



NON-BINDING LETTER OF INTENT

www.greaterspringlake.org

The [greaterspringlake.org](http://www.greaterspringlake.org) ("Group") was formed from a group of neighborhood volunteers who shared a common concern regarding the leasing of minerals in the Greater Springlake area and who also had an interest in becoming more educated about the prospect of natural gas exploration so close to our homes. Through joining together with hundreds of our fellow homeowners in the Greater Springlake area, the goal is for each of us to negotiate the most beneficial mineral leases. We feel this includes provisions to protect the quality of life in our neighborhood, while maximizing the financial benefit. This goal, we believe, is best achieved by joining together.

In short, we are neighbors working for the benefit of one another. All of the volunteers, including professional services (legal, financial, geologists, etc...) and other industry consultants, all participate without compensation. Participation by anyone in this organized effort is completely non-binding and is merely an association of similarly situated neighbors volunteering to organize for the common benefit of all. Accordingly, by your participation, whether online or through your attendance at any organized meetings related to the Group, you agree that all volunteers shall be held harmless for their activities while working to elicit the most beneficial mineral lease offers for the mineral owners in our neighborhood. These volunteers do not have any authority to negotiate and/or reach agreements with any gas company, or any other party, for mineral leases relating to any minerals you own. Any lease proposals received by the Group would always be presented to the neighbors participating in the Group and each neighbor always reserves their right to execute leases that are different than the terms that the Group may believe is optimum. Any leases, however, should include a thorough discussion of important conditions, such as the calculation method of any bonus and royalty payments, primary and option lease terms, and neighborhood covenants or restrictions that involve noise, pollution, and other damages.

Your signature below does not obligate you to sign a lease as part of the Group. You are free to negotiate your own deal, if any, with any entity seeking to lease your mineral rights. However, the experience and advice of numerous oil and gas experts tends to reflect that patience, and the passage of time, may result in a more beneficial lease agreement for the mineral owner. There is generally "strength in numbers," particularly when negotiating with companies leasing mineral rights in the Haynesville Shale. Your signature below simply provides the Group valuable information with respect to your interest in leasing any of your mineral rights and further provides the Group with the expected increase in bargaining "strength", as the Group begins to receive expected offers from prospective gas companies and/or their affiliated agents. If you are not sure about wanting to participate, please discuss this matter with your family and/or trusted advisors, such as an attorney.

If this plan of action makes sense to you and you are agreeable to participate, please fill out the form below, sign, date, and turn it in to a designated volunteer or area. If you downloaded this form, you may fax it to 318-797-4330 or scan it to together@greaterspringlake.org.

POTENTIAL LESSOR *(Please Print)*

First Name: _____ Last name: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Email Address: _____

Homeowner Signature(s): _____

Yes, I will be willing to be a representative for neighbors *on my street* (**check the box**)

Interested in helping in other ways? Indicate on the backside or email us at icanhelp@greaterspringlake.org

Any emails, the website (www.greaterspringlake.org), or the organizational efforts of the neighborhood volunteers are purely a public resource of general information (intended, but not promised or guaranteed to be correct, complete, or up-to-date). It is not intended to be a source of legal advice, so please do not rely on information from the neighborhood volunteers in any emails, at the website, or from others in place of the advice of competent counsel. We recommend you hire an attorney should you have any questions regarding your legal rights or fair offerings for the leasing of your mineral rights. All information you provide will be held confidential and used only for the purpose stated above.

FREQUENTLY ASKED QUESTIONS

★ **What is www.greaterspringlake.org?**

The greaterspringlake.org (“Group”) formed from a group of neighborhood volunteers who shared a common concern regarding the leasing of minerals in the Greater Springlake area and who also had an interest to become more educated about the prospect of natural gas exploration so close to our homes.

★ **What geographic area is the Group comprised of?**

It is roughly bordered by East 70th Street, Bayou Pierre, Line Avenue, and the Inner Loop. Generally, if your neighborhood is commonly referred to as “Springlake”, whether or not you are actually in the “Springlake” subdivision, your neighborhood can be included as part of the Group.

★ **Is there a cost, or will there be any fees, by participating in the Group?**

No, all of the volunteers, including professional services (legal, financial, geologists, etc...) and other industry consultants, all participate without compensation. Folks wishing to contribute financially, to help offset the costs of printing, signs, and website services are asked to contribute directly to the Springlake-Pierremont Hills Homeowners Association, Attention: Dorothy Moore, 513 North Marlborough Circle, Shreveport, LA 71106.

★ **How about other properties not located within the geographic area of the Group?**

If you own property elsewhere, the gas companies may be interested to have you include that as part of any mineral lease agreement for your property located within the geographic area of the Group. This is a difficult question to answer, so you may need to consult with others to decide what is best for you in this situation.

★ **Have any of the gas companies made any offers to the Group?**

No. An important influence regarding any potential offers will be the size of the Group. This offers valuable convenience and efficiency to potential lessees and, often times, this value is reflected in the value of their offers. Any discussion opportunities with the gas companies will likely occur after the total number of participating neighbors is known.

★ **How much will I get?**

This is unknown and is dependent on the size of the Group, the location of your property, the world market, and numerous other, uncontrollable conditions. Generally, a bonus payment is paid at the time of any leasing to you, as the lessor, and this is based upon a negotiated, per-acre rate. Your property’s percentage of an acre determines the per-acre bonus funds you may receive.

★ **How about royalty payments?**

Royalty payments are based upon a percentage of a well’s income in a 640-acre unit. The royalty rate is negotiable. Royalties are NOT paid unless someone drills a well in a production unit which includes your land and the well produces oil or gas in quantities which are marketable. It may be years if and before any wells are drilled.

★ **Are lease and royalty revenues taxable income?**

Yes. At the federal and state levels, this income is taxable. Upfront bonus payments are taxable as ordinary income. Tax professionals recommend saving approximately 40% of any income resulting from the leasing of your mineral rights for tax payment purposes.

★ **How can I help?**

Communicate to your fellow neighbors, including those who are homebound or don’t have access to the internet. You can help by “spreading the word” and sharing with them the information you are reading now and asking if they may be interested in participating. Folks wishing to contribute financially, to help offset the costs of printing, signs, and website services are asked to contribute directly to the Springlake-Pierremont Hills Homeowners Association, Attn.: Dorothy Moore, 513 North Marlborough Circle, Shreveport, LA 71106.

★ **Are the Springlake-Pierremont Hills Homeowners Association and www.greaterspringlake.org the same?**

The revitalization of the Springlake-Pierremont Hills Homeowners Association has been a natural result of hundreds of neighbors joining together regarding the Haynesville Shale. However, the **Springlake-Pierremont Hills Homeowners Association** is a separate entity, maintains its own governing process, and has much broader goals with regard to preserve and enhance the unique beauty and natural character of the neighborhood. New developments regarding the revitalization of the **Springlake-Pierremont Hills Homeowners Association** will be forthcoming and, long after any mineral leases in our area have been executed, the website (www.greaterspringlake.org) will remain to serve as a “bulletin board” for our neighborhood.

★ **What about folks in the neighborhood who have already signed a mineral lease?**

There are numerous reasons folks may have elected to sign a mineral lease. Many may not have known about their neighbors coming together for the purpose of negotiating a mineral lease with interested lessees. The experience and advice of numerous oil and gas experts, tends to reflect that patience and the passage of time may result in a more beneficial lease agreement for the mineral owner.