Texas General Land Office
Commissioner Dawn Buckingham, M.D.
1700 North Congress Avenue
Austin, Texas 78711-2873

§ STATE OF TEXAS

§ COUNTY _____ DATE _____

NOTICE OF INTENT TO LEASE STATE RIGHT OF WAY

TO: Mineral Owner or Owner of Land Adjoining the Hereinafter Described State Right of Way

YOU ARE HEREBY GIVEN NOTICE of the State's intention to lease the oil and gas mineral rights underlying the State right of way owned by the State highlighted on the attached plat marked Exhibit "A."

You as a mineral owner of land adjoining said State right of way have a preferential right to acquire an oil and gas lease from the State (to the extent of your mineral interest in the adjoining land) to the center of the width of that portion of the State right of way adjoining your land upon the terms and conditions specified in the Act. If you share the mineral ownership of this adjoining land with other individuals, then your preferential right only allows you to lease a proportionate interest in the right of way.

Your preferential right must be exercised within 120 days of receipt of this notice of intent to lease. To exercise your preferential right, you must first apply in writing to lease the right of way. The School Land Board will use your application to determine the terms (including the bonus) of the lease you will be offered. Finally, you must, on or before the end of the 120-day period above stated, tender to the Commissioner of the General Land Office, Stephen F. Austin Building, 1700 North Congress, Austin, Texas, 78701, the bonus set by the School Land Board together with the statutory sales fee of 1-1/2% of the bonus. Failure to exercise your preferential right within the 120-day period will result in a waiver of your preferential right to lease the State right of way.

If you are interested in exercising your preferential right, contact Energy Resources at 512-463-5043 or email ER.Leasing@glo.texas.gov, upon receipt of this notice. Energy Resources can explain in detail your preferential right and the procedure you must follow to lease the above described State right of way tract.

If you wish to waive your right to preferentially lease within the 120-day period, you may do so by sending a notarized waiver to the General Land Office at the above address.