

MINUTES

STATE MINERAL AND ENERGY BOARD

REGULAR MEETING AND LEASE SALE

SEPTEMBER 8, 2010

A Regular Meeting and Lease Sale of the State Mineral and Energy Board was held on Wednesday, September 8, 2010, beginning at 11:10 a.m. in the La Belle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana, subject to the call of the Governor and Ex-Officio Chairman.

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

Scott A. Angelle, Chairman
W. Paul Segura, Jr., Vice-Chairman
Thomas L. Arnold, Jr.
Emile B. Cordaro
Bay E. Ingram
Robert "Michael" Morton
Darryl D. Smith

The following members of the Board were recorded as absent:

John C. "Juba" Diez
Thomas W. Sanders
Helen G. Smith
Robert D. Harper, DNR Secretary

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

Also recorded as present were:

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

The Chairman then stated that the next order of business was the approval of the August 11, 2010 Minutes. A motion was made by Mr. Ingram to adopt the Minutes as submitted by the Executive Officer of the State Mineral and Energy Board and to waive reading of same. His motion was seconded by Mr. Cordaro and unanimously adopted by the Board. (No public comment was made at this time.)

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

Lease Review Committee
Nomination & Tract Committee
Audit Committee

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

At this time, upon motion of Mr. Segura, seconded by Mr. Morton, and unanimously adopted by the Board, the Board recessed at 11:15 a.m. in order to continue with the remaining committee meetings.

At 12:33 p.m., upon motion of Mr. Segura, seconded by Mr. Cordaro, and unanimously adopted by the Board, the Board reconvened its meeting.

The Chairman then stated that the next order of business would be the adoption of the remaining Committee recommendations. Upon motion of Mr. Segura, seconded by Mr. Arnold, 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.)

Legal & Title Controversy Committee
Docket Review Committee

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

The Chairman then announced that the Board would recess its regular meeting at 12:34 p.m. and go into executive session for technical briefing in order to consider matters before the Board which were confidential in nature. A motion was made by Mr. Morton, seconded by Mr. Arnold, and unanimously adopted by the Board.

During the technical briefing, the Board conferred with staff personnel concerning the merit of the bids that were submitted and opened earlier today at a public meeting*, based on geological, engineering and other confidential data and analyses available to the Board and staff, after which, upon motion of Mr. Segura, seconded by Mr. Smith, and unanimously adopted by the Board, the Board reconvened in open session at 12:45 p.m.

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

The Chairman then stated that the next order of business was the awarding of the leases. Based upon recommendations announced by Mr. Victor Vaughn, the following action was then taken by the

Board. Leases awarded were conditioned on tract descriptions being accurate, overlapped prior leases being subtracted from acreage bid on, acreage amount being verified and agreed between bidder and state and portion bids verified as being located within advertised boundary of tracts. (No public comment was made at this time.)

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on Tract 41596 to Century Exploration New Orleans, Inc.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on Tract 41597 to Encana Oil & Gas (USA) Inc.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on Tract 41598 to Encana Oil & Gas (USA) Inc.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on Tract 41599 to Justiss Oil Company, Inc.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on a portion of Tract 41600, said portion being 0.669 acres more particularly described in said bid and outlined on accompanying plat to Genesis Producing Company, LP (G199). As to the portion bid by Genesis Producing Company, LP (G199) on 4.698 acres, the Board voted unanimously to reject the bid because there were no claimable water bottoms within the area that was being bid.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on a portion of Tract 41602, said portion being 4.0 acres more particularly described in said bid and outlined on accompanying plat, to Kare-Sue Energy, Inc.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on a portion of Tract 41604, said portion being 9.0 acres more particularly described in said bid and outlined on accompanying plat, to Kare-Sue Energy, Inc.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on another portion of Tract 41604, said portion being 2.0 acres more particularly described in said bid and outlined on accompanying plat, to Kare-Sue Energy, Inc.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on a portion of Tract 41606, said portion being 16.0 acres more particularly described in said bid and outlined on accompanying plat, to Alpine Exploration Companies, Inc.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on a portion of Tract 41607, said portion being 10.00 acres more particularly described in said bid and outlined on accompanying plat, to Catapult Exploration, L.L.C. As to the portion bid by Lewis B. Bernard on 186.92 acres, the Board voted unanimously to reject the bid for insufficient consideration and to re-advertise with minimums the remaining acreage.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on a portion of Tract 41612, said portion being 209.79 acres more particularly described in said bid and outlined on accompanying plat, to Lobo Operating, Inc.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on a portion of Tract 41617, said portion being 65.00 acres more particularly described in said bid and outlined on accompanying plat, to Petrus Energy, L.L.C.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on a portion of Tract 41621, said portion being 165.46 acres more particularly described in said bid and outlined on accompanying plat, to Lobo Operating, Inc.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on a portion of Tract 41622, said portion being 160.36 acres more particularly described in said bid and outlined on accompanying plat, to Lobo Operating, Inc.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on a portion of Tract 41627, said portion being 118.7 acres more particularly described in said bid and outlined on accompanying plat, to Cypress Energy Corporation.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on Tract 41629 to Specter Exploration, Inc.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on Tract 41630 to Paramount Energy, Inc.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on Tract 41631 to Paramount Energy, Inc.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to reject the bid on Tract 41633 for improper bid form.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to reject the bid on Tract 41634 for improper bid form.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on a portion of Tract 41635, said portion being 2.0 acres more particularly described in said bid and outlined on accompanying plat, to Alpine Exploration Companies, Inc.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on Tract 41637 to Paramount Energy, Inc.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to award a lease on Tract 41638 to Kinder Oil & Gas, LLC.

This concluded the awarding of the leases.

The following announcements were then made:

Secretary Buatt stated that total cash payments for the September 8, 2010 Lease Sale came to \$1,126,860.61 and the year-to-date cash payments for 2010-2011 are \$9,440,075.89.

Mr. Buatt advised the members that information was being provided to them for their consideration between now and potentially the next Board meeting with regard to the DRAFT of the Incentive Resolution that was previously provided to them. He requested that they take a look at it during their leisure and further informed the Board that an economist had been engaged and is currently evaluating various proposals and that the staff would be coming back to them for more discussion and possibly some recommendations. (The information provided to the members is hereby attached and made a part of the Minutes by reference.)

At this time, the Chairman made the following comments regarding the appointment of Jody Montelaro as Assistant Secretary of the Office of Mineral Resources: At this particular point in time, I would like to announce that the Governor has selected Mr. Jody Montelaro who is sitting at my right here to be the new Assistant Secretary of the Office of Mineral Resources. I want to congratulate Jody on that. Hereinbefore, Jody has served in the Governor's Office with responsibility of a lot of policy matters including energy. I have had the opportunity to work with him and he will be a fine addition to our staff and we want to wish you the best of luck and look forward to working with you.

At this time, I would like to personally thank Lou Buatt for agreeing to serve in the role as Assistant Secretary while he was also serving in the role in the coastal area. He has done a tremendous job and has agreed to do it and has done it for not one additional cent of payment. That does not happen very often when people take on these types of duties. The people of Louisiana owe you a great deal of gratitude. Not only did you do it but you did it in expert fashion and you made the Mineral Board better as a result of your service. I would like the Minutes to reflect that the Mineral Board perhaps acknowledge Mr. Buatt's efforts and join together to thank him for that. We will be counting on you to kind of help with the transition to Mr. Montelaro as I know you will. Again, on behalf of the people of Louisiana, thank you for your expert service. I appreciate that.

Mr. Cordaro was recognized and thanked the staff for doing such a great job on the recent SONRIS seminar held in New Orleans. He stated that the sessions were good and very informative and that he knew it took a lot of hard work on the part of the staff.

The Chairman then stated there being no further business to come before the Board, upon motion of Mr. Ingram, seconded by Mr. Smith, the meeting was adjourned at 12:50 p.m.

Respectfully submitted,



Victor M. Vaughn
Executive Officer
State Mineral and Energy Board



LOUISIANA MID-CONTINENT OIL AND GAS ASSOCIATION

730 NORTH BOULEVARD, BATON ROUGE, LA 70802
TELEPHONE (225) 387-3205 FAX (225) 344-5502

September 7, 2010

Mr. Louis E. Buatt
Assistant Secretary
Office of Mineral Resources
Department of Natural Resources
State of Louisiana
P. O. Box 2827
Baton Rouge, LA 70821-2827

Dear Secretary Buatt:

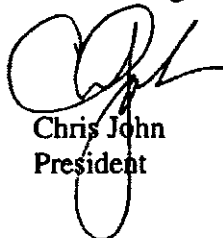
On behalf of the members of our association representing all aspects of the oil and gas industry, I want to thank you and applaud the members of the Mineral and Energy Board for its serious consideration of providing deep well incentives for drilling in South Louisiana and specifically the Coastal Zone.

Clearly the historic data coupled with present day trends inform us of the alarming rate of decline in oil and gas exploration and production in South Louisiana. Obviously, many issues and reasons can be contributed to this pattern. By considering various incentives, the Mineral and Energy Board is making every efforts to reverse the exploration and production trend in South Louisiana, and our industry certainly supports your efforts.

Your efforts have not gone unnoticed and I am confident any new program the Mineral and Energy Board adopts will result in additional activity in South Louisiana. Please count on me to provide any assistance appropriate with your efforts.

Again, I appreciate the work you do on behalf of the State of Louisiana.

Personal regards,



Chris John
President



Louisiana Oil & Gas Association
Don G. Briggs, President

Mr. Louis E. Buatt
Acting Secretary
Office of Mineral Resources

September 3, 2011

Dear Mr. Buatt,

First I would like to commend the Mineral Board and yourself for having the insight to explore incentives that could spur exploration and development on state lands in Louisiana's Coastal Zone. This supportive initiative is another example of how industry and our state can work together to ensure a more prosperous Louisiana.

As you approach this issue, it is important to keep in mind that the oil and gas industry is a "price driven" industry. Price driven can be in the form of oil and natural gas prices or incentives, both of which make the difference when and where a company wishes to invest risk capital. As you are well aware, there has been a steady decline in the drilling activity on state lands in the past three years. Surprisingly, we continued to see this decline even at a time when oil and natural gas prices climbed to record highs. This rare event challenges the theory industry is "price driven", however, there is a reason for this.

In addition to the decline of drilling on state lands, in the past three to four years there has been a massive shift of exploration capital from "conventional" to "non-conventional" oil and gas plays. For instance, the Haynesville Shale in Northwest Louisiana and the Barnett Shale in Texas are examples of non-conventional plays. Even though prices were at an all time high, the movement of capital to lucrative and trendy resource plays pulled exploration investment capital from the conventional Coastal Zones of Louisiana.

As the saying goes, "timing is everything." Today, due to the political uncertainty of exploration in the Gulf of Mexico (GOM), there is growing interest that some of the GOM exploration capital will move onshore and into the Coastal Zone of Louisiana. Political uncertainty is not the only cause of money moving from the shallow-water GOM. To note, insurance costs have become prohibitive for many of the independent oil and gas companies operating on the shelf. Some of that capital will certainly move to resource plays in other parts of the US, all of which are competing for the capital investment. To put this into perspective, over 8 billion dollars was invested in the Haynesville Shale last year alone.


The Coastal Zone is a prospective market for two reasons. First, there is potential for some deep gas exploration and development across the Coastal Zone. Though natural gas prices are far too low, caused by the production growth in the resource plays, with the proposed incentives these plays become viable. Should natural gas prices reach \$6.50 to \$7.00 mmf, the incentives would

Louisiana Oil & Gas Association
Don G. Briggs, President

not necessarily make a difference. At current prices, which are expected to hold for the near future, incentives of some sort will make the difference whether some plays get drilled or not. Secondly, besides the potential of deep natural gas horizons, incentives would make the economics for what was considered to be marginal plays more economically viable. There have been thousands of wells drilled in the Coastal Zone over the past decades with many being determined as non-economical. Incentives from whatever source will certainly change the economics of a drilling prospect.

A positive is that there is a significant amount of capital in the market for exploration and development. Oil and gas companies are not restricted where they make those investments. Our hope is that they choose Louisiana to do business. Once again thank you for taking on this initiative. As you move forward, I would be glad to discuss these issues with you or any of the Mineral Board members. At a time when our state needs jobs and investment, we have to be creative in how we manage our business.

Sincerely,

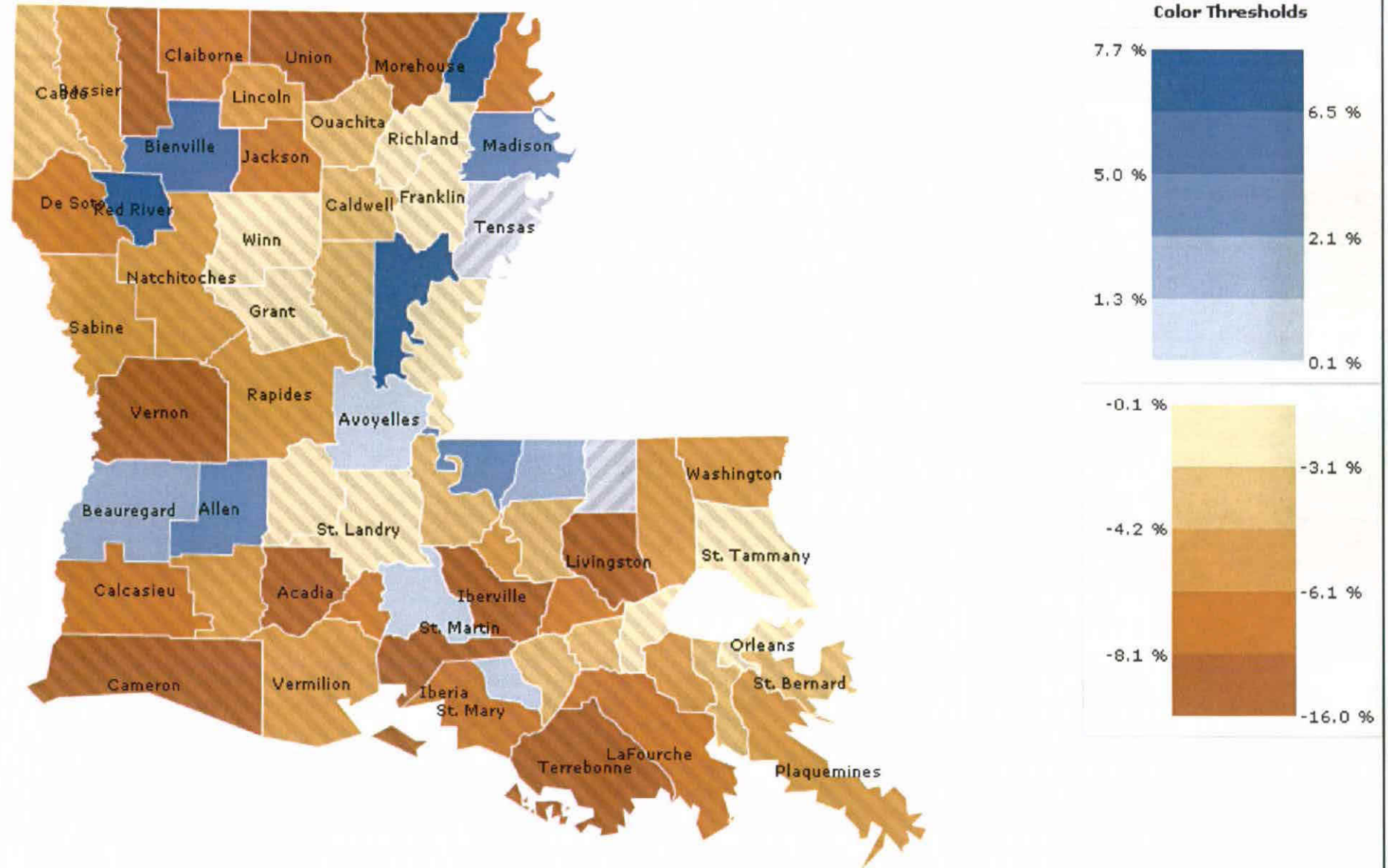


Don G. Briggs
President
Louisiana Oil & Gas Association

Incentive Brainstorming Meeting

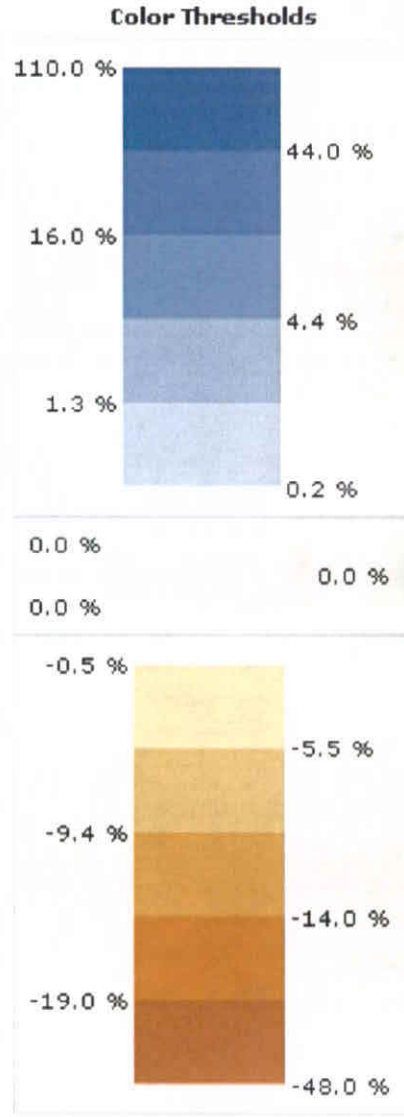
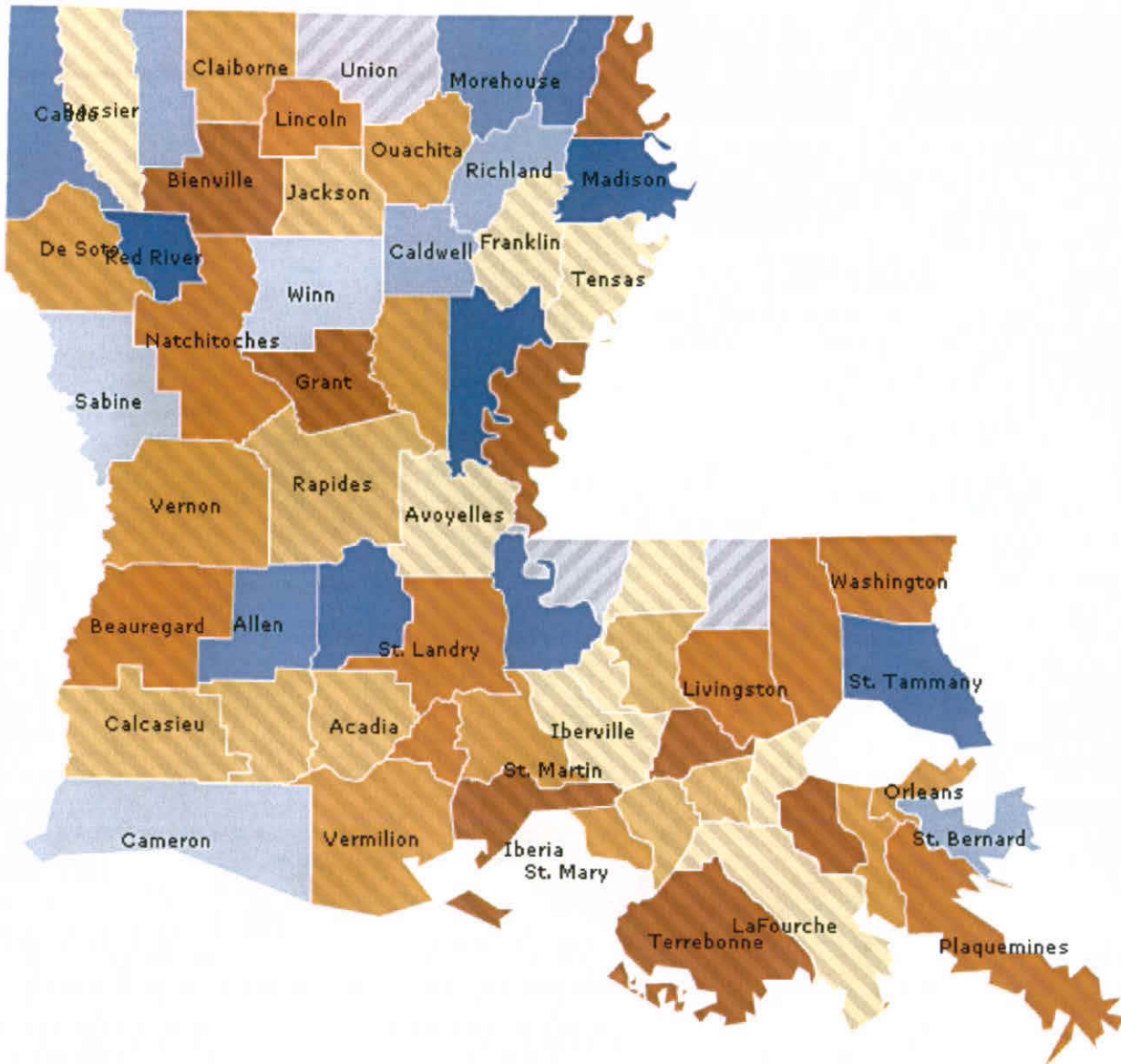
Louis E. Buatt
Assistant Secretary
Office of Mineral Resources
Department of Natural Resources

12 month percent change in employment, Total, all industries, private ownership, Dec 2008-Dec 2009 (p)



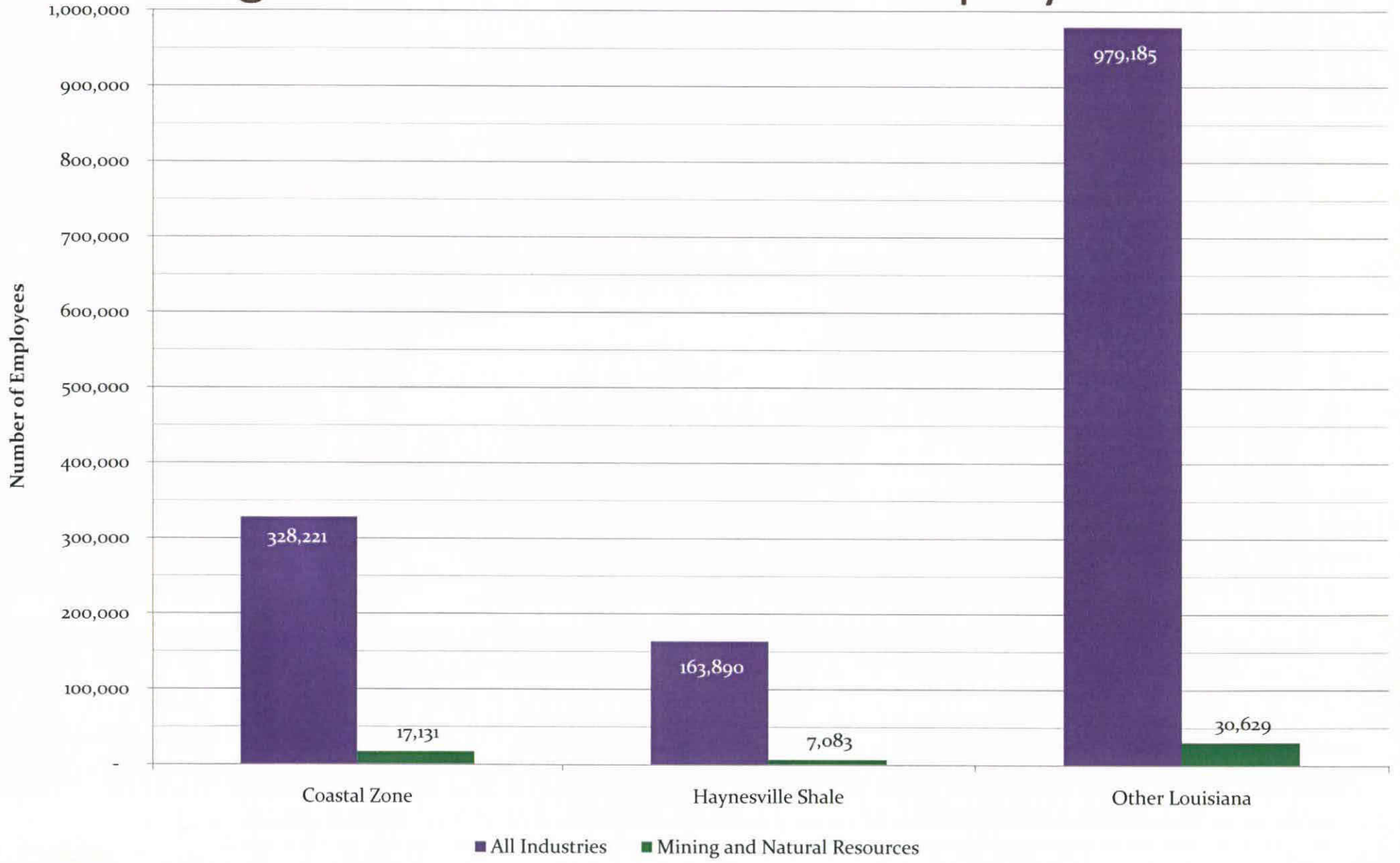
Source: U.S. Bureau of Labor Statistics (www.bls.gov)

12 month percent change in employment, Natural Resources and Mining, private ownership, Dec 2008-Dec 2009 (p)



Source: U.S. Bureau of Labor Statistics (www.bls.gov)

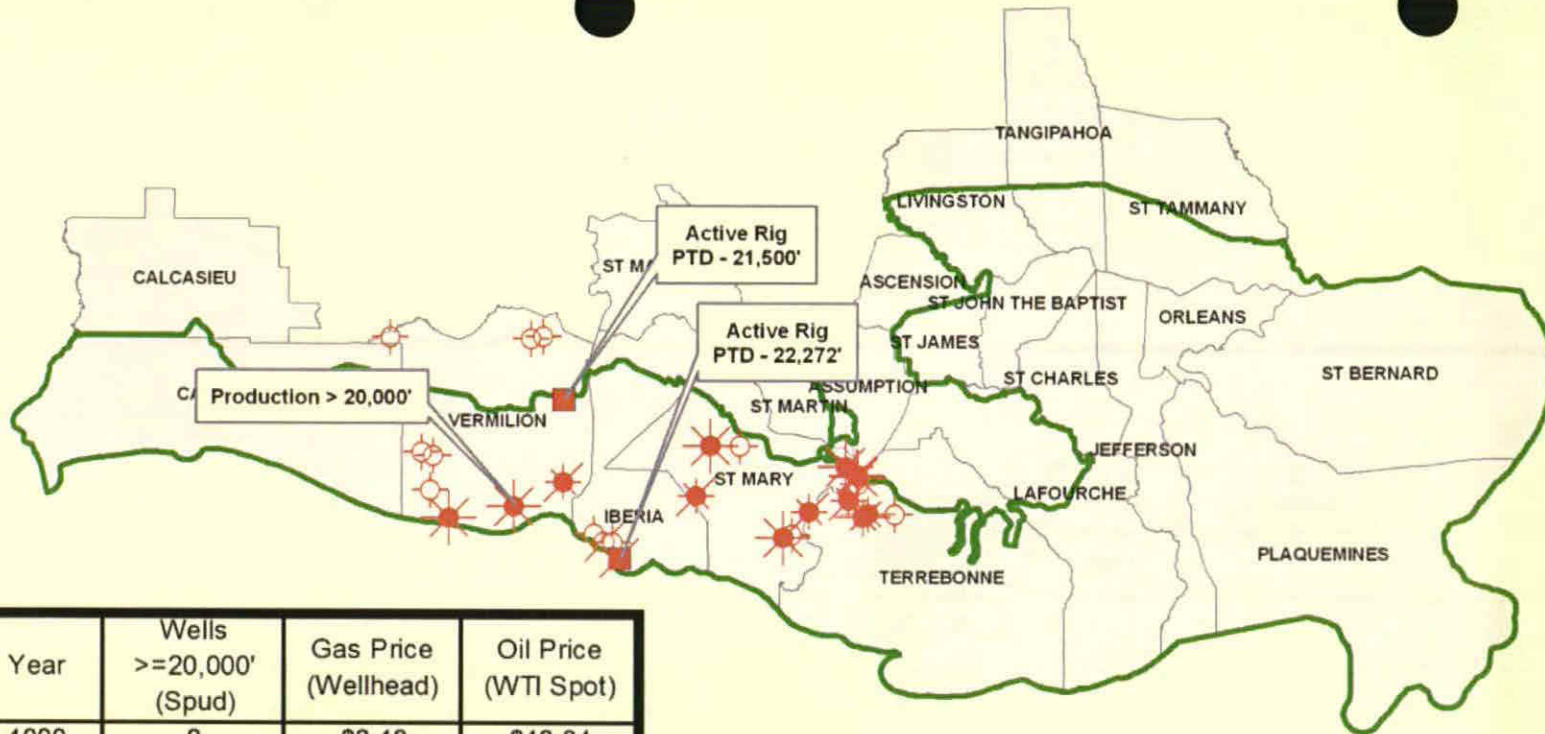
Mining and Natural Resources Employment



Oil and Gas Employment Statistics

	<u>Number of Establishments</u>	<u>Number of Employees</u>	<u>Annual payroll (in thousands)</u>	<u>Sales, shipments, receipts, or revenue (in thousands)</u>	<u>Population Estimate</u>
Oil and gas extraction (NAICS: 211)					
2007 Census	403	12,426	773,396	34,782,666	4,293,204
2002 Census	507	12,618	707,468	26,033,366	4,482,646
Net Change	-104	-192	65,928	8,749,300	-189,442
Support activities for oil and gas operations (NAICS: 213112)					
2007 Census	713	32,802	1,807,026	6,158,367	4,293,204
2002 Census	748	25,130	905,086	2,857,438	4,482,646
Net Change	-35	7,672	901,940	3,300,929	-189,442

Deep Well Drilling Activity January 1999 to Present



Year	Wells >=20,000' (Spud)	Gas Price (Wellhead)	Oil Price (WTI Spot)
1999	2	\$2.19	\$19.34
2000	3	\$3.69	\$30.38
2001	5	\$4.01	\$25.98
2002	4	\$2.95	\$26.18
2003	1	\$4.88	\$31.08
2004	1	\$5.45	\$41.51
2005	2	\$7.32	\$56.64
2006	3	\$6.40	\$66.04
2007	3	\$6.26	\$72.34
2008	3	\$7.95	\$99.67
2009	2	\$3.71	\$61.95
2010	1		

Year	Gas (Mcf)	Condensate (Bbls.)
2009	385,308	0
2010	796,083	3,868
Total:	1,181,391	3868

Legend

Wells_Jan1999>=20000

WELL STATUS

- Location
- ⊗ Temporarily Abandoned
- ⊙ Dryhole
- ★ Active Producing
- ★ Plug and Abandoned
- ★ Shutin Productive
- CMD.COASTAL_ZONE
- Coastal_Zone_Parishes

Per Well in Coastal Zone

- Average Employees During Drilling:
 - 20 – 30 full time
- Average Length of Job of Deep Well:
 - 3 – 6 months
- Average Employees During Completion
 - 20 – 30 full time

*More Accurate Figures to come

Oil & Gas Exploration & Production

NAICS Code	Description	South Louisiana 2010 Jobs	South Louisiana Current EPW	Louisiana 2010 Jobs	Louisiana EPW
211111	Crude Petroleum and Natural Gas Extraction	7,871	\$115,350	8,997	\$109,241
211112	Natural Gas Liquid Extraction	89	\$92,812	310	\$69,957
213111	Drilling Oil and Gas Wells	7,932	\$79,234	9,513	\$78,301
213112	Support Activities for Oil and Gas Operations	26,970	\$73,086	31,761	\$71,653
333132	Oil and Gas Field Machinery and Equipment Manufacturing	8,106	\$58,615	8,999	\$58,260
541360	Geophysical Surveying and Mapping Services	465	\$71,132	615	\$63,882
Total		51,433	\$78,238	60,195	\$76,231

Oil & Gas Transportation & Storage

324110	Petroleum Refineries	8,947	\$100,611	9,224	\$99,594
324191	Petroleum Lubricating Oil and Grease Manufacturing	613	\$86,775	967	\$77,761
324199	All Other Petroleum and Coal Products Manufacturing	400	\$66,817	401	\$66,724
424710	Petroleum Bulk Stations and Terminals	726	\$67,193	933	\$62,465
424720	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)	1,466	\$59,238	2,156	\$54,204
447190	Other Gasoline Stations	1,883	\$21,135	2,574	\$20,357
454311	Heating Oil Dealers	15	--	15	\$29,001
454312	Liquefied Petroleum Gas (Bottled Gas) Dealers	289	\$32,075	523	\$31,445
Total		14,339	\$81,264	16,792	\$75,331

Oil & Gas Refining, Marketing, & Distribution

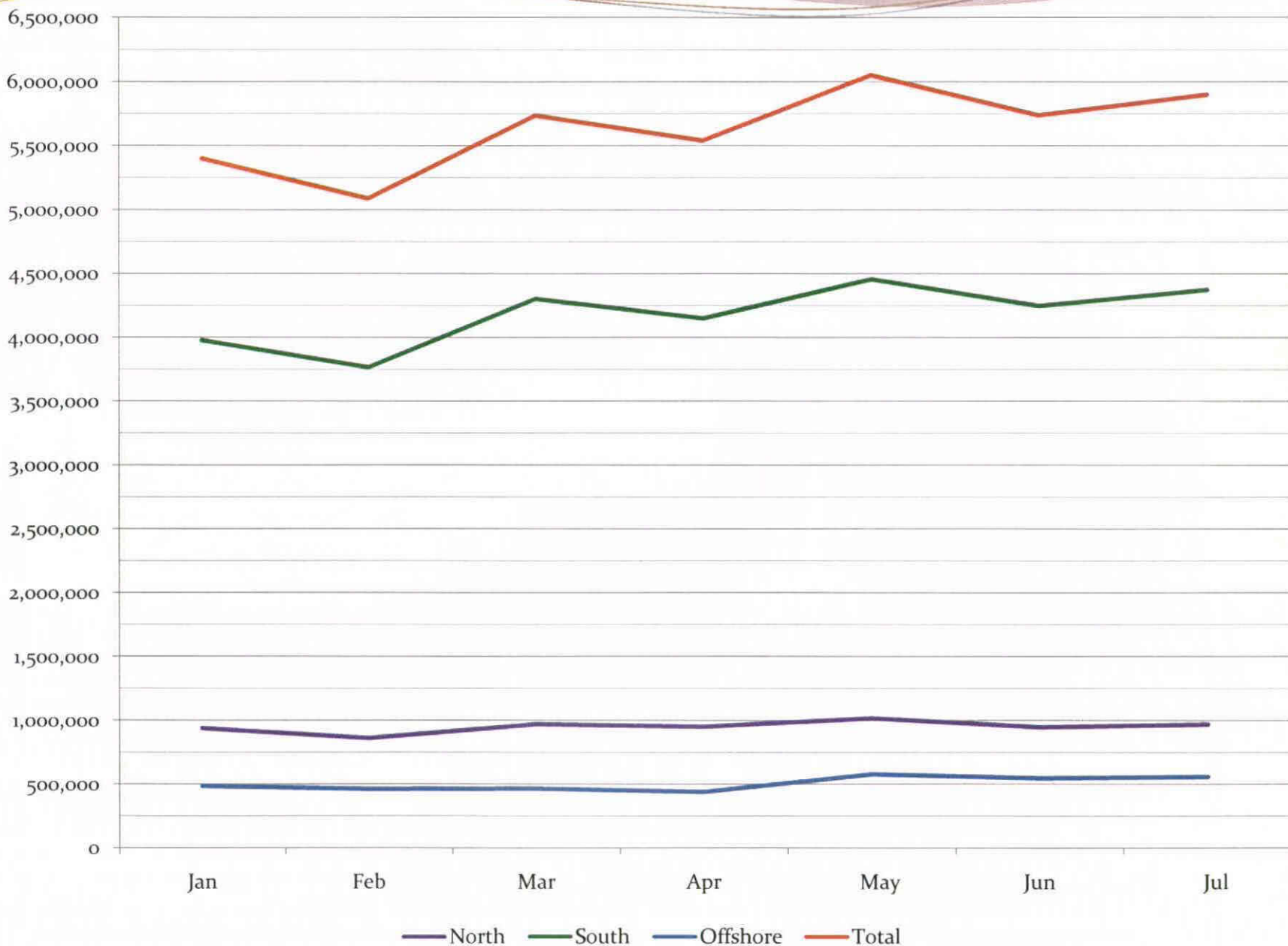
221210	Natural Gas Distribution	649	\$56,873	1,390	\$61,305
486110	Pipeline Transportation of Crude Oil	386	\$95,023	399	\$94,020
486210	Pipeline Transportation of Natural Gas	1,216	\$77,728	1,694	\$77,541
486910	Pipeline Transportation of Refined Petroleum Products	196	\$98,898	200	\$98,737
Total		2,448	\$76,620	3,682	\$74,344
Oil & Gas Total		68,220	\$78,816	80,669	\$75,958

Oil & Gas Multipliers

NAICS Code	Description	Final-demand Output (dollars)	Final-demand Earnings (dollars)	Final-demand Employment (number of jobs)	Final-demand Value-added (dollars)	Direct-effect Earnings (dollars)	Direct-effect Employment (number of jobs)
211000	Oil & gas extraction	1.8625	0.4095	7.5315	1.0273	2.3042	6.3682
213111	Drilling oil & gas wells	1.9244	0.4684	9.9192	0.9714	2.2213	3.358
213112	Support activities for oil & gas operations	1.9519	0.5394	11.8385	0.9783	2.0393	3.0371
221200	Natural gas distribution	2.1528	0.3978	8.2251	0.9451	3.4649	5.069
324110	Petroleum refineries	1.9868	0.351	6.4451	0.5955	3.0415	6.9148
324191	Petroleum lubricating oil & grease manufacturing	2.382	0.5295	10.2385	0.8552	2.5391	4.5639
324199	All other petroleum & coal products manufacturing	2.3484	0.5177	10.6231	0.8514	2.5549	3.972
333130	Mining and oil and gas field machinery manufacturing	1.9299	0.5332	12.3564	0.8515	2.0185	2.7252
420000	Wholesale trade	1.7087	0.5303	12.9825	1.0998	1.6731	2.1024
4A0000	Retail trade	1.7505	0.5654	22.6708	1.1051	1.6306	1.4622
486000	Pipeline transportation	2.2848	0.5825	13.6956	0.9487	2.8101	5.191
541300	Architectural, engineering, & related services	1.8579	0.6402	15.8737	1.1407	1.7098	2.2575

1. Total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
2. the total dollar change in earnings of households employed by all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
3. Total change in number of jobs that occurs in all industries for each additional 1 million dollars of output delivered to final demand by the industry corresponding to the entry. Because the employment multipliers are based on 2007 data, the output delivered to final demand should be in 2007 dollars.
4. Total dollar change in value added that occurs in all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
5. Total dollar change in earnings of households employed by all industries for each additional dollar of earnings paid directly to households employed by the industry corresponding to the entry.
6. Total change in number of jobs in all industries for each additional job in the industry corresponding to the entry.

Louisiana State Crude Oil & Condensate Production



2010 Total

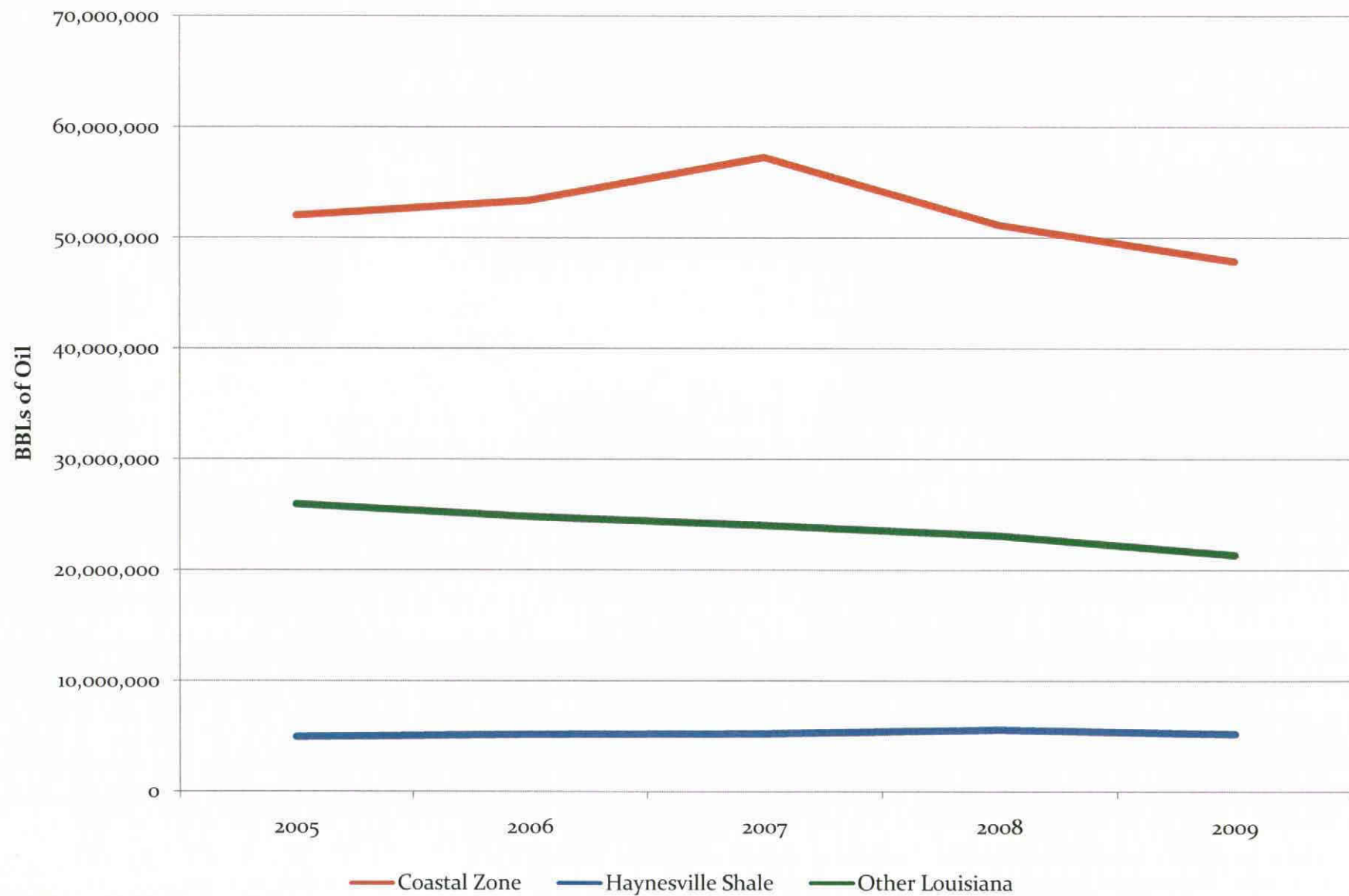
North: 6,658,563

South: 29,262,790

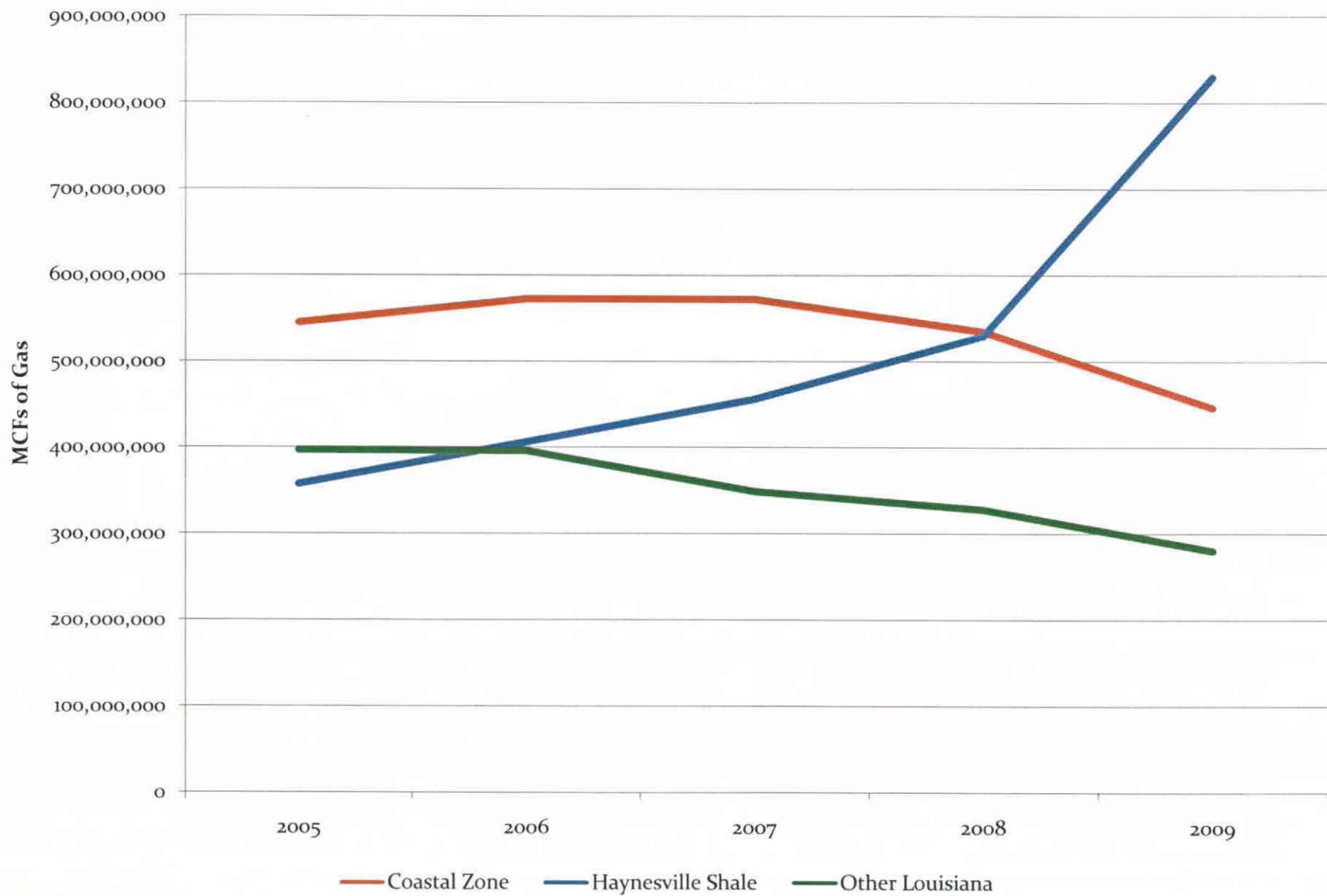
Offshore: 3,534,609

Total: 39,455,963

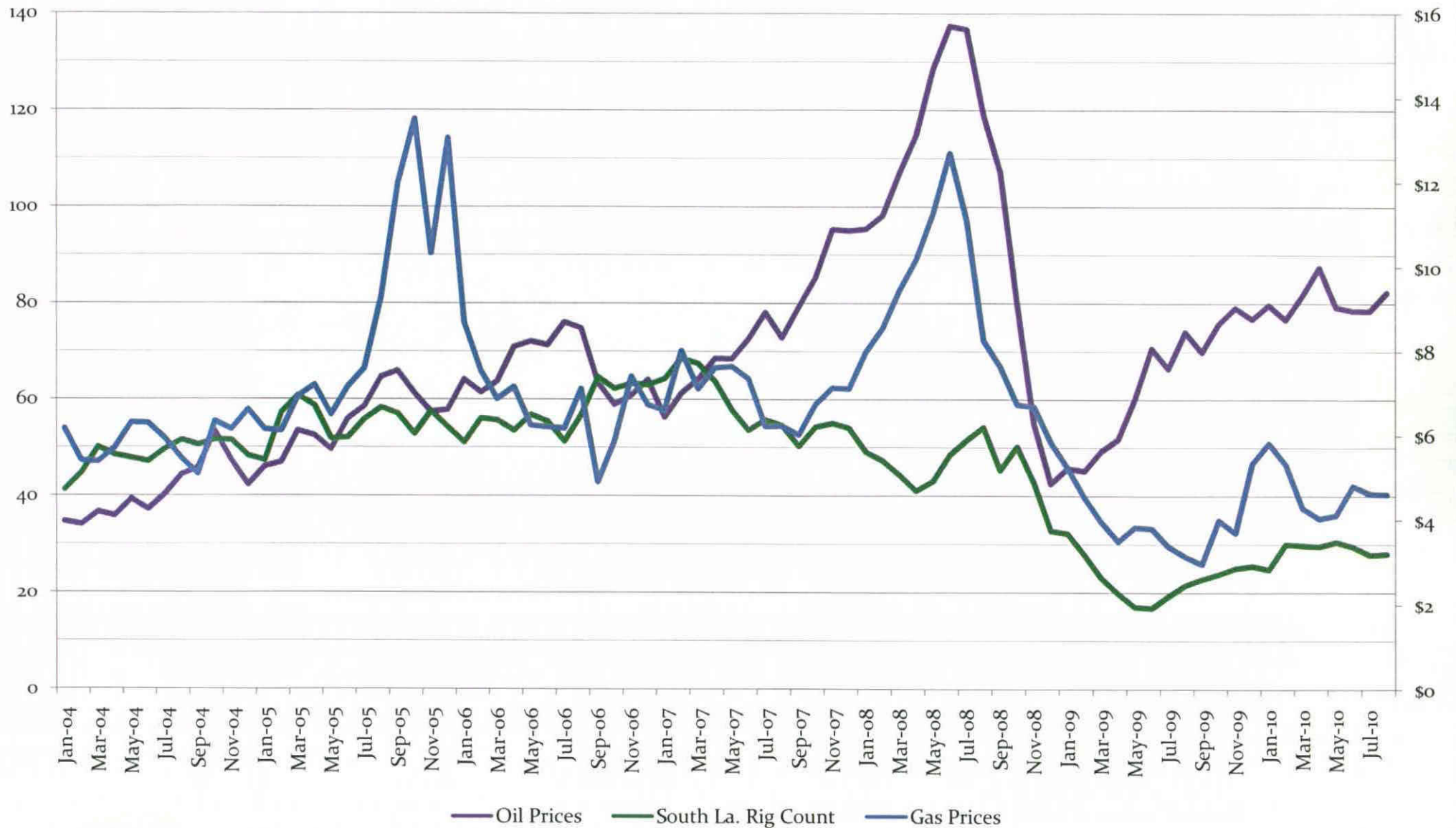
Oil Production

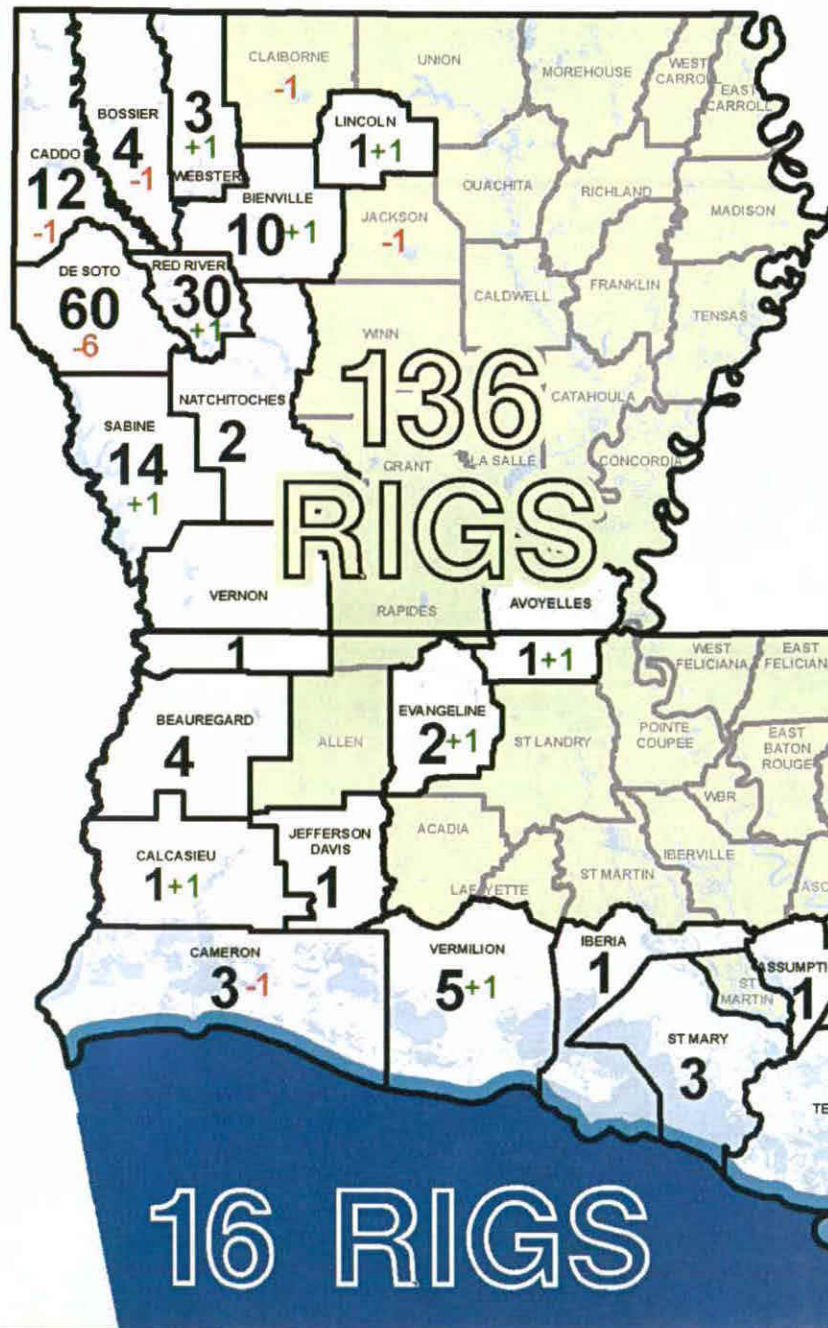


Gas Production



South La. Rig Count vs. Price





LA Rig Count by Area

North LA Rigs (-5)* 136
 (Of 30* Parishes in North LA, 11 have active rigs)

South LA Rigs (+4)* 32
 (Of 39* Parishes in South LA, 15 have active rigs)
 *Five Parishes are located in both North and South LA.

Federal OCS (+2)* 16

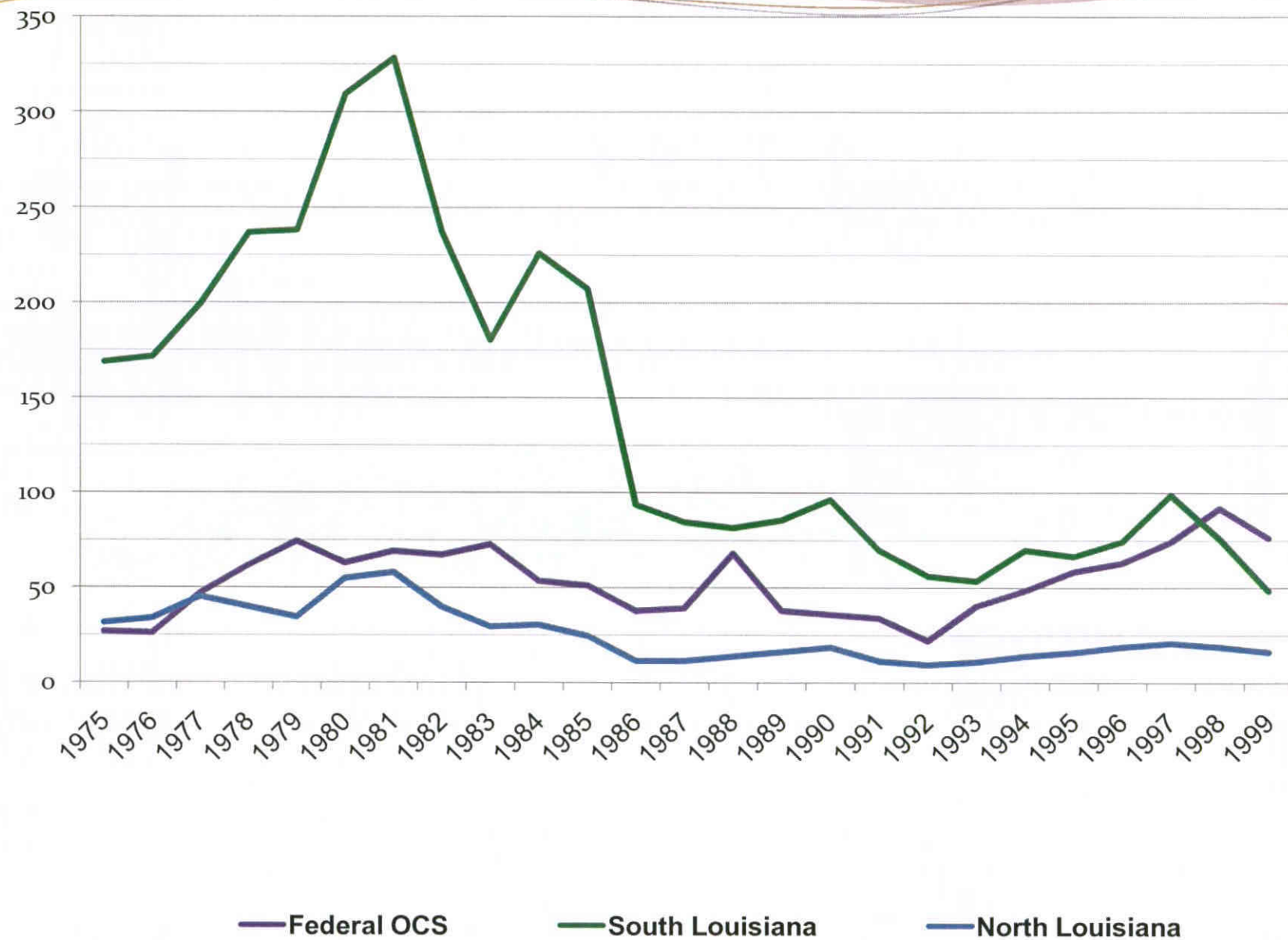
Total LA Rigs (+1)* 184

* Increases/decreases are in comparison to last week's rig count numbers.

32 RIGS

Land: 19
 Inland Waters: 11
 Offshore Waters: 2

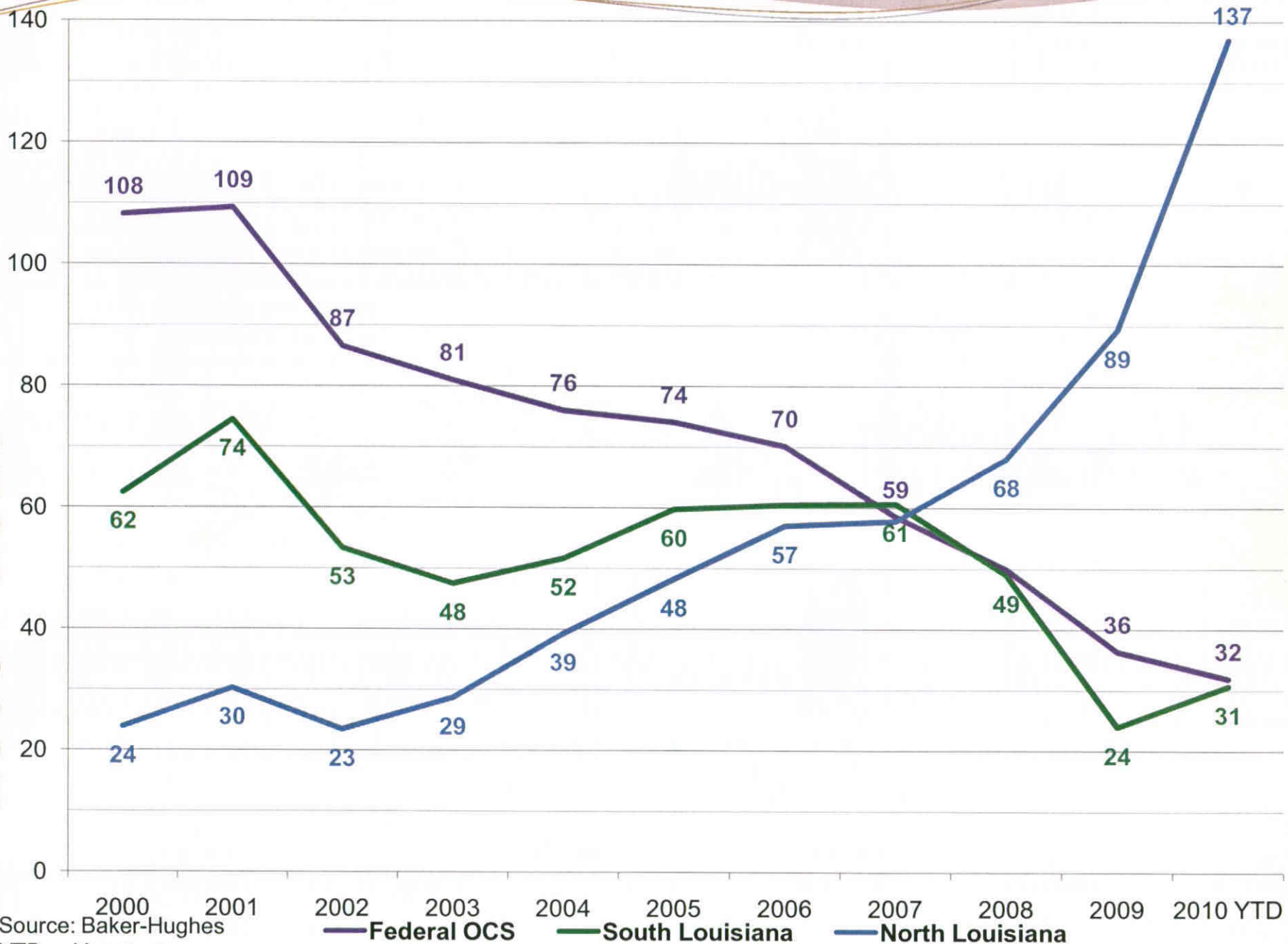
Historic LA Average Rig Counts by Regions 1975 - 1999



Source: Baker-Hughes
YTD Year to day

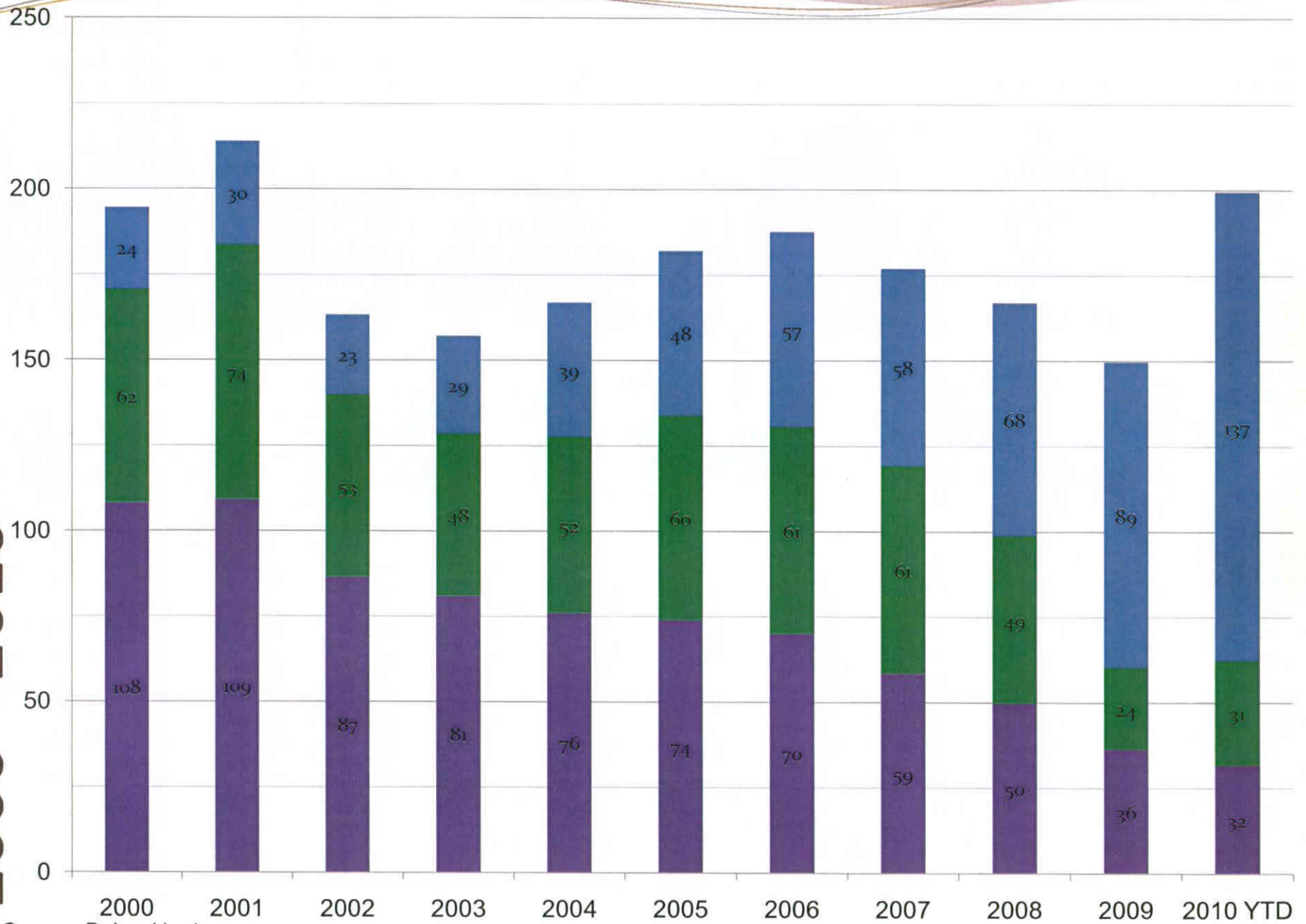
Average LA Rig Count

2000 - 2010



Source: Baker-Hughes
YTD Year to day

Average LA Rig Count 2000 - 2010



Source: Baker-Hughes
YTD Year to day

■ Federal OCS
 ■ South Louisiana
 ■ North Louisiana

- ◆ 2007 Offshore Permitted (19) Wells
- Offshore State Leases
- Offshore Areas



- ◆ 2008 Offshore Permitted (23) Wells
- Offshore State Leases
- Offshore Areas



- ◆ 2009 Offshore Permitted (5) Wells
- Offshore State Leases
- Offshore Areas



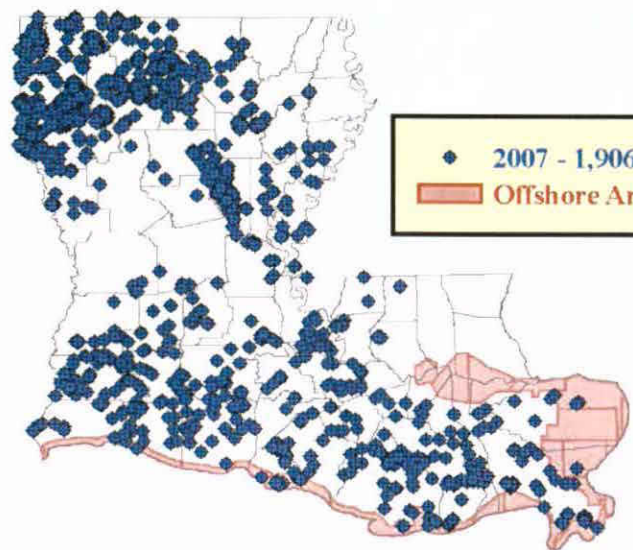
- ◆ 2010 Offshore Permitted (7) Wells
- Offshore State Leases
- Offshore Areas



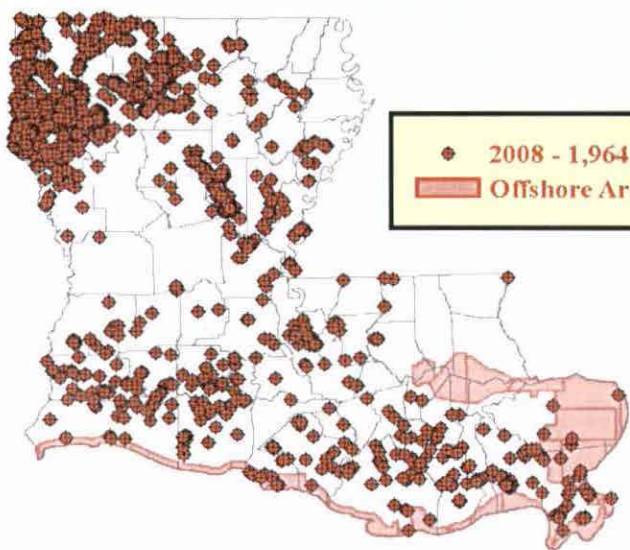
Offshore Permitted Wells



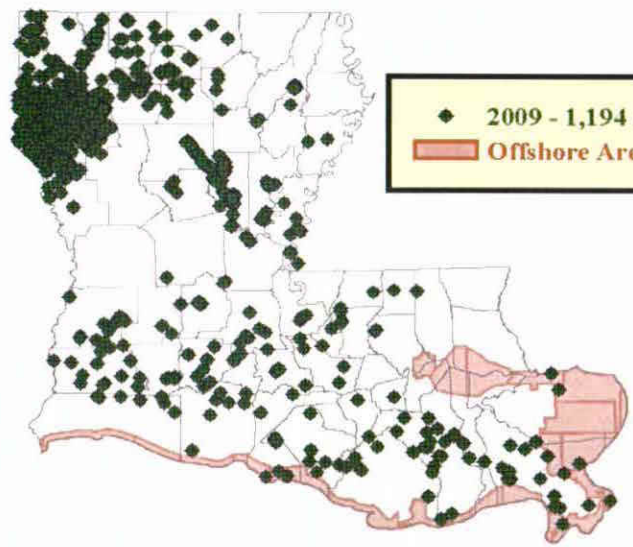
OMR/G&E



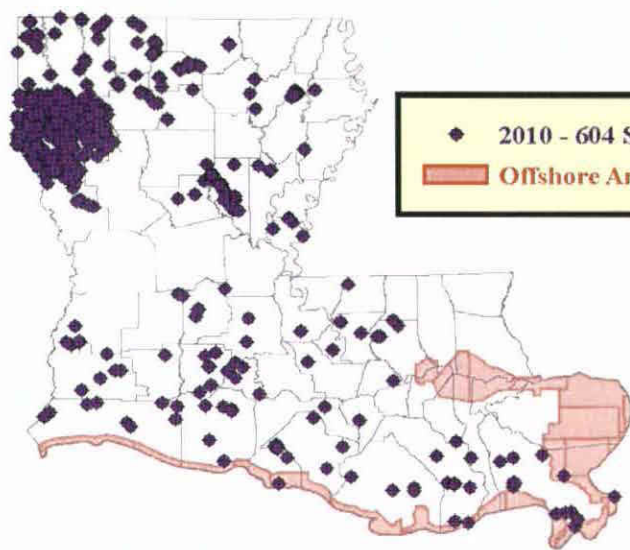
◆ 2007 - 1,906 Spud Wells
 Offshore Areas



◆ 2008 - 1,964 Spud Wells
 Offshore Areas



◆ 2009 - 1,194 Spud Wells
 Offshore Areas



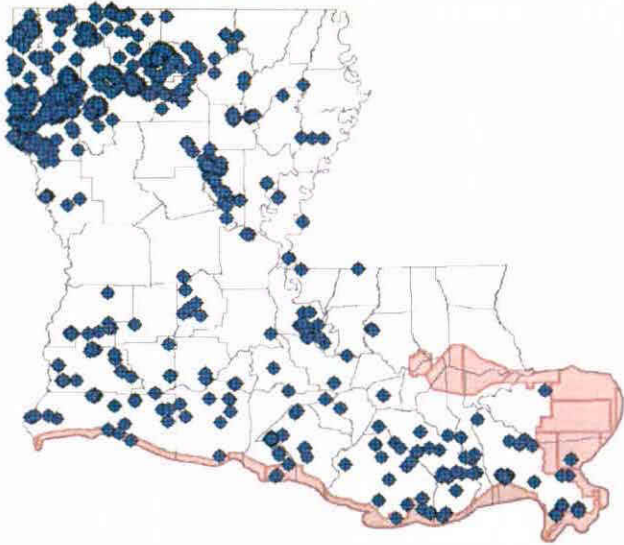
◆ 2010 - 604 Spud Wells
 Offshore Areas

Wells Spudded

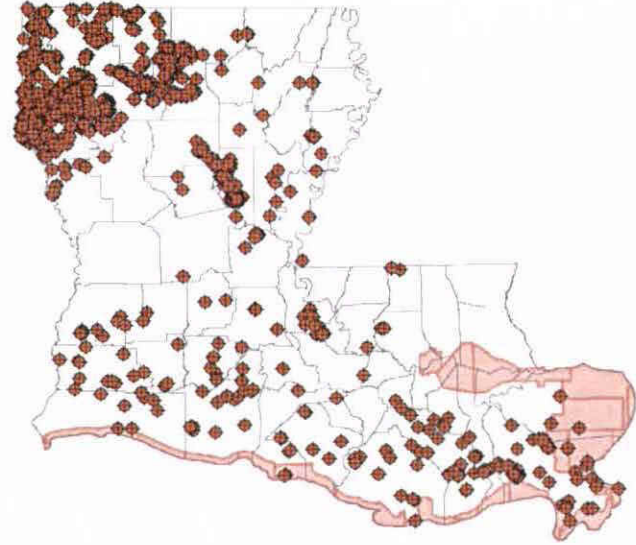


OMR/G&E

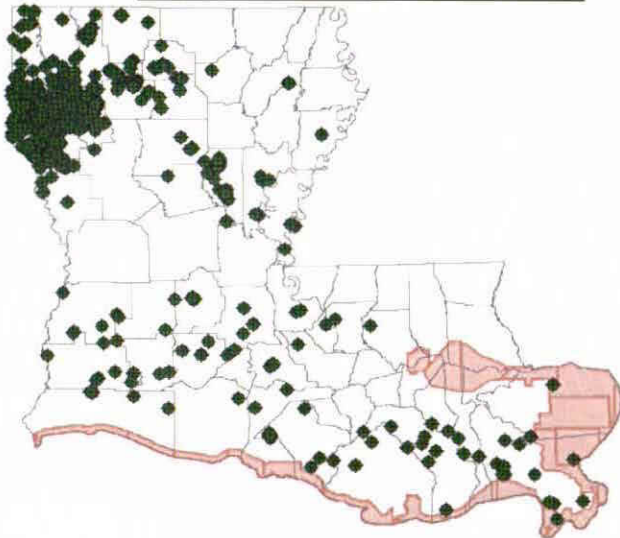
◆ 2007 - 1,281 Spud/Producing
Offshore Areas



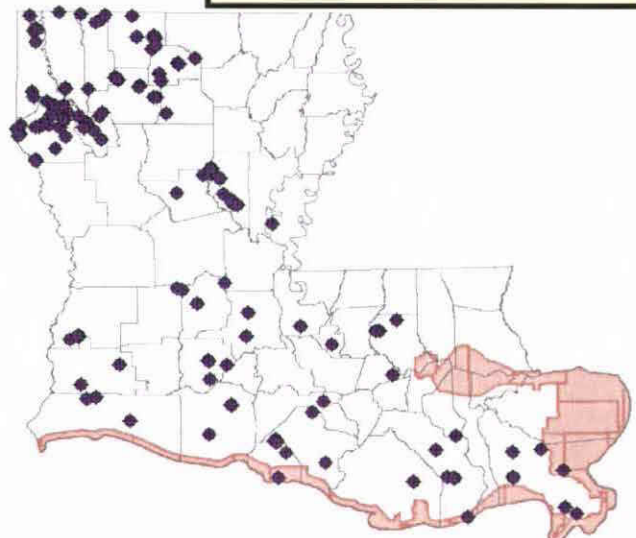
◆ 2008 - 1,443 Spud/Producing
Offshore Areas



◆ 2009 - 770 Spud/Producing
Offshore Areas



◆ 2010 - 183 Spud/Producing
Offshore Areas



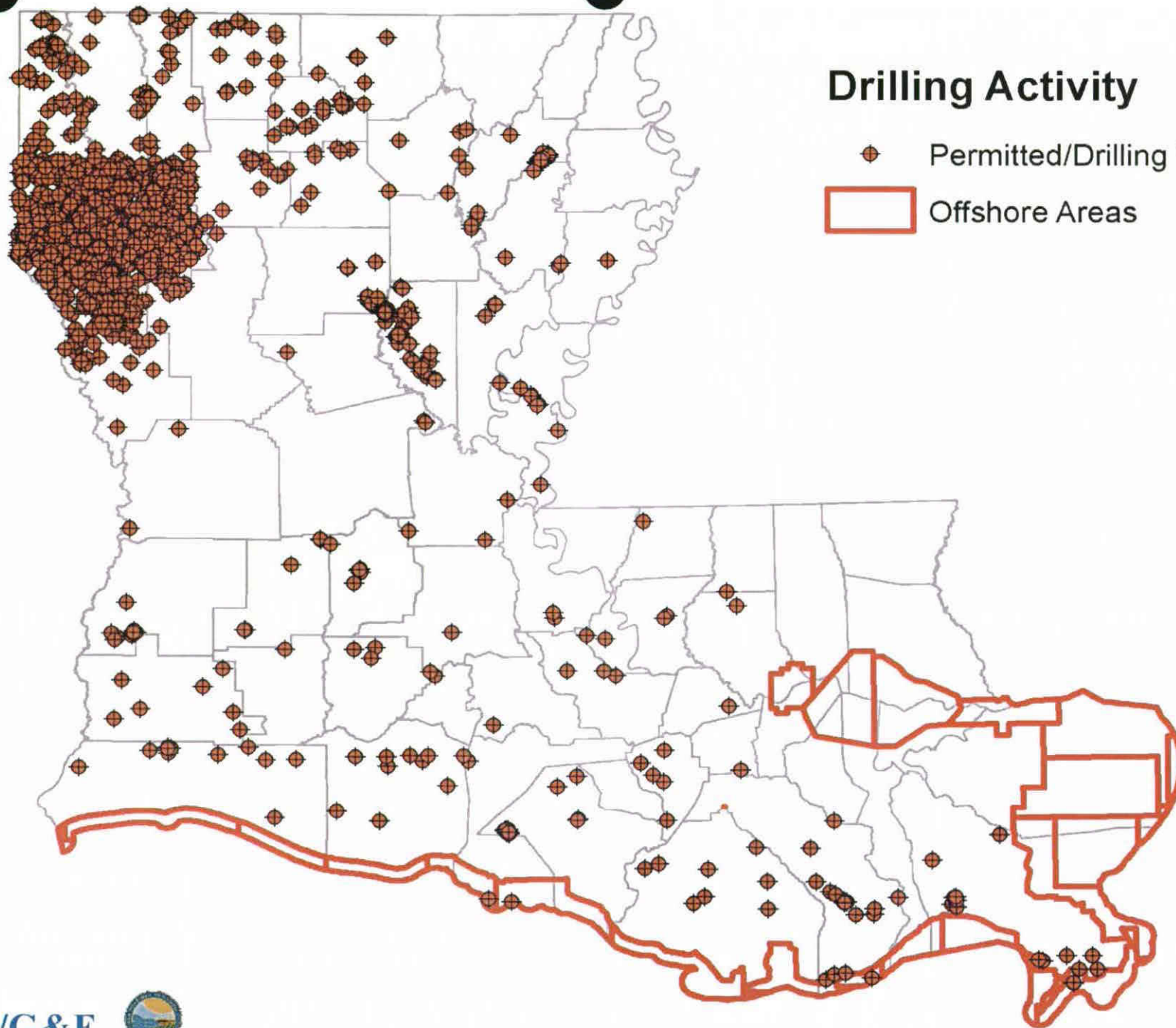
OMR/G&E

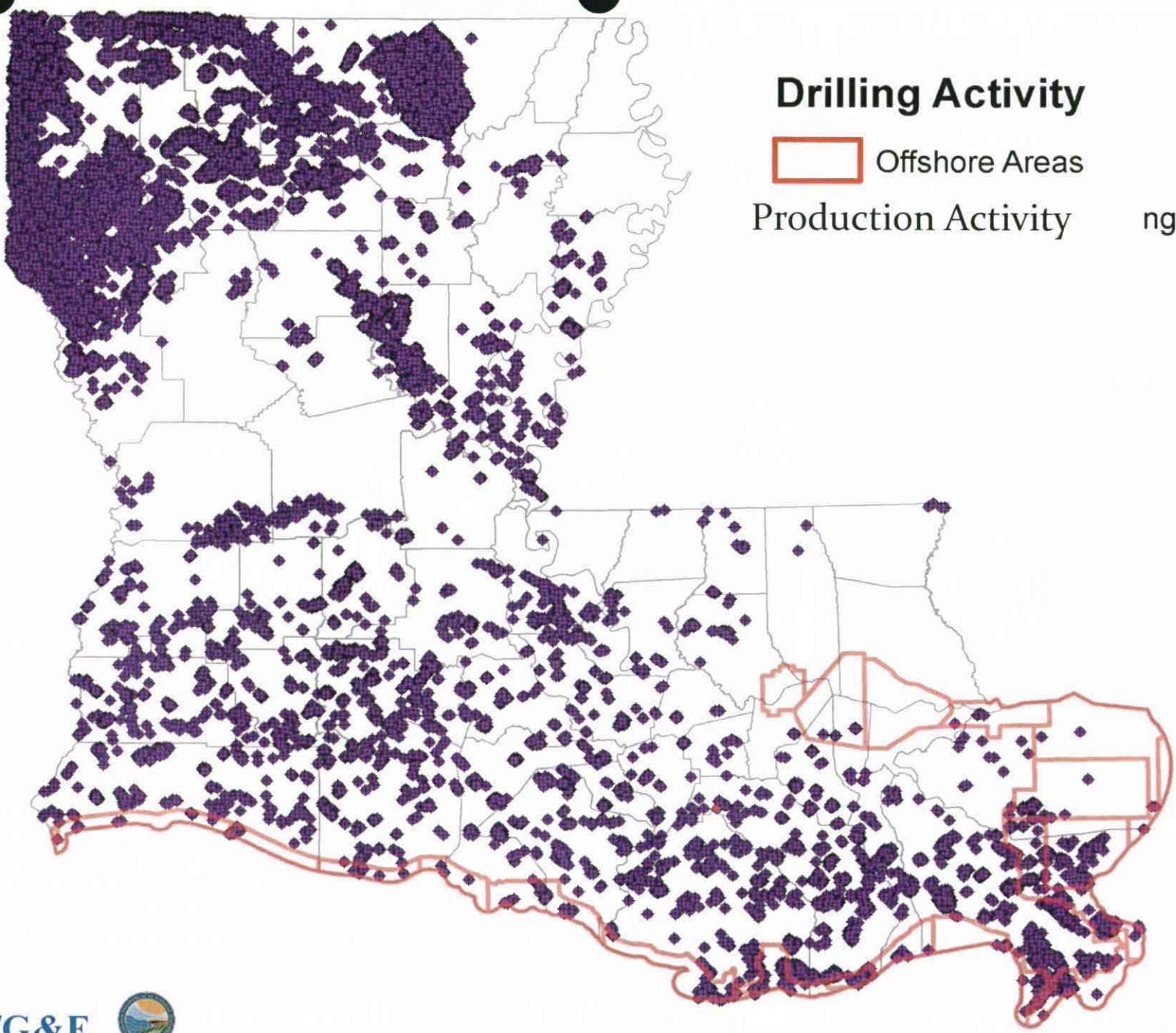
Wells Spud/Producing

Drilling Activity

◆ Permitted/Drilling Wells

□ Offshore Areas





Drilling Activity

 Offshore Areas

Production Activity ng Wells

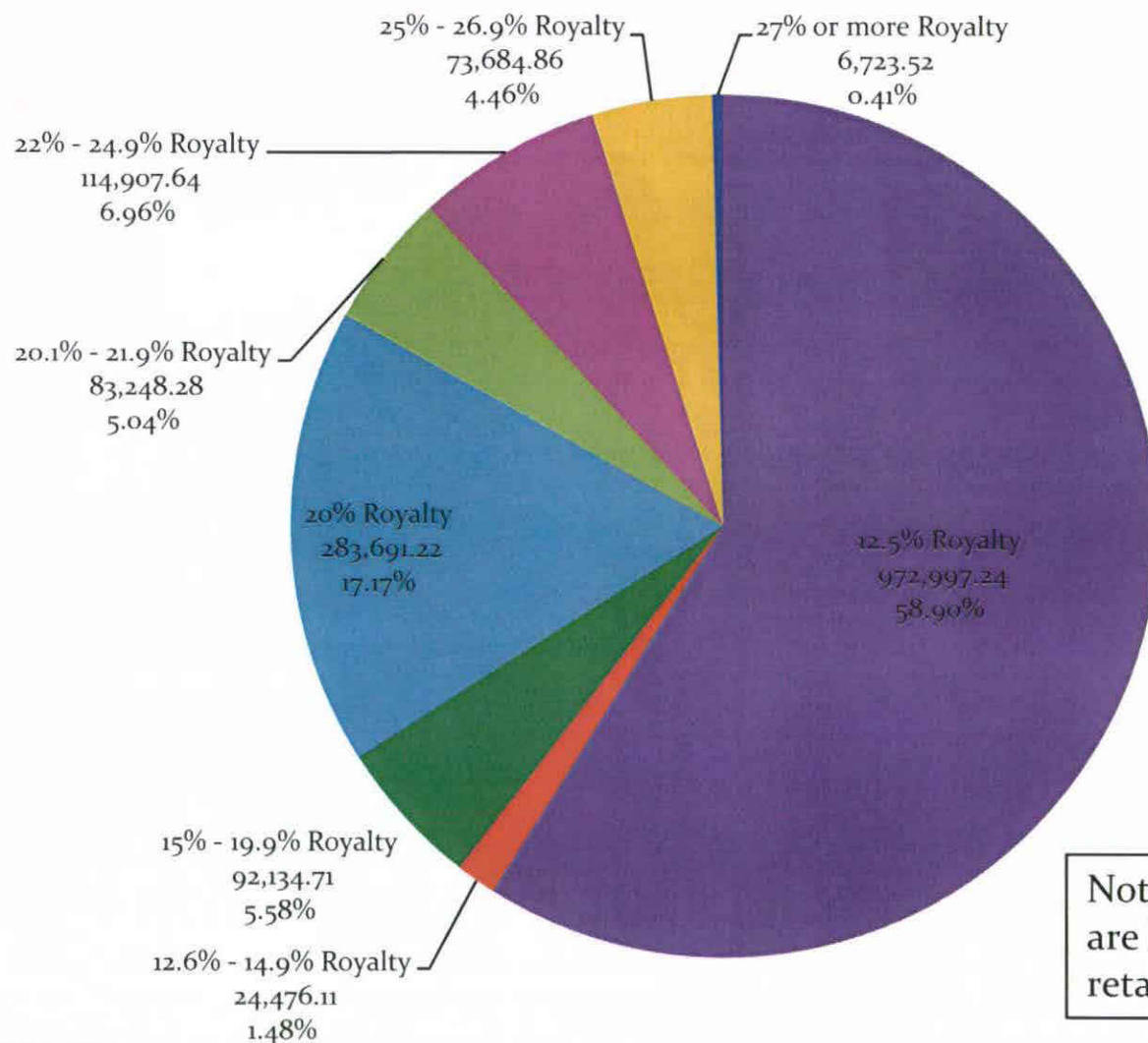


Bankruptcies in Oil & Gas Industry

- **Harvest Oil and Gas, LLC**
 - Involved the company maintaining its LA mineral leases.
 - Ultimately able to gain 1.5 million in back royalties from the company as well as maintain the leases.
- **CLK Partners**
 - Involved obligations to come into compliance with compliance orders.
 - Still ongoing in the administrative courts on that issue.
- **Bayou Sorrel**
 - Included 1 million dollars worth of plug and abandon liability.
 - Unable to get anything out of that case because the company was insolvent.
- **Rock Well Petroleum**
 - Involved lease maintenance.
 - The leases were transferred to another company.
- **Energy Partners, LP**
 - Reorganization that did not end up impacting anything related to DNR.
- **Tridimension**
 - Still ongoing and it has some outstanding audit issues and lease maintenance issues.
- **Phoenix Land Syndicate**
 - Still ongoing and it has some outstanding audit issues and lease maintenance issues.
- **Davis Petroleum**
 - Involved trying to get some documents related to the Harvest bankruptcy.
 - They were Harvest's brokers.
 - Received a bankruptcy audit exemption from the SMEB.
- **Edge Petroleum**
 - Received a bankruptcy audit exemption from the SMEB.
- **Palm Energy**
 - Monitoring.
 - One of Palm's non-bankrupt subsidiaries held some leases.
 - Because the subsidiary never went bankrupt, we did not have to become involved.

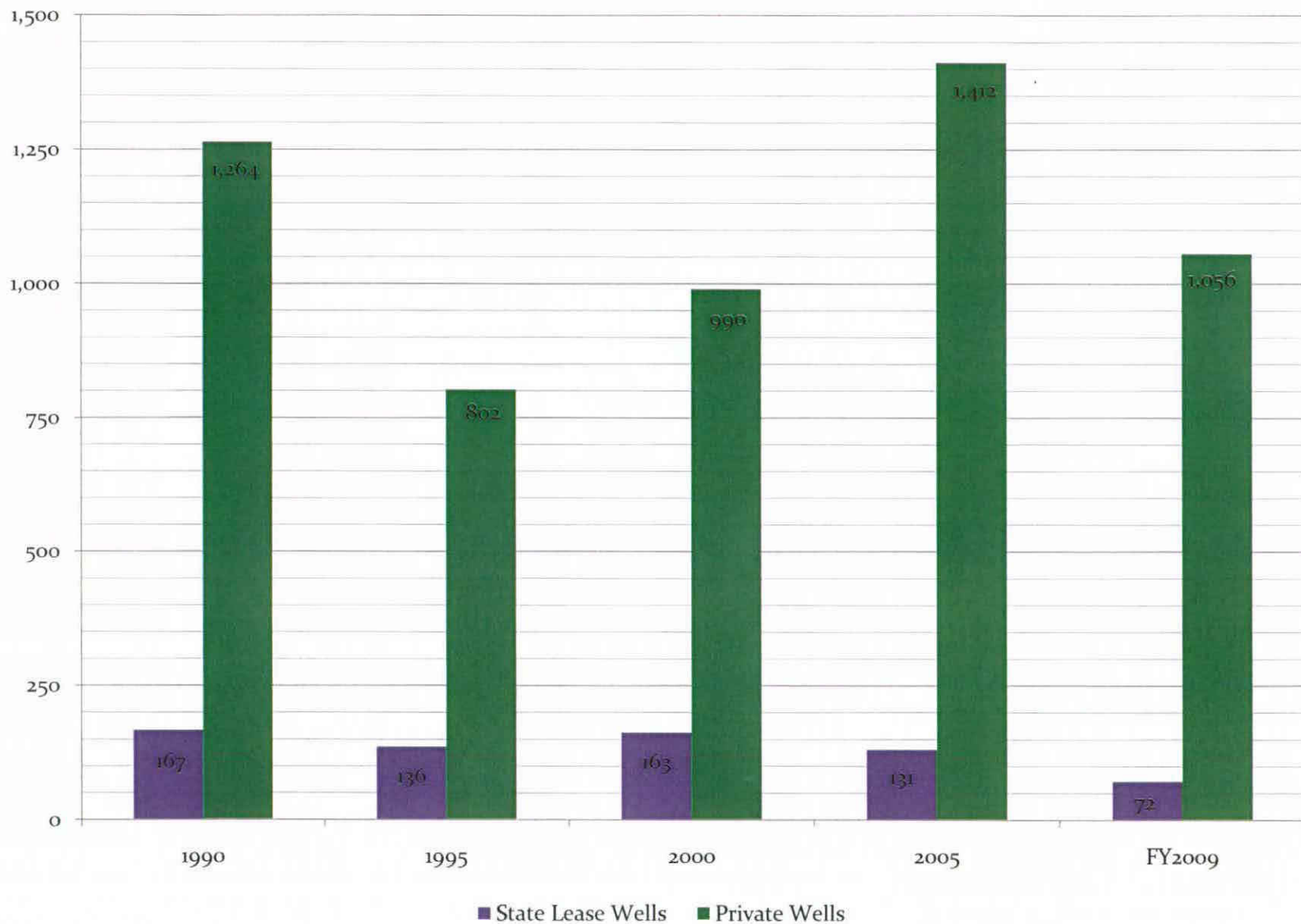
*The Attorney General's list of the past 2 years that they handle directly.

Retained State Lease Acres by Royalty Percentage

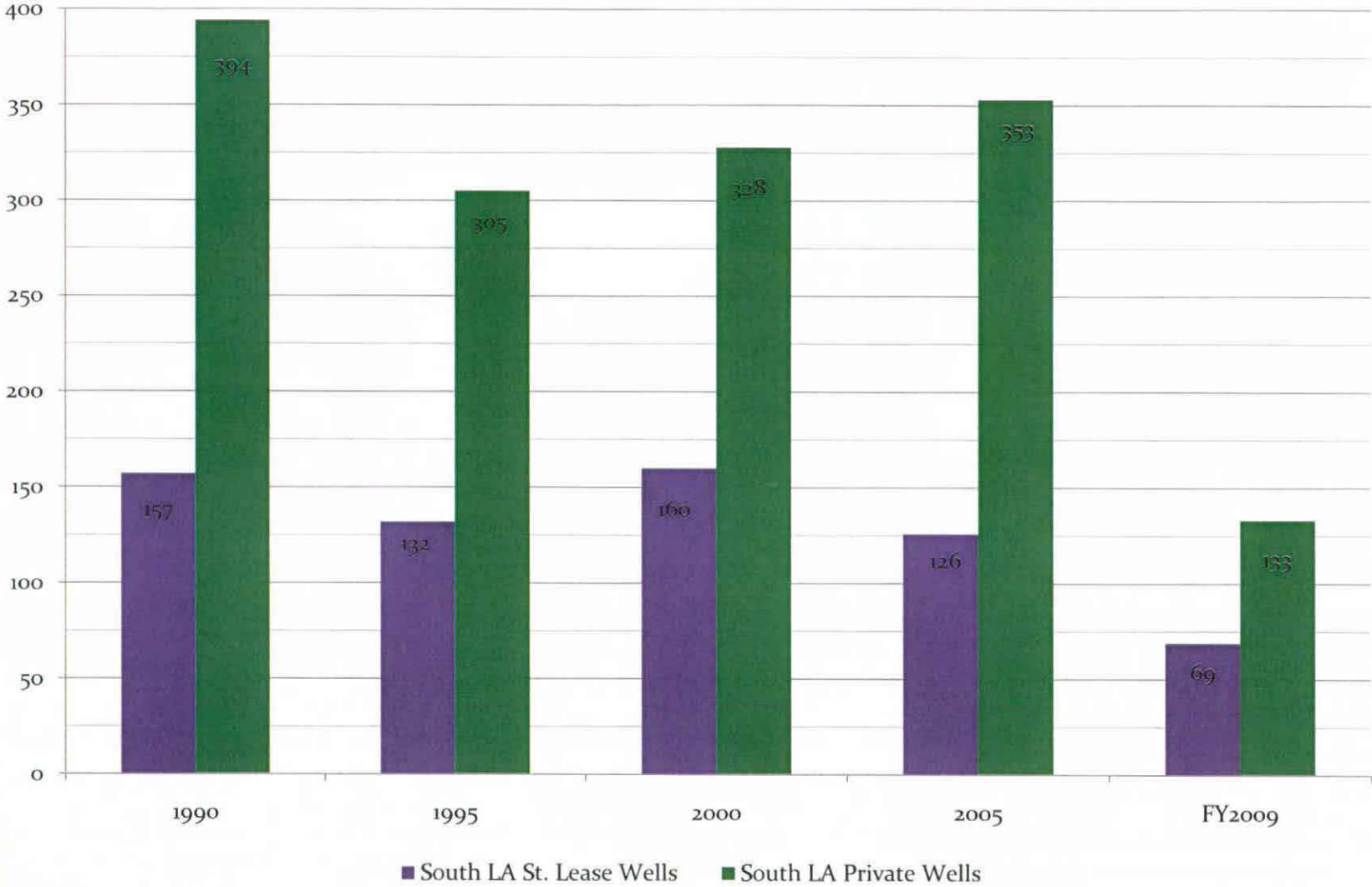


Note: Retained Acres represented are based upon the number of retained acres as of August 26, 2010.

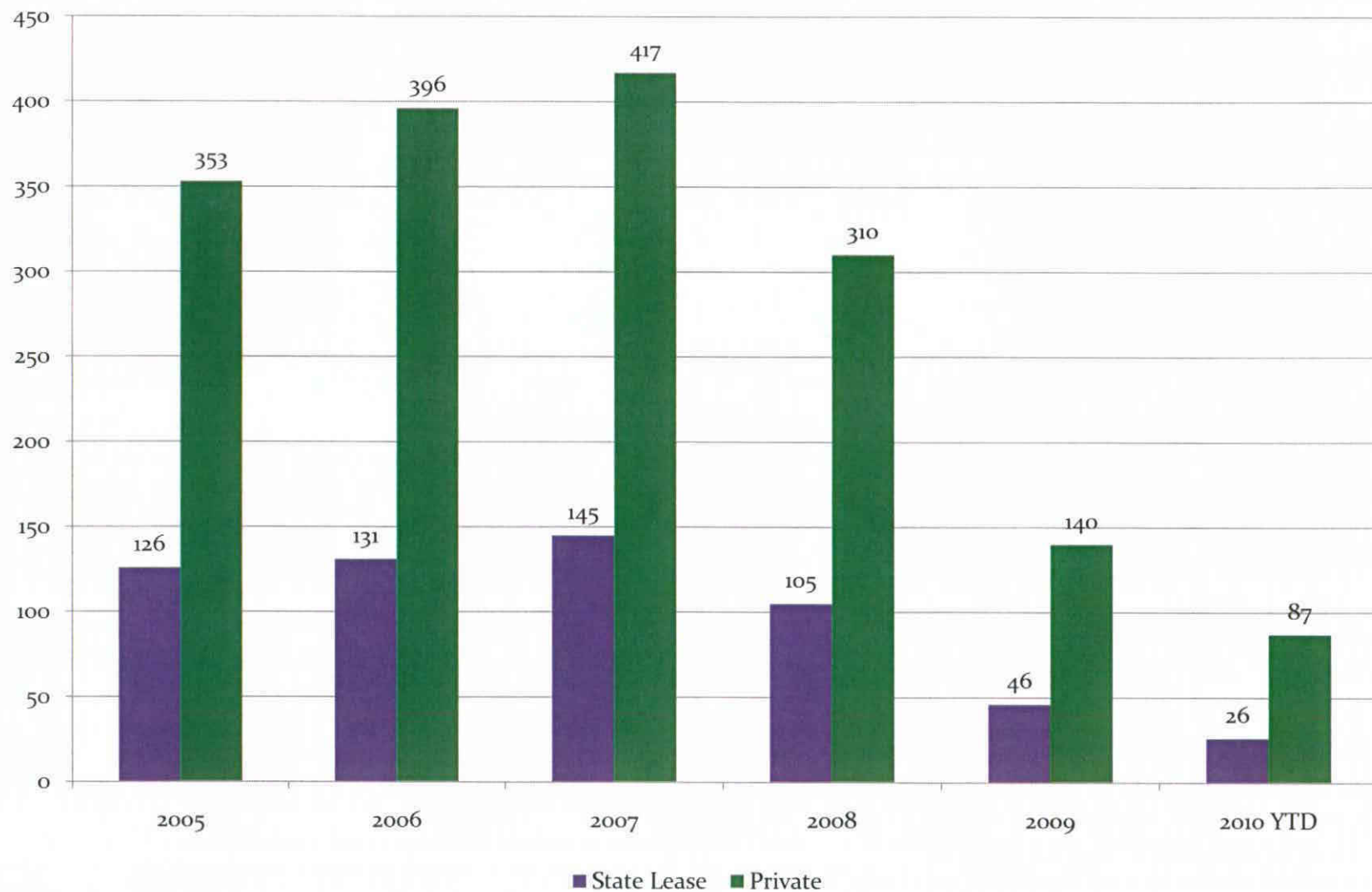
Wells Spud in Selected Years



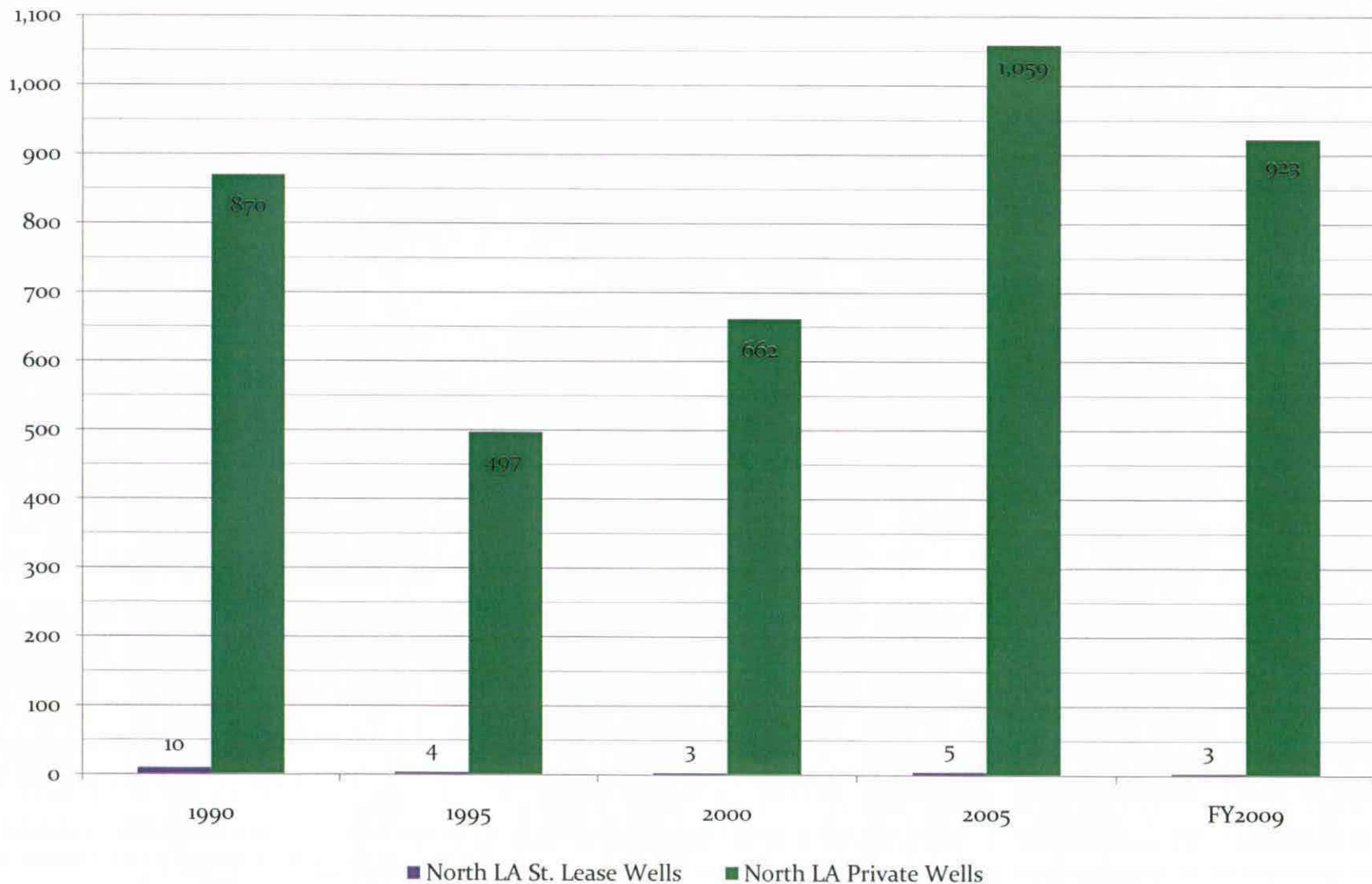
South Louisiana Wells Spud in Selected Years



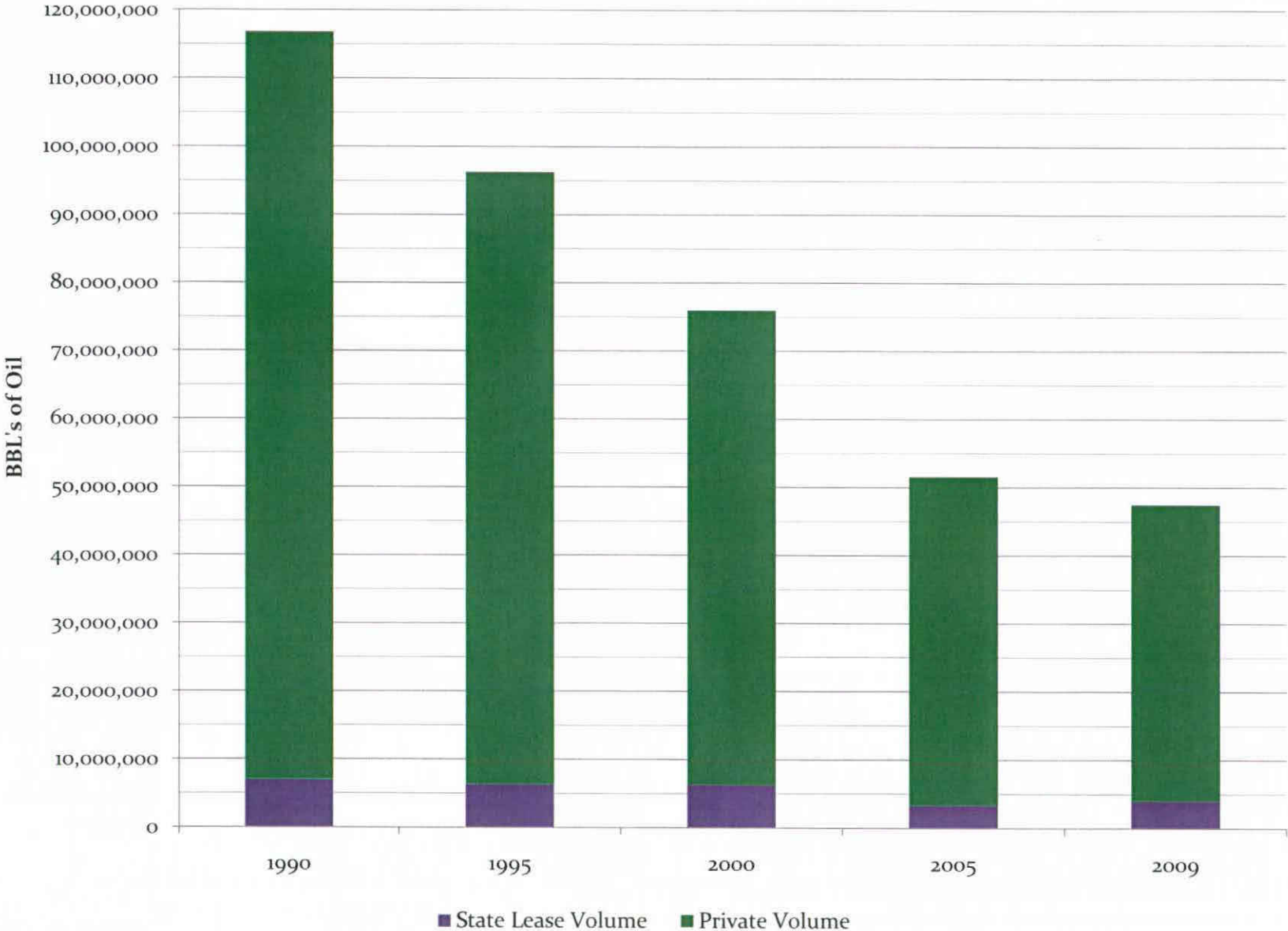
South Louisiana Wells Spud in Selected Years



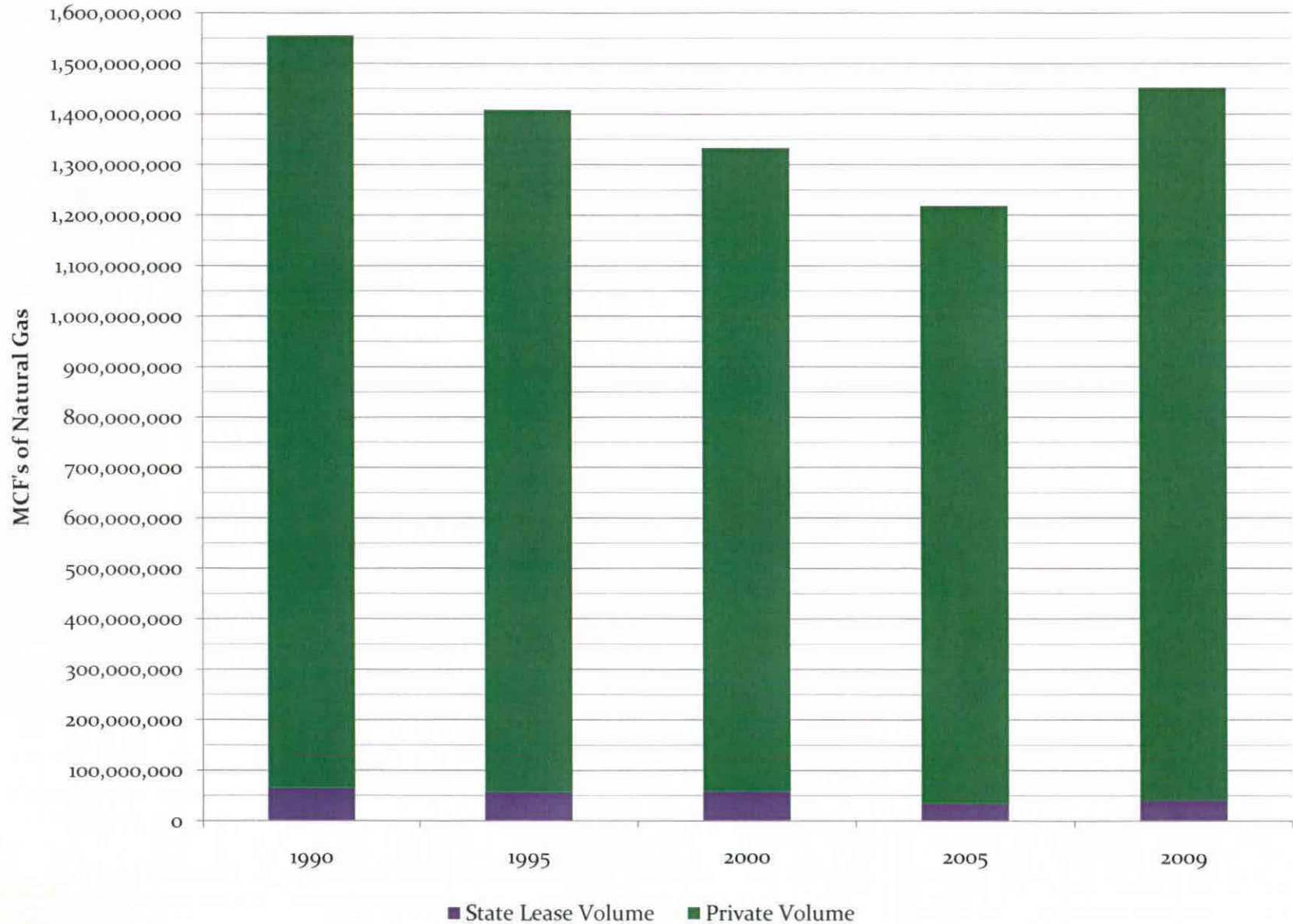
North Louisiana Wells Spud in Selected Years



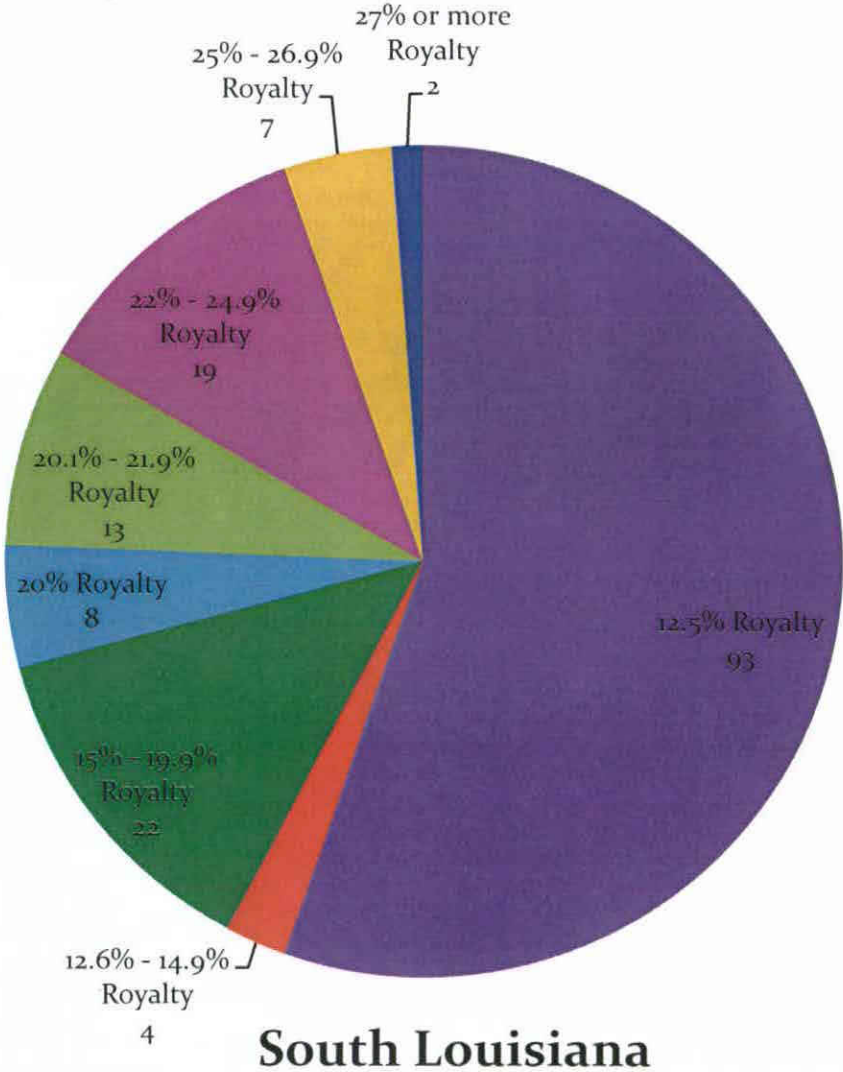
Oil Production for Selected Years



Gas Production for Selected Years

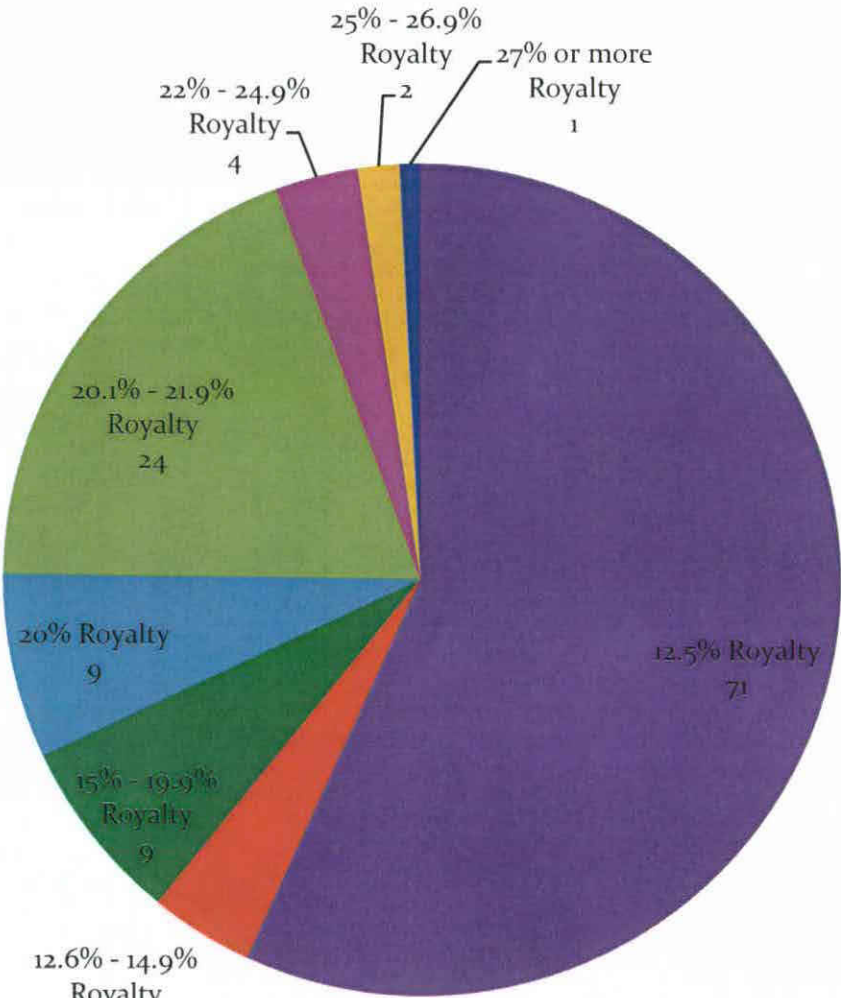


State Lease Wells Spud in 1990 (by Royalty Range)



South Louisiana

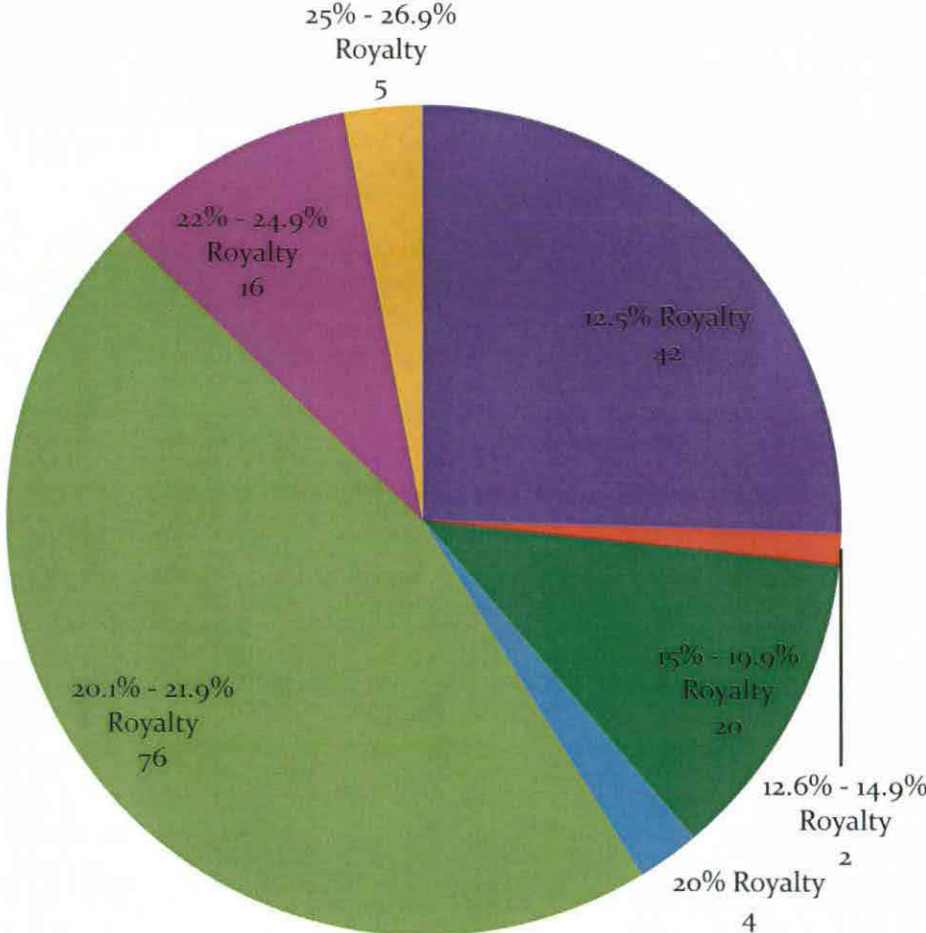
State Lease Wells Spud in 1995 (by Royalty Range)



South Louisiana

State Lease Wells Spud in 2000

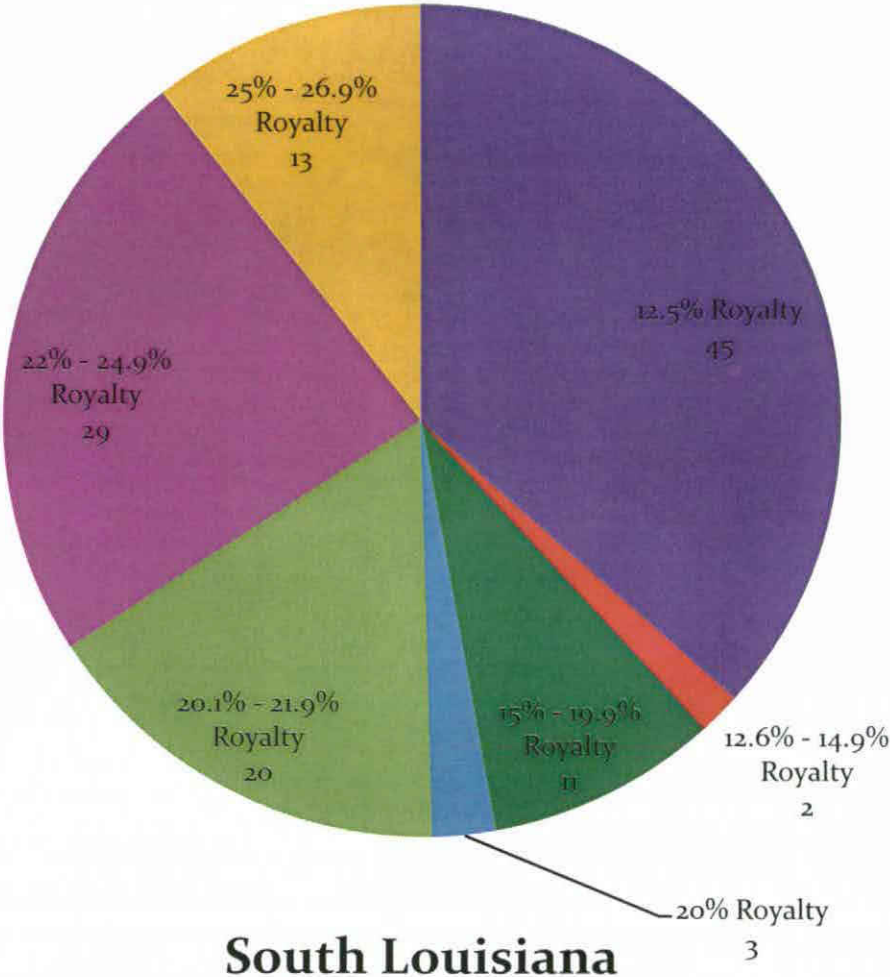
(by Royalty Range)



South Louisiana

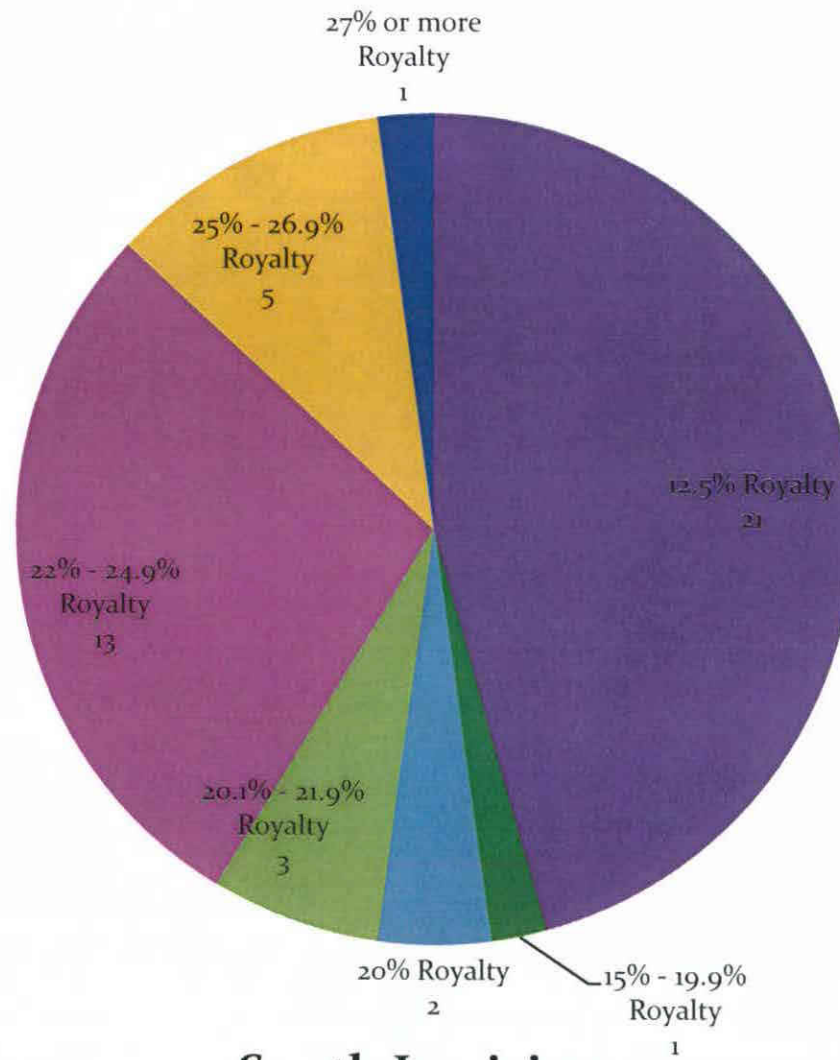
State Lease Wells Spud in 2005

(by Royalty Range)



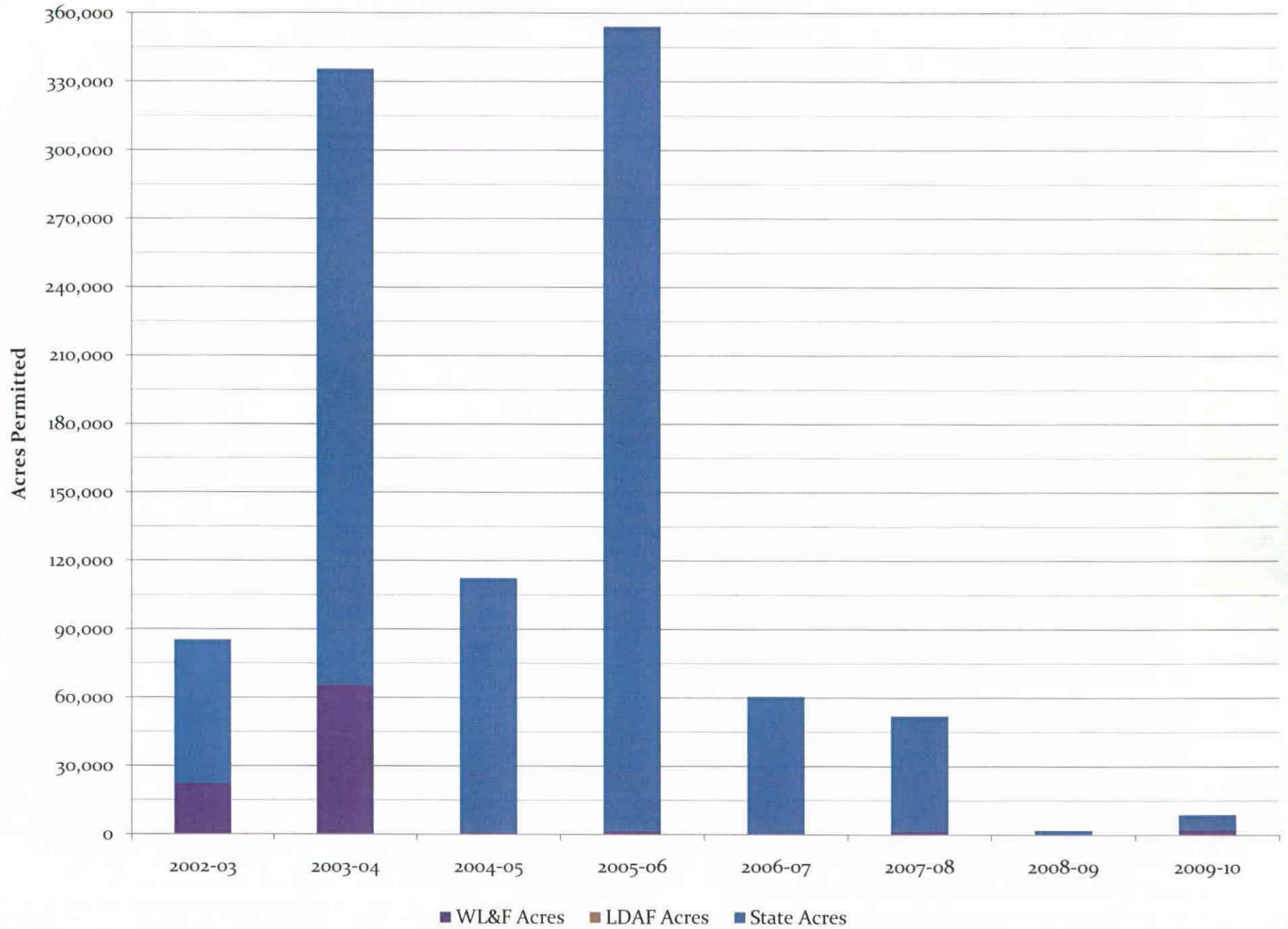
South Louisiana

State Lease Wells Spud in 2009 (by Royalty Range)



South Louisiana

Seismic Permits



Information from Economist

- Gross Domestic Product
- Economic Effects
 - Indirect effect (oil service industry)
 - Direct effects (actual rig)
 - Induced effects(Walmart, etc)
- Investment Dollars
- Monetary Policy
 - Difficulty of getting credit to drill wells

**THE FOLLOWING BID OPENING MEETING REPORT,
COMMITTEE REPORTS AND RESOLUTIONS
WERE MADE A PART OF THE SEPTEMBER 8, 2010 MINUTES
BY REFERENCE**

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

Recorded as present were:

Victor Vaughn, Geologist Administrator-Geological & Engineering Division, and
Executive Officer to the State Mineral and Energy Board
Stacey Talley, Deputy Assistant Secretary of the Office of Mineral Resources
Frederick Heck, Director-Petroleum Lands Division
Rachel Newman, Director-Mineral Income Division
Emile Fontenot, Assistant Director-Petroleum Lands Division

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

September 8, 2010

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

Gentlemen:

Certified proofs of publication have been received in the Office of Mineral Resources on behalf of the State Mineral and Energy Board for the State of Louisiana from the "Advocate," official journal for the State of Louisiana, and from the respective parish journals as evidence that Tract Nos. 41596 through 41638 have been advertised in accordance with and under the provisions of Chapter 2, Title 30 of the Revised Statutes of 1950, as amended.

Yours very truly,

(Original signed)

Louis Buatt
Acting Secretary

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.

OFFSHORE TRACTS

Tract 41596

Bidder	:	Century Exploration New Orleans, Inc.
Primary Term	:	Five (5) years
Cash Payment	:	\$40,740.84
Annual Rental	:	\$20,370.42
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

INLAND TRACTS

Tract 41597

Bidder	:	Encana Oil & Gas (USA) Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$103,740.00
Annual Rental	:	\$51,870.00
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41598

Bidder	:	Encana Oil & Gas (USA) Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$103,740.00
Annual Rental	:	\$51,870.00
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41599

Bidder	:	Justiss Oil Company, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$600.00
Annual Rental	:	\$300.00
Royalties	:	3/16ths on oil and gas
	:	3/16ths on other minerals
Additional Consideration	:	None

Tract 41600
(Portion – 0.669 acres)

Bidder	:	Genesis Producing Company, LP (G199)
Primary Term	:	Three (3) years
Cash Payment	:	\$147.18
Annual Rental	:	\$73.59
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41600
(Portion – 4.698 acres)

Bidder	:	Genesis Producing Company, LP (G199)
Primary Term	:	Three (3) years
Cash Payment	:	\$1,033.56
Annual Rental	:	\$516.78
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41601

No Bids

Tract 41602
(Portion – 4.0 acres)

Bidder	:	Kare-Sue Energy, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$24,524.00
Annual Rental	:	\$12,262.00
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41603

No Bids

Tract 41604
(Portion – 9.0 acres)

Bidder	:	Kare-Sue Energy, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$55,179.00
Annual Rental	:	\$27,589.50
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41604
(Portion – 2.0 acres)

Bidder	:	Kare-Sue Energy, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$12,262.00
Annual Rental	:	\$6,131.00
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41605

No Bids

Tract 41606
(Portion – 16.0 acres)

Bidder	:	Alpine Exploration Companies, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$4,800.00
Annual Rental	:	\$2,400.00
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41607
(Portion – 10.00 acres)

Bidder	:	Catapult Exploration, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$4,545.40
Annual Rental	:	\$2,272.70
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41607
(Portion – 186.92 acres)

Bidder	:	Lewis B. Bernard
Primary Term	:	Three (3) years
Cash Payment	:	\$37,384.00
Annual Rental	:	\$18,692.00
Royalties	:	1/5th on oil and gas
	:	1/5th on other minerals
Additional Consideration	:	None

Tract 41608

No Bids

Tract 41609

No Bids

Tract 41610

No Bids

Tract 41611

No Bids

Tract 41612
(Portion – 209.79 acres)

Bidder	:	Lobo Operating, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$47,202.75
Annual Rental	:	\$23,601.38
Royalties	:	22.00% on oil and gas
	:	22.00% on other minerals
Additional Consideration	:	None

September 8, 2010

6

Tract 41613

No Bids

Tract 41614

No Bids

Tract 41615

No Bids

Tract 41616

No Bids

Tract 41617
(Portion – 65.00 acres)

Bidder	:	Petrus Energy, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$69,160.00
Annual Rental	:	\$34,580.00
Royalties	:	23.00% on oil and gas
	:	23.00% on other minerals
Additional Consideration	:	None

Tract 41618

No Bids

Tract 41619

No Bids

Tract 41620

No Bids

Tract 41621
(Portion – 165.46 acres)

Bidder	:	Lobo Operating, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$37,228.50
Annual Rental	:	\$18,614.25
Royalties	:	22.00% on oil and gas
	:	22.00% on other minerals
Additional Consideration	:	None

Tract 41622
(Portion – 160.36 acres)

Bidder	:	Lobo Operating, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$36,081.00
Annual Rental	:	\$18,040.50
Royalties	:	22.00% on oil and gas
	:	22.00% on other minerals
Additional Consideration	:	None

Tract 41623

No Bids

Tract 41624

No Bids

Tract 41625

No Bids

Tract 41626

No Bids

Tract 41627
(Portion – 118.7 acres)

Bidder	:	Cypress Energy Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$29,675.00
Annual Rental	:	\$14,837.50
Royalties	:	22% on oil and gas
	:	22% on other minerals
Additional Consideration	:	None

Tract 41628

No Bids

Tract 41629

Bidder	:	Specter Exploration, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$222,750.00
Annual Rental	:	\$111,375.00
Royalties	:	25.0% on oil and gas
	:	25.0% on other minerals
Additional Consideration	:	None

Tract 41629

Bidder	:	Theophilus Oil, Gas & Land Services, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$81,818.10
Annual Rental	:	\$40,909.05
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

STATE AGENCY TRACTS

Tract 41630

Bidder	:	Paramount Energy, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$94,086.76
Annual Rental	:	\$47,043.38
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41631

Bidder	:	Paramount Energy, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$9,821.43
Annual Rental	:	\$4,910.72
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41632

No Bids

Tract 41633

Bidder	:	Arceneaux Land Services, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$578.20
Annual Rental	:	\$278.10
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41634

Bidder	:	Arceneaux Land Services, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$4,358.55
Annual Rental	:	\$2,179.28
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41635
(Portion – 2.0 acres)

Bidder	:	Alpine Exploration Companies, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$600.00
Annual Rental	:	\$300.00
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

TAX ADJUDICATED LANDS TRACTS

Tract 41636

No Bids

Tract 41637

Bidder	:	Paramount Energy, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$224,440.00
Annual Rental	:	\$112,220.00
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41638

Bidder	:	Kinder Oil & Gas, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$600.00
Annual Rental	:	\$300.00
Royalties	:	22.00% on oil and gas
	:	22.00% on other minerals
Additional Consideration	:	None

This concluded the reading of the bids.

There being no further business, the meeting was concluded at 9:00 a.m.

Respectfully submitted,

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

Victor M. Vaughn
Executive Officer
State Mineral and Energy Board



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

A meeting of the Lease Review Committee of the State Mineral and Energy Board convened on Wednesday, September 8, 2010 at 10:00 a.m. with the following members of the board in attendance: Mr. Scott A. Angelle, Mr. Thomas L. Arnold, Jr., Mr. Emile B. Cordaro, Mr. Bay E. Ingram, Mr. Robert "Michael" Morton, Mr. Darryl D. Smith, and Mr. W. Paul Segura, Jr. (For the record, Mr. Jody Montelaro, sat in for Scott A. Angelle until his arrival during the executive session regarding Item No. 8.)

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

I. Geological and Engineering Staff Review

According to SONRIS there are 1774 active State Leases covering approximately 840,600 acres. The Geological and Engineering Division has reviewed 200 leases covering nearly 87,800 acres.

II. Committee Review

1. A staff report on **State Leases 797 and 799**, Grand Isle, Blocks 18 and 16 Fields, Jefferson, Lafourche and Plaquemines Parishes. ExxonMobil Corporation is a lessee.

SL 797- The recommendation was that ExxonMobil be granted until November 10, 2010 to submit a report on how the problems on a well located 8 miles away affects this lease.

SL 799 – The recommendation was that ExxonMobil be granted until March 9, 2011 to submit an update on the status of the deep well.

2. A staff report on **State Leases 1450, 1451 and 1480**, Lake Raccourci Field, Lafourche and/or Terrebonne Parishes. ExxonMobil Corporation is a lessee.

The recommendation was to accept the proposed approximate 262 acre partial release from State Lease 1480 and to grant Exxon Mobil until March 9, 2011 to submit a plan of development for the nonproductive portion of these leases or in lieu thereof, submit another partial release.

3. A staff report on **State Lease 188-B**, Lake Pelto Field, Terrebonne Parish. Hilcorp Energy is the lessee.

The recommendation was to accept the report and to grant Hilcorp until March 9, 2011 to submit a status report on the U14 No. 22 sidetrack and the progress made on the 3-D Seismic data.

4. A staff report on **State Lease 340-H**, Cote Blanche Island Field Selection located in Iberia Parish. Swift Energy Operating, LLC is the lessee.

The recommendation was that Swift's report not be accepted and that Swift be granted until October 13, 2010 to **MEET WITH THE STAFF** to present a plan of development on the non-producing portions of this

5. A staff report on **State Lease 1337**, Bateman Lake Field located in St. Mary and Terrebonne Parishes. Sylvan Energy & Environmental, LLC is the lessee.

The recommendation was that State Lease 1337 be referred to the Legal and Title Controversy Committee for resolution of the Force Majeure issue.

6. A staff report on **State Lease 2620** Lake Pelto Field located in Terrebonne Parish. Phoenix Exploration Louisiana B, LLC is the lessee.

The recommendation was to accept the report and the 300 acre partial release, and to grant Phoenix until March 9, 2011 to submit a report on the status of the field study and the negotiations.

7. A staff report on **State Lease 2038**, Deep Lake Field located in Cameron Parish. ExxonMobil is the lessee.

The recommendation was to accept the report and the 400 acre partial release, and to grant ExxonMobil until March 9, 2011 to present a definite plan of development on the nonproductive portions of this lease, or in lieu thereof, submit another 400 acre release.

8. Appearance by Hilcorp regarding **State Lease 328-A**, Bay Baptiste Field, located in Lafourche and Terrebonne Parishes. Hilcorp Energy I, LP is lessee.

Mr. Les Landry came before the Board and requested that Hilcorp Energy I, LP's appearance regarding State Lease 328-A, Bay Baptiste Field, be held in executive session due to confidential geological and geophysical information being presented.

On motion of Mr. Ingram, seconded by Mr. Segura the Committee went into executive session at 10:10 a.m. On motion by Mr. Arnold, seconded by Mr. Segura the Committee went back into open session at 10:40 a.m.

The recommendation was to defer action until October 13, 2010.

III. Report on actions exercised by the Staff under delegated authority

No Objection to 29-E Waiver for Stone Energy Offshore, L.L.C. for the SL 19749 No. 4 Well (Serial Number 192538) located in Ship Shoal Block 66 Field, Terrebonne Parish, affecting State Lease 19749.

No Objection to 29-E Waiver and Royalty Escrow Request for Hilcorp Energy Company for the SL 2552 No. 6 ST Well (SN 77854) located in Burrwood Field, Plaquemines Parish, affecting State Lease 2552.

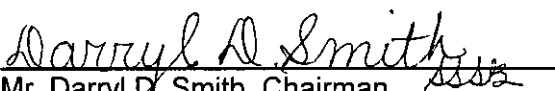
IV. Report on Force Majeure

Last Updated: 9/8/2010	
Company Name	Lease Numbers
Leases Off Production Due to Non-storm Related Force Majeure Events	
Apache	16473, 16475, 18121
Century	3770, 12806, 15683, 16735, 16736, 16737, 16738, 17674, 17675, 17860, 17861, 17863, 17942
Mariner Energy	8690, 12457, 13287
Leases affected by BP Oil Spill	
Century	17767, 17965
O'Meara	2192, 16324, 16386

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

On motion of Mr. Arnold, seconded by Mr. Segura, the Committee moved to adjourn its September 8, 2010 meeting at 10:41 a.m.

Respectfully submitted,


Mr. Darryl D. Smith, Chairman
Lease Review Committee
Louisiana State Mineral and Energy Board

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

Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: September 9, 2010 6:15 AM

District Code 1 New Orleans- East

Get Review Date September 8, 2010

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
01927		SOUTH PASS BLOCK 6 , SOUTHEAST PASS	1233.029 01/12/2006	1150	2025.925	SEP. AR
03508		MAIN PASS BLOCK 69	237742-SL 3508-036 07/12/2008	683	2921.08	SEP. CK OWNERSHIP 5/11/10 DEVON SELLING TO APACHE 3/16/10 DEVON POD BY 6-9-10 JUN. AR
04909		SOUTH PASS BLOCK 27 , STUARDS BLUFF , STUARDS BLUFF, EAST	7900 RA SUA;SL 4909 02/01/1990	0	570.239	SEP. 8/16/10 FU REL RQD 5/27/10 REQD REL JUN. AR
12002		MAIN PASS BLOCK 31	220.47 07/10/2008	283.005	283.005	SEP. AR
16610		BRETON SOUND BLOCK 18	202.35 06/02/2003	336.56	336.56	SEP. AR
16849		MAIN PASS BLOCK 47	235675-BA BB RA SUA;SL 16849-002-ALT 06/05/2007	122.23	122.23	SEP. AR
16851		MAIN PASS BLOCK 47	BA BB RA SUA;SL 16849 10/29/2002 1331-F 06-633	63.36	63.36	SEP. AR
16867		SOUTHEAST PASS		319.56	319.56	SEP. AR
17546		LAKE BORGNE	85.92 07/30/2003	185.56	185.56	SEP. AR
17814		MAIN PASS BLOCK 69		657.75	657.75	SEP. AR
18622		POINTE A LA HACHE	28.631 08/20/2007	.369	.369	SEP. AR
19391				0	572.71	SEP. PT 6/13/12
19680				0	142	SEP. PT 6/11/13
19706				0	188	SEP. PT 6/11/11



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: September 9, 2010 6:15 AM

District Code	1W	New Orleans- West				
Get Review Date	September 8, 2010					
Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
003288		LAKE LONG	4 04/01/2009	833	1334	SEP. AR
00797		GRAND ISLE BLOCK 18	245 03/15/2010	480	1264.53	SEP. OB EXMOB 8/11/10 POD ON NP AC, OR ANOTHER PR. 4/6/10 RCD OFL PR OF 245, RTNG 1264.53 AC EFF 3/15/10
00799		GRAND ISLE BLOCK 16	259 10/12/2007	2700	3606	SEP. OB EXMOB 8/11/10 STATUS OF WELL
00800		GRAND ISLE BLOCK 16	SL 800	1364	3075.41	SEP. AR DD TO 5/30/10
01450		LAKE RACCOURCI	LR SP 7 RA SU 02/19/2008 175-H-1 08-239	480	1209.39	SEP. OB EXMOB 8/11/10 STATUS RPT ON THE HILCORP PROPOSAL
01451		LAKE RACCOURCI	LR SP 7 RA SU 02/19/2008 175-H-1 08-239	345	859.22	SEP. OB EXMOB 8/11/10 STATUS RPT ON HILCORP PROPOSAL.
01480		LAKE RACCOURCI	SL 1480 11/14/2001	85	3614.78	SEP. OB EXMOB 8/11/10 STATUS RPT ON HILCORP PROPOSAL.
01922		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	1093	2000	SEP. AR
03279		BASTIAN BAY	J RC SUA;LL&E FEE 339-J-5 97-242	441	574	SEP. AR
06430		BAY MARCHAND BLOCK 2 OFFSHORE , TIMBALIER BAY OFFSHORE	405 33 06/01/1993	973.07	973.07	SEP. AR
06748		TIMBALIER BAY OFFSHORE	TB NVUA 08/01/1989	178.875	178.875	SEP. AR
07394		TIMBALIER BAY OFFSHORE	TB NVUA 08/01/1989	49.028	49.028	SEP. AR
08512		BAY BATISTE	28 RA SUA;SL 9570 04/01/1996	29.778	234.803	SEP. AR 8/2/07 JMB: 29.778AC HBP > NOTE ON QLD: UNABLE TO OBTAIN PR FROM WIOS, SENT TO FILE UNTIL ENTIRE LEASE EXPIRES 5-19-00
10920		LAKE WASHINGTON	R RA SUA;SL 10854 09/01/1996	23.38	25.772	SEPT. 8/25/10 RS:APP EXP PER MIKE B < CK 6 MOS PER STEVE S...: CK PRD & LEASE STATUS 8AR
11293		WEST LAKE PONTCHARTRAIN BLK 38	217806-SL 11293-008 07/12/1995	864	893	SEP. AR
14589		LAKE RACCOURCI	225972-SL 14589-003 06/04/2001	261	1698.67	SEP. OMR LTR TO EXMOB (W/1450, 1451, & 1480) STATUS OFHLCR PROPOSAL BY 8/11/10
14645		BASTIAN BAY	7950 RA SUA;SL 14645 339-WWW-5 99-316	147.519	147.519	SEP. AR



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: September 9, 2010 6:15 AM

District Code	1W	New Orleans- West				
Get Review Date	September 8, 2010					
Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
15009		BAYOU DE FLEUR, SOUTH	73.521 12/14/2000	33.479	33.479	SEP. AR
15822		SATURDAY ISLAND	83.886 09/17/2002	182.114	182.114	SEP. AR
15918		TIGER PASS	256.662 02/05/2007	486.814	486.814	SEP. AR
17716		STELLA	8750 RA SUA;MEYER ETAL 02/17/2004 27-J 04-127	.001	.24	SEP. AR --REC'D PR, NEED LEGAL DESCR., PLAT, DXF AND WORD DOC FILE 8/28/07.
17720		STELLA	8750 RA SUA;MEYER ETAL 02/17/2004 27-J 04-127	.016	.11	SEP. AR-- REC'D PR, NEED LEGAL DESCR., PLAT, DXF & WORD DOC FILE 8/28/07
17721		LAKE WASHINGTON	83.148 04/22/2008	16.852	16.852	SEP. 8/16/10 FU REL RQD 5/27/10 RQD REL
17739		QUEEN BESS ISLAND	LBLD RB SUA;SL 17617 747-D-4	25.817	25.817	SEP. AR
18010		LITTLE LAKE	37 04/06/2009	145	145	SEP. AR
18139		LAKE PALOURDE, EAST	22.372 08/05/2009	3.628	3.628	SEP. AR
18637		BAY MARCHAND BLOCK 2 OFFSHORE	4600 RK SUA;SL 1367 10/10/2008 184-M-2	160	1603.93	SEP. PT 6/8/10
18651		DELTA FARMS		169.99	169.99	SEP. AR
18659		POINTE A LA HACHE		152	152	SEP. AR
18671		SATURDAY ISLAND	204 10/24/2008	1114.089	1114.089	SEP. AR
18688		SATURDAY ISLAND	VUA;SL 18669 05/14/2008	372.674	372.674	SEP. AR
18689		SATURDAY ISLAND	VUA;SL 18669 05/14/2008	190.62	190.62	SEP. AR
18748		BAYOU PEROT	VUA;SL 18748 10/10/2007	123.95	123.95	SEP. AR
19025		QUEEN BESS ISLAND	1-1 RA SUA;SL 2084	45.402	123	SEP. 8/26/10 RCD UNOFL PR OF 77.598, RTNG 45.402 = SUGGEST AR DD 6/14/10 PT 6/14/09
19041		LITTLE LAKE, SOUTH		160	317	SEP. 8/10/09 REL RQD PT 7/12/09
19681				0	220.91	SEP. PT 6/11/13
19682				0	433.12	SEP. PT 6/11/13
19683				0	182.5	SEP. PT 6/11/13



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: September 9, 2010 6:15 AM

District Code 1W New Orleans- West

Get Review Date September 8, 2010

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
19684				0	777.44	SEP. PT 6/11/13
19685				0	1250	SEP. PT 6/11/13
19700				0	28	SEP. PT 6/11/11
19701				0	18	SEP. PT 6/11/11
19707				0	780.74	SEP. PT 6/11/11
19708				0	220.9	SEP. PT 6/11/11
19709				0	1143.82	SEP. PT 6/11/11
19710				0	817.64	SEP. PT 6/11/11
19711				0	26	SEP. PT 6/11/11 POINTE AUX CHENE WMA
19712				0	8	SEP. PT 6/11/11 POINTE AUX CHENE WMA
19713				0	133	SEP. PT 6/11/11 POINTE AUX CHENE WMA
19715				0	47	SEP. PT 6/11/11 POINTE AUX CHENE WMA

Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: September 9, 2010 6:15 AM

District Code 2 Lafayette

Get Review Date September 8, 2010

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
00188B		LAKE PELTO	VU G	2663	4152	SEP. OB RCD HLCP 8/11/10 POD FOR NP AC.
00200B		DOG LAKE	VUJ;DGL U10	2484	3895.736	SEP. 8/4/10 OMR TO HLCP: ACCEPT APPROX 160 AC PR, & RPT POD 2/9/11. JUL. AR
00328A		BAY BAPTISTE	4 04/01/2009	0	1400	SEP. OB APPEARANCE BY HILCORP: PLANS TO RESTORE PRODUCTION.(8/18/10 HLCP SIGNED RRR CARD)
00340H	0	COTE BLANCHE BAY, EAST		2810	6240	SEP. OB RCD SWIFT POD MTG BY 8/11/10 (5/13/10 FU >10/09 ACCEPTED ~265 AC PR=3/3/10 SWIFT WORKING ON PR)
00340H	0	COTE BLANCHE BAY, WEST		2810	6240	SEP. OB RCD SWIFT POD MTG BY 8/11/10 (5/13/10 FU >10/09 ACCEPTED ~265 AC PR=3/3/10 SWIFT WORKING ON PR)
00340H	0	COTE BLANCHE ISLAND		2810	6240	SEP. OB RCD SWIFT POD MTG BY 8/11/10 (5/13/10 FU >10/09 ACCEPTED ~265 AC PR=3/3/10 SWIFT WORKING ON PR)
00532		AVERY ISLAND	D-3 RA SUA;AVERY ISLAND INC M 05/18/2010 284-Z 10-549	34	288	SEP. AR 8/30/10 JPT:HBP FROM 4 PROPERTIES; EMAILED TPIC A MAP SUGGESTING AC TO REL.
00540		WHITE LAKE, WEST	SL 15038	4067	4810	SEP. AR 8/30/10 JPT:HBP FROM LEASE & UNIT PROD
00743		WEEKS ISLAND	138.66 06/07/2007	158.62	158.62	SEP. AR 8/30/10 JPT:HBP FROM 2 OC UNITS
01337		BATEMAN LAKE , SWEET BAY LAKE	9700 RSW1B SUA;SL 1337 WAX U1 89-K-3 90-110	600	2076	SEP. OB SYLVAN ENERGY AND ENVIRONMENTAL POD BY 4/14/10
01755		TIGRE LAGOON	PLAN 6 SU A; E. DELCAMBRE 07/01/2003 192-L 70-202	6	6	SEP. AR 8/30/10 JPT:HBP FROM 4 OC UNITS
02276		LAKE SAND	LSA OP 10 RA SU 216-F-2 00-358	422	480 1	SEP. AR 8/30/10 JPT:HBP FROM 2 UNITS
02412		LIVE OAK	LIVE OAK PLANTATION TRUST 300-C-3	67 642	67.642	SEP. AR 8/30/10 JPT:HBP FROM 2 UNITS
02620		LAKE PELTO	302.5 03/23/2009	1350	2672.422	SEP. OB RCD 8/5/10 PHOENIX LTR PHOENIX POD MTG BY 8/11/10.
07868		EUGENE ISLAND BLOCK 18	104.34 07/14/2009	12.01	12.01	SEP. AR 8/30/10 JPT:HBP FROM UNIT PROD
07870		EUGENE ISLAND BLOCK 18	586.992 07/02/2009	108.508	108.508	SEP. AR 8/30/10 JPT:HBP FROM UNIT PROD
08091		BAYOU CARLIN	MA 6 RA SUA;SL 8091 07/26/2005	205.81	205.81	SEP. AR 8/30/10 JPT:HBP FROM UNIT PROD

Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: September 9, 2010 6:15 AM

District Code 2 Lafayette
Get Review Date September 8, 2010

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
			570-F-2 05-873			
14519		MYETTE POINT, NW	221760-VUC;SL 14519-003 03/05/1998	504	1385	SEP. AR 8/30/10 JPT:HBP FROM LEASE PRD
14795		SHIP SHOAL BLOCK 65		160	503.88	SEP. AR 8/30/10 JPT:HBP FROM LEASE PRD
15612		WEEKS ISLAND	17.325 05/15/2002	.265	.265	SEP. AR 8/30/10 JPT: HBP FROM S RF SUA
16100		PASS DES ILETTES	824.624 10/10/2002	134.376	134.376	SEP. AR 8/30/10 JPT: HBP FROM VUB;SL 16100
16103		PASS WILSON	204.438 09/07/2001	185.562	185.562	SEP. AR 8/30/10 JPT: HBP FROM VUA
16558		SHIP SHOAL BLOCK 43		160	349.69	SEP. 8/16/10 FU REL RQD 5/27/10 RQD REL
16815		RAMOS	17.337 11/22/2005	55.204	55.204	SEP. AR 8/30/10 JPT: HBP FROM OPERC C RA SUA
17121		EUGENE ISLAND BLOCK 18	92.84 07/22/2008	78.04	78.04	SEP. AR 8/30/10 JPT: HBP FROM AA RC
17895		LAPEYROUSE	PELICAN RA SUA;SL 16446 08/02/2005 416-B-10 05-795	270	270	SEP. AR 8/30/10 JPT: HBP FROM VUA
18601		VERMILION BLOCK 12		160	1352.91	SEP. AR 8/30/10 JPT:HBP FROM LEASE PRD PT 6/8/10
19006		BELLE ISLE, SOUTHWEST	346 09 07/16/2009	303.33	303.33	SEP. AR 8/30/10 JPT: HBP FROM VUA; SL 18350
19269		EUGENE ISLAND BLOCK 10	240836-SL 19269-002 03/07/2010	290	941.65	SEP: 8/24/10 SL 19269 #2, 240836, QUALIFIED FOR ILR STATUS; WELL ON PRD 7/3/10 PT 2/14/12
19359		WYANDOTTE	DB MA RA SUA;CONRAD IND INC 02/17/2009 844-K-1 09-171	54.037	75	SEP 8/16/10 REL RQD 8/12/10 RS JPT: APP EXP
19392				0	127.37	SEP. 8/30/10 JPT: HB RENTAL PT 6/13/12
19393				0	167	SEP. 8/30/10 JPT: HB RENTAL PT 6/13/12
19394				0	217.9	SEP. 8/30/10 JPT: HB RENTAL PT 6/13/12
19395				0	47.18	SEP. 8/30/10 JPT: HB RENTAL PT 6/13/12
19396				0	459.67	SEP. 8/30/10 JPT: HB RENTAL PT 6/13/12
19422				0	110.19	SEP. 8/30/10 JPT: HB RENTAL PT 6/13/12
19437				0	72	SEP. 8/3/10 REL RQD PT 7/11/10
19439				0	187	SEP. 8/3/10 REL RQD PT 7/11/10



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: September 9, 2010 6:15 AM

District Code 2 Lafayette
Get Review Date September 8, 2010

Table with 7 columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Contains 3 rows of lease data.

Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: September 9, 2010 6:15 AM

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
00651		DELHI	DELHI HOLT BRYANT SU; 07/01/1976	.06	.06	SEP. AR 8/25/10 SAM: OK=AR
00652		DELHI	DELHI HOLT BRYANT SU; 07/01/1976	3.036	3.036	SEP. AR 8/25/10 SAM: OK=AR
00736		DELHI	DELHI MENGEL UGR SU, DELHI UT. 07/01/1976	3.98	20	SEP. AR 8/25/10 SAM: OK=AR
00737		DELHI	DELHI MENGEL UGR SU; DELHI UT. 07/01/1976	2.88	2.88	SEP. AR 8/25/10 SAM: OK=AR
00902		DELHI	DELHI MENGEL UGR SU; DELHI UT 07/01/1976	3.39	3.39	SEP. AR 8/25/10 SAM: OK=AR
01461		CATAHOULA LAKE , CATAHOULA LAKE, WEST	40 03/08/2004	221.645	345	SEP. AR 8/25/10 SAM: OK=AR
01462		CATAHOULA LAKE , CATAHOULA LAKE, WEST	2810 08/11/1999	72.611	207	SEP. AR 8/25/10 SAM: OK=AR
02178		DELHI	DELHI HOLT BRYANT SU; 07/01/1976	5.78	5.78	SEP. AR 8/25/10 SAM: OK=AR
02179		DELHI	DELHI HOLT BRYANT SU, 07/01/1976	1.4	1.4	SEP. AR 8/25/10 SAM: OK=AR
02225		DELHI	DELHI HOLT BRYANT SU; 07/01/1976	3.67	3.67	SEP. AR 8/25/10 SAM: OK=AR
02231		CADDO PINE ISLAND		40	80	SEP. AR 8/25/10 SAM: OK=AR
02259		CADDO PINE ISLAND		40	80	SEP. AR 8/25/10 SAM: OK=AR
02524		GREENWOOD-WASKOM	G W H.L. SU 12/01/1993	328.45	328.45	SEP. AR 8/25/10 SAM: OK=AR
02630		BETHANY LONGSTREET	202354-PET RA SU47;WURTSBAUGH- 001 12/23/1985	16	16	SEP. AR 8/25/10 SAM: OK=AR 7/27/10 RQD PLAT HA RA SU 78, 616016.
02659		CADDO PINE ISLAND	CAPI VIV RA SU 03/01/1993	1	1	SEP. AR 8/25/10 SAM: OK=AR
04945		MOSQUITO BEND	MOSBD ARTMAN RA SU 07/01/1976	39.9	39.9	SEP. AR 8/25/10 SAM: OK=AR
05544		GILES BEND	ARMSTRONG SUK;SL 5544 11/01/1992	18.65	120	SEP. AR 8/16/10 REL RQD 8/6/10 RS SAM: APP EXP

Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: September 9, 2010 6:15 AM

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
06002		MISSIONARY LAKE, NORTH	SMK A RA SUC,MCCALMAN 09/01/1989	44.552	250	SEP. 8/16/10 FUPR RQD 4/28/10 PR RQD 4/7/10 RS SAM: REQ PR
06037		ELM GROVE	HA RA SUBB;HUTCHINSON 10 H 11/13/2008 361-L-10	10.27	10.27	SEP AR 8/25/10 SAM: OK=AR
10413		CADDO PINE ISLAND	CAPI VIV RA SU 03/01/1993	4	4	SEP. AR 8/25/10 SAM: OK=AR
11155		ELM GROVE	VUB;L A COWLEY	76.18	76.18	SEP. AR 8/25/10 SAM: OK=AR <CK PRD PER SAM 6AR
12060		MONROE		48	48	SEP. AR 8/25/10 SAM: OK=AR
12630		WALNUT BAYOU	HOSS B SUB;MUSLOW 12/01/1987	.5	.5	SEP. AR 8/25/10 SAM: OK=AR
12894		MILLIGAN BAYOU, NORTHEAST	16.67 11/24/1999	26.4	26.4	SEP. AR 8/25/10 SAM: OK=AR
13398		MILLIGAN BAYOU, NORTHEAST	32.66 03/02/1992	1.34	1.34	SEP. AR 8/25/10 SAM: OK=AR
14499		SHREVEPORT	PXY RA SUD;WOOLWORTH 02/01/1995	99.228	99.228	SEP AR 8/25/10 SAM: OK=AR
14983		MASTERS CREEK	41.39 12/17/1998	40.61	40.61	SEP. AR 8/25/10 SAM: OK=AR
14988		MASTERS CREEK	7 05/21/2001	8	8	SEP. AR 8/25/10 SAM: OK=AR
14990		MASTERS CREEK	38.386 09/22/1999	41.614	41.614	SEP AR 8/25/10 SAM: OK=AR
14993		MASTERS CREEK	15.748 09/29/2004	33.82	33.82	SEP. AR 8/25/10 SAM: OK=AR
15045		MIDDLEFORK	CV DAVIS RB SUR;ROBERSON 01/01/1996	12	12	SEP. AR 8/25/10 SAM: OK=AR
15046		MIDDLEFORK	CV DAVIS RB SUW;FULLER 11/01/1995	14	14	SEP. AR 8/25/10 SAM: OK=AR
15388		BURR FERRY, NORTH	67.712 09/17/2003	83.539	83.539	SEP AR 8/25/10 SAM: OK=AR
15808		SUGRUE	AUS C RA SUB;CROSBY 22 A 05/01/1997	9.96	9.96	SEP. AR 8/25/10 SAM: BARELY PRDG, RECK
15809		SUGRUE	AUS C RA SUB;CROSBY 22 A 05/01/1997	4.968	4.968	SEP. AR 8/25/10 SAM: BARELY PRDG, RECK

Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: September 9, 2010 6:15 AM

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
<p>District Code 3 Lake Charles- North Get Review Date September 8, 2010</p>						
16833		ELM GROVE	647 12/05/2003	6.292	6.292	SEP. AR 8/25/10 SAM: OK=AR (TITLE CONFLICT AREA)
17216		CASPIANA	21.919 07/12/2007	4.081	4.081	SEP. AR 8/25/10 SAM: OK=AR
17221		INDIAN VILLAGE	6.572 12/02/2002	.228	.228	SEP. AR 8/25/10 SAM: OK=AR
17877		ELM GROVE	CV RA SU87;FRIERSON 05/25/1977 361-B-5 77-296	10.497	10.947	SEP. AR 8/25/10 SAM: OK=AR
17880		EOLA		15	15	SEP. AR 8/25/10 SAM: OK=AR
17936				0	42	SEP. 8/27/10 GJD: LEASE HBP SAL OMR MANAGED WLF PT 10/13/2008
18243		ELM GROVE	LCV RA SU90;COWLEY 12 12/15/2004 361-E-231 04-1149	126.276	271	SEP. 8/16/10 FU PR RQD 4/9/10 RQD PR SUGGEST AR UPON RCT OF PR.
18244		ELM GROVE	LCV RA SUN;MCDOWELL 07/16/1996 361-E 00-834	4.001	4.001	SEP. AR 8/25/10 SAM: OK=AR
18245		SWAN LAKE	CV RA SUA;LOTT 12 01/08/2002 691-B 02-2	9.46	9.46	SEP. AR 8/25/10 SAM. OK=AR
18276		ELM GROVE	CV RA SU120;LOTT 2 10/27/1981 361-B-8 81-799	12	12	SEP. AR 8/25/10 SAM: OK=AR
18605		CASPIANA	HA RB SUG;LEGRAND 35-15-12H 05/28/2008 191-H-6	12.94	23	SEP. 9/2/10 PR RQD, INSTEAD OF FULL REL. SUGGEST AR UPON RCT OF PR FINAL DD 6/8/10 PT 6/8/08
18741		CASPIANA	CV RA SU75;EVANS 9 09/28/2005 191-A-103 05-1002	12	12	SEP. AR 8/25/10 SAM: OK=AR 6/30/10 PLAT RQD 614382
18764				92	92	SEP. AR 8/25/10 SAM: OK=AR SAL OMR MANAGED WLF PT 9/14/06 6/30/10 SRVY PLAT RQD 614382
18766				522.25	522.25	SEP. AR 8/25/10 SAM: OK=AR HOSS RA SUN, WSN 233683 SAL OMR MANAGED WLF PT 9/14/08 RUSSELL SAGE WMA (1/31/07 SAL, NOT SL 522.25 AC)
18767				524.44	524.44	SEP. AR 8/25/10 SAM: OK=AR RECOMP WSN 235740 SAL OMR MANAGED WLF PT 9/14/08 RUSSELL SAGE WMA (1/31/07 SAL, NOT SL 524.44 AC)
18768		CASPIANA	CV RA SU71;CALHOUN	16	16	SEP. AR 8/25/10 SAM: OK=AR VACANT STATE LANDS

Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: September 9, 2010 6:15 AM

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
District Code 3 Lake Charles- North						
Get Review Date September 8, 2010						
18820			05/14/2008 191-A-64 01-679	281	281	SEP. AR 8/25/10 SAM. OK=AR HA RB SUB; WILDLIFE WSN 237774 SAL OMR MANAGED WLF PT 11/9/08
19181				0	8	SEP. 8/25/10 RS TO SAM: SAL OMR MANAGED WLF PT 11/8/09 BAYOU PIERRE WMA 12/7/06 STATE AGENCY LEASE 8 AC. NOT STATE LEASE
19182				0	8	SEP. 8/25/10 RS TO SAM: SAL OMR MANAGED WLF PT 11/8/09 BAYOU PIERRE WMA 12/7/06 STATE AGENCY LEASE 8 AC. NOT STATE LEASE
19398		THORN LAKE	CV RA SUJ;BLOUNT 11/01/2005 1145-A-1 05-1165	11.67	11.67	SEP. AR 8/25/10 SAM: OK=AR
19434				0	10	SEP. 8/3/10 REL RQD PT 7/11/10
19692		WOODARDVILLE	CV RB SUDD;WIMBERLY 5 05/30/2007 990-B-16	8.31	8.31	SEP. 8/25/10 SAM: OK=AR PT 6/11/11
19695		RED RIVER-BULL BAYOU	HA RB SUQ;RENFRO ETAL 14 01/06/2009 109-X-13	258	258	SEP. 8/9/10 SAM: 100% HBP PT 6/11/11
19756				16.2	30	SEP. DD APPROVED TO 8/13/11 NOV. PT 8/13/11
19761		CASPIANA , ELM GROVE	HA RA SU70;CLARK ETUX 7 H 06/23/2009 361-L-41 09-644	183.796	192	SEP. DD APPROVED TO 8/13/11 NOV. DD 8/13/11 PT 8/13/11
19762				4.8	105	SEP. DD APPROVED TO 8/13/11 NOV. PT 8/13/11
19763		CASPIANA , FALSE RIVER	HA RB SUP;FRANKLIN ETAL 28 H 07/07/2009 191-H-57	118	138	SEP. DD APPROVED TO 8/13/11 NOV. PT 8/13/11
19767				10.05	14	SEP. DD APPROVED TO 8/13/11 PT 8/13/11
19779				0	212	SEP. 8/26/10 APP EXP PER SAM R SAL OMR MANAGED WLF PT 8/13/11 6/3/10 PLAT RQD 615939
19780				0	.14	SEP. RNTL PD 8/10/10 SAL OMR MANAGED WLF PT 8/13/11
19793				0	2.4	SEP. RNTL PD 8/12/10 SAL OMR MANAGED WLF PT 8/13/11
19795				51.6	51.6	SEP. 8/25/10 SAM: OK=AR PT 8/13/11 VACANT STATE LANDS



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: September 9, 2010 6:15 AM

District Code 3 Lake Charles- North
Get Review Date September 8, 2010

Table with 7 columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Rows include lease numbers 20073, 20075, 20076, 20078, 20079, 20080, 20092, 20114, 20166, 20167, 20168, and 20404 with their respective acreage and review notes.

Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: September 9, 2010 6:15 AM

District Code		3S	Lake Charles- South			
Get Review Date		September 8, 2010				
Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
02038		DEEP LAKE	400 01/25/2010	510	2744.1	SEP. OB EXMOB 8/11/10 RPT ON STATUS OF WELL COMMITMENT 2/22/10 RCD OFL 400, RTNG 2744.71 EFF 1/25/10
07712		LAKE ARTHUR, SOUTH	CAM 4 RA SUA;SL 7712 10/01/1996	641.52	641.52	SEP. AR 8/13/10 KAM: HBP, CONTINUE AR
08129		RACCOURCI ISLAND	272.926 02/10/1993	119.73	119.73	SEP. AR 8/13/10 KAM: HBP 607965, CONTINUE AR
14999		CHENEYVILLE, WEST	5.665 12/05/2006	19.28	19.301	SEP. AR 8/13/10 KAM:HBP SN 221680, 048648 AUS C RA SUJ & 221569, 048628 AUS C RA SUI. AR
15000		CHENEYVILLE, WEST	.321 06/09/2006	41.936	41.936	SEP. AR 8/13/10 KAM:HBP SN 221569, 048628 AUS C RA SUI CONTINUE AR
15993		LITTLE CHENIERE, EAST	47.24 04/15/2003	16.19	16.19	SEP. AR 8/13/10 KAM:HBP SN 213074, 612738 U PLAN RA SUB, 1376-C-1 CONTINUE AR
16439		ALLIGATOR LAKE	R O MARTIN 08/11/1999	2.53	2.53	SEP. 8/16/10 FU REL RQD 4/28/10 REL RQD
16473		HOG BAYOU-OFFSHORE	392.2 12/16/2005	147.519	147.519	SEP. AR 8/13/10 KAM: FM HB ILR PMT CONTINUE AR
16475		HOG BAYOU-OFFSHORE	262.09 10/25/2006	134.75	134.75	SEP. AR 8/13/10 KAM: FM HB ILR PMT CONTINUE AR
16579		ALLIGATOR LAKE	R O MARTIN 08/11/1999	14.79	14.79	SEP. 8/16/10 FU REL RQD 4/28/10 REL RQD
17525		JOHNSONS BAYOU, WEST	MIO RH SUA;BPA 15 09/21/2004 927-E-4 04-779	5	5	SEP. AR 8/13/10 KAM. HBP 229703, 614091 MIO RH SUA, 927-E-4 CONTINUE AR
18121		HOG BAYOU-OFFSHORE		160	220	SEP. AR 8/13/10 KAM: FM HB ILR PMT CONTINUE AR
19014		STARKS	HBV RJ SUA;RHB LTD ETAL 03/10/2009 126-B-6 09-290	13.53	66	SEP. 8/26/10 RCD UNOFL PR OF 52.47, RTNG 13.53 = SUGGEST AR DD 8/14/10 PT 6/14/09
19401		GRAND LAKE	55.423 04/20/2009	119.402	136.697	SEP. 8/13/10 KAM: 119.402 AC HBP 236489, 615117 ALL RA SUA, 214-H DD APPROVED TO 6/13/11 CONTINUE AR DD & PT 6/13/10
19402		PECAN LAKE	288.72 08/12/2008	119.28	119.28	SEP. SUGGEST AR PT 6/13/10 8/13/10 KAM: HBP 236303, 615194 M-22 RA SUA, 172-F. CONTINUE AR
19438				0	766.72	SEP. 7/30/10 REL RQD PT 7/11/10
19544		PORT BARRE	F RB SUA;NEZAT 06/23/2009 116-T-1 09-645	9.09	50	SEP. 8/16/10 3RD FUPR RQD 4/28/10 FUPR 1/20/10 PR RQD PT 12/12/10
20085				0	40	SEP. 8/13/10 KAM. RENTAL

Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: September 9, 2010 6:15 AM

District Code 3S Lake Charles- South

Get Review Date September 8, 2010

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
200				41,654.783	87,786.134	APPROVED 5/25/10 CONTINUE AR PT 6/10/12

BOBBY JINDAL
GOVERNOR



ROBERT D. HARPER
SECRETARY

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

NOMINATION AND TRACT COMMITTEE REPORT

The Nomination and Tract Committee, convened at **10:42 a.m.** on Wednesday, **September 8, 2010** with the following members of the Board in attendance:

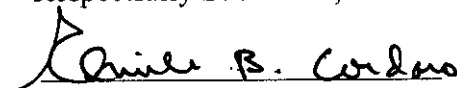

Lt. Gov. Scott Angelle Mr. Thomas L. Arnold, Jr. Mr. Emile B. Cordaro
Mr. Bay E. Ingram Mr. Robert M. Morton Mr. W. Paul Segura, Jr.
Mr. Darryl David Smith

The Committee heard the report of Mr. Emile Fontenot, relative to nominations received for the November 10, 2010 Mineral Lease Sale and other matters. Based upon the staff's recommendation, on motion of **Mr. Morton** duly seconded by **Mr. Arnold**, the Committee voted unanimously to recommend to the Board the granting of authority to the staff to advertise all such tracts as have been reviewed by the State Land Office and the staff of the Office of Mineral Resources as well as any tracts that have been previously advertised and rolled over and otherwise approve the Nomination and Tract Report presented by Mr. Fontenot.

The Committee recommended that State Lease 20329 be rescinded. On the motion of **Mr. Ingram**, duly seconded by **Mr. Segura**, the Committee vote unanimously to rescind State Lease 20329.

The Committee, on motion of **Mr. Ingram**, seconded by **Mr. Segura**, voted to adjourn at **10:45 a.m.**

Respectfully Submitted,

by 

Emile B. Cordaro
Chairman
Nomination and Tract Committee

Nomination and Tract Committee Report
September 8, 2010
Page -2-

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

NOMINATION AND TRACT COMMITTEE

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

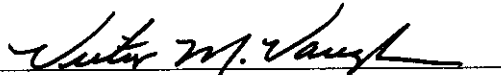
WHEREAS, Mr. Emile Fontenot presented to the State Mineral and Energy Board 41 tracts that had been nominated for the November 10, 2010 Mineral Lease Sale, and that same are to be advertised pending staff review; now therefore

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 8th day of September 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

NOMINATION AND TRACT COMMITTEE

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

WHEREAS, the staff presented to the Board a recommendation to rescind State Lease 20329.

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

NOW, BE IT THEREFORE RESOLVED, that the State Mineral and Energy Board does hereby approve authorize the rescinding of State Lease 20329 from the September 8, 2010 Lease Sale.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 8th day of September 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.


LOUISIANA STATE MINERAL AND ENERGY BOARD

BOBBY JINDAL
GOVERNOR



ROBERT D. HARPER
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, September 8, 2010, following the Nomination and Tract Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building, located at 617 North Third Street, Baton Rouge, Louisiana. Committee Members present were:

Scott A. Angelle
Bay E. Ingram
Darryl D. Smith

Thomas L. Arnold, Jr.
Robert "Michael" Morton

Emile B. Cordaro
W. Paul Segura, Jr.

Mr. Arnold convened the Committee at 10:45 a.m.

The first matter considered by the Committee was a penalty waiver requested by Apache Corporation.

Upon recommendation of the staff and upon motion of Mr. Smith, seconded by Mr. Morton, the Committee voted to approve 75% penalty waiver of \$124,412.01.

The second matter considered by the Committee was penalty waiver requested by Devon Energy Corporation.

Upon recommendation of the staff and upon motion of Mr. Smith, seconded by Mr. Morton, the Committee voted to approve 50% penalty waiver of \$374,941.15.

The third matter considered by the Committee was a recoupment requested by Devon Energy Corporation.

Upon recommendation of the staff and upon motion of Mr. Segura, seconded by Mr. Ingram, the Committee voted unanimously to approve the recoupment request in the amount of \$70,470.73.

The fourth matter considered by the Committee was a discussion on the Penalty Waiver Protocol per Mr. Sanders' request.

Upon recommendation of the staff and upon motion of Mr. Segura, seconded by Mr. Smith, the Committee voted unanimously to approve new language for the Penalty Waiver Protocol.

Audit Committee Report
September 8, 2010
Page 2

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

No action required.

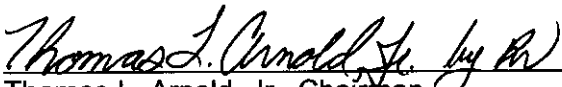
The sixth matter considered by the Committee was a settlement offer from Louisiana Land & Exploration Company.

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

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

Action was deferred until the October 13, 2010 Board Meeting.

On Motion of Mr. Segura, seconded by Mr. Smith, the Board voted unanimously to adjourn the Audit Committee at 11:12 a.m.


Thomas L. Arnold, Jr., Chairman
Audit Committee

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

AUDIT COMMITTEE

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

WHEREAS, the State Mineral and Energy Board caused an audit to be performed of Apache Corporation payments of state royalty in the Arkana, Bayou Pigeon, Belle Isle, Buck Point, Deer Island West, Delacroix Island, Golden Meadow, Lac Blanc, Lake Arthur South, Lake Beouf, Lake Boudreaux, Lake De Cade, Lake Salvador, Main Pass Block 6, Main Pass Block 74, Main Pass Block 77, Main Pass Block 84, Rigolets, South Pelto Block 2, and Southeast Pass fields; State Leases 335, 340, 347, 378, 1927, 2090, 2091, 2374, 3273, 3771, 3773, 4901, 5003, 5351, 6646, 6647, 8699, 12569, 12571, 12605, 13211, 13287, 13299, 13586, 13587, 13718, 14431, 14432, 14680, 15042, 15291, 15470, 15855, 16000, 17071, 17174, 17214, 17326, 17566, and A0217 which audit revealed that Apache Corporation owed the state \$442,833.00 in underpayment of royalty and \$383,801.57 in interest and penalty for a total of \$826,634.57; and

WHEREAS, Apache Corporation has remitted payment of \$660,751.89 for the outstanding principal and interest; and

WHEREAS, Apache Corporation has made a letter application for reduction of penalties assessed in the amount of \$165,882.68 due to incorrect royalty payments; and

WHEREAS, the Mineral Income Division has reviewed the background and circumstances connected with Apache Corporation's penalty assessment, including the reason for incorrect payment, the company's response to the audit and any suggested corrective measures, and the degree of cooperation and timeliness of providing information, and has verified that the underpayment of royalties was discovered by a Field Audit and was in fact paid by Apache Corporation; and

WHEREAS, the Mineral Income Division staff recommends that seventy-five percent (75%) of the penalty be waived; and

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

THEREFORE, BE IT RESOLVED, that the Board does waive seventy-five percent (75%), which amounts to \$124,412.01 of the total penalty assessed to Apache Corporation

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 8th day of September 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

AUDIT COMMITTEE

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

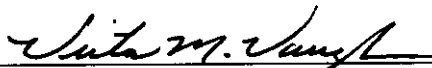
WHEREAS, Devon Energy Corporation has made a letter application for reduction of penalties assessed in the amount of \$749,882.30 due to late royalty payments in the Main Pass Block 69 Field, State Leases 00988, 01277, 01278, 01353, 01354, 01357, 01359, 02557, 03508, 03851, and 18479; and

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

THEREFORE BE IT RESOLVED, that the Board does waive fifty percent (50%), which amounts to \$374,941.15 of the total penalty assessed to Devon Energy Corporation.

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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

AUDIT COMMITTEE

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

WHEREAS, Devon Energy Corporation has made a letter application for an adjustment of \$70,470.73 for the Main Pass Block 69 Field, State Leases 1353, 1354, 1357, 1359, 3508; and

WHEREAS, this amount was based on Devon Energy Corporation submitting an overpayment of oil royalties based on incorrect volumes and values for the period of April 2010 in the Main Pass Block 69 Field; and

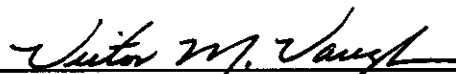
WHEREAS, the Mineral Income Division has verified that an overpayment in the amount of \$70,470.73 was made and that the applicant is entitled to a credit adjustment; and

WHEREAS, the State Mineral and Energy Board after reviewing the work of the Mineral Income Division, agrees that the applicant is entitled to an adjustment, does recommend that the State allow Devon Energy Corporation to recoup the \$70,470.73 overpayment.

NOW, BE IT THEREFORE RESOLVED, that the Board does authorize and direct the Mineral Income Director to effectuate the credit adjustment of \$70,470.73 to Devon Energy Corporation on a one-time or lump sum basis or on such terms deemed necessary by the Director, which are legally permissible, and without prejudice to any other rights of the state.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana on the 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

AUDIT COMMITTEE

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

WHEREAS, the State Mineral and Energy Board, hereinafter referred to as "Board", adopted a Resolution at a meeting of the State Mineral Board held in the City of Baton Rouge, Louisiana on the 12th day of April 1995, at which meeting a quorum was present, adopted a protocol for the waiver of penalties assessed on late payments of royalty under LA. R. S. 30:136, and

WHEREAS, the Board, reaffirmed the protocol established for the waiver of penalties, hereinafter referred to as the "Protocol", assessed on late payments of royalty by adopting a second resolution at a meeting of the State Mineral Board held in the City of Baton Rouge, Louisiana on the 12th day of December 2007, at which meeting a quorum was present; and

WHEREAS, the Louisiana Department of Natural Resources, the Office of Mineral Resources, hereinafter referred to as "OMR", is statutorily mandated, pursuant to La. R.S. 30:135, to assist the State Mineral and Energy Board in its leasing, supervisory, and other activities of all mineral leases granted by the State of Louisiana; and

WHEREAS, Louisiana Revised Statute 30:136, grants the Board the inherent powers to assess against a payor of State royalty a penalty for the late payment of royalty and audit billings, and furthermore, this statute also grants the Board with the authority to waive all or part of the assessed penalty for cause; and

WHEREAS, the Board, dissatisfied with the handling of requests for waiver of penalties assessed on late payments of royalty under LA. R. S. 30:136 did in April, 1994 abolish the policy established in 1989 by a prior Board regarding same, and has, since that time, handled requests for waiver on a case-by-case basis as stated herein; and

WHEREAS, the Board does now wish to reaffirm its approval of the established Protocol in order to ensure consistency in the handling of waiver request, ease the administrative burden on the staff and industry, and assure that penalties for late payment of royalty are fairly assessed and timely collected;

WHEREAS, the Board, hereby deems it advisable and in the best interest of the State of Louisiana and its citizens to restate, amend, and adopt this protocol for the waiver of penalties assessed on late payments of royalty, and

NOW, THEREFORE, BE IT RESOLVED, the State Mineral and Energy Board, hereby approves the waiver of penalty protocol recited herein and acknowledges that the Protocol is in the best interest of the State of Louisiana. The purpose of this resolution is to reaffirm the existing protocol for the waiver of penalty against a payor of record and to acknowledge that the protocol is consistent with state law and that it will enable the Board to administer the state's proprietary interest in minerals by ensuring that the resolution clearly affirms the inherent authority of the Board to take action for the protection of the interests of the state.

BE IT FURTHER RESOLVED, that the Board will continue to consider on a case-by-case basis requests for waiver of penalty for penalties assessed in the amount of \$10,000 or more; and

BE IT FURTHER RESOLVED, that for penalties assessed in amounts under \$10,000, the authority to waive the penalty is delegated to the Assistant Secretary for the Office of Mineral Resources or his designee; and

BE IT FURTHER RESOLVED, that the Assistant Secretary for the Office of Mineral Resources or his designee may waive penalty amounts under \$10,000 in accordance with the audit penalty protocol or whole for cause, or in part in accordance with the following and pursuant to the Board's inherent authority to approve, amend or nullify the Assistant Secretary decision:

- 75 % reduction in penalty on royalty amounts outstanding up to 3 (three) years
- 50 % reduction in penalty on royalty amounts outstanding up to 6 (six) years
- 0 % reduction in penalty on royalty amounts outstanding over 6 (six) years

BE IT FURTHER RESOLVED, that the State Mineral and Energy Board and the Board reserves its inherent authority to assess and collect a penalty for the late payment of royalty in an amount which is in accordance with any statutory or contractual provision and to approve, reject or modify in whole or in part the recommendation of the staff of OMR to waive and/or reduce the amount penalty assessed against a payor of record.

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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD



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

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 September 8, 2010, following the Audit Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building located at 617 North Third Street, Baton Rouge, Louisiana. Committee Members present were:

Chairman Scott Angelle
Mr. Emile B. Cordaro
Mr. Darryl David Smith
Mr. Robert "Michael" Morton

Mr. Bay Elliott Ingram
Mr. Thomas L. Arnold, Jr.
Mr. W. Paul Segura, Jr.

The Legal and Title Controversy Committee was called to order by Mr. Segura at 11:15 a.m.

A request was made by Staff to add the two (2) following items to the Legal & Title Controversy Committee Agenda:

A request for final approval of a Lease Amendment presented by Rapiere Resources Company, whereas said parties desire to amend the Lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 2995, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 10-40.

A discussion in executive session of the suit entitled Cox Operating LLC v. State of Louisiana, Docket No. 106-164, 34th Judicial District Court, Parish of St. Bernard.

Upon recommendation of the staff, no objections or comments made from the public, and upon motion of Mr. Ingram, seconded by Mr. Morton, the Committee voted unanimously to recommend that the State Mineral and Energy Board add the two (2) items to the Legal & Title Controversy Committee Agenda as Item Nos. 11 and 12 which will be referenced as the tenth and twelfth matters in this report.

The first matter considered by the Committee was a request by Petrohawk Energy Corporation to appear before the Mineral and Energy Board to submit a presentation regarding issues currently faced by operators regarding the Red River and productive Haynesville Shale acreage in North Louisiana and for the Board's consideration of the method presented for handling of allocation of production within units containing a portion of the Red River.

This matter was taken under consideration by the Mineral and Energy Board and a resolution will be drafted and adopted at a future meeting.

The second matter considered by the Committee was a request for final approval of a Lease Amendment presented by Poydras Energy Partners, LLC (formerly Poydras Energy LLC), whereas said party desires to amend the original Lease wherever the name "Poydras Energy, LLC" appears in said Leases, the name Poydras Energy Partners, LLC shall be substituted, affecting State Lease Nos. 20101 and 20103, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 10-37.

Upon motion of Mr. Arnold, seconded by Mr. Smith, the Committee voted unanimously to recommend that the Louisiana State Mineral and Energy Board grant final approval of the Lease Amendment presented by Poydras Energy Partners, LLC (formerly Poydras Energy LLC) on the docket as Item No. 10-37. No comments from the public were made.

The following matters, being the third and fourth matters, were addressed by the Mineral and Energy Board together:

A request for final approval of a Lease Amendment presented by Exxon Mobil Corporation, whereas said party desires to amend Paragraph 2 and Paragraph 6 of State Lease No. 18737, Jefferson Parish, Louisiana, extending the primary term for one year in consideration of the payment of a full bonus and an increase of royalty of one-half percent, with further particulars being stipulated in the instrument, on the docket as Item No. 10-38.

A request for final approval of a Lease Amendment presented by Exxon Mobil Corporation, whereas said party desires to amend Paragraph 2 and Paragraph 6 of State Lease No. 18738, Jefferson Parish, Louisiana, extending the primary term for one year in consideration of the payment of a full bonus and an increase of royalty of one-half percent, with further particulars being stipulated in the instrument, on the docket as Item No. 10-39.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Smith, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of the lease amendments presented by Exxon Mobil Corporation on the docket as Item Nos. 10-38 and 10-39. No comments from the public were made.

The fifth matter considered by the Committee was a request by Staff to amend the Louisiana Running Surface Water Use Cooperative Endeavor Agreement form.

Upon recommendation of the staff and upon motion of Mr. Cordaro, seconded by Mr. Smith, the Committee voted unanimously to adopt the proposed amendment to the Louisiana Running Surface Water Use Cooperative Endeavor Agreement form referred to as Form 1.1. No comments from the public were made.

The sixth matter considered by the Committee was a request by Wilcox Energy Company for the waiver of all or a portion of the liquidated damage assessment in the amount of \$20,800.00 levied on the late release of State Lease No. 16126, Concordia Parish, Louisiana.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Morton, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant a complete waiver to Wilcox Energy Company of the liquidated damage assessment in the amount of \$20,800.00 levied on the late release of State Lease No. 16126, Concordia Parish, Louisiana. No comments from the public were made.

The seventh matter considered by the Committee was a request by S 90 Resources LLC for the waiver of all or a portion of the liquidated damage assessment in the amount of \$18,200.00 levied on the late release of Operating Agreement 0289, Plaquemines Parish.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Morton, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant a complete waiver to S 90 Resources LLC of the liquidated damage assessment in the amount of \$18,200.00 levied on the late release of Operating Agreement 0289, Plaquemines Parish. No comments from the public were made.

The eighth matter considered by the Committee was a request by Legend Petroleum, L.P. for the waiver of all or a portion of the liquidated damage assessment in the amount of \$7,300.00 levied on the late release of State Lease No. 19212, Plaquemines Parish, Louisiana.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Morton, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant a complete waiver to Legend Petroleum, L.P. of the liquidated damage assessment in the amount of \$7,300.00 levied on the late release of State Lease No. 19212, Plaquemines Parish, Louisiana. No comments from the public were made.

The ninth matter considered by the Committee was a request by Samson Contour Energy E&P, LLC for the waiver of all or a portion of the liquidated damage assessment in the amount of \$15,300.00 levied on the late partial release of State Lease No. 17732, Bossier Parish, Louisiana.

Upon recommendation of the staff and upon motion of Mr. Ingram, seconded by Mr. Smith, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant a reduction of the liquidated damage assessment against Samson Contour Energy E&P, LLC for the late partial release of State Lease No. 17732 to \$2,572.58. No comments from the public were made.

The tenth matter considered by the Committee was a request for final approval of a Lease Amendment presented by Rapiere Resources Company, whereas said parties desire to amend the Lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 2995, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 10-40.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Morton, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of the lease amendment presented by Rapiere Resources Company on the docket as Item No. 10-40. No comments from the public were made.

Upon motion of Mr. Ingram, seconded by Mr. Arnold, the Committee went into Executive Session at 12:18 p.m.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the Legal and Title Controversy Committee returned to open session at 12:28 p.m.

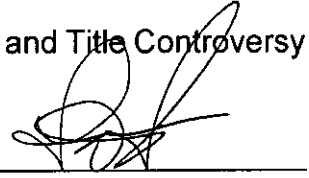
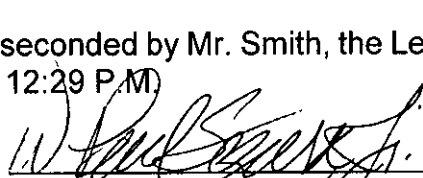
The eleventh matter considered by the Committee was a discussion in executive session of a counter offer from KK Westervelt regarding settlement of mineral royalty sharing on Lake Hackberry, Terrebonne Parish, Louisiana.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Ingram, the Committee voted unanimously to recommend that the State Mineral and Energy Board approve the settlement offer presented in executive session, in principal, subject to the drafting and execution of an appropriate settlement agreement, and its due advertisement and placement on the Docket for final approval. No comments from the public were made.

The twelfth matter considered by the Committee was a discussion in executive session of the suit entitled Cox Operating LLC v. State of Louisiana, Docket No. 106-164, 34th Judicial District Court, Parish of St. Bernard.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Ingram, the Committee voted unanimously to recommend that the State Mineral and Energy Board reject the settlement offer presented in executive session and give Staff the authority to negotiate a settlement of this matter based upon the variables discussed in executive session. No comments from the public were made.

On motion of Mr. Cordaro, seconded by Mr. Smith, the Legal and Title Controversy Committee meeting adjourned at 12:29 P.M.



Mr. W. Paul Segura, Jr., Vice-Chairman
Legal and Title Controversy Committee
Louisiana State Mineral and Energy Board

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

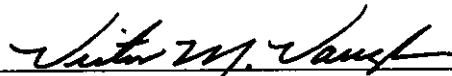
WHEREAS, a request was made for final approval of a Lease Amendment presented by Poydras Energy Partners, LLC (formerly Poydras Energy LLC), whereas said party desires to amend the original Lease wherever the name "Poydras Energy, LLC" appears in said Leases, the name Poydras Energy Partners, LLC shall be substituted, affecting State Lease Nos. 20101 and 20103, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 10-37;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant final approval of the Lease Amendment presented by Poydras Energy Partners, LLC (formerly Poydras Energy LLC) on the docket as Item No. 10-37.

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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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


WHEREAS, a request was made for final approval of a Lease Amendment presented by Exxon Mobil Corporation, whereas said party desires to amend Paragraph 2 and Paragraph 6 of State Lease No. 18737, Jefferson Parish, Louisiana, extending the primary term for one year in consideration of the payment of a full bonus and an increase of royalty of one-half percent, with further particulars being stipulated in the instrument, on the docket as Item No. 10-38;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant final approval of the lease amendment presented by Exxon Mobil Corporation on the docket as Item No. 10-38.

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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

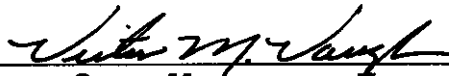
WHEREAS, a request was made for final approval of a Lease Amendment presented by Exxon Mobil Corporation, whereas said party desires to amend Paragraph 2 and Paragraph 6 of State Lease No. 18738, Jefferson Parish, Louisiana, extending the primary term for one year in consideration of the payment of a full bonus and an increase of royalty of one-half percent, with further particulars being stipulated in the instrument, on the docket as Item No. 10-39;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant final approval of the lease amendment presented by Exxon Mobil Corporation on the docket as Item No. 10-39.

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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

WHEREAS, a request was made by Staff to amend the Louisiana Running Surface Water Use Cooperative Endeavor Agreement form;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board adopt the amended Louisiana Running Surface Water Use Cooperative Endeavor Agreement referred to as Form 1.1 attached hereto and made a part of this Resolution.

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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

1 WHEREAS, pursuant to Act 955, the Secretary, in his evaluation, has considered the potential and real effects of this Agreement on
2 the sustainability and navigability of the Water Resources set forth in the Plan.

3 NOW THEREFORE, the Secretary and the Water User agree that: 1.) the Water User requires the use of the amount of ~~running~~
4 ~~surface water (hereinafter "Water")~~ set forth herein below over which the State of Louisiana has either ownership or jurisdictional
5 control, and 2.) the Water is needed for the specific uses delineated in the Plan of Water Use (hereinafter "Plan") filed with the
6 application for this Agreement, a copy of which is attached hereto and made a part hereof as Exhibit "A", and 3.) the Plan expressly
7 manifests how the use as set forth therein constitutes a "public purpose" as that phrase appears in Article VII§ 14(C) of the 1974
8 Constitution of the State of Louisiana, as amended. Pursuant to said agreement between the parties, the following shall constitute the
9 terms, conditions and considerations thereof, to-wit.

0 I.

1
2 **RIGHTS AND OBLIGATIONS OF THE WATER USER:**

3 A. Water User shall be allowed to withdraw a total of _____ Gallons of water per _____
4 from the Water Resources and at the specific withdrawal points set forth in the Plan only. The Water shall be used solely for the uses
5 set forth in the Plan

6 B. Water User shall, utilizing a meter complying with current American Water Works Association standards, record the monthly
7 amount of Water withdrawn from each withdrawal point set forth in the Plan, and shall tabulate and compile same in an annual report
8 in the form of an authentic act (hereinafter "Water Volume Report") which shall be sent to the Secretary on an annual basis from the
9 effective date of this agreement to be received by the Secretary no later than the end of the thirteenth (13) month after the effective
0 date of this Agreement, for each successive annual period. The Secretary, at his sole discretion, may require, and the Water User shall
1 provide, more frequent Water Volume Reports when necessary to protect the environmental and ecological balance of the water
2 resource. Failure to file the required Water Volume Report, or inclusion of any false information in said reports, shall allow the
3 Secretary, in his sole discretion, to either suspend Water User's rights under this Agreement and allow Water User to correct any error
4 or file any required reports, or terminate the Agreement with notice, or without notice when necessary to prevent substantial damage
5 to the environment or ecological resources.

6 C. Water User shall not sell, convey, donate, or otherwise transfer use of the Water to any other entity, in return for any
7 consideration or cause greater than that given by the Water User under this Agreement, nor without the approval in writing of the
8 Secretary. However, ~~parties other than~~ the Water User may receive reasonable, fair compensation for the transportation, treatment and
9 disposal of the Water used by Water User under this Agreement. Water User shall not withdraw or utilize the Water in any manner or
0 for any purpose other than as delineated in the Plan. Should Water User violate any of the terms of this Part, it shall be deemed an
1 active default and, the Secretary, at his option, may terminate this Agreement ~~at the option of the Secretary.~~

2 D. At all times the Secretary, his agents or representatives, shall have access to Water User's operations and records, for
3 purposes including auditing payment, inspecting the meters, ascertaining use to which water is being put and verifying economic
4 benefit of operations to the State, for the limited purpose of ensuring compliance with this Agreement. Such inspections are without
5 prejudice to, and in addition to, the right of duly constituted federal, state, or local enforcement officials to make such inspections.

6 E. Water User shall be vigilant and utilize the best management practices as set forth in the Plan in preventing the contamination
7 of surrounding soils, ground water, and Water resources by any and all uses to which the Water is put.

8 F. For, and as cause and consideration for any and all rights to withdraw and use Water in the amounts set forth herein, and
9 according to the Plan, Water User shall remunerate the State in one of the manners set forth hereinafter as indicated by the initials of

the Secretary and the duly authorized representative of the Water User affixed before the option chosen, to-wit:

i. Water User has submitted evidence in the form of an economic impact report (hereinafter "Report") attached to this Agreement and made a part hereof as Exhibit "B" that the use to which the Water will be put is sufficiently in the public interest in that the citizens of Louisiana will see further economic and social development in the form of increased employment and tax revenue derived from the use under the Plan. The Report further shows: a.) the Plan sufficiently balances environmental considerations and ecological impacts. b.) the Plan considers the existing and potential impact of the Water use on the continued viability of the Water Resources, as well as the water shed servicing the Water Resources, being utilized as well as the public enjoyment and continued usage thereof. c.) the Water use under the Plan does not interfere with, nor render untenable, any other use of any water resource the Water presently, or which may reasonably, legally be anticipated occur in the future, for purposes including, but not necessarily limited to, public consumption, agriculture, industrial purposes, recreation, or navigation. The Report shall be deemed evidence that the use of the Water withdrawn and the attendant results hereinabove described are deemed fair market value in return for taking the Water. If the use of the Water by Water User does not achieve the economic and social development predicted in the Report, then the Water User shall pay the State for the Water withdrawn and used according to the terms of Paragraph F(ii).herein below.

ii. Water User shall pay to the State an administrative payment in the full, current sum of One Hundred and No/100 (\$100.00) Dollars monthly for each withdrawal point set forth in the Plan, with the first payment due on execution of this Agreement, as well as _____ per Thousand Gallons of water withdrawn under the Plan per _____ payable no later than the tenth (10th) of the month following the withdrawal. Attached hereto and made a part hereof as Exhibit "C" is written evidence that the price charged by the State as herein set forth constitutes fair market value to the State for the Water taken and is therefore in the public interest. Additionally, to help assure the State receives fair market value for its resources, beginning calendar year 2011, the price per Thousand Gallons of Water shall be adjusted annually by the rate of change in the Consumer Price index United States city average for all urban consumers (CPI-U), as reported by the Bureau of Labor Statistics of the United States Department of Labor for all urban consumers or its successor publications.

II.

OBLIGATIONS OF THE STATE:

In accordance with the terms and conditions set forth in this Agreement and pursuant to La. R.S. 30.961-963, the State, through the Secretary, hereby grants to the Water User the authority to cumulatively withdraw no more than _____ (_____) of Water per month from the Water Resources set forth in the Plan at only those withdrawal points identified in the Plan. The authority to withdraw granted herein is limited solely to the methods, resources and withdrawal points as set forth in the Plan. If the Water User desires to deviate from the Plan in any manner, it must obtain written permission from the Secretary, or negotiate for and obtain an amendment of this Agreement, or enter into a new Running Surface Water Use Agreement, to encompass the deviations from the Plan. The authority to withdraw is non-exclusive and the Water User acknowledges that the State may authorize others to withdraw Water from the Water Resources set forth in the Plan. Notwithstanding the foregoing, the State makes no representation or warranty, express or implied, as to 1.) the nature or extent of its regulatory authority; 2) the availability of water from the Water Resources in the Plan at any time; or 3.) the quality, suitability, purity, palatability, potability, or fitness of the Water from the Water Resources in the Plan for Water User's intended use, or for any other uses or purposes whatsoever. Water User understands and acknowledges that the Water Resources in the Plan are multiple purpose water sources and may be subject to other plans which may result in considerable fluctuations of the water level in the Water Resources. The Secretary makes no guarantee as to the elevation at which the Water can be withdrawn from the Water

1 Resources to meet Water User's commitments and obligations.

2
3 **III.**

4 **LIMITATION OF LIABILITY:**

5 It is agreed and understood that a principal cause of the State's entry into this Agreement is Water User's consent to and
6 acceptance of the terms of indemnification and limitation of liability set forth in this Paragraph III, and elsewhere in the Agreement,
7 without which consent and acceptance by Water User, the State would not have entered into this Agreement. Therefore, the State and
8 Water User agree as follows:

9 **A. Water User understands and acknowledges that the withdrawal of Water as contemplated by this Agreement and the**
0 **use of said Water (whether intermediate or ultimate use) after withdrawal is at its sole risk.** Water User understands, stipulates
1 and agrees that, except for a breach of an express warranty contained in this Agreement, the State and the Secretary shall have no
2 liability to the Water User (or its agents, servants, employees, visitors or licensees) and Water User assumes all liability arising out of
3 or in any way connected with 1.) this Agreement; 2.) the State's lack of authority to authorize Water User to withdraw and/or use
4 Water from the Water Resources; 3.) the failure or interruption of any business operation of the Water user or any other person or
5 entity, or loss of business of Water User or any other person or entity as a result of Water User's (or its agents, servants, employees,
6 visitors or licensees) inability to withdraw Water from the Water Resources; 4.) any negligence or fault of the State or the Secretary,
7 its agents, employees, representatives or any person or entity for whom or for which the State may be held responsible in connection
8 with the withdrawal and/or use of the Water from the Water Resources; 5.) any damages resulting from the Secretary's use of his
9 authority to compel reduction or termination of water withdrawal from any or all of the withdrawal points withdrawing from the Water
0 Resources as set forth herein after; 6.)any negligence or fault of the Water User or its agents, servants, employees, visitors or
1 licensees; and/or 7.) Water User's (or its agents, servants, employees, visitors or licensees) withdrawal and/or use of Water from the
2 Water Resources, including without limitation (a) fluctuation of the water level of the Water Resources; (b) Water User's (or its
3 agents, servants, employees, visitors or licensees) inability to withdraw Water from the Water Resources for whatever reason; (c)
4 damage to the Water Resources, property surrounding the Water Resources, or users of the Water Resources; (d) charges or fees made
5 by any person or entity for water withdrawn by the Water User; (e) Water User's (or its agents, servants, employees, visitors or
6 licensees) installation, maintenance, or use of any pumping or diversion facility; and/or (f) Water User's (or its agents, servants,
7 employees, visitors or licensees) failure to make reasonable use of the Water withdrawn from the Water Resources.

8 **B. Water User shall defend, indemnify and hold harmless the State (and the Secretary) against any expenses, losses, costs,**
9 **damages, claims (including without limitation claims for loss of life or illness to persons, or for damage to property), actions,**
0 **proceedings, or liabilities of any kind, character or type arising out of or in any way connected with 1.) this Agreement; 2.) the State's**
1 **lack of authority to authorize Water User to withdraw and/or use Water from the Water Resources; 3.) the failure or interruption of**
2 **any business operation of Water User or any other person or entity or loss of business of Water User or any other person or entity as a**
3 **result of Water User's (or its agents, servants, employees, visitors or licensees) inability to withdraw Water from the Water Resources;**
4 **4.) any negligence or fault of the State, its agents, employees, representatives, or any person or entity for whom or for which the State**
5 **may be held responsible in connection with the withdrawal and/or use of Water from the Water Resources; 5) any negligence of fault**
6 **of Water User or its agents, servants, employees, visitors or licensees in connection with the withdrawal and/or use of the Water from**
7 **the Water Resources; and/or 6.) Water Users (or its agents, servants, employees, visitors or licensees) withdrawal and/or use of the**
8 **Water from the Water Resources, including without limitation (a) fluctuation of the water level of the Water Resources, (b) Water**
9 **User's (or its agents, servants, employees, visitors or licensees) inability to withdraw Water from the Water Resources, for whatever**

1 reason; (c) damage to the Water Resources, property surrounding the Water Resources, or users of the Water Resources; (d) charges or
2 fees made by any person or entity for Water withdrawn by Water User (or its agents, servants, employees, visitors or licensees) from
3 the Water Resources; (e) Water User's (or its agents, servants, employees, visitors or licensees) installation, maintenance, or use of
4 any pumping or diversion facility; and/or Water User's (or its agents, servants, employees, visitors, or licensees) failure to make
5 reasonable use of the Water withdrawn from the Water Resources.

6 C. The State shall have no liability for, and Water User shall assume all liability for any expenses, losses, costs, damages, claims
7 (including without limitation claims for loss of life or illness to persons, or for damage to property), actions, or proceedings of any
8 kind, character or type, arising out of or in any way connected with its withdrawal of or use of Water withdrawn from the Water
9 Resources, whether or not those expenses, losses, costs, damages, claims (including without limitation claims for loss of life or illness
0 to persons, or for damages to property), actions, or proceedings of any kind, character or type, resulted from or otherwise are caused
1 by the State's own negligence.

2 D. Water User's liability under this Agreement extends to the acts and omissions of any agent, servant, employee, customer,
3 visitor or licensee of the Water User. Water User agrees to provide legal defense for and defend any such claims, demands or suits,
4 including reasonable attorney's fees at Water User's sole expense and to bear all court costs and other expenses.

5 E. The provisions of this Paragraph III. and all other indemnification provisions herein, shall survive the expiration or
6 termination of this Agreement, and the Water User's obligations hereunder shall apply whenever the State incurs costs or liabilities of
7 the types described in this Paragraph III; which costs and liabilities shall include attorney fees expended by the State or the Secretary
8 for any enforcement or defense of this Agreement, including any actions or omissions of the Secretary, the State, or any of its
9 employees, agents or representatives arising from this Agreement.

1 IV.

2 **TERM:**

3 A. This Agreement shall take effect as of _____, _____ [for use when State enters into Agreement]and
4 shall continue for a term of two (2) years, or until _____ after which this Agreement will terminate
5 unless on or before said date Water User notifies the Secretary in writing that Water User desires to renew this Agreement under the
6 terms and conditions set forth herein for an additional two (2) year period. Thereafter, successive additional two (2) year periods
7 desired by Water User shall run consecutively upon due written notice to the Secretary on or before the expiration of the previous two
8 (2) year additional period; with the cumulation of successive periods not to go past December 31, 2020

9 B. The Secretary may reduce, apply restrictive conditions to, or terminate the right of Water User to withdraw Water from any
0 or all Water Resources, or from any particular withdrawal point named in the Plan when necessary to protect the Water Resource and
1 maintain sustainability and environmental and ecological balance. The Secretary may terminate this Agreement, as to any or all of the
2 Water Resources, or any withdrawal point, named in the Plan if any Federal Resource Agency requests same for good cause, or Water
3 User breaches any term, condition or obligation set forth in this Agreement. Any action taken by the Secretary, that in his discretion,
4 does not present imminent substantial danger to health, public welfare, or the environment in this Subsection, shall be preceded by
5 receipt of written notice by Water User, at the address provided by the Water User in this Agreement, fifteen (15) days prior to
6 effective date of said action

7 V.

8 **RULES AND REGULATIONS:**

9 A. The Water User agrees to abide by all the rules, regulations and resolutions, including, but not necessarily limited to, those
Page 5 of 10

1 set forth hereinafter in separate parts of this Agreement, promulgated by the State and its agencies, the Federal government and its
2 agencies with jurisdictional authority, and duly constituted local governments, including but not limited to, the Department of Natural
3 Resources, the Department of Wildlife and Fisheries and the Department of Environmental Quality for the state, which may have
4 jurisdiction over the Water Resources set forth in the Plan; which rules, regulations and resolutions are now in force or may
5 hereinafter be passed. The State, through the Secretary, is hereby given the option of terminating this Agreement should the Water
6 User fail to abide by such rules, regulations and resolutions; provided, however, the State shall give the Water User written notice of
7 any such violation and fifteen (15) days in which to correct such violation, in which event, should said violation not be corrected, the
8 State, without further notice, may, notwithstanding the provisions of Article IV, immediately terminate this Agreement. When the
9 State is notified by the Federal government or any of its agencies of a violation of any of its rules, regulations or resolutions, the State
0 shall as soon as practicable notify the Water User, and may suspend operations under this Agreement while allowing Water User a
1 reasonable set time to resolve the issues with the appropriate Federal authority, and, if resolution is not obtained in a reasonable time,
2 terminate this Agreement.

3 B. The Water User acknowledges that the withdrawal of water from the Water Resources involves the public interest and may
4 be subject to regulation and oversight by other governmental agencies and changes in law. Water User acknowledges that persons or
5 entities (including without limitation federal and local governments) have, or in the future may acquire, the right to regulate the
6 withdrawal, use and depths of the water in the Water Resources. Water User acknowledges that this Agreement shall be subject to all
7 current and future regulations, and that the State shall not be liable to the Water User for any loss or damage whatsoever resulting
8 from or associated with current or future regulation of the Water Resources nor shall State be liable to any party whatsoever for any
9 loss or damage resulting from water withdrawal under this Agreement.

VI.

INSURANCE:

1 A. The Water User shall obtain and carry from an insurance company licensed in the State of Louisiana and acceptable to the
2 State, liability or indemnity insurance (or self insurance acceptable to the State) providing minimum coverage of one million
3 (\$1,000,000.00) Dollars per occurrence with respect damages including, but not necessarily limited to, bodily injury, death, property
4 damage or environmental damage suffered by any person or entity resulting from Water User's withdrawal of water from the Water
5 Resources, with the State named as an additional named insured. The policy must be written on an "occurrence" basis; "claims
6 made" coverage is unacceptable.

7 B. Water User shall obtain and carry worker's compensation insurance complying with all applicable workers' compensation
8 statutes of the State of Louisiana and shall obtain and carry United States Longshoreman and Harbor Workers' Compensation Act
9 coverage on employees if required by law.

1 C. All policies of insurance required to be maintained by Water User shall provide that in the event of cancellation, non-renewal,
2 or material change, thirty (30) days written notice prior to cancellation, non-renewal or material change shall be given to the Secretary
3 by certified mail. Water User shall furnish to the Secretary a certificate evidencing maintenance by Water User of the above required
4 policies. Given the long term nature of this Agreement, the State may, from time to time, require Water User to obtain additional
5 insurance whether it be additional types of insurance and/or an increase in the amount of coverage under the existing insurance
6 policies.

VII.

ENVIRONMENTAL AND OTHER PROTECTION:

1 A. Water User will comply with all applicable environmental laws and regulations and all other Federal, State, and local laws,
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Page 6 of 10

1 regulations and standards that are applicable to Water User's activities, relating to the withdrawal, use and disposal of Water and other
2 waste related to the use of Water from the Water Resources.

3 B. Water User shall be solely responsible for obtaining at its cost and expense any environmental or other permits or licenses
4 required to withdraw and/or use Water from the Water Resources and for the disposal of Water and other waste related to the use of
5 Water from the Water Resources.

6 C. Water User shall save, indemnify, defend and hold harmless the State from any costs, expenses, liabilities, fines, or penalties
7 resulting from discharges, emissions, spills, storage, disposal, or any other action committed in connection with the performance of
8 this Agreement by Water User, its officers, agents, employees, or contractors, the invitees of any of them, and third parties, giving rise
9 to the State liability, civil or criminal, or responsibility under Federal, State, or local environmental laws. This provision shall survive
0 the expiration or termination of this Agreement, and Water User's obligations hereunder shall apply whenever the State incurs costs or
1 liabilities of the types described in this Paragraph VII.

2 D. In connection with the performance of this Agreement, Water User must comply with all Federal, State, and local laws,
3 regulations, and other requirements.

4 E. Water User shall maintain and make available, within fifteen (15) days of receipt of written notice from the Secretary, to the
5 State all records, inspection logs, and manifests that relate to the withdrawal and use of Water from the Water Resources, as well as all
6 other records required by applicable laws, regulations, and requirements of this Agreement. The State reserves the right to inspect the
7 records of Water User for compliance with Federal, State, and local laws, regulation, and other requirements of law or of this
8 Agreement as the same relate to the withdrawal and/or use of Water from the Water Resources. Violations of laws, regulations or
9 other requirements relating to the withdrawal and/or use of Water from the Water Resources shall be reported by Water User to the
0 State and appropriate regulatory agencies. Water User shall be liable for the payment of any fines and penalties which may accrue as
1 a result of such violations. However, the foregoing right of the State to inspect shall not be used as a basis of action by Water User
2 against the State.

3 F. Water User shall not store or otherwise unlawfully allow the discharge of hazardous waste or other waste. The Water User
4 shall use the highest degree of care and all proper safeguards to prevent land or water pollution resulting from Water withdrawal
5 operations pursuant to this Agreement. Water User shall use all means at its disposal to recapture all escaping pollutants and shall be
6 solely responsible for all damages, if any, to aquatic or marine life, wildlife, birds, and any public or private property that may result
7 from any such land, air or water pollution occasioned by Water User's Water withdrawal operations hereunder. Water User shall
8 report all unpermitted discharges of pollutants pursuant to any Federal or State statutes and regulations to the Louisiana Department of
9 Environmental Quality and the Louisiana Office of Conservation within the time required by Federal, State or local laws, but not later
0 than five (5) days from the occurrence, whichever is earlier.

1 G. Water User is hereby advised to familiarize itself with the State of Louisiana regulations relative to transportation of noxious
2 or invasive aquatic plants or wildlife from one body of water to another and Water User does hereby agree that it will comply with
3 such regulations. Water User acknowledges that transportation of plant material or wildlife may possibly occur as the result of
4 relocating the diversion facility and pumping equipment from one location to another or from one water body to another or by the
5 withdrawal of Water from one water body and discharging into a different water body. Water User agrees to use the highest degree of
6 care and all reasonable and proper safeguards to prevent the transportation of noxious or invasive aquatic plants or wildlife from one
7 body of water to another.

VIII.

PROTECTION OF WETLANDS AND FLOODPLAIN:

1 In exercising its rights granted in this Agreement, Water User will not allow the unpermitted destruction, loss or degradation
2 of wetlands as that term may be defined in any applicable State or Federal wetlands protection act or regulation, and further, see that
3 its management under this Agreement shall be consistent with the comprehensive master plan for coastal restoration and protection as
4 approved by the Coastal Protection and Restoration Authority and the legislature.

5 IX.

6 **PUBLIC RIGHTS:**

7 Water User may not take any action which restricts the right of the public to reasonably use the Water Resources, including,
8 without limitation, the right to fish.

9 X.

0 **ACCESS TO WATER:**

1 Water User shall be responsible for securing authorization, easements, rights-of-way, leases or permission of land owners to
2 obtain access to the water at the withdrawal points. This Agreement does not provide access to the Water Resources. At the time of
3 contracting, Water User warrants that he has secured the necessary consent to withdraw water from the locations indicated in the Plan.

4 XI.

5 **MISCELLANEOUS:**

6 A. Water User may not mortgage, pledge, or hypothecate this Agreement nor subject it to seizure and sale without the written
7 consent of the Secretary. This Agreement may not be assigned or sold without prior written consent of the Secretary.

8 B. Upon termination of this Agreement, Water User shall leave the Water Resources in the same good order as the resources
9 were in at the commencement of this Agreement, including restoration of landscape where necessary, and shall remove all machinery,
0 implements, property and improvements placed in the Water Resources.

1 C. This Agreement is entered into by the parties hereto, subject to the provisions of the applicable federal, state and local laws
2 presently in force or any amendments thereto, and nothing contained herein shall be construed as exempting Water User from
3 obtaining and complying with any permits, licenses or laws applicable to the Water withdrawal herein contemplated or the use and
4 disposal of such Water.

5 D. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Louisiana. This Agreement
6 is a public record and a copy must be provided to anyone requesting same.

7 E. All notices and communications under this Agreement shall be sufficiently given and shall be deemed given when sent by
8 certified mail, postage prepaid, or other recognized delivery methods mutually agreed to, addressed to the last address designated in
9 writing by the respective party for receipt of notice. Water User, its successors or assigns, shall notify the Secretary by certified mail
0 of any change of address, telephone number or contact party within thirty (30) days of said change; failure to do so shall render notice
1 to the last known address as legal notice.

2 F. In the event any provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, such
3 holding shall not invalidate or render unenforceable any other provision.

4 G. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or
5 intent of any provisions of this Agreement.

6 H. This Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein expressed or
7 implied shall give rise to or be construed to give to any person, other than the parties hereto and such assigns, any legal or equitable
8 rights hereunder. All references herein to the enforceability of agreements with third parties, the existence or non-existence of third-
9 party rights, the absence of breaches or defaults by third parties, or similar matters or statements, are intended only to allocate rights

1 and risks between the parties and were not intended to be admissions against interests, give rise to any inference or proof of accuracy,
2 be admissible against any party by any non-party, or give rise to any claim or benefit to any non-party

3 I. Water User shall maintain its records and accounts of the quantity of water withdrawn pursuant to this Agreement for three
4 (3) years from the date this Agreement is terminated.

5
6

7 THUS DONE, READ, ACCEPTED, AND SIGNED by the parties hereto in the presence of the respective undersigned
8 witnesses, as of the _____ day of _____, _____, which shall be the date of this lease for all purposes.

9 WITNESSES to the signature of Grantor:

1 _____ Department of Natural Resources
2
3
4 By: _____
5 Secretary, Grantor

6 WITNESSES to the signature of Grantor:

7 _____
8 _____
9 _____
0 _____
1 _____
2 _____
3 _____
4 _____
5 _____
6 _____
7 Water User

8 **WITNESS FORM OF**
9 **ACKNOWLEDGMENT FOR THE DEPARTMENT OF NATURAL RESOURCES**

0 STATE OF LOUISIANA
1 PARISH OF EAST BATON ROUGE

2 Before me, the undersigned authority, personally came and appeared _____, who by
3 me being first being duly sworn, deposed and said:

4 That he is one of the witnesses to the execution of the foregoing instrument and that he saw
5 _____ sign said instrument as _____
6 of the Department of Natural Resources for and on behalf of the State of Louisiana, in the presence of appearer and
7 the other subscribing witness.

8 Sworn to and subscribed before me on this the
9 _____ day of _____, _____
0 _____
1 Appearer

2 Notary Public
3 _____
4
5

6 **WITNESS FORM OF**
7 **ACKNOWLEDGMENT FOR CORPORATE WATER USER**

8 STATE OF _____
9 OF _____

0 Before me, the undersigned authority, personally came and appeared _____, who by
1 me being first being duly sworn, deposed and said:

2 That he is one of the witnesses to the execution of the foregoing instrument and that he saw
3 _____ sign said instrument as _____
4 of the free act and deed of said corporation in the presence of appearer and
5 the other subscribing witness.

6 Sworn to and subscribed before me on this the
7 _____ day of _____, _____
8 _____
9 Appearer

0 Notary Public
1 _____
2
3

4 **WITNESS FORM OF**
5 **ACKNOWLEDGMENT FOR INDIVIDUAL WATER USER**

6 STATE OF _____
7 OF _____

1 Before me, the undersigned authority, personally came and appeared _____, who by
2 me being first being duly sworn, deposed and said:
3 That he is one of the witnesses to the execution of the foregoing instrument and that he saw
4 _____ sign said instrument as _____
5 _____ as his/her free act and deed in the presence of appearer and
6 _____, the other subscribing witness.

7
8 Sworn to and subscribed before me on this the
9 _____ day of _____, _____
0
1 _____
2
3 Notary Public

Appearer _____

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

WHEREAS, a request was made by Wilcox Energy Company for the waiver of all or a portion of the liquidated damage assessment in the amount of \$20,800.00 levied on the late release of State Lease No. 16126, Concordia Parish, Louisiana;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant a complete waiver to Wilcox Energy Company of the liquidated damage assessment in the amount of \$20,800.00 levied on the late release of State Lease No. 16126, Concordia Parish, Louisiana.

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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

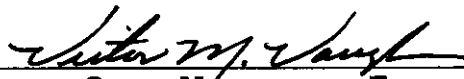
WHEREAS, a request was made by S 90 Resources LLC for the waiver of all or a portion of the liquidated damage assessment in the amount of \$18,200.00 levied on the late release of Operating Agreement 0289, Plaquemines Parish;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant a complete waiver to S 90 Resources LLC of the liquidated damage assessment in the amount of \$18,200.00 levied on the late release of Operating Agreement 0289, Plaquemines Parish.

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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

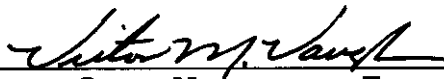
WHEREAS, a request was made by Legend Petroleum, L.P. for the waiver of all or a portion of the liquidated damage assessment in the amount of \$7,300.00 levied on the late release of State Lease No. 19212, Plaquemines Parish, Louisiana;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant a complete waiver to Legend Petroleum, L.P. of the liquidated damage assessment in the amount of \$7,300.00 levied on the late release of State Lease No. 19212, Plaquemines Parish, Louisiana.

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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

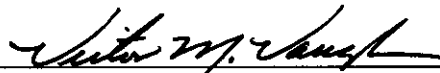
WHEREAS, a request was made by Samson Contour Energy E&P, LLC for the waiver of all or a portion of the liquidated damage assessment in the amount of \$15,300.00 levied on the late partial release of State Lease No. 17732, Bossier Parish, Louisiana;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant a reduction of the liquidated damage assessment against Samson Contour Energy E&P, LLC for the late partial release of State Lease No. 17732 to \$2,572.58.

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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

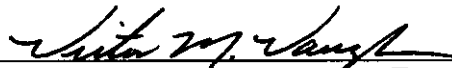
WHEREAS, a request was made for final approval of a Lease Amendment presented by Rapiere Resources Company, whereas said parties desire to amend the Lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 2995, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 10-40;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant final approval of the lease amendment presented by Rapiere Resources Company on the docket as Item No. 10-40.

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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

WHEREAS, a discussion was held in executive session of a counter offer from KK Westervelt regarding settlement of mineral royalty sharing on Lake Hackberry, Terrebonne Parish, Louisiana;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board approve the settlement offer presented in executive session, in principal, subject to the drafting and execution of an appropriate settlement agreement, and its due advertisement and placement on the Docket for final approval.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

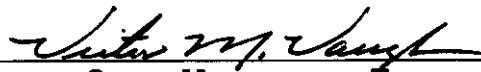
WHEREAS, a discussion was held in executive session of the suit entitled Cox Operating LLC v. State of Louisiana, Docket No. 106-164, 34th Judicial District Court, Parish of St. Bernard;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board reject the settlement offer presented in executive session and give Staff the authority to negotiate a settlement of this matter based upon the variables discussed in executive session.

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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

BOBBY JINDAL
GOVERNOR



ROBERT D. HARPER
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 12:30 p.m. on Wednesday September 8, 2010. Board Members present were Mr. Scott Angelle, Mr. Bay E Ingram, Mr. Robert "Michael" Morton, Mr. Thomas L. Arnold, Jr., Mr. Emile Cordaro, Mr. Darryl D. Smith and Mr. W. Paul Segura, Jr.

The Committee made the following recommendations:

Approve all Assignments on pages 2 through 10 with the following exceptions; Docket Item Nos. 1, 2, and 3 on pages 1 and 2 would be deferred and Nos. 4, 5, 6, 7, 9 and 10 on pages 3, 4, 5 and 9 would be approved subject to the approval of the Governor of Louisiana;

Approve the following items: Docket Item Nos. 10-35, 10-36 and 10-41 on pages 11 and 12;

Approve the following item upon recommendation of the Legal and Title Controversy Committee: Docket Item Nos. 10-37, 10-38, 10-39 and 10-40 on pages 11 and 12.

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

There being no further business to come before the committee, upon motion of Mr. Cordaro, and seconded by Mr. Segura, the committee voted unanimously to adjourn the meeting at p.m.

Respectfully submitted,

Handwritten signature of Bay E. Ingram in cursive, followed by a horizontal line.

Mr. Bay E. Ingram
Vice-Chairman
Docket Review Committee

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

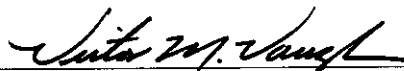
On motion of Mr. Smith, seconded by Mr. Cordaro, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the September 8, 2010, Meeting be deferred, said instrument being an Assignment from Phoenix Exploration Louisiana C LLC to CL&F Resources, LP, an undivided 40% of 8/8ths interest in and to Operating Agreement "A0301", St. Mary Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease covers that portion of that certain 860 acre tract of the Belle Isle selection of State Lease No. 340, which is located within the boundaries of the L RA SUA Unit, **AND FURTHER LIMITED TO** rights from the surface down to the stratigraphic equivalent of a depth of 14,766' MD as seen in the SL 340 Atchafalaya Bay #44 well, with further particulars being stipulated in the instrument.

Phoenix Exploration Louisiana C LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the September 8, 2010, Meeting be deferred, said instrument being an Assignment from Phoenix Exploration Louisiana C LLC to CL&F Resources, LP, an undivided 40% of 8/8ths interest in and to State Lease Nos. 340 and 3184, St. Mary Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said leases fall within the confines of the L RA SU A, **FURTHER LIMITED TO** the unitized depths and horizons covered by said L RA SU A, described as those specific said horizons occurring between the depths of 13,619 and 14,845, measured depths, as seen in the electric log of the Sun-Belle Isle Unit No. 1-57, with further particulars being stipulated in the instrument.

Phoenix Exploration Louisiana C LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD


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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 3 from the September 8, 2010, Meeting be deferred, said instrument being an Assignment from Phoenix Exploration Louisiana C LLC to CL&F Resources, LP, an undivided 40% of 8/8ths interest in and to State Lease Nos. 2366, 2585, 3184, 3185, 3586 and 3909, St. Mary Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** Unitization Agreement is located within the geographic confines of the L RA SU A, **AND FURTHER LIMITED TO ONLY** those unitized depths and horizons covered by said L RA SUA, described as those specific sand horizons occurring between the depths of 13,619' and 14,845', measured depths, as seen in the electric log of the Sun-Belle Isle Unit No. 1-57, with further particulars being stipulated in the instrument.

Phoenix Exploration Louisiana C LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

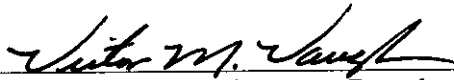
LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 4 from the September 8, 2010, Meeting be approved subject to the approval of the Governor of Louisiana, said instrument being a Correction of Resolution No. 20 from the April 11, 2007 Meeting, being a Change of Name whereby Goldking Energy Corporation is changing its name to Goldking Texas Corporation, under the name of Goldking Texas, Inc., whereas State Lease No. 12847 was omitted from said resolution and is hereby being added, affecting State Lease Nos. 214, 341, 344, 1393, 1908, 2412, 2413, 12897 and 18114, Cameron, Iberia, Lafayette, Lafourche, Plaquemines, St. Mary, Terrebonne and Vermilion Parishes, Louisiana.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

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

By: _____



Scott A. Angelle
Chairman, State Mineral Board

RESOLUTION

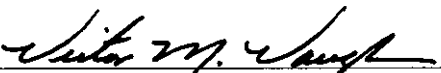
LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 5 from the September 8, 2010, Meeting be approved subject to the approval of the Governor of Louisiana, said instrument a Correction of Resolution No. 21 from the April 11, 2007 Meeting, being a Merger whereby Goldking Texas, Inc. and Goldking Energy Offshore Corporation are merging with and into Goldking Operating Company, under the name of Goldking Operating Company, whereas State Lease No. 12847 was omitted from said resolution and is hereby being added, affecting State Lease Nos. 214, 341, 344, 1393, 1908, 2412, 2413, 12897 and 18114, Cameron, Iberia, Lafayette, Lafourche, Plaquemines, St. Mary, Terrebonne and Vermilion Parishes, Louisiana.

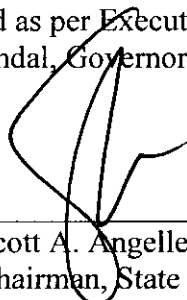
CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

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

By: 

Scott A. Angelle
Chairman, State Mineral Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 6 from the September 8, 2010, Meeting be approved subject to the approval of the Governor of Louisiana, said instrument a Correction of Resolution No. 13 from the October 10, 2007 Meeting, being a Change of Name whereby Goldking Operating Company is changing its name to Dune Gulf Coast Operating, Inc., whereas State Lease No. 12847 was omitted from said resolution and is hereby being added, affecting State Lease Nos. 214, 341, 344, 1393, 1908, 2412, 2413, 12897 and 18114, Cameron, Iberia, Lafayette, Lafourche, Plaquemines, St. Mary, Terrebonne and Vermilion Parishes, Louisiana.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

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

By: 

Scott A. Angelle
Chairman, State Mineral Board

RESOLUTION

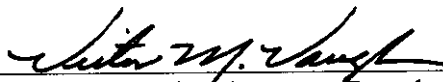
LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 7 from the September 8, 2010, Meeting be approved subject to the approval of the Governor of Louisiana, said instrument a Correction of Resolution No. 14 from the October 10, 2007 Meeting, being a Change of Name whereby Dune Gulf Coast Operating, Inc. is changing its name to Dune Properties, Inc., whereas State Lease No. 12847 was omitted from said resolution and is hereby being added, affecting State Lease Nos. 214, 341, 344, 1393, 1908, 2412, 2413, 12897 and 18114, Cameron, Iberia, Lafayette, Lafourche, Plaquemines, St. Mary, Terrebonne and Vermilion Parishes, Louisiana.

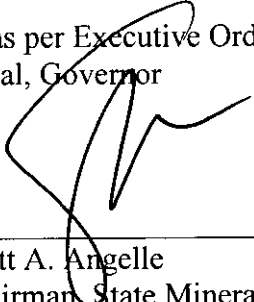
CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

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

By: 

Scott A. Angelle
Chairman, State Mineral Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 8 from the September 8, 2010 Meeting be approved, said instrument an Assignment from Bass Partnership, an undivided 30% of 8/8ths interest, to the following in the proportions set out below.

B&L Exploration, L.L.C.	25% of 8/8ths
J R. Energy, L.L.C.	5% of 8/8ths

in and to State Lease Nos. 1212 and 1732, Plaquemines Parish, Louisiana, **LIMITED INSOFAR AND ONLY INSOFAR AS** the leases fall within the outline shown on Exhibit A-1 and **FURTHER LIMITED** in depth from the surface to the stratigraphic equivalent of 100' below a depth of 10,626', with further particulars being stipulated in the instrument.

Bass Partnership 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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 9 from the September 8, 2010 Meeting be approved, said instrument an Assignment from Sulphur River Exploration, Inc , of an undivided interest to the following in the proportion set out below

Royal Production Company, Inc.	30.000%
CEL Properties, LLC	16.875%
RLI Properties, LLC	5.625%
Anderson Exploration Energy Co., L.C.	18.750%
KVS Interest, Ltd	3.750%
Erwin Energy Corp	9.000%
Craig Fox	2.000%
Orr Exploration, Ltd.	2.500%
Raptor Resources, Inc	2.500%

in and to State Lease No. 20262, Jefferson Parish, Louisiana, with further particulars being stipulated in the instrument.

Royal Production Company, 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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 10 from the September 8, 2010 Meeting be approved subject to the approval of the Governor of Louisiana, said instrument an Assignment from the Estate of William G Helis, a partnership to Helis Oil & Gas Company, L.L.C., of all of Assignor's right, title and interest in and to State Lease No 195, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument

Helis Oil & Gas Company, L.L.C. 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;

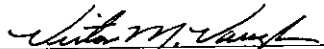
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

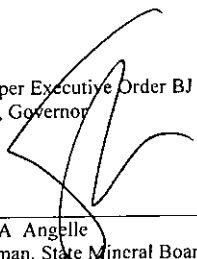
BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument

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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

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

By: 
Scott A. Angelle
Chairman, State Mineral Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 11 from the September 8, 2010 Meeting be approved, said instrument an Assignment from Samson Contour Energy E & P, LLC to Petrus Energy, LLC, of all of Assignor's right, title and interest in and to State Lease No. 1730, Lafourche Parish, Louisiana, **INSOFAR AND ONLY INOFAR** as the lease covers and includes rights in and to the geographic boundaries of the SC3 SW RG SUA and being further **LIMITED** to Assignor's rights in the lease from the surface of the earth down to and including one hundred feet (100') below the stratigraphic equivalent of 11,350' as seen in the electric induction log for the well, with further particulars being stipulated in the instrument.

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

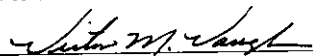
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows.

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12 from the September 8, 2010 Meeting be approved, said a Sublease from the William Herbert Hunt Trust Estate to Petro-Hunt, L.L.C., of all of Sublessor's right, title and interest in and to State Lease No. 543, Bienville Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 13 from the September 8, 2010 Meeting be approved, said an Assignment from Marathon Oil Company to Key Production Company, Inc., of all of Assignor's right, title and interest in and to State Lease No. 9076, Caddo Parish, Louisiana, with further particulars being stipulated in the instrument.

Key Production Company, 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;

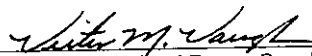
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 14 from the September 8, 2010 Meeting be approved, said an Assignment from Crimson Exploration Operating, Inc. to Shoreline Southeast LLC, of all of Assignor's right, title and interest in and to State Lease No. 17221, Jefferson Davis 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 the 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 15 from the September 8, 2010 Meeting be approved, said an Assignment from Hilcorp Energy I, L.P. to Club Oil & Gas Ltd, LLC, an undivided 12.50% of 8/8ths interest in and to State Lease Nos. 20007, 20008, 20009 and 20010, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 16 from the September 8, 2010 Meeting be approved, said an Assignment from Stone Energy Offshore, L.L.C. to Arthur J. Pamas, an undivided 4.789350 working interest in and to State Lease No. 18603, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

Stone Energy Offshore, L.L.C. 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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 17 from the September 8, 2010 Meeting be approved, said an Assignment from Lake Energy, Inc to Energy Properties, Inc, of all of Assignor's right, title and interest in and to State Lease No. 725, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

Energy Properties, 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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 18 from the September 8, 2010 Meeting be approved, said an Assignment from Patrick L. Donohue Petroleum Company to Texas Petroleum Investment Company, of all of Assignor's right, title and interest in and to State Lease No. 20257, Jefferson Davis Parish, Louisiana, with further particulars being stipulated in the instrument.

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

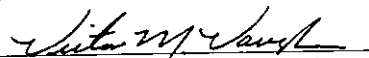
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 19 from the September 8, 2010 Meeting be approved, said an Assignment from Theophilus Oil, Gas & Land Services, LLC, of an undivided interest to the following in the proportions set out below:

Winwell, L.L.C.	50.00%
KCS Resources, LLC	50.00%

in and to State Lease No 19483, Bossier and Caddo Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

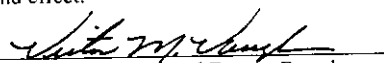
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 20 from the September 8, 2010 Meeting be approved, said an Assignment from U.S. Energy Corp to Energy One LLC, of all of Assignor's right, title and interest in and to State Lease No. 19863, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

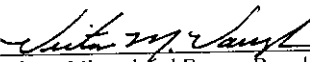
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 21 from the September 8, 2010 Meeting be approved, said an Assignment from Crimson Exploration Operating, Inc to Shoreline Southeast LLC, of all of Assignor's right, title and interest in and to State Lease No. 16505, Jefferson Davis 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 the 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 22 from the September 8, 2010 Meeting be approved, said an Assignment from White Oak Energy IV, LP to Chroma Oil & Gas, LP, of all of Assignor's right, title and interest in and to State Lease No. 15502, Calcasieu Parish, Louisiana, with further particulars being stipulated in the instrument.

Chroma 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;

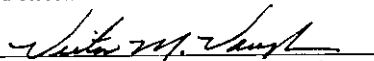
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 23 from the September 8, 2010 Meeting be approved, said an Assignment from Theophilus Oil, Gas & Land Services, LLC to Hilcorp Energy I, L.P., of all of Assignor's right, title and interest in and to State Lease No. 20115, Lafourche and St. Charles Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 24 from the September 8, 2010 Meeting be approved, said an Assignment from Arthur J. Pamas, husband of/and Evelyn Callager Pamas to Tenkay Resources, Inc., of all of Assignor's right, title and interest in and to State Lease Nos. 14498, 16120, 16121, 16255, 16528, 16944, 16945 and 17309, Lafourche and Terrebonne Parishes, Louisiana, with further particulars being stipulated in the instrument

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

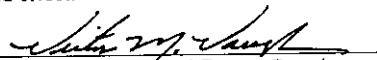
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

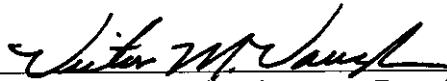
LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-35 from the September 8, 2010, Meeting be approved, said instrument a Correction of Resolution No. 10-24 from the June 9, 2010 Docket, being an Amendment of that certain Pooling Agreement, presented by The Louisiana Land and Exploration Company and Burlington Resources Oil & Gas Company LP, successor of all the interest of The Texas Company, whereas State Lease Nos. 18345 and 20263 were omitted from said resolution and are hereby being added, affecting State Lease Nos. 199, 18167, 18345 and 20263, Terrebonne 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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

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

By: 

Scott A. Angelle
Chairman, State Mineral Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

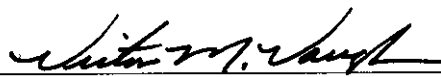
On motion of Mr. Smith, seconded by Mr. Cordaro, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-36 from the September 8, 2010, Meeting be approved, said instrument being an Amendment of that certain Unitization Agreement, the "H-2 VUA", dated April 14, 2010, presented by Stone Energy Offshore, L.L.C., whereas said party desires to amend Paragraph 7(a) and also declare that the H-2 VUA, though dated April 14, 2010, is intended to and shall be effective as of August 1, 2009, affecting State Lease No. 19749 and Operating Agreement "A0312", Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 8th day of September, 2010 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD


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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-37 from the September 8, 2010, Meeting be approved, said instrument being a Lease Amendment presented by Poydras Energy Partners, LLC (formerly Poydras Energy LLC), whereas said party desires to amend the original Lease wherever the name "Poydras Energy, LLC" appears in said Leases, the name Poydras Energy Partners, LLC shall be substituted, affecting State Lease Nos. 20101 and 20103, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 8th day of September, 2010 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

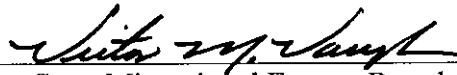
On motion of Mr. Smith, seconded by Mr. Cordaro, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-38 from the September 8, 2010, Meeting be approved, said instrument being a Lease Amendment presented by Exxon Mobil Corporation, whereas said party desires to amend Paragraph 2 and Paragraph 6 of State Lease No. 18737, affecting State Lease No. 18737, Jefferson Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 8th day of September, 2010 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

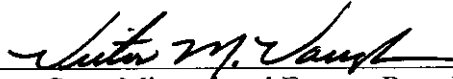
On motion of Mr. Smith, seconded by Mr. Cordaro, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-39 from the September 8, 2010, Meeting be approved, said instrument being a Lease Amendment presented by ExxonMobil Corporation, whereas said party desires to amend Paragraph 2 and Paragraph 6 of State Lease No. 18738, Jefferson Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 8th day of September, 2010 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

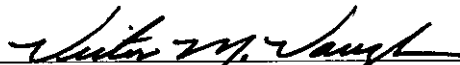
On motion of Mr. Smith, seconded by Mr. Cordaro, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-40 from the September 8, 2010, Meeting be approved, said instrument being a Lease Amendment presented by Rapiere Resources Company, whereas said parties desire to amend the Lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 2995, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 8th day of September, 2010 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

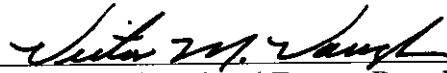
LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-41 from the September 8, 2010, Meeting be approved, said instrument a Correction of Resolution No. 10-33 from the July 14, 2010 Meeting, being a Force Majeure Lease Amendment by and between the State Mineral and Energy Board and The Harvest Group LLC, whereas said resolution incorrectly read..."affecting State Lease No. 16324" and is hereby being corrected to read,..."affecting State Lease No. 16386", St. Bernard 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 8th day of September, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board