

MINUTES

STATE MINERAL AND ENERGY BOARD

REGULAR MEETING AND LEASE SALE

JUNE 9, 2010

A Regular Meeting and Lease Sale of the State Mineral and Energy Board was held on Wednesday, June 9, 2010, beginning at 11:00 a.m. in the La Belle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana, subject to the call of the Governor and Ex-Officio Chairman.

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

W. Paul Segura, Jr., Vice-Chairman
Thomas L. Arnold, Jr.
Emile B. Cordaro
John C. "Juba" Diez
Darryl D. Smith
Lori LeBlanc, DNR Deputy Secretary sitting in for DNR Secretary Robert D. Harper

The following members of the Board were recorded as absent:

Scott A. Angelle, Chairman
Bay E. Ingram
Robert "Michael" Morton
Thomas W. Sanders
Helen G. Smith

Mr. Buatt announced that six (6) 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 May 12, 2010 Minutes. A motion was made by Mr. Arnold 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. Smith and unanimously adopted by the Board.

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

Lease Review Committee
Nomination & Tract Committee
Audit Committee
Legal & Title Controversy Committee
Docket Review Committee

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

The Chairman then announced that the Board would recess its regular meeting at 11:02 a.m. and go into executive session for technical briefing in order to consider matters before the Board which were confidential in nature. A motion was made by Mr. Arnold, seconded by Mr. Smith, and unanimously adopted by the Board.

During the technical briefing, the Board conferred with staff personnel concerning the merit of the bids that were submitted and opened earlier today at a public meeting*, based on geological, engineering and other confidential data and analyses available to the Board and staff, after which, upon motion of Mr. Arnold, seconded by Mr. Smith, and unanimously adopted by the Board, the Board reconvened in open session at 11:07 a.m.

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

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

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Board voted unanimously to award a lease on a portion of Tract 41480, said portion being 305.78 acres more particularly described in said bid and outlined on accompanying plat, to Cypress Energy Corporation.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Board voted unanimously to award a lease on Tract 41481 to Audubon Oil and Gas Corporation.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Board voted unanimously to award a lease on Tract 41482 to Audubon Oil and Gas Corporation.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Board voted unanimously to award a lease on Tract 41485 to Classic Petroleum, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Board voted unanimously to award a lease on Tract 41486 to EXCO Operating Company, LP.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Board voted unanimously to award a lease on Tract 41489 to Barton W. McDonald.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Board voted unanimously to award a lease on Tract 41490 to Bayou Resources LLC.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Board voted unanimously to award a lease on Tract 41491 to Duncan Oil Partners, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Board voted unanimously to award a lease on Tract 41493 to Duncan Oil Partners, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Board voted unanimously to award a lease on Tract 41496 to Gray Production Company.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Board voted unanimously to award a lease on Tract 41499 to Tri-C Resources, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Board voted unanimously to award a lease on a portion of Tract 41501, said portion being 100.00 acres more particularly described in said bid and outlined on accompanying plat, to Clayton Williams Energy, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Board voted unanimously to award a lease on Tract 41503 to Classic Petroleum, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Board voted unanimously to award a lease on Tract 41504 to Classic Petroleum, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Board voted unanimously to award a lease on a portion of Tract 41511, said portion being 350.43 acres more particularly described in said bid and outlined on accompanying plat, to Forest Oil Corporation.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Board voted unanimously to award a lease on a portion of Tract 41522, said portion being 154.27 acres more particularly described in said bid and outlined on accompanying plat, to Theophilus Oil, Gas & Land Services, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Board voted unanimously to award a lease on a portion of Tract 41524, said portion being 266.75 acres more particularly described in said bid and outlined on accompanying plat, to Theophilus Oil, Gas & Land Services, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Board voted unanimously to award a lease on another portion of Tract 41524, said portion being 235.84 acres more particularly described in said bid and outlined on accompanying plat, to Theophilus Oil, Gas & Land Services, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Board voted unanimously to award a lease on Tract 41526 to EXCO Operating Company, LP.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Board voted unanimously to award a lease on Tract 41527 to Duncan Oil Partners, LLC.

This concluded the awarding of the leases.

At this time, Secretary Buatt gave the following update on the oil spill:

Secretary Buatt: During our last meeting, I had given you all a briefing on the oil spill. I just want to give you all a brief update. Of course, you all probably know, if you've been keeping up with the news, there was a capping procedure with some limited success with that. They are capturing some of the oil although there seems to be a significant amount of oil continuing to be released. We continue to have impacts to our shorelines. Unfortunately, the cleanup is not proceeding to our expectations. We do look for a speedier cleanup and our administration continues to work with the federal on-scene coordinator and BP to see about streamlining and speeding up that cleanup.

In addition, we have two (2) wells that continue to be shut-in. The estimated daily losses to the state equate to something less than about \$1,500 – that is royalty and severance tax. So, we have not realized the potential where the oil has forecast to potentially come into contact with all of the operating facilities in state waters. Worst case scenario – it changes on a daily basis but in some scenarios it has been over \$1,000,000 a day that the state could have been impacted if all of those wells were shut-in. Fortunately, that has, in fact, not happened.

Since I gave you the briefing last time, the Obama Administration has announced a moratorium with regard to deepwater drilling. They define that as 500 feet and greater. We have conducted somewhat of a financial or economic impact of that. The Governor has issued a letter dated June 2, 2010 that summarizes some of the concerns that the Governor has and the State of Louisiana has with regard to the increased economic impact to the state. Our seafood industry is suffering huge economic losses. In addition to that, of course, tourism is suffering. Several segments of the economy are suffering as a result of the oil spill. We have concerns that this will add on to that economic suffering that the State of Louisiana continues to experience. In addition, when you consider this potential future production, this drilling activity offshore, deep well drilling in the Gulf of Mexico accounts for 80% of the oil produced in the Gulf of Mexico. The Gulf of Mexico accounts for 30% of the domestically-produced oil. So it is a significant amount of oil. We have seventeen (17) refineries in the State of Louisiana. The Gulf Coast has 50% of refining ... There is 50% of refining capacity on the Gulf Coast. In short, what that potentially translates into is instead of oil being produced offshore, oil will be imported to our offshores for unloading and processing of these refineries thereby potentially increasing risks of spills. Certainly, if you look at the historic data in trends with regard to risk from oil spills from exploration and production activities versus transportation activities.

In addition, the Office of Conservation is working on some emergency rules to "shore up" the operating procedures in state waters to further insure that we don't experience any oil spills on top of what is already out there. There was some confusion the other day about whether or not the state was imposing some sort of moratorium. The state is absolutely not imposing any sort of moratorium. The permitting process through the Office of Conservation, I am advised, continues to progress. We have a

delegation that is going to be going up to DC next week to have some discussions with regard to this federal moratorium, a six-month moratorium on deepwater drilling. The Deputy Secretary Ms. Lori LeBlanc will have some additional information on that and I am going to yield the floor to her.

Deputy Secretary LeBlanc: Thank you. My name is Lori LeBlanc and I am the Deputy Secretary here at DNR. As most of you have heard about this moratorium, as Lou just described, it is having significant impacts on the entire State of Louisiana but most especially our coastal communities. The impacts are projected to be tremendous to say the least. We are actually working a coordinated effort with Lt. Governor Scott Angelle. Governor Jindal had asked Scott Angelle to take the lead on this effort to come up with a grassroots effort to oppose the moratorium and I don't want to say oppose the moratorium but try to get it reduced from 6 months to 30 days. We all know and we have all heard that this moratorium could ... You could say 6 months but more than likely it is going to be much longer than 6 months as these rigs look to move to other countries and probably won't come back for several years. So, we realize that it's not just going to be an economic impact to the major oil and gas companies. This is going to be a major economic impact to local, coastal communities. So, what we've done is we've actually formed a grassroots effort – it is called the Gulf Economic Survival Team (GEST). We have been coordinating with all of the chambers of commerce along south Louisiana's coast. We plan on expanding this over to Texas, Mississippi, Alabama and coordinating our efforts with the other states. We have also been coordinating our efforts with all of the parish presidents just so we have a unified voice, a unified front on this moratorium and getting it reduced. And really what we are trying to do is not just come out and oppose the moratorium but actually put together alternatives. If you don't know already, the moratorium was actually a recommendation by Secretary Salazar with the Dept. of Interior and it is based on safety reports, safety recommendations. What we want to put forth is look at these recommendations that we already have. We've looked at the recommendations and how can we actually implement the safety recommendations which we wholeheartedly agree with the safety measures but how do we do it in a very compressed time period with ongoing operations without jeopardizing the economic security and our energy security of this country and, of course, the local communities.

So, having said that, we do have a meeting planned next week with Secretary Salazar as well as White House officials to bring this message up to them. A press release just went out today regarding this effort, the GEST effort, the Gulf Economic Survival Team. There is actually a web site that we just got up and running, you can go check that out. It is www.gest.la.gov It shows all the impacts, our position statement, the supporters. We have reached out ... We have numerous letters of support and resolutions from the chambers of commerce as well as local parish governments. All of that is going to be posted on there. There is an e-mail, you can send an e-mail and express your support and be on it. You can probably link all of this up to the media web sites now with facebook and really just get a lot of grassroots support for reducing the moratorium timeframe. Anyway, that is where we are with our efforts and hopefully you all will support us and I look forward to continuing to work with everyone on this Board on making this happen. Thank you.

Secretary Buatt: Thank you very much, Ms. LeBlanc. Another thing to note. As soon as Secretary Salazar announced the moratorium, I began working with Louisiana Dept. of Economic Development Secretary Mr. Stephen Moret and we contacted several financial analysts to determine what the potential impacts were. It seemed the overwhelming consensus was if this thing would persist and these rigs leave the gulf, it would be just as Deputy Secretary LeBlanc said, these deepwater rigs, there were 35 of them under contract in the Gulf of Mexico, it may be years before they would, in fact, return. Those rigs would not be rigs that would be used in shallow water, 500 feet or less.

In addition, at the time of announcing that moratorium, there were 23 rigs operating in the outer continental shelf - 22 of the 23 were in offshore Louisiana. Obviously, we have the potential to be disproportionately impacted by the moratorium.

Another thing to note, the financial analysts, most of them did not see that a lot of the investment that would be foregone as a result of the moratorium would come inland into Louisiana. There were a few analysts who thought some of those investment dollars may come inland but overwhelming majority of those financial analysts thought that most of those investment dollars would go to other projects, other deepwater projects overseas off the coast of Brazil, Nigeria and elsewhere. Thank you.

Emile Cordaro: Who is the delegation meeting with next week?

Ms. LeBlanc: Yes, we are working on scheduling meetings with Secretary Salazar and Carol Browner with the White House.

Vice-Chairman Segura: It is comforting to know that you guys are on top of this terrible situation in taking a leadership role in fixing the problem immediately but also the entire situation. Just the other night I saw T. Boone Pickens on Larry King Live and he was saying the exact same things that you all are. That while 6 months may not sound very long to the average person you have to understand that these rigs have to be leased so they are going to go elsewhere. If, in fact, they would release the moratorium in 6 months, those rigs would not come back in months 6 or 7 but would take another 6 months or a year to a year and a half to get back here. So, you are actually talking about a year and a half to two year impact.

Secretary Buatt: That is exactly what most of the financial analysts believe.

Vice-Chairman Segura: We encourage all of you to visit the web site and give your grassroots support and spread the word to everyone.

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

The following announcements were then made:

Secretary Buatt: I want to announce total cash payments for June 9, 2010 Lease Sale are \$6,072,056.39 which brings year-to-date cash payments to \$61,415,753.16.

I also would like to announce the annual SONRIS to SUNSET Oil & Gas Conference which I announced last meeting. It is scheduled for August 23-24 at the Roosevelt Hotel in New Orleans. We have some brochures in the back on the cart. Please feel free to pick some of those up.

In addition, we have three legislative items that are relevant to the Board. We have SB183 that will provide a (word unclear) for this Board to do the transactions with regard to alternative energy. That bill has passed the Senate side and is on the House floor waiting for final passage. SB184 allows the mineral energy fund ... it allows the recoupment of expenses, legal expenses, expert fees, when we are out collecting funds that are due to the state. Those monies come off the top prior to the money being

distributed so that essentially everyone pays their fair share prior to that money being distributed in accordance with the law. That bill has also passed the Senate side and is waiting for final passage in the House. HB977 that would provide for confidentiality of audit records. That bill has passed the House side and is waiting for final passage on the Senate side. Thank you and that is all of the announcements.

For the record, the quarterly Mineral Revenue and Production Report was provided to the Board for their information and review. **(The report is hereby attached and made a part of the Minutes by reference.)**

The Chairman then stated there being no further business to come before the Board, upon motion of Mr. Arnold, seconded by Mr. Cordaro, the meeting was adjourned at 11:25 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

**THE FOLLOWING BID OPENING MEETING REPORT,
COMMITTEE REPORTS, RESOLUTIONS AND
MINERAL REVENUE AND PRODUCTION REPORT
WERE MADE A PART OF THE JUNE 9, 2010 MINUTES
BY REFERENCE**

A public meeting for the purpose of opening sealed bids was held on Wednesday, June 9, 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
Ryan Seidemann, Assistant Attorney General

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:

June 9, 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. 41480 through 41527 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 two (2) letters of protest received and had been examined by legal counsel for the Board who advised that the Board was in a position to consider bids and award a lease on the protested tracts if so desired. Mr. Vaughn stated that the letters of protest were as follows:

1. Cypress Plantation, L.L.C., dated May 10, 2010, involving Tract Nos. 41494, 41495 & 41496.
2. Miami Corporation, dated May 20, 2010, involving Tract Nos. 41497, 41498 & 41509.

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

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

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

OFFSHORE TRACTS

Tract 41480
(Portion – 305.78 acres)

Bidder	:	Cypress Energy Corporation
Primary Term	:	Five (5) years
Cash Payment	:	\$48,924.80
Annual Rental	:	\$24,462.40
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

INLAND TRACTS

Tract 41481

Bidder	:	Audubon Oil and Gas Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$310,020.00
Annual Rental	:	\$155,010.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

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Tract 41482

Bidder	:	Audubon Oil and Gas Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$56,837.00
Annual Rental	:	\$28,418.50
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41483

No Bids

Tract 41484

No Bids

Tract 41485

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$4,497,885.00
Annual Rental	:	\$2,248,942.50
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41485

Bidder	:	Petrohawk Properties, LP
Primary Term	:	Three (3) years
Cash Payment	:	\$4,151,265.00
Annual Rental	:	\$2,075,632.50
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41486

Bidder	:	EXCO Operating Company, LP
Primary Term	:	Three (3) years
Cash Payment	:	\$224,856.00
Annual Rental	:	\$112,428.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41486

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$180,684.00
Annual Rental	:	\$90,342.00
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41487

No Bids

Tract 41488

No Bids

Tract 41489

Bidder	:	Barton W. McDonald
Primary Term	:	Three (3) years
Cash Payment	:	\$26,313.00
Annual Rental	:	\$13,156.50
Royalties	:	24% on oil and gas
	:	24% on other minerals
Additional Consideration	:	None

Tract 41490

Bidder	:	Bayou Resources LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$1,650.00
Annual Rental	:	\$825.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 41491

Bidder	:	Duncan Oil Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$11,748.00
Annual Rental	:	\$5,874.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

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Tract 41492

No Bids

Tract 41493

Bidder	:	Duncan Oil Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$14,319.00
Annual Rental	:	\$7,159.50
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41494

No Bids

Tract 41495

No Bids

Tract 41496

Bidder	:	Gray Production Company
Primary Term	:	Three (3) years
Cash Payment	:	\$21,000.00
Annual Rental	:	\$10,500.00
Royalties	:	22% on oil and gas
	:	22% on other minerals
Additional Consideration	:	None

Tract 41497

No Bids

Tract 41498

No Bids

Tract 41499

Bidder	:	Tri-C Resources, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$1,155.00
Annual Rental	:	\$577.50
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41500

No Bids

Tract 41501

(Portion – 100.00 acres)

Bidder	:	Clayton Williams Energy, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$25,300.00
Annual Rental	:	\$12,650.00
Royalties	:	23.00% on oil and gas
	:	23.00% on other minerals
Additional Consideration	:	None

STATE AGENCY TRACTS

Tract 41502

No Bids

Tract 41503

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$337,178.00
Annual Rental	:	\$168,589.00
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

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Tract 41504

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$55,499.00
Annual Rental	:	\$27,749.50
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41505

No Bids

WHITE LAKE TRACTS

Tract 41506

No Bids

Tract 41507

No Bids

Tract 41508

No Bids

Tract 41509

No Bids

Tract 41510

No Bids

Tract 41511
(Portion – 350.43 acres)

Bidder	:	Forest Oil Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$123,351.36
Annual Rental	:	\$61,675.68
Royalties	:	16.67% on oil and gas
	:	16.67% on other minerals
Additional Consideration	:	None

Tract 41512

No Bids

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Tract 41513

No Bids

Tract 41514

No Bids

Tract 41515

No Bids

ATCHAFALAYA DELTA WMA-ST. MARY TRACTS

Tract 41516

No Bids

Tract 41517

No Bids

Tract 41518

No Bids

Tract 41519

No Bids

Tract 41520

No Bids

Tract 41521

No Bids

Tract 41522
(Portion – 154.27 acres)

Bidder	:	Theophilus Oil, Gas & Land Services, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$58,005.52
Annual Rental	:	\$29,002.76
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41523

No Bids

Tract 41524
(Portion – 266.75 acres)

Bidder	:	Theophilus Oil, Gas & Land Services, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$100,298.00
Annual Rental	:	\$50,149.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41524
(Portion – 235.84 acres)

Bidder	:	Theophilus Oil, Gas & Land Services, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$88,675.84
Annual Rental	:	\$44,337.92
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41525

No Bids

TAX ADJUDICATED LANDS TRACTS

Tract 41526

Bidder	:	EXCO Operating Company, LP
Primary Term	:	Three (3) years
Cash Payment	:	\$55,651.86
Annual Rental	:	\$27,825.93
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41526

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$40,264.29
Annual Rental	:	\$20,132.15
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41527

Bidder	:	Duncan Oil Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$13,389.01
Annual Rental	:	\$6,694.51
Royalties	:	25% on oil and gas
	:	25% 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,



Victor M. Vaughn
Executive Officer
State Mineral and Energy Board

Cypress Plantation, LLC
P.O. Box 1083
Houston, Texas 77251
713-579-6053
713-579-6201 (fax)

RECEIVED
OFFICE OF
MINERAL RESOURCES
STATE MINERAL BOARD

2010 MAY 25 AM 9: 21

May 10, 2010

VIA CERTIFIED MAIL – RETURN
RECEIPT REQUESTED

Department of Natural Resources
Office of Mineral Resources
State Mineral Board
Post Office Box 2827
Baton Rouge, LA 70821-2827

Re: Tract Nos. 41494, 41495 and 41496, Cameron Parish, LA
June 9, 2010 State Lease Sale

Gentlemen:

It has come to our attention that Tract Nos. 41494, 41495 and 41496 (hereinafter the "Tracts") are being advertised for lease at the upcoming June 9, 2010 State Lease Sale. Without waiver of any rights, Cypress Plantation, L.L.C. represents that it is the owner of parts of the land located within the Tracts, such lands having been acquired by that certain Limited Warranty Deed recorded in COB 866, Page 236 under Entry No. 252644, as corrected by that certain Correction of Deed Description recorded in COB 868, Page 169 under Entry No. 253124, all records of the Clerk of Court for Cameron Parish, Louisiana. Thus, we protest the advertising of any such Cypress Plantation, L.L.C. interest within said Tracts.

We hereby request that the Tracts be withdrawn from the June 9, 2010 State Lease Sale. If said Tracts are not withdrawn, please advise any prospective bidder of this protest by furnishing a copy of this letter. Each prospective bidder should be advised that Cypress Plantation, L.L.C. will take any and all actions necessary to protect its interest in lands located within the Tracts.

Sincerely,

Cypress Plantation, LLC
By: Sable Minerals, Inc., its Manager

By: _____

James C. Flores
President

MIAMI CORPORATION
666 S. EUGENE STREET
SUITE B
BATON ROUGE, LOUISIANA 70806-5470

TELEPHONE (225) 377-2033
FAX (225) 377-8562

RECEIVED
OFFICE OF
MINERAL RESOURCES
STATE MINERAL BOARD

2010 MAY 25 AM 9:21

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

May 20, 2010

Department of Natural Resources
Office of Mineral Resources
State Mineral Board
Post Office Box 2827
Baton Rouge, Louisiana 70821-2827

Re: Tract Nos. 41497, 41498 and 41509
Cameron and Vermilion Parishes, Louisiana
June 9, 2010 State Lease Sale

Gentlemen:

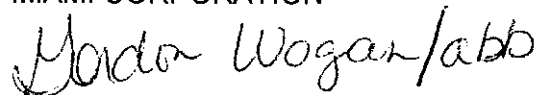
It has come to our attention that Tract Nos. 41497, 41498 and 41509 are being advertised for lease at the upcoming June 9, 2010 State lease sale.

Without waiver of any rights, Miami Corporation represents that it is the owner of parts of the land located within these Tracts. We therefore protest the advertising of any such Miami Corporation interests within these Tracts.

Accordingly, we hereby request that the subject Tracts be withdrawn from the June 9, 2010 lease sale. In the event that you do not withdraw these Tracts, please advise any prospective bidder of the protest by furnishing a copy of this letter. Please inform the prospective bidder that Miami Corporation fully intends to take all action necessary to protect its interests in the premises.

Very truly yours,

MIAMI CORPORATION



Gordon L. Wogan
Vice President

GLW:abb

A_3162



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, June 9, 2010 at 9:46 a.m. with the following members of the board in attendance: Ms. Lori E. LeBlanc, Department of Natural Resources Deputy Secretary, attending for Mr. Robert D. Harper, Department of Natural Resources Secretary, Mr. Thomas L. Arnold, Jr. and Mr. Emile B. Cordaro.

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 1794 active State Leases covering approximately 847,680 acres. The Geological and Engineering Division has reviewed 192 leases covering nearly 60,500 acres.

II. Report on Force Majeure

Last Updated: 6/1/2010	
Leases Off Production Due to Ida	
Company Name	Lease Numbers
Chevron	1482, 1486
Leases Off Due to Non-storm Related Force Majeure Events	
Apache	16473, 16475, 18121
Mariner Energy	8690, 12457, 13287
Leases Off Due to BP Oil Spill	
Milagro	8191
Nippon	13287, 14860, 14861, 15042, 15764

On motion of Mr. Cordaro, seconded by Ms. LeBlanc, the Committee moved to accept and approve all reviews and recommendations by the staff.

The Committee adjourned its June 9, 2010 meeting at 9:47 a.m.

Respectfully submitted,

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

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



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: June 9, 2010 6:36 AM

District Code	1	New Orleans- East				
Get Review Date	June 9, 2010					
Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
00335C		GRAND BAY	GB 13A RB2B SU 05/28/2009 80-M-5 09-522	130	900	JUN. 11/4/09 JMB: REVIEW 335-C WITH SL 195-A 11AR
01227		BRETON SOUND BLOCK 32		1570.27	1570.27	JUN. AR
03508		MAIN PASS BLOCK 69	237742-SL 3508-036 07/12/2008	683	2921.08	JUN. AR 5/11/10 DEVON SELLING TO APACHE 3/16/10 DEVON POD BY 6-9-10
04407		BRETON SOUND BLOCK 31		160	677.227	JUN 5-18-10 OMR TO SARATOGA : ACCEPT RPT AND REQ UPDATE BY 12-8 10;; RCD SARATOGA SPECIFIC TIME WHEN 3D SEISMIC WILL BE PURCHASED DUE BY 5-12-10
04458		BRETON SOUND BLOCK 31 , BRETON SOUND BLOCK 33	BIG HUM I RA SUA; SL 4458 05/01/1985	40	439.63	JUN. 5-18-10 OMR TO SARATOGA : ACCEPT RPT AND REQ UPDATE BY 12-8 10;; RCD SARATOGA SPECIFIC TIME WHEN 3D SEISMIC WILL BE PURCHASED DUE BY 5-12-10
04865		BRETON SOUND BLOCK 31		160	367	JUN 5-18-10 OMR TO SARATOGA : ACCEPT RPT AND REQ UPDATE BY 12-8 10;; RCD SARATOGA - SPECIFIC TIME WHEN 3D SEISMIC WILL BE PURCHASED DUE BY 5-12-10
04909		SOUTH PASS BLOCK 27 , STUARDS BLUFF , STUARDS BLUFF, EAST	7900 RA SUA;SL 4909 02/01/1990	570.239	570.239	JUN. AR 5/20/10 RS TO MIKE B
05049		BRETON SOUND BLOCK 31		40	161.844	JUN 5-18-10 OMR TO SARATOGA : ACCEPT RPT AND REQ UPDATE BY 12-8 10;; RCD SARATOGA SPECIFIC TIME WHEN 3D SEISMIC WILL BE PURCHASED DUE BY 5-12-10
06706		MAIN PASS BLOCK 74	PUMA RB SUA;SL 6706 08/05/2003 1213-A-2 03-586	2206	2624.72	JUN. 5/5/10 CCB: 8690, 12457, 13287 FM 4/7/10 (6706 HAS LEASE WELL) MAR. AR
08690		COTE BLANCHE ISLAND , MAIN PASS BLOCK 74	1340.46 06/02/1994	1159.52	1159.52	JUN. 5/5/10 CCB: 8690, 12457, 13287 FM 4/7/10 (6706 HAS LEASE WELL) MAR. AR
09680		CHANDELEUR SOUND ADDITION BLOCK 63		1364	1364	JUN. AR 5/4/10 SN 198345 LUW 302520 PROD THRU 02/10
12457		MAIN PASS BLOCK 74	972.3 05/10/1989	713.85	713.85	JUN. 5/5/10 CCB: 8690, 12457, 13287 FM 4/7/10 (6706 HAS LEASE WELL)
13287		MAIN PASS BLOCK 74	O RA SUA; 06/27/2000 1213-B 99-381	196.2	196.2	JUN. 5/5/10 CCB: 8690, 12457, 13287 FM 4/7/10 (6706 HAS LEASE WELL) MAR. AR
14564		LAKE FORTUNA	235.65 02/03/2004	295.27	295.27	JUN. AR



Louisiana Department of Natural Resources (DNR)

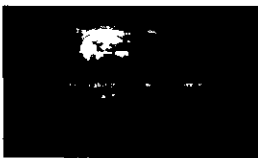
SONRIS

Staff Reviews

Report run on: June 9, 2010 6:36 AM

District Code 1 New Orleans- East
Get Review Date June 9, 2010

Table with columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Contains 20 rows of lease data including fields like MAIN PASS BLOCK 4, BRETON SOUND BLOCK 53, and CHANDELEUR SOUND BLOCK 69.



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: June 9, 2010 6:36 AM

District Code 1 New Orleans- East

Get Review Date June 9, 2010

Lease Num	DA	Field	Letest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
19312		CHANDELEUR SOUND BLOCK 68		141.26	141.26	JUN. SUGGEST AR, IF PRDG PT 3/14/10
19328				0	30.34	JUN. 4/28/10 RQD REL 4/21/10 RS JMB: APP EXP 4/19/10 RS TO JMB PT 4/11/10
19329				0	92	JUN. 4/28/10 RQD REL 4/21/10 RS JMB: APP EXP PT 4/11/10
19342				0	652	JUN. 4/28/10 RQD REL 4/21/10 RS JMB: APP EXP 4/19/10 RS TO JMB PT 4/11/10
20033				0	417	JUN. 4/28/10 REL RQD 4/15/10 RR PT 3/11/12



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: June 9, 2010 6:36 AM

District Code	1W	New Orleans- West				
Get Review Date	June 9, 2010					
Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
00212		LAKE WASHINGTON	11350 RD SUA;SL 212 05/28/2009 149-AAAA-9	3375	3875	JUN. AR
00212A		LAKE WASHINGTON	11350 RD SUA;SL 212 05/28/2009 149-AAAA-9	92	92	JUN. AR
00356D		QUEEN BESS ISLAND	LBLD RB SUA;SL 17617 747-D-4	64.85	4159	JUN. AR
00707		LAKE HERMITAGE	LAFOURCHE BASIN LEVEE DISTRICT	470	470	JUN. AR
00797		GRAND ISLE BLOCK 18	245 03/15/2010	480	1264.53	JUN. 4/6/10 RCD OFL PR OF 245, RTNG 1264.53 AC EFF 3/15/10 EXMOB
01423		TIMBALIER BAY OFFSHORE	TB D 2 SU 11/14/2007	259.527	259.527	JUN. AR 8APOD 5/24/10 FED/STATE UNIT - CK 6 MOS
01467		BAYOU PLAQUEMINE	31.718 07/08/1981	.282	.282	JUN. AR CCB: 2/25/10 SN 140854 60 DAY CLOCK
02747		BASTIAN BAY	O RL SUA;J S ABERCROMBIE 08/01/2008 339-O-31 08-1262	100	208	JUN. AR
03155		BASTIAN BAY	J S ABERCROMBIE	328.464	520	JUN. AR
03240		LAKE PALOURDE, EAST	CAM 1 RB SUA;COTTEN LAND CORP 08/25/1999 357-A-5 99-438	1.61	1.61	JUN. AR
03734		BAYOU SEGNETTE	B SEG CELOTEX SU 07/01/1976	20.212	20.212	JUN. AR
05259		KINGS RIDGE	9700 RA SUA;GRANDISON TRUST 03/01/1998	108.426	108.426	JUN. AR
06024		LAKE ENFERMER	F2 RA SUA;LAF RLTY CO 09/16/2003 340-HH 03-659	17.66	17.66	JUN. AR 5/12/10 NO ROYALTY SINCE 05/09 - PROD 3/10
12150		ST ROSE, NORTH	10600 RA SUA;INTL- MATEX TERM 05/01/1995	.544	.544	JUN. 4/28/10 REL RQD 4/28/10 APP EXP REQ REL PER MIKE B
14537		BASTIAN BAY	28.53 02/25/2008	23.93	23.93	JUN. AR
17339		GOLDEN MEADOW	23.891 03/15/2010	11.109	11.109	JUN. AR 3/31/10 RCD OFL PR OF 23.891, RTNG 11.109 AC EFF 3/15/10



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: June 9, 2010 6:36 AM

District Code	1W	New Orleans- West				
Get Review Date	June 9, 2010					
Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
17382		TIGER PASS	2MKR RC SUA; 07/09/2002 701-A-2 02-363	307.094	307.094	JUN. AR
17721		LAKE WASHINGTON	83.148 04/22/2008	16.852	16.852	JUN. AR 5/21/10 RS TO MIKE B
17722		LAKE WASHINGTON	58.226 03/19/2008	11.774	11.774	JUN. AR
18383		WEST DELTA BLOCK 52	VUA;SL 18383 07/11/2007	114.08	114.08	JUN. AR
18384		WEST DELTA BLOCK 52	VUA;SL 18383 07/11/2007	108.5	108.5	JUN. AR
18405		COFFEE BAY	1500 RA SUA;SL 18405 05/22/2007 459-D 07-493	226.11	226.11	JUN AR 5/19/10 RS JMB: LAST PRD 9/09, APP EXP
18528				0	466.43	JUN. 4/28/10 RQD REL 4/21/10 RS JMB: APP EXP PT 4/13/10
18936		WEST DELTA BLOCK 52	SL 18936 12/06/2007 1308-C 07-1423	83.947	322	JUN. 4/13/10 RCD UNOFL PR OF 238, RTNG 83.947 DD 3/8/10 PT 3/8/09 5/12/10 SN 235482 LUW 050138 PROD THRU 02/10
19212				0	286.969	JUN. 4/28/10 FURR 1/20/10 RQD REL PT 12/13/09
19250		DRAKES BAY	240224-K RA SUA;SL 19250-001 10/19/2009	110.837	232	JUN. 4/28/10 MANTI: CONFLICT AREA. PLAT, WHEN RESOLVED 4/22/10 RQD SRVY PLAT MANTI 615817 DD 1/10/11 PT 1/10/10
19282		MANILA VILLAGE	77.75 04/26/2010	240.247	240.25	JUN. SUGGEST AR 4/28/10 RCD OFL PR OF 77.75, RTNG 240.25 AC EFF 4/26/10 PT 2/14/10
19314				0	280	JUN. 5/19/10 RS JMB: APP EXP PT 3/14/10
19315		LAKE LONG	20.5 04/03/2008	93.5	93.5	JUN. SUGGEST AR, IF PRDG PT 3/14/10
19332				0	59	JUN. 4/28/10 RQD REL 4/19/10 RS JMB: APP EXP PT 4/11/10
19617				0	884.52	JUN. PT 3/12/11
19645				4.539	43	JUN. DD PD TO 4/21/11 PT 4/21/11 DDPYMT TO MIKE B ::4/19/10 LEASE NOT EXP.
19646				0	83	JUN. 4/28/10 RQD REL 4/21/10 RS JMB: APP EXP 4/19/10 RS TO JMB PT 4/9/11
19647				0	84	JUN. PT 4/9/11 4/21/10 RS MIKE B: APP EXP
20043				0	10	JUN. PT 4/8/12 4/28/10 REL RQD 4/19/10 RS TO MIKE B



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: June 9, 2010 6:36 AM

District Code 2 Lafayette

Get Review Date June 9, 2010

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
00341		BATEMAN LAKE	9700 RSW1B SUA;SL 1337 WAX U1 89-K-3 90-110	1000	1000	JUN. AR 5/19/10 JPT: HBP FROM BAL SU
00500		WEEKS ISLAND	SMITH-STATE UNIT C	317	570	JUN. AR 5/25/10 MERIDIAN RES/LA ONSHORE PROPS WILL SUBMIT PR W/COORDINATES. 5/19/10 JPT HBP FROM MULTI UNITS & RQD STATUS OF PR FROM LEE ZATARAIN
00724		FOUR ISLE DOME , MARTIN	VU18;LL&E U18	764	2854	JUN. 4/13/10 RCD CONPH RESPONSE EMAIL 4/6/10 OMR TO BR: RQD ADD'L PR & 5/08 500 AC PR
01764		HOUMA	PREN 2 RB SUA;CALVERT & TODD 06/01/1994	1.38	3.25	JUN. 5/19/10 JPT LAND DEPT ISSUE 5/15/09JPT>5/1/08 JPT: OMR LAND DEPT FOR REL STATUS=DCCOOPER WILL FU ;; 5/18/07 FUL RR
02413		LIVE OAK	46 04/30/2008	19	71	JUN. AR 5/19/10 JPT: HBP FROM 2 UNITS
03584		PATTERSON	MA 1 RA SUA;SL 1685 02/01/1995	55	55	JUN. AR 5/19/10 JPT: HBP FROM MA 1 RA SUA;SL 1685
05683		DEER ISLAND , DEER ISLAND, WEST	CL&F 21 07/08/2009	6.51	18.6	JUN. AR 5/19/10 JPT: HBP FROM MULTIPLE UNITS
07964		RICHIE, EAST	12.616 04/21/1989	7.384	7.384	JUN. AR 5/19/10 JPT: HBP FROM ERH MM RA SU
09410		BAYOU CARLIN	MA 6 RA SUA;SL 8091 07/26/2005 570-F-2 05-873	305.6	305.6	JUN. AR 5/19/10 JPT: HBP FROM MA 7 RA SUE;SL 8091
11151		WHITE LAKE, WEST	47.845 05/14/2009	180.942	180.942	JUN. AR 5/19/10 JPT: HBP FROM 2 UNITS
12608		CROCODILE BAYOU	10350 RA SUA;ST MARTIN PSB (L) 01/01/1990	16.444	16.444	JUN. 4/28/10 FURR 12/15/09 RS JPT: APP EXP, 90 DAY LAPSE OF PROD, REL RQD.
14521		MYETTE POINT, NW	VUA 05/12/1999	842	842	JUN. AR 5/19/10 JPT: HBP FROM VUA
14522		MYETTE POINT, NW	223494-VUA;SL 14522-1 11/08/1999	227	227	JUN. AR 5/19/10 JPT: HBP FROM VUA
14832		SHIP SHOAL BLOCK 47		320	683.31	JUN. 4/28/10 OMR TO B.SALSBURY S2 ENERGY:STATUS RPT BY 10/13/10 3AR
14851		SHIP SHOAL BLOCK 65	VUB;SL 14851	210	210	JUN. AR 5/19/10 JPT: HBP FROM UNIT & LEASE PROD
14905		SOUTH TIMBALIER BLOCK 8	SL 14905	65.302	65.302	JUN. AR 5/19/10 JPT: HBP FROM UNIT & LEASE PROD



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: June 9, 2010 6:36 AM

District Code 2 Lafayette
Get Review Date June 9, 2010

Table with columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Contains 20 rows of lease data including locations like MYETTE POINT, SOUTH TIMBALIER BLOCK, PASS DES ILETTES, RAMOS, CAILLOU ISLAND, LAPEYROUSE, SHIP SHOAL BLOCK, LAKE PELTO, EUGENE ISLAND, INTRACOASTAL CITY, DEER ISLAND, BAY BAPTISTE, BROUSSARD, and BOURG.



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: June 9, 2010 6:36 AM

District Code 2 Lafayette
Get Review Date June 9, 2010

Table with columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Contains 20 rows of lease data including fields like BAY BAPTISTE, REDFISH POINT, LAKE BOUDREAU, LAKE PAGIE, SW, CAILLOU ISLAND, and DRAKES BAY.



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: June 9, 2010 6:36 AM

District Code 3 Lake Charles- North
Get Review Date June 9, 2010

Table with 7 columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Contains 20 rows of lease data.



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: June 9, 2010 6:36 AM

District Code 3 Lake Charles- North
Get Review Date June 9, 2010

Table with 7 columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Contains 20 rows of lease data including fields like ROUTH POINT, ELM GROVE, THORN LAKE, etc.



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: June 9, 2010 6:36 AM

District Code 3 Lake Charles- North
Get Review Date June 9, 2010

Table with columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Contains 14 rows of lease data including fields like ELM GROVE, RED RIVER-BULL BAYOU, BRACKY BRANCH, and WOODARDVILLE.



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: June 9, 2010 6:36 AM

District Code 3S Lake Charles- South
Get Review Date June 9, 2010

Table with 7 columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Contains 20 rows of lease data.



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: June 9, 2010 6:36 AM

District Code 3S Lake Charles- South
Get Review Date June 9, 2010

Table with columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Includes rows for leases 19302, 19324, 19354, 19595, 19894, 19904, 20032, 20042 and a total row for 192 leases.

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 **9:47 a.m.** on Wednesday, **June 9, 2010** with the following members of the Board in attendance:

Mr. Thomas L. Arnold, Jr. Mr. Emile B. Cordaro Mr. John C. Diez
 Ms. Lori E. LeBlanc
 (D.N.R. Deputy Secretary)

The Committee heard the report of Mr. Emile Fontenot, relative to nominations received for the August 11, 2010 Mineral Lease Sale and other matters. Based upon the staff's recommendation, on motion of **Mr. Arnold** duly seconded by **Ms. LeBlanc**, 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.

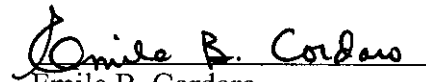
The Committee was informed of a letter of protest from Miami Corporation dated May 12, 2010 pertaining to Tract Nos. 41497, 41498 and 41509, Cameron and Vermilion Parishes, Louisiana. No action was required

The Committee was informed of a letter of protest from Cypress Plantation, LLC dated May 10, 2010 pertaining to Tract Nos. 41494, 41495 and 41496, Cameron Parish, Louisiana. No action was required.

Nomination and Tract Committee Report
June 9, 2010
Page -2-

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

Respectfully Submitted,

 by *B.F.*

Emile B. Cordaro

Chairman

Nomination and Tract Committee

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

NOMINATION AND TRACT COMMITTEE

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

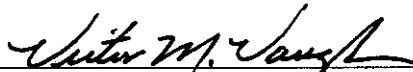
WHEREAS, Mr. Emile Fontenot presented to the State Mineral and Energy Board 42 tracts that had been nominated for the August 11, 2010 Mineral Lease Sale, and that same are to be advertised pending staff review; now therefore

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 9th day of June 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, June 9, 2010, following the Nomination and Tract Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building, located at 617 North Third Street, Baton Rouge, Louisiana. Committee Members present were:

Thomas L. Arnold, Jr. Emile B. Cordaro John C. "Juba" Diez
Lori LeBlanc (sitting in for DNR Secretary Robert D. Harper)

Mr. Arnold convened the Committee at 9:49 a.m.


The first matter considered by the Committee was a penalty waiver requested by Raptor Resources, Inc.

Upon recommendation of the staff and upon motion of Mr. Cordaro, seconded by Mrs. LeBlanc, the Committee voted to approve 75% penalty waiver of \$41,161.60.

The second matter considered by the Committee was the election of the June 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.

On Motion of Mr. Cordaro, seconded by Mrs. LeBlanc, the Board voted unanimously to adjourn the Audit Committee at 9:51 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. Cordaro, seconded by Mrs. Leblanc, the following Resolution was offered and adopted:

WHEREAS, the State Mineral and Energy Board caused an audit to be performed of Raptor Resources, Inc. payments of state royalty in the Bayou Villars field; State Lease 17140 which audit revealed that Raptor Resources, Inc. owed the state \$220,746.87 in underpayment of royalty and \$194,270.39 in interest and penalty for a total of \$320,649.66; and

WHEREAS, Raptor Resources, Inc. has remitted payment of \$265,767.53 for the outstanding principal and interest; and

WHEREAS, Raptor Resources, Inc. has made a letter application for reduction of penalties assessed in the amount of \$54,882.13 due to incorrect royalty payments; and

WHEREAS, the Mineral Income Division has reviewed the background and circumstances connected with Raptor Resources, Inc.'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 Raptor Resources, Inc.; 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 \$41,161.60 of the total penalty assessed to Raptor Resources, Inc..

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 9th day of June 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

BOBBY JINDAL
GOVERNOR



ROBERT D. HARPER
SECRETARY

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

LEGAL AND TITLE CONTROVERSY COMMITTEE REPORT

The regular meeting of the Legal and Title Controversy Committee of the State Mineral and Energy Board was held on June 9, 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:

Ms. Lori LeBlanc
Mr. Emile B. Cordaro
Mr. Darryl David Smith

Mr. W. Paul Segura, Jr.
Mr. Thomas L. Arnold, Jr.
Mr. John C. "Juba" Diez

The Legal and Title Controversy Committee was called to order by Mr. Arnold at 9:52 a.m.

A request was made by Staff to add eleven (11) items to the Legal & Title Controversy Committee Agenda which would be listed as Items 9 through 19, all of which are discussions in executive session in regard to concursus proceedings which will be set forth at the beginning of the motion for executive session.

Upon recommendation of the staff, no objections made from the public, and upon motion of Mr. Segura, seconded by Mr. Cordaro, the Committee voted unanimously to recommend that the State Mineral and Energy Board add eleven (11) items to the Legal & Title Controversy Committee Agenda which will listed as Items 9 through 19.

The first matter considered by the Committee was a request by Janus Gulf Coast Exploration LLC for the waiver of all or a portion of the liquidated damage assessment in the amount of \$14,500.00 levied on the late release of State Lease No. 19464, Ascension Parish, Louisiana.

Upon recommendation of the staff and upon motion of Mr. Diez, seconded by Mr. Cordaro, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant a complete waiver to Janus Gulf Coast Exploration LLC of the liquidated damage assessment in the amount of \$14,500.00 levied on the late release of State Lease No. 19464, Ascension Parish, Louisiana.

The second matter considered by the Committee was an appearance by Jamie S. Manuel on behalf of the request of Noble Energy, Inc. and that of Bechtel Exploration Company, Big Hit Resources, Inc., Gulf Stream Properties, LLC, James M. Hancock, Jr.,

James A. Whitson, Martex Exploration, Inc., Prometheus Development, Inc., Renish Corporation, Southern Royalty Group, LLC, Main Energy, Inc., Geosky, Inc., Southern Bay Oil & Gas, LP, Zachry Exploration, LTD., Rock Creek Ranch II, LLC, Blue Moon Exploration Company, Avalon Energy, LLC, and V & C Energy Limited Partnership for the waiver of all or a portion of the liquidated damage assessment in the amount of \$106,600.00 levied on the late partial release of State Lease No. 17339, Lafourche Parish, Louisiana.

Upon motion of Mr. Cordaro, seconded by Mr. Diez, the Committee voted to recommend that the Louisiana State Mineral and Energy Board grant a complete waiver to Noble Energy, Inc., Bechtel Exploration Company, Big Hit Resources, Inc., Gulf Stream Properties, LLC, James M. Hancock, Jr., James A. Whitson, Martex Exploration, Inc., Prometheus Development, Inc., Renish Corporation, Southern Royalty Group, LLC, Main Energy, Inc., Geosky, Inc., Southern Bay Oil & Gas, LP, Zachry Exploration, LTD., Rock Creek Ranch II, LLC, Blue Moon Exploration Company, Avalon Energy, LLC, and V & C Energy Limited Partnership of the liquidated damage assessment in the amount of \$106,600.00 levied on the late partial release of State Lease No. 17339, Lafourche Parish, Louisiana.

The third matter considered by the Committee was a request for final approval of an Operating Agreement presented by Pedernales Production, L.P., to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the State a State Production Interest equal to 21% before payout, increasing to 27% after payout in and to the Operating Tract, whereas operator desires and intends to re-establish production in the Pontchartrain No. 1 Well, containing 2.4 acres, more or less, covering a portion of former State Lease No. 374, St. Gabriel Field, Iberville Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 10-22.

Upon recommendation of the staff and upon motion of Mr. Smith, seconded by Mr. Cordaro, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of the Operating Agreement presented by Pedernales Production, L.P. on the docket as Item No. 10-22.

The fourth matter considered by the Committee was a request by Samson Contour Energy E&P, LLC to rescind the Release of State Lease No. 19623 filed into the records of Caldwell Parish as Registry No. 225187, in Oil & Gas Record Book 92, on Page 214 and that the rental payment made by Southwestern Energy on March 12, 2010 be accepted. Said release was inadvertently filed, and Samson Contour Energy E&P, LLC was unaware at the time of filing the release that a rental payment had been made.

Upon recommendation of the staff and upon motion of Ms. LeBlanc, seconded by Mr. Smith, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant the request of Samson Contour Energy E&P, LLC to rescind the Release of State Lease No. 19623.

The fifth matter considered by the Committee was a request by McMoRan Oil & Gas, LLC to temporarily deposit \$645.02 into the Registry of the Court potentially attributable to Caroline Senter Baker Trust No. 1 as it pertains to State Lease No. 18614, State Tract 37444, Bayou Carlin. McMoran Oil & Gas, LLC requests that this deposit be made for a period of thirty (30) days to permit time for the Trust to intervene and assert a claim in the litigation entitled: McMoRan Oil & Gas, LLC v. DC, Jr. Partnership, et al, 16th Judicial District Court, St. Mary Parish, Louisiana. If the Trust fails to intervene and assert a formal claim within the latter time period, McMoRan Oil & Gas, LLC will release the portion not in dispute to the State.

Upon recommendation of the staff and upon motion of Mr. Diez, seconded by Mr. Smith, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant the request of McMoRan Oil & Gas, LLC to temporarily deposit \$645.02 into the Registry of the Court potentially attributable to Caroline Senter Baker Trust No. 1 as it pertains to State Lease No. 18614, State Tract 37444, Bayou Carlin; that the deposit be made for a period of thirty (30) days to permit time for the Trust to intervene and assert a claim in the litigation entitled: McMoRan Oil & Gas, LLC v. DC, Jr. Partnership, et al, 16th Judicial District Court, St. Mary Parish, Louisiana; and if the Trust fails to intervene and assert a formal claim within the latter time period, McMoRan Oil & Gas, LLC will release the portion not in dispute to the State.

Upon motion of Mr. Smith, seconded by Mr. Cordaro, the Committee went into Executive Session at 10:06 a.m.

Upon motion of Mr. Smith, seconded by Mr. Diez, the Legal and Title Controversy Committee returned to open session at 10:48 a.m.

The sixth matter considered by the Committee was a discussion in executive session of the litigation entitled: McMoRan Oil & Gas, LLC v. DC, Jr. Partnership, et al, 16th Judicial District Court, St. Mary Parish, Louisiana.

Upon recommendation of the staff and upon motion of Mr. Segura, seconded by Mr. Cordaro, the Committee voted unanimously to recommend that the Board authorize the attorneys that are representing the State until the August 11, 2010 Mineral and Energy Board Meeting to negotiate a settlement of this matter or handle the concurcus proceeding as litigation.

The following matters, being the seventh through the nineteenth, were addressed by the Louisiana State Mineral and Energy Board as one:

The seventh matter considered by the Committee was a discussion in executive session of the litigation entitled: The Meridian Resource & Exploration, LLC, et al. v. Biloxi Marsh Lands Corporation and State Mineral Board of the State of Louisiana, Suit No. 103-427, 34th Judicial District Court, St. Bernard Parish, Louisiana.

The eighth matter considered by the Committee was a discussion in executive session of the litigation entitled: The Meridian Resource & Exploration, LLC, et al. v. Biloxi Marsh Lands Corporation and State Mineral Board of the State of Louisiana, Suit No. 114-572, 34th Judicial District Court, St. Bernard Parish, Louisiana.

The ninth matter considered by the Committee was a discussion in executive session of the litigation entitled: Manti-Jamba, Ltd., et al v. Biloxi Marsh Lands Corp., et al, Suit No. 98-192, 34th Judicial District Court, St. Bernard Parish, Louisiana.

The tenth matter considered by the Committee was a discussion in executive session of the litigation entitled: The Meridian Resource & Exploration, L.L.C., et al. v. Biloxi Marsh Lands Corp., et al, Suit No. 111-155, 34th Judicial District Court, St. Bernard Parish, Louisiana.

The eleventh matter considered by the Committee was a discussion in executive session of the litigation entitled: Cox Operating, L.L.C. v. State of Louisiana, Through the State Mineral Board and Biloxi Marsh Lands Corporation, Suit No. 106-190, 34th Judicial District Court, St. Bernard Parish, Louisiana.

The twelfth matter considered by the Committee was a discussion in executive session of the litigation entitled: The Meridian Resource & Exploration, LLC, et al. v. Biloxi Marsh Lands Corp., et al, Suit No. 103-460, 34th Judicial District Court, St. Bernard Parish, Louisiana.

The thirteenth matter considered by the Committee was a discussion in executive session of the litigation entitled: The Meridian Resource & Exploration, LLC, et al. v. Biloxi Marsh Lands Corp., et al, Suit No. 100-362, 34th Judicial District Court, St. Bernard Parish, Louisiana.

The fourteenth matter considered by the Committee was a discussion in executive session of the litigation entitled: The Meridian Resource & Exploration, LLC, et al. v. Biloxi Marsh Lands Corp., et al, Suit No. 102-512, 34th Judicial District Court, St. Bernard Parish, Louisiana.

The fifteenth matter considered by the Committee was a discussion in executive session of the litigation entitled: The Meridian Resource & Exploration, LLC, et al. v. Biloxi Marsh Lands Corp., et al, Suit No. 105-212, 34th Judicial District Court, St. Bernard Parish, Louisiana.

The sixteenth matter considered by the Committee was a discussion in executive session of the litigation entitled: The Meridian Resource & Exploration, LLC, et al. v. Biloxi Marsh Lands Corp., et al, Suit No. 105-857, 34th Judicial District Court, St. Bernard Parish, Louisiana.

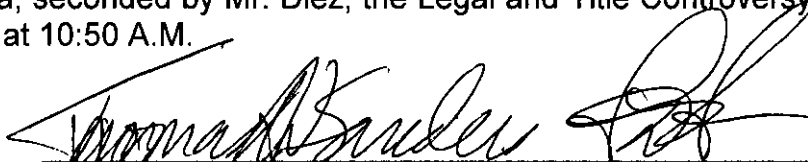
The seventeenth matter considered by the Committee was a discussion in executive session of the litigation entitled: The Meridian Resource & Exploration, LLC, et al. v. Biloxi Marsh Lands Corp., et al, Suit No. 105-685, 34th Judicial District Court, St. Bernard Parish, Louisiana.

The eighteenth matter considered by the Committee was a discussion in executive session of the litigation entitled: The Meridian Resource & Exploration, LLC, et al. v. Biloxi Marsh Lands Corp., et al, Suit No. 109-514, 34th Judicial District Court, St. Bernard Parish, Louisiana.

The nineteenth matter considered by the Committee was a discussion in executive session of the litigation entitled: The Meridian Resource & Exploration, LLC, et al. v. Biloxi Marsh Lands Corp., et al, Suit No. 105-684, 34th Judicial District Court, St. Bernard Parish, Louisiana.

Upon recommendation of the staff and upon motion of Mr. Segura, seconded by Mr. Diez, the Committee voted unanimously to recommend that the Board give Staff the authority to negotiate settlement of the litigation listed as Item 7 through 19 as an "in globo" type settlement.

On motion of Mr. Segura, seconded by Mr. Diez, the Legal and Title Controversy Committee meeting adjourned at 10:50 A.M.

A handwritten signature in black ink, appearing to read "Thomas W. Sanders", is written over a horizontal line. The signature is stylized and cursive.

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

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

WHEREAS, a request was made by Janus Gulf Coast Exploration LLC for the waiver of all or a portion of the liquidated damage assessment in the amount of \$14,500.00 levied on the late release of State Lease No. 19464, Ascension 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 Janus Gulf Coast Exploration LLC of the liquidated damage assessment in the amount of \$14,500.00 levied on the late release of State Lease No. 19464, Ascension 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 9th day of June, 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. Diez, the following resolution was offered and adopted:

WHEREAS, an appearance was made by Jamie S. Manual on behalf of the request of Noble Energy, Inc. and that of Bechtel Exploration Company, Big Hit Resources, Inc., Gulf Stream Properties, LLC, James M. Hancock, Jr., James A. Whitson, Martex Exploration, Inc., Prometheus Development, Inc., Renish Corporation, Southern Royalty Group, LLC, Main Energy, Inc., Geosky, Inc., Southern Bay Oil & Gas, LP, Zachry Exploration, LTD., Rock Creek Ranch II, LLC, Blue Moon Exploration Company, Avalon Energy, LLC, and V & C Energy Limited Partnership for the waiver of all or a portion of the liquidated damage assessment in the amount of \$106,600.00 levied on the late partial release of State Lease No. 17339, Lafourche 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 Noble Energy, Inc., Bechtel Exploration Company, Big Hit Resources, Inc., Gulf Stream Properties, LLC, James M. Hancock, Jr., James A. Whitson, Martex Exploration, Inc., Prometheus Development, Inc., Renish Corporation, Southern Royalty Group, LLC, Main Energy, Inc., Geosky, Inc., Southern Bay Oil & Gas, LP, Zachry Exploration, LTD., Rock Creek Ranch II, LLC, Blue Moon Exploration Company, Avalon Energy, LLC, and V & C Energy Limited Partnership of the liquidated damage assessment in the amount of \$106,600.00 levied on the late partial release of State Lease No. 17339, Lafourche 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 9th day of June, 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. Smith, seconded by Mr. Cordaro, the following resolution was offered and unanimously adopted:

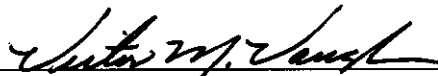
WHEREAS, a request was made for final approval of an Operating Agreement presented by Pedernales Production, L.P., to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the State a State Production Interest equal to 21% before payout, increasing to 27% after payout in and to the Operating Tract, whereas operator desires and intends to re-establish production in the Pontchartrain No. 1 Well, containing 2.4 acres, more or less, covering a portion of former State Lease No. 374, St. Gabriel Field, Iberville Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 10-22;

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 Operating Agreement presented by Pedernales Production, L.P. on the docket as Item No. 10-22.

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 9th day of June, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

WHEREAS, a request was made by Samson Contour Energy E&P, LLC to rescind the Release of State Lease No. 19623 filed into the records of Caldwell Parish as Registry No. 225187, in Oil & Gas Record Book 92, on Page 214 and that the rental payment made by Southwestern Energy on March 12, 2010 be accepted. Said release was inadvertently filed, and Samson Contour Energy E&P, LLC was unaware at the time of filing the release that a rental payment had been made;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the Louisiana State Mineral and Energy Board grant the request of Samson Contour Energy E&P, LLC to rescind the Release of State Lease No. 19623.

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 9th day of June, 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. Diez, seconded by Mr. Smith, the following resolution was offered and unanimously adopted:

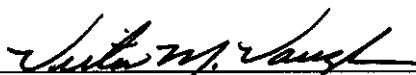
WHEREAS, a request was made by McMoRan Oil & Gas, LLC to temporarily deposit \$645.02 into the Registry of the Court potentially attributable to Caroline Senter Baker Trust No. 1 as it pertains to State Lease No. 18614, State Tract 37444, Bayou Carlin. McMoran Oil & Gas, LLC requests that this deposit be made for a period of thirty (30) days to permit time for the Trust to intervene and assert a claim in the litigation entitled: McMoRan Oil & Gas, LLC v. DC, Jr. Partnership, et al, 16th Judicial District Court, St. Mary Parish, Louisiana. If the Trust fails to intervene and assert a formal claim within the latter time period, McMoRan Oil & Gas, LLC will release the portion not in dispute to the State;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the Louisiana State Mineral and Energy Board grant the request of McMoRan Oil & Gas, LLC to temporarily deposit \$645.02 into the Registry of the Court potentially attributable to Caroline Senter Baker Trust No. 1 as it pertains to State Lease No. 18614, State Tract 37444, Bayou Carlin; that the deposit be made for a period of thirty (30) days to permit time for the Trust to intervene and assert a claim in the litigation entitled: McMoRan Oil & Gas, LLC v. DC, Jr. Partnership, et al, 16th Judicial District Court, St. Mary Parish, Louisiana; and if the Trust fails to intervene and assert a formal claim within the latter time period, McMoRan Oil & Gas, LLC will release the portion not in dispute to 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 9th day of June, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

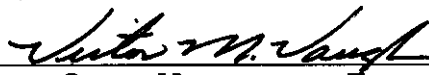
WHEREAS, a discussion in executive session of the litigation entitled: McMoRan Oil & Gas, LLC v. DC, Jr. Partnership, et al, 16th Judicial District Court, St. Mary Parish, Louisiana was held;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the Louisiana State Mineral and Energy Board authorize the attorneys that are representing the State until the August 11, 2010 Mineral and Energy Board Meeting to negotiate a settlement of this matter or handle the concurs proceeding as litigation.

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 9th day of June, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

WHEREAS, a discussion in executive session was held in regard to the following litigation:

The Meridian Resource & Exploration, LLC, et al. v. Biloxi Marsh Lands Corporation and State Mineral Board of the State of Louisiana, Suit No. 103-427, 34th Judicial District Court, St. Bernard Parish, Louisiana;

The Meridian Resource & Exploration, LLC, et al. v. Biloxi Marsh Lands Corporation and State Mineral Board of the State of Louisiana, Suit No. 114-572, 34th Judicial District Court, St. Bernard Parish, Louisiana;

Manti-Jamba, Ltd., et al v. Biloxi Marsh Lands Corp., et al, Suit No. 98-192, 34th Judicial District Court, St. Bernard Parish, Louisiana;

The Meridian Resource & Exploration, L.L.C., et al. v. Biloxi Marsh Lands Corp., et al, Suit No. 111-155, 34th Judicial District Court, St. Bernard Parish, Louisiana;

Cox Operating, L.L.C. v. State of Louisiana, Through the State Mineral Board and Biloxi Marsh Lands Corporation, Suit No. 106-190, 34th Judicial District Court, St. Bernard Parish, Louisiana;

The Meridian Resource & Exploration, LLC, et al. v. Biloxi Marsh Lands Corp., et al, Suit No. 103-460, 34th Judicial District Court, St. Bernard Parish, Louisiana;

The Meridian Resource & Exploration, LLC, et al. v. Biloxi Marsh Lands Corp., et al, Suit No. 100-362, 34th Judicial District Court, St. Bernard Parish, Louisiana;

The Meridian Resource & Exploration, LLC, et al. v. Biloxi Marsh Lands Corp., et al, Suit No. 102-512, 34th Judicial District Court, St. Bernard Parish, Louisiana;

The Meridian Resource & Exploration, LLC, et al. v. Biloxi Marsh Lands Corp., et al, Suit No. 105-212, 34th Judicial District Court, St. Bernard Parish, Louisiana;

The Meridian Resource & Exploration, LLC, et al. v. Biloxi Marsh Lands Corp., et al, Suit No. 105-857, 34th Judicial District Court, St. Bernard Parish, Louisiana;

The Meridian Resource & Exploration, LLC, et al. v. Biloxi Marsh Lands Corp., et al, Suit No. 105-685, 34th Judicial District Court, St. Bernard Parish, Louisiana;

The Meridian Resource & Exploration, LLC, et al. v. Biloxi Marsh Lands Corp., et al, Suit No. 109-514, 34th Judicial District Court, St. Bernard Parish, Louisiana; and

The Meridian Resource & Exploration, LLC, et al. v. Biloxi Marsh Lands Corp., et al, Suit No. 105-684, 34th Judicial District Court, St. Bernard 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 Louisiana State Mineral and Energy Board give Staff the authority to negotiate settlement of the litigation listed above as an "in globo" type settlement.

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 9th day of June, 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 10:48 a.m. on Wednesday June 9, 2010. Board Members present were Ms. Lori E. LeBlanc, standing in for Mr. Robert D. Harper, Mr. John C. "Juba" Diez, 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 6;

Approve the following: Docket Item Nos. 10-20, 10-21 and 10-22 on page 7;

Approve the following items upon recommendation of the Legal and Title Controversy Committee: Docket Item No. 10-23 on page 8;

Approve the following items upon approval of the Governor of Louisiana: Docket Item Nos. 10-24 and 10-25 on page 8.

Upon Motion of Mr. Arnold, 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. Arnold, and seconded by Mr. Cordaro, the committee voted unanimously to adjourn the meeting at 10:51 a.m.

Respectfully submitted,

A handwritten signature in black ink that reads "John C. 'Juba' Diez / cw". The signature is written over a horizontal line.

John C. "Juba" Diez

Chairman

Docket Review Committee

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Arnold 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 June 9, 2010 Meeting be approved, said instrument being an Assignment from Condor Petroleum, Inc. to XPLOR Energy SPV-I, Inc., of all of Assignor's right, title and interest in and to State Lease Nos. 1450, 1451, 1480, 14284 and 14589, Lafourche and Terrebonne Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 9th day of June, 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. Arnold 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 June 9, 2010 Meeting be approved, said instrument being an Assignment from The Rudman Partnership, Ltd., d/b/a The Rudman Partnership, W. R. (Trey) Sibley, III, James C. Trimble and Wolfe Rudman to XPLOR Energy SPV-1, Inc., of all of Assignor's right, title and interest in and to State Lease Nos. 1450, 1451, 1480, 14284 and 14589, Lafourche and Terrebonne Parishes, Louisiana, with further particulars being stipulated in the instrument.

XPLOR Energy SPV-1 is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 9th day of June, 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. Arnold 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 June 9, 2010 Meeting be approved, said instrument being an Assignment from Merit Energy Partners D-III, L.P., Merit Energy Partners E-III, L.P., Merit Energy Partners III, L.P., Merit Management partners I, L.P. and Merit Management Partners II, L.P. to Hilcorp Energy I, L.P., of all of Assignor's right, title and interest in and to State Lease No. 3258, Lafourche 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 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 9th day of June, 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. Arnold 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 June 9, 2010 Meeting be approved, said instrument being an Assignment from The Corcyra Corporation to Bois d'Arc Properties, LP, of all of Assignor's right, title and interest in and to State Lease No. 4708, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

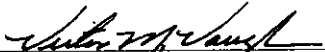
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 9th day of June, 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. Arnold 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 June 9, 2010 Meeting be approved, said instrument being an Assignment from Hall Petroleum Corporation, Hebert Investment Partnership, L.L.C. and G. David Garber, Jr. to Bois d'Arc Properties, L.P., of all of Assignor's right, title and interest in and to State Lease No. 4708, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

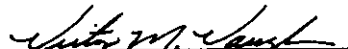
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 9th day of June, 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. Arnold 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 June 9, 2010 Meeting be approved, said instrument being an Assignment from Cox Oil Partners, Ltd. to Bois d'Arc Properties, LP, of all of Assignor's right, title and interest in and to State Lease No. 4708, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any 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 9th day of June, 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. Arnold 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 June 9, 2010 Meeting be approved, said instrument being an Assignment and Correction of Assignment from Latta Price Herring and Paige Price Franklin to Stone Energy Offshore, L.L.C., of all of Assignor's right, title and interest in and to State Lease No. 15074, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 9th day of June, 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. Arnold 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 June 9, 2010 Meeting be approved, said instrument being an Assignment from Specter Exploration, Inc. to ConocoPhillips Company, of all of Assignor's right, title and interest in and to State Lease Nos. 20067, 20072, 20205 and 20206, Lafourche and Terrebonne Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

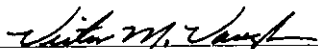
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 9th day of June, 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. Arnold 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 June 9, 2010 Meeting be approved, said instrument being an Assignment from B & L Exploration, L.L.C. to Kaiser-Francis Gulf Coast, Ltd., an undivided 25% interest in and to State Lease No. 19061, St. Bernard Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

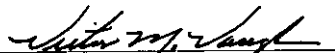
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 9th day of June, 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. Arnold 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 June 9, 2010 Meeting be approved, said instrument being an Assignment from St. Mary Land & Exploration Company to Abraxas Operating, L.L.C., of all of Assignor's right, title and interest in and to State Lease Nos. 5156 and 9314, Bienville Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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


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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 9th day of June, 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. Arnold 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 June 9, 2010 Meeting be approved, said instrument being an Assignment from Cypress Energy Corporation to Houston Energy, LP, of all of Assignor's right, title and interest in and to State Lease No. 20236, Jefferson and Lafourche Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 9th day of June, 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. Arnold 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 June 9, 2010 Meeting be approved, said instrument being an Assignment from LLOG Exploration Company, L.L.C. to LLTX, L.L.C., an undivided 37.5% of 8/8ths interest in and to State Lease Nos. 20048, 20049 and 20110, East and West Baton Rouge Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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


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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 21st day of June, 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. Arnold 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 June 9, 2010 Meeting be approved, said instrument being an Assignment from Peregrine Oil & Gas, L.P. to Davis Petroleum Corp., an undivided 12.5% of 8/8ths interest in and to State Lease No. 19438, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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


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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 9th day of June, 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. Arnold 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 June 9, 2010 Meeting be approved, said instrument being an Assignment from Classic Petroleum, Inc. to Chesapeake Louisiana, L.P., of all of Assignor's right, title and interest in and to State Lease Nos. 20258, 20259 and 20260, Caddo and DeSoto Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

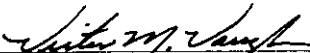
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 9th day of June, 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. Arnold 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 June 9, 2010 Meeting be approved, said instrument being an Assignment from Rosetta Resources Operating, LP to Davis Petroleum Corp., of all of Assignor's right, title and interest in and to State Lease No. 19438, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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


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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 9th day of June, 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. Arnold 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 June 9, 2010 Meeting be approved, said instrument being a Conversion whereby ORX Resources is converting its name to ORX Resources, L.L.C., affecting State Lease Nos. 451 and 2203, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

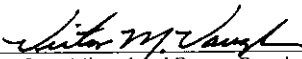
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 9th day of June, 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. Arnold 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 June 9, 2010 Meeting be approved, said instrument being an Assignment from Rosbottom Production Corp., of an undivided interest to the following in the proportions set out below:

Robert Kreidler, husband of	0.03255200000
Frances A. Kreidler	
Nitro Energy, L.L.C.	0.00250000000
Mjike Rogers Oil & Gas, Inc.	0.02843753962
Harold L. Rosbottom, Jr., husband of	0.05578130000
Leslie Fox Rosbottom	
Gene A. Sanders, husband of	0.05000000000
Evagene C. Sanders	
Sklarco, L.L.C.	0.14324662300
S&P Co.	0.14321167700
St. Mary Land & Exploration Co.	0.18750000000
Stroud Exploration Co., L.L.C.	0.02125000000
Weiser Brown Operating Co.	0.20000000000
The Whitney Corporation	0.12500000000
Chris Weiser, husband of	0.00401043020
Margo Weiser	

in and to Operating Agreement "A0158", Red River Parish, Louisiana, with further particulars being stipulated in the instrument. Rosbottom Production Corp. is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

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

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

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

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

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

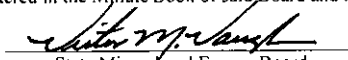
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 9th day of June, 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

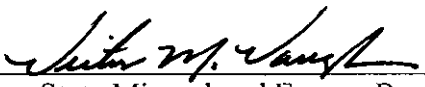
On motion of Mr. Arnold, seconded by Mr. Cordaro, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-20 from the June 9, 2010, Meeting be approved, said instrument being a Unitization Agreement presented by Cypress Energy Corporation, to create a 719.33 acre unit, more or less, identified as the “**MV VUA**”, with 496.17 acres attributable to State Lease No. 20237 and the remaining acreage being attributable to private ownership, 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 9th day of June, 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

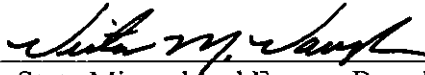
On motion of Mr. Arnold, seconded by Mr. Cordaro, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-21 from the June 9, 2010, Meeting be approved, said instrument being a Unitization Agreement presented by Bayou Resources, LLC, to create a 40.0 acre unit, more or less, identified as the “**VUB; Flowertree Et al #1**”, with 26.6 acres being attributable to State Lease No. 19724 and the remaining acreage being attributable to private ownership, Concordia 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 9th day of June, 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

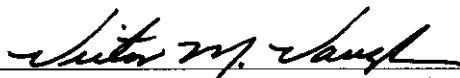
On motion of Mr. Arnold, seconded by Mr. Cordaro, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-22 from the June 9, 2010, Meeting be approved, said instrument being an Operating Agreement presented by Pedernales Production, L.P., to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the State a State Production Interest equal to 21% before payout, increasing to 27% after payout in and to the Operating Tract, whereas operator desires and intends to re-establish production in the Pontchartrain No. 1 Well, containing 2.4 acres, more or less, covering a portion of former State Lease No. 374, St. Gabriel Field, Iberville 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 9th day of June, 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. Arnold, 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. 10-23 from the June 9, 2010, Meeting be approved, said instrument being an Amendment of that certain Unitization Agreement, presented by Pedernales Production, LP, The Gray Exploration Company, Rivalake Holdings, L.L.C., Pedernales Energy, LLC and John A. Massoth, whereas said parties desire to amend the "VUA; Pontchartrain No. 1 Well", to include additional leases and land to be covered thereby, all as more fully set forth in the attached instrument, affecting Operating Agreement "A0314", Iberville 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 9th day of June, 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. Arnold, 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. 10-24 from the June 9, 2010, Meeting be approved subject to the approval of the Governor of Louisiana, said instrument being an Amendment of that certain Pooling Agreement, dated September 28, 1943, 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 said parties desire to add additional State Lease acreage to said Pooling Agreement, affecting State Lease Nos. 199 and 18167, 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

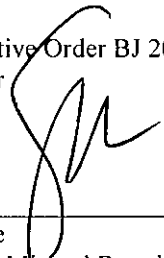
I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 9th day of June, 2010 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly 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

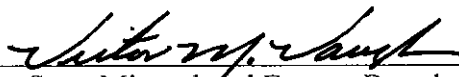
On motion of Mr. Arnold, seconded by Mr. Cordaro, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-25 from the June 9, 2010, Meeting be approved subject to the approval of the Governor of Louisiana, said instrument being an Amendment of that certain Pooling Agreement, dated November 12, 1947, 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 said parties desire to add additional State Lease acreage to said Pooling Agreement, affecting State Lease Nos. 188 and 19477, 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.

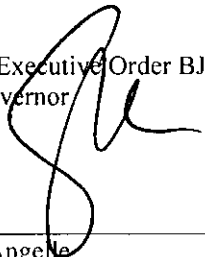
CERTIFICATE

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 9th day of June, 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

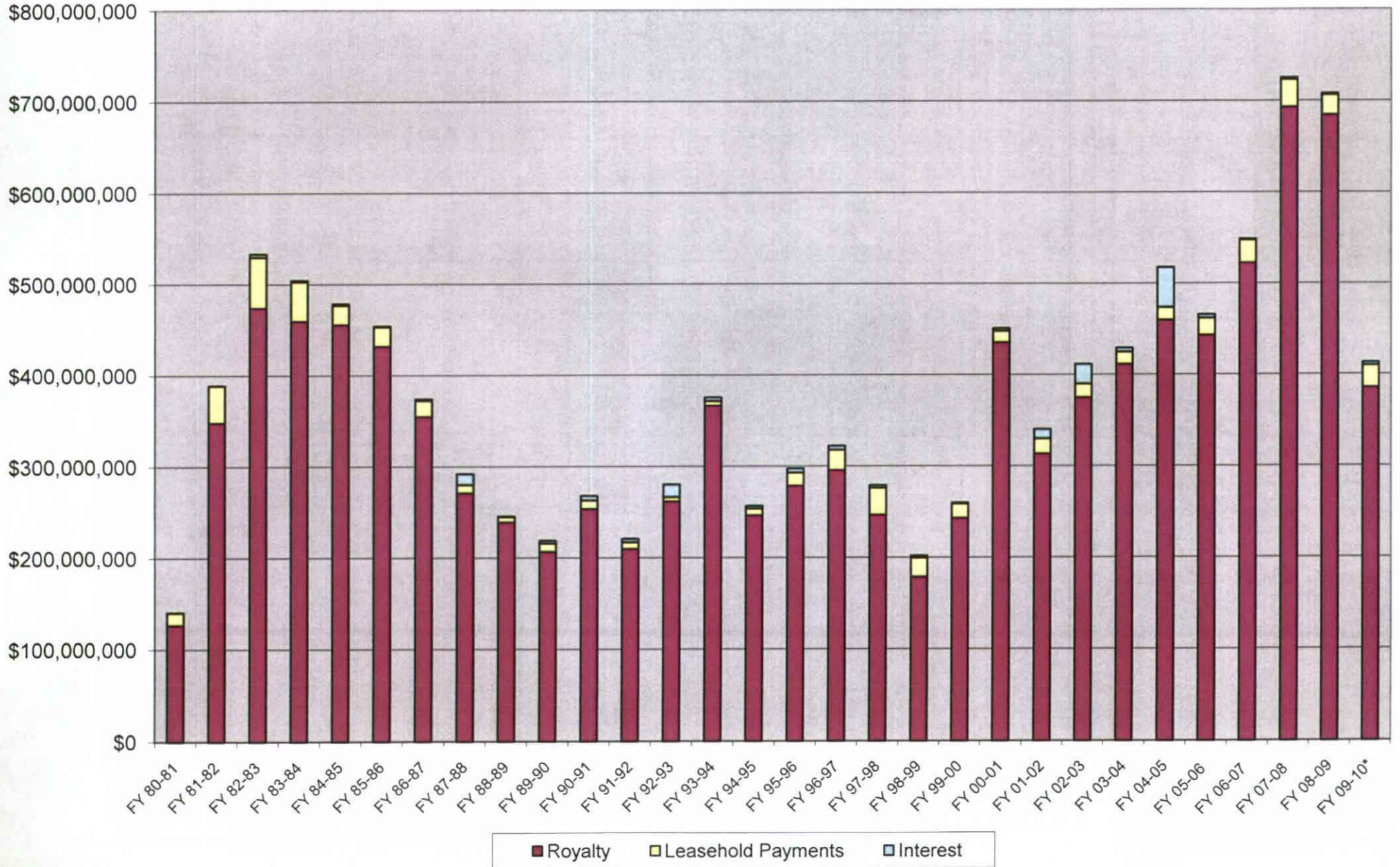
By: 

Scott A. Angelle
Chairman, State Mineral Board



Office of Mineral Resources
Mineral and Energy Board
Meeting
June 9, 2010

Historical Cash Receipts

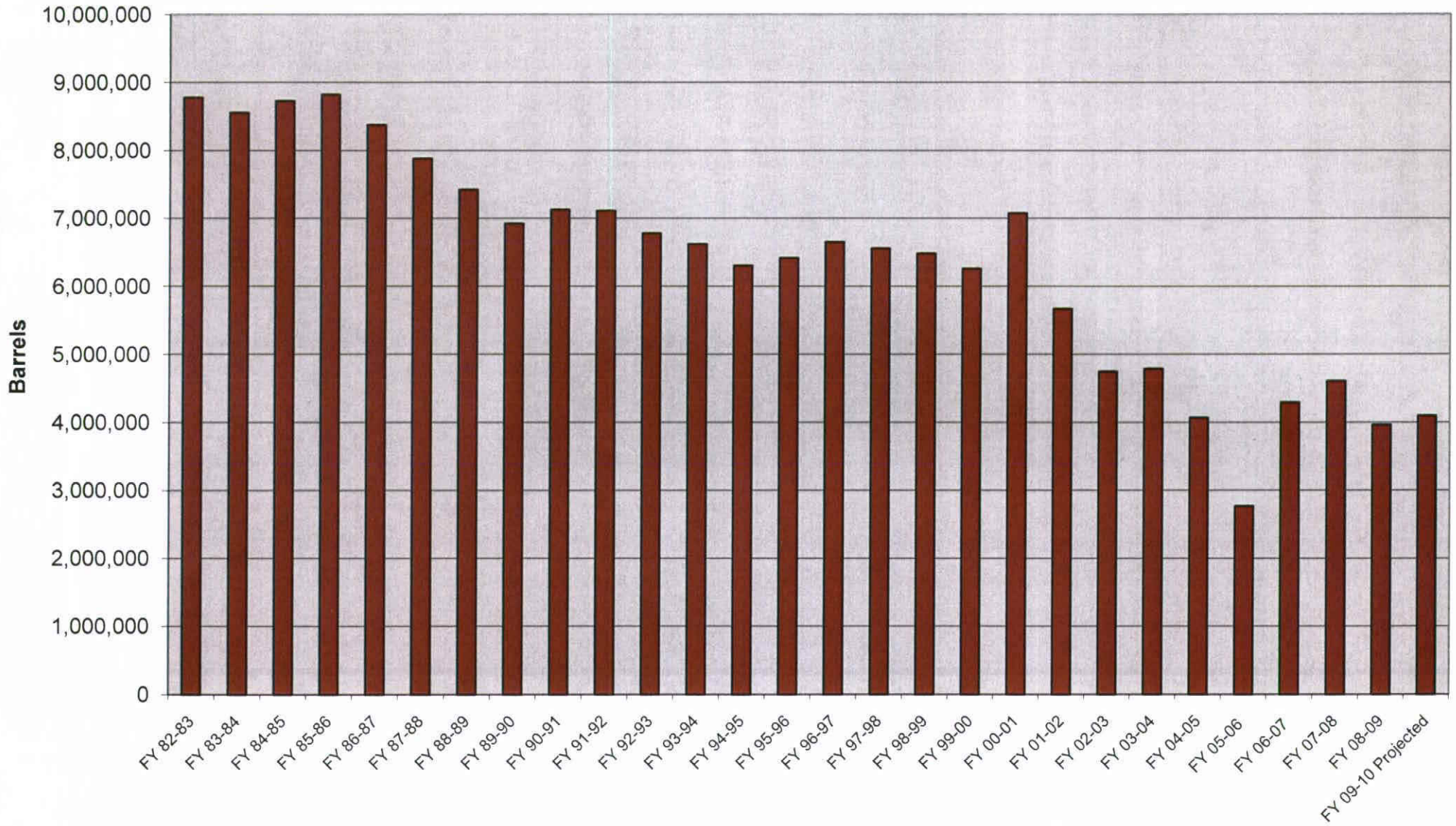


Historical Cash Receipts

	<u>Bonus</u>	<u>Royalty</u>	<u>Leasehold Payments</u>	<u>Interest</u>	<u>Total</u>	<u>Monthly Average</u>
FY 80-81	\$198,104,745	\$126,962,938	\$13,726,070	\$38,009	\$338,831,763	\$28,235,980
FY 81-82	\$131,117,077	\$348,027,422	\$40,948,515	\$265,203	\$520,358,217	\$43,363,185
FY 82-83	\$125,077,331	\$474,263,313	\$55,641,805	\$3,391,727	\$658,374,176	\$54,864,515
FY 83-84	\$44,758,460	\$459,698,249	\$43,255,022	\$1,524,256	\$549,235,986	\$45,769,665
FY 84-85	\$55,880,090	\$455,791,830	\$21,309,253	\$1,763,379	\$534,744,551	\$44,562,046
FY 85-86	\$61,170,201	\$431,815,874	\$21,511,753	\$1,113,371	\$515,611,199	\$42,967,600
FY 86-87	\$25,942,570	\$354,879,094	\$17,665,672	\$1,606,832	\$400,094,168	\$33,341,181
FY 87-88	\$12,353,802	\$271,257,912	\$8,929,753	\$11,979,478	\$304,520,945	\$25,376,745
FY 88-89	\$28,745,161	\$239,046,099	\$5,812,014	\$843,904	\$274,447,179	\$22,870,598
FY 89-90	\$14,566,153	\$206,720,056	\$9,269,143	\$3,222,195	\$233,777,547	\$19,481,462
FY 90-91	\$11,165,526	\$253,746,520	\$9,211,891	\$5,203,730	\$279,327,667	\$23,277,306
FY 91-92	\$6,434,397	\$209,901,054	\$7,311,704	\$3,921,211	\$227,568,366	\$18,964,030
FY 92-93	\$8,440,252	\$261,813,228	\$4,740,303	\$13,900,890	\$288,894,674	\$24,074,556
FY 93-94	\$12,717,182	\$366,476,927	\$4,991,838	\$4,217,741	\$388,403,688	\$32,366,974
FY 94-95	\$24,823,265	\$246,335,063	\$7,203,636	\$3,218,058	\$281,580,022	\$23,465,002
FY 95-96	\$32,593,416	\$278,760,461	\$14,298,740	\$4,561,045	\$330,213,662	\$27,517,805
FY 96-97	\$53,288,169	\$295,576,020	\$22,314,560	\$4,249,293	\$375,428,041	\$31,285,670
FY 97-98	\$50,493,823	\$246,741,067	\$29,645,527	\$2,740,889	\$329,621,306	\$27,468,442
FY 98-99	\$19,050,657	\$178,424,388	\$21,074,412	\$2,531,361	\$221,080,819	\$18,423,402
FY 99-00	\$18,569,755	\$242,898,371	\$15,915,901	\$1,091,752	\$278,475,778	\$23,206,315
FY 00-01	\$32,740,448	\$435,407,994	\$12,663,749	\$2,842,244	\$483,654,435	\$40,304,536
FY 01-02	\$23,694,681	\$313,406,688	\$16,272,288	\$10,490,957	\$363,864,614	\$30,322,051
FY 02-03	\$22,598,580	\$374,872,047	\$14,874,075	\$21,524,326	\$433,869,028	\$36,155,752
FY 03-04	\$25,978,167	\$411,350,277	\$13,474,503	\$4,304,885	\$455,107,832	\$37,925,653
FY 04-05	\$38,696,837	\$459,982,045	\$13,769,854	\$43,902,608	\$556,351,343	\$46,362,612
FY 05-06	\$37,995,175	\$443,298,720	\$18,494,328	\$3,910,046	\$503,698,269	\$41,974,856
FY 06-07	\$52,139,307	\$522,453,427	\$25,057,910	\$1,335,183	\$600,985,827	\$50,082,152
FY 07-08	\$61,175,021	\$693,034,893	\$29,820,735	\$2,322,081	\$786,352,730	\$65,529,394
FY 08-09	\$143,182,978	\$684,405,483	\$21,853,067	\$1,581,618	\$851,023,146	\$70,918,596
FY 09-10*	\$23,472,362	\$385,542,854	\$24,164,697	\$3,309,446	\$436,489,358	\$62,355,623
	\$1,396,965,587	\$10,672,890,312	\$565,222,719	\$166,907,717	\$12,801,986,335	
% of Total	11%	83%	4%	1%		

*Fiscal Year to date July 2009 - January 2010

Historical Oil Production

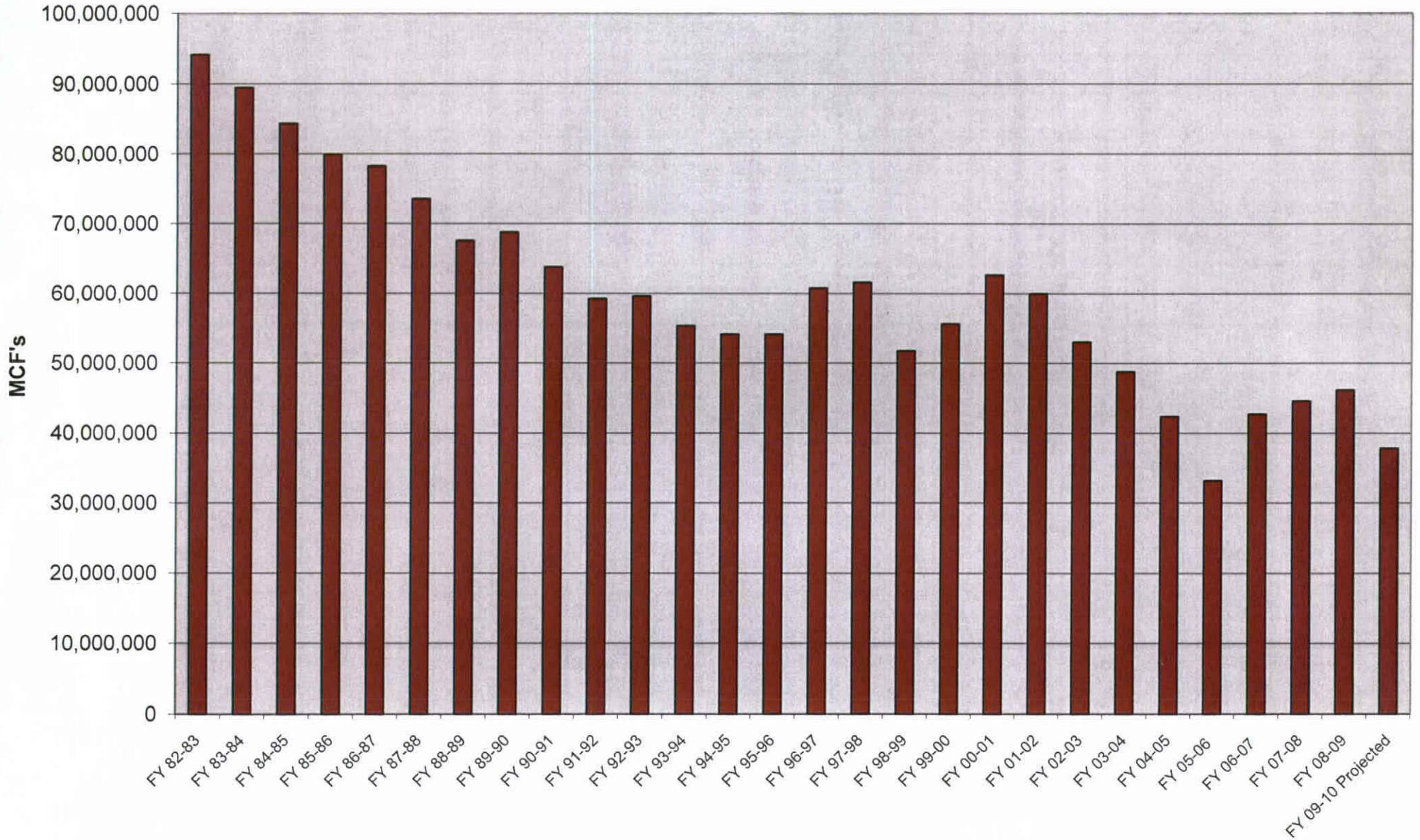


Oil Production

Historical Oil Production

	<u>Barrels</u>
FY 82-83	8,781,026
FY 83-84	8,558,474
FY 84-85	8,730,682
FY 85-86	8,824,976
FY 86-87	8,377,006
FY 87-88	7,882,985
FY 88-89	7,423,374
FY 89-90	6,925,937
FY 90-91	7,131,084
FY 91-92	7,112,144
FY 92-93	6,782,359
FY 93-94	6,621,212
FY 94-95	6,309,036
FY 95-96	6,418,023
FY 96-97	6,653,990
FY 97-98	6,561,424
FY 98-99	6,485,581
FY 99-00	6,264,810
FY 00-01	7,073,883
FY 01-02	5,670,120
FY 02-03	4,747,875
FY 03-04	4,790,574
FY 04-05	4,065,744
FY 05-06	2,766,635
FY 06-07	4,295,775
FY 07-08	4,610,142
FY 08-09	3,962,528
FY 09-10 Projected	4,097,813
	177,925,210
% of Total	2%

Historical Gas Production

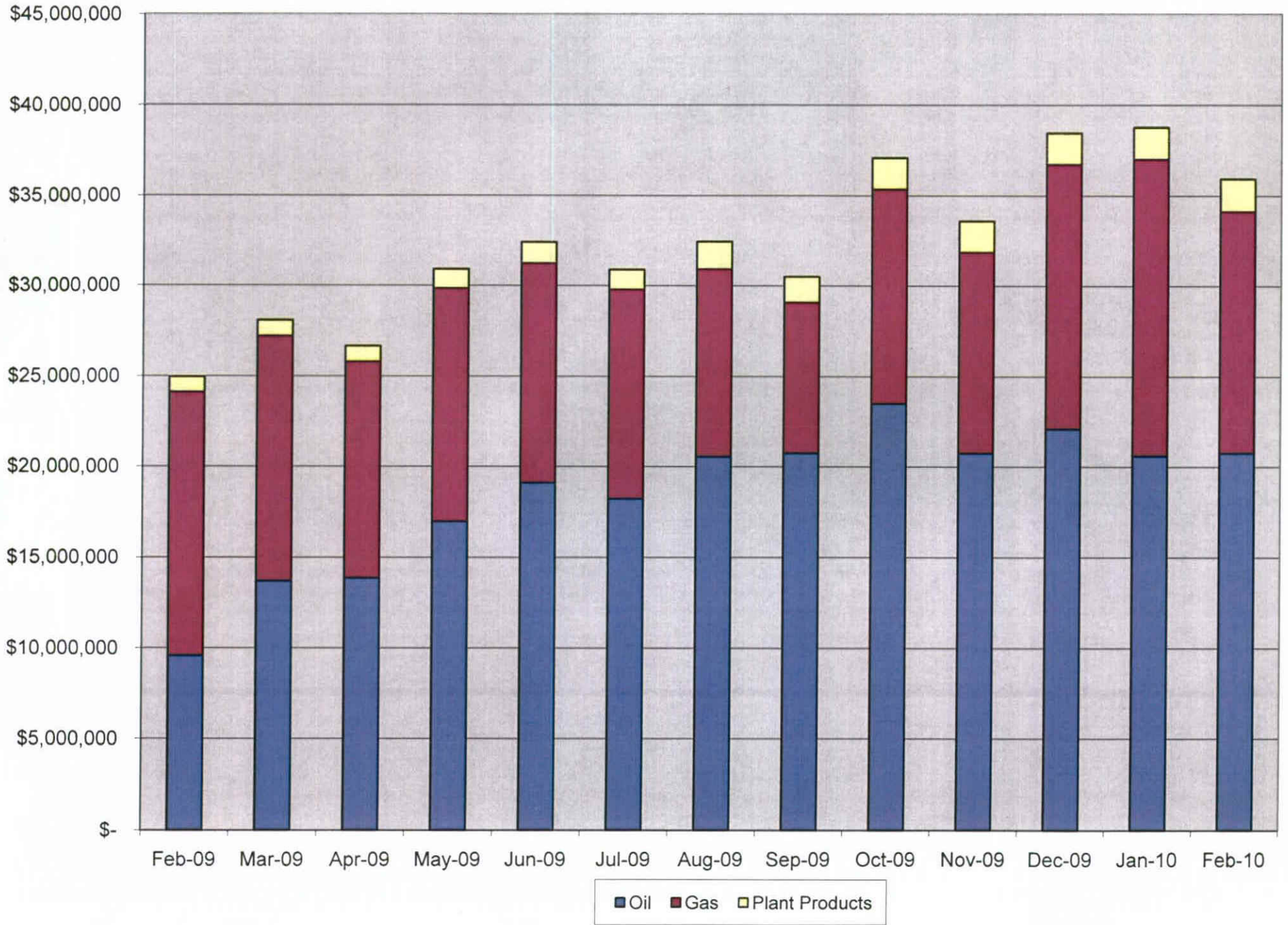


■ Gas Production

Historical Gas Production

	<u>MCF's</u>
FY 82-83	94,125,368
FY 83-84	89,454,160
FY 84-85	84,301,670
FY 85-86	79,934,040
FY 86-87	78,234,139
FY 87-88	73,532,729
FY 88-89	67,566,288
FY 89-90	68,771,995
FY 90-91	63,785,078
FY 91-92	59,265,715
FY 92-93	59,631,387
FY 93-94	55,353,141
FY 94-95	54,136,350
FY 95-96	54,136,350
FY 96-97	60,755,685
FY 97-98	61,613,141
FY 98-99	51,729,194
FY 99-00	55,650,030
FY 00-01	62,648,531
FY 01-02	59,989,148
FY 02-03	53,028,702
FY 03-04	48,754,276
FY 04-05	42,369,541
FY 05-06	33,179,715
FY 06-07	42,725,772
FY 07-08	44,599,366
FY 08-09	46,151,111
FY 09-10 Projected	37,822,425
	1,683,245,047
% of Total	2%

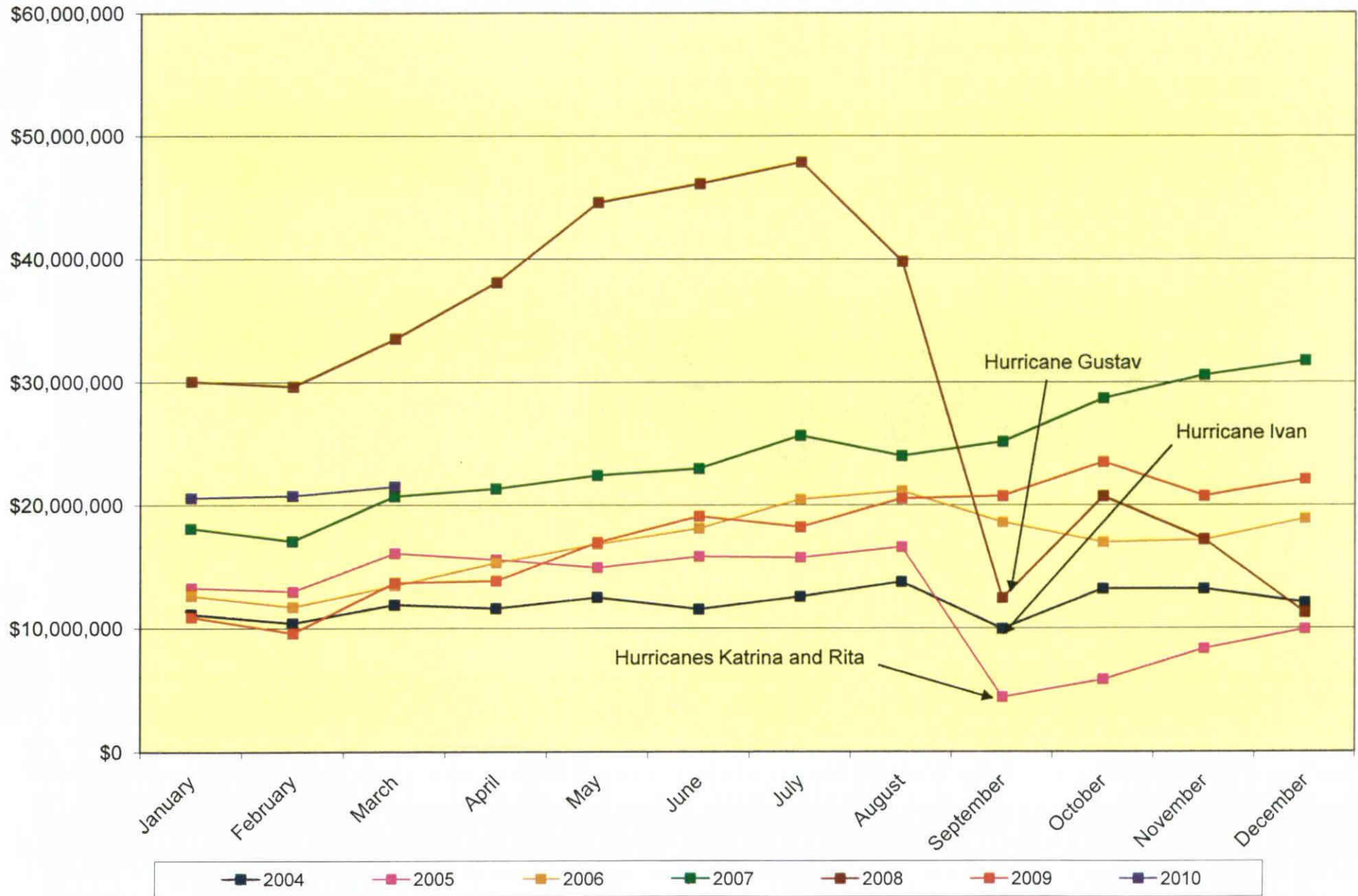
Royalty Collections by Disposition Month



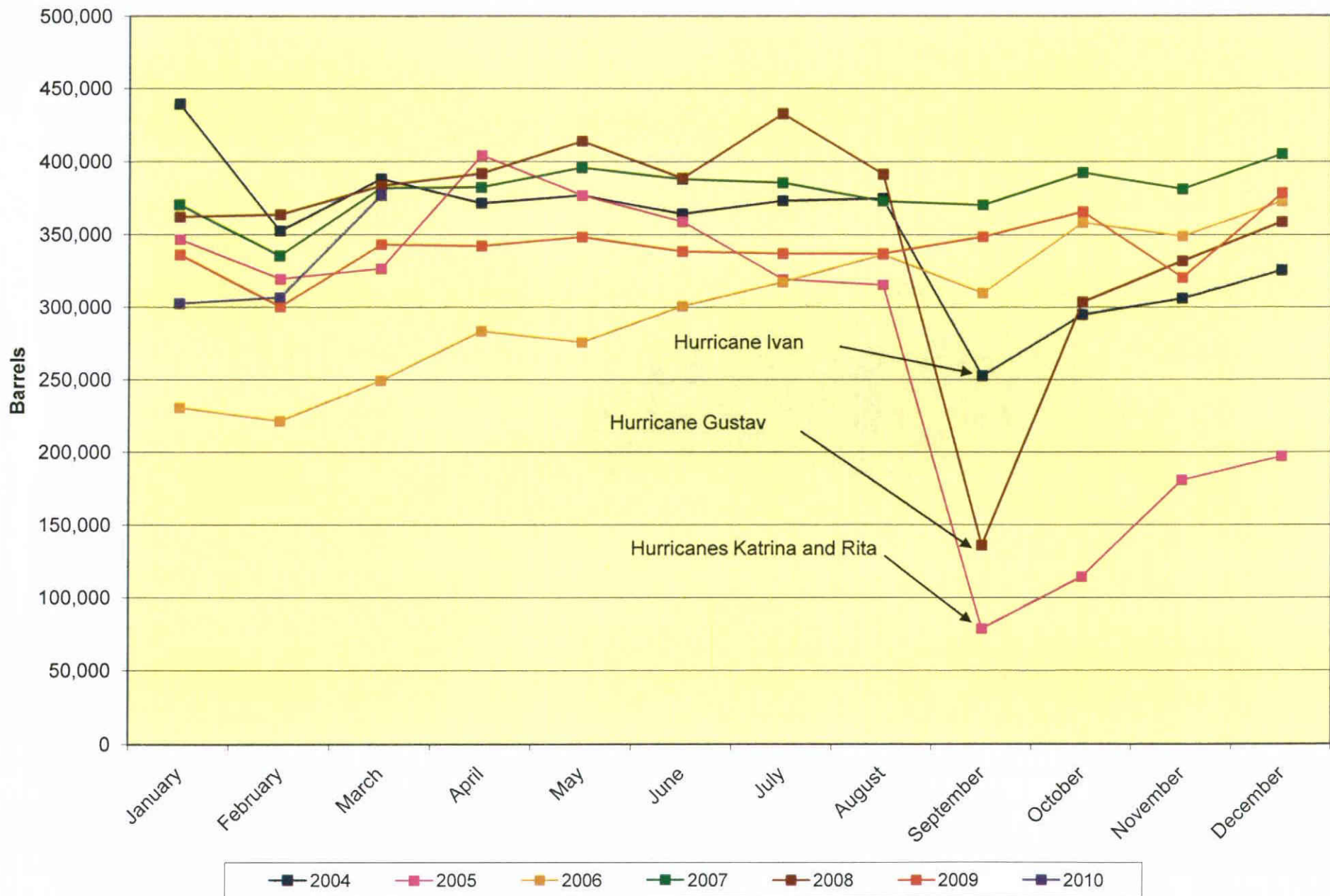
Royalty Collections by Disposition Month

<u>Disposition Month</u>	<u>Oil</u>	<u>Gas</u>	<u>Plant Products</u>	<u>Total</u>
February 2009	9,585,398.84	14,530,549.58	845,572.63	24,961,521.05
March 2009	13,692,997.01	13,531,576.72	871,593.02	28,096,166.75
April 2009	13,864,201.82	11,957,256.05	851,719.81	26,673,177.68
May 2009	16,986,421.36	12,864,570.35	1,062,286.74	30,913,278.45
June 2009	19,110,639.15	12,126,161.44	1,172,743.35	32,409,543.94
July 2009	18,229,003.16	11,566,002.42	1,091,492.65	30,886,498.23
August 2009	20,545,539.24	10,377,611.29	1,523,806.34	32,446,956.87
September 2009	20,741,013.95	8,349,328.31	1,416,197.04	30,506,539.30
October 2009	23,498,379.74	11,855,028.90	1,734,497.09	37,087,905.73
November 2009	20,749,528.06	11,122,857.25	1,718,804.87	33,591,190.18
December 2009	22,096,966.38	14,627,825.79	1,724,725.14	38,449,517.31
January 2010	20,591,584.17	16,424,945.80	1,746,366.93	38,762,896.90
February 2010	20,751,790.72	13,390,100.38	1,782,620.61	35,924,511.71
Total	\$ 240,443,463.60	\$ 162,723,814.28	\$ 17,542,426.22	\$ 420,709,704.10
% of Total	57%	39%	4%	

Oil Royalty by Disposition Month



Oil Volume by Disposition Month

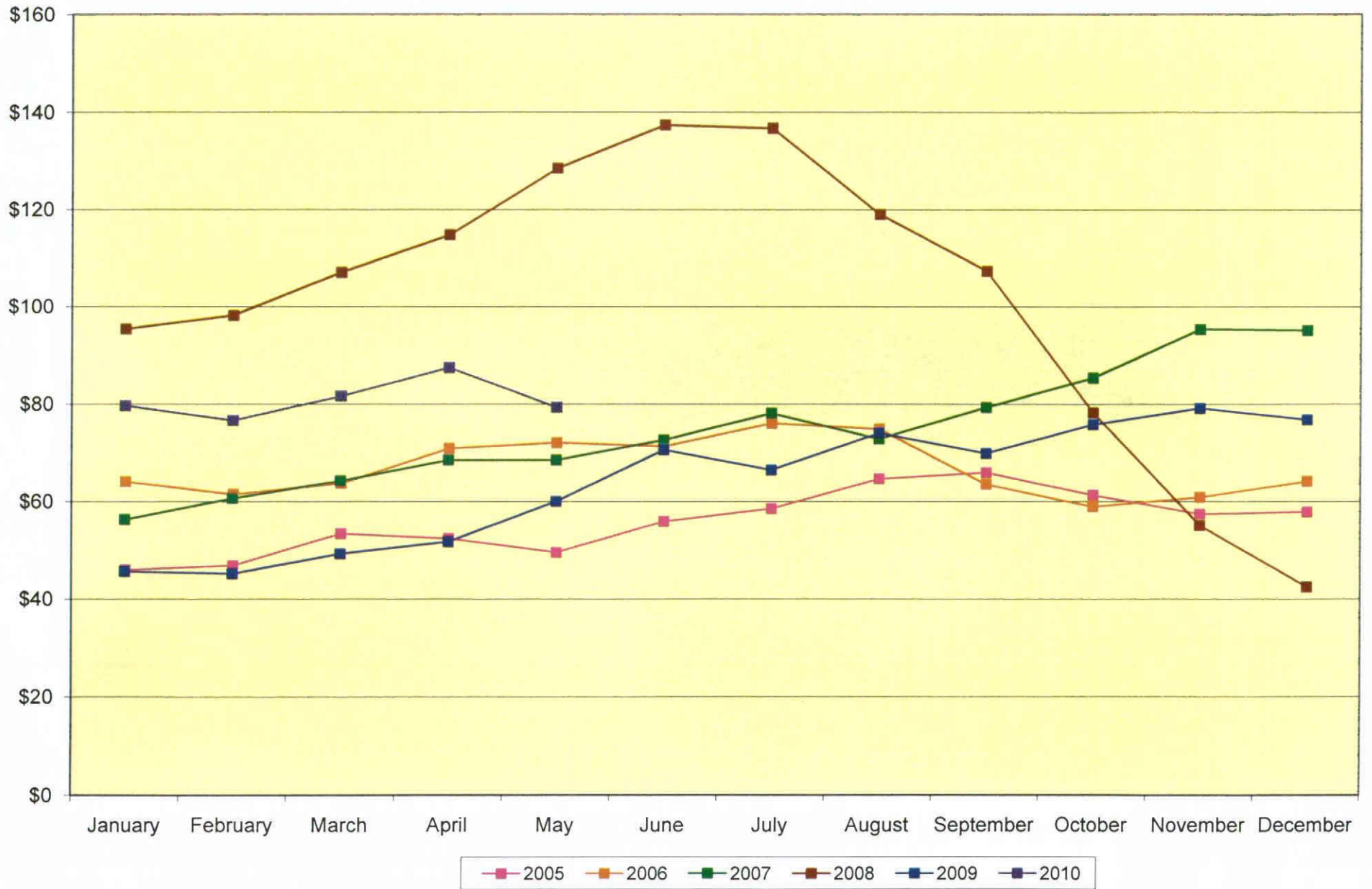


Oil Volume by Disposition Month

<u>Disposition Month</u>	<u>Barrels</u>
January 2004	439,528.9609
February 2004	352,554.1807
March 2004	388,250.3056
April 2004	371,664.9497
May 2004	376,944.4191
June 2004	364,373.3908
July 2004	373,376.3670
August 2004	374,957.0454
September 2004	252,648.3494
October 2004	294,836.0875
November 2004	306,161.9020
December 2004	325,615.3498
January 2005	346,534.8170
February 2005	319,401.7647
March 2005	326,574.1954
April 2005	404,282.7275
May 2005	376,916.3110
June 2005	358,886.3852
July 2005	319,254.6372
August 2005	315,616.4399
September 2005	78,702.6983
October 2005	114,538.4508
November 2005	180,921.8969
December 2005	197,290.8761
January 2006	230,553.1412
February 2006	221,290.4591
March 2006	249,233.3520
April 2006	283,338.5046
May 2006	275,598.7558
June 2006	300,558.2834
July 2006	317,273.1720
August 2006	336,148.3010
September 2006	309,714.7966
October 2006	358,167.3469
November 2006	348,876.4593
December 2006	372,942.6979
January 2007	370,281.8248
February 2007	335,002.0682
March 2007	381,695.4299
April 2007	382,188.8464
May 2007	395,660.5749
June 2007	387,823.8976
July 2007	385,323.3437
August 2007	372,838.2085
September 2007	370,203.7327
October 2007	392,399.2728
November 2007	381,051.7828
December 2007	405,116.9762
January 2008	362,028.9162
February 2008	363,579.0993
March 2008	383,395.2599
April 2008	391,785.1674
May 2008	413,883.9906
June 2008	388,535.8313
July 2008	432,797.4191
August 2008	391,266.5101
September 2008	136,163.8458
October 2008	303,557.5095
November 2008	331,737.3148
December 2008	358,822.0370
January 2009	336,053.1827
February 2009	300,309.2839
March 2009	343,078.2505
April 2009	342,132.8204
May 2009	348,272.6818
June 2009	338,336.7920
July 2009	337,016.8852
August 2009	337,024.8423
September 2009	348,547.7118
October 2009	365,819.5364
November 2009	320,445.1552
December 2009	378,593.1856
January 2010	302,470.6339
February 2010	306,602.5563
March 2010	376,839.6448

Oil Prices

Average of HLS Oil Spot at Empire Pla. Parish \$/bbl. and LLS Oil Spot at St. James Terminal \$/bbl.

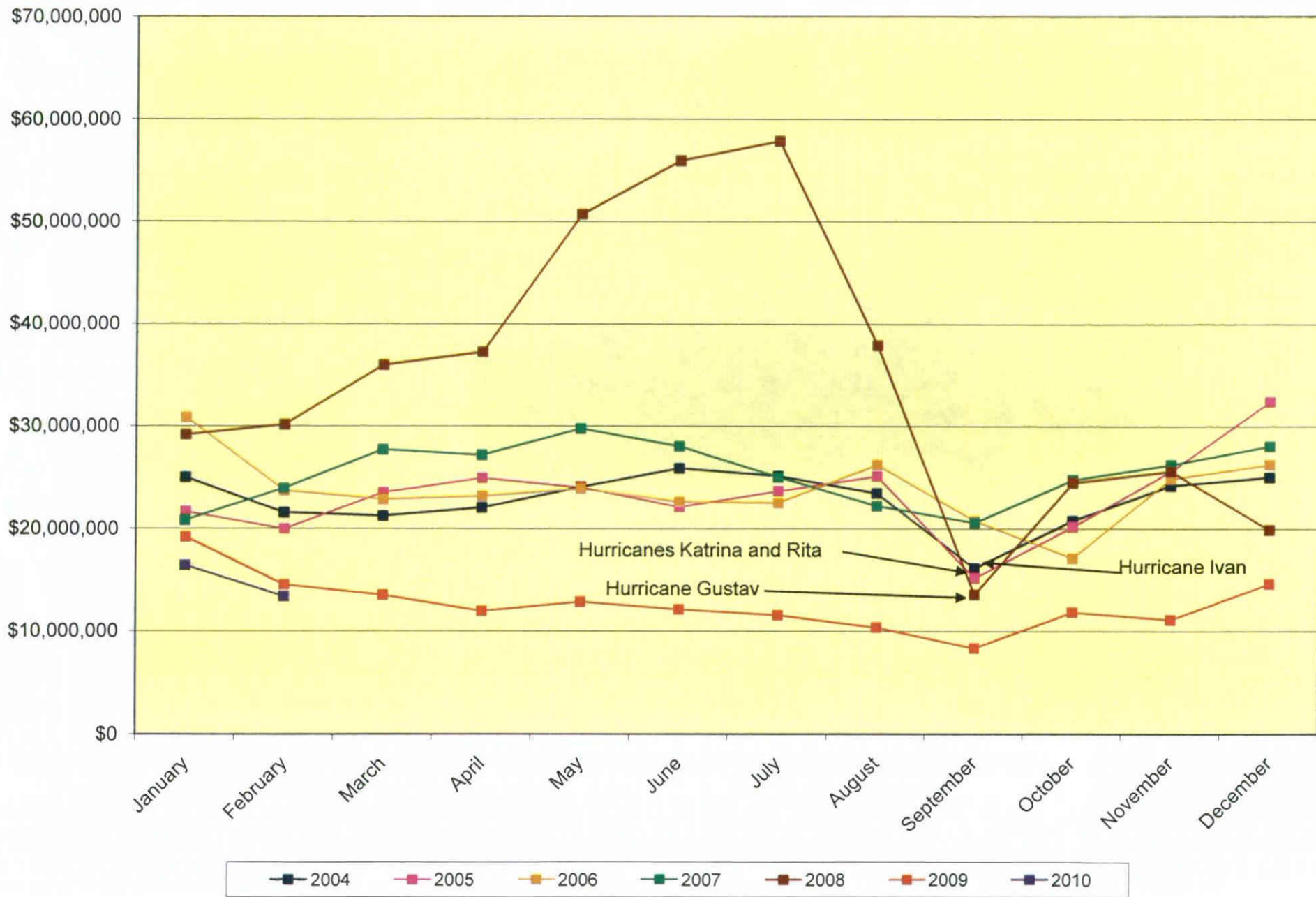


Monthly Average Oil Prices

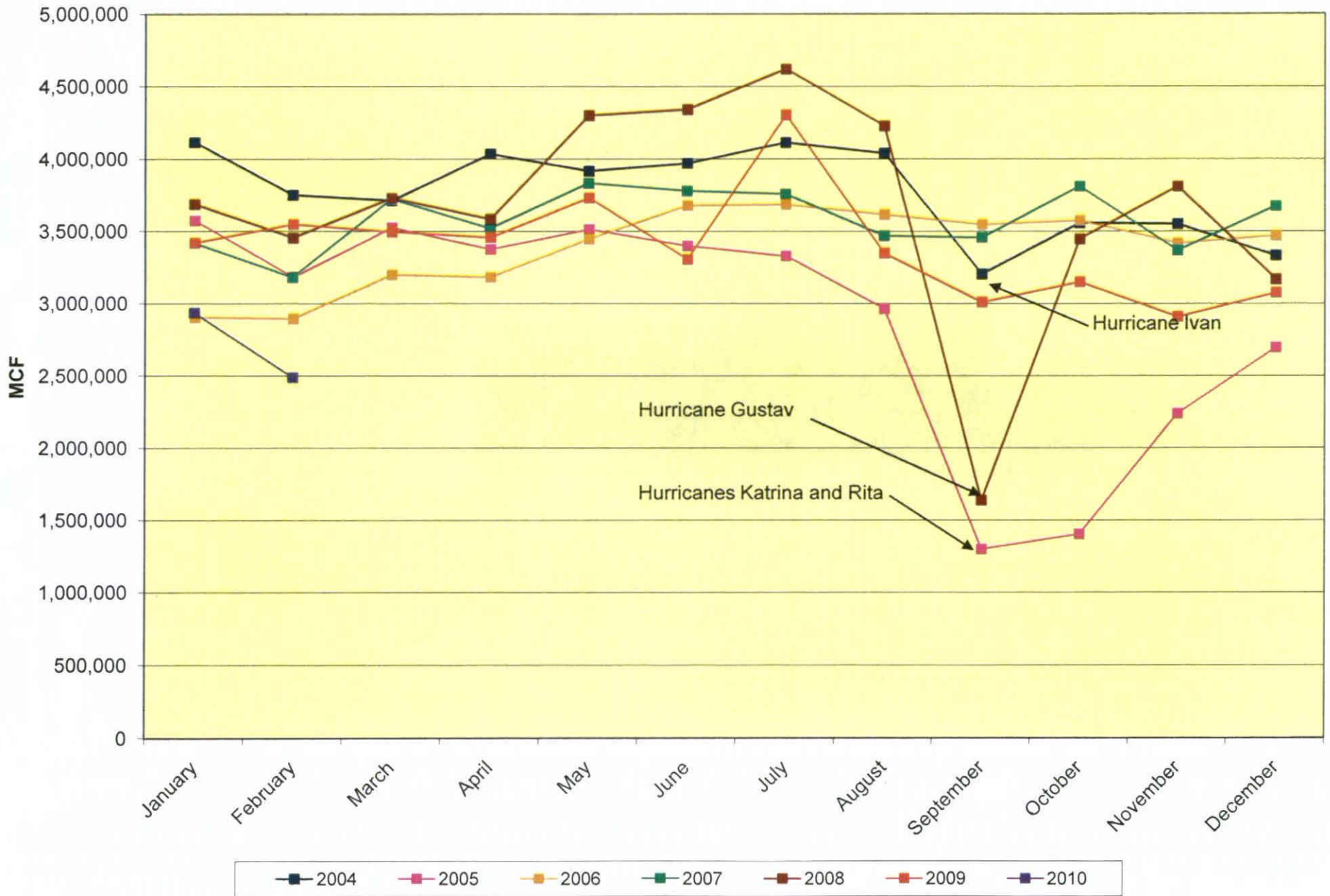
Jan-04	\$34.66
Feb-04	\$34.05
Mar-04	\$36.60
Apr-04	\$35.80
May-04	\$39.28
Jun-04	\$37.15
Jul-04	\$40.24
Aug-04	\$44.32
Sep-04	\$45.81
Oct-04	\$53.46
Nov-04	\$47.33
Dec-04	\$42.28
Jan-05	\$46.02
Feb-05	\$46.94
Mar-05	\$53.42
Apr-05	\$52.46
May-05	\$49.59
Jun-05	\$55.94
Jul-05	\$58.53
Aug-05	\$64.67
Sep-05	\$65.93
Oct-05	\$61.29
Nov-05	\$57.41
Dec-05	\$57.81
Jan-06	\$64.11
Feb-06	\$61.49
Mar-06	\$63.76
Apr-06	\$70.92
May-06	\$72.06
Jun-06	\$71.31
Jul-06	\$76.04
Aug-06	\$74.85
Sep-06	\$63.52
Oct-06	\$58.93
Nov-06	\$60.85
Dec-06	\$64.12
Jan-07	\$56.29
Feb-07	\$61.27
Mar-07	\$64.22
Apr-07	\$68.51
May-07	\$68.48
Jun-07	\$72.60
Jul-07	\$78.08
Aug-07	\$72.81
Sep-07	\$79.26
Oct-07	\$85.27
Nov-07	\$95.28
Dec-07	\$95.04
Jan-08	\$95.38
Feb-08	\$98.17
Mar-08	\$107.05
Apr-08	\$114.80
May-08	\$128.47
Jun-08	\$137.37
Jul-08	\$136.70
Aug-08	\$119.00
Sep-08	\$107.35
Oct-08	\$79.86
Nov-08	\$55.08
Dec-08	\$42.51
Jan-09	\$45.67
Feb-09	\$45.18
Mar-09	\$49.26
Apr-09	\$51.75
May-09	\$59.98
Jun-09	\$70.59
Jul-09	\$66.43
Aug-09	\$74.01
Sep-09	\$69.83
Oct-09	\$75.74
Nov-09	\$79.08
Dec-09	\$76.71
Jan-10	\$79.65
Feb-10	\$76.64
Mar-10	\$81.61
Apr-10	\$87.44
May-10	\$79.32

Source: Average of HLS Oil Spot @ Empire Plaq. Parish \$/bbl. and LLS Oil Spot @ St. James Terminal \$/bbl.

Gas Royalty by Disposition Month



Gas Volume by Disposition Month

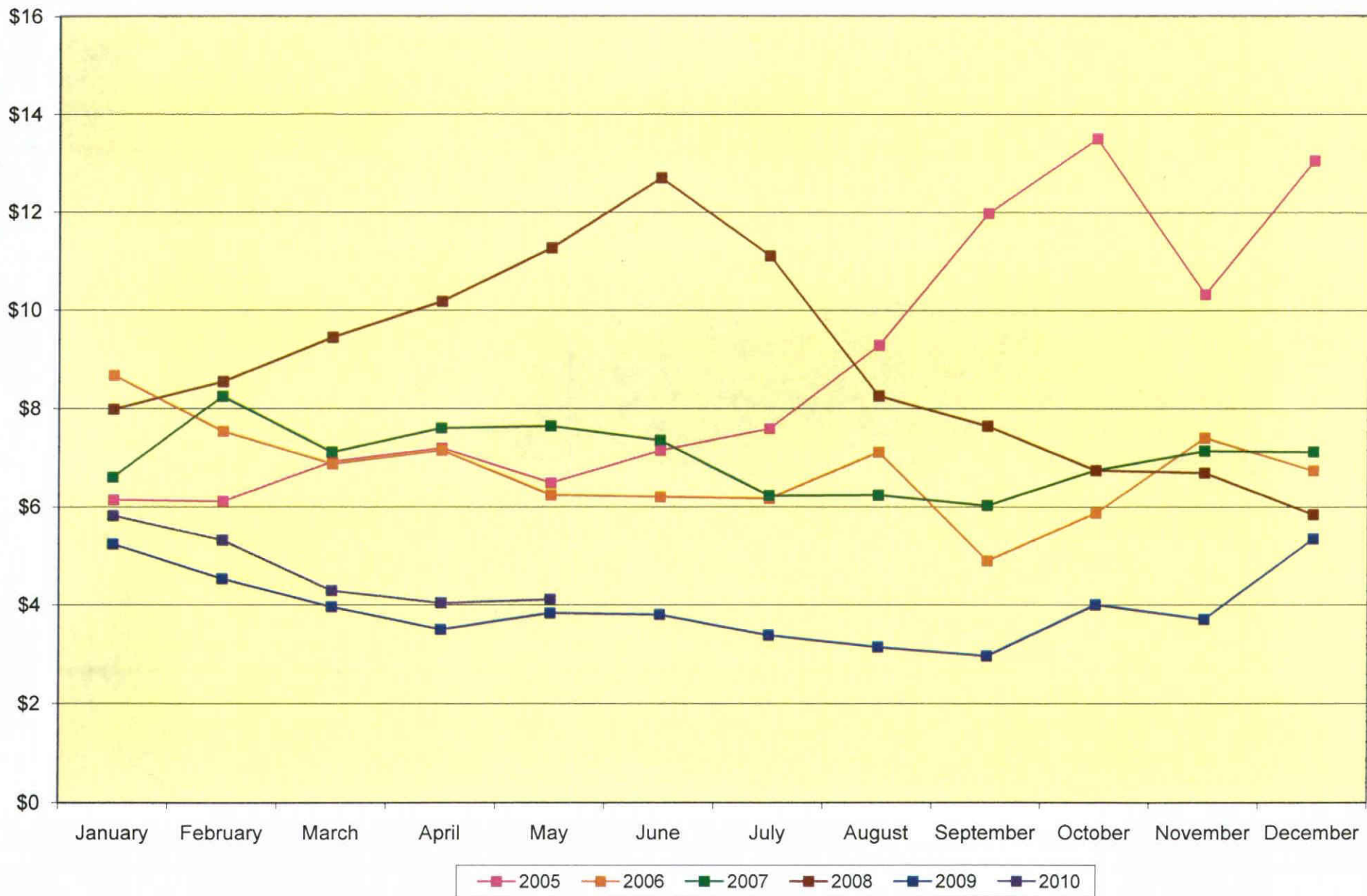


Gas Volume by Disposition Month

<u>Disposition Month</u>	<u>MCF</u>
January 2004	4,116,851.7031
February 2004	3,751,396.3749
March 2004	3,712,684.6945
April 2004	4,034,822.4874
May 2004	3,916,088.2692
June 2004	3,969,900.0143
July 2004	4,113,654.6443
August 2004	4,039,039.5326
September 2004	3,203,047.0172
October 2004	3,557,609.2440
November 2004	3,549,434.2038
December 2004	3,331,205.5308
January 2005	3,572,292.7624
February 2005	3,179,408.8827
March 2005	3,524,675.3742
April 2005	3,373,989.9785
May 2005	3,512,440.4707
June 2005	3,396,830.1710
July 2005	3,326,464.2787
August 2005	2,962,636.1525
September 2005	1,299,470.4761
October 2005	1,403,319.1284
November 2005	2,238,950.7428
December 2005	2,696,394.9614
January 2006	2,903,605.4539
February 2006	2,893,564.0591
March 2006	3,195,937.8564
April 2006	3,179,013.8634
May 2006	3,441,908.5053
June 2006	3,675,130.0272
July 2006	3,681,560.8937
August 2006	3,612,949.7915
September 2006	3,543,892.0727
October 2006	3,570,670.6822
November 2006	3,416,427.3444
December 2006	3,467,063.6852
January 2007	3,414,792.7943
February 2007	3,176,833.2949
March 2007	3,719,300.7448
April 2007	3,516,581.4494
May 2007	3,829,755.0412
June 2007	3,775,944.1289
July 2007	3,753,979.1360
August 2007	3,463,967.9670
September 2007	3,451,929.5078
October 2007	3,807,152.1088
November 2007	3,363,564.3933
December 2007	3,670,022.0009
January 2008	3,686,018.5465
February 2008	3,451,814.7758
March 2008	3,727,547.2665
April 2008	3,582,039.2670
May 2008	4,300,277.7009
June 2008	4,341,052.8413
July 2008	4,618,702.4909
August 2008	4,226,716.1268
September 2008	1,638,599.9348
October 2008	3,444,346.8587
November 2008	3,808,520.8183
December 2008	3,166,427.0365
January 2009	3,416,689.2473
February 2009	3,546,817.8072
March 2009	3,493,091.0156
April 2009	3,454,460.8840
May 2009	3,729,772.4979
June 2009	3,303,420.0625
July 2009	4,303,546.6053
August 2009	3,345,012.2947
September 2009	3,009,271.5647
October 2009	3,149,019.1782
November 2009	2,908,234.4888
December 2009	3,075,053.7363
January 2010	2,935,668.8136
February 2010	2,489,143.0943

Natural Gas Prices

Daily Cash Gas Prices at Henry Hub \$/mmbtu.

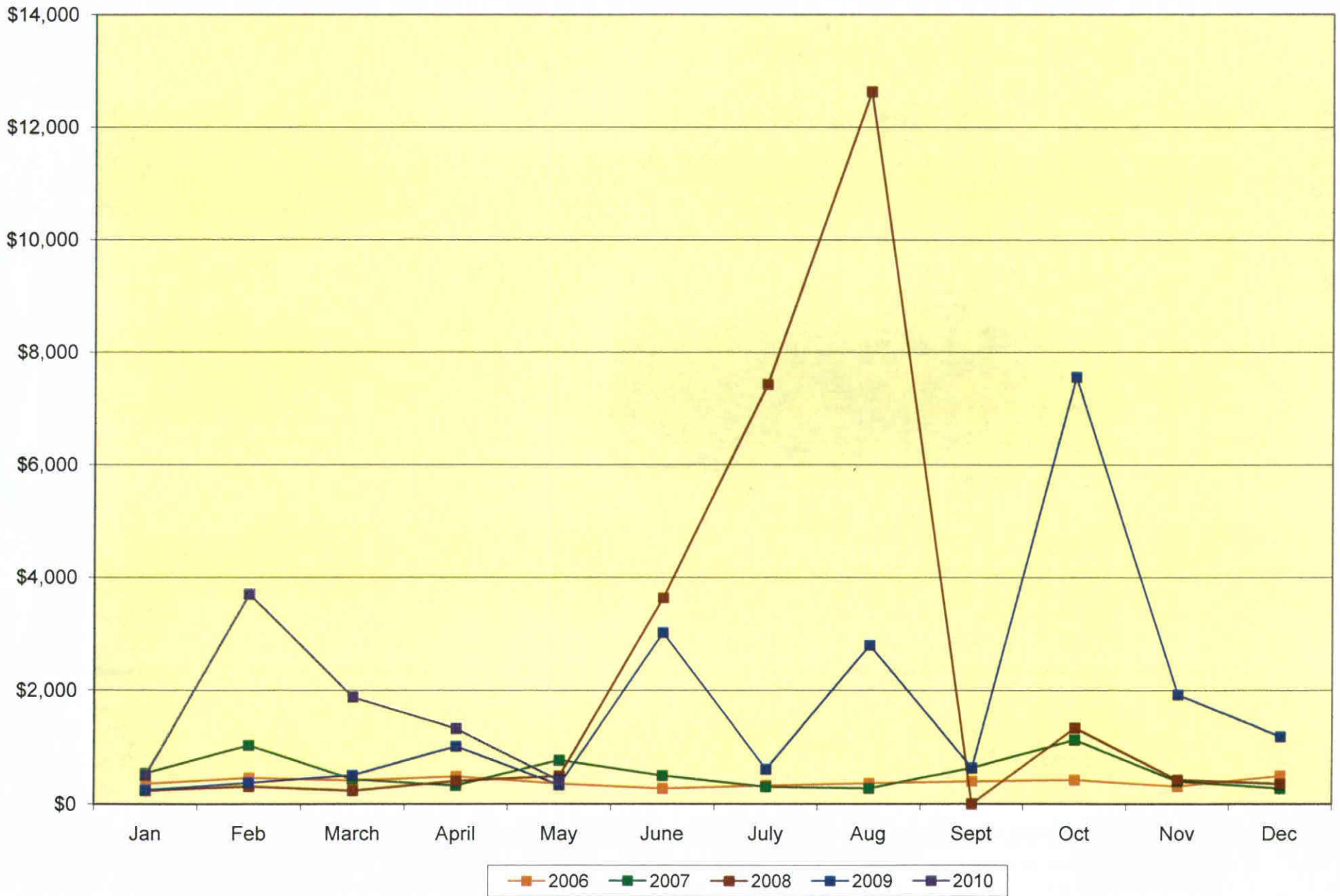


Monthly Average Gas Prices

Jan-04	\$6.1581
Feb-04	\$5.3982
Mar-04	\$5.3784
Apr-04	\$5.7004
May-04	\$6.3000
Jun-04	\$6.2916
Jul-04	\$5.9325
Aug-04	\$5.4506
Sep-04	\$5.0832
Oct-04	\$6.3392
Nov-04	\$6.1481
Dec-04	\$6.6166
Jan-05	\$6.1431
Feb-05	\$6.1124
Mar-05	\$6.9229
Apr-05	\$7.2004
May-05	\$6.4880
Jun-05	\$7.1507
Jul-05	\$7.5910
Aug-05	\$9.2947
Sep-05	\$11.9823
Oct-05	\$13.5015
Nov-05	\$10.3271
Dec-05	\$13.0519
Jan-06	\$8.6780
Feb-06	\$7.5332
Mar-06	\$6.8700
Apr-06	\$7.1500
May-06	\$6.2400
Jun-06	\$6.2000
Jul-06	\$6.1700
Aug-06	\$7.1100
Sep-06	\$4.9000
Oct-06	\$5.8700
Nov-06	\$7.4000
Dec-06	\$6.7300
Jan-07	\$6.6000
Feb-07	\$8.0100
Mar-07	\$7.1100
Apr-07	\$7.6100
May-07	\$7.6400
Jun-07	\$7.3500
Jul-07	\$6.2200
Aug-07	\$6.2300
Sep-07	\$6.0200
Oct-07	\$6.7400
Nov-07	\$7.1300
Dec-07	\$7.1100
Jan-08	\$7.9900
Feb-08	\$8.5500
Mar-08	\$9.4500
Apr-08	\$10.1800
May-08	\$11.2700
Jun-08	\$12.700
Jul-08	\$11.110
Aug-08	\$8.260
Sep-08	\$7.640
Oct-08	\$6.740
Nov-08	\$6.690
Dec-08	\$5.840
Jan-09	\$5.240
Feb-09	\$4.530
Mar-09	\$3.960
Apr-09	\$3.500
May-09	\$3.830
Jun-09	\$3.800
Jul-09	\$3.380
Aug-09	\$3.140
Sep-09	\$2.960
Oct-09	\$4.000
Nov-09	\$3.700
Dec-09	\$5.340
Jan-10	\$5.820
Feb-10	\$5.320
Mar-10	\$4.290
Apr-10	\$4.040
May-10	\$4.110

Source: Daily Cash Gas Prices @ Henry Hub \$/mmbtu.

Price Per Acre



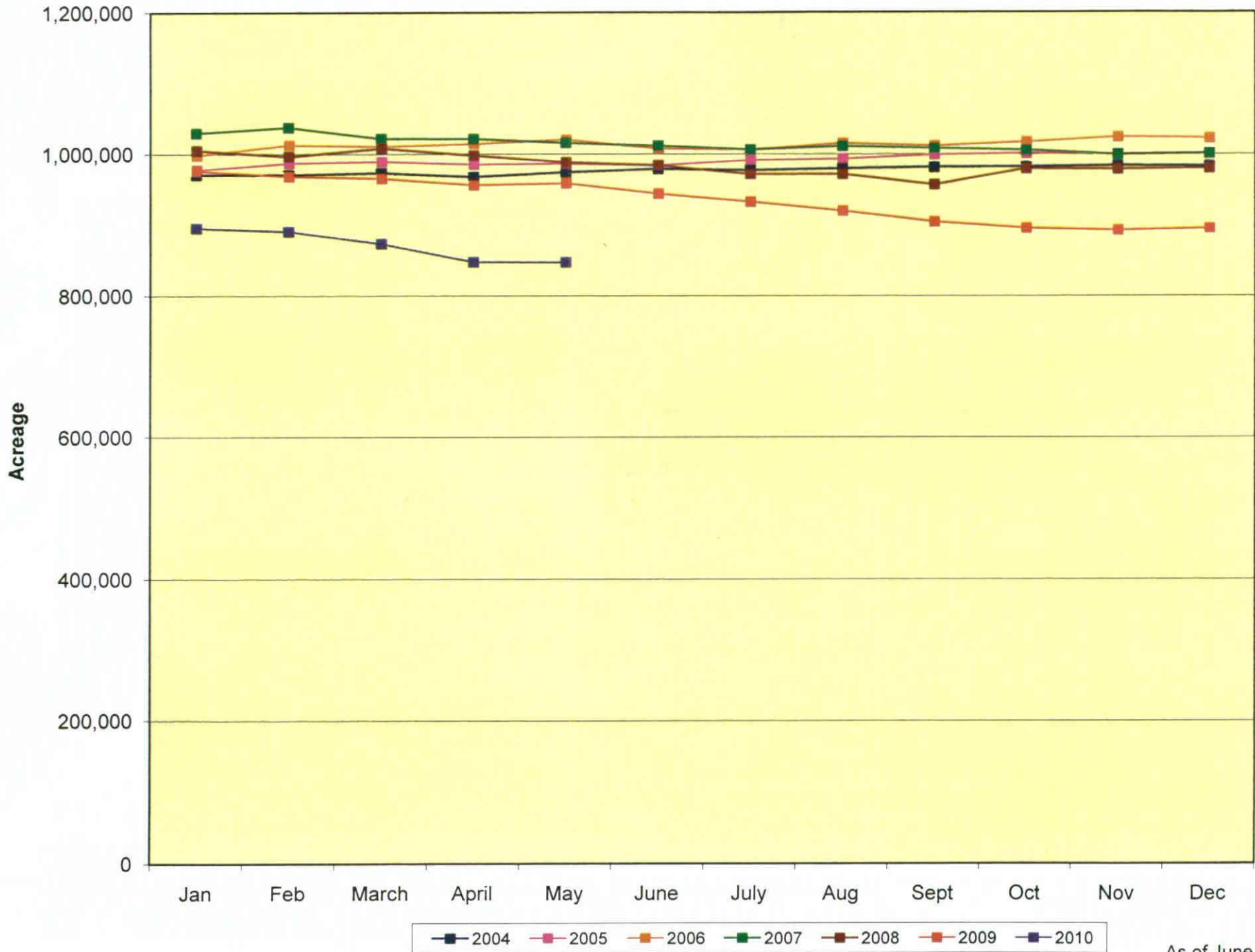
As of May 12, 2010 Lease Sale

Department of Natural Resources
Office of Mineral Resources
Lease Sale Statistics
For Calendar Years 2006, 2007, 2008, 2009 and 2010

<u>Month</u>	<u>No. of Tracts Nominated</u>	<u>No. of Acres Nominated</u>	<u>No. of Tracts with Bids</u>	<u>% of Nominated Tracts with Bids</u>	<u>No. of Leases</u>	<u>No. of Acres Leased</u>	<u>Total Bonuses</u>	<u>Price Per Acre</u>
January 2006	47	47,043.313	23	48.9%	26	4,329.743	\$1,537,320.39	\$355.06
February 2006	30	27,775.390	22	73.3%	21	4,893.650	\$2,259,041.24	\$461.63
March 2006	90	102,468.214	33	36.7%	35	11,677.774	\$4,813,881.28	\$412.23
April 2006	68	71,781.410	28	41.2%	30	6,467.852	\$3,141,523.23	\$485.71
May 2006	97	120,198.400	30	30.9%	31	16,817.780	\$6,025,369.95	\$358.27
June 2006	38	31,183.565	23	60.5%	21	3,267.685	\$890,923.62	\$272.65
July 2006	46	61,199.576	17	37.0%	19	4,912.022	\$1,590,293.21	\$323.76
August 2006	98	144,142.110	37	37.8%	47	11,769.250	\$4,274,006.81	\$363.15
September 2006	48	44,760.880	26	54.2%	23	5,029.740	\$2,004,961.50	\$398.62
October 2006	53	36,007.870	28	52.8%	28	4,383.700	\$1,846,724.83	\$421.27
November 2006	93	84,329.325	43	46.2%	38	16,457.630	\$5,058,312.37	\$307.35
December 2006	72	58,722.376	37	51.4%	42	4,490.056	\$2,214,236.41	\$493.14
January 2007	44	43,615.048	23	52.3%	22	8,504.439	\$4,569,069.37	\$537.26
February 2007	61	68,927.865	36	59.0%	39	10,701.885	\$11,078,923.37	\$1,035.23
March 2007	37	55,261.795	19	51.4%	23	5,996.295	\$2,567,201.33	\$428.13
April 2007	58	60,473.270	22	37.9%	24	10,087.120	\$3,250,525.86	\$322.25
May 2007	77	67,181.820	40	51.9%	44	6,303.810	\$4,844,311.64	\$768.47
June 2007	99	159,363.198	31	31.3%	31	8,098.128	\$4,008,594.40	\$495.00
July 2007	90	87,101.800	25	27.8%	27	8,524.270	\$2,529,957.38	\$296.79
August 2007	83	112,945.771	29	34.9%	28	10,786.901	\$2,892,575.29	\$268.16
September 2007	45	34,768.700	14	31.1%	14	3,083.300	1,936,243.01	\$627.98
October 2007	47	41,694.079	16	34.0%	18	5,381.189	\$6,035,465.69	\$1,121.59
November 2007	43	38,583.240	22	51.2%	19	3,024.469	\$1,171,854.94	\$387.46
December 2007	51	50,406.500	26	51.0%	24	9,097.200	\$2,413,328.16	\$265.28
January 2008	59	58,403.266	24	40.7%	19	5,503.936	\$1,304,223.48	\$238.96
February 2008	28	11,245.630	13	46.4%	13	1,407.700	\$433,826.75	\$308.18
March 2008	115	155,146.880	49	42.6%	42	17,154.460	\$3,959,010.21	\$230.79
April 2008	59	57,118.060	29	49.2%	24	3,471.292	\$1,409,967.24	\$406.18
May 2008	46	40,455.817	27	58.7%	20	4,675.363	\$2,287,897.78	\$489.35
June 2008	81	52,441.540	61	75.3%	38	9,852.020	\$35,829,909.81	\$3,636.81
July 2008	67	75,779.603	38	56.7%	29	6,568.763	\$48,806,966.78	\$7,430.16
August 2008	72	31,893.030	72	100.0%	51	7,432.760	\$93,831,700.03	\$12,624.07
September 2008	-	-	-	0.0%	-	-	\$0.00	
October 2008	367	245,850.305	142	38.7%	128	32,685.321	\$43,559,940.38	\$1,332.71
November 2008	155	105,638.110	53	34.2%	41	8,925.374	\$3,757,649.92	\$421.01
December 2008	142	112,087.562	50	35.2%	29	4,268.826	\$1,501,254.23	\$351.68
January 2009	77	105,817.220	24	31.2%	18	3,594.670	\$880,837.75	\$245.04
February 2009	28	34,140.230	24	85.7%	16	1,612.750	\$604,287.82	\$374.69
March 2009	45	41,747.130	6	13.3%	6	2,681.870	\$1,356,772.99	\$505.91
April 2009	64	69,340.560	20	31.3%	9	760.070	\$773,943.34	\$1,018.25
May 2009	62	47,678.369	28	45.2%	30	11,306.490	\$3,758,375.82	\$332.41
June 2009	11	6,524.502	11	100.0%	11	477.502	\$1,441,487.29	\$3,018.81
July 2009	49	49,772.731	25	51.0%	25	5,308.001	\$3,236,428.98	\$609.73
August 2009	43	12,610.401	45	104.7%	31	2,621.833	\$7,324,454.38	\$2,793.64
September 2009	5	1,339.892	3	60.0%	3	47.092	\$29,932.00	\$635.61
October 2009	46	17,609.762	57	123.9%	29	1,604.742	\$12,131,040.07	\$7,559.50
November 2009	25	19,754.790	17	68.0%	13	1,382.026	\$2,654,065.89	\$1,920.42
December 2009	67	70,732.918	51	76.1%	40	8,016.328	\$9,445,466.55	\$1,178.28
January 2010	53	38,771.489	39	73.6%	31	8,109.459	\$4,099,665.49	\$505.54
February 2010	20	6,217.261	27	135.0%	13	1,704.241	\$6,303,884.98	\$3,698.94
March 2010	23	18,752.018	24	104.3%	16	2,570.538	\$4,826,740.56	\$1,877.72
April 2010	63	19,388.408	64	101.6%	48	2,614.421	\$3,471,860.47	\$1,327.97
May 2010	63	61,447.218	18	28.6%	17	4,380.874	\$1,820,157.40	\$415.48

SONRIS Source Reports:
Lease Sale Summary
Lease Sale Fiscal Year
YTD Tracts and Acreage Report
Lease Sale Statistics

State Acreage Under Lease

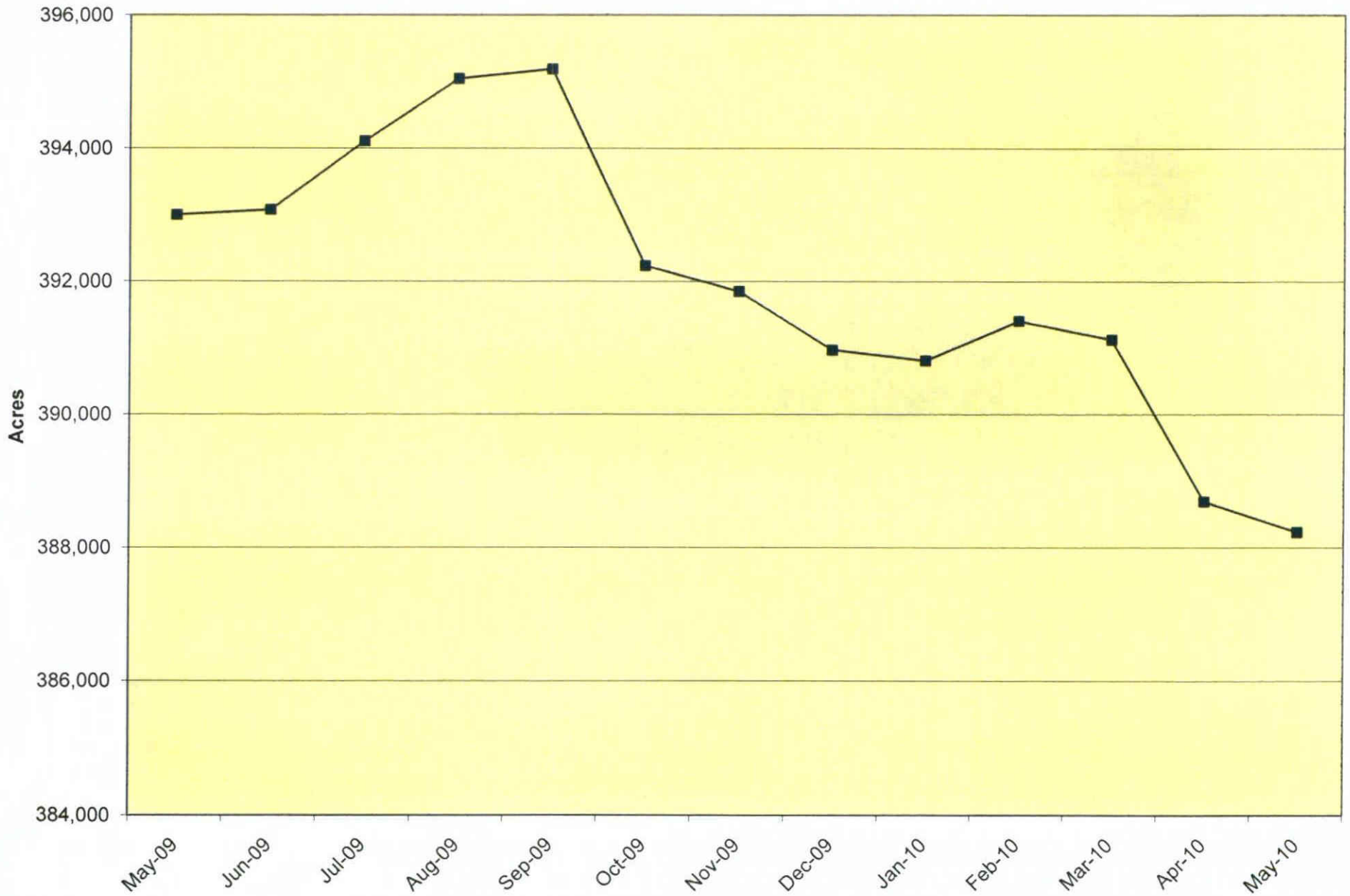


As of June 1, 2010

State Acreage Under Lease

<u>Month/Year</u>	<u>Acreage</u>
January 2004	970,647
February 2004	970,566
March 2004	973,551
April 2004	967,958
May 2004	974,311
June 2004	978,972
July 2004	977,175
August 2004	979,727
September 2004	981,595
October 2004	981,936
November 2004	983,547
December 2004	982,793
January 2005	977,687
February 2005	987,060
March 2005	989,296
April 2005	985,526
May 2005	986,287
June 2005	984,084
July 2005	991,395
August 2005	993,569
September 2005	999,285
October 2005	1,001,031
November 2005	999,714
December 2005	1,000,881
January 2006	997,605
February 2006	1,012,059
March 2006	1,010,201
April 2006	1,014,111
May 2006	1,019,784
June 2006	1,007,301
July 2006	1,005,887
August 2006	1,015,199
September 2006	1,011,473
October 2006	1,016,921
November 2006	1,023,932
December 2006	1,022,243
January 2007	1,028,925
February 2007	1,036,953
March 2007	1,021,053
April 2007	1,020,861
May 2007	1,015,199
June 2007	1,011,179
July 2007	1,005,474
August 2007	1,010,699
September 2007	1,007,599
October 2007	1,004,799
November 2007	998,681
December 2007	1,000,171
January 2008	1,004,555
February 2008	996,060
March 2008	1,007,716
April 2008	997,694
May 2008	987,990
June 2008	983,981
July 2008	971,662
August 2008	971,764
September 2008	956,861
October 2008	979,642
November 2008	978,571
December 2008	980,177
January 2009	975,858
February 2009	968,268
March 2009	965,586
April 2009	956,319
May 2009	958,778
June 2009	944,169
July 2009	932,690
August 2009	920,007
September 2009	904,586
October 2009	895,792
November 2009	892,551
December 2009	895,270
January 2010	895,294
February 2010	890,479
March 2010	873,504
April 2010	847,680
May 2010	847,259

Productive Acres



Productive Acres

<u>Month/Year</u>	<u>Acres</u>
May 2009	392,998
June 2009	393,076
July 2009	394,111
August 2009	395,043
September 2009	395,187
October 2009	392,235
November 2009	391,851
December 2009	390,973
January 2010	390,813
February 2010	391,410
March 2010	391,132
April 2010	388,695
May 2010	388,234