

MINUTES

STATE MINERAL AND ENERGY BOARD

REGULAR MEETING AND LEASE SALE

APRIL 14, 2010

A Regular Meeting and Lease Sale of the State Mineral and Energy Board was held on Wednesday, April 14, 2010, beginning at 11:00 a.m. in the La Belle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana, subject to the call of the Governor and Ex-Officio Chairman.

Mr. W. Paul Segura, Jr., acting as Chairman in the absence of Chairman Scott A. Angelle, called the meeting to order. He then requested Mr. Louis Buatt, Acting Secretary to the State Mineral and Energy Board, to call the roll for the purpose of establishing a quorum.

W. Paul Segura, Jr., Vice-Chairman
Thomas L. Arnold, Jr.
Emile B. Cordaro
Bay E. Ingram
Robert "Michael" Morton
Thomas W. Sanders
Helen G. Smith

The following members of the Board were recorded as absent:

Scott A. Angelle, Chairman
John C. "Juba" Diez
Darryl D. Smith
Garret Graves (Governor Bobby Jindal's designee to the Board)

Mr. Buatt announced that seven (7) members of the Board were present and that a quorum was established.

Also recorded as present were:

Louis Buatt, Acting Assistant Secretary of the Office of Mineral Resources, and
Acting Secretary to the State Mineral and Energy Board
Victor Vaughn, Geologist Administrator-Geological & Engineering Division, and
Executive Officer to the State Mineral and Energy Board
Stacey Talley, Deputy Assistant Secretary of the Office of Mineral Resources
Frederick Heck, Director-Petroleum Lands Division
Rachel Newman, Director-Mineral Income Division
Emile Fontenot, Assistant Director-Petroleum Lands Division
Isaac Jackson, DNR General Counsel
Jackson Logan, Attorney General's Office

At this time, Mr. Segura nominated and made a motion to elect Scott Angelle as Chairman of the State Mineral and Energy Board. There being no other nominations, his motion was seconded by the entire Board and Mr. Angelle was elected Chairman by acclamation.

A motion was then made by Mr. Arnold and seconded by Mr. Ingram to nominate and elect Mr. Segura as Vice-Chairman of the Board. There being no other nominations, Mr. Segura was elected Vice-Chairman by acclamation.

The Chairman stated that the next order of business was the approval of the March 10, 2010 Minutes. A motion was made by Ms. Smith to adopt the Minutes as submitted by the Executive Officer of the State Mineral and Energy Board and to waive reading of same. Her motion was seconded by Mr. Sanders and unanimously adopted by the Board.

The Chairman then stated that the next order of business would be the adoption of the Committee recommendations. Upon motion of Mr. Arnold, seconded by Ms. Smith, the recommendations of the following respective Committees regarding their reports were unanimously adopted by resolutions of the Board.

Lease Review Committee
Nomination & Tract Committee
Audit Committee

The reports and resolutions are hereby attached and made a part of the Minutes by reference.

At this time, upon motion of Mr. Sanders, seconded by Ms. Smith, and unanimously adopted by the Board, the Board recessed at 11:06 a.m. in order to continue with the remaining committee meetings.

At 11:38 a.m., upon motion of Mr. Arnold, seconded by Mr. Sanders, and unanimously adopted by the Board, the Board reconvened its meeting.

The Chairman then stated that the next order of business would be the adoption of the remaining Committee recommendations. Upon motion of Mr. Arnold, seconded by Mr. Morton, the recommendations of the following respective Committees regarding their reports were unanimously adopted by resolutions of the Board.

Legal & Title Controversy Committee
Docket Review Committee

The reports and resolutions are hereby attached and made a part of the Minutes by reference.

The Chairman then announced that the Board would recess its regular meeting at 11:39 a.m. and go into executive session for technical briefing in order to consider matters before the Board which were confidential in nature. A motion was made by Mr. Arnold, seconded by Mr. Sanders, and unanimously adopted by the Board.

During the technical briefing, the Board conferred with staff personnel concerning the merit of the bids that were submitted and opened earlier today at a public meeting*, based on geological, engineering and other confidential data and analyses available to the Board and staff, after which, upon motion of Mr. Sanders, seconded by Mr. Arnold, and unanimously adopted by the Board, the Board reconvened in open session at 11:55 a.m.

*The Minutes of the Opening of the Bids meeting are hereby attached and made a part of the Minutes by reference.

The Chairman then stated that the next order of business was the awarding of the leases. Based upon recommendations announced by Mr. Victor Vaughn, the following action was then taken by the Board. Leases awarded were conditioned on tract descriptions being accurate, overlapped prior leases being subtracted from acreage bid on, acreage amount being verified and agreed between bidder and State and portion bids verified as being located within advertised boundary of tracts.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to reject the bid on Tract 41354 for insufficient consideration and to re-advertise the tract with minimums.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 41355 to Merlin Oil & Gas, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 41356 to Axis Onshore, LP.

Mr. Arnold made a motion to award a lease on Tract 41357 to Basin Properties, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Mr. Arnold made a motion to award a lease on Tract 41358 to Basin Properties, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Mr. Arnold made a motion to award a lease on Tract 41359 to Basin Properties, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

A motion was made by Mr. Arnold to award a lease on Tract 41360 to Basin Properties, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

A motion was made by Mr. Arnold to award a lease on Tract 41361 to Basin Properties, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

A motion was made by Mr. Arnold to award a lease on Tract 41362 to Basin Properties, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 41363 to Basin Properties, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 41364 to Kilrush Oil, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to reject the bid on Tract 41365 for insufficient consideration and to re-advertise the tract with minimums.

Mr. Arnold made a motion to award a lease on a portion of Tract 41366, said portion being 414.79 acres more particularly described in said bid and outlined on accompanying plat, to El Paso E&P Company, L.P. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Mr. Arnold made a motion to award a lease on a portion of Tract 41371, said portion being 407.43 acres more particularly described in said bid and outlined on accompanying plat, to El Paso E&P Company, L.P. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Mr. Arnold made a motion to award a lease on a portion of Tract 41372, said portion being 18.9 acres more particularly described in said bid and outlined on accompanying plat, to El Paso E&P Company, L.P. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

A motion was made by Mr. Arnold to award a lease on Tract 41381 to Classic Petroleum, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

A motion was made by Mr. Arnold to award a lease on Tract 41382 to Classic Petroleum, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

A motion was made by Mr. Arnold to award a lease on Tract 41383 to Classic Petroleum, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 41385 to Classic Petroleum, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 41386 to Questar Exploration and Production Company.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 41387 to Classic Petroleum, Inc.

Mr. Arnold made a motion to award a lease on Tract 41388 to Classic Petroleum, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Mr. Arnold made a motion to award a lease on Tract 41389 to Classic Petroleum, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Mr. Arnold made a motion to award a lease on Tract 41390 to Questar Exploration and Production Company. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

A motion was made by Mr. Arnold to award a lease on Tract 41391 to Classic Petroleum, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

A motion was made by Mr. Arnold to award a lease on Tract 41392 to Questar Exploration and Production Company. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

A motion was made by Mr. Arnold to award a lease on Tract 41393 to Classic Petroleum, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 41394 to Questar Exploration and Production Company. It was noted that the annual rental bid by Questar was not half of the cash bonus and the lease is granted with the annual rental being at least half of the bonus paid.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 41395 to Classic Petroleum, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 41396 to Texas Petroleum Investment Company.

Mr. Arnold made a motion to award a lease on Tract 41397 to SunCoast Land Services, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Mr. Arnold made a motion to award a lease on Tract 41398 to SunCoast Land Services, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Mr. Arnold made a motion to award a lease on Tract 41399 to Basin Properties, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

A motion was made by Mr. Arnold to award a lease on Tract 41400 to Basin Properties, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

A motion was made by Mr. Arnold to award a lease on Tract 41401 to Basin Properties, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

A motion was made by Mr. Arnold to award a lease on Tract 41402 to Basin Properties, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 41403 to Basin Properties, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 41404 to Basin Properties, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 41405 to Basin Properties, Inc.

Mr. Arnold made a motion to award a lease on Tract 41406 to Basin Properties, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Mr. Arnold made a motion to award a lease on Tract 41407 to Basin Properties, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Mr. Arnold made a motion to award a lease on Tract 41408 to Basin Properties, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

A motion was made by Mr. Arnold to award a lease on Tract 41409 to Basin Properties, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

A motion was made by Mr. Arnold to award a lease on Tract 41410 to Basin Properties, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

A motion was made by Mr. Arnold to award a lease on Tract 41411 to Basin Properties, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 41412 to Basin Properties, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 41413 to Basin Properties, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 41414 to Basin Properties, Inc.

Mr. Arnold made a motion to award a lease on Tract 41415 to Basin Properties, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Mr. Arnold made a motion to award a lease on Tract 41416 to Basin Properties, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

This concluded the awarding of the leases.

At this time, Mr. Segura offered and read into the record the attached resolution in recognition of Ms. Monique Edwards and her service to the State Mineral and Energy Board as well as the Office of Mineral Resources and Department of Natural Resources. His motion was unanimously seconded by the entire Board.

Ms. Edwards came forward for the presentation of the resolution and stated that "at this moment, I am speechless and truly humbled."

Mr. Segura again thanked Ms. Edwards not only for her service but also her friendship.

The Chairman then stated that the next item on the agenda was a DRAFT Resolution being presented to the Board for their consideration regarding new incentives for south Louisiana exploration. The following discussion took place:

Mr. Buatt: I want to apologize on behalf of Secretary Angelle. He was intending to be here to have a discussion on this straw man of a resolution that picks up on the presentation that he made during the last Mineral Board meeting whereby he provided information to you all with regard to the activities of oil and gas exploration and production in Louisiana with regard to mineral income on state owned properties. He discussed the various trends, if you remember, and one of the things ... Getting to the brass tacks from the presentation he made last month, south Louisiana is anemic. The state of Louisiana is owner of land and minerals. Its property is primarily located in south Louisiana and within the coastal zone. In order to spur additional activity and in order to increase mineral income to the State, we had a discussion with the Board last time about what are some of the things we can do. The purpose of this straw man is just simply that it is a straw man. It is not intended that we act upon this today. It is to initiate discussion on what the Board may want to do. The Board, in the past, has provided tremendous leadership that has resulted in substantial mineral income coming into this State. Times are difficult. We are in significant budget deficits. The upcoming fiscal years do not look very good. It is encumbered on us, if we can generate some additional revenues, to ease that pain, to provide for the welfare of the citizens, then that is some leadership that Secretary Angelle believes that this Board should follow. He wants to have a discussion, a rapport, with you all, and come to ultimately finalize a resolution that this Board would deem appropriate under the circumstances to generate additional mineral income for the state of Louisiana.

So, when you look at this straw man we have included, and the staff has done a fantastic job in putting this together ... Of course, oil and gas exploration is essential to the growth of this state. We need to have continued development. The continued development will result in significantly stimulating the economy in Louisiana. When you look at the forecast in budget deficits, we are approximately at a \$1.3 billion deficit for 2010-2011. Also, we have to consider there is severance tax and royalty. Twenty percent (20%) of the severance tax up to \$850,000 goes to our parishes. Ten percent (10%) of that royalty goes to

parishes. For the most part, other than the parishes up in north Louisiana and participating in Haynesville Shale, our local governments are suffering from budget deficits. You look at the five fiscal years for mineral income to parishes, you are looking at \$438,004,960. One thing that is interesting and Secretary Angelle hit on this when he made the presentation, the whole investment dynamic in Louisiana with regard to development of mineral resources has changed. It has changed with regard to the resource plays in this country. He went through some of those pros and cons of participating in the Haynesville Shale and there are definitely some pros with regard ... And it is those pros that have made those plays very attractive apparently for investors. A lot of the investment money is going into these resource plays, into the Haynesville Shale type of developments. When you have as many rigs as there are up in north Louisiana and you have yet to hit a dry hole and when you produce you produce at a fairly rapid rate and you are able to recoup your investment, the folks on Wall Street, they like that. So, consequently, the investment dynamic is completely different than it was five, ten years ago. So, do we need to do something considering the situation that the state is in considering the difference in the investment dynamics to generate additional mineral income for the state of Louisiana that will result in easing the burden on education, healthcare, public safety. That is what this resolution is about. It is to initiate discussion and debate that will ultimately result in a policy that this Board would issue via resolution to seek to enhance the mineral income to the state of Louisiana.

So, what we have right now in getting to the meat of this straw man of a resolution, it would provide some royalty relief. It first looks at wells that would be between 15,000 and 20,000 feet. It would start off where the Board would be willing in the coastal zone to accept initial royalty of 1/6th of production until 5 Bcfe of gas would be produced and then it would go to 18.75% royalty for remainder of 3-year royalty relief period. Wells on the inland tracts that are spudded and drilled at least to 20,000 feet, the primary term could be extended by the Board for five years. For wells that have obtained production in paying quantities below 20,000 feet, the Board would indicate a willingness to accept royalties of 12.5% for first production until 5 Bcfe of gas and then 18.75% of royalty for the remainder of a 5-year royalty relief period. Then it would go to the normal lease royalty for the remainder of the lease term. Also, for wells drilled to 25,000 feet or greater during the primary term, the primary term may be extended an additional two years. This allows the bidders who desire to take advantage of royalty relief incentive to apply for the above stated terms in the "Additional Consideration" space on the bid form. Also, offers other terms other than those that are stated in the resolution. The Board would still be able to accept (word unclear) terms most advantageous to the State under this resolution. We've also provided some additional information for your consideration. I won't go through all of that here but the information is in your packets. We've laid out a notice to lessees and operators on federal oil and gas leases on the OCS where the feds are providing some royalty relief. We've provided some statistics. All of these are statistics that Secretary Angelle discussed with you during our last meeting except for perhaps maybe the income to the parishes. I'm thinking perhaps we did not present that information during the last Board meeting. It would be anticipated that over the next 30-60 days or so, we would have discussion at subsequent Board meetings prior to there being a motion to adopt a resolution. This is just the start of the process. We want to get information from the folks who may be interested in participating, get some of their thoughts and ideas. We have a target - now we need to hone in.

Vice-Chairman Segura: Did you note, too, that as we discussed earlier that this proposal is only to last for 3 years and then can be ...

Mr. Buatt: Correct. When discussing this with staff ... Certainly the economic conditions of the state can change both with our efforts to cut spending, with our efforts to generate revenues by stimulating the economy and other matters. Also, commodity prices can change. So, there is a limited amount of ...

The further you go out you get into too many unknowns. The balance here is you have to make a long enough commitment for folks to put up the investment dollars to obtain the leases, do the seismic and then move forward to produce those leases. So, the balance at this point based on the discussion and information we had was a 3-year term of this resolution.

Vice-Chairman Segura: Does anyone have any questions or discussion? If not ... No, we just wanted to present it today and we will talk about it some more and possibly adopt it in the future.

Mr. Buatt: This is not a proposed legislative resolution. This will be a Board resolution only and what this resolution would be doing is signaling ... Historically, this Board has not accepted bids for 12.5% royalty. Because of the dynamics that we discussed earlier, what this resolution would do is signal a change with regard to bids in the coastal zone due to these circumstances. If anyone has any questions, I would be happy to answer them. If after looking over some of this information, please give me a holler. I'd love to talk with you all more about this.

Vice-Chairman Segura: There is a specific area that is designated as the coastal zone already?

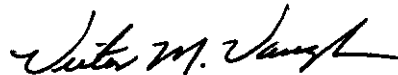
Mr. Buatt: Yes, sir. That is correct. We will post the DRAFT resolution on the web site. We did not want to post prior to presenting to the Board. **(DRAFT resolution is hereby attached and made a part of the Minutes by reference.)**

For the record, no one came forward for public comment.

Mr. Buatt stated that today's Lease Sale results came to \$3,471,860.47 in cash payments. Fiscal year-to-date 2009/2010 cash payments totaled \$53,523,539.37.

The Chairman then stated there being no further business to come before the Board, upon motion of Mr. Arnold, seconded by Mr. Ingram, the meeting was adjourned at 12:15 p.m.

Respectfully submitted,



Victor M. Vaughn
Executive Officer
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

ON MOTION OF Mr. Segura, duly seconded by The Entire Board, the following RESOLUTION was proposed and unanimously adopted, to-wit:

WHEREAS, MONIQUE M. EDWARDS, a graduate of S. Mary's Dominican College and Southern University Law Center, began her service in the Department of Natural Resources with her appointment as its Executive Counsel effective July 1, 2004; and

WHEREAS, Ms. Edwards served with honor, distinction and perspicacity in that position advising the Secretary, Scott Angelle, regarding matters of policy and administration, and acting as primary Legislative Liaison with the Louisiana State Legislature; most notably as a primary developer and mover of Act 312 providing a procedural scheme for environmental cleanup of oilfield sites in Louisiana; and

WHEREAS, Ms. Edwards accepted the appointment of Assistant Secretary of the Office of Mineral Resources, a division of the Department of Natural Resources, by Governor Bobby Jindal on June 25, 2009, and was confirmed in that position by the Louisiana State Legislature; and

WHEREAS, during her all-to-brief tenure as Assistant Secretary, and as Secretary to the Louisiana State Mineral and Energy Board by virtue of that position, **Ms. Edwards** exhibited great insight into the workings of the Board in its capacity as the primary vehicle for mineral leasing of lands belonging to the State of Louisiana or title to which is in the public domain, and the Office of Mineral Resources as the agency which administers those leases, and further exhibiting tireless initiative in striving to make service by the Office to the public clientele more comprehensive, efficient and informative; and

WHEREAS, utilizing her intimate knowledge of the workings of the Louisiana State Legislature and her earned respect from the members of that august body, **Ms. Edwards** was instrumental in seeing that legislation beneficial to the State of Louisiana and its constituency, as well as the Department of Natural Resources, was proposed, filed, shepherded, enacted and signed into law such that the citizens of Louisiana will continue to reap the benefits; and

WHEREAS, at all times and in all situations **Ms. Edwards** conducted her relations with legislative members, employees of the Department of Natural Resources and the Office of Mineral Resources, other State agencies, representatives of industries doing business in the State of Louisiana, state and national leaders and, first and foremost, the public clientele with dignity of demeanor, integrity of character, depth of wisdom, a principled ethic and a graciousness of manner which has served to commend her person as one of highest regards and esteemed value to the State of Louisiana.

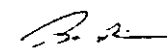
NOW THEREFORE, BE IT RESOLVED that the Louisiana State Mineral and Energy Board, and each and every member thereof, does herein and hereby desire to express its deep and abiding appreciation for the effort expended by **MONIQUE M. EDWARDS** in her desire to fulfill the service required by the position of Assistant Secretary of the Office of Mineral Resources and its dependant position of Secretary of the Louisiana State Mineral and Energy Board, and to thank her for rising so selflessly to rigors entailed therein.

BE IT FURTHER RESOLVED, that the State of Louisiana is indebted to **MONIQUE M. EDWARDS** for the benefits it has reaped, and will continue to reap, from her tireless devotion to the duties and obligations inherent in government service.

THANK YOU MONIQUE.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Louisiana State Mineral and Energy Board and is now in full force and effect.



Louisiana State Mineral and Energy Board

ON MOTION OF _____, duly seconded by _____,
the following resolution was adopted by the Louisiana State Mineral and Energy Board,
to-wit:

WHEREAS, the state of Louisiana has a strong and vital interest in developing its natural resources for the benefit of its citizens; and

WHEREAS, Louisiana Revised Statute 30:129 requires the State Mineral and Energy Board, hereinafter referred to as the “board”, to take all appropriate action to assure that undeveloped or nonproducing state lands and water bottoms are reasonably and prudently explored, developed, and produced for the public good; and

WHEREAS, pursuant to Louisiana Revised Statute 30:129, the board is the body designate to award and administer mineral leases on lands and water bottoms belonging to the State or the title to which is in the public trust; and

WHEREAS, the board recognizes that it is essential to continue the growth and development of the mineral resources of the state of Louisiana in order to ensure the continued prosperity and welfare of the people of the state; and

WHEREAS, the board understands that the continued development of the mineral resources of the state of Louisiana has a significant stimulating effect on the economy of Louisiana, will create good jobs and increase the personal income to Louisiana families, will increase spending in communities throughout the state and help grow local economies, will increase the collection of taxes levied on income and ad valorem taxes levied on property and money derived from service and other secondary industries related to the oil and gas industry; and

WHEREAS, the board recognizes the state of Louisiana faces a forecasted budget deficit of approximately one point three (1.3) billion dollar for the 2010-11 fiscal year and that income generated from oil and gas exploration and production is vital to the state in order to provide funds each year for colleges and university, education, health-care programs for the poor and other state services; and

WHEREAS, Article VII, §4(D) of the 1974 Louisiana Constitution requires that twenty (20) percent of severance taxes, up to eight hundred fifty thousand dollars (\$850,000), be remitted to the parish in which the severance or production occurs; and

WHEREAS, Article VII, §4(E) of the 1974 Louisiana Constitution requires that ten (10) percent of royalties collected be remitted to the parish in which severance or production occurs; and

WHEREAS, the board recognizes the great impact on parish government tax revenues attributable to oil and gas exploration and extraction which are generated as a result of drilling and extraction activities in Louisiana; and

WHEREAS, for the five fiscal years which ended June 30, 2009, state mineral income from royalty and severance taxes distributed to the parishes totaled \$438,004,960; and

WHEREAS, the board recognizes that oil and gas exploration and production related activity, except for the Haynesville Shale, has significantly declined in the rest of Louisiana over the past several years; and

WHEREAS, the board recognizes that the discovery of the Shale Resource Plays have significantly altered the investment dynamic of oil and gas exploration activity in the state of Louisiana by shifting the majority of new well development to the northwestern part of the state. The board attaches importance to the facts that the shale is found at depths of 10,000 to 14,000 feet, that there has been an increase in the number of operating rigs in northwestern part of the state while the rig count in coastal Louisiana has decline, no dry hole has been drilled in the Haynesville Shale Play and that well and exploration companies are rapidly recovering their cost of drilling and completing each well in the Haynesville Shale Play; and

WHEREAS, the board recognizes that the data from Baker Hughes and the Louisiana Department of Conservation indicates that as of April 1, 2010, there are one hundred forty two (142) operating rigs in northwestern Louisiana compare to only thirty five (35) operating rigs in the southern part of Louisiana; and

WHEREAS, the board recognizes that the majority of the lands owned by the state of Louisiana in which it has the majority of its mineral interest are located in the coastal zone; and

WHEREAS, the board recognizes that Louisiana can serve as a national leader for the development of deep oil and gas exploration because the state has a highly-skilled and productive workforce, a hospitable business climate, and has a great heritage of oil and gas development; and

WHEREAS, the board is desirous of attracting to and keeping in Louisiana those companies capable of and engaged in the type of deep and ultra-deep drilling necessary to reach and produce from the remaining significant hydrocarbon reservoirs in Louisiana; and

WHEREAS, the board acknowledges that in South Louisiana, that out of the thirty five (35) active drilling rigs, seventeen (17) are located on land, fifteen (15) are located on inland waters and three (3) are located on offshore waters; and

WHEREAS, the board recognizes that through its aggressive management, the average royalty per acre in offshore Louisiana has been between twenty one and seven tenths (21.7) and twenty four and five tenths (24.5) percent which surpasses the minimum royalty required by Louisiana Revised Statute 30:127 of one-eighth on all oil and gas produced; and

WHEREAS, Senate Concurrent Resolution No. 146, passed by the legislature of the State of Louisiana during the 2009 regular session, requested the board to consider adopting policies which encourages the development of wells drilled to a depth of at least fifteen thousand feet true vertical depth from the surface;

WHEREAS, the board is aware of the fact that a majority of the shallow hydrocarbon production in Louisiana has been garnered in the past and that the bulk of future production may necessitate deeper drilling; and

WHEREAS, the board recognizes that it is more difficult to a drill deep well, the drilling cost of a well increases significantly with the depth of the well, and that the oil and gas exploration, development and production company bear a greater financial risk in drilling deep wells; and

WHEREAS, the board believes that financial relief made available to such companies to offset those increased costs of drilling and production, such as royalty relief, may be one means of rendering Louisiana more appealing to engage in drilling deep wells.

NOW, THEREFORE, BE IT RESOLVED, that the Louisiana State Mineral and Energy Board, in consideration of Senate Concurrent Resolution No. 146 and other factors set forth hereinabove and in order to provide an economic incentive to allow producers to invest in drilling wells in south Louisiana and in drilling wells to depths greater than a true vertical depth (TVD) of twenty thousand (20,000) feet, hereinafter referred to as "deep well", does herein and hereby acknowledge that in order to promote the leasing of state owned lands in the Louisiana Coastal Zone and deep well drilling to the ultimate benefit to the state of Louisiana, it will provide a royalty relief incentive for any new lease granted in the Louisiana Coastal Zone which drills a well between 15,000 to 20,000 feet (TVD) and which has obtained production in paying quantities from these depths and for any new deep well drilled within the Coastal Zone and which has obtained production in paying quantities from below 20,000 feet (TVD). The board directs the office of mineral resources to provide a royalty relief incentive for a period of three (3) years from the signing of this resolution. The royalty relief incentive may be extended beyond the three year period by the board through the adoption of a new resolution. In order to accomplish the purpose set forth above, the office of mineral resources shall include as a addendum to the royalty payment provisions of any future mineral lease granted in the Coastal Zone and for any new deep well drilled after the adoption of this resolution, for a period of three (3) years, the following royalty relief incentives:

- 1.) For any new inland lease granted in Louisiana Coastal Zone after the adoption of this resolution, for which a well is drilled during the term of the Lease, to a true vertical depth (TVD) of 15,000 to 20,000 feet, a royalty relief period shall commenced on the date of first production and shall terminate three (3) years after this date or when the well stops production in paying quantities from these depths. During this royalty

relief period, the minimum acceptable royalty rate shall be set as defined below:

- a. The initial royalty relief will be at a rate of one-sixth until the production volume has reached a volume of 5 Bcfe (billion cubic feet equivalent) of Gas utilizing any method of production in the field. The production volume limit shall consist of the total number of barrels of oil (including condensate) produced plus the volume of gas (including casinghead gas) produced. The barrels of oil shall be converted to a gas equivalent utilizing a conversion factor of 1 barrel of oil per 5.8 Mcfe (thousand cubic feet equivalent) at 15.025 psia;
 - b. The secondary royalty relief will be at rate of 18.75% for the remainder of the 3 year royalty relief period;
 - c. At the end of the royalty relief period the royalty rate will be the lease royalty for the remainder of the lease term.
- 2.) If during the primary term of a lease for any inland tract a well is spud and drilled to a true vertical depth (TVD) of 20,000 feet or greater (Deep Well), the primary term may be extended to 5 years (Extended Primary Term) upon recognition by Board resolution.
- 3.) For any well drilled during the term of this lease, and completed at a TVD depth of 20,000' or greater, a royalty relief period will commence on the date of first production and terminate 5 years after this date. During this royalty relief period the royalty rate shall be set as defined below,
- a. The initial royalty relief will be at a rate of 12.5% until the production volume has reached 5 Bcfe (billion cubic feet equivalent) of Gas for the Deep Well utilizing any method of production in the field. The production volume limit shall consist of the total number of barrels of oil (including condensate) produced plus the volume of gas (including casinghead gas) produced. The barrels of oil shall be converted to a gas equivalent utilizing a conversion factor of 1 barrel of oil per 5.8 Mcfe (thousand cubic feet equivalent) at 15.025 psia;
 - b. The secondary royalty relief will be at rate of 18.75% for the remainder of the 5 year royalty relief period for the Deep Well,
 - c. At the end of the royalty relief period the royalty rate will be the lease royalty for the remainder of the lease term.

- 4.) If a well is drilled to a TVD of 25,000' or greater (Ultra Deep Well) during the primary term or extended primary term, the lease may be extended an additional 2 years upon recognition by Board resolution.

Any deep well royalty relief incentive shall only take effect when the lessee awarded the state mineral lease establishes a drilling or production unit for each particular sand, zone or formation with the Commissioner of Conservation and the deep well qualifies for the royalty relief.

Any prospective lease holder may submit a bid for a mineral lease which proffers Additional Consideration than those stated above. The board shall accept the bid most advantageous to the state and may lease upon whatever terms it considers proper.

Any prospective lease holder desiring to take advantage of the royalty relief incentive policy should do so through the regular competitive royalty bid form in the space set aside for Additional Consideration on said bid form.

To take advantage of the royalty relief incentives as set forth above, the prospective lease holder shall agree to further compensate for the adverse impacts to coastal wetlands in an amount equal to at least one hundred twenty-five percent (125%) of the habitat value of the affected wetlands, calculated in accordance with an evaluation method adopted by the Department of Natural Resources.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the ____ day of _____, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

Secretary
State Mineral and Energy Board

THE FOLLOWING BID OPENING MEETING REPORT,
COMMITTEE REPORTS AND RESOLUTIONS
WERE MADE A PART OF THE APRIL 14, 2010 MINUTES
BY REFERENCE

A public meeting for the purpose of opening sealed bids was held on Wednesday, April 14, 2010, beginning at 8:30 a.m. in the La Belle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana.

Recorded as present were:

Thomas L. Arnold, Jr., Mineral and Energy Board member
Emile B. Cordaro, Mineral and Energy Board member
Thomas W. Sanders, Mineral and Energy Board member
Louis Buatt, Acting Assistant Secretary of the Office of Mineral Resources, and
Acting Secretary to the State Mineral and Energy Board
Victor Vaughn, Geologist Administrator-Geological & Engineering Division, and
Executive Officer to the State Mineral and Energy Board
Stacey Talley, Deputy Assistant Secretary of the Office of Mineral Resources
Frederick Heck, Director-Petroleum Lands Division
Rachel Newman, Director-Mineral Income Division
Emile Fontenot, Assistant Director-Petroleum Lands Division

Mr. Victor Vaughn, at the request of Acting Secretary Louis Buatt, presided over the meeting. He then read the letter of notification certifying the legal sufficiency of the advertisement of tracts which had been published for lease by the Board at today's sale. Mr. Vaughn read the letter as follows:

April 14, 2010

TO: MEMBERS OF THE STATE MINERAL AND ENERGY BOARD AND
REPRESENTATIVES OF THE OIL AND GAS INDUSTRY

Gentlemen:

Certified proofs of publication have been received in the Office of Mineral Resources on behalf of the State Mineral and Energy Board for the State of Louisiana from the "Advocate," official journal for the State of Louisiana, and from the respective parish journals as evidence that Tract Nos. 41354 through 41416 have been advertised in accordance with and under the provisions of Chapter 2, Title 30 of the Revised Statutes of 1950, as amended.

Yours very truly,

(Original signed)

Louis Buatt
Acting Secretary

For the record, there were no letters of protest received for today's Lease Sale.

For the record, there were no tracts to be withdrawn from today's Lease Sale.

The following bids were then opened and read aloud to the assembled public by Mr. Emile Fontenot.

INLAND TRACTS

Tract 41354

Bidder	:	Gemini Explorations, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$26,600.00
Annual Rental	:	\$13,300.00
Royalties	:	12.50% on oil and gas
	:	12.50% on other minerals
Additional Consideration	:	None

Tract 41355

Bidder	:	Merlin Oil & Gas, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$477,072.00
Annual Rental	:	\$238,536.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41355

Bidder	:	Matador Resources Company
Primary Term	:	Three (3) years
Cash Payment	:	\$374,736.00
Annual Rental	:	\$187,368.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41355

Bidder	:	Petrohawk Properties, LP
Primary Term	:	Three (3) years
Cash Payment	:	\$240,168.00
Annual Rental	:	\$120,084.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41355

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$230,112.00
Annual Rental	:	\$115,056.00
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41356

Bidder	:	Axis Onshore, LP
Primary Term	:	Two (2) years
Cash Payment	:	\$4,275.00
Annual Rental	:	\$2,137.50
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 41357

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$22,917.04
Annual Rental	:	\$11,458.52
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41358

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$60,609.54
Annual Rental	:	\$30,304.77
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41359

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$27,440.14
Annual Rental	:	\$13,720.07
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41360

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$83,757.18
Annual Rental	:	\$41,878.59
Royalties	:	25.0% on oil and gas
	:	25.0% on other minerals
Additional Consideration	:	None

Tract 41361

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$14,699.38
Annual Rental	:	\$7,349.69
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41362

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$27,833.36
Annual Rental	:	\$13,916.68
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41363

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$10,456.26
Annual Rental	:	\$5,228.13
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41364

Bidder	:	Kilrush Oil, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$4,800.00
Annual Rental	:	\$2,400.00
Royalties	:	1/4th on oil and gas
	:	1/4th on other minerals
Additional Consideration	:	None

Tract 41365
(Portion - 24.0 acres)

Bidder	:	Davis Petroleum Corp.
Primary Term	:	Three (3) years
Cash Payment	:	\$14,400.00
Annual Rental	:	\$14,400.00
Royalties	:	20.5% on oil and gas
	:	20.5% on other minerals
Additional Consideration	:	None

Tract 41366
(Portion - 414.79 acres)

Bidder	:	El Paso E&P Company, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$208,759.66
Annual Rental	:	\$104,379.83
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41367

No Bids

Tract 41368

No Bids

Tract 41369

No Bids

Tract 41370

No Bids

Tract 41371
(Portion - 407.43 acres)

Bidder	:	El Paso E&P Company, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$205,821.42
Annual Rental	:	\$102,910.71
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

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Tract 41372
(Portion - 18.9 acres)

Bidder	:	El Paso E&P Company, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$9,481.94
Annual Rental	:	\$4,740.97
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41373

No Bids

Tract 41374

No Bids

Tract 41375

No Bids

Tract 41376

No Bids

Tract 41377

No Bids

Tract 41378

No Bids

Tract 41379

No Bids

STATE AGENCY TRACTS

Tract 41380

No Bids

Tract 41381

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$56,378.07
Annual Rental	:	\$28,189.04
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41382

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$463,755.98
Annual Rental	:	\$231,877.99
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41383

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$834,984.14
Annual Rental	:	\$417,492.07
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41384

No Bids

Tract 41385

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$371,926.20
Annual Rental	:	\$185,963.10
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41385

Bidder	:	Questar Exploration and Production Company
Primary Term	:	Three (3) years
Cash Payment	:	\$260,337.60
Annual Rental	:	\$130,168.80
Royalties	:	25% on oil and gas 25% on other minerals
Additional Consideration	:	None

Tract 41386

Bidder	:	Questar Exploration and Production Company
Primary Term	:	Three (3) years
Cash Payment	:	\$2,065.25
Annual Rental	:	\$1,032.62
Royalties	:	25% on oil and gas 25% on other minerals
Additional Consideration	:	None

Tract 41386

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$1,457.77
Annual Rental	:	\$728.89
Royalties	:	25.00% on oil and gas 25.00% on other minerals
Additional Consideration	:	None

Tract 41387

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$137,625.08
Annual Rental	:	\$68,812.54
Royalties	:	25.00% on oil and gas 25.00% on other minerals
Additional Consideration	:	None

Tract 41387

Bidder	:	Questar Exploration and Production Company
Primary Term	:	Three (3) years
Cash Payment	:	\$130,059.72
Annual Rental	:	\$65,029.86
Royalties	:	25% on oil and gas 25% on other minerals
Additional Consideration	:	None

Tract 41388

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$12,042.76
Annual Rental	:	\$6,021.38
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41388

Bidder	:	Questar Exploration and Production Company
Primary Term	:	Three (3) years
Cash Payment	:	\$10,762.56
Annual Rental	:	\$5,381.28
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41389

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$89,262.89
Annual Rental	:	\$44,631.45
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41389

Bidder	:	Questar Exploration and Production Company
Primary Term	:	Three (3) years
Cash Payment	:	\$79,773.84
Annual Rental	:	\$39,886.92
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41390

Bidder	:	Questar Exploration and Production Company
Primary Term	:	Three (3) years
Cash Payment	:	\$52,503.84
Annual Rental	:	\$26,251.92
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41390

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$48,337.90
Annual Rental	:	\$24,168.95
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41391

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$19,166.85
Annual Rental	:	\$9,583.43
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41391

Bidder	:	Questar Exploration and Production Company
Primary Term	:	Three (3) years
Cash Payment	:	\$16,216.56
Annual Rental	:	\$8,108.28
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41392

Bidder	:	Questar Exploration and Production Company
Primary Term	:	Three (3) years
Cash Payment	:	\$8,871.84
Annual Rental	:	\$4,435.92
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41392

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$6,262.26
Annual Rental	:	\$3,131.13
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41393

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$8,680.95
Annual Rental	:	\$4,340.48
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41393

Bidder	:	Questar Exploration and Production Company
Primary Term	:	Three (3) years
Cash Payment	:	\$7,344.72
Annual Rental	:	\$3,672.36
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41394

Bidder	:	Questar Exploration and Production Company
Primary Term	:	Three (3) years
Cash Payment	:	\$75,483.36
Annual Rental	:	\$25,161.12
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41394

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$53,280.54
Annual Rental	:	\$26,640.27
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41395

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$10,314.00
Annual Rental	:	\$5,157.00
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41395

Bidder	:	Questar Exploration and Production Company
Primary Term	:	Three (3) years
Cash Payment	:	\$8,726.40
Annual Rental	:	\$4,363.20
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41396

Bidder	:	Texas Petroleum Investment Company
Primary Term	:	Three (3) years
Cash Payment	:	\$1,862.42
Annual Rental	:	\$931.21
Royalties	:	23% on oil and gas
	:	23% on other minerals
Additional Consideration	:	None

Tract 41397

Bidder	:	SunCoast Land Services, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$4,800.00
Annual Rental	:	\$2,400.00
Royalties	:	26% on oil and gas
	:	26% on other minerals
Additional Consideration	:	None

Tract 41398

Bidder	:	SunCoast Land Services, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$11,200.00
Annual Rental	:	\$5,600.00
Royalties	:	26% on oil and gas
	:	26% on other minerals
Additional Consideration	:	None

TAX ADJUDICATED LANDS TRACTS

Tract 41399

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$6,030.80
Annual Rental	:	\$3,015.40
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41400

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$24,123.20
Annual Rental	:	\$12,061.60
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41401

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$3,015.40
Annual Rental	:	\$1,507.70
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41402

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$3,618.48
Annual Rental	:	\$1,809.24
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41403

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$12,061.60
Annual Rental	:	\$6,030.80
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41404

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$3,015.40
Annual Rental	:	\$1,507.70
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41405

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$6,030.80
Annual Rental	:	\$3,015.40
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41406

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$5,578.49
Annual Rental	:	\$2,789.25
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41407

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$6,030.80
Annual Rental	:	\$3,015.40
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41408

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$12,061.60
Annual Rental	:	\$6,030.80
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41409

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$12,061.60
Annual Rental	:	\$6,030.80
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41410

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$6,030.80
Annual Rental	:	\$3,015.40
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41411

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$20,061.60
Annual Rental	:	\$10,030.80
Royalties	:	25.0% on oil and gas
	:	25.0% on other minerals
Additional Consideration	:	None

Tract 41412

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$3,030.80
Annual Rental	:	\$1,515.40
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41413

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$3,015.40
Annual Rental	:	\$1,507.70
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41414

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$3,015.40
Annual Rental	:	\$1,507.70
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

VACANT STATE LAND TRACTS

Tract 41415

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$12,170.15
Annual Rental	:	\$6,085.08
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41416

Bidder	:	Basin Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$12,061.60
Annual Rental	:	\$6,030.80
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

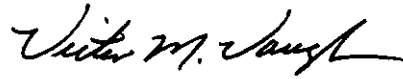
This concluded the reading of the bids.

April 14, 2010

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There being no further business, the meeting was concluded at 9:30 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Victor M. Vaughn". The signature is fluid and cursive, with a long horizontal stroke at the end.

Victor M. Vaughn
Executive Officer
State Mineral and Energy Board



State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF MINERAL RESOURCES
STATE MINERAL AND ENERGY BOARD
LEASE REVIEW COMMITTEE REPORT

A meeting of the Lease Review Committee of the State Mineral and Energy Board convened on Wednesday, April 14, 2010 at 9:36 a.m. with the following members of the board in attendance: Mr. Thomas L. Arnold, Jr., Mr. Robert "Michael" Morton and Mr. Thomas W. Sanders.

Items on the Lease Review Committee Agenda submitted to the Board by Mr. Gregory J. Dugas, Geologist Supervisor, were as follows

I. Geological and Engineering Staff Review

According to SONRIS there are 1803 active State Leases covering approximately 873,505 acres. The Geological and Engineering Division has reviewed 198 leases covering nearly 134,200 acres

II. Committee Reviews

1. A staff report on **State Lease 192-C**, West Bay Field Selection located in Plaquemines Parish Hilcorp Energy I, LP is the lessee.

The recommendation was that Hilcorp be granted until October 13, 2010 to submit an updated status report on development activities affecting this lease.

2. A staff report on **State Lease 1217**, Bay De Chene Field located in Jefferson and Lafourche Parishes. Swift Energy Operating, LLC is the lessee.

The recommendation was that Swift be granted until October 13, 2010 to submit a specific plan of development for the non-productive acreage on this lease.

3. A staff report on **State Leases 3306 and 4011**, Redfish Point Field located in Vermilion Parish. Hilcorp Energy I, LP is the lessee.

The recommendation was that Hilcorp is to schedule a meeting to occur no later than June 9, 2010 to discuss a specific plan of development for the non-productive state lease acreage in Redfish Point field affecting State Leases 3306 and 4011.

III. Report on Force Majeure


Last Updated. 04/05/2010		Leases Off Production Due to Ida	
Company Name	Lease Numbers		
Chevron	1482, 1486		
Total Companies Reporting:	1		
Total Leases Affected by Force Majeure (Hurricane Related):	2		
Leases Off Due to Non-storm Related Force Majeure Events			
Apache	16473, 16475, 18121		

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On motion of Mr. Sanders, seconded by Mr. Morton, the Committee moved to accept and approve all reviews and recommendations by the staff.

On motion of Mr. Sanders, seconded by Mr. Morton, the Committee moved to adjourn its April 14, 2010 meeting at 9:44 a.m.

Respectfully submitted,



Mr. Thomas L. Arnold, Acting Chairman
Lease Review Committee
Louisiana State Mineral and Energy Board

Refer to Board Meeting Minutes for any action taken by the Board regarding matters in this report.

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Staff Reviews

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District Code 1 New Orleans- East

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Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
00508		POTASH	216866-SL 508-025 08/26/1994	150	450	APR. AR
01997		BRETON SOUND BLOCK 20	622.2 10/17/1990	626.886	626.886	APR. AR
02557		MAIN PASS BLOCK 69	237429-SL 2557-037 06/17/2008	2352	2765	APR. AR
04407		BRETON SOUND BLOCK 31		160	677.227	APR. 3-9-10 OMR TO SARATOGA SUBMIT 3D TIMING BY 5-12-10
04458		BRETON SOUND BLOCK 31 , BRETON SOUND BLOCK 33	BIG HUM I RA SUA; SL 4458 05/01/1985	40	439.63	APR. 3-9-10 OMR TO SARATOGA - SUBMIT SPECIFIC TIME WHEN 3D SEISMIC WILL BE PURCHASED DUE BY 5-12-10
04865		BRETON SOUND BLOCK 31		160	367	APR. 3-9-10 OMR TO SARATOGA - SUBMIT SPECIFIC TIME WHEN 3D SEISMIC WILL BE PURCHASED DUE BY 5-12-10
05049		BRETON SOUND BLOCK 31		40	161.844	APR. 3-9-10 OMR TO SARATOGA - SUBMIT SPECIFIC TIME WHEN 3D SEISMIC WILL BE PURCHASED DUE BY 5-12-10
11189		MAIN PASS BLOCK 47	VUA;SL 11189	402.654	402.654	APR. AR
11930		POINTE A LA HACHE		62	62	APR. AR 11/24/09 CHECK 3 MOS PER MIKE B ;;05/09 CK 6 MOS PER MIKE B 12AR
16666		MAIN PASS BLOCK 47	205.79 05/01/2003	12.29	12.29	APR. AR
16823		BRETON SOUND BLOCK 18		211.89	211.89	APR. AR
17002		HALF MOON LAKE	145.22 06/14/2004	14.78	14.78	APR. AR
18011		BRETON SOUND BLOCK 48		61.01	61.01	APR AR 01/05/10 CHECK 3 MOS PER MIKE B
18041		CHANDELEUR SOUND BLOCK 73	395.119 01/10/2006	460.881	460.881	APR. AR
19445				0	64.99	APR. 3/11/10 VU MTG OCT. PT 7/11/10
19446				0	51.75	APR. 3/11/10 VU MTG OCT. PT 7/11/10
19566				0	23	APR. PT 1/9/11
19567				0	7.8	APR. PT 1/9/11 (7 8 NET, 13 GROSS)
19568				0	6	APR PT 1/9/11
19569				0	13	APR. PT 1/9/11
19596				0	1501	APR. 3/18/10 REL RQD PT

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Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
						3/12/11 AS TO ADVERTIZED AC
19597				0	788	APR. 3/18/10 REL RQD PT 3/12/11 AS TO ADVERTIZED AC
19598				0	1000	APR. 3/18/10 REL RQD PT 3/12/11 AS TO ADVERTIZED AC
19599				0	1398	APR. 3/18/10 REL RQD PT 3/12/11 AS TO ADVERTIZED AC
19600				0	929.75	APR. 3/18/10 REL RQD PT 3/12/11
19601				0	929.75	APR. 3/18/10 REL RQD PT 3/12/11
19602				0	929.75	APR. 3/18/10 REL RQD PT 3/12/11
19603				0	929.75	APR. 3/18/10 REL RQD PT 3/12/11
19604				0	929.75	APR. 3/18/10 REL RQD PT 3/12/11
19605				0	920	APR. 3/18/10 REL RQD PT 3/12/11
19606				0	929.75	APR. 3/18/10 REL RQD PT 3/12/11
19607				0	929.75	APR. 3/18/10 REL RQD PT 3/12/11
19608				0	929.75	APR. 3/18/10 REL RQD PT 3/12/11
19609				0	929.75	APR. 3/18/10 REL RQD PT 3/12/11
19610				0	929.75	APR. 3/18/10 REL RQD PT 3/12/11
19612				0	59	APR. 3/18/10 REL RQD PT 3/12/11
19976				0	66	APR. PT 1/14/12 12/10/11
19996				0	100	APR. PT 1/14/14
20003				0	415.89	APR. PT 1/14/12
20004				0	437.93	APR. PT 1/14/12
20006				0	575.98	APR. PT 1/14/12
20033				0	417	APR. 3/18/10 REL RQD PT 3/11/12
20160				0	101.23	APR. 3/11/10 VU MTG JAN. PT 10/14/12

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District Code	1W	New Orleans- West				
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Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
00192A		BASTIAN BAY	J S ABERCROMBIE	400.459	3229	APR. AR 2/18/10 SN 233340 LUW 600938 PROD THRU 11/09
00192C		WEST BAY	VU60;SL 192 PP	6825	20600	APR. OB RCD HLCP 3/10/10 STATUS OF DEVELOPMENT ACTIVITY
00348		BAYOU DES ALLEMANDS	U X1 RA VUA;SL 348 08/13/2003	45.42	319.2	APR. AR 4/09 PROD SN 52926 LUW 021086 THRU 02/09
00356A		BAY DE CHENE	VUB;BDC UB	4299	4369	APR. AR RCD 3/4/10 SWIFT RPT (REVIEW WITH SL 1217)
00451		KINGSTON , SOUTH PASS BLOCK 24 , WEST BAY , WEST DELTA BLOCK 52	VU103	2500	3850	APR. AR (REVIEW WITH STATE LEASE 192-C)
01217		BAY DE CHENE , GOLDEN MEADOW	9950 R006 SUA;BDC UB 780-NN 99-138	1531	4041	APR. OB RCD SWIFT 3/10/10 UPDATE ON DEVELOPMENT ACTIVITIES
01467		BAYOU PLAQUEMINE	31.718 07/08/1981	.282	282	APR. AR 2/26/10 CCB: 2/25/10 SN 140854 60 DAY CLOCK
03010		BASTIAN BAY	BBA X RA SU 01/01/1996	430	590	APR. 2/18/9/10 SN 221094 LUW 612987 ;;2/2/10 RCD UNOFL PR OF 537, RTNG 53 AC ;;11/17/09 CK 3 MOS- WILL DISCUSS WITH GREG PER STEVE 11AR
03011		BASTIAN BAY	X RB SUA;BLM 06/01/1997	702	739	APR. 2/18/10 SN 179190 LUW 610625 ;; 2/2/10 RCD UNOFL PR OF 239, RTNG 500 AC ;;11/17/09 CK IN 3 MOS- WILL DISCUSS WITH GREG PER STEVE
03212		BASTIAN BAY	N-S3 RA SUA;LL&E FEE 11/06/2007 339-LLLL 07-1274	17	139	APR. AR 4/09 SN 233340 LUW 600938 PROD THRU 01/09
03262		BASTIAN BAY	O RL SUA;J S ABERCROMBIE 08/01/2008 339-O-31 08-1262	97 39	97.39	APR. AR 4/09 SN 237238 LUW 615304 PROD THRU 01/09
05913		BAYOU PLAQUEMINE	EAST RA SUA; WILBERTS 05/01/1979	13	14 035	APR. 2/26/10 CCB: 2/25/10 SN 140854 90 DAY CLOCK
10854		LAKE WASHINGTON	76.17 08/06/2004	96.268	96.268	APR. AR
14031		GRAND ISLE BLOCK 16	90.7 02/06/2009	227.19	227.19	APR. AR
14602		GRAND ISLE BLOCK 16	361.75 02/06/2009	19.86	19.86	APR. AR
14720		DORCYVILLE , LAUREL RIDGE	38.14 10/12/2006	7.432	7.432	APR AR
14721		DORCYVILLE , LAUREL RIDGE	126 10/12/2006	23	23	APR. AR
16628		TIGER PASS	52 07/03/2002	480	480	APR. AR

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17381		BURRWOOD , WILDCAT-SO LA LAFAYETTE DIST	VUG;SL 17381 03/10/2004	298.75	298.75	APR AR
17990		LAKE WASHINGTON	96 01/29/2010	205	205	APR. AR 2/2/10 RCD OFL PR OF 96, RTNG 205 EFF 1/29/10
18146		LITTLE LAKE		160	608.72	APR. AR 4/1/2010 OMR RQD POD FROM CHROMA DUE 5/12/10
18148		LAKE WASHINGTON		40	1461	APR. AR 4/1/2010 OMR RQD POD FROM SWIFT DUE 5/12/10
18448		WEST DELTA BLOCK 56		160	1500	APR. 3/5/10 RQD REL 3/4/10 RS STEVE: APP EXP PT 2/9/10
18804		PROFIT ISLAND	495 12/08/2008	141.88	141.88	APR AR
18861		TIMBALIER BAY ONSHORE	SL 18878 12/13/2006	153.25	153.25	APR. PT 1/11/11
18907		LAKE WASHINGTON	L 9600 RA SUA,SL 17990 07/01/2009 149-PPPP	52.037	1485	APR. FINAL DD 2/15/11 PT 2/15/09 SWIFT LK WSHGTN EGA 20040201
18909		LAKE WASHINGTON	5000 RA SUA;COCKRELL-MORAN 02/03/2009 149-NNNN 09-135	3.982	1483	APR. 3/3/10 RQD REL 2/26/10 RS STEVE: APP EXP.
19246				0	2498	APR. PT 1/10/10
19279				0	317	APR 3/5/10 RQD REL 3/4/10 RS STEVE: APP EXP PT 2/14/10
19282		MANILA VILLAGE	9800 RA VUA;SL 19282 06/10/2009	240.247	318	APR SUGGEST AR UPON RCT OF PR 3/5/10 PR RQD 3/4/10 RS STEVE: 240.247 HBP, REQ PR DD/RNTL/DRLG? PT 2/14/10
19464				0	24	APR. 2/19/10 FUL RR 11/19/09 FUL RR 9/1/09 REL RQD 8/27/09 RS STEVE: APP EXP PT 8/8/10
19571				0	1651.79	APR. PT 1/9/11
19572				0	1404.95	APR. PT 1/9/11
19972				0	1023	APR. PT 1/14/12 12/10/11
20007				0	141	APR. PT 1/14/12
20008				0	154	APR. PT 1/14/12
20009				0	19	APR. PT 1/14/12 8/24/09 45 BID AC, ADJUSTED TO 19 AC - FREEZE STATUTE
20010				0	2	APR. PT 1/14/12 8/24/09 25 BID AC, ADJUSTED TO 2 AC - FREEZE STATUTE



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Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
20011				0	209.47	APR PT 1/14/12
20016				0	36	APR. 3/5/10 RQD REL 3/4/10 RS STEVE. APP EXP. LOC 2/5/10, NOT SPURRED. PT 2/11/12

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Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
00199A	1	BAY ST ELAINE	VU12;BSE U12	159	935	APR. 3/25/10 JPT: HBP FROM 2 UNIT WELLS & JPT EMAIL FU FOR 440 AC LRC PR
00329B		HORSESHOE		548	821	APR. AR 3/25/10 JPT: HBP FROM 3 PRDG UNITS
00329B		HORSESHOE BAYOU		548	821	APR. AR 3/25/10 JPT: HBP FROM 3 PRDG UNITS
00329B		HORSESHOE BAYOU, SOUTHWEST		548	821	APR. AR 3/25/10 JPT. HBP FROM 3 PRDG UNITS
00340G	0	COTE BLANCHE BAY, WEST	1130 03/12/2010	3195	4682	APR. AR 3/25/10 JPT: HBP FROM MULTI-WELLS
00340G	5	COTE BLANCHE BAY, WEST	1130 03/12/2010	0	2984 71	APR. RCD OFL PR OF 2015.29, RTNG 2984 71
00724		FOUR ISLE DOME , MARTIN	VU18;LL&E U18	764	2854	APR. RCD BR 12/4/09 LTR RE PR PROBLEMS (7/09 DEFER'D PNDG RCT OF 5/08 PR)
01665		EUGENE ISLAND BLOCK 18		426.341	426.341	APR. AR 3/25/10 JPT. HBP FROM 2 UNITS & 1 LEASE WELL
01667		EUGENE ISLAND BLOCK 18	292.703 06/02/2000	800	1170.413	APR. AR 3/25/10 JPT: HBP FROM 3 UNITS
01706		LAKE SAND	LSA ROB 5 RA SU 216-C-1	1390	2423	APR. AR 3/25/10 JPT: HBP FROM SEVERAL UNITS & 1 LEASE WELL= CHANGE PRD AC TO 1390 (FROM 853)
03306		REDFISH POINT	381.81 05/21/2009	1200	1527.39	APR. OB HLCP 3/10/10 COMMENCE OPS TO RESTORE INACTIVE WELL TO PRD OR COMMIT TO DRLG NEW WELL OR REL ALL 916 NP AC. (3/25/10 JPT: LEFT VM FOR TROY RICHARD OF HLCP)
03498		LAKE SAND	LSA OP 10 RA SU 216-F-2 00-358	1233	2347	APR. AR 3/25/10 JPT: HBP FROM ROB 5 4A SU & OPERC ZONE VUA; RENAISSANCE'S SL 3209 #3 RECENTLY RECOMP INTO OPERC ZONE VUA; WO OOC TO CHAGE WELL NAME; CHANGE PRD AC TO 1233 (FROM 1108)
04011		REDFISH POINT	224.89 05/21/2009	765	1675.76	APR. OB HLCP 3/10/10 COMMIT TO DRLG NEW WELL, OR REL ALL NP AC, APPROX 1278 AC. IF WELL COMMITMENT, MUST SPUD BY 9/8/10. OR REL ALL 1278 NP AC. (3/25/10 JPT: LEFT VM FOR TROY RICHARD OF HLCP)
04236		RABBIT ISLAND	SL 340 RABBIT ISLAND 05/01/1983	916.73	916.73	APR. AR 3/16/10 SSB: 604063 PROD 12/09
05097		ATCHAFALAYA BAY , LITTLE BAY	500 04/01/2009	160	2196.66	APR. 3/1/10 RQD AFFIDAVIT 2/23/10 DC: RCD HLCP, NOT APACHE, WO SCHROEDER, THEN AFFIDAVIT < CK FULL REL(OB) 12/28/09 RQD REL

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05492		RABBIT ISLAND	SL 340 RABBIT ISLAND 05/01/1983	23.43	23.43	APR. AR 3/16/10 SSB: 604063 PROD 12/09
13148		LELEUX	6.758 05/10/1990	10.062	10.062	APR. AR 3/16/10 SSB: 610500 PROD 12/09
13346		KENT BAYOU	62.637 01/10/1994	43.363	43.363	APR. AR 3/16/10 SSB: 6109181 PROD 1/10
14914		MYETTE POINT, NW	VUB;SL 14914 11/14/2001	485.996	485.996	APR. 3/10/10 OMR TO HUNT & R.REVELS:90 DAYS 3RD WELL RPT 1/29/10 RCD HUNT POD
16704		PERRY POINT , RAYNE, SOUTH	MT RC SUA,PLATTSMIER- HULIN 10/17/2006 448-K-4 06-1110	.118	.118	APR. AR 3/16/10 SSB 609512 & 614753 PROD 12/09
17728		VERMILION BLOCK 16	VUA;SL 17159 06/08/2005	558.08	558.08	APR. AR 3/16/10 SSB 305405 PROD 12/09
17736		LAKE BOUDREAUX	.45 09/17/2007	4.55	4.55	APR. AR 3/16/10 SSB 613809 PROD 1/10
17988		PATTERSON	3.13 03/09/2009	27.68	27.68	APR. AR 3/16/10 SSB 049790 PROD 1/10
17989		PATTERSON	7.766 03/09/2009	40.284	40.284	APR. AR 3/16/10 SSB 049790 PROD 1/10
18090		LAC BLANC	1296.62 06/08/2009	1203.13	1203.13	APR. FINAL DD APPROVED DEEP RIGHTS TO 3/15/11 (SMB 3/11/09 ALLOWED DD TO 3/15/11) PT 3/15/07 WHITE LK
18091		LAC BLANC	1759.78 06/08/2009	444.29	444.29	APR. FINAL DD APPROVED DEEP RIGHTS TO 3/15/11 (SMB 3/11/09 ALLOWED DD TO 3/15/11) PT 3/15/07 WHITE LK
18092		LAC BLANC	199.1 06/08/2009	96.59	96.59	APR. FINAL DD APPROVED DEEP RIGHTS TO 3/15/11 (SMB 3/11/09 ALLOWED DD TO 3/15/11) PT 3/15/07 WHITE LK
18103		MYETTE POINT	VUA;SL 18103 04/09/2008	801.6	801.6	APR. AR 3/16/10 SSB 306056 PROD 12/09
18179		FRESH WATER BAYOU, SOUTH	131.396 01/29/2010	120.454	120.454	APR. SUGGEST AR 2/2/10 RCD OFL PR OF 131.396, RTNG 120.454 AC EFF 1/29/10
18180		FRESH WATER BAYOU, SOUTH	15.07 01/29/2010	23.86	23.86	APR. SUGGEST AR 2/2/10 RCD OFL PR OF 131.396, RTNG 120.454 AC EFF 1/29/10
18197		FRESH WATER BAYOU, SOUTH	34.51 01/29/2010	127.69	127.69	APR. SUGGEST AR 2/2/10 RCD OFL PR OF 34.57, RTNG 127.69 AC EFF 1/29/10
18198		FRESH WATER BAYOU, SOUTH	26.381 01/29/2010	280.619	280.619	APR. SUGGEST AR 2/2/10 RCD OFL PR OF 26.381, RTNG 280.619 AC EFF 1/29/10
18199		FRESH WATER BAYOU,	3.089	.911	.911	APR. SUGGEST AR 2/2/10 RCD

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		SOUTH	01/29/2010			OFL PR OF 3,089, RTNG .911 AC EFF 1/29/10
18634		MYETTE POINT	VUA;SL 18103 04/09/2008	390.92	390.92	APR. AR 3/16/10 SSB 306056 PROD 12/09 ATTAKAPAS WMA
18871		BAYOU JEAN LA CROIX	2.751 01/29/2007	3.249	3.249	APR. AR 3/16/10 SSB 612752 612753 PROD 12/09
19269		EUGENE ISLAND BLOCK 10	VUB;SL 19266 06/11/2008	90.968	941.65	APR. 3/10/10 RS JPT: NOT EXP HB DRLG LEASE WELL PT 2/14/12
19283				0	860.51	APR. 3/5/10 RQD REL 3/4/10 RS JPT: APP EXP PT 2/14/10
19299				16.564	232.77	APR. 3/12/10 VUA MTG 3/4/10 DDPMT APPROVED TO 2/14/11 PT 2/14/10
19316				0	120.14	APR. 3/18/10 REL RQD 3/17/10 RS JPT: APP EXP PT 3/14/10
19319				0	370.74	APR. 3/18/10 REL RQD 3/17/10 RS JPT: APP EXP PT 3/14/10
19411				0	298.26	APR. 3/12/10 VUA MTG SEP. PT 6/13/10
19570				0	3	APR RNTL PD 1/9/10 PT 1/9/11
19574				0	553.14	APR RNTL PD 1/9/10 PT 1/9/11
19731				0	405.75	APR 3/12/10 VUA MTG OCT. PT 7/9/11
19746				0	42.41	APR. 3/12/10 VUA MTG PT 7/9/11
19967				0	335.62	APR. RNTL PD 1/14/10 PT 1/14/12 12/10/11 OFFSHORE
19968				0	51.57	APR. RNTL PD 1/14/10 PT 1/14/12 12/10/11 OFFSHORE
19969				0	68.61	APR. RNTL PD 1/14/10 PT 1/14/12 12/10/11 OFFSHORE
19970				0	94.29	APR RNTL PD 1/14/10 PT 1/14/14 12/10/13
19971				0	66.13	APR. RNTL PD 1/14/10 PT 1/14/12 12/10/11 OFFSHORE
19974				0	270	APR. RNTL PD 1/14/10 PT 1/14/12 12/10/11
19975				0	23	APR. RNTL PD 1/14/10 PT 1/14/12 12/10/11
19977				0	6	APR. RNTL PD 1/14/10 PT 1/14/12 12/10/11
19978		FOUR LEAGUE BAY	14100 RA SUA;LL&E 07/01/2009 1190-E-1 09-676	3 734	46.705	APR. RNTL PD 1/14/10 ?DD/RNTL/DRLG? PT 1/14/12 12/10/11
19979				0	51	APR. RNTL PD 1/14/10 PT 1/14/12 12/10/11 EWIL 12/18/08 AC CHNG 42.122 TO 51 PER

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						LEASING.
19982				0	22.87	APR. RNTL PD 1/14/10 PT 1/14/12 12/10/11
19983				0	45.63	APR. RNTL PD 1/14/10 PT 1/14/12 12/10/11
19995				0	242.28	APR. RNTL PD 1/14/10 PT 1/14/14 12/10/13 OPTION
19998				0	477.64	APR. RNTL PD 1/14/10 PT 1/14/14
20005				0	100.57	APR. RNTL PD 1/14/10 PT 1/14/12 AS TO PORTION W/IN ADVERTIZED AREA.

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District Code		3	Lake Charles- North			
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Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
00309		MONROE	HARRELL SU 172; M.G U. 03/01/1986	363.59	3138	APR. AR 3/18/10 SAM: HBP
00494		MONROE	MLGC-GTC 09/01/1980	270	300	APR. AR 3/18/10 SAM: HBP
04775		MOSQUITO BEND	236334-MOSBD N CAT LK RA SU;SL 4775-003 10/01/2007	139.2	139.2	APR. AR 3/18/10 SAM HBP AR
06316		CEDAR GROVE	25.628 12/15/2003	65.394	65.394	APR AR 3/16/10 SSB: 604824 & 604825 PRDG 12/09
06931		ELM GROVE	230222-LCV RA SUX;SL 6931 18-002- ALT 09/30/2004	64.76	64.76	APR AR 3/16/10 SSB: 605386 & 613555 PRDG 12/09
13734		BAYOU D'ARBONNE LAKE , MIDDLEFORK , UNIONVILLE	L CV DAVIS RA SUA;HERBERT 08/01/1996	29.41	43	APR. AR 3/16/10 SSB: 610841 & 610844 PRDG 12/09
16530		ELM GROVE	234115-LCV RA SUZZ;SL 16530 20-001- ALT 10/10/2006	145	145	APR. AR 3/16/10 SSB: 613573 & 613912 PRDG 12/09
17064		PITKIN	AUS C RA SUJ;HUNT FRST PROD 31 03/10/1998 1412-A-4 98-166	34.305	34.305	APR. SAR 3/16/10 SSB: 049238 SPOTTY PRD 12/09
18096		ELM GROVE	564 03/06/2009	36	36	APR. AR 3/16/10 SSB: 614325 PROD 12/09
19158				0	82	APR. 3/11/10 RCD UNOFL PR OF 35, RTNG 47 AC FEB. PT 11/8/10 10/14/09 1 YR EXTENSION GRANTED FROM 11/8/09
19295				0	320	APR 3/4/10 RS SAM: NOT EXP, DRLG W/IN HA RA SULL, SN 240477 PT 2/14/10
19349		CEDAR GROVE	ROD RA SUN;BICKHAM DICKSON 37 08/26/2008 967-B-1 08-1282	58.13	326	APR. 3/8/10 SRVYPLAT RQD 615853 HA RA SUA PT 5/9/10
19558				0	522	APR. RNTL PD 1/9/10 PT 1/9/11
19559				0	116	APR RNTL PD 1/9/10 PT 1/9/11
19560				0	78	APR. RNTL PD 1/9/10 PT 1/9/11
19575				0	80	APR. RNTL PD 1/9/10 PT 1/9/11
19576				0	177	APR. RNTL PD 1/9/10 PT 1/9/11
19594				0	122	APR 3/18/10 REL RQD PT 3/12/11
19624				0	40	APR. 3/18/10 REL RQD PT

Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: April 6, 2010 7:19 AM

District Code 3 Lake Charles- North

Get Review Date April 14, 2010

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
						3/12/11 SCHOOL INDEMNITY
19625				0	39.82	APR. 3/18/10 REL RQD PT 3/12/11 SCHOOL INDEMNITY
19626				0	40.04	APR. 3/18/10 REL RQD PT 3/12/11 SCHOOL INDEMNITY
19627				0	79.76	APR. 3/18/10 REL RQD PT 3/12/11 SCHOOL INDEMNITY
19628				0	14.12	APR. 3/18/10 REL RQD PT 3/12/11 SCHOOL INDEMNITY
19629				0	39.94	APR. 3/18/10 REL RQD PT 3/12/11 SCHOOL INDEMNITY
19630				0	79.92	APR. 3/18/10 REL RQD PT 3/12/11 SCHOOL INDEMNITY
19633				0	7.08	APR. 3/18/10 REL RQD PT 3/12/11 SCHOOL INDEMNITY
19634				0	37.32	APR. 3/18/10 REL RQD PT 3/12/11 SCHOOL INDEMNITY
19635				0	26.24	APR. 3/18/10 REL RQD PT 3/12/11 SCHOOL INDEMNITY
19764		SWAN LAKE	HA RA SUQ;NINOCK 35 H 05/05/2009 691-C-5 09-507	380	401	APR. 3/11/10 SRVY PLAT RQD 615863 HA RA SUV DD 8/13/10 PT 8/13/11
19771				0	51	APR. 2/19/10 FUL RR 11/19/09 FUL RR 9/1/09 REL RQD 8/27/09 RS SAM: APP EXP PT 8/13/11
19832		RED RIVER-BULL BAYOU	HA RB SUX;ALLBRITTON CATTLE 8 03/03/2009 109-X-27 09-263	15.799	53	APR. 3/8/10 SRVYPLAT RQD 615851 HA RB SUZ 1/20/10 RQD PR PT 12/10/11 10/8/11
19833				5.101	39	APR. 3/8/10 SRVY PLAT RQD 615850 JUR RA SUL DD 12/10/10 PT 12/10/11 10/8/11 12/1/09 RCD OFL PR OF 13, RTNG 39 AC EFF 11/24/09
19836		BRACKY BRANCH	HA RB SUE;ELMWOOD LAND CO 33 H 09/16/2008 917-L	8.002	37	APR. 3/4/10 RCD UNOFL PR OF 28 998, RTNG 8.002 PT 12/10/11 10/8/11
19847				90.49	117	APR. 3/18/10 PLAT RQD 615875 3/5/10 GJD SAID 2ND DDPMT IS ACTUALLY A RENTAL ON 33.3 AC OF SUG 3/4/10 2ND DDPMT TO GAD DD 12/10/10 PT 12/10/11 10/8/11
19999				0	101	APR. RNTL PD 1/14/10 PT 1/14/12
20015				0	85	APR. 3/5/10 PR RQD 3/4/10 RS SAM: LEASE PARTIALLY HB WELL ACTIVITY. RECK PT 2/11/12

SONRIS

Staff Reviews

Report run on: April 6, 2010 7:19 AM

District Code 3 *Lake Charles- North*

Get Review Date *April 14, 2010*

<i>Lease Num</i>	<i>DA</i>	<i>Field</i>	<i>Latest lease Activity</i>	<i>Productive Acreage</i>	<i>Present Acreage</i>	<i>Flagged for Review In</i>
20030				132	437	APR. 1ST ILR 3/11 TO 9/11/10 DD 3/11/11 PT 3/11/12
20084				0	33.34	APR. 3/11/10 SRVY PLAT RQD 615861 HA RA SUT PT 6/10/12
20155				0	1	APR. 3/8/10 SRVY PLAT RQD 615120 HOSS RC SUD PT 10/14/12

Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: April 6, 2010 7:19 AM

District Code		3S	Lake Charles- South			
Get Review Date		April 14, 2010				
Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
01170		HOG BAYOU-OFFSHORE	229695-SL 1170-1 HOG A-024 08/08/2004	1600	3741.3	APR. AR 3/19/10 OMR FUL>HILCORP 3/1/2010 UPDATE ON DRLG PRGM & DVLPT PLANS FOR UNPLUGGED WELLS.
01170		HOG BAYOU-OFFSHORE	229695-SL 1170-1 HOG A-024 08/08/2004	1600	3741.3	APR. AR 3/19/10 OMR FUL>HILCORP 3/1/2010 UPDATE ON DRLG PRGM & DVLPT PLANS FOR UNPLUGGED WELLS.
02340		DEEP LAKE	675 02/02/1994	1597.72	1648.77	APR. AR 3/17/10 KAM: PROD, SNS 126542, 145455, LUW 611050, DLK 15400 RA SU. CONT AR
02438		LAKE ARTHUR, SOUTH	MIDD MIOGYP RA SUG;SL 5419 10/18/1989 745-H-5	2 32	2 32	APR. AR 3/17/10 KAM: HBP 610038 TO 1/10 CONT AR
04418		WEST CAMERON BLOCK 17 , WEST CAMERON BLOCK 19 , ZZZZZZZZZZ		1749.17	2525.749	APR. AR 3/17/10 KAM: HBP 701700 TO 12/09 CONT AR
06864		JUDGE DIGBY , MOORE-SAMS	6.757 03/04/2009	.361	.361	APR. 3/18/10 REL RQD 3/11/10 RS TO KAM:APP EXP
13006		FRISCO	8.21 09/14/1990	2.79	2.79	APR. AR 3/17/10 KAM: HBP 045302 TO 1/10 CONT AR
13266		LAKE ARTHUR, SOUTHWEST	160.012 03/27/1995	.27	.27	APR. AR 3/17/10 KAM: HBP SN 211773, 611060 MARG H RB SUE TO 12/09 CONT AR
16980		EAST CAMERON BLOCK 4		266.887	266.887	APR.SAR 3/17/10 KAM: HBP SN 231378, 305955 RECOMP 1/10, CK PRD IN 6 MOS
18287		WEST CAMERON BLOCK 21		160	683.82	APR. 3/17/10 PRD SN 232264, 305615 3/19/10 OMR LTR: HUNT POD DUE 7/13/10, PER REQ PT 10/13/09
18423		CREOLE OFFSHORE	VUB;SL 18521 03/11/2009	401.36	401.36	APR. SUGGEST AR 3/19/10 KAM: HBP 050242 2/5/10 SSSB: 050242, 306069 TO 11/09 W/ 401.36 AC PT 1/12/10
18433		BUHLER, WEST	9.2 03/28/2006	7.8	7.8	APR. AR 3/19/10 KAM: HBP 232106, HBY RA SUA 049825. CONT AR
19544				0	50	APR. 2/25/10 SRVY PLAT RQD F RB SUA; 615598 PT 12/12/10
20000				0	.669	APR. 3/5/10 REL RQD 3/4/10 RS KAM: APP EXP PT 1/14/12
20002				0	19.795	APR. 3/5/10 REL RQD 3/4/10 RS KAM: APP EXP PT 1/14/12
20017				0	50.88	APR 3/18/10 REL RQD 3/4/10 RS TO KAM: APP EXP PT 2/11/12
20018				0	4 97	APR. 3/18/10 REL RQD 3/4/10 RS TO KAM: APP EXP PT 2/11/12



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: April 6, 2010 7:19 AM

District Code 3S Lake Charles- South

Get Review Date April 14, 2010

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
20031				0	185	APR. 3/18/10 REL RQD PT 3/11/12
198				49,504.910	134,193.074	



State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF MINERAL RESOURCES
STATE MINERAL BOARD

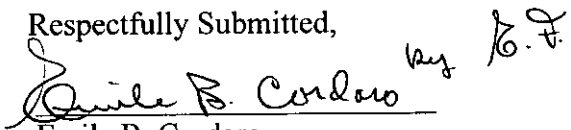
NOMINATION AND TRACT COMMITTEE REPORT

The Nomination and Tract Committee, upon motion of **Mr. Sanders** seconded by **Mr. Morton** convened at **9:49 a.m.** on Wednesday, **April 14, 2010** with the following members of the Board in attendance:

Mr. Thomas L. Arnold, Jr. Mr. Thomas W. Sanders Mr. Robert M. Morton

The Committee heard the report of Mr. Emile Fontenot, relative to nominations received for the June 9, 2010 Mineral Lease Sale and other matters. Based upon the staff's recommendation, on motion of **Mr. Sanders** duly seconded by **Mr. Morton**, the Committee voted unanimously to recommend to the Board the granting of authority to the staff to advertise all such tracts as have been reviewed by the State Land Office and the staff of the Office of Mineral Resources as well as any tracts that have been previously advertised and rolled over and otherwise approve the Nomination and Tract Report presented by Mr. Fontenot.

The Committee, on motion of **Mr. Sanders**, seconded by **Mr. Morton**, voted to adjourn at **9:50a.m.**

Respectfully Submitted,

Emile B. Cordaro
Chairman
Nomination and Tract Committee

Refer to Board Meeting Minutes for any action taken by the Board regarding matters in this report.

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

NOMINATION AND TRACT COMMITTEE

ON MOTION of *Mr. Sanders*, seconded by, *Mr. Morton*, the following Resolution was offered and adopted:

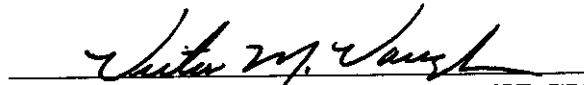
WHEREAS, Mr. Emile Fontenot presented to the State Mineral and Energy Board 49 tracts that had been nominated for the June 9, 2010 Mineral Lease Sale, and that same are to be advertised pending staff review; now therefore

WHEREAS, after discussion and careful consideration by the State Mineral and Energy Board, a decision has been reached:

NOW, BE IT THEREFORE RESOLVED, that the State Mineral and Energy Board does hereby approve and authorize the advertising of all such tracts as have been reviewed by the State Land Office and the staff of the Office of Mineral Resources, as well as any tracts that have been previously advertised and rolled over, and to otherwise approve the Nomination and Tract Report presented by Mr. Heck and Mr. Fontenot.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 14th day of April 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD



State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF MINERAL RESOURCES
STATE MINERAL AND ENERGY BOARD

AUDIT COMMITTEE REPORT

The regular meeting of the Audit Committee of the State Mineral and Energy Board was held on Wednesday, April 14, 2010, following the Nomination and Tract Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building, located at 617 North Third Street, Baton Rouge, Louisiana. Committee Members present were:

Thomas L. Arnold, Jr.
Bay E. Ingram
Helen G. Smith

Emile B. Cordaro
Thomas W. Sanders

Robert "Michael" Morton
W. Paul Segura, Jr.

Mr. Arnold convened the Committee at 9:46 a.m.

The first matter considered by the Committee was a penalty waiver requested by Harvest Group, LLC.

Upon recommendation of the staff and upon motion of Mr. Sanders, seconded by Mr. Morton, the Committee voted to approve 75% penalty waiver of \$48,112.12.

The second matter considered by the Committee was a penalty waiver requested by Harvest Oil & Gas, LLC.

Upon recommendation of the staff and upon motion of Mr. Sanders, seconded by Mr. Morton, the Committee voted to approve 75% penalty waiver of \$13,932.01.

The third matter considered by the Committee was a recoupment requested by McMoran Oil & Gas LLC.

Upon recommendation of the staff and upon motion of Mr. Sanders, seconded by Mr. Morton, the Committee voted unanimously to approve the recoupment request in the amount of \$68,408.56.

The fourth matter considered by the Committee was a recoupment requested by Union Oil Company of California.

Upon recommendation of the staff and upon motion of Mr. Sanders, seconded by Mr. Morton, the Committee voted unanimously to approve the recoupment request in the amount of \$379,350.12.

The fifth matter considered by the Committee was the election of the April 2010 Texaco gas royalty to be paid on a processed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement.

No action required.


The sixth matter considered by the Committee was a settlement offer from Kerr-McGee Oil & Gas Corporation.

Upon motion of Mr. Sanders, seconded by Mr. Morton, the Committee voted unanimously to convene into executive session to discuss the settlement offer.

Upon motion of Mrs. Smith, seconded by Mr. Cordaro, the Committee voted unanimously to adjourn executive session.

Upon recommendation of the staff and upon motion of Mr. Sanders, seconded by Mr. Segura, the Committee voted unanimously to accept the settlement offer.

On Motion of Mr. Sanders, seconded by Mr. Segura, the Board voted unanimously to adjourn the Audit Committee at 10:08 a.m.


Thomas L. Arnold, Jr., Chairman
Audit Committee

Refer to State Mineral and Energy Board Meeting Minutes for additional information on actions taken by the Board regarding matters in this report.

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

AUDIT COMMITTEE

ON MOTION of Mr. Sanders, seconded by Mr. Morton, the following Resolution was offered and adopted:


WHEREAS, Harvest Group, LLC has made a letter application for reduction of penalties assessed in the amount of \$64,149.49 due to late royalty payments in the Breton Sound Block 32, Breton Sound Block 47, Breton Sound Block 48, Breton Sound Block 51, Main Pass Block 16, Main Pass Block 31, Main Pass Block 46, and Main Pass Block 47 Fields, State Leases 1227, 1268, 2726, 11188, 11189, 12002, 15906, 16392, 16393, 16569, 16570, 16661, 16662, 16663, 16664, 16667, 16668, 16890, 16935, 17241, 17242, 17295, 17296, 17621, 17623, 17624, 17762, 17763, 17764, 17765, 17766, and 18078; and

WHEREAS, the Mineral Income Division has verified that the underpayment of royalties was discovered and paid by Harvest Group, LLC and does recommend that a portion of the penalty be waived;

THEREFORE BE IT RESOLVED, that the Board does waive seventy-five percent (75%), which amounts to \$48,112.12 of the total penalty assessed to Harvest Group, LLC.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

AUDIT COMMITTEE

ON MOTION of Mr. Sanders, seconded by Mr. Morton, the following Resolution was offered and adopted:

WHEREAS, Harvest Oil & Gas, LLC has made a letter application for reduction of penalties assessed in the amount of \$18,576.01 due to late royalty payments in the Coquille Bay, Grand Bay, Main Pass Block 47 and Vermillion Block 16 Fields, State Leases 195, 335, 3763, 17156 and 18579; and

WHEREAS, the Mineral Income Division has verified that the underpayment of royalties was discovered and paid by Harvest Oil & Gas, LLC and does recommend that a portion of the penalty be waived;

THEREFORE BE IT RESOLVED, that the Board does waive seventy-five percent (75%), which amounts to \$13,932.01 of the total penalty assessed to Harvest Oil & Gas, LLC.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

AUDIT COMMITTEE

ON MOTION of Mr. Sanders, seconded by Mr. Morton, the following resolution was offered and unanimously adopted:

WHEREAS, McMoRan Oil & Gas LLC has made a letter application for an adjustment of \$68,508.56 for the Grand Isle Block 3 Field, State Leases 18584, 18585, 18586, 18587; and

WHEREAS, this amount was based on McMoRan Oil & Gas LLC submitting an overpayment of gas royalties based on incorrect volumes and values for the period of May and June 2008 in the Grand Isle Block 3 Field; and

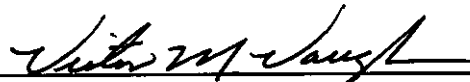
WHEREAS, the Mineral Income Division has verified that an overpayment in the amount of \$68,508.56 was made and that the applicant is entitled to a credit adjustment; and

WHEREAS, the State Mineral and Energy Board after reviewing the work of the Mineral Income Division, agrees that the applicant is entitled to an adjustment, does recommend that the State allow McMoRan Oil & Gas LLC to recoup the \$68,508.56 overpayment.

NOW, BE IT THEREFORE RESOLVED, that the Board does authorize and direct the Mineral Income Director to effectuate the credit adjustment of \$68,508.56 to McMoRan Oil & Gas LLC on a one-time or lump sum basis or on such terms deemed necessary by the Director, which are legally permissible, and without prejudice to any other rights of the state.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

AUDIT COMMITTEE

ON MOTION of Mr. Sanders, seconded by Mr. Morton, the following resolution was offered and unanimously adopted:

WHEREAS, Union Oil Company of California has made a letter application for an adjustment of \$379,350.12 for the Eugene Island Block 10 Field, State Lease 18640; and

WHEREAS, this amount was based on Union Oil Company of California submitting an overpayment of gas royalties based on an incorrect state decimal of 0.2500000, the correct state decimal being 0.2166669, for the period of May, June, July, August, October, and November 2008 in the Eugene Island Block 10 Field; and

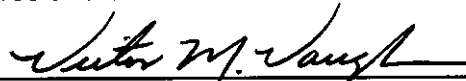
WHEREAS, the Mineral Income Division has verified that an overpayment in the amount of \$379,350.12 was made and that the applicant is entitled to a credit adjustment; and

WHEREAS, the State Mineral and Energy Board after reviewing the work of the Mineral Income Division, agrees that the applicant is entitled to an adjustment, does recommend that the State allow Union Oil Company of California to recoup the \$379,350.12 overpayment.

NOW, BE IT THEREFORE RESOLVED, that the Board does authorize and direct the Mineral Income Director to effectuate the credit adjustment of \$379,350.12 to Union Oil Company of California on a one-time or lump sum basis or on such terms deemed necessary by the Director, which are legally permissible, and without prejudice to any other rights of the state.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

AUDIT COMMITTEE

On motion of Mr. Sanders, seconded by Mr. Segura, the following Resolution was offered and adopted:

WHEREAS, the State Mineral and Energy Board caused an audit to be performed of Kerr-McGee Oil and Gas regarding royalties due from the production of oil for royalty purposes on State Lease Nos. 1998, 1999, 2000, 2326, 4574, and 15958 in the Breton Sound Block 20 field; and

WHEREAS, as a result of that audit the State assessed to Kerr-McGee Oil and Gas the amount of \$200,513.80 in royalty, interest and penalty due to oil pricing issue attributable to said lease; and

WHEREAS, Kerr-McGee Oil and Gas in an effort to resolve the amount due the State, has now tendered an offer to settle the outstanding audit; and

WHEREAS, the Board has reviewed and considered the settlement offer of Kerr-McGee Oil and Gas and has reviewed and considered the report and recommendation of the staff regarding said settlement offer; and

WHEREAS, the Board does hereby accept the settlement offer of Kerr-McGee Oil and Gas, and does hereby direct the staff to advise Kerr-McGee Oil and Gas of such;

THEREFORE, BE IT RESOLVED, that the Board does formally accept the offer of Kerr-McGee Oil and Gas, subject to the terms and particulars of a settlement agreement acceptable to both parties.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



Louisiana State Mineral and Energy Board



State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF MINERAL RESOURCES
STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE REPORT

The regular meeting of the Legal and Title Controversy Committee of the State Mineral and Energy Board was held on April 14, 2010, following the Audit Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building located at 617 North Third Street, Baton Rouge, Louisiana. Committee Members present were:

Mr. Thomas W. Sanders	Mr. Bay Elliott Ingram
Mr. Emile B. Cordaro	Mr. Thomas L. Arnold, Jr.
Mr. Robert "Michael" Morton	Ms. Helen Godfrey Smith
Mr. W. Paul Segura, Jr.	

The Legal and Title Controversy Committee was called to order by Mr. Sanders at 10:08 a.m.

The first matter considered by the Committee was a request by MitEnergy Upstream LLC for the waiver of all or a portion of the liquidated damage assessments levied on late assignments in regard to the following state leases:

- (a) State Lease No. 16798 in the amount of \$1,000.00, St. Bernard Parish, Louisiana;
- (b) State Lease No. 16799 in the amount of \$1,000.00, St. Bernard Parish, Louisiana;
- (c) State Lease No. 17379 in the amount of \$1,000.00, Plaquemines Parish, Louisiana;
- (d) State Lease No. 17380 in the amount of \$1,000.00, Plaquemines Parish, Louisiana;
- (e) State Lease No. 17814 in the amount of \$1,000.00, Plaquemines Parish, Louisiana;
- (f) State Lease No. 12457 in the amount of \$1,000.00, Plaquemines Parish, Louisiana;
- (g) State Lease No. 6894 in the amount of \$1,000.00, Plaquemines Parishes, Louisiana;

- (h) State Lease No. 6894 in the amount of \$1,000.00, Plaquemines Parishes, Louisiana;
- (i) State Lease No. 13287 in the amount of \$1,000.00, Plaquemines Parish, Louisiana; and
- (j) State Lease No. 15042 in the amount of \$1,000.00, Plaquemines Parish, Louisiana.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Ms. Smith, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant a complete waiver to MitEnergy Upstream LLC of the liquidated damage assessments levied on late assignments in regard to State Lease Nos. 16798, 16799, 17379, 17380, 17814, 12457, 6894, 6894, 13287, and 15042.

The second matter considered by the Committee was an appearance by Kurt Niernberger on behalf of Cohort Energy Company for the waiver of all or a portion of the liquidated damage assessment in the amount of \$91,600.00 levied on the late release of State Lease No. 17732, Bossier and Caddo Parishes, Louisiana.

A motion was presented by Mr. Arnold to reduce the days late to 712 and to reduce the liquidated damage assessment to \$71,200.00. No second was made by a member of the Committee, and this motion was not passed.

A motion was presented by Mr. Ingram, seconded by Ms. Smith, to reduce the amount of the liquidated damage assessment to \$8,999.00 as per the formula of the objective criteria, but after discussion was had and a vote of the Committee members, with Mr. Segura, Mr. Arnold, Mr. Morton, and Mr. Cordaro opposing, this motion was not passed.

Upon motion of Mr. Segura, seconded by Mr. Arnold, with Mr. Ingram opposing, the Committee voted to recommend that the Louisiana State Mineral and Energy Board grant a 50% waiver of the liquidated damage assessment against Cohort Energy Company for the late release of State Lease No. 17732, or a total assessment due of \$45,800.00.

The third matter considered by the Committee was a request by Key Operating & Production Company, LLC to modify the terms, not the percentage split of royalty, of the compromise involving Little White Lake and State Lease Nos. 17208, 16995, 17226, and 19641.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Segura, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant the request of Key Operating & Production Company, LLC to modify the terms of the compromise involving Little White Lake and State Lease Nos. 17208, 16995, 17226, and 19641 wherein some of the acreage compromised will be delineated over a six month period following Board approval. The new terms would include approval

of the compromised acreage within the producing unit at final approval by the Board which would free up the funds being held in an interest bearing account immediately for dispersal, but allowing a six month period for both the State and Exxon to digitize aerial photographs (using 2010 if available, but 2008 otherwise) to compute the acreage of the compromise outside the unit which was surveyed and agree on the amount of outside acreage and the legal description of the said outside acreage for purposes of any future production outside the unit.

The fourth matter considered by the Committee was a request by Staff for authority to nominate Saline Bayou for mineral lease with special language in the advertisement.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Segura, the Committee voted unanimously to recommend that the State Mineral and Energy Board allow staff to nominate Saline Bayou for the June 9, 2010 Mineral Lease Sale.

Upon motion of Mr. Arnold, seconded by Ms. Smith, the Legal and Title Controversy Committee recessed at 11:05 a.m. to convene the State Mineral and Energy Board Meeting.

Upon motion of Mr. Arnold, seconded by Ms. Smith, the Legal and Title Controversy Committee reconvened at 11:08 a.m.

The fifth matter considered by the Committee was a request for final approval of an Operating Agreement presented by The Harvest Group LLC, to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the State a State Production Interest equal to 16.67% before payout, increasing to 25% after payout in and to the Operating Tract, whereas operator desires and intends to re-establish production in the SL 5097 No. 1 (SN 220264), containing 252.56 acres, more or less, covering a portion of former State Lease No. 5097, Iberia, St. Mary and Terrebonne Parishes, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 10-10.

Upon recommendation of the staff and upon motion of Mr. Segura, seconded by Mr. Arnold, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of the Operating Agreement presented by The Harvest Group LLC on the docket as Item No. 10-10.

The sixth matter considered by the Committee was a request for final approval of a Lease Amendment by and between the State of Louisiana, appearing herein through the State Mineral and Energy Board and Exxon Mobil Corporation, whereas said parties agree to amend Paragraph 6 of the Lease so to change the royalty provided for therein from 20% to 21%, as to that portion of the Lease contained within the "Exxon Mobil Corporation-Grand Isle Block 16-Voluntary Unit A", as shown on the plat attached hereto as Exhibit "A", affecting State Lease No. 14031, Jefferson Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 10-11.

Upon recommendation of the staff and upon motion of Mr. Segura, seconded by Mr. Arnold, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of the Lease Amendment by and between the State of Louisiana and Exxon Mobil Corporation on the docket as Item No. 10-11.

The seventh matter considered by the Committee was a request for final approval of an Operating Agreement presented by Stone Energy Offshore, L.L.C., to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the State a State Production Interest equal to 21.6% before payout, increasing to 23% after payout in and to the Operating Tract, whereas operator desires and intends to re-establish production in the State Lease 10830 No. 1 (SN 222071) and State Lease 19749 No 4(SN 192538) Wells, containing 102.671 acres, more or less, covering a portions of former State Lease Nos. 10830 and 14689, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 10-14.

Upon recommendation of the staff and upon motion of Mr. Segura, seconded by Mr. Arnold, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of the Operating Agreement presented by Stone Energy Offshore, L.L.C. on the docket as Item No. 10-14.

The eighth matter considered by the Committee was a request for final approval of a Consent Judgment and Compromise Agreement by and between the Louisiana State Mineral and Energy Board and Devon Production Company, L.P. (Successor to Pennzoil Exploration and Production Company), affecting State Lease No. 7873, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 10-15.

Upon recommendation of the staff and upon motion of Mr. Segura, seconded by Mr. Ingram, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of the Consent Judgment and Compromise Agreement by and between the Louisiana State Mineral and Energy Board and Devon Production Company, L.P. (Successor to Pennzoil Exploration and Production Company) on the docket as Item No. 10-15.

The ninth matter considered by the Committee was a request for final approval of a Division Order and Agreement by and between the Louisiana State Mineral and Energy Board, Hilcorp Energy Company, individually and as general partner of Hilcorp Energy I, L.P., William S. Wenck, Jr., Frances Sholes Higgins, George W. Nowotny, III and Edward Duff Notowny, whereas said parties desire to provide for the allocation and distribution of production proceeds from the 7 RN Unit and from Tract 7 and Tract 8 of the revised 6 C Unit, from the first unit production through depletion, affecting State Lease No. 19917, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 10-16.

Upon recommendation of the staff and upon motion of Ms. Smith, seconded by Mr. Segura, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of the Division Order and Agreement by and between the Louisiana State Mineral and Energy Board, Hilcorp Energy Company, individually and as general partner of Hilcorp Energy I, L.P., William S. Wenck, Jr., Frances Sholes Higgins, George W. Nowotny, III and Edward Duff Notowny on the docket as Item No. 10-16.

The tenth matter considered by the Committee was a request by Staff to approve an Amendment to the existing February 3, 2005 Memorandum of Understanding between The Department of Natural Resources and The Department of Wildlife and Fisheries for activities occurring or affecting the Louisiana Coastal Zone.

Upon recommendation of the staff and upon motion of Ms. Smith, seconded by Mr. Segura, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant approval of the Amendment to the existing February 3, 2005 Memorandum of Understanding between The Department of Natural Resources and The Department of Wildlife and Fisheries for activities occurring or affecting the Louisiana Coastal Zone.

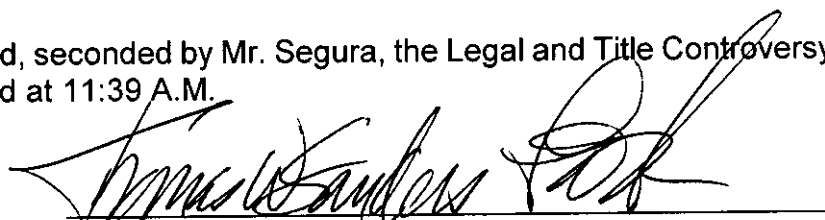
Upon motion of Mr. Segura, seconded by Mr. Arnold, the Committee went into Executive Session at 11:24 a.m.

Upon motion of Mr. Segura, seconded by Mr. Arnold, the Legal and Title Controversy Committee returned to open session at 11:38 a.m.

The eleventh matter considered by the Committee was a discussion in executive session of the litigation entitled: **Davis Petroleum Corp. v. State of Louisiana, et al**, No. 10-18571, 38th Judicial District Court, Cameron Parish.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Segura, the Committee voted unanimously to recommend that the Board accept, in principal, the settlement proposal of Davis Petroleum Corp., subject to the drafting and execution of an appropriate settlement agreement, and its due advertisement and placement on the Docket for final approval.

On motion of Mr. Arnold, seconded by Mr. Segura, the Legal and Title Controversy Committee meeting adjourned at 11:39 A.M.



Mr. Thomas W. Sanders, Chairman
Legal and Title Controversy Committee
Louisiana State Mineral and Energy Board

Refer to the State Mineral and Energy Board Meeting Minutes for additional information on actions taken by the Board regarding matters listed in this Report.

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

ON MOTION of Mr. Arnold, seconded by Ms. Smith, the following resolution was offered and unanimously adopted:

WHEREAS, a request was made by MitEnergy Upstream LLC for the waiver of all or a portion of the liquidated damage assessments levied on late assignments in regard to the following state leases:

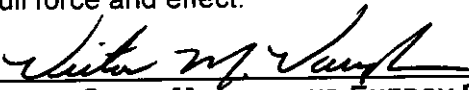
- (a) State Lease No. 16798 in the amount of \$1,000.00, St. Bernard Parish, Louisiana;
- (b) State Lease No. 16799 in the amount of \$1,000.00, St. Bernard Parish, Louisiana;
- (c) State Lease No. 17379 in the amount of \$1,000.00, Plaquemines Parish, Louisiana;
- (d) State Lease No. 17380 in the amount of \$1,000.00, Plaquemines Parish, Louisiana;
- (e) State Lease No. 17814 in the amount of \$1,000.00, Plaquemines Parish, Louisiana;
- (f) State Lease No. 12457 in the amount of \$1,000.00, Plaquemines Parish, Louisiana;
- (g) State Lease No. 6894 in the amount of \$1,000.00, Plaquemines Parishes, Louisiana;
- (h) State Lease No. 6894 in the amount of \$1,000.00, Plaquemines Parishes, Louisiana;
- (i) State Lease No. 13287 in the amount of \$1,000.00, Plaquemines Parish, Louisiana, and
- (j) State Lease No. 15042 in the amount of \$1,000.00, Plaquemines Parish, Louisiana.

WHEREAS, after discussion and careful consideration by the State Mineral and Energy Board, a decision has been reached:

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant a complete waiver to MitEnergy Upstream LLC of the liquidated damage assessments levied on late assignments in regard to State Lease Nos. 16798, 16799, 17379, 17380, 17814, 12457, 6894, 6894, 13287, and 15042.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

ON MOTION of Mr. Segura, seconded by Mr. Arnold, with Mr. Ingram opposing, the following resolution was offered and adopted:

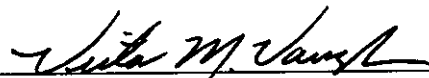
WHEREAS, an appearance was made by Kurt Niernberger on behalf of Cohort Energy Company for the waiver of all or a portion of the liquidated damage assessment in the amount of \$91,600.00 levied on the late release of State Lease No. 17732, Bossier and Caddo Parishes, Louisiana.

WHEREAS, after discussion and careful consideration by the State Mineral and Energy Board, a decision has been reached:

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant a 50% waiver of the liquidated damage assessment against Cohort Energy Company for the late release of State Lease No. 17732, or a total assessment due of \$45,800.00.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

ON MOTION of Mr. Arnold, seconded by Mr. Segura, the following resolution was offered and unanimously adopted:

WHEREAS, a request was made by Key Operating & Production Company, LLC to modify the terms, not the percentage split of royalty, of the compromise involving Little White Lake and State Lease Nos. 17208, 16995, 17226, and 19641;

WHEREAS, after discussion and careful consideration by the State Mineral and Energy Board, a decision has been reached:

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant the request of Key Operating & Production Company, LLC to modify the terms of the compromise involving Little White Lake and State Lease Nos. 17208, 16995, 17226, and 19641 wherein some of the acreage compromised will be delineated over a six month period following Board approval. The new terms would include approval of the compromised acreage within the producing unit at final approval by the Board which would free up the funds being held in an interest bearing account immediately for dispersal, but allowing a six month period for both the State and Exxon to digitize aerial photographs (using 2010 if available, but 2008 otherwise) to compute the acreage of the compromise outside the unit which was surveyed and agree on the amount of outside acreage and the legal description of the said outside acreage for purposes of any future production outside the unit.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

ON MOTION of Mr. Arnold, seconded by Mr. Segura, the following resolution was offered and unanimously adopted:

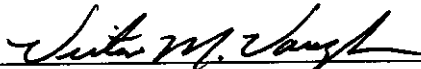
WHEREAS, a request was made by Staff for authority to nominate Saline Bayou for mineral lease with special language in the advertisement;

WHEREAS, after discussion and careful consideration by the State Mineral and Energy Board, a decision has been reached:

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the Louisiana State Mineral and Energy Board grant the request of Staff to nominate Saline Bayou for the June 9, 2010 Mineral Lease Sale.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

ON MOTION of Mr. Segura, seconded by Mr. Arnold, the following resolution was offered and unanimously adopted:


WHEREAS, a request was made for final approval of an Operating Agreement presented by The Harvest Group LLC, to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the State a State Production Interest equal to 16.67% before payout, increasing to 25% after payout in and to the Operating Tract, whereas operator desires and intends to re-establish production in the SL 5097 No. 1 (SN 220264), containing 252.56 acres, more or less, covering a portion of former State Lease No. 5097, Iberia, St. Mary and Terrebonne Parishes, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 10-10;

WHEREAS, after discussion and careful consideration by the State Mineral and Energy Board, a decision has been reached:

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the Louisiana State Mineral and Energy Board grant final approval of the Operating Agreement presented by The Harvest Group LLC on the docket as Item No. 10-10.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

ON MOTION of Mr. Segura, seconded by Mr. Arnold, the following resolution was offered and unanimously adopted:

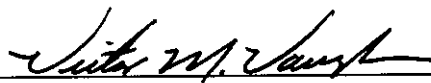
WHEREAS, a request was made for final approval of a Lease Amendment by and between the State of Louisiana, appearing herein through the State Mineral and Energy Board and Exxon Mobil Corporation, whereas said parties agree to amend Paragraph 6 of the Lease so to change the royalty provided for therein from 20% to 21%, as to that portion of the Lease contained within the "Exxon Mobil Corporation-Grand Isle Block 16-Voluntary Unit A", as shown on the plat attached hereto as Exhibit "A", affecting State Lease No. 14031, Jefferson Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 10-11;

WHEREAS, after discussion and careful consideration by the State Mineral and Energy Board, a decision has been reached:

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the Louisiana State Mineral and Energy Board grant final approval of the Lease Amendment by and between the State of Louisiana and Exxon Mobil Corporation on the docket as Item No. 10-11.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

ON MOTION of Mr. Segura, seconded by Mr. Arnold, the following resolution was offered and unanimously adopted:

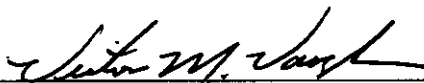
WHEREAS, a request was made for final approval of an Operating Agreement presented by Stone Energy Offshore, L.L.C., to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the State a State Production Interest equal to 21.6% before payout, increasing to 23% after payout in and to the Operating Tract, whereas operator desires and intends to re-establish production in the State Lease 10830 No. 1 (SN 222071) and State Lease 19749 No 4(SN 192538) Wells, containing 102.671 acres, more or less, covering a portions of former State Lease Nos. 10830 and 14689, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 10-14;

WHEREAS, after discussion and careful consideration by the State Mineral and Energy Board, a decision has been reached:

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the Louisiana State Mineral and Energy Board grant final approval of the Operating Agreement presented by Stone Energy Offshore, L.L.C. on the docket as Item No. 10-14.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

ON MOTION of Mr. Segura, seconded by Mr. Ingram, the following resolution was offered and unanimously adopted:

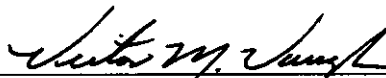
WHEREAS, a request was made for final approval of a Consent Judgment and Compromise Agreement by and between the Louisiana State Mineral and Energy Board and Devon Production Company, L.P. (Successor to Pennzoil Exploration and Production Company), affecting State Lease No. 7873, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 10-15;

WHEREAS, after discussion and careful consideration by the State Mineral and Energy Board, a decision has been reached:

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the Louisiana State Mineral and Energy Board grant final approval of the Consent Judgment and Compromise Agreement by and between the Louisiana State Mineral and Energy Board and Devon Production Company, L.P. (Successor to Pennzoil Exploration and Production Company) on the docket as Item No. 10-15.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

ON MOTION of Ms. Smith, seconded by Mr. Segura, the following resolution was offered and unanimously adopted:

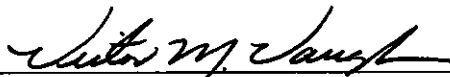
WHEREAS, a request was made for final approval of a Division Order and Agreement by and between the Louisiana State Mineral and Energy Board, Hilcorp Energy Company, individually and as general partner of Hilcorp Energy I, L.P., William S. Wenck, Jr., Frances Sholes Higgins, George W. Nowotny, III and Edward Duff Notowny, whereas said parties desire to provide for the allocation and distribution of production proceeds from the 7 RN Unit and from Tract 7 and Tract 8 of the revised 6 C Unit, from the first unit production through depletion, affecting State Lease No. 19917, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 10-16;

WHEREAS, after discussion and careful consideration by the State Mineral and Energy Board, a decision has been reached:

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the Louisiana State Mineral and Energy Board grant final approval of the Division Order and Agreement by and between the Louisiana State Mineral and Energy Board, Hilcorp Energy Company, individually and as general partner of Hilcorp Energy I, L.P., William S. Wenck, Jr., Frances Sholes Higgins, George W. Nowotny, III and Edward Duff Notowny on the docket as Item No. 10-16.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

ON MOTION of Ms. Smith, seconded by Mr. Segura, the following resolution was offered and unanimously adopted:

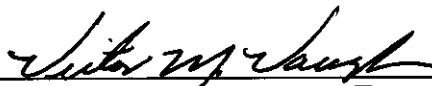
WHEREAS, a request was made a request by Staff to approve an Amendment to the existing February 3, 2005 Memorandum of Understanding between The Department of Natural Resources and The Department of Wildlife and Fisheries for activities occurring or affecting the Louisiana Coastal Zone;

WHEREAS, after discussion and careful consideration by the State Mineral and Energy Board, a decision has been reached:

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the Louisiana State Mineral and Energy Board grant approval of the Amendment to the existing February 3, 2005 Memorandum of Understanding between The Department of Natural Resources and The Department of Wildlife and Fisheries for activities occurring or affecting the Louisiana Coastal Zone.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

ON MOTION of Mr. Arnold, seconded by Mr. Segura, the following resolution was offered and unanimously adopted:

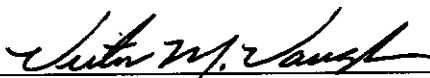
WHEREAS, a discussion in executive session of the litigation entitled: Davis Petroleum Corp. v. State of Louisiana, et al, No. 10-18571, 38th Judicial District Court, Cameron Parish;

WHEREAS, after discussion in executive session and careful consideration by the State Mineral and Energy Board, a decision has been reached:

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the Louisiana State Mineral and Energy Board accept, in principal, the settlement proposal of Davis Petroleum Corp., subject to the drafting and execution of an appropriate settlement agreement, and its due advertisement and placement on the Docket for final approval.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

BOBBY JINDAL
GOVERNOR



SCOTT A. ANGELLE
SECRETARY

State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF MINERAL RESOURCES
STATE MINERAL BOARD

DOCKET REVIEW COMMITTEE REPORT

The Docket Review Committee convened at 11:36 a.m. on Wednesday April 14, 2010. Board Members present were Mr. Thomas L. Arnold, Jr., Mr. Emile Cordaro, Mr. Thomas W. Sanders, Mr. Robert "Michael" Morton, Ms. Helen G. Smith, Mr. Bay E Ingram and Mr. W. Paul Segura, Jr.

The Committee made the following recommendations:

Approve State Agency Leases A and B on pages 1 and 2;

Approve all Assignments on pages 3 through 34;

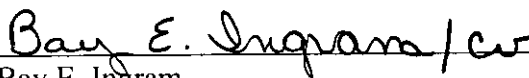
Approve the following: Docket Item Nos. 10-08, 10-09, 10-12 and 10-13 on pages 16, 17 and 18;

Approve the following items upon recommendation of the Legal and Title Controversy Committee: Docket Item Nos. 10-10, 10-11, 10-14, 10-15 and 10-16 on pages 17, 18 and 19.

Upon Motion of Mr. Sanders, seconded by Mr. Segura, the committee voted unanimously to accept the staff's recommendations.

There being no further business to come before the committee, upon motion of Mr. Sanders, and seconded by Mr. Segura, the committee voted unanimously to adjourn the meeting at 11:38 a.m.

Respectfully submitted,



Bay E. Ingram
Vice-Chairman
Docket Review Committee

Refer to Board Meeting Minutes for any action taken by the Board regarding matters in this report.

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders, seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item A from the April 14, 2010 Meeting be approved, said instrument being an Oil, Gas and Mineral Lease from the Black Lake Bayou Recreation & Water Conservation District of Red River Parish, Louisiana, dated February 25, 2010, awarded to Encana Oil & Gas (USA) Inc., covering lands located in East Half of Section 23, Township 12 North, Range 9 West, Red River Parish, Louisiana, containing 16.9 acres, more or less, with further contractual obligations being more enumerated in the instrument.

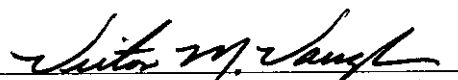
The State of Louisiana, through the State Mineral and Energy Board, asserts and claims title to the beds and bottoms of any navigable waterbed that may be located within the boundaries of the lands leased, and this approval shall not cover or extend to, or be construed as affecting the State's title to such submerged lands, if any. This lease is approved only so far as it covers lands in place, excluding from such approval any and all navigable waterbeds and sovereignty lands located within the tract leased.

BE IT FURTHER RESOLVED that this action is taken only in pursuance of Louisiana Revised Statutes 30:158 and without inquiry into the lessor's title to the leased premises or such rights, if any, that the State of Louisiana may have in the same. It is understood that this approval is solely given in order to comply with the statutory authority aforesaid.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to sign said lease to reflect the approval of the State Mineral and Energy Board.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders, seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item B from the April 14, 2010 Meeting be approved, said instrument being an Oil, Gas and Mineral Lease from the Calcasieu Parish Police Jury, dated February 23, 2010, awarded to Cash River Exploration, Inc., covering lands located in Sections 14 and 15, Township 9 South, Range 8 West, Calcasieu Parish, Louisiana, containing 8.62 acres, more or less, with further contractual obligations being more enumerated in the instrument.

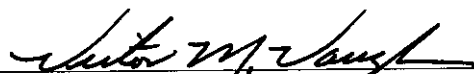
The State of Louisiana, through the State Mineral and Energy Board, asserts and claims title to the beds and bottoms of any navigable waterbed that may be located within the boundaries of the lands leased, and this approval shall not cover or extend to, or be construed as affecting the State's title to such submerged lands, if any. This lease is approved only so far as it covers lands in place, excluding from such approval any and all navigable waterbeds and sovereignty lands located within the tract leased.

BE IT FURTHER RESOLVED that this action is taken only in pursuance of Louisiana Revised Statutes 30:158 and without inquiry into the lessor's title to the leased premises or such rights, if any, that the State of Louisiana may have in the same. It is understood that this approval is solely given in order to comply with the statutory authority aforesaid.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to sign said lease to reflect the approval of the State Mineral and Energy Board.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the April 14, 2010 Meeting be approved, said instrument being an Assignment from MitEnergy Upstream LLC to Energy XXI GOM, LLC, of all of Assignor's interest in and to State Lease No. 16798, St Bernard Parish, Louisiana, with further particulars being stipulated in the instrument.

Energy XXI GOM, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof,

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;


5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders, seconded by Mr. Segura, the following Resolution was offered and adopted.

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the April 14, 2010 Meeting be approved, said instrument being an Assignment from MitEnergy Upstream LLC to Energy XXI GOM, LLC. of all of Assignor's interest in and to State Lease No. 16799, St Bernard Parish, Louisiana, with further particulars being stipulated in the instrument.

Energy XXI GOM, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows.

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30.128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

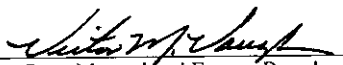
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 3 from the April 14, 2010 Meeting be approved, said instrument being an Assignment from MitEnergy Upstream LLC to Energy XXI GOM, LLC, of all of Assignor's interest in and to State Lease No. 17379, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument

Energy XXI GOM, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument.

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board:

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R S 30.128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind:

5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 4 from the April 14, 2010 Meeting be approved, said instrument being an Assignment from MitEnergy Upstream LLC to Energy XXI GOM, LLC, of all of Assignor's interest in and to State Lease No. 17380, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

Energy XXI GOM, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof,

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

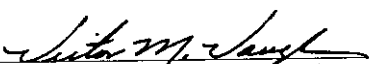
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 5 from the April 14, 2010 Meeting be approved, said instrument being an Assignment from MitEnergy Upstream LLC to Energy XXI GOM, LLC, of all of Assignor's interest in and to State Lease No. 17814, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

Energy XXI GOM, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument,

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30.128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind,

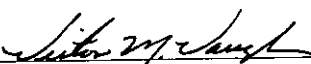
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 6 from the April 14, 2010 Meeting be approved, said instrument being an Assignment from Palace Exploration Company to Roda Drilling, LP, an undivided 90.00000% of Assignor's right, title and interest in and to State Lease Nos 16510, 16511 and 16705, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument

Cabot Oil & Gas is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 7 from the April 14, 2010 Meeting be approved, said instrument an Assignment from Merit Energy Partners D-III, L.P., Merit Energy Partners E-III, L.P., Merit Energy Partners III, L.P., Merit Management Partners I, L.P. and Merit Management Partners II, L.P. to Addison Oil, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 15448, 15459, 15461 and 16266, Vernon Parish, Louisiana, with further particulars being stipulated in the instrument.

Addison Oil, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument,

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board.

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R S 30:128. but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 8 from the April 14, 2010 Meeting be approved, said instrument an Assignment from Merit Energy Partners D-III, L.P., Merit Energy Partners E-III, L.P., Merit Management Partners III, L.P., Merit Management Partners I, L.P., Merit Management Partners II, L.P. and Merit Energy Partners III L.P. to Addison Oil, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 2048 and 16128, Beauregard Parish, Louisiana, with further particulars being stipulated in the instrument

Addison Oil, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument.

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board,

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 9 from the April 14, 2010 Meeting be approved, said instrument an Assignment from Merit Energy Partners D-III, L.P., Merit Energy Partners E-III, L.P., Merit Energy Partners III, L.P., Merit Management I, L.P. and Merit Management Partners II, L.P. to Addison Oil, LLC, of all of Assignor's right, title and interest in and to State Lease Nos 14983 and 14993, Rapides Parish, Louisiana, with further particulars being stipulated in the instrument

Addison Oil, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

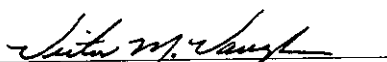
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10 from the April 14, 2010 Meeting be approved, said instrument an Assignment from Classic Petroleum, Inc. to Chesapeake Louisiana, L.P., of all of Assignor's right, title and interest in and to State Lease Nos. 20187, 20188, 20189, 20190, 20191, 20192 and 20193, Sabine Parish, Louisiana, with further particulars being stipulated in the instrument

Chesapeake Louisiana, L.P. is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows.

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument,

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 11 from the April 14, 2010 Meeting be approved, said instrument an Assignment from Jack W. Grigsby, a single man to Chesapeake Louisiana, L.P., of all of Assignor's right, title and interest in and to State Lease Nos. 11155 and 11855, Bossier and Caddo Parishes, Louisiana, with further particulars being stipulated in the instrument.

Chesapeake Louisiana, L.P. is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board.

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R S 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12 from the April 14, 2010 Meeting be approved, said instrument an Assignment from Wilson Production 16, L.L.C. to Chesapeake Louisiana, L.P., an undivided 50% of Assignor's right, title and interest in and to State Lease Nos 19011 and 19180, DeSoto and Red River Parishes, Louisiana, **SAVE AND EXCEPT**, and expressly **RESERVING AND EXCEPTING** unto Assignor all of such rights, title and interest as to all intervals, formations, strata and depths located between the surface of the earth down to a subsurface depth which is the stratigraphic equivalent of the base of the Cotton Valley formation, such subsurface depth is the stratigraphic equivalent of the base of the formation appearing at a depth of 10,539' beneath the surface of the earth, as seen in the Branch Ranch 32 well, with further particulars being stipulated in the instrument

Chesapeake Louisiana, L.P. is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind,

5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 13 from the April 14, 2010 Meeting be approved, said instrument an Assignment from MtEnergy Upstream LLC to Energy XXI GOM, LLC, of all of Assignor's interest in and to State Lease No. 12457, Plaquemines Parish, Louisiana, **AS TO** that portion of State Lease No. 12457 included within a 319.23 acre joint development area, **LIMITED TO** depths from the surface to the stratigraphic equivalent of the base of the "O" Sand, with further particulars being stipulated in the instrument.

Energy XXI GOM, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument,

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R S 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted.

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 14 from the April 14, 2010 Meeting be approved, said instrument an Assignment from MitEnergy Upstream LLC to Energy XXI GOM, LLC, of all of Assignor's interest in and to State Lease No. 6894, Jefferson and Lafourche Parishes, Louisiana, **INSOFAR AND ONLY INSOFAR AS** to 80.17 acres, more or less, limited to depths from the surface of the earth down to the stratigraphic equivalent of the base of the BA-5 Reservoir encountered at a depth of 10,000' MD, 9,015' TVD, in the state Lease No 6894, Well No. B-1, with further particulars being stipulated in the instrument.

Energy XXI GOM, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind,

5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 15 from the April 14, 2010 Meeting be approved, said instrument an Assignment from MitEnergy Upstream LLC to Energy XXI GOM, LLC, of all of Assignor's interest in and to State Lease No. 6894, Jefferson and Lafourche Parishes, Louisiana, **INSOFAR AND ONLY INSOFAR AS** to 320 acres, more or less, limited to depths from the surface of the earth down to the stratigraphic equivalent of the base of the Puma (10,400') Sand Reservoir encountered at a depth of 12,168' MD, 10,592' TVD, in the State Lease No. 6894 Well No. B-2, with further particulars being stipulated in the instrument.

Energy XXI GOM, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board,

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 16 from the April 14, 2010 Meeting be approved, said instrument an Assignment from MitEnergy Upstream LLC to Energy XXI GOM, LLC, of all of Assignor's interest in and to State Lease No 13287, Plaquemines Parish, Louisiana, **AS TO** that portion of State Lease No 13287 lying within a 319.23 acre joint development area, **LIMITED TO** depths from the surface to the stratigraphic equivalent of the base of the "O" Sand, with further particulars being stipulated in the instrument

Energy XXI GOM, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows.

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any non-signatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof,

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 17 from the April 14, 2010 Meeting be approved, said instrument an Assignment from MitEnergy Upstream LLC to Energy XXI GOM, LLC, of all of Assignor's interest in and to State Lease No. 15042, Plaquemines Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease covers from the surface to the stratigraphic equivalent of the base of the "O" Sand Lobe D Formation **AND** below the base of the stratigraphic equivalent of the base of the "O" Sand Lobe D Formation, with further particulars being stipulated in the instrument.

Energy XXI GOM, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows.

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30.128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 18 from the April 14, 2010 Meeting be approved, said instrument an Assignment from Clayton Williams Energy, Inc., an undivided 50.00% of 8/8ths to the following in the proportions set out below:

Phoenix Exploration Louisiana C LLC	45.00% of 8/8ths
Tauber Exploration & Production Co.	5.00% of 8/8ths

in and to State Lease Nos. 19963 and 19964, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument

Clayton Williams Energy, Inc. is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

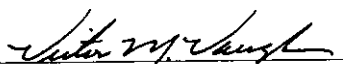
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;
- 2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;
- 3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;
- 4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R S 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;
- 5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and
- 6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 19 from the April 14, 2010 Meeting be approved, said an Assignment from Cohort Energy Company to Endeavour Operating Corporation, 50% of Assignor's right, title and interest in and to State Lease No 17366, Red River Parish, Louisiana, with further particulars being stipulated in the instrument.

Cohort Energy Company is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

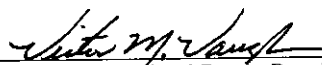
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders, seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 20 from the April 14, 2010 Meeting be approved, said an Assignment from Cohort Energy Company to Endeavour Operating Corporation, 50% of Assignor's right, title and interest in and to State Lease No 17128, DeSoto and Red River Parishes, Louisiana, with further particulars being stipulated in the instrument

Cohort Energy Company is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

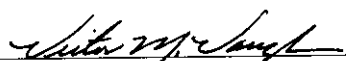
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders, seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 21 from the April 14, 2010 Meeting be approved, said an Assignment and Correction of Assignment from Louisiana Energy & Environmental, Inc. to Sylvan Energy & Environmental, LLC, of all of Assignor's right, title and interest in and to State Lease No. 1337, St. Mary Parish, Louisiana, with further particulars being stipulated in the instrument.

Sylvan Energy & Environmental, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board,

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

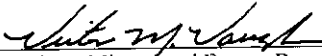
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 22 from the April 14, 2010 Meeting be approved, said an Assignment from Diamond "L." Inc to Hilcorp Energy I, L.P., of all of Assignor's right, title and interest in and to State Lease Nos. 3258, 3599 and 14703, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

Hilcorp Energy Company is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board,

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30.128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted.

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 23 from the April 14, 2010 Meeting be approved, said an Assignment and Correction of Assignment from Palace Exploration Company to RoDa Drilling, LP, an undivided 90.00% of 50.00% of Assignor's right, title and interest in and to State Lease No. 18614, St. Mary Parish, Louisiana, with further particulars being stipulated in the instrument.

McMoRan Oil & Gas LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows.

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 24 from the April 14, 2010 Meeting be approved, said an Assignment from Tapper Resources, Inc. to Goldston Oil Corporation, of all of Assignor's right, title and interest in and to State Lease No. 20113, Madison Parish, Louisiana, with further particulars being stipulated in the instrument.

Goldston Oil Corporation is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows.

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof,

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind,

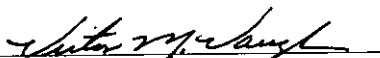
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders, seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 25 from the April 14, 2010 Meeting be approved, said an Assignment from Cypress Energy Corporation to Houston Energy, LP, of all of Assignor's right, title and interest in and to State Lease No. 20143, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

Houston Energy, LP is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board.

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R S 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 26 from the April 14, 2010 Meeting be approved, said an Assignment from H. Hal McKinney to Summit Energy Company, L.L.C., a 0.5000% of 100% interest in and to State Lease Nos. 19745, 19804 and 19810, Iberia Parish, Louisiana, with further particulars being stipulated in the instrument.

Summit Energy Company, L.L.C. is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument,

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board,

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof:

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

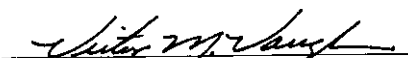
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

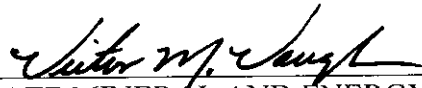
LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders, seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 27 from the April 14, 2010, Meeting be approved, said instrument being a Correction of Resolution No. 5 from the March 11, 2009 Meeting, being an Assignment from Classic Petroleum, Inc. to Chesapeake Louisiana, L.P., whereas State Lease Nos. 19873, 19874, 19875, 19876, 19877, 19878, 19879, 19880, 19881, 19985, 19987, 19988, 19989, 19990 and 19991 were incorrectly added to said Resolution and are hereby being deleted, affecting State Lease Nos. 19812, 19813, 19814, 19815, 19816, 19817, 19818, 19819, 19820, 19821, 19822, 19823, 19824, 19825, 19826, 19827, 19828, 19829, 19831, 19834, 19835, 19838, 19840, 19841, 19844, 19845, 19846, 19847, 19848, 19873, 19874, 19875, 19876, 19877, 19878, 19879, 19880, 19881, 19882, 19883, 19884, 19885, 19923, 19927, 19928, 19929, 19985, 19986, 19987, 19988, 19989, 19990 and 19991, Bossier, Caddo, DeSoto, Natchitoches, Red River and Sabine Parishes, Louisiana.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 28 from the April 14, 2010 Meeting be approved, said an Assignment and Correction of Assignment from Club Oil & Gas, Inc., of all of Assignor's right, title and interest to the following in the proportions set out below:

Castex Energy Partners, LP	50%
Castex Energy 2208, LP	50%

in and to State Lease No 14108, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument

Castex Energy Partners, LP is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board,

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind,

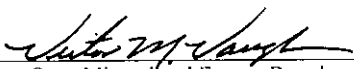
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 29 from the April 14, 2010 Meeting be approved, said an Assignment from Theophilus Oil, Gas & Land Services, LLC, of all of Assignor's right, title and interest to the following in the proportions set out below:

Apache Corporation	50.00%
Castex Energy Partners, L.P by Castex Energy II, LLC	25.00%
Energy XXI Onshore, LLC	25.00%

in and to State Lease No 20064, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

Apache Corporation is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof,

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 30 from the April 14, 2010 Meeting be approved subject to the approval of the Governor of Louisiana, said an Assignment from LaBay Exploration Company, of all of Assignor's interest to the following in the proportions set out below.

Castex Energy 2005, L P.	87 5%
Castex Energy 2008, L P	12 5%

in and to State Lease No. 340, St Mary Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said interests cover that 860 acre tract of Belle Isle selection of State Lease #340, with further particulars being stipulated in the instrument.

Castex Energy, Inc. is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows

- 1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;
- 2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessee or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;
- 3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof,
- 4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R S 30 128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;
- 5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and
- 6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect

Approved as per Executive Order BJ 2008-10
Bobby Jindal, Governor

By: _____
Scott A. Angelle
Chairman, State Mineral Board

State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 31 from the April 14, 2010 Meeting be approved, said an Assignment from Cypress Energy Corporation to JM Exploration Company, LLC, of all of Assignor's right, title and interest in and to State Lease No. 19958, Ouachita Parish, Louisiana, with further particulars being stipulated in the instrument.

JM Exploration Company, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows.

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 32 from the April 14, 2010 Meeting be approved, said An Assignment and Correction of Assignment from Esenjay Exploration, Inc., currently known as Santos Americas and Europe Corporation to Santos USA Corp, currently known as IPR USA Corp., of all of Assignor's right, title and interest in and to State Lease No. 724, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

IPR USA Corp. is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows.

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;


5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

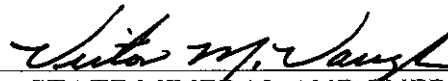
On motion of Mr. Sanders, seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-08 from the April 14, 2010, Meeting be approved, said instrument being an Amendment to that certain Unitization Agreement, dated June 1, 1994, presented by Continental Land and Fur Company Inc., Castex Energy Partners, L.P., Castex Energy 2008, L.P., Energy XXI Onshore, et al, whereas said parties desire to amend the "12,800' RB VU A" Agreement such that the term "Unitized Substances" on page 2 of said Agreement is deleted and new language as set forth in this said Agreement is to be added, affecting State Lease Nos. 5683 and 14108, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the instrument by signing said instrument for the Board.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

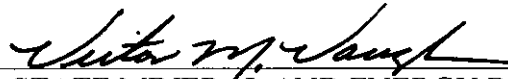
On motion of Mr. Sanders, seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-09 from the April 14, 2010, Meeting be approved, said instrument a Unitization Agreement presented by Gulf Explorer, L.L.C., to create a 217.97 acre unit, more or less, identified as the “**Gulf Production Company-Voluntary Unit A**”, with 64.99 acres being attributable to State Lease No. 19445, 51.75 acres being attributable to State Lease No. 19446 and 101.23 acres being attributable to State Lease No. 20160, Main Pass Block 49, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the instrument by signing said instrument for the Board.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders, seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-10 from the April 14, 2010, Meeting be approved, said instrument an Operating Agreement presented by The Harvest Group LLC, to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the State a State Production Interest equal to 16.67% before payout, increasing to 25% after payout in and to the Operating Tract, whereas operator desires and intends to re-establish production in the SL 5097 No. 1 (SN 220264), containing 252.56 acres, more or less, covering a portion of former State Lease No. 5097, Iberia, St. Mary and Terrebonne Parishes, Louisiana, with further particulars being stipulated in the instrument.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the instrument by signing said instrument for the Board.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

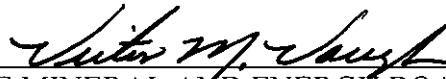
On motion of Mr. Sanders, seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-11 from the April 14, 2010, Meeting be approved, said a Lease Amendment by and between the State of Louisiana, appearing herein through the State Mineral and Energy Board and Exxon Mobil Corporation, whereas said parties agree to amend Paragraph 6 of the Lease so to change the royalty provided for therein from 20% to 21%, as to that portion of the Lease contained within the "Exxon Mobil Corporation-Grand Isle Block 16-Voluntary Unit A", as shown on the plat attached hereto as Exhibit "A", affecting State Lease No. 14031, Jefferson Parish, Louisiana, with further particulars being stipulated in the instrument.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the instrument by signing said instrument for the Board.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

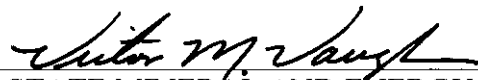
On motion of Mr. Sanders, seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-12 from the April 14, 2010, Meeting be approved, said a Unitization Agreement presented by Exxon Mobil Corporation, to create a 785 acre unit, more or less, identified as the "Exxon Mobil Corporation-Grand Isle Block 16 Field-Voluntary Unit A", with 142 acres being attributable to State Lease No. 14031, 617 acres being attributable to State Lease No. 18737 and 26 acres being attributable to State Lease No. 18738, Jefferson Parish, Louisiana, with further particulars being stipulated in the instrument.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the instrument by signing said instrument for the Board.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

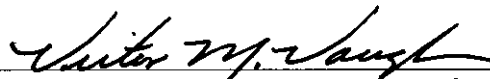
On motion of Mr. Sanders, seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-13 from the April 14, 2010, Meeting be approved, said a Unitization Agreement presented by Stone Energy Offshore, L.L.C., to create a 170.728 acre unit, identified as the "H-2 VUA", with 68.057 acres being attributable to State Lease No. 19749 and 102.671 acres being attributable to a proposed Operating Agreement, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the instrument by signing said instrument for the Board.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

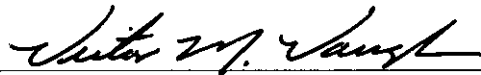
On motion of Mr. Sanders, seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-14 from the April 14, 2010, Meeting be approved, said an Operating Agreement presented by Stone Energy Offshore, L.L.C., to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the State a State Production Interest equal to 21.6% before payout, increasing to 23% after payout in and to the Operating Tract, whereas operator desires and intends to re-establish production in the State Lease 10830 No. 1 (SN 222071) and State Lease 19749 No 4(SN 192538) Wells, containing 102.671 acres, more or less, covering a portions of former State Lease Nos. 10830 and 14689, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the instrument by signing said instrument for the Board.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

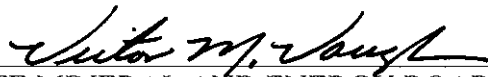
On motion of Mr. Sanders, seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-15 from the April 14, 2010, Meeting be approved, said a Division Order and Agreement by and between the Louisiana State Mineral and Energy Board, Hilcorp Energy Company, individually and as general partner of Hilcorp Energy I, L.P., William S. Wenck, Jr., Frances Sholes Higgins, George W. Nowotny, III and Edward Duff Notowny, whereas said parties desire to provide for the allocation and distribution of production proceeds from the 7 RN Unit and from Tract 7 and Tract 8 of the revised 6 C Unit, from the first unit production through depletion, affecting State Lease No. 19917, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the instrument by signing said instrument for the Board.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders, seconded by Mr. Segura, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-16 from the April 14, 2010, Meeting be approved, said instrument being A Division Order and Agreement by and between the Louisiana State Mineral and Energy Board, Hilcorp Energy Company, individually and as general partner of Hilcorp Energy I, L.P., William S. Wenck, Jr., Frances Sholes Higgins, George W. Nowotny, III and Edward Duff Notowny, whereas said parties desire to provide for the allocation and distribution of production proceeds from the 7 RN Unit and from Tract 7 and Tract 8 of the revised 6 C Unit, from the first unit production through depletion, affecting State Lease No. 19917, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

, with further particulars being stipulated in the instrument.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the instrument by signing said instrument for the Board.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of April, 2010 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



STATE MINERAL AND ENERGY BOARD