

MINUTES

STATE MINERAL AND ENERGY BOARD

REGULAR MEETING AND LEASE SALE

OCTOBER 14, 2015

**STATE MINERAL AND ENERGY BOARD
REGULAR MEETING AND LEASE SALE MINUTES
OCTOBER 14, 2015**

A Regular Meeting and Lease Sale of the State Mineral and Energy Board was held on Wednesday, October 14, 2015, beginning at 11:05 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana, subject to the call of the Governor and Ex-Officio Chairman.

Mr. Thomas L. Arnold, Jr., 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.

Thomas L. Arnold, Jr., Chairman
W. Paul Segura, Jr., Vice-Chairman
Stephen Chustz, DNR Secretary
Thomas W. Sanders
Darryl D. Smith
Robert "Michael" Morton
Theodore M. "Ted" Haik, Jr.
Louis J. Lambert

The following members of the Board were recorded as absent:

Emile B. Cordaro
Dan R. Brouillette
Chip Kline (Governor Jindal's designee to the Board)

Ms. Talley announced that eight (8) 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
Rachel Newman, Director-Mineral Income Division
Frederick Heck, Director-Petroleum Lands Division
Emile Fontenot, Assistant Director-Petroleum Lands Division
James Devitt, Deputy General Counsel-Department of Natural Resources
Chris Lento, Assistant Attorney General

The Chairman stated that the first order of business was the approval of the September 9, 2015 Minutes. A motion was made by Mr. Segura to adopt the Minutes as submitted and to waive reading of same. His motion was seconded by Mr. Sanders and unanimously adopted by the Board. (No public comment was made at this time.)

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Upon motion of Mr. Segura, seconded by Mr. Sanders, and unanimously adopted by the Board, the Board recessed the regular meeting at 11:06 a.m. to continue the Legal and Title Controversy Committee.

Upon motion of Mr. Segura, seconded by Mr. Smith, and unanimously adopted by the Board, the Board reconvened the regular meeting at 11:43 a.m.

The Chairman then stated that the next order of business would be the adoption of the Committee recommendations. Upon motion of Mr. Segura, seconded by Mr. Sanders, 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 and Tract Committee
Audit Committee
Legal and Title Controversy Committee
Docket Review Committee

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

Upon motion of Mr. Chustz, seconded by Mr. Segura, and unanimously adopted by the Board, the Board recessed its regular meeting at 11:44 a.m. to go into executive session for technical briefing in order to consider matters before the Board which were confidential in nature.

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. Segura, seconded by Mr. Sanders, and unanimously adopted by the Board, the Board reconvened in open session at 11:47 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 and called on Mr. Victor Vaughn to present the staff's recommendations to the Board.

Mr. Victor Vaughn reported that Staff recommends all bids be accepted on all tracts.

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.)

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Upon motion of Mr. Segura, seconded by Mr. Sanders, the Board voted unanimously to accept the staff's recommendations for the following:

1. Award a lease on a portion of Tract 44389, said portion being 10.655 acres, more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.
2. Award a lease on Tract 44394 to South Louisiana Minerals, Inc.
3. Award a lease on Tract 44395 to South Louisiana Minerals, Inc.
4. Award a lease on portion of Tract 44397, said portion being 196.000 acres, more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.
5. Award a lease on portion of Tract 44404, said portion being 117.240 acres, more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.
6. Award a lease on portion of Tract 44420, said portion being 0.140 acres, more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.

This concluded the awarding of the leases.

The following announcements were then made:

Ms. Talley stated that "the total for today's Lease Sale is \$96,492.38, bringing the fiscal year total to just over \$3.6 million."

Congratulations and best wishes were announced to Mike Wyndham, longtime Secretary of the Louisiana Department of Wildlife and Fisheries on his recent retirement from state civil service.

An announcement was made that the November State Mineral and Energy Board Meeting will be held on Thursday, November 12th due to the State recognized holiday of Veterans Day.

The Chairman then stated there being no further business to come before the Board, upon motion of Mr. Sanders, seconded by Mr. Segura, the meeting was adjourned at 11:49 a.m.

Respectfully submitted,



Victor M. Vaughn
Executive Officer
State Mineral and Energy Board

THE FOLLOWING OPENING OF SEALED
BIDS MEETING MINUTES, COMMITTEE
REPORTS AND RESOLUTIONS WERE
MADE A PART OF THE OCTOBER 14,
2015 STATE MINERAL AND ENERGY
BOARD REGULAR MEETING AND LEASE
SALE MINUTES BY REFERENCE

STATE MINERAL AND ENERGY BOARD
OPENING OF SEALED BIDS MINUTES
OCTOBER 14, 2015

A public meeting for the purpose of opening sealed bids was held on Wednesday, October 14, 2015, beginning at 8:33 a.m. in the LaBelle 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
Rachel Newman, Director-Mineral Income Division
Frederick Heck, Director-Petroleum Lands Division
Emile Fontenot, Assistant Director-Petroleum Lands Division
James Devitt, Attorney-DNR Office of the Secretary

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:

October 14, 2015

**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. 44385 through 44420, 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)

Emile Fontenot
Assistant Director
Petroleum Lands Division

Mr. Vaughn then stated that there were no letters of protest received for today's Lease Sale.

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.

STATE MINERAL AND ENERGY BOARD
 Opening of Sealed Bids Minutes
 October 14, 2015

INLAND TRACTS

No Bids Tract 44385

No Bids Tract 44386

No Bids Tract 44387

No Bids Tract 44388

Tract 44389
 (Portion – 10.655 acres)

Bidder	:	Hilcorp Energy I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$2,397.38
Annual Rental	:	\$1,198.69
Royalties	:	21.000% on oil and gas
	:	21.000% on other minerals
Additional Consideration	:	None

No Bids Tract 44390

No Bids Tract 44391

No Bids Tract 44392

No Bids Tract 44393

		Tract 44394
Bidder	:	South Louisiana Minerals, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$8,250.00
Annual Rental	:	\$4,125.00
Royalties	:	22.500% on oil and gas
	:	22.500% on other minerals
Additional Consideration	:	None

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	Tract 44395	
Bidder	:	South Louisiana Minerals, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$7,500.00
Annual Rental	:	\$3,750.00
Royalties	:	22.500% on oil and gas
	:	22.500% on other minerals
Additional Consideration	:	None

Tract 44396

No Bids

	Tract 44397 (Portion – 196.000 acres)	
Bidder	:	Hilcorp Energy I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$49,000.00
Annual Rental	:	\$24,500.00
Royalties	:	21.000% on oil and gas
	:	21.000% on other minerals
Additional Consideration	:	None

Tract 44398

No Bids

Tract 44399

No Bids

Tract 44400

No Bids

Tract 44401

No Bids

Tract 44402

No Bids

Tract 44403

No Bids

STATE MINERAL AND ENERGY BOARD
 Opening of Sealed Bids Minutes
 October 14, 2015

Tract 44404
 (Portion – 117.24 acres)

Bidder	:	Hilcorp Energy I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$29,310.00
Annual Rental	:	\$14,655.00
Royalties	:	21.000% on oil and gas
	:	21.000% on other minerals
Additional Consideration	:	None

No Bids Tract 44405

No Bids Tract 44406

No Bids Tract 44407

No Bids Tract 44408

No Bids Tract 44409

No Bids Tract 44410

No Bids Tract 44411

No Bids Tract 44412

No Bids Tract 44413

No Bids Tract 44414

TAX ADJUDICATED LANDS TRACTS

No Bids Tract 44415

No Bids Tract 44416



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, October 14, 2015 at 9:50 a.m. with the following members of the Board in attendance: Mr. Thomas L. Arnold, Jr., Mr. Stephen Chustz, Mr. Theodore M. "Ted" Haik, Jr., Mr. Louis J. Lambert, Mr. Thomas W. Sanders and Mr. Darryl D. Smith. Mr. Robert "Michael" Morton arrived at 9:52 a.m.

I. Geological and Engineering Staff Review

The staff of the Office of Mineral Resources reported to the Committee that according to the SONRIS database, there were 1,635 active State Leases containing approximately 700,000 acres. Since the last Lease Review Committee meeting, the Geological and Engineering Division reviewed 122 leases covering approximately 75,000 acres for lease maintenance and development issues.

II. Committee Review

1. A staff report on State Lease 199-A-0 and State Lease 199-A-1, Bay St. Elaine Field Selection, Terrebonne Parish. Hilcorp Energy I, L.P. is the operator.
Upon motion of Mr. Sanders, seconded by Mr. Smith, the committee voted to accept Hilcorp's status update and to grant Hilcorp until October 12, 2016 to submit an updated status report on lease development activity.
2. A staff report on State Lease 340-C, Designated Areas 1 – 5, Rabbit Island Selection, Iberia, St. Mary and Vermilion Parishes. Shoreline Southeast LLC, Castex Energy Development Fund, and Rabbit Island, LP, are the lessees.
Upon motion of Mr. Chutz, seconded by Mr. Smith, the committee voted that the parties be granted until February 10, 2016 to meet with the staff to present a definite plan of development for Designated Areas 1 through 5 or in lieu thereof, their plans to release the non-producing state lease acreage.
3. A staff report on State Lease 17156, Vermilion Block 16 Field, Vermilion Parish. Harvest Oil and Gas, LLC is the lessee.
Upon motion of Mr. Sanders, seconded by Mr. Lambert, the committee voted that Board action be deferred while staff negotiates the release of acreage and the formation of a voluntary unit for the remaining acreage.
4. A request by the staff to rescind a Board resolution dated January 15, 1959 by which a clause was to be included in all unitization agreements. The clause required the commencement of drilling operations within ninety (90) days of the execution of the agreement.
Upon motion of Mr. Haik, seconded by Mr. Lambert, the committee voted to rescind the Board resolution dated January 15, 1959.

III. Force Majeure Report

1. Energy Properties Inc. requests an extension of the force majeure recognition.

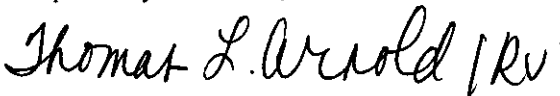
Upon motion of Mr. Haik, seconded by Mr. Chustz, the Lease Review Committee extends recognition of the force majeure condition until such time as the gas pipeline service is restored permitting the restoration to production or until the November 12, 2015 Board meeting whichever occurs first and requires that Energy Properties Inc. submits evidence of filing the application with FERC and is received by the Staff no later than November 10, 2015; then the Staff will recommend an extension of an additional six (6) months. In addition, if EPI fails to file an application by November 10, 2015, Staff will recommend to the Board to rescind the force majeure recognition at the November 12, 2015 meeting.

Force Majeure Report Summary - Updated September 30, 2015

Company Name	Lease Numbers
Leases Off Production Due to Non-Storm Related Force Majeure Events	
Energy Properties Inc.	725 (September, 2015)

The Committee adjourned the October 14, 2015 meeting at 10:00 a.m.

Respectfully submitted,



Thomas L. Arnold, 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.

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #15-10-001 (LEASE REVIEW COMMITTEE)

WHEREAS, the Lease Review Committee last reviewed State Leases 199-A and Designated Area 1 in the Bay St. Elaine Field on March 11, 2014, whereby the State Energy and Mineral Board (SMEB) accepted Hilcorp Energy Company's (Hilcorp) status update and required that Hilcorp provide a status update on these plans by March 11, 2015; and

WHEREAS, by letter dated June 10, 2015, Hilcorp reported on the previous year and current year activities on SL 199-A and Designated Area 1 in the Bay St. Elaine Bay Field; and

WHEREAS, due to the sharp drop in commodity prices, Hilcorp requested that they be granted two years before submitting the next lease development update,

ON MOTION of Mr. Smith, seconded by Mr. Sanders, the following recommendation was offered and adopted by the Lease Review Committee after discussion and careful consideration:

That the SMEB accept Hilcorp's status update and grant Hilcorp until October 12, 2016 to submit an updated status report on lease development activity.

WHEREAS, after discussion and careful consideration by the SMEB, a decision has been reached:

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

NOW THEREFORE BE IT RESOLVED that the SMEB accept Hilcorp's status update and grant Hilcorp until October 12, 2016 to submit an updated status report on lease development activity.

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 14th day of October, 2015, 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.



Victor M. Vaughn, Executive Officer
Louisiana State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**Resolution #15-10-002
(LEASE REVIEW COMMITTEE)**

WHEREAS, the staff brought SL 340-C Designated Areas 1 through 5 in the Rabbit Island Field before the Lease Review Committee for consideration of a drill or release schedule over same acreage; and

WHEREAS, prior to such action, the staff desires to extend to the Lessees an opportunity to meet with the staff to discuss their plan of development for SL 340-C Designated Areas 1 through 5.

ON MOTION of Mr. Chustz, seconded by Mr. Smith, the following recommendation was offered and adopted by the Lease Review Committee after discussion and careful consideration:

That the State Mineral and Energy Board (SMEB) grant the Lessees until February 10, 2016 to meet with the staff to present a definite plan of development for Designated Areas 1 through 5, or in lieu thereof, their plans to release the non-producing state lease acreage.

WHEREAS, after discussion and careful consideration by the SMEB, a decision has been reached:

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

NOW THEREFORE BE IT RESOLVED that the SMEB grant the Lessees until February 10, 2016 to meet with the staff to present a definite plan of development for Designated Areas 1 through 5, or in lieu thereof, their plans to release the non-producing state lease acreage.

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 14th day of October, 2015, 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.



Victor M. Vaughn, Executive Officer
Louisiana State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #15-10-003 (LEASE REVIEW COMMITTEE)

WHEREAS, the Lease Review Committee last reviewed State Lease 17156 in the Vermilion Block 16 Field on August 12, 2015, whereby the State Mineral and Energy Board adopted the Committee's recommendation that Harvest Oil & Gas proceed with unitization of the State Lease 17156 No. 1 well into either a Commissioner's unit or a voluntary unit by September 9, 2015. Upon creation of the pooling unit, Harvest will be required to release all acreage outside the unit within thirty days.

WHEREAS, upon Harvest's receipt of the August 13, 2015 Lease Review Committee letter, Harvest contacted the staff expressing their wish to meet about the requirements as outlined in the letter; and

WHEREAS, on September 16, 2015, a meeting was held between Harvest and the staff where the negotiations for a suitable voluntary unit over State Lease 17156 and release of acreage began; and

ON MOTION of Mr. Sanders, seconded by Mr. Lambert, the following recommendation was offered and adopted by the Lease Review Committee after discussion and careful consideration:

That the State Mineral and Energy Board (SMEB) defer action while Harvest and staff continue to negotiate the release of acreage and the formation of a voluntary unit for the remaining acreage.

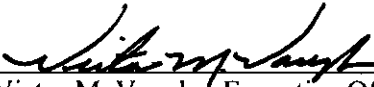
WHEREAS, after discussion and careful consideration by the SMEB, a decision has been reached:

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

NOW THEREFORE BE IT RESOLVED That the State Mineral and Energy Board (SMEB) defer action while Harvest and staff continue to negotiate the release of acreage and the formation of a voluntary unit for the remaining acreage.

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 14th day of October, 2015, 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.



Victor M. Vaughn, Executive Officer
Louisiana State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #15-10-004
(LEASE REVIEW COMMITTEE)

WHEREAS, a request was made by Staff to rescind a Policy Resolution dated January 15, 1959 that established a policy wherein all unitization agreements included a ninety (90) day termination clause to commence drilling;

ON MOTION of Mr. Haik, seconded by Mr. Lambert, the following recommendation was offered and unanimously adopted by the Lease Review Committee after discussion and careful consideration:

That the State Mineral and Energy Board rescind the Policy Resolution dated January 15, 1959 that established a policy wherein all unitization agreements included a ninety (90) day termination clause to commence drilling. The existing standard voluntary unit agreement has a (1) one year termination clause, and can be extended on a case-by-case basis; therefore, the former policy is no longer necessary;

WHEREAS, after discussion and careful consideration of the foregoing request and the recommendation of the Lease Review Committee;

ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby rescind the Policy Resolution dated January 15, 1959 wherein all unitization agreements included a ninety (90) day termination clause to commence drilling.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



Victor M. Vaughn, Executive Officer
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #15-10-005 (LEASE REVIEW COMMITTEE)

WHEREAS, a report on the letter received from Energy Properties Inc. ("EPI") on State Lease 725 was made by Charles Bradbury, Petroleum Engineer, concerning the ongoing force majeure event; and

WHEREAS, it was reported to the Committee that EPI continues its efforts to abate the force majeure condition resulting from the April 9, 2012 Texas Gas Transmission pipeline explosion and requested an additional six (6) month recognition extension to finalize negotiations for a pipeline right-of-way and pipeline purchase agreement; and

WHEREAS, the Board extended recognition of the force majeure at the September 9, 2015 until the October 14, 2015 Board meeting providing that EPI meet with the staff and present plans to restore production,

WHEREAS, the Staff met October 6, 2015 with EPI and Boardwalk Pipeline Partners LP; EPI and Boardwalk reported that they signed an agreement in principle and now needed more time to secure FERC approval for the transfer.

On Motion of Mr. Haik, seconded by Mr. Chustz, the following resolution was offered and adopted by the Lease Review Committee after discussion and careful consideration:

The Mineral and Energy Board extends recognition of the force majeure condition until such time as the gas pipeline service is restored permitting the restoration to production or until the November 12, 2015 Board meeting whichever occurs first and require that Energy Properties Inc. submit evidence of filing the application with FERC and is received by the Staff no later than November 10, 2015; then the Staff will recommend an extension of an additional six (6) months. In addition, if EPI fails to file an application by November 10, 2015, Staff will recommend to the Board to rescind the force majeure recognition at the November 12, 2015 meeting.

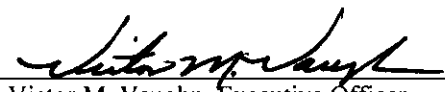
WHEREAS, after discussion and careful consideration by the State Mineral and Energy Board, a decision has been reached:

ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following resolution was offered and unanimously adopted by the State Mineral and Energy Board:

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 as of April 9, 2012 due to rupture and subsequent explosion of the pipeline operated by Texas Gas that prevents sale and transportation of gas from wells and production facilities to maintain State Lease 725 in Terrebonne Parish, Louisiana. The Mineral and Energy Board extends recognition of the force majeure condition until such time as the gas pipeline service is restored permitting the restoration to production or until the November 12, 2015 Board meeting whichever occurs first and require that Energy Properties Inc. submit evidence of filing the application with FERC and is received by the Staff no later than November 10, 2015, then the Staff will recommend an extension of an additional six (6) months. In addition, if EPI fails to file an application to FERC by November 10, 2015 then the Staff will recommend to the Board to rescind the force majeure recognition at the November 12, 2015 meeting. The Board requires monthly updates be submitted to the OMR Staff and reserves its right to reconsider this matter at any time.

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 14th day of October, 2015, 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.



Victor M. Vaughn, Executive Officer
Louisiana State Mineral and Energy Board



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: October 12, 2015 3:33 PM

District Code 1 New Orleans- East

Get Review Date October 14, 2015

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
00214	0	BRETON SOUND BLOCK 18 , GARDEN ISLAND BAY , POINTE A LA HACHE	246613-SL 214 GARDEN ISLAND BAY- 913 09/20/2013	7769	7769	OCT. AR 9/11/15 JMB HBP - NUMEROUS SL WELLS (MEETING OR COMMUNICATION WITH DUNE IS SUPPOSED TO BE HELD BY END OF YEAR ON DESIGNATED AREAS);;
01393	0	BRETON SOUND BLOCK 18 , GARDEN ISLAND BAY	SL 214 GARDEN ISLAND BAY 11/01/1997	458	458	OCT. AR 9/11/15 JMB HBP - NUMEROUS SL WELLS (MEETING OR COMMUNICATION WITH DUNE IS SUPPOSED TO BE HELD BY END OF YEAR ON DESIGNATED AREAS);;
01732		POINTE A LA HACHE	VUG;DELACROIX	85	85	OCT. AR 9/11/15 JMB HBP - 2 VUG;;
06618		CHANDELEUR SOUND BLOCK 71	119.667 02/16/2004	50.96	50.96	OCT. AR 9/11/15 JMB HBP - 2 UNITS;;
16442		BRETON SOUND BLOCK 18	64.39 09/16/2002	142.93	142.93	OCT SAR 9/11/15 JMB HBP - 1 UINT;;
16543		BRETON SOUND BLOCK 18	72.63 09/16/2002	20.57	20.57	OCT SAR 9/11/15 JMB HBP - 1 UINT;;
16594		BRETON SOUND BLOCK 18	480.07 11/18/2002	18.66	18.66	OCT SAR 9/11/15 JMB HBP - 1 UINT;;
16799		CHANDELEUR SOUND BLOCK 69		1346.95	1346.95	OCT. AR 9/11/15 JMB HBP - 1 SL WELL;;
16890		BRETON SOUND BLOCK 51	8300 VUA;SL 17243 10/13/2004	270.15	270.15	OCT. AR 9/11/15 JMB HBP - 1 SL WELL;;
17277		CHANDELEUR SOUND BLOCK 71	230204-VUA;SL 17277-001 10/12/2004	26.87	26.87	OCT. AR 9/11/15 JMB HBP - 1 VUA;;
17278		CHANDELEUR SOUND BLOCK 71	VUA;SL 17277 08/11/2004	23.37	23.37	OCT. AR 9/11/15 JMB HBP - 1 VUA;;
17279		CHANDELEUR SOUND BLOCK 71	VUA;SL 17277 08/11/2004	53.66	53.66	OCT. AR 9/11/15 JMB HBP - 1 VUA;;
17303		BRETON SOUND BLOCK 16		250	541.52	OCT SAR 9/11/15 JMB HBP - 1 UINT;;
18043		CHANDELEUR SOUND BLOCK 71	VUA;SL 17277 08/11/2004	31.06	31.06	OCT. AR 9/11/15 JMB HBP - 1 VUA;;
19079		BRETON SOUND BLOCK 45	246.3 08/18/2011	85.53	85.53	OCT. AR 9/11/15 JMB HBP - 1 VUB;;
20110		IRENE	TUSC RA SUA;ACME BRICK 07/21/2009 1047-G	2.55	2.55	OCT AR 9/11/15 JMB HBP - 1 UINT;;
20670		CHIPOLA	L TUSC A RA SUB;HURST 05/03/2011 1511-A	.708	2	OCT AR 9/11/15 JMB HBP - 1 UINT, DD PAID 7/13/15;; 6/18/15 JMB DD PAYMENT OF \$646.65 APPR. FOR 1.292 ACRES FROM 7/13/15 TO 7/13/16;;



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: *October 12, 2015 3:33 PM*

District Code **1** *New Orleans- East*

Get Review Date **October 14, 2015**

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21210				0	91	OCT. PT 7/10/16 9/11/15 JMB RECIEVED RELEASE;;
21442				0	899.63	OCT. PT 7/9/2019 9/11/15 JMB HELD BY RENTAL PAID 7/9/15;;
21443				0	425.38	OCT. PT 7/9/2019 9/11/15 JMB HELD BY RENTAL PAID 7/9/15;;
21444				0	2065.12	OCT. PT 7/9/2019 9/11/15 JMB HELD BY RENTAL PAID 7/9/15;;
21445				0	63.48	OCT. PT 7/9/2019 9/11/15 JMB HELD BY RENTAL PAID 7/9/15;;
21446				0	379.52	OCT. PT 7/9/2019 9/11/15 JMB HELD BY RENTAL PAID 7/9/15;;
21451				0	333.64	OCT. PT 7/9/2017 9/11/15 JMB HELD BY RENTAL PAID 7/9/15;;
21452				0	675.42	OCT. PT 7/9/2017 9/11/15 JMB HELD BY RENTAL PAID 7/9/15;;
21456				0	862.44	OCT. PT 07/09/2017 PASS-A-LOUTRE WMA 9/11/15 JMB HELD BY RENTAL PAID 7/9/15;;



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LEASE Num	DA	Field	Latest Lease Activity	Productive Acreage	Present Acreage	Flagged for Review/In
00192A		BASTIAN BAY	J S ABERCROMBIE	400.459	1987.468	OCT AR 10/5/15 MS AR, LEASE HELD BY PRODUCTION, HILCORP HAS BEEN GIVEN UNTIL SEPT.10, 2017 TO PRESENT A POD ON LEASES IN BASTIAN BAY
00378		GOLDEN MEADOW	247680-SL 378 CATFISH LAKE-168 05/17/2014	1732	2616	OCT AR 10/5/15 MS AR, LEASE HELD BY PRODUCTION FROM NUMEROUS UNITS
01010		SOUTH PASS BLOCK 27 , WEST DELTA BLOCK 83	N2 RJ SUA;SL 1010 04/24/2001 303-R-7 01-344	26.27	26.27	OCT. AR 10/5/15 MS AR, LEASE HELD BY UNIT PRODUCTION FROM WDB83 10100 C SU, SPB27 N4 RB SU AND P RA VUA.
01388		SOUTH PASS BLOCK 24 , SOUTH PASS BLOCK 24 OFFSHORE(8453 7/97	ST O'BRIEN UC 227-YY-2	1619	1619	OCT. AR 10/5/15 MS AR, LEASE HELD BY LEASE PRODUCTION AND NUMEROUS UNITS
01924		SOUTH PASS BLOCK 24 , SOUTH PASS BLOCK 24 OFFSHORE(8453 7/97	ST O'BRIEN UC 227-YY-2	365	601	OCT. AR 10/5/15 MS AR, LEASE HELD BY PRODUCTION FROM NUMEROUS UNITS. POD LETTER?
02102		BAYOU SORREL	MARG H RB SUA;WILBERT LANDS 12/06/2011 374-V-2	15.88	143	OCT. AR 10/6/15 MS AR, LEASE HELD BY UNIT PRODUCTION FROM CIB H 2 RB SUA; AND MARG H RB SUA;WILBERT LANDS POD LETTER?
02227		BURRWOOD , SOUTH PASS BLOCK 24 , SOUTH PASS BLOCK 24 OFFSHORE(8453 7/97 , WEST DELTA BLOCK 83	8000 (S) RH SUH;SL 978 227-A-2 98-781	300	870	OCT. AR 10/6/15 MS AR, LEASE HELD BY PRODUCTION FROM NUMEROUS UNITS
02565		BURRWOOD	10600 RA SUA;SL 2565 850-C 14-161	1188	1500	OCT. AR 10/6/15 MS AR, LEASE HELD BY PRODUCTION FROM NUMEROUS UNITS
02566		BURRWOOD	BURR T RA SU 11/16/2010 850-B 10-1187	741	965	OCT. AR 10/6/15 MS AR, LEASE HELD BY UNIT PRODUCTION FROM VU3;USA, BURR T RA SU AND BURR 6900 L2 RA NVU
02747		BASTIAN BAY	S 3 RE SUA;J S ABERCROMBIE 06/03/2014 339-DD-12 14-304	29.38	208	OCT. AR 10/6/15 MS AR, LEASE HELD BY UNIT PRODUCTION SE S3 RB SUA. AND S 3 RE SUA. HILCORP HAS BEEN GIVEN UNTIL SEPT.10 2017 TO PRESENT A POD ON LEASES IN BASTIAN BAY
03155		BASTIAN BAY	J S ABERCROMBIE	53.21	520	OCT. AR 10/6/15 MS AR, LEASE HELD BY PRODUCTION, HILCORP HAS BEEN GIVEN UNTIL SEPT.10, 2017 TO PRESENT A POD ON LEASES IN BASTIAN BAY
03279		BASTIAN BAY	J RC SUA;LL&E FEE 339-J-5 97-242	441	574	OCT. AR 10/6/15 MS AR, LEASE HELD BY UNIT PRODUCTION FROM N-S3 RA SUA, DISC 12 RA SUA, S 3 RE SUA HILCORP HAS BEEN GIVEN UNTIL SEPT.10 2017 TO



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04534		LAKE RACCOURCI	LR SP 7 RA SU 02/19/2008 175-H-1 08-239	232.46	679.81	PRESENT A POD ON LEASES IN BASTIAN BAY OCT. 10/6/15 MS AR, LEASE HELD BY UNIT PRODUCTION LR CIB 21 A1 RA SU AND TEX L-5 RA SUA
05021		MANCHAC POINT	MARG H B RA SUA;SL 5021 807-L 07-99	145	185	OCT AR 10/6/15 MS AR, LEASE HELD BY UNIT PRODUCTION. POD LETTER SENT ON 6-25-2015 TO OIWS. HILCORP ASKED FOR ADDITIONAL TIME, THIS WAS GRANTED. HILCORP HAS BEEN GIVEN UNTIL 11/01/15 TO MEET WITH STAFF TO DISCUSS DEVELOPMENT. REVIEW THIS LEASE AGAIN IN NOVEMBER
15016		SOUTH PASS BLOCK 27	471 08/15/2012	1020	2013.7	OCT. AR 10/6/15 MS AR, LEASE HELD BY UNIT PRODUCTION. ALL WELLS SHUT-IN AS OF 9/22/15
17266		LAKE WASHINGTON	CM 288 RA SUA;COCKRELL- MORAN 03/11/2014 149-PPP-4 14-105	50.23	101	OCT. AR 10/6/15 MS AR, THIS LEASE IS PARTIALLY HELD BY UNIT PRODUCTION FROM THE 4400 RA SUA; 4400 RC SUA; AND CM 288 RE SUA ROUTE SHEET DONE ON 9/25/15 ON REMAINDER
18907		LAKE WASHINGTON	1433 08 08/30/2011	51.92	51.92	OCT. AR 10/6/15 MS AR, LEASE HELD BY UNIT PRODUCTION FROM VUA, LW 11350 RA&RE SU, LW 9600 RA-RD SU
19201		LAKE SALVADOR		160	432.69	OCT. AR 10/6/15 MS AR, LEASE HELD BY LEASE WELL PRODUCTION
19202		LAKE SALVADOR	VUA;SL 19205 06/12/2013	78.07	78.07	OCT. AR 10/6/15 MS AR, LEASE HELD BY UNIT PRODUCTION FROM VUA
19203		LAKE SALVADOR	VUA;SL 19205 06/12/2013	43.33	43.33	OCT. AR 10/6/15 MS AR, LEASE HELD BY UNIT PRODUCTION FROM VUA
19204		LAKE SALVADOR	VUA;SL 19205 06/12/2013	65.38	65.38	OCT. AR 10/6/15 MS AR, LEASE HELD BY UNIT PRODUCTION FROM VUA
19205		LAKE SALVADOR	VUA;SL 19205 06/12/2013	172.35	172.35	OCT. AR 10/6/15 MS AR, LEASE HELD BY UNIT PRODUCTION FROM VUA
19206		LAKE SALVADOR	VUA;SL 19205 06/12/2013	97.78	97.78	OCT AR 10/6/15 MS AR, LEASE HELD BY UNIT PRODUCTION FROM VUA
19232		LAKE SALVADOR	1079.73 11/26/2013	459.14	459.14	OCT. AR 10/6/15 MS AR, LEASE HELD BY UNIT PRODUCTION FROM VUA
20102		LITTLE LAKE	90.57 10/02/2014	6.43	6.43	OCT AR 10/6/15 MS AR, LEASE HELD BY UNIT TP 1-2 RB SUA;SL 19908



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20984		LAKE WASHINGTON	157.8 10/02/2014	139.2	139.2	OCT. 10/6/15 MS AR, LEASE HELD BY UNIT VUA;SL 20984



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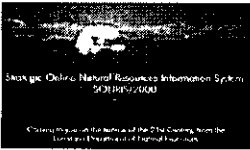
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00188A	0	CAILLOU ISLAND	SL 188 U2	4478	7640	OCT. AR 9/24/15 AW HBP IN 13 UNITS (9800 RA SU, 70 B RB SU, 70 A RB SU, MID 70 RB SU, U 70 RB SU, 41 RA SUA, E RA SUA, 86 RB SUA, 86 RA SUA, TB 281 RA SU, L25 R078 SUA, 23C R031 SU, & U 31 R076 SU) AND LEASE WELLS; 16 PRODUCING WELLS;; 8/3/15 AW NEW 051762 41 RA SUA;; 5/29/15 JPT SENT EMAIL TO H DELAUNAY AT HILCORP FOR RESPONSE TO SMEB LETTER DATED 9/10/14;; 9/23/14 AW HBP IN 11 UNITS & LEASE WELLS; 16 PRODUCING WELLS;; 9/10/14 LETTER TO HILCORP TO DEV. OR RELEASE BY 1/14/15;;
00199A	1	BAY ST ELAINE	VU4;BSE U4	182	495	OCT. LRC 9/24/15 AW HBP IN 2 UNITS (BSE U4, & VUB; SL 16790); 6 PRODUCING WELLS (3 IN LEASE);; 6/10/15 LETTER FROM HILCORP STATUS UPDATE;; 3/11/15 AW HBP IN 2 UNITS (18 R500 SUA AND VUB;SL 16790); 4 PRODUCING WELLS;;
00199A	0	BAY ST ELAINE	VU4;BSE U4	2358	2358	OCT. LRC 9/24/15 AW HBP IN 5 UNITS (18 RA SUA, 18 R500 SUA, VU12, VU15, & VU3); 9 PRODUCING WELLS;; 6/10/15 LETTER FROM HILCORP STATUS UPDATE;; 5/29/15 JPT SENT EMAIL TO H DELAUNAY AT HILCORP FOR RESPONSE TO SMEB LETTER DATED 9/10/14;; 3/11/15 AW HBP IN 6 UNITS (18 R500 SUA, VU12, VU2, VU3, 12900 RB SUA, & 18 A RA SUA); 9 PRODUCING WELLS;;
00199B	0	LAKE BARRE	VU29;LB U29	7870	7870	OCT. AR 9/24/15 AW HBP IN 15 UNITS (R-U RA SUA, E 2 RC1 SU, UP MS RD SU, LM2 SU, LM1 SU, VU 44, VU 38, VU 34, VU 32 (2 LUWS), VU 31 (2 LUWS), VU 27, VU 21, Z RC SUA, LM 1-2 RA SUA & UR 1 RF SU); 18 PRODUCING WELLS;; 9/23/14 AW HBP IN 22 UNITS; 22 PRODUCING WELLS;; 4/1/14 LETTER TO COMEAUX & ASSOC NO OBJ. TO 29-E WAIVER LB U43 #12, SN 246213;; 9/30/13 MS 051358 NEW C1-E4 RA SUA;; 9/23/13 AW HBP IN 18 UNITS
00329A		BAYOU SALE	ST MY RE SUA;SMPL 87-E-13 99-533	820	820	OCT AR 9/24/15 AW HBP IN 7 UNITS (MARIN RF SUA, VUC (2 LUWS), ST MY RF SUA, OPERC 1-5 RA SUA, ST MY RD SUA, MARIN RE SU, & ST MARY RD S SU); 16 PRODUCING WELLS;; 9/23/14 AW HBP IN 10 UNITS



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00340H	0	COTE BLANCHE BAY, EAST		1400	5959	(MARIN RF SUA, VUC; SL 329 SMPL U1 (3 LUWS), ST. MARY PARISH LAND CO , BS ST MARY RD S SU, BS MARIN RE SU, BS ST MY RD SU, OPERC 1-5 RA SUA & STMY RF SUA); 15 PRODUCING WELLS;;
00340H	0	COTE BLANCHE BAY, WEST		1400	5959	OCT. 9/24/15 AW HBP IN LEASE WELLS; 5 PRODUCING WELLS;; 12/10/14 LETTER TO SWIFT ENERGY REQUEST UPDATE ON SWIFTS EXPECTATION TO DELIVER PARTIAL RELEASE RESULTS IN 30 DAYS FROM RECEIPT;; 12/5/14 LETTER TO THE MERIDIAN RESOURCE & EXPLORATION LLC ACKNOW. LETTER FROM ALTA MESA STATING POD AND GRANTING EXTEN. OF TIME UNTIL 9/30/15 FOR MEETING WITH STAFF TO PRESENT POD;; 11/11/14 LETTER FROM ALTA MESA HOLDINGS, ACQUIRED INTEREST IN 340-H FROM ENERGYQUEST, JPT GRANTS AN EXT. TO 09/2015 FOR PLAN OF DEVELOPMENT;; 10/23/14 AW HBP IN LEASE WELLS; 5 PRODUCING WELLS; WRITE LETTER REQUESTING THAT ENERGYQUEST MEET WITH THE STAFF BY MARCH 31, 2015 TO PRESENT A DEVELOPMENT PLAN



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00340H	0	COTE BLANCHE ISLAND		1400	5959	OCT. 9/24/15 AW HBP IN LEASE WELLS; 5 PRODUCING WELLS;; 12/10/14 LETTER TO SWIFT ENERGY REQUEST UPDATE ON SWIFTS EXPECTATION TO DELIVER PARTIAL RELEASE RESULTS IN 30 DAYS FROM RECEIPT;; 12/5/14 LETTER TO THE MERIDIAN RESOURCE & EXPLORATION LLC ACKNOW. LETTER FROM ALTA MESA STATING POD AND GRANTING EXTEN. OF TIME UNTIL 9/30/15 FOR MEETING WITH STAFF TO PRESENT POD;; 11/11/14 LETTER FROM ALTA MESA HOLDINGS, ACQUIRED INTEREST IN 340-H FROM ENERGYQUEST, JPT GRANTS AN EXT. TO 09/2015 FOR PLAN OF DEVELOPMENT;; 10/23/14 AW HBP IN LEASE WELLS; 5 PRODUCING WELLS; WRITE LETTER REQUESTING THAT ENERGYQUEST MEET WITH THE STAFF BY MARCH 31, 2015 TO PRESENT A DEVELOPMENT PLAN
00725		BAY JUNOP	14100 RA SUA;LL&E A 09/01/1997	361	409.78	OCT. 9/24/15 AW HBP IN 1 UNIT (VUC); LEASE CURRENTLY UNDER FORCE MAJEURE;; 9/9/15 LRC COMMITTEE EXTENDS FM RECOG. UNTIL 10/14/15 AND REQUIRE MEETING WITH ENERGY PROPERTIES BEFORE 10/14/15;; 3/11/15 LRC COMMITTEE EXTENDS FORCE MAJEURE EVENT UNTIL 9/9/15 LETTER SENT TO ROB SCHROEDER 3/16/15;; 2/24/15 AW UNTIL FORCE MAJEURE UNTIL MARCH 11; OMR WILL REQUEST AN ADDITIONAL 6-MONTH EXTENSION AT THIS MONTH'S MEETING;; 1/8/15 MEETING WITH MR. SCHROEDER & MR. CONN REPRESENTING ENERGY PROPERTIES, INC., CHARLES BRADBURY ADVISES THAT EPI NOTIFY STAFF 2/2015 TO REQUEST TO CONTINUE PAYMENT OF ILR PAYMENTS QUARTERLY UNTIL PIPELINE IS REESTABLISHED;; 12/29/14 AW UNDER FORCE MAJEURE UNTIL 3/11/15;; 12/4/14 LETTER TO ENERGY PROPERTIES INC REGARDING ROBERT SCHROEDERS LETTER AND REQUESTING A MEETING WITH EPI BY 1/21/15 TO DISCUSS ACCOUNTING OF EFFORTS TO REMEDY FM EVENT, TIMELINE



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						OUTLINING ACTIVITIES, BASIS FOR PROSPECT STATED IN LETTER;; 9/26/14 - LETTER FROM ROBERT SCHROEDER REP. ENERGY PROPERTIES POD FOR SL 725;; 9/23/14 AW UNDER FORCE MAJEURE UNTIL 9/14; 6-MONTH EXTENSION HAS BEEN REQUESTED TO MARCH 2015;; 9/18/14 SM&EB EXTENDS RECOGNITION OF THE FORCE MAJEURE EVENT FOR SL 725 UNTILL PROD. RESUMES OR 3/11/15 BOARD MEETING;; 9/5/14 LETTER TO ENERGY PROPERTIES TO DEV. OR RELEASE BY 12/10/14;; 5/23/14 AW FORCE MAJEURE EXTENDED TO 9/14; E-MAIL SENT REGARDING STATUS OF OVERDUE IN-LIEU PAYMENT
01247		CAILLOU ISLAND	245877-SL 1247-028 03/09/2013	1750	1886	
01249	2	CAILLOU ISLAND	86 RC SUA;SL 301 03/17/2015 411-RRRR-3 15-168	542.4	542.4	OCT AR 9/24/15 AW HBP IN 1 UNIT (L 15000 R560 SUA); 1 PRODUCING WELL;; 9/23/14 AW HBP IN 1 UNIT (L 15000 R560 SUA); 1 PRODUCING WELL;;
01249	0	CAILLOU ISLAND	86 RC SUA;SL 301 03/17/2015 411-RRRR-3 15-168	1043	3134.586	OCT. AR 9/24/15 AW HBP IN 7 UNITS (L15000 R560 SUA, 53C RA SU, U-W1 RA SUA, TEX L RA SUA, 14000 RA SU, 86 RC SUA, & 14800 R080 SUA) & LEASE WELLS;; 8/26/15 AW NEW 051767 12400 RA SUA;; 5/6/15 AW NEW 051736 86 RC SUA;; 12/4/14 AW NEW 617761 TEX L RA SUA;; 9/23/14 AW HBP IN 5 UNITS (14800 R080 SUA, U-W1 RA SUA, 53 C RA SU, L 14000 RA SU, 53 A RA SU) AND LEASE WELL; 7 PRODUCING WELLS (2 IN LEASE);;
02366		BELLE ISLE	L RA SUA;SL 340 08/04/2009 576-K-2 09-843	302	302	OCT. AR 9/24/15 AW HBP IN 2 UNITS (L RA SUA & BI N VUA); 6 PRODUCING WELLS, 26 SHUT-IN WELLS;; 9/23/14 AW HBP IN 2 UNITS (BI N VUA & L RA SUA); 6 PRODUCING WELLS (2 IN LEASE);;



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02585		BELLE ISLE	B1 NVUA 07/01/1976	812	812	OCT. AR 9/24/15 AW HBP IN 1 UNIT (BI N VUA); 4 PRODUCING WELLS, 14 SHUT-IN WELLS;; 9/23/14 AW HBP IN 2 UNITS (BI N VUA & L RA SUA); 4 PRODUCING WELLS (0 IN LEASE);;
02703		CAILLOU ISLAND	TB 6-7 RA SUA;SL 2826 11/12/2013 411-DDDDD 13-573	48.99	773	OCT. AR 9/24/15 AW HBP IN LEASE WELL; 1 PRODUCING WELL;; 5/29/15 JPT SENT EMAIL TO H DELAUNAY AT HILCORP FOR RESPONSE TO SMEB LETTER DATED 9/10/14;; 9/23/14 AW HBP IN LEASE WELL; 1 PRODUCING WELL;; 9/10/14 LETTER TO HILCORP TO DEV. OR RELEASE BY 1/14/15;; 4/16/14 (11/1/13) AW NEW 051449 TB 6-7 RA SUA;; 9/23/13 AW HBP OF LEASE WELL;;
02826		CAILLOU ISLAND	TB 6-7 RA SUA;SL 2826 11/12/2013 411-DDDDD 13-573	360	1549.1	OCT. AR 9/24/15 AW HBP IN LEASE WELLS; 4 PRODUCING WELLS, 7 SHUT-IN WELLS;; 9/23/14 AW HBP IN LEASE WELLS; 5 PRODUCING WELLS;; 4/16/14 (11/1/13) AW NEW 051449 TB 6-7 RA SUA;; 9/23/13 AJL HBP FROM THREE UNITS;;
03090		CAILLOU ISLAND		700	901.92	OCT. AR 9/24/15 AW HBP IN LEASE WELLS; 2 PRODUCING WELLS, 2 SHUT-IN WELLS;; 9/23/14 AW HBP IN LEASE WELLS; 3 PRODUCING WELLS;;
03184		BELLE ISLE	L RA SUA;SL 340 08/04/2009 576-K-2 09-843	119	119	OCT. AR 9/24/15 AW HBP IN 2 UNITS (L RA SUA & BI N VUA); 6 PRODUCING WELLS, 26 SHUT-IN WELLS;; 9/23/14 HBP IN 2 UNITS (BI N VUA & L RA SUA); 6 PRODUCING WELLS (1 IN LEASE);;
03185		BELLE ISLE	L RA SUA;SL 340 08/04/2009 576-K-2 09-843	175	175	OCT. AR 9/24/15 AW HBP IN 2 UNITS (L RA SUA & BI N VUA); 6 PRODUCING WELLS, 26 SHUT-IN WELLS;; 9/23/14 HBP IN 2 UNITS (BI N VUA & L RA SUA); 6 PRODUCING WELLS (0 IN LEASE);;
03586		BELLE ISLE	L RA SUA;SL 340 08/04/2009 576-K-2 09-843	204	204	OCT. AR 9/24/15 AW HBP IN 2 UNITS (L RA SUA & BI N VUA); 6 PRODUCING WELLS, 26 SHUT-IN WELLS;; 9/23/14 AW HBP IN 2 UNITS (BI N VUA & L RA SUA); 6 PRODUCING WELLS (1 IN LEASE);;
03909		BELLE ISLE	L RA SUA;SL 340 08/04/2009 576-K-2 09-843	524	524	OCT. AR 9/24/15 AW HBP IN 2 UNITS (L RA SUA & BI N VUA); 6 PRODUCING WELLS, 26 SHUT-IN WELLS;; 9/23/14 AW HBP IN 2 UNITS (BI N VUA & L RA SUA);



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						6 PRODUCING WELLS (0 IN LEASE);;
12105		LAKE PAGIE	31.511 07/23/1988	43.56	47.489	OCT. AR 9/24/15 AW HBP IN 1 UNIT (6100 RA SUA); 1 PRODUCING WELL (3.93 ACRES TO BE RELEASED PER 8/5/14 ROUTE SHEET);; 9/23/14 AW HBP IN 1 UNIT (6100 RA SUA), 1 PRODUCING WELL;; 8/6/14 AW PART OF THIS LEASE(3.93 ACRES IN 7500 RA SUA) HAS EXPIRED DUE TO NO PROD;;
16244		PASS WILSON	9300 RA VUA;SL 3403	24.732	24.732	OCT. AR 9/25/15 AW HBP IN 2 UNITS (9900 RA VUA & 8900 RA VUA); 3 PRODUCING WELLS (SPECIAL CIRCUMSTANCES)
16558		SHIP SHOAL BLOCK 43		160	349.69	OCT. AR 9/25/15 AW HBP IN LEASE WELL; 1 PRODUCING WELL
17174		LAKE DE CADE, EAST		240	445.14	OCT. AR 9/25/15 AW HBP IN LEASE WELL; 1 PRODUCING WELL
18640		EUGENE ISLAND BLOCK 10	CIB OP EI 10 VUC;SL 19266 01/27/2012	474.53	474.53	OCT. AR 9/25/15 AW HBP IN LEASE WELL; 1 PRODUCING WELL
19749		SHIP SHOAL BLOCK 66	457.413 08/30/2011	68.06	68.06	OCT. AR 9/25/15 AW HBP IN 1 UNIT (H-2 RA VUA); 1 PRODUCING WELL
20162		LAPEYROUSE	21.777 11/22/2010	7.223	7.223	OCT. AR 9/25/15 AW HBP IN 1 UNIT (7450 RB SUA); 2 PRODUCING WELLS
21205				0	69.35	OCT. PT 7/10/18 9/25/15 AW RENTAL PAYMENT MADE 6/30/15
21206		CAILLOU ISLAND	TEX L RA SUA;SL 1249 04/15/2014 411-EEEEEE 14-187	40.35	40.35	OCT. PT 7/10/18 9/25/15 AW HBP IN 1 UNIT (TEX L RA SUA); 1 PRODUCING WELL
21207				0	26.12	OCT. PT 7/10/18 9/25/15 AW RENTAL PAYMENT MADE 6/9/15
21215				0	244.43	OCT. PT 7/10/16 ATCHAFALAYA WMA 9/25/15 AW RENTAL PAYMENT MADE 6/30/15
21216				0	5.08	OCT. PT 7/10/16 ATCHAFALAYA WMA 10/6/15 AW RENTAL PAYMENT MADE 6/30/15
21217				0	236.49	OCT. PT 7/10/16 ATCHAFALAYA WMA 10/6/15 AW RENTAL PAYMENT MADE 6/30/15



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Lease Nbrm	DA	Field	Latest Lease Activity	Productive Acreage	Present Acreage	Flagged for Review Ifn
00542		LUCKY	VUD;NEBO OIL CO	120	120	OCT. AR 9/2/15 SKR AR TWO ACTIVE UNITS. ONE PRODUCING WELL OIL AND GAS PRODUCTION ARE REPORTED UNDER TWO SEPARATE LUW CODES AND LUW NAMES
02852		ANTIOCH	C V PALMER 01/09/2001 344-E-1 01-05	46	46	OCT. AR 9/2/15 SKR AR - ONE ACTIVE UNIT TWO PRODUCING WELLS
03552		LITTLE CREEK , TULLOS URANIA	3.802 08/21/1991	10.307	10.307	OCT. AR 9/2/15 SKR AR - ONE ACTIVE UNIT. ONE PRODUCING WELL
05156		ADA	HOSS A RA SUNN;COLE E 07/01/1990	31.438	31.438	OCT. AR 9/2/15 SKR AR - ONE ACTIVE UNIT. THREE PRODUCING WELLS
06760		KINGSTON	HA RA SUA;MCCOY BROS LBR CO 5 11/18/2008 376-D	59.54	59.54	OCT. AR 9/2/15 SKR AR THREE ACTIVE UNITS. THIRTEEN PRODUCING WELLS
09600		REDOAK LAKE	U GR RA SUE;HANNA 03/01/1982	35.18	35.18	OCT. AR 9/2/15 SKR AR - ONE ACTIVE UNIT. ONE PRODUCING WELL
14574		ELM GROVE	HA RA SUZ;C M HUTCHINSON 37 H 11/13/2008 361-L-10	8.932	8.932	OCT. AR 9/2/15 SKR AR THREE ACTIVE UNITS. SIXTEEN PRODUCING WELLS
17064		PITKIN	AUS C RA SUJ;HUNT FRST PROD 31 03/10/1998 1412-A-4 98-166	34.305	34.305	OCT. AR 9/2/15 SKR AR - ONE ACTIVE UNIT. ONE PRODUCING WELL
17128		RED RIVER-BULL BAYOU	HA RB SU72;TRACY 3 01/05/2010 109-X-74 10-13	14.947	14.947	OCT. AR 9/2/15 SKR AR - THREE ACTIVE UNITS. FOUR PRODUCING WELLS
18353		KINGSTON	HA RA SUC;BRAZZEL 8 11/18/2008 376-D 08-1791	117.28	117.28	OCT. AR 9/2/15 SKR AR - THREE ACTIVE UNITS. EIGHTEEN PRODUCING WELLS. ROYALTIES ARE BEING ESCROWED
18370		ELM GROVE	HA RA SUGG;TENSAS DELTA A 07/08/2008 361-L-7 08-959	28.503	28.503	OCT. AR 9/2/15 SKR AR - THREE ACTIVE UNIS. FOUR PRODUCING WELLS
19295		JOHNSON BRANCH	HA RA SULL;JPIL BEAIRD 27 H 08/19/2009 994-D-19 09-906	298.869	320	OCT. AR 9/2/15 SKR AR - ONE ACTIVE UNIT. ONE PRODUCING WELL. CONSENT JUDGEMENT DATED 2/22/2014 CASE NO. 627902 WHEREBY LAND OWNER WAS AWARDED 22 MINERAL ACRES OUT OF THE 320.869 (TRACT 98); REDUCING THE STATE'S MINERAL ACRES TO 298.869
20091		CASPIANA	HA RA SU125;BROADWAY 29 H 10/06/2009	1.42	1.42	OCT. AR 9/2/15 SKR AR - TWO ACTIVE UNITS.12 PRODUCING WELLS



Louisiana Department of Natural Resources (DNR)

SONRIS

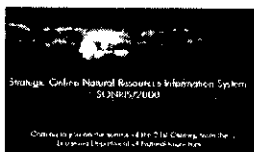
Staff Reviews

Report run on: **October 12, 2015 3:33 PM**

District Code **3** **Lake Charles- North**

Get Review Date **October 14, 2015**

Lease Num	DA	Field	Latest Lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
			191-H-65 09-1086			
20109		CASPIANA	HA RB SUFF;POOLE ANT 21-15-11H 06/23/2009 191-H-48 09-647	6	6	OCT. AR TAX ADJUDICATED, 9/2/15 SKR AR - ONE ACTIVE UNIT. ONE PRODUCING WELL
20146		ELM GROVE	HA RA SU133;FRANKS INV CO 10 H 10/26/2010 361-L-101 10-1083	1.32	1.32	OCT. AR 9/2/15 SKR AR - TWO ACTIVE UNITS. TWO PRODUCING WELLS PRODUCING ACREAGE SHOWN IN SKR REVIEW AS 5.114,LUW 617226 ROYALTIES ARE BEING ESCROWED
20157		GAHAGAN	HA RA SUGG;DUPREE 24 H 10/26/2010 909-H-14 10-1094	82	82	OCT. AR 9/2/15 SKR AR - TWO ACTIVE UNITS. TWO PRODUCING WELLS
20274		SWAN LAKE	CV RA SUL;JOHNSON 1	20.18	20.18	OCT. AR 9/2/15 SKR EXPIRED RELEASE RECEIVED; 9/18/15 LETTER TO MRC ENERGY REQ. FOR RELEASE
20445		ELM GROVE	691-B-10 05-772 1.21 01/14/2013	28.839	54.79	OCT. AR 9/2/15 SKR AR - FIVE ACTIVE UNITS. SIX PRODUCING WELLS
20978				0	80	OCT. PT 7/11/15 9/2/15 SKR EXPIRED. WAITING OF CERT. FROM CATAHOULA
21447				0	61	OCT. PT 07/09/2017 10/6/15 SKR RENTAL PAID
21448				0	7.15	OCT. PT 07/09/2017 10/6/15 SKR RENTAL PAID



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: October 12, 2015 3:33 PM

District Code 3S Lake Charles- South

Get Review Date October 14, 2015

Lease Num	DA	Field	Latest Lease Activity	Productive Acreage	Present Acreage	Flagged for Review (Y)
00042		HACKBERRY, EAST , HACKBERRY, WEST	109 09/15/2014	400	1350.86	OCT. AR 9/30/15 CS AR; HBP BY 11 WELLS. NINE OF THESE ARE UNIT WELLS ACROSS FOUR UNITS, AND THE OTHER TWO ARE PRODUCING ON A LEASE BASIS
02048		BANCROFT, NORTH	VUA 07/01/1976	10.79	10.79	OCT. AR 9/30/15 CS AR; HBP ONE WELL IN VUA; SABINE-LBR-STATE
12605		LAKE ARTHUR, SOUTH	.923 10/18/1990	7.511	7.511	OCT. AR 9/30/15 CS AR; FULLY HBP BY ONE WELL IN UNIT U MIOGYP RA SUE
15346		MONCRIEF	28.823 11/13/1998	13.177	13.177	OCT. AR TC TITLE DISPUTE 9/30/15 CS AR; FULLY HBP BY THREE WELLS IN UNITS AUS C RA SUP AND AUS C RA SUB
15350		MONCRIEF	12.501 11/13/1998	3.499	3.499	OCT. AR TC TITLE DISPUTE 9/30/15 CS AR; FULLY HBP BY THREE WELLS IN UNITS AUS C RA SUP AND AUS C RA SUB
15354		MONCRIEF	AUS C RA SUS; CLARK 23 03/25/1997 1029-B-4 97-170	34	34	OCT. AR TC TITLE DISPUTE 9/30/15 CS AR; FULLY HBP BY TWO WELLS IN UNITS AUS C RA SUQ AND AUS C RA SUS
15774		GILLIS-ENGLISH BAYOU	9.44 12/06/2004	33.66	33.66	OCT. AR 9/30/15 CS AR; FULLY HBP BY ONE WELL IN UNIT HBY RA SUA
16505		FENTON, WEST , WILDCAT-SO LA LAFAYETTE DIST	HBY RB SUA; J D FOLLEY ETUX 1448-C	6.638	6.638	OCT AR 9/30/15 CS AR; FULLY HBP BY ONE WELL IN UNIT HBY RB SUA
19072		GRAND CHENIERE	86.409 09/03/2009	21.591	21.591	OCT. AR 9/30/15 CS AR; FULLY HBP BY ONE WELL IN UNIT 15000 RB SUA
19354		MALLARD BAY	247708-MIO RA SUA; SL 19354-002-ALT 03/15/2014	84.259	84.259	OCT. AR 9/30/15 CS AR; FULLY HBP BY TWO WELLS IN UNIT MIO RA SUA
20672		HARMONY CHURCH , LE BLANC	7600 RA SUB; QUATRE MINERAL 06/05/2012 513-J 12-315	27	27	OCT. AR 9/30/15 CS AR; FULLY HBP BY ONE WELL IN UNIT U WX RA SUA. WELL 246464 WAS P&A'D 3/2015 CAUSING UNIT 7000 RA SUB TO BECOME INACTIVE
20674		RICHIE, EAST	TW RB SUA; RICHIE LAND CO 09/18/2012 979-C-1 12-546	5.804	7	OCT AR 9/30/15 CS AR; 5.8 ACRES HBP AND DD PAYMENT MADE ON REMAINING 1.2 ACRES
20980		HARMONY CHURCH	U WX RA SUA; MERIWETHER 01/04/2012 1120-H 12-4	.24	89	OCT. 9/30/15 CS AR; PARTIALLY HBP BY ONE WELL IN UNIT U WX RA SUA. ROUTE SHEET STARTED ON REMAINING 88.76 ACRES SINCE NO DD PAYMENT WAS MADE BY 7/11/15
21010		GILLIS-ENGLISH BAYOU	247743-VUA; SL 21010- 001 03/23/2014	6.5	17	NOV. AR 9/30/15 CS AR; PARTIALLY HBP BY ONE WELL IN UNIT VUA. DD PAYMENT



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: **October 12, 2015 3:33 PM**

District Code **3S Lake Charles- South**

Get Review Date **October 14, 2015**

Lease Num	DA	Field	Latest Lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
21218				0	40	MADE 7/30/15 FOR REMAINING 10.5 ACRES OCT. PT 7/10/16 9/30/15 CS AR; RENTAL PAID ON TIME (7/10/15). ONE YEAR REMAINING IN PT
21397		BECKWITH CREEK, NORTH	6600 RB SUA,LH ADDISON JR ETAL 01/27/2015 1192-F-1	2.6	13	JULY PT 07/09/2017 9/30/15 CS AR; 1.61 ACRES IS PRODUCTIVE AND COVERED BY UNIT 6600 RA SUA. SPORADIC, LOW PRODUCTION
21454		LAC BLANC	48-69 RA SUA;SL 3055 03/17/2015 1028-N 15-153	300	979.01	OCT. PT 07/09/2017 WHITE LAKE 9/30/15 CS AR; PARTIALLY HBP BY UNIT 48-69 RA SUA. 337 04 ACRES IS PRODUCTIVE. DD PAYMENT NOT PAID FOR REMAINING ACREAGE
21455				0	206.82	OCT. PT 07/09/2017 WHITE LAKE 9/30/15 CS AR; NO WELL DRILLED NOR UNITIZATION, BUT RENTAL WAS PAID
123				47,278.631	75,478.525	



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 **9:58 a.m.** on Wednesday, **October 14, 2015** with the following members of the Board in attendance:

Mr. Stephen Chustz	Mr. Paul Segura, Jr.	Mr. Thomas W. Sanders
Mr. Thomas L. Arnold, Jr.	Mr. Louis J. Lambert	Mr. Theodore M. Haik, Jr.
Mr. Darryl D. Smith		Mr. Robert M. Morton

The Committee heard the report of Mr. Emile Fontenot, relative to nominations received for the December 9, 2015 Mineral Lease Sale and other matters. Based upon the staff's recommendation, on motion of **Mr. Haik**, duly seconded by **Mr. Sanders**, 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 by Staff to rescind the Resolutions dated March 14, 1973, April 11, 1973, July 11, 1973, January 9, 1974 and July 13, 2011, that adopted a rider and amendments thereto, for attachment to the 1966 Louisiana State Lease Form, and made a part of all State leases thereafter granted or awarded. The said Resolutions are no longer necessary because those provisions in the rider and amendments have been incorporated into the present lease form. On the motions of **Mr. Haik**, duly seconded by **Mr. Sanders**, the Committee voted unanimously to rescind the above Resolutions.

A request by Staff to rescind the Resolution dated June 20, 1963, that suspended the Board's authority to consider recoupment agreements on title disputed lands and water bottoms leased. The said Resolution is no longer required because of the implementation of an escrow procedure for processing royalty payments on such title disputed lands. On the motions of **Mr. Haik**, duly seconded by **Mr. Lambert**, the Committee voted unanimously to rescind the above Resolution.

The Committee adjourned at **10:02 a.m.**

Nomination and Tract Committee Report
October 14, 2015
Page-2-

Respectfully Submitted,

Thomas L. Arnold, Jr. by *B.F.*

Thomas L. Arnold, Jr.

Board Member

Nomination and Tract Committee

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION # 15-10-006

(NOMINATION and TRACT COMMITTEE)

Policy Rescission --
Lease Rider

WHEREAS, pursuant to La. R.S. 30:121, the State Mineral and Energy Board (Board) shall administer the State of Louisiana's (State) proprietary interest in minerals in and upon the lands and water bottoms belonging to the State or the title to which is in the public trust; and

WHEREAS, pursuant to La. R.S. 30:124, the Board is authorized to lease State lands and water bottoms for the development and production of minerals; and

WHEREAS, pursuant to La. R.S. 30:129, the Board has full supervision of all mineral leases granted by the State and is authorized to take any action required to protect the interests of the State; and

WHEREAS, by Resolution dated March 14, 1973, the Board adopted a rider, entitled "Approved Rider for Attachment to 1966 Louisiana State Lease Form", to be attached to and made a part of all State Leases thereafter granted or awarded, encouraging operators to market gas produced from State Leases within the State; and

WHEREAS, by Resolution dated April 11, 1973, the Board required that this rider also be attached to Agency Leases; and

WHEREAS, by Resolution dated July 11, 1973, the Board revised and amended this rider by deleting and adding certain provisions thereto; and

WHEREAS, by Resolution dated January 9, 1974, the Board again revised and amended this rider, primarily related to the intrastate marketing, refining and processing of minerals from State Leases; and

WHEREAS, by Resolution dated July 13, 2011, the Board directed that this rider, as amended, be incorporated into the body of the State Lease form; and

WHEREAS, given the inclusion of this rider and amendments thereto in the State Lease form, the Staff of the Office of Mineral Resources (OMR) recommends rescission of the Resolutions dated March 14, 1973, April 11, 1973, July 11, 1973, January 9, 1974 and July 13, 2011 which no longer are necessary;

ON MOTION of *Mr. Haik*, seconded by *Mr. Sanders*, after discussion and careful consideration, the foregoing OMR Staff recommendation was offered and unanimously accepted by the Nomination and Tract Committee.

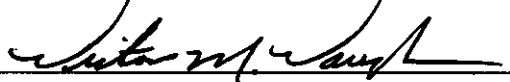
WHEREAS, in response to the foregoing OMR Staff recommendation and action of the Nomination and Tract Committee;

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

NOW THEREFORE, BE IT RESOLVED that the Board Resolutions dated March 14, 1973, April 11, 1973, July 11, 1973, January 9, 1974 and July 13, 2011 be and hereby are rescinded.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the Board and is now in full force and effect.



**Victor M. Vaughn, Executive Officer
State Mineral and Energy Board**

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Policy Rescission --
Recoupment Agreements

RESOLUTION # 15-10-007

(NOMINATION and TRACT COMMITTEE)

WHEREAS, pursuant to La. R.S. 30:121, the State Mineral and Energy Board (Board) shall administer the State of Louisiana's (State) proprietary interest in minerals in and upon the lands and water bottoms belonging to the State or the title to which is in the public trust; and

WHEREAS, pursuant to La. R.S. 30:129, the Board has full supervision of all mineral leases granted by the State and is authorized to take any action required to protect the interests of the State; and

WHEREAS, mineral leases upon lands and water bottoms belonging to the State are awarded without warranty of title and without any recourse whatsoever against the State as lessor; and

WHEREAS, by Resolution dated June 20, 1963, the Board suspended the practice of considering recoupment agreements on title disputed lands leased by the State; and

WHEREAS, an escrow procedure for processing royalty payments on such title disputed lands was developed by policy of the Office of Mineral Resources (OMR) and currently is included in the State Lease form; and

WHEREAS, given the implementation of this escrow procedure, the referenced Board Resolution no longer is required; and

WHEREAS, OMR Staff recommends rescission of the Resolution dated June 20, 1963 which suspended the Board's authority to consider recoupment agreements on title disputed lands and water bottoms leased by the State;

ON MOTION of **Mr. Haik**, seconded by **Mr. Lambert**, after discussion and careful consideration, the foregoing OMR Staff recommendation was offered and unanimously accepted by the Nomination and Tract Committee.

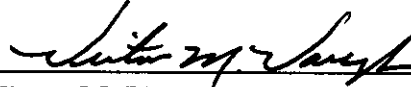
WHEREAS, in response to the foregoing OMR Staff recommendation and action of the Nomination and Tract Committee;

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

NOW THEREFORE, BE IT RESOLVED that the Resolution dated June 20, 1963 suspending the Board's authority to consider recoupment agreements on title disputed lands and water bottoms leased by the State be and hereby is rescinded.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the Board and is now in full force and effect.



**Victor M. Vaughn, Executive Officer
State Mineral and Energy Board**

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Tracts to Be
Advertised

Resolution #15-10-008
(NOMINATION AND TRACT COMMITTEE)

WHEREAS, Mr. Emile Fontenot reported that 56 tracts had been nominated for the December 9, 2015 Mineral Lease Sale, and requests that same are to be advertised pending staff review;

WHEREAS, the staff of the Office of Mineral Resources, upon further review and consideration, recommended that the foregoing request be approved by the Nomination and Tract Committee;

ON MOTION of *Mr. Haik*, seconded by *Mr. Sanders*, the following recommendation was offered and unanimously adopted by the Nomination and Tract Committee after discussion and careful consideration:

That the State Mineral and Energy Board grant final approval to advertise all such tracts for the December 9, 2015 Mineral Lease Sale;

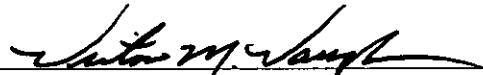
WHEREAS, after discussion and careful consideration of the foregoing request and recommendation by the Nomination and Tract Committee;

ON MOTION of *Mr. Segura*, seconded by *Mr. Sanders*, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW, BE IT THEREFORE RESOLVED, that the State Mineral and Energy Board does hereby approve and authorize the advertising of all such tracts 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 Committee Report.

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 October 2015, 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.



Victor M. Vaughn, Executive Officer

LOUISIANA STATE MINERAL AND ENERGY BOARD

BOBBY JINDAL
GOVERNOR



STEPHEN CHUSTZ
SECRETARY

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, October 14, 2015, immediately following the Nomination and Tract Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building, located at 617 North Third Street, Baton Rouge, Louisiana. Committee Members present were:

Thomas L. Arnold, Jr.
Stephen Chustz

Theodore M. "Ted" Haik, Jr.
Louis J. Lambert

Thomas W. Sanders
Darryl D. Smith

Mr. Darryl D. Smith convened the Committee at 9:39 a.m.

The first matter considered by the Committee was staff's report on the Samson Resources Corporation bankruptcy.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Lambert, the Committee voted unanimously to exclude Geodyne Resources Inc. (an affiliate of Samson Resources Corporation) from the 2016 audit cycle.

The second matter considered by the Committee was staff's report on the Black Elk Energy Offshore Operations bankruptcy.

No action required.

The third matter considered by the Committee was a request to exclude Forest Oil Corporation from the audit schedule.

Upon recommendation of the staff and upon motion of Mr. Sanders, seconded by Mr. Lambert, the Committee voted unanimously to exclude Forest Oil Corporation from the 2016 audit cycle.

The fourth matter considered by the Committee was a proposal to rescind the Resolution dated November 13, 1968 regarding recoupments of overpayments of gas prices due to the Federal Power Commission and its Southern Louisiana Area Rates.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Sanders, the Committee voted unanimously to rescind the Resolution.

The fifth matter considered by the Committee was a proposal to rescind the Resolution dated November 13, 1968 regarding a pending stay order by the Federal Power Commission and the Board's decision to continue requiring payments on the latest approved contract price.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Sanders, the Committee voted unanimously to rescind the Resolution.

The sixth matter considered by the Committee was a proposal to rescind the Resolution dated May 12, 1971 regarding the "Guidelines for Payment of Royalty on Processed Gas from State Leases".

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Sanders, the Committee voted unanimously to rescind the Resolution.

The seventh matter considered by the Committee was a proposal to rescind the Resolution dated February 9, 1972 regarding Federal Power Commission amendments to Southern Louisiana area rates for gas produced in and off the shores of Louisiana.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Sanders, the Committee voted unanimously to rescind the Resolution.


The eighth matter considered by the Committee was a proposal to rescind the Resolution dated April 12, 1972 which authorized the Audit Director to review and approve royalties, rental payments and in-lieu royalties made to the State Land Office.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Sanders, the Committee voted unanimously to rescind the Resolution.

The ninth matter considered by the Committee was the election of the October 2015 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. Chustz, seconded by Mr. Lambert, the Board voted unanimously to adjourn the Audit Committee at 9:57 a.m.



Darryl D. Smith, Chairman
Audit Committee

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Samson Resources
Corporation
Bankruptcy

RESOLUTION #15-10-009 (AUDIT COMMITTEE)

WHEREAS, pursuant to La. R.S. 30:136.A(1)(c), the Office of Mineral Resources (OMR) staff is authorized to audit information relevant to the computation of royalties including appropriate records, report or other information; and

WHEREAS, by State Mineral and Energy Board (Board) Resolution dated August 12, 2009, the Board authorized the OMR to conduct all appropriate and necessary audits of any party, lessee, operator and/or payor of a State lease, that has, or may, file for bankruptcy protection; and

WHEREAS, Samson Resources Corporation Filed Chapter 11 bankruptcy on September 16, 2015; and

WHEREAS, two of Samson Resources affiliates are noted as royalty payors including Geodyne Resources, Inc.; and

WHEREAS, Geodyne Resources, Inc. was a payor of record from April 1989 through May 1989 during which time royalty payments totaled \$1,213.17; and

WHEREAS, OMR staff recommends Geodyne Resources, Inc. be removed from the 2016 audit cycle given the immaterial amount of royalty paid over a very short time, no royalty is at risk; and

ON MOTION of Mr. Arnold, seconded by Mr. Lambert, after discussion and careful consideration, the foregoing OMR Staff recommendations were offered and unanimously accepted by the Audit Committee.

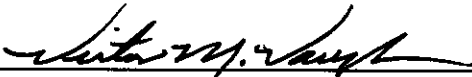
WHEREAS, in response to the foregoing OMR Staff recommendations and action of the Audit Committee;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant that the audit of Geodyne Resources, Inc. be removed from the 2016 audit cycle given the immaterial amount of royalty paid over a very short time, no royalty is at risk;

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the Board and is now in full force and effect.



**Victor M. Vaughn, Executive Officer
State Mineral and Energy Board**

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Forest Oil
Corporation
Bankruptcy

RESOLUTION #15-10-010 (AUDIT COMMITTEE)

WHEREAS, pursuant to La. R.S. 30:136.A(1)(c), the Office of Mineral Resources (OMR) staff is authorized to audit information relevant to the computation of royalties including appropriate records, report or other information; and

WHEREAS, by State Mineral and Energy Board (Board) Resolution dated August 12, 2009, the Board authorized the OMR to conduct all appropriate and necessary audits of any party, lessee, operator and/or payor of a State lease, that has, or may, file for bankruptcy protection; and

WHEREAS, Forest Oil Corporation filed Chapter 11 bankruptcy on July 15, 2015; and

WHEREAS, Forest Oil Corporation was a payor of record from February 1998 through January 2013 during which time royalty payments totaled \$96,114,241.37; and

WHEREAS; OMR Staff performed a closeout audit in May 2013 which resulted in no findings; and

WHEREAS; Texas Petroleum Investment Company assumed all of Forest Oil Corporation's state leases and is currently under audit; and

WHEREAS, OMR staff recommends Forest Oil Corporation be removed from the 2016 audit cycle because no royalty is at risk; and

ON MOTION of Mr. Sanders, seconded by Mr. Lambert, after discussion and careful consideration, the foregoing OMR Staff recommendations were offered and unanimously accepted by the Audit Committee.

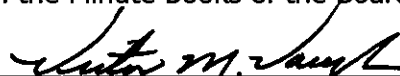
WHEREAS, in response to the foregoing OMR Staff recommendations and action of the Audit Committee;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant that the audit of Forest Oil Corporation be removed from the 2016 audit cycle because no royalty is at risk.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the Board and is now in full force and effect.



**Victor M. Vaughn, Executive Officer
State Mineral and Energy Board**

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Rescind recoupments
of gas due to FERC
rates

RESOLUTION #15-10-011 (AUDIT COMMITTEE)

WHEREAS, LA. R. S. 30:136.A(2) provides that overpayments may be offset, compensated for, or recovered from royalty thereafter; and

WHEREAS, by Resolution dated November 13, 1968, the State Mineral and Energy Board (Board) authorized the Mineral Income Division to approve recoupments due as a result of the Southern Louisiana Area Rates set forth by the Federal Power Commission (FERC) on the same basis as established by Board policy for recoupments; and

WHEREAS, the FERC ceased regulating natural gas prices at the well head during the 1980s;

WHEREAS, recoupments of royalty are audited for comparability to market prices;

WHEREAS, in response to the foregoing OMR Staff recommendations and action of the Audit Committee;

ON MOTION of Mr. Arnold, seconded by Mr. Sanders, after discussion and careful consideration, the foregoing OMR Staff recommendations were offered and unanimously accepted by the Audit Committee.

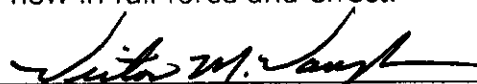
WHEREAS, in response to the foregoing OMR Staff recommendations and action of the Audit Committee;

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

NOW THEREFORE, BE IT RESOLVED, that the Board hereby rescinds and nullifies the Resolution of November 13, 1968.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



Victor M. Vaughn, Executive Officer
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #15-10-12 (AUDIT COMMITTEE)

WHEREAS, pursuant to LA. R. S. 30:136.A(1)(c) the lessee, operator, or other person directly involved in developing, producing, transporting, purchasing, or selling oil, gas or other minerals must make available to the State Mineral and Energy Board (Board) for inspection and audit all records pertaining to the computation of royalties; and

WHEREAS, by Resolution dated November 13, 1968, the Board acknowledged that application for a stay order was made regarding FERC issued Southern Louisiana Area Rates and authorized the State to accept payment based on the latest approved contract price until such time action is taken by FERC or the court of jurisdiction on the pending stay order; and

WHEREAS, the OMR Staff verifies through field audit that royalty received is in accordance with market price and contract prices are negotiated for a comparable market price; and

WHEREAS, in response to the foregoing OMR Staff recommendations and action of the Audit Committee;

ON MOTION of Mr. Arnold, seconded by Mr. Sanders, after discussion and careful consideration, the foregoing OMR Staff recommendations were offered and unanimously accepted by the Audit Committee.


WHEREAS, in response to the foregoing OMR Staff recommendations and action of the Audit Committee;

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

NOW THEREFORE, BE IT RESOLVED, that the Board hereby rescinds and nullifies the Resolution of November 13, 1968.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



Victor M. Vaughn, Executive Officer
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #15-10-013 (AUDIT COMMITTEE)

WHEREAS, pursuant to LA. R. S. 30:136.A(1)(c) the lessee, operator, or other person directly involved in developing, producing, transporting, purchasing, or selling oil, gas or other minerals must make available to the State Mineral and Energy Board (Board) for inspection and audit all records pertaining to the computation of royalties; and

WHEREAS, by Resolution dated January 1, 1971, the Board adopted and promulgated "Guidelines for Payment of Royalty on Processed Gas from State Leases"; and

WHEREAS, by Resolution dated May 12, 1971, the Board authorized the Mineral Income Division Audit Director to review biennially the volumes and sources of gas processed at the Garden City Gas Plant, wholly owned by Humble Oil and Refining Company, and alert the Board to significant changes; and

WHEREAS, the Resolution was adopted as a direct result of a 1970s lawsuit involving Humble Oil and Refining Company and pertaining to gas severance taxes and exemptions; and

WHEREAS, the lawsuit has been settled and the biennial review is no longer used or relevant;

WHEREAS, in response to the foregoing OMR Staff recommendations and action of the Audit Committee;

ON MOTION of Mr. Arnold, seconded by Mr. Sanders, after discussion and careful consideration, the foregoing OMR Staff recommendations were offered and unanimously accepted by the Audit Committee.


WHEREAS, in response to the foregoing OMR Staff recommendations and action of the Audit Committee;

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

NOW THEREFORE, BE IT RESOLVED, that the Board hereby rescinds and nullifies the Resolution of November 13, 1968.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



Victor M. Vaughn, Executive Officer
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #15-10-014 (AUDIT COMMITTEE)

WHEREAS, pursuant to LA. R. S. 30:136.A(1)(c) the lessee, operator, or other person directly involved in developing, producing, transporting, purchasing, or selling oil, gas or other minerals must make available to the State Mineral and Energy Board (Board) for inspection and audit all records pertaining to the computation of royalties; and

WHEREAS, LA. R. S. 30:136.A(2) provides that overpayments may be offset, compensated for, or recovered from royalty thereafter; and

WHEREAS, by Resolution dated February 9, 1972, the Board recognized amendments to existing orders issued by the Federal Power Commission (FERC), concerning rates for gas produced in and off shore Louisiana, may result in overpayments of State royalty on leases to which existing contract gas prices may be reduced; and

WHEREAS, the Board authorizes the Mineral Income Division to approve recoupments due as a result of the Southern Louisiana Area Rates set forth by the Federal Power Commission (FERC) on the same basis as established by Board policy for recoupments; and

WHEREAS, the FERC ceased regulating natural gas prices at the well head during the 1980s;

WHEREAS, recoupments of royalty are audited for comparability to market prices;

WHEREAS, in response to the foregoing OMR Staff recommendations and action of the Audit Committee;

ON MOTION of Mr. Arnold, seconded by Mr. Sanders, after discussion and careful consideration, the foregoing OMR Staff recommendations were offered and unanimously accepted by the Audit Committee.

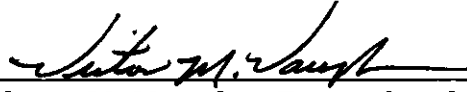
WHEREAS, in response to the foregoing OMR Staff recommendations and action of the Audit Committee;

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

NOW THEREFORE, BE IT RESOLVED, that the Board hereby rescinds and nullifies the Resolution of February 9, 1972.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



**Victor M. Vaughn, Executive Officer
State Mineral and Energy Board**

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #15-10-015 (AUDIT COMMITTEE)

WHEREAS, pursuant to LA. R. S. 30:136.A(1)(a) all bonuses, rentals, royalties, shut-in payments or other sums payable as required by the Lease shall be paid to the Office of Mineral Resources and all such payments if made payable to the register of the State Land Office as previously required may be endorsed and processed by the Secretary of the Department of Natural Resources; and

WHEREAS, by Resolution dated April 12, 1972, the Board authorized the Audit Director to review and approve all payments of royalty, rentals, and in-lieu royalties made to the Register, State Land Office in accordance with LA. R.S. 30:136; and

WHEREAS, LA. R.S. 30:136 has been amended to require payment for bonuses, rentals, royalties, shut-in payments or other sums be made to the Office of Mineral Resources; and

WHEREAS, the State Land Office does not accept payments of royalties, rentals and in-lieu royalties on state leases;

WHEREAS, in response to the foregoing OMR Staff recommendations and action of the Audit Committee;

ON MOTION of Mr. Arnold, seconded by Mr. Sanders, after discussion and careful consideration, the foregoing OMR Staff recommendations were offered and unanimously accepted by the Audit Committee.


WHEREAS, in response to the foregoing OMR Staff recommendations and action of the Audit Committee;

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

NOW THEREFORE, BE IT RESOLVED, that the Board hereby rescinds and nullifies the Resolution of April 12, 1972.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



Victor M. Vaughn, Executive Officer
State Mineral and Energy Board



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

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 October 14, 2015, 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:

Secretary Stephen Chustz
Mr. Theodore M. "Ted" Haik, Jr.
Mr. W. Paul Segura, Jr.
Mr. Robert "Michael" Morton

Mr. Thomas W. Sanders
Mr. Thomas L. Arnold, Jr.
Mr. Darryl David Smith
Mr. Louis J. Lambert

The Legal and Title Controversy Committee was called to order by Mr. Sanders at 10:01 a.m.

The first matter considered by the Committee was an assertion by Fieldwood Energy, LLC and Apache Shelf Exploration, LLC (Lessees) that the "Release of Oil and Gas Lease" executed by Lessees filed of record on July 15, 2015 under File No. 336219 in the Conveyance Records of Cameron Parish was mistakenly and erroneously executed and recorded by Lessees. Further Lessees request that the Board accept the rescission, annulment and cancellation of said release, rescind any acceptance by the Board of the release and acknowledge that the release has no effect on Louisiana State Lease No. 16473.

Upon motion of Mr. Arnold, seconded by Mr. Lambert, and by unanimous vote of the Committee and Board, the State Mineral and Energy Board accepted Lessees' rescission, annulment and cancellation of said release, rescinded any acceptance by the Board of said release and acknowledged that the release has no effect on State Lease No. 16473. No comments were made by the public.

The second matter considered by the Committee was an update to the Board regarding the Proposed New Lease form.

Upon motion of Mr. Chustz, seconded by Mr. Haik, and by unanimous vote of the Committee and Board, the State Mineral and Energy Board granted Staff the authority to post the Financial Security and General Liability Insurance provisions on DNR's website, for public review and comment, inviting interested parties to comment by November 10, 2015 and to provide revised language to the Board for the Financial

Security provision at the November 12, 2015 meeting. On request by the Board for public comment, comments were made by Isaac Jackson.

The third matter being considered by the Committee was a report by Staff to the Board regarding additional information about deep rights.

This matter was an advisory item to the Board, and no action was taken. No comments were made by the public.

Upon motion of Mr. Arnold, seconded by Mr. Segura, the Legal & Title Controversy Committee meeting was recessed to begin the State Mineral and Energy Board Meeting at 10:52 A.M.

Upon motion of Mr. Segura, seconded by Mr. Haik, the Legal & Title Controversy Committee meeting was resumed at 11:06 A.M.

Upon motion of Mr. Arnold, seconded by Mr. Smith, the Committee voted unanimously to go into Executive Session at 11:09 a.m.

Upon motion of Mr. Arnold, seconded by Mr. Segura, the Committee voted unanimously to return to Open Session at 11:34 a.m.

The fourth matter being considered by the Committee was a discussion in Executive Session of the suit entitled: Vintage Petroleum Inc. vs. State of Louisiana & Plaquemines Parish Government, Docket No. 48-788, Division "A", 25th Judicial District Court, Plaquemines Parish.

Upon motion of Mr. Arnold, seconded by Mr. Chustz, and by unanimous vote of the Committee and Board, the State Mineral and Energy Board granted authority to the Attorney General's Office to make a counter offer as presented in Executive Session. No comments were made by the public.

The fifth matter being considered by the Committee was a discussion in Executive Session of the suit entitled: Hilcorp Energy Company, et al vs. State of Louisiana, et al, Docket No. 61-790, Division B, 25th JDC, Plaquemines Parish.

Upon motion of Mr. Arnold, seconded by Mr. Chustz, and by unanimous vote of the Committee and Board, the State Mineral and Energy Board granted authority to the Attorney General's Office to make a counter offer as presented in Executive Session. No comments were made by the public.

The sixth matter being considered by the Committee was a discussion in Executive Session of the suit entitled: Chevron U.S.A. Inc., et al vs. State of Louisiana, et al, Docket No. 51-097, Division A, 25th Judicial District Court, Plaquemines Parish.

Upon motion of Mr. Arnold, seconded by Mr. Chustz, and by unanimous vote of the Committee and Board, the State Mineral and Energy Board granted authority to the Attorney General's Office to accept the settlement offer as presented in Executive Session. No comments were made by the public.

The seventh matter being considered by the Committee was a discussion in Executive Session of the suit entitled: Chevron U.S.A. Inc., et al vs. State of Louisiana, et al, Docket No. 51-098, 25th Judicial District Court, Plaquemines Parish.

Upon motion of Mr. Arnold, seconded by Mr. Chustz, and by unanimous vote of the Committee and Board, the State Mineral and Energy Board granted authority to the Attorney General's Office to accept the settlement offer as presented in Executive Session. No comments were made by the public.

The eighth matter being considered by the Committee was a discussion in Executive Session of the suit entitled: Clayton Williams Energy, Inc. vs. Plaquemines Parish Government and the State of Louisiana, Docket No. 60-073, Division B, 25th Judicial District Court, Plaquemines Parish.

Upon motion of Mr. Arnold, seconded by Mr. Chustz, and by unanimous vote of the Committee and Board, the State Mineral and Energy Board granted authority to the Attorney General's Office to make a counter offer as discussed in Executive Session. No comments were made by the public.

The ninth matter being considered by the Committee was a discussion in Executive Session of the suit entitled: Imperial Petroleum, Inc. & Hillside Oil & Gas, L.L.C. vs. State Mineral Board and Plaquemines Parish Government as The Grand Prairie Levee District, Docket No. 56-605, Division B, 25th Judicial District Court, Plaquemines Parish.

Upon motion of Mr. Arnold, seconded by Mr. Chustz, and by unanimous vote of the Committee and Board, the State Mineral and Energy Board granted authority to the Attorney General's Office to accept the settlement offer as presented in Executive Session. No comments were made by the public.

The tenth matter being considered by the Committee was a discussion in Executive Session of the suit entitled: Hunt Petroleum Corporation and Rosewood Resources, Inc. vs. Texaco, Inc., et al, Docket No. 34-592, Division B, 25th Judicial District Court, Plaquemines Parish.

Upon motion of Mr. Arnold, seconded by Mr. Chustz, and by unanimous vote of the Committee and Board, the State Mineral and Energy Board granted authority to the Attorney General's Office to make a counter offer as discussed in Executive Session. No comments were made by the public.

The eleventh matter being considered by the Committee was a discussion in Executive Session of the suit entitled: Hilcorp Energy Company, et al vs. State of Louisiana, et al, Docket No. 60-827, 25th Judicial District Court, Plaquemines Parish.

Upon motion of Mr. Arnold, seconded by Mr. Chustz, and by unanimous vote of the Committee and Board, the State Mineral and Energy Board granted authority to the Attorney General's Office to accept the settlement offer as presented in Executive Session. No comments were made by the public.

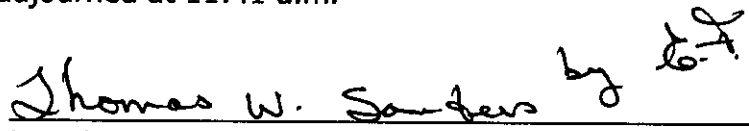
The twelfth matter being considered by the Committee was a discussion in Executive Session of the suit entitled: BHP Billiton Petroleum Properties (N.A.), L.P., et al vs. Hassell Investments, L.L.C., et al, Docket No. 148080, Division A, 26th Judicial District Court, Bossier Parish.

This matter was an advisory item to the Board, and no action was taken. No comments were made by the public.

The thirteenth matter being considered by the Committee was a discussion in Executive Session of the suit entitled: Chesapeake Operating, Inc. and Chesapeake Louisiana, L.P. vs. The State Mineral and Energy Board of Louisiana, Louisiana Department of Wildlife and Fisheries and William Eaton Kennedy, Docket No. 138840, Division D, 26th Judicial District Court, Bossier Parish.

Upon motion of Mr. Arnold, seconded by Mr. Chustz, and by unanimous vote of the Committee and Board, the State Mineral and Energy Board granted authority to the Attorney General's Office to enter into settlement negotiations as discussed in Executive Session. No comments were made by the public.

Upon motion of Mr. Arnold, seconded by Mr. Chustz, the Legal and Title Controversy Committee meeting adjourned at 11:41 a.m.



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

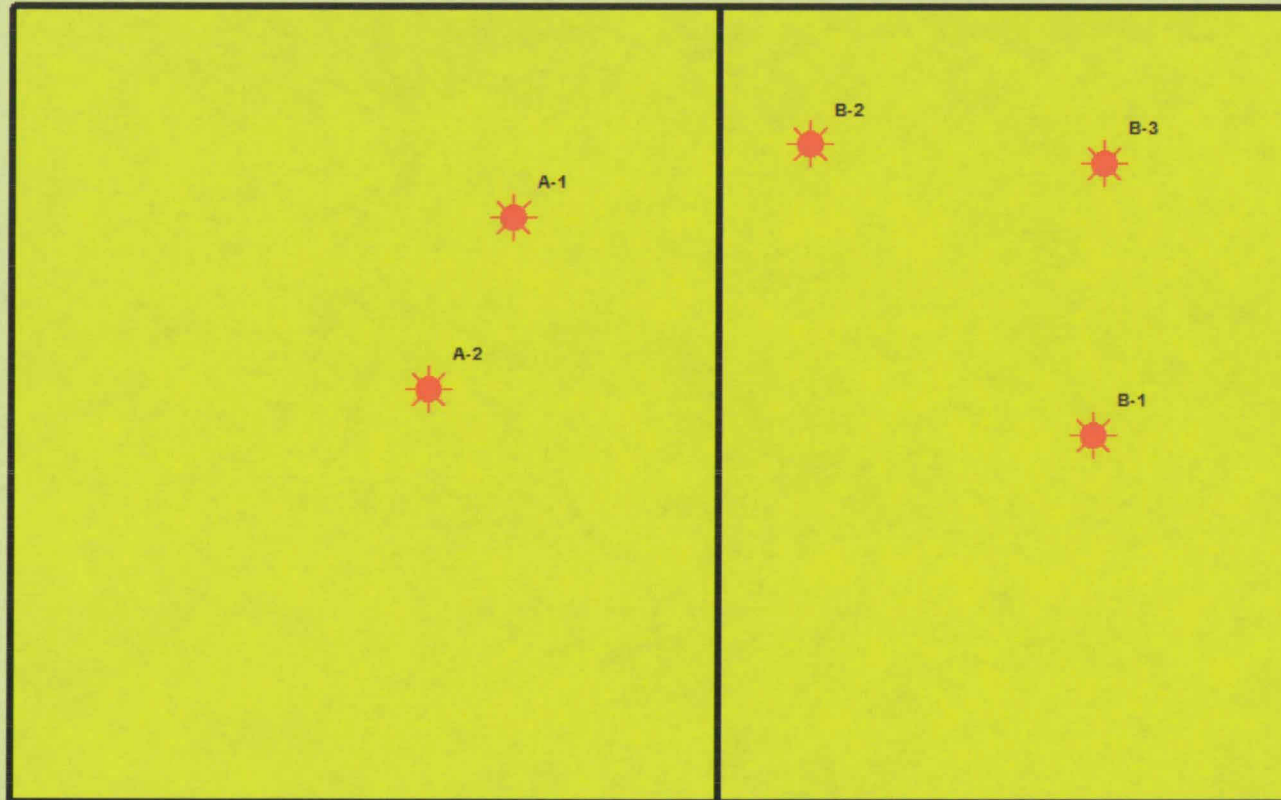
Refer to the State Mineral and Energy Board Meeting Minutes for additional information on actions taken by the Board regarding matters listed in this Report.

DEEP RIGHTS

Current Lease Language Lease Production

State Lease A

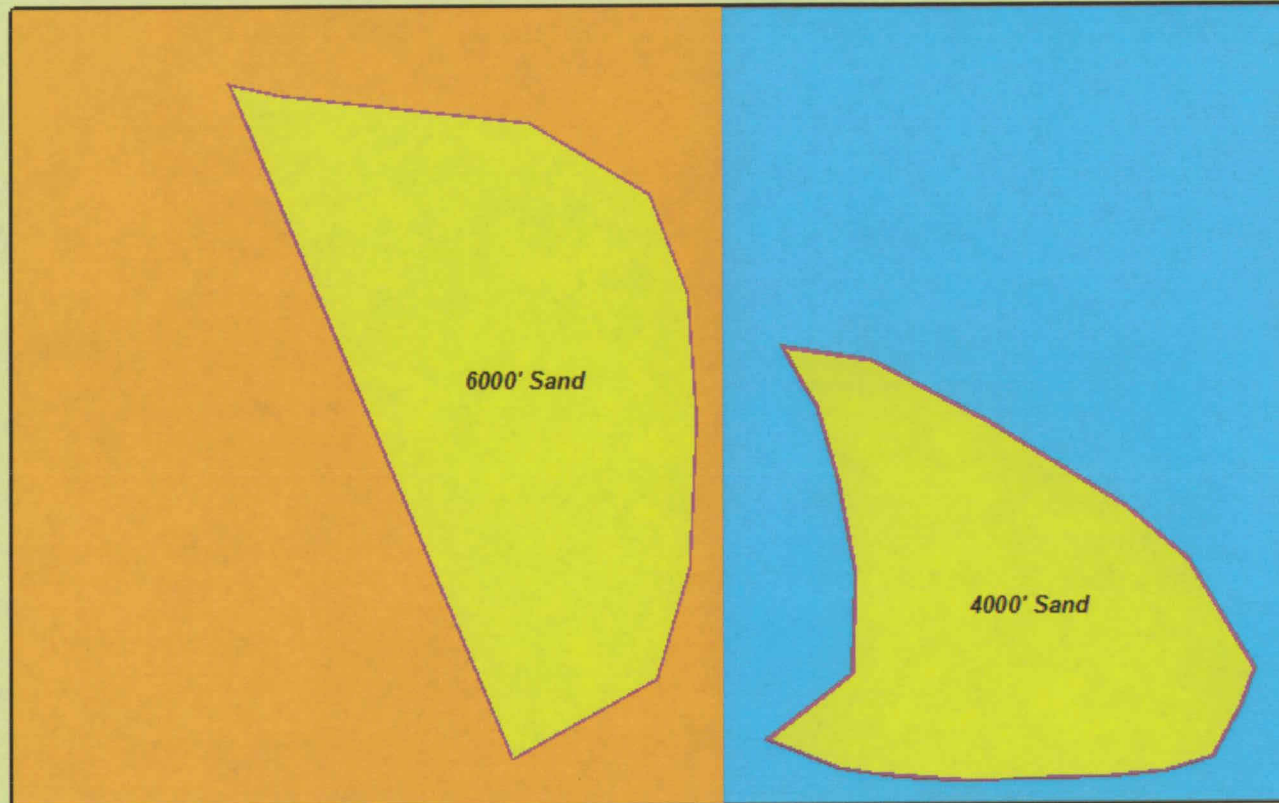
State Lease B



Current Lease Language Unit Production

State Lease A

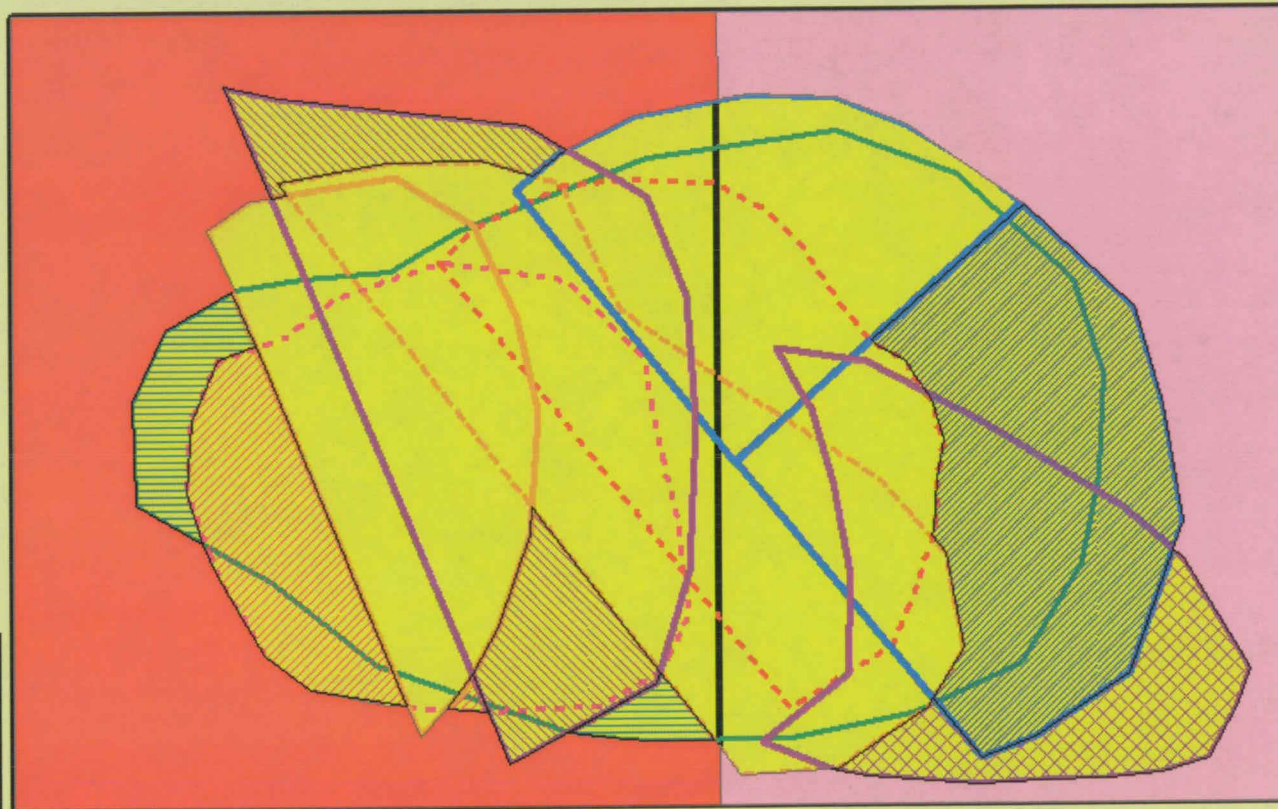
State Lease B



Current Lease Language Unit Production

State Lease A

State Lease B



Legend

4000' Sand

5000' Sand

Unit_Name

5000' Sand RA

5000' Sand RB

6000' Sand

7000' Sand

8000' Sand

9000' Sand

10000' Sand

12,000' Sand

CURRENT LEASE LANGUAGE

State Lease "A"

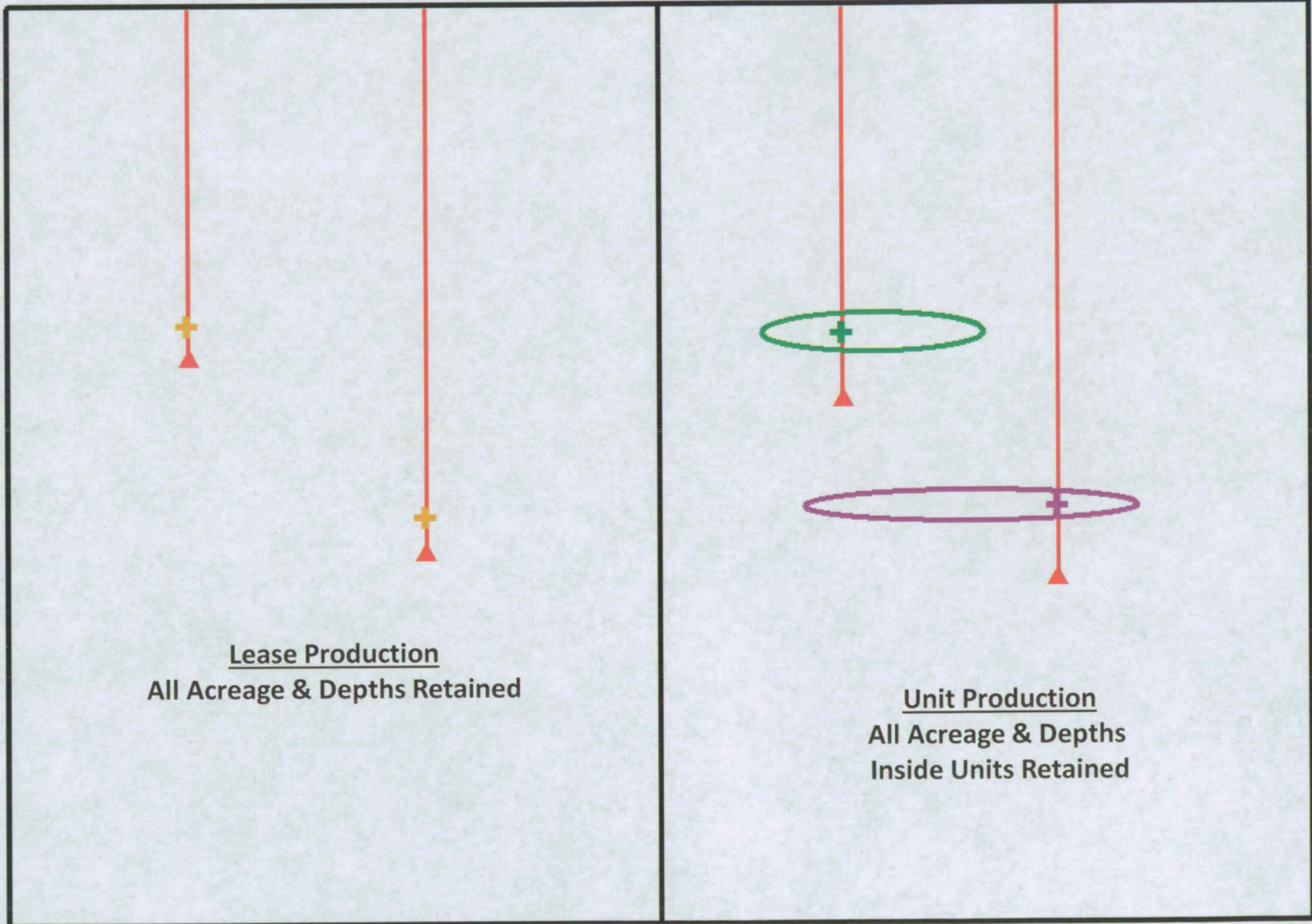
State Lease "B"

A-1

A-2

B-1

B-2



CURRENT LEASE LANGUAGE

State Lease "A"

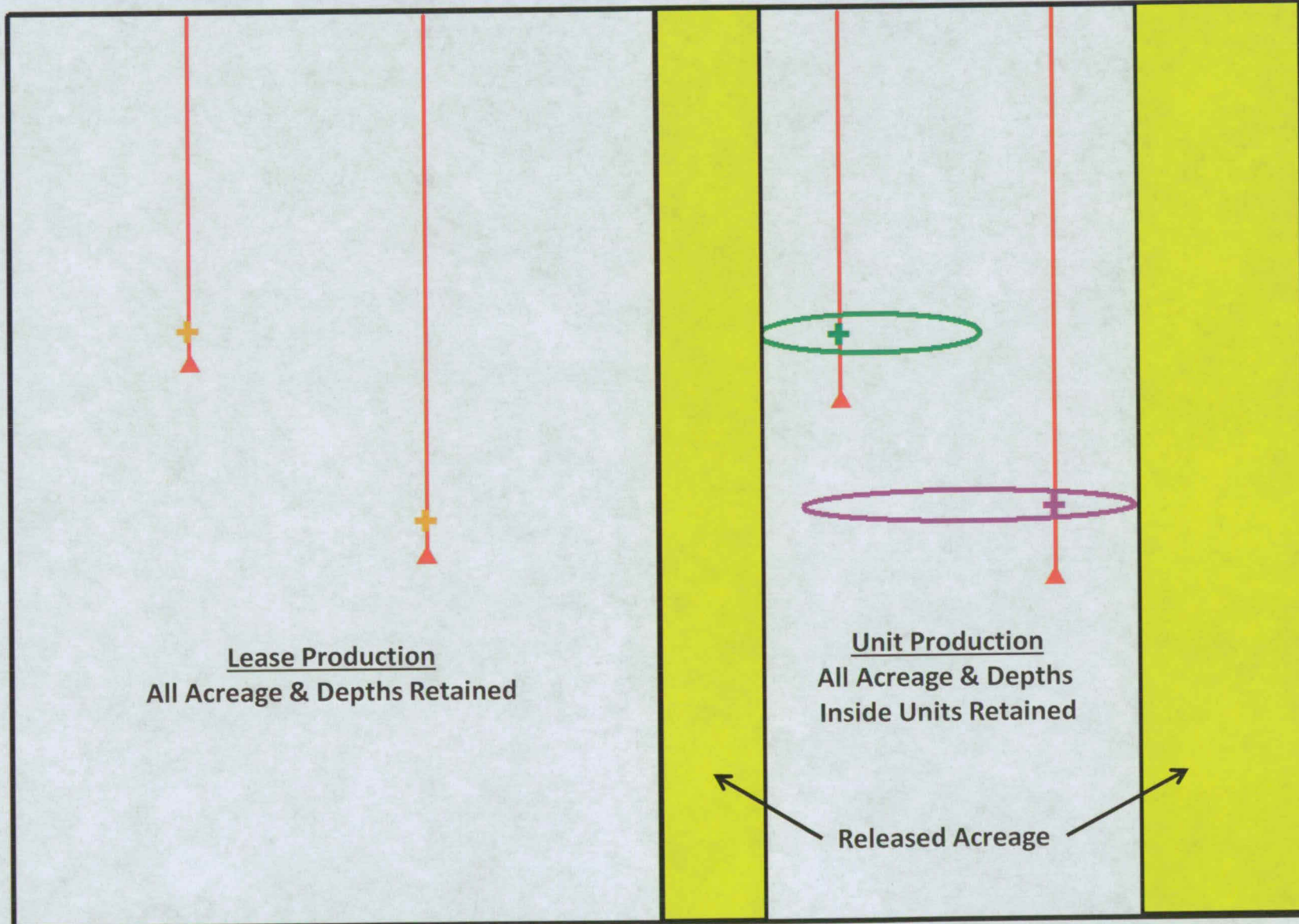
State Lease "B"

A-1

A-2

B-1

B-2



Lease Production
All Acreage & Depths Retained

Unit Production
All Acreage & Depths
Inside Units Retained

Released Acreage

DEEP RIGHTS PROVISION

State Lease "A"

State Lease "B"

A-1

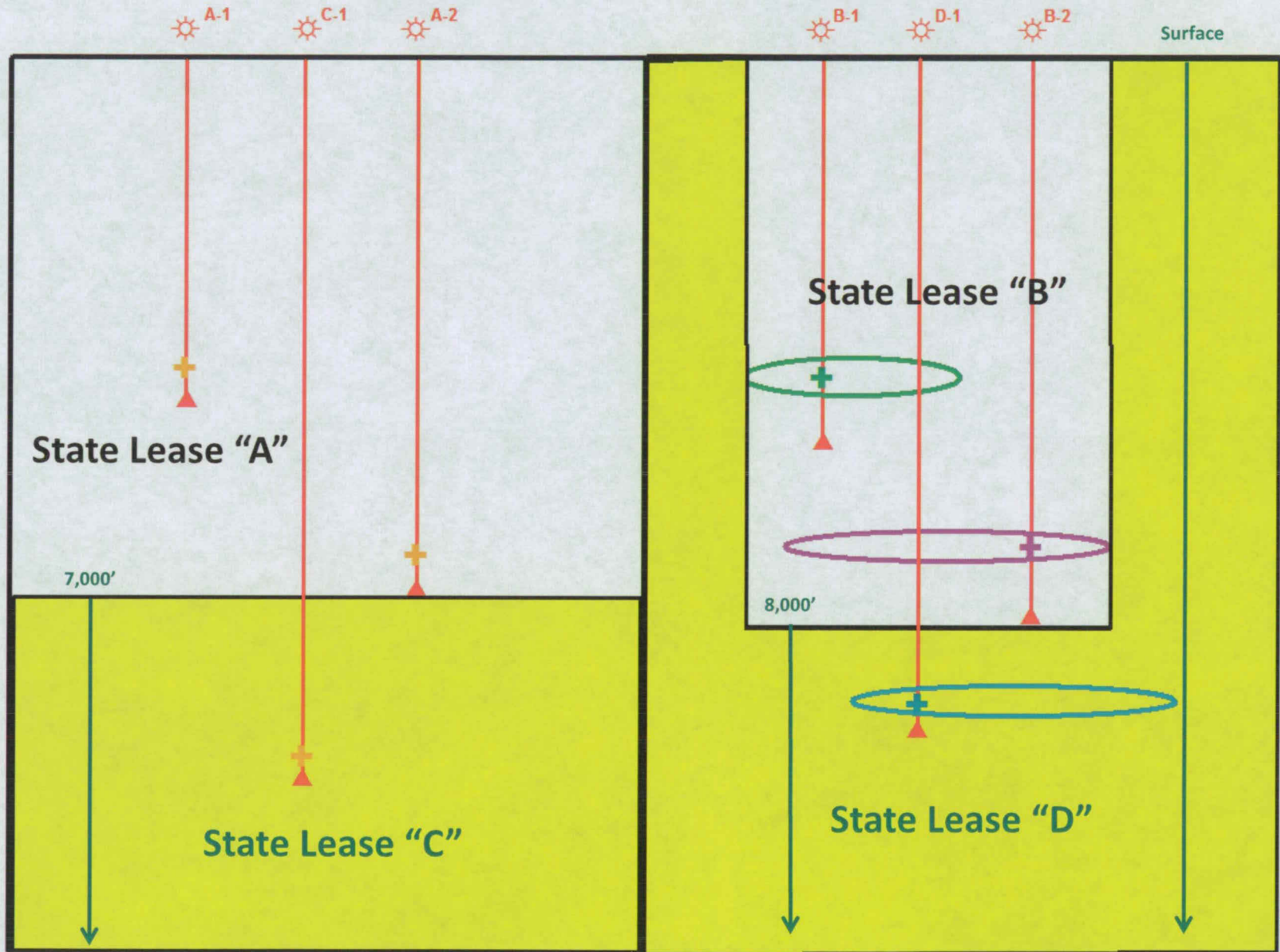
A-2

B-1

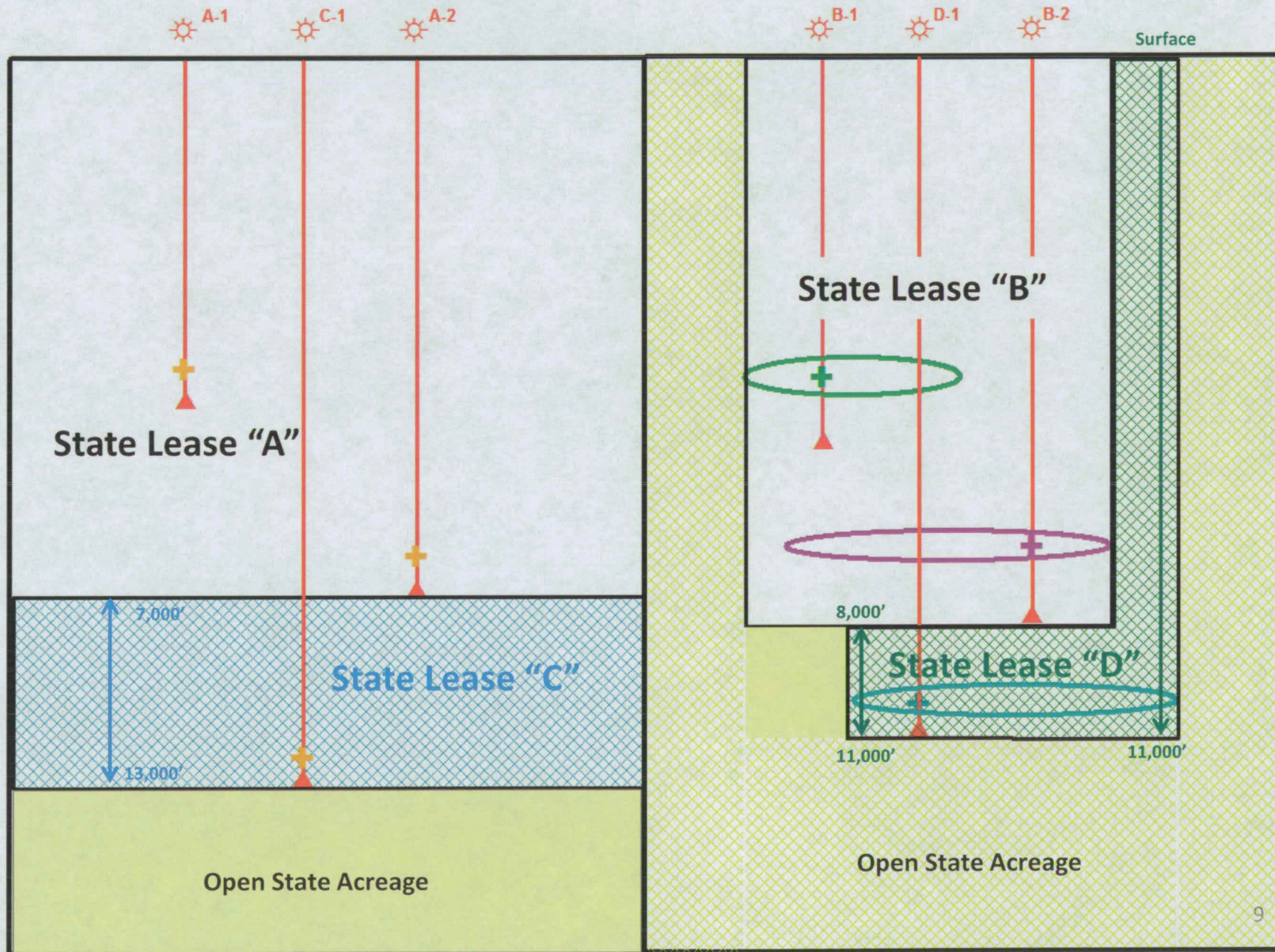
B-2



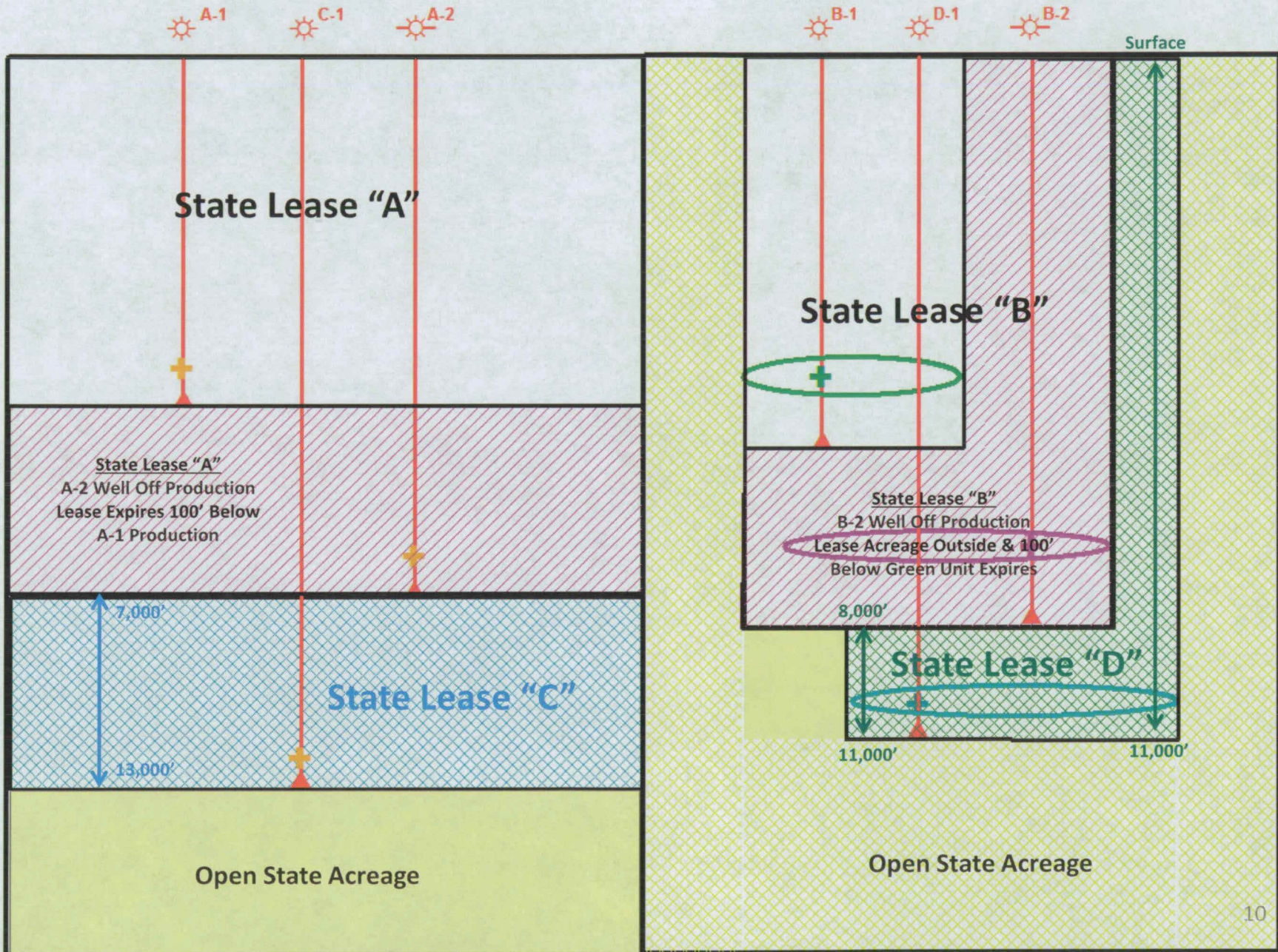
DEEP RIGHTS PROVISION



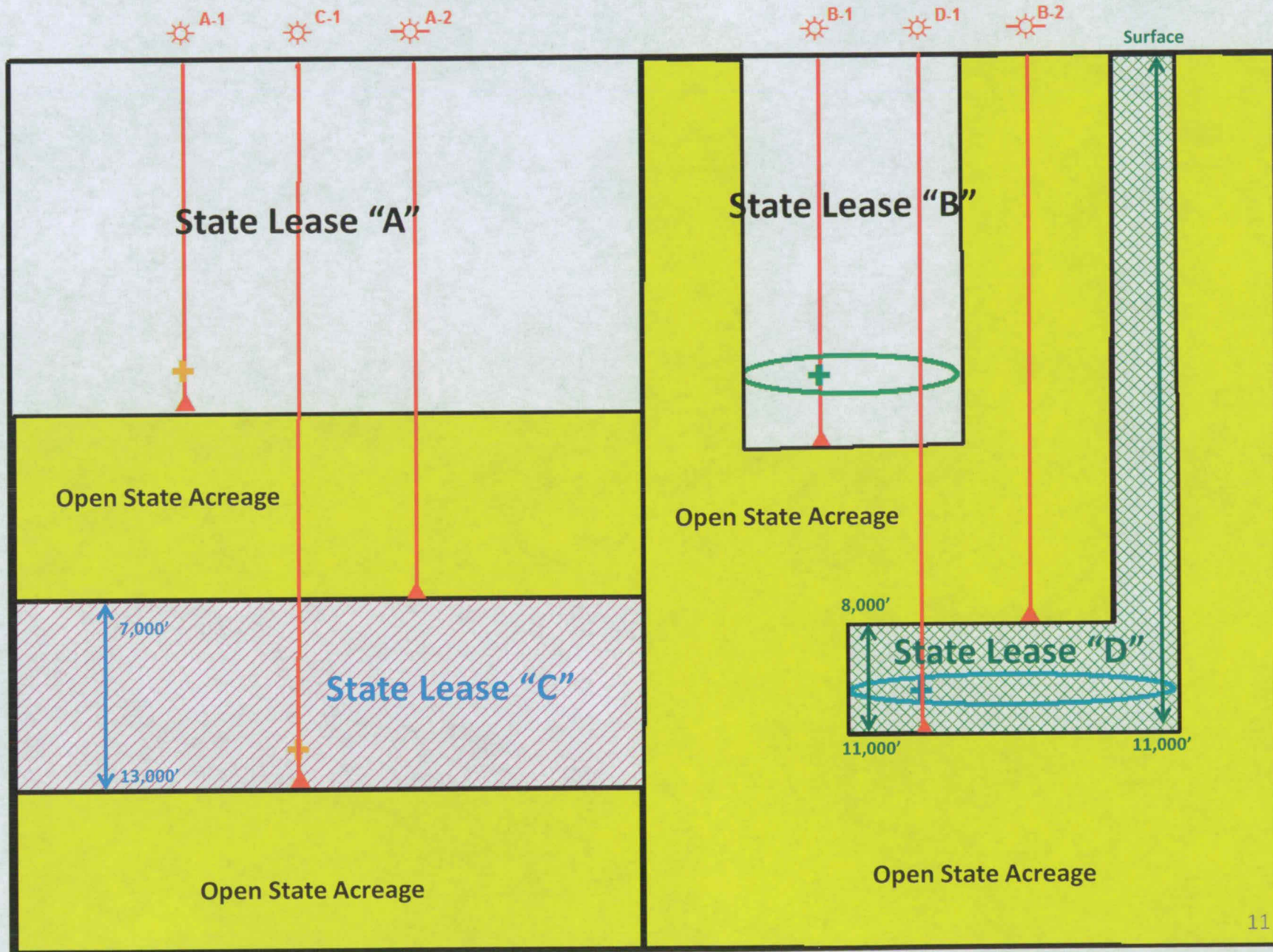
DEEP RIGHTS PROVISION



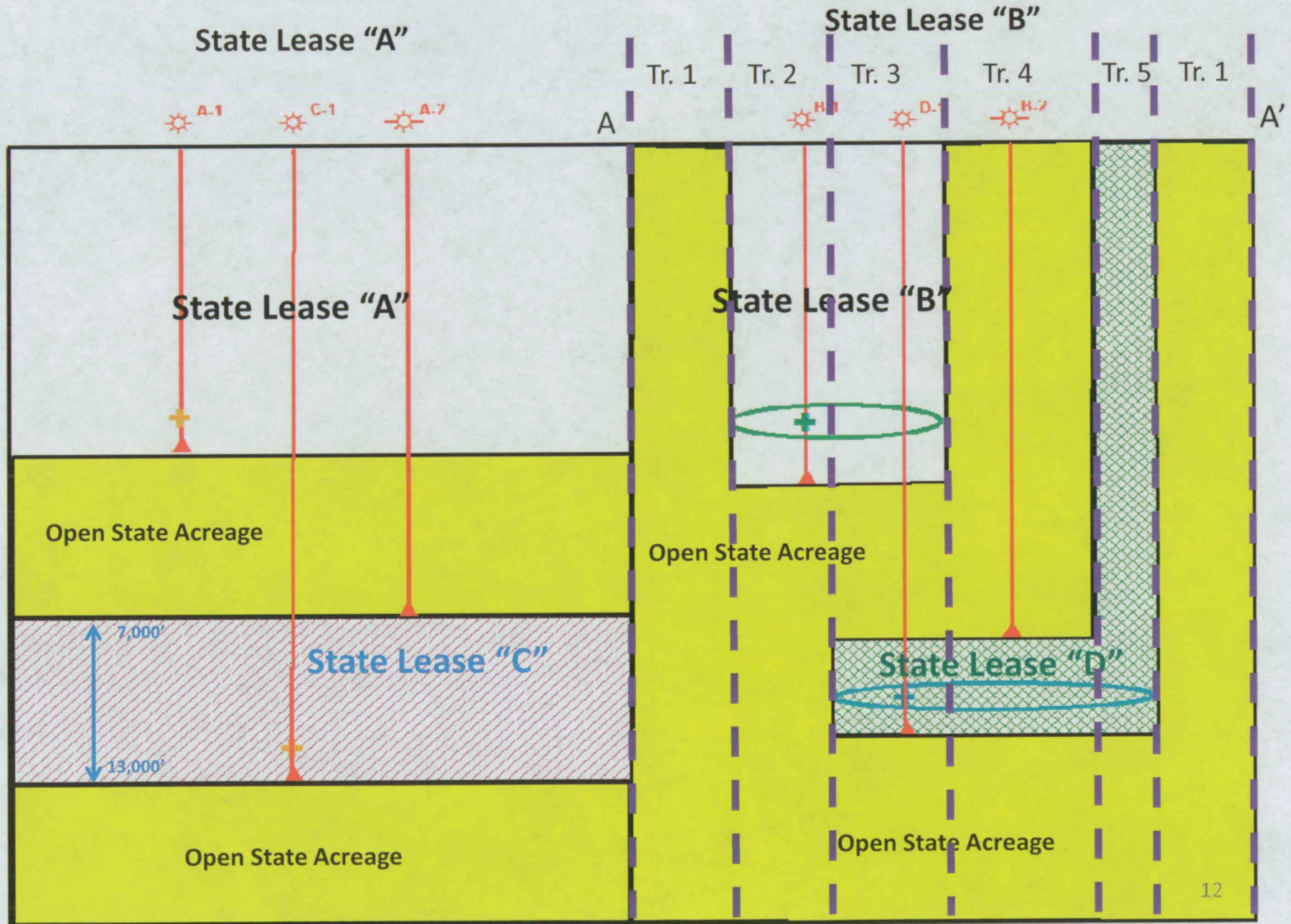
DEEP RIGHTS PROVISION



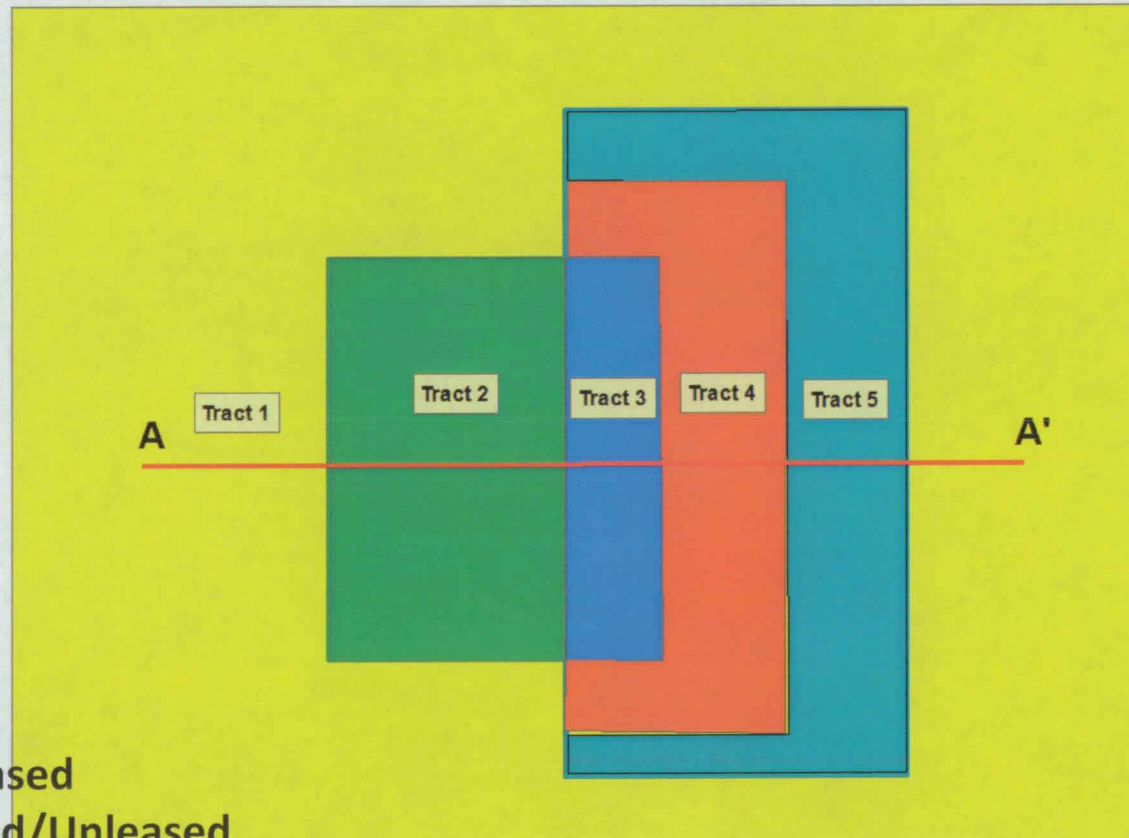
DEEP RIGHTS PROVISION



DEEP RIGHTS PROVISION



DEEP RIGHTS PROVISION State Lease "B" Lease Status By Depth



- Tr. 1 - Unleased
- Tr. 2 - Leased/Unleased
- Tr. 3 - Leased/Unleased/Leased/Unleased
- Tr. 4 - Unleased/Leased/Unleased
- Tr. 5 - Leased/Unleased

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution
Acceptance of Rescindment of
Act of Release
State Lease No. 16473

RESOLUTION # 15-10-016

(Legal and Title Controversy Committee)

WHEREAS, pursuant to La. R.S. 30:124, the State Mineral and Energy Board (Board) is authorized to lease lands owned by the State of Louisiana (State) or the title to which is in the public trust for the development and production of minerals; and

WHEREAS, pursuant to La. R.S. 30:129, the Board has full supervision of all mineral leases granted by the State in order to determine that the terms are fully complied with; and

WHEREAS, pursuant to La. R.S. 30:129, the Board has general authority to take any action for the protection of the interest of the State; and

WHEREAS, Louisiana State Lease No. 16473 (Lease) was granted by the Board on July 19, 1999; and

WHEREAS, the current Lessees of the Lease are Fieldwood Energy LLC and Apache Shelf Exploration LLC (Lessees); and

WHEREAS, the Lessees have executed an instrument entitled "Release of Louisiana State Lease 16473", effective as of June 11, 2015, and recorded in the conveyance records of Cameron Parish, La., under File Number 336219 (the "Release").

WHEREAS, in correspondence and by attached instrument submitted to the Office of Mineral Resources, the Lessees have averred to the Board that the Release was mistakenly and erroneously executed; and

WHEREAS, the Lessees have further averred that the Lease was being maintained under the terms and conditions of said Lease, that it was and is producing and that the royalties were and are being paid for production from the following-named units, unit wells and alternate unit wells: AMPH B RB SUA; State Lease 16473 Well No. 002-ALT; AMPH B3 RA SUA; State Lease 16475 Well No 003; and the AMPH B3 RA SUA; State Lease 16475 Well No 005-ALT; and

WHEREAS, the Lessees desire to rescind, cancel and annul the Release as if it had never been executed and recorded; and

WHEREAS, the Lessee desire and request that the State Mineral and Energy Board:

1. Accept the rescinding, annulling and cancelling of the Release by Lessees,
2. Rescind any acceptance by the Board of the Release and acknowledge that the Release has no effect on the Lease.; and

Resolution #15-10-016
(Legal and Title Controversy Committee)

WHEREAS, after consideration of the Lessee's requests and the relevant records and information available, the Office of Mineral Resources Staff has recommended that the Board accept the rescinding, annulling and cancelling of the Release by Lessees. Staff has further recommended that the Board rescind any acceptance by the Board of the Release and acknowledge that the Release has no effect on the Lease.

ON MOTION of Mr. Arnold, seconded by Mr. Lambert, after discussion and careful consideration, OMR Staff recommendations were offered and unanimously accepted by the Legal and Title Controversy Committee.

WHEREAS, in response to the OMR Staff recommendations and action of the Legal and Title Controversy Committee;

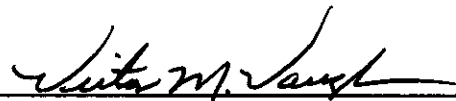
ON MOTION of Mr. Segura, seconded by Mr. Sanders, after discussion and careful consideration, the following Resolution was offered and unanimously adopted by the Board:

NOW THEREFORE, BE IT RESOLVED:

1. That the Board accepts the rescinding, annulling and cancelling of the Release by Lessees,
2. That the Board rescinds any acceptance by the Board of the Release and acknowledges that the Release has no effect on the Lease.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the Board and is now in full force and effect.



**Victor M. Vaughn, Executive Officer
State Mineral and Energy Board**

Resolution #15-10-016
(Legal and Title Controversy Committee)

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION # 15-10-017

New Lease Form Provisions
(Financial Security and General
Liability Insurance)

(LEGAL & TITLE CONTROVERSY COMMITTEE)

WHEREAS, Staff gave an update to the State Mineral and Energy Board regarding the proposed new lease form;

ON MOTION of Mr. Chustz, seconded by Mr. Haik, the following recommendation was offered and unanimously adopted by the Legal and Title Controversy Committee after discussion and careful consideration:

That the State Mineral and Energy Board grant Staff the authority to post on DNR's website for public review and comment, the proposed changes to the Financial Security and General Liability Insurance provisions.

WHEREAS, after discussion and careful consideration of the foregoing request and the recommendation of the Legal and Title Controversy Committee;

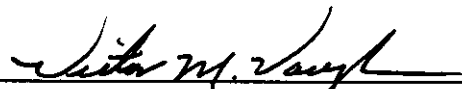
ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant Staff the authority to:

- (1) Post on DNR's website for public review and comment, the present proposed changes to the Financial Security and General Liability Insurance provisions;
- (2) Request that interested parties submit their comments to OMR Staff by November 10, 2015; and
- (3) Submit revised language for the Financial Security provision to the Board at the November 12, 2015 meeting.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



**Victor M. Vaughn, Executive Officer
State Mineral and Energy Board**

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD
RESOLUTION # 15-10-018

Executive Session Discussion
Vintage Petroleum Inc. vs.
State of Louisiana &
Plaquemines Parish
Government

(LEGAL & TITLE CONTROVERSY COMMITTEE)

WHEREAS, a discussion in Executive Session was held regarding the suit entitled: Vintage Petroleum Inc. vs. State of Louisiana & Plaquemines Parish Government, Docket No. 48-788, Division "A", 25th Judicial District Court, Plaquemines Parish;

ON MOTION of Mr. Arnold, seconded by Mr. Chustz, the following recommendation was offered and unanimously adopted by the Legal and Title Controversy Committee after discussion and careful consideration:

That the State Mineral and Energy Board grant authority to the Attorney General's Office to make a counter offer as presented in Executive Session;

WHEREAS, after discussion and careful consideration of the foregoing request and the recommendation of the Legal and Title Controversy Committee;

ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Attorney General's Office to make a counter offer as presented in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



**Victor M. Vaughn, Executive Officer
State Mineral and Energy Board**

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD
RESOLUTION # 15-10-019

Executive Session Discussion
Hilcorp Energy Company, et al
vs. State of Louisiana, et al

(LEGAL & TITLE CONTROVERSY COMMITTEE)

WHEREAS, a discussion in Executive Session was held regarding the suit entitled: Hilcorp Energy Company, et al vs. State of Louisiana, et al, Docket No. 61-790, Division B, 25th JDC, Plaquemines Parish;

ON MOTION of Mr. Arnold, seconded by Mr. Chustz, the following recommendation was offered and unanimously adopted by the Legal and Title Controversy Committee after discussion and careful consideration:

That the State Mineral and Energy Board grant authority to the Attorney General's Office to make a counter offer as presented in Executive Session;

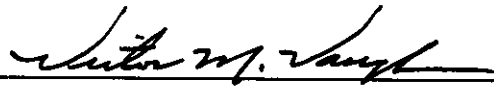
WHEREAS, after discussion and careful consideration of the foregoing request and the recommendation of the Legal and Title Controversy Committee;

ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Attorney General's Office to make a counter offer as presented in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



**Victor M. Vaughn, Executive Officer
State Mineral and Energy Board**

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION # 15-10-020

Executive Session Discussion
Chevron U.S.A. Inc., et al vs.
State of Louisiana, et al

(LEGAL & TITLE CONTROVERSY COMMITTEE)

WHEREAS, a discussion in Executive Session was held regarding the suit entitled: Chevron U.S.A. Inc., et al vs. State of Louisiana, et al, Docket No. 51-097, Division A, 25th Judicial District Court, Plaquemines Parish;

ON MOTION of Mr. Arnold, seconded by Mr. Chustz, the following recommendation was offered and unanimously adopted by the Legal and Title Controversy Committee after discussion and careful consideration:

That the State Mineral and Energy Board grant authority to the Attorney General's Office to accept the settlement offer as presented in Executive Session;

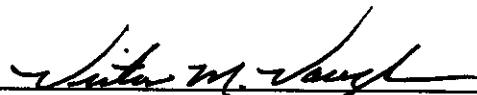
WHEREAS, after discussion and careful consideration of the foregoing request and the recommendation of the Legal and Title Controversy Committee;

ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Attorney General's Office to accept the settlement offer as presented in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



Victor M. Vaughn, Executive Officer
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD
RESOLUTION # 15-10-021

Executive Session Discussion
Chevron U.S.A. Inc., et al vs.
State of Louisiana, et al

(LEGAL & TITLE CONTROVERSY COMMITTEE)

WHEREAS, a discussion in Executive Session was held regarding the suit entitled: Chevron U.S.A. Inc., et al vs. State of Louisiana, et al, Docket No. 51-098, 25th Judicial District Court, Plaquemines Parish;

ON MOTION of Mr. Arnold, seconded by Mr. Chustz, the following recommendation was offered and unanimously adopted by the Legal and Title Controversy Committee after discussion and careful consideration:

That the State Mineral and Energy Board grant authority to the Attorney General's Office to accept the settlement offer as presented in Executive Session;

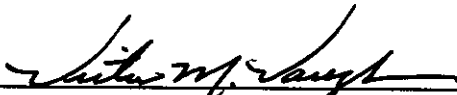
WHEREAS, after discussion and careful consideration of the foregoing request and the recommendation of the Legal and Title Controversy Committee;

ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Attorney General's Office to accept the settlement offer as presented in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



Victor M. Vaughn, Executive Officer
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD
RESOLUTION # 15-10-022

Executive Session Discussion
Clayton Williams Energy, Inc.
vs. Plaquemines Parish
Government & and the State of
Louisiana

(LEGAL & TITLE CONTROVERSY COMMITTEE)

WHEREAS, a discussion in Executive Session was held regarding the suit entitled: Clayton Williams Energy, Inc. vs. Plaquemines Parish Government and the State of Louisiana, Docket No. 60-073, Division B, 25th Judicial District Court, Plaquemines Parish;

ON MOTION of Mr. Arnold, seconded by Mr. Chustz, the following recommendation was offered and unanimously adopted by the Legal and Title Controversy Committee after discussion and careful consideration:

That the State Mineral and Energy Board grant authority to the Attorney General's Office to make a counter offer as discussed in Executive Session;


WHEREAS, after discussion and careful consideration of the foregoing request and the recommendation of the Legal and Title Controversy Committee;

ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Attorney General's Office to make a counter offer as discussed in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



Victor M. Vaughn, Executive Officer
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD
RESOLUTION # 15-10-023

Executive Session Discussion
Imperial Petroleum, Inc. & Hillside
Oil & Gas, L.L.C. vs. State Mineral
Board and Plaquemines Parish
Government as The Grand Prairie
Levee District

(LEGAL & TITLE CONTROVERSY COMMITTEE)

WHEREAS, a discussion in Executive Session was held regarding the suit entitled: Imperial Petroleum, Inc. & Hillside Oil & Gas, L.L.C. vs. State Mineral Board and Plaquemines Parish Government as The Grand Prairie Levee District, Docket No. 56-605, Division B, 25th Judicial District Court, Plaquemines Parish;

ON MOTION of Mr. Arnold, seconded by Mr. Chustz, the following recommendation was offered and unanimously adopted by the Legal and Title Controversy Committee after discussion and careful consideration:

That the State Mineral and Energy Board grant authority to the Attorney General's Office to accept the settlement offer as presented in Executive Session;

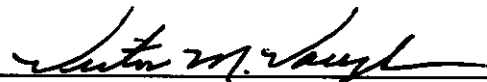
WHEREAS, after discussion and careful consideration of the foregoing request and the recommendation of the Legal and Title Controversy Committee;

ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Attorney General's Office to accept the settlement offer as presented in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



**Victor M. Vaughn, Executive Officer
State Mineral and Energy Board**

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD
RESOLUTION # 15-10-024

Executive Session Discussion
Hunt Petroleum Corporation
and Rosewood Resources, Inc.
vs. Texaco, Inc., et al

(LEGAL & TITLE CONTROVERSY COMMITTEE)

WHEREAS, a discussion in Executive Session was held regarding the suit entitled: Hunt Petroleum Corporation and Rosewood Resources, Inc. vs. Texaco, Inc., et al, Docket No. 34-592, Division B, 25th Judicial District Court, Plaquemines Parish;

ON MOTION of Mr. Arnold, seconded by Mr. Chustz, the following recommendation was offered and unanimously adopted by the Legal and Title Controversy Committee after discussion and careful consideration:

That the State Mineral and Energy Board grant authority to the Attorney General's Office to make a counter offer as discussed in Executive Session;

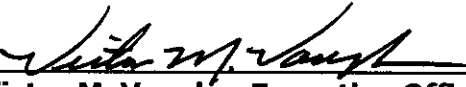
WHEREAS, after discussion and careful consideration of the foregoing request and the recommendation of the Legal and Title Controversy Committee;

ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Attorney General's Office to make a counter offer as discussed in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



Victor M. Vaughn, Executive Officer
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION # 15-10-025

Executive Session Discussion
Hilcorp Energy Company, et al
vs. State of Louisiana, et al

(LEGAL & TITLE CONTROVERSY COMMITTEE)

WHEREAS, a discussion in Executive Session was held regarding the suit entitled: Hilcorp Energy Company, et al vs. State of Louisiana, et al, Docket No. 60-827, 25th Judicial District Court, Plaquemines Parish;

ON MOTION of Mr. Arnold, seconded by Mr. Chustz, the following recommendation was offered and unanimously adopted by the Legal and Title Controversy Committee after discussion and careful consideration:

That the State Mineral and Energy Board grant authority to the Attorney General's Office to accept the settlement offer as presented in Executive Session;


WHEREAS, after discussion and careful consideration of the foregoing request and the recommendation of the Legal and Title Controversy Committee;

ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Attorney General's Office to accept the settlement offer as presented in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



Victor M. Vaughn, Executive Officer
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION # 15-10-026

(LEGAL & TITLE CONTROVERSY COMMITTEE)

Executive Session Discussion
Chesapeake Operating, Inc.
and Chesapeake Louisiana, L.P.
vs. The State Mineral and
Energy Board of Louisiana,
Louisiana Department of
Wildlife and Fisheries and
William Eaton Kennedy

WHEREAS, a discussion in Executive Session was held regarding the suit entitled: Chesapeake Operating, Inc. and Chesapeake Louisiana, L.P. vs. The State Mineral and Energy Board of Louisiana, Louisiana Department of Wildlife and Fisheries and William Eaton Kennedy, Docket No. 138840, Division D, 26th Judicial District Court, Bossier Parish;

ON MOTION of Mr. Arnold, seconded by Mr. Chustz, the following recommendation was offered and unanimously adopted by the Legal and Title Controversy Committee after discussion and careful consideration:

That the State Mineral and Energy Board grant authority to the Attorney General's Office to enter into settlement negotiations as discussed in Executive Session;

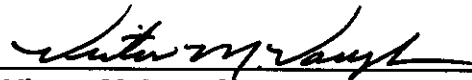
WHEREAS, after discussion and careful consideration of the foregoing request and the recommendation of the Legal and Title Controversy Committee;

ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Attorney General's Office to enter into settlement negotiations as discussed in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of October, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



Victor M. Vaughn, Executive Officer
State Mineral and Energy Board

BOBBY JINDAL
GOVERNOR



STEPHEN CHUSTZ
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 11:41 a.m. on Wednesday, October 14, 2015. Board Members present were Mr. Stephen Chustz, DNR Secretary, Mr. W. Paul Segura, Jr., Mr. Thomas L. Arnold, Jr., Mr. Emile Cordaro, Mr. Thomas W. Sanders, Mr. Darryl D. Smith, Mr. Robert "Michael" Morton and Mr. Theodore M. "Ted" Haik, Jr.

The Committee made the following recommendations:

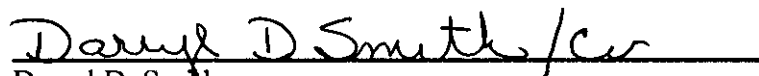
Approve State Agency Lease Corrections A and B on page 1;

Approve all Assignments on pages 2 through 5.

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

There being no further business to come before the committee, upon motion of Mr. Segura, and seconded by Mr. Chustz, the committee voted unanimously to adjourn the meeting at 11:43 a.m.

Respectfully submitted,



Darryl D. Smith
Docket Review Committee

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

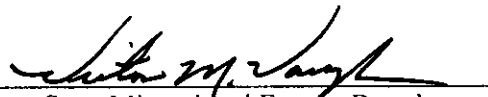
Resolution #15-10-027
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item A from the October 14, 2015 Meeting be approved, said instrument a Correction of Resolution A from the September 9, 2015 Meeting, being a State Agency Lease from the St. Mary Parish Council to Angelle & Donohue Oil & Gas Properties, Inc., whereas said resolution incorrectly read..."from the St. Mary Parish Council to Angelle & Donohue Oil & Gas Properties" and is hereby being corrected to read..."from the St. Mary Parish Council to Energy XXI Onshore, LLC", St. Mary 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 October, 2015, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #15-10-028
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item B from the October 14, 2015 Meeting be approved, said instrument a Correction of Resolution B from the June 10, 2015 Meeting, being a State Agency Lease from the Town of Maringouin to Angelle & Donohue Oil & Gas Properties, Inc., whereas said resolution incorrectly read..."from the Town of Maringouin to Angelle & Donohue Oil & Gas Properties, Inc." and is hereby being corrected to read..."from the Town of Maringouin to Patrick L. Donohue Petroleum Properties, Inc.", Iberville 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 October, 2015, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #15-10-029 (DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the October 14, 2015 Meeting be approved, said instrument being an Assignment from DDD Energy Inc. to Synergy Oil & Gas, LP, of all of Assignor's right, title and interest in and to State Lease No. 4218, Acadia Parish, Louisiana, with further particulars being stipulated in the instrument.

Synergy Oil & Gas, 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 October, 2015, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #15-10-030 (DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the October 14, 2015 Meeting be approved, said instrument being an Assignment from Indigo Minerals LLC to MRD Operating LLC, of all of Assignor's right, title and interest in and to Operating Agreement "A0305", Jackson Parish, Louisiana, with further particulars being stipulated in the instrument.

MRD Operating 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;

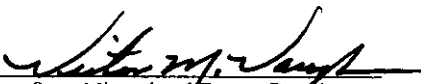
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 14th day of October, 2015, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #15-10-031 (DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 3 from the October 14, 2015 Meeting be approved, said instrument being an Assignment from McGowan Working Partners to McGowan Working Partners Inc., of all of Assignor's right, title and interest in and to Operating Agreement "A0213", Concordia Parish, Louisiana, with further particulars being stipulated in the instrument.

McGowan Working Partners 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 October, 2015, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #15-10-032
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 4 from the October 14, 2015 Meeting be approved, said instrument being an Assignment from HHE Energy Company to Shoreline Southeast LLC, of all of Assignor's right, title and interest in and to Operating Agreement "A0280", Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

Shoreline Southeast 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 14th day of October, 2015, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #15-10-033 (DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 5 from the October 14, 2015 Meeting be approved, said instrument being a Change of Name whereby Maritech Resources, Inc. is changing its name to Maritech Resources, LLC, affecting State Lease Nos. 14832 and 20110, East Baton Rouge and Terrebonne Parishes, 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 14th day of October, 2015, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #15-10-034 (DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 6 from the October 14, 2015 Meeting be approved, said instrument being an Assignment from Sandridge Exploration and Production, LLC to Reef Exploration, LP of an undivided 14.15418% interest in and to State Lease No. 20609, Iberville Parish, Louisiana, with further particulars being stipulated in the instrument.

Rozel Exploration, 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 14th day of October, 2015, 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