free and clear of any charge, expense, or fee of any nature whatsoever, including but not by way of limitation, any charges, expenses or fee for trucking, transporting, piping, collecting, cycling, recycling, lifting, pumping, treating, processing, handling, pressuring, repressuring, etc., of oil, gas or gaseous substances mentioned in this section; and no deduction whatsoever shall be made by Lessee from Lessor's royalty for any such charge, expense or fee.
- (d) Lessor may, at its option, elect to receive its royalty oil and gas in kind, with the understanding that Lessor will provide the necessary pipelines, storage facilities, etc., in order to store or transport such oil and/or gas.
- (e) The first payment of royalty shall be made within ninety (90) days following commencement of production from, or allocation of production to, the leased premises, and on a monthly basis thereafter. Should Lessee be delinquent in making royalty payments as provided herein, interest shall be payable to Lessor on the delinquent amounts from the date of delinquency until paid, payable at the rate of twelve per cent (12%) per annum.

9. Shut-in Wells.

Should there be on the premises or lands pooled therewith a well capable of production of gas or gaseous substances in paying quantities, but which Lessee is unable to produce (or which, although previously produced, Lessee is unable to continue to produce) because of the lack of market or marketing facilities or governmental restrictions, a production block shall nevertheless be declared for such well as provided in Paragraph 6(a) above, and Lessee's right as to the block upon which said shut-in well is located may be maintained in the absence of production or drilling operations thereon, by commencing or resuming rental payments as hereinabove provided for in connection with the cessation of production on that block. Should such conditions occur or exist after the Primary Term, Lessee's right in such block may be further extended by the commencement, resumption, or continuance of such rental payments at the rate and in the manner herein fixed, for the rental payments during the Primary Term. In such case, it shall then be considered that the block upon which said shut-in well is located is a producing block, provided, however, that in no event shall Lessee's rights be so extended by rental payments and without drilling operations or production of oil or gas from such block for more than two (2) consecutive years.

10. Drainage.

- (a) Lessee shall be obligated to protect the premises from drainage due to a well drilled and producing off premises with which no portion of the leased premises is unitized, which well shall be referred to herein as a "DRAINAGE WELL". A well shall be considered a DRAINAGE WELL if:
- (i) it produced oil or gas in paying quantities for thirty (30) consecutive days; and
  - (ii) assuming the well is considered to be in the geographical center of a 40-acre square block for oil and an 160 acre square block for gas and any part of such block, hereinafter called the "DRAINAGE BLOCK," encompasses a portion of the leased premises.
- (b) Once it is determined that there is a DRAINAGE WELL off the leased premises, Lessee shall be obligated to do one of the following:
- (i) within sixty (60) days following the expiration of the said 30-day period [subparagraph (a) (i)] begin and prosecute with reasonable diligence the drilling of a well in efforts to discover oil or gas; or
  - (ii) pay to Lessor, quarterly, within sixty (60) days after the end of each calendar quarter, a royalty equal to the royalty provided herein, calculated upon the production from the DRAINAGE WELL and proportioned on that portion of the DRAINAGE BLOCK which encompasses the leased premises; or
  - (iii) commence application proceedings to the Commissioner of Conservation or other applicable governmental agency for the formation of a unit to include such portion of the leased premises as is subject to the potential drainage, provided, however, that notwithstanding the effective date of any unit so created, royalties for such unit production from an off-premise well shall be payable, based upon the percentage assigned by any such unitization order from and after the earlier of the effective date of such unit order or the ninety-first (91st) day of actual production; or
  - (iv) release this lease as to that portion of the leased premises encompassed within the DRAINAGE BLOCK.

11. Default.

If, after the discovery and production of minerals from the leased premises, Lessor considers that operations are not being conducted to satisfactorily develop the property for the minerals so discovered, or to protect the leased premises from drainage, Lessee shall be notified in writing of the facts relied upon as constituting a breach hereof and Lessee shall have sixty (60) days after receipt of such notice to comply with the obligations imposed by virtue of this instrument. Lessee's failure to comply with said obligations shall result in forfeiture of this lease. In the event of such forfeiture, Lessee shall be entitled to retain such

portions of the lease as have been previously included within a producing block or blocks, in accordance with the terms of Paragraph 6 hereof and which have been maintained, either by production or operations, pursuant to Paragraph 6.

12. Releases.

Lessee may, at any time (whether prior to or after the discovery or production of minerals on the land), execute and deliver to Lessor, or place of record, a release or releases of any portion or portions of the land or formations underlying the land affected hereby, and be relieved of all requirements hereof as to the land or formation surrendered, except that, during the primary term hereof, such release shall not permit Lessee to reduce delay rentals as provided in Paragraph 4.

13. Assignments.

The rights of Lessee hereunder may not be assigned or subleased in whole or in part without the prior written consent of Lessor, which will not be unreasonably withheld and then only upon the express qualification that, without Lessor's express agreement to the contrary, such assignment or sublease, when approved by Lessor, shall not be deemed to modify any of the terms of this lease or to relieve Lessee from any of its obligations hereunder, and Lessor may continue to look to Lessee for the payment of all sums due hereunder and the fulfillment of all covenants on the part of Lessee hereunder, with the same force and effect as if such assignment or sublease had not been executed. Whenever reference is made or implied in this lease to any assignee of the Lessee, it shall be deemed to refer exclusively to such assignees or sublessees and to be limited by the provisions of this paragraph.

14. Production Facilities and Pipelines.

All storage tanks, retaining ponds and other facilities necessary to produce and process oil or gas produced from the premises must be located as close as practicable to the producing well. Pipelines may be installed only to connect the well and the various on site facilities serving that well. The right to install and construct other pipelines must be negotiated by the parties. Both parties will negotiate in good faith to establish the necessary pipeline or pipelines.

No oil, gas or any other substance produced outside of the leased premises may be stored upon or transported through the premises without the express written consent of Lessor.

15. Geothermal Resources; Seismic Operations.

This lease does not afford Lessee any rights to explore for or produce geothermal resources. It is further understood that Lessee shall have no rights to conduct or permit others to conduct seismic operations on the premises.

16. Roads, Bridges and Fencing.

Upon Lessor's demand, Lessee shall build, at its sole expense, permanent all weather surfaced roads to each producing location on the property. Such roads shall be properly ditched and bridged for drainage, follow existing roads to the extent possible, and where not possible, trace section and field boundaries. Should such

roads cross fence lines, Lessee shall build permanent cattle guards or install corner posts and swinging gates. Lessee shall maintain complete enclosure at all times where fences exist, especially to maintain the security of Lessor's forest, cattle or crops. Lessee shall immediately restore all fences cut or altered by reason of its operations. All fences repaired shall be maintained at existing tension or stronger, all wood posts installed by Lessee shall be not less than six inches (6") in diameter and eight feet (8') in length, and all wood fence braces placed by Lessee shall consist of at least two pieces of two inches (2") by six inch (6") lumber. Vehicular equipment utilized by Lessee shall not traverse the property during wet conditions except over all-weather roads.

17. Damages to Premises.

Lessee shall be responsible to Lessor and to Lessor's tenants for all damages caused by Lessee's operations, including but not limited to damages to the surface of the land, timber, crops, pasture, domestic animals, roads, canals, ditches, artificial or natural drains, fences, buildings, water wells, and improvements on said land. It is to be understood that Lessee shall be liable for such damages even if same are incurred in the normal and necessary operations including but not limited to the construction and maintenance of pipelines, retaining ponds, storage facilities, etc.

18. Taxes.

Lessor shall be responsible for the payment of ad valorem taxes pertaining to the bare leased premises. Lessee shall be responsible for the payment of all other taxes excluding severance taxes, but including taxes on property and equipment brought upon the leased premises by Lessee. Should Lessor for any reason fail to pay the taxes it owes on the property, Lessee may pay same and deduct same from any future rental or royalty payments.

19. Successors and Assigns.

All provisions hereof shall extend to and bind the successors and assigns (in whole or in part) of both Lessor and Lessee. No change in ownership of the land or any interests therein or change in the capacity or status of Lessor, however resulting, shall impose any additional burden on Lessee, nor shall any change of ownership or change in the capacity or status of Lessor impair the effectiveness of payments made to Lessor named herein, unless the then record owner of said lease shall have been furnished, thirty (30) days before payment is due, with a certified copy of a recorded instrument or judgment evidencing such transfer, sale or change of status or capacity of Lessor. The furnishing of such evidence shall not affect the validity of payments theretofore made in advance. In the event of the assignment of this lease, either as to a segregated portion of the land or as to an undivided interest in the lease contract, delay rentals shall be apportioned among the several leasehold owners according to the surface area or the undivided interest of each.

20. Government Regulations.

Lessee shall abide by all governmental restrictions and regulations with reference to drilling operations and/or development of the premises which may now exist or which may be hereinafter imposed, and shall be solely responsible for abiding with all pollution and ecological regulations applying to the

surface, as well as the subterranean, property subject to this lease.

21. Force Majeure.

It is agreed that should Lessee be prevented from complying with any expressed or implied covenant of this lease, or from conducting reworking or drilling operations thereon, or from producing oil, gas or other minerals therefrom, by reason of acts of God, flood, storm, fire, strike, labor trouble, riot, scarcity of or inability (after effort made in good faith) to obtain equipment or material or authority to use the same, or by failure of carrier to transport or furnish facilities for transportation, or by operation of force majeure, or any federal or state law, order, rule, or by regulation or governmental authority, or other cause beyond Lessee's reasonable control, then Lessee shall so advise Lessor in writing, and during the period of such prevention, Lessee's obligation to comply with the provisions of this lease (except the requirements for payments of rentals and royalties) shall be suspended and Lessee shall not be liable in damage for failure to comply therewith. Should such prevention occur, Lessee's obligations shall be suspended for a period of forty-five (45) days beyond the date Lessee is prevented by such cause from conducting such drilling or reworking operations on, or from producing oil, gas or other minerals from, the leased premises; provided, however, that during such period, Lessee shall pay Lessor rentals attributable to the acreage involved in the manner and at the applicable rate hereinabove provided. If such condition should exist after the primary term (or extended primary term) Lessee shall have the option to pay, during the time that such condition exists, a delay rental equal to one-twelfth (1/12th) of the annual delay rental elsewhere herein provided for, which shall maintain the lease for a period of one month and may continue to make such delay rental payment during such time as the force majeure condition exists. Such payments shall otherwise be made in the same manner as is provided for delay rentals elsewhere herein, but in no event will extend the lease for more than two years beyond the primary term or six months from the event preventing Lessee's performance, whichever is later.

22. Abstracts, Surveys and Water Wells.

In the event Lessee, or any of its successors, surveys or secures abstracts on the whole or any part of the leased acreage, and Lessee or any of its successors forfeits or releases this lease in its entirety, a copy of any such survey and any such abstract shall be delivered without charge to Lessor. In the event a party having an interest in this lease surveys or secures abstracts or supplements on the whole or any part of its entirety, a plat of such survey and/or abstracts or supplements will be furnished to Lessor without charge. Should a party having an interest in this lease drill a water well on the leased land, Lessor shall have the right, prior to the abandonment of that water well, to purchase such well and the equipment therein and thereon by paying Lessee the then salvage value of the equipment in and on such water well.

23. Access to Drilling Area and Data.

At Lessor's risk, Lessor or its agents shall at all times have access to the derrick floor of any well or wells being drilled. Lessee is obligated to notify Lessor in writing by prepaid United States Mail or by telephone, Area Code 318-433-6392, as to all

operations on the leased premises, which shall include by way of specification but not limitation, the dates of commencing of drilling of wells, the dates of completion and abandonment of wells, the dates of cessation of operations, the dates of resummptions of operations, a detailed report of production from the leased premises (stated both in units produced and monetary sums received, said report to be itemized on a monthly basis), the dates of commencement of reworking operations, the dates of capping of gas wells, the furnishing of true copies of well drilling programs, logs and records, core analyses, Micrologs, Schlumberger Surveys, electrical or other well surveys, and the furnishing of all other data which may be helpful to Lessor in keeping informed as to the manner in which Lessee is complying with its obligations hereunder. If Lessor is present or has a representative present at the well site when a well is logged, a field print of the log shall be delivered to Lessor or Lessor's representative upon oral request therefor. Otherwise, Lessee shall not be in default for failure to furnish the items specified in this paragraph to Lessor until after Lessor shall have made written request therefor. This information must be kept confidential for a period of twelve (12) months.

24. Reports.

In addition to the information and reports otherwise required of Lessee herein, Lessee shall, within thirty (30) days after receipt of written request therefor from Lessor, provide Lessor with the following reports and information pertaining to the leased premises:

- (a) Adjoining Wells. A written report pertaining to each well drilled outside but within 1,320 feet of the leased premises, setting forth the location of the well, the name and address of the company drilling same, and the distance of the said well from the leased premises;
- (b) Assignments and Subleases. Certified copies of all contracts and agreements affecting Lessee's leasehold interest, such as assignments, subleases and the like;
- (c) Sales from Leased Premises. A detailed report of all sales of minerals, including oil, gas distillate, sulphur or any other minerals or hydrocarbons, from the subject premises, stating the date of sale, name and address of vendee and the price received per measured quantity such as a barrel, cubic foot, long ton or other measured quantity;
- (d) Production from Leased Premises. A report describing and detailing all minerals produced from the leased premises, or attributable to the leased premises in the event of a unitization involving other properties, which have not been sold by Lessee, such as minerals utilized by Lessee in the operation of the leased premises;
- (e) Contracts for Sale of Minerals. Copies of all contracts entered into by Lessee with third persons and parties relative to the sale of minerals from the leased premises;
- (f) Unitization Agreements. With reference to any unitization agreements or orders which would encompass any portion of the leased premises, Lessee shall provide Lessor with the following:

- (i) A copy of each unit agreement or order and all amendments thereto;
  - (ii) The name and address of the current unit operator or operators;
  - (iii) A current list setting forth the name and address of each working interest owner and the interest owned by each; and
  - (iv) A current list setting forth the name and address of each non-working interest participant and the interest owned by each and the nature thereof.
- (g) Maintenance of Records. It is understood and agreed that Lessee shall maintain its records on a current basis so that the above information may be provided to Lessor promptly. Should Lessor make written request for such information, Lessee shall provide such information within a reasonable period of time.

25. Commissioner's Proceedings.

Should Lessee or any third party initiate proceedings with the Commission which might in any way affect or pertain to the leased premises, Lessee shall promptly and timely notify Lessor in writing (preceded, if necessary, by verbal or telephone notice where time does not permit effective written notice, e.g., the scheduling of a pre-application hearing) of such proceedings and advise Lessor in detail of the nature of such proceedings and the potential effect upon Lessor's rights under this lease. At each step of each such proceeding, Lessee shall appear and represent the best interests of Lessor and promptly thereafter shall provide Lessor with a written report of the actions taken and their effect upon Lessor.

Should Lessor's interest be in conflict or in potential conflict with those of Lessee, Lessor shall be promptly notified of such by Lessee with an explanation of the precise nature of the conflict or potential conflict. Thereafter, Lessor may engage a geologist and/or attorney to represent its interest at such proceedings, the reasonable cost and expense of such representation to be borne by Lessee.

26. Indemnity.

Lessee shall protect, indemnify and hold Lessor harmless from any and all loss, damage, liability, claims, demands or suits of any nature whatsoever asserted by employees of Lessee or third persons (including employees of Lessor) for property damage, personal injury or death, arising out of, in connection with or incidental to work performed under this lease. This indemnity shall include, without limitation, costs, expenses and reasonable attorney's fees occasioned by said loss, damage, liability, claims, demands or suits, as well as the full amount of any judgment rendered or compromise settlement made, plus court costs and interest. This indemnity shall apply regardless of whether said loss, damage, liability, claims, demands or suits are occasioned, brought about or caused, in part, by the negligence or fault of Lessor, its agents, directors, officers, employees or servants and regardless of whether such negligence be active or passive, primary or secondary. This indemnity shall inure, by stipulation pour autrui, to the benefit of agents, directors, officers, employees



and servants of Lessor, and any one of them may exercise this right of indemnity against Lessee independently of Lessor or of others.

27. Attorney's Fees.

Should it become necessary at any time for Lessor to engage the services of an attorney to seek enforcement of any provision hereof, or for any purpose which arises out of the existence of this lease agreement, then Lessor shall be entitled to recover from Lessee reasonable attorney's fees and expenses attendant thereto.

28. Division Orders.

If, in the event of production, a division order or any other document is circulated by lessee or by a purchaser of production, such division order or document will be a simple statement of interest, containing no warranty or indemnity clauses and containing no clauses modifying in any way the terms of this lease. If Lessor or Lessee or both become parties to any division order or other document containing any term inconsistent with this lease, the terms of this lease shall in all events remain controlling as between Lessor and Lessee unless such other document makes specific reference to this lease, declares the intent of both Lessor and Lessee to amend this lease in the respect which is inconsistent herewith, and is signed by both Lessor and Lessee.

29. Notices and Payments.

Unless otherwise provided herein, all notices and payments of any kind which are to be given or made to Lessor shall be deemed given or made when delivered in person or deposited in the United States Mails, certified postage prepaid, return receipt requested, addressed to Lessor at the following address, unless Lessor advises Lessee in writing as to a change of address, to-wit:

H. C. Drew Estate  
P. O. Box 125  
Lake Charles, LA 70602

All notices which are to be sent to Lessee shall be deemed given when delivered in person or deposited in the United States Mails, certified postage prepaid, return receipt requested, addressed to Lessee at the following address, unless Lessee advises Lessor in writing as to a change of address, to-wit:

Neumin Production Company  
Post Office Box 769  
Point Comfort, Texas 77978

30. Restoration After Termination.

Within sixty (60) days after the termination of this lease for any cause as to all or any portion of the leased premises, Lessee shall remove from such portion of the leased premises as to which this lease shall have terminated any and all surface equipment which it may have placed thereon, and shall reasonably restore the premises to the condition existing as of the date of the execution of this lease. The restoration of the premises shall include plugging any wells in strict accordance with the law and removing all contaminants including removal and replacement of all contaminated soil. Failure of Lessee to remove the improvements will result in Lessor having the option of claiming such

improvements as its own or removing same at Lessee's expense. Lessee further agrees, within said sixty (60) day period, to execute and forward to Lessor without any request being made by Lessor, a release of this lease as to all or any portion of the leased premises as to which this lease shall have terminated.

31. Injections.

No well on the lease premises shall be used for the injection of any substances (e.g., salt water, waste materials, etc.) excepting those substances which are injected solely for the direct purpose of aiding or enhancing the production from the well of oil, gas and derivatives thereof.

32. Disclaimer of Warranty.

All warranties by Lessor not expressly set forth herein are excluded.

33. Definitions.

As used herein, the following definitions will apply:

Commissioner: The Commissioner of Conservation of the State of Louisiana.

Completed Well: An oil or gas well capable of producing in paying quantities.

Dry Hole: An unproductive well which has been drilled to the depth prescribed by the drilling permit.

Lessee: Shall include the named Lessee herein and any affiliates, sublessees and permitted assigns of the named Lessee.

Operations: Regarding a new well, the actual penetration of the Earth's surface with the drilling bit followed by continuous drilling to completion of a producing well or a dry hole.

Producing Well: A well which is actually producing in paying quantities under the law.

Product: Any commodity made from oil or gas including those set forth in La. R.S. 30:3(10).

Production Unit: A unit established voluntarily or by order of the Commissioner with reference to actual production from a given sand or horizon.

Regulatory Body: A governmental agency or entity having jurisdiction and authority to regulate the rights of the parties herein.

Reworking Operations: Substantial work and activity conducted without interruption to achieve or improve production from a previously producing well.

IN WITNESS WHEREOF, the parties have executed this lease as of the day and year first above written.

WITNESSES:

LESSOR:

H. C. DREW ESTATE

Jay M. Dittie  
Deorgette Laverge

By: Louie D. Barbe III  
Louie D. Barbe, III, Trustee

Jay M. Dittie  
Deorgette Laverge

By: C. W. Shaddock Jr.  
C. W. Shaddock, Jr., Trustee

WITNESSES:

LESSEE:

NEUMIN PRODUCTION COMPANY

Jennifer Bergeron  
Jennifer Bergeron

By: Tony Chen  
Title:

STATE OF LOUISIANA :  
PARISH OF Caldwell :

ACKNOWLEDGMENT

On this 24<sup>th</sup> day of August, 2000, before me, Notary Public, personally came and appeared Louie D. Barbe, III and C. W. Shaddock, Jr., to me personally known, who being by me duly sworn, did say that they are the Trustees of the H. C. Drew Estate, a non-profit corporation, and that the foregoing instrument was signed in behalf of said H. C. Drew Estate by authority of its charter and bylaws, said Trustees, being the sole governing authority of the corporation, acknowledged said instrument to be the free act and deed of said corporation.

[Signature]  
NOTARY PUBLIC

STATE OF TEXAS :  
 :  
COUNTY OF Calhoun : ACKNOWLEDGMENT

On this 11th day of September, 2000, before me, Notary Public, personally came and appeared Jong Chen, to me personally known, who being by me duly sworn, did say that he is the Asst. Vice President of Neumin Production Company, and that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors and said Jong Chen acknowledged said instrument to be the free act and deed of said corporation.



Georgia H. Mikosh  
NOTARY PUBLIC

EXHIBIT "A"

Attached to that certain Oil and Gas Lease by and between H.C. DREW ESTATE, as Lessor, and Neumin Production Company, as Lessee, dated August 23, 2000

Calcasieu Parish, Louisiana  
Township 10 South - Range 11 West

Section 15: South Half of the Northwest Quarter of the Northeast Quarter (S/2 NW/4 NE/4);  
Southwest Quarter of the Northeast Quarter (SW/4 NE/4);  
North Half of the Northwest Quarter of the Southeast Quarter (N/2 NW/4 SE/4);  
North Half of the Northeast Quarter of the Southwest Quarter (N/2 NE/4 SW/4);  
Southeast Quarter of the Northwest Quarter (SE/4 NW/4);  
South Half of the Northeast Quarter of the Northwest Quarter (S/2 NE/4 NW/4);  
Southeast Quarter of the Northwest Quarter of the Northwest Quarter (SE/4 NW/4 NW/4);  
East Half of the Southwest Quarter of the Northwest Quarter (E/2 SW/4 NW/4);  
Northeast Quarter of the Northwest Quarter of the Southwest Quarter (NE/4 NW/4 SW/4);

LESS AND EXCEPT: That portion of the above describe lands comprising approximately 24.45 acres, more or less, situated within the geologic confines of the 7420' RA SUA established by Office of Conservation Order No. 921, effective January 1, 1974.

Leaving a balance of 175.55 acres, more or less.