## **MINUTES**

# STATE MINERAL AND ENERGY BOARD

# REGULAR MEETING AND LEASE SALE

**MARCH 14, 2012** 

A Regular Meeting and Lease Sale of the State Mineral and Energy Board was held on Wednesday, March 14, 2012, 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, called the meeting to order. He then requested Ms. Stacey Talley, Deputy Assistant Secretary, to call the roll for the purpose of establishing a quorum.

W. Paul Segura, Jr., Vice-Chairman Thomas L. Arnold, Jr. Emile B. Cordaro

John C. "Juba" Diez

Robert "Michael" Morton

Darryl D. Smith

Helen G. Smith

Robert Harper, DNR Undersecretary (sitting in for Chairman Scott A. Angelle)
Chip Kline (sitting in for Garret Graves, Governor Jindal's designee to the Board)

The following members of the Board were recorded as absent:

Scott A. Angelle, Chairman Thomas W. Sanders Bay E. Ingram

Ms. Talley announced that nine (9) members of the Board were present and that a quorum was established.

Also recorded as present were:

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
April Duhe, Attorney, OMR Executive Division
Isaac Jackson, DNR General Counsel
Ryan Seidemann, Assistant Attorney General

The Chairman then stated that the next order of business was the approval of the February 8, 2012 Minutes. A motion was made by Mr. Arnold to adopt the Minutes as submitted and to waive reading of same. His motion was seconded by Mr. Cordaro and unanimously adopted by the Board. (No public comment was made at this time.)

The Chairman then stated that the next order of business would be the adoption of the Committee recommendations. Upon motion of Ms. Smith, seconded by Mr. Morton, the recommendations of the following respective Committees regarding their reports were unanimously adopted by resolutions of the Board. (No public comment was made at this time.)

Lease Review Committee
Nomination & Tract Committee
Audit Committee
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 11:02 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. Smith, seconded by Mr. Morton, 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. Arnold, seconded by Mr. Cordaro, and unanimously adopted by the Board, the Board reconvened in open session at 11:07 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. (No public comment was made at this time.)

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on Tract 42521 to Petroleum Partners, L.L.C.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on Tract 42522 to Theophilus Oil, Gas & Land Services, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to reject the bid on Tract 42541 for insufficient consideration and to re-advertise with minimums.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to reject the bid on Tract 42542 for insufficient consideration and to re-advertise with minimums.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to reject the bid on Tract 42543 for insufficient consideration and to re-advertise with minimums.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on Tract 42544 to Theophilus Oil, Gas & Land Services, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on a portion of Tract 42545, said portion being <u>71.0</u> acres more particularly described in said bid and outlined on accompanying plat, to SR Acquisitions I, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on another portion of Tract 42545, said portion being <u>71.14</u> acres more particularly described in said bid and outlined on accompanying plat, to SR Acquisitions I, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on a portion of Tract 42546, said portion being <u>357.0</u> acres more particularly described in said bid and outlined on accompanying plat, to SR Acquisitions I, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on another portion of Tract 42546, said portion being <u>307.0</u> acres more particularly described in said bid and outlined on accompanying plat, to SR Acquisitions I, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on a portion of Tract 42547, said portion being <u>202.0</u> acres more particularly described in said bid and outlined on accompanying plat, to SR Acquisitions I, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on Tract 42548 to Theophilus Oil, Gas & Land Services, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on Tract 42549 to Theophilus Oil, Gas & Land Services, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on Tract 42550 to Theophilus Oil, Gas & Land Services, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on Tract 42551 to Theophilus Oil, Gas & Land Services, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on a portion of Tract 42553, said portion being <u>45.0</u> acres more particularly described in said bid and outlined on accompanying plat, to Westgrove Energy Holdings, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on a portion of Tract 42556, said portion being <u>450.0</u> acres more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on a portion of Tract 42557, said portion being <u>362.0</u> acres more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on a portion of Tract 42560, said portion being <u>28.0</u> acres more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on another portion of Tract 42560, said portion being <u>45.0</u> acres more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on another portion of Tract 42560, said portion being <u>347.0</u> acres more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on a portion of Tract 42561, said portion being <u>234.0</u> acres more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on a portion of Tract 42562, said portion being 38.04 acres more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on another portion of Tract 42562, said portion being <u>134.97</u> acres more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on a portion of Tract 42563, said portion being <u>80.0</u> acres more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on another portion of Tract 42563, said portion being <u>107.0</u> acres more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on a portion of Tract 42564, said portion being <u>16.0</u> acres more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on a portion of Tract 42569, said portion being 42.72 acres more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on a portion of Tract 42571, said portion being <u>152.89</u> acres more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Board voted unanimously to award a lease on Tract 42574 to TDX Energy, LLC.

This concluded the awarding of the leases.

The following announcements were then made:

Ms. Talley stated that "the staff has developed a new bid form which has built-in controls to address some of the errors that we have seen in the past year regarding the rental rate or the price per acre. That bid form is on our web site and is available to be downloaded and used. If the bidders would use that, it should help prevent them from having their bids rejected due to calculation errors on the bid forms. We encourage people to use it.

Also, the results of today's Lease Sale in total bonuses are \$1,015,037.74 bringing the fiscal year-to-date total to slightly more than \$23 million."

The Chairman then stated there being no further business to come before the Board, upon motion of Ms. Smith, seconded by Mr. Morton, the meeting was adjourned at 11:10 a.m.

Respectfully submitted,

Victor M. Vaughn Executive Officer

State Mineral and Energy Board

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# THE FOLLOWING BID OPENING MEETING REPORT, COMMITTEE REPORTS AND RESOLUTIONS WERE MADE A PART OF THE MARCH 14, 2012 MINUTES BY REFERENCE

A public meeting for the purpose of opening sealed bids was held on Wednesday, March 14, 2012, beginning at 8:30 a.m. in the La Belle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana.

#### Recorded as present were:

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
April Duhe, Attorney, OMR Executive Division
Ryan Seidemann, Assistant Attorney General

Mr. Victor Vaughn 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:

March 14, 2012

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. 42521 through 42574, 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)

Frederick D. Heck
Director
Petroleum Lands Division

Mr. Vaughn then stated that there were four (4) letters of protest received and had been examined by legal counsel for the Board who advised that the Board was in a position to consider bids and award a lease on the protested tracts if so desired. Mr. Vaughn stated that the letters of protest were as follows:

- 1. EnerVest Operating, L.L.C., dated February 27, 2012, involving Tract No. 42524.
- 2. Dennis, Bates & Bullen, L.L.P. (3 separate letters), dated March 6, 2012, involving Tract Nos. 42524, 42552 & 42558.

The Letters of Protest are hereby attached and made a part of the Minutes by reference.

For the record, Mr. Vaughn stated that 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 42521

Bidder : Petroleum Partners, L.L.C.

Primary Term : Three (3) years
Cash Payment : \$15,322.00
Annual Rental : \$7,661.00

Royalties : 20.5% on oil and gas

: 20.5% on other minerals

Additional Consideration : None

#### Tract 42522

Bidder : Theophilus Oil, Gas & Land Services, LLC

Primary Term : Three (3) years
Cash Payment : \$21,000.00
Annual Rental : \$10,500.00

Royalties : 20% on oil and gas

: 20% on other minerals

Additional Consideration : None

No Bids

#### Tract 42522

Bidder : Petroleum Partners, L.L.C. : Three (3) years **Primary Term Cash Payment** \$13,692.00 **Annual Rental** : \$6,846.00 Royalties 20.5% on oil and gas 20.5% on other minerals **Additional Consideration** None Tract 42523 No Bids Tract 42524 No Bids Tract 42525 No Bids Tract 42526 No Bids Tract 42527 No Bids Tract 42528 No Bids Tract 42529 No Bids Tract 42530 No Bids Tract 42531

**Additional Consideration** 

	Tract 42532	
No Bids		
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	Tract 42541	
Bidder Brimary Torm	:	Audubon Oil and Gas Corporation Three (3) years
Primary Term Cash Payment	:	\$23,275.00
Annual Rental	:	\$11,638.00
Royalties	:	21.00000% on oil and gas
	:	21.00000% on other minerals

None

#### Tract 42542

Bidder Audubon Oil and Gas Corporation :

**Primary Term** : Three (3) years \$17,150.00 Cash Payment : Annual Rental : \$8,575.00

Royalties 21.00000% on oil and gas

21.00000% on other minerals

Additional Consideration None

#### Tract 42543

Audubon Oil and Gas Corporation Bidder

**Primary Term** Three (3) years : Cash Payment \$56,350.00 \$28,175.00 **Annual Rental** 

21.00000% on oil and gas Royalties

21.00000% on other minerals

Additional Consideration None

#### Tract 42544

Theophilus Oil, Gas & Land Services, LLC Bidder

Three (3) years **Primary Term** \$28,500.00 Cash Payment **Annual Rental** \$14,250.00

25% on oil and gas Royalties 25% on other minerals

Additional Consideration None

#### Tract 42545 (Portion – 71.0 acres)

SR Acquisitions I, LLC Bidder : Three (3) years **Primary Term** \$10,118.92 Cash Payment Annual Rental \$5,059.46

20.5% on oil and gas Royalties 20.5% on other minerals

Additional Consideration None

## Tract 42545 (Portion – 71.14 acres)

Bidder : SR Acquisitions I, LLC
Primary Term : Three (3) years
Cash Payment : \$10,141.72
Annual Rental : \$5,070.86

Royalties : 20.5% on oil and gas

: 20.5% on other minerals

Additional Consideration : None

## Tract 42546 (Portion – 357.0 acres)

Bidder : SR Acquisitions I, LLC
Primary Term : Three (3) years
Cash Payment : \$52,678.92
Annual Rental : \$26,339.46

Royalties : 20.5% on oil and gas : 20.5% on other minerals

Additional Consideration : None

## Tract 42546 (Portion – 307.0 acres)

Bidder : SR Acquisitions I, LLC Primary Term : Three (3) years Cash Payment : \$46,823.64 Annual Rental : \$23,411.82

Royalties : 20.5% on oil and gas : 20.5% on other minerals

Additional Consideration : None

## Tract 42547 (Portion – 202.0 acres)

Bidder:SR Acquisitions I, LLCPrimary Term:Three (3) yearsCash Payment:\$31,821.06Annual Rental:\$15,910.53

Royalties : 20.5% on oil and gas : 20.5% on other minerals

Additional Consideration : None

#### Tract 42548

Bidder : Theophilus Oil, Gas & Land Services, LLC

Primary Term : Three (3) years
Cash Payment : \$10,441.80
Annual Rental : \$5,220.90

Royalties : 20% on oil and gas : 20% on other minerals

Additional Consideration : None

#### Tract 42549

Bidder : Theophilus Oil, Gas & Land Services, LLC

Primary Term : Three (3) years
Cash Payment : \$11,602.00
Annual Rental : \$5,801.00

Royalties : 20% on oil and gas : 20% on other minerals

Additional Consideration : None

#### Tract 42550

Bidder : Theophilus Oil, Gas & Land Services, LLC

Primary Term : Three (3) years
Cash Payment : \$7,251.45
Annual Rental : \$3,625.73

Royalties : 20% on oil and gas : 20% on other minerals

Additional Consideration : None

#### Tract 42551

Bidder : Theophilus Oil, Gas & Land Services, LLC

Primary Term : Three (3) years
Cash Payment : \$9,751.95
Annual Rental : \$4,875.98

Royalties : 20% on oil and gas : 20% on other minerals

Additional Consideration : None

Tract 42552

No Bids

#### Tract 42553 (Portion – 45.0 acres)

Bidder : Westgrove Energy Holdings, LLC

Primary Term : Three (3) years
Cash Payment : \$12,465.00
Annual Rental : \$6,232.50

Royalties : 21.00% on oil and gas

: 21.00% on other minerals

Additional Consideration : None

Tract 42554

No Bids

Tract 42555

No Bids

Tract 42556 (Portion – 450.0 acres)

Bidder:Hilcorp Energy I, L.P.Primary Term:Three (3) yearsCash Payment:\$193,050.00Annual Rental:\$96,525.00

Royalties : 23% on oil and gas : 23% on other minerals

Additional Consideration : None

Tract 42557 (Portion – 362.0 acres)

Bidder:Hilcorp Energy I, L.P.Primary Term:Three (3) yearsCash Payment:\$125,614.00Annual Rental:\$62,807.00

Royalties : 23% on oil and gas : 23% on other minerals

Additional Consideration : None

Tract 42558

No Bids

Tract 42559

No Bids

## Tract 42560 (Portion – 28.0 acres)

Bidder:Hilcorp Energy I, L.P.Primary Term:Three (3) yearsCash Payment:\$9,716.00Annual Rental:\$4,858.00

Royalties : 23% on oil and gas : 23% on other minerals

Additional Consideration : None

## Tract 42560 (Portion – 45.0 acres)

Bidder : Hilcorp Energy I, L.P.
Primary Term : Three (3) years
Cash Payment : \$12,487.50
Annual Rental : \$6,243.75

Royalties : 22.5% on oil and gas

: 22.5% on other minerals

Additional Consideration : None

## Tract 42560 (Portion – 347.0 acres)

Bidder : Hilcorp Energy I, L.P.
Primary Term : Three (3) years
Cash Payment : \$120,409.00
Annual Rental : \$60,204.50
Royalties : 23% on oil and gas

: 23% on other minerals

Additional Consideration : None

#### Tract 42561 (Portion – 234.0 acres)

Bidder:Hilcorp Energy I, L.P.Primary Term:Three (3) yearsCash Payment:\$64,935.00Annual Rental:\$32,467.50

Royalties : 22.5% on oil and gas : 22.5% on other minerals

Additional Consideration : None

#### Tract 42562 (Portion – 38.04 acres)

Bidder : Hilcorp Energy I, L.P.
Primary Term : Three (3) years
Cash Payment : \$13,199.88
Annual Rental : \$6,599.94

Royalties : 23% on oil and gas

23% on other minerals

Additional Consideration : None

#### Tract 42562 (Portion – 134.97 acres)

Bidder : Hilcorp Energy I, L.P.
Primary Term : Three (3) years
Cash Payment : \$37,454.18
Annual Rental : \$18,727.09

Royalties : 22.5% on oil and gas

22.5% on other minerals

Additional Consideration : None

#### Tract 42563 (Portion – 80.0 acres)

Bidder : Hilcorp Energy I, L.P.
Primary Term : Three (3) years
Cash Payment : \$22,200.00
Annual Rental : \$11,100.00

Royalties : 22.5% on oil and gas : 22.5% on other minerals

Additional Consideration : None

## Tract 42563 (Portion – 107.0 acres)

Bidder:Hilcorp Energy I, L.P.Primary Term:Three (3) yearsCash Payment:\$29,692.50Annual Rental:\$14,846.25

Royalties : 22.5% on oil and gas : 22.5% on other minerals

Additional Consideration : None

#### Tract 42564 (Portion – 16.0 acres)

Bidder:Hilcorp Energy I, L.P.Primary Term:Three (3) yearsCash Payment:\$4,440.00Annual Rental:\$2,220.00

Royalties : 22.5% on oil and gas

22.5% on other minerals

Additional Consideration : None

Tract 42565

No Bids

Tract 42566

No Bids

Tract 42567

No Bids

Tract 42568

No Bids

Tract 42569 (Portion – 42.72 acres)

Bidder : Hilcorp Energy I, L.P.
Primary Term : Three (3) years
Cash Payment : \$14,311.20
Annual Rental : \$7,155.60

Royalties : 22.50% on oil and gas

22.50% on other minerals

Additional Consideration : None

Tract 42570

No Bids

## Tract 42571 (Portion – 152.89 acres)

Bidder:Hilcorp Energy I, L.P.Primary Term:Three (3) yearsCash Payment:\$51,218.72Annual Rental:\$25,609.36

Royalties : 22.50% on oil and gas

: 22.50% on other minerals

Additional Consideration : None

Tract 42572

No Bids

#### STATE AGENCY TRACTS

Tract 42573

No Bids

#### Tract 42574

Bidder:TDX Energy, LLCPrimary Term:Three (3) yearsCash Payment:\$48,391.30Annual Rental:\$24,195.65

Royalties : 22.5% on oil and gas

: 22.5% on other minerals

Additional Consideration : None

This concluded the reading of the bids.

There being no further business, the meeting was concluded at 9:05 a.m.

Respectfully submitted,

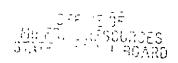
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Victor M. Vaughn Executive Officer

State Mineral and Energy Board



#### February 27, 2012



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Stacey Talley
Deputy Assistant Secretary
State of Louisiana Office of Mineral Resources
P.O. Box 2827
Baton Rouge, LA 70827-2827

RE: Protest of Nomination for Lease Tract #42524; March 14, 2012 Lease Sale

Dear Deputy Assistant Secretary,

I am writing to protest the nomination of Tract #42524, which is scheduled for bid at the Mineral Board Lease Sale to be held on March 14, 2012. The tract was nominated by Theophilus Oil, Gas & Land Services, LLC, and cover a portion of the Bayou DeLoutre basin located in Sections 1, 2, 12 and 13, Township 20 North – Range 2 East, and Sections 5, 6, 7, 8, 9, 16, 17 and 18, Township 20 North – Range 3 East. As set forth below, these water bottoms are non-navigable and mineral rights to these lands are owned by EnerVest Energy Partners, Ltd. – not the State of Louisiana.

EnerVest Energy Partners, Ltd. ("EnerVest") owns a large mineral servitude that includes the nominated tract of land. EnerVest, and its predecessors in title, have continuously produced natural gas from numerous wells in the Monroe Field since the 1920's.

The fact that the nominated waters are non-navigable is shown by prior litigation and the resulting partial release of State Lease 309. The State of Louisiana originally leased this area to James A. Noe under SL 309 dated October 23, 1934. The lease contained the following legal description:

"All that part of Bayou DeLoutre and the bed thereof in the State of Louisiana which is owned by the State of Louisiana, bounded on one end by the West line of Section 7, Township 20 North, Range 3 East, and on the other end by the waters of the Ouachita River at a point in Section 35, Township 20, Range 3 East..."

On February 4, 1944, suit was filed in the litigation entitled State of Louisiana et al vs. Lucille May Grace, Register of State Land Office, et al, Suit #21,076, in the Nineteenth Judicial District Court, East Baton Rouge Parish. In a compromise between all parties, approved by Judgment of the Court, a portion of State Lease 309 was released. In particular, the Judgment ordered that "All of that part of Bayou DeLoutre, and the bed thereof, which lies north of the north line of Section 35, Township 20 North, Range 3 East, comprising approximately 40 acres," is to be released from State Lease 309. In addition, the settlement and judgment provided that "Interstate Natural Gas Company, Incorporated [predecessor in title to EnerVest], has at all times taken and maintained the position that Bayou DeLoutre has never been and is not now navigable and that title to any portion of the said stream has never been vested in the State of Louisiana, and nothing herein contained shall be construed as an abandonment by Interstate Natural Gas Company, Incorporated, of its aforesaid position, and the participation by Interstate Natural Gas Company, Incorporated, herein shall not be construed or interpreted as in any manner admitting Bayou DeLoutre or any part hereof is now or ever has been



navigable, or that title to the bed of said stream or any portion thereof is now or ever has been in the State of Louisiana; and the participation of Interstate Natural Gas Company, Incorporated, in this act of compromise shall not constitute or be construed as a waiver of any of the rights set forth or asserted in the written protest filed by Interstate Natural Gas Company, Incorporated, with the Department of Minerals to the granting of State Leases 494 and 495."

State Lease 494 was granted to Independent Oil & Gas Company, Incorporated, et al, on July 8, 1941. A portion of Bayou DeLoutre was overlapped by State Lease 494 and State Lease 309 more fully described as follows:

"Tract 166 - ...all that portion of Bayou DeLoutre, including a meander called Curtis Lake, Beginning at the intersection of Bayou DeLoutre and State Highway No. 815 at the point where it crosses Hallack Lake in Section Twenty (20), Township Twenty (20) North, Range Three (3) East, thence in a Southerly direction following the course of the Bayou through Sections Twenty (20), Twenty-one (21), Twenty-two (22), Twenty-six (26), Twenty-seven (27), Thirty-four (34), Thirty-five (35), Township Twenty (20) North, Range Three (3) East, to the Ouachita River;..."

Tract 166 in State Lease 494 was the only portion of the Bayou DeLoutre Basin held by a state lease after the releasing of all Bayou DeLoutre properties in the State Lease 309 compromise. This description does not include any part of Bayou DeLoutre north of Section 20, being further described as lands north of the intersection of the Bayou and State Highway No. 815 (now Louisiana Highway 2, running east/west between Sterlington and Farmerville) where the highway crosses Hallack Lake. This shows that the State did not claim title to any portion of Bayou DeLoutre as to lands or water bottoms lying north of Section 20, Township 20 North, Range 3 East, in accordance with the prior settlement and judgment.

EnerVest (along with predecessors including Interstate Natural Gas Company, Incorporated) have owned a mineral servitude covering lands and non-navigable water bottoms located in Sections 1, 2, 12 and 13 of Township 20 North – Range 2 East, and Sections 6, 7, 8, 9, 16, 17, and 18 of Township 20 North – Range 3 East, which is the primary area of Tract #42524.

Numerous Monroe Gas Rock wells have been drilled in this area. The following is a list of wells drilled in the non-navigable Bayou DeLoutre footprint:

Serial #	Well Name	Spud Date	S-T-R	Status
44184	MLGC Fee Gas 313	9/20/1951	6-20N-3E	10
44798	MLGC Fee Gas 318	12/9/1951	8-20N-3E	10
67277	MLGC Fee Gas 402	8/23/1957	18-20N-3E	20
208822	MLGC Fee Gas 1483	8/3/1988	17-20N-3E	10
	(This well is located just sout	th of Tract #425	524 and north o	of LA Highway 2.)
216992	MLGC Fee Gas 1644	7/24/1994	7-20N-3E	10
217286	MLGC Fee Gas 1633	9/26/1994	6-20N-3E	10



The permits and survey plats approved by the Office of Conservation for these wells indicate that surface and mineral ownership is not in the State of Louisiana. The plat for each well referenced is enclosed. For numerous years, the State has agreed that these wells are not on State owned navigable water bottoms.

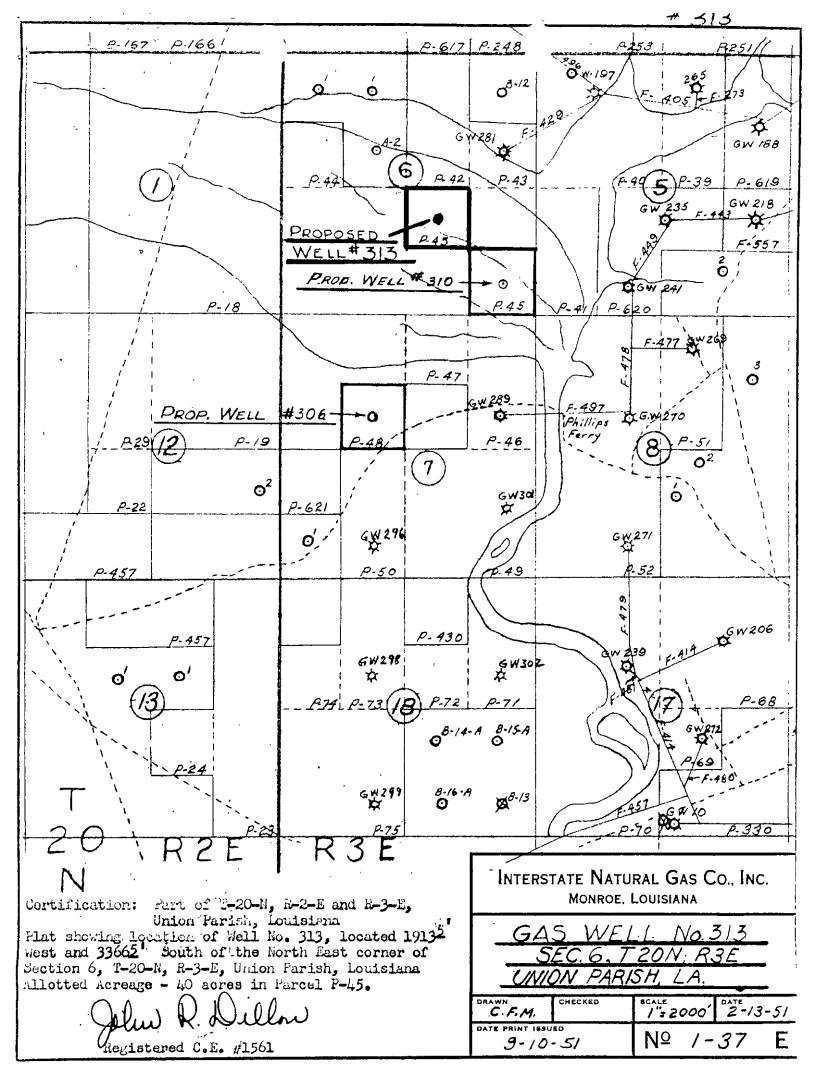
It is clear that for the past 60 years EnerVest, and its predecessors in title, along with the State of Louisiana and Office of Conservation have jointly agreed that Bayou DeLoutre north of Louisiana Highway 2 is not a navigable waterway, and no title resides with the State of Louisiana. Therefore, in light of the evidence presented herein, I respectfully request that you withdraw, and remove from nomination for lease, Tract #42524 from the March 14, 2012 lease sale, due to no ownership of title by the State. Please feel free to contact me if you have any further questions or need additional information.

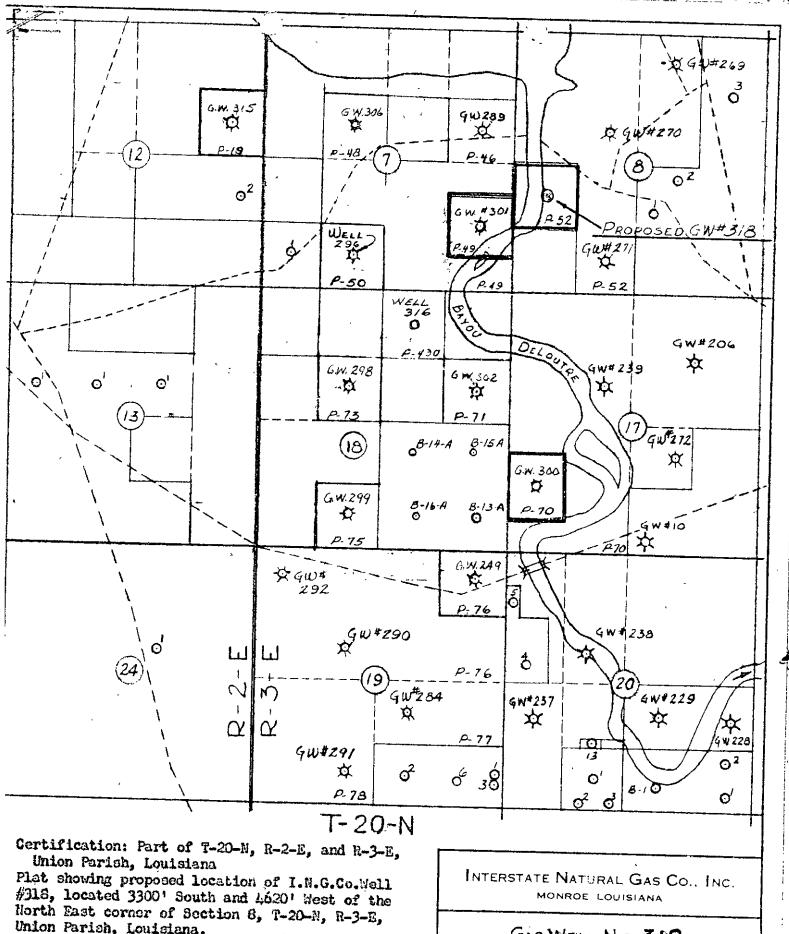
Sincerely.

Richard A. "Ricky" Collins, CPL

EnerVest Operating, LLC

Rac Enclosures





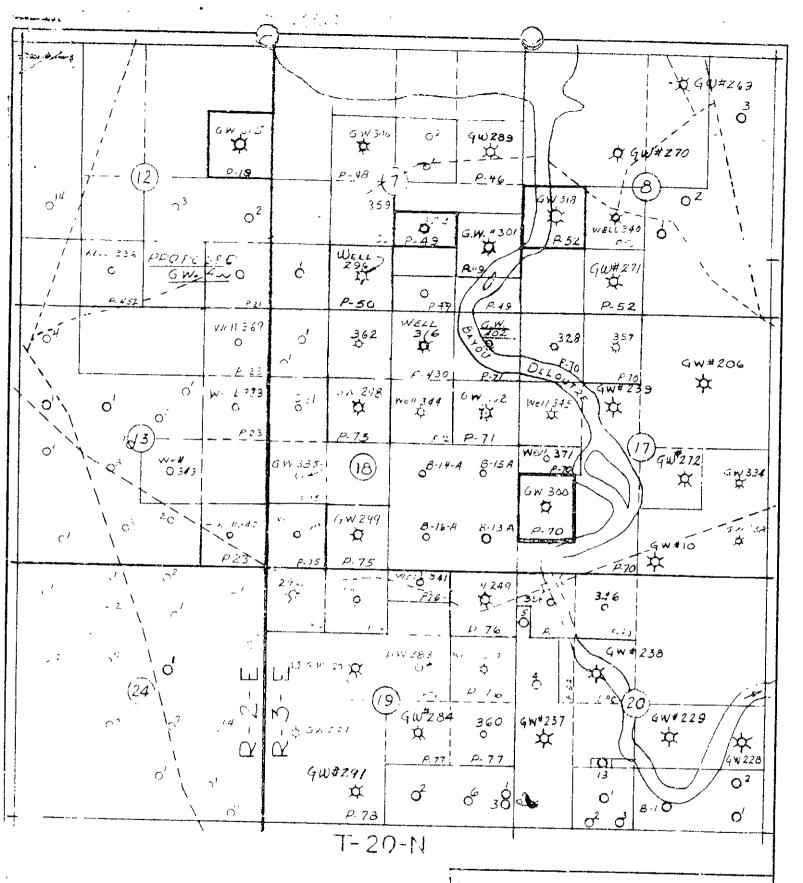
Union Parish, Louisiana. Allotted acreage - 40 acres in Parcel P-52. Registored C.S. 约561

GAS WELL NO. 318 SEC. & TION; RE UNION PARISH. J.R.D. 1"= 2000 4:26-50

Nº

1-34-

11-30-51



Certificate: Part of T2ON, R3E Union Parlsh, La.

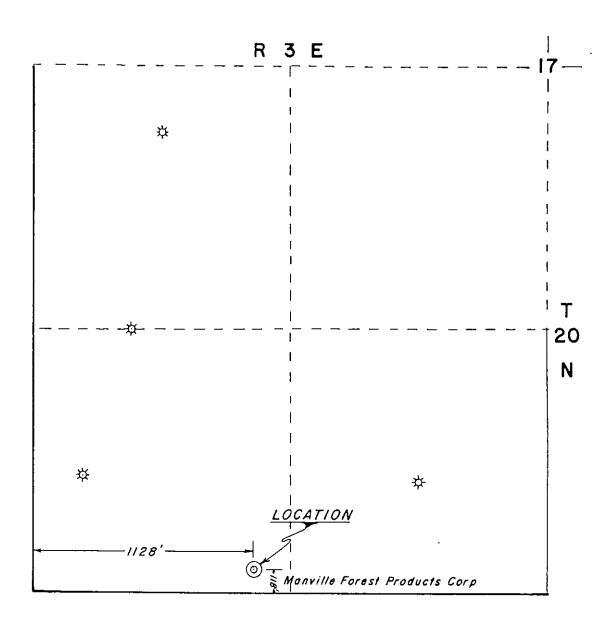
Plat showing location of Well No. 402 located 610' South and 660' West of NE Corner of Sec. 18, T20N, R3E, Union Parish, La. Allotted Acreage: 39.685 acres in Parcel 71

Civil Engineer with Olin Gas Trans. Corp.

OLIN GAS TRANSMISSION CORPORATION
MONROE LOUISIANA

GASWELL NO 402 SEC 18 TZOW: 8 DE UNION PARISH LA

J.R.D.	ChiCKED	SCALE - 20	300	₹ 3	24	50	
י או דוייקק זי נ	rn			<u> </u>			
8 +5 - 5	7	Nº	1 -	34		F	



#### MID LOUISIANA GAS COMPANY MLGC No. 1483

118 NORTH AND 1128 EAST OF THE SOUTHWEST CORNER OF SECTION 17

T. 20 N. R.3 E.

UNION PARISH, LA.

SCALE: I"= 500'

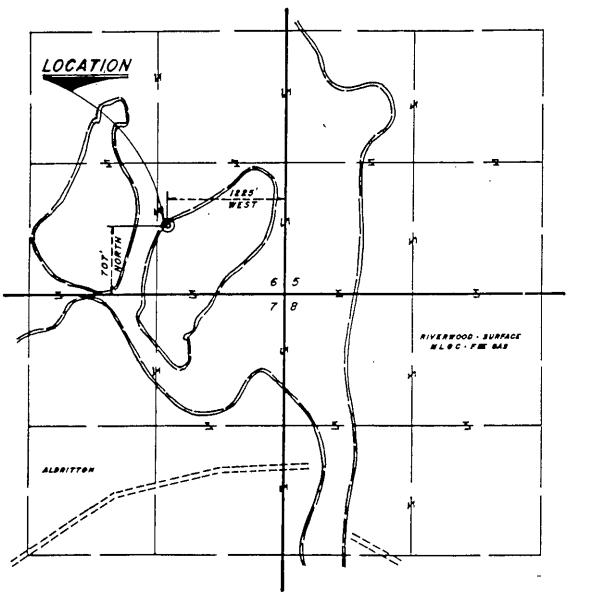
JUNE 14, 1988

CERTIFICATE: PART OF T20N-R3E, UNION PARISH, LA.

Bully Deville

LA. REG LAND SURVEYOR NO. 1227

R 3 E



## MID LOUISIANA GAS COMPANY M L G C (FEE GAS) No. 1633

707' NORTH AND 1225' WEST OF THE SOUTHEAST CORNER OF SECTION 6
T20N-R3E UNION PARISH, LA.
SCALE I" = 1000'

I certify that location for above well has been correctly made as shown.

FROMESSIONAL SURVEYOR NO 6032

MESSINGER & ASSOCIATES PO DRAWER 1179 630 EAST JEFFERSON AVENUE BASTROP, LOUISIANA 71220 (318) 281-1636



T

20

T

20

0 LOCATION 20 RIVERWOOD - SURFACE

R

T

20

3 E

## MID LOUISIANA GAS COMPANY M L G C (FEE GAS) No. 1644

170' NORTH AND 870' WEST OF THE SOUTHEAST CORNER OF SECTION 7
T20 N-R3 E UNION PARISH, LA
SCALE I" = 1000'

i sertify that location for above well has been correctly made as shown.

FROM L MARINE GAL
PROPESSIONAL SURVEYOR NA 4132

MESSINGER & ASSOCIATES
FO DRAWER 1179
3 TO TEST / FTTT 130M IN EHUE



#### TRACT 42524 - Union Parish, Louisiana

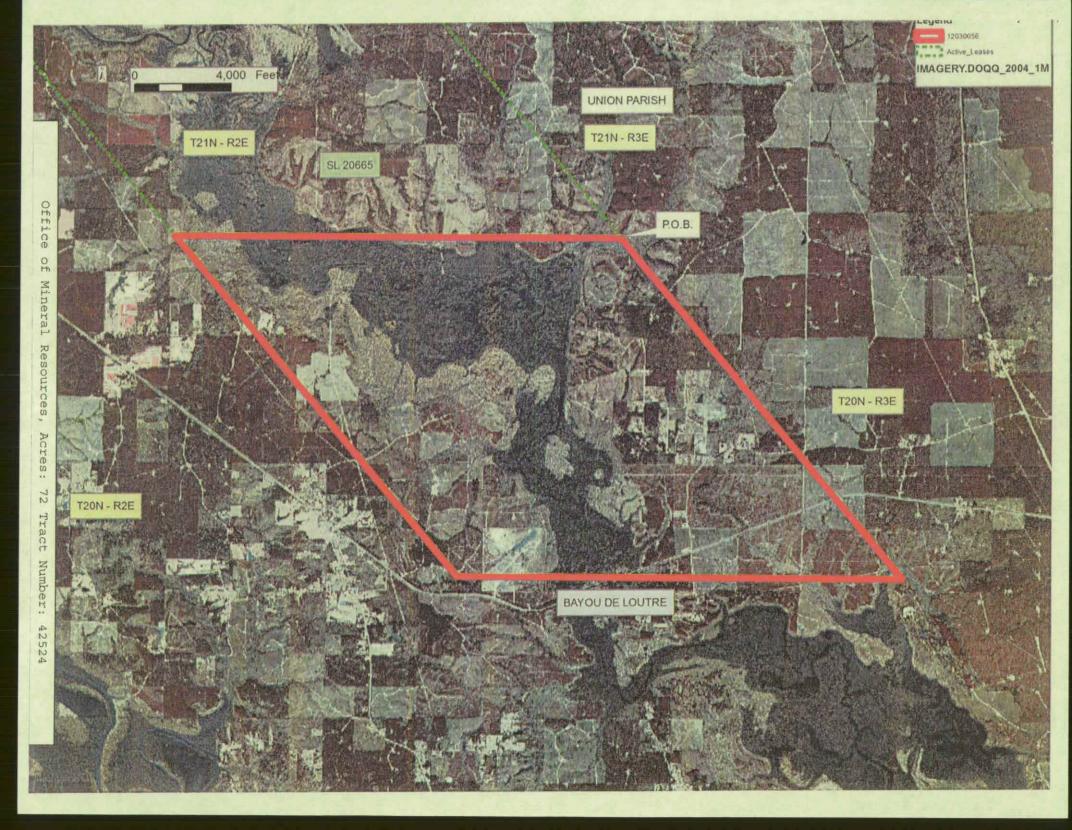
All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description as to which title is vested in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on March 14, 2012, situated in Union Parish, Louisiana, and more particularly described as follows: Beginning at a point being the Southeast corner of State Lease No. 20665 having Coordinates of X = 2,097,866.20 and Y =759,328.50; thence South 40 degrees 00 minutes 00 seconds East 18,480.00 feet to a point having Coordinates of X = 2,109,744.91 and Y = 745,172.00; thence West 18,480.00 feet to a point having Coordinates of X2,091,264.91 and Y = 745,172.00; thence North  $40^{-}$  degrees 00 minutes 00 seconds West 18,480.00 feet to a point being the Southwest corner of said State Lease No. 20665 having Coordinates of X = 2,079,386.20 and Y =759,328.50; thence East 18,480.00 feet along the Southern boundary of said State Lease No. 20665 to the point of beginning, LESS AND EXCEPT any right, title, and interest in lands owned by and not under lease from the State of Louisiana, on behalf of the Union Parish School Board, situated in Section 16, Township 20 North, Range 3 East, Union Parish, Louisiana, contained within the above described tract, containing approximately 72 acres, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (North or South Zone), where applicable.

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral and Energy Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral and Energy Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of obligation to pay any bonus due thereon to the Louisiana State Mineral and Energy Board, nor shall the Louisiana State Mineral and Energy Board be obligated to refund any consideration paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The above Tract is located upon a restricted scenic river and all operations in this area must be conducted in strict conformity with the regulations of the Corps of Engineers, U.S. Army.

Applicant: THEOPHILUS OIL, GAS & LAND SERVICES, LLC

Bidder	Cash Payment	Price/ Acre	Rental	Oil	Gas	Other
					ļ	



#### DENNIS, BATES & BULLEN, L.L.P.

ATTORNEYS AND COUNSELORS AT LAW 318 ST. CHARLES STREET BATON ROUGE, LOUISIANA 70802 TELEPHONE (225) 343-0100 FAX (225) 343-0344 EMAIL bates@dbblaw.net

James C. Bates
PARTNER
BATON ROUGE OFFICE

106 HEYMANN BOULEVARD P O BOX 53319 LAFAYETTE, LOUISIANA 70505-3319 TELEPHONE (337) 237-5900 FAX (337) 233-909

March 6, 2012

Office of Mineral Resources Department of Natural Resources 617 N. Third Street, 8<sup>th</sup> Floor Baton Rouge, Louisiana 70802 Attn: Mr. Rick Heck

Re: Tract No. 42524, Union Parish, Louisiana,

March 14, 2012 State Lease Sale

#### Gentlemen:

We represent Exxon Mobil Corporation ("ExxonMobil") with respect to the matters set forth herein. ExxonMobil is the owner of mineral interests on all or a portion of acreage included in the description of the captioned tract. The mineral interests were acquired decades ago and remain extant. To the extent that the captioned tract overlaps ExxonMobil's mineral interests, there are no state owned lands or waterbottoms within the described tracts and ExxonMobil requests that the tracts insofar as they overlap ExxonMobil's mineral interests be withdrawn from the March 14, 2012 lease sale.

Should the tracts not be withdrawn please notify all prospective bidders of ExxonMobil's claim and inform them that ExxonMobil will defend its title should a lease be granted purporting to include any acreage owned by it. If you have any questions concerning this matter, please contact the undersigned.

Very truly yours,

ames C. Bates

DENNIS, BATES & BULLEN, L.L.P.

JCB/cmf

Ms. Shelbi M. McKee

cc: Ms. Diana Cabrales

#### DENNIS, BATES & BULLEN, L.L.P.

ATTORNEYS AND COUNSELORS AT LAW 318 ST. CHARLES STREET BATON ROUGE, LOUISIANA 70802 TELEPHONE (225) 343-0100 FAX (225) 343-0344 EMAIL bates@dbblaw.net

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106 HEYMANN BOULEVARD P 0 BOX 53319 LAFAYETTE, LOUISIANA 70505-3319 TELEPHONE (337) 237-5900 FAX (337) 233-909

March 6, 2012

Office of Mineral Resources Department of Natural Resources 617 N. Third Street, 8<sup>th</sup> Floor Baton Rouge, Louisiana 70802 Attn: Mr. Rick Heck

Re: Tract No. 42552, Vermilion Parish Louisiana, March 14, 2012 State Lease Sale

#### Gentlemen:

We represent Exxon Mobil Corporation ("ExxonMobil") with respect to the matters set forth herein. ExxonMobil is the owner of the surface and minerals of all or a portion of acreage included in the descriptions of the captioned tract. This property was acquired in perfect ownership by ExxonMobil's corporate predecessor decades ago and has remained in the possession of ExxonMobil and its lessees since. To the extent that the captioned tract overlaps ExxonMobil's property, there are no state owned lands or waterbottoms within the described tracts and ExxonMobil requests that the tracts insofar as they overlap ExxonMobil's property be withdrawn from the March 14, 2012 lease sale.

Should the tracts not be withdrawn please notify all prospective bidders of ExxonMobil's claim and inform them that ExxonMobil will defend its title should a lease be granted purporting to include any acreage owned by it. If there are any questions concerning this matter, please contact the undersigned.

Very truly yours,

DENNIS, BATES & BIGLLEY, L.I

ames C. Bates

JCB/cmf

cc: Ms. Diana Cabrales Ms. Peggy Carr

#### DENNIS, BATES & BULLEN, L.L.P.

ATTORNEYS AND COUNSELORS AT LAW 318 ST CHARLES STREET BATON ROUGE, LOUISIANA 70802 TELEPHONE (225) 343-0100 FAX (225) 343-0344 EMAIL bates@dbblaw.net

James C. Bates
PARTNER
BATON ROUGE OFFICE

106 HEYMANN BOULEVARD P O BOX 53319 LAFAYETTE, LOUISIANA 70505-3319 TELEPHONE (337) 237-5900 FAX (337) 233-909

March 6, 2012

Office of Mineral Resources Department of Natural Resources 617 N. Third Street, 8<sup>th</sup> Floor Baton Rouge, Louisiana 70802 Attn: Mr. Rick Heck

> Re: Tract No. 42558 (portions of State Lease Nos. 1480 and 14589), Lafourche Parish, Louisiana, March 14, 2012 State Lease Sale

Gentlemen:

We represent Exxon Mobil Corporation ("ExxonMobil") with respect to the matters set forth herein. ExxonMobil is an owner of mineral leases on all or a portion of acreage included in the descriptions of the captioned tracts, being State Lease 1480 and State Lease 14589. To the extent that the captioned tracts overlap ExxonMobil's mineral leases, ExxonMobil requests that the tracts insofar as they overlap ExxonMobil's mineral leases be withdrawn from the March 14, 2012 lease sale.

Should the tracts not be withdrawn please notify all prospective bidders of ExxonMobil's claim and inform them that ExxonMobil will defend its title should a lease be granted purporting to include any acreage owned by it. If you have any questions concerning this matter, please contact the undersigned.

Very truly yours,

HIIIIII

James C. Bates

JCB/cmf

cc: Ms. Diana Cabrales Mr. Aaron Russell



SCOTT A. ANGELLE SECRETARY

### 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, March 14, 2012 at 9:38 a.m. with the following members of the board in attendance: Mr. Thomas L. Arnold, Jr., Mr. Emile B. Cordaro, Mr. John C. "Juba" Diez, Mr. Robert "Michael" Morton, Mr. Darryl D. Smith, Ms. Helen G. Smith, and Mr. Robert D. Harper, sitting in for DNR Secretary Scott A. Angelle.

Items on the Lease Review Committee Agenda submitted to the Board by Mr. Jason Talbot, Geologist Supervisor, were as follows:

#### I. Geological and Engineering Staff Review

According to SONRIS there are 1881 active State Leases covering nearly 849,000 acres. The Geological and Engineering Division has reviewed approximately 250 leases covering 136,000 acres.

#### II. Committee Review

1. A staff report on **State Lease 195-C**, Quarantine Bay Field, Plaquemines and St. Bernard Parishes. Cox Operating, L. L. C. is the operator.

The recommendation was to accept the report and that Cox Operating, L.L.C. is to report on the status of their 2012 drilling program and any other lease activity no later than September 12, 2012.

A staff report on State Lease 1217, Bay de Chene Field, Jefferson and Lafourche Parishes. Swift Energy Operating, LLC is the lessee.

The recommendation, after identifying approximate areas of productive and nonproductive acreage, is that within 180 days of this Board meeting, Swift Energy Operating, LLC is to drill an obligatory well located on or affecting the nonproductive acreage on this lease or release 700 acres.

#### III. Report on Force Majeure

Items on the Force Majeure report submitted to the Board by Mr. Charles Bradbury, Petroleum Engineer, were as follows:

Staff requests that the Board recognize a force majeure condition beginning December 28, 2011 for Chevron U. S. A. Inc. affecting SLs 19534, 19536 and 19547 due to rig availability.

Lease Review Committee March 14, 2012 Page 2

Updated 3/2/2012

Company Name	me Lease Numbers			
Leases Off Production Due	to Non-storm Related Force Majeure Events			
Bay Gas LLC	19930			
Chevron	19534, 19536, 19547			
The Harvest Group LLC	A0311			
Harvest Operating LLC	12002			
Stone Energy	10830, 15074, 17309, 17595, A0285			

On motion by Mr. Arnold, seconded by Ms. Smith, the Committee moved to accept and approve all reviews and recommendations by the staff.

On motion by Mr. Cordaro, seconded by Mr. Morton, the Committee moved to adjourn its March 14, 2012 meeting at 9:44 a.m.

Respectfully submitted,

Mr. Darryl D. Smith, 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.

# LOUISIANA STATE MINERAL AND ENERGY BOARD LEASE REVIEW COMMITTEE

On Motion of Mr. Arnold, seconded by Ms. Smith, the following resolution was offered and adopted:

WHEREAS, pursuant to Louisiana Revised Statute 30:129, the State Mineral and Energy Board is the body designated 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;

WHEREAS, a request was made by Chevron USA Inc.(herein "Chevron") to recognize that a force majeure condition existed for State Leases 19534, 19536, and 19547 in Cameron Parish, Louisiana due to the necessity to re-equip the drilling rig and install additional blow-out prevention equipment beginning December 28, 2011;

**WHEREAS**, State Leases 19534, 19536, and 19547 includes a "Force Majeure" provision which allows the Operator to maintain these leases without complying with the actual drilling or reworking operations or by actual production requirements for as long as the force majeure is in effect;

WHEREAS, Chevron was forced to suspend drilling operations on OLIG-PAL RA SUA; BPAPC Well No. 1 (SN 242221) the due to the necessity to re-equip the rig and blow-out preventers to safely continue drilling deeper;

WHEREAS, Carl Rewerts, Land Manager – Gulf of Mexico for Chevron, submitted a notarized affidavit on behalf of Chevron, which stated that the activities and/or fortuitous events which caused the force majeure was beyond the control, not the cause, and/or due to said company and/or business entity's negligence or intentional commission or omission;

WHEREAS, Mr. Rewerts' affidavit also stated that said company and/or business entity did not fail to take reasonable and timely, foreseeable preventive measures which could have mitigated or negated the effect of said activities and/or fortuitous events;

**NOW THEREFORE BE IT RESOLVED** that the Louisiana State Mineral and Energy Board, in consideration of the facts stated herein, by these present does hereby recognize and acknowledge the force majeure event beginning December 28, 2011 until such time drilling operations are restored on State Leases 19534, 19536, and 19547, Cameron Parish, Louisiana or until the September 12, 2012 State Mineral and Energy Board meeting. Once drilling operations begin Chevron shall maintain the leases in accordance with the normal language in the lease form concerning continuing operations and production. The Board also requires that Chevron submit to the staff monthly updates due no later than the 1<sup>st</sup> of each month. Furthermore, the Board requires that Chevron in a due diligent manner, mitigate, or negate the effect of future events and make timely notification of any future events to the Mineral and Energy Board's staff of said activities which cause the force majeure.

#### **CERTIFICATE**

I hereby certify that the above is true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board in the City of Baton Rouge Louisiana, on the 14<sup>th</sup> day of March, 2012, 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



SONRIS Staff Reviews

Report run on:

District C	ode	1 New Orlea	ns- East			
Get Revie	ew Date	March 14, 2012				
Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
00195C		QUARANTINE BAY	QB 3 RB SU	7200	15357	MAR. OB RCD 3-12-12 COX POD DUE 2/16/12 JMB <sup>-</sup> W, 9/14/11 SN 242846 COMP'D 08/16/11 COX HAS 6 MOS FROM COMP TO SUBMIT POD
00195C		QUARANTINE BAY, SOUTH	QB 3 RB SU	7200	15357	MAR. OB RCD 3-12-12 COX POD DUE 2/16/12 JMB: W, 9/14/11 SN 242846 COMP'D 08/16/11 COX HAS 6 MOS FROM COMP TO SUBMIT POD
00214	2	BRETON SOUND BLOCK 18 , GARDEN ISLAND BAY , POINTE A LA HACHE	241962-SL 214 GARDEN ISLAND BAY- 001 02/28/2011	200	4449	MAR. MTG 1/12/12 > <10/6/11 JMB EMAIL TO DUNE. FIRM DEVELOPMENT PLANS FOR DA 2 AND/OR REL.AND 1/11/12 DUNE WELL RPT
00214	1	BRETON SOUND BLOCK 18 , GARDEN ISLAND BAY , POINTE A LA HACHE	241962-SL 214 GARDEN ISLAND BAY- 001 02/28/2011	700	3044	MAR. MTG 1/12/12 > < 1/11/12 DUNE WELL RPT
00214	0	BRETON SOUND BLOCK 18 , GARDEN ISLAND BAY , POINTE A LA HACHE	241962-SL 214 GARDEN ISLAND BAY- 001 02/28/2011	7769	7769	MAR. MTG 1/12/12 > < 1/11/12 DUNE WELL RPT
00988		MAIN PASS BLOCK 69 , SOUTH PASS BLOCK 1 , SOUTH PASS BLOCK 24 OFFSHORE(8453 7/97	1928.37 10/03/2005	88.12	88.12	MAR. AR
01353		MAIN PASS BLOCK 69 , QUEEN BESS ISLAND	219613-MPB69 Q2 RA SU;SL 1353-061-D 08/17/1996	1000	1000	MAR. AR 1/25/12 PROD THRU 12/11
01354		MAIN PASS BLOCK 69	182.84 11/23/1999	1253	1467 16	MAR. AR
01355		MAIN PASS BLOCK 69	216041-SL 1355-042 10/02/1993	746	746	MAR. AR
01357		MAIN PASS BLOCK 69	MPB69 BQ RA SU 01/01/1989	1294	1294	MAR. AR
01359		MAIN PASS BLOCK 69	MPB69 BQ RA SU 01/01/1989	270	400	MAR. AR
01393	2	BRETON SOUND BLOCK 18 , GARDEN ISLAND BAY	SL 214 GARDEN ISLAND BAY 11/01/1997	200	250	MAR. MTG 1/12/12 > < 10/6/11 JMB EMAIL TO DUNE: FIRM DEVELOPMENT PLANS FOR DA 2 AND/OR REL.AND 1/11/12 DUNE WELL RPT
01393	0	BRETON SOUND BLOCK 18 , GARDEN ISLAND BAY	SL 214 GARDEN ISLAND BAY 11/01/1997	458	458	MAR. MTG 1/12/12 > < 1/11/12 DUNE WELL RPT
01393	1	BRETON SOUND BLOCK 18, GARDEN ISLAND BAY	SL 214 GARDEN ISLAND BAY 11/01/1997	50	150	MAR. MTG 1/12/12 > < 1/11/12 DUNE WELL RPT
02125		MAIN PASS BLOCK 35	221990-SL 2125-012 05/24/1998	10.49	389	MAR. 2/15/12 OMR TO TPIC - ACCEPT RPT AND REQ UPDATE STATUS BY 2-13-13



#### SONRIS Staff Reviews

Report run on:

District C	ode	1 New Orlea	ns- East			
Get Revie	w Date	March 14, 2012				
Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
02220		ELOI BAY , HALF MOON LAKE , RABBIT ISLAND	4650 RA SUA;LED SL 17002 07/15/2003 659-N 03-530	2000	4163	MAR. 2-8-12 REC'D. PR < 12/20/11 OMR FUL FOR PRS >< CK 7/11 OB PRS OF 800=2220, 500=2221, 100=4147
02221		ELOI BAY	215867-SL 2221-064-D 06/23/1993	300	2621	MAR. 2-8-12 REC'D PR < 12/20/11 OMR FUL FOR PRS >< CK 7/11 OB PRS OF 800=2220, 500=2221, 100=4147
03851		MAIN PASS BLOCK 69	233221-SL 3851-011 07/17/2006	716.29	716.29	MAR. AR
04147		ELOI BAY , HALF MOON LAKE	6020 SUA;SL 2220 11/01/1992	80	1383.61	MAR. 2-8-12 REC'D PR < 12/20/11 OMR FUL FOR PRS >< CK 7/11 OB PRS OF 800=2220, 500=2221, 100=4147
06646		FORT PIKE , RIGOLETS	559.587 10/19/2011	318.716	318 716	MAR AR 1/17/12 RCD OFL PR OF 559.587, RTNG 318.716 EFF 10/19/11 (878 308 SRVYD AC BY APACHE)
06647		RIGOLETS	880.404 10/19/2011	401.286	401.286	MAR. AR 2/20/12 OFL PR 880.404 AC, RET. 401.286 AC EFF 10/19/11
06706		MAIN PASS BLOCK 74	PUMA RB SUA;SL 6706 08/05/2003 1213-A-2 03-586	624	2624.72	MAR. AR 3/7/12 RCD EMAILED PR OF 734.419, RTNG 1890.301 AC 3/1/12 OMR TO STONE: ACCEPT PR & FARMOUT PLANS> <rcd by<br="" rpt="" stone="">1/31/12 ON DRLG, DEV OR REL. IN SRN / EASTERN</rcd>
06894		MAIN PASS BLOCK 74	240647-SL 6894-001 02/02/2010	657	810	MAR. AR
11930		POINTE A LA HACHE		62	62	MAR. 3/1/12 REL RQD 2/29/12 RS JMB: APP EXP, LAST PRD 9/11
15042		MAIN PASS BLOCK 74	951.16 10/01/2002	217.65	217.65	MAR AR
15683		BRETON SOUND BLOCK 53	UV 3B RA VUA;SL 19051 01/12/2011	279.23	279.23	MAR. AR
16442		BRETON SOUND BLOCK 18	64.39 09/16/2002	142.93	142 93	MAR. AR
16736		BRETON SOUND BLOCK 53	593.5 04/13/2006	160.76	160.76	MAR. AR
16738		BRETON SOUND BLOCK 53	171.66 04/13/2006	23.77	23.77	MAR. AR
16850		MAIN PASS BLOCK 47	BA BB RA SUA;SL 16849 10/29/2002 1331-F 06-633	24.87	24.87	MAR. AR
16890		BRETON SOUND BLOCK 51	8300 VUA;SL 17243 10/13/2004	270.15	270.15	MAR. REL RQD 3-1-12
17303		BRETON SOUND BLOCK 16		250	541.52	MAR. 1/9/12 OMR TO SARATOGA/HARVEST=AR <rcd harvest="" plat<="" submit="" td=""></rcd>



#### SONRIS Staff Reviews

Report run on:

District Code	1	New Orleans- East
Get Review Date	March 14.	2012

G	iet Keviev	v Date	March 14, 2012				
	.ease Vum	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
							OF PRD LIMITS & PLANS BY 1/11/12
1	18078		MAIN PASS BLOCK 26		148.65	148.65	MAR. AR
1	18165		EMPIRE		235	660	MAR. 12/15/11 V.BATEMAN WILL SEND VIRGIN EXAMPLE OF SIMPLE PR TO AID W/ PR. CK PR: 10/27/11 OMR TO VIRGIN, ACCEPT APPROX 425 AC PR DEC. AR
1	8479		MAIN PASS BLOCK 69		400.21	400.21	MAR. AR
1	8935		BLACK BAY, WEST	81 05/29/2008	35	35	MAR AR
1	9061		CHANDELEUR SOUND ADDITION BLOCK 23	129.022 11/05/2009	123.444	123 444	MAR. AR
2	0019				0	900.57	MAR. 2/22/12 REL RQD. PT 2/11/12
20	0550		CHIPOLA	L TUSC A RA SUB;HURST 05/03/2011 1511-A	3.893	66	MAR. 1/24/12 DD APPROVED TO 3/9/13 1/19/12 DD TO JMB PT 3/9/14
20	0670		CHIPOLA	L TUSC A RA SUB;HURST 05/03/2011 1511-A	.708	2	MAR. 1/18/12 JMB NEW TRNSMTL L TUSC A RA SUB;HURST 243162 050841 PRD BEGAN 11/1/11



#### SONRIS Staff Reviews

Report run on: March 16, 2012 6:12 AM

District Code 1W New Orleans- West

Get Review Date March 14, 2012 Leasa DA Field Latest lease Activity **Productive** Present Flagged for Acreage Acreage Review In 00356A **BAY DE CHENE** VUB, BDC UB 4299 4369 MAR AR 2/15/12 STEVE: HBP 2/9/12 JCJ PROD THRU 11/11 00402 **DELTA FARMS** 14.3 6.02 6.02 MAR. AR 2/15/12 STEVE: HBP 09/09/1996 00998 SOUTH PASS BLOCK 24. 242193-SPB24 I2 RA 2410 2410 MAR. AR 2/15/12 STEVE: HBP SOUTH PASS BLOCK 24 SU.SL 998-194 OFFSHORE(8453 7/97 10/22/2010 SOUTH PASS BLOCK 24, X RA SUA:SL 998 00999 1087 1685 MAR. AR 2/15/12 STEVE: HBP SOUTH PASS BLOCK 24 04/21/1998 OFFSHORE(8453 7/97 227-HHH SOUTH PASS BLOCK 24 241414-SPB 24 T RG 01007 3950 4578 MAR. AR 2/15/12 STEVE: HBP SOUTH PASS BLOCK 24 SU,SL 1008-137 2/13/12 PROD THRU 11/11 OFFSHORE(8453 7/97 08/22/2010 SOUTH PASS BLOCK 27 01008 SOUTH PASS BLOCK 24, 241335-SL 1008-136 4642 5000 MAR. AR 2/15/12 STEVE: H8P SOUTH PASS BLOCK 24 04/11/2010 2/13/12 PROD THRU 11/11 OFFSHORE(8453 7/97 SOUTH PASS BLOCK 27 01009 SOUTH PASS BLOCK 24. 227127-WDB83 10500 555 810 MAR, AR 2/15/12 STEVE: HBP RB SU,SL 1009-001 SOUTH PASS BLOCK 24 2/13/12 PROD THRU 11/11 OFFSHORE(8453 7/97 07/13/2002 SOUTH PASS BLOCK 27, **WEST DELTA BLOCK 83** SOUTH PASS BLOCK 27. 01011 229834-SPB27 N4 RB 670 2041 MAR. AR 2/15/12 STEVE: HBP STUARDS BLUFF SU;SL 1011-092 2/13/12 PRD THRU 11/11 07/08/2004 01217 BAY DE CHENE, GOLDEN VUB:BDC UB 1531 4041 MAR. OB 2/8/12 ACTION MEADOW DEFERRED TO 3/14/12 RCD SWIFT DEVELOPMENT **ACTIVITY RPT BY 1/4/12** 01730 VALENTINE SC 3 SW RG 37.581 37 581 MAR. AR 2/15/12 STEVE: H8P SUA; PPCO ETAL 240096 2/13/12 PRD THRU 04/01/2009 280-24 09-412 02104 LAKE WASHINGTON CC 6 RB SUA;SL 2104 900 1000 MAR. AR 2/15/12 STEVE: HBP 02/23/2010 2/13/12 PRD THRU 11/11 149-S-2 10-171 03258 LAKE RACCOURCI 248.125 51.89 281,125 MAR. AR 2/15/12 STEVE: HBP 02/17/2004 219508 2/13/12 PRD THRU 11/11 03599 LAKE RACCOURCI 795.2 MAR. AR 2/15/12 STEVE: HBP 476 754.8 01/14/1999 219508 2/13/12 PRD THRU 11/11 06430 405 33 **BAY MARCHAND BLOCK 2** 973.07 973.07 MAR. AR 2/15/12 STEVE: HBP OFFSHORE, TIMBALIER 06/01/1993 2/13/12 PRD THRU 11/11 **BAY OFFSHORE** 06748 TIMBALIER BAY TR NVIJA 178.875 178.875 MAR. AR 2/15/12 STEVE: HBP **OFFSHORE** 08/01/1989 2/13/12 PRD THRU 11/11 LAFITTE 10439 1.41 MAR. AR 2/15/12 STEVE: HBP .15 .15 10/19/2000 2/13/12 PROD THRU 11/11 14371 DORCYVILLE 19.17 114 004 114.004 MAR. AR 2/13/12 JCJ PROD 05/20/1999 THRU 11/11, ROY. 9/11



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Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
14374		SATURDAY ISLAND	232784-SL 14374-003 04/24/2006	91 663	91.663	MAR. AR 2/15/12 STEVE: HBP 1/25/12 PROD THRU 12/11
14674		PROFIT ISLAND	19100 TUSC RA SUO;D OLIVER 03/01/1995	168 545	168.545	MAR. AR 2/15/12 STEVE: HBP 2/13/12 PROD THRU 12/11
14703		LAKE RACCOURCI	781.414 01/13/1999	71.036	71.036	MAR. AR 2/15/12 STEVE: HBP 2/13/12 PROD THRU 11/11
15016		SOUTH PASS BLOCK 27	232490-SL 15016-007 12/15/2005	1020	2484 84	MAR. 2/13/12 LTR TO EPL - OMR DRLG COMMIT BY 06/12 PER JT;;;RCD 1/30/12 ENGY PTNRS UPDATE
15092		LAFITTE	.66 03/13/2001	.61	.61	MAR. AR 2/13/12 JCJ PROD THRU 11/11
15421		MORGANZA	335 01/24/2000	243	243	MAR. 3/1/12 REL RQD 2/29/12 APP EXP REQ REL PER SS
15858		SATURDAY ISLAND	222.808 08/08/2000	20.192	20.192	MAR AR 2/15/12 STEVE: HBP 2/13/12 PROD THRU 11/11
16006		SATURDAY ISLAND	331.238 05/04/2000	2.762	2.762	MAR. AR 2/15/12 STEVE. HBP 2/13/12 JCJ: PROD THRU 11/11
16007		SATURDAY ISLAND	150.943 05/04/2000	1.057	1.057	MAR. AR 2/15/12 STEVE: HBP 2/13/12 JCJ, PROD THRU 11/11
16563		LAKE RACCOURCI	95.29 11/27/2000	14.74	37.71	MAR. AR 3/1/12 PR RQD 2/29/12 LEASE NOT EXP - PARTIALLY HBP- 22.97 AC EXP. PER JT; 2/15/12 STEVE: HBP 2/13/12 JCJ: PROD THRU 11/11
16564		LAKE RACCOURCI	225818-13800 RA SUA;D J MORVANT- 002 05/15/2001	47 7	78 19	MAR. AR 3/1/12 PR RQD 2/29/12 LEASE NOT EXP- PARTIALLY HBP- 30.49 AC EXP PER JT 2/15/12 STEVE. HBP 223422 2/13/12 JCJ: PROD THRU 11/11
16758		ROUSSEAU	32.514 02/11/2008	18.486	18.486	MAR. AR 2/15/12 STEVE: HBP 2/13/12 JCJ: PROD THRU 11/11
16870		SOUTH PASS BLOCK 42	SL 16869	6.7	67	MAR. AR 2/13/12 JCJ PROD THRU 11/11
17265		STELLA	237114-L CRIS I RA SUA;SL17265-003-ALT 02/09/2008	98.488	98.488	MAR. AR 2/15/12 STEVE: HBP 1/25/12 JCJ: PROD THRU 12/11
17378		BAY BATISTE	240454-VUA;SL 17378- 004 12/20/2009	438.94	438.94	MAR. AR 2/15/12 STEVE: HBP 2/13/12 JCJ: PROD THRU 11/11
17432		QUEEN BESS ISLAND	LBLD RB SUA;SL 17617 747-D-4	195.49	195.49	MAR. AR 2/15/12 STEVE: HBP 231656 2/13/12 JCJ: PROD THRU 12/11
17717		STELLA	8750 RA SUA;MEYER ETAL 02/17/2004 27-J 04-127	.12	.12	MAR. AR 2/15/12 STEVE: HBP 1/25/12 JCJ: PROD THRU 12/11
17718		STELLA	8750 RA SUA;MEYER ETAL	.41	41	MAR. AR 2/15/12 STEVE: HBP 1/25/12 JCJ: PROD THRU 12/11



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			02/17/2004 27-J 04-127			
18076		DELTA FARMS		40	169.99	MAR. AR 2/15/12 STEVE: HBP 234108 1/25/12 JCJ. PROD THRU 12/11
19208		BAYOU PEROT	VUA;SL 18748 10/10/2007	7	7	MAR. AR 2/15/12 STEVE: HBP 235095 2/13/12 JCJ PROD THRU 11/11
19250		DRAKES BAY	K RA SUA;SL 19250 1039-F	119.066	232	MAR. 2/22/12 CO STILL WORKING ON CORRECTION 2/15/12 STEVE: HBP 2/13/12 JCJ PROD THRU 11/11 9/23/11 PR RQD, WO/CORRECTION
19490		LAKE WASHINGTON	202.45 01/05/2011	5.145	15.55	MAR. AR 3/1/12 PR RQD 2/29/12 LEASE PARTIALLY HBP- 10.405 AC EXP PER JT; 2/15/12 STEVE: HBP 2/14/12 JCJ PROD THRU 12/11
19863		DELTA FARMS	99.56 12/14/2010	39 44	39.44	MAR AR 2/15/12 STEVE: HBP 239998 050494 2/14/12 JCJ PROD THRU 11/11
19908		LITTLE LAKE	TP 1-2 RB SUA;SL 19908 04/01/2011 604-R-3 11-214	20.53	70.92	MAR. SUGGEST AR 2/15/12 RCD UNOFL PR, RTNG 20.53 PT 12/10/11 10/8/11
19926				0	1120.64	MAR. 1/19/12 JCJ: RENTAL PAID PT 12/10/13 11/12/13
19949				O	34	MAR 1/19/12 JCJ RENTAL PAID TO 6/10/12 PT 12/10/11 11/12/11 10/21/11 L&T/SMEB GRANTED 6 MO PT EXT FOR FULL RNTL & 1/2 % INCREASE.
19950		DRAKES BAY	K RA SUA;SL 19250 1039-F	5.447	25	MAR. 2/22/12 CO STILL WORKING ON CORRECTION 2/16/12 RQD STATUS OF PR 11/12/11 PR RCD - WAITING ON CORRECTION PT 12/10/11
19960		BOUTTE	VUD,SIMONEAUX FAMILY LAND LLC 07/14/2010	29 057	29.057	MAR. SUGGEST AR 2/17/12 JPT CORRECTION W PRELIM PLAT 306406 100% HBP 22 057 TO 29.057 AC 2/16/12 G&E SL FILE TO JPT RE: DISCREPANCY BETWEEN HIS TRNSMTL 306406 & PRELIMINARY PLAT IN FOLDER. PT 12/10/11 11/12/11 TAX ADJUDICATED LANDS
19961				0	1261	MAR. 2/22/12 REL RQD. 2/17/12 RS JPT. APP EXP PT 12/10/11 11/12/11
19963		SOUTH PASS BLOCK 24	VUA;SL 19964	58	58	MAR. SUGGEST AR 2/15/12 STEVE: HBP 241159, 306376 2/14/12 JCJ PROD THRU 11/11 PT 12/10/11 11/12/11 PASS-A- LOUTRE WMA



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19964		SOUTH PASS BLOCK 24	VUA;SL 19964	506	506	MAR. SUGGEST AR PT 12/10/11 11/12/11 PASS-A- LOUTRE WMA
20020				0	85.37	MAR 2/22/12 REL RQD. PT 2/11/12
20199				0	483.04	MAR. 2/15/12 STEVE: 2011 RNTL PD 1/19/12 JCJ·RENTAL PAID PT 12/9/12
20201				0	273.7	MAR. 2/15/12 STEVE: 2011 RNTL PD 1/19/12 JCJ.RENTAL PAID PT 12/9/12
20202				0	646	MAR. 2/15/12 STEVE: 2011 RNTL PD 1/19/12 JCJ.RENTAL PAID PT 12/9/12
20203				0	251 7	MAR. 2/15/12 STEVE: 2011 RNTL PD 1/19/12 JCJ:RENTAL PAID PT 12/9/12
20204				0	365 9	MAR. 2/15/12 STEVE <sup>.</sup> 2011 RNTL PD 1/19/12 JCJ.RENTAL PAID PT 12/9/12
20205				0	200	MAR. 2/15/12 STEVE <sup>.</sup> 2011 RNTL PD 1/19/12 JCJ.RENTAL PAID PT 12/9/12
20206				0	120	MAR. 2/15/12 STEVE: 2011 RNTL PD 1/19/12 JCJ:RENTAL PAID PT 12/9/12
20209				0	1453.18	MAR. 2/15/12 STEVE: 2011 RNTL PD 1/19/12 JCJ:RENTAL PAID PT 12/9/12
20210		·		0	263 19	MAR. 2/15/12 STEVE: 2011 RNTL PD 1/19/12 JCJ:RENTAL PAID PT 12/9/12
20225				0	886.36	MAR. 2/15/12 STEVE: 2011 RNTL PD 1/19/12 JCJ:RENTAL PAID PT 12/9/12 OPTION
20226				0	822 89	MAR. 2/15/12 STEVE: 2011 RNTL PD 1/19/12 JCJ.RENTAL PAID PT 12/9/12 OPTION
20499				0	19	MAR. 2/15/12 STEVE: 2011 RNTL PD 1/19/12 JCJ.RENTAL PAID PT 12/8/13 12/9/10: PER LAND: 12 LEASED AC ACTUALLY 19
20500				0	2000	MAR. 2/15/12 STEVE. 2011 RNTL PD 1/19/12 JCJ:RENTAL PAID PT 12/8/13
20512				0	40	MAR.2/15/12 STEVE: 2011 RNTL PD 1/19/12 JCJ:RENTAL PAID PT 12/8/13 OPTION #1 TRACT 41745
20513				0	544	MAR 2/15/12 STEVE: 2011 RNTL PD 1/19/12 JCJ:RENTAL PAID PT 12/8/13 OPTION #2



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20514 0 500

MAR. 2/15/12 STEVE. 2011 RNTL PD 1/19/12 JCJ:RENTAL PAID PT 12/8/13 OPTION #2



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00199A	0	BAY ST ELAINE	VU4;BSE U4	2358	2358	MAR. AR 1/5/12 REID: 049487 141966 REVISION A0319 REPACED A0266. ROYALTY IS 23% BPO & INCREASES TO 25% APO.
00199A	2	BAY ST ELAINE	VU4;BSE U4	621	621	MAR. AR 2/15/12 RWB: LEASE OKAY.
00200B		DOG LAKE	VUG;DGL U7	2484	3736.136	MAR. RCD 2/8/12 HLCP: PLAN TO REL LEASE & P&A WELLS. <update on="" projects<br="">AFFECTING NP AC</update>
00328A		BAY BAPTISTE	350 09/01/2011	0	815	MAR. 2/1/12 RCD UNOFL PR OF 185, RTNG 630
00340E	0	LIGHTHOUSE POINT	SL 340 LIGHTHOUSE POINT	1284	1284	MAR. AR 2/15/12 RWB: LEASE OKAY.
00340E	4	LIGHTHOUSE POINT	SL 340 LIGHTHOUSE POINT	0	392.31	MAR AR 2/15/12 RWB: LEASE OKAY.
00340E	3	LIGHTHOUSE POINT	SL 340 LIGHTHOUSE POINT	0	1091.21	MAR. AR 2/15/12 RWB <sup>-</sup> LEASE OKAY.
00340E	6	LIGHTHOUSE POINT	SL 340 LIGHTHOUSE POINT	0	1612 4	MAR AR 2/15/12 RWB. LEASE OKAY.
00340E	5	LIGHTHOUSE POINT	SL 340 LIGHTHOUSE POINT	0	2493 3	MAR AR 2/15/12 RWB: LEASE OKAY.
00340E	1	LIGHTHOUSE POINT	SL 340 LIGHTHOUSE POINT	1003	1926 62	MAR. AR 2/15/12 RWB: LEASE OKAY
01685		PATTERSON	MA 3 RC SUA,A B ZENOR A	307	307	MAR. AR 2/15/12 RWB: 100% PROD
			395-Z-2 00-382			
02024		BAYOU BOUILLON	MT 1 RA SUA; 03/01/1997	190	720	MAR. 12/16/11 JPT EMAILED HLCP RE REL OF NON PROSPECTIVE AC. RCD HLCP POD/REL BY 12/8/11, WHICH RQD TIME FOR PROPOSED WELL IN 2ND HALF OF 2012. JUL. AR
02995		BAY ST ELAINE	VUC;SL 2995-LL&E 05/01/1994	304.788	304.788	MAR. AR 2/15/12 RWB: 100% PROD
05653		PERRY POINT , RAYNE, SOUTH	BOL MEX B RA SUA;P HULIN CO 04/26/2011 448-O-5 11-204	9.338	35	MAR. AR 2/15/12 RWB: HBP 17 PRD AC CHANGED TO 9,338



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07520		MURPHY LAKE	11.87 01/15/2009	11.046	11.046	MAR. AR 2/15/12 RWB: 100% PROD
14638			14-FEB-94 5 No Activity - No Rental (Rt.Sheet has been circ.)	0	70.71	MAR. 1/4/12 RQD STATUS FROM VERONICA >JPT 2/19/10 TO HECK EXP= RQD REMOVAL FROM ACTIVE LEASE LAYER. SHOULD SHOW NEW A0309, ALSO, WHO WILL MONITOR A0309 TO ASSURE IT IS MAINTAINED ACCORDING TO ITS TERMS
15108		CAILLOU ISLAND	291 08 12/11/2002	8.92	8.92	MAR AR 2/15/12 RWB <sup>-</sup> 100% PROD
16363		KENT BAYOU	61.148 04/14/2004	31.85	31.85	MAR. AR 2/15/12 RWB <sup>-</sup> 100% PROD
16364		KENT BAYOU	16 04/14/2004	67.279	67.279	MAR. AR 2/15/12 RWB <sup>.</sup> 100% PROD
16970		LAKE PELTO	VUB;SL 16970 12/12/2001	340.322	340.322	MAR. AR 2/15/12 RW8: 100% PROD
16995		INTRACOASTAL CITY	K-O RB SUA;EXXONMOBIL 07/18/2011 468-L-1 10-930	86.947	160 97	MAR. 2/6/12 RCD UNOFL PR RTNG 86.947
17226		INTRACOASTAL CITY	K-O RB SUA;EXXONMOBIL 07/18/2011 468-L-1 10-930	10.831	42.16	MAR. 2/6/12 RCD UNOFL PR RTNG 10.831
17309		SHIP SHOAL BLOCK 67		279.97	279.97	MAR. 3/12/12 RS RWB: LEASE HB FM TO 4/11/12 DUE TO PIPELINE ISSUES W/ TENNESSEE GAS PIPELINE CO. LRC/SMEB FM EXTENSION EFF 1/12/12 TO 4/11/12
17669		SHIP SHOAL BLOCK 72	SSB72 VOL COMP GAS UT	17 244	17.244	MAR. AR 2/15/12 RWB: 100% PROD LUW 139573, WSN 999975
17728		VERMILION BLOCK 16	VUA;SL 17159 06/08/2005	558.08	558.08	MAR. 3/12/12 RS RWB· LEASE HB DOWNHOLE ATTEMPTS TO RESTORE PRD CEASED 1/5/12. MCMORAN HAS UNTIL 4/5/12 TO RESTORE PRD OR REL. LEASE HELD UNTIL 4/5/12.
17967		LAKE BOUDREAUX	42.675 02/05/2009	131.155	131.155	MAR. AR 2/15/12 RWB. 100% PROD
17968		LAKE BOUDREAUX	181.957 02/05/2009	14.793	14.793	MAR. AR 2/15/12 RWB: 100% PROD
18350		BELLE ISLE, SOUTHWEST	265 04 01/08/2010	498.67	498.67	MAR. AR 2/15/12 RWB: 100% PROD
18351		BELLE ISLE, SOUTHWEST	202.27 01/08/2010	.61	.61	MAR. AR 2/15/12 RWB: 100% PROD
18352		BELLE ISLE, SOUTHWEST	709.37 01/08/2010	3.98	3.98	MAR. AR 2/15/12 RWB 100% PROD



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# Louisiana Department of Natural Resources (DNR)

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18859		BAYOU POSTILLION	DISC 15 RC SUB;COTTEN LD CORP 08/09/2005 386-Y-2 05-839	4 529	6	MAR. 2/15/12 RWB: HBP SUGGEST AR UPON RCT OF PR, RQD 1/21/11 PR-RQD STATUS 2/15/12 FINAL DD TO 1/11/2011 PT 1/11/09
19259				0	298.33	MAR. 2/22/12 REL RQD 2/17/12 RS REID: APP EXP PT 2/14/12
19260				0	165.17	MAR. 2/22/12 REL RQD 2/17/12 RS REID APP EXP PT 2/14/12
19262				0	52.41	MAR. 2/22/12 REL RQD 2/17/12 RS REID APP EXP PT 2/14/12
19268				0	183.37	MAR. 2/22/12 REL RQD 2/17/12 RS REID APP EXP PT 2/14/12
19270				0	63.24	MAR. 2/22/12 REL RQD 2/17/12 RS REID APP EXP PT 2/14/12
19290		FOUR LEAGUE BAY	14100 RA SUA;LL&E 07/01/2009 1190-E-1 09-676	25.24	35	MAR. SUGGEST AR UPON RCT OF PR, RQD 2/22/12 2/17/12 RS REID: LEASE PARTIALLY HBP, REQ 9.7603 AC PR FINAL DD 2/14/12 PT 2/14/10
19296			•	0	251.38	MAR. 2/22/12 REL RQD 2/17/12 RS REID APP EXP PT 2/14/12
19298				0	312.54	MAR. 2/22/12 REL RQD 2/17/12 RS REID APP EXP PT 2/14/12
19924		EUGENE ISLAND BLOCK 16	VUA;SL 19720 12/08/2010	689.37	689.37	MAR. PT 12/10/13 10/8/13 CCB HAD PRD PROOF FROM 12/9 TO 12/31/11 < SIPMT MAY BE DUE ON 242401
19957				0	240.78	MAR. 2/15/12 RWB IN VUB 244066 CURRENTLY DRLG TO 22,500 TD, WELL NOT ON 19957, NO RNTL PD PT 12/10/11 11/12/11 ATCHAFALAYA DELTA WMA
19978		FOUR LEAGUE BAY	14100 RA SUA;LL&E 07/01/2009 1190-E-1 09-676	3.734	46.705	MAR. SUGGEST AR UPON RCT OF PR, RQD 1/26/12 1/26/12 LEASE PARTIALLY HELD/ PR REL 42.9713 AC;;1/23/12 RS TO REID B PT 1/14/12 12/10/11
20022				0	19	MAR. 2/22/12 REL RQD PT 2/11/12
20023				0	129.96	MAR. 2/22/12 REL RQD PT 2/11/12
20025				0	13.3	MAR. 2/22/12 REL RQD PT 2/11/12
20027				0	25.24	MAR. 2/22/12 REL RQD. PT 2/11/12
20035		ATCHAFALAYA BAY	VUA;SL 20035 08/10/2011	675.81	675.81	MAR. SUGGEST AR 2/15/12 RWB: 100% PROD 1/5/12 REID- 306547 240138 W PLAT 2 WELLS LOC IN VUA PT 3/11/12
20162		LAPEYROUSE	7450 RB SUA;DARSEY ETAL 05/18/2010	7.223	29	MAR. 1/27/12 RCD UNOFL PR OF 21 777, RTNG 7.223 PT 10/14/12 1/25/12 RQD STATUS



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			416-PP-1 10-559			OF PR 11/1/10 PR RQD
20207				0	23.19	MAR. 2/15/12 RWB: HB RNTL PT 12/9/12
20208				0	6.66	MAR. 2/15/12 RWB: HB RNTL PT 12/9/12
20219		ATCHAFALAYA BAY	VUA,SL 20035 08/10/2011	411.64	411.64	MAR. 2/15/12 RWB·100% PROD PT 12/9/12 1/5/12 REID: 306547 240138 W PLAT 2 WELLS LOC IN VUA
20220		ATCHAFALAYA BAY	VUA,SL 20035 08/10/2011	50.21	50 21	MAR. 2/15/12 RWB:100% PROD PT 12/9/12 1/5/12 REID. 306547 240138 W PLAT 2 WELLS LOC IN VUA
20221		ATCHAFALAYA BAY		487.4	487.4	MAR 2/15/12 RWB·100% PROD PT 12/9/12
20222		ATCHAFALAYA BAY	VUA;SL 20035 08/10/2011	220.1	220.1	MAR. 2/15/12 RWB:100% PROD VUA; SL 20035 5/1/10 240138, 242532 PT 12/9/12 1/5/12 REID: 306547 240138 W PLAT 2 WELLS LOC IN VUA
20223		EUGENE ISLAND BLOCK 18	VUA; 08/10/2011	161.94	161.94	MAR. 2/15/12 RWB.100% PROD VUA; 242326, 242885 PT 12/9/12
20224		EUGENE ISLAND BLOCK 18	VUA; 08/10/2011	42.84	42.84	MAR 2/15/12 RWB <sup>-</sup> 100% HBP PT 12/9/12
20255				0	1075.53	MAR. 3/12/12 RS RWB: 100% HB APACHE SPUDDED SL 20255#1 VUB 12/10/12, DRLD TO TD OF 20,928' STILL CONDUCTING DOWNHOLE OPS. PT 1/13/13 ATCHAFALAYA DELTA WMA
20480				0	24	MAR. 2/22/12 REL RQD. 2/15/12 RS REID: APP EXP 1/7/12, NO RNTL, DRLG, OR REL. FEB. PT 11/10/13
20501				0	572.91	MAR. 2/15/12 REID: HB RNTL PMT PT 12/8/13
20518		REDFISH POINT	RP 15500 RA SU; 07/01/1997 834-D 97-474	14.78	14.78	MAR. 2/24/12 PROPERTY SET UP. 2/23/12 SSSB RQD PROPERTY CK ON 612431 REVISION TRNSMTL DATED 3/31/11 W/PRD TO 11/11 100% HPB PT 1/12/14
20547		PERRY POINT	BOL MEX B RA SUA;P HULIN CO 04/26/2011 448-O-5 11-204	1.63	3.86	MAR. 2/29/12 HB: 608643 REVISION><5/24/11 SRVY PLAT RQD HLCP 184289, 608643 BOL MEX B RA SUA



# Louisiana Department of Natural Resources (DNR)

**SONRIS** Staff Reviews

Report run on:

District C	ode	3 Lake Char	les- North			
Get Revie	w Date	March 14, 2012				
Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
00502		CATAHOULA LAKE	241512-WX C RC SU64;SL 502-001-ALT 06/15/2010	120	179	MAR. AR 2/22/12 SAM CKED: OK 1/3/12 SAM: NEW 050801 DUE TO RECOMP OF EXISITING WELL.
01360		SALINE LAKE	SALL WX RA SU 152-B-1	95 09	95 09	MAR. AR 2/22/12 SAM CKED: OK
03541		CADDO PINE ISLAND		40	40	MAR. AR 2/22/12 SAM CKED: OK
03557		MEAN LAKE , TEW LAKE	TL SU11,H W WRIGHT JR A 07/01/1976	9.69	40	MAR. AR 2/22/12 SAM CKED: OK
05651		GREENWOOD-WASKOM		67	106	MAR. AR 2/22/12 SAM CKED: OK
06060		GAHAGAN	SEMP RUSS PLANTATION	10.431	10.431	MAR. AR 2/22/12 SAM CKED: OK
06570		UNIONVILLE	ROD RA SUA;J C COLVIN B 03/01/1989	40	40	MAR. AR 2/22/12 SAM CKED: OK
06629		CASPIANA	HA RA SU120;SMITH 18 H 10/06/2009 191-H-65 09-1086	80	80	MAR. AR 2/22/12 SAM CKED: OK 1/20/12 JPT: 617092 PRELIM 102 11/16/11 SRVY PLAT RQD PETROHAWK; HA RA SU120; 242225; 617092.
06932		ELM GROVE	LCV RA SU74,HUTCHINSON 06/10/2003 139-E-103 03-397	3.12	3.12	MAR. AR 2/22/12 SAM CKED: OK, CK LUW ASSOC
09945		MIRA	MIR 3000 RA SU 06/01/1983	9	9	MAR. AR 2/22/12 SAM CKED: OK
13697		GAHAGAN	232.65 06/10/1992	7.35	7.35	MAR. AR 2/22/12 SAM CKED: OK
13967		MIDDLEFORK , UNIONVILLE	CV DAVIS RB SUEE;T L JAMES C 06/01/1991	22	22	MAR AR 2/22/12 SAM CKED: OK
15288		BURR FERRY, NORTH	148.92 06/11/1998	81.08	81.08	MAR. AR 2/22/12 SAM CKED: OK
15388		BURR FERRY, NORTH	67.712 09/17/2003	83.539	83.539	MAR. SAR 2/22/12 SAM CKED: OK
15502		BECKWITH CREEK	50.09 09/21/1999	3 91	3.91	MAR. AR 2/22/12 SAM CKED: OK
15808		SUGRUE	AUS C RA SUB;CROSBY 22 A 05/01/1997	9.96	9.96	MAR. SAR 2/22/12 SAM CKED: POOR PRD, NO ROYALTY PD 2011
15809		SUGRUE	AUS C RA SUB;CROSBY 22 A 05/01/1997	4 968	4 968	MAR. SAR 2/22/12 SAM CKED: POOR PRD, \$ .85 ROYALTY PD 2011



SONRIS Staff Reviews

Report run on:

District Code		— 3 Lake Chai	les- North			
Get Revie	w Date	March 14, 2012				
Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
16034		ELM GROVE	LCV RA SU94;GARDNER 7 01/25/2005 361-E-235 05-58	74.199	74.199	MAR. AR 2/22/12 SAM CKED: OK
16035		ELM GROVE	HA RA SUT;MCDADE 8 10/21/2010 361-L-8 08-1591	241.632	241.632	MAR. AR 2/22/12 SAM CKED: OK
16438		ELM GROVE	HA RA SUAA;W K CUPPLES 10 H 11/13/2008 361-L-10	12.728	12.728	MAR. AR 2/22/12 SAM CKED: OK 12.64 CHANGED TO 12.728 > 1/26/12 SAM 615530 CORRECTION W/PLAT PRD TO 11/11 1/24/12 SRVY PLAT RQD WSF C/O PETROHAWK; HA RA SU103 617264
16642		MASTERS CREEK	AUS C RA SURR;SWENCO MIN A16 02/04/1997 1386-A11 97-43	10.071	10 071	MAR. AR 2/22/12 SAM CKED: OK
17126		SWAN LAKE	5.28 06/23/2006	30.45	30.45	MAR. AR 2/22/12 SAM CKED: OK 1/10/12 SRVY PLAT RQD CHESAPEAKE; HA RA SUF; 242842; 617072
17748		PITKIN	AUS C RA SUA;EXXON MINERALS 18 03/12/2003 1412 97-79	10.45	10.45	MAR. AR 2/22/12 SAM CKED: OK
17749		PITKIN	AUS C RA SUA;EXXON MINERALS 18 03/12/2003 1412 97-79	41.68	41.68	MAR. AR 2/22/12 SAM CKED: OK
17750		PITKIN	AUS C RA SUA;EXXON MINERALS 18 03/12/2003 1412 97-79	42.07	42.07	MAR. AR 2/22/12 SAM CKED: OK
18372		RED RIVER-BULL BAYOU	5.95 01/22/2009	17.2	17.2	MAR AR 2/22/12 SAM CKED <sup>.</sup> OK
19193		ELM GROVE	CV RA SU103;MORRISON 35 05/25/1977 361-B-5	3	3	MAR AR 2/22/12 SAM CKED: OK 1/10/12 SRVY PLAT RQD ENCANA; HA RA SU158 SAND; ORDER 361-L-98; ELM GROVE; CADDO; 241756; 617184;
19830		RED RIVER-BULL BAYOU	HA RB SUV;NINOCK 12 H 02/10/2009 109-X-20 09-164	353	353	MAR. SUGGEST AR, 2/22/12 SAM CKED: 100% HBP PT 12/10/11 10/8/11 9/22/11 JPT CORRECTION 615515 OFL UNIT SRVY PLAT RCD
19831		CASPIANA , RED RIVER- BULL BAYOU	HA RC SUCC;HEWITT 10-13-12 H 10/27/2009 109-X-70 09-1139	38.686	80	MAR. SUGGEST AR 2/22/12 SAM: 100% HBP & UNIT ACTIVITY 1/18/12 JPT: 616338 CORRECTION W CERTIFIED PLAT 6/7/11 HA RA SU111;HA RC SUCC (LUW 616738) G&E. EST PROD AC PT 12/10/11 10/8/11
19832		RED RIVER-BULL BAYOU	HA RB SUZ;MATTHEWS TRUST 7	53.72	53.72	MAR SUGGEST AR 2/22/12 SAM: 100% HBP PT 12/10/11 10/8/11



SONRIS Staff Reviews

Report run on:

March 16, 2012 6:12 AM

District	Cod	e
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3 Lake Charles- North

Get Revi	ew Date	March 14, 2012				
Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
			03/24/2009 109-X-30 09-324			
19833		BRACKY BRANCH	HA RA SUP;PEGGY SMITH RAY 4 H 03/17/2011 917-L-5 09-305	39	39	MAR. SUGGEST AR 2/22/12 SAM: 100% HBP 12/30/10 GJD: LEASE 100% HB 4 UNITS - PROG OR ACTIVE PT 12/10/11 10/8/11
19834		RED RIVER-BULL BAYOU	HA RB SU55;RCSR 27- 13-11 H 10/13/2009 109-X-66 09-1107	28.6	43	MAR. SUGGEST AR 2/22/12 SAM: 100% HBP & UNIT ACTIVITY PT 12/10/11 10/8/11 6/30/11 PRELIM 47 616583.
19835		RED RIVER-BULL BAYOU	HA RB SUT;MATTHEWS ETAL 21 H 01/13/2009 109-X-16	21 91	21 91	MAR. SUGGEST AR 2/22/12 SAM: 100% HBP & UNIT ACTIVITY PT 12/10/11 10/8/11
19836		BRACKY BRANCH	28.998 02/25/2010	8.002	8.002	MAR. SUGGEST AR 2/22/12 SAM: HBP PT 12/10/11 10/8/11
19838		RED RIVER-BULL BAYOU	HA RB SUEE;RAMBIN 36 H 04/22/2009 109-X-33 09-411	24.17	70	MAR. SUGGEST AR UPON RCT OF PR, RQD 2/27/12 2/23/12 RS TO SAM: APPROX 40 AC EXP. DD & PT 12/10/11 10/8/11 1/20/12 JPT: 617063 PRELIM 101 11/18/11 JPT 616886 PRELIM 94 616754 PRELIM70 10/12/11 SRVY PLAT RQD 617063
19839		REDOAK LAKE	169 11/24/2009	7 43	7.43	MAR. SUGGEST AR 2/22/12 SAM: 100% HBP AC FROM 2 SRYV PLATS PT 12/10/11 10/8/11 12/1/11 JPT: 616336 CORRECTION REPLACES PRELIM 38
19846		CONVERSE	HA RA SUC;BSM 31 H 04/07/2009 501-G 09-376	38.005	38.005	MAR. SUGGEST AR 2/22/12 SAM: 100% HBP DD & PT 12/10/2011 10/8/11 6/22/11 JPT: PRELIMINARY40 616775 6/2/11 RQD SRVY PLAT EAGLE 241828 616775 HA RA SUC
19847		CONVERSE	HA RA SUE;MCDONALD 04/07/2009 501-G 09-376	90.49	117	MAR. SUGGEST AR 2/22/12 SAM: LEASE HBP & UNIT ACTIVITY DD & PT 12/10/11 10/8/11 12/1/11 SAM: NEW 617172 W PLAT
19887		RED RIVER-BULL BAYOU	HA RB SUVV;WELLMAN 20- 13-11 H 07/21/2009 109-X-54 09-767	12.19	12.19	MAR. SUGGEST AR 2/22/12 SAM: HBP AC PER PLAT DATED 10/25/10 PT 12/10/11 10/8/11
19923		CASPIANA	HA RA SUDD;PHILLIPS 1-14-15 H 09/16/2008 191-H-16	20.07	20.07	MAR. SUGGEST AR 2/22/12 SAM: HBP PT 12/10/11 10/8/11
19929		CASPIANA	HA RA SU94;DEBROECK 4 04/07/2009 191-H-41 09-393	208.937	346	MAR. SUGGEST AR 2/22/12 SAM: 100% HBP & UNIT ACTIVITY DD & PT 12/10/11 11/12/11 1/24/12 SRVY PLAT

MAR. SUGGEST AR 2/22/12 SAM: 100% HBP & UNIT ACTIVITY DD & PT 12/10/11 11/12/11 1/24/12 SRVY PLAT RQD CHESAPEAKE; HA RA SU93 617251



SONRIS Staff Reviews

Report run on:

District (	Code	3 Lake C	harles- North			
Get Revi	lew Date	March 14, 2012				
Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
20014		WOODARDVILLE	HA RA SU64;EDGAR CASON 6H 04/28/2009 990-D-14 09-463	56	56	MAR. SUGGEST AR 2/22/12 SAM: 100% HBP PT 2/11/12
20015		RED RIVER-BULL BAYO WOODARDVILLE	U , HA RD SUP;JAMES MARSTON 19 H 03/03/2009 109-X-26 09-233	85	85	MAR. SUGGEST AR 2/22/12 SAM: 100%HBP PT 2/11/12
20078		THORN LAKE	HA RA SUZ;CLINTON 11-14-12 H 01/19/2010 1145-B-25 10-88	40	40	MAR. 2/23/12 SAM: 100% HBP SAL OMR MANAGED WLF PT 6/10/12
20151		SWAN LAKE	HA RA SUU;BUTLER 31-15-10 H 07/01/2009 691-C-9 09-723	4	4	MAR. 2/22/12 JPT 617107 PRELIMINARY 110
20187				0	3	MAR 2/22/12 SAM HB RNTL PT 12/9/12
20188				0	7	MAR. 2/22/12 SAM: HB RNTL PT 12/9/12
20189				0	14	MAR. 2/22/12 SAM: HB RNTL PT 12/9/12
20190				0	17	MAR. 2/22/12 SAM: HB RNTL PT 12/9/12
20191				0	5	MAR. 2/22/12 SAM: HB RNTL PT 12/9/12
20193		CONVERSE	HA RA SU112;EBARB 36 HZ 10/26/2010 501-G-34 10-1090	5 45	5.45	MAR. 2/22/12 SAM: HBP PT 12/9/12
20256		BAYOU SAN MIGUEL	HA RA SUA;ROBERT BOZEMAN 29 H 10/28/2009 1513-B 08-1673	160 344	160.344	MAR 2/22/12 SAM HBP 1/23/12 SAM: 616579 CORRECTION W/PLAT PRDG TO 11/11 PT 1/13/13 TAX ADJUDICATED LANDS
20355		LAKE BISTINEAU	89 09/13/2011	448.01	456	MAR. 2/14/12 JPT: 617102 PRELIM 107 SEP. PT 6/9/13
20470		BAYOU SAN MIGUEL	HA RA SUCC,WEYERHAEUSE R 29 H 03/09/2010 1513-B-2 10-244	41	41	MAR. 2/22/23 SAM: 100% HBP PT 10/13/13 TAX ADJUDICATED
20478		RED RIVER-BULL BAYOU	HA RD SUO;CASON 24-14-11 H 03/03/2009 109-X-26 09-233	169	169	MAR. 2/22/12 JPT 617200 PRELIM 111 2/1/12 SAM: 100% HBP
20510				0	40	MAR. PT 12/8/13 (2/23/12 SAM & JPT: HB WSN 242583)
20511		CONVERSE	HA RA SU112;EBARB 36 HZ 10/26/2010 501-G-34 10-1090	22	22	MAR. 2/22/12 SAM: 100% HBP 616957 PRD TO 11/11 PT 12/8/13
20543		BAYOU SAN MIGUEL	JUR RA SUJ;LABOKAY 34-9-12 H 07/13/2010	80	80	MAR. 2/17/12 JPT: 617067 PRELIMINARY 109 PT 2/9/14



SONRIS Staff Reviews

Report run on:

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District	Code
Get Rev	lew Date

3 Lake Charles - North

Get Review Date M.	arch 14, 2012	
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Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
			1513-C-1 10-791			
20553		BAYOU JACK, NORTH	AUS C RB SUA;DOMINIQUE 27 05/03/2011 1042-A-5 11-227	8.047	22	MAR. 2/8/12 DDPMT APPROVED TO 3/9/12 2/1/12 DDPMT TO SAM PT 3/9/14
20566		SWAN LAKE	HA RA SUU;BUTLER 31-15-10 H 07/01/2009 691-C-9 09-723	504.3	504 3	MAR. 3/2/12 JPT: 100% HBP 2/28/12 RQD PRD AC AMOUNT FROM SAM CC'JPT 2/22/12 JPT 617107 PRELIM 110 OMR MANAGED WLF PT 3/9/14
20619				228	241	MAR. 2/17/12 SAM: HA RA SU131 WOCR 243110, APPROX 228 PROD AC
20657				0	36	MAR. 2/15/12 JPT: SWN ENGY APPLIED FOR LOWER SMAKOVER RA UNIT, WHICH INCLUDES 20657 & TRACT 42522 (3/12 SALE)



#### SONRIS Staff Reviews

Report run on:

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District Code
Get Review Date

3S Lake Charles- South

March	14,	2012
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Get Revi	ew Date	March 14, 2012				
Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
12974		LOCKPORT	3.394 09/29/1997	.79	.79	MAR. AR 2/14/12 HB: 100% PROD. 001397, 022864, \$ 12/11
14531		LAKE ARTHUR, SOUTH	64.74 11/20/1998	33.26	33.26	MAR. AR 2/14/12 HB: 100% PROD. 612273, SN 168414, \$ 12/11
15202		NIBLETT BLUFF	300.43 03/09/1999	22	22	MAR. AR 2/14/12 HB 100% PROD 303344, SN 221455, \$ 12/11
15685		GILLIS-ENGLISH BAYOU	36.44 02/06/2003	2.56	2.56	MAR. AR 2/14/12 HB: 100% PROD. 613252, SN 223540, \$ 12/11
16948		VINTON, NORTHWEST	98.53 03/02/2004	16.47	16.47	MAR. AR 2/14/12 HB: 100% PROD. 614005, SN 227526, \$ 12/11
18287		WEST CAMERON BLOCK 21		160	254.1	MAR. AR 2/14/12 HB: 100% PROD. 305616, SN 232264, \$ 12/11
18645		LAKE ARTHUR, SOUTHWEST	52.051 09/09/2008	17.859	17.859	MAR. AR 2/14/12 HB: 100% PROD. 614697, SN 233005, \$ 12/11
18949		WEST CAMERON BLOCK 1		800	916.99	MAR. AR 2/14/12 HB: 100% PROD. 305698, SN 233888,235934, \$ 12/11
19535				0	1172.15	MAR. 2/14/12 HB: HB RNTL PYMT PT 12/12/12
19537				0	625	MAR. 2/14/12 HB. HB RNTL PYMT PT 12/12/12
19538				0	366.93	MAR. 2/14/12 HB: HB RNTL PYMT PT 12/12/12
19539				0	1250	MAR. 2/14/12 HB: HB RNTL PYMT PT 12/12/12
19540				0	625	MAR. 2/14/12 HB HB RNTL PYMT PT 12/12/12
19894		PORT BARRE	33.647 03/01/2010	5.353	5.353	MAR. SUGGEST AR 2/14/12 HB: 100% PROD 615591, SN 239545 \$12/11 PT 12/10/11 10/8/11
19965				0	539	MAR. 1-5-12 LEASE NOT EXP 243961 WOCR 1/23/12, RECK 4/23/12 ;, 12/27/11 RS TO HEATH PT 12/10/11 11/12/11
20139		DEEP LAKE	243973-15100 RB SUA;SL 20139-001 10/25/2011	350.04	744	MAR. 2/22/12 HB: NEW TRNSMTL W PLAT 617284 PT 8/12/12 ROCKEFELLER WMA
20492				0	151.83	MAR. 2/14/12 HB: HB RNTL PYMT PT 12/8/15
20497				0	380	MAR 2/14/12 HB HB RNTL PYMT PT 12/8/13 1/19/12 JPT: SHORELINE APPLIED FOR 38 AC UNIT INCLUDING 25 AC OF THIS LEASE.
20498				0	303	MAR. 2/14/12 HB: HB RNTL PYMT PT 12/8/13



#### Louisiana Department of Natural Resources (DNR)

#### **SONRIS** Staff Reviews

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District Code		38	S Lake Charles- South			
Get Review Date		March 14,	2012			
Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
20578		DEEP LAKE	15100 RB SUA;SL 20139 05/03/2011 243-R 11-217	96.94	96.94	MAR. 2/22/12 HB: NEW TRNSMTL W PLAT 617284
20579		DEEP LAKE	15100 RB SUA;SL 20139 05/03/2011 243-R 11-217	21 27	44	MAR. 2/22/12 DD APPROVED TO 3/9/13 2/1/12 DDPMT TO HEATH PT 3/9/14 ROCKEFELLER WMA
20580		DEEP LAKE	15100 RB SUA;SL 20139 05/03/2011 243-R 11-217	34.38	182	MAR. 2/22/12 HB: NEW TRNSMTL W PLAT 617284 & DD APPROVED TO 3/9/13 2/1/12 DDPMT TO HEATH PT 3/9/14 ROCKEFELLER WMA
20642		DEEP LAKE	15100 RB SUA;SL 20139 05/03/2011 243-R 11-217	55.83	88	MAR. 2/22/12 HB: NEW TRNSMTL W PLAT 617284
20718		BAYOU JACK,	NORTH AUS C RB SUA,DOMINIQUE 27 05/03/2011 1042-A-5 11-227	.283	70	MAR 2/7/2012 SAM 243229 050797 NEW, WITH PLAT
251				72,867.664	137,409.216	



SCOTT A. ANGELLE SECRETARY

## State of Louisiana

#### DEPARTMENT OF NATURAL RESOURCES

# OFFICE OF MINERAL RESOURCES STATE MINERAL AND ENERGY BOARD NOMINATION AND TRACT COMMITTEE REPORT

The Nomination and Tract Committee, convened at 9:44 a.m. on Wednesday, *March 14*, 2012 with the following members of the Board in attendance:

Mr. Thomas L. Arnold, Jr.

Mr. Emile B. Cordaro

Mr. John C. Diez

Mr. Robert M. Morton

Mr. Thomas W. Sanders

Mr. Darryl D. Smith

Ms. Helen G. Smith

The Committee heard the report of Mr. Emile Fontenot, relative to nominations received for the May 9, 2012 Mineral Lease Sale and other matters. Based upon the staff's recommendation, on motion of *Mr. Smith*, duly seconded by *Mr. Diez*, 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. A request to advertise nominations 12050032 through 12050063 with 5 year primary terms in lieu of 3 year primary terms was also presented.

The Committee was informed of a letter of protest from EnerVest Operating LLC dated February 27, 2012 pertaining to Tract No. 42524 situated in Union Parish, Louisiana. No action was required.

The Committee was informed of letters of protest form Dennis, Bates & Bullen, LLP all dated March 6, 2012 pertaining to Tract Nos. 42524, 42552 and 42558. No action was required.

The Committee, on motion of *Ms. Smith*, seconded by *Mr. Arnold*, voted to adjourn at 9:46 a.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.

#### LOUISIANA STATE MINERAL AND ENERGY BOARD

#### **NOMINATION AND TRACT COMMITTEE**

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

WHEREAS, Mr. Emile Fontenot presented to the State Mineral and Energy Board that 113 tracts had been nominated for the May 9, 2012 Mineral Lease Sale, and to advertise nominations 12050032 through 12050063 with 5 year primary terms in lieu of 3 year primary terms, 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.

#### <u>CERTIFICATE</u>

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 March 2012, 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.





## 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, March 14, 2012, 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:

Robert D. Harper John C. "Juba" Diez Darryl D. Smith Thomas L. Arnold, Jr. Robert "Michael" Morton Helen G. Smith

Emile B. Cordaro W. Paul Segura, Jr.

Mr. Thomas L. Arnold, Jr. convened the Committee at 9:48 a.m.

The first matter considered by the Committee was a penalty waiver request from Energy XXI Gulf Coast, Inc.

Staff recommended a 50% penalty waiver of \$70,871.48. Representatives from Energy XXI Gulf Coast, Inc. addressed the Board to request a penalty waiver of 100%. Upon motion of Mr. Segura, seconded by Ms. Smith, the Committee voted unanimously to approve the 100% penalty waiver in the amount of \$141,742.96.

The second matter considered by the Committee was a recoupment request from XTO Energy, Inc.

Upon recommendation of the staff and upon motion of Mr. Diez, seconded by Mr. Segura, the Committee voted unanimously to approve the recoupment request in the amount of \$29,664.51.

The third matter considered by the Committee was a recoupment request from XTO Energy, Inc.

Upon recommendation of the staff and upon motion of Mr. Segura, seconded by Ms. Smith, the Committee voted unanimously to approve the recoupment request in the amount of \$25,693.97.

Audit Committee Report March 14, 2012 Page 2

The fourth matter considered by the Committee was the election of the March 2012 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.

On motion of Mr. Segura, seconded by Ms. Smith, the Board voted unanimously to adjourn the Audit Committee at 9:56 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.

#### LOUISIANA STATE MINERAL AND ENERGY BOARD

#### **AUDIT COMMITTEE**

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

**WHEREAS**, Energy XXI Gulf Coast, Inc. has made a letter application for reduction of penalties assessed in the amount of \$141,742.96 due to late royalty payments in the Rabbit Island Field (7576), State Lease 00340; and

WHEREAS, the Mineral Income Division has reviewed the background and circumstances connected with Energy XXI Gulf Coast, Inc. penalty assessment, including the reason for its late payment; and

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

**THEREFORE BE IT RESOLVED**, that the Board does waive one hundred percent (100%), which amounts to \$141,742.96 of the total penalty assessed to Energy XXI Gulf Coast, Inc.

#### **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 14<sup>th</sup> day of March, 2012, 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

#### AUDIT COMMITTEE

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

WHEREAS, XTO Energy, Inc. has made a letter application for an adjustment of \$29,664.51 for the South Pass Block 42 Field, State Leases 16869, 16870; and

WHEREAS, this amount was based on XTO Energy, Inc. submitting an overpayment of oil royalties based on incorrect volumes and values for the period of July 2011 in the South Pass Block 42 Field; and

WHEREAS, the Mineral Income Division has verified that an overpayment in the amount of \$29,664.51 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 XTO Energy, Inc. to recoup the \$29,664.51 overpayment.

**NOW, BE IT THEREFORE RESOLVED**, that the Board does authorize and direct the Mineral Income Director to effectuate the credit adjustment of \$29,664.51 to XTO Energy, Inc. 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 14<sup>th</sup> day of March, 2012, 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

#### AUDIT COMMITTEE

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

WHEREAS, XTO Energy, Inc. has made a letter application for an adjustment of \$25,693.97 for the South Pass Block 42 Field, State Leases 16869, 16870; and

WHEREAS, this amount was based on XTO Energy, Inc. submitting an overpayment of oil royalties based on incorrect volumes and values for the period of March 2011 in the South Pass Block 42 Field; and

WHEREAS, the Mineral Income Division has verified that an overpayment in the amount of \$25,693.97 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 XTO Energy, Inc. to recoup the \$25,693.97 overpayment.

**NOW, BE IT THEREFORE RESOLVED**, that the Board does authorize and direct the Mineral Income Director to effectuate the credit adjustment of \$25,693.97 to XTO Energy, Inc. 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 14<sup>th</sup> day of March, 2012, 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.



SCOTT A. ANGELLE SECRETARY

# 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 March 14, 2012, 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. Robert D. Harper Mr. Thomas L. Arnold, Jr. Mr. W. Paul Segura, Jr. Mr. John C. "Juba" Diez Mr. Emile B. Cordaro Mr. Darryl David Smith Mr. Robert "Michael" Morton Mr. Helen Godfrey Smith

The Legal and Title Controversy Committee was called to order by Mr. Segura at 9:56 a.m.

A request was made by Staff to amend the following item on the Legal & Title Controversy Committee Agenda as No. 5 to read as follows:

A request by Staff to assess liquidated damages in the amount of \$1,000.00, per R.S. 30:136(B)(2) against J-W Operating Company (formerly Cohort Energy Company) for nonpayment of royalties on State Lease No. 16531. A further request by Staff to assess additional penalties pursuant to R.S. 30:136(B)(3) for nonpayment of royalties more than sixty (60) days past due. A further request by Staff to place J-W Operating Company on demand for nonpayment of royalty.

Upon recommendation of the staff, no objections or comments made from the public, and upon motion of Mr. Arnold, seconded by Ms. Smith, the Committee voted unanimously to recommend that the State Mineral and Energy Board amend Item No. 5 of the Legal & Title Controversy Committee Agenda as Item No. 9 and referenced as the 9<sup>th</sup> matter in this report.

The first matter considered by the Committee was a request by Swift Energy Operating, LLC for the waiver of all or a portion of the liquidated damage assessments levied on the late partial releases of the following state leases:

- (a) State Lease No. 18668 in the amount of \$46,400.00, Plaquemines Parish, Louisiana; and
- (b) State Lease No. 18669 in the amount of \$46,400.00, Plaquemines Parish, Louisiana.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Diez, the Committee voted unanimously to recommend that the State Mineral and Energy Board defer this request by Swift Energy Operating, LLC until the April 11, 2012 Legal & Title Controversy Committee Meeting. No comments were made by the public.

The second matter considered by the Committee was a request by Aspect Resources, LLC and Aspect Energy, LLC for the waiver of all or a portion of the liquidated damage assessments levied on the late assignments of the following state leases:

- (a) State Lease No. 16046, 16049, and 16051 in the amount of \$1,000.00, St. Mary Parish, Louisiana;
- (b) State Lease No. 15502 in the amount of \$1,000.00, Calcasieu Parish, Louisiana;
- (c) State Lease No. 15502 in the amount of \$1,000.00, Calcasieu Parish, Louisiana;
- (d) State Lease No. 16505 and 17721 in the amount of \$1,000.00, Jefferson Davis Parish, Louisiana;
- (e) State Lease No. 16505 in the amount of \$1,000.00, Jefferson Davis Parish, Louisiana;
- (f) State Lease No. 17721 in the amount of \$1,000.00, Jefferson Davis Parish, Louisiana; and
- (g) State Lease No. 18529 in the amount of \$1,000.00, Jefferson Davis Parish, Louisiana.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Morton, the Committee voted unanimously to recommend that the State Mineral and Energy Board defer this request by Aspect Resources, LLC and Aspect Energy, LLC until the April 11, 2012 Legal & Title Controversy Committee Meeting. No comments were made by the public.

The third 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, Rosemonde Kuntz Capomazza, individually and as agent for Rosemonde Kuntz Capomazza, Special, Karolyn Kuntz Wetervelt, individually and as agent for Karolyn Kuntz Westervelt, Special, Emile Scott Duvic, Eugenie Duvic, Herbert F. Duvic, III, Carlo Emilio Capomazza and Stefano DeRuggero Capomazza, whereas said parties desire to provide for the allocation and distribution of production proceeds from Tract 8 of the ROB L RA SUA, affecting State Lease No. 18380, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-13.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Morton, 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, Rosemonde Kuntz Capomazza,

Legal and Title Controversy Committee Report March 14, 2012 Page - 3 --

individually and as agent for Rosemonde Kuntz Capomazza, Special, Karolyn Kuntz Wetervelt, individually and as agent for Karolyn Kuntz Westervelt, Special, Emile Scott Duvic, Eugenie Duvic, Herbert F. Duvic, III, Carlo Emilio Capomazza and Stefano DeRuggero Capomazza, on the docket as Item No. 12-13. No comments were made by the public.

The fourth matter considered by the Committee was a request by Trinity Exploration & Production, LLC for a three (3) month extension of the authority to escrow funds granted at the November 9, 2011 Meeting of the Legal & Title Controversy Committee Meeting in regard to royalties attributable to production from disputed acreage contained within the HA RA SUBB and allocated to State Lease No. 20039, Red River Parish, Louisiana.

Upon recommendation of the staff and upon motion of Ms. Smith, seconded by Mr. Cordaro, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant Trinity Exploration & Production, LLC a three (3) month extension of the authority to escrow funds granted at the November 9, 2011 Meeting of the Legal & Title Controversy Committee Meeting in regard to royalties attributable to production from disputed acreage contained within the HA RA SUBB and allocated to State Lease No. 20039, Red River Parish, Louisiana. Said three (3) month extension will commence with February 7, 2012 which is the date their original authorization expired. No comments were made by the public.

The fifth matter considered by the Committee was a request by Staff to assess liquidated damages in the amount of \$1,000.00, per R.S. 30:136(B)(2) against J-W Operating Company (formerly Cohort Energy Company) for nonpayment of royalties on State Lease No. 16531. A further request by Staff to assess additional penalties pursuant to R.S. 30:136(B)(3) for nonpayment of royalties more than sixty (60) days past due. A further request by Staff to place J-W Operating Company on demand for nonpayment of royalty.

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 Staff's request to place J-W Operating Company on demand if the Mutual Agreement to Release Escrow Funds is not signed by J-W Operating Company with seven (7) days, or by March 21, 2012, and that the assessment of liquidated damages in the amount of \$1,000.00, per R.S. 30:136(B)(2) against J-W Operating Company for nonpayment of royalties on State Lease No. 16531 be deferred until the April 11, 2012 Legal & Title Controversy Committee Meeting. No comments were made by the public.

The sixth matter considered by the Committee was a request by Midstates Petroleum Company LLC for an Operating Agreement on the Northwest quarter of the northwest quarter of Section 27, Township 6 South, Range 11 West, South Bearhead Creek Field, Beauregard Parish, Louisiana and Midstates Petroleum Company LLC further requests that the acreage in question be deemed unavailable for leasing pending

Legal and Title Controversy Committee Report March 14, 2012 Page - 4 --

the confection of said operating agreement for a period not to exceed ninety (90) days after the Board has authorized negotiations and that it be allowed to escrow royalties for ninety (90) days after the Board has authorized negotiations.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Smith, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant Staff the authority to negotiate an operating agreement on the acreage, that Midstates be authorized to escrow any production payments for 90 days after authorization to negotiate the operating agreement, in an account meeting the requirements of the SMEB and that the acreage be made unavailable for leasing until the operating agreement is completed. If an operating agreement is not approved in final form by the expiration of authorization to escrow payments, Midstates must file a concursus petition or request an extension to escrow. No comments were made by the public.

The seventh matter considered by the Committee was a request by Staff to amend the lease form to require State lessees to report production from State leases by well serial number to the Office of Mineral Resources and the Office of Conservation as well as by LUW code, when a present lessee requests to add force majeure or otherwise amend the lease, make it a board policy to require that lease amendment add a paragraph requiring the lessees, its assigns and successors, to report production from the lease by well serial number as well as LUW code and that the Board make an official request to the Office of Conservation, as it applies to State leases only, to require operators to report production, whether unit or lease, on a well serial number basis as well as LUW code basis.

Upon recommendation of the staff and upon motion of Mr. Smith, seconded by Mr. Diez, the Committee voted unanimously to recommend that this item be withdrawn from the Agenda. No comments were made by the public.

The eighth matter considered by the Committee was a notification to the Mineral Board of staff consideration, for further discussion at a later Board meeting, of a proposal to unify the primary term limit for both inland and offshore leases at five (5) years due to the proliferation of deep well drilling and the additional time required to prepare for and actually drill said deep wells.

This was merely a discussion, and no action was required.

Upon motion of Mr. Arnold, seconded by Mr. Smith, the Committee voted unanimously to go into Executive Session at 10:38 A.M.

Upon motion of Ms. Smith, seconded by Mr. Arnold, the Committee voted unanimously to return to Open Session at 10:46 A.M.

Legal and Title Controversy Committee Report March 14, 2012 Page - 5 –

The following matter was discussed in Executive Session:

The ninth matter considered by the Committee was a discussion in executive session of the suit entitled: Chesapeake Louisiana LP vs. The State Mineral and Energy Board of Louisiana et al, Suit No. 35525, 39<sup>th</sup> Judicial District Court, Red River Parish, State of Louisiana.

This matter was merely a discussion, and no action was required.

Upon recommendation of the staff and upon motion of Mr. Segura, seconded by Mr. Arnold, the Legal and Title Controversy Committee meeting adjourned at 10:46 a.m.

Mr. W. Paul Segura, Jr.

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.

#### LOUISIANA STATE MINERAL AND ENERGY BOARD

### LEGAL AND TITLE CONTROVERSY COMMITTEE

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

WHEREAS, a request was made by Swift Energy Operating, LLC for the waiver of all or a portion of the liquidated damage assessments levied on the late partial releases of the following state leases:

- (a) State Lease No. 18668 in the amount of \$46,400.00, Plaquemines Parish, Louisiana; and
- (b) State Lease No. 18669 in the amount of \$46,400.00, 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 defer this request by Swift Energy Operating, LLC until the April 11, 2012 Legal & Title Controversy Committee Meeting.

#### **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 March, 2012, 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

# **LEGAL AND TITLE CONTROVERSY COMMITTEE**

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

**WHEREAS**, a request was made by Aspect Resources, LLC and Aspect Energy, LLC for the waiver of all or a portion of the liquidated damage assessments levied on the late assignments of the following state leases:

- (a) State Lease No. 16046, 16049, and 16051 in the amount of \$1,000.00, St. Mary Parish, Louisiana;
- (b) State Lease No. 15502 in the amount of \$1,000.00, Calcasieu Parish, Louisiana;
- (c) State Lease No. 15502 in the amount of \$1,000.00, Calcasieu Parish, Louisiana;
- (d) State Lease No. 16505 and 17721 in the amount of \$1,000.00, Jefferson Davis Parish, Louisiana;
- (e) State Lease No. 16505 in the amount of \$1,000.00, Jefferson Davis Parish, Louisiana;
- (f) State Lease No. 17721 in the amount of \$1,000.00, Jefferson Davis Parish, Louisiana; and
- (g) State Lease No. 18529 in the amount of \$1,000.00, Jefferson Davis 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 defer this request by Aspect Resources, LLC and Aspect Energy, LLC until the April 11, 2012 Legal & Title Controversy Committee Meeting.

#### **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 March, 2012, 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

## **LEGAL AND TITLE CONTROVERSY COMMITTEE**

**ON MOTION** of Mr. Arnold, seconded by Mr. Morton, 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, Rosemonde Kuntz Capomazza, individually and as agent for Rosemonde Kuntz Capomazza, Special, Karolyn Kuntz Wetervelt, individually and as agent for Karolyn Kuntz Westervelt, Special, Emile Scott Duvic, Eugenie Duvic, Herbert F. Duvic, III, Carlo Emilio Capomazza and Stefano DeRuggero Capomazza, whereas said parties desire to provide for the allocation and distribution of production proceeds from Tract 8 of the ROB L RA SUA, affecting State Lease No. 18380, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-13;

**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 final approval of the Division Order and Agreement by and between the Louisiana State Mineral and Energy Board, Rosemonde Kuntz Capomazza, individually and as agent for Rosemonde Kuntz Capomazza, Special, Karolyn Kuntz Wetervelt, individually and as agent for Karolyn Kuntz Westervelt, Special, Emile Scott Duvic, Eugenie Duvic, Herbert F. Duvic, III, Carlo Emilio Capomazza and Stefano DeRuggero Capomazza, on the docket as Item No. 12-13.

#### <u>CERTIFICATE</u>

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 March, 2012, 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

#### LOUISIANA STATE MINERAL AND ENERGY BOARD

## **LEGAL AND TITLE CONTROVERSY COMMITTEE**

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

WHEREAS, a request was made by Trinity Exploration & Production, LLC for a three (3) month extension of the authority to escrow funds granted at the November 9, 2011 Meeting of the Legal & Title Controversy Committee Meeting in regard to royalties attributable to production from disputed acreage contained within the HA RA SUBB and allocated to State Lease No. 20039, Red River 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 Trinity Exploration & Production, LLC a three (3) month extension of the authority to escrow funds granted at the November 9, 2011 Meeting of the Legal & Title Controversy Committee Meeting in regard to royalties attributable to production from disputed acreage contained within the HA RA SUBB and allocated to State Lease No. 20039, Red River Parish, Louisiana. Said three (3) month extension will commence with February 7, 2012 which is the date their original authorization expired.

#### **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 March, 2012, 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

### **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 Staff to assess liquidated damages in the amount of \$1,000.00, per R.S. 30:136(B)(2) against J-W Operating Company (formerly Cohort Energy Company) for nonpayment of royalties on State Lease No. 16531. A further request by Staff to assess additional penalties pursuant to R.S. 30:136(B)(3) for nonpayment of royalties more than sixty (60) days past due and to place J-W Operating Company on demand for nonpayment of royalty;

**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 Staff's request to place J-W Operating Company on demand if the Mutual Agreement to Release Escrow Funds is not signed by J-W Operating Company with seven (7) days, or by March 21, 2012, and that the assessment of liquidated damages in the amount of \$1,000.00, per R.S. 30:136(B)(2) against J-W Operating Company for nonpayment of royalties on State Lease No. 16531 be deferred until the April 11, 2012 Legal & Title Controversy Committee Meeting.

#### **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 March, 2012, 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

LOUISIANA STATE MINERAL AND ENERGY BOARD

### **LEGAL AND TITLE CONTROVERSY COMMITTEE**

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

WHEREAS, a request was made by Midstates Petroleum Company LLC for an Operating Agreement on the Northwest quarter of the northwest quarter of Section 27, Township 6 South, Range 11 West, South Bearhead Creek Field, Beauregard Parish, Louisiana and Midstates Petroleum Company LLC further requests that the acreage in question be deemed unavailable for leasing pending the confection of said operating agreement for a period not to exceed ninety (90) days after the Board has authorized negotiations and that it be allowed to escrow royalties for ninety (90) days after the Board has authorized negotiations;

**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 Staff the authority to negotiate an operating agreement on the acreage, that Midstates be authorized to escrow any production payments for 90 days after authorization to negotiate the operating agreement, in an account meeting the requirements of the SMEB and that the acreage be made unavailable for leasing until the operating agreement is completed. If an operating agreement is not approved in final form by the expiration of authorization to escrow payments, Midstates must file a concursus petition or request an extension to escrow.

#### <u>CERTIFICATE</u>

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 March, 2012, 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

LOUISIANA STATE MINERAL AND ENERGY BOARD

### LEGAL AND TITLE CONTROVERSY COMMITTEE

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

WHEREAS, a request was made by Staff to amend the lease form to require State lessees to report production from State leases by well serial number to the Office of Mineral Resources and the Office of Conservation as well as by LUW code, when a present lessee requests to add force majeure or otherwise amend the lease, make it a board policy to require that lease amendment add a paragraph requiring the lessees, its assigns and successors, to report production from the lease by well serial number as well as LUW code and that the Board make an official request to the Office of Conservation, as it applies to State leases only, to require operators to report production, whether unit or lease, on a well serial number basis as well as LUW code basis;

**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 withdrawal of this item from the Agenda.

### <u>CERTIFICATE</u>

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 March, 2012, 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 AND ENERGY BOARD

#### **DOCKET REVIEW COMMITTEE REPORT**

The Docket Review Committee convened at 10:50 a.m. on Wednesday, March 14, 2012. Board Members present were Mr. Robert D. Harper, Mr. Thomas L. Arnold, Jr., Mr. Emile Cordaro, Mr. Darryl D. Smith, Mr. W. Paul Segura, Jr., Mr. Robert "Michael" Morton, Ms. Helen G. Smith, Mr. John C. "Juba" Diez and Mr. Chip Kline (sitting in for Garret Graves, Governor Jindal's designee to the State Mineral and Energy Board)

The Committee made the following recommendations:

Approve all State Agency Lease A on page 1;

Approve all Assignments on pages 2 through 11; Nos. 20, 23, 25 and 26 on pages 8, 9 and 10 would be approved subject to the approval of the Governor of Louisiana;

Approve the following items: Docket Item Nos. 12-12 and 12-14 on page 12;

Approve the following items upon recommendation of the Legal and Title Controversy Committee: Docket Item No. 12-13 on page 12;

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

There being no further business to come before the committee, upon motion of Mr. Segura, and seconded by Mr. Smith, the committee voted unanimously to adjourn the meeting at 10:52a.m.

Respectfully submitted,

John C. "Juba" Diez

Chairman

**Docket Review Committee** 

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

#### LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item A from the March 14, 2012 Meeting be approved, said instrument being An Oil, Gas and Mineral Lease from the Fire Protection District No. 1, dated June 21, 2011, awarded to Riceland Petroleum Company, covering lands located in Section 30, Township 3 South, Range 10 West, Beauregard Parish, Louisiana, containing 0.57 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 March, 2012, 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the March 14, 2012 Meeting be approved, said instrument being an Assignment from Encana Oil & Gas (USA) Inc. to SWEPI LP, an undivided 50% of Assignor's right, title and interest in and to State Lease No 20757, Red River Parish, Louisiana, with further particulars being stipulated in the instrument.

Encana Oil & Gas (USA) Inc is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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 March, 2012, 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the March 14, 2012 Meeting be approved, said instrument being an Assignment from Tensas Delta Exploration Company, LLC to TDX Energy, LLC, of all of Assignor's right, title and interest in and to State Lease No. 20499, Jefferson Parish, Louisiana, with further particulars being stipulated in the instrument.

<u>TDX Energy, LLC</u> is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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, masmuch 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 March, 2012, 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 3 from the March 14, 2012 Meeting be approved, said instrument being an Assignment from Brammer Engineering, Inc. to TDX Energy, LLC, of all of Assignor's right, title and interest in and to State Lease No. 20512, Jefferson Parish, Louisiana, with further particulars being stipulated in the instrument.

TDX Energy, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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 March, 2012, 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 4 from the March 14, 2012 Meeting be approved, said instrument being a Change of Name whereby Samson Hydrocarbons Company is changing its name to SGH Enterprises, Inc., affecting State Lease Nos. 4183 and 14357, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument.

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 March, 2012, 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 5 from the March 14, 2012 Meeting be approved, said instrument being an Assignment from SGH Enterprises, Inc. to Samson Concorde Gas Intrastate LLC, of all of Assignor's right, title and interest in and to State Lease No. 14357, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument.

Samson Concorde Gas Intrastate LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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 March, 2012, 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 6 from the March 14, 2012 Meeting be approved, said instrument being an Assignment from Samson Contour Energy E&P, LLC to Samson Concorde Gas Intrastate LLC, of all of Assignor's right, title and interest in and to State Lease No. 18871, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

Samson Concorde Gas Intrastate LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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 March, 2012, 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 7 from the March 14, 2012 Meeting be approved, said instrument being an Assignment from Geodyne Production Partnership II-A and Geodyne Production Partnership II-B to Samson Concorde Gas Intrastate LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 7584, 7712, 11859 and 14531, Cameron, Jefferson Davis and Vermilion Parishes, Louisiana, with further particulars being stipulated in the instrument.

Samson Concorde Gas Intrastate LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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 heu 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 March, 2012, 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 8 from the March 14, 2012 Meeting be approved, said instrument being an Assignment and Correction of Assignment from White Oak Energy V, LLC to Goldking Resources, LLC, of all of Assignor's right, title and interest in and to State Lease Nos 2412 and 2413, Vermilion Parish, Louisiana, with further particulars being stipulated in the instrument.

Goldking Resources, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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 March, 2012, 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 9 from the March 14, 2012 Meeting be approved, said instrument being An Assignment from S&P Co. to Petrohawk Properties, LP, of all of Assignor's right, title and interest in and to Operating Agreement "A0158", Red River Parish, Louisiana, INSOFAR AND ONLY INSOFAR AS the Operating Agreement affects lands lying within the exterior geographical limits of the HA RA SUEE, AND FURTHER LIMITED in depth to as to those depths lying below the base of the Cotton Valley Formation, Gahagan Field, defined as the stratigraphic equivalent of a depth of 10,700', with further particulars being stipulated in the instrument.

<u>Petrohawk Properties, LP</u> is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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 March, 2012, 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10 from the March 14, 2012 Meeting be approved, said instrument being an Assignment from The Whitney Corporation and Robert L. Kreidler, et ux to Petrohawk Properties, LP, of all of Assignor's right, title and interest in and to Operating Agreement "A0158", Red River Parish, Louisiana, INSOFAR AND ONLY INSOFAR AS the Operating Agreement affects lands lying within the exterior geographical limits of the HA RA SUEE, AND FURTHER LIMITED in depth to as to those depths lying below the base of the Cotton Valley Formation, Gahagan Field, defined as the stratigraphic equivalent of a depth of 10,700', with further particulars being stipulated in the instrument.

<u>Petrohawk Properties, LP</u> is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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 March, 2012, 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 11 from the March 14, 2012 Meeting be approved, said instrument being an Assignment from Stroud Exploration Company, L.L.C., Stroud Petroleum, Inc., Vulcan Properties, L.L.C., Mike Rogers Oil and Gas, Inc., Chris Weiser, et ux, Weiser Brown Operating Company and Weiser Brown Oil Company to Petrohawk Properties, L.P., of all of Assignor's right, title and interest in and to Operating Agreement "A0158", Red River Parish, Louisiana, INSOFAR AND ONLY INSOFAR AS the Operating Agreement affects lands lying within the exterior geographical limits of the HA RA SUEE, AND FURTHER LIMITED in depth to as to those depths lying below the base of the Cotton Valley Formation, Gahagan Field, defined as the stratigraphic equivalent of a depth of 10,700' with further particulars being stipulated in the instrument

Petrohawk Properties, L.P is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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 March, 2012, 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12 from the March 14, 2012 Meeting be approved, said instrument being an Assignment from Dynamic Offshore Resources, LLC to Century Exploration New Orleans, LLC, of all of Assignor's right, title and interest in and to State Lease No. 15683, Plaquemines Parish, Louisiana, INSOFAR AND ONLY INSOFAR AS to the portion of the lease that is included within the geographical confines of the area outlined in red on the plat attached hereto as Exhibit "A-1", containing 170.00 acres, more or less, being the BS 53 UV 3-B RA VUA, AND INSOFAR AND ONLY INSOFAR AS to rights from the surface of the earth down to 100' below the stratigraphic equivalent of 11,191' measured depth/11,029' true vertical depth in the UV 3B RA VUA; SL 19051 No 001 Well, with further particulars being stipulated in the instrument.

Century Exploration New Orleans, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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 March, 2012, 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 13 from the March 14, 2012 Meeting be approved, said instrument being an Assignment from Charleston Energy, Inc. to Anadarko E&P Company LP, of all of Assignor's right, title and interest in and to State Lease Nos. 20602, 20603, 20604, 20612, 20615, 20616, 20617, 20618, 20724, 20725, 20726, 20727, 20730, 20731, 20732, 20733, 20734, 20735, 20736 and 20737, Pointe Coupee, East Baton Rouge, West Baton Rouge, East Feliciana and West Feliciana Parishes, Louisiana, with further particulars being stipulated in the instrument

Anadarko E&P Company LP is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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, masmuch 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 March, 2012, 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 14 from the March 14, 2012 Meeting be approved, said instrument being an Assignment from Basin Properties, Inc. to Anadarko E&P Company LP, of all of Assignor's right, title and interest in and to State Lease Nos. 20605, 20606, 20607, 20614, 20705 and 20711, Pointe Coupee and West Feliciana Parishes, Louisiana, with further particulars being stipulated in the instrument.

Anadarko E&P Company LP is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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, masmuch 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 March, 2012, 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 15 from the March 14, 2012 Meeting be approved, said instrument being an Assignment from Attic Investment, Inc to Poydras Energy Partners, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 1958, 2125, 20101 and 20103, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument

<u>Poydras Energy Partners, LLC</u> is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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 March, 2012, 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 16 from the March 14, 2012 Meeting be approved, said instrument being an Assignment from Bellard & Company, Inc. to Whittier Energy Company, of all of Assignor's right, title and interest in and to State Lase Nos. 20802, 20803 and 20804, St. Landry Parish, Louisiana, with further particulars being stipulated in the instrument.

Whittier Energy Company is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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 March, 2012, 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

On motion of  $\underline{Mr}$ . Segura, seconded by  $\underline{Mr}$ . Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 17 from the March 14, 2012, Meeting be approved, said instrument being a Correction of Resolution No. 12 from the January 11, 2012 Meeting, being an Assignment from Forest Oil Corporation to Venture Partners, Ltd, et al, whereas said resolution incorrectly read..... Forest Oil Corporation-20% and is hereby being corrected to read.... Forest Oil Corporation – 50%, INSOFAR AND ONLY INSOFAR AS from the surface to the base of the Discorbis 3 Sand, the base which is found at a depth of 11,918' in the LLOG-Goodrich #1 Well (SN216757), affecting Operating Agreement "A0310, Iberia Parish, 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 March, 2012, 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

On motion of  $\underline{Mr. Segura}$ , seconded by  $\underline{Mr. Smith}$ , the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 18 from the March 14, 2012, Meeting be approved, said instrument being a Correction of Resolution of No. 21 from the December 14, 2011, being an Assignment from Energy XXI Onshore, LLC to Shoreline Offshore LLC, whereas State Lease No. 5792 is hereby being deleted and State Lease No. 5492 is hereby being added, AND said resolution incorrectly read...." Shoreline Southeast LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975 and is hereby being corrected to read... Shoreline Offshore LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975, affecting State Lease Nos. 4236, 5492 and 19022, Iberia and St. Mary 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 March, 2012, 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 19 from the March 14, 2012 Meeting be approved, said instrument being an Assignment from Castex Energy 2005 L.P., an undivided 25% of 8/8ths to the following in the proportions set out below:

Castex Energy Partners, L.P. Castex Energy 2008, L.P.

21.875% of 8/8ths 3.125% of 8/8ths

in and to State Lease Nos. 20528, 20529 and 20530, St. Mary Parish, Louisiana, with further particulars being stipulated in the instrument.

Castex Energy Partners, L.P. is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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,
- 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 March, 2012, 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 20 from the March 14, 2012, Meeting be approved subject to the approval of the Governor of Louisiana, said instrument being a Correction of Resolution No. 8 from the December 14, 2011 Meeting, being a Merger whereby McMoRan Gulf Properties LLC and McMoRan Offshore LLC are merging with and into McMoran Oil & Gas LLC, under the name of McMoran Oil & Gas LLC, whereas State Lease No. 14933 is hereby being deleted from said resolution and State Lease No. 14953 is hereby being added, affecting State Lease Nos. 356, 14216, 14217, 14519, 14520, 14560, 14912, 14914, 14915, 14953, 14954, 16298, 16795, 16859, 17376, 17378, 17432, 17689, 17691, 17739, 17767, 17965, 19079, 19500, 19514, 20020 and 20117, Iberia, Jefferson, Plaquemines, St. Martin and St. Mary 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 March, 2012, 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

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

/ /

Ву:

Scott A. Angelle

Chairman, State Mineral Board

#### LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 21 from the March 14, 2012 Meeting be approved, said instrument being an Assignment from Janivo Realty, Inc. to Triangle Exploration and Drilling Corporation, an undivided 30% of Assignor's interest in and to State Lease Nos. 13893 and 14357, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument.

<u>Triangle Exploration and Drilling Corporation</u> is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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 March, 2012, 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 22 from the March 14, 2012 Meeting be approved, said instrument being an Assignment from Tribow Limited Partnership to Triangle Exploration and Drilling Corporation, an undivided 30% of Assignor's interest in and to State Lease Nos. 13893 and 14357, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument.

<u>Triangle Exploration and Drilling Corporation</u> is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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 March, 2012, 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

On motion of  $\underline{Mr. Segura}$ , seconded by  $\underline{Mr. Smith}$ , the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 23 from the March 14, 2012, Meeting be approved subject to the approval of the Governor of Louisiana, said instrument being a Correction of Resolution No. 23 from the December 14, 2011 Meeting, being an Assignment from Energy XXI Onshore, LLC to Shoreline Offshore LLC, whereas said resolution incorrectly read..."an Assignment from Energy XXI Onshore, LLC to Shoreline Southeast LLC" and is hereby being corrected to read..."an Assignment from Energy XXI Onshore, LLC to Shoreline Offshore LLC", AND said resolution incorrectly read...." Shoreline Southeast LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975 and is hereby being corrected to read... Shoreline Offshore LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975, affecting State Lease No. 340, Iberia and St. Mary 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 March, 2012, 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

Approved as per Executive Order BJ 2008-10

Bobby Jindal Governor

By: Scott A. Angelle

Chairman, State Mineral Board

#### LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 24 from the March 14, 2012 Meeting be approved, said instrument being an Assignment from Comstock Oil & Gas, LP to Comstock Oil & Gas-Louisiana, LLC, of all of Assignor's right, title and interest in and to State Lease No. 13582, Lincoln Parish, Louisiana, with further particulars being stipulated in the instrument.

Comstock Oil & Gas- Louisiana, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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 March, 2012, 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 25 from the March 14, 2012 Meeting be approved subject to the approval of the Governor of Louisiana, said instrument being an Assignment from Shoreline Offshore LLC to Castex Energy Development Fund, LP, an undivided 50% of Assignor's right, title and interest in and to State Lease No 340, 4236, 5492 and 19022, Rabbit Island Field, Iberia and St Mary Parishes, Louisiana, LIMITED in depth as to those depths below 100' below the base of the 20 Sand, with further particulars being stipulated in the instrument.

Castex Energy Development Fund, LP is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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 March, 2012, 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

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

Scott A Angelle

Chamnan, State Mineral Board

#### LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 26 from the March 14, 2012 Meeting be approved subject to the approval of the Governor of Louisiana, said instrument being an Assignment from Shoreline Offshore LLC to Castex Energy Development Fund, LP, an undivided 20% of Assignor's right, title and interest in and to State Lease Nos. 340, 4236, 5492 and 19022, Rabbit Island Field, Iberia and St. Mary Parishes, Louisiana, LIMITED in depth as to those depths from the surface of the earth down to 100' below the base of the 20 Sand, with further particulars being stipulated in the instrument.

<u>Castex Energy Development Fund, LP</u> is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy 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 March, 2012, 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.

008-10

State Mineral and Energy Board

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

By:

Scott A. Angelle\ Chairman, State Mineral Board

#### LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of  $\underline{\text{Mr. Segura}}$ , seconded by  $\underline{\text{Mr. Smith}}$ , the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12-12 from the March 14, 2012, Meeting be approved, said instrument being a Unitization Agreement presented by Harvest Oil & Gas, LLC, to create a 1,430.00 acre unit, more or less, identified as the "Vermilion Block 16 VUB", with 191.01 acres being attributable to State Lease No. 3762, 903.37 acres being attributable to State Lease No. 3763 and 335.62 acres being attributable to State Lease No. 19967, Vermilion 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 March, 2012 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12-13 from the March 14, 2012, Meeting be approved, said instrument being a Division Order and Agreement by and between the Louisiana State Mineral and Energy Board, Rosemonde Kuntz Capomazza, individually and as agent for Rosemonde Kuntz Capomazza, Special, Karolyn Kuntz Wetervelt, individually and as agent for Karolyn Kuntz Westervelt, Special, Emile Scott Duvic, Eugenie Duvic, Herbert F. Duvic, III, Carlo Emilio Capomazza and Stefano DeRuggero Capomazza, whereas said parties desire to provide for the allocation and distribution of production proceeds from Tract 8 of the ROB L RA SUA, affecting State Lease No. 18380, 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 March, 2012 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

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12-14 from the March 14, 2012, Meeting be approved, said instrument being a Unitization Agreement presented by Century Exploration New Orleans, LLC and Champion Exploration, LLC, to create a 2696.48 acre unit, identified as the "Century Exploration New Orleans, LLC- VUD", with 14.31 acres being attributable to State Lease No. 17674, 123.72 acres being attributable to State Lease No. 17675, 465.25 acres being attributable to State Lease No. 18549, 834.79 acres being attributable to State Lease No. 19050, 110.22 acres being attributable to State Lease No. 19051, 383.12 acres being attributable to State Lease No. 19080, 2.24 acres being attributable to State Lease No. 19347, 572.71 acres being attributable to State Lease No. 19391, 137.39 acres being attributable to State Lease No. 19669, 32.13 acres being attributable to State Lease No. 20423 and the remaining acreages being attributable to unleased acreage, Breton Sound Block 53 Field, 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 March, 2012 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.